

POSITIVITY  
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CUSTOMER  
**CENTRAL PATTANA**  
CHAMPION  
COMMUNITY  
AT HEART

Financial Report 2020  
(56-1 One Report)

# Central Pattana Public Company Limited

Location	32 <sup>nd</sup> Floor, Central World Offices, 999/9 Rama I Road, Patumwan Sub-District, Patumwan District, Bangkok 10330, Thailand
Telephone	+66 (0) 2667 5555
Corporate Website	<a href="http://www.centralpattana.co.th">www.centralpattana.co.th</a>
Registration No.	0107537002443
Establishment	June 17, 1980
Listed on the Stock Exchange of Thailand (SET)	March 1, 1995
Business Overview	Develop and invest in retail property for rent comprising large-scale shopping centers 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.
Contacts	<b>Company Secretary</b> Telephone: +66 (0) 2667 5555 Ext. 1665 1684 1685 1686 and 1687 Email: <a href="mailto:co.secretary@centralpattana.co.th">co.secretary@centralpattana.co.th</a> <b>Investor Relations</b> Telephone: +66 (0) 2667 5555 Ext. 1614 1632 and 1688 Email: <a href="mailto:ir@centralpattana.co.th">ir@centralpattana.co.th</a>
Shareholders' Meeting	The Annual General Meeting (AGM) will be held on April 30, 2021 at 2.00 p.m. via electronics means (E-AGM).

**CENTRALPATTANA**

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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, 2020.

**Mr. Suthichai Chirathivat**  
Chairman

**Mr. Preecha Ekkunagul**  
Director  
President & CEO

# 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 2020, 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 2020 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.

Revenue recognition	
Refer to Note 4 (s) and 5 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. In 2020, the Group considered to provide rental discounts to tenants in shopping centers that has effect from the COVID-19 outbreak. Such transactions were lease modification and had material amounts.</p> <p>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"> <li>- 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;</li> <li>- 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;</li> <li>- 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;</li> <li>- 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 discount, collection; and</li> <li>- assessing the adequacy of the disclosure in accordance with the related Thai Financial Reporting Standards.</li> </ul>

#### *Emphasis of Matter*

- 1) I draw attention to note 3 to the financial statements which describe the impact of the adoption of certain new accounting policies from 1 January 2020 on the Group.
- 2) I draw attention to note 5 to the financial statements which describe the impact of the COVID-19 outbreak on the Group's and the Company's business together with management's plan to address these circumstances, and the adoption of the guidance on temporary accounting relief measures providing additional accounting options for the treatment of the impact of COVID-19 outbreak in the financial statements for the year ended 31 December 2020.

My opinion is not modified in respect of those matters.

### *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  
18 February 2021

# Central Pattana Public Company Limited and its Subsidiaries

## Statement of financial position

Assets	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2020	2019	2020	2019
(in Baht)					
<b>Current assets</b>					
Cash and cash equivalents	7	7,218,687,997	2,053,237,349	6,156,826,415	649,670,842
Trade accounts receivable	6, 31	3,571,263,150	1,355,706,522	2,387,223,030	997,821,590
Other receivables	6	2,057,258,780	3,606,333,839	1,153,827,033	1,520,065,160
Real estate development for sales	8, 18	9,032,387,201	8,361,607,398	-	-
Short-term loans to related parties	6	-	-	83,212,196	32,176,407
Other current financial assets - investments in equity and debt instruments (2019: Current investments)	31	2,006,244,162	1,001,374,831	426,500,747	537,300,004
<b>Total current assets</b>		<b>23,885,841,290</b>	<b>16,378,259,939</b>	<b>10,207,589,421</b>	<b>3,737,034,003</b>
<b>Non-current assets</b>					
Other non-current financial assets - investments in equity and debt instruments (2019: Long-term investments in related parties and other long-term investments)	31	1,955,956,969	1,756,375,684	1,187,909,480	1,494,028,984
Restricted bank deposits	18	1,000,000	1,000,000	-	-
Investments in subsidiaries and fund	10	-	-	30,653,089,348	28,022,904,562
Investments in associates	9	5,730,869,437	7,357,462,849	7,963,673,686	7,886,680,686
Investments in joint ventures	9	2,454,331,140	4,809,159,317	318,689,900	287,324,900
Advance payment for shares	6	-	2,309,616,000	-	2,309,616,000
Finance lease receivable	6, 33	16,397,781,538	-	-	-
Long-term loans to related parties	6	932,282,123	5,166,689,978	31,050,237,874	23,014,714,771
Investment properties	12, 18	159,982,702,777	104,503,446,798	82,639,887,483	35,146,877,316
Property, plant and equipment	13, 18	3,241,510,575	1,596,512,025	546,389,601	464,352,353
Goodwill	15	1,036,491,639	1,036,491,639	-	-
Leasehold rights	16, 18	-	20,782,536,590	-	11,135,836,612
Guarantees for sublease property agreement	6	-	-	-	9,000,000,000
Deferred tax assets	28	3,392,385,670	2,226,344,210	2,107,949,533	993,043,494
Other non-current assets	6, 17	2,762,353,489	2,009,139,132	717,841,393	521,023,120
<b>Total non-current assets</b>		<b>197,887,665,357</b>	<b>153,554,774,222</b>	<b>157,185,668,298</b>	<b>120,276,402,798</b>
<b>Total assets</b>		<b>221,773,506,647</b>	<b>169,933,034,161</b>	<b>167,393,257,719</b>	<b>124,013,436,801</b>

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

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

		Consolidated financial statements		Separate financial statements	
		31 December		31 December	
Liabilities and equity	Note	2020	2019	2020	2019
		(in Baht)			
Current liabilities					
Short-term loans from financial institutions	18	11,732,000,000	4,970,000,000	11,182,000,000	3,600,000,000
Trade accounts payable	6	911,171,489	1,694,324,758	402,231,841	865,741,094
Other payables	6, 19	4,913,224,111	5,563,848,687	2,295,636,872	2,441,619,212
Current portion of lease liabilities		2,111,591,362	-	1,870,787,415	
Short-term loans from related parties	6, 18	226,249,340	125,761,218	10,504,749,722	9,861,746,046
Current portion of long-term loans	18	6,172,903,428	3,769,203,285	5,009,903,428	2,369,203,285
Current portion of advance received from rental income	6	1,905,361,362	1,842,399,134	238,122,008	232,756,104
Income tax payable		483,540,665	921,155,034	129,521,515	304,363,662
Contractor payables		2,098,047,208	2,188,285,081	785,080,169	689,210,346
Total current liabilities		30,554,088,965	21,074,977,197	32,418,032,970	20,364,639,749
Non-current liabilities					
Long-term loans from related parties	6, 18	724,338,063	692,724,451	7,615,430,893	8,105,328,264
Long-term loans	18	27,630,459,673	24,470,814,350	24,062,613,467	19,480,968,144
Lease liabilities	6	43,486,788,889	-	30,390,016,513	-
Deferred tax liabilities	28	2,623,959,102	1,974,785,570	-	-
Advance received from rental income	6, 33	30,649,055,873	32,292,675,950	3,927,941,810	3,946,068,786
Deposits received from customers	6	7,865,714,904	8,027,661,841	4,672,980,251	3,760,455,004
Non-current provisions for employee benefits	20	730,904,814	649,366,793	583,220,761	517,839,842
Provision for decommissioning and restoration		384,188,218	287,057,469	278,633,045	287,057,470
Guarantees received for leasehold rights	6	707,362	707,362	-	-
Total non-current liabilities		114,096,116,898	68,395,793,786	71,530,836,740	36,097,717,510
Total liabilities		144,650,205,863	89,470,770,983	103,948,869,710	56,462,357,259

# Central Pattana Public Company Limited and its Subsidiaries

## Statement of financial position

		Consolidated financial statements		Separate financial statements	
		31 December		31 December	
Liabilities and equity	Note	2020	2019	2020	2019
		(in Baht)			
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	21	8,558,557,850	8,558,557,850	8,558,557,850	8,558,557,850
Retained earnings					
Appropriated					
Legal reserve	23	224,400,000	224,400,000	224,400,000	224,400,000
Unappropriated		58,695,563,519	61,457,082,400	53,566,498,768	56,666,056,436
Treasury shares	22	(761,216,026)	-	(761,216,026)	-
Other components of equity	23	(171,256,961)	(355,632,169)	(387,852,583)	(141,934,744)
Equity attributable to owners of the parent		68,790,048,382	72,128,408,081	63,444,388,009	67,551,079,542
Non-controlling interests	11	8,333,252,402	8,333,855,097	-	-
Total equity		77,123,300,784	80,462,263,178	63,444,388,009	67,551,079,542
Total liabilities and equity		221,773,506,647	169,933,034,161	167,393,257,719	124,013,436,801

## Central Pattana Public Company Limited and its Subsidiaries

## Statement of comprehensive income

		Consolidated financial statements		Separate financial statements	
		For the year ended		For the year ended	
		31 December		31 December	
	Note	2020	2019	2020	2019
		(in Baht)			
<b>Revenue</b>					
Revenue from rental and services	6, 24	24,848,318,512	31,843,166,597	13,642,321,554	16,222,490,322
Revenue from food center services	6, 24	446,087,025	851,460,677	169,233,861	333,825,349
Revenue from hotel operation	24	306,073,926	1,120,527,271	-	-
Revenue from sale of real estate	24	2,261,550,432	2,904,236,972	-	-
Investment income	6	1,098,703,393	187,169,749	2,948,987,809	15,550,850,092
Other income	6, 25	4,200,381,217	1,683,415,423	1,454,660,417	2,028,045,346
<b>Total revenue</b>		<b>33,161,114,505</b>	<b>38,589,976,689</b>	<b>18,215,203,641</b>	<b>34,135,211,109</b>
<b>Expenses</b>					
Cost of rental and services	6	13,055,138,129	15,480,793,657	8,363,191,878	8,650,472,549
Cost of food center services	6	303,888,654	393,999,648	100,715,275	145,721,989
Cost of hotel operation		166,181,377	378,503,657	-	-
Cost of sale of real estate		1,511,846,567	1,833,045,051	-	-
Administrative expenses	6	5,535,522,280	6,838,814,813	3,542,245,095	4,498,908,542
<b>Total expenses</b>		<b>20,572,577,007</b>	<b>24,925,156,826</b>	<b>12,006,152,248</b>	<b>13,295,103,080</b>
<b>Profit (loss) from operating activities</b>					
Finance costs	6	(1,864,971,756)	(811,468,750)	(2,062,521,895)	(1,183,462,145)
Share of profit of subsidiaries, joint ventures and associates accounted for using equity method	9	1,041,591,853	1,292,258,297	-	-
<b>Profit before income tax expense</b>		<b>11,765,157,595</b>	<b>14,145,609,410</b>	<b>4,146,529,498</b>	<b>19,656,645,884</b>
Tax expense	28	(2,148,442,833)	(2,336,357,717)	(385,522,938)	(1,041,171,683)
<b>Profit for the year</b>		<b>9,616,714,762</b>	<b>11,809,251,693</b>	<b>3,761,006,560</b>	<b>18,615,474,201</b>
<b>Other comprehensive income</b>					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Exchange differences on translating financial statements		22,337,440	(176,866,113)	-	-
Gain on measurement of financial assets	28	-	71,566,027	-	70,596,239
<b>Total items that will be reclassified subsequently to profit or loss</b>		<b>22,337,440</b>	<b>(105,300,086)</b>	<b>-</b>	<b>70,596,239</b>
<i>Items that will not be reclassified to profit or loss</i>					
Gain (loss) on investments in equity instruments designated at fair value through other comprehensive income	28	161,354,598	-	(245,917,839)	-
<b>Total items that will not be reclassified to profit or loss</b>		<b>161,354,598</b>	<b>-</b>	<b>(245,917,839)</b>	<b>-</b>
<b>Other comprehensive income (expense) for the year, net of tax</b>		<b>183,692,038</b>	<b>(105,300,086)</b>	<b>(245,917,839)</b>	<b>70,596,239</b>
<b>Total comprehensive income for the year</b>		<b>9,800,406,800</b>	<b>11,703,951,607</b>	<b>3,515,088,721</b>	<b>18,686,070,440</b>

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

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

		Consolidated financial statements		Separate financial statements	
		For the year ended		For the year ended	
		31 December		31 December	
		2020	2019	2020	2019
		(in Baht)			
Profit attributable to:					
Owners of the parent		9,557,096,859	11,738,404,950	3,761,006,560	18,615,474,201
Non-controlling interests	11	59,617,903	70,846,743	-	-
Profit for the year		9,616,714,762	11,809,251,693	3,761,006,560	18,615,474,201
Total comprehensive income (expense) attributable to:					
Owners of the parent		9,741,472,067	11,690,846,511	3,515,088,721	18,686,070,440
Non-controlling interests	11	58,934,733	13,105,096	-	-
Total comprehensive income for the year		9,800,406,800	11,703,951,607	3,515,088,721	18,686,070,440
Basic earnings per share (in Baht)					
	29	2.13	2.62	0.84	4.15

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

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

	Consolidated financial statements											
	Other components of equity											
	Other comprehensive income											
	Exchange											
	Issued and paid share capital	Share premium	Legal reserve	Retained earnings	Unappropriated	Translating financial statements	Gain (loss) on measuring financial assets	Surplus on business combination under common control	Total other components of equity	Equity attributable to owners of parent	Non-controlling interests	Total equity
Year ended 31 December 2019												
Balance at 1 January 2019	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
Transactions with owners, recorded directly in equity												
Distributions to owners of the parent												
Issued of ordinary shares	-	-	-	-	-	-	-	-	-	-	(24,316,290)	(24,316,290)
Dividends to owners of the Company	-	-	-	(4,936,595,279)	(4,936,595,279)	-	-	-	-	(4,936,595,279)	(78,732,000)	(5,015,327,279)
Total distributions to owners of the parent	-	-	-	(4,936,595,279)	(4,936,595,279)	-	-	-	-	(4,936,595,279)	(103,048,290)	(5,039,643,569)
Changes in ownership interests in subsidiaries												
Acquisition of non-controlling interests without a change in control	-	-	-	(351,862,666)	(351,862,666)	-	-	-	-	(351,862,666)	(25,919,233)	(377,781,899)
Total changes in ownership interests in subsidiaries	-	-	-	(351,862,666)	(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)	-	-	-	-	(5,288,457,945)	(128,967,523)	(5,417,425,468)
Comprehensive income for the year												
Profit	-	-	-	11,738,404,950	11,738,404,950	-	-	-	-	11,738,404,950	70,846,743	11,809,251,693
Other comprehensive income	-	-	-	-	-	(119,124,467)	71,566,027	-	(47,558,440)	(47,558,440)	(57,741,646)	(105,300,086)
Total comprehensive income for the year	-	-	-	11,738,404,950	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	8,558,557,850	224,400,000	61,457,082,400	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 form an integral part of these financial statements.

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

Consolidated financial statements										
		Other components of equity								
		Exchange differences on translating financial statements	Fair value reserve	Surplus on business combination under common control	Total other components of equity	Equity attributable to owners of parent	Non-controlling interests	Total equity		
		(in Baht)								
							</			

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



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

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

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Transactions with owners, recorded directly in equity  
*Distributions to owners of the parent*  
 Dividends to owners of the Company  
**Total transactions with owners, recorded directly in equity**

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

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

		Separate financial statements					Other component of equity	
		Issued and paid share capital	Share premium	Legal reserve	Retained earnings	Treasury shares	Fair value reserve	Total equity
	Note				(in Bahr)			
Year ended 31 December 2020								
Balance at 31 December 2019 - as reported								
		2,244,000,000	8,558,557,850	224,400,000	56,666,056,436	-	(141,934,744)	67,551,079,542
	3	-	-	-	(3,283,974,572)	-	-	(3,283,974,572)
Balance at 1 January 2020								
		2,244,000,000	8,558,557,850	224,400,000	53,382,081,864	-	(141,934,744)	64,267,104,970
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners of the parent								
	22	-	-	-	-	(761,216,026)	-	(761,216,026)
	30	-	-	-	(3,576,589,656)	-	-	(3,576,589,656)
Total transactions with owners, recorded directly in equity								
		-	-	-	(3,576,589,656)	(761,216,026)	-	(4,337,805,682)
Comprehensive income for the year								
		-	-	-	3,761,006,560	-	-	3,761,006,560
		-	-	-	-	-	(245,917,839)	(245,917,839)
Total comprehensive income for the year								
		-	-	-	3,761,006,560	-	(245,917,839)	3,515,088,721
Balance at 31 December 2020								
		2,244,000,000	8,558,557,850	224,400,000	53,566,498,768	(761,216,026)	(387,852,583)	63,444,388,009

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

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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	For the year ended		For the year ended	
	31 December		31 December	
	2020	2019	2020	2019
	<i>(in Baht)</i>			
<b><i>Cash flows from operating activities</i></b>				
Profit for the year	9,616,714,762	11,809,251,693	3,761,006,560	18,615,474,201
<i>Adjustments to reconcile profit to cash receipts (payments)</i>				
Real estate development for sales decrease from				
transfer to cost of sales	1,511,846,567	1,833,045,051	-	-
Depreciation and amortisation expenses	7,906,273,454	7,116,898,885	5,025,903,078	3,126,548,615
Investment income	(1,098,703,393)	(187,169,749)	(2,948,987,809)	(15,550,850,092)
Finance costs	1,864,971,756	811,468,750	2,062,521,895	1,183,462,145
(Reversal of) impairment loss recognised in profit or loss	21,644,864	(15,505,315)	12,427,979	(5,797,787)
Loss on write-off of investment properties	108,111	56,981,896	55,329	10,097,854
Gain on sale of other non-current financial assets - investments in equity instruments	-	(48,941,617)	-	(48,941,617)
Gain on sale of other current financial assets - investments in debt instruments	(12,136,830)	(6,773,793)	(10,828,596)	(6,449,377)
(Gain) loss on sales of assets	(2,569,655,733)	(1,651,964)	4,200,523	1,940,977
Recognition of advance received from rental income	(2,371,297,395)	(1,878,052,127)	(237,770,142)	(221,307,371)
Non-current provisions for employee benefits	89,869,818	201,691,121	71,237,469	161,729,789
Share of profit of associates and joint ventures				
accounted for using equity method	(1,041,591,853)	(1,295,501,982)	-	-
Unrealised (gain) loss on exchange rate	(1,564,287)	33,609,677	-	-
Unrealised loss from financial instruments	79,408,383	192,118,451	-	-
(Gain) loss on fair value adjustment - investments in debt instrument	2,747,721	-	(45,775)	-
Tax expense	2,148,442,833	2,336,357,717	385,522,938	1,041,171,683
	16,147,078,778	20,957,826,694	8,125,243,449	8,307,079,020
<b><i>Changes in operating assets and liabilities</i></b>				
Trade accounts receivable	(2,237,201,492)	(61,576,100)	(1,401,829,419)	(154,685,158)
Other receivables	1,359,658,505	(557,802,649)	366,451,762	(371,507,438)
Real estate development for sales	(2,075,105,779)	(1,981,901,213)	-	-
Other non-current assets	(1,934,017,910)	614,300,093	75,893,000	(77,065,754)
Trade accounts payable	(783,153,269)	(200,036,003)	(463,509,253)	46,466,546
Other payables	(1,265,459,390)	(719,231,428)	(1,018,658,142)	(281,584,155)
Advance received from rental income	790,639,546	1,982,646,600	225,009,070	1,670,240,626
Deposits received from customers	(161,946,937)	335,141,886	912,525,247	158,229,877
Provisions for employee benefit paid	(8,331,798)	(13,653,850)	(5,856,550)	(8,171,333)
Cash generated from operating	9,832,160,254	20,355,714,030	6,815,269,164	9,289,002,231
Tax paid	(2,070,794,583)	(2,584,463,889)	(876,927,659)	(1,011,133,105)
<b>Net cash from operating activities</b>	<b>7,761,365,671</b>	<b>17,771,250,141</b>	<b>5,938,341,505</b>	<b>8,277,869,126</b>

## 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	
	2020	2019	2020	2019
	(in Baht)			
<b><i>Cash flows from investing activities</i></b>				
Interest received	45,657,261	41,234,236	506,277,632	619,243,022
Dividends received	939,833,294	1,053,942,734	2,270,943,889	15,069,828,537
Increase (decrease) in other current financial assets - investments in debt instruments	(993,414,399)	(947,371,608)	120,395,468	(483,696,024)
Acquisition of investments in subsidiaries, associates and joint ventures	(108,358,000)	(2,126,027,397)	(429,926,385)	(457,057,682)
Proceeds from disposal and redemption of investment in subsidiaries and associates	683,683,536	-	999,600	300,000
Advance payment for shares	-	(2,309,616,000)	-	(2,309,616,000)
Acquisition of other non-current financial assets - investments in equity instruments	-	(98,298,426)	-	(73,125,000)
Proceeds from sale of other non-current financial assets - investments in equity instruments	-	560,349,250	-	560,349,250
Repayments of loans to related parties	(568,731,667)	(551,299,493)	(13,904,742,686)	(17,041,303,614)
Proceeds from repayment of loans to related parties	169,810,000	-	5,989,782,592	10,238,284,064
Acquisition of investment properties	(6,430,363,103)	(6,282,122,909)	(2,116,905,320)	(948,387,196)
Acquisition of property and equipment	(468,160,473)	(211,075,777)	(128,454,208)	(136,837,230)
Acquisition of intangible assets	(15,569)	(3,676,086)	-	-
Acquisition of leasehold rights	-	(3,290,602,281)	-	(1,461,698,012)
Advance payment for purchase of investment properties and leasehold rights	(280,287,223)	(228,220,975)	(324,642,574)	(69,669,249)
Repayment of accounts payable for leasehold rights	-	(418,017,667)	-	-
Proceeds from sale of leasehold rights and investment properties	300,292,018	136,554,305	164,422,594	93,000,870
Repayment of guarantee for sublease property agreement	-	-	-	(9,000,000,000)
Repayment of contractor payables	(1,022,186,363)	(1,221,972,671)	(252,365,811)	(908,341,308)
<b>Net cash used in investing activities</b>	<b>(7,732,240,688)</b>	<b>(15,896,220,765)</b>	<b>(8,104,215,209)</b>	<b>(6,308,725,572)</b>
<b><i>Cash flows from financing activities</i></b>				
Proceeds from restricted bank deposits	-	10,222,888	-	-
Interest paid	(775,941,165)	(966,667,807)	(1,136,761,133)	(1,124,478,908)
Dividends paid to owners of the Company	(3,633,080,187)	(5,014,931,019)	(3,576,218,187)	(4,936,199,019)
Payment of lease liabilities	(2,164,921,112)	(2,709,608)	(1,820,802,078)	(1,852,916)
Proceeds from issuance of ordinary shares of subsidiaries to non-controlling interests	-	(377,481,898)	-	-
Payment of changes in ownership interest in subsidiaries without a change in control	-	(24,616,290)	-	-
Payment to owners to acquire the entity's shares	(761,216,026)	-	(761,216,026)	-
Proceeds from loans from related parties	115,350,000	1,228,327,392	3,918,391,396	7,037,890,496
Repayments of loans from related parties	-	(330,000,000)	(3,763,161,410)	(11,301,007,571)
Proceeds from loans from financial institutions and institutional investors	48,462,000,000	32,638,778,000	46,352,000,000	26,700,000,000
Repayments of loans from financial institutions and institutional investors	(36,128,203,285)	(29,826,878,273)	(31,539,203,285)	(19,705,028,571)
<b>Net cash from (used in) financing activities</b>	<b>5,113,988,225</b>	<b>(2,665,956,615)</b>	<b>7,673,029,277</b>	<b>(3,330,676,489)</b>

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

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

	<b>Consolidated financial</b>		<b>Separate financial</b>	
	<b>statements</b>		<b>statements</b>	
	For the year ended		For the year ended	
	31 December		31 December	
	2020	2019	2020	2019
	<i>(in Baht)</i>			
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>5,143,113,208</b>	<b>(790,927,239)</b>	<b>5,507,155,573</b>	<b>(1,361,532,935)</b>
Cash and cash equivalents at 1 January	2,053,237,349	3,021,030,701	649,670,842	2,011,203,777
Exchange differences on translating financial statements	22,337,440	(176,866,113)	-	-
<b>Cash and cash equivalents at 31 December</b>	<b>7,218,687,997</b>	<b>2,053,237,349</b>	<b>6,156,826,415</b>	<b>649,670,842</b>
<b><i>Non-cash transactions</i></b>				
Transferred advance payment for shares to investment in subsidiary	-	-	2,309,616,000	-
Contractor payables which payments have not yet been made	839,956,526	548,250,934	448,839,379	594,355,271
Trade accounts payable from real estate development for sales which payments have not yet been made	118,745,187	177,734,504	-	-
Borrowing costs relating to the acquisition of assets	198,672,017	164,421,292	7,350,090	6,068,736
Previously held equity interest	2,273,917,116	-	-	-
Received obligations from the Share Purchase Agreement	5,067,579,115	-	-	-

**Central Pattana Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

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## Central Pattana Public Company Limited and its Subsidiaries

### Notes to the financial statements

### For the year ended 31 December 2020

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 authorized for issue by the Board of Directors on 18 February 2021.

## 1 General information

The Company's major shareholder during the financial period was Central Holdings Company Limited (26.2% shareholding), which was 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, sales of food and beverage and providing property management consulting and corporate services. Details of the Company's subsidiaries and fund, associates, joint venture entities and other related parties as at 31 December 2020 and 2019 are additionally given in notes 6, 9 and 10. Details are as follows:

Name of entity	Type of business	Country of incorporation	Ownership interest	
			2020	2019
			(%)	
<i>Direct subsidiaries</i>				
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 Rattana Thibet Co., Ltd.	(1) (2) (4)	Thailand	100.0	100.0
Central Food Avenue Co., Ltd.	(4)	Thailand	100.0	100.0
Central World Co., Ltd.	(1) (2) (4) (7)	Thailand	100.0	100.0
Central Pattana Rama 3 Co., Ltd.	(1) (4)	Thailand	100.0	100.0
Central Pattana Chonburi Co., Ltd.				
<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>(Complete liquidation process)</i>	(9)	Thailand	-	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	78.0
Phraram 4 Development Co., Ltd.	(6)	Thailand	90.0	90.0
Saladang Property Management Co., Ltd.	(1)	Thailand	100.0	100.0
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	70.0
Bayswater Co., Ltd.	(1)	Thailand	50.0	-

**Central Pattana Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

Name of entity	Type of business	Country of incorporation	Ownership interest	
			2020	2019
			(%)	
<b>Indirect subsidiaries</b>				
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.				
(Under liquidation process)	(11)	Thailand	100.0	100.0
Ratchada Assets Holding Limited	(6)	Thailand	100.0	100.0
		British Virgin Islands		
Chipper Global Limited	(6)	Islands	100.0	100.0
Bayswater Co., Ltd.	(1)	Thailand	50.0	-
<b>Fund</b>				
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 2020

## 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 2020. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies.

The Group has initially applied TFRS - Financial instruments standards which comprise TFRS 9 *Financial Instruments* and relevant standards and interpretations and TFRS 16 *Leases* and disclosed impact from changes to significant accounting policies in note 3. In addition, the Group elected to adopt the guidance on temporary accounting relief measures providing additional options for the treatment of the impact of COVID-19 outbreak as disclosed in Note 5.

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. The Group has assessed the potential initial impact on the financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

### (b) *Functional and presentation currency*

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

### (c) *Use of judgements, estimates and accounting policies*

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.

#### (i) Judgements

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

Note 4 (k) and 14 Leases:

- whether an arrangement contains a lease;
- whether the Group is reasonably certain to exercise extension options;
- whether the Group exercise termination options;
- whether the Group has transferred substantially all the risks and rewards incidental to the ownership of the assets to sub-lessees.

Note 5 Impact of COVID-19 Outbreak

#### (ii) Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties at 31 December 2020 that have a significant risk of resulting in a material adjustments 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 2020

Note 4 (k)	Determining the incremental borrowing rate to measure lease liabilities;
Note 4 (u) and 28	Recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
Note 4 (p)	Recognition and measurement of provisions;
Note 4 (o) and 20	Measurement of defined benefit obligations: key actuarial assumptions;
Note 5	Impact of COVID-19;
Note 8	Estimate of total development cost of real estate development for sale;
Note 8	Estimate of allowance for decline in value of real estate development for sale;
Note 15	Impairment test of goodwill: key assumptions underlying recoverable amounts;
Note 31	Measurement of ECL allowance for trade receivables and contract assets: key assumptions in determining the weighted-average loss rate; and
Note 31	Determining the fair value of financial instruments on the basis of significant unobservable inputs.

### 3 Changes in accounting policies

From 1 January 2020, the Group has initially applied TFRS - Financial instruments standards and TFRS 16. Impact of changes in accounting policies on shareholders' equity are as follows:

<i>Impact on changes in accounting policy</i>	<i>Note</i>	<b>Consolidated</b>	<b>Separate</b>
		<b>financial statements</b>	<b>financial statements</b>
		Retained earnings	Retained earnings
		<i>(in million Baht)</i>	
At 31 December 2019 - as reported		61,457	56,666
<i>Decrease due to:</i>			
Adoption of TFRS 16 - net of tax	<i>b</i>	(8,742)	(3,284)
<b>At 1 January 2020 restated</b>		<b>52,715</b>	<b>53,382</b>

#### A. TFRS - Financial instruments standards

The Group has adopted TFRS - Financial instruments standards by adjusting the cumulative effects to retained earnings and other components of equity on 1 January 2020. Therefore, the Group did not adjust the information presented for 2019. The disclosure requirements of TFRS for financial instruments have not generally been applied to comparative information.

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. The details of accounting policies are disclosed in note 4 (d) and 4 (l). The impact from adoption of TFRS - Financial instruments standards are as follows:

##### (a.1) Classification and measurement of financial assets and financial liabilities

TFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The classification is based on the cash flow characteristics of the financial asset and the business model in which they are managed. However, the Group may, at initial recognition, irrevocably designate a financial asset as measured at FVTPL. TFRS 9 eliminates the previous classification of held-to-maturity debt securities, available-for-sale securities, trading securities and general investment as specified by TAS 105

## Central Pattana Public Company Limited and its Subsidiaries

### Notes to the financial statements

### For the year ended 31 December 2020

Under TFRS 9, interest income and interest expenses recognised from all financial assets and financial liabilities measured at amortised cost shall be calculated using effective interest rate method. Previously, the Group recognised interest income and interest expenses at the rate specified in the contract.

The Group and the Company intends to hold non-marketable equity securities amounted of Baht 123 million and Baht 1 million, respectively, for the long-term strategic purposes. The Group has designated them as measured at FVOCI. The accumulated gain (loss) on measurement of these investments will not be reclassified to profit or loss.

#### (a.2) Impairment - Financial assets

TFRS 9 introduces the 'expected credit loss' (ECL) model whereas previously the Group estimated the allowance for doubtful account by analysing payment histories and future expectation of customer payment. TFRS 9 requires considerable judgement about how changes in economic factors affect ECLs, which are determined on a probability-weighted basis. The new impairment model applies to financial assets measured at amortised cost, contract assets, lease receivables and debt investments measured at FVOCI, except for investments in equity instruments.

#### (a.3) Derivatives

Under TFRS 9, all derivatives are measured at fair value in the statement of financial position.

### **B. TFRS 16 Leases**

From 1 January 2020, the Group has initially adopted TFRS 16 on contracts previously identified as leases according to TAS 17 *Leases* and TFRIC 4 *Determining whether an arrangement contains a lease* using the modified retrospective approach.

#### (1) As a lessee

Previously, the Group, as a lessee, recognised payments made under operating leases and relevant lease incentives in profit or loss on a straight-line basis over the term of the lease. Under TFRS 16, the Group assesses whether a contract is, or contains, a lease. If a contract contains lease and non-lease components, the Group allocates the consideration in the contract based on stand-alone selling price (transaction price). As at 1 January 2020, the Group and the Company recognised right-of-use assets and lease liabilities, as a result, the nature of expenses related to those leases was changed because the Group recognised depreciation of right-of-use assets and interest expense on lease liabilities.

On transition, the Group also elected to use the following practical expedients:

- do not recognise right-of-use assets and lease liabilities for leases with less than 12 months of lease term;
- use hindsight when determining the lease term;
- apply a single discount rate to a portfolio of leases with similar characteristics;
- rely on previous assessments whether leases are onerous as an alternative to performing an impairment review; and
- exclude initial direct costs from measuring the right-of-use asset.

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(2) As a lessor

The accounting policies under TFRS 16 that the Group applied as a lessor are not different from those under TAS 17, except for a sub-lease. Under TFRS 16, the sub-leases are classified with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. However, the consideration received are allocated to each lease and non-lease component based on its stand-alone selling prices.

	<b>Consolidated financial statements</b>	<b>Separate financial statements</b>
	<i>(in million Baht)</i>	
<b><i>Impact from the adoption of TFRS 16</i></b>		
<b><i>At 1 January 2020</i></b>		
Increase in investment properties	56,431	30,000
Increase in property, plant and equipment	1,559	91
Decrease in leasehold rights	(20,783)	(11,136)
Increase in deferred tax assets	792	737
Increase in lease liabilities	46,744	22,904
Decrease in retained earnings	(8,742)	(3,284)
Decrease in non-controlling interests	(3)	-
<b><i>Measurement of lease liability</i></b>		
Operating lease commitment at 31 December 2019	71,282	31,637
Recognition exemption for - short-term leases	(8)	-
- leases of low-value assets	(10)	(3)
	<b>71,264</b>	<b>31,634</b>
Present value of remaining lease payments, discounted using the incremental borrowing rate at 1 January 2020	46,744	22,904
Financial lease liabilities recognised as at 31 December 2019	-	-
<b>Lease liabilities recognised at 1 January 2020</b>	<b>46,744</b>	<b>22,904</b>
Weighted-average incremental borrowing rate (% per annum)	<b>2.88</b>	<b>2.73</b>

Right-of-use assets and lease liabilities shown above were presented as part of segment 1 and segment 2.

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

### **Notes to the financial statements**

### **For the year ended 31 December 2020**

#### **4 Significant accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except as explained in note 3.

##### **(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, as describe in the subsidiaries section, other than business combinations with entities under common control.

The acquisition date is the date on which control is transferred to the acquirer.

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 at 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.

##### *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.

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

### **Notes to the financial statements**

### **For the year ended 31 December 2020**

#### *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.

Interests in associates and joint ventures are accounted for using the equity method. They are initially recognised 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.

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

### **Notes to the financial statements**

### **For the year ended 31 December 2020**

#### *Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees 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) Investments in subsidiaries, associates and joint ventures**

Investments in subsidiaries, associates and joint ventures in the separate financial statements of the Company are measured at cost less allowance for impairment losses.

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

#### *Disposal of investments in the separate financial statements*

On disposal of an investment, the difference between net disposal proceeds and the carrying amount is recognised in profit or loss.

If the Company 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.

#### **(c) Foreign currencies**

##### *Foreign currency transactions*

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

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

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

Foreign currency differences 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 exchange rates at the dates of the transactions.

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

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

**(d) Financial instruments**

***Accounting policies applicable from 1 January 2020***

***(d.1) Recognition and initial measurement***

Trade receivables, debt securities issued and trade payables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset and financial liability (unless it is a trade receivable without a significant financing component or measured at FVTPL) is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price. A financial asset and a financial liability measured at FVTPL are initially recognised at fair value.

***(d.2) Classification and subsequent measurement***

***Financial assets - classification***

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value to other comprehensive income (FVOCI); or fair value to profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cashflows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



## Central Pattana Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### For the year ended 31 December 2020

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

#### *Financial assets - business model assessment*

The Group makes an assessment of the objective of a business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

#### *Financial assets - assessment whether contractual cash flows are solely payments of principal and interest*

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

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*Financial assets - subsequent measurement and gains and losses*

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income, calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

*Financial liabilities - classification, subsequent measurement and gains and losses*

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

*(d.3) Derecognition*

*Financial assets*

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

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

### **Notes to the financial statements**

### **For the year ended 31 December 2020**

#### *Financial liabilities*

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

#### *(d.4) Offsetting*

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

#### *(d.5) Derivatives*

Derivative are recognised at fair value. At the end of each reporting period the fair value is measured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

#### ***Accounting policies applicable before 1 January 2020***

##### *Investments in subsidiaries and fund, associates and joint ventures*

Investments in subsidiaries and fund, associates and joint ventures in the separate financial statements of the Company are accounted for using the cost method. Investment in associates and joint ventures in the consolidated financial statements is accounted for using the equity method.

##### *Investments in other debt and equity securities*

Debt securities that the Group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. 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.

Debt securities and 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 held-for-trading and available-for-sale is determined as the quoted bid price at the reporting date.

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

*Derivatives*

Derivatives were recognised when they were exercised.

**(e) 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.

**(f) 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 measured at transaction price less allowance for expected credit loss (*2019: 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.

**(g) Real estate development for sale**

Real estate development for sale is real estate that is held with the intention to sell in the ordinary course of business. This real estate is measured at the lower of cost and net realisable value.

The cost of real estate development for sale comprises the cost of land, including acquisition costs, land improvement cost, development expenditure, borrowing costs and other related expenditure. Borrowing costs payable on loans funding real estate development projects are capitalised as part of the cost of the property until the completion of development. Cost of real estate development for sale includes an allocation of common area property development expenditure based on saleable area.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

When real estate development for sale are sold, the cost of that real estate is recognised as an expense in the period in which the related revenue is recognised.

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**(h) Investment properties**

Investment properties include properties that are held as right-of-use assets, as well as properties that are owned by the Group are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or 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.

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

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.

**(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.

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

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

*Depreciation*

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

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant 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 that arises upon the acquisition of subsidiaries. The measurement of goodwill at initial recognition. 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) Leases**

***Accounting policies applicable from 1 January 2020***

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in TFRS 16.

*As a lessee*

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which is recognised as an expense on a straight-line basis over the lease term.

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### **Notes to the financial statements**

### **For the year ended 31 December 2020**

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The lease payments included fixed payments less any lease incentive receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under a residual value guarantee. The lease payments also include amount under purchase, extension or termination option if the Group is reasonably certain to exercise option. Variable lease payments that do not depend on index or a rate are recognised as expenses in the accounting period in which they are incurred.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in lease term, change in lease payments, change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the assessment of purchase, extension or termination options. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

#### *As a lessor*

At inception or on modification of a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each component on the basis of their relative standalone prices.

When the Group acts as a lessor, it determines at lease inception whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption, then it classifies the sub-lease as an operating lease.

The Group recognises lease payments received under operating leases as rental income on a straight-line basis over the lease term as part of rental income. Initial direct costs incurred in arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as rental income in the accounting period in which they are earned.

## Central Pattana Public Company Limited and its Subsidiaries

### Notes to the financial statements

### For the year ended 31 December 2020

The Group recognises finance lease receivables at the amount of the Group's net investment in the lease, which comprises the present value of the lease payments and any unguaranteed residual value, discounted using the interest rate implicit in the lease. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

The Group applies the derecognition and impairment requirements in TFRS 9 to the net investment in the lease (See note 4(1)). The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

#### *Accounting policies applicable before 1 January 2020*

As a lessee, 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.

Assets held under other leases were classified as operating leases and lease payments 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 expense, 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.

As a lessor, rental income from investment property is recognised in profit or loss 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.

#### *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.

#### *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



## Central Pattana Public Company Limited and its Subsidiaries

### Notes to the financial statements

### For the year ended 31 December 2020

#### *Right for usage of assets*

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

#### *Amortisation*

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

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

The estimated useful lives are as follows:

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

#### **(l) Impairment of financial assets**

##### *Accounting policies applicable from 1 January 2020*

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost (including cash and cash equivalents, trade receivables and other receivables, loans to others and related parties), debt investments measured at FVOCI.

##### *Measurement of ECLs*

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; or
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of a financial instrument.

Loss allowances for trade receivables, lease receivables and contract assets are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both current and forecast general economic conditions at the reporting date.

Loss allowances for all other financial instruments, the Group recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

## Central Pattana Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### For the year ended 31 December 2020

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, significant deterioration in financial instrument's credit rating, significant deterioration in the operating results of the debtor and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Increased in loss allowance is recognised as an impairment loss in profit or loss. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the Group recognises an impairment loss in profit or loss with the corresponding entry in other comprehensive income.

#### *Credit-impaired financial assets*

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence of credit-impairment includes significant financial difficulty, a breach of contract.

#### *Write-off*

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

#### *Accounting policies applicable before 1 January 2020*

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

An impairment loss is recognised if the carrying amount of an asset 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.

## Central Pattana Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### For the year ended 31 December 2020

##### *Calculation of recoverable amount*

The recoverable amount of held-to-maturity securities carried at amortised cost is calculated as the present value of the 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.

##### **(m) Impairment of non-financial assets**

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 and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

##### *Calculation of recoverable amount*

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs 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.

##### *Reversal of impairment*

Impairment losses recognised in prior periods in respect of 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 estimates 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) 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.

##### **(o) Employee benefits**

###### *Defined contribution plan*

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.

**Central Pattana Public Company Limited and its Subsidiaries**  
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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 application minimum funding requirements.

Remeasurements of the net defined benefit liability, actuarial gain or loss 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.

**(p) Provisions**

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

*Provision for decommissioning and restoration*

The Company recognises provision for decommissioning costs of the buildings or structures with the present value of the estimate of the eventual costs at the lease end date. The recognised provision for decommissioning costs are based on removal cost estimates, removal period, discount rate and future inflation rate. Provision for decommissioning and restoration are discounted to be present value, and are included as part of the assets.

**(q) Fair value measurement**

‘Fair value’ is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

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

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as ‘active’ if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

## Central Pattana Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### For the year ended 31 December 2020

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

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.

#### **(r) Treasury shares**

When share capital recognised as equity is repurchased, the amount of consideration paid, including directly attributable costs, is classified as treasury shares and recognised as a deduction from equity.

#### **(s) 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 property is recognised in profit or loss 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.

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

Revenue from sale of real estate is recognised when a customer obtains control of the real estate 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 or other sales taxes and is after deduction of any discounts and consideration payable to the customer.

For bundled packages, the Group accounts for individual real estate and other products separately if they are distinct and a customer can benefit from it separately. The consideration received is allocated based on their relative stand-alone selling prices.

Deposits and instalments received from customers on real estate sold prior to the date of revenue recognition are presented as contract liabilities in the statement of financial position. Deposits and instalments received from customers are recognised as revenue when the Group transfers control over the real estate to the customers. For advances that contain a significant financing component interest expense. Interest expense is recognized using the effective interest method. The Group uses the practical expedient which allows not to adjust the consideration for any effects of a significant financing component if the period of financing is 12 months or less.

*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.

**(t) Interest**

***Accounting policies applicable from 1 January 2020***

*Effective Interest Rate (EIR)*

Interest income or expense is recognised using the effective interest method. The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

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

### **Notes to the financial statements**

### **For the year ended 31 December 2020**

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

#### ***Accounting policies applicable before 1 January 2020***

Interest income is recognised in profit or loss at the rate specified in the contract.

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

#### **(u) *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 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 a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future.

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

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

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

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

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

**(v) 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.

**(w) 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.

**(x) 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.

**5 Impact of COVID-19 Outbreak**

Due to the COVID-19 outbreak at the beginning of 2020, Thailand and many other countries have enacted several protective measures against the outbreak, e.g. the order to temporarily shut down operating facilities or reduce operating hours, social distancing, etc. This event has affected to the Group's businesses as follows:

*Rental and services in shopping centers, office buildings, and food center businesses*

In March 2020, in an effort to contain the impact of COVID-19, provincial governments decided to temporarily shut down the Group's shopping centers in the enforced locations for specific periods of time under each province order. The shopping centers remain to open the supermarket, restaurants and food center (take-away), and some businesses according to provincial government orders and in May 2020, the Group's shopping centers began to resume its businesses under provincial governments restriction.

In December 2020, there was the new infection of COVID-19 outbreak in Thailand. As a result, provincial governments decided to temporarily shut down the Group's shopping centers in each location and during the period specified by the provincial regulations such as CentralPlaza Mahachai and CentralPlaza Rayong. And in January 2021, some shopping centers of the Group that had been closed, starting to resumed its operations under by provincial governments restriction.



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The Group considered to provide rental discounts to tenants in the shopping centers that has effect in during temporarily shut down the shopping centers and after resumes its businesses. Such transactions were lease modification under TFRS 16 and gradually recognise rental discount throughout the remaining lease terms by straight line method. The Group recognised rental income from the lease modification for the year ended 31 December 2020 as follows:

<i>For the year ended 31 December 2020</i>	<b>Consolidated financial statements</b> <i>(in million Baht)</i>	<b>Separate financial statements</b>
<b><i>Recognised in profit or loss</i></b>		
Revenue from rental and services before adjustment according to TRFS 16	23,741	12,879
Impact of lease modification under TFRS 16	1,107	763
Revenue from rental and services after adjustment according to TFRS 16	<b>24,848</b>	<b>13,642</b>
Profit before adjustment according to TFRS 16 (before tax expense)	<b>10,658</b>	<b>3,383</b>
Profit after adjustment according to TFRS 16 (before tax expense)	<b>11,765</b>	<b>4,146</b>

*Hotel business*

**Hilton Pattaya Hotel**

In April 2020, in an effort to contain the impact of COVID-19, provincial governments decided to temporarily shut down the Group's hotel. During temporarily shut down the hotel, management decided the hotel renovation plan, which began in April 2020 to November 2020 and has already started its operation.

**Centara Hotel & Convention Centre Udon Thani**

In April 2020, in an effort to contain the impact of COVID-19, provincial governments decided to temporarily shut down the Group's hotel. The hotel began its operation again in July 2020. This event will significantly affect the hotel business of the Group in 2020 and the impact is hard to predict at this stage.

At 31 December 2020, the situation of COVID-19 outbreak is still ongoing, resulting in estimation uncertainty on the potential impact, therefore, the Group elected to apply accounting guidance on temporary accounting relief measures for additional accounting options in response to impact from the situation of COVID-19 outbreak to considered impairment of trade accounts receivables under simplified approach using historical loss rate and did not take forward-looking information into account and the Group elected to exclude the COVID-19 situation as impairment indicator for property, plant and equipment/investment properties/intangible assets, and elected to exclude the COVID-19 situation, which may affect future financial forecasts, from the impairment testing factors of goodwill.

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**6 Related parties**

Relationships with subsidiaries and fund, associates and joint venture are described in note 1, 9 and 10. Relationship with key management and other related parties were as follows:

<b>Name of entities</b>	<b>Country of incorporation/ nationality</b>	<b>Nature of relationships</b>
Central Holding Co., Ltd.	Thailand	Major shareholder, some common directors
Central Department Store Co., Ltd.	Thailand	Some common directors
Hang Central Department Store Co., Ltd.	Thailand	Some common directors
Central Trading Co., Ltd.	Thailand	Some common directors
Central Super Store Co., Ltd.	Thailand	Some common directors
Power Buy Co., Ltd.	Thailand	Some common directors
CRC Sport Co., Ltd.	Thailand	Some common directors
CRC Power Retail Co., Ltd.	Thailand	Some common directors
B2S Co., Ltd.	Thailand	Some common directors
Office Club (Thai) Co., Ltd.	Thailand	Some common directors
Earth Care Co., Ltd.	Thailand	Some common directors
CR Chiangmai (Thailand) Co., Ltd.	Thailand	Some common directors
Central Garment Factory Co., Ltd.	Thailand	Some common directors
Samsonite (Thailand) Co., Ltd.	Thailand	Some common directors
Central Plaza Hotel Public Company Limited	Thailand	Some common directors
Central World Hotel Co., Ltd.	Thailand	Some common directors
Central Restaurant Group Co., Ltd.	Thailand	Some common directors
Central Food Retail Co., Ltd.	Thailand	Some common directors
Food Gimmick Co., Ltd.	Thailand	Some common directors
Sakura Restaurant Co., Ltd.	Thailand	Some common directors
Food Excellent Co., Ltd.	Thailand	Some common directors
Central International Development Co., Ltd.	Thailand	Some common directors
Robinson Public Company Limited	Thailand	Some common directors
Central Watson Co., Ltd.	Thailand	Some common directors
F&D International Co., Ltd.	Thailand	Some common directors
Food Festival Co., Ltd.	Thailand	Some common directors
Food Millennium Co., Ltd.	Thailand	Some common directors
Central Retail Corporation Co., Ltd.	Thailand	Some common directors
Fairy Plaza Co., Ltd.	Thailand	The shareholder of subsidiaries
Siam Retail Development Co., Ltd.	Thailand	Held by a subsidiary
Ayudhaya Agrocit Co., Ltd.	Thailand	Held by a subsidiary
Square Ritz Plaza Co., Ltd.	Thailand	Held by a subsidiary and some common directors
Vantage Ground Co., Ltd.	Thailand	Some common directors
Bara,Windsor & Co., Ltd.	Thailand	Some common directors
Spaghetti Factory Co., Ltd.	Thailand	Some common directors
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

**Central Pattana Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

<b>Name of entities</b>	<b>Country of incorporation/ nationality</b>	<b>Nature of relationships</b>
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:

<b>Transactions</b>	<b>Pricing policies</b>
Revenue from rental 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 which are subject to location, lease space, lease form, lease period and type of lease
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 rental and services	Market prices which are subject to location, lease space, lease form, lease period and type of lease
Cost of food center services	Market prices which are subject to location, lease space, lease form, lease period and type of lease
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

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

<b>Year ended 31 December</b>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<b>Subsidiaries and fund</b>				
Revenue from rental and services	-	-	98,668	115,198
Management income	-	-	349,546	527,950
Interest income	-	-	630,009	602,922
Dividend income	-	-	1,639,384	13,933,257
Other income	-	-	418,283	255,656
Cost of rental and services	-	-	1,434	245,523
Cost of food center services	-	-	-	12
Administrative expenses	-	-	450	21,784
Interest expense	-	-	811,636	490,110
Sale of investment properties	-	-	139,803	-

**Central Pattana Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

<i>Year ended 31 December</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<b>Associates</b>				
Revenue from rental and services	1,715,719	1,455,916	32,034	57,492
Revenue from food center services	6	3	-	-
Management income	744,941	678,311	534,688	497,970
Interest income	980,397	4,904	18,615	4,904
Dividend income	-	-	602,739	975,415
Other income	2,815,803	73,822	21,982	23,584
Cost of rental and services	40,899	111,302	13,145	1,845
Cost of food center services	41,123	43,877	-	-
Administrative expenses	282,564	396,583	29,573	59,686
<b>Joint ventures</b>				
Revenue from rental and services	55,396	14,622	10,321	14,586
Management income	3,120	1,260	3,120	1,260
Interest income	100,902	270,348	4,124	2,446
Other income	1,883	196	1,716	196
Administrative expenses	19	14	19	-
<b>Other related parties</b>				
Revenue from rental and services	4,035,378	5,136,816	2,471,871	2,917,884
Revenue from food center services	3,608	352	1,244	35
Management income	70	-	70	-
Dividend income	27,595	25,405	27,595	25,405
Other income	12,237	28,705	10,957	22,678
Cost of rental and services	104,668	1,025,256	76,019	992,151
Cost of food center services	7,473	10,184	610	1,235
Management fee	158,868	234,345	155,795	228,421
Administrative expenses	337,242	172,105	321,335	133,997
<b>Key management</b>				
Key management personnel compensation				
Short-term benefits	247,512	309,911	205,888	270,089
Long-term benefits	8,575	8,236	8,575	8,236
<b>Total Key management personnel compensation</b>	<b>256,087</b>	<b>318,147</b>	<b>214,463</b>	<b>278,325</b>

**Central Pattana Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

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

	Consolidated financial statements		Separate financial statements		
	2020	2019	2020	2019	
	(in thousand Baht)				
<b>Trade accounts receivable</b>					
Subsidiaries and fund	-	-	57,240	138,151	
Associates	74,607	152,725	43,924	102,873	
Joint ventures	7,165	14,067	7,165	13,433	
Other related parties	725,043	178,323	460,009	95,946	
<b>Total</b>	<b>806,815</b>	<b>345,115</b>	<b>568,338</b>	<b>350,403</b>	
<b>Other receivables</b>					
<b>Accrued income</b>					
Associates	73,601	78,528	57,721	10,184	
Joint ventures	2,712	2,220	2,712	2,220	
<b>Total</b>	<b>76,313</b>	<b>80,748</b>	<b>60,433</b>	<b>12,404</b>	
<b>Other receivables</b>					
Associates	5,749	950	691	-	
Joint ventures	1	1	1	1	
<b>Total</b>	<b>5,750</b>	<b>951</b>	<b>692</b>	<b>1</b>	
<b>Prepaid expenses</b>					
Other related parties	-	10,800	-	10,800	
<b>Other non-current assets</b>					
<b>Deposit</b>					
Associates	1,220,525	987,905	21,171	-	
<b>Loans to related parties</b>					
	Interest rate At 31 December (% per annum)	1 January	Increase Decrease (in thousand Baht)	31 December	
<b>Long-term loans</b>					
<b>2020</b>					
Associates	4.31	222,348	307,612	(3,013)	526,947
Joint ventures	6.50, MLR-0.5, BIBOR+1.3	4,944,342	291,631	(4,830,638)	405,335
<b>Total</b>		<b>5,166,690</b>			<b>932,282</b>
<b>2019</b>					
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
<b>Total</b>		<b>4,518,469</b>			<b>5,166,690</b>

**Central Pattana Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

	Interest rate At 31 December (% per annum)	1 January	Separate financial statements		31 December
			Increase (in thousand Baht)	Decrease	
<b>Short-term loans</b>					
<b>2020</b>					
Subsidiaries and fund	1.83	32,176	51,974	(938)	83,212
<b>2019</b>					
Subsidiaries and fund	2.63	26,017	6,888	(729)	32,176
<b>Long-term loans</b>					
<b>2020</b>					
Subsidiaries and fund	1.83	22,620,087	13,950,330	(6,294,667)	30,275,750
Associates	4.31	222,348	307,612	(3,013)	526,947
Joint ventures	MLR-0.5, BIBOR+1.3	172,280	247,873	(172,612)	247,541
<b>Total</b>		<b>23,014,715</b>			<b>31,050,238</b>
<b>2019</b>					
Subsidiaries and fund	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
<b>Total</b>		<b>16,220,408</b>			<b>23,014,715</b>

Loans to subsidiaries, fund, 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	
	2020	2019	2020	2019
	(in thousand Baht)			
<b>Trade accounts payable</b>				
Subsidiaries and fund	-	-	19,231	93,192
Associates	145,477	26,238	24,304	23,952
Other related parties	225,788	198,084	172,231	156,053
<b>Total</b>	<b>371,265</b>	<b>224,322</b>	<b>215,766</b>	<b>273,197</b>
<b>Other payables</b>				
Subsidiaries and fund	-	-	7,636	-
Associates	5,717	10,253	3,016	6,853
<b>Total</b>	<b>5,717</b>	<b>10,253</b>	<b>10,652</b>	<b>6,853</b>
<b>Lease liabilities</b>				
Subsidiaries and fund	-	-	14,767,099	-
Associates	1,481,558	-	77,644	-
Other related parties	4,831,431	-	4,697,351	-
<b>Total</b>	<b>6,312,989</b>	<b>-</b>	<b>19,542,094</b>	<b>-</b>

**Central Pattana Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<b><i>Advance received from rental income</i></b>				
Subsidiaries and fund	-	-	37,638	43,195
Associates	23,203,512	24,466,325	20,541	23,012
<b>Total</b>	<b>23,203,512</b>	<b>24,466,325</b>	<b>58,179</b>	<b>66,207</b>
<i>Less: Current portion of advance from rental income</i>	<i>(1,187,354)</i>	<i>(1,187,341)</i>	<i>(8,667)</i>	<i>(8,634)</i>
<b>Net</b>	<b>22,016,158</b>	<b>23,278,984</b>	<b>49,512</b>	<b>57,573</b>
<b><i>Deposits received from customers</i></b>				
Subsidiaries and fund	-	-	8,461	11,415
Joint ventures	1,907	6,211	1,907	1,907
Other related parties	776,579	865,260	480,026	422,865
<b>Total</b>	<b>778,486</b>	<b>871,471</b>	<b>490,394</b>	<b>436,187</b>
<b><i>Guarantees received for leasehold rights</i></b>				
Other related party	<b>408</b>	<b>408</b>	-	-

***Loans from related parties***

	<b>Interest rate At 31 December (% per annum)</b>	<b>1 January</b>	<b>Consolidated financial statements</b>		
			<b>Increase (in thousand Baht)</b>	<b>Decrease</b>	<b>31 December</b>
<b><i>Short-term loans</i></b>					
<b>2020</b>					
Related party	2.36	125,761	104,528	(4,040)	226,249
<b>2019</b>					
Related party	3.06	90,089	39,369	(3,697)	125,761
<b><i>Long-term loan</i></b>					
<b>2020</b>					
Related party	1.83	692,724	31,614	-	724,338
<b>2019</b>					
Related party	2.63	-	692,724	-	692,724
	<b>Interest rate At 31 December (% per annum)</b>	<b>1 January</b>	<b>Separate financial statements</b>		
			<b>Increase (in thousand Baht)</b>	<b>Decrease</b>	<b>31 December</b>
<b><i>Short-term loans</i></b>					
<b>2020</b>					
Subsidiaries and fund	1.83	9,861,746	3,337,086	(2,694,082)	10,504,750
<b>2019</b>					
Subsidiaries and fund	2.63	9,694,518	6,206,359	(6,039,131)	9,861,746

## Central Pattana Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### For the year ended 31 December 2020

	Interest rate	Separate financial statements			
	At 31 December (% per annum)	1 January	Increase (in thousand Baht)	Decrease	31 December
<b>Long-term loans</b>					
<b>2020</b>					
Subsidiaries	1.83	8,105,328	969,960	(1,459,857)	7,615,431
<b>2019</b>					
Subsidiaries	2.63	12,548,929	1,301,505	(5,745,106)	8,105,328

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

#### **Agreements and significant transaction with related parties**

##### *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.



## Central Pattana Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### For the year ended 31 December 2020

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.

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 annually 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.

#### *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.

## Central Pattana Public Company Limited and its Subsidiaries

### Notes to the financial statements

### For the year ended 31 December 2020

#### *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. Subsequently on 23 December 2020, the sublessor considered to revise fixed rental for the year 2021 - 2026 result in the Group had to pay fixed rental totalling Baht 2,233 million and variable rental which is calculated from profit before tax deduct furniture, fixture and equipment reserve of the hotel.

## Central Pattana Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### For the year ended 31 December 2020

##### *Land sublease agreement*

The Company entered into 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.

##### *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.

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.

##### *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 2020 to 31 December 2020. Subsequently, in January 2021, the Company extended the management agreement with the subsidiaries for another one year ending on 31 December 2021.

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 2 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.

**Central Pattana Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

*Shopping Center Building Lease Agreement in Dusit Central Park Project*

In June 2020, Suanlum Property Company Limited ("Suanlum") has entered into the Structure Lease Agreement with Vimarn Suriya Company Limited ("Vimarn Suriya") in order to decorate building and structures and operating the shopping center for rent for a period of 30 years, starting from 1 July 2024. Vimarn Suriya has to transfer the leased area to Suanlum within 30 September 2023. Under the conditions in agreement, the Group has to make a payment for rent throughout the lease term, totalling Baht 3,880 million. The schedule of rental payment divided into one-time and monthly payment according to the schedule that stipulated in the agreement. The lease agreement can be extended for another 30 years, ending 30 June 2084 which the Group has to pay the rental deposit of Baht 433.9 million when receiving the leased area from Vimarn Suriya.

In addition, Suanlum has to pay for arrangement fee as stipulated in the Shopping Center Building Lease Arrangement Agreement with Dusit Thani Public Company Limited from entering into the Shopping Center Building Lease Agreement with Vimarn Suriya of Baht 296.6 million within period as stipulated in the agreement.

*Vimarn Suriya Co., Ltd.*

In May 2020, the Company entered into a loan agreement within credit line not exceeding Baht 400 million with Vimarn Suriya Company Limited ("Vimarn Suriya") at the interest rate specified in the contract based on the market rate. The Company grant a loan to Vimarn Suriya according to shareholding proportion of Baht 160 million.

*Collateral*

As at 31 December 2020, the Group had collateral of subsidiaries and joint venture of Baht 573 million. (2019: Baht 373 million and Baht 4,813 million, respectively).

**7 Cash and cash equivalents**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Cash on hand	9	11	5	6
Call deposits	6,910	2,042	5,852	644
Highly liquid short-term investments	300	-	300	-
<b>Total</b>	<b>7,219</b>	<b>2,053</b>	<b>6,157</b>	<b>650</b>

**Central Pattana Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

**8 Real estate development for sale**

	<b>Consolidated financial statements</b>	
	2020	2019
	<i>(in million Baht)</i>	
Real estate completed	5,938	4,619
Real estate under development	3,094	3,745
<b>Total</b>	<b>9,032</b>	<b>8,364</b>
Finance costs capitalised in real estate development for sale during the year	<b>98</b>	<b>127</b>
Rates of interest capitalised (% per annum)	<b>2.14</b>	<b>2.65</b>
Cost of real estate development for sale recognised in cost of sales of real estate		
- Cost	<b>1,512</b>	<b>1,833</b>

At 31 December 2020, real estate under development of the Group amounted of Baht 3,094 million (2019: Baht 1,933 million) are expected to be completed more than one year after the reporting period.

**9 Investments in associates and joint ventures**

*For the year ended 31 December 2020*

***GLAND Office Leasehold Real Estate Investment Trust (associate)***

GLANDRT had dissolution and delisting from being listed securities on the Stock Exchange of Thailand on 3 March 2020 according to note 33.

***Vimarn Suriya Co., Ltd. (associate)***

In May 2020, the Company acquired investment in additional ordinary shares of Vimarn Suriya Co., Ltd. ("Vimarn Suriya"), of Baht 77 million at the same proportion of shareholding in accordance which the condition of Share Purchase Agreement.

***Common Ground (Thailand) Co., Ltd. (joint venture)***

In March 2020, at the Board of Director's Meeting of Common Ground (Thailand) Co., Ltd, approved a call up share capital increase from Baht 103.5 million to Baht 137.8 million. The Company already paid shares of Baht 17.5 million according to shareholding of the Company.

In September 2020, at the Board of Director's Meeting of Common Ground (Thailand) Co., Ltd, approved a call up share capital increase from Baht 137.8 million to Baht 150 million. The Company already paid shares of Baht 6.2 million according to shareholding of the Company.

In November 2020, at the Board of Director's Meeting of Common Ground (Thailand) Co., Ltd, approved a resolution to increase the registered share capital from Baht 150 million to Baht 210 million by issuing the ordinary shares of 600,000 shares with par value of Baht 100 per share in order to use for its working capital. The Company already paid share of Baht 7.65 million to shareholding of the Company.

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*For year ended 31 December 2019*

***Common Ground (Thailand) Co., Ltd. (joint venture)***

According to note 10, 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.

***Porto Worldwide Limited (joint venture)***

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 (joint venture)***

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.

***Collateral***

As at 31 December 2020, the Company had a 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 (2019: Baht 991.5 million).

Joint ventures										
Phenomenon Creation Co., Ltd.	51.0	51.0	400	400	204	204	117	167	-	-
Synergistic Property Development Co., Ltd.	50.0	50.0	465	465	232	232	232	232	-	-
Bayswater Co., Ltd.	-	50.0	10	10	2,526	-	-	2,301	-	-
Common Ground (Thailand) Co., Ltd	51.0	51.0	165	104	84	53	34	38	-	-
Porto Worldwide Limited	33.0	33.0	6,334	6,334	2,071	2,071	2,071	2,071	-	-
CPN and HKL Company Limited	51.0	51.0	4	4	2	2	-	-	-	-
Total					2,593	5,088	2,454	4,809	-	-

**Central Pattana Public Company Limited and its Subsidiaries**  
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Investments in associates and joint ventures as at 31 December 2020 and 2019 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
	2020	2019	2020	2019	2020	2019	
	(in million Baht)						
<b>Associates</b>							
CPN Commercial Growth Leasehold Property Fund	25.0	25.0	4,394	4,394	1,098	1,331	107
CPN Retail Growth Leasehold REIT	26.7	26.7	29,653	29,653	6,480	11,220	868
Vimarn Suriya Co., Ltd.	35.0	35.0	1,100	880	308	-	-
<b>Total</b>					<b>7,963</b>	<b>7,886</b>	<b>975</b>
<b>Joint ventures</b>							
Synergistic Property Development Co., Ltd.	50.0	50.0	465	465	232	-	-
Common Ground (Thailand) Co., Ltd	51.0	51.0	165	104	84	-	-
CPN and HKL Company Limited	51.0	51.0	4	4	2	-	-
<b>Total</b>					<b>318</b>	<b>287</b>	<b>-</b>

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 2020	CPN Retail Growth Leasehold REIT 2020	GLAND Office Leasehold Real Estate Investment Trust 2020	2019
		(in million Baht)		
Revenue	686	4,059	1,913	701
Total comprehensive income (100%)	559	1,526	1,721	433
<b>Group's share of total comprehensive income</b>	<b>184</b>	<b>707</b>	<b>258</b>	<b>65</b>
Current assets	509	3,306	7	217
Non-current assets	5,924	76,430	-	5,809
Current liabilities	(31)	(1,243)	-	(90)
Non-current liabilities	(1,603)	(50,449)	-	(1,123)
Net assets (100%)	4,799	28,044	7	4,813
Unrealised from fair value measurement	377	600	-	1,094
	5,176	28,644	7	5,907
Group's share of net assets	1,294	7,645	1	886
Elimination of unrealised profit from sale of assets to associate	(592)	(2,976)	-	76
<b>Carrying amount of interest in associates</b>	<b>702</b>	<b>4,669</b>	<b>1</b>	<b>962</b>

**Central Pattana Public Company Limited and its Subsidiaries**  
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**10 Investments in subsidiaries and fund**

*For the year ended 31 December 2020*

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

In February 2020, the Company received the return from share capital from CPN Learning Center Co., Ltd. totalling Baht 1 million.

***Bayswater Co., Ltd. (direct subsidiary)***

In May 2020, the Group obtained control of Bayswater Company Limited ("Bayswater"), a property development, from entering into the Share Purchase Agreement of Bayswater in May 2019. Bayswater is 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. In May 2019 and 2020, the Company made a payment of Baht 2,309.62 million and Baht 5,389.10 million, respectively, totalling Baht 7,698.72 million, in order to pay for shares of Baht 2,631.18 million and related obligations under the agreement. As a result, the Group's equity interest in Bayswater increased from 50% to 100%, and such company changed of status from joint venture to subsidiary.

***GLAND REIT Management Co., Ltd. (indirect subsidiary)***

The annual general shareholders meeting of GLAND REIT Management Co., Ltd. held on 24 June 2020, approve a resolution to dissolve the company and was registered for the dissolution to the Ministry of Commerce on 29 June 2020.

***C.S. City Co., Ltd. (indirect subsidiary)***

In September 2020, at the Board of Directors' Meeting of C.S. City Co., Ltd., approved a call up share capital increase from Baht 350 million to Baht 500 million. The Group already fully paid-up for shares.

*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.

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

### **Notes to the financial statements**

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#### ***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 million 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%.

#### ***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.

## Central Pattana Public Company Limited and its Subsidiaries

### Notes to the financial statements For the year ended 31 December 2020

Investments in subsidiaries and fund as at 31 December 2020 and 2019 and dividend income from those investments for the years then ended were as follows:

	Separate financial statements											
	Ownership interest (%)		Paid-up capital (in million Baht)		Cost		Impairment		At cost - net		Dividend income	
					2020	2019	2020	2019	2020	2019		
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019		
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	450,000	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 Rattanaibet Co., Ltd.	100.0	100.0	800.0	800.0	589,998	589,998	-	-	589,998	589,998	501,498	471,998
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	201,337	48,711
Central Pattana Chonburi Co., Ltd.	100.0	100.0	900.0	900.0	808,984	808,984	-	-	808,984	808,984	-	-
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	203,149	281,283
CPN Learning Center Co., Ltd.	-	100.0	-	1.0	-	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	-	-
CPN Rayong Co., Ltd.	100.0	100.0	1,000.0	1,000.0	999,999	999,999	-	-	999,999	999,999	200,000	-
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	78.0	172.0	172.0	294,053	294,053	-	-	294,053	294,053	-	-
Pharam 4 Development Co., Ltd.	90.0	90.0	1.0	1.0	900	900	-	-	900	900	-	-
Saladang Property Management Co., Ltd.	100.0	100.0	0.4	0.4	385,767	385,767	-	-	385,767	385,767	-	-
CPN REIT Management Co., Ltd.	100.0	100.0	10.0	10.0	10,000	10,000	-	-	10,000	10,000	83,400	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								Dividend income		
		Paid-up capital		Cost		Impairment		At cost - net			2019	
		2020	2019	2020	2019	2020	2019	2020	2019			
		(in million Baht)						(in thousand Baht)				
<i>Subsidiaries (continued)</i>												
Chanakun Development Co., Ltd.	100.0	100.0	59.0	59.0	58,994	58,994	-	-	58,994	58,994	-	-
CPN Village Co., Ltd.	70.0	70.0	0.7	1.0	700	700	-	-	700	700	-	-
Bayswater Co., Ltd.	50.0	-	10.0	-	2,631,185	2,631,185	-	-	2,631,185	-	-	-
<i>Fund</i>												
Thai Business Fund 4 <sup>(1)</sup>	100.0	100.0	5,443.8	5,443.8	5,443,793	5,443,793	-	-	5,443,793	5,443,793	-	12,465,790
<b>Total</b>					<b>30,653,089</b>	<b>28,022,904</b>	<b>-</b>	<b>-</b>	<b>30,653,089</b>	<b>28,022,904</b>	<b>1,639,384</b>	<b>13,933,257</b>

<sup>(1)</sup>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, and (2) the payment for dividend payable.

In 2019, Thai Business Fund 4 amended the dividend payment policy for non-payment of dividend against the performance outcomes, starting from July 2019 onward until having new resolution from unitholders.

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 2020					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	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
Non-controlling interest percentage	32.5%	21.9%	40.0%			32.5%	21.9%	40.0%		
Current assets	3,150	110	126			3,623	66	106		
Non-current assets	30,408	5,125	5,801			31,509	5,097	5,835		
Current liabilities	(3,887)	(158)	(1,077)			(4,145)	(183)	(1,000)		
Non-current liabilities	(10,840)	(461)	(2,415)			(12,411)	(475)	(2,261)		
<b>Net assets</b>	<b>18,831</b>	<b>4,616</b>	<b>2,435</b>			<b>18,576</b>	<b>4,505</b>	<b>2,680</b>		
Carrying amount of non-controlling interest	6,114	1,009	974	236	<b>8,333</b>	6,032	985	1,072	245	<b>8,334</b>
Revenue	1,905	784	432			501	1,079	327		
Profit (loss) for the year	255	371	(242)			170	452	(449)		
<b>Total comprehensive income</b>	<b>255</b>	<b>371</b>	<b>(242)</b>			<b>170</b>	<b>452</b>	<b>(449)</b>		
Profit allocated to non-controlling interest	83	81	(97)	(7)	<b>60</b>	55	99	(179)	96	<b>71</b>

(in million baht)

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	31 December 2020		31 December 2019			
	Grand Canal Land Public Company Limited	Central Pattana Khon Kaen Co., Ltd.	Central Plaza i-City Real Estate Sdn. Bhd.	Grand Canal Land Public Company Limited	Central Pattana Khon Kaen Co., Ltd.	Central Plaza i-City Real Estate Sdn. Bhd.
				<i>(in million baht)</i>		
Cash flows from (used in) operating activities	724	62	384	(52)	204	(863)
Cash flows from (used in) investing activities	806	(60)	(130)	410	(142)	(183)
Cash flows from (used in) financing activities (dividends to non-controlling interest: nil)	(1,511)	-	(249)	(485)	-	1,015
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>19</b>	<b>2</b>	<b>5</b>	<b>(127)</b>	<b>62</b>	<b>(31)</b>

**Central Pattana Public Company Limited and its Subsidiaries**  
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**12 Investment properties**

<b>Consolidated financial statements</b>					
<i>Note</i>	<b>Owned properties</b>				<b>Total</b>
	<b>Land</b>	<b>Buildings and improvements</b>	<b>Assets under construction</b>	<b>Right-of-use assets</b>	
			<i>(in million Baht)</i>		
<b>Cost</b>					
At 1 January 2019	30,685	98,319	8,008	-	137,012
Additions	2,819	219	3,983	-	7,021
Asset acquired from (adjust) business combination	(266)	-	-	-	(266)
Transfer to real estate development for sales	(172)	-	-	-	(172)
Transfer to leasehold right	-	2,643	(8,367)	-	(5,724)
Disposals / amortisation	(47)	(80)	(67)	-	(194)
Difference from translating financial statements	-	(191)	(1)	-	(192)
<b>At 31 December 2019</b>	<b>33,019</b>	<b>100,910</b>	<b>3,556</b>	<b>-</b>	<b>137,485</b>
Recognise right-of-use assets on initial application of TFRS 16	-	(240)	-	83,989	83,749
<b>At 1 January 2020 – as adjusted 3(b)</b>	<b>33,019</b>	<b>100,670</b>	<b>3,556</b>	<b>83,989</b>	<b>221,234</b>
Additions	13,243	176	4,453	413	18,285
Transferred	-	1,559	(1,559)	-	-
Disposals / write-off	(213)	(51)	(49)	(12,372)	(12,685)
Difference from translating financial statements	-	2	-	-	2
<b>At 31 December 2020</b>	<b>46,049</b>	<b>102,356</b>	<b>6,401</b>	<b>72,030</b>	<b>226,836</b>
<b>Depreciation</b>					
At 1 January 2019	-	28,600	-	-	28,600
Depreciation charge for the year	-	4,951	-	-	4,951
Transfer to leasehold right	-	(515)	-	-	(515)
Disposals / write-off	-	(54)	-	-	(54)
<b>At 31 December 2019</b>	<b>-</b>	<b>32,982</b>	<b>-</b>	<b>-</b>	<b>32,982</b>
Recognise of depreciation of right-of-use assets on initial application of TFRS 16	-	(34)	-	27,352	27,318
<b>At 1 January 2020 – as adjusted 3(b)</b>	<b>-</b>	<b>32,948</b>	<b>-</b>	<b>27,352</b>	<b>60,300</b>
Depreciation charge for the year	-	4,849	-	2,471	7,320
Disposals / write-off	-	(18)	-	(749)	(767)
<b>At 31 December 2020</b>	<b>-</b>	<b>37,779</b>	<b>-</b>	<b>29,074</b>	<b>66,853</b>
<b>Net book value</b>					
<b>At 31 December 2019</b>	<b>33,019</b>	<b>67,928</b>	<b>3,556</b>	<b>-</b>	<b>104,503</b>
<b>At 31 December 2020</b>	<b>46,049</b>	<b>64,577</b>	<b>6,401</b>	<b>42,956</b>	<b>159,983</b>



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Separate financial statements						
		Owned properties				
			Buildings and improvements	Assets under construction (in million Baht)	Right-of-use assets	Total
	Note	Land				
<b>Cost</b>						
At 1 January 2019		9,141	41,689	231	-	51,061
Additions		536	(207)	1,140	-	1,469
Transfer to leasehold right		-	(5,101)	(623)	-	(5,724)
Disposals / amortisation		(2)	(44)	(62)	-	(108)
<b>At 31 December 2019</b>		<b>9,675</b>	<b>36,337</b>	<b>686</b>	<b>-</b>	<b>46,698</b>
Recognise right-of-use assets on initial application of TFRS 16		-	(240)	-	44,764	44,524
<b>At 1 January 2020 – as adjusted</b>	3(b)	<b>9,675</b>	<b>36,097</b>	<b>686</b>	<b>44,764</b>	<b>91,222</b>
Additions		-	96	1,237	21,179	22,512
Disposals / write-off		(135)	(3)	(31)	(2)	(171)
Transferred		-	646	(646)	-	-
<b>At 31 December 2020</b>		<b>9,540</b>	<b>36,836</b>	<b>1,246</b>	<b>65,941</b>	<b>113,563</b>
<b>Depreciation</b>						
At 1 January 2019		-	10,031	-	-	10,031
Depreciation charge for the year		-	2,056	-	-	2,056
Transfer to leasehold right		-	(515)	-	-	(515)
Disposals / write-off		-	(21)	-	-	(21)
<b>At 31 December 2019</b>		<b>-</b>	<b>11,551</b>	<b>-</b>	<b>-</b>	<b>11,551</b>
Recognise of depreciation of right-of-use assets on initial application of TFRS 16		-	(34)	-	14,558	14,524
<b>At 1 January 2020 – as adjusted</b>	3(b)	<b>-</b>	<b>11,517</b>	<b>-</b>	<b>14,558</b>	<b>26,075</b>
Depreciation charge for the year		-	2,044	-	2,808	4,852
Disposals / write-off		-	(2)	-	(2)	(4)
<b>At 31 December 2020</b>		<b>-</b>	<b>13,559</b>	<b>-</b>	<b>17,364</b>	<b>30,923</b>
<b>Net book value</b>						
<b>At 31 December 2019</b>		<b>9,675</b>	<b>24,786</b>	<b>686</b>	<b>-</b>	<b>35,147</b>
<b>At 31 December 2020</b>		<b>9,540</b>	<b>23,277</b>	<b>1,246</b>	<b>48,577</b>	<b>82,640</b>

During the year 2020, the Group write off the right-of-use assets of Baht 12,372 million which in accordance with the conditions in the sublease property agreement of the shopping center project of the Group.

**Central Pattana Public Company Limited and its Subsidiaries**  
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Information relating to leases are disclosed in note 14

<i>Year ended 31 December</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
<b><i>Amounts recognised in profit or loss</i></b>				
Rental income	25,440	16,158	13,354	6,781
<b><i>Direct operating expenses</i></b>				
- property that generated rental income	15,043	12,170	8,686	6,066
- property that did not generate rental income	548	1	52	-
Finance costs capitalised in real estate development for sale during the year	101	164	7	6

The fair value of investment properties as at 31 December 2020 of Baht 350,420 million (2019: Baht 252,051 million) for the Group and of Baht 167,334 million (2019: Baht 78,187 million) for the Company was determined by independent professional valuers, at open market values on an existing use basis and discounted cash flow using risk-adjusted discount rates. The fair value of investment property has been categorised as a Level 3 fair value.

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

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

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

**Central Pattana Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

**13 Property, plant and equipment**

Consolidated financial statements						
	Note	Land	Buildings and improvements	Furniture, fixtures, office and transportation equipment (in million Baht)	Asset under construction	Total
<b>Cost</b>						
At 1 January 2019		91	2,618	1,039	114	3,862
Additions		-	25	87	129	241
Transfer - net		-	15	41	(56)	-
Disposals / write off		-	(12)	(27)	-	(39)
<b>At 31 December 2019</b>		<b>91</b>	<b>2,646</b>	<b>1,140</b>	<b>187</b>	<b>4,064</b>
Recognise of right-of-use assets on initial application of TFRS 16	3(b)	-	2,014	-	-	2,014
<b>At 1 January 2020 – as adjusted</b>		<b>91</b>	<b>4,660</b>	<b>1,140</b>	<b>187</b>	<b>6,078</b>
Additions		-	96	109	434	639
Transfer - net		-	360	66	(426)	-
Disposals / write off		-	(15)	(25)	-	(40)
<b>At 31 December 2020</b>		<b>91</b>	<b>5,101</b>	<b>1,290</b>	<b>195</b>	<b>6,677</b>
<b>Depreciation</b>						
At 1 January 2019		-	1,517	699	-	2,216
Depreciation charge for the year		-	187	94	-	281
Transfer - net		-	-	-	-	-
Disposals / write-off		-	(10)	(19)	-	(29)
<b>At 31 December 2019</b>		-	<b>1,694</b>	<b>774</b>	-	<b>2,468</b>
Recognise of depreciation of right-of-use assets on initial application of TFRS 16	3(b)	-	455	-	-	455
<b>At 1 January 2020 – as adjusted</b>		-	<b>2,149</b>	<b>774</b>	-	<b>2,923</b>
Depreciation charge for the year		-	440	109	-	549
Disposals / write-off		-	(12)	(24)	-	(36)
<b>At 31 December 2020</b>		-	<b>2,577</b>	<b>859</b>	-	<b>3,436</b>

**Central Pattana Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

Net book value					
At 31 December 2019					
Owned assets	91	952	361	187	1,591
Assets under finance leases	-	-	5	-	5
	<b>91</b>	<b>952</b>	<b>366</b>	<b>187</b>	<b>1,596</b>
At 31 December 2020					
Owned assets	91	1,199	431	195	1,916
Right-of-use assets	-	1,325	-	-	1,325
	<b>91</b>	<b>2,524</b>	<b>431</b>	<b>195</b>	<b>3,241</b>

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 2020 amounted to Baht 1,748 million (2019: Baht 396 million).

**Central Pattana Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

		<b>Separate financial statements</b>			
		<b>Buildings and improvements</b>	<b>Furniture, fixtures, office and transportation equipment (in million Baht)</b>	<b>Asset under construction</b>	<b>Total</b>
<i>Note</i>					
<b>Cost</b>					
At 1 January 2019		265	735	77	1,077
Additions		9	63	93	165
Transfer - net		1	42	(43)	-
Disposals / write off		-	(17)	-	(17)
<b>At 31 December 2019</b>		<b>275</b>	<b>823</b>	<b>127</b>	<b>1,225</b>
Recognise of right-of-use assets on initial application of TFRS 16					
At 1 January 2020 – as adjusted	3(b)	-	110	-	110
Additions		275	933	127	1,335
Transfer - net		17	98	19	134
Disposals / write off		17	26	(43)	-
Disposals / write off		(1)	(8)	-	(9)
<b>At 31 December 2020</b>		<b>308</b>	<b>1,049</b>	<b>103</b>	<b>1,460</b>
<b>Depreciation</b>					
At 1 January 2019		188	497	-	685
Depreciation charge for the year		13	77	-	90
Disposals / write-off		-	(14)	-	(14)
<b>At 31 December 2019</b>		<b>201</b>	<b>560</b>	<b>-</b>	<b>761</b>
Recognise of depreciation of right-of-use assets on initial application of TFRS 16					
At 1 January 2020 – as adjusted	3(b)	-	19	-	19
Depreciation charge for the year		201	579	-	780
Disposals / write-off		15	126	-	141
Disposals / write-off		(1)	(6)	-	(7)
<b>At 31 December 2020</b>		<b>215</b>	<b>699</b>	<b>-</b>	<b>914</b>

**Central Pattana Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
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<i>Net book value</i>	<b>Separate financial statements</b>			
	<b>Buildings and improvements</b>	<b>Furniture, fixtures, office and transportation equipment (in million Baht)</b>	<b>Asset under construction</b>	<b>Total</b>
<b>At 31 December 2019</b>				
Owned assets	74	260	127	461
Assets under finance leases	-	3	-	3
	<u>74</u>	<u>263</u>	<u>127</u>	<u>464</u>
<b>At 31 December 2020</b>				
Owned assets	93	280	103	476
Right-of-use assets	-	70	-	70
	<u>93</u>	<u>350</u>	<u>103</u>	<u>546</u>

The gross amount of the Company's fully depreciated property, plant and equipment that was still in use as at 31 December 2020 amounted to Baht 620 million (2019: Baht 291 million).

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

*As a lessee*

<i>At 31 December 2020</i>	<b>Consolidated financial statements</b> (in million Baht)	<b>Separate financial statements</b>
<b><i>Right-of-use assets</i></b>		
Land	17,107	14,454
Buildings and improvements	27,174	34,194
<b>Total</b>	<b>44,281</b>	<b>48,648</b>

In 2020, additions to the right-of-use assets of the Group and the Company were Baht 847 million and Baht 21,198 million, respectively.

*Extension options*

Some property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

<i>For the year ended 31 December</i>	<b>Consolidated financial statements</b>		<b>Separated financial statements</b>	
	2020	2019	2020	2019
	(in million Baht)			
<b><i>Recognised in profit or loss</i></b>				
Gain on sale of investment properties	2,800	2	4	(2)
Interest income from finance lease receivable	962	-	-	-
Interest expense on lease liabilities	1,173	-	906	-
Expenses relating to short-term leases	480	-	58	-
Expenses relating to leases of low-value assets	10	-	4	-
Depreciation of right-of-use assets on land	1,288	-	997	-
Depreciation of right-of-use assets on buildings and improvements	1,437	-	1,851	-
Lease expenses	-	2,685	-	1,558

In 2020, total cash outflow for leases of the Group and the Company were Baht 3,828 million and Baht 2,788 million, respectively.

*As a lessor*

The leases of investment properties comprise a number of commercial properties that are leased to third parties under operating leases. Each of the leases contains an initial non-cancellable period of 3 years. Subsequent renewals are negotiated with the lessee. For all investment property leases, the rental income is fixed and variable under the contracts.

**Central Pattana Public Company Limited and its Subsidiaries**  
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<i>Maturity of operating lease receivables presented in 'other receivables'</i>	<b>Consolidated financial statements</b> (in million Baht)	<b>Separate financial statements</b> (in million Baht)
<b>At 31 December 2020</b>		
1 <sup>st</sup> year	14,284	8,614
2 <sup>nd</sup> year	7,842	4,636
3 <sup>rd</sup> year	3,853	2,208
4 <sup>th</sup> year	873	562
5 <sup>th</sup> year	469	328
After 5 <sup>th</sup> year	2,972	2,684
<b>Total</b>	<b>30,293</b>	<b>19,032</b>

  

<i>Minimum lease payments under non-concancellable operating lease are receivable</i>	<b>Consolidated financial statements</b> (in million Baht)	<b>Separate financial statements</b> (in million Baht)
<b>At 31 December 2019</b>		
Within 1 year	16,341	9,395
1 - 5 years	13,830	8,018
After 5 years	1,619	724
<b>Total</b>	<b>31,790</b>	<b>18,137</b>

## 15 Goodwill

Most of the goodwill arises from the acquisition of shares in Grand Canal Land Public Company Limited and its subsidiaries. (Together referred to as "Grand Canal Land Group")

### *Impairment testing for CGUs containing goodwill*

For the purposes of impairment testing, goodwill has been allocated to the Group's CGUs as follows.

#### *CGU 1 - Grand Canal Land Group*

	<b>Consolidated financial statements</b>	
	2020	2019
	(in million Baht)	
CGU 1 - Grand Canal Land Group	1,036	1,036

The recoverable amount of this CGU was based on fair value less costs of disposal, estimated using discounted cash flows.

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

	<b>Consolidated financial statements</b>	
	2020	2019
	(%)	
Discount rate	11	11
Terminal value growth rate	3	3
Budgeted EBITDA growth rate (average of next five years)	3	3



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

**16 Leasehold rights**

	<i>Note</i>	Consolidated financial statements	Separate financial statements
		<i>(in million Baht)</i>	
<b>Cost</b>			
At 1 January 2019		29,872	12,798
Additions		3,368	1,116
Transfer from investment properties	12	5,724	5,724
Disposal / amortisation		(97)	(61)
<b>At 31 December 2019</b>		<b>38,867</b>	<b>19,577</b>
Transfer to investment properties	12	(38,867)	(19,577)
<b>At 31 December 2020</b>		<b>-</b>	<b>-</b>
<b>Accumulated amortisation</b>			
At 1 January 2019		15,786	7,025
Amortisation for the year		1,845	947
Transfer from investment properties		515	515
Disposal / amortisation		(62)	(46)
<b>At 31 December 2019</b>		<b>18,084</b>	<b>8,441</b>
Transfer from investment properties	12	(18,084)	(8,441)
<b>At 31 December 2020</b>		<b>-</b>	<b>-</b>
<b>Net book value</b>			
<b>At 1 January 2019</b>		<b>14,086</b>	<b>5,773</b>
<b>At 31 December 2019</b>		<b>20,783</b>	<b>11,136</b>
<b>At 31 December 2020</b>		<b>-</b>	<b>-</b>

## Central Pattana Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### For the year ended 31 December 2020

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.

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

<i>For the year ended 31 December</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
<b>Direct operating expenses</b>				
property that generated rental income	-	3,873	-	2,782

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

#### 17 Other non-current assets

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Deposits	1,760	1,303	227	237
Advance payment for purchases of investment properties and leasehold rights	394	4	228	4
Advance payment for rights	340	377	247	280
Guarantees for leasehold rights	206	233	-	-
Withholding tax deducted at source	3	92	-	-
Others	59	-	16	-
<b>Total</b>	<b>2,762</b>	<b>2,009</b>	<b>718</b>	<b>521</b>

#### 18 Interest-bearing liabilities

Consolidated financial statements							
	<i>Note</i>	Secured	2020 Unsecured	<b>Total</b> <i>(in million Baht)</i>	Secured	2019 Unsecured	<b>Total</b>
Short-term loans from related parties	6	-	226	226	-	126	126
Short-term loans from financial institutions		-	11,732	11,732	770	4,200	4,970
Current portion of long-term loans from financial institutions		-	2,010	2,010	-	1,569	1,569
Current portion of long-term loans from institutional investors		-	4,163	4,163	-	2,200	2,200
Long-term loans from related parties	6	-	724	724	-	693	693

**Central Pattana Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
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<b>Consolidated financial statements</b>							
	<i>Note</i>	Secured	2020 Unsecured	<b>Total</b> <i>(in million Baht)</i>	Secured	2019 Unsecured	<b>Total</b>
Long-term loans from financial institutions		2,532	13,067	15,599	2,532	7,081	9,613
Long-term loans from institutional investors		-	12,032	12,032	-	14,858	14,858
<b>Total interest-bearing liabilities</b>		<b>2,532</b>	<b>43,954</b>	<b>46,486</b>	<b>3,302</b>	<b>30,727</b>	<b>34,029</b>

  

<b>Separate financial statements</b>							
	<i>Note</i>	Secured	2020 Unsecured	<b>Total</b> <i>(in million Baht)</i>	Secured	2019 Unsecured	<b>Total</b>
Short-term loans from related parties	6	-	10,505	10,505	-	9,862	9,862
Short-term loans from financial institutions		-	11,182	11,182	-	3,600	3,600
Current portion of long-term loans from financial institutions		-	2,010	2,010	-	1,569	1,569
Current portion of long-term loans from institutional investors		-	3,000	3,000	-	800	800
Long-term loans from related parties	6	-	7,615	7,615	-	8,105	8,105
Long-term loans from financial institutions		-	13,067	13,067	-	7,081	7,081
Long-term loans from institutional investors		-	10,996	10,996	-	12,400	12,400
<b>Total interest-bearing liabilities</b>		<b>-</b>	<b>58,375</b>	<b>58,375</b>	<b>-</b>	<b>43,417</b>	<b>43,417</b>

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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Within 1 year	18,131	8,865	26,697	15,831
1 - 5 years	27,855	23,051	31,178	25,474
After 5 years	500	2,113	500	2,112
<b>Total</b>	<b>46,486</b>	<b>34,029</b>	<b>58,375</b>	<b>43,417</b>

<b>Consolidated financial statements</b>			
<i>Assets pledged as security for liabilities as at 31 December</i>	<i>Note</i>	2020	2019
		<i>(in million Baht)</i>	
Real estate development for sales	8	-	156
Investment properties	12	14,468	14,635
Leasehold rights	16	-	97
<b>Total</b>		<b>14,468</b>	<b>14,888</b>

As at 31 December 2020 the Group had unutilised credit facilities totalling Baht 18,103 million (2019: Baht 14,213 million).

**Central Pattana Public Company Limited and its Subsidiaries**  
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***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 2020, the Company issued bills of exchange totalling Baht 280 million. The bills of exchange have term to maturity of 6 months, maturing in January 2021.

In September 2020, the Company issued bills of exchange totalling Baht 850 million. The bills of exchange have term to maturity of 6 months, maturing in March 2021.

In October 2020, the Company issued bills of exchange totalling Baht 2,000 million. The bills of exchange have term to maturity of 3 months, maturing in January 2021.

In November 2020, the Company issued bills of exchange totalling Baht 2,000 million. The bills of exchange have term to maturity of 3 months, maturing in February 2021.

In November 2020, the Company issued bills of exchange totalling Baht 52 million. The bills of exchange have term to maturity of 6 months, maturing in May 2021.

In December 2020, the Company issued bills of exchange totalling Baht 3,000 million. The bills of exchange have term to maturity of 3 months, maturing in March 2021.

***Grand Canal Land Public Company Limited***

In November 2020, the Company issued bills of exchange totalling Baht 300 million. The bills of exchange have term to maturity of 6 months, maturing in May 2021.

In December 2020, the Company issued bills of exchange totalling Baht 250 million. The bills of exchange have term to maturity of 6 months, maturing in June 2021.

***Long-term loans from financial institutions***

***Central Pattana Public Company Limited***

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 2020, 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 2020, 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 2020**

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 2020, 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 stipulated the Company to repay the principal in 25 months after the first withdrawal date and repays the principle in 36 monthly instalments. As at 31 December 2020, 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 2020, 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 2020, the Company has already fully withdrawn total amount of loan.

In March 2020, 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 2020, the Company has already fully withdrawn total amount of loan.

In June 2020, the Company entered into a loan agreement not exceeding of Baht 5,000 million credit facility agreement with a financial institution. Such agreement stipulated the Company to repay the principal in 24 months after the first withdrawal date and repays the principle in instalments every 1 years, totalling of 3 instalments. As at 31 December 2020, the Company has already fully withdrawn total amount of loan.

In December 2020, 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 36 months after the first withdrawal date and repays the principle in instalments every 6 month, totalling of 2 instalments. As at 31 December 2020, 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 2020, the Company had withdrawn of Baht 2,532 million (2019: Baht 2,532 million).

#### *Long-term loans from institutional investors*

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

#### *Central Pattana Public Company Limited*

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

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

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.

In November 2020, the Company issued debentures totalling Baht 3,000 million. The debentures have term to maturity of 3 years and 3 months, maturing in 2 February 2024.

*Grand Canal Land Public Company Limited*

In November 2017, the Group issued through private placement Baht 1,300 million. The debentures have term to maturity of 3 years, 5 months, maturing on 9 May 2021, and pay interest every quarter.

In April 2018, the Group issued through private placement Baht 1,150 million. The debentures have term to maturity of 4 years, maturing on 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.

**Central Pattana Public Company Limited and its Subsidiaries**  
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*Effective interest rates and reprising / maturing analysis*

	Effective interest rate	Loans from-at floating interest rate	<b>Consolidated financial statements</b>			
			Loans from-at fixed interest rate and the periods in which those liabilities mature			Fair value
			Within 1 year	After 1 year but within 5 years	After 5 years	
<i>At 31 December</i>	(%)		<i>(in million Baht)</i>			Total carrying value
<b>2020</b>						
Loans from financial institutions and institutional investors	0.95 - 5.00	26,769	4,377	13,889	500	45,535
						43,592
<b>2019</b>						
Loans from financial institutions and institutional investors	1.35 - 5.00	14,645	2,636	14,215	1,714	33,210
						33,601
	Effective interest rate	Loans from-at floating interest rate	<b>Separate financial statements</b>			
			Loans from-at fixed interest rate and the periods in which those liabilities mature			Fair value
			Within 1 year	After 1 year but within 5 years	After 5 years	
<i>At 31 December</i>	(%)		<i>(in million Baht)</i>			Total carrying value
<b>2020</b>						
Loans from financial institutions and institutional investors	0.95 - 5.00	23,687	3,214	12,853	500	40,254
						40,521
<b>2019</b>						
Loans from financial institutions and institutional investors	1.35 - 5.00	10,743	1,236	11,757	1,714	25,450
						25,827

## Central Pattana Public Company Limited and its Subsidiaries

### Notes to the financial statements

For the year ended 31 December 2020

#### 19 Other payables

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
		<i>(in million Baht)</i>			
Other accounts payable	6	574	614	332	342
Retention payable		1,921	2,401	916	979
Accrued operating expenses		1,617	1,736	573	702
Advanced received from service income		190	223	88	88
Accrued interest expense		309	301	291	260
Advance received from real estate development for sales	24(d)	45	146	-	-
Others		257	143	96	71
<b>Total</b>		<b>4,913</b>	<b>5,564</b>	<b>2,296</b>	<b>2,442</b>

#### 20 Non-current provisions for employee benefits

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Defined benefit plan	<b>731</b>	<b>649</b>	<b>583</b>	<b>518</b>

##### *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.

##### *Present value of the defined benefit obligations*

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
		<i>(in million Baht)</i>			
At 1 January		649	461	518	364
<b>Include in profit or loss:</b>	26				
Current service cost		71	185	56	148
Interest on obligation		19	17	15	14
<b>Total</b>		<b>90</b>	<b>202</b>	<b>71</b>	<b>162</b>
Benefit paid		(8)	(14)	(6)	(8)
<b>At 31 December</b>		<b>731</b>	<b>649</b>	<b>583</b>	<b>518</b>

##### *Project of Central Pattana Group*

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(%)</i>			
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



**Central Pattana Public Company Limited and its Subsidiaries**  
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Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 31 December 2020 and 2019, the weighted-average duration of the defined benefit obligation was 19 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.

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	Increase	Decrease	Increase	Decrease
	<i>(in million Baht)</i>			
<b>At 31 December 2020</b>				
Discount rate (1% movement)	(73)	87	(58)	68
Future salary growth (1% movement)	83	(72)	65	(57)
<b>At 31 December 2019</b>				
Discount rate (1% movement)	(65)	78	(51)	61
Future salary growth (1% movement)	74	(64)	58	(51)

***Project of Grand Canal Land Group***

<b><i>Principal actuarial assumptions</i></b>	<b>2020</b>	<b>2019</b>
	<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 2020 and 2019, 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 million Baht)</i>	
	Increase	Decrease
<b>31 December 2020</b>		
Discount rate (0.5% movement)	(1)	1
Future salary growth (1% movement)	2	(2)
Employee turnover (10% movement)	(2)	2
<b>31 December 2019</b>		
Discount rate (0.5% movement)	(1)	1
Future salary growth (1% movement)	2	(2)
Employee turnover (10% movement)	(2)	2

**Central Pattana Public Company Limited and its Subsidiaries**  
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**21 Share Capital**

*Share premium*

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account (“share premium”). Share premium is not available for dividend distribution.

**22 Treasury share**

The treasury shares account within equity comprises the cost of the Company’s own shares held by the Group.

As at 31 December 2020, the Group held 17.15 million of the Company’s shares, comprising 0.38% of the Company’s issued share capital, at a total cost of Baht 761.22 million.

In February 2020, the Board of Directors of the Company approved a treasury share plan (“Plan”) to re-purchase not more than 1.7%, or 77 million shares, of the Company’s shares then in issue. The purpose of the Plan is to manage the Company’s excess liquidity. The maximum amount approved for share purchase under the Plan is Baht 5,000 million and the price to be paid for the shares is not to exceed 115% of the average closing price on the Stock Exchange of Thailand (“SET”) over the 5 trading days before each share purchase is made. The Company may purchase the shares through the SET during the period from 6 March 2020 to 5 September 2020. The shares purchased may be resold after 6 months but within 3 years from the date of purchase.

**23 Reserve**

Reserves comprise:

*Appropriations of profit and/or retained earnings*

**Legal reserve**

Section 116 of the Public Companies Act B.E. 2535 Section 116 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*

**Fair value reserve of 2020**

The fair value reserve comprises the cumulative net change in the fair value of equity securities designated at FVOCI.

**Fair value reserve of 2019**

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

## Central Pattana Public Company Limited and its Subsidiaries

### Notes to the financial statements

### For the year ended 31 December 2020

#### 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.

#### 24 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

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's CODM. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

## Consolidated financial statements

	Segment 1		Segment 2		Segment 3		Segment 4		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
<i>For the year ended 31 December</i>										
<i>Information about reportable segments</i>										
External revenue	24,848	31,843	446	851	306	1,121	2,262	2,904	27,862	36,719
Inter-segment revenue	104	187	-	-	-	3	-	-	104	190
<b>Total segment revenue</b>	<b>24,952</b>	<b>32,030</b>	<b>446</b>	<b>851</b>	<b>306</b>	<b>1,124</b>	<b>2,262</b>	<b>2,904</b>	<b>27,966</b>	<b>36,909</b>
<i>Timing of revenue recognition</i>										
At a point in time	-	-	446	851	306	1,124	2,262	2,904	3,014	4,879
Over time	24,952	32,030	-	-	-	-	-	-	24,952	32,030
<b>Total revenue</b>	<b>24,952</b>	<b>32,030</b>	<b>446</b>	<b>851</b>	<b>306</b>	<b>1,124</b>	<b>2,262</b>	<b>2,904</b>	<b>27,966</b>	<b>36,909</b>
Segment profit before income tax	13,159	15,632	47	359	(83)	565	723	1,038	13,846	17,594
Interest income	1,193	150	-	-	3	6	7	8	1,203	164
Finance costs	1,806	798	-	-	39	-	20	15	1,865	813
Depreciation and amortisation	7,593	6,331	88	71	212	195	13	17	7,906	6,614
Share of profit of investments in associates and joint ventures	1,042	1,292	-	-	-	-	-	-	1,042	1,292
Capital expenditure	16,568	7,681	68	147	338	34	16	23	16,990	7,885
Segment assets	161,284	125,258	421	412	1,488	1,188	9,064	8,387	172,257	135,245
Segment liabilities	32,912	35,305	16	30	1,328	308	396	680	34,652	36,323
<b>Separate financial statements</b>										
	Segment 1		Segment 2		Segment 3		Segment 4		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
<i>For the year ended 31 December</i>										
<i>Timing of revenue recognition</i>										
At a point in time	-	-	169	334	-	-	-	-	169	334
Over time	13,642	16,222	-	-	-	-	-	-	13,642	16,222
<b>Total revenue</b>	<b>13,642</b>	<b>16,222</b>	<b>169</b>	<b>334</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,811</b>	<b>16,556</b>

## Central Pattana Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### For the year ended 31 December 2020

(a) *Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items*

	2020	2019
	<i>(in million Baht)</i>	
<b>Revenues</b>		
Total revenue from reportable segments	27,966	36,909
Other revenue	5,299	1,871
	<u>33,265</u>	<u>38,780</u>
Elimination of inter-segment revenue	(104)	(190)
<b>Consolidated revenue</b>	<b><u>33,161</u></b>	<b><u>38,590</u></b>
<b>Profit</b>		
Total profit for reportable segments	13,846	17,594
Elimination of inter-segment profits	(2,496)	(116)
Unallocated amounts:		
- Other revenue	4,229	1,709
- Other expenses	(4,856)	(6,333)
- Share of profit of associates and joint venture	1,042	1,292
<b>Consolidated profit before income tax</b>	<b><u>11,765</u></b>	<b><u>14,146</u></b>
<b>Assets</b>		
Total assets for reportable segments	172,257	135,245
Other unallocated amounts		
- Investment	12,147	14,924
- Deferred tax assets	3,392	2,226
- Other assets	33,977	17,538
<b>Consolidated total assets</b>	<b><u>221,773</u></b>	<b><u>169,933</u></b>
<b>Liabilities</b>		
Total liabilities for reportable segments	34,652	36,323
Other unallocated amounts		
- Loans	46,486	34,029
- Deferred tax liabilities	2,624	1,975
- Other liabilities	60,888	17,144
<b>Consolidated total liabilities</b>	<b><u>144,650</u></b>	<b><u>89,471</u></b>

#### Consolidated financial statements

	2020			2019		
	Reportable segment totals	Adjustments	Total	Reportable segment totals	Adjustments	Total
	<i>(in million Baht)</i>					
<b>Other material items</b>						
Interest income	1,203	-	1,203	164	-	164
Interest expense	1,865	-	1,865	813	-	813
Capital expenditure	7,906	-	7,906	6,614	-	6,614
Depreciation and amortisation	16,990	-	16,990	7,885	-	7,885

**Central Pattana Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
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**(b) Reconciliations of reportable**

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.

**(c) Major customer**

Revenue from Central Department Store Group of the Group's 1 and 2 segments represents approximately Baht 2,809 million (2019: Baht 2,499 million) of the Group's total revenues.

**(d) Contract Balances**

<i>Contract Balances</i>	<b>Consolidated financial statements</b>	
	Contract assets 2020	Contract liabilities 2019
	<i>(in million Baht)</i>	
At 1 January	(146)	(280)
Recognised as revenue during the year	175	340
Advance received	(74)	(206)
<b>At 31 December 2020</b>	<b>(45)</b>	<b>(146)</b>

**(g) Revenue expected to be recognised in the future related to performance obligations that are unsatisfied**

At 31 December 2020, the Group have revenue expected to be recognised in the future arising from performance obligations that are unsatisfied amounted of Baht 1,608 million and (2019: Baht 1,523 million). The Group will recognise this revenue when a customer obtain control of the goods or services, which is expected to occur over the next 24 months (2019: next 24 months).

**25 Other income**

	<i>Note</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		2020	2019	2020	2019
		<i>(in million Baht)</i>			
Management income	6	803	740	893	1,044
Gain on finance lease		2,800	-	4	-
Compensation from insurance claim		326	-	4	-
Contribution income		80	173	62	147
Gain from sales of investments		12	310	11	310
Others		179	460	480	527
<b>Total</b>		<b>4,200</b>	<b>1,683</b>	<b>1,454</b>	<b>2,028</b>

**Central Pattana Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

**26 Employee benefit expenses**

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<i>Note</i>	2020	2019	2020	2019
		<i>(in million Baht)</i>			
Wages and salaries		3,144	3,516	2,164	2,411
Defined benefit plans	20	90	202	71	162
Defined contribution plans		93	86	73	68
Others welfare		274	476	148	220
<b>Total</b>		<b>3,601</b>	<b>4,280</b>	<b>2,456</b>	<b>2,861</b>

*Defined contribution plans*

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.

**27 Expenses by nature**

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<i>Note</i>	2020	2019	2020	2019
		<i>(in million Baht)</i>			
Depreciation and amortisation	12,13,16	7,906	7,117	5,026	3,127
Utility expenses		4,432	5,623	2,722	3,557
Employee benefit expenses	26	3,601	4,280	2,456	2,861
Lease-related expenses (2019: Lease payment)		153	2,657	90	1,558
Cost of sale of real estate		1,467	1,833	-	-
Marketing expenses		673	1,327	364	801
Repair and maintenance		731	875	412	463
Consulting and other fees		486	488	326	288
Others		1,124	726	610	641
<b>Total</b>		<b>20,573</b>	<b>24,926</b>	<b>12,006</b>	<b>13,296</b>

**28 Income tax**

*Income tax recognised in profit or loss*

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
<b>Current tax expense</b>				
Current year	1,912	2,738	732	1,204
Adjustment for prior years	(4)	3	(30)	-
<b>Deferred tax expense</b>				
Movements in temporary differences	239	(405)	(317)	(163)
<b>Total</b>	<b>2,147</b>	<b>2,336</b>	<b>385</b>	<b>1,041</b>

**Central Pattana Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

<b>Consolidated financial statements</b>						
	Before tax	2020 Tax expense	Net of tax (in million Baht)	Before tax	2019 Tax expense	Net of tax
<b>Income tax</b>						
<b>Recognised in other comprehensive income</b>						
Financial assets at FVOCI	(198)	37	(161)	-	-	-
Unrealised (gain) loss from investment	-	-	-	(89)	18	(71)
<b>Total</b>	<b>(198)</b>	<b>37</b>	<b>(161)</b>	<b>(89)</b>	<b>18</b>	<b>(71)</b>

<b>Separate financial statements</b>						
	Before tax	2020 Tax benefit	Net of tax (in million Baht)	Before tax	2019 Tax expense	Net of tax
<b>Income tax</b>						
<b>Recognised in other comprehensive income</b>						
Financial assets at FVOCI	307	(61)	246	-	-	-
Unrealised (gain) loss from investment	-	-	-	(88)	18	(70)
<b>Total</b>	<b>307</b>	<b>(61)</b>	<b>246</b>	<b>(88)</b>	<b>18</b>	<b>(70)</b>

<b>Consolidated financial statements</b>				
	2020		2019	
<b>Reconciliation of effective tax rate</b>				
	Tax rate (%)	(in million Baht)	Tax rate (%)	(in million Baht)
Profit before income tax expense		11,765		14,146
Income tax using the tax rate	20	2,353	20	2,829
Income not subject to tax		(191)		(494)
Additional deductible expenses for tax purposes		(189)		(81)
Expenses not deductible for tax purposes		179		79
Adjustment for prior years		(4)		3
<b>Total</b>	<b>18</b>	<b>2,148</b>	<b>17</b>	<b>2,336</b>

<b>Separate financial statements</b>				
	2020		2019	
<b>Reconciliation of effective tax rate</b>				
	Tax rate (%)	(in million Baht)	Tax rate (%)	(in million Baht)
Profit before total income tax expense		4,146		19,657
Income tax using the tax rate	20	829	20	3,931
Income not subject to tax		(358)		(2,813)
Additional deductible expenses for tax purposes		(68)		(71)
Expenses not deductible for tax purposes		12		(6)
Adjustment for prior years		(30)		-
<b>Total</b>	<b>9</b>	<b>385</b>	<b>5</b>	<b>1,041</b>



**Central Pattana Public Company Limited and its Subsidiaries**  
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<b>Consolidated financial statements</b>				
<i>Deferred tax</i> <i>At 31 December</i>	<b>Assets</b>		<b>Liabilities</b>	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Total	3,329	2,329	-	(103)
Set off of tax	-	(103)	2,264	2,078
<b>Net deferred tax assets (liabilities)</b>	<b>3,329</b>	<b>2,226</b>	<b>2,264</b>	<b>1,975</b>

  

<b>Separate financial statements</b>				
<i>Deferred tax</i> <i>At 31 December</i>	<b>Assets</b>		<b>Liabilities</b>	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Total	2,202	1,113	(94)	(120)
Set off of tax	(94)	(120)	94	120
<b>Net deferred tax assets</b>	<b>2,108</b>	<b>993</b>	<b>-</b>	<b>-</b>

**Central Pattana Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

	<b>Consolidated financial statements</b>			
	At 1 January	Profit or loss	Other comprehensive income (in million Baht)	Equity  At 31 December
<i>Deferred tax</i>				
<b>2020</b>				
<i>Deferred tax assets</i>				
Trade accounts receivable (allowance for doubtful accounts)	5	5	-	10
Real estate development for sales	3	-	-	3
Investment properties (allowance for impairment)	20	-	-	20
Investment properties (shopping building under consignment sale agreement)	348	6	-	354
Investment properties (depreciation gap)	-	47	-	1,279
Leasehold rights (difference from recognition of rental expenses by straight-line method)	440	-	-	-
Provisions for employee benefits	128	14	-	142
Deposits received from customers	826	183	-	1,009
Loss carry forward	230	78	-	308
Financial assets measured at FVOCI (decrease in fair value)	32	-	(32)	-
Others	297	(30)	-	267
<b>Total</b>	<b>2,329</b>	<b>303</b>	<b>(32)</b>	<b>3,392</b>
<i>Deferred tax liabilities</i>				
Gain on lease under finance lease	(103)	(431)	-	(534)
Real estate development for sales (gain from fair value adjustment)	(357)	51	-	(306)
Investment properties (gain from fair value adjustment)	(1,617)	-	-	(1,617)
Financial assets at FVOCI (decrease in fair value)	-	-	(5)	(5)
Debt issuance fee	-	(1)	-	(1)
Finance lease receivable	-	(158)	-	(158)
Financial assets at FVTPL (decrease in fair value)	-	(3)	-	(3)
<b>Total</b>	<b>(2,077)</b>	<b>(542)</b>	<b>(5)</b>	<b>(2,624)</b>
<b>Net</b>	<b>252</b>	<b>(239)</b>	<b>(37)</b>	<b>768</b>

**Central Pattana Public Company Limited and its Subsidiaries**  
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	Consolidated financial statements (Charged) / credited to:			
	At 1 January	Profit or loss (in million Baht)	Other comprehensive income	At 31 December
<b>Deferred tax</b>				
<b>2019</b>				
<b>Deferred tax assets</b>				
Trade accounts receivable (allowance for doubtful accounts)	8	(3)	-	5
Real estate development for sales (allowance for impairment)	3	-	-	3
Investment properties (allowance for impairment)	20	-	-	20
Investment properties (shopping building under consignment sale agreement)	358	(10)	-	348
Leasehold rights (difference from recognition of rental expenses by straight-line method)	396	44	-	440
Provisions for employee benefits	89	39	-	128
Deposits received from customers	807	19	-	826
Loss carry forward	148	82	-	230
Unrealised loss from investment	50	-	(18)	32
Others	231	66	-	297
<b>Total</b>	<b>2,110</b>	<b>237</b>	<b>(18)</b>	<b>2,329</b>
<b>Deferred tax liabilities</b>				
Gain on lease under finance lease	(210)	107	-	(103)
Real estate development for sales (gain from fair value adjustment)	(418)	61	-	(357)
Investment properties (gain from fair value adjustment)	(1,617)	-	-	(1,617)
<b>Total</b>	<b>(2,245)</b>	<b>168</b>	-	<b>(2,077)</b>
<b>Net</b>	<b>(135)</b>	<b>405</b>	<b>(18)</b>	<b>252</b>

**Central Pattana Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
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	At 1 January	Separate financial statements (Charged) / credited to:			At 31 December
		Profit or loss	Other comprehensive income (in million Baht)	Equity	
<b>Deferred tax</b>					
<b>2020</b>					
<b>Deferred tax assets</b>					
Trade accounts receivable (allowance for doubtful accounts)	4	2	-	-	6
Leasehold rights (difference from recognition of rental expenses by straight-line method)	415	-	-	(415)	-
Investment properties (depreciation gap)	-	68	-	1,152	1,220
Provisions for employee benefits	104	14	-	-	118
Deposits received from customers	432	190	-	-	622
Financial assets measured at FVOCI (decrease in fair value)	35	-	62	-	97
Others	158	(19)	-	-	139
<b>Total</b>	<b>1,148</b>	<b>255</b>	<b>62</b>	<b>737</b>	<b>2,202</b>
<b>Deferred tax liabilities</b>					
Gain on lease under finance lease	(155)	62	-	-	(93)
Debtenture issuance fee	-	(1)	-	-	(1)
<b>Total</b>	<b>(155)</b>	<b>61</b>	<b>-</b>	<b>-</b>	<b>(94)</b>
<b>Net</b>	<b>993</b>	<b>316</b>	<b>62</b>	<b>737</b>	<b>2,108</b>

**Central Pattana Public Company Limited and its Subsidiaries**  
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	<b>Separate financial statements</b> (Charged) / credited to:		
	At 1 January	Profit or loss (in million Baht)	At 31 December
<i>Deferred tax</i>			
<b>2019</b>			
<i>Deferred tax assets</i>			
Trade accounts receivable (allowance for doubtful accounts)	6	(2)	4
Leasehold rights (difference from recognition of rental expenses by straight-line-method)	389	26	415
Provisions for employee benefits	73	31	104
Deposits received from customers	422	10	432
Others	121	37	158
<b>Total</b>	<b>1,011</b>	<b>102</b>	<b>1,113</b>
<i>Deferred tax liabilities</i>			
Gain on lease under finance lease	(216)	61	(155)
Unrealised loss from investment	53	-	35
<b>Total</b>	<b>(163)</b>	<b>61</b>	<b>(120)</b>
<b>Net</b>	<b>848</b>	<b>163</b>	<b>993</b>

**Central Pattana Public Company Limited and its Subsidiaries**  
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<i>Unrecognised deferred tax assets</i>	<b>Consolidated financial statements</b>	
	2020	2019
	<i>(in million Baht)</i>	
Loss carry forward	618	541

The tax losses are the deductible temporary differences do not expire under current tax legislation. The Group has not recognised these items as deferred tax assets because it is not probable that the Group will have sufficient future taxable profit to utilise the benefits therefrom.

**29 Basic earnings per share**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
	<i>(in million Baht/million shares)</i>			
<b>Profit attributable to ordinary shareholders of the Company (basic)</b>	<b><u>9,557</u></b>	<b><u>11,738</u></b>	<b><u>3,760</u></b>	<b><u>18,615</u></b>
<b>Number of ordinary shares outstanding</b>	<b><u>4,488</u></b>	<b><u>4,488</u></b>	<b><u>4,488</u></b>	<b><u>4,488</u></b>
<b>Basic earnings per share (in Baht)</b>	<b><u>2.13</u></b>	<b><u>2.62</u></b>	<b><u>0.84</u></b>	<b><u>4.15</u></b>

**30 Dividends**

At the Board of Directors' Meeting of the Company held on 15 May 2020, approve the interim dividend payment against the net profit as at 31 December 2019 at Baht 0.8 per share, totalling Baht 3,576.6 million, decreasing from the prior rate that determine the dividend payment at Baht 1.3 per share in accordance with the prior resolution of the Board of Directors' Meeting of the Company held on 20 February 2020 due to the COVID-19 outbreak. The dividend payment already paid to shareholders in June 2020.

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.

**31 Financial instruments**

**(a) Carrying amounts 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.

**Central Pattana Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
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<b>Consolidated financial statements</b>					
	<b>Carrying amount</b>		<b>Fair value</b>		
	Fair value through profit or loss	Fair value through other comprehensive income (in million Baht)	Level 1	Level 2	Level 3
<b>At 31 December 2020</b>					
<b>Financial assets</b>					
Other current financial assets					
Investments in equity instruments	-	2	2	-	-
Investments in debt instruments	2,004	-	2	2,002	-
Other non-current financial assets					
Investments in equity instruments	-	1,814	1,816	56	572
Investments in debt instruments	142	-	-	142	-
<b>Separate financial statements</b>					
	<b>Carrying amount</b>		<b>Fair value</b>		
	Fair value through profit or loss	Fair value through other comprehensive income (in million Baht)	Level 1	Level 2	Level 3
<b>At 31 December 2020</b>					
<b>Financial assets</b>					
Other current financial assets					
Investments in equity instruments	-	2	2	-	-
Investments in debt instruments	424	-	2	422	-
Other non-current financial assets					
Investments in equity instruments	-	1,188	1,187	1	-
Investments in debt instruments	-	-	-	-	-
<b>Consolidated financial statements</b>					
	Carrying amount	<b>Fair value</b>			
		Level 1	Level 2	Level 3	Total
		(in million Baht)			
<b>31 December 2019</b>					
<b>Financial assets measured at fair value</b>					
Equity securities available for sale	1,494	1,494	-	-	1,494
Investments in marketable unit trusts classified as available-for-sale investments	1,139	-	1,139	-	1,139
<b>Financial liabilities not measured at fair value</b>					
Short-term loans from financial institutions	(4,970)	-	-	(4,967)	(4,967)
Current portion of loans from financial institutions and institutional investors	(3,769)	-	(1,410)	(2,387)	(3,797)
Loans from financial institutions and institutional investors	(24,471)	-	(2,495)	(22,343)	(24,838)

**Central Pattana Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

	Carrying amount	Separate financial statements			
		Fair value			Total
		Level 1	Level 2 (in million Baht)	Level 3	
<b>31 December 2019</b>					
<b><i>Financial assets measured at fair value</i></b>					
Equity securities available for sale	1,494	1,494	-	-	1,494
Investments in marketable unit trusts classified as available-for-sale investments	534	-	534	-	534
<b><i>Financial assets and financial liabilities not measured at fair value</i></b>					
Investment in fund	5,444	-	8,237	-	8,237
Short-term loans from financial institutions	(3,600)	-	-	(3,600)	(3,600)
Current portion of loans from financial institutions and institutional investors	(2,369)	-	-	(2,387)	(2,387)
Loans from financial institutions and institutional investors	(19,481)	-	-	(19,840)	(19,840)

**Financial instruments measured at fair value**

Type	Valuation technique
Investments in debt instruments classified as financial assets measured at FVTPL	The net asset value as of the reporting date.
Investments in equity instruments classified as financial assets measured at FVOCI	The adjusted net asset value as of the reporting date.

**(b) Movement of equity and debt securities**

<b>Equity and debt securities</b>	Consolidated financial statements			
	At 1 January	Purchase/ Transfer	Disposal (in million Baht)	Fair value adjustment
<b>2020</b>				
<b>Current financial assets</b>				
Equity securities measured at FVOCI	3	-	-	(1)
Debt securities measured at FVTPL	998	14,376	(13,368)	(2)
<b>Total</b>	<b>1,001</b>	<b>14,376</b>	<b>(13,368)</b>	<b>(3)</b>
<b>Non-current financial assets</b>				
Equity securities measured at FVOCI	1,613	-	-	201
Debt securities measured at FVTPL	143	(2)	-	1
<b>Total</b>	<b>1,756</b>	<b>(2)</b>	<b>-</b>	<b>202</b>
<b>2019</b>				
<b>Current investments</b>				
Available-for-sale securities	46	11,115	(10,161)	1
<b>Long-term investment in related parties</b>				
Available-for-sale securities	1,909	73	(511)	86
<b>Other long-term investments</b>				
Available-for-sale securities	173	25	-	1



**Central Pattana Public Company Limited and its Subsidiaries**  
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	Separate financial statements				
	At 1 January	Purchase/ Transfer	Disposal (in million Baht)	Fair value adjustment	At 31 December
<i>Equity and debt securities</i>					
<b>2020</b>					
<i>Current financial assets</i>					
Equity securities measured at FVOCI	3	-	-	(1)	2
Debt securities measured at FVTPL	534	11,955	(12,063)	(2)	424
<b>Total</b>	<b>537</b>	<b>11,955</b>	<b>(12,063)</b>	<b>(3)</b>	<b>426</b>
<i>Non-current financial assets</i>					
Equity securities measured at FVOCI	1,492	-	-	(304)	1,188
Debt securities measured at FVTPL	2	(2)	-	-	-
<b>Total</b>	<b>1,494</b>	<b>(2)</b>	<b>-</b>	<b>(304)</b>	<b>1,188</b>
<b>2019</b>					
<i>Current investments</i>					
Available-for-sale securities	45	10,465	(9,975)	2	537
<i>Long-term investment in related parties</i>					
Available-for-sale securities	1,843	73	(511)	86	1,491
<i>Other long-term investments</i>					
Available-for-sale securities	3	-	-	-	3

**(c) Financial risk management policies**

**Risk management framework**

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

**(c.1) Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities.

**Central Pattana Public Company Limited and its Subsidiaries**  
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(c.1.1) Trade accounts receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. Detail of concentration of revenue are included in note 24(b)-(c).

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.

The Group limits its exposure to credit risk from trade accounts receivables by establishing a maximum payment period of three months.

The following table provides information about the exposure to credit risk and ECLs for trade accounts receivables and contract assets.

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	Trade accounts receivables	Allowance for impairment losses (in million Baht)	Trade accounts receivables	Allowance for impairment losses
<b>At 31 December 2020</b>				
<b>Personal: non-related parties</b>				
Within credit terms	7	-	3	-
Overdue:				
Less than 3 months	82	(1)	46	-
3 - 6 months	18	-	12	-
6 - 12 months	14	-	8	-
Over 12 months	12	(3)	5	(2)
<b>Total</b>	<b>133</b>	<b>(4)</b>	<b>74</b>	<b>(2)</b>
Less: allowance for expected credit loss	(4)		(2)	
<b>Net</b>	<b>129</b>		<b>72</b>	
Deposits from overdue customers	<b>195</b>		<b>111</b>	
<b>Corporate: non-related parties</b>				
Within credit terms	134	(1)	97	-
Overdue:				
Less than 3 months	939	(5)	655	(3)
3 - 6 months	295	(1)	195	(1)
6 - 12 months	198	(1)	99	(1)
Over 12 months	136	(35)	57	(23)
<b>Total</b>	<b>1,702</b>	<b>(43)</b>	<b>1,103</b>	<b>(28)</b>
Less: allowance for expected credit loss	(43)		(28)	
<b>Net</b>	<b>1,659</b>		<b>1,075</b>	
Accrued income under operation leases	<b>976</b>		<b>672</b>	
Deposits from overdue customers	<b>6,631</b>		<b>3,916</b>	

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<i>Trade accounts receivables</i>	<b>Consolidated financial statements</b>	<b>Separate financial statements</b>
	<i>(in million Baht)</i>	
<b>At 31 December 2020</b>		
<b>Related parties</b>		
Within credit terms	163	194
Overdue:		
Less than 3 months	235	144
3 - 6 months	112	53
6 - 12 months	96	59
Over 12 months	43	27
<b>Total</b>	<b>649</b>	<b>477</b>
Accrued income under operation leases	<b>158</b>	<b>91</b>
Deposits from overdue customers	<b>778</b>	<b>483</b>

Loss rates are based on actual credit loss experience over the past three years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions.

<i>Trade accounts receivables</i>	<b>Consolidated financial statements</b>	<b>Separate financial statements</b>
	<i>(in million Baht)</i>	
<b>At 31 December 2019</b>		
<b>Related parties</b>		
Within credit terms	133	129
Overdue:		
Less than 3 months	140	180
3 - 6 months	31	18
6 - 12 months	9	6
Over 12 months	32	18
<b>Total</b>	<b>345</b>	<b>351</b>
Deposits from overdue customers	<b>863</b>	<b>416</b>
<b>Other parties</b>		
Within credit terms	219	165
Overdue:		
Less than 3 months	553	330
3 - 6 months	95	62
6 - 12 months	83	39
Over 12 months	91	68
<b>Total</b>	<b>1,041</b>	<b>664</b>
Less: allowance for doubtful accounts	(31)	(18)
<b>Net</b>	<b>1,010</b>	<b>646</b>
Deposits from overdue customers	<b>6,432</b>	<b>2,896</b>

The normal credit term granted by the Group ranges from 1 days to 30 days

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<i>Movement of allowance for expected credit loss of trade accounts receivables</i>	<b>Consolidated financial statements</b> (in million Baht)	<b>Separate financial statements</b>
At 1 January 2020	30	18
Addition	162	76
Reversal	(145)	(64)
<b>At 31 December 2020</b>	<b>47</b>	<b>30</b>

(c.1.2) Investment in debt securities

The Group limits its exposure to credit risk by investing only in liquid debt securities and the Group monitors changes in credit risk by tracking published external credit ratings. To determine whether published ratings remain up to date and to assess whether there has been a significant increase in credit risk at the reporting date that has not been reflected in published ratings, the Group supplements this by reviewing changes in bond yields and, where available, credit default swap (CDS) prices together with available press and regulatory information about debtors.

(c.2) Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

The following table are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

Consolidated financial statements				
		Contractual cash flows		
<i>At 31 December 2020</i>	Carrying amount	1 year or less	More than 1 years	Total
		<i>(in million Baht)</i>		
<i>Non-derivative financial liabilities</i>				
Trade payables	911	911	-	911
Contractor payables	2,098	2,098	-	2,098
Loans from related parties	950	226	724	950
Loans from financial institutions	29,340	13,742	15,598	29,340
Lease liabilities	45,598	2,346	81,400	83,746
Deposits received from customers	7,866	5,932	1,934	7,866
Debentures	16,195	4,163	12,032	16,195
	<b>102,958</b>	<b>29,418</b>	<b>111,688</b>	<b>141,106</b>

Separate financial statements				
		Contractual cash flows		
<i>At 31 December 2020</i>	Carrying amount	1 year or less	More than 1 years	Total
		<i>(in million Baht)</i>		
<i>Non-derivative financial liabilities</i>				
Trade payables	402	402	-	402
Contractor payables	94	94	-	94
Loans from related parties	18,120	10,505	7,615	18,120
Loans from financial institutions	26,258	13,192	13,066	26,258
Lease liabilities	32,261	1,497	43,226	44,723
Deposits received from customers	4,673	3,919	754	4,673
Debentures	13,996	3,000	10,996	13,996
	<b>95,804</b>	<b>32,609</b>	<b>75,657</b>	<b>108,266</b>

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**(c.3) Market risk**

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. The Group does not hold or issue derivatives for speculative or trading purposes.

**(c.3.1) Foreign currency risk**

The Group is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies. The Group primarily utilizes forward exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchases and sales, denominated in foreign currencies, for the subsequent period.

<b>Exposure to foreign currency at 31 December</b>	<b>Note</b>	<b>Consolidated financial statements</b>	
		<b>2020</b>	<b>2019</b>
		<i>(in million Baht)</i>	
<b>Hong Kong Dollars</b>			
Cash and cash equivalents	7	-	1
<b>Net statement of financial position exposure</b>		<b>-</b>	<b>1</b>
<b>Ringgit Malaysia</b>			
Cash and cash equivalents	7	85	51
Trade accounts receivables		117	30
Other receivables		-	27
Other non-current assets	17	9	16
Trade accounts payable		(35)	(58)
Other payables		(1,093)	(957)
Contractor payable	19	(1)	-
<b>Net statement of financial position exposure</b>		<b>(918)</b>	<b>(891)</b>
<b>United States Dollars</b>			
Cash and cash equivalents	7	-	209
Other receivables		8	-
Other non-current assets	17	-	6,126
Other payables	19	(3)	-
<b>Net statement of financial position exposure</b>		<b>5</b>	<b>6,335</b>
<b>Net exposure</b>		<b>(913)</b>	<b>5,445</b>

**Sensitivity analysis**

A reasonably possible strengthening (weakening) of the Ringgit Malaysia against all other currencies at 31 December 2020 would have affected the measurement of financial instruments denominated in a foreign currency and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

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<i>At 31 December 2020</i>	Movement (%)	<b>Consolidated financial statements</b>	
		Profit or loss Strengthening (in million Baht)	Weakening
Ringgit Malaysia	1	9	(9)

(c.3.2) 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 are mainly fixed. The Group is primarily exposed to interest rate risk. The Group mitigates this risk by ensuring that the majority of its borrowings are 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 6    Related parties  
 Note 18   Interest-bearing liabilities

### **32 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.

### **33 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.

In March 2020, the Company had informed by CPN REIT Management Co., Ltd. ("REIT Manager") for CPNREIT that it is necessary to postpone the subscription period for the issuance and offering of such additional trust units as well as the lease of partial assets of the Company. Nonetheless, CPNREIT will continue to renew the leasehold right of CentralPlaza Rama II project (Renewal period) from the Company as previously planned.

## Central Pattana Public Company Limited and its Subsidiaries

### Notes to the financial statements

### For the year ended 31 December 2020

#### *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.

In March 2020, REIT Manager deems it appropriate to postpone the period for additional investments in properties as stated in No. 1. Except for the renewal leasehold right of CentralPlaza Rama II project (Renewal period).

#### *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.

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 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 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 paid to Trust unit holders on 12 March 2020.

## Central Pattana Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### For the year ended 31 December 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.

GLANDRT had dissolution and delisting from being listed securities on the Stock Exchange of Thailand on 3 March 2020.

#### *CentralPlaza Rama II project (Renewal period)*

On 31 March 2020, CPNREIT had the registration of the leasehold rights over the real property in CentralPlaza Rama II project (Renewal period) that was in accordance with the conditions in the sublease property agreement between Central Pattana Rama 2 Company Limited, a subsidiary company, and 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 placed the guarantee to the Group of Baht 1,800 million. 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 building and structures of CentralPlaza Rama II, including part of the shopping center and the indoor parking area
- Leasing the system relevant to the building and structures of CentralPlaza Rama II.

### 34 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
<b><i>Capital commitments</i></b>				
Contracted but not provide for Buildings and facility systems	<b>3,466</b>	<b>606</b>	<b>2,379</b>	<b>271</b>
<b><i>Other commitments</i></b>				
Bank guarantees	967	750	375	378
Service agreement	48	156	-	-
Real estate projects under development agreements	708	1,325	-	-
<b>Total</b>	<b>1,723</b>	<b>2,231</b>	<b>375</b>	<b>378</b>

- (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



## Central Pattana Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### For the year ended 31 December 2020

- (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 21<sup>st</sup> year of the lease until the 30<sup>th</sup> 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.

**Central Pattana Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

- (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 31<sup>st</sup> year - 38<sup>th</sup> 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, (39<sup>th</sup> - 68<sup>th</sup> 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.

## Central Pattana Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### For the year ended 31 December 2020

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.

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

### **35 Litigation**

During 2017, Bayswater Company Limited was being sued in a civil lawsuit by an individual person who request Bayswater Company Limited 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 made a final appeal to the Supreme Court. In August 2020, the Supreme Court dismissed such request and did not accept the plaintiff's petition, so the case was final.

### **36 Events after the reporting period**

- 36.1 As disclosed in note 5, the Group has elected to apply accounting guidance on temporary accounting relief measures for additional accounting options in response to impact from the situation of coronavirus pandemic (COVID-19). The guidance expired on 31 December 2020.

The COVID-19 pandemic continued subsequent to the expiration of the guidance as increasingly affected cases were found and spread all over Thailand. In response to the situation, Thailand has enacted measures to monitor and control the spread, encouraging people to keep social distancing, avoid crowded gathering and travel less. Meanwhile, according to information from the World Health Organization (WHO), vaccines for COVID-19 have become available and are being rolled out around the world. However, it is still not possible to predict for how long and to what extent the vaccines will provide protection and when the spread will be over.

As the situation is highly uncertain and fluid, it is currently not possible to determine the impact of the continued pandemic, government measures and roll out of the vaccination on the business of the Group. Management is closely monitoring the situation and managing to lessen the impact as much as possible.

## Central Pattana Public Company Limited and its Subsidiaries

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#### For the year ended 31 December 2020

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

In January 2021, the Company issued debentures totalling Baht 1,250 million. The debentures have term to maturity of 5 years, maturing in January 2026.

In January 2021, the Company issued debentures totalling Baht 750 million. The debentures have term to maturity of 5 years, maturing in January 2026.

In January 2021, the Company issued debentures totalling Baht 2,000 million. The debentures have term to maturity of 3 years, maturing in January 2024.

- 36.3 In January 2021, the Company paid to purchase the ordinary shares of Suanlum Property Co., Ltd., from Dusit Thani Public Company Limited of 94,600 shares amounting to Baht 259.58 million. As a result, the proportion of shareholding increased from 78% to 83.5% in accordance with the condition of the agreement.

- 36.4 At the Board of Directors' Meeting of the Company held on 18 February 2021, the Board of Directors had a resolution to propose shareholders of the Annual General Meeting to approve the appropriation of dividend of Baht 0.7 per share. The record date for the right to receive dividend will be on 5 March 2021.

### 37 Reclassification of accounts

Certain accounts in the statement of financial position for the year 2019 and statement of comprehensive income for the year ended 31 December 2019 have been reclassified to conform to the presentation in the financial statements for year ended 31 December 2020. Other significant reclassifications were as follows:

	2019					
	Consolidated financial statements			Separate financial statements		
	Before reclass.	Reclass.	After reclass.	Before reclass.	Reclass.	After reclass.
	(in million Baht)					
<b>Statement of financial position</b>						
Right-of-use assets	377	(377)	-	280	(280)	-
Other non-current assets	1,632	377	2,009	241	280	521
		<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.

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