



**PROPERTY  
DEVELOPMENT  
& INVESTMENT**

A Member of Central Group

MEMBER OF  
**Dow Jones  
Sustainability Indices**  
In Collaboration with RobecoSAM



North America

Toronto, Canada ; San Francisco, CA, USA



24-28 Sep 2018

**Non-deal Roadshow**  
by DBS Vickers Securities

Central Pattana Public Company Limited





# CPN at a Glance

The largest mixed-use property developer in Thailand

11<sup>th</sup>  
Largest PCL  
in Thailand\*

1.7 m  
Total Net Leasable  
Area (NLA)\*\*

92%  
Average  
Occupancy Rate\*\*

4  
Consecutive years  
member on DJSI

“To be the most admired and dynamic regional retail property developer with world-class experience”

33

Iconic Shopping Centers

centralw<sup>o</sup>ld

centralplaza

centralfesti<sup>al</sup>

CENTRAL  
PHUKET

## Mixed-use Properties Under Management

7 Office  
buildings

High quality commercial properties  
next to shopping malls

6 Residences  
for sale

Contemporary living solution within  
the proximity of mall area

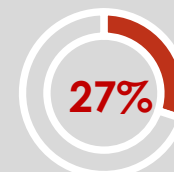
2 Hotels

Leading hospitality units for locals  
and tourists next to shopping mall

1 Residence  
for rent

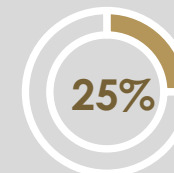
Reputable serviced housing next to  
CentralPlaza Bangna

## Strategic Investments



**CPN REIT**

8 Retail, Office and  
Hospitality Projects



**CPN CG**

CPN Commercial Growth Leasehold Property Fund

The Offices at  
CentralWorld

\* Market capitalization as of 31 August 2018

\*\* Includes areas owned by CPN and CPNREIT for a total of 32 shopping malls as of 2Q18

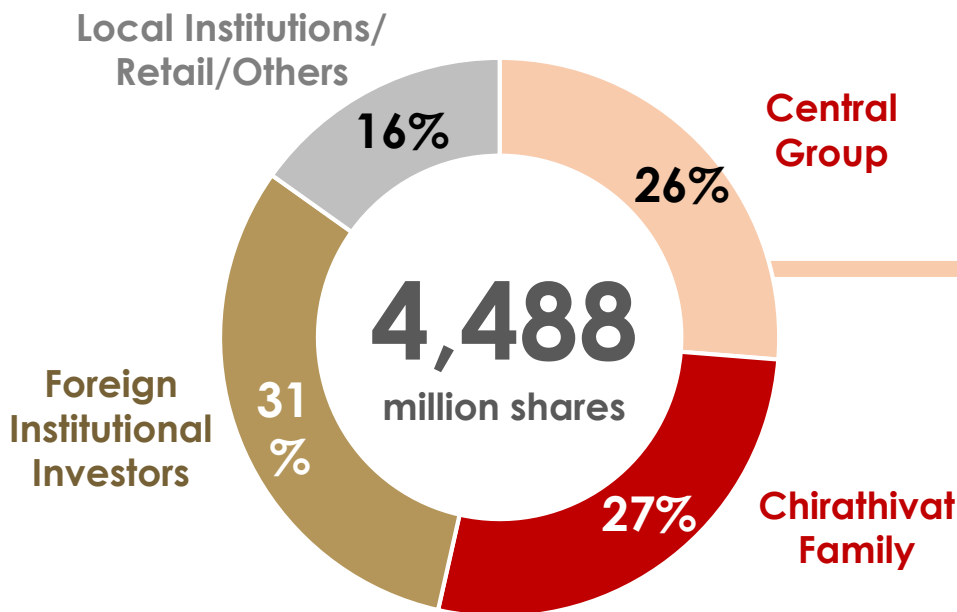


# CPN Shareholding Structure

Strong support from major shareholders: The Central Group

Central Group, the leader of retail industry in Thailand, as the main pillar of CPN...

...brings forth a collective haven in retail and commerce solutions to the market



Market Capitalization (MTHB)

370,260

Share Price (THB/share)

82.50



Note: Other listed entities (% held by Central Group) include 1.) Robinson Department Store (62%) 2.) Central Plaza Hotel (65%) and 3.) COL Group (50%)

Source: Thailand Securities Depository (TSD) as of 30 June 2018 ; share price and market capitalization as of 31 August 2018





# Development & Management Structure

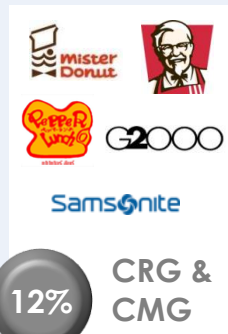
Viable structure to maximize economic value

## Joint-Developer Area



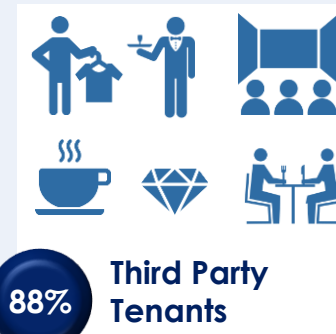
- ★ Comprises Central Group dept. store and BUs
- ★ Shares cost of landscaping and surrounding facilities
- ★ Invests in its own assets where CPN is not a beneficiary

## CPN Developed & Managed Area



12%

CRG &  
CMG



88%

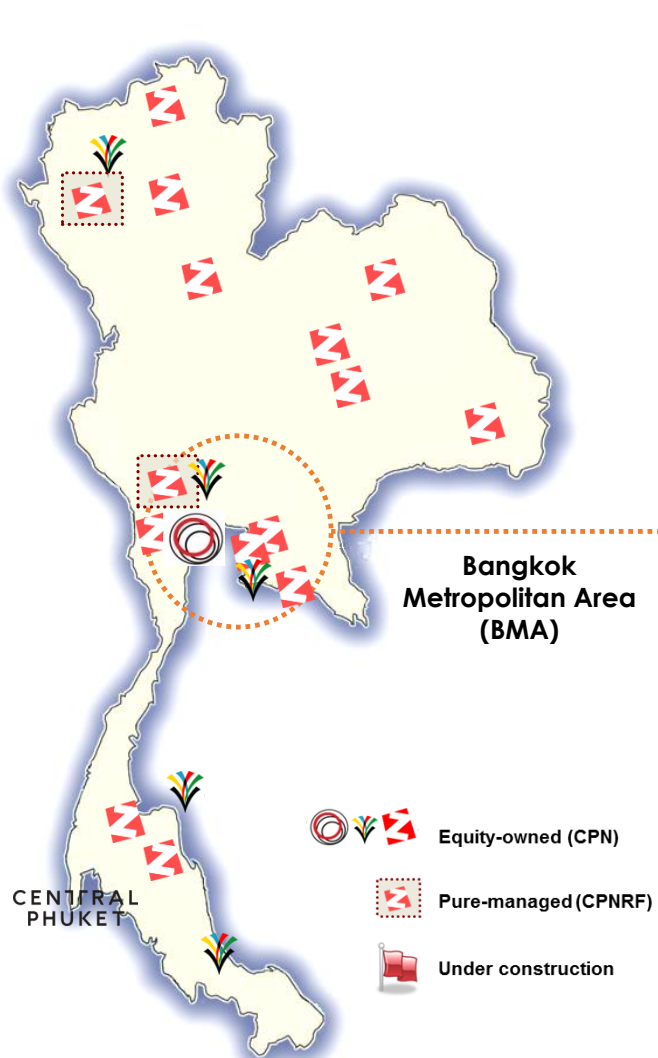
Third Party  
Tenants

- ★ Comprises anchor and assorted tenants
- ★ Standard contractual and pricing terms
- ★ Includes common area

Note: CRG = Central Restaurant Group ; CMG = Central Marketing Group

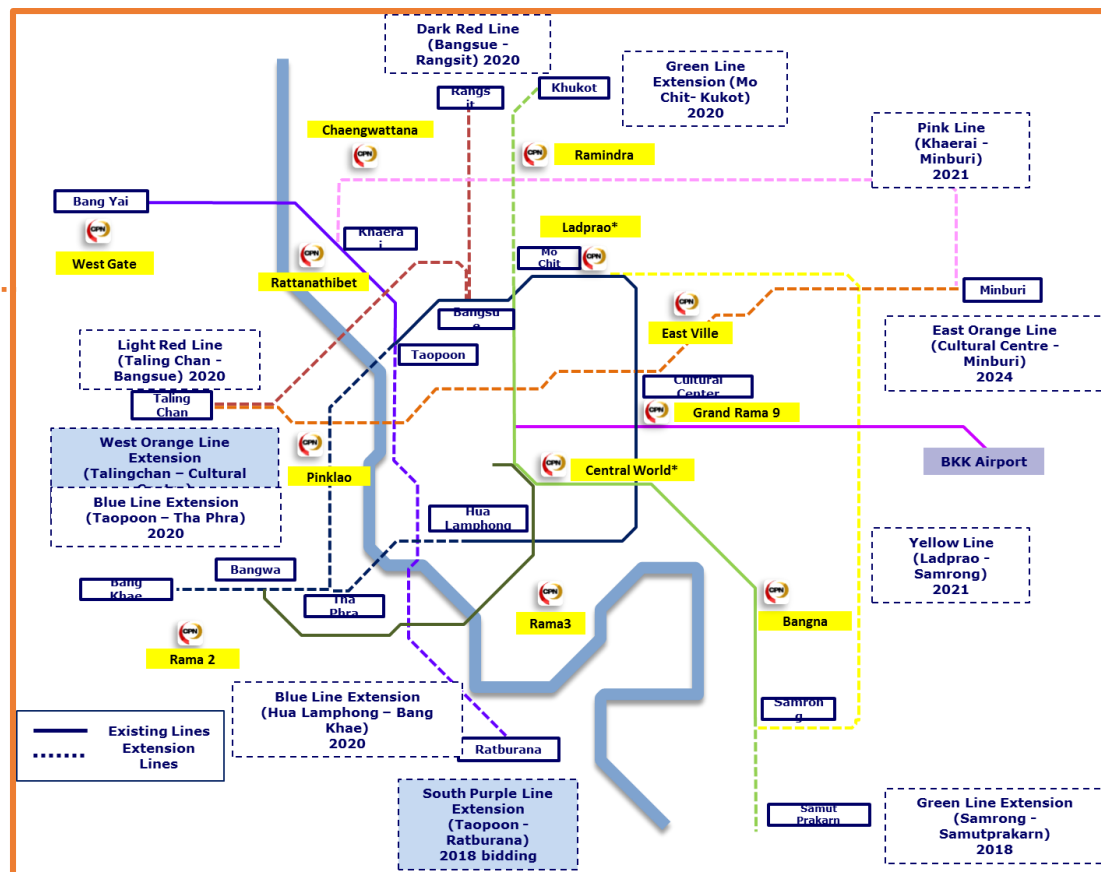
# Where We Operate in Thailand

33 strategic locations to bolster our leadership position



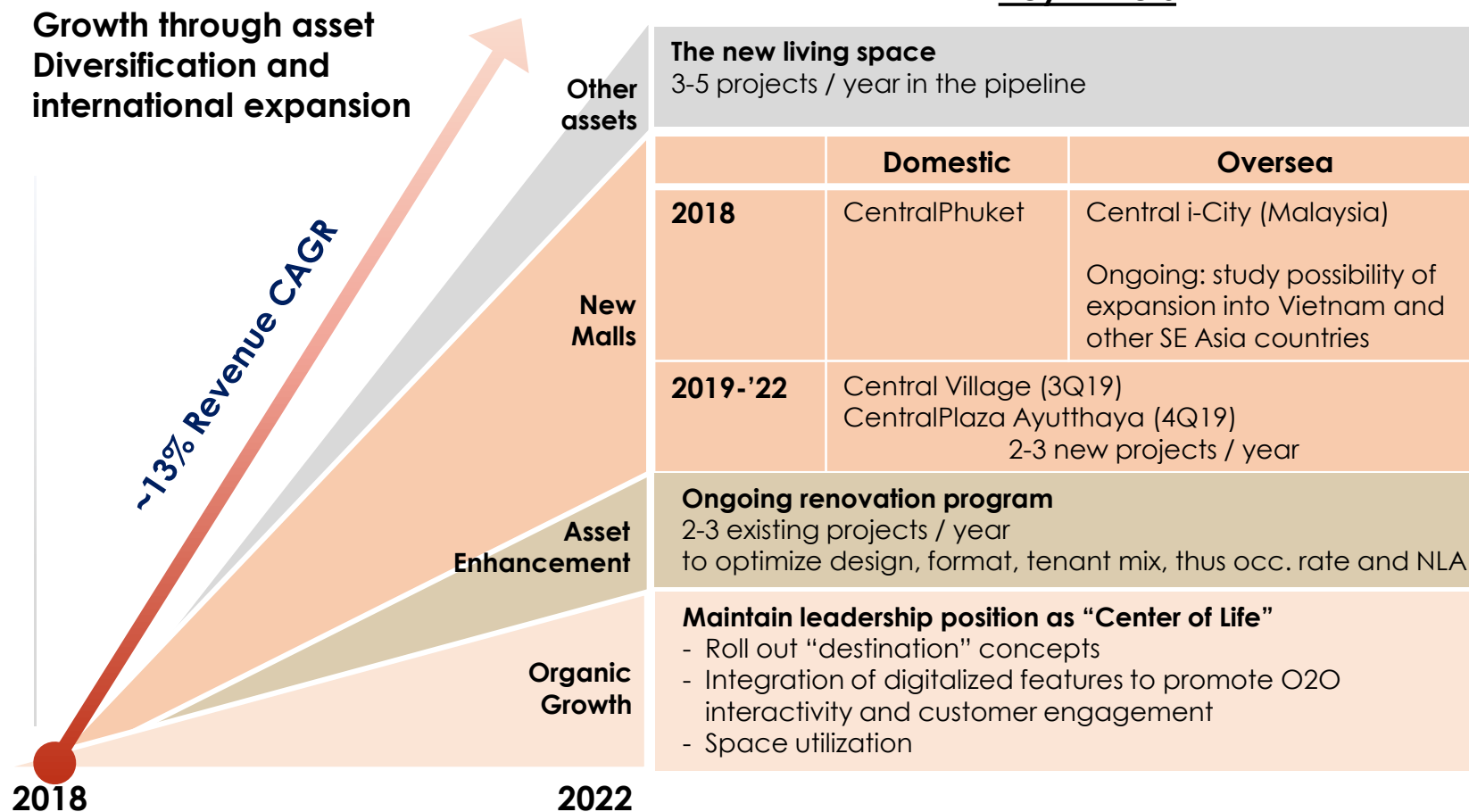
As of September 2018

	BMA	UPC	N	NE	E	S
central plaza	25	12	4	4	3	2
central festival	6	1	1	-	1	3
central world	1	1	-	-	-	-
CENTRAL PHUKET	1	-	-	-	-	1



**"To be a top 5 diversified regional developer"**

### Key Drivers

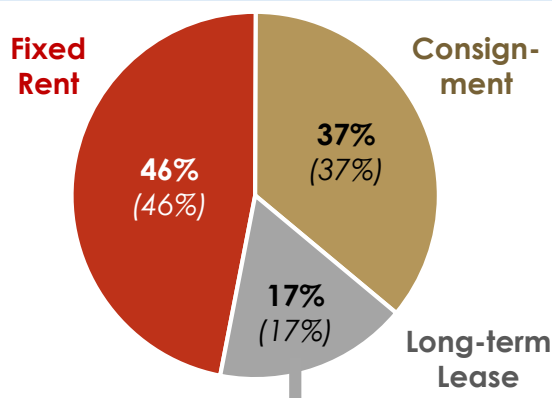




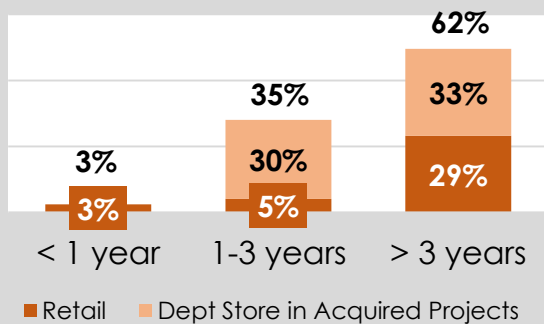
# Expanding Net Leasable Area

Supported by strong rental contract foundation

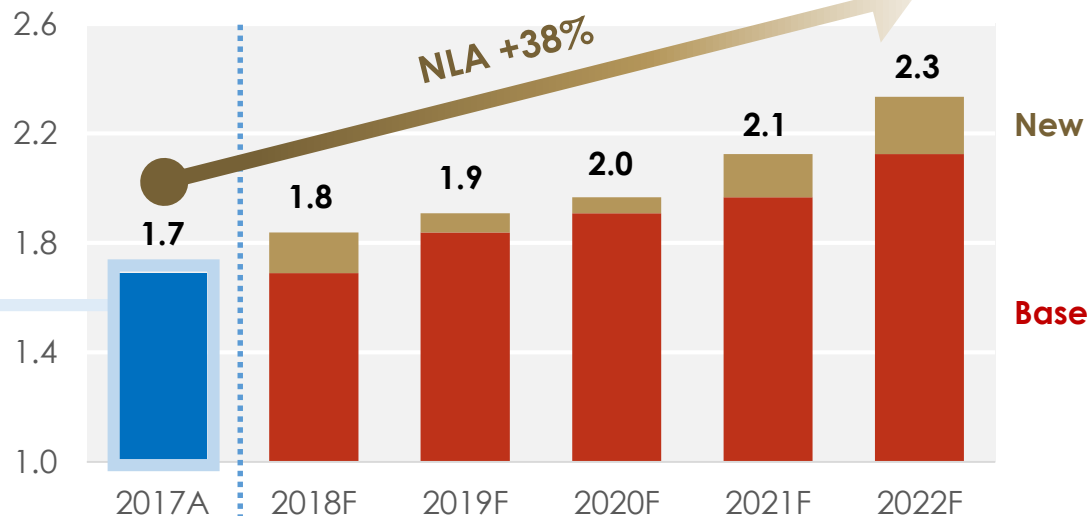
**Robust contract structure with potential upside from expiring long-term leases**



**% Long-term lease expiration schedule**



Total Retail NLA (mil. sq.m.)



**Number of retail projects operated and managed by CPN**

Base	30	32	34	37	40	43
New	2	2	3	3	3	3
<b>Total</b>	<b>32</b>	<b>34</b>	<b>37</b>	<b>40</b>	<b>43</b>	<b>46</b>

**Number of mixed-use projects operated and managed by CPN**

Resident	1	4	3-5 additional / year			
Other	1	1	1-3 additional / year			

Source: Company estimate as of 31 December 2017

(1) Percentage based on occupied area as of 30 June 2018 at 92%. (%) = 2Q17 figure

(2) Total long-term lease area is 154,027 sq.m. with less than 4% rental income contribution.

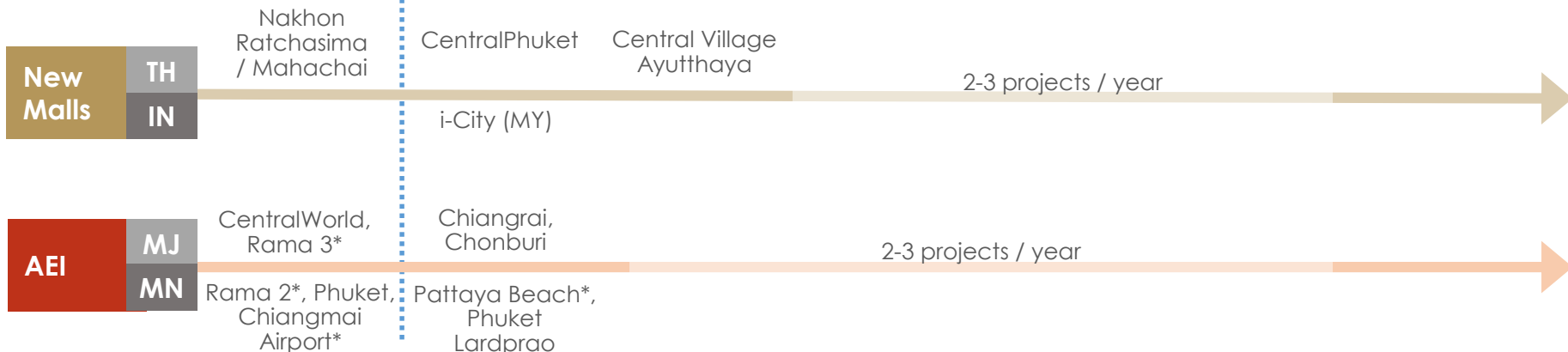
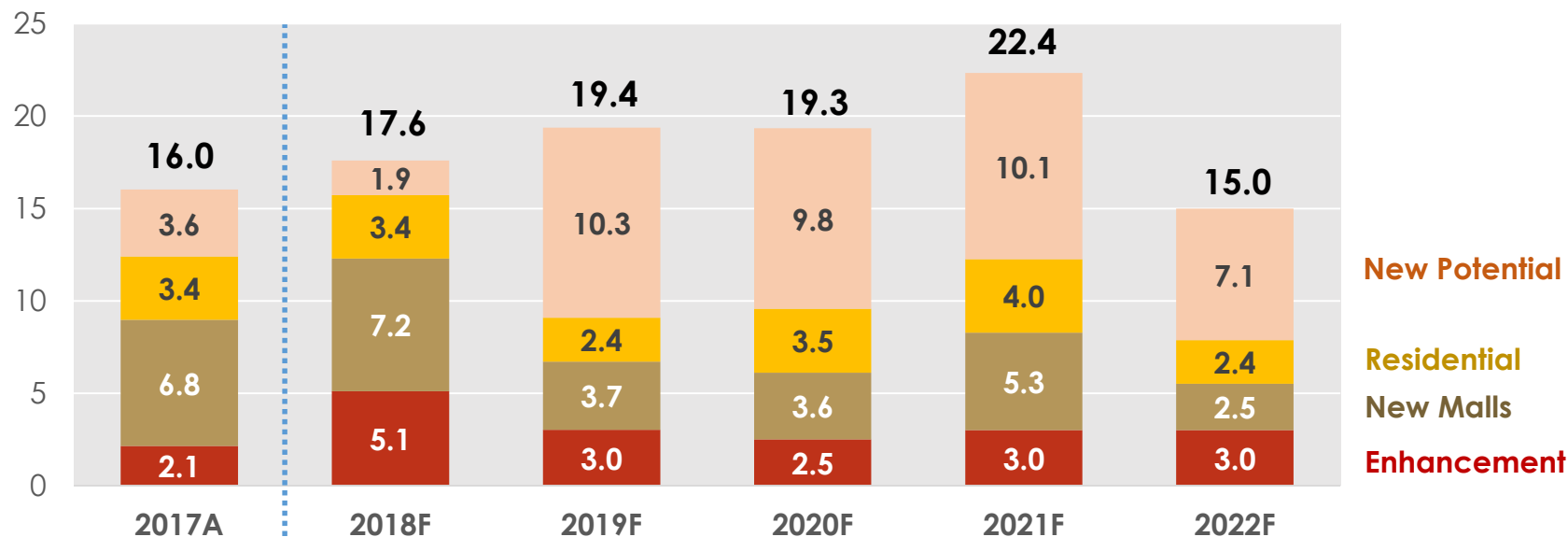




# Capital Expenditure Plan

Mainly focus on expansion of core business (i.e., malls)

Unit: billion THB



TH = Thailand ; IN = International ; MJ/MN = major/minor enhancement program ; excludes CAPEX for M&A and land lease renewal

\* Assets under the ownership of CPNREIT, except for CentralFestival Pattaya Beach (renovation work does not include areas transferred to CPNREIT)

# Prudent Financial Management

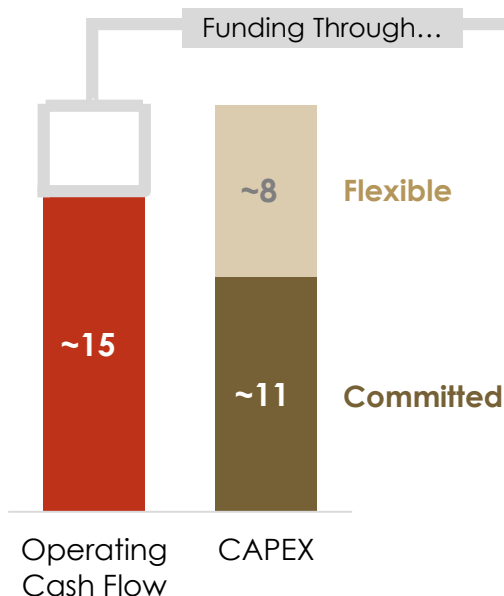
## Solid balance sheet amidst business expansion

Not only that maintenance CAPEX is adequately covered by internal cash flow...

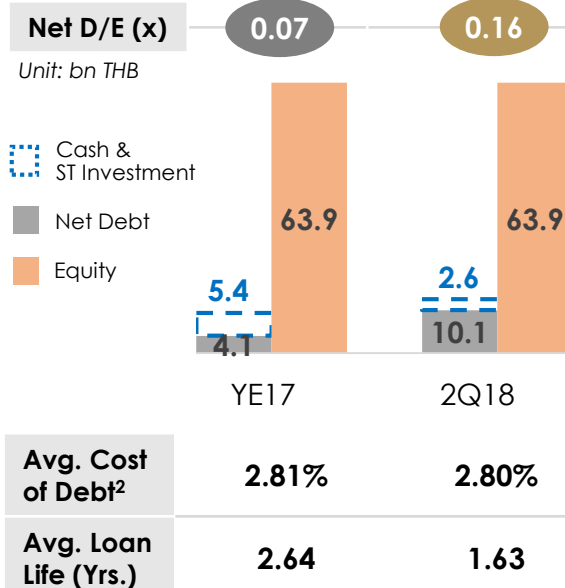
...but CPN's favorable capital structure also allows to fund new investments

### Estimated Annual Cash Flow<sup>1</sup>

Unit: bn THB

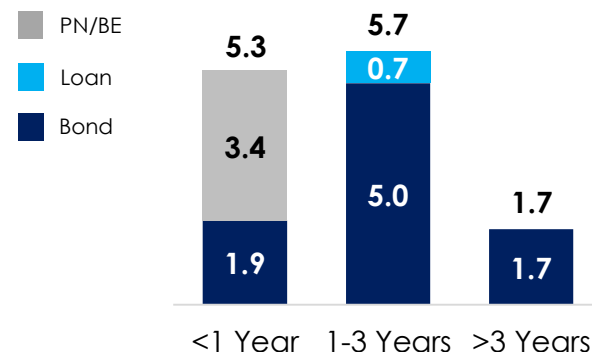


### Robust Capital Structure



### Resilient Debt Maturity Profile<sup>3</sup>

Unit: bn THB



Evenly-spread repayment schedule allows CPN to manage its cash flow effectively without affecting its investment plan and ability to pay dividend to shareholders

### Strong Credit Rating

CPN's corporate rating and rating of senior unsecured debentures are rated "AA" with "Stable" outlook by the Thailand Rating and Information Services (TRIS) on 22 September 2017

- (1) FY17 operating cash flow before changes in net working capital (ex. non-recurring). Annual CAPEX based on average forecasted figures during 2018-2022. Flexible CAPEX comprises new potential investments
- (2) Cost of debt was derived from interest expenses including interest capitalization for projects under development
- (3) Debt maturity profile based on gross outstanding interest-bearing debt as of 2Q18



New Retail Destination



Focused Portfolio Management

Diversified Assets



**CENTER  
OF LIFE**



Operational Excellence



MEMBER OF  
**Dow Jones  
Sustainability Indices**  
In Collaboration with RobecoSAM



**CAC**  
THAILAND'S PRIVATE SECTOR  
COLLECTIVE ACTION COALITION AGAINST CORRUPTION



**BIG DATA**



### 2018

#### CentralPhuket



Open Date	10-Sep-18
Land Type	Leasehold
Investment <sup>1</sup> (THB)	5.27 bn
Est. NLA <sup>2</sup> (sq.m.)	~45,000
Joint Developer <sup>3</sup>	Central
Occ Rt at Open	~80%

### 2019

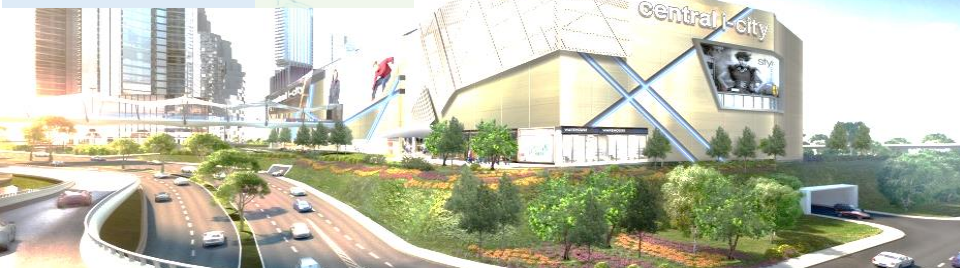
#### Central Village



Exp. Opening	3Q19
Land Type	Freehold
Investment <sup>1</sup> (THB)	~5.00 bn
Est. NLA <sup>2</sup> (sq.m.)	~40,000

Exp. Opening	4Q18
Land Type	Freehold
Investment <sup>1</sup> (THB)	8.30 bn
Est. NLA <sup>2</sup> (sq.m.)	~89,000
Joint Investor	I-R&D Bhd.

#### Central i-City



#### CentralPlaza Ayutthaya



Exp. Opening	4Q19
Land Type	Freehold
Investment <sup>1</sup> (THB)	TBC
Est. NLA <sup>2</sup> (sq.m.)	TBC

Note 1: Includes land and construction cost of shopping center and parking building. Excludes Central Department Store or Robinson Department Store, and BUs' area.

Note 2: Excludes Central Department Store or Robinson Department Store, BUs' area

Note 3: Area will be developed and owned by the joint developer. However, the store will serve as a magnet to draw traffic into CPN's plaza area.





## World's "Luxury & Leisure" Resort Shopping Destination

Must-Visit Shopping Destination  
for Locals and Tourists

Over 20 Luxury Brands to  
Complete Your Shopping

Future Potential for Mixed-use  
Development Projects

Grand Opening on  
10 September 2018

The largest international shopping complex in the new Phuket CBD

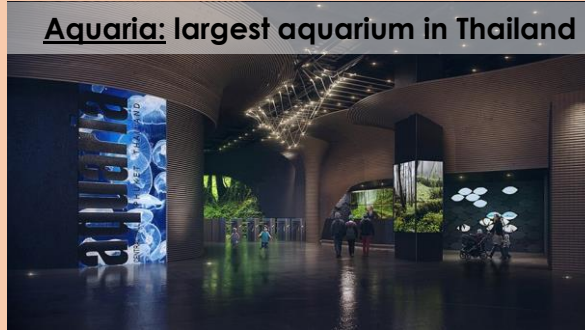


First-ever world-class attractions along with over 400 shops of luxury and lifestyle brands

Tribhum: indoor 3D theme park



Aquaria: largest aquarium in Thailand

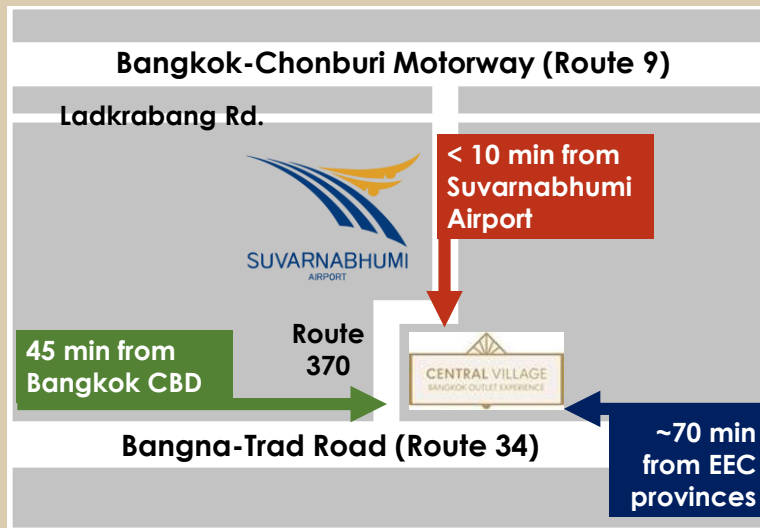


Tales of Thailand: all experiences in one





“A Must Shopping Experience” to complete your trip



**~40,000**

sq.m. net leasable area

**The First International  
Luxury Outlet in Thailand**

**235+**

Retail shops ranging from  
luxury to mass

**~100**

Rais of land for retail outlet  
and hospitality

**3Q 2019**

Expected opening

**200+**

Hotel rooms to complete  
the hospitality experience



# CentralPlaza Ayutthaya

The Prosperity of the Capital

The New Tourist Destination



The Ultimate Lifestyle Destination of Ayutthaya



Strategically located on Asian Highway – the Gateway to the North  
Expected Opening in December 2019





### Vietnam – CPN's next focus area

- High growth potential in retail market
- Large population
- Low competition with few major players
- Strong growth in disposable income albeit still with low spending power

### Central Group companies present in Vietnam:



LAN CHI MART  
Niềm tin của mọi nhà



### Malaysia – cautiously progressive

- Realistic land prices and minimal restriction on freehold ownership
- Moderate competition with fragmented market
- High spending power with consumer profile similar to that of Thailand



### Indonesia – high potential and risk

- Large and rapidly growing population, especially amongst middle class
- Strong competition in sophisticated market
- High cost of fund and unrealistic land prices with underdeveloped infrastructure

### Central i-City (i-City, Shah Alam, Selangor Darul Ehsan, Malaysia)



Exp. Open Date	4Q18
Investment <sup>1</sup> (THB)	~8.30 bn
NLA <sup>2</sup> (sq.m.)	~89,000
JV partner	I-R&D Sdn Bhd. <sup>3</sup>
CPN role in project	60% ownership; operator
Land type	Freehold

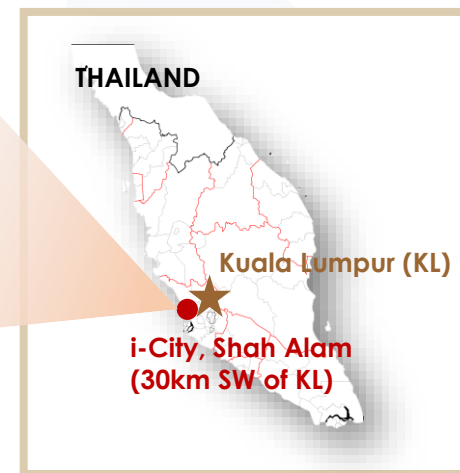
#### Project progress:

- 100% completion of Anchor Leasing (Department Store, Supermarket, and Cinema)
- Progressively secured agreements with retail tenants towards opening date

Note 1: Includes land and construction cost of shopping center and parking building.

Note 2: Includes department store area (Department Store Operator TBA)

Note 3: A wholly owned subsidiary of I-Berhad and holds 40% stake in the joint-venture.







Source: i-City website



### Announced projects in 2016 (transfer in 2018)

Chiangmai		Rayong		Khonkaen	
					
Pre-sale	100%	Pre-sale	100%	Pre-sale	100%
Transfer	~60%	Transfer	~80%	Transfer	~20%
Units	400	Units	419	Units	408
Bldgs.	1	Bldgs.	1	Bldgs.	1
Stories	26	Stories	25	Stories	24

~2.8

bn THB total value

### Announced projects in 2017 (transfer in 2019)

Nakhon Ratchasima		Chiangrai		Chiangmai (2)	
					
Pre-sale	100%	Pre-sale	100%	Pre-sale	100%
Transfer	3Q19	Transfer	2Q19	Transfer	2Q19
Units	380	Units	312	Units	450
Bldgs.	2	Bldgs.	2	Bldgs.	2
Stories	22/17	Stories	8/8	Stories	8/8

~2.2

bn THB total value

Project progress as of 30 June 2018

# 2 New Residential Projects in 2018

Diversified housing projects within CPN catchment area

## Pahol Yothin 34 Condominium



Near	CentralPlaza Lardprao
Pre-sale start	3Q18
Transfer	4Q19
Type	Low-rise condominium

## Baromrajchonnee Housing Project



Near	CPN Pinklao & Salaya
Pre-sale start	4Q18
Transfer	4Q18-2019
Type	Single-detached House

# Asset Enhancement Initiatives

Renovation program outlay for 2018-19

## Key activities in 2Q18

The largest Starbucks Reserve in Thailand now open at CentralWorld

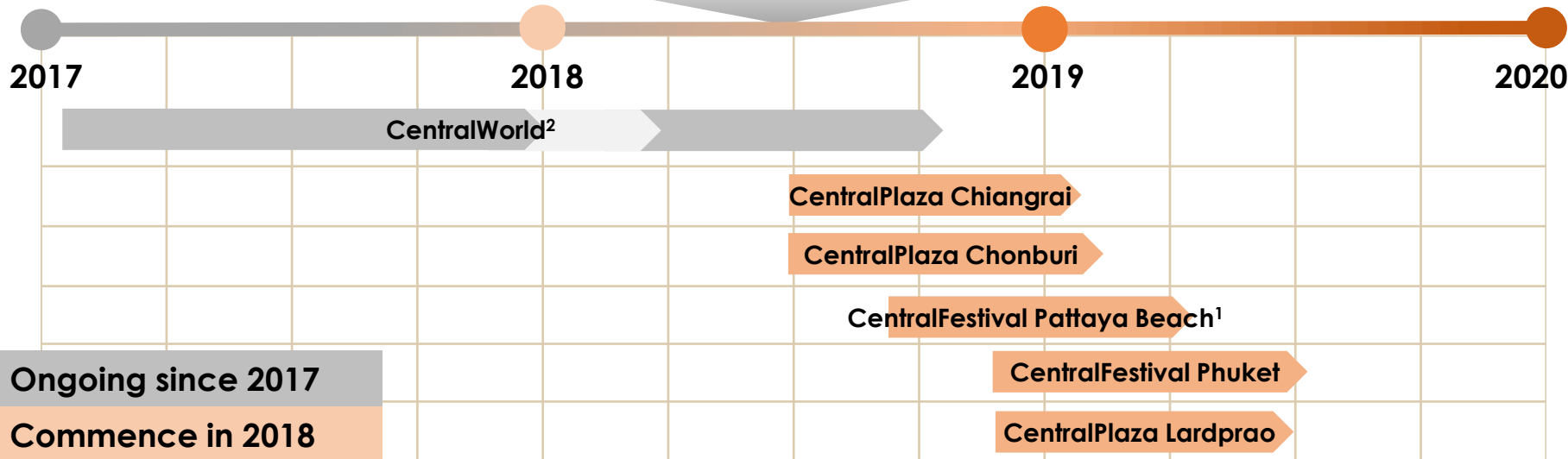


CentralPlaza Chiangrai



CentralPlaza Chonburi

Preparations for major renovation underway



Note 1: Renovation program not including area transferred to CPNREIT

Note 2: CentralWorld resumed normal operation during December 2017 – February 2018 to accommodate the festive season. Hence, renovation work will resume thereafter.





# CentralWorld Renovation

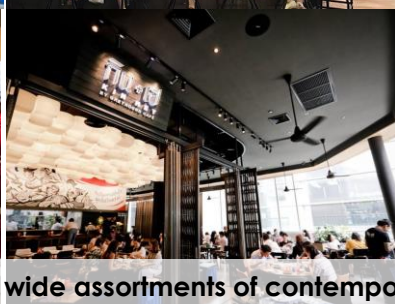
New shops, lifestyle dining and café opened in 1H18

The largest, most iconic interactive digital out of home (DOOH) LED display in Thailand (managed by Plan B Media)



## centralwOrld

CENTRAL to your WORLD



The center of flagship stores and wide assortments of contemporary lifestyle destinations for everyone through more than 50 new shops

### CUSTOMER ENGAGEMENT



**Higher Customer Satisfaction**



**Customers**



**Tenants**

**Educated Tenants**

#### Customer Services



**Government Services**



**Tourist Services**



#### Tourists



**Cross border promotions with overseas partners**

#### Tenant and Local SMEs development program



**CPN Lead & SME marketplace**

#### Customer and tenant experience fulfillment Through digitalized engagement



**Convenience through mobile application**



#### Tenant Relationships



**Exclusive campaigns and T1C offers**



### SOCIAL AND COMMUNITY ENGAGEMENT

#### Energy conservation initiatives



Solar rooftop at malls



Adoption of LED lighting



Shareholders



Public

Sustainable Profitability

Transparency and Integrity

#### Corporate governance and sustainable development



- ▶ **DJSI** - Emerging Markets, SET SD Award - Rising star, Thailand Sustainability Investment
- ▶ Achieved 1.3% energy saving (usage)



MEMBER OF  
**Dow Jones Sustainability Indexes**  
In Collaboration with RobecoSAM



Pledge to anti-corruption

#### Heritage adaptation and community engagement



Local landmark

CPN *Life*



Social media integration



### Financial Performance



### Capital Management



### CG & SD

Revenue Growth

Gross Profit Margin

CAPEX

Net D/E Ratio

DJSI Status

CG Rating

2018

Key Drivers

~20%

- Residential projects (CMI, KKN, RYG)
- New malls (NKM, MHC, Phuket, i-City)
- Recovered Occ. Rate & ARR
- Asset Enhancement
- Space Utilization

Slightly lower vs. 2017

- Slight impact from lower margin residential projects
- Incremental cost savings initiatives (e.g., utility)
- Efficiency improvement through data analytics

~17-18  
bn THB

- Operating cash flow of 15-16 bn THB
- Debt financing

~0.5x

- Ample debt headroom to fund prudently reviewed investments plan
- Remain comfortably below policy level of 1.0x

Listed  
5 consecutive years

- Increase DJSI score to strengthen position on the index

> SET50  
Average

- Maintain high level of CG practice standard with focus on sound business ethics, transparency and anti-corruption commitment

## For more information, please contact:

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# Appendices



# History of CPN's Shopping Malls

Strong track record of development & acquisitions

High-quality assets of **33** shopping malls (**14** in BMA and **19** in provincial areas )

	1980s	1990s	2000s	2010s	...
Greenfield development	<b>1980</b> Established under Central Plaza Co.,Ltd.  <b>Bangkok (1):</b> <b>1982</b> CPZ Lardprao  CentralPlaza Lardprao	<b>Bangkok (3):</b> <b>1993</b> CPZ Ramindra <b>1995</b> CPZ Pinklao <b>1997</b> CPZ Rama 3  <b>Provinces (1):</b> <b>1995</b> CPZ Pattaya <sup>(1)</sup>	<b>Bangkok (2):</b> <b>2002</b> CPZ Rama 2 <b>2008</b> CPZ Chaengwattana  <b>Provinces (3):</b> <b>2009</b> CFV Pattaya Beach <b>2009</b> CPZ Chonburi <b>2009</b> CPZ Khonkaen	<b>Bangkok (5):</b> <b>2011</b> CPZ Grand Rama 9 <b>2014</b> CPZ Salaya <b>2015</b> CPZ WestGate <b>2015</b> CFV EastVille <b>2017</b> CPZ Mahachai  <b>Provinces (10):</b> <b>2011</b> CPZ Chiangrai <b>2011</b> CPZ Phitsanulok <b>2012</b> CPZ Suratthani <b>2012</b> CPZ Lampang <b>2013</b> CPZ Ubonratchathani <b>2013</b> CFV Chiangmai <b>2013</b> CFV Hatyai <b>2014</b> CFV Samui <b>2015</b> CPZ Rayong <b>2016</b> CPZ Nakhon Si Thammarat <b>2017</b> CPZ Nakhon Ratchasima <b>2018</b> CentralPhuket	
					NEW
Acquisitions & Redevelopment		<b>Provinces (1):</b> <b>1996</b> CPZ Chiangmai Airport (acquired)  <b>2000</b> CPZ Chiangmai Airport (redev. Phase 2A)	<b>Bangkok (3):</b> <b>2001</b> CPZ Bangna <b>2002</b> CentralWorld (acq.) <b>2003</b> CPZ Rattana Thibet <b>2004</b> The Offices at CTW <b>2006</b> CentralWorld (redev.)  <b>Provinces (1):</b> <b>2003</b> CPZ Chiangmai Airport (redev. Phase 2B) <b>2009</b> CPZ Udonthani	<b>Bangkok:</b> <b>2013</b> CPZ Bangna (redev.) <b>2015</b> CPZ Pinklao (redev.)  <b>Provinces (1):</b> <b>2012</b> CPZ Udonthani (redev. Phase 2) <b>2015</b> CFV Phuket <b>2016</b> CentralMarina <sup>(1)</sup>	

Note: CPZ = CentralPlaza ; CFV = CentralFestival

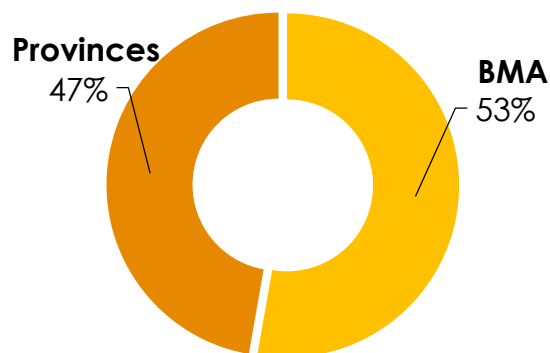
(1) Central Pattaya Center was re-opened as CentralMarina

# Leasable Area and Occupancy

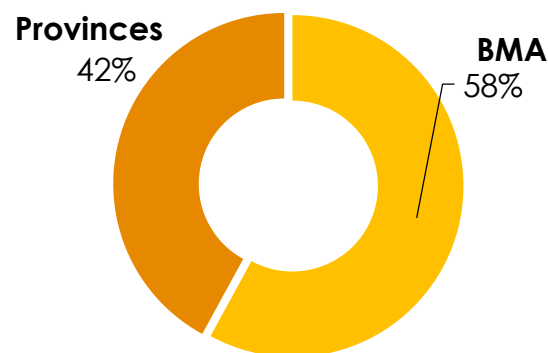
Healthy occupancy levels in both BMA and provinces

Retail Properties	No. of Projects	Land			NLA <sup>(1)(2)</sup> (mn sqm)			Occupancy Rate <sup>(1)</sup>		
		Freehold	Leasehold	Freehold & Leasehold	Retail	Department Store	Total	2Q17	1Q18	2Q18
BMA	14	4	7	3	0.70	0.06	0.77	93%	91%	91%
Provinces	18	12	4	2	0.63	0.06	0.69	93%	92%	92%
<b>Total<sup>(1)</sup></b>	<b>32</b>	<b>16</b>	<b>11</b>	<b>5</b>	<b>1.33</b>	<b>0.12</b>	<b>1.45</b>	<b>93%</b>	<b>91%</b>	<b>91%</b>

NLA split by region



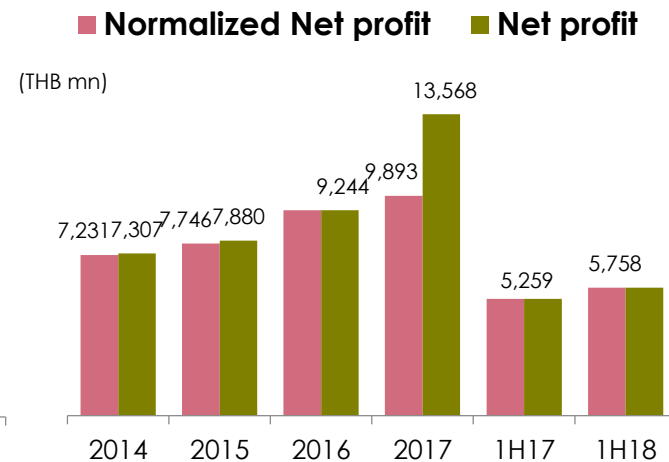
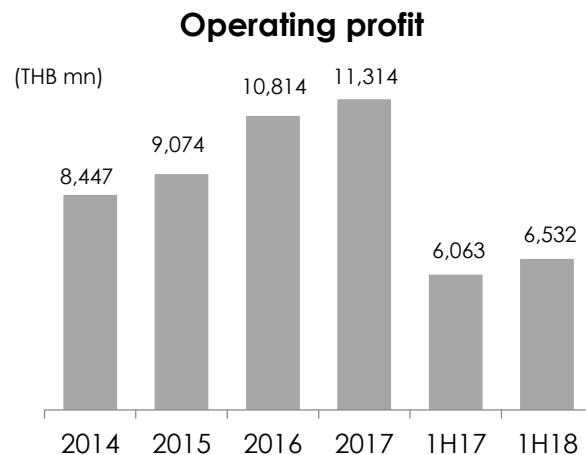
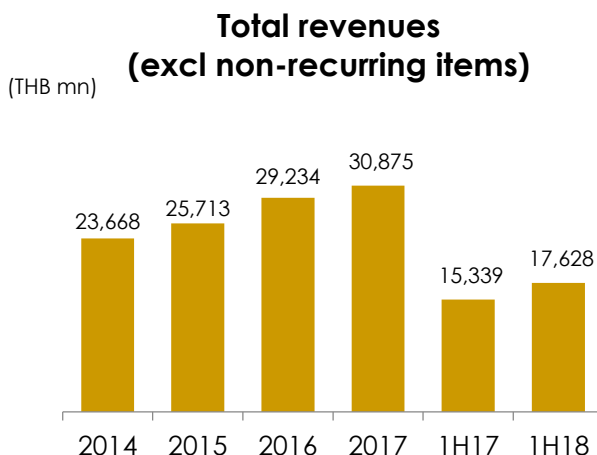
Rent revenue split by region



Non-core Properties	No. of Projects	NLA (sqm)	Occupancy Rate <sup>(1)</sup> (%)		
			2Q17	1Q18	2Q18
Office in BMA <sup>(1)(2)</sup>	5	56,174	94%	94%	94%
Residential in BMA	1	1,568	21%	21%	21%
Hotel in provincial area	2	561 rooms	83%	86%	83%

(1) Excludes area transferred to CPNRF and CPNCG

(2) Excludes rental agreements < 1 year, such as kiosk, carts, ATMs and coin machines.



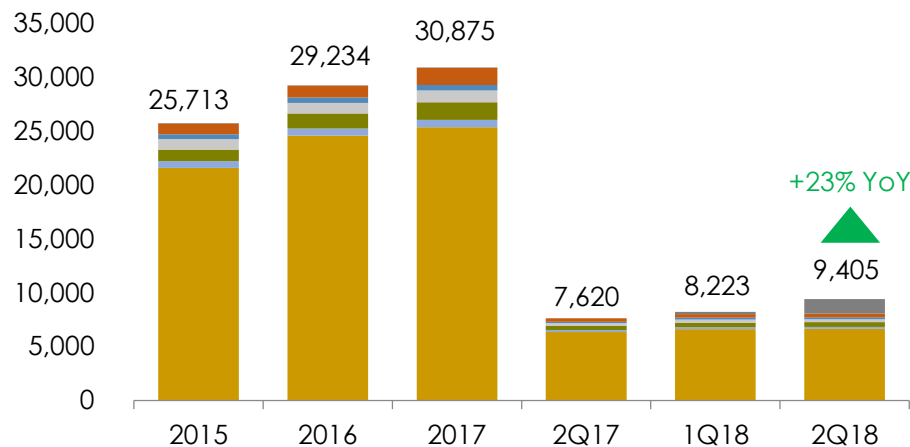
% YoY Growth	2014	2015	2016	2017	1H17	1H18
Total revenues (Exc. non-recurring items) <sup>/1</sup>	13%	9%	14%	6%	6%	15%
Operating profit (Exc. non-recurring items)	15%	7%	19%	5%	9%	8%
Normalized Net profit	21%	7%	19%	7%	12%	9%
Net profit	16%	8%	17%	47%	12%	9%
Same store revenue growth	4%	2%	2%	4%	3%	3% <sup>/2</sup>
Gross Profit Margin (Exc. Other Income)(%)	48%	48%	49%	50%	51%	49%
EBITDA Margin (%)	53%	53%	54%	54%	56%	53%

<sup>/1</sup> Total revenue includes rental & service, hotel operation, food & beverage, and other incomes, excluding interest income, and share of profit from investment.

<sup>/2</sup> Excl. CentralWorld, CentalPlaza Nakhon Ratchasima, CentralPlaza Mahachai, Central Plaza Rama 3, and CentralFestival Pattaya Beach

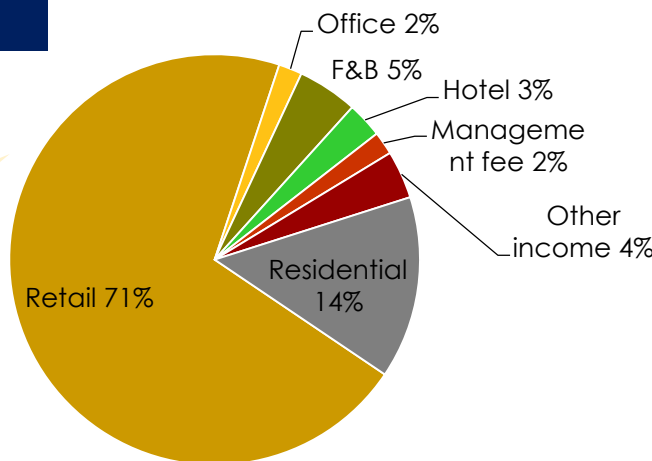


(THB mn)



### 2Q18 Breakdown

- Rent from shops
- Promotional Area (Events)
- Service income
- Convention hall
- On site media



**2Q18 total revenues <sup>/1</sup> +23% YoY** mainly contributed by

#### Rent and services +5% YoY

- Contributions from new shopping malls in 2017: CentralPlaza Nakhon Ratchasima and CentralPlaza Mahachai
- Increase from renovated mall in 2017: CentralPlaza Rama 3
- Strong performances of existing shopping malls: Rama 2, Pinklao, WestGate, Grand Rama 9 and Chiangrai

#### Hotel +10% YoY

- Higher occupancy rate at Hilton Pattaya and higher room rates from both Hilton Pattaya and Centara Hotel & Convention Centre Udonthani

#### F&B sales +9% YoY

- New food courts opened in 2017 at CentralPlaza Nakhon Ratchasima and CentralPlaza Mahachai
- Strong performances with double digit sales growth from Rama 2, Pinklao, Samui, CentralMarina and Festival Chiangmai

#### Real estate sales +100% YoY

- Continued unit ownership transfer at 3 residential projects: ESCENT Rayong, ESCENT Chiangmai and ESCENT Khonkaen

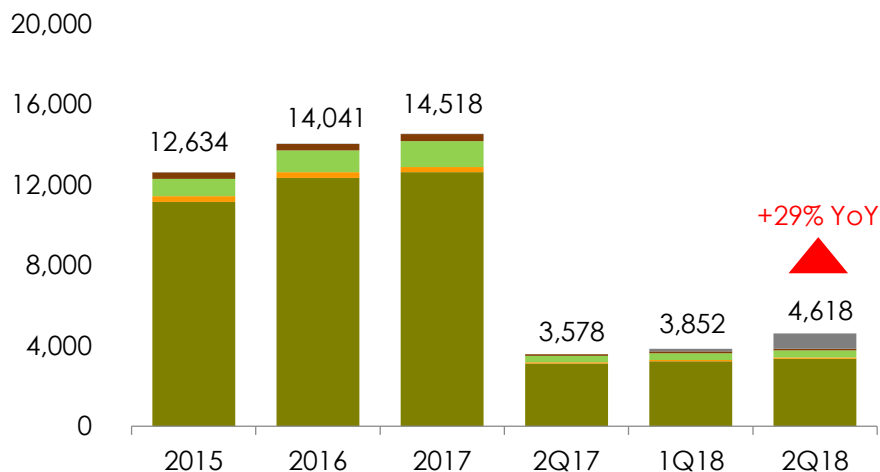
#### Active marketing and promotional events throughout the year

Collaboration with business partners, holding promotional campaigns to encourage more spending from local customers and cater for expanding foreign tourists visiting Thailand, are vital to the strong revenue performance throughout the year.

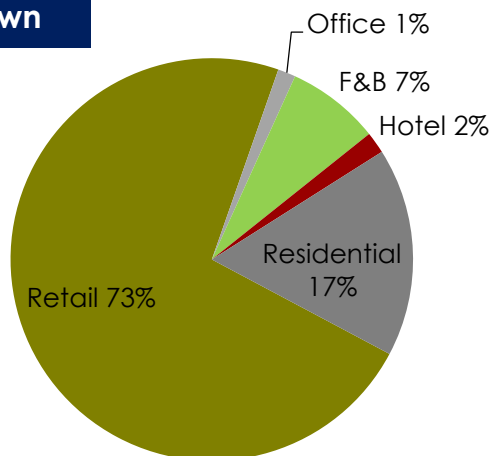
Note: /1 Includes revenues from residential projects and water & amusement park, and property management fees from CPNRF & CPNCG. Excludes non-recurring items.

## Efficiencies maintained despite external cost pressure

(THB mn)



### 2Q18 Breakdown



Note: Excludes non-recurring items.

**2Q18 total costs +29% YoY** mainly contributed by

#### Cost of rent and services +7% YoY

- Higher operating and depreciation costs of newly opened malls and renovated projects in 2017, namely CentralPlaza Nakhon Ratchasima, CentralPlaza Mahachai and CentralPlaza Rama 3.
- Higher maintenance, repair and personnel expenses to support the expansion of new shopping malls
- Slightly higher utility cost amidst rising electricity unit cost, courtesy of continuous energy conservation initiatives

#### Cost of hotel operations +3% YoY

- In line with revenues of hotel business mainly from effective cost management and control in the operations

#### Cost of F&B sales +10% YoY

- Better cost management at existing food courts despite higher cost from newly opened food courts in 2017

#### Cost of real estate sales +100% YoY

- In-line with the increase in real estate sales from 3 residential projects: ESCENT Rayong, Chiangmai and Khonkaen

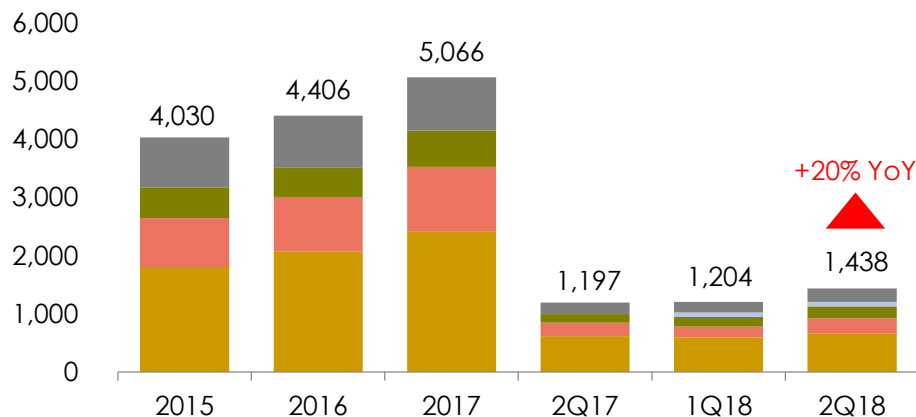
#### Continued focus on efficient cost management

Implementation of energy conservation initiatives at shopping malls to yield lower electricity unit consumption, in face of rising unit cost, is actively carried out to maintain or increase overall gross profit margin.

# SG&A Expenses Breakdown

In line with business expansion

(THB mn)



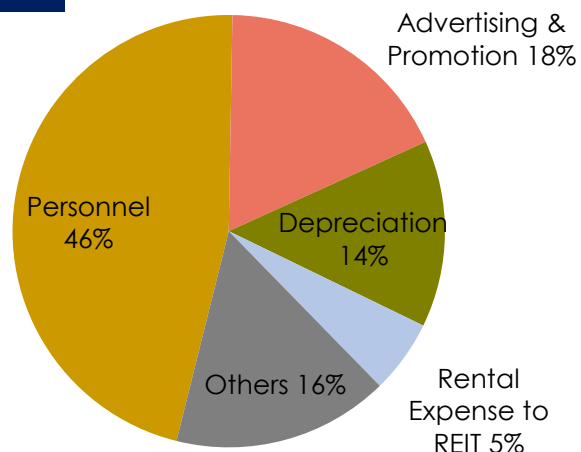
**2Q18 SG&A expenses +20% YoY** mainly contributed by

- Higher personnel expenses to support business expansion
- Higher marketing expenses from higher frequency and scale of events and customer engagement activities at malls
- Inclusion of administrative expenses related to transfers of residential projects and rental expense of Hilton Pattaya Hotel based on the sublet agreement with CPNREIT

## Balancing overhead expenses with business plan

Close monitoring of operating performance and maintain optimal SG&A expenses level according to business requirements with potential incremental savings from 1) synergy with Central Group in marketing activities and supply chain management 2) preparing organizational readiness for future growth

## 2Q18 Breakdown

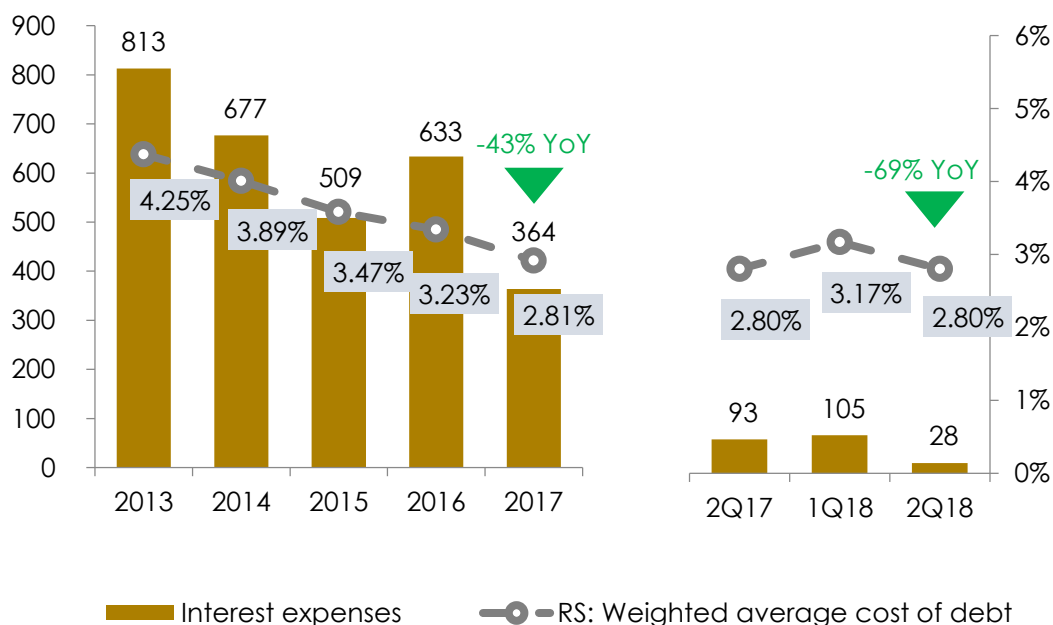


Note: Excludes non-recurring items.

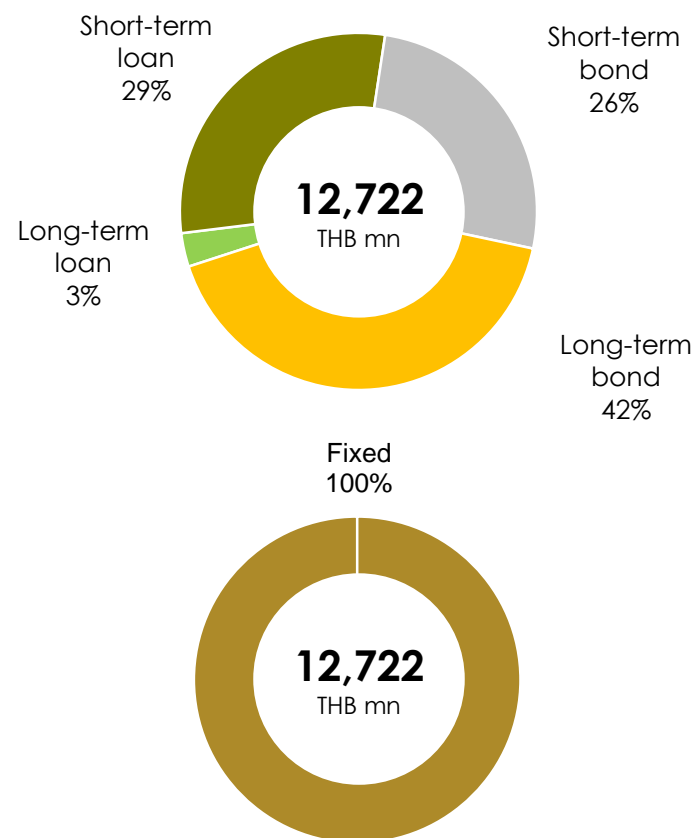


### Finance cost and average cost of debt

(THB mn)



### 2Q18 Outstanding Debt Breakdown



**TRIS**  
RATING

**AA**

➤ Corporate credit  
➤ Senior unsecured debenture

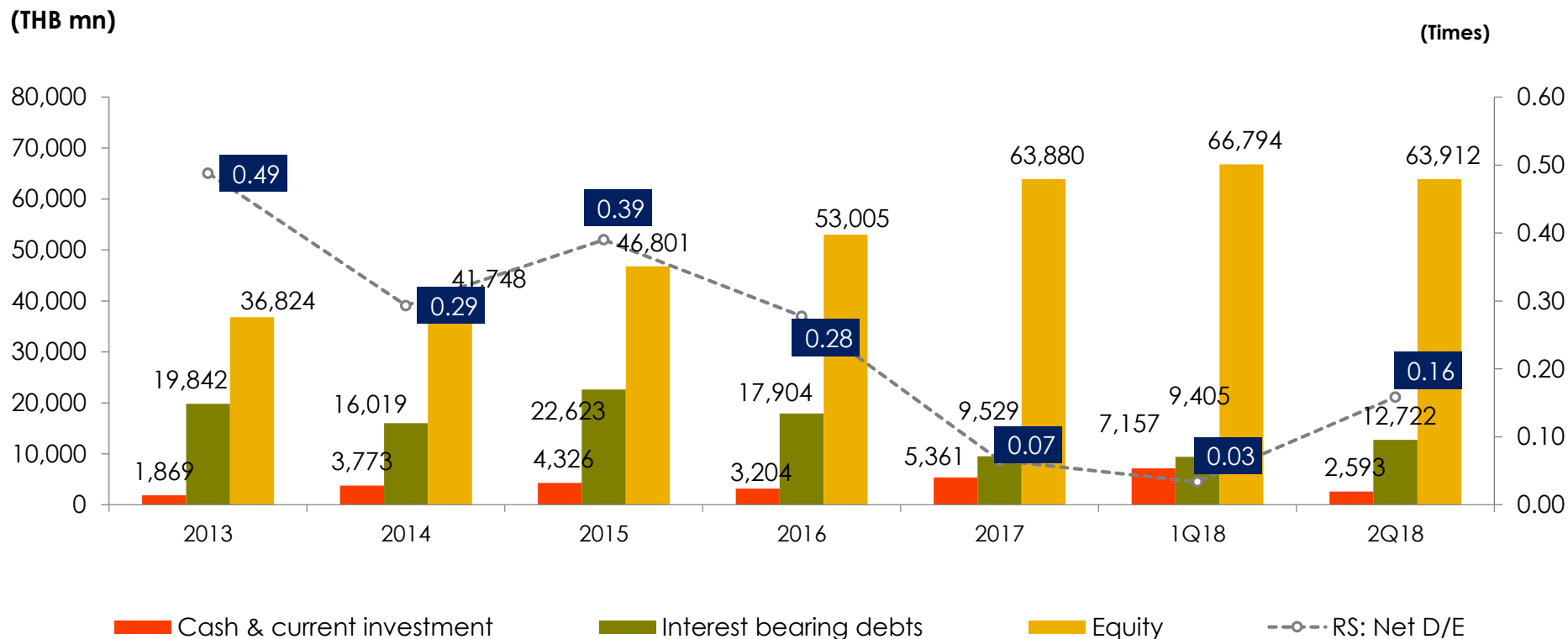
Credit Rating

**Stable**  
Rating Outlook

Note: Weighted average interest rate was derived from interest expenses including interest capitalization for projects under development.  
All borrowings at denominated in THB

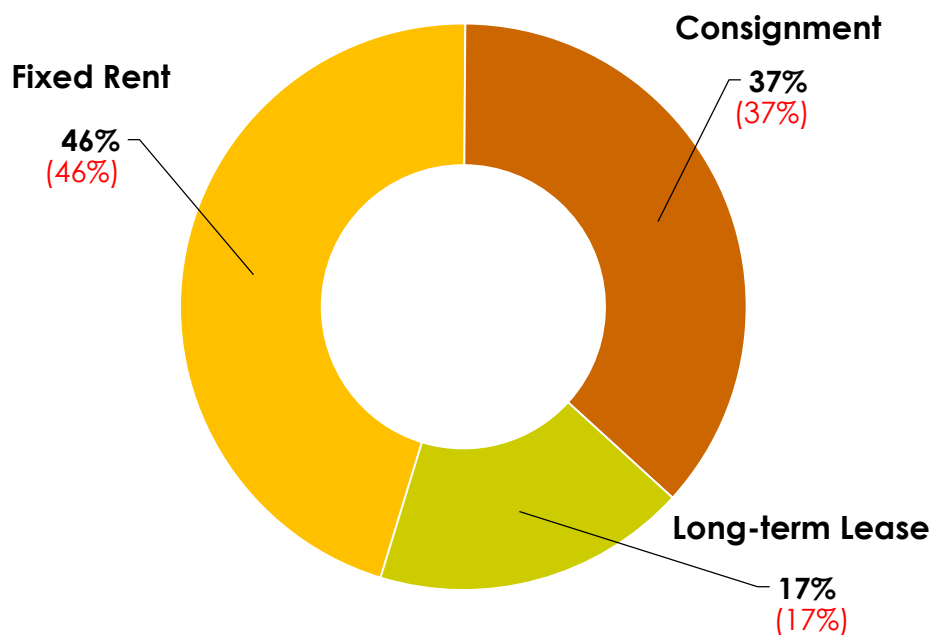
Slightly higher gearing but comfortably below covenant

CPN's net D/E ratios are historically below its debt covenant of 1.75x

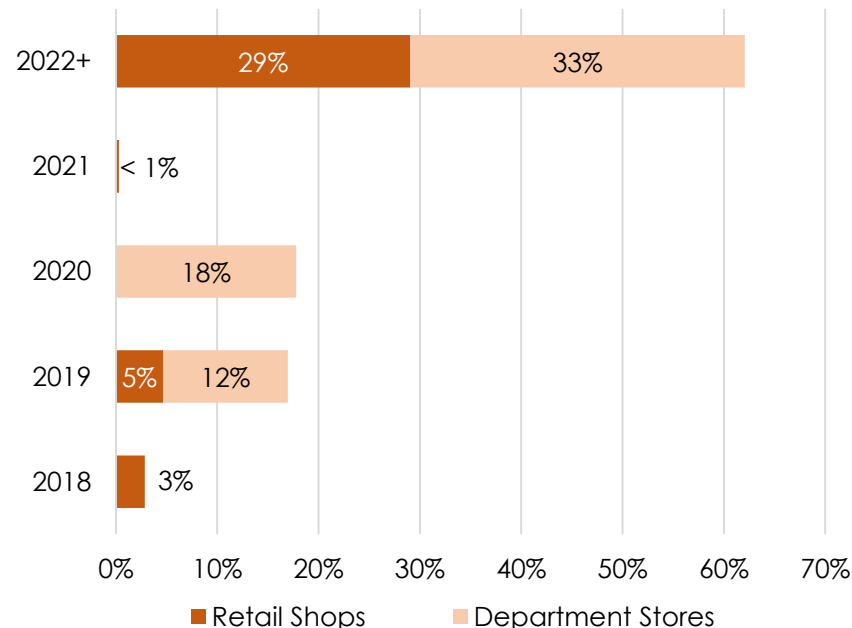


**Upside from long-term lease contract expirations to convert into short term contracts at market rental rate should help increase revenues**

**Rental contract composition by area<sup>(1)</sup>**



**Long-term lease contracts expiration<sup>(2)</sup>**



Source: Company estimate as of 30 June 2018

(1) Percentage based on occupied area.

(%) 2Q17 figure

(2) Based on total long-term lease area of 154,027 sq.m. with less than 4% rental income contribution.



# Statement of Financial Position

<i>Unit: million THB</i>	End of 2Q 2017	End of FY 2017	End of 2Q 2018	YoY	YTD
<b>Current assets</b>					
Cash and current investments	2,205	5,361	2,593	18%	(52%)
Other current assets	4,475	7,753	8,071	80%	4%
<b>Total current assets</b>	<b>6,680</b>	<b>13,114</b>	<b>10,664</b>	<b>60%</b>	<b>(19%)</b>
<b>Non-current assets</b>					
Investment properties <sup>(1)</sup>	79,073	84,972	84,343	7%	(1%)
Leasehold rights	10,268	11,207	13,881	35%	24%
Property & equipment (PP&E)	1,734	1,676	1,552	(11%)	(7%)
Other non-current assets	10,874	9,605	12,566	16%	31%
<b>Total non-current assets</b>	<b>101,949</b>	<b>107,460</b>	<b>112,342</b>	<b>10%</b>	<b>5%</b>
<b>Total assets</b>	<b>108,629</b>	<b>120,574</b>	<b>123,006</b>	<b>13%</b>	<b>2%</b>
<b>Current liabilities</b>					
Interest-bearing debt - 1 year	7,421	2,274	5,634	(24%)	148%
Other current liabilities	10,925	12,080	11,174	2%	(8%)
<b>Total current liabilities</b>	<b>18,346</b>	<b>14,354</b>	<b>16,807</b>	<b>(8%)</b>	<b>17%</b>
<b>Non-current liabilities</b>					
Interest-bearing debt	11,890	7,255	7,088	(40%)	(2%)
Other non-current liabilities	23,733	35,085	35,198	48%	0%
<b>Total non-current liabilities</b>	<b>35,623</b>	<b>42,340</b>	<b>42,286</b>	<b>19%</b>	<b>(0%)</b>
<b>Total liabilities</b>	<b>53,969</b>	<b>56,694</b>	<b>59,093</b>	<b>9%</b>	<b>4%</b>
<b>Shareholders' equity</b>					
Retained earnings - unappropriated	42,586	50,890	50,257	18%	(1%)
Other shareholders' equity	12,074	12,990	13,656	13%	5%
<b>Total shareholders' equity</b>	<b>54,660</b>	<b>63,880</b>	<b>63,912</b>	<b>17%</b>	<b>0%</b>

<sup>(1)</sup> Investment Properties are booked at cost and depreciated with the straight-line basis over the life of the assets. The estimated fair value is THB 180,409 mn as of December 31, 2017 (stated in the disclosure notes to the audited 2017 financial statements no. 13 under "Investment Properties").

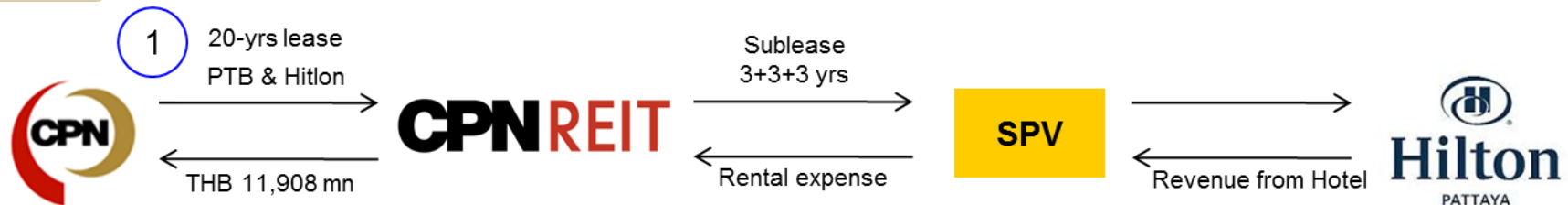
# Statement of Comprehensive Income

Unit: million THB	2Q 2017	1Q 2018	2Q 2018	YoY	QoQ	6M 2017	6M 2018	YoY (%)
Revenue from rent and services	6,518	6,776	6,819	5%	1%	13,048	13,594	4%
Retail	6,345	6,603	6,645	5%	1%	12,705	13,248	4%
Office	173	173	174	1%	1%	343	347	1%
Revenue from hotel operations	240	310	263	9%	(15%)	533	573	7%
Revenue from food and beverages	409	429	446	9%	4%	791	875	11%
Revenue from real estate sales	0	216	1,351	100%	526%	0	1,567	100%
Other income	453	492	527	16%	7%	967	1,019	5%
<b>Total revenues</b>	<b>7,620</b>	<b>8,223</b>	<b>9,405</b>	<b>23%</b>	<b>14%</b>	<b>15,339</b>	<b>17,628</b>	<b>15%</b>
<i>Excluding non-recurring items</i>	<i>7,620</i>	<i>8,223</i>	<i>9,405</i>	<i>23%</i>	<i>14%</i>	<i>15,339</i>	<i>17,628</i>	<i>15%</i>
Cost of rent and services	3,185	3,299	3,418	7%	4%	6,258	6,717	7%
Retail	3,118	3,234	3,352	8%	4%	6,126	6,586	8%
Office	67	65	66	(1%)	2%	132	131	(1%)
Cost of hotel operations	78	87	80	3%	(7%)	163	167	3%
Cost of food and beverages	315	332	346	10%	4%	617	677	10%
Cost of real estate sales	0	135	774	100%	474%	0	909	100%
<b>Total cost of operations</b>	<b>3,578</b>	<b>3,852</b>	<b>4,618</b>	<b>29%</b>	<b>20%</b>	<b>7,038</b>	<b>8,470</b>	<b>20%</b>
Selling, general and admin expense	1,195	1,203	1,438	20%	20%	2,238	2,641	18%
<b>Operating profits</b>	<b>2,847</b>	<b>3,168</b>	<b>3,349</b>	<b>18%</b>	<b>6%</b>	<b>6,063</b>	<b>6,516</b>	<b>7%</b>
<i>Excluding non-recurring items</i>	<i>2,847</i>	<i>3,168</i>	<i>3,349</i>	<i>18%</i>	<i>6%</i>	<i>6,063</i>	<i>6,516</i>	<i>7%</i>
Net finance cost/income tax/others	364	345	413	14%	20%	804	759	(6%)
<b>Net profit</b>	<b>2,483</b>	<b>2,822</b>	<b>2,935</b>	<b>18%</b>	<b>4%</b>	<b>5,259</b>	<b>5,758</b>	<b>9%</b>
<i>Excluding non-recurring items</i>	<i>2,483</i>	<i>2,822</i>	<i>2,935</i>	<i>18%</i>	<i>4%</i>	<i>5,259</i>	<i>5,758</i>	<i>9%</i>
<b>Earnings per basic share (THB)</b>	<b>0.55</b>	<b>0.63</b>	<b>0.65</b>	<b>18%</b>	<b>4%</b>	<b>1.17</b>	<b>1.28</b>	<b>9%</b>
<i>Excluding non-recurring items</i>	<i>0.55</i>	<i>0.63</i>	<i>0.65</i>	<i>18%</i>	<i>4%</i>	<i>1.17</i>	<i>1.28</i>	<i>9%</i>



# CPNREIT Accounting Impact

## Transactions on transfer of assets at Pattaya Beach



### 1 Accounting

#### Record immovable asset sales

Dr. Cash	11,241 mn
Withholding Tax	592 mn
Cr. Unearned income	11,833 mn

#### Record movable asset sales

Dr. Cash	75 mn
Cr. Equipment	35 mn
Gain on movable asset sales	40 mn

Income & Expense occurred from asset transfer

#### **Balance Sheet:**

##### Assets

Cash	11,316 mn
Other AR (WHT)	592 mn
Equipment	(34) mn

##### Liabilities

CL	
Advance received from rental income	592 mn
Non-CL	
Unearned income	11,241 mn

#### **P&L:**

##### Other income

Gain on movable asset sales	40 mn
Acquisition Fee (1.5% of new asset)	

##### Other expenses (34.5mn)

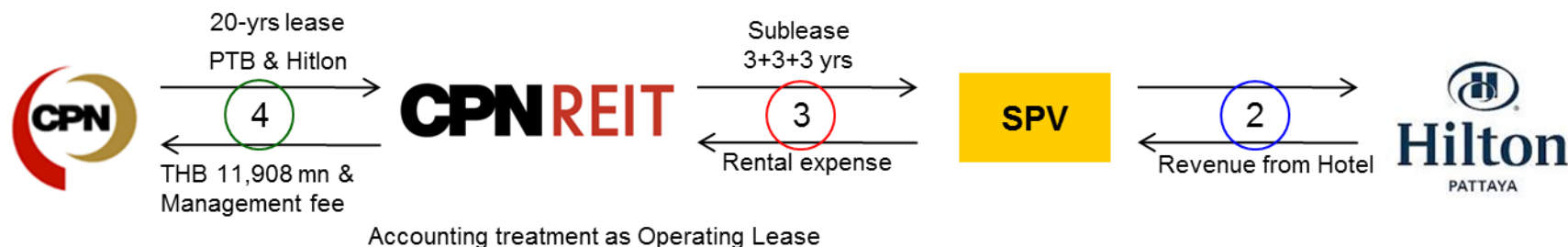
FA Fee	
Legal Fee	
Auditor Fee	
Pre-AGM, AGM	





# CPNREIT Accounting Impact

## P&L of CPN and CPNREIT after the asset transfers



P&L	CPN	CPNREIT	SPV
<u>Revenue</u>			
• Rental and service income	Decrease from PTB	Increase from PTB & rental income on Hilton from SPV	-
• Realized income	Increased from Unearned income amortized over 20-yr lease term	-	-
• Revenue from hotel	unchanged	-	Hotel Income
<u>Cost</u>			
• Cost of rental and service income	Decrease from PTB	Increase from PTB	-
• Cost of hotel business	unchanged	-	Cost of hotel
<u>Management Income (Other income)</u>			
• REIT Management Fee	Increase	Increase from new assets	-
• Property Management Fee	0.275% of total asset value (old+ new assets) 0.28% of appraisal value (old + new assets)		
<u>SG&amp;A</u>			
• Rental expense from SPV to CPNREIT	Increase from Fixed: 65% of hotel income, 3.5% increase every year Variable: 90% of Net EBITDA & not >50% of fixed rent		Increase Rental expense paid to CPNREIT
<u>Share of Profit</u>	Increase from performance from old + new assets	-	-
<u>Corporate Income Tax</u>	Increase from 20% of dividend from CPNREIT	n/a	
<u>Depreciation</u>	unchanged	-	n/a



# CPNREIT Accounting Impact

Projected impact to P&L in 2018

Unit: '000 Baht	CPNRE	CPNREIT	CPNREIT + new assets
<b>Investment Income</b>			
<b>Shopping Malls and Office Buildings</b>			
Rental and service income	3,922,605	3,922,605	4,563,765
Other income	208,384	208,384	238,385
<b>Total income-Shopping Malls and Office Buildings</b>	<b>4,130,989</b>	<b>4,130,989</b>	<b>4,802,150</b>
<b>Hotel</b>			
Fixed rental income	-	-	217,436
Variable rental income	-	-	77,096
<b>Total income-Hotel</b>	<b>-</b>	<b>-</b>	<b>294,532</b>
<b>Total gross income</b>	<b>4,130,989</b>	<b>4,130,989</b>	<b>5,096,682</b>
Interest income	6,753	5,961	7,553
<b>Total income</b>	<b>4,137,742</b>	<b>4,136,950</b>	<b>5,104,235</b>
<b>Fund/REIT expenses</b>			
Property management expenses	(234,843)	(234,843)	(263,088)
Fund/REIT management fees and administrative expenses	(48,890)	(142,329)	(181,952)
Property management fee	(381,812)	(380,591)	(461,860)
Amortization of issuance and offering costs	-	(20)	(93)
Finance cost	(103,204)	(78,239)	(415,115)
<b>Total expenses</b>	<b>(768,749)</b>	<b>(836,022)</b>	<b>(1,322,107)</b>
<b>Net investment income before adjustments</b>	<b>3,368,993</b>	<b>3,300,928</b>	<b>3,782,127</b>
<b>Add:</b> Excess liquidity from amortization of issuance and offering costs	-	20	93
<b>Less:</b> Non-cash rental and service income	-	-	(7,436)
<b>Net cash available for distribution/distribution of benefit</b>	<b>3,368,993</b>	<b>3,300,948</b>	<b>3,774,784</b>
Projected distribution/distribution of benefits (%)	90.1	98.7	98.2
Number of investment units/trust units (Millions of Units)	2,212	2,212	2,212
<b>Projected distribution/distribution of benefits</b>	<b>3,035,355</b>	<b>3,259,638</b>	<b>3,705,844</b>
<b>Distribution/distribution of benefits per unit (THB)</b>	<b>1.3719</b>	<b>1.4733</b>	<b>1.6750</b>

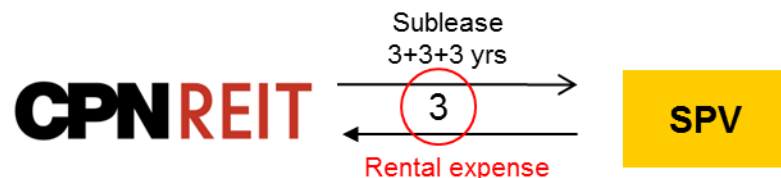
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4



# CPNREIT Accounting Impact

## SPV – Rental Expense paid to CPNREIT



CPNREIT will gain the benefits in form of fixed rent and variable rent from the sublessee of the assets under the conditions specified in the sublease agreement .

Year	Fixed Rent (Bt mn)	Variable Rent
2018	210.0	90% of Net EBITDA of Hilton Pattaya and not more than 50% of accumulated fixed rent
2019	217.4	
2020	225.0	
2021	232.8	
2022	241.0	
2023	249.4	
2024	258.1	
2025	267.2	
2026	276.5	

\*Net EBITDA = Total revenue – Total cost & expenses – Reserves for repairs, improvement, procurement – Fixed rent



# CPNREIT Accounting Impact

## CPNREIT – Fee expenses

4

Fee expense	CPNRF	CPNREIT
<b>Property Management Fees – to CPN</b>		
- Property Management Fees	Not > 0.30% of NAV	Not > 0.28% of appraisal value of investment properties ex hotel
- Commission for securing tenants	Calculate from monthly rental rate	
- Rent collection fee	Not > 3% of total net rental income	
- Incentive fee	Not > 2.35% of Net Property Income	
- Purchase and sale of property	1.5% of acquired property value and 0.75% of sold property value	
- Construction management Fee for improvement/development	2% of total cost of improvement	
<b>Annual Management fee – to SCBAM or REIT Management Fee – to RM</b>	Not > 1% of NAV	Not >1% of Total asset values (floor not < Bt 15 mn in 2018), and increase 3% per year (0.275% of Total asset values )
Advertising, PR, Sale promotion expense	Not > 0.5% of NAV	Actual payment, not > 0.5% of NAV
<b>Trustee fee - SCBAM</b>	Not > 0.05% of NAV	Not > 1% of Total asset values (floor of not < Bt 20 mn)
<b>Registrar fee</b>	Not > 0.05% of NAV	As specified by the registrar





### 1) Property management expenses

- Property tax
- Insurance expenses
- Advertising and other expenses

### 2) REIT Management fees

- REIT Management fee
- Trustee fee
- Registrar fee

### 3) Administrative expenses including annual listing fee in the SET, Annual report filing fees, Audit and advisory fees, Asset appraisal fees, Media and publishing and admin expenses

### 4) Property Management fee

- Rental and service collection fee
- Leasing commission
- PM base fee
- PM incentive fee
- Fee for overseeing the renovation





# CPN Shares Trading Statistics

## Key Trading Statistics as of 2Q18

Key Metrics	THB
Par Value	0.50
Share Price (THB)	69.75
Earnings per Diluted Share (THB)	3.13
P/E (x)	22.3
P/BV (x)	4.90
Dividend Yield <sup>(3)</sup> (%)	2.01%
Market Capitalization (THB bn)	313
Authorized Share Capital (mn shares)	4,488

## Dividend History

Key Metrics	2017	2016	2015	2014	2013	2012	2011
Par Value (THB)	0.50	0.50	0.50	0.50	0.50 <sup>(2)</sup>	1.00	1.00
Dividend (THB/Share)	1.40 <sup>(3)</sup>	0.83	0.70	0.65	0.55	0.475	0.37
Dividend Paid (THB mn)	6,283 <sup>(3)</sup>	3,725	3,142	2,917	2,468	2,070	806
Dividend Payout Ratio	46% <sup>(3)</sup>	40%	40%	40%	39%	33% <sup>(1)</sup>	39%

*Dividend policy is paid annually approximately 40% of net profit (unless there is compelling reason against this).*

*Note 1: Dividend payout ratio of 33% in 2012 was derived from 40% of normal net profit and 17% of gain from transferring assets into CPNCG.*

*Note 2: Par split from THB 1.00 to THB 0.50 per share effective on May 7, 2013*

*Note 3: Approved by shareholders at the 2018 Annual General Meeting of Shareholders on April 27, 2018 and paid on May 16, 2018*

Source: SETSMART (except P/E and P/BV ratios, calculated based on the latest financial results), company announcements on SET



On December 1, 2017, CPNRF was converted into CPNREIT, which also leased additional assets in CentralFestival Pattaya Beach and Hilton Pattaya. At the end of 4Q17, CPNREIT has five retail properties and two office towers in its portfolio, with CPN REIT Management Co., Ltd., as the REIT manager and CPN as the property manager.

CPNCG was established in September 2012 and currently owns one office with SCB Asset Management Co., Ltd. as the fund manager and CPN as the property manager.

CPNREIT Properties	Remaining Life (years)	Leasable Area <sup>(1)</sup> (sq.m.)	Occupancy Rate (%) <sup>(2)</sup>		
			2Q17	1Q18	2Q18
Rama 3 (Retail)	77 Yr & 1 M	36,197	63	84	90
Rama 2 (Retail)	7 Yr & 1 M	82,592	90	95	95
Pinklao (Retail)	6 Yr & 6 M	27,603	96	99	99
Chiangmai Airport (Retail)	25 Yr & 10 M	37,556	94	92	93
Pattaya Beach (Retail)	19 Yr & 2 M	29,404		95	96
Pinklao Tower A & B (Office)	6 Yr & 6 M	34,337	90	83	88
Total NLA and Occupancy Rate for Retail and Office		247,689	87	92	94
Hilton Pattaya (Hotel)	19 Yr & 2 M	302 rooms	89	98	92

CPNCG Office Property	Remaining Life (years)	Leasable Area <sup>(1)</sup> (sq.m.)	Occupancy Rate (%) <sup>(2)</sup>		
			2Q17	1Q18	2Q18
CentralWorld (Office)	15 Yr	81,490	98	99	100

Note 1: Includes rental agreements < 1 year such as kiosk, carts, ATMs and coin machines and CPN acts as the property manager.  
Note 2: Percentage based on leasable area.