Current Risk Assessment

01. Economic and Competition Risk

Risk Characteristics

Economic Conditions

Economic conditions in 2025-2026 remain volatile. The IMF expects Thailand's GDP growth to slow in 2025-2026, while average inflation remains near zero and may turn negative, reflecting weak consumption and deflationary pressure. Uncertainty in the global economy, trade wars such as U.S. import tariff hikes, geopolitical tensions stemming from conflicts in multiple regions, and domestic political uncertainty have affected the strength of the Thai baht and put pressure on domestic demand. In addition, high household debt in 2025-2026 remains a risk. Although the Bank of Thailand cut the policy rate to 1.0% in February 2026, it has not materially eased debt burdens. These factors affect business investment decisions and weaken consumer purchasing power, directly affecting footfall and tenants' sales, reducing demand for leasable space, and potentially requiring the Company to adjust rental structures to mitigate impacts on business partners.

Competitive Conditions

- **The office building business**
  The area in Bangkok continues to face rising supply and slowing office leasing demand in 2025-2026, which remains below the volume of new annual supply, especially from developers that continue to launch new projects focused on high-energy-efficiency buildings and mixed-use spaces. This creates challenges in maintaining competitiveness for older buildings and forces operators to adjust their strategies, such as offering special incentives, thereby exposing the Company to price competition. In addition, the Hybrid Workplace trend has weakened demand for office and retail space, as tenants increasingly prefer flexible spaces and newer technologies such as Smart Office and co-working space solutions. These factors affect occupancy rates and rental levels.
- **The residential-for-sale business**
  Over the past several years, the real estate sector has faced oversupply. Housing demand has slowed, particularly for low-rise projects in Bangkok and surrounding areas. Inventory accumulation has forced developers to cut prices or offer special incentives, exposing the Company to price competition. At the same time, loan rejection rates from financial institutions have risen due to high household debt, creating challenges in maintaining competitiveness and potentially affecting cash flow and the Company's ability to achieve its targets.

Risk Impact

Impact on the Company

In pursuing revenue growth through investments across multiple businesses, including new mixed-use projects, the renovation of existing shopping centers, residential-for-sale projects, and hotels, the Company faces challenges from a low-recovery economic environment, intense market competition, and changing customer needs. The Company must manage competitiveness, adapt to evolving customer demands and expectations, and carefully manage occupancy, rental income, and profitability, especially in the residential-for-sale business, which faces strong price competition. These factors may cause the Company's operating results to fall short of plan.

Impact on Stakeholders

- **Tenants and partners** Lower sales due to economic conditions and competition from e-commerce make it more challenging for tenants to pay rent. At the same time, intense competition has shifted bargaining power toward tenants, increasing their ability to negotiate lease terms, pricing, and renewals. The Company's growth and business expansion also help support partners in developing products and services based on their expertise, enabling them to expand into new customer groups and new locations and grow together with the Company.
- **Customers and communities** A slowing economy and low inflation reduce customers' purchasing power. At the same time, mall renovations and new project developments enhance the service experience and create local jobs, while environmental and social activities generate benefits for communities and the environment.
- **Homebuyers** Oversupply gives buyers stronger bargaining power, creating opportunities to purchase homes or condominiums at discounted prices with promotions. However, consumers still face tighter bank lending conditions and high household debt, causing them to postpone purchases.
- **Employees** Business expansion and new project launches create additional employment opportunities, but employees must upgrade their skills to support digital ways of working.

Risk Mitigation Measures

The Company has developed projects that respond to market needs amid changing economic conditions, focusing on projects that target high-potential customer segments and diversify risk across the Company's asset portfolio, while enhancing products and services to create experiences that reflect its role as a Center of Life.

The Company has taken steps to help ensure that new projects or businesses achieve their targets, including:

- Conduct thorough studies and research before starting project development, with screening and review by executives, directors, and qualified advisors.
- Prepare before launching and developing projects together with specialized partners, especially for projects where the Company has limited experience, and coordinate with partners within the Central Group, such as restaurant and fashion retail businesses, before commencing new project development.
- Monitor and evaluate the performance of new projects regularly and comprehensively through both central functions and property management teams, involving collaboration across related departments.

The Company has also enhanced the experience through the Omnichannel platform and cross-business synergies within the Company and the Central Group across every channel, while building partner networks to create additional business opportunities and reduce risk. The Company's key businesses manage risk through the following approaches:

Retail Business

- Strengthen the Center of Life experience and develop strategic collaboration with partners by enhancing the overall experience, including tenant mix improvements, mall decoration, and service excellence.

- New project development plans for 2026-2027 include Central Khonkaen Campus and The Central, together with renovation and expansion plans for four additional shopping centers: Central Northville, Central Chiangmai Airport, Central Phuket, and Central Bangna, which will help expand leasable space and increase future revenue.
- Expand CRM and the Loyalty Program through the "The 1 Central" platform and Big Data to analyze customer behavior and deliver targeted offers.
- Provide services and communicate with customers through digital channels, such as shopping center Facebook pages, the Line Official Account "Central Life," and the "Central Life X" mobile application, to improve the efficiency of communicating interesting updates and service offerings, including service reservations and special services, while reinforcing the Center of Life experience by positioning the properties as destinations for every festival and every customer segment.
- Develop a Phygital community plan (Destination & Digital services) that combines digital service delivery with on-site experiences, while improving front-end and support processes to elevate experiences and create added value for customers and stakeholders.

Office Building Business

- Develop lifestyle-oriented office buildings through mixed-use space development that offers a better balance between working and living. Digital technology is used to facilitate tenants and building users through website access to leasing information and the Serve Application for service and communication. The Company also upgrades office buildings into Smart Office and Hybrid Workplace environments by using digital technologies to manage buildings, such as online meeting room booking systems, Touchless & Self-check-in systems, and tenant applications. Office spaces are also made more flexible and environmentally friendly through energy-saving materials and green building certification to reduce costs and attract ESG-focused tenants.
- Improve leasing performance through proactive sales, focusing on high-potential tenants in industries or businesses with growth prospects, while sourcing new tenants through experienced and specialized sales agents, such as embassies, the BOI, law firms, and chambers of commerce. This is complemented by closer collaboration with agents through Agent Day activities and scheduled agent updates.
- Manage tenant relationships proactively by developing a deep understanding of tenants, building partnerships with them, developing CRM programs and applications, and strengthening both sales and support teams.
- Enhance products and services through integrated privileges by improving and developing each building's unique selling points and creating exclusive benefits together with Central Pattana and the Central Group through services across shopping centers and flexible office spaces.

Residential-for-Sale Business

- Develop projects under the "360-Degree ecosystem for life" approach, delivering superior quality of life while prudently managing the pipeline and cash flow by using delay / hold approaches for some new project launches and prioritizing investments in line with cash flow and market conditions.
- Strengthen the brand and customer confidence by advancing the "Strengthen CPN-Residence brand" through projects that reflect the following concepts: 1) Better home, emphasizing design and functionality that meet customer needs, along with home automation and the highest safety standards; 2) Better privilege &

convenience, delivering superior privileges for Central citizens; and 3) Better experience & services, offering high-quality living experiences and outstanding after-sales service.

- Manage marketing through both online and offline channels aligned with the lifestyles of different target customer groups, in order to provide product information and attract specific target customers, while using appropriate promotional activities to remain competitive within target margin levels.
- Use the Ecosystem & Loyalty Program linked with The 1 to stimulate customer decision-making and increase engagement, which helps improve conversion during periods of intense competition.
- Offer financial institutions that align with each customer's profile, using a bank pre-approval approach and screening customer quality before contract signing to reduce the risk of cancellations or failed transfers due to loan rejection.

Hotel Business

- Enhance the performance of core hotels through revenue management and service quality.
- The Company emphasizes growth in the budget hotel segment under the GO! Hotel brand to serve domestic travel and customers / tourists traveling for both short stays and extended stays. By leveraging locations connected to the Group's shopping center projects and situated in convenient travel locations, the Company increases revenue flexibility amid uncertainty in demand from foreign tourists.
- Increase the resilience of the hotel business by balancing the portfolio of upscale and budget hotels to diversify risk from volatility in foreign tourist arrivals, while leveraging links with mixed-use projects as a strength in attracting MICE, event, and corporate segment customers.
- Use Event & Destination Strategy as a driver of demand by supporting and linking with national activities, international festivals, entertainment events, and shopping center activities.
- Leverage support from government measures, including economic stimulus and tourism and hotel support measures, to improve asset quality and strengthen competitiveness in the next phase.

02. Safety Risk

Risk Characteristics

The Company's business operations, including project development and the management of facilities with large numbers of users, mean that safety risks cover incidents related to building systems, the physical environment, and human factors. The key risk issues include:

- Building system failures, such as water leakage, electrical short circuits, air-conditioning failures, or utility disruptions.
- Risks related to building structure and elements, such as broken glass, damaged building materials, or deteriorated equipment.
- Incidents related to mental health conditions of individuals in public areas, which are behavioral factors that are difficult to predict in advance. Although buildings are designed to safety standards, certain physical features of

buildings, such as open spaces, high floors, or areas with access to building edges, can still present risks and therefore require additional proactive monitoring measures.

- Risks from natural disasters, especially flooding across many regions of the country, which may affect access to projects, surrounding infrastructure, and the local economic atmosphere, even though most of the Company's projects are located on elevated sites and do not suffer direct structural damage.

Risk Impact

Impact on the Company

These risks are interconnected in terms of user safety, operational continuity, and organizational reputation, and may lead to the following impacts:

- Temporary suspension of certain services to repair systems or structures.
- Additional costs for maintenance, emergency management, and strengthened safety measures.
- Legal and regulatory risks related to safety if a serious accident occurs.
- Indirect impacts on footfall, tenant confidence, and project image.

Impact on Stakeholders

- **Customers and service us**ers may be affected in terms of safety or their service experience.
- **Tenants ma**y be affected by the temporary suspension of services in some areas or by a temporary drop in customer numbers.
- **Employees and contr**actors may face safety risks during operations.
- **Communities and s**ociety expect the Company to provide confidence in building standards and to play a role in ensuring safety and providing assistance during incidents, such as fire events that may lead to loss of life and property in surrounding communities.
- **Insurance partners may** face a greater claims burden from accident events and emerging accident-related impacts.

Risk Mitigation Measures

The Company recognizes the importance and necessity of managing this risk to build confidence among customers and all stakeholders, and it continues to implement building safety management measures from the previous year while strengthening proactive approaches, including:

- Establish safety and occupational health policies covering everything from project construction to services for customers and site users, while strictly controlling and ensuring that employees, contractors, and partners comply with applicable safety laws, rules, and regulations.
- Apply the ISO 45001 occupational health and safety management system as a guideline for safety management, while adopting modern measures and technologies, such as monitoring incidents based on crime watch patterns, observing risky behavior through CCTV systems, and using a Color-Code Condition system to track, control, and assess crisis situations. The Company also uses a Building Automation System (BAS) to monitor and alert abnormalities in electrical, air-conditioning, and utility systems.
- Carry out preventive maintenance and inspect building equipment on schedule.

- Prepare Housekeeping Practice plans and safety checklists, and inspect risk areas regularly.
- Enhance surveillance in risk areas through joint patrols and CCTV systems, including the use of technology to detect abnormal behavior.
- Study engineering improvement options at certain points, such as increasing guardrail heights or adding safety equipment.
- Analyze incident root causes to define preventive measures and reduce recurrence, while reviewing and improving emergency and crisis management procedures, such as response manuals for active shooter situations and fire incidents at EV charger stations. The Company also maintains plans for natural disasters and business continuity, including community support during incidents, such as opening parking areas and providing essential supplies.
- Record incidents and accidents in the Smart Property system, then analyze incident statistics relating to employees, tenant employees, contractors, and customers to identify root causes, define corrective and preventive measures, extend lessons learned to other relevant branches, and follow through on remediation for affected parties until completion.
- Provide training and drills for Company employees, tenant employees, and contractors so that they can prevent and manage crises effectively, including intensive safety training programs for high-risk work.
- Establish safety committees at both corporate and branch levels, with employee participation through the election of employer and employee representatives in proportions required by law. These committees meet monthly to follow up on incidents, analyze causes, define corrective and preventive measures, and report accident events.
- Regularly compile and report significant incidents to the Risk Management Committee and the Board of Directors.

03. Climate Change Risk

Risk Characteristics

Climate change is one of the key risks the Company faces, and it is linked to energy use, water resources, and urban infrastructure, with impacts ranging from the operational level to the strategic level.

Climate-related risks can be divided into two main dimensions:

1. ***Physical Risks* - from severe weather events**

Rising temperatures, heavy rainfall, flash floods, and water scarcity may affect access to projects, utility systems, tenants' operations, and user experience, especially for projects in major urban and tourism areas. Although most of the Company's projects are designed to engineering standards and have elevated site levels, the increasing frequency of severe weather events in the country highlights the need to strengthen resilience.

2. ***Transition Risks* - from the transition to a low-carbon economy**

These include structural changes in several areas:

- **Policy** Thailand has accelerated its declared target to achieve net zero greenhouse gas emissions by 2050 in order to promote sustainable development and reduce the impacts of climate change.
- **Regulation** The government is preparing to enact a Climate Change Act, which will serve as a common standard for classifying and grouping environmentally sustainable economic activities in Thailand, including the application of international climate disclosure standards, particularly financial reporting standards such as TCFD / IFRS S2, to enhance clarity and transparency in operations.
- **Technology** The development of low-carbon technologies will cover the use of renewable energy, the development of low-energy and non-polluting machinery and equipment, as well as environmentally friendly products and carbon capture and storage technologies.
- **Consumer behavior** Consumers are increasingly prioritizing companies and products and services that care about the environment, with rising demand for such offerings and a willingness to pay a premium to support environmentally friendly products. At the same time, investor / tenant expectations for energy-efficient buildings may affect cost structures, investment decisions, and asset competitiveness if the Company cannot adapt appropriately.

The Company recognizes that both dimensions of climate risk are linked to its long-term growth strategy, especially for large mixed-use projects that must take into account energy efficiency, water management, and green space design.

Risk Impact

Impact on the Company

Climate risks are interconnected across multiple dimensions, including cost, continuity, and asset value.

- Cost and investment: Upgrading buildings to higher energy efficiency, installing renewable energy systems, or implementing flood protection may increase CAPEX in the short term but help reduce OPEX and long-term risk.
- Operations: Severe weather events may affect shopping center footfall, office building utilization, and hotel occupancy in certain periods.

- Asset value and competitiveness: Buildings with Green Building standards and clear carbon management practices are more likely to attract tenants and investors.

Therefore, managing climate risk is both a means of reducing risk and creating business opportunities.

Impact on Stakeholders

- **Customers and service users** expect buildings that are safe, comfortable, and environmentally friendly.
- **Tenants and partners** need spaces that are energy efficient and support their own carbon reduction goals.
- **Investors** place importance on the Net Zero pathway and transparent disclosure.
- **Communities and society** expect the Company to play a role in reducing environmental impacts and supporting sustainable urban development.

Risk Mitigation Measures

The Company aims to manage environmental and climate change risks while creating business opportunities so that the growth of its shopping centers, office buildings, residential projects, and hotels remains sustainable and resilient over the long term. The Company continues to manage climate-related risks as follows:

1. **Governance & Targets**
   - Set a target to become a net zero greenhouse gas emissions organization by 2050, with both short- and long-term emissions reduction targets based on science.
   - Establish the Climate Change and Environment Committee (CEC) under the oversight of the CG-SD Committee to drive the transition to a low-carbon society in line with the 2050 Net Zero Pathway.
   - Integrate climate risk into enterprise risk management and investment decision-making.
   - Track progress on climate-related regulations, study and understand the substance of the regulations, assess their business impacts, and improve operations to comply with the required standards.
2. **Green & Resilient Development**
   - Promote Green Building standards in new shopping center, office building, and residential projects.
   - Design large-scale projects, such as new mixed-use projects, with green spaces, energy-saving systems, and efficient water management.
3. **Energy & Resource Management**
   - Increase the share of renewable energy use, such as Solar Rooftop systems.
   - Use Energy Management systems and Smart Building technology to reduce energy consumption.
   - Promote efficient water and waste management.
   - Study the adoption of new technologies that improve energy efficiency and reduce greenhouse gas emissions, such as using AI to optimize cooling systems, installing Variable Speed Drive (VSD) technology to control electric motor speed and help reduce energy costs, as well as automatic doors and Air Scrubber technology to improve indoor air quality.
4. **Climate Resilience & BCP**
   - Conduct site-specific assessments for floods and heatwaves.
   - Strengthen Business Continuity plans to address severe weather events.
   - Tenant and Partner Engagement
   - Promote collaboration on energy and waste reduction within leased spaces.
   - Support Green partnership and Sustainable lifestyle concepts in shopping centers and residential projects.

04. People and Human Rights Risk

Risk Characteristics

The Company operates shopping centers, office buildings for lease, residential-for-sale projects, and hotels, all of which require personnel with a wide range of expertise, together with a large network of contractors and partners. People-related risk therefore covers talent acquisition, talent retention, and human rights oversight across the value chain.

In 2025, the Company considered the following key issues:

- Talent competition in the real estate and service industries, especially for digital skills, data analytics, sustainability, and large project management. If the Company cannot attract and retain high-potential employees, this may affect continuity of the business plan and new project development.
- Succession planning and development for key positions in the organization. Without a systematic succession plan, long-term management stability may be affected.
- Human rights risk in business operations and the supply chain, such as fair employment, workplace safety, discrimination, or violations of labor rights by contractors / partners.
- Rising expectations from investors and customers for responsible, transparent business conduct and respect for human rights in line with international standards.

The Company recognizes that people and human rights risks are critical to organizational sustainability and are linked to image, trust, and long-term competitiveness.

Risk Impact

Impact on the Company

These risks are interconnected across multiple dimensions, including people, operating performance, and organizational reputation.

- If the Company loses key personnel or cannot develop required skills, this may affect its ability to deliver new projects, manage assets, and serve customers.
- Human rights risks in the supply chain may affect the Company's reputation and the confidence of investors, tenants, and business partners.
- In severe cases, these risks may lead to legal or governance impacts, or to the loss of business opportunities.

Therefore, managing people and human rights risks is part of maintaining the Company's ability to sustain continued growth.

Impact on Stakeholders

- **Employee**s expect growth opportunities, stability, and a safe and fair working environment.
- **Tenants and partners** want to work with an organization that has strong ethical and governance standards.
- **Investors** place importance on Human Capital Management and ESG disclosure.
- **Communities and soc**iety expect the Company to conduct business with respect for human rights and to support sustainable development.

Risk Mitigation Measures

The Company manages human resources by considering the expectations of different employee groups, promoting engagement and dedication to the organization and assigned work, and enhancing capability and work effectiveness. Key management measures include:

1. **Talent Acquisition, Retention & Development**
   - Plan and provide compensation, benefits, and remuneration that are appropriate, fair, and competitive compared with the market.
   - Develop a fair performance evaluation and promotion system aligned with achievement of targets and corporate values.
   - Establish a Business Partners structure covering employees across the organization to provide one-stop service for all human resources-related matters.
   - Listen to opinions, suggestions, and feedback through channels such as the annual CG Voice engagement survey, online surveys, and focus group discussions on various topics.
   - Provide after-hours activities aligned with employees' lifestyles and generational differences, including experiences beyond work.
   - Plan and prepare succession development for key positions, while senior management regularly follows up on issues and progress.
   - Plan and provide development opportunities, such as online and offline training programs aligned with career progression plans at the organizational, leadership, functional competency, and individual levels.
2. **Human Rights Risk Management**
   - Conduct Human Rights Risk Assessment and review human rights policies regularly.
   - Establish a Code of Conduct for employees and partners, together with grievance mechanisms.
   - Assess suppliers and contractors on labor and safety standards.
3. **Linkage with the Core Business Sustainability Strategy**
   - The Company emphasizes fair employment, the safety of construction workers, and creating opportunities and supporting community growth in local areas, while promoting Green partnership and Sustainable lifestyle concepts in shopping centers and residential projects.

05. Cybersecurity Risk

Risk Characteristics

The Company operates shopping centers, office buildings, residential-for-sale projects, and hotels, all of which rely on information technology systems and digital platforms for operations, property management, sales, payments, tenant management, membership systems, and smart building management.

Cyber risks may arise from:

- Cyberattacks such as Ransomware, Phishing, Malware, or data breaches.
- Risks from third-party vendors or system service providers.
- PDPA-related exposure.

- Human error or insufficient cyber awareness.

In 2025-2026, the use of digital systems and data connectivity across businesses continues to increase, making cyber risk a strategic risk that must be managed continuously. Although the Company had no significant incidents in the past year, it recognizes the importance of continuously strengthening preventive measures.

Risk Impact

Impact on the Company

Cyber risks are interconnected across several dimensions, including technology, operations, and reputation.

- If IT systems are attacked, this may affect operations such as shopping center management systems, hotel reservation systems, residential project sales systems, or building management systems.
- Personal data risks may affect the reputation of the Company and the confidence of customers, tenants, and investors.
- This may lead to costs related to system recovery, crisis communications, and legal compliance.
- In severe cases, it may affect revenue due to business interruption.

Therefore, managing cyber risk is part of maintaining business continuity and long-term competitiveness.

Impact on Stakeholders

- **Customers / service** users expect protection of personal data and transaction security.
- **Tenants and business partners** require systems that are secure and reliable.
- **Employees** must work within secure systems and have knowledge of cyber awareness.
- **Investors** place importance on governance and the maturity of the cybersecurity system.

Risk Mitigation Measures

The Company is committed to enhancing Cybersecurity Maturity in parallel with business expansion and Digital Ecosystem development so that the growth of its shopping centers, office buildings, residential projects, and hotels is grounded in security and stakeholder confidence in line with international standards, with continued development in 2025 as follows:

1. **Governance & Oversight**
   - Define IT Security governance structures under executive management and report to relevant committees.
   - Assess cyber threat risks in each area to identify weaknesses and plan improvements, using information security standards such as ISO 27001:2013 and NIST SP800-53.
   - Update Information Security and PDPA policies in line with changing laws and practices.
2. **Prevention & Protection Controls**

   The Company places importance on proactive cyber threat prevention through appropriate technology, processes, and system access controls to reduce the likelihood of cyberattacks and limit potential business impacts, as follows:

   - **Identity & Access Management** Apply system access controls such as Multi-Factor Authentication (MFA) and Privileged Access Management (PAM), together with periodic access rights reviews and the removal or disabling of inactive user accounts, to reduce the risk of unauthorized access.

- **Patch Management & System Hardening** Regularly update OS Patch and Security Patch files for operating systems, servers, and endpoints, and configure systems to be securely hardened in order to reduce vulnerabilities that could be exploited by cyberattacks.
- **Endpoint & Device Protection** Apply endpoint protection and device management measures together with Endpoint Detection & Response (EDR) systems to enhance the ability to prevent, detect, and limit damage from cyber threats.
- **Network & DNS Security** Strengthen network-level security through the use of firewalls and DNS & Network Security management systems to help prevent access to malicious domains and command-and-control servers, and to reduce risks from malware and phishing.
- **Security Monitoring Foundation** Support proactive protection by linking security-related information from various systems, such as network, endpoint, and DNS systems, to strengthen the organization's overall threat detection capability.
- **Vulnerability Assessment & Penetration Testing** Conduct periodic vulnerability assessments and penetration testing to identify weaknesses and improve protective measures in line with changing threats.
- **Data Protection & Backup Security** Provide measures to protect critical and personal data, including secure backup practices and protection against unauthorized access or modification, to reduce impacts from cyber incidents such as ransomware.

3. **Detection & Response**

The Company places importance on systematically detecting and responding to cybersecurity incidents so that abnormal events can be identified in a timely manner, impacts on operations can be reduced, and systems can be restored to normal, as follows:

- **Security Monitoring & Alerting** Monitor, inspect, and alert on abnormal information security events through security monitoring systems such as SIEM, EDR, and network data so that threats and abnormal events can be detected quickly.
- **Incident Response Plan & IT Security Playbook** Prepare a cyber incident response plan and operational guidelines for possible situations, such as ransomware or data leakage, so that relevant units can act systematically and consistently.
- **Incident Classification & Escalation** Define cyber incident severity levels and notification guidelines, including escalation to executives and relevant units as appropriate based on the level of business impact.
- **Disaster Recovery & Business Continuity** Regularly review and test the Disaster Recovery Plan (DRP) and Business Continuity Plan (BCP) to ensure that systems can be restored and business can continue in the event of severe incidents.

4. **Third-party & Supply Chain Risk Management**
   - Assess cyber risks of system providers and key partners.
   - Specify data security requirements in contracts.
   - Set appropriate controls over system access by external service providers and review access rights periodically.
5. **Cyber Awareness & Culture**
   - Continuously train employees on preventing and responding to cyber threats and conduct periodic phishing simulations.
6. **Risk Transfer for losses that may arise from cyberattacks.**

- Consider Cyber Insurance coverage to manage financial risk in case of unexpected cyberattack-related incidents.

06. *Artificial Intelligence (AI) and Data Governance Risk*

Risk Characteristics

Advances in AI technology, especially Generative AI such as ChatGPT, Claude, and Gemini, have changed the way people and organizations work, making Generative AI a tool that helps facilitate many types of work. However, the use of AI also raises the importance of AI and data risks, covering the following main issues:

- Inappropriate use of AI / Generative AI, such as using incorrect or incomplete data, making biased decisions, or providing inaccurate outputs, which may affect service quality and trust.
- Data privacy / PDPA exposure: Data leakage and personal data protection issues arising from cyber attacks, inappropriate system settings, or the unauthorized use of AI tools (Shadow AI). The 2025 context reflects stricter PDPA enforcement, making data governance increasingly important.
- Data / Model governance: Risks related to data and models, such as data quality, data retention, access control, and risks from third-party service providers.

Risk Impact

Impact on the Company

AI and data risks may affect the Company in the following areas:

- Operations and business continuity: If core digital systems / data are disrupted, or if the use of AI causes errors in critical processes such as customer service, building management, or tenant / customer management.
- Reputation and trust: If data leakage, inaccurate communications, or the use of AI without adequate governance occurs.
- Regulatory compliance and risk management costs: Due to strengthened internal controls, vendor management, and tighter PDPA / Information Security measures.

Impact on Stakeholders

- **Customers / service users /** members: Privacy, data security, and the reliability of digital data / services.
- **Tenants / partners / allian**ces: Confidence in data systems and platform connectivity.
- **Employee**s: Clarity on using AI safely and ethically, including the skills needed in the digital era.
- **Shareholders / investor**s: Readiness in governance and technology risk management aligned with international standards.

Risk Mitigation Measures

The Company recognizes and gives importance to cyber risk by continuously developing and improving information security systems. It has already begun implementing specific measures to address risks related to AI technology, including:

- Restructure the organization so that there are dedicated units responsible for Data and AI Governance, and establish cross-functional teams to drive AI Platform & Governance development.
- Study and develop an AI governance framework covering usage policies, guidelines for developing tools with AI technology, and responses to AI-related threats.
- Establish internal controls (Operational controls), such as access control, approval / review guidelines for high-risk use cases, and third-party risk management, in alignment with the security framework and PDPA requirements.
- Promote AI awareness among all Company personnel by providing guidance on AI-enabled cyberattacks, dos and don'ts for using Generative AI tools, and encouraging the use of Copilot AI instead of other AI tools to prevent leakage of sensitive data.
- Develop e-learning courses on AI, such as AI Literacy and Co-Pilot workshops, to enable personnel to build knowledge and capabilities for safe and effective use.
- Monitor technology risks in line with global trends by considering emerging risks such as deepfake / misinformation and adverse outcomes of AI in enterprise risk assessments so that governance measures keep pace with change.

07. Trade Receivables Credit Risk

Risk Characteristics

The Company recognizes that it could be financially affected if trade receivable credit problems arise, primarily from tenant groups affected by competitive conditions in their industries and the specific characteristics of each tenant. However, the Company also considers other factors that may affect tenants' credit risk, such as economic conditions or changing consumer behavior, in order to plan appropriate responses and support measures.

Risk Impact

Impact on the Company

If tenants or counterparties are unable to meet their outstanding payment obligations, the Company may experience cash shortages and may need to set aside bad debt provisions, increasing expenses and potentially leading to lower profits, reduced ability to invest in new projects, and impacts on the overall financial position of the Company.

Impact on Stakeholders

Stakeholders such as customers, employees, and shareholders may be affected if the Company encounters debt default issues that weaken its financial position, which could force the Company to control expenses or reduce employees' working hours, while share value may decline due to the impact on operating results.

Risk Mitigation Measures

The Company has established policies and measures for trade receivables credit risk, including:

- Analyze the creditworthiness of each new tenant before offering lease terms and commercial conditions, such as the type of lease agreement and the appropriate deposit amount.

- Limit trade receivables credit risk by setting the maximum overdue payment period at three months and maintaining risk prevention policies, including collection of advance rental deposits and possible lease termination for tenants with rent overdue by more than 90 days.
- Regularly monitor outstanding trade receivables through both the central team and individual shopping center teams, and report overdue debt issues and collection follow-up status to senior management so that appropriate management measures can be determined.
- Consider impairment of trade receivables at the end of each accounting reporting period by setting credit loss allowance rates based on the aging of overdue debts from the due date, comparing groups of customers with similar credit risk patterns, and taking into account economic conditions over the life of the receivables.

08. Legal and Compliance Risk

Risk Characteristics

The Company operates shopping centers, office buildings, residential-for-sale projects, and hotels, all of which are subject to a wide range of laws and regulations, including real estate business laws, environmental and urban planning laws, building safety requirements, labor laws, taxation, personal data protection laws (PDPA), and sustainability disclosure standards such as IFRS S1 / S2. In 2025-2026, the risk context has become more complex due to changes in laws and government policies in areas such as the environment, carbon, building standards, and urban development, which may affect project approval processes, construction timelines, and costs.

- Growing ESG expectations and disclosure requirements from investors, financial institutions, and regulators.
- Risk of fraud or misconduct at the employee, contractor, and partner levels.
- Economic uncertainty and public policy changes may alter how laws are interpreted or enforced. Even though the Company has clear governance systems in place, the continuously changing legal environment requires regular monitoring and adaptation.

Risk Impact

Impact on the Company

- Failure to comply fully with laws or new requirements may affect project approvals or operations, or result in fines / penalties.
- ESG disclosure or PDPA-related risks may affect the confidence of investors and business partners.
- Fraud or violations of the Code of Conduct may damage the organization's reputation and stakeholder relationships.
- Delays in adapting to new regulations may affect long-term competitiveness.

Impact on Stakeholders

- **Customers and tenants** expect business operations that comply with the law and maintain safety standards.
- **Employees and partners** must comply with the Code of Conduct and Company policies.

- **Investors and financial institutions** place importance on the governance framework and transparency.
- **Communities and government agencies** expect the Company to conduct business responsibly toward society and the environment.

Risk Mitigation Measures

The Company is committed to conducting business under the principles of good corporate governance and strict legal compliance in order to support the sustainable long-term growth of its shopping centers, office buildings, residential projects, and hotels. It has established work processes and legal compliance control points within standard operating procedures (SOPs) and continues to implement the following governance measures:

1. **Governance & Oversight**
   - Strengthen the role of the Board and subcommittees in overseeing legal and ESG risks.
   - Integrate legal and compliance risk into the enterprise risk management (ERM) process.
2. **Regulatory Monitoring & Advisory**
   - Closely monitor new laws and draft laws, including sustainability disclosure standards.
   - Consider the use of external advisors on complex issues such as tax, environment, and reporting standards.
3. **Code of Conduct & Anti-Corruption**
   - Enforce the Code of Conduct across employees and partners.
   - Provide Whistleblowing channels and independent investigation mechanisms.
   - Conduct Anti-Corruption and Compliance training programs regularly.
4. **Data Protection & ESG Disclosure**
   - Improve PDPA policies and data management.
   - Prepare for climate and sustainability reporting standards.
5. **Contract & Supply Chain Compliance**
   - Review contract terms with contractors and partners to align with labor, safety, and environmental requirements.
   - Conduct third-party risk assessments.