



CPN  
ANNUAL  
REPORT  
2013

THE NEXT CHAPTER OF SUCCESS



## CENTRAL PATTANA PUBLIC COMPANY LIMITED

### LOCATION

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999/9 Rama I Road, Patumwan Sub-District,  
Patumwan District, Bangkok 10330, Thailand  
Telephone : + 66 (0) 2667 5555  
Facsimile : + 66 (0) 2264 5593

### CORPORATE WEBSITE :

[www.cpn.co.th](http://www.cpn.co.th)

### REGISTRATION NO :

0107537002443

### YEAR OF ESTABLISHMENT :

1980

### BUSINESS OVERVIEW :

Develop and invest in retail property for rent comprising large-scale shopping complexes and other related supportive businesses. In addition, the Company invests in retail property fund and acts as a property manager of the fund.

### SECURITIES INFORMATION

Common shares of Central Pattana Plc. were listed and traded on the Stock Exchange of Thailand in 1995 under the abbreviated security name of "CPN".

### REGISTERED CAPITAL :

Baht 2,244,000,000

### Issued and Paid-up Capital :

Baht 2,244,000,000 comprising ordinary shares of 4,488,000,000 shares  
Par value of Baht 0.5 per share

### CONTACTS

#### CORPORATE SECRETARY

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Email : [co.secretary@cpn.co.th](mailto:co.secretary@cpn.co.th)

#### INVESTOR RELATIONS

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Facsimile : + 66 (0) 2264 5593

Email : [ir@cpn.co.th](mailto:ir@cpn.co.th)

ANNUAL REPORT 2013

THE NEXT CHAPTER OF SUCCESS



**PROPERTY  
DEVELOPMENT  
& INVESTMENT**

A Member of Central Group

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# THE NEXT CHAPTER OF SUCCESS



MOST ADMIRABLE  
RETAIL  
DEVELOPER  
OF ALL  
STAKEHOLDERS



DYNAMIC  
RETAIL  
DEVELOPER



REGIONAL  
RETAIL  
DEVELOPER



WORLD-CLASS  
REWARDING  
EXPERIENCE



TO BE THE MOST  
ADMIRABLE AND  
DYNAMIC REGIONAL  
RETAIL PROPERTY  
DEVELOPER WITH  
WORLD-CLASS  
REWARDING  
EXPERIENCE

- PREFACE -

## ANOTHER NEW CHAPTER IS WAITING FOR US TO EXPLORE

As a leading local retail property developer, we are confident in striding forward to success in larger arena. Our skills, experience and dedication will join forces in a way that has never been done before.

*Turn the page and let's go to  
the next chapter of success together.*

- CHAPTER -  
*of*  
OUTSTANDING  
PROSPECTS

We have gained the largest market share and we never stop in offering more to our partners. Modernity and world-class experience lead the way to our better future and to us becoming the most admired and dynamic retail property developer in the region.



Delivering  
a world-class,  
rewarding experience



To be a capable  
leader in the  
regional markets

LEADING  
MARKET  
SHARE  
OF MALL RETAIL  
SPACE IN BANGKOK  
METROPOLIS



NEW  
EXPANSION  
DOMESTIC  
PROJECTS



OVERSEAS  
EXPANSION  
TO MALAYSIA



- CHAPTER -  
*of*  
**FINANCIAL  
GROWTH**

We are a premium choice for investors, delivering competitive and sustainable returns to shareholders, and strategic partners.



To develop strong relationships with key stakeholders



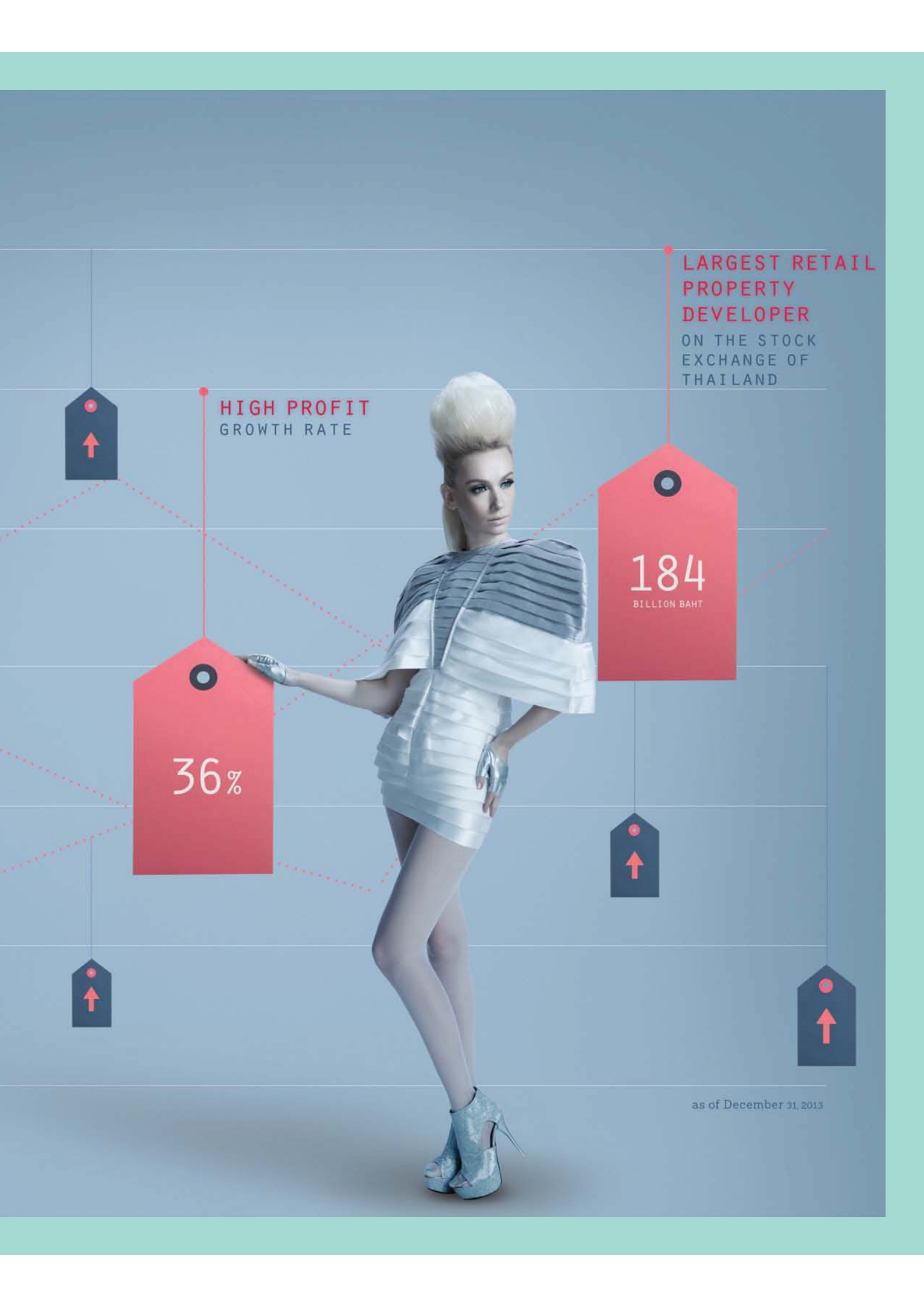
To constantly maintain growth in income and net profit



**HIGH REVENUE**

GENERATING  
CAPABILITY AT  
SUSTAINABLE  
GROWTH RATE

**20%**



LARGEST RETAIL  
PROPERTY  
DEVELOPER  
ON THE STOCK  
EXCHANGE OF  
THAILAND

HIGH PROFIT  
GROWTH RATE

184  
BILLION BAHT

36%

as of December 31 2013

- CHAPTER -  
*of*  
INTEGRATED  
STRATEGY

The combination of our skills, experience and dedication leads to the success of our business. We collaborate with our ideal partners to perform the very best within the country. And it is through our strategy that we succeed in the larger arena of the world.

■ To create synergy  
with our partners to  
impress our customers  
to the maximum

■ To create new retail  
formats and merchandise  
mixes that better fit







LOCAL  
PARTNERS

CPN

KNOW-HOW

EXPERIENCE

KEY OF  
SUCCESS

NEW PROJECT  
IN OVERSEAS

STRATEGIC  
LOCATION

WORLD  
CLASS  
STANDARD

OPTIMAL  
TENANT  
MIX

- CHAPTER -  
*of*  
**TRUSTWORTHY  
PERFORMANCE**

In every step, we earn trust in our performance, investment and signature corporate social responsibility programs, globally recognized through our awards and achievements from prestigious institutions.

★ Committed to creating  
satisfying experiences

★ Committed  
to excellence

★ Committed  
to trust

★ Committed  
to succeeding  
together with  
our partners

AFFIRMED WITH  
POSITIVE OUTLOOK  
BY TRIS RATING



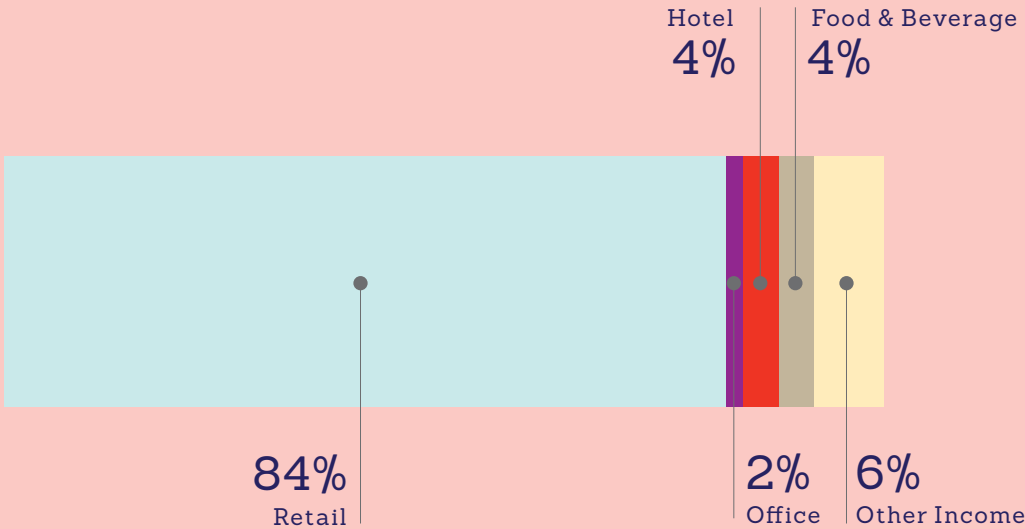
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CONSECUTIVE  
YEARS FOR  
BOARD OF  
THE YEAR  
AWARDS

TOP CORPORATE  
GOVERNANCE  
REPORT AWARDS

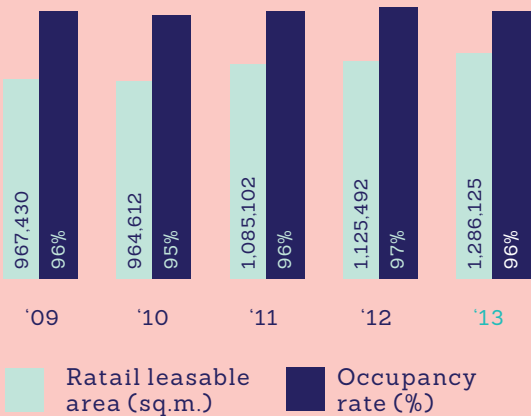


# CONSOLIDATED OPERATIONAL AND FINANCIAL HIGHLIGHTS

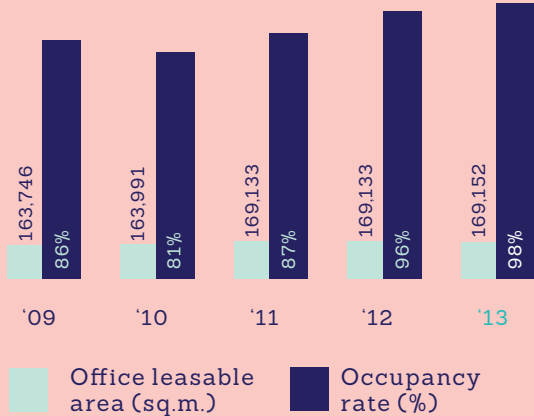


Remarks : Excludes interest income, dividend income, share of profit from associate, and non-recurring income.

## SHOPPING CENTER

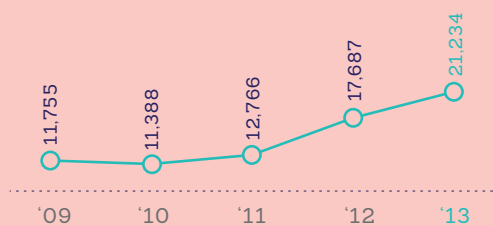


## OFFICE



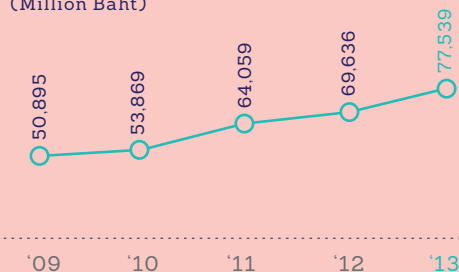
## TOTAL REVENUES

(Million Baht)



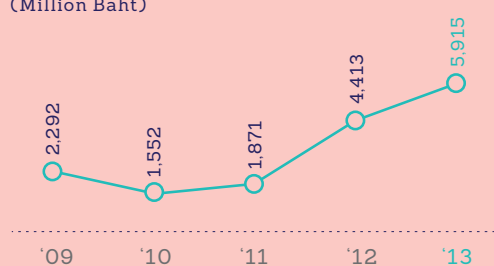
## TOTAL ASSETS

(Million Baht)



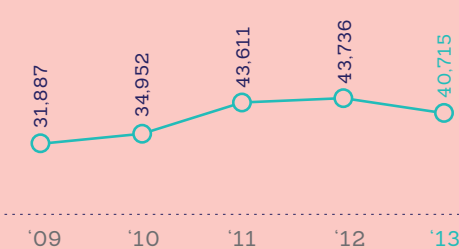
## ADJUSTED NET PROFIT

(Million Baht)



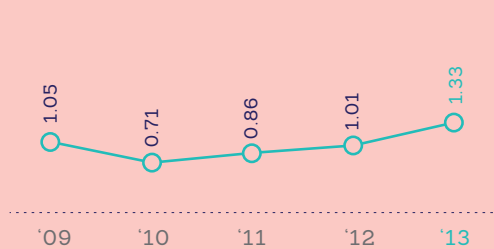
## TOTAL LIABILITIES

(Million Baht)



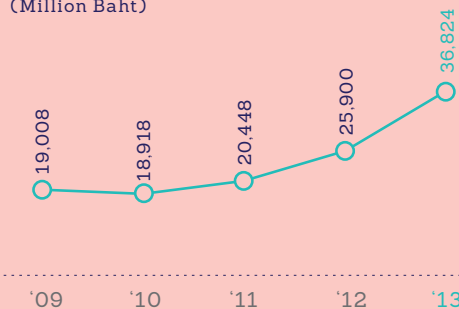
## ADJUSTED EARNINGS PER SHARE

(Baht)



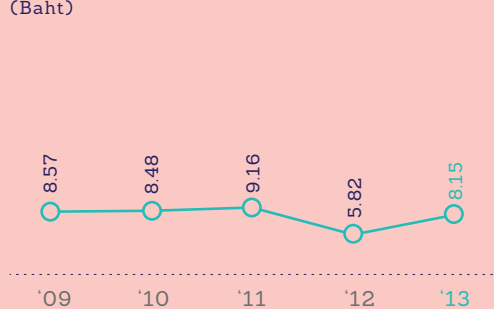
## TOTAL SHAREHOLDERS' EQUITY

(Million Baht)



## BOOK VALUE PER SHARE

(Baht)



Remarks : During the year 2013, the par value of the share has been converted. The number of weighted average ordinary shares has been restated and used in computation of earnings per share and book value per share for the year 2012-2013.

## CONSOLIDATED OPERATIONAL AND FINANCIAL HIGHLIGHTS

As of December 31	2009	2010	2011	2012	2013
<b>Operational performance of assets under CPN's management</b>					
Leaseable Area (square metres)	1,137,549	1,134,976	1,260,608	1,300,998	1,461,650
>> Retail	967,430	964,612	1,085,102	1,125,492	1,286,125
>> Office	163,746	163,991	169,133	169,133	169,152
>> Hotel (room)	255	557	561	561	561
>> Residential	6,373	6,373	6,373	6,373	6,373
<b>Occupancy Rate (%)</b>					
>> Retail	96%	95%	96%	97%	96%
>> Office	86%	81%	87%	96%	98%
>> Hotel	68%	50%	45%	76%	76%
>> Residential	67%	67%	52%	59%	67%
<b>Consolidated Financial Results</b>					<b>Unit : ('000 Baht)</b>
Total Revenues <sup>(1)</sup>	11,754,650	11,387,613	12,765,702	17,687,323	21,234,033
Revenue from Rental & Service, Food & Beverage, Hotel	10,934,257	10,529,901	11,950,730	16,761,773	19,913,174
Cost of Rental & Service, Food & Beverage, Hotel	6,696,678	6,924,476	7,783,446	9,433,399	10,541,623
Gross Profit <sup>(2)</sup>	5,057,972	4,463,137	4,982,256	8,253,924	10,692,410
Net Profit	4,951,623	1,124,866	2,058,123	6,188,698	6,292,529
Adjusted Net Profit <sup>(2)</sup>	2,292,460	1,551,950	1,871,108	4,412,862	5,915,196

(1) Excludes interest income, dividend income, share of profit of associate, and non-recurring incomes.

(2) Excludes non-recurring items.

(3) Net interest-bearing debt excludes loans from related parties.

(4) Excludes minority interest in subsidiaries.

(5) Basic earnings per share only attributable to ordinary shareholders.

(6) During the year 2013, the par value of the share has been converted. The number of weighted average ordinary shares has been restated and used in computation of earnings per share and book value per share for the year 2012-2013.

As of December 31	2009	2010	2011	2012	2013
<b>Consolidated Financial Position</b>					<b>Unit : ('000 Baht)</b>
Total Assets	50,895,450	53,869,402	64,059,165	69,635,639	77,538,774
Total Liabilities	31,887,348	34,951,652	43,610,988	43,735,665	40,715,133
Net Interest-Bearing Debt <sup>(3)</sup>	14,128,862	17,452,337	24,300,067	21,357,620	17,972,416
Total Shareholders' Equity	19,008,102	18,917,749	20,448,177	25,899,974	36,823,641
Retained Earning	14,539,840	14,339,464	15,828,190	21,210,726	25,419,599
Issued and Paid-up Share Capital	2,178,816	2,178,816	2,178,816	2,178,816	2,244,000
Total Number of Shares ('000 Shares)	2,178,816	2,178,816	2,178,816	2,178,816	4,488,000
<b>Consolidated Financial Ratios</b>					
Net Interest-Bearing Debt to Equity <sup>(3)</sup> (time)	0.74	0.92	1.19	0.82	0.49
Gross Profit Margin <sup>(2)</sup> (%)	43.03	39.19	39.03	46.67	50.36
Net Profit Margin <sup>(2)</sup> (%)	18.74	13.03	14.06	24.05	26.41
Return on Assets (%)	10.46	2.15	3.49	9.26	8.55
Return on Equity <sup>(4)</sup> (%)	29.85	6.06	10.71	27.31	20.45
Earnings per Share <sup>(5)(6)</sup> (Baht)	2.27	0.52	0.94	1.42	1.42
Adjusted Earnings per Share <sup>(2)(5)(6)</sup> (Baht)	1.05	0.71	0.86	1.01	1.33
Book Value per Share <sup>(6)</sup> (Baht)	8.57	8.48	9.16	5.82	8.15
Dividend per Share (pay in the following year) <sup>(6)</sup> (Baht)	0.58	0.25	0.37	0.95	0.55

## MESSAGE FROM THE BOARD





## To the Shareholders

Another remarkable year it was for Central Pattana Plc, which posted steady growth in performance and grew branches as strategized despite a slowdown in economic growth this year. Accounting for this were sound management and a commitment to business improvement, which produced such outstanding performance and robust financial standing.

### CONTINUED BUSINESS EXPANSION

This year, CPN successfully launched three new shopping complexes, namely CentralPlaza Ubonratchathani, CentralFestival Chiangmai, and CentralFestival Hatyai, amid warm reception from tenants, customers, and surrounding communities. Today CPN manages 23 shopping complexes, 10 of which are located in Bangkok Metropolis and the rest in provincial areas. For the future, it still eyes expansion to strategic areas to encompass all economic routes to all regions, including areas with links to neighboring countries so as to turn Thailand into ASEAN's shopping hub.

To boost the potential of continuous growth, CPN has sought business expansion opportunities around the ASEAN region. This year marked its first inroad into ASEAN, thanks to an agreement signed with the I-Berhad Group, a real estate developer of Malaysia, to develop the project "CentralPlaza i-City" in Shah Alam, Selangor State, Malaysia, in which CPN will hold 60% equity.

### ROBUST PERFORMANCE AND FINANCIAL STANDING

CPN still constantly maintained growth in income and net profit this year, with performance eclipsing goals. This year, CPN and its subsidiaries posted Baht 21,709 million in revenue, an 11% rise from last year. Its gross revenue (exclusive of non-recurring item) posted 20% growth due to the revenue derived from new shopping complexes launched this year and those launched in 2012, together with rising rents in current projects. This year's net profit amounted to Baht 6,293 million, a 2% rise over last year. Excluding non-recurring items of 2012 and 2013, the net profit of CPN and its affiliates arising from normal operation rose by 36% from that of last year in line with CPN's ability to generate income and improved management of costs and administrative expenses.

In May, CPN split its par value from Baht 1 to Baht 0.5, while offering 130,368,000 recapitalization common shares to private investors in line with a shareholders' resolution of meeting No. 1/2013. The offered price was Baht 50.75 per share. This move earned CPN Baht 6,549 million in net income after deducting expenses for securities sale, which will fund future business expansion. Today, CPN boasts 4,488 million shares in registered common shares, worth Baht 2,244 million in registered value. Such recapitalization has strengthened CPN's capital structure in support of long-term, sustainable growth.

In the light of its overall performance outcomes and financial standing this year, coupled with the potential for capital sourcing and future investment plans, the Board tabled for the shareholders' consideration at the AGM of April 25, 2014, dividend payment at Baht 0.55 per share, equivalent to 39.2% of the net profit of 2013.

#### SUSTAINABLE BUSINESS GROWTH

Recognizing the value of sustainable business growth and the consistent ability to grow value for shareholders, the Board monitored the work of the management in various aspects to ensure it is consistently done with care, prudence, and responsibility to all stakeholders. It also periodically provided recommendations on the management and care of circumstantial challenges to ensure risk management to manageable levels and minimize obstacles.

As for the personnel side of the strategic plans with business expansion goals (domestic and international), CPN ensured preparedness by recruiting and developing the capability of its personnel to accommodate such expansion. This is in parallel with the attention paid to employees for them to grow together with CPN, filled with a sense of belonging in CPN's successes. As for the management aspect, CPN has introduced Enterprise Resource Planning (ERP) to all branches this year. It plans to further develop the exploitation of such data management for more efficient reporting from next year onward.

CPN is truly committed to conformance to its social, community, and environmental responsibility policy. In place is long-standing energy management that is tangible, with increasingly encouraging development, thanks to the application of modern, green energy-saving technology to its array of projects. Meetings track performance by panels directly assigned for these matters. In addition, regular assessment by a third party is conducted. As a result of such commitment to environment and energy conservation, CPN's shopping complexes have earned national and regional awards in environment and energy conservation, a total of 24 awards over the past 5 years. Finally, CPN also values water resource management and systematic disposal of waste and garbage.

#### AWARDS OF PRIDE

The Board of Directors of CPN has defined a clear policy for conducting business under corporate governance, while ensuring communication and implementation in corporate life, which earned the Board major acclaim, evident in three awards, namely

- 1) Board of the Year for Distinctive Practices (2012-2013)
- 2) Board with Consistent Best Practices (three outstanding consecutive items: 2008-2009, 2010-2011, and 2012-2013)
- 3) Audit Committee of the Year (2012-2013).

These awards are presented by Thai Institute of Directors to recognize and promote professional boards of listed companies. CPN also took SET Award of Honor for its corporate governance reporting, which SET and the Finance & Banking Magazine jointly presented to it in recognition of a listed company's excellent job of reporting corporate governance consistently since 2011. Several other awards were presented to CPN this year. These accolades bestowed on the Board and CPN have boosted our morale and driven us further toward a sustainably excellent organization.

The Board remains immensely grateful to the shareholders, tenants, customers, and business partners for their faith in CPN and their loyal support over the years. We equally appreciate our own executives and employees for their determination, perseverance, and unity in efficient task management and ongoing development—which played an instrumental role in our successes and continued growth, as well as goal achievement. The Board, executives, and employees vow to carry out businesses under corporate governance and awareness of social responsibility in the best interests of all stakeholders. We will steer CPN to become “the most admired and dynamic regional retail property developer with world-class rewarding experience”, our vision.



Mr. Suthichai Chirathivat  
Chairman



Mr. Kobchai Chirathivat  
President & Chief Executive Officer  
(to January 1, 2014)

## MESSAGE FROM CHIEF EXECUTIVE OFFICER



Mr. Preecha Ekkunagul  
Chief Executive Officer

## *To the Shareholders*

It is a personal pride and formidable challenge that the Board of Directors has appointed me to this post, with effect from January 2, 2014, since CPN is such a renowned corporation with impressive performance outcomes all these years. Managing CPN from this point onward for secure growth is therefore a challenge, amid such dynamic and volatile business circumstances.

CPN's past successes have resulted, first of all, from its personnel that have dedicated their skills, collaboration, and diligence, coupled with their full commitment and sacrifice. But equally vital is the support of all CPN stakeholders. These factors will continue to steer our successes under the five following strategies:

### **1. Development of domestic shopping complexes:**

We will not only continue our focus on high-potential branch expansion in and away from Bangkok, but also upgrade existing shopping complexes to reinforce the corporation while getting poised for the entrance into AEC

### **2. Management of shopping complexes:**

We will focus on supplementing value from existing ones in various aspects-including tenants, marketing, and shopping complex management-to drive revenue growth in parallel with cost control

### **3. Development of corporate infrastructure:**

This implies modification of management procedures and systems in core processes to accommodate continuous growth

### **4. International project development:**

This will be done by probing ASEAN investment opportunities to establish capability and competitiveness for CPN to become a regional shopping complex developer

### **5. Corporate development for sustainability:**

Four aspects will make up our business focus, namely social and environmental, care for business partners, care for customers and marketing, and stewardship of employees.

It is my fervent hope that all CPN's plans and goals are set to achieve successes while CPN remains committed to conforming to corporate governance, as it has been all along. Such successes would enable shareholders to command sustainable greater values over the long term while contributing to national prosperity and driving the economy toward progress in a secure and sustainable way.



**Mr. Preecha Ekkunagul**  
Chief Executive Officer

# REPORT OF THE AUDIT COMMITTEE

## *To the Shareholders*

Consisting of four qualified independent directors, the Audit Committee is chaired by Mr. Paitoon Taveebhol, who is knowledgeable and experienced in reviewing the financial statements, with Mr. Chackchai Panichapat, Mrs. Sunandha Tulayadhan, and Mr. Karun Kittisataporn as members.

In 2013, there were total of 11 Audit Committee meetings, whereby all Audit Committee members attended all these meetings. At some meetings, it consulted the President & CEO, the management, the external auditor, the internal auditor, and non-executive directors as seen necessary and provided candid views and recommendations. The Committee reported its performance to the Board of Directors on six occasions, with the following summary of performance and views:

### **ACCURACY, COMPLETENESS, AND RELIABILITY OF FINANCIAL STATEMENTS**

Reviewed were the quarterly and annual financial statements, significant accounting policies and financial reports, coupled with the consideration of the audit scope and plans, audit methods, and detected issues, jointly investigated by the management and the external auditor. It is the Committee's view that the Company's financial reports, prepared under generally accepted accounting procedures, are accurate, complete, and reliable with a sensible choice of accounting policies.

### **ADEQUACY OF INTERNAL CONTROL SYSTEM, INTERNAL AUDIT, RISK MANAGEMENT, AND GOOD CORPORATE GOVERNANCE**

Reviewed were the audit reports of Internal Audit and of the external auditor concerning assessment of the internal control system, risk management, and good corporate governance, as well as the improvement of executives' performance as recommended in such reports, while internal processes of whistleblower system and complaint handling were also considered. It is the Committee's view that the Company's internal control system is adequate and appropriate.

The Audit Committee had reviewed the annual internal audit plan for the year which was based on the risk-based audit plan and also the outputs based on this plan, as well as regularly consulted Internal Audit executives in the absence of the management. Therefore, the Audit Committee considers that the Internal Audit activities of the Company are independent and appropriate.

### **PARTICIPATION IN THE COLLECTIVE ANTI-CORRUPTION PROJECT (CAC)**

On November 9, 2011, CPN enlisted in the declaration of intention by the Private Sector Collective Action Coalition against Corruption (CAC). Policy amendment is underway for assessment by Internal Audit and the Audit Committee for CPN's request for certification from CAC.

#### **COMPLIANCE WITH SECURITIES AND EXCHANGE COMMISSION (SEC) LAWS, THE STOCK EXCHANGE OF THAILAND'S (SET'S) REQUIREMENTS, AND APPLICABLE LAWS**

Reviewed were the Company's compliance with SEC laws, SET's regulation, and applicable laws; in addition, the Committee regularly monitored the management's improvement approach. The Committee considers the Company is in full compliance.

#### **TRANSACTIONS WITH POTENTIAL CONFLICTS OF INTEREST**

The Audit Committee has given emphasis in reviewing, on a quarterly basis, all connected transactions as well as those transactions that may involve possible conflicts of interest in full compliance with all laws and regulations of the Stock Exchange of Thailand. It assigned the Internal Audit to make the initial assessment annually, as well as, always requested the external auditor to undertake a full review of all these transactions. The Audit Committee considers these connected transactions part of the normal course of business with regular commercial conditions, sensible and fair conditions, and in the best interests for the Company.

#### **SUITABILITY, CONSIDERATION, SELECTION, AND ENDORSEMENT OF THE EXTERNAL AUDITOR**

The Audit Committee made an assessment of the degree of independence of the external auditor and reviewed their activities outputs of 2013, which was their 8<sup>th</sup> year as the external auditor of the Company. However, the external auditor authorized to sign the Company's audited financial statements has been changed since 2009. The overall performance of the external auditor is considered fully satisfactory; and they has been fully independent in their audit activities. Additionally, the Audit Committee had four meetings with the external auditor without any presence of the management team to obtain their opinions on the Company's operational activities and the coordination with relevant member of the management team.

As for the selection and appointment of the external auditor for 2014, the Committee has considered the performance and scope of work in comparison to the proposed audit fees and agreed to appointed

KPMG Phoomchai Audit Limited ("main external auditor") as the external auditor to provide views on the consolidated financial statements for CPN and its subsidiaries for 2014 and approved its audit fee for 2014 at no more than Baht 6,160,000, together with a fee at no more than Baht 800,000 for the auditor(s) of CPN's selected subsidiaries registered in other countries. It also authorized the management to approve the fees for reviewing the financial statements of subsidiaries, associates, joint ventures, and mutual funds that may arise during the year.

#### **OVERALL VIEW AND REMARKS AS A RESULT OF PERFORMANCE UNDER THE CHARTER**

The Audit Committee had made a self-assessment of its overall performance for 2013 on January 8, 2014; whereby this assessment was in 2 parts: Firstly, the overall activities of the Audit Committee during the year. And secondly, the specific activities of the Committee, which in total consist of 6 activities, namely : (1) reviewing of the financial reports to ensure theirs accuracy and adequacy; (2) reviewing that both internal control systems and internal audit functions were fully effective and efficient; (3) reviewing that the Company activities were in full compliance with all the requirements of the securities laws and regulations of the Stock Exchange of Thailand as well as the laws relevant to the business sector in which the Company operated; (4) reviewing and selecting the proposed appointment of the Company's external auditor; (5) reviewing all connected transactions; and (6) As for its own report, the Audit Committee overall view was that it had performed the duties and responsibilities-as stated in its own Board-approved charter-sufficiently and thoroughly with due competence, care, prudence, and independence for all stakeholders' equitable interests.



**Mr. Paitoon Taveebhol**  
Chairman of the Audit Committee



## REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE

### *To the Shareholders*

In 2013, the Nomination and Remuneration Committee held two meetings and reported its performance to the Board for acknowledgment after each meeting, summarized below:

1. Recruited suitable candidates for tabling to the Board and the shareholders' meetings at the 2013 AGM for their consideration. The Company offered minor shareholders a chance to nominate directors from September 14, 2012, to January 15, 2013. Since no such nomination emerged, the Committee recommended that the retired directors who finished their terms in 2013 should be reappointed to another term. The 2013 AGM approved every nominated director.
2. Considered the 2013 remuneration for the Board and the subcommittees, comprising the Audit Committee, the Nomination and Remuneration Committee, and the Risk Management Committee, and then submitted it to the Board and the shareholders' meetings for consideration and approval, taking into account their responsibilities and performance related to revenue earned and other relevant factors. The remuneration amounts are also compared with industry peers and met with approval from the shareholders.
3. Evaluated the President & CEO's performance in the preceding year and worked with the President & CEO in setting goals and evaluation methods for his performance in the current year.
4. Reviewed for approval senior management succession plans and development plans to groom successors for the benefit of management continuity and alignment with CPN's rapid growth.

This year, the Nomination and Remuneration Committee considered a qualified person for the CEO post under the nomination and succession process and agreed with the proposal made by the Executive Committee to recommend the Board to appoint Mr. Preecha Ekkunagul to replace Mr. Kobchai Chirathivat, who resigned from the post to supervise overall management of the Central Group of Companies, with effect from January 2, 2014, but will remain on the CPN Board. The Board duly approved the committee's recommendation.

5. Devised a policy and guidelines on Board diversity in line with corporate governance.
6. Reviewed for approval a performance assessment form for itself for annual self-assessment, with effect from 2013 onward.
7. Monitored and provided comments on the policy and practices of human capital management and organizational management, including turnovers, promotion of employee engagement, and various training programs.
8. Revised its own charter in line with international good practices for clearer and more thorough coverage.
9. Revised the definition of directors' independence in line with the current announcement of the Capital Market Supervisory Board and CPN's business practices.

The Nomination and Remuneration Committee cautiously completed its duties with integrity, based on the responsibilities designated in its charter. It adhered to the principle of good governance adequately and suitably for the balanced and sustainable benefits of all stakeholders.



Mr. Chackchai Panichapat  
Chairman of the Nomination  
and Remuneration Committee



# REPORT OF THE CORPORATE RISK MANAGEMENT COMMITTEE

## *To the Shareholders*

Central Pattana Public Company Limited has set a clear policy of treasuring sustainable risk management to supplement value to stakeholders. To this end, CPN focuses on developing risk management practices across the Company and promoting risk management as part of its value-added culture. Five key risk factors affecting CPN's business cover all dimensions at corporate and business unit levels. Emphasis is on managing such risks to an acceptable level through appropriate strategies of avoiding, transferring, controlling, and coping. Two risk management committees are currently in place:

1. The Corporate Risk Management Committee, consisting of seven members chaired by Mr. Paitoon Taveebhol, meets at least once every quarter and acknowledges and provides recommendations on all risk management policies, strategic plans, structures and frameworks at every corporate level; assessing risk management effectiveness; screening and endorsing acceptable levels of risk; participating in expressing opinions during CPN's annual analysis of risk management strategies; acknowledging reports on risk trends and risk issues; and reporting its activities to the Board for acknowledgment. These duties ensure the committee's effective responses to risk issues, accurate identification of immediate and long-term financial impacts on shareholders, and operational quality.
2. The Business Unit Risk Management Committee, appointed by the President, meets at least once

every quarter and comprises the unit's senior executives and management officers capable of performing duties by dedicating sufficient time and input. The committee defines policies, structural framework, methods, and tools for the identification, assessment, management, and reporting of risks that affect the objectives of its business unit; oversees standardized development of risk management within the scope of responsibility of the unit's management; ensures that risk management is integrated with business plans; reviews risk evaluation outcomes against acceptable ranges of deviation; communicates and manages the establishment and maintaining of corporate risk management compatible with corporate vision; and accurately and constantly reports to the Corporate Risk Management Committee progress and other issues of risk management in line with the unit's natural characteristics and scope of risks.

Ensuring more effective risk management at the business unit level, this year CPN upgraded the work processes of every branch to a more organized operating system. Enterprise risk management also earned increased focus via the preparation of the risk register and action plans, with CPN's top executives jointly conducting risk assessment, the results of which indicated that the Company's risks conform to the international level.

CPN's business units focus on managing four categories of risk, namely strategic, operational, compliance and financial risks:

- **Strategic Risks**

**Business Readiness risk:** To support the policy of growth through domestic branch expansion and tackling fierce competition, CPN plans to constantly expand domestic business by adhering to its risk management principles of performing solid strategic workforce planning. The resulting formation of CPN's manpower model for shopping complexes, along with the revision of standard operating procedures, ensures more competitiveness in shopping center management.

**Foreign Investment Risk:** CPN plans to expand its business in foreign countries in response to the policy of constant business growth by setting specific personnel management policies for overseas staff. As a result, CPN's International HR unit was established for efficient staff allocation to the countries where CPN operates, while ensuring profitable investment, smooth business operation, and effective risk management. Besides setting compensation rates and welfare provision for each country, the International HR unit developed training courses on shopping center management with input from advisers.

- **Operational Risks**

Accidents, fires, disasters, political instability, and other threats related to shopping center management: To effectively manage work-related risks, CPN's Committee on Safety, Occupational Health and Work Environment was set up. A loss preventive team, operating under the Operational Standard Promotion and Supervision Bureau, is also in place to centralize

risk factor analysis, covering threats from political situations, fires, floods, and other risks. Besides developing a manual containing regulations on safe operation, CPN constantly organizes simulated exercises on diverse crisis situations and applies analyzed outcomes to the revision of its crisis management plan to ensure proactive responses as required by the Company's Business Continuity Management standard.

- **Compliance Risks**

Domestic and overseas legal limitations resulting from the continual branch expansion policy: To manage this risk, efficient response plans and measures are based on thorough study, follow-up, and analysis of legal limitations that may hinder CPN's domestic and overseas expansion, conducted by the Company's team of legal experts.

- **Financial Risks**

**Capital Sufficiency Risk:** To sustain its strength under the capital-intensive requirements of the real-estate business and fierce competition, CPN needs to acquire sufficient funding at an appropriate cost. To increase its flexibility for future business expansion and reduce financial risks under a volatile business environment, CPN endeavors to achieve robust financial statements by maintaining its capital structure with a low debt-to-equity ratio under a prudent monetary policy, as well as leveraging appropriate financial instruments in sourcing capital.

The Board constantly updates CPN's charters governing risk management committees at both corporate and business unit levels to maintain their compatibility with the current business circumstances, with constant reviews of the Company's risk management processes to ensure its effectiveness and solid integration with CPN's strategic and business plans. The resulting effective system plays a direct role in enhancing corporate capabilities on strategy formulation and the accomplishment of CPN's missions.



**Mr. Paitoon Taveebhol**  
**Chairman of the Corporate**  
**Risk Management Committee**

# REPORT OF THE CORPORATE GOVERNANCE COMMITTEE

## *To the Shareholders*

In compliance with the policy set forth by the Board of Directors, Central Pattana Public Company Limited operates its business with strong commitment to its Code of Conduct and Corporate Governance (CG) Policy, with the Corporate Governance Committee overseeing relevant programs and communicating with all personnel to ensure full compliance. The committee held three meetings this year and reported its performance to the Audit Committee and the Board as summarized below:

1. Revised the Code of Conduct and CG Policy by applying CPN's traditional practices to policy-making in line with good practices. The Board approved the Code of Conduct and CG Policy (revised version) as proposed for the Board, executives, and employees to strictly observe.
2. Appointed a new CG Committee in place of resigned members to make the composition complete and consistent. The Board approved this appointment as proposed.
3. Revised its own duties and responsibilities in line with its performance and scope of work. The Board approved this revision as proposed.
4. Approved its own performance assessment form to establish an annual performance routine under good practices, with effect from 2013 onward.
5. Provided recommendations to the Board on the structure promoting CG in line with SET's regulations and the Organisation for Economic Co-operation and Development (OECD)'s corporate governance policy in five principles:

- 1) Rights of Shareholders
- 2) Equitable Treatment of Shareholders
- 3) Roles of Stakeholders
- 4) Disclosure and Transparency
- 5) Responsibilities of the Board.

The committee ensured implementation as planned, including amendment of the charters of subcommittees, amendment of regulations on securities holding and internal-information control, and development of E-learning media for understanding of connected transactions and amendment of website information for completeness and alignment with guidelines on information disclosure of regulators.

6. Promoted awareness of and proper conformance to CG by the Board, executives, and employees, as well as stakeholders by establishing communication about amended regulations, whistleblowing and complaint-making, and the policy on acceptance of gifts and tokens through a variety of communication channels like email, the intranet, website, company journals, bulletin boards, and the CPN Radio program. In addition, in place is continual communication for executives and employees at Head Office and branches to master the above-mentioned Code and Policy through E-learning.
7. Provided recommendations on the structure promoting social responsibility and monitoring of projects and activities for completeness and continuity in energy conservation, environment, occupational health, and safety together with the

“CPN Cultivates Thai Wisdom” and the “CPN Volunteer” projects. The focus was on auditing and monitoring of project outcomes, and then properly applying them to CPN’s business to strengthen society and communities in the long term.

8. Acknowledged updates on sustainable development (SD) work, for which CPN and its consultant had conducted a study and framed applicable action. The effort is today under plan and personnel development to accommodate execution under the plan.



Mr. Naris Cheykin  
Chairman of the Corporate Governance Committee

## BOARD OF DIRECTORS AND MANAGEMENT TEAM



1 Mr. Suthichai Chirathivat  
2 Mr. Paitoon Taveebhol  
3 Mr. Chackchai Panichapat  
4 Mrs. Sunandha Tulayadhan



5 Mr. Karun Kittisataporn  
6 Mr. Ranchit Bunajinda  
7 Mr. Suthikiati Chirathivat  
8 Mr. Suthichart Chirathivat



9 Mr. Sudhisak Chirathivat  
10 Mr. Sudhitham Chirathivat  
11 Mr. Prin Chirathivat  
12 Mr. Kobchai Chirathivat





13 Mr. Preecha Ekkunagul  
 14 Mr. Sudthidej Chirathivat  
 15 Ms. Wallaya Chirathivat  
 16 Mr. Somchart Baramichai



17 Mr. Suthipak Chirathivat  
 18 Mr. Terachart Numanit  
 19 Ph.D. Nattakit Tangpoonsinthana  
 20 Mrs. Narttaya Chirathivat



21 Mrs. Panida Sooksridakul  
 22 Major Narit Ratanaphichetchai  
 23 Ms. Naparat Sriwanvit  
 24 Mrs. Vipapat Cholsawad-Simon

# AWARDS OF GREAT PRIDE IN 2013





Year 2013's 20 prestigious awards from leading organizations, domestic and international, demonstrated CPN's achievements of continual growth, dynamic development, change management, personnel development commitment, reorganization, and sustainability management. Underpinning these successes are CPN's strategies of being the most admired regional retail property developer and manager, continual development in creating world-class rewarding experience, and corporate excellence commitment.



## AWARDS IN PROJECT DESIGN AND DEVELOPMENT

- 01 “BCI Asia Top 10 Developer Awards 2013” was presented to Central Pattana Plc. by BCI Asia Construction Information Pte., Ltd. and FuturArc Journal.

## AWARDS IN BRANDING AND MARKETING

- 02 “Super Brand, Brand of the Year 2013” was presented to CentralWorld by Superbrands Council Thailand.
- 03 “Asia’s Best Brand Award, CMO Asia Awards for Excellence in Branding & Marketing” was presented to Central Pattana Plc. by CMO Asia.
- 04 “Marketing Award 2012 (Hilton Worldwide) Best Social Media Engagement (Asia Pacific)” was presented to Hilton Pattaya Hotel by Hilton Worldwide.

## AWARDS IN MANAGEMENT AND FINANCE

- 05 “Board of the Year Awards 2013 for Distinctive Practices” was presented to Central Pattana Plc. by Thai Institute of Directors in collaboration with The Stock Exchange of Thailand, the Board of Trade of Thailand, the Federation of Thai Industries, the Thai Bankers’ Association, the Thai Listed Companies Association, and The Federation of Thai Capital Market Organizations.



“Board of the Year Awards 2013 for Distinctive Practices”



"SET Award of Honor-Excellence in  
Corporate Governance Report  
2011-2013"

"Board with Consistent Best Practices" was presented to Central Pattana Plc. by Thai Institute of Directors in collaboration with The Stock Exchange of Thailand, the Board of Trade of Thailand, the Federation of Thai Industries, the Thai Bankers' Association, the Thai Listed Companies Association, and The Federation of Thai Capital Market Organizations. Board with Consistent Best Practices award is a special category of the Board of the Year award. These awards are given to the boards of directors that have been honored with the Board of the Year Awards three consecutive times.

06

"Audit Committee of the Year" was presented to Central Pattana Plc. by Thai Institute of Directors in collaboration with The Stock Exchange of Thailand, the Board of Trade of Thailand, the Federation of Thai Industries, the Thai Bankers' Association, the Thai Listed Companies Association, and The Federation of Thai Capital Market Organizations.

07

"SET Awards 2013 - Outstanding Investor Relations Awards" was presented to Central Pattana Plc. by The Stock Exchange of Thailand and Money & Banking Magazine.

08

"SET Awards of Honor 2013 - Excellence in Corporate Governance Report Awards 2011 - 2013" was presented to Central Pattana Plc. by The Stock Exchange of Thailand and Money & Banking Magazine.

09

"The Goodness Idol Thailand Award" – Business Person category" was presented to Mr. Kobchai Chirathivat, President & CEO by "9 Idols & Aspirations to honor His Majesty the King Bhumibol" Special Project led by M.R. Jiyakorn Sesawech.

10

**11** “Corporate Governance Asia Recognition Awards 2013 - Asia’s Outstanding Company” was presented to Central Pattana Plc. by Corporate Governance Asia Journal, Hong Kong.

**12** “Asian Corporate Director Recognition Awards 2013” was presented to Mr. Kobchai Chirathivat, President & CEO by Corporate Governance Asia Magazine, Hong Kong.

**13** “World Luxury Spa Awards 2013 - Best Luxury Hotel Spa (Country winner)” was presented to eforea spa at the Hilton Pattaya Hotel by World Luxury Hotel Awards.

**14** “Asia Pacific Hotel Awards 2013 - Best Hotel (Country winner)” was presented to Hilton Pattaya Hotel by International Hotel Award.

**15** “Thailand Quality Class 2012:TQC” was presented to CentralPlaza Chiangmai Airport by Thailand Productivity Institute.

#### AWARDS IN ENVIRONMENT AND ENERGY CONSERVATION

**16** “Thailand’s Climate Change Management Awards 2013” was presented to Central Pattana Plc. by Ministry of Natural Resources and Environment

**17** “Thailand Energy Awards 2013” by The Office of Energy Policy and Planning, Ministry of Energy as follows:

- a. “Controlled Buildings” Category was presented to CentralPlaza Rama 3 and Pinklao Tower A @ CentralPlaza Pinklao.
- b. “New Buildings” Category was presented to CentralPlaza Grand Rama 9.



“Thailand Energy Awards 2013”

“Extensive Energy Management Award leading to ISO 5001” was presented to CentralPlaza Lardprao by Ministry of Energy. **18**

#### AWARDS IN CORPORATE SOCIAL RESPONSIBILITY

“Outstanding Sustainability Report Award 2013” was presented to Central Pattana Plc. by The Securities and Exchange Commission, Thai Listed Companies Association, and Thaipat Institute. **19**

#### AWARDS IN HUMAN RESOURCE & ORGANIZATION DEVELOPMENT

“Excellent Workplace for Labor Relation and Social Welfare 2013” - 19 awards was presented to Head Office, CentralWorld, CentralPlaza Rama 2, Central Plaza Rama 3, CentralPlaza Bangna, CentralPlaza Ramindra, CentralPlaza Pinklao, CentralPlaza Lardprao, CentralPlaza Chaengwattana, CentralPlaza Grand Rama 9, CentralPlaza Rattanathibet, Central Plaza Chonburi, CentralPlaza Chiangmai Airport, CentralPlaza Khonkaen, CentralPlaza Udonthani, CentralPlaza Chiangrai, CentralPlaza Phitsanulok Central Center Pattaya and CentralFestival Pattaya Beach by Ministry of Labour and Social Welfare. **20**



“Outstanding Sustainability Report Award 2013”

## 2013 YEAR IN BRIEF

### 01

## JANUARY

CPN held extraordinary meeting of shareholders No. 1/2013, the major agenda item of which was to consider approval for entering a 30-year land lease contract with Vantage Ground Co., Ltd., for the Bang Yai Project. The 98 rai plot of land is situated in Amphoe Bang Yai, Nonthaburi province.

### 02

## FEBRUARY

CPN was affirmed its corporate and issue ratings at A+ by TRIS Co., Ltd., while its outlook was upgraded from 'Stable' to 'Positive', reflecting its enhanced performance resulting from the launch of many shopping complexes upcountry, full reopening of CentralWorld's service facilities, and its leadership status in the retail and property development business.

### 03

## March

The Court of First Instance adjudged in favor of CPN, ordering Deves Insurance Plc to compensate for property damage and loss of income, totaling about Baht 3,700 million, complete with 7.5% interest rate per year from March 31, 2011, until such amount is fully paid.

### 04

## April

- CentralPlaza Ubonratchathani was launched on the bypass connecting the city with the airport. A major Northeastern border province and tourism gateway to Laos, Cambodia, and Vietnam, Ubonratchathani is among Thailand's vital economic centers.
- CPN held annual general meeting of shareholders No. 1/2013, covering the following agenda items:
  - >> Approval of its financial statements ended on December 31, 2012
  - >> Approval of dividend payments, based on the performance in 2012
  - >> Approval of a change in the par value (stock split) of 2,178,816,000 shares from Baht 1 to Baht 0.5, with a consequential increase in the number of shares to 4,357,632,000
  - >> Approval of an increase in registered capital from Baht 2,178,816,000 to Baht 2,244,000,000, comprising 4,488,000,000 shares at Baht 0.5 par value, by issuing 130,368,000 recapitalization shares at Baht 0.5 par value
  - >> Approval of the allocation of up to 130,368,000 newly issued shares for private placement offering

## 05 May

- CPN completed the par value change of its 2,178,816,000 shares from Baht 1 to Baht 0.50, with a consequential increase in the number of shares to 4,357,632,000, effective from May 7, 2013.
- Based on its performance in 2012, CPN paid Baht 0.475 in dividend per share for 4,357,632,000 shares, totaling Baht 2,069,875,200.
- CPN announced on May 15 private placement offering of its newly issued shares at Baht 50.75 per share.
- The first day of trading on SET for CPN's 130,368,000 newly issued shares occurred on May 27.

## 07 July

CPN signed a joint-venture agreement with I-Berhad and its subsidiary, the I-City Properties Sdn. Bhd., to develop a shopping complex worth about Ringgit 580 million or Baht 5,800 million, on the i-City project located on the Malaysian State of Selangor's West Coast. CPN indirectly holds 60% of the project's shares through its subsidiaries, while the I-Berhad group holds 40%.

## 11 November

CentralFestival Chiangmai was launched on the superhighway connecting the city with its airport. As the Northern Region's major city, Chiangmai enjoys rapid economical, investment, and tourism development. The city's beautiful cultural and natural tourist destinations attract large numbers of local and foreign visitors, who greatly enhance growth in purchasing power.

## 12 December

- The Board approved the appointment of Mr. Preecha Ekkunagul as CEO to replace Mr. Kobchai Chirathivat, effective from January 2, 2014, with Mr. Chirathivat continuing to serve as director.
- CPN signed a 5-7-year loan agreement with a financial institution for Baht 2,000 million, reflecting its credibility and financial strength.
- CentralFestival Hatyai was launched in the heart of the city, on the bypass connecting with the international airport. The trade and business center of the Southern Region, Hatyai, Songkhla province, is the gateway to Malaysia and Singapore, both key sources of tourists with high purchasing power. The shopping complex's location within the Indonesian-Malaysian-Thai strategic zone for economic development also greatly enhances future growth in purchasing power.



## ECONOMIC AND RETAIL INDUSTRY OVERVIEW IN 2013\*

### ECONOMIC OVERVIEW

For year 2013, the Thai economy continued to grow, albeit at a slower pace than the previous year in all regions. The country's GDP growth was 2.5-3%, while the inflation rate fell to 1.6% from 2.2%, with the prices of food and energy remaining stable, a healthy sign for economic expansion.

Private consumption grew by 1.6%, with slower rates of expansion in the total spending of all regions. Affected by the rising cost of living and household debts, consumers became more careful about their purchases, especially on durable goods, validating retailers' opinions on contraction in the sales amount of furniture and electrical appliance. Sales of essential products for daily life were otherwise growing well, partly due to low interest rates and enhanced access to credit, confirming financial institutions' view on the growing demand for household credit, especially other categories of consumer credit. The middle-income to high-income consumers still held purchasing power, but needed to be stimulated via sales promotion.

Resulting from last year's high level of private investment in restoring flood-ravaged businesses, the overall investment expanded modestly at 0.9% this year. The focuses were productivity improvement and labor replacement, especially by investing in machinery to mitigate higher labor costs driven by the government's minimum-wage policy. Recognized that wage increase causes less business disruption than labor shortage, most businesses maintained their employment level. Therefore, the government's policy caused no widespread layoffs in the labor market. Aiming to benefit from the baht appreciation, some business operators imported a large number of machinery during the second quarter for productivity enhancement.

Domestic production grew at a slower rate in line with private consumption. Export production recovered moderately, picking up its pace in the second half of this year after a slowdown in the second quarter due to the strengthening of baht. With more export purchasing orders around the end of the year, the production and export of electronic component, automotive and rubber industries improved due to the recoveries of global economy and baht currency.

The tourism industry continued to expand with increased tourists from China, Russia, and Malaysia visiting major tourism destinations, including Chonburi, Hatyai, and Chiangmai. Hotel businesses in these cities invested in more guest rooms to keep up with demand. However, hotels in Saraburi and Chiangrai provinces, for example, were affected by the decrease in Thai tourists and government's conference budget reduction.

### RETAIL AND WHOLESALE INDUSTRY OVERVIEW

#### Shopping Centers and Department Stores

Shopping center and department store businesses grew well this year, driven by solid domestic demand and more international tourists visiting Bangkok and other tourism cities. Besides its shopping paradise image and the status of becoming the hub of ASEAN countries after the establishment of AEC (ASEAN Economic Community) in 2015, Bangkok's position as among the region's top tourist destinations attracted more investment and branch expansion among local and foreign brandname merchandises.

Over 6.3 million square meters of retail and wholesale space was available in Bangkok at the end of this year, an increase of 2.6% from 2012, with shopping centers representing the largest market share at 61%.



followed by hypermarkets and department stores at 20% and 19% of total retail space respectively. With foreign companies starting their shopping center investment in Thailand, especially in the city area, this year's retail occupancy rate was 95%, with continual growth outlook. The growth of shopping center space in the suburbs was pointing up due to the expansion of city areas along communication routes.

As the industry's key player, CPN launched three new shopping complexes in 2013, namely CentralPlaza Ubonratchathani, CentralFestival Chiangmai, and CentralFestival Hatyai. Other entrepreneurs also renovated large shopping centers, such as Siam Center and Gaysorn Plaza.

Besides the sluggish economy and consumers' cautious spending, the growth of online shopping posed another major challenge for shopping center and department store entrepreneurs. Driven by the rapid increase of internet users, with about 52 million of them in Thailand, this year's e-commerce transactions in the Asia Pacific region rose by 31.1%. In attracting customers under these challenges, entrepreneurs need to continually adjust their business expansion and management strategies.

#### Community Malls and Lifestyle Malls

These retail projects are popular in both Bangkok and its suburbs. Within the retail and wholesale industry, the group achieved the highest growth this year, with all newly launched projects located in the suburbs near target customers' communities. Therefore, these projects expand in the same directions as suburban housing development projects. In terms of Bangkok's retail space, the community mall group represented the second-highest market share this year, replacing the hypermarket and convenience store groups.

The community mall projects launched this year included Sena Fest Charoen Nakhon, INT-Intersect Rama 3, Nihonmura Thonglor 13, Nawamin Festival Walk, The Sense Pinklao, Maze Thonglor, and The Crystal Ratchapruk. With new entrepreneurs storming the business, community mall entrepreneurs need to further adjust themselves for differentiation and constantly cater to consumers' needs by modifying and expanding projects, attracting new shops to create differentiation, acquiring all varieties of magnet shops and facilities to serve customers' needs, maintaining, and continuously expanding regular customer bases. These required skilful management under rising labor costs.

#### Hypermarkets and Convenience Stores

Fierce competition in this group continued in 2013, with the three key players, namely Tesco Lotus, Big C Super Center, and Makro, investing heavily for business growth via nationwide branch expansion. Restricted by legal requirements, EIA (Environmental Impact Assessment) regulations and local communities' acceptance, these entrepreneurs applied the multi-format strategy to achieve business growth. Under this strategy, diverse forms of projects were developed, namely large, stand-alone retail store projects, combination of retail store and small shopping center projects, small store projects, much like convenience stores and super convenience stores, a combination form of convenience stores and supermarkets, similar to Tesco Lotus Express, Mini Big C, Tops Deli, CP Food Market, and MaxValu.

No longer focused on low prices, entrepreneurs started penetrating upper market sectors, which comprise consumers with more demanding taste than hypermarket customers. Their approach was to open retail stores in 'extra' forms with improved images, product quality, and services to satisfy this

consumer group's preference for premium products. Ensuring the most efficient response to customers' diverse needs under their strategies to increase sales, customers were grouped into a price-sensitive group, a group that prefers quality products at reasonable prices, and a service-sensitive group.

On the whole, new convenience store branches were constantly launched in both Bangkok and major provinces, focusing on residential areas, office buildings, condominiums along mass transit (electric train) routes, emerging communities, and petrol stations. These stores offered an assortment of merchandise mixes, especially ready-to-eat and instant foods to cater to modern, easy-going lifestyles.

#### 2014 RETAIL INDUSTRY OUTLOOK AND COMPETITION

The supply of retail space in Bangkok and surrounding areas scheduled for completion in 2014 amounts to about 779,000 square meters, with 474,800 square meters in shopping center space and around 264,200 square meters in community malls. Most new shopping centers, to be launched in 2014, are located in the city center, such as Central Embassy and The Emquartier, while new community malls are mostly located in suburban Bangkok. Unaffected by this additional supply of retail space, the occupancy rate remains at 95%, while rental rates are expected to rise by 5–10%. These resulted from local and foreign brandname merchandises' continual search for available retail space for new

stores' locations in Bangkok and other provinces under their branch expansion plan.

In 2014, many entrepreneurs focus on developing large retail projects along both banks of the Chaophraya River. In attracting tourists, these projects highlight architectural structures that reflect the Thai culture, as can be seen in the expansion phase of Asiatique The Riverfront to the opposite riverbank, the Yodpiman River Walk project at the old Pakklongtalad, together with the Sampheng-Tha Din Daeng and Bangkok Chao Phraya Riverfront I-City projects. Other shopping center projects scheduled to be completed within 1–2 years include CentralWestGate, Central Embassy, The Emporium II and III (The Emquartier and The EmSphere).

Major projects under construction in other provinces include CentralFestival Samui, CentralPlaza Salaya, CentralPlaza Rayong, and the Mall Group's Bluport Hua Hin Resort Mall.

Retail developers are focusing more on other provinces in response to GDP and population growth, along with rapid infrastructural development in the areas. The establishment of AEC in 2015, with Thailand located at the center of northern ASEAN countries, opens up retail investment opportunities in border provinces. Shopping centers and specialty stores are the most popular categories. Besides its shopping complexes already operating in some of these provinces, such as Chiangrai, Ubonratchathani and Songkhla, CPN's plan for 2014 is to continually expand its businesses.

\*Parts of data were obtained from the information provided by Bank of Thailand, CBRE Research and Colliers International Research

## FINANCIAL PERFORMANCE REVIEW

### 2013 COMPANY'S PERFORMANCE OVERVIEW

The overall retail sentiment in 2013 was moderate. Retail sales were anticipated Thai Retailers Association to rise modestly by 7-8% amid concerns over political situation and declining consumer purchasing power, especially among lower-income earners. However, number of tourist arrivals to Thailand continued to increase with a 20% growth y-o-y to 27 million people in 2013, of which almost 5 million people came from China.

It was another year of growth for CPN. While the overall economic situations this year was expanding at a slower rate, CPN posted remarkable performances, achieving its financial targets, maintaining growth, and continuing to expand its business according to the strategic plan.

In 2013, CPN accomplished its expansion plan with the launches of three new projects, namely CentralPlaza Ubonratchathani, CentralFestival Chiangmai, and CentralFestival Hatyai, and reported strong growth of both top-line and bottom-line.

CPN reported its Y2013 consolidated net profit of 6,293 MB, increased by 2% y-o-y with total revenues of 21,611 MB, grown by 22% y-o-y.

FY2012 and FY2013 financial performance incorporated the following non-recurring items as follows:

#### FY2012:

- A 1,776 MB extra gain from the divestment of the Offices at CentralWorld to the CPNCG. A 1,602 MB gain was recorded in 3Q12 and a 174 MB gain was recorded in 4Q12. (See notes to the financial statements for the year ended December 31, 2012, Item 35).

#### FY2013:

- A 377 MB income from reversals of provisions for impairments of assets at CentralPlaza Grand Rama 9 incorporated in the 4Q13 other income. (See notes to the financial statements for the year ended December 31, 2013, Item 28).

Without the non-recurring items, FY2013 consolidated total revenues and net profit would have grown by 20% and 36% y-o-y, respectively. The strong growth for the CPN's performance were due primarily to the following factors:

- The relaunch of CentralPlaza Udonthani and Centara Hotel & Convention Center, Udonthani in May 2012 after major refurbishment and expansion.
- The full-year operation of new projects i.e. CentralPlaza Suratthani, and CentralPlaza Lampang launched in 2012.
- The contributions from three newly opened projects in 2013.
- The constant growth in operating performance of all existing projects with low discounts on rental rate.
- The implementation of efficient & effective cost management programs including the economy of scale.

As of December 31, 2013, CPN managed 23 shopping centers (10 projects in Bangkok and 13 in the provinces), 7 office towers, 2 residential properties (totaling 62 units). These include the properties which had been transferred to CPN Retail Growth Leasehold Property Fund ("CPNRF") and CPN Commercial Growth Leasehold Property Fund ("CPNCG"), of which CPN acts as the property

manager. In addition, CPN owned 2 hotel properties (totaling 561 guest rooms), but outsourced their managements.

At the end of year 2013, the occupancy rate for CPN's retail properties remained high at average of 96% even after taking into account a temporary high vacancy during its renovation at CentralPlaza Bangna and the lower occupancy rate at initial stage of the newly launched shopping malls.

**CentralPlaza Bangna:** A temporary drop in occupancy rates from a phase-by-phase renovation and re-arrangement of their tenant mixes to add more modern brands to the projects including international fashion brands. The normal level of the occupancy rate is expected to return by mid-2014.

**CentralFestival Hatyai:** Occupancy rate is considered low comparing to other projects because most fashion anchors are awaiting new product season and plan to open their shops by mid-2014.

FY2013, the average rental rate of all retail properties were 1,505 Baht/sqm./mth. Excluding CentralPlaza Udonthani, CentralPlaza Suratthani, CentralPlaza Lampang, and the three newly opened malls in 2013, the same store average rental rate of other retail properties grew 6% y-o-y from 1,464 to 1,553 Baht/sqm./mth.

## FINANCIAL PERFORMANCE

### Total Revenues

#### Revenues from Rent and Services

FY2013, revenues from rent and services increased by 18% y-o-y to 18,128 MB, even after the exclusion of the performance of the Offices at CentralWorld

from the transfer of its assets to CPNCG since September 21, 2012. The increase was primarily due to the following factors:

- The full-year contribution in 2013 of CentralPlaza Udonthani after major refurbishment.
- The full-year operation in 2013 of CentralPlaza Suratthani, and CentralPlaza Lampang after starting the operation in 2012.
- Contributions from three new projects launched in 2013.
- Continuous increases in rental rates with lower discount at most of existing properties.

#### Revenues from Food and Beverage

FY2013, the business posted a 22% y-o-y growth in sales to 882 MB. The increase was mainly attributed to the new food courts opened in 2012 and fully operated in 2013 at CentralPlaza Udonthani (after refurbishment), CentralPlaza Suratthani, CentralPlaza Lampang, and newly opened in 2013 at CentralPlaza Ubonratchathani, CentralFestival Chiangmai, and CentralFestival Hatyai, coupled with an impressive sales growth at the CentralPlaza Chiangrai, CentralFestival Pattaya Beach, and CentralPlaza Pinklao.

#### Revenues from Hotel Operations

Hotel operations are considered CPN's non-core businesses. FY2013, revenues from hotel operations grew by 27% y-o-y to 903 MB, thanks to strong performances of both hotels and a full-year contribution of Centara Hotel & Convention Centre Udonthani after reopening in mid-2012.

## Total Costs

### Costs of Rent and Services

Costs of rent and services constituted utilities, security & cleaning services, on-site personnel, land rental, depreciation & amortization, repair & maintenance costs, insurance premium and property tax of properties owned to earn rentals.

FY2013, costs of rental and services increased by 12% y-o-y to 9,542 MB. The increase was due primarily to compounding effects of the following sources:

- Higher depreciation and utility costs at CentralPlaza Udonthani after completing renovation and expansion in mid-2012, thus booking cost of full year operation in 2013.
- Full-year realization of operating cost and depreciation of the new projects launched in 2012.
- Additional operating cost and depreciation costs of the new projects launched in 2013.
- The increased costs from leaseback of some area at CentralPlaza Bangna.
- Higher step-up land lease cost at CentralPlaza Lardprao and CentralWorld as scheduled.

### Costs of Food and Beverage

Costs of food and beverage constituted costs of operating in-mall food centers, as well as depreciation and repair & maintenance costs of food center equipment and furniture, and decoration costs.

FY2013, costs of food and beverage increased by 13% y-o-y to 691 MB, stemmed from the growth in food and beverage sales and new food courts launched in 2012 and 2013 as previously mentioned.

### Costs of Hotel Operations

FY2013, costs of hotel operations amounted to 309 MB, up 15% y-o-y. The change in costs reflected the growth in hotel revenues and full-year depreciation at Centara Hotel & Convention Centre Udonthani relaunched in mid-2012.

### Administrative Expenses

Total administrative expenses constituted expenses on personnel, marketing & promotion, office supplies, professional fees, and depreciation and amortization of office equipment and hotel properties.

FY2013, total administrative expenses amounted to 3,446 MB, up 26% y-o-y due primarily to the following factors:

- Higher personnel expenses from the increased number of employees to support business expansion.
- The marketing and promotional expenses for the grand opening events of CentralFestival Chiangmai, and CentralFestival Hatyai.
- The full-year realization of depreciation at Centara Hotel & Convention Center Udonthani after refurbishment completed in 2012.

### Gross Profit Ratio & Operating Profit Ratio

FY2013, total revenues grew by 20% y-o-y while total operating costs and expenses increased only 15% y-o-y. This led to an increase in Gross Profit ratio to 50% from 47% in 2012 and the Operating Profit ratio up to 35% from 32% last year – that showed the improvement of revenues earned and the efficiency of cost management.

### Net Profit

FY2013 consolidated net profit amounted to 6,293 MB, up 2% y-o-y. Without the non-recurring items, FY2013 consolidated net profit would have grown by 36%, resulting from the growth in revenue and the efficient & effective cost management as mentioned earlier.

### NEW DEVELOPMENTS

Under its 5-year plan, CPN aims to increase its revenues at a compound annual growth rate (CAGR) of 15% per annum through rental increase, continuous asset enhancement, and new project development. CPN targets to grow its portfolio by 10% a year through new developments. In light of Thailand's urbanization, CPN will expand its business in Bangkok & vicinities, and the provinces. In addition, CPN will also study other formats to introduce modern shopping malls to the market as well as overseas markets to sustain growth in the long-term.

### Domestic Expansion

Currently, CPN still has five new projects under construction, CentralFestival Samui (southern Thailand), CentralPlaza Salaya (Sub-urban Bangkok), CentralPlaza Rayong (eastern Thailand), CentralWestGate (Sub-urban Bangkok), and CentralPlaza Nakhonratchasima (northeastern Thailand).

### Overseas Expansion

CPN signed a Joint Venture Agreement with I-City Properties Sdn Bhd ("ICP"), an I-Berhad wholly-owned subsidiary, to establish a joint venture, in which CPN through its local subsidiaries will hold a 60% stake and ICP will hold a 40% stake. The Joint Venture will develop a RM 580 million (or approximately 5,800 MB) regional shopping mall at i-City, Shah Alam, Selangor Darul Ehsan, Malaysia.

For the total investment approximately 5,800 MB CPN will use mainly its internal source of cash flows and/or proceeds from future bank loans or issuance of debentures and/or proceeds from future offering of investment units of property funds.

### CAPITAL STRUCTURE

Total CAPEX for year 2013 was approximately 11,745 MB, comprising 1,818 MB asset enhancement projects, 9,927 MB new developments and land acquisitions.

During 2013, CPN raised new debts of approximately 1,400 MB, comprising 900 MB short-term borrowings and 500 MB long-term borrowings to repay unsecured bonds and loans totaling 7,123 MB.

As of December 31, 2013, interest-bearing debts stood at 19,842 MB, comprising 79% fixed and 21% floating interest rate with a weighted average interest rate of 4.25% per annum. Net interest-bearing debt to equity ratio stood at 0.49 times, considerably decreased from 0.82 times in 2012, attributed to the capital increase in 2Q13 and the prepayment of loan in 3Q13.

On April 26, 2013, the shareholders approved the par split from Baht 1 to Baht 0.5 each, effective on May 7, 2013. The shareholders also approved the increase of the registered capital of the Company up to 130,368,000 shares on a private placement. The final offering price was Baht 50.75 per share and newly issued shares were traded on the SET on May 27, 2013. The registered capital of the Company is 4,488,000,000 shares or 2,244 MB after the placement.

The net proceeds (after expenses) from the offering amounted to 6,549 MB.

#### DIVIDEND

CPN's Board of Directors has proposed Baht 0.55 per share (2,468 MB) dividend to be paid FY2013 performance, comparing to Baht 0.475 per share (2,070 MB) in 2012, pending the approval at the shareholders' meeting in April 2014. The dividend payment represents a 39.2% dividend payout ratio of Y2013 net profit.



## CPN TODAY

Over 30 years of full dedication, CPN has continually grown and enthroned as the leader in retail property market by having the largest and most modern shopping complexes in Thailand. Our goal is our “To be the most admired and dynamic regional retail property developer with world-class rewarding experience” vision.

Nowadays, CPN develops and manages 23 shopping complexes, seven office projects, two hotels, and two residential buildings. The newly opened projects in 2013 were CentralPlaza Ubonratchathani, CentralFestival Chiangmai and CentralFestival Hatyai.

CPN's long-term business strategy is to develop shopping complexes with world-class standards in potential locations, both in Bangkok and provincial areas, capable of yielding high profits. Furthermore, CPN has future plans for business expansion to overseas projects, particularly to countries with substantially high economic growth rate.







PREMIUM SHOPPING  
CENTERS IN THAILAND

23

10

SHOPPING CENTERS  
IN BANGKOK  
METROPOLITAN AREA  
AND ITS VICINITIES

SHOPPING CENTERS IN PRIME  
PROVINCIAL AREAS

13

## ASSETS UNDER CPN'S MANAGEMENT

As the leading retail property developer, CPN is well aware that location is crucial for being a successful market leader. Moreover, the experience in selecting the location of each shopping complex and profound comprehension in retail business is significant elements for CPN to obtain the highest potential location for success shopping complex development.





## RETAIL PROPERTIES

	01	02	03	04
	CENTRALPLAZA LARDPRAO centralplaza LARDPRAO	CENTRALPLAZA RAMINDRA centralplaza RAMINDRA	CENTRALPLAZA PINKLAO <sup>1)</sup> centralplaza PINKLAO	CENTRAL CENTER PATTAYA CENTRAL CENTER PATTAYA
Year of Operation	December 1982	November 1993	March 1995	July 1995
Development	Greenfield	Greenfield	Greenfield	Greenfield
Land Ownership	Leasehold end of 2028	Leasehold end of 2023	Leasehold end of 2024	Leasehold end of 2015
Investment Cost of Total Project as end of 2013 <sup>2)</sup>	4,364	637	1,242	374
Total Project GFA (sq.m.)	310,000	86,000	340,000	62,000
Parking Space (vehicles)	3,000	1,000	3,500	400
Hall (sq.m.)	2,500	-	-	-
Leaseable Area (sq.m.)	47,779	17,156	57,501	15,226
Occupancy Rate (%)	100%	100%	100%	98%
No. of Tenants (shops)	290	78	256	122
Top Five Anchor Tenants <sup>3)</sup>	SFX Cinema	SFC Cinema PowerBuy SuperSports	EGV Cinema SB Furniture B2S	SFC Cinema SuperSports

Remarks: 1) For CentralPlaza Pinklao, 42% of asset was subleased to CPNRF since November 2009 to December 2024.

For CentralPlaza Rama 3, 81% of asset was leased to CPNRF since August 2005 to August 2035.

For CentralPlaza Rama 2, 96% of asset was subleased to CPNRF since August 2005 to August 2025.

Operational performance of CentralPlaza Pinklao, Rama 3, and Rama 2 includes those of assets transferred to CPNRF and CPN acts as the property manager.

2) Includes investment of office/residential/hotel components. Excludes annual lease payments and investments of the assets leased/subleased to CPNRF.

3) Anchor are tenants who occupy over 1,000 sq.m. of leaseable area.

RETAIL  
PROPERTIES

	05	06	07	08
	CENTRALPLAZA CHIANGMAI AIRPORT centralplaza CHIANGMAI AIRPORT	CENTRALPLAZA RAMA 3 <sup>1)</sup> centralplaza RAMA 3	CENTRALPLAZA BANGNA centralplaza BANGNA	CENTRALPLAZA RAMA 2 <sup>1)</sup> centralplaza RAMA 2
Year of Operation	March 1996 <sup>4)</sup>	October 1997	December 2001 <sup>4)</sup>	December 2002
Development	Acquisition	Greenfield	Acquisition	Greenfield
Land Ownership	Freehold	Freehold	Freehold	Leasehold end of 2025
Investment Cost of Total Project as end of 2013 <sup>2)</sup>	3,233	1,315	4,721	1,062
Total Project GFA (sq.m.)	250,000	220,000	450,000	210,000
Parking Space (vehicles)	2,300	2,300	3,250	3,200
Hall (sq.m.)	2,800	-	-	-
Leaseable Area (sq.m.)	71,777	54,608	58,112	93,023
Occupancy Rate (%)	94%	97%	88%	99%
No. of Tenants (shops)	524	284	272	336
Top Five Anchor Tenants <sup>3)</sup>	Robinson Department Store Tops Market Major Cineplex IT City	Major Cineplex Fitness First IT City	Major Cineplex Toy R'Us IT City	Central Department Store HomeWorks Major Cineplex Tops Super OfficeMate

09	10	11	12	13
CENTRALWORLD	CENTRALPLAZA RATTANATHIBET	CENTRALPLAZA CHAENGWATTANA	CENTRALFESTIVAL PATTAYA BEACH	CENTRALPLAZA UDONTHANI
centralw <sup>o</sup> orld	centralplaza <sup>a</sup> RATTANATHIBET	centralplaza <sup>a</sup> CHAENGWATTANA	centralfesti <sup>val</sup> PATTAYA BEACH	centralplaza <sup>a</sup> UDONTHANI
December 2002 <sup>4)</sup>	December 2003 <sup>4)</sup>	November 2008	January 2009	April 2009 <sup>4)</sup>
Acquisition	Acquisition	Greenfield	Greenfield	Acquisition
Leasehold end of 2040	Freehold	Freehold	Freehold	Freehold
12,804	2,309	5,280	6,385	5,058
800,000	140,000	310,000	210,000	250,000
7,000	2,000	3,300	2,000	2,000
2,500	-	2,500	-	2,800
187,054	77,238	65,864	56,914	68,795
97%	100%	96%	95%	98%
413	216	349	251	253
Zen Department Store Isetan Department Store SF World Cinema Central Food Hall SB Design Square	Robinson Department Store HomeWorks SFC Cinema & Strike Bowl Index Living Mall Tops Market	SFX Cinema Fitness First	SFX Cinema & Strike Bowl Toy R'Us	Robinson Department Store Major Cineplex & Bowl- ing Sport World

Remarks: 1) For CentralPlaza Pinklao, 42% of asset was subleased to CPNRF since November 2009 to December 2024.

For CentralPlaza Rama 3, 81% of asset was leased to CPNRF since August 2005 to August 2035.

For CentralPlaza Rama 2, 96% of asset was subleased to CPNRF since August 2005 to August 2025.

Operational performance of CentralPlaza Pinklao, Rama 3, and Rama 2 includes those of assets transferred to CPNRF and CPN acts as the property manager.

2) Includes investment of office/residential/hotel components. Excludes annual lease payments and investments of the assets leased/subleased to CPNRF.

3) Anchor are tenants who occupy over 1,000 sq.m. of leaseable area.

4) Year of acquisition.



RETAIL  
PROPERTIES

14

CENTRALPLAZA  
CHONBURIcentralplaza  
CHONBURI

15

CENTRALPLAZA  
KHONKAENcentralplaza  
KHONKAEN

16

CENTRALPLAZA  
CHIANGRAIcentralplaza  
CHIANGRAI

17

CENTRALPLAZA  
PHITSANULOKcentralplaza  
PHITSANULOK

Year of Operation	May 2009	December 2009	March 2011	October 2011
Development	Greenfield	Greenfield	Greenfield	Greenfield
Land Ownership	Freehold	Freehold	Freehold	Freehold
Investment Cost of Total Project as end of 2013 <sup>2)</sup>	2,869	3,859	1,608	1,601
Total Project GFA (sq.m.)	156,000	200,000	110,000	100,000
Parking Space (vehicles)	2,040	2,100	1,000	1,440
Hall (sq.m.)	-	2,540	-	-
Leaseable Area (sq.m.)	40,392	50,388	21,459	25,161
Occupancy Rate (%)	98%	96%	100%	100%
No. of Tenants (shops)	274	338	119	157
Top Five Anchor Tenants <sup>3)</sup>	SFC Cinema Tops Market PowerBuy Fitness First SuperSports	SFC Cinema & Strike Bowl Tops Market PowerBuy	Major Cineplex Tops Market PowerBuy B2S SuperSports	Major Cineplex Tops Market PowerBuy B2S SuperSports

18	19	20	21	22
CENTRALPLAZA GRAND RAMA 9	CENTRALPLAZA SURATTHANI	CENTRALPLAZA LAMPANG	CENTRALPLAZA UBONRATCHATHANI	CENTRALFESTIVAL CHIANGMAI
 centralplaza GRAND RAMA 9	 centralplaza SURATTHANI	 centralplaza LAMPANG	 centralplaza UBONRATCHATHANI	 centralfesti CHIANGMAI
December 2011	October 2012	November 2012	April 2013	November 2013
Greenfield	Greenfield	Greenfield	Greenfield	Greenfield
Leasehold end of 2040	Freehold	Leasehold end of 2041	Freehold	Freehold
5,193	2,263	1,219	1,783	4,049
214,000	130,000	111,000	151,000	260,000
2,400	1,400	2,000	1,500	3,500
-	2,500	-	-	-
59,505	32,604	21,604	31,452	65,556
99%	97%	100%	100%	92%
223	132	96	141	216
SFX Cinema Tops Market PowerBuy B2S SuperSports	SFC Cinema Tops Market PowerBuy, OfficeMate B2S	SFC Cinema Tops Market PowerBuy SuperSports B2S	Major Cineplex Tops Market PowerBuy B2S SuperSports	Major Cineplex Central Food Hall PowerBuy B2S SuperSports

Remarks: 2) Includes investment of office/residential/hotel components. Excludes annual lease payments and investments of the assets leased/subleased to CPNRF.

3) Anchor are tenants who occupy over 1,000 sq.m. of leaseable area.



RETAIL  
PROPERTIES

Year of Operation	December 2013
Development	Greenfield
Land Ownership	Freehold
Investment Cost of Total Project as end of 2013 <sup>2)</sup>	4,528
Total Project GFA (sq.m.)	295,000
Parking Space (vehicles)	2,500
Hall (sq.m.)	3,000
Leaseable Area (sq.m.)	66,956
Occupancy Rate (%)	78%
No. of Tenants (shops)	196
Top Five Anchor Tenants <sup>3)</sup>	Hatyai Cineplex Tops Market PowerBuy B2S SuperSports

23

CENTRALFESTIVAL  
HATYAI

centralfestival  
HATYAI



Remarks: 2) Includes investment of office/residential/hotel components. Excludes annual lease payment.  
3) Anchor are tenants who occupy over 1,000 sq.m. of leaseable area.





## HOTEL PROPERTIES

01

CENTARA  
UDONTHANI <sup>1)</sup>

02

HILTON  
PATTAYA <sup>2)</sup>

Year of Operation	April 2009 <sup>3)</sup>	November 2010
No. of Guest Rooms	259	302
Occupancy Rate (%)	67%	82%

Remark: 1) CPN is the project owner and Central Plaza Hotel Plc is the hotel manager.  
 2) CPN is the project owner and Hilton Hotel Corporation is the hotel manager.  
 3) Year of acquisition.



## RESIDENTIAL PROPERTIES

01

LANGSUAN  
COLONADE

02

CENTRAL  
CITY RESIDENCE <sup>1)</sup>

Year of Operation	December 1998	December 2001 <sup>2)</sup>
Leaseable Area (Sq.m)	4,466	1,907
Occupancy Rate (%)	78%	43%

Remark: 1) CPN owns strata-title of 12 units of the condominium.  
 2) Year of acquisition.



## OFFICE PROPERTIES

01

LARDPRAO  
OFFICE

02

PINKLAO TOWER A  
OFFICE <sup>1)</sup>

03

BANGNA  
OFFICE

04

THE OFFICES AT  
CENTRALWORLD <sup>3)</sup>

Year of Operation	December 1982	March 1995	December 2001 <sup>2)</sup>	November 2004
Development	Greenfield	Greenfield	Acquisition	Acquisition
Land Ownership	Leasehold end of 2028	Leasehold end of 2024	Freehold	Leasehold end of 2040
Leaseable Area (Sq.m)	16,250	22,426	10,007	82,745
Occupancy Rate (%)	99%	100%	93%	99%
No. of Tenants (units)	77	57	29	105
Major Business Type of Tenant	Tutorial, Language and Computer School Clinic Health Care & Beauty General Office Administration	Tutorial, Language and Computer School Government Agency General Office Administration	Tutorial, Language and Computer School Clinic Health Care & Beauty General Office Administration	Multinational Corporation Bank & Financial Institutions, Law & Business Consultant firms Communication & Services

05

PINKLAO TOWER B  
OFFICE <sup>1)</sup>

March 2006

Greenfield

Leasehold end of 2024

11,334

95%

46

Tutorial, Language  
and Computer School  
Clinic  
Health Care & Beauty  
General Office  
Administration

06

CHAENGWATTANA  
OFFICE

March 2009

Greenfield

Freehold

19,936

95%

51

Tutorial, Language  
and Computer School  
Clinic  
Health Care & Beauty  
Communication  
& Services,  
General Office  
Administration

07

GRAND RAMA 9  
OFFICE

December 2011

Greenfield

Leasehold end of 2040

6,454

100%

36

Tutorial, Language  
and Computer School  
Clinic  
Health Care & Beauty  
General Office  
Administration

Remarks: 1) Pinklao Tower A and Tower B were subleased to CPNRF since November 2009 until December 2024.

2) Year of acquisition.

3) 97% of the Offices at CentralWorld were subleased to CPNCG since September 2012 until September 2032.

FUTURE  
PROJECTS



5

NEW PROJECTS  
IN DOMESTIC

1<sup>ST</sup>

NEW PROJECT  
IN OVERSEAS



DOMESTIC  
PROJECTS

01

CENTRALFESTIVAL  
SAMUI

## LOCATION

At the midpoint of Chaweng Beach, on a municipal highway (Chaweng-Choeng Mon Road), Tambon Bo Put, Amphoe Samui, Surat Thani Province. The front faces the beach road (the municipal highway); the back faces Liab Phru Road.



## SIZE

About 37 rai of land (CPN owns the land lease rights) with a total project area of 90,000 sq.m., of which 81,000 sq.m. belongs to CPN. Designed as a community mall, the complex features two-storey buildings consisting of Central Department Store and anchor tenants, including Tops Market, PowerBuy, B2S, SuperSports, and over 200 retail fashion boutiques of both local and international brands, as well as restaurants and cinemas, along with parking space for more than 400 vehicles. A night bazaar is also planned.



## POTENTIAL

The project lies on the most strategic location of Chaweng Beach, a popular tourist spot and prime economic zone of Samui. Surrounded by over 500 hotels, the project is only five minutes from the airport and 20 minutes from a pier. Samui being one of Thailand's world-class beach destinations with a growing economy and rising number of beach resorts and tourists, both Thai and foreign, with high purchasing power, the project will surely become a lifestyle center for Samui residents and the center for international events, which will further drive purchasing power.



## PROGRESS

Under construction, progressing as planned and budgeted



## OPENING SCHEDULE

The project is planned for inauguration in the first quarter of 2014.



## INVESTMENT

About 1,400 MB (excluding investment in Central Department Store, which is under the responsibility of Central Department Store).





02

CENTRALPLAZA  
SALAYA



SIZE

About 70 rai of land (CPN has the land ownership and land lease rights) with a total project area of 180,000 sq.m., of which 152,000 sq.m. belongs to CPN. The project features Central Department Store and anchor tenants, including Tops Market, PowerBuy, B2S, SuperSports, OfficeMate, and over 250 retail fashion boutiques of both Thai and international brands. Also available are new-concept restaurants that suit all lifestyles, entertainment, Fun Planet amusement park, cinemas, and parking space for over 1,600 vehicles.



LOCATION

On Boromma Ratcha Chonnani Road, Tambon Bang Toei, Amphoe Samphran, Nakorn Pathom Province. The front faces the frontage road joining the 10-lane Boromma Ratcha Chonnani Road, linking Bangkok with western provinces such as Kanchanaburi and Ratchaburi.



POTENTIAL

Located in Salaya, between Buddha Monthon 5 and 7 Roads, the project lies in Bangkok's expanded area to the West. The location has now become a densely populated residential area with over 100 housing projects of A and B+ classes. More than 700,000 households in western Bangkok and its perimeters, particularly around Buddha Monthon, Nakorn Chaisi, and Samphran areas, plus those in Nakorn Pathom, form the target group. Additionally, over 250,000 students in universities and schools are the young generation with high purchasing power, since the area have fast emerged as an educational zone. With leading hotels and government offices around it, the area is also planned as a new economic zone of western Bangkok made reachable by a new transport network.



PROGRESS

Under construction, progressing as planned and budgeted



OPENING SCHEDULE

The project is planned for inauguration in the third quarter of 2014.



INVESTMENT

About 2,500 MB (excluding investment in Central Department Store, which is under the responsibility of Central Department Store).



03

### CENTRALPLAZA RAYONG



#### LOCATION

On Highway 36 (Bangna–Trad), Tambon Choeng Noen, Amphoe Muang, Rayong Province. Lying on the motorway to Ban Phe near the Ko Kloi intersection, the front of the site faces the main highway and the back faces Nong Mahad Road, which is an easy access to downtown Rayong.



#### SIZE

About 60 rai of land (CPN has the land ownership), with a total project area of 180,000 sq.m., of which 150,000 sq.m. belongs to CPN. The project houses Robinson Department Store together with anchor tenants, namely Tops Market, PowerBuy, B2S, SuperSports, and OfficeMate. The site will also house over 200 retail fashion boutiques of leading brands as well as new-concept restaurants for all lifestyles. It is also intended to be the best entertainment complex featuring cinemas and Fun Planet amusement park, with parking space for over 1,500 vehicles.



#### PROGRESS

Under construction, progressing as planned and budgeted



#### OPENING SCHEDULE

The project is planned for inauguration in the second quarter of 2015.



#### INVESTMENT

About 2,400 MB (excluding investment in Robinson Department Store, which is under the responsibility of Robinson Department Store)



#### POTENTIAL

The project is located on a potential site of Rayong, Thailand's eastern economic hub with GPP (gross provincial product)–highest in the East and the country's 2<sup>nd</sup> highest area after Bangkok. With a rising number of property projects, particularly condominiums, and over 1,900 factories in 19 large industrial sites, Rayong is one of the country's prime tourist attractions visited by more than 4.2 million tourists a year on average. The project therefore targets purchasing power of over 820,000 people in Rayong who are executives and workers in industrial estates, foreign workers and residents, as well as Thai and non-Thai tourists. Rayong, moreover, serves as a gateway to Cambodia and Vietnam that will reap benefits from the government's mega-projects, namely the Bangkok–Chonburi–Rayong high-speed train, the Chonburi–Pattaya–Mab Ta Phud motorway, ASEAN Highway R10, and the Southern Coastal Corridor stretching from Thailand (Bangkok–Trad) through Cambodia to Vietnam. The integration of AEC, due to start in 2015, will also draw more local and foreign investments, which will further enhance the local purchasing power.



04

CENTRALWESTGATE



LOCATION

Located at the Bang Yai intersection, Tambon Sao Thong Hin, Amphoe Bang Yai, Nonthaburi Province, the site faces two main roads, namely Rattanathibet Road and Kanchanaphisek Road (the western ring road).



SIZE

About 98 rai of land (CPN owns the land lease rights) with a total project area of 430,000 sq.m., of which 380,000 sq.m. belongs to CPN. Designed as a Super Regional Mall under the concept of “MetAsia” to be “A Center of Asia’s Future Lifestyle”, the project houses Central Department Store and anchor tenants, namely Tops Market, PowerBuy, B2S, SuperSports, and HomeWorks. It will also house over 1,000 retail fashion boutiques of leading Thai and international brands as well as new-concept restaurants to fulfill every lifestyle. Plus, the site is planned to be a state-of-the-art entertainment complex offering world-class attractions including ultramodern cinemas, with parking space for over 2,000 vehicles.



POTENTIAL

This is a large project on a strategic location in the Bang Yai Intersection, Bangkok’s “West Gate”, where the 12-lane Kanchanaphisek Road and the 10-lane Rattanathibet Road meet, carrying traffic of 85 million vehicles per year. The site is accessible through the government’s completely integrated transportation system linking all routes together, including the West Outer Ring Road and the Purple Line city train (Bang Yai–Bang Sue). An elevated walkway will connect the nearby train station to the store to facilitate over 13 million target customers. The planned Highway 81 (Bang Yai–Kanchanaburi), which will stretch to Dawei Port (Myanmar) and the Andaman Sea and will be constructed to welcome the AEC integration in 2015, will enhance purchasing power and benefit the project. Furthermore, the 3<sup>rd</sup> phase expressway linking the western ring road to the Chonburi Motorway will give rise to new residential areas, where over 150,000 residential units can be expected in the next five years.



PROGRESS

Under construction, progressing as planned and budgeted



OPENING SCHEDULE

The project is planned for inauguration in the second quarter of 2015



INVESTMENT

About 6,500 MB (excluding investment in Central Department Store, which is under the responsibility of Central Department Store)





05

## CENTRALPLAZA NAKHONRATCHASIMA



### LOCATION:

On Highway 2 (Nakhonratchasima City Bypass), Tambon Pru Yai, Amphoe Muang Nakhonratchasima, which will link up with a new motorway, Bang Pa-in-Nakhonratchasima



### SIZE:

About 52 rai of land (CPN has the land ownership) with a total project area of 220,000 sq.m., of which 151,000 sq.m. belongs to CPN. The project will house Central Department Store and anchor tenants like Tops Market, Power Buy, B2S, SuperSports, OfficeMate, and Baan & Beyond. The site will also house over 400 retail fashion boutiques of leading Thai and global brands and be a meeting place with a gathering of outdoor restaurants and a night market. The project provides a large activity terrace in front of the store and a multipurpose convention center intended to be an activity center at the national level. Planned to become the best entertainment complex, this new project will be fitted with cinemas and Fun Planet amusement park for children, with parking space for over 3,000 vehicles.



### PROGRESS

Currently in the design process, with construction expected to start in May 2014



### OPENING SCHEDULE

The project is planned for inauguration in the second quarter of 2016.



### INVESTMENT

About 4,000 MB (excluding investment in Central Department Store, which is under the responsibility of Central Department Store)



### POTENTIAL:

The project is situated on a strategic site of Nakhonratchasima, a northeastern economic hub with GPP growth of around 8% per year—the highest in the northeast and higher than the national average. Nakhonratchasima sees rapid urban growth and expansion of property projects, particularly housing projects. The province is also regarded as one of the country's prime industrial centers where the agricultural industry, and electronics and high-technology industries are located. It is a popular tourist attraction for over 5 million tourists a year. The project therefore targets the purchasing power of 2.8 million Nakhonratchasima residents and those from near by Buri Ram and Chaiya Phum. Having long been the gateway to the Northeast, Nakhonratchasima has a geographical connection to 20 provinces in the region and some ASEAN economies. This is where the government's mega-projects are centered, including the logistics rail route, the Bangkok-Nakhonratchasima high-speed train, the Map Kabao-Nakhonratchasima dual carriage railway, and BangPa-In-Nakhonratchasima Motorway.

OVERSEAS  
PROJECTS

For the past five years, CPN has been contemplating overseas investment, especially in Asian countries with high economic potential, to expand its business base while diversifying investment risks. In doing so, different market conditions, competition, and business risks are considered. A working committee has looked into details of target countries' political, economic, and social aspects, as well as the industrial sector, competition, business-related laws, and associated risks to ensure that its overseas investment is made on the path of sustainability and growth.

On July 19, 2013, CPN clinched a deal with a property developer in Malaysia to co-invest in the Central Plaza i-City project, CPN's first store across the border. In CPN's view, the retail business in Malaysia still has more room to grow, underpinned by that country's economic growth, urbanization, dynamic industries, and the rapid increase of per-capita income resulting from GDP growth. Malaysians' income is about double that of Thais', with an increasing number of middle-class and upper-class income earners every year, which is a key economic driver for the retail business.

## 06

CENTRALPLAZA  
i-CITY

## JOINT VENTURE

CPN set up a joint-venture company with i-City Properties Sdn. Bhd. (ICP), an affiliate of Malaysia's I-Berhad, a listed company on the Bursa Stock Exchange engaged in the property development business, to develop CentralPlaza i-City Project. CPN holds 60% shares in the project through an affiliate registered in Malaysia, while ICP holds the rest 40%. The joint-venture company has agreed to hire CPN to manage the property.



## LOCATION

In Section 7 of Shah Alam City, Selangor, Malaysia, 22 kilometers away from Kuala Lumpur. The site, lying between two main roads (Federal Highway and Baru Lembah Klang Highway) has convenient access from Kuala Lumpur, Klang, and Shah Alam.



## SIZE

A total 12.12 acres (28 rai) of land under the ownership, with a total project area of 290,000 sq.m. Intended as a Regional Mall, CPN is in charge of the design, development, and management. The project will make a clear differentiation to Malaysia's retail industry, bringing in leading brands from Thailand and store design innovation. A parking area for over 3,300 vehicles will be provided.



## POTENTIAL

The project is situated in the i-City "Malaysia Cybercenter", Malaysia's new technology city of 72 acres. The project is planned as an integrated community center in the west of Selangor, serving as a main business center, a residential area, and a recreational zone equipped with complete entertainment, a shopping mall, a cyber center, office space for leading businesses, a hotel, a housing complex, retail shops, as well as a water park, a snow dome, and a Ferris wheel. It is also planned as a tourist spot with night lighting decoration. A performing arts center will be developed to attract more tourists. The target customers are some 600,000 residents of Shah Alam, comprising middle to upper-income groups, noting that the middle-income group with high purchasing power is mushrooming. The over 5 million residents of Selangor and those from nearby states are also potential customers.



## PROGRESS

Currently in the stage of design and application for a construction permit.



## OPENING SCHEDULE

Construction is expected to start in the fourth quarter of 2014 and inauguration in the fourth quarter of 2016.



## INVESTMENT

About RM 580 million (5,800 MB)





## VISION

TO BE  
THE MOST ADMIRABLE  
AND DYNAMIC  
REGIONAL RETAIL  
PROPERTY DEVELOPER  
WITH WORLD-CLASS  
REWARDING  
EXPERIENCE

## VISION AND MISSIONS

01

MOST ADMIRERED RETAIL DEVELOPER OF ALL STAKEHOLDERS

“To be the preferred mall of choice, delivering extraordinary values that exceed all stakeholders’ expectation”

- > To be the investor of choice by delivering competitive and sustainable returns to shareholders, investors, and strategic partners.
- > To be the happiness experience destination of targeted shoppers by delivering world-class rewarding experience.
- > To be the most preferred partner of targeted tenants and partners by delivering business success together with long-term relationships.
- > To be the top-ranked employer of choice by offering brilliant career opportunities and engaged society.
- > To be the most socially and community-admired brand through CPN’s shopping mall positioning and signature corporate social responsibility programs.

02

DYNAMIC RETAIL DEVELOPER

“To create new retail formats and merchandising mix that fit better with our targeted customers’ changing lifestyles”

CPN fully recognizes that customers’ dynamicity poses a key challenge. By the minute, customers have higher expectations, more complicated needs, and ready access to information. CPN’s own dynamicity pushes its shopping centers toward greater sophistication to cater to customers’ lifestyles. To this end, CPN never stops inventing formats for shopping centers, selects novelty shops and outlets that are both modern and match customers’ needs, applies advanced technology to customer services, stages outstanding and unique activities to create new experiences for customers, and synergizes with affiliates in catering to customers’ needs while striving for maximum impression among service users.

## MISSIONS

BASED ON  
THE VISION, CPN  
STRIVES TO  
ACCOMPLISH FOUR  
MISSIONS TO TURN  
ITS VISION INTO  
REALITY.

## 03

## REGIONAL RETAIL DEVELOPER

“To be a potential leader in the region and be considered as threat in all markets that we operate in”

CPN is committed to steady, sustainable growth, with the next step being a regional organization. To this end, we are committed to becoming a renowned retail property developer, with rapidly successful regional projects. Our prospective markets are clearly identified after prudent, strategic deliberation, with business plans and alliance formation plans that can promptly address business opportunities. All the time, the organization and its teams develop themselves for the capability and readiness to operate overseas business as envisioned.

## 04

## WORLD-CLASS REWARDING EXPERIENCE

“To be the shopping mall destination delivering world-class shopping experience superior to those of our competitors in all markets that we have presence in”

Constantly recognizing that CPN is not just a shopping center developer, but also a deliverer of happiness to everyone, we ensure that all components of our shopping centers pay due attention to service users—whether through shop selection aimed for diversity and novelty, staging of interesting activities, or complete amenities. CPN is convinced that high standards and world-class qualities lead to market leadership, which is why we are always committed to attaining world-class status. We are convinced that our world-class happiness experience can put CPN at the top of customers' mind and at the top of regional shopping center developers' list in the future.

## BUSINESS STRATEGY

CPN emphasizes steady and sustainable growth in both financial and organizational aspects to ensure satisfaction of all stakeholders and achieve goals and missions. CPN's main elements of the overall strategy are as follows.

### 01

#### STRATEGY FOR SHOPPING COMPLEX DEVELOPMENT

CPN focuses on expanding its business steadily in both Bangkok Metropolis and provincial areas. The complexes are constantly modernized and opportunities for new international expansion sought so as to establish steady and sustainable growth and be ready for the ASEAN Economic Community in 2015.

CPN emphasizes developing and improving shopping complexes of high potential, with quality, timely, and on-budget project management.

- > High-potential shopping complex development, starting from market research to identify potential markets, acquiring strategic locations, designing mall formats, and allocating an appropriate proportion of merchandising mix to meet customers' expectations while staying ahead.
- > Efficient shopping complex development, from conducting feasibility studies, acquiring locations, supervising designs and construction, contacting shops, marketing, to commercial opening, so that CPN can develop various new projects simultaneously, within schedule and budget.
- > Standardization development in decoration and construction to reduce construction time and costs as well as operating costs, with acceptable standards.
- > International business development, covering in-depth market studies of customers' behavior, competitors, restrictions, related regulations, market options, and prioritization of targeted markets, international partners and alliances, designing mall formats, management, and so on.

### 02

#### STRATEGY FOR SHOPPING COMPLEX MANAGEMENT

CPN focuses on supplementing value from existing complexes through reinforcing the strengths of retail shops, marketing, and management of the complexes to boost business growth and rental prices and supervise operating costs.

To do a good job of addressing tenants' and customers' needs, management of complex emphasizes the following areas:

- > Merchandising mix through market and customer analysis and adjusting the shops as well as finding new local and international retailers to modernize shopping complexes and address customers' demand.
- > Marketing activities to attract targeted customers, increase sales volumes, and give customers rewarding experiences. CPN, based on its market survey, focuses on joint sales promotions conducted with department stores, Central Group businesses, and allied retail shops to create superior value. As for events, the emphasis is on outstanding signature events that create memorable shopping experiences. All these are efficiently communicated via different channels.
- > Service and facility management (including that of toilets, parking, public relations counters): CPN focuses on personnel development, enhancing quality of services and facilities on a par with international standards, and application of advanced technologies to maximize customers' satisfaction and lower operating costs.



## 03

ORGANIZATION EXCELLENCE  
STRATEGY

To maximize the efficiency and effectiveness of CPN's internal infrastructure to support continuous business growth in domestic and overseas markets, CPN has invested in developing its management systems, covering the basic IT and human resource development systems, as well as improving the flexibility, speed, and efficiency of administrative procedures and key processes.



## 04

## REGIONAL STRATEGY

CPN's regional strategy forms part of its competitiveness enhancement endeavors, designed to fulfill the vision of becoming a regional retail property developer. Implementation steps include analysis of investment opportunities in Southeast Asia with a focus on Malaysia, Indonesia, and Vietnam. The choice of local allies was based on their business strengths that contribute to CPN's business growth optimization.

Overseas projects include the renovation of shopping centers and development of new projects in high-potential locations. CPN may undertake joint investment with business allies in target countries to increase its market penetration speed, efficiency, and competitiveness. In addition, collaborations between CPN and other business groups within Central Group such as retail, hotel, and restaurant businesses will attract and convince the local businesses to be CPN's alliances.

Target countries are selected for market opportunities and compatibility with CPN's business after a comprehensive study, covering each country's economic, social, political, regulatory, and overall retail market conditions. CPN also undertakes detailed feasibility assessment of all projects under its investment plan to maximize the benefit from each investment decision.

CPN recognizes that local staff's performance is crucial for its shopping complexes abroad to achieve efficient management with service attributes that meet local customers' needs. To attract competent personnel with different cultural background for recruitment, CPN undertook continual organizational preparation to achieve international standards in both its management system and work processes.

## 05

STRATEGY FOR DEVELOPMENT  
TO SUSTAINABILITY

CPN is committed to operating its business for continual, sustainable growth, with purposeful social responsibility covering:

- > Social and environmental aspects – CPN aspires to take a leading role in improving community and environmental well-being.
- > Business partners – CPN aspires for recognition by business partners as an admirable, trustful corporation with readiness for growth with them.
- > Customers and market engagement–Beyond practicing the mere concept of developing and managing shopping complexes, CPN aspires to develop such complexes as lifestyles' hubs that cater to customers' diverse needs.
- > Fair and proper treatment of employees, enabling them to represent CPN in creating happy experiences for all stakeholders.

To achieve these goals, CPN has specified short-term, medium-term, and long-term social responsibility plans with the following issues linking to business strategy: general, business, and unique competitiveness enhancement issues. Based on corporate governance practices, complete with evaluation, analysis, and reporting process, covering economic, environmental, and social dimensions, the three plans serve CPN's goal of becoming a business leader to be endorsed by an internationally recognized sustainability assessment institution.



## CORPORATE VALUES

Challenging as its business goals may appear, CPN remains committed to operating under the “TO BE CONFIDENTLY CREATIVE AND STRIVE FOR EXCELLENCE TOGETHER” value, passed on among its people, to drive and create quality tasks under its corporate culture. That way, CPN hopes to retain its leadership in developing and managing Thais’ shopping complexes.

### “COMMITTED TO CREATING SATISFYING EXPERIENCES”

CPN is committed to ensuring that everyone exercises their initiatives and sparks positive ideas, methods, or innovations to improve work through outstanding and unique performance. Unfamiliar ideas can be developed and applied for positive benefit and impressive outcomes.

### “COMMITTED FOR FAITH”

CPN is committed to cultivating trust and achieving acceptance by others through a display of maturity, credibility, judiciousness, fairness, collaboration, accountability, and other actions taken with due regard for related parties and CPN at large.

### “COMMITTED TO EXCELLENCE”

CPN focuses on achievement by all personnel and their ability to push for results against goals with due attention and recognition of all quality-related aspects. It also focuses on professionalism and mastery of the task at hand, as well as attention paid to regular self-improvement to supplement value and support CPN’s successful achievement of desired directions and strategies.

### “COMMITTED TO JOINT SUCCESS WITH PARTNERS”

CPN stresses its employees’ cordial relations with others by extending cooperation, help, support, information, and wholehearted contribution to teams or people, both inside and outside their own units. Employees should manage conflicts and creatively resolve problems with consistent respect for and honor toward others so as to maintain friendship with all parties.

## NATURE OF BUSINESS



Established on 17 June 1980, to develop and manage large-format and integrated shopping centers, the Company has been listed on the Stock Exchange of Thailand (SET) since March 1, 1995.

Its current issued and paid-up share capital is Baht 2,244,000,000, of which the majority is held by Central Holdings Co., Ltd., and Chirathivat family members. CPN's core businesses comprise development of large-scale shopping complexes and provision of retail space for rent and services. At present, CPN manages 23 shopping complexes, owning 20 projects, with three leased out to CPN Retail Growth Leasehold Property Fund ("CPNRFL"). CPN also runs office, residential, and hotel buildings as its supporting business to optimize the use of land, diversify income sources, and draw in more customers to shopping complexes. CPN operates related businesses, such as water and recreational parks, and food centers in some shopping complexes to facilitate shoppers. Services and facilities provided at each complex mainly depend on locations and the needs of target customers.

CPN's business falls into various business groups. Categorized by the source of income, there are six business groups, described as follows:

## 01

SHOPPING  
COMPLEXES

CPN's main source of income, the shopping complex business generates over 80% of the total revenue. Income includes rental of retail spaces, utility, and security services, apart from cleaning services at 23 properties. Another source of income in this category is the management fee at three property projects under CPNRF and a share of profits from investment in CPNRF.

According to its estimated data, as of December 31, 2013, CPN's earned a 20% market share of the retail industry in Bangkok and vicinities with net leasable area of over 1.2 million sq.m. under the management of CPN and its subsidiaries. CPN's shopping complex development starts from finding strategic locations, conducting feasibility studies, controlling designs and construction, administering sale, to managing the shopping complexes after their commercial opening. Also in the scope of work is the provision of utilities, together with security and cleaning services at each site.

## 02

OFFICE  
BUILDINGS

The office building business involves the development of office buildings for rent, whereas there is demand for office space in shopping complex areas. It is found that the office building business not only complements that of the shopping complex, but also adds value to the project. It also enhances land usage and efficiency of car park management. The decision to develop an office building depends mainly on supply and demand for office space at each location. Income from the business comprises rental of office space, rental of retail shops in office buildings, and utility service fees.

CPN's office building development starts from conducting feasibility studies, controlling designs and construction, leasing, to managing the buildings when they come into operation. Also in the scope of work is the provision of utilities, together with security and cleaning services at each site.

At present, CPN runs seven projects of office towers, on the premises of CentralPlaza Lardprao, CentralPlaza Pinklao, CentralPlaza Bangna, CentralWorld (The Offices at CentralWorld), CentralPlaza Chaengwattana, and CentralPlaza Grand Rama 9. For office buildings, CPN owns four projects and manages three projects, two projects under CPNRF (Pinklao Tower A and B Office buildings at CentralPlaza Pinklao) and one project under CPNCG (The Offices at CentralWorld). Tenants of office buildings in CentralPlaza Lardprao, CentralPlazaPinklao, CentralPlaza Bangna, CentralPlaza Chaengwattana, and CentralPlaza Grand Rama 9 projects are mostly operators of businesses benefiting from shopping complexes, such as tutorial schools, language and music schools, beauty parlors, and securities brokerage firms. The Offices at CentralWorld is different because it is a grade A office building located in the heart of the central business district, so most tenants are leading businesses, both Thai and foreign, and multinational companies looking to base their headquarters there.



03

## HOTELS



CPN's hotels and shopping centers are located in the same areas since there is a natural demand that supports the retail business. This practice adds value to each project by making the most use of properties for the maximum return on investment. Key principles for consideration of hotel investment include project location, demand, supply, surrounding areas, and the project's growth potential. The hotel business comprises guest rooms, seminar rooms, and convention centers to serve the growth of the MICE (Meeting Incentive Convention and Exhibition) industry.

Currently, CPN owns two hotels. One is the 259-room Centara Hotel Udonthani (formerly known as Charoensri Grand Royal Hotel, a part of Charoensri Complex, acquired by CPN in April 2009) and the other is Hilton Pattaya Hotel with 302 rooms (situated on top of CentralFestival Pattaya Beach and open in November 2010). CPN has employed expert hotel management companies, namely Central Plaza Hotel Plc and Hilton Hotel Corporation, to manage Centara Hotel Udonthani and Hilton Pattaya Hotel respectively for the maximum benefit.

04

## RESIDENTIAL BUILDINGS



At present, CPN manages two residential building projects. One is Langsuan Colonade, a 50-unit serviced apartment, and the other is Central City Residence Condominium, a 12-unit condominium on the premises of CentralPlaza Bangna.

05

## WATER PARKS AND RECREATIONAL PARKS



Water parks and recreational parks are supporting businesses for shopping complexes, adding variety to features and services of shopping complexes. Not only can they attract more customers to shopping complexes, but also bring happiness to customers and people in surrounding communities. To make this happen, the size of land and space availability in the project are key. Current projects in this category are "Leoland Water Park" on the sixth floor of CentralPlaza Bangna where the water park is temporarily closed for its renovation and expected to reopen in 2014, and "Central Park", a large-scale recreational park on the premises of CentralPlaza Rama 2, open to the public and consisting of a health park, a children playground, an activity area, and renowned restaurants.

06

## FOOD CENTERS



Food Centers are considered essential to shopping complexes. They are intended for providing customers with a wide variety of economical and ready-to-serve dishes. CPN earns sizeable income from the sale of food and beverage in food centers.

Currently, the projects under the management of CPN and its subsidiaries are:

Projects Owned by CPN	Shopping Complexes	Office Buildings	Hotels	Residential Buildings	Food Centers
CentralPlaza Lardprao	✓	✓			
CentralPlaza Ramindra	✓				
Central Center Pattaya	✓				
CentralPlaza Chiangmai Airport	✓				✓
Langsuan Colonade				✓	
CentralPlaza Bangna	✓	✓		✓	✓
CentralWorld	✓				
CentralPlaza Rattanaithibet	✓				✓
CentralPlaza Chaengwattana	✓	✓			✓
CentralFestival Pattaya Beach	✓		✓		✓
CentralPlaza Udonthani	✓		✓		✓
CentralPlaza Chonburi	✓				✓
CentralPlaza Khonkaen	✓				✓
CentralPlaza Chiangrai	✓				✓
CentralPlaza Phitsanulok	✓				✓
CentralPlaza Grand Rama 9	✓	✓			
CentralPlaza Suratthani	✓				✓
CentralPlaza Lampang	✓				✓
CentralPlaza Ubonratchathani	✓				✓
CentralFestival Chiangmai	✓				✓
CentralFestival Hatyai	✓				✓
Projects Managed by CPN	Shopping Complexes	Office Buildings	Hotels	Residential Buildings	Food Centers
CentralPlaza Pinklao <sup>1)</sup>	✓	✓			✓
CentralPlaza Rama 3 <sup>2)</sup>	✓				✓
CentralPlaza Rama 2 <sup>3)</sup>	✓				✓
CentralWorld <sup>4)</sup>		✓			

Remarks:

1) 42% of CPN's shopping malls and all of the office buildings were subleased to CPNRF from November 2009 to December 2024

2) 81% of CPN's asset was leased to CPNRF from August 2005 to August 2035 (a 30-year lease can be renewed twice)

3) 96% of CPN's asset was subleased to CPNRF from August 2005 to August 2025

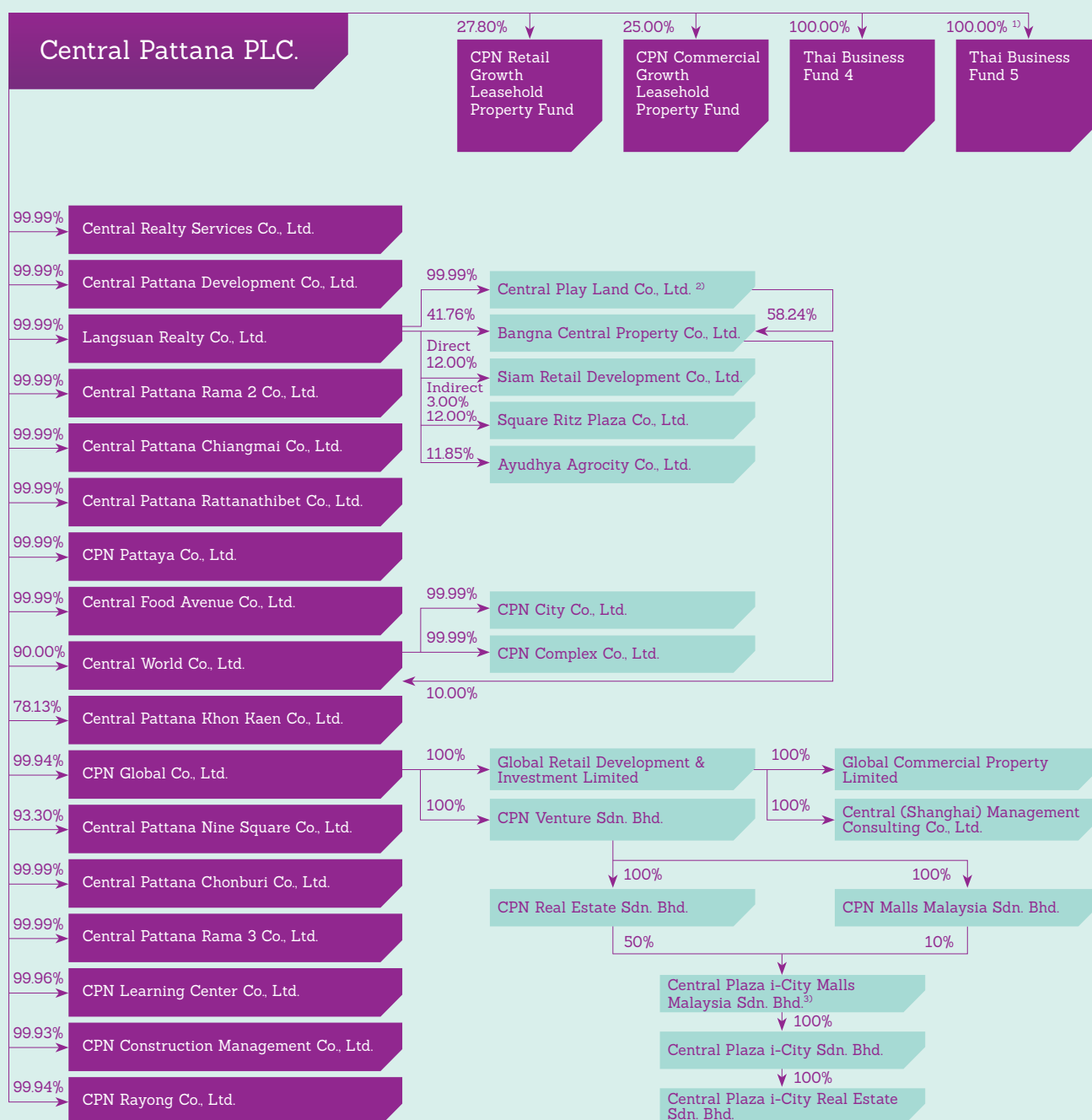
4) 97% of the Offices at CentralWorld was leased to CPNCG from September 2012 to September 2032





CentralPlaza Lardprao

## GROUP STRUCTURE OF THE COMPANY AND ITS SUBSIDIARIES



Remarks: 1) Only the proportion of owner type unitholders excluding lender type unitholders

2) Registered its dissolution on September 2, 2013 and currently not registered complete liquidation.

3) Central Plaza i-City Malls Malaysia Sdn. Bhd. is the joint venture company in which I-City Properties Sdn. Bhd. holds 40%

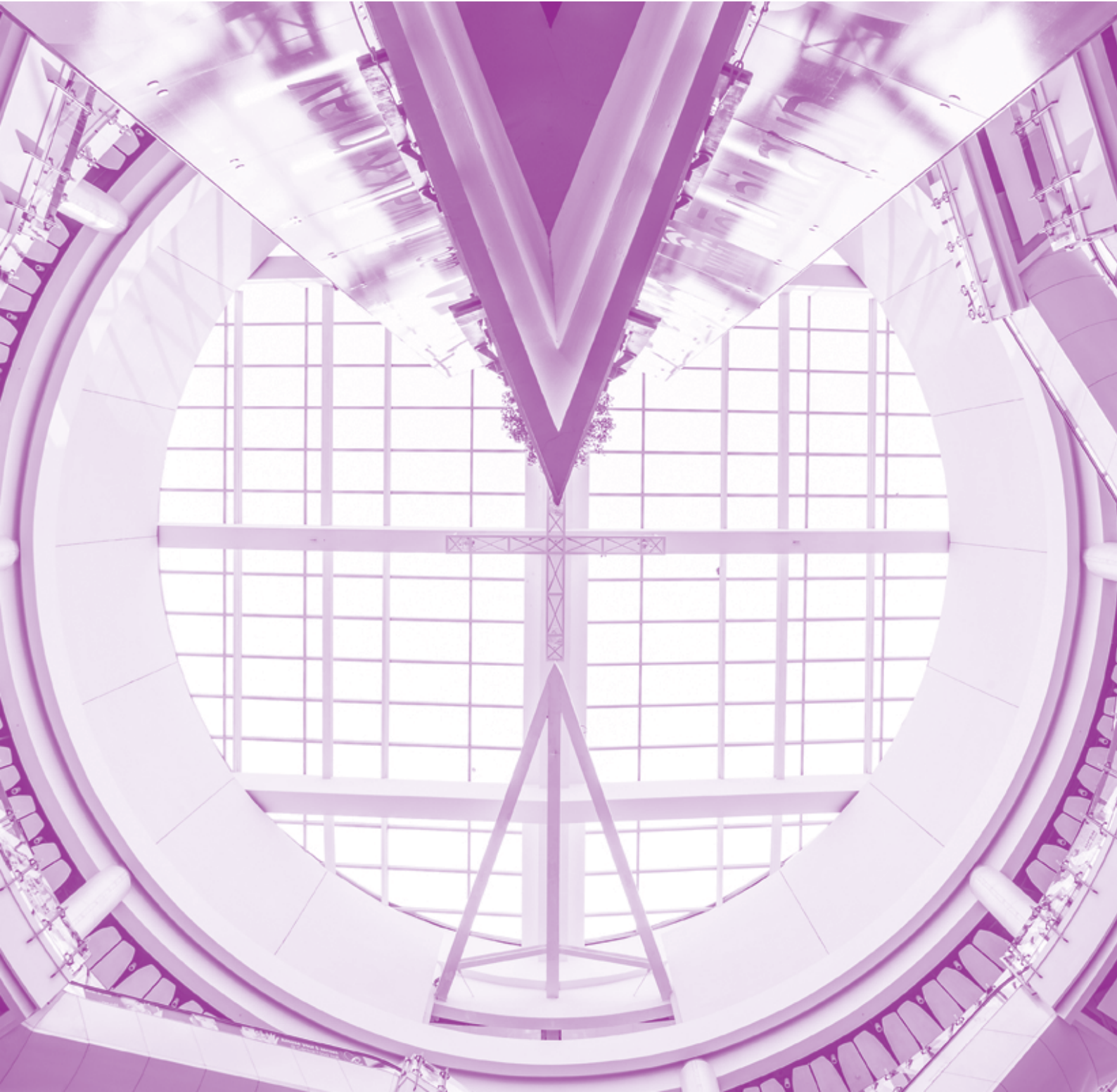
## REVENUE STRUCTURE OF THE COMPANY AND ITS SUBSIDIARIES

Unit: Million Baht

Type of Business/Operated By	% of Share holding	Year 2013 Amount %	Year 2012 Amount %	Year 2011 Amount %	Year 2010 Amount %	Year 2009 Amount %
Shopping Centers		17,624 80.04%	14,505 79.10%	10,062 75.60%	9,142 76.70%	9,254 75.70%
> Central Pattana Plc.						
> Central Pattana Chiangmai Co., Ltd.	99.99%					
> Bangna Central Property Co., Ltd.	99.99%					
> Central Play Land Co., Ltd.	99.99%					
> Central Pattana Rama 3 Co., Ltd.	99.99%					
> Central Pattana Rama 2 Co., Ltd.	99.99%					
> Central Pattana Rattana Thibet Co., Ltd.	99.99%					
> CPN Pattaya Beach Co., Ltd.	99.99%					
> Central World Co., Ltd.	100.00%					
> Central Pattana Khon Kaen Co., Ltd.	78.13%					
> Central Pattana Chonburi Co., Ltd.	99.99%					
> Central Pattana Nine Square Co., Ltd.	93.30%					
> Central Pattana Development Co., Ltd.	99.99%					
Office Buildings		478 2.17%	794 4.30%	767 5.80%	655 5.50%	898 7.30%
> Central Pattana Plc.						
> Bangna Central Property Co., Ltd.	99.99%					
> Central World Co., Ltd.	100.00%					
Hotel		903 4.10%	712 3.90%	465 3.50%	157 1.30%	116 1.00%
> Central World Co., Ltd.	100.00%					
> CPN Pattaya Co., Ltd.	99.99%					
Residences		19 0.08%	18 0.10%	18 0.10%	20 0.20%	21 0.20%
> Langsuan Realty Co., Ltd.	99.99%					
> Bangna Central Property Co., Ltd.	99.99%					
Water and Recreation Park		8 0.04%	8 0.00%	6 0.00%	6 0.10%	5 0.00%
> Central Pattana Rama 2 Co., Ltd.	99.99%					
> Bangna Central Property Co., Ltd.	99.99%					
Food Centers		882 4.01%	725 4.00%	632 4.70%	550 4.60%	639 5.20%
> Central Food Avenue Co., Ltd.	99.99%					
> Central Pattana Chiangmai Co., Ltd.	99.99%					
> Bangna Central Property Co., Ltd.	99.99%					
> Central Pattana Rama 2 Co., Ltd.	99.99%					
> Central Pattana Rattana Thibet Co., Ltd.	99.99%					
> Central World Co., Ltd.	100.00%					
> Central Pattana Development Co., Ltd.	99.99%					
Interest Income		98 0.44%	78 0.40%	48 0.40%	49 0.40%	27 0.20%
Share of Profits from Investment in CPNRF		686 3.12%	584 3.20%	498 3.70%	475 4.00%	451 3.70%
Others		1,321 6.00%	925 5.00%	815 6.10%	858 7.20%	820 6.70%
Total Revenues*		22,018 100.00%	18,349 100.00%	13,311 100.00%	11,912 100.00%	12,231 100.00%

Remark : \* Excludes non-recurring items.





# CORPORATE GOVERNANCE

Recognizing the significance of good corporate governance, the Board of Directors has formulated CPN's corporate governance (CG) Policy since 2004. Besides aiming to raise the economic value of CPN's business and satisfy all stakeholders, the policy targets social and environmental sustainability.

Fully conforming to the guidelines issued by the Stock Exchange of Thailand (SET) and the Organization for Economic Co-operation and Development (OECD)'s good CG principles, including international standards and guidelines, including the United Nations Global Compact (UNGC) and ISO 26000 standards, CPN's Code of Conduct and CG Policy is revised annually and approved by the Board. The latest revision on February 21, 2014, incorporated CPN's practices to fully comply with regulators' guidelines and the ASEAN CG Scorecard criteria.

All directors, executives, and employees are well aware of the guidelines for Code of Conduct and CG Policy. All of them have also put their signatures on acknowledgment forms to express their joint commitment in strict conformance to the guidelines and policy as part of their work discipline. Furthermore, the guidelines and principles are constantly publicized to raise the awareness and participation of all through the orientation of new staff, e-mail, intranet system, internal bulletins, announcement boards, E-learning programs, CPN website and the organization of diverse activities.

This year, CPN's Charters of the Board of Directors and subcommittees, regulations on its securities portfolio, and regulations on internal information control were revised to keep them updated and in complete alignment with CG guidelines. Besides promoting active utilization of E-learning among all executives and staff to enhance their understanding of its Code of Conduct and CG Policy throughout the year, CPN also started producing another set of E-learning media regarding connected transactions, to be completed by the first quarter of 2014.

## CORPORATE GOVERNANCE POLICY

Below are the five sections of CPN's CG principles:

### 1 Rights of Shareholders

CPN takes the following measures to protect the rights of every shareholder:

- CPN ensures that shareholders will receive full returns from their investments by maintaining a straightforward structure of alliance among CPN, its affiliates, and joint ventures, with no joint-holding or cross-holding of shares. It also has no pyramid shareholding structure within the Group.
- CPN equitably provides shareholders, whether major or minor ones, foreign or institutional investors, with basic shareholding rights and right protection treatment, including the right to purchase, sell, and transfer shares; to receive clear and accurate information; to attend shareholders' meetings and vote on significant transactions; to elect or dismiss directors to manage CPN; to set Board compensation; to appoint and dismiss external auditors and set their fees; to receive part of CPN's profit as dividends; and to participate in and be adequately informed on decisions about CPN's fundamental changes.
- Details about the exercise of these rights are distributed via SET's information disclosure system, with due respect for the equitable and convenient access to information, as well as the right-exercising period. No action will be taken to limit shareholders' rights of access to CPN's information system or obstruct communication between shareholders.

### 2 Equitable Treatment of Shareholders

CPN observes the principle of affording equitable treatment to all shareholders without discrimination, whether major or minor ones, institutional or foreign

investors. Practical guidelines to promote genuine equality include:

- CPN has put in place internal regulations to prevent abuse of inside information and conflicts of interest. Relevant details appear under “Control and Prevention of the Use of Inside Information” on page 98
- Transactions with possible conflicts of interest must be submitted to the Audit Committee for their review and comments before submission to the Board and shareholders’ meetings for approval, if applicable. CPN discloses complete, essential information under the law and regulations. Relevant details appear under “Monitoring of Conflicts of Interest” on page 99
- Acting under the principles and guidelines on affording equal treatment to all shareholders during shareholders’ meetings as detailed below:

#### 2013 AGM:

CPN recognizes the importance of giving identical rights and affording equal treatment to all shareholders. Relevant guidelines have been adopted for actual actions (before, during and after meetings) for all shareholders’ meetings.

The 2013 AGM was held on Friday, April 26, 2013, at 14.00 hours at the Bangkok Convention Center, 5<sup>th</sup> floor, CentralPlaza Lardprao Shopping Center, 1693 Phaholyothin Road, Chatuchak, Bangkok. A total of 1,208 shareholders personally attended or were represented by their proxies (equal to 84.25% of all shares issued) together with 11 (of the 12) directors (equal to 91.67% of the Board), which included the Chairman of the Board, Chairman of the Audit Committee, Chairman of the Nomination and Remuneration Committee, Chairman of the Corporate Risk Management Committee, President & CEO, Chief Financial Officer, Company Secretary, and the

external auditor. Details of the AGM proceedings are as follows:

#### Before the meeting

- CPN provided minority shareholders with the right to propose in advance additional agenda items and nominate directors from September 14, 2012 to January 15, 2013. This included shareholders’ rights to query meeting agenda before the meeting date by submitting their queries to the Company Secretary. Criteria for such consideration, which were agreed by the Board, can be viewed at CPN’s website. However, in 2013, no shareholder proposed any name or agenda item for consideration.
- Meeting notices are in Thai and English. For the 2013 AGM, the meeting notice was posted on CPN’s website on March 21, 2013, 30 days ahead of the meeting date, and was distributed to shareholders 21 days ahead. This provided shareholders with enough time to examine the information.
- In the meeting notice, CPN enclosed essential, adequate facts and rationales, as well as directors’ comments on all items on the agenda for shareholders’ consideration. The AGM agenda comprises:
  - 1) Nomination of Directors: CPN provides basic information on candidates, including each one’s name, age, type of directorship, education, director training courses attended, experience, positions held in other businesses, date of being a director, number of years in each position, and participation in committees’ meetings as member of such committees during the previous year, shareholding in CPN, and other information such as any conflict of interest incurred in the previous year.

2) Compensation: CPN provides information on the policy, amount, and form of compensation for each director's position and responsibility, criteria, and the procedures for determining compensation.

3) Appointment of External Auditors: CPN provides information on the names of auditors and their affiliations, auditors' independence, and the number of service years with the audit company for consideration of the suitability of the auditors' fee, presented separately from other fees.

4) Dividend Payment: CPN provides information on the dividend policy and dividend amount proposed for approval, in comparison with the amount paid in the previous year.

- There was no significant, extraordinary document distributed at the meeting, no added item, and no amendment made to material information without informing the shareholders in advance.
- CPN facilitates shareholders who cannot attend the meeting themselves by enclosing in the meeting notice Proxy Form B, on which they can state their voting preference, together with details about how to appoint a proxy to shareholders' meetings. Shareholders can download Proxy Forms A, B, and C from [www.cpn.co.th](http://www.cpn.co.th). In addition, the names and profiles of the four independent directors are provided for shareholders' voting by proxy. At the 2013 AGM, 650 shareholders appointed independent directors as their proxies. Details are as follows:
  - 633 shareholders appointed Mr. Paitoon Taveebhol, Chairman of the Audit Committee.
  - 17 shareholders appointed Mr. Karun Kittisataporn, member of the Audit Committee.

#### During the meeting

- CPN provided at least a two-hour registration period before the meeting. A barcode system eased registration and vote counting to speed up the process and ensure information accuracy and reliability.
- CPN provided shareholders with voting rights equivalent to the number of shares held. One share yields one vote.
- Shareholders were informed by CPN about the vote-tallying procedures before the shareholders' meeting.
- CPN introduced the use of ballots for casting votes. The ballots were prepared separately for each agenda item for shareholders' voting convenience.
- Participants were informed of the voting result for each agenda item and presented with the voting scores.
- CPN transparently conducted the AGM by following respective agenda items as stated in the meeting notice, in strict conformance to the law and CPN's regulations. Representatives from KPMG Phoomchai Audit Limited were invited to observe the meeting.
- Shareholders were allowed to attend a meeting in progress and vote on remaining items.
- CPN allowed shareholders to freely express their views and raise their questions at the meeting. The Chairman of the Board, Chairman of the Audit Committee, Chairman of the Nomination and Remuneration Committee, President & CEO, executive management, and external auditor attended the meeting to clearly answer all aspects of shareholders' questions.



### After the meeting

- CPN submitted the resolutions of every shareholders' meeting through SET's information disclosure system on the same day so that non-attending shareholders might be immediately informed.
- Shareholders could also view a webcast of the AGM via CPN's website or request a video recording of each meeting from the Office of the Company Secretary.
- Minutes of each shareholders' meeting were distributed in Thai and English through the Company's website within 14 days after the meeting date, with a copy sent to SET within the stated period.
- Shareholders' opinions on the organizing of shareholders' meeting were obtained through a satisfaction survey. The information acquired was then applied to improving the efficiency of future shareholders' meetings.

In 2013, CPN received a quality assessment score of 100 for the AGM quality assessment project, jointly conducted by the Thai Investors Association, the Securities and Exchange Commission (SEC), and the Thai Listed Companies Association. The assessment criteria included steps undertaken before each shareholders' meeting and activities on the meeting date and afterward.

### **3. Roles of Stakeholders**

CPN values all stakeholders and observes sustainability of common benefits. It has clearly set policies and roles toward stakeholders in its "Code of Business Conduct for Stakeholders", as detailed below:

- **Shareholders:** Stimulate growth with quality and stability for the shareholders' sustainable benefit with good and efficient performance; respect the

shareholders' equal rights to receive necessary information; disclose correct and actual information; conduct business based on honesty, transparency, and fairness. Relevant details appear under "Rights of Shareholders" and "Equitable Treatment of Shareholders"

- **Customers:** Satisfy the customers with good service, fair, and proper treatment of customers; provide complete, correct, and actual information; undertake customer satisfaction surveys, the results of which are used to continuously improve the service. These activities are described below:
  1. Managing and providing standardized services to tenants under the supervision of the Standard Promotion and Control Unit (SCU). The activities run by SCU included the standardization of policies, work processes related to tenants at all branches, and public information of the services provided by CPN.
  2. Developing of service staff and evaluation of their services, including tenant relations staffs' daily visits to each store to serve tenants and listen to their problems and complaints. Customer service staff are also assigned to walk around shopping areas inside every center to handle shoppers' questions or promptly provide recommendations, thereby saving them a trip to the PR counter.
  3. Meeting and communicating any significant operational plans with tenants at least once a year, including meeting with the tenants when opening or renovating any CPN's shopping complex, in order to announce its policies and to plan any joint marketing activities. Furthermore, these meetings provide an opportunity for tenants to express their opinions and make any recommendations for continuous service improvement. For existing shopping complexes, CPN holds one tenants' meeting every quarter.

4. Jointly developing plans with tenants such as organizing activities on assorted occasions, including shop openings, new product launches, business partnerships, and joint sales promotions between retail shops and the shopping complex to enhance shop owners' preparedness in running their businesses.
  5. Undertaking satisfaction surveys relating to the services provided to the tenants on a regular and annual basis, in order to be informed and aware of any tenants and customers' needs as well as to improve CPN's excellence in services.
  6. Providing more communication channels for customers to receive business information and to voice complaints, including direct contact with tenant service officers at each branch, I - Box, Company website and CPN Call Center at +66(0) 2635-1111, etc.
  7. Conducting focus groups to learn the specific needs of each tenant group and assessing the outcomes for service improvement.
  8. Recognizing the importance of developing public relations media by not using images or contents that may cause negative attitudes, social division, or improper values, especially those about sex or immorality, in the company's sales campaigns.
  9. Overseeing that the environment, the area inside and around the property under the company's management, is safe for health, life, and property.
- **Business partners:** Based on equitable treatment of business partners and joint benefit, CPN observes its clearly detailed procurement procedures and practices to facilitate mutual trust and long-term relationships, including economic, social, and environmental cooperation.
  - **Business partner selection processes** are clearly defined in CPN's procurement, project development, and construction management procedures, which include E-Auction, price bargaining, and open tendering procedures.
  - **Creditors:** Strictly respect agreements with creditors; manages loans according to lending objectives; avoid using the loans to cause damage to CPN; ensure timely repayment of loans and interests; thoroughly honor loan conditions as agreed; and competently operate the business to assure creditors about CPN's healthy financial standing and loan repayment capabilities.
  - While maintaining its financial ratios as specified in loan agreements or the terms and conditions of such agreements, with regular reporting of its performance to creditors as required, CPN has never defaulted on either debt or interest payment, or caused any concern among creditors on its debt repayment ability. Moreover, CPN provides loans only to subsidiaries under its shareholding structure, with no financial assistance offered to any unrelated company.
  - **Employees:** CPN provides fair and proper treatment of employees without discrimination, whether in opportunity, compensation, job assignment, job transfer, or competency development, as well as managing employees' workplaces to ensure the safety of their lives and properties. In addition, CPN encourages dialogue between the Company and employees or their representatives to present information to its decision-makers so as to improve the quality of their work lives in pursuit of joint development.
  - **Business competitors:** Conduct business with fairness; refrain from improperly seeking competitors' confidential information; refrain from abusing the intellectual property rights of others or those of competitors; promote the sharing of information that benefits the overall development

and management of shopping complexes to strengthen the business and contribute to sustainable national economic, social, and environmental development.

The establishment of the Thai Shopping Center Association exemplifies close cooperation between CPN and industry peers, designed to share useful business directions and experience for common benefit. In 2013, joint discussions included the following:

1. Sharing of in-depth information among Association members on relevant issues, including communal service rates and draft bills that may affect shopping complex operators.
  2. Assigning the Association an additional role: serving as the source of basic information about Association members, their projects, and contact information, etc., to be posted on the Association Website ([www.tsca.or.th](http://www.tsca.or.th)) once the database is completed.
  3. Joint organization of continuing activities on social responsibility, such as building libraries and donating books for needy schools.
  4. Organizing activities to bolster relationships among Association members.
- **Society, communities and the environment:** Respect relevant laws and/or regulations and try to surpass standards, such as inventing or applying the innovation of energy-efficient buildings in CPN's shopping centers and office buildings; monitor the operation of the company and prevent it from damaging the quality of life of society, communities, and the environment; develop society in its quality of life, education, energy saving, and environmental protection. Furthermore, CPN actively communicates and spreads knowledge of environmental conservation to its relevant stakeholders to establish

an environmental protection network that spreads knowledge and experience to all social sectors. Relevant details appear under "Sustainability Management" on page 101

- **Government:** Cooperate and support government policies for the benefit of the country under relevant law and criteria; actively implements projects beneficial to the public, whether as assigned by the government or company-initiated projects.
- **Independent organizations and related social organizations:** CPN upgrades cooperation and information-sharing with independent organizations and other related social organizations for joint, sustainable development of society and the country, taking into account impacts on the economy, society, and the environment.

#### POLICY ON INTELLECTUAL PROPERTIES

CPN conducts its business strictly under the law or regulations on intellectual property rights, whether in trademarks, patents, copyrights, classified commercial information, or other stipulated categories of intellectual property, such as using only licensed software that has been inspected and installed by CPN's Information Technology Department, and encouraging employees to ensure that the application of research findings or other data in their work does not constitute a violation of other people's intellectual property rights.

#### POLICY ON ADHERENCE TO HUMAN RIGHTS PROTECTION LAWS AND REGULATIONS

A key basis of CPN's business conduct is legal compliance, which includes domestic and foreign laws, as well as relevant customs, traditions, and cultures. CPN also tries to surpass standards, such as undertaking studies of relevant laws before starting projects and complying with them

throughout the development stages, with constant monitoring of any legal revision that may affect its business operation. CPN is determined to strictly observe the laws of every country that it invested in, such as the Malaysian Investment Laws and Regulations.

CPN promotes and respects the protection of human rights, and ensures that its business conducts have no connection with any human rights violation such as forced labor or child labor. All stakeholders are treated fairly on human dignity and non-discrimination of national origin, race, gender, age, skin color, religion, physical condition, status, or birth. It also promotes the monitoring of human rights compliance within CPN and encourages subsidiary companies, investors, business partners, and all stakeholders to observe the international standards of the principles of human rights. Another example of CPN's human rights practices is the protection of stakeholders whose rights are affected by CPN's operation by offering compensation at a rate comparable to what is stated by the law.

#### POLICY AGAINST FRAUD AND CORRUPTION

On November 9, 2010, CPN stated its position on the "Collective Action Coalition" on anti-corruption practices, a collaboration jointly undertaken by the Thai Institute of Directors Association (IOD), Thai Chamber of Commerce, Foreign Chambers of Commerce, Thai Listed Companies Association, and Thai Bankers' Association. CPN's policy against corruption was specified by the Board and communicated to the management and all employees, with anti-corruption experience-sharing activities held with the government and private sectors. Throughout this year, CPN's representatives attended anti-corruption activities and training courses, including the "Anti-corruption Day 2013: Act Now, Fight Together and Salvage the Future" activity, a seminar on "Anti-corruption: Certification Process", a seminar on "200 Companies and Thai Private

Sector's Future Cooperation against Corruption", the "Anti-Corruption: The Practical Guide" training, and Thailand's 4<sup>th</sup> National Conference on Collective Action Against Corruption "Working Models for Governance in Corporate Operations and Infrastructure Projects" seminar.

CPN is undertaking studies and reviews of its anti-corruption measures to ensure compatibility with IOD's certification process.

CPN provides communication channels for stakeholders to report dishonest or illegal practices. Based on transparency, fairness, and compliance with relevant laws and regulations, its guidelines cover the offering and taking of gifts, assets, entertainment meals, and other benefits; excessive expenses that are out of line with CPN's regulations; procurement practices; and donations.

Details of these policies and other important policies appear in the "Code of Conduct and CG Principles".

#### WHISTLEBLOWING AND COMPLAINTS

CPN has set up a committee responsible for reviewing and investigating complaints or information, and has given clear assignment of roles, responsibilities, and procedures to deal with such situations with transparency and accountability to ensure that whistleblowers can fully trust and have confidence in this process.

Should employees or stakeholders suspect any unlawful activities or those in violation of the law, rules, regulations, or code of business conduct, they can alert or file complaints together with detailed evidence to CPN's Audit Committee. Then, the committee or CPN's management will investigate the facts related to such activities and propose its findings to the Board for acknowledgement and further consideration. Details of communication channels are as follows:

**Audit Committee**

Central Pattana Public Company Limited  
 30<sup>th</sup> floor, The Offices at CentralWorld  
 999/9 Rama 1 Road, Patumwan  
 Bangkok 10330  
 Tel : +66(0) 2667 5555 ext. 1200  
 Email : whistleblower@cpn.co.th

**The President & CEO**

P.O. Box 99  
 Pratunam, Bangkok 10409

The rights of whistleblowers who are employees, customers, and outsourced persons will be protected under the law. Relevant details appear in “Code of Conduct and CG Principles”.

In 2013, CPN was engaged in no significant dispute with any stakeholder.

**4. Disclosure and Transparency**

CPN is committed to correct, complete, transparent, thorough, and timely disclosure of information, whether financial or non-financial, so that investors and all stakeholders may regularly receive reliable and adequate information for their decisions. Disclosure of such information includes:

- CPN's financial information and material information, such as financial statements of CPN and its subsidiaries; information on major shareholders and voting rights; information on directors and members of subcommittees; CPN's dividend payment policy, Code of Conduct and CG Policy, provided via assorted communication channels, such as CPN's annual information disclosure form (Form 56-1), annual report (Form 56-2), SET's information disclosure system, CPN's website, and quarterly reports.
- CPN's major business updates and activities, such as the launch of new shopping complexes, exhibitions, festive events, and jointly held

activities with business partners, communicated throughout this year via 24 press conferences held in Bangkok and upcountry.

**Responsible persons for information disclosure**

CPN has assigned specific persons responsible for disclosing its material information, comprising the President & CEO, Company Secretary, and top executives responsible for finance and investor relations, including top executives responsible for marketing and public relations. These parties are responsible for disclosing information only related to their respective areas of responsibility.

**Investor Relations**

CPN established an Investor Relations Division in 2006 as the center for handling enquiries, disclosing the Company's information, and managing relations with investors, analysts, shareholders, and the general public. Investor Relations works closely with senior executives to formulate policies as well as quarterly and annual plans, including operational guidelines and approaches for developing CPN Investor Relations practices on a par with leading regional listed companies. The division also presents performance results and comments from shareholders, analysts, and investors to the Board twice a year.

CPN discloses complete, accurate corporate and financial information through the following channels:

1. Form 56-1 and the Annual Report (Form 56-2) provide detailed information on significant topics, including business overviews, risk factors, capital structure and management, connected transactions, management of inside information, corporate governance, financial status and performance, and future projects.

2. The Management Discussion and Analysis (MD&A) quarterly and annual reports, which provide detailed operation and financial information, including analysis and explanations of factors causing changes in performance results, progress reports of projects under development, key factors or influences that may affect future results and financial status. This report provides shareholders and investors with enough accurate information for their decision-making on investment and monitoring of the Company's performance.
3. CPN discloses its information via the [www.cpn.co.th](http://www.cpn.co.th) website under "Investor Relations" to facilitate investors' and the interested public's study of its information. The website, available in both Thai and English, has been regularly updated. Investor Relations discloses information, such as financial information, MD&A, shareholding structure, corporate governance, company information submitted to SET through its SET Community Portal (SCP) system, Annual Report, Form 56-1, notices to shareholders' meetings, minutes of shareholders' meetings, press releases and photo releases, investor relations calendar (IR Event and Calendar), factsheets for existing and new projects, and presentations used during both domestic and international roadshows by senior executives. The website received over 7,685 visitors a month, with over 154,358 viewings of the webpage information a month. Furthermore, over 3,315 people subscribed to Investor Relations' electronic newsletters.

#### Quarterly Meetings with Shareholders and Investors

CPN has joined SET in organizing quarterly "Opportunity Day" activities so that its senior executives may present the Company's quarterly reports on performance results and explain business

progress, such as expansion projects, new projects, business trends, and how to deal with positive and negative effects caused by internal and external factors. This is a good opportunity for executives to meet and answer the questions from analysts, investors, and shareholders in person. In each quarter this year, an average of 80-100 investors and the interested public participated. SET also provides a live webcast via SET's website. Computer monitors are set up in front of CPN executives so that the viewers can post their questions and get real-time responses from the management during Q&A sessions. Furthermore, visual and audio recordings of executives' presentations are provided through a webcast system and posted on the CPN website to ensure that the Company's quarterly performance is comprehensively disseminated to investors who did not participate.

#### Meeting Investors

CPN regularly hosted a variety of investor-meeting activities to ensure that senior executives and Investor Relations meet investors and explain specific information on performance, strategic plans, guidelines on business growth, and a summary of major events in 2013, including answering questions. This year these activities included:

1. Hosting roadshows, which were divided into:
  - 11 overseas roadshows
  - 4 domestic roadshows.
2. Hosting 72 company visits to enable analysts, as well as Thai and foreign retail and institutional investors, to meet CPN's senior executives and investor relations specialists to, via prior appointments, acquire Company information.
3. Via prior appointments, hosting 21 site visits for investors and securities analysts. This year, CPN, in cooperation with securities companies took foreign and Thai investors to visit the Company's



shopping centers under CPN's management, where they appreciated business operation through presentations from executives.

4. Holding 8 conference calls with investors.
5. Communicating information via email and telephone 4-6 times per day.

CPN hopes that the Investor Relations Division will continue to serve as the center for disseminating information, handling enquiries, and regularly receiving and exchanging shareholders' or investors' opinions. Shareholders, investors, and interested parties may contact the Company for additional information through:

#### **Investor Relations Division**

Central Pattana Public Company Limited  
31<sup>st</sup> Floor, The Offices at CentralWorld  
999/9 Rama I Road, Patumwan  
Bangkok 10330, Thailand  
Tel: +66(0) 2667 5555 ext. 1614 or 1688  
Fax: +66(0) 2264 5593  
E-mail: [ir@cpn.co.th](mailto:ir@cpn.co.th)

### **5. Board Responsibilities**

The Board plays a crucial role in steering CPN's growth by setting forth its five-year policy, vision, missions, and strategic plans, with an annual review and revision to confirm their compatibility with the prevailing business environment. In ensuring strict compliance with CPN's CG policy, the Board undertakes close supervision of CPN's operation, as well as monitoring progress.

#### **The Board's structure**

The Board consists of five independent directors out of a total of 12, accounting for more than one-third of the total. A list of independent directors' names and

information appears under "Management Biography" on page 267. Fully qualified under CPN's standard, independent directors can effectively and efficiently discharge their duties for the full benefit of CPN.

To ensure an inclusive supervision of all operational aspects under CG principles, CPN has set up four Sub-Committees, one Executive Committee, and one Management Committee, as well as appointing the Company Secretary to help the Board in performing its duties. Relevant details appear under "Management Structure" on page 136.

#### **Diversity in Board structure**

CPN's emphasis on the diversity of the Board's structure, its policy is clearly defined in the Code of Conduct and CG Policy and the Nomination and Remuneration Committee Charter. The Board considers it appropriate that its structure comprises ethical and honest experts who are knowledgeable, experienced, and skillful in diverse fields relevant to the conduct of business. Furthermore, Board members are selected with non-discrimination of gender, race, religion, age, professional skill, or other qualifications.

#### **Roles of the Chairman and the President**

For clear role segregation and checks and balances, the Chairman and the President are always two different persons.

While not being an independent director himself, the current Chairman represents shareholders. Based on the deliberation of the Nomination and Remuneration Committee, and with the approval of the Board, the current structure is appropriate for CPN's business and, in fact, is a forte supporting CPN's constant success and business growth, since the Chairman is knowledgeable, experienced, skillful in the retail and property development industries, and conforms to the principles of good governance.

As a director bound by the Charter of the Board, the Chairman is committed to the Code of Conduct and CG policy in providing a role model for the Board, executives, and employees. The Chairman presides over the meetings of the Board as well as the shareholders, ensuring smooth meetings and giving directors and shareholders opportunities to express their views and recommendations freely and creatively.

The President is responsible for managing and administering day-to-day CPN businesses under its strategic plans, vision, and missions, with a scope of authority bound by law, objectives, and company regulations, in addition to the decisions of the Board and shareholders' meetings.

**Policy on limiting the number of companies and the term of directorship for directors and the President**

- A director must not serve on more than five SET-listed companies. Currently, this requirement applies.
- Independent directors may hold office for up to two consecutive terms, extendable to up to nine years in total. Taking effect from September 27, 2013, this decision is not retroactive for independent directors who assumed their titles before directors' appointment in 2008.
- The President may hold directorships in another company, but such action must not affect his own responsibility for CPN. In addition, the other company must not be in the same business or in competition with CPN. Board approval must first be sought before accepting a directorship in another company. As of December 31, 2013, the President serves as a director of CPN and two other listed companies.

**Board meetings**

- The Board jointly plans meeting dates for the entire year in advance, with at least six meetings a year. In 2013, there were nine Board meetings, consisting of six regular meetings and three extraordinary meeting, consisting of a total of 59 agenda items for consideration and 40 agenda items for acknowledgment.
- The Chairman, President, and Company Secretary jointly set a clear agenda before each Board meeting. All directors can freely propose agenda items for consideration by the Chairman before inclusion in a meeting.
- The Company Secretary must submit meeting documents that can be revealed in a written form without affecting CPN's business operations to the directors at least seven days in advance for consideration, together with an invitation letter specifying the meeting date, time, place, and agenda. In emergencies, to protect CPN's rights or interests, appointments for such meetings can be made through other methods at shorter notice.
- During each meeting, the Chairman allocates enough time for discussion of each significant issue and encourages all directors to creatively and freely express ideas with due discretion, with the Company Secretary and Legal Department in attendance to take notes.
- Any director with a vested interest on any agenda item must abstain from the meeting and voting on that item.
- If a situation occurs that is critically important or may have a significant impact on CPN and/or

any stakeholder, the management will submit full details of the incident to the Board for consideration, opinions, and suggestions—for example, the determination of the contractual framework required for overseas investment.

- The minutes of Board meetings and all relevant information and documents are safely stored in electronic files together with the original documents.
- For any question arising during a meeting that requires follow-ups and/or additional information from any involved department, the Company Secretary will coordinate and submit additional details/information to the Board as soon as possible.
- The Company Secretary must submit monthly reports, comparing achievements against the Board-approved targets, for the directors' acknowledgment.
- Non-executive directors must hold at least one exclusive meeting a year. In 2013, four meetings were held in February, September, October, and November to discuss strategic plans, business directions and related issues on risk management. A summary of issues and recommendations from the meetings were acknowledged by the Board and the management for further improvement of CPN.
- The efficiency of Board meetings is evaluated at every Board meeting to promote constant improvement of directors' performance and meeting arrangement. The outcomes of such evaluations for 2013 averaged 97%.
- The Board also regularly considers any changes in relevant laws, rules, and regulations that are crucial to CPN, together with any news and updates on good CG practices, so that ongoing

activities of the Board fully conform to any revised and relevant laws, as well as rules, regulations, and guidelines currently in effect.

## THE BOARD'S SELF-EVALUATION

### Board's Self-evaluation Form

#### *Method*

CPN Board's Self-evaluation Form applies SET's evaluation approach to suit the characteristics and structure of the Board of Directors. The results are key factors for the enhancement of directors' performance and related duties. The evaluation form consists of two key components:

**Component I** The Board evaluates the scores given to the following six aspects of its operation:

- 1) Board structure and qualifications
- 2) The roles, duties, and responsibilities of the Board
- 3) Board meetings
- 4) Board performance
- 5) Relationship with management
- 6) Director's self-improvement and executive development.

**Component II** The Board gives its opinions and suggestions or identifies special issues of interest about its performance or different aspects of CPN's operation.

#### *Procedure*

At the end of each year, the Company Secretary will send a self-evaluation form to every director, collect the completed forms, prepare a summary report, and submit it to a Board meeting as an agenda item for acknowledgment and discussion.

The Board's self-evaluation for 2013 scored an average of 98%. Furthermore, the Board gave its

opinions on the progress of social responsibility programs, human resource management, and strategic development for overseas business expansion.

#### Director's Self-evaluation Form

##### *Method*

Designed to assist each director in reviewing and enhancing his/her performance, this evaluation form fully aligns with the Board's legal obligation, CPN Director's Charter and Code of Conduct, and the best-practice guidelines of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), by focusing on:

- 1) Director's code of conduct and performance
- 2) Strategic formulation, supervision, and monitoring of CPN's operation
- 3) Responsibilities toward stakeholders.

##### *Procedure*

At the end of each year, the Company Secretary will send a self-evaluation form to every director, collect the completed forms, prepare a summary report, and submit it to a Board meeting as an agenda item for acknowledgment and discussion.

The Director's self-evaluation for 2013 scored an average of 94%.

#### Subcommittee's Self-evaluation Form

All subcommittees must undertake annual self-evaluation, the outcomes of which are applied to boost their input to supporting CPN committees' work and each dimension of its business operation. The detailed outcomes of this year's evaluation are as follows:

- The Audit Committee scored an average of 97%
- The Nomination and Remuneration Committee scored an average of 95%

- The Corporate Risk Management Committee scored an average of 90%
- The Corporate Governance Committee scored an average of 91%.

#### Evaluation of the CEO's performance

##### *Method*

Based on SET's evaluation approach, the CEO evaluation form consists of two key components:

**Component I** Evaluation of the 10 following aspects of CEO's performance:

- 1) Leadership skills
- 2) Strategic identification skills
- 3) Adherence to strategic plans
- 4) Financial planning and outcomes
- 5) Relationship with the Board
- 6) Relationship with other business entities and other sectors
- 7) Management skills and staff relationship
- 8) Succession plan
- 9) Products and service knowledge
- 10) Personal qualifications.

**Component II** CEO development: Under this component, CEO's strengths are identified, including other aspects that should be further developed, with additional opinions provided by the Board.

##### *Procedure*

The CEO participates in the process of setting his own performance targets and acknowledges the targets approved for the year. At the end of each year, the Company Secretary will distribute a CEO evaluation form to all directors and the CEO for self-evaluation. The completed forms will then be compared, and the information acquired from the comparison will be used for the CEO's further career development.

The Company Secretary will collect all the information and prepare a summary report, which will be submitted to the Nomination and Remuneration Committee and the Board for the consideration of the CEO's future compensation.

#### Training and Seminars of the Board

In supporting Board members' continual knowledge enhancement and the sharing of experience gained from their discharge of duties as a Board and/or sub-committees member, the Company Secretary keeps them informed about upcoming seminars and training courses dedicated to directors, as well as coordinating and facilitating their attendance. Details of attendance at seminars and participation in directors' training courses appear under "Management Biography" on page 267

#### Internal Control and Internal Audit

CPN's internal control and internal audit are key mechanisms ensuring the efficiency and effectiveness of CPN's operation, the accuracy and reliability of financial reports, and strict compliance to relevant laws and regulations. Staff's understandings of these mechanisms are constantly enhanced at all levels via their respective lines of command and CPN's diverse public relations channels.

Internal Audit's scope of work is to ensure that all employees perform their duties in strict compliance with CPN's policies, standards, work procedures, regulations, and applicable laws.

Assessment on the adequacy of CPN's internal control system is undertaken annually by relevant management divisions and Internal Audit. The five aspects of control are as follows:

1. Corporate and business control environment
2. Risk management
3. Management's operation
4. Information technology system and communication
5. Monitoring and evaluation system.

The findings are reviewed by the Audit Committee and reported to the Board for consideration and opinions.

CPN's current head of Internal Audit is Mr. Teerapan Sattagowit, appointed by the Audit Committee and serving as Assistant Vice President of Internal Audit.

#### Control and Prevention of the Use of inside information

To ensure equitable treatment of all shareholders and assuring them that relevant directors and executives are prohibited from undertaking dishonest stock transactions for their own benefit or the benefit of others, the Board ensures that a policy is in place to control the use of inside information and transactions on CPN's shares.

- **Control of inside information:** Directors, executives, and all employees must not use any significant information of CPN, not yet disclosed to the public, for their own benefit or the benefit of others and must strictly observe the policy specifying the safeguarding and use of inside information.
- **CPN stocks:** CPN directors, executives, and employees may invest in CPN's share transactions. However, to prevent conflicts of interest, these personnel and related persons (spouses and under-aged children) must not buy, sell, transfer, or accept any transfer of the shares during the one-month period before the public disclosure of CPN's financial statements. If any of them buys, sells, transfers, or accepts transfer of CPN's stocks, they must prepare and report their lists of shareholding and any change in their shareholding to the regulators as specified.

If any executive or employee violates this policy, they will be considered guilty of having violated CPN's regulations and may be punishable by law.

- **Disclosure on the holding of CPN shares:** The Company Secretary must file a quarterly report on the shareholding of directors, executives, and related persons and submit it to the Board.

#### Monitoring of conflicts of interest

It is CPN's policy to conduct business with honesty, open-mindedness, transparency, and fairness. CPN's directors, executives, and employees must not engage in any business in competition with CPN or undertake any connected transaction related to them or people/legal entities, which could pose any conflict of interest to CPN. The Board must ensure strict conformance to the regulations and procedures for the disclosure of connected transactions specified by the law and the regulators.

If a connected transaction is unavoidable, however, such transaction must follow the general business provisions as specified and approved by the Board, based on transparency and fairness in the same way as ordinary transactions undertaken with outsiders, taking into account the best interests of CPN. Any party involved in a conflict of interest transaction must not take part in the consideration of such transaction. If connected transactions that breach the approved general business provisions could pose any conflict of interest, the Audit Committee will examine such transactions and include its opinions to the Board or shareholders for approval.

- **Disclosure of connected transactions:** For each fiscal year ending on December 31, directors and executives must fill out the connected transactions

disclosure form to demonstrate their transparency, thoroughness, and discretion for deliberating connected transactions during the year. The form is provided by the Company Secretary, who also collects the disclosed information.

- **Disclosure of personal interests held by directors, executives, and related parties:** Directors and executives must submit their first disclosure report within 30 days after first holding office and submit subsequent reports of their interests as of December 31 every year. To ensure the transparency of direct and indirect transactions undertaken by directors, executives, or related parties during the year, such directors or executives must notify CPN without delay by indicating facts about the nature of such contracts, names of counterparties, and their personal interests in such contracts.
- **Disclosure of vested interests:** Directors and executives must report vested interests held by themselves and related persons under the regulations, conditions, and methods specified by the Capital Market Supervisory Board. The Company Secretary must compile and submit a copy of the report of such vested interests to the Chairman and Chairman of the Audit Committee within seven days after receiving the report.

In 2013, CPN did not receive any complaint about misuse of inside information committed by any director or executive.





## SUSTAINABILITY MANAGEMENT

CPN's sustainable development stems from its determination to conduct a business under corporate governance and corporate values to build up confidence among all stakeholders. Tangible actions are taken through policies, business plans, and operating plans, as well as regular follow-ups by various responsible committees, particularly policies relating to energy conservation, staff development, and community development. CPN has applied business performance assessment methods of national and international standards to its policy implementation, monitoring, and information disclosure to ensure business growth with stability and efficiency along with proper use of resources to win acceptance and appreciation by all sectors of the public.

### Sustainability Development Report

This is the second year in which CPN has produced a Sustainability Report to present its 2013 performance in economic, environmental, and social aspects. The report is based on Global Reporting Initiatives (GRI: G4) with some KPIs applicable for CPN business selected, and more KPIs significant to the business and stakeholders will later be included.

The report covers performance of 23 shopping centers under CPN management, except for information about some environmental aspects covering only 20 stores excluding new shopping centers opened during 2013, namely CentralPlaza Ubonratchatani, CentralFestival Chiangmai, and CentralFestival Hatyai.

### Sustainability Development Management

In 2013, CPN adjusted the role of the Sustainable Development Committee, which comprises seven senior executives, while setting up a special task force made up of representatives from various units.

The task force drew up guidelines and strategies involving sustainable development that better correspond with CPN strategies. Moreover, outside experts were hired to join meetings with senior executives from all units and provide them with recommendations. Sustainable development issues derived from the meetings were ranked using the materiality matrix that reflects their significance to the organization and stakeholders. The approach benefited the company in its policy and work plan design as a result. In this regard, some sustainable development issues that CPN has already embraced would be strategically adjusted, while some would require more in-depth management to foster stakeholders' participation and success attainment.

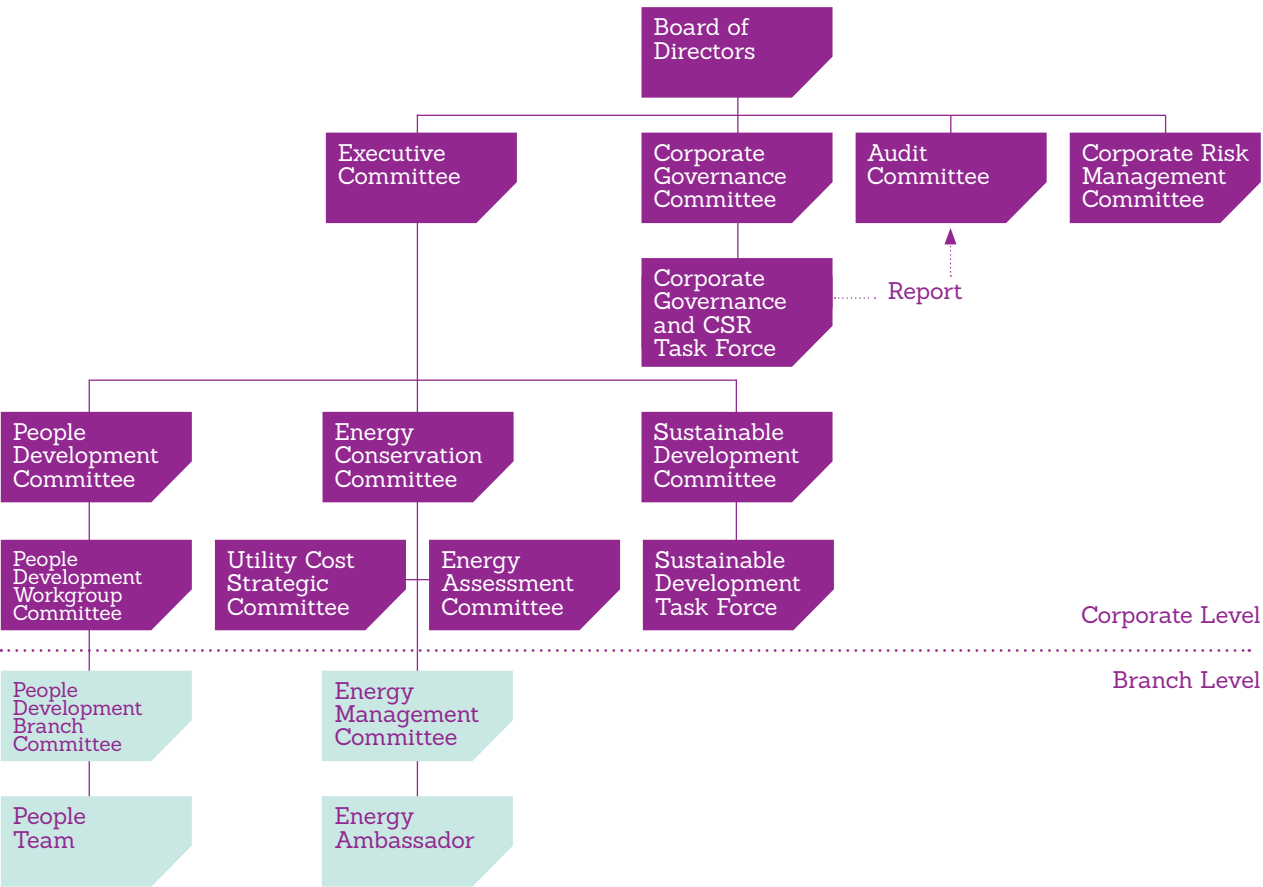
Committees with responsibilities for sustainable development are structured as follows:

- The Corporate Governance Committee, comprising six executives headed by the Senior Executive Vice President, defines corporate governance policies, strategies and operating plans, as well as monitoring the outcomes and social responsibility execution. The committee also advocates more systematic management that promotes corporate sustainability.
- The Energy Conservation Committee, comprising two senior executives and 11 management officers representing the Head Office and branches, oversees, supervises, and monitors overall energy management at each shopping center to achieve the target specified in the long-term energy conservation plan. In 2013, the Utility Cost Strategic Committee was specifically set up for devising strategies for management of exhaustible natural resources. The committee consists of four senior executives and 13 representatives at the management level from the Head Office and branches.

- The People Development Committee at the corporate level and three similar committees at the functional level, namely operation, business development, and accounting and finance, formulate policies to develop human capital into moral professionals.

While there are senior executives sitting on each of the above committees, subcommittees and working committees were set up as a bridge between the policy and operation levels. The committees can follow up work progress through weekly, monthly, and quarterly meetings as seen appropriate for each project.

Chart of Sustainable Development Management



## Progress of sustainable development plan for 2013

Project	Page	Work Plan	Progress and Performance	Way forward
Economic Dimension				
Business expansion	104	<ul style="list-style-type: none"> <li>Opening branches in Bangkok and upcountry</li> </ul>	<ul style="list-style-type: none"> <li>Revenue derived from space rental and services and net profit achieving growth 18% and 34% respectively from 2012</li> </ul>	<ul style="list-style-type: none"> <li>Keeping stores trendy and able to respond to consumers' lifestyles</li> <li>Continuous expansion of domestic branches</li> <li>Expansion of overseas branches</li> </ul>
Environmental Dimension				
Energy management	105	<ul style="list-style-type: none"> <li>Reducing energy consumption by 5% within five years (2012 – 2017)</li> </ul>	<ul style="list-style-type: none"> <li>Specific Energy Consumption (common areas and central air-conditioning system) reduced by 5.5% at 20 stores</li> </ul>	<ul style="list-style-type: none"> <li>Application of ISO 50001</li> <li>Adjustment of Energy Conservation Committee's role to focus more on strategy</li> <li>Creating awareness of energy conservation and expanding the scope of work to trading partners and communities</li> </ul>
Water management	108	<ul style="list-style-type: none"> <li>Increasing water consumption efficiency</li> </ul>	<ul style="list-style-type: none"> <li>Data useful for management strategy collected</li> </ul>	<ul style="list-style-type: none"> <li>Expansion of water recycling system to branches considered appropriate</li> </ul>
Garbage and waste management	108	<ul style="list-style-type: none"> <li>Application of ISO 14000</li> </ul>	<ul style="list-style-type: none"> <li>Certified with ISO 14000 standards</li> </ul>	<ul style="list-style-type: none"> <li>Further improvement of waste water management</li> </ul>
Social Dimension				
Human Capital Development	116	<ul style="list-style-type: none"> <li>Development of staff skills, potential, and leadership for career growth</li> </ul>	<ul style="list-style-type: none"> <li>Training attendance recorded at 22 hours/ person on average</li> <li>Staff turn-over caused by market force lower than market average</li> </ul>	<ul style="list-style-type: none"> <li>Developing Management Trainee Course to groom future leaders and specific courses on shopping center development and management</li> </ul>

Project	Page	Work Plan	Progress and Performance	Way forward
Health and safety	117	<ul style="list-style-type: none"> <li>• Accident and fire prevention</li> </ul>	<ul style="list-style-type: none"> <li>• Safety data systematically collected</li> </ul>	<ul style="list-style-type: none"> <li>• Enhancing safety both during construction and after store opening</li> </ul>
Stakeholder engagement	110	<ul style="list-style-type: none"> <li>• Development of suitable communication channels with key stakeholders to listen and respond to their voices</li> </ul>	<ul style="list-style-type: none"> <li>• Satisfaction scores given by business partners and customers achieved as targeted</li> <li>• Staff loyalty scores increased by 3% for three consecutive years</li> </ul>	<ul style="list-style-type: none"> <li>• Developing communication channels to listen to stakeholders' voices and collecting data for further development while expanding scope of stakeholders as suggested by the Materiality Matrix</li> </ul>
Community and Social development	118	<ul style="list-style-type: none"> <li>• Participation in projects or public activities for mutual benefit</li> <li>• Providing space as a community center for cultural promotion</li> </ul>	<ul style="list-style-type: none"> <li>• Data about community and social development systematically collected with number of projects increased by 88%</li> <li>• Data collected more systematically</li> </ul>	<ul style="list-style-type: none"> <li>• Developing communication channels to listen to communities' voices with knowledge management and cooperation strengthening</li> <li>• Making analysis, assessment, and arrangement of activities suitable for each particular site while measuring degree of community participation</li> </ul>

## ECONOMIC DIMENSION

CPN conducts its business in response to the strategy on development and management of shopping centers with determination to grow continuously and sustainably aiming to become a regional organization. As at December 31, 2013, CPN derived total revenue of 21,709 million baht from 23 stores and other businesses under its management.

In 2012 and 2013, CPN launched five upcountry branches, namely CentralPlaza Suratthani, CentralPlaza Lampang, CentralPlaza Ubonratchathani, CentralFestival Chiangmai, and CentralFestival Hatyai, creating jobs for 15,000 workers during construction while over 10,000 local residents are hired as workers in retail shops, as sub-contractors,

and as CPN staff. In addition to generating higher income for communities, CPN takes part in the development of public utilities, such as construction of community power distribution station, water supply and waste water piping, public road and traffic system for communities surrounding the stores.

In the previous year, CPN made a number of social contributions for the disadvantaged, for educational and religious support, and for disaster relief worth altogether 9,132,720 baht. The contributions were made through the Tiang Chirathivat Foundation, Foundation for Environmental Preservation, and education institutions, as well as direct donations to many other charities.

Details about business performance in economic dimension are presented on page 14

## ENVIRONMENTAL DIMENSION

CPN always observes the policies in the environmental dimension along with those in economic and social dimensions, which support its management strategy to reduce shopping centers' operating expenses, especially the energy cost. Realizing that the climate change and oil price fluctuation are influencing factors for the business, CPN devised a policy and implementation plan on energy for all units concerned together with regular monitoring of business performance in the environmental dimension. ISO 14000 and ISO 15000 have been applied while committees, task forces, and a special unit were established to take charge of drawing up policies and plans, monitoring, and constant performance assessment in three areas, namely (1) energy management; (2) water, garbage, and waste management; (3) ecology management.



## Energy Management

Since electricity constitutes the prime cost of running the shopping center business, CPN highly values energy management. Volume of electricity consumed in the business was brought for calculation of greenhouse gases and was made a KPI for CPN in its attempt to raise its management to international standards.



CPN's three dimensional policy on energy conservation below has been implemented:

- (1) Technical dimension: Application of up-to-date and environmentally friendly technologies to CPN's projects
- (2) Organizational structure and policy dimension: Issuing short-and long-term plans with their KPIs and clear goals, and with committees set up at various levels to take responsibilities from policy implementation to follow-ups
- (3) Behavioral dimension: Campaigning for behavioral changes among staff, tenants, customers, and neighboring communities through energy conservation awareness

In 2013, five more energy conservation techniques were added to those of the previous year and applied at 19 branches requiring an investment (only in 2013) of 43.96 million baht. Power consumption, as a result, was reduced by 17,831,195 kWh per year. In parallel, a new KPI on energy efficiency, Specific Energy Consumption or SEC, was introduced. By comparison

with 2012 (part of the management performance assessment during 2012–2017), it was found that as at December 31, 2013, SEC rate declined by 5.5% while accumulated SEC during the past five years could reduce over the target of the 2008–2013 plan at 3%.

Reduction in SEC from the previous year was the fruit of the various measures CPN applied in the course of 2013. Most of the reduction was found in the air-conditioning system and in the store's common areas, which are under CPN's direct control and achieved 2% and 3% decrease respectively from the previous year. However, power consumption by retail shops registered a 5% increase due to the higher number of new tenants. CPN, therefore, will include tenants in its energy conservation mission through its long-term operating plan.

CPN has been paying more attention to alternative energy. Electricity consumed at CentralWorld and CentralPlaza Chaengwattana reportedly came from solar cells by an addition of 11.5%. Solar farms to replace power generation from biomass and fuel cells are also part of the current research.

#### Power Consumption

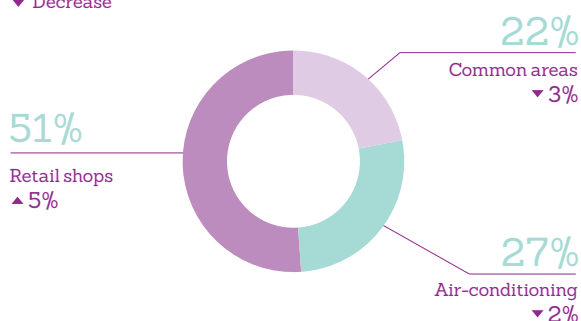
Year	Number of Projects	Power Consumption (GWh)	Specific Energy Consumption (kWh/m <sup>2</sup> )
2010	14	448	284
2011	15	456	282
2012	18	585 *	288 *
2013	20	595	281

\* Power consumption figures were different from those in the 2012 Annual Report since the calculation method was changed while the business area has increased from four projects, namely CentralPlaza Chiangmai Airport, CentralPlaza Ramindra, CentralPlaza Lardprao, and CentralPlaza Udonthani.

### Power Consumption by Primary Source in 2013

% Contribution Change from 2012

- ▲ Increase
- ▼ Decrease



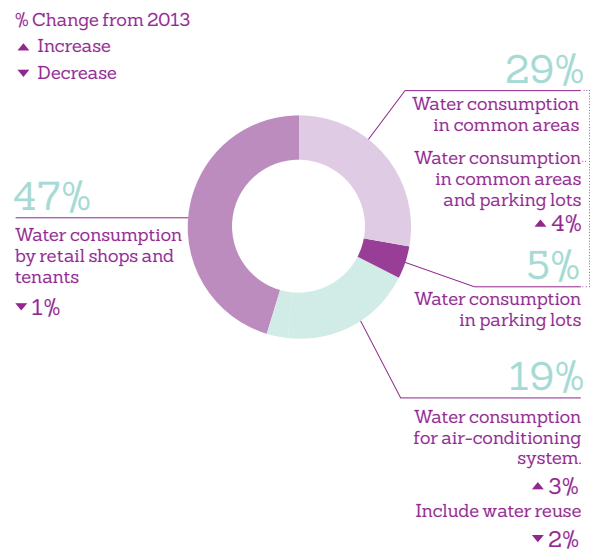
Energy conservation measures applied by CPN during 2013	Number of projects	Power consumption reduced (kWh/year) *estimate	Ton CO <sub>2</sub> reduced	Investment (million baht)
Measures to reduce power consumption for air-conditioning system (chillers)				
Utilization of high-efficiency chillers and improvement of cooling towers	6	1,794,740	951	20.7
Installation of Variable Speed Drive (VSD) on chillers	11	3,335,301	1,768	8.5
Utilization of automatic Ball Cleaning System in the cooling system	4	1,316,094	698	10.5
Measures to reduce lighting / Measures on alternative energy, and other measures				
Change of lighting system and light bulbs	4	827,607	439	3.2
Application of solar cells	2	162,836	86	-
Other measures: installation of automatic escalators, adjustment of the air-conditioning system	14	3,919,327	2,077	1.2

Other techniques that CPN accepts as energy conservation standard are presented in [www.cpn.co.th/sustainability](http://www.cpn.co.th/sustainability).

CPN has gone through studies about energy conservation and devised a policy to cope with the climate change. The company also holds 'Energy Day' to promote energy conservation among staff and tenants every year with a total of 2,231 persons (staff and tenants) participated in this year's event. The 20 stores under CPN management also take turns organizing activities to promote energy conservation throughout the year, with 110 activities reportedly held.

Water Management

Besides reusing treated wastewater, the management process of all CPN's shopping centers relies on piped water supplied by the Metropolitan Waterworks Authority and local waterworks authorities, without impacting water users in other communities. In 2013, the 20 stores under CPN management, retail shops and tenants included, consumed 7,607,649 cubic meters of piped water, mostly in common areas and for the air-conditioning system. Water consumption by retail shops and tenants and for the air-conditioning system was reduced by 1% and 2% respectively while that for common areas was increased by 4% due to the higher number of customers. A total of 203,001 cubic meters of water was reused for the air-conditioning system, an increase of 3% compared to the previous year's figure following the improvement of the existing water recycling system at CentralPlaza Chonburi and Khonkaen and additional installation at CentralPlaza Suratthani. CPN has a strategy to install more water recycling system at 13 sites within 2015.



Waste Management

Waste Water Management

CPN follows the law regarding waste water management; all waste water is treated before releasing to public water sources. In addition to installing the waste water treatment system at all sites, CPN has applied ISO 14000 standards in its waste water management. Each branch follows two plans and one manual, namely the preventive maintenance plan and system repair plan, and the maintenance manual, in its waste water management. Properties of waster are checked both before and after treatment. Waste water examination by a third party bearing the ISO/IEC17025 certificate is carried out at least once every quarter. CPN also has a measuring, recording, and reporting process before releasing waster into public water sources. For stores situated close to public water sources, waste water is treated by a biomass technology.

### Garbage Management

CPN has a policy to reduce and segregate garbage in a closed waste piling shelter while encouraging retail shops to sort out their recyclable waste for sale instead of sending all out for landfill or burning. Training is provided for retail shops to sort their garbage into four types, namely (1) general waste, (2) recyclable waste, (3) hazardous waste, and (4) infectious waste. For shoppers, three types of trash bin-for general waste, recyclable waste, and hazardous waste-are provided at suitable areas around the store to encourage them to segregate their personal garbage. In 2013, a total of 57,246 tons of garbage was collected from 23 shopping centers for proper treatment, an increase of 3.9% per site on average from the previous year's volume. As much as 50% of the total waste was found to be dry garbage, 44% wet garbage, and 6% chemical and infectious garbage.

A report on CPN's management of shopping centers' waste piling shelter is presented on [www.cpn.co.th/sustainability](http://www.cpn.co.th/sustainability).

### Ecology Management

Included in its master plan for domestic business expansion is the policy to incorporate an ecological study of each project's surroundings into the design and construction plans. CPN keeps a good balance between the ecological system and the design of the store. For example, CPN will work with landscape architects and plant experts to move big trees grown on the construction site to a temporary place and replant them on suitable spots when the construction is complete. This was done at CentralPlaza Surattani, CentralPlaza Ubonratchatani, CentralFestival Chiangmai, and CentralFestival Hatyai. In some cases, the trees are moved to another store site, such as some big trees at CentralPlaza Pinklao, which was under renovation, were moved to CentralPlaza Salaya.

### SOCIAL DIMENSION

Realizing its responsibilities for society, CPN holds on to its business principle 'Care for society, Care for each other' By taking care of all groups of stakeholders, communities, and society, CPN hopes for appreciation and pride from the public for being part of CPN and pride in CPN for being part of the community.

## Stakeholder Engagement

Listening to stakeholders' views and responding to the needs of each group

Stakeholder	Communication channel to receive stakeholders' opinions							Approach
	Visits by executives/working teams	Meeting	Listening to opinions and recommendations	Receiving complaints	Whistleblower	Call Center / Direct line	Satisfaction survey	
Staff	•	•	•	•	•		•	Provide staff with tangible career development based on corporate governance and human rights principles / pay attention to staff well-being / offer appropriate compensation
Retail shops / tenants	•	•	•	•		•	•	Provide services of international standards with quality and safety / jointly develop promotional campaigns that can impress customers with their values and outstanding creativity
Customers			•	•			•	Create an impressive shopping experience with a complete merchandising mix / communicate with customers through effective channels
Stakeholders		•	•		•	•		Conduct business with corporate governance / respect shareholders' rights / continuously provide added value for shareholders / treat all shareholders equally
Neighboring communities	•		•	•			•	Take part in raising the quality of life and the environment in target communities within the extent of the company's limit through CPN Volunteer Project and other CSR activities
Partners (public and private agencies)	•		•					Take part in solving infrastructure and traffic problems / give support for CSR projects with emphasis on education support through CPN Growing Thai Wisdom Project
The media	•		•					Arrange for transparent and rapid information disclosure / build up good relationship
Competitors	•	•						Join Thai Shopping Center Association and Ratchaprasong Square Trade Association to share information and knowledge

• Applicable for some sites only

## **Human Resource Management**

### **Staff well-being and development**

CPN values staff well-being and development. The policy has been continued from 2012 through the three levels of People Development Committee (PDC), namely Corporate PDC, which is chaired by President & CEO; Functional PDC, which is headed by Senior Executive Vice President with functional managers as members; and Departmental/Branch PDC, chaired by department manager or branch manager with section managers as members. PDCs are in charge of formulating policies to develop human capital into moral professionals. The committees drive proactive personnel management to meet business targets and work towards the same direction with information cascaded down the line. The monthly PDC meeting is considered a fast lane for staff care and development. Some ad-hoc meetings may be also held to deal with urgent matters. During 2013, corporate PDC held altogether 16 meetings and functional PDC 37 meetings.

### **Personnel Selection and Recruitment**

In response to the rapid expansion both within and outside Thailand, CPN realizes to prepare its workforce for international competition. Therefore, staff selection and recruitment process was amended with application of various tools considered fit for the business to ensure that the selected persons can perform to their highest potential. The selected persons must also be able to grow sustainably with the business based on CPN's core value which says 'To be confidently creative and strive for excellence together'. Selection of candidates from within the organization to hold executive positions is the policy

that CPN pursues to offer staff a career path that grows with the business. A way to boost staff morale is to allow staff to move to branches in or near their hometown. The approach can inspire staff to join the company in bringing development and income generation to the provinces. In the staff selection process, Human Capital Management Department will work with line managers to ensure transparency and good corporate governance.

### **Performance Management**

In conformance to good corporate governance principles and to reach for excellence, CPN has continuously developed its performance management method. The KPI system is now used to ensure transparency, integrity, and performance excellence. In addition to the KPI system, supervisors are allowed to present their team's performance in the Performance Calibration meeting to make the performance assessment fairer with higher integrity and transparency.

### **Remuneration Management**

Staff remuneration and benefit is another prime area of CPN's concern. In the previous year, the remuneration and benefit structure was adjusted to ensure competitiveness in the labor market. Job evaluation was carried out and salary structure was reviewed to ensure that jobs in CPN business are comparable with the market with competitive remuneration offered. Staff benefit and welfare were also reviewed to keep up with the changing circumstances. CPN intends to make sure that its remuneration management could support its human resource management to bring CPN to the leading position in the property market.



### Staff well-being and staff engagement

Wishing to grow its staff along with the business, CPN treats staff like business partners by providing service and consultation for individuals, departments, and functions. CPN, in its attempt to treat staff with equality and fairness, provides better staff welfare than the market average, which covers medical welfare, education support for both staff and their children, financial assistance for marriage and funerals, and emergency loan. Staff can seek advice from the company about their career and personal matters, which will benefit both their family and working lives.

### Application of information technology for human resource management

To support business growth, Human Resource Information System, or HRIS, has been fully applied since 2012. Staff can access and process their individual's HR matters online, such as their working history, leave taking, medical reimbursement, performance assessment, and potential estimate. The system helps shorten the approval process resulting in staff's better time management. Calculation of staff remuneration can also be processed with high efficiency and accuracy—another area of preparedness for future growth.

### Personnel Data

CPN's Headcount as of December 31 for the past five years

Branch / year	2009	2010	2011	2012	2013
Head Office <sup>1)</sup>	635	655	725	896	834
Lardprao	178	187	154	158	153
Ramindra	53	51	52	48	45
Pinklao	141	138	127	123	124
Pattaya Center	89	91	87	84	84
Rama 3	106	103	101	97	103
Chiangmai Airport	142	142	146	124	101
Bangna	179	179	168	155	155
Rama 2	141	142	139	116	121
CentralWorld	396	375	356	327	333
Rattana Thibet	96	99	100	95	89
Chaeng Wattana	127	129	135	127	125
Pattaya Beach	149	155	155	152	153
Udon Thani	121	124	129	114	108
Chonburi	100	99	97	91	83

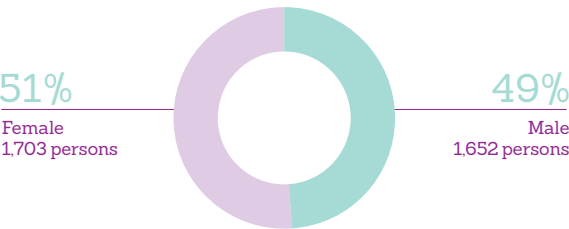
Branch / year	2009	2010	2011	2012	2013
Khonkaen	110	111	108	108	96
Chiangrai	-	43	88	84	75
Phitsanulok	-	-	78	74	66
Rama 9	-	-	110	118	110
Suratthani	-	-	-	76	76
Lampang	-	-	-	60	64
Ubonratchathani	-	-	-	47	67
Chiangmai Festival	-	-	-	-	94
Hatyai	-	-	-	-	96
<b>Total</b>	<b>2,763</b>	<b>2,823</b>	<b>3,055</b>	<b>3,274</b>	<b>3,355</b>

Remark : 1) Staff in Langsuan Colonnade Project included

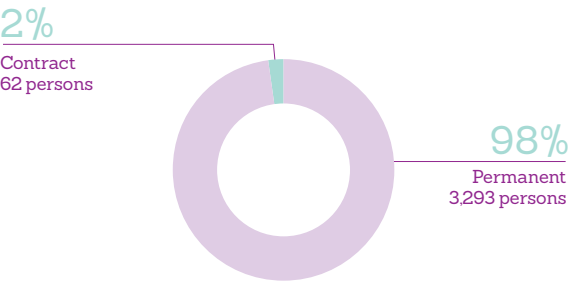
CPN respects human rights and labor rights. The company offers non-discrimination employment and provides equal job opportunities for women, the elderly, the disabled, and the disadvantaged, as well as the youth, migrant workers and ethnic groups. This conforms to the company's corporate governance principle.

Employment Information

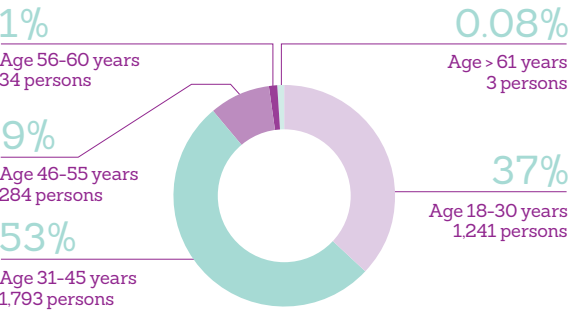
Employee by Gender



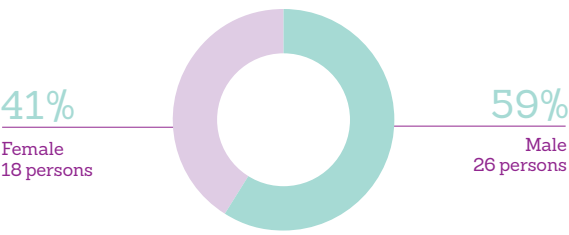
Employee by Type of Employment



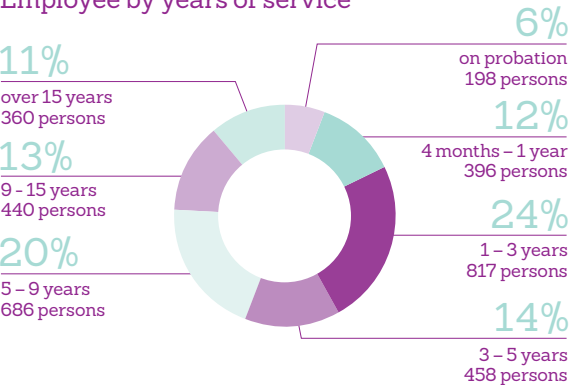
Employee by Age



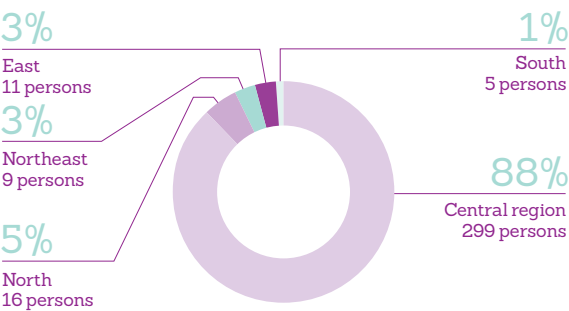
Top Managers by Gender



Employee by years of service



Total Middle Managers and Higher by Domicile



### Staff engagement

In response to the policy on staff well-being and development under the responsibilities of the People Development Committee (PDC) of all three levels, a top-down approach, CPN, in 2013, set up a People Team to particularly take charge of staff loyalty matter, a bottoms-up approach. Established in support of the existing Welfare Committee, each People Team consists of volunteers working to listen to staff opinions and voice for staff regarding their well-being and work problems in each branch or department while giving feedback to the branch PDC. Each People Team also takes part in initiating activities or projects that answer staff interests and in working with the People Team of other units to ensure that they are going towards the same direction. This year, a People Team of 23 branches and three functions were established with 348 members accounting for 10.4% of total staff.

### Complaints and grievances

CPN encourages an open, transparent, and caring culture. It opens various channels to receive staff complaints and grievances. A special committee, with a representative working on human capital management, was set up to manage staff issues with levels of confidence ensured. The committee will raise

the matters to the Board of Directors in its monthly meeting, or to an ad-hoc meeting if considered necessary. Problem solving objective is to maintain standard of employment, avoiding unfair treatment and corruption based on the corporate governance principles. There are both formal and informal channels provided for staff to raise complaints and grievances. Staff can either write to President & CEO at P.O. Box 99, Pratu Nam Post Office, 10409, or use the Idea Box placed at all branches, or write to the Audit Committee, or access [whistleblower@cpn.co.th](mailto:whistleblower@cpn.co.th). The whistle-blower will be protected and will not be at fault if the matter is found truthful.

### Contractor management during construction

During the construction period of a shopping center, all labors are hired through contractors who win the construction bidding of CPN standards. Here, major points of concern are human rights and safety. There must be no human rights abuse, such as use of child labor. All migrant workers must possess their work permits and are given fair wages. All contractors are required to provide sufficient facilities for those workers, such as toilets, shower rooms, washing areas, food shelter, welfare grocery store, and living quarters.

### Labor Information at Three Shopping Centers under Construction during 2013

Labor information	CentralPlaza Ubonratchathani	CentralFestival Chiangmai	CentralFestival Hatyai
Number of contractors	29	26	7
Number of labors	2,032	2,526	2,530
Employment classified by race (%)			
• Thai	91	82	34
• Non-Thai	9	18	66
Employment classified by gender (%)			
• Male	75	70	74
• Female	25	30	26
Employment classified by domicile (only for Thai labors) (%)			
• Local	73	49	7
• Others	27	51	93

### Human Capital Development

By CPN's aspiration to be a regional player with expansion of branches both in and outside Thailand, staff potential development at both executive and operating levels has become one of CPN forefront strategies. In this year's plan, CPN focused on making alignment of the many angles of the HR development process, ranging from setting personnel qualifications, potential estimate system, to staff development at individual and corporate levels. Receiving high emphasis was the 'promotion from within' approach in a bid to groom future leaders and retain of high potential staff to make the organization ready for both domestic and international expansion in the near future.

To ensure goal attainment, the Corporate People Development Committee (PDC at corporate level), chaired by President & CEO, will consider, closely

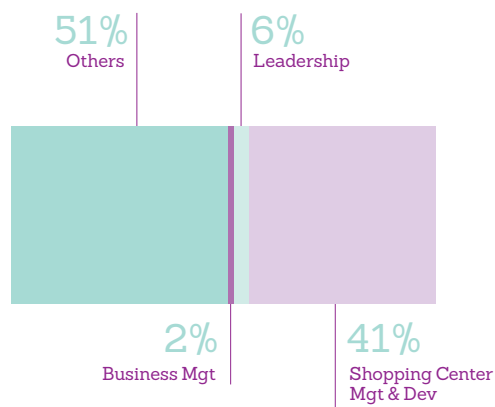
monitor, and provide opinions for HR plans. Meanwhile, the committee in charge of training, of which members are senior executives from various working areas, will work to ensure that all training courses provided for staff truly support CPN's vision and business growth.

Regarding staff potential development, evaluation of staff potential has been separated from the annual performance assessment. Potential estimate of each staff member is viewed through three dimensions, which are conformity to CPN's core values, managerial skill, and leadership skill. By this approach, the company can draw the staff development plan and sort out high potential staff.

For overall staff development, CPN Academy makes use of staff potential evaluation for designing the

annual training program. CPN training focuses on five areas comprising knowledge about shopping complex development and management, business administration, language and culture, leadership skill, and CPN core values. Still, other methods of staff development, non-training program in other words, are also respected to encourage hands-on experience. These methods, including on-the-job training, coaching, project assignment, and job rotation, have already been in practice at middle and top management levels.

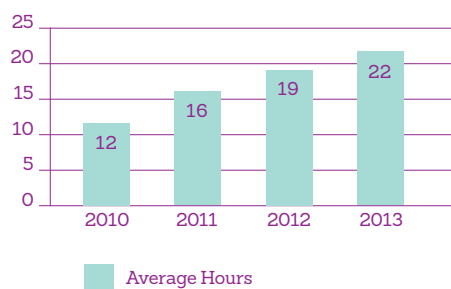
Training Course Categories



In addition to Individual Development Plans (IDPs), CPN arranges Career Plan for staff. Supervisors define their staff's career path both in short and long terms, which will be used for each year's IDPs. Then, discussion with staff will be held so that staff and their supervisors could see the same development direction. CPN also has a succession plan for key positions, which is part of the company's leader development.

As a result of the above mentioned staff development approaches, CPN, during 2013, provided more training concerning development and management of shopping complex to prepare its staff for business expansion both domestically and internationally. As well, the average training hours per year have been increased as shown in the illustration below:

Average hours of Training / employee / year



## Health, Hygiene, and Safety Management

### **Health – Indoor air quality control**

CPN arranges for indoor air quality control by installation of the automatic aeration system to pump fresh air into the building with CO<sub>2</sub> content limited at 1,000 ppm. For indoor parking areas, CO detectors were installed to control carbon monoxide



level within the safe limit. The intelligent parking system, which indicates empty parking rooms, was introduced to help reduce carbon monoxide emission from customers' vehicles.

#### **Food hygiene–Quality control of food stores**

CPN applies ISO9001:2008 standards to the management of food store operators as well as CPN-managed food parks. CPN has a hygiene and safety checklist for a working team to run daily random checks at 382 restaurants and 18 food parks. Then, CPN will hold monthly meetings, or weekly if follow-ups are required, with restaurant operators to give them feedback as well as knowledge for service and cleanliness improvement. CPN also cooperates with provincial agencies in devising a plan for kitchen cleanliness inspection and providing restaurant operators with regular training on food hygiene and safety to promote restaurant hygiene awareness.

#### **Safety–Preventive measures to ensure construction safety**

Construction safety is an issue closely monitored by the risk management committee at operating level and other working units concerned. CPN has clear safety measures included in the contracts signed with business partners or construction contractors. Safety officers are required to always be present at the construction site. Third party safety experts possessing an ISO 9001:2000 certificate are also hired to run safety inspection in addition to the weekly inspection carried out by CPN's project manager. Results of safety inspection are monitored weekly so that timely corrective actions, if required, can be taken.

#### **Safety–Preventive measures in shopping center management**

CPN keeps a close watch on both indoor and outdoor areas of each shopping center, office building, and residential condominium to ensure safety of lives and assets of tenants and customers. CCTVs are installed at all stores while regular inspection and maintenance are carried out for equipment prone to accident, such as elevators, escalators, gas stoves, and cooking appliances. Emergency plans are also drawn using ISO 9001:2008 standards, and fire drills are carried out with staff and tenants. Training on basic and advanced fire fighting is provided for staff and others involved every year. As well, CPN runs a safety campaign to promote building safety awareness among staff and tenants.

#### **Community and Social Development**

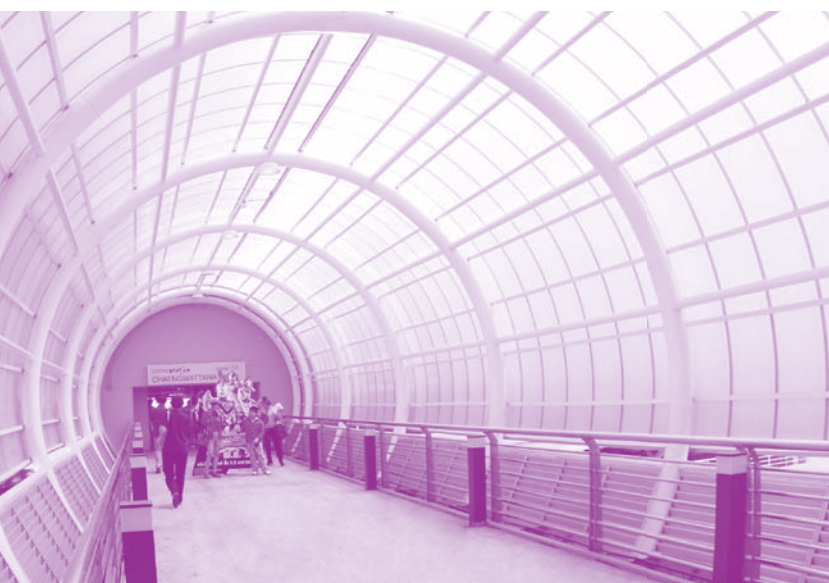
CPN is determined to support development of communities surrounding its shopping complexes. In addition to running a business with social responsibilities, CPN attaches importance to providing communities with support for education and culture while taking part in building up a caring society. In doing so, CPN listens to communities' needs through various channels. The company participates in the improvement of infrastructure of communities considered less developed. CPN works with local government agencies and transport authorities in traffic planning to make the store the community's communication center. CPN also provides a space for use as a common area for those who share the same value regarding human and community development in terms of culture, education, economics, and general well-being. This is to gain trust and acceptance as a corporate member of the community.

After having exchanged knowledge among various model organizations in Thailand, CPN decided to reformat its 2013 report on community and social development. The report is categorized by type of social projects and activities taking into consideration

degree of community's coverage and degree of CPN's participation in three forms, which are 1) providing activity area; 2) support for investment or expense; 3) project execution by CPN or by cooperation with partners.

Degree of community's coverage	high	<ul style="list-style-type: none"> <li>• CPN Loves Communities and Protects the Environment Project [21]</li> <li>• Construction of public facilitation structures [7]</li> <li>• Grand Opening Charity [3]</li> </ul>	<ul style="list-style-type: none"> <li>• Children's day activities [8]</li> <li>• Providing space for promotion of provincial cultural events [10]</li> </ul>
	low	<ul style="list-style-type: none"> <li>• Offering space free of charge for holding activities [37]</li> <li>• Center for organizing donation activities, such as blood donation and disaster relief charity [ 6 ]</li> <li>• Joint activities with other parties, such as energy saving, 60 Earth Hour [13]</li> </ul>	<ul style="list-style-type: none"> <li>• Providing education opportunity under CPN Cultivates Thai Wisdom Project [7]</li> <li>• Volunteer activities under CPN Volunteer Project [22]</li> </ul>
		low	high
Degree of CPN's participation			

[x] number of projects/activities held in 2013



During 2013, CPN's financial support for community social development amounted to over 8.8 million baht (excluding the monetary value of uncharged space rentals). The support helped drive 134 projects/activities (including the use of activity space free of charge) in provinces where located shopping complexes under CPN management as well as in other needy areas around the country.

For more information concerning sustainable development, please contact:

Khun Saowanee Jarusruangchai  
Sustainable Development Department  
Tel: +66(0) 2667-5555 ext. 6401  
fax: +66(0) 2264-5593  
email: [jasawanee@cpn.co.th](mailto:jasawanee@cpn.co.th)



## ORGANIZATION DEVELOPMENT

Advancing into the fifth year of CPN's organizational realignment to fulfill its challenging vision, missions, and goals, this year's focuses were on the management structure, procedures, and work processes at the operating level, with application of new IT systems to daily operation.

To ensure service quality while maintaining employees' satisfaction with self-development opportunities on every work day, CPN closely supervised their work standards and looked after their welfare under an environment that promotes learning.

This year marked the establishment of new, more productive work processes at the operating level. To further boost corporate performance, CPN's SOPs (Standard Operating Procedures) were specified after a systematic review of over key work processes throughout the CPN value chain. SOPs also played a key role in the integration of the ERP (Enterprise Resource Planning) system, launched in the middle of last year after comprehensive training for staff at every branch.

Besides the ERP system that facilitated operational development to meet international standards, CPN installed HRIS (Human Resources Information System) to ease daily tasks and approval processes. Applied within CPN's contextual requirements, both systems were instrumental to the achievement of planned targets.

While continuing implementation of the ISO 9001 and ISO 14001 quality management standards at its old and new branches, CPN also launched the

pilot phase of ISO 50001 standard at CentralPlaza Lardprao and CentralPlaza Rama 2 to maximize the efficiency of energy management. These programs, together with the Dream Team project designed to improve the internal functions of all branches nationwide, were included in the CPN Management System, CPN's management excellence framework.

To inspire learning among new staff, management officers, and executives, as well as broadening management team's knowledge and perspectives, training programs were added, including the Fundamental of Property Development and Management course, conducted by CEO and executives; the Growing with CPN program, a three-day course for new middle-management officers; and the Executive Sharing program, providing CPN's officers with the opportunities to learn from the experience of external executives.

Assorted activities were held throughout the year to strengthen the relationships, teamwork, and unity spirit both within and among operating units, recognized as the basis for corporate performance. These included Staff Party, Sports Day, Thank You Party, CPN Volunteer, and One Vision, One Team activities for all branches nationwide.

Besides organizing staff training and activities, CPN's emphasis on its personnel was demonstrated via the development of assorted channels for the timely communication of current situations and key directions, ensuring common understanding and a united response among all staff.

## RISK FACTORS

CPN is committed to sustainably managing business risks and promoting risk management as part of its value-added culture. The emphasis is on managing such risks to an acceptable level through appropriate avoidance, transfer, control, and coping strategies. Below are the major types of risk facing the Company:

### 01

#### STRATEGIC RISK



##### >> Business Readiness Risk

In supporting the policy of growth through domestic branch expansion and tackling fierce competition, CPN focuses on becoming a regional retail property developer by implementing strategies in conformance to its missions and business plans. To achieve such goals and strategies, some business readiness risks may need to be effectively managed.

To ensure that strategies and objectives are compatible with acceptable risks, CPN undertakes project feasibility studies, solid strategic workforce planning, and formation of a manpower model for shopping complexes, along with analysis of business partners' readiness and capabilities via the Company's Right Tenant Right Location project. CPN also keeps a close watch on economic situations that may affect its overall business operation by monitoring retail sales indices and customer confidence indices.

##### >> Foreign Investment Risk

Under its overseas business expansion plan in response to the policy of constant business growth, CPN needs to manage investment risks in targeted countries by applying assorted measures. Such risks include the economic situations and demand fluctuation in these countries, which may affect its overseas investment policy. A key emphasis is to prepare its personnel to ensure business growth via effective handling of each country's economic situation.

Before making investment decisions, CPN proactively manages such risks by undertaking detailed studies on relevant information regarding business conduct in each target country; close monitoring of the economy, social situation, and relevant businesses; and identification of competent investment alliances. Under the defined personnel management policy for overseas staff, CPN's international HR unit was established to determine the compensation rates and welfare provision for each country, ensuring efficient allocation of competent personnel. The unit also develops training courses on shopping center management with input from advisers.

## 02

### OPERATIONAL RISK



Being a retail developer offering rewarding shopping experience superior to those of its competitors, CPN is under the threats of work-related accidents, fires, disasters, political situations, and other unpredictable threats related to shopping center management. Such threats may cause significant damage to its image, financial position, business opportunities, personnel, processes, and properties.

To ensure effective management of work-related risks, CPN's Committee on Safety, Occupational Health and Work Environment was set up under applicable ministerial regulations to prevent and solve accidents and losses.

A loss preventive team operating under the Operational Standard Promotion and Supervision Bureau also serves as the center for risk factor analysis, covering threats from political situations, fires, floods, and other risks. Besides developing a manual on crisis management plans, CPN constantly organizes simulated exercises on various crisis situations and applies analyzed outcomes to the revision of its crisis management plans to ensure proactive responses as required by its Business Continuity Management standard.

## 03

### COMPLIANCE RISK



As a retail developer with social, community, and environmental awareness, CPN strictly observes relevant laws and regulations. A team of legal experts studies, monitors, and analyzes legal limitations, including impacts from the amendment of relevant laws and regulations that may hinder CPN's domestic and overseas business growth, with the analyzed outcomes applied in formulating effective response measures. Under CPN's Business Continuity Management System, it closely coordinates with government agencies and takes part in community relations activities.



# 04

## FINANCIAL RISK



In fulfilling its mission of becoming the most admired retail developer of all stakeholders and in implementing its policy of constant business growth via domestic and overseas branch expansion, CPN needs to acquire sufficient funding and maintain operational liquidity under the capital-intensive requirements of the real-estate business and fierce competition.

To increase its flexibility for future business expansion and reduce financial risks under a volatile business environment, CPN endeavors to achieve robust financial statements by maintaining its capital structure with a low debt-to-equity ratio under a prudent monetary policy, as well as leveraging appropriate financial instruments in sourcing capital.





CentralPlaza Chaengwattana



# CAPITAL STRUCTURE

CPN's capital structure, as at December 27, 2013, was as follows:

## 1. CAPITAL STRUCTURE

### Common shares

Authorized share capital	2,244,000,000 Baht
Paid-up share capital	2,244,000,000 Baht
Number of common shares	4,488,000,000 shares
Par value	0.50 Baht
Share price	41.00 Baht

### Unsecured and unsubordinated debentures

Debenture	Credit Rating	Amount (MB)	Issuance Date	Life (year)	Interest Payment Cycle	Repayment of Principle	Maturity Date	Balance as at Dec 31, 2013 (MB)
CPN145A	A+	1,000	21/05/2009	5	Every 6 months	Upon maturity	21/05/2014	1,000
CPN15DA	n/a	500	28/12/2010	5	Every 6 months	Upon maturity	28/12/2015	500
CPN163A	n/a	500	25/03/2011	5	Every 6 months	Upon maturity	25/03/2016	500
CPN164A	A+	1,000	29/04/2011	5	Every 6 months	Upon maturity	29/04/2016	1,000
CPN160A	A+	1,200	12/10/2011	5	Every 3 months	Upon maturity	12/10/2016	1,200
CPN180A	A+	500	12/10/2011	7	Every 3 months	Upon maturity	12/10/2018	500
CPN210A	A+	300	12/10/2011	10	Every 3 months	Upon maturity	12/10/2021	300
CPN156A	n/a	1,000	23/12/2011	3.5	Every 6 months	Upon maturity	23/06/2015	1,000
CPN171A	n/a	1,000	23/12/2011	5.1	Every 6 months	Upon maturity	23/01/2017	1,000
CPN176A	A+	1,000	01/06/2012	5	Every 6 months	Installment started	01/06/2017	1,000

Remarks: Average applicable annual loan interest rate of 4.26% per annum

Company Financial Ratios following the Debenture's Rights and Conditions	Covenant Ratios	As at Dec 31, 2013
1. Total Debt to Total Shareholders' Equity	Not over 2.50 times	1.08 times
2. Total Interest Bearing Debt to Total Shareholders' Equity	Not over 1.75 times	0.54 times
3. Total Assets (excluding Secured Debt) to Unsecured Debt	Not less than 1.50 times	4.79 times

## 2. SHAREHOLDERS

CPN's shareholding distributions as at December 27, 2013 are:

Shareholders	Shares	Shareholding (%)
<b>Registered Capital</b>	<b>4,488,000,000</b>	<b>100.00%</b>
<b>Local Shareholders</b>		
- Juristic persons	1,773,313,865	39.51%
- Persons	1,500,065,184	33.43%
<b>Total</b>	<b>3,273,379,049</b>	<b>72.94%</b>
<b>Foreign Shareholders</b>		
- Juristic persons	1,137,822,311	25.35%
- Persons	76,798,640	1.71%
<b>Total</b>	<b>1,214,620,951</b>	<b>27.06%</b>

Top ten major shareholders as at December 27, 2013 are:

Shareholders	Shares	Shareholding (%)
1 Central Holding Co., Ltd.	1,176,343,960	26.21%
2 HSBC (SINGAPORE) NOMINEES PTE LTD *	247,676,157	5.52%
3 Thai NVDR Co., Ltd.	193,546,642	4.31%
4 STATE STREET BANK EUROPE LIMITED *	182,047,123	4.06%
5 Mr. Suthichai Chirathivat	83,588,000	1.86%
6 Mr. Suthikiati Chirathivat	83,460,400	1.86%
7 THE BANK OF NEW YORK (NOMINEES) LIMITED *	79,443,586	1.77%
8 CREDIT SUISSE AG, HONG KONG BRANCH *	78,444,160	1.75%
9 BARCLAYS BANK PLC, SINGAPORE *	68,343,300	1.52%
10 Mrs. Suchittra Mongkolkiti	67,304,800	1.50%

Remarks: \* The Share Registrar is not able to give details of the names of Shareholders; however these nominee accounts do not have any influence over the Company's strategies or operational management.

**Major shareholders who have significant de facto influence on policies or operations of CPN**

Since Central Holding Co., Ltd., and members of the Chirathivat family altogether hold approximately 55% of the total shares in CPN, they have significant de facto influence on its policy formulation and operations. This is because 7 out of 12 members of the Board are representatives of these major shareholders.

**Foreign Limit in Shareholding**

CPN has set a foreign limit of 30% of the paid-up capital. As at December 27, 2013, foreign investors altogether held 27.06% of CPN's total paid-up capital.





DIRECTORS AND EXECUTIVES HOLDING CPN SHARES AS AT DECEMBER 31, 2013, ARE AS FOLLOWS <sup>(1)</sup>

No.	Name <sup>(2)</sup>	Position	No. of Shares As at January 1, 2013		
			Direct	Indirect <sup>(4)</sup>	Total
1	Mr. Suthichai Chirathivat	Chairman	83,588,000	400,000	83,988,000
2	Mr. Paitoon Taveebhol	Independent Director Chairman of the Audit Committee Chairman of the Corporate Risk Management Committee	-	-	-
3	Mr. Chackchai Panichapat	Independent Director Chairman of the Nomination and Remuneration Committee Member of the Audit Committee	-	-	-
4	Mrs. Sunandha Tulayadhan	Independent Director Member of the Audit Committee Member of the Nomination and Remuneration Committee	-	-	-
5	Mr. Karun Kittisataporn	Independent Director Member of the Audit Committee Member of the Nomination and Remuneration Committee	-	-	-
6	Mr. Kanchit Bunajinda	Independent Director Member of the Nomination and Remuneration Committee Member of the Corporate Risk Management Committee	-	-	-
7	Mr. Suthikiati Chirathivat	Director	83,460,400	-	83,460,400
8	Mr. Suthichart Chirathivat	Director	12,972,400	9,318,200	22,290,600
9	Mr. Sudhisak Chirathivat	Director	28,346,400	-	28,346,400
10	Mr. Sudhitham Chirathivat	Director	26,764,600	-	26,764,600
11	Mr. Prin Chirathivat	Director Member of the Corporate Risk Management Committee	60,665,100	192,000	60,857,100
12	Mr. Kobchai Chirathivat <sup>(5)</sup>	Director Member of the Corporate Risk Management Committee President & CEO	52,987,000	-	52,987,000

Remarks: (1) Directors and executives holding CPN shares were disclosed with the par value of Baht 0.5 each as CPN had completed the conversion of the par value of the Company's shares from Baht 1 each to Baht 0.5 each, effective on May 7, 2013  
(2) Name of directors and executives are not included Mr. Preecha Ekkunagul, taking a position of Chief Executive Officer on January 2, 2014, and not included executives under Executive Vice President Position, which are not "Executive" under the definition of the Notification set up by SEC and SET No.SorJor 12/2012 Re: The preparation and disclosure of the shareholding of the Executive Directors and Auditors. Also, CPN obtains 4 executives under Senior Executive Vice President Position.

Changes in No. of Shares <sup>(3)</sup> Increased/(Decreased) during 2013			No. of Shares <sup>(3)</sup> As at December 31, 2013			Shareholding (%) As at December 31, 2013
Month	Direct	Indirect <sup>(4)</sup>	Direct	Indirect <sup>(4)</sup>	Total	
-	-	-	83,588,000	400,000	83,988,000	1.87
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	83,460,400	-	83,460,400	1.86
January	-	9,318,200	12,972,400	18,636,400	31,608,800	0.70
-	-	-	28,346,400	-	28,346,400	0.63
-	-	-	26,764,600	-	26,764,600	0.60
September (18,519,205)	-	-	42,145,895	192,000	42,337,895	0.94
May	-	40,000				
June	-	30,000				
August	-	15,000				
September (25,881,600)	-	-				
December	-	15,000	27,105,400	100,000	27,205,400	0.61

Remarks: (3) The acquisition and disposition of securities were disclosed under an quarterly report on shareholding of directors and executive officers (Form 59-2).  
(4) Securities held by a spouse and / or children under the legal age of directors or executive officers.  
(5) The position of President & CEO ended on January 1, 2014. However, Mr. Kobchai Chirathivat still holds directorship in CPN.  
(6) The position ended on December 31, 2013.

DIRECTORS AND EXECUTIVES HOLDING CPN SHARES AS AT DECEMBER 31, 2013, ARE AS FOLLOWS <sup>(1)</sup>

No.	Name <sup>(2)</sup>	Position	No. of Shares As at January 1, 2013		
			Direct	Indirect <sup>(4)</sup>	Total
13	Mr. Sudthidej Chirathivat	Senior Executive Vice President	32,591,400	-	32,591,400
14	Mr. Naris Cheyklin <sup>(6)</sup>	Senior Executive Vice President, Finance, Accounting and Risk Management	-	-	-
15	Ms. Wallaya Chirathivat	Senior Executive Vice President, Business Development and Project Construction	17,179,200	-	17,179,200
16	Mr. Somchart Baramichai	Senior Executive Vice President, Operation	-	-	-
17	Ms. Naparat Sriwanvit	Executive Vice President, Finance, Accounting and Risk Management Company Secretary	54,000	-	54,000
18	Ms. Suwadee Singngam	Senior Vice President, Accounting and Administration	20,000	48,000	68,000

- Remarks: (1) Directors and executives holding CPN shares were disclosed with the par value of Baht 0.5 each as CPN had completed the conversion of the par value of the Company's shares from Baht 1 each to Baht 0.5 each, effective on May 7, 2013
- (2) Name of directors and executives are not included Mr. Preecha Ekkunagul, taking a position of Chief Executive Officer on January 2, 2014, and not included executives under Executive Vice President Position, which are not "Executive" under the definition of the Notification set up by SEC and SET No.SorJor 12/2012 Re: The preparation and disclosure of the shareholding of the Executive Directors and Auditors. Also, CPN obtains 4 executives under Senior Executive Vice President Position.
- (3) The acquisition and disposition of securities were disclosed under an quarterly report on shareholding of directors and executive officers (FormS9-2).
- (4) Securities held by a spouse and / or children under the legal age of directors or executive officers.
- (5) The position of President & CEO ended on January 1, 2014. However, Mr. Kobchai Chirathivat still holds directorship in CPN.
- (6) The position ended on December 31, 2013.

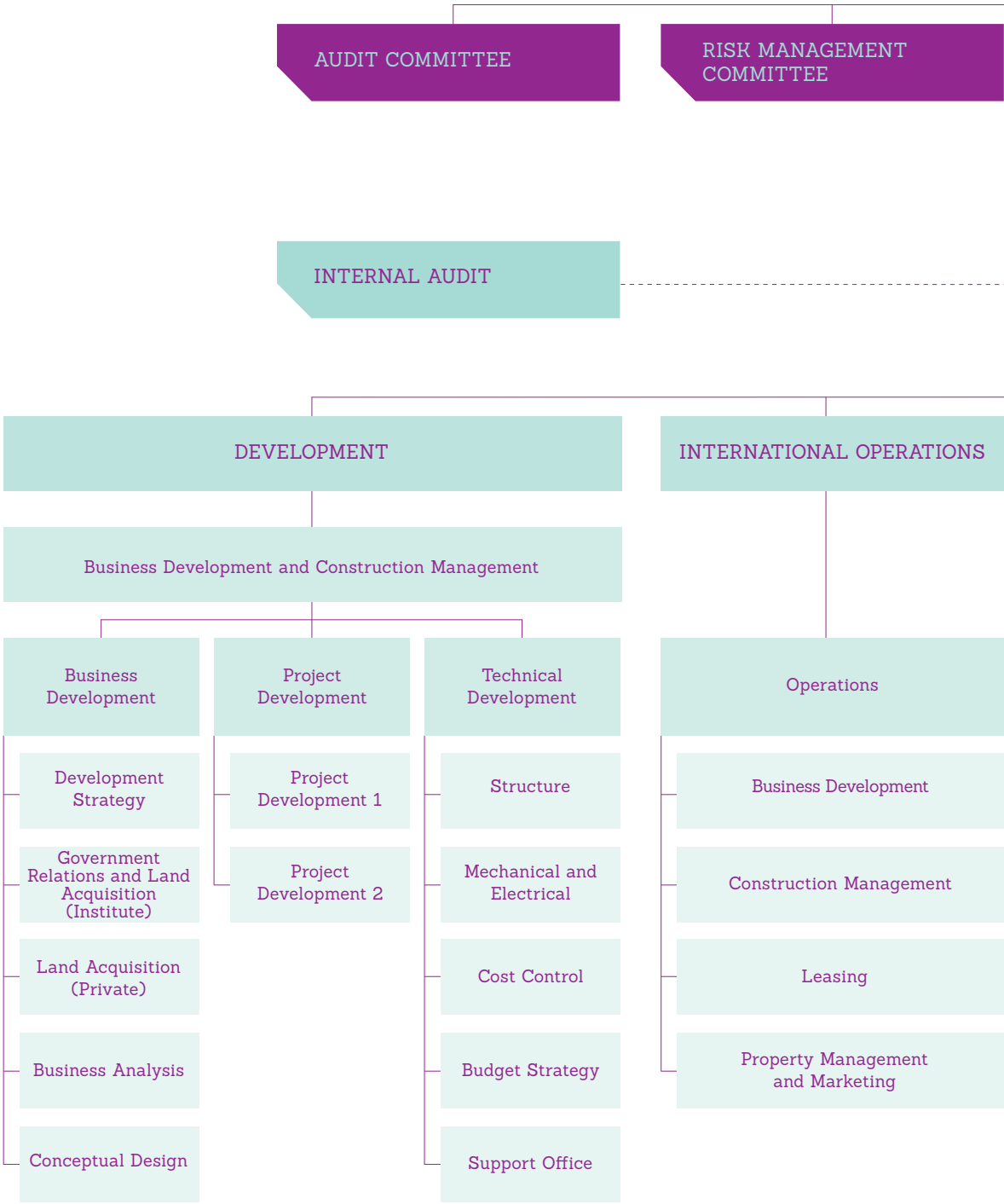
Changes in No. of Shares <sup>(3)</sup> Increased/(Decreased) during 2013			No. of Shares <sup>(3)</sup> As at December 31, 2013			Shareholding (%) As at December 31, 2013
Month	Direct	Indirect <sup>(4)</sup>	Direct	Indirect <sup>(4)</sup>	Total	
-	-	-	32,591,400	-	32,591,400	0.73
-	-	-	-	-	-	-
March	(40,000)	-	17,159,200	-	17,159,200	0.38
August	20,000	-	-	-	-	-
-	-	-	54,000	-	54,000	0.00
-	-	-	20,000	48,000	68,000	0.00

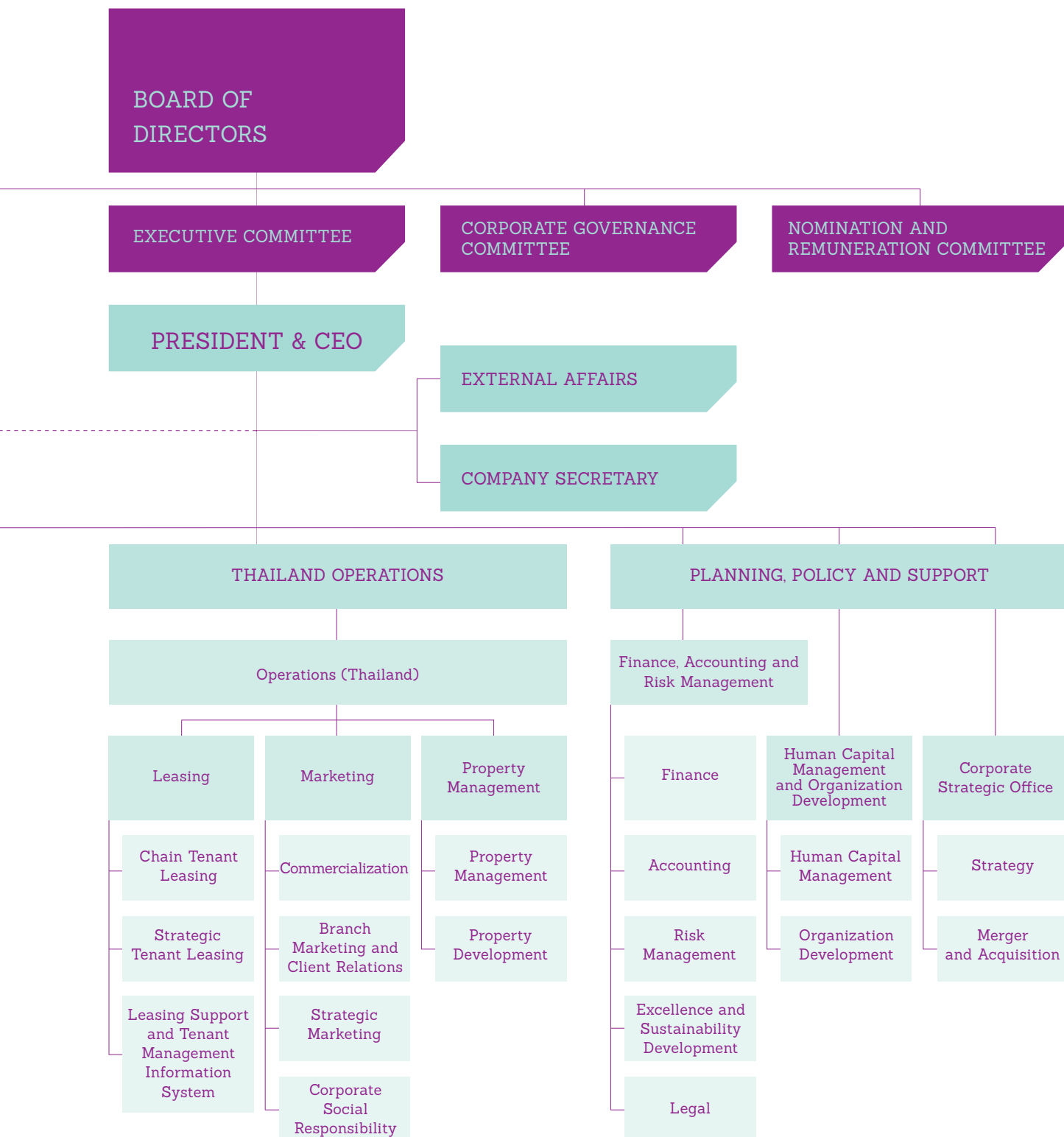
### 3. DIVIDEND POLICY

The policy of CPN is to pay dividends not less than approximately 40% of its operating net profit from consolidated financial statement, except when there is a compelling reason not to. The dividend payment will not exceed the retained earnings in separate financial statement.

The policy of CPN's subsidiaries is to pay dividends when it has net profit and adequate cash flow balance. The dividend payment will depend on the consideration of the Board of Directors and shareholders of the subsidiaries and it will not exceed the retained earnings in financial statement.

# ORGANIZATION CHART







# MANAGEMENT STRUCTURE

CPN's Management Structure comprises of the following:

1. Board of Directors
2. Four Sub-Committees
  - 2.1 Audit Committee
  - 2.2 Nomination and Remuneration Committee
  - 2.3 Corporate Risk Management Committee
  - 2.4 Corporate Governance Committee
3. Executive Committee
4. Management Committee

Details of each Board Committee are as follows:

## BOARD OF DIRECTORS

The Board of Directors consists of 12 directors, as follows:

- > Five independent directors or equivalent to more than one-third of the Board of Directors.
- > The Chairman of the Board represents the shareholders, and is a different person from the President & CEO, in order to have complete separation of responsibilities as well as a balance of power in operations.
- > 11 non-executive directors and one executive director

### The names and positions of the members of the Board of Directors are as follows:

- |   |                      |
|---|----------------------|
| 1. Mr. Suthichai Chirathivat <sup>1</sup> | Chairman             |
| 2. Mr. Paitoon Taveebhol                  | Independent Director |
| 3. Mr. Chackchai Panichapat               | Independent Director |
| 4. Mrs. Sunandha Tulayadhan               | Independent Director |
| 5. Mr. Karun Kittisataporn                | Independent Director |

- |  |                      |
|--|----------------------|
| 6. Mr. Ranchit Bunajinda                   | Independent Director |
| 7. Mr. Suthikiati Chirathivat <sup>1</sup> | Director             |
| 8. Mr. Suthichart Chirathivat <sup>1</sup> | Director             |
| 9. Mr. Sudhisak Chirathivat <sup>1</sup>   | Director             |
| 10. Mr. Sudhitham Chirathivat <sup>1</sup> | Director             |
| 11. Mr. Prin Chirathivat <sup>1</sup>      | Director             |
| 12. Mr. Kobchai Chirathivat <sup>1,2</sup> | Director             |

Note : 1 Representatives of the shareholders

2 A non-executive director since January 2, 2014, after his term as CPN's President & CEO expired on January 1 the same year, but will remain on CPN Board.

### Directors with company signatory rights

Directors with company signatory rights are Mr. Sudhitham Chirathivat, Mr. Prin Chirathivat, and Mr. Kobchai Chirathivat. The joint signatures of any two of these three directors with the Company seal are required for validity. In case of filing taxes or submitting financial statements to the government agencies, a signature of any of the aforementioned director with the company seal is required.

### Duties and responsibilities of the Board

- 1) Perform all duties in compliance with the law, Company objectives and articles of association, the Board of Directors' meeting resolutions and shareholders' meeting resolutions with duty of loyalty and duty of care, with accountability and ethics, keeping in mind the equitable interests of the shareholders
- 2) Define CPN's vision, strategies, plans, and its annual budget and continuously monitor its performance to ensure that the goals are achieved and potential difficulties are promptly dealt with
- 3) Approve significant transactions under its authority required by law and the articles of association, and approve capital expenditure budget exceeding 200 MB

- 4) Appoint subcommittees to support the operation under its responsibility as seen appropriate and necessary, and regularly monitor their performance
  - 5) Independent directors should exercise independent discretion in the formulation of strategies, management of work and resources, appointment of directors, and determination of business standards. They should also be prepared to disagree with the management and other directors on matters that may affect the equality of shareholders
  - 6) Ensure that all relevant information is accurately disclosed to all shareholders and stakeholders alike with full transparency and reliability as well as on an equal and timely basis
  - 7) Institute an efficient and effective internal control system and internal audit
  - 8) Institute an efficient and appropriate risk management process that can be evaluated, monitored, and managed for key risks
  - 9) Appoint a company secretary to oversee various Company activities and assist the Board and the Company in conforming to the law and applicable regulations
  - 10) Institute a CPN code of conduct and ensure that the directors, executives, and all employees follow this code
  - 11) Institute good corporate governance practices and ensure effective communication with all employees for acknowledgment and strict compliance
  - 12) Institute a transparent and clear process for connected transactions
  - 13) Institute clear processes for the Audit Committee's report to the Board. In case of doubtful transactions or activities that could significantly affect the Company's financial status or performance, the Board must resolve the issue within the time limit seen fit by the Audit Committee
  - 14) Formulate succession plans for top executives
  - 15) Regularly review and update key policies and plans as seen suitable for the business environment
  - 16) Revise and update Board of Directors Charter to ensure its timeliness
  - 17) Seek professional business guidance by hiring outside advisers with CPN's budget
  - 18) Perform other shareholder-assigned duties
- CPN has defined much stricter qualifications for independent directors than those required by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) as follows:
- Qualifications of independent directors**
- 1) Not holding more than 0.5% of the total outstanding voting shares of the Company, its parent company, subsidiary or affiliated company, major shareholders or controlling person including shares held by related persons of the independent director
  - 2) Neither being nor having been an executive director, officer, employee, controlling person or advisor who receives a salary of the Company, its parent company, subsidiary, a same-level subsidiary, affiliate, major shareholder or controlling person, unless the foregoing status ended not less than two years prior to the date of appointment

- 3) Not being a person related by blood or registration under law, such as a father, mother, spouse, sibling, or child, including spouses of children of executives, major shareholders, controlling persons, or persons to be nominated as executives or controlling persons of the Company or its subsidiaries
- 4) Not having nor have had a business relationship with the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person, in a manner which may interfere with his or her independent judgment, and neither being nor having been a substantial shareholder or controlling person of any entity having business relationship with the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person, unless the foregoing status ended not less than two years prior to the date of appointment

The term 'business relationship' under the above paragraph includes any normal business transaction, rental, or lease of immovable properties, transaction relating to assets or services, or grant or receipt of financial support through receiving or extending loans, guarantee, providing assets as collateral, including any other similar action whose value exceeds 20 MB or more than 3% of the net tangible assets, whichever is lower. The value of each transaction is based on the calculation method for the values of connected transactions under a Notification of the Board of Governors of SET Re: Disclosure of Information and Act of Listed Companies concerning Connected Transactions. Under the regulation, all transactions occurring within a year of preceding transactions must be included in such calculation.

- 5) Neither being nor having been an auditor of the Company, its parent company, subsidiary, affiliate,

major shareholder or controlling person nor being a substantial shareholder, controlling person or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person, unless the foregoing relationship ended not less than two years from the date of appointment

- 6) Neither being nor having been any kind of professional advisor including a legal advisor or financial advisor who receives an annual service fee exceeding two million baht from the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person, and neither being nor having been a substantial shareholder, controlling person or partner of the professional advisor unless the foregoing relationship ended not less than two years from the date of appointment
- 7) Not being a director who has been appointed as representative of the Company's directors, major shareholders, or shareholders who are related to CPN's major shareholders
- 8) Not conducting any businesses which have the same nature as or in competition with the Company's or its subsidiaries or neither being a substantial partner, executive director, employee, officer or advisor who receives regular salary, shareholder holding more than 1% of the voting shares of businesses which have the same nature as or in competition with the Company or its subsidiaries
- 9) Not having any characteristics that could prevent him/her from giving independent opinions concerning CPN's operation

Independent directors may be assigned by the Board to make decisions regarding the operation of the Company, its parent company, subsidiaries,

associated companies, a same-level subsidiary, major shareholders or controlling person in an organization's collective decision.

### COMPANY SECRETARY

The Board of Directors is responsible for appointing a person, who has the appropriate knowledge and ability, to be the Company Secretary; whereby the current Company Secretary is Ms. Naparat Sriwanvit who has the full facilities of the office of the Company Secretary to effectively and efficiently support her responsibilities in accordance with the good corporate governance principles. Additional information regarding Company Secretary is disclosed under Management Biography on page 267

#### Duties and responsibilities of the Company Secretary

- 1) Prepare and maintain all documents relating to the Company's statutory register of directors, Annual Reports, notices and minutes of the meetings of the Board of Directors as well as notices and minutes of the shareholders' meetings
- 2) Maintain and keep a record of vested interests as reported by directors and executives
- 3) Send copies reporting vested interests of directors and executives or related persons to the Chairman of the Audit Committee within seven days of the receipt of each report
- 4) Organize Board and shareholders' meetings according to rules and applicable laws
- 5) Provide advice to CPN and the Board of Directors in conformance to CPN's memorandum of association, articles of association, Securities and Exchange Act, Public Company Limited Act, and applicable laws

- 6) Act as the clearing house between the Board of Directors, executives, and the shareholders
- 7) Coordinate and follow up the Board's and shareholders' resolutions
- 8) Ensure that appropriate information disclosure and information reports are submitted to the regulators as required
- 9) Perform other duties as required by the regulations of the Capital Market Supervisory Board or as assigned by the Board of Directors

Legal Office is responsible for the preparation of the minutes of meetings of the Board of Directors and shareholders, as well as monitoring and provision of advice to the Company and the Board of Directors, to ensure full compliance.

### SUBCOMMITTEES

#### AUDIT COMMITTEE

The Board of Directors is responsible for the appointment of members of the Audit Committee, which comprises as follows:

- > Four independent directors
- > The first member on the list has adequate knowledge and experience in reviewing reliability of financial statements.

#### The names and positions of the members of the Audit Committee are as follows :

- |                             |          |
|-----------------------------|----------|
| 1. Mr. Paitoon Taveebhol    | Chairman |
| 2. Mr. Chackchai Panichapat | Member   |
| 3. Mrs. Sunandha Tulayadhan | Member   |
| 4. Mr. Karun Kittisataporn  | Member   |

### Duties and responsibilities of the Audit Committee

1. Review the financial report preparation process for accurate, complete, credible, and timely information disclosure by coordinating with the external auditor and executives responsible for preparing quarterly and annual reports
2. Consider connected transactions which may cause conflicts of interest; ensure conformance to SET to ensure that they are reasonable and in CPN's best interests
3. Consider the accurate and complete disclosure of information in case of connected or related transactions or other transactions that may cause conflict of interest
4. Review the internal control system to ensure its suitability and effectiveness, including any transactions that may cause financial fraud
5. Consider the audit outcomes and suggestions of the external auditor and Internal Audit concerning internal controls and pass on suggestions for action by the management as well as following up the implementation of such suggestions
6. Review and ensure that Internal Audit is independent and has an efficient internal audit process
7. Review the activities and structure of Internal Audit and approve its charter
8. Provide views on the appointment, removal, transfer, commendation or discharge, as well as adjustment of compensation of the head of the Internal Audit Office, to ensure its independence
9. Review the internal audit plan with the head of the Internal Audit Office, especially about the internal control system and financial management process
10. Provide suggestions and remarks about the budget and manpower of Internal Audit for the management's approval
11. Review audit plans and coordinate the scope of audit of internal auditor and the external auditor to be mutually supportive and eliminate redundancy
12. Select, nominate, and propose fees for the external auditor for approval so as to obtain an independent auditor, taking into account the reliability, adequacy of resources, audit volume, the experience of the personnel assigned to audit the Company as well as past work. Also, consider the removal of the external auditor
13. Review the scope and method of auditing proposed by the external auditor as well as reasons for changing the auditing method (if any)
14. Provide suggestions to the external auditor to review certain transactions that may be necessary or important during the auditing process of CPN and subsidiary companies
15. Review the report of the external auditor and submit to the management for adjustments in practices as well as following up on such suggestions
16. Consider the adequacy and efficiency of coordination between the external auditor and Internal Audit
17. Act on received information from the external auditor as soon as possible regarding suspicious activities of directors, managers or persons responsible for operating CPN that may constitute a breach of the second paragraph of Section 281/2, Section 305, Section 306, Section 308, Section 309, Section 310, Section 311, Section 312 or Section 313 of the Securities and Exchange Act. Promptly check the information received and

report preliminary findings in the first instance to SEC and the external auditor within 30 days from the date when a given breach was reported

18. Review conformance by the Company to Securities and Exchange laws, SET requirements, or CPN business-related laws and ethics
19. Review the management's performance and follow up in case of nonconforming
20. Review issues identified by external regulators and remarks by auditor
21. Review the communication of Code of Ethics to the employees and monitor its conformance
22. Review progressed report from management and Company's legal advisor regarding key issues on conforming to the relevant laws and regulations
23. Report its performance for acknowledgement and consideration once every quarter
24. Review any reports prepared by the Company regarding duties and responsibilities of the Audit Committee
25. Prepare Audit Committee's annual performance report in accordance to SET's guideline and signed by the Chairman of the Audit Committee as well as disclose it in the Company's annual report
26. In case of any suspicious transactions or actions that may significantly affect the Company's financial status and performance, the Audit Committee shall report the findings to the Board to make any improvement or correction in a timely manner as seen appropriate by the committee. Detailed are displayed below:
  - 26.1 Transactions regarding conflict of interests
  - 26.2 Transactions regarding frauds, irregularities or significant deficiencies in internal control system
  - 26.3 Any violation of SEC's laws, rules of SET or laws relevant to the Company's business

27. In case the Board or the management fails to take corrective actions on those transactions under 26.1, 26.2, and 26.3 within the timeframe set by the audit committee, any of the Audit Committee members may report of such transactions or actions directly to SEC or SET
28. Review CPN's continual process of good corporate governance, as well as providing approaches and advices for development
29. Emphasize and promote good corporate governance as a regular agenda for the Board meetings and AGMs
30. Ensure that the Chairman of the Committee receives a copy of the report of the directors' vested interests from the Company Secretary under Article 89/14 of the Securities and Exchange Act within seven days of the date when CPN receives the report
31. Review CPN's risk management process to ensure standardization, effectiveness, and efficiency
32. Work with the management in considering key policies regarding risk management and risk assessment as well as risks from corruptions
33. Work with the Risk Management Committee, the Risk Management task force, and the management in considering, making recommendations, and updating reports on CPN's risk management
34. Conduct other Board-assigned duties
35. Regularly review the Audit Committee Charter on an annual basis in order to consider and assess its current assigned roles and responsibilities as well as to propose any required amendments accordingly
36. Conduct other duties assigned by SET



37. Oversee that there is an effective whistleblower system in place, in the event that an employee or any stakeholder is suspicious of any possible wrongdoing, as well as non-compliance to any laws, regulations, business ethics, or to any corporate governance principles, so that the whistleblower has the confidence that the Company has the required and appropriate independent procedure to effectively investigate and resolve such possible wrongdoings and non-compliance issues

38. Monitor any special investigation as necessary

#### NOMINATION AND REMUNERATION COMMITTEE

The Board of Directors is responsible for the appointment of the members of the Nomination and Remuneration Committee, which comprises as follows:

- > Four independent directors
- > The Chairman is an independent director.

The names and positions of the members of the Nomination and Remuneration Committee are as follows:

1. Mr. Chackchai Panichapat	Chairman
2. Mrs. Sunandha Tulayadhan	Member
3. Mr. Karun Kittisataporn	Member
4. Mr. Ranchit Bunajinda	Member

Three advisors to the Committee are appointed as follows:

1. Mr. Sudhisak Chirathivat	Advisory
2. Mr. Sudhitham Chirathivat	Advisory
3. Mr. Prin Chirathivat	Advisory

The advisors may attend the Nomination and Remuneration Committee meeting, however, they

are not allowed to vote. Also, if any advisor has stakes in the reviewed agenda, such advisor shall leave the meeting to prevent conflict of interests and allow other committee members and advisors to fully discuss.

#### Duties and responsibilities of the Nomination Committee

- 1) Consider the appropriate structure, size, and composition of the Board to suit the organization and changing environment
- 2) Ensure that Board structure comprises ethical and honest experts who are knowledgeable, experienced, and skillful in diverse fields relevant to the conduct of business. Furthermore, Board members are selected with non-discrimination of gender, race, religion, age, professional skill, or other qualifications
- 3) Consider the criteria for selecting directors, as well as select and nominate those persons qualified and appropriate to be considered by the Board of Directors before further submission to shareholders' meetings for appointment as directors
- 4) Consider the criteria for selecting President & CEO, as well as select and nominate those persons qualified and appropriate to be considered by the Board of Directors for appointment as President & CEO
- 5) Allow minority Shareholders the opportunity to propose qualified persons for selection as directors. This provided shareholders with enough time prior to shareholders' meetings being held
- 6) Formulate succession plans for President & CEO and senior executive position and review such plan on a regular basis

- 7) Consider appropriate strategies relating to human capital management and organization development to be implemented to ensure its consistency with the Company's business operations

#### Duties and responsibilities of the Remuneration Committee

- 1) Consider a clear compensation method and standard for directors, members of the subcommittees, as well as that for the President & CEO, so that they are equitable and appropriately corresponds to the respective assigned duties and responsibilities, current business environment and performance results of the Company as well as will facilitate an effective discharge of their responsibilities. The proposed compensation plan should also be comparable to those of other companies within the same or similar industry and business sector as the Company, and also take into consideration the overall increase to the total value of the shareholders equity in the long term
- 2) Consider the compensation for directors and propose it to the Board for endorsement and, in turn, tabling it for the approval of shareholders' meetings
- 3) Define goals and evaluate the performance of the President & CEO to set reasonable compensation

#### Other duties and responsibilities

- 1) If it is considered essential and suitable to do so, the Committee may appoint regular advisor(s) or hire project adviser(s), or both, to provide advice on the Committee's performance. As seen essential and suitable, NRC may decide on such advisers' fees at CPN's expenses
- 2) Revise and amend the Committee charter in line with prevailing circumstances and seeks Board approval

- 3) Perform other Board-assigned duties related to nomination and remuneration

#### CORPORATE RISK MANAGEMENT COMMITTEE

The Board of Directors is responsible for the appointment of the members of the Corporate Risk Management Committee, which consists of seven members, comprising as follows:

- > Four directors and three senior executives
- > The Chairman is an independent director.

#### The names and positions of the members of the Corporate Risk Management Committee are as follows :

1. Mr. Paitoon Taveebhol	Chairman
2. Mr. Kanchit Bunajinda	Member
3. Mr. Prin Chirathivat	Member
4. Mr. Kobchai Chirathivat	Member
5. Mr. Naris Cheyklin <sup>1</sup>	Member
6. Ms. Wallaya Chirathivat <sup>2</sup>	Member
7. Mr. Somchart Baramichai <sup>3</sup>	Member

Note : 1 Senior Executive Vice President, Finance, Accounting and Risk Management (The position ended on December 31, 2013)

2 Senior Executive Vice President, Business Development and Project Construction

3 Senior Executive Vice President, Operation

#### Duties and responsibilities of the Corporate Risk Management Committee

- 1) Acknowledge and provide recommendations on all risk management policies, strategies, structures and development frameworks at every corporate level
- 2) Assess the effectiveness of risk management established by the management
- 3) Review and endorse the manageable levels of risks and deviation acceptable by the Company

- 4) Review CPN's overall risk management in comparison with the manageable risks to CPN
- 5) Acknowledge the identified key risks and review the management's responsive actions
- 6) Participate in CPN's annual analysis of risk management strategies and provide recommendations
- 7) Provide directions and guidance for risk management supervision
- 8) Supervise the identification of performance goals and key risk KPIs
- 9) Acknowledge reports on the trends of corporate risks and ensure that CPN's strategies can effectively address identified risk issues
- 10) Ensure proper prioritization of CPN's actions based on immediate and long-term financial impacts on shareholders and operational quality
- 11) Report the committee's risk management activities to the Board every quarter
- 12) Perform other tasks as assigned by the Board.

BU-Risk Management Committees were also set up by the management, with members of each comprising the business unit's executives and managers. These committees integrate the Corporate Risk Management Committee's strategies in daily management and operation throughout the Company. To ensure effectiveness, the secretary of BU-Risk Management Committee closely monitors implementation progress, problems, and obstacles as suggested by the Corporate Risk Management Committee.

## CORPORATE GOVERNANCE COMMITTEE

The Board of Directors is responsible for the appointment of members of the Corporate Governance Committee, consisting of a total of six members, comprising as follows:

The names and positions of the members of the Corporate Governance Committee are as follows :

1. Mr. Naris Cheykin <sup>1</sup>	Chairman
2. Ph.D. Nattakit Tangpoonsinthana	Member
3. Ms. Naparat Sriwanvit	Member
4. Mrs. Suwadee Singngam	Member
5. Ms. Vorarat Laohathanakul	Member
6. Mr. Uthai Kongkittiwong	Member

Note : 1 The position ended on December 31, 2013

## Duties and responsibilities of the Corporate Governance Committee

- 1) Define and amend CPN's Code of Conduct and Corporate Governance Policy to ensure alignment with international guidelines before submission to the Board for approval
- 2) Define and revise corporate governance policies, regulations, and guidelines, together with promoting and providing recommendations on related programs and activities
- 3) Define and review corporate social responsibility (CSR) policies along with the planning of related activities
- 4) Meet at least four times per year to follow up on CPN's corporate governance and CSR action plans, as well as providing advice and support to the Corporate Governance task force as required

- 5) Evaluate corporate governance performance against domestic and international standards, as well as providing recommendations to ensure compliance
- 6) Represent CPN in communicating corporate governance activities with directors, management, employees, and all stakeholders
- 7) Ensure accurate, comprehensive disclosure of CPN's corporate governance information via appropriate communication channels
- 8) Review and revise all components of the Corporate Governance Committee's duties and responsibilities to ensure alignment with corporate governance policy before submission to the Board for approval.

The Corporate Governance Committee also established a task force comprising representatives from each department to promote and publicize corporate governance as follows:

- 1) Define campaign plans and public relations programs fostering corporate governance and CSR awareness among directors, management, and employees
- 2) Coordinate with internal and external agencies to encourage their participation in CPN's corporate governance projects, programs, and activities
- 3) Educate all executives of their roles in corporate governance and social responsibility
- 4) Study international standards on corporate governance for suitable application to CPN's policies and guidelines before submission to the Corporate Governance Committee for consideration and recommendations

- 5) Follow up, review, and improve on performance against plans, and submit a summary to the Corporate Governance Committee at least four times per year.

#### EXECUTIVE COMMITTEE

The Board of Directors is responsible for the appointment of members of the Executive Committee, which consist of a total of six members, comprising as follows:

#### The names and positions of the members of the Executive Committee are as follows :

- |                               |                    |
|-------------------------------|--------------------|
| 1. Mr. Suthichai Chirathivat  | Executive Chairman |
| 2. Mr. Suthikiati Chirathivat | Member             |
| 3. Mr. Suthichart Chirathivat | Member             |
| 4. Mr. Sudhisak Chirathivat   | Member             |
| 5. Mr. Sudhitham Chirathivat  | Member             |
| 6. Mr. Prin Chirathivat       | Member             |

#### Duties and responsibilities of the Executive Committee

- 1) Screen the followings for the Board of Directors for approval :
  - 1.1 CPN strategic plans
  - 1.2 Annual budget estimates, based on CPN's strategic plans
  - 1.3 Capital expenditure budget exceeding 200 MB
  - 1.4 Activities and operations concerning mergers and acquisitions
  - 1.5 Appointment of the President & CEO
- 2) Monitor CPN's performance under the budget and goals
- 3) Approve transactions with banks and financial institutions that constitute normal CPN's business

- |  |   |        |
|--|---|--------|
| 4) Approve transactions with subsidiary companies and investment in securities as assigned by the Board of Directors   | 3. Mr. Sudthidej Chirathivat<br><i>Senior Executive Vice President</i>  | Member |
| 5) Approve notary's rights and legal transactions concerning all CPN shopping centers and subsidiaries that constitute or support normal business  | 4. Mr. Naris Cheyklin <sup>3</sup><br><i>Senior Executive Vice President, Finance, Accounting and Risk Management</i> | Member |
| 6) Approve the participation in MOU (memorandum of understanding)-Joint-Venture Agreement under various investment projects and joint-venture agreement worth up to 200 MB in investment value   | 5. Ms. Wallaya Chirathivat<br><i>Senior Executive Vice President, Business Development and Project Construction</i>   | Member |
| 7) Approve the establishment, increase or decrease in accounting reserves such as provisions for doubtful accounts, provisions for losses from depreciated investment, and provisions for losses during project development for up to 100 MB | 6. Mr. Somchart Baramichai<br><i>Executive Vice President, Operation</i>  | Member |
| 8) Approve the allocation of net income for legal reserve provisions   | 7. Mr. Suthipak Chirathivat<br><i>Executive Vice President, Office of the President</i>                               | Member |
| 9) Approve capital expenditure of up to 200 MB   | 8. Mr. Terachart Numanit<br><i>Executive Vice President, Technical Development</i>                                    | Member |
| 10) Be responsible for human resource management of senior executives.   | 9. Ph.D. Nattakit Tangpoonsinthana<br><i>Executive Vice President, Marketing</i>                                      | Member |
| 11) Promote and motivate employees   | 10. Mrs. Narttaya Chirathivat<br><i>Executive Vice President, Office of the President</i>                             | Member |
| 12) Approve other Board-assigned transactions on a case-by-case basis  | 11. Mrs. Panida Sooksridakul<br><i>Executive Vice President, Property Management</i>                                  | Member |
|  | 12. Major Narit Ratanaphichetchai<br><i>Executive Vice President, Project Development 1</i>                           | Member |
|  | 13. Ms. Naparat Sriwanvit<br><i>Executive Vice President, Finance, Accounting and Risk Management</i>                 | Member |
|  | 14. Mrs. Vipapat Cholsawad-Simon <sup>4</sup><br><i>Executive Vice President, Leasing</i>                             | Member |

#### MANAGEMENT COMMITTEE

The Management Committee consists of 13 members:

- |   |          |   |        |
|---|----------|---|--------|
| 1. Mr. Robchai Chirathivat <sup>1</sup> | Chairman | 14. Mrs. Vipapat Cholsawad-Simon <sup>4</sup> | Member |
| 2. Mr. Preecha Ekkunagul <sup>2</sup>   | Chairman |   |        |
| CEO                                     |          |   |        |

Note : 1 The position ended on January 1, 2014  
 2 Taking the position on January 2, 2014  
 3 The position ended on December 31, 2013  
 4 Taking the position on January 1, 2014

### Duties and responsibilities of the Management Committee

- 1) Prepare and propose strategic business plans
- 2) Prepare and propose annual budget estimates
- 3) Present operating expenditure over 50 MB
- 4) Nominate the President & CEO's direct reports
- 5) Consider the approval of various operations for the Board of Directors and the Executive Committee as assigned

5.1 Bank and financial transactions that constitute normal business

5.2 Transactions with subsidiary companies and investment in securities as assigned by the Board of Directors and the Executive Committee

5.3 Action on notary's rights and legal transactions concerning all CPN shopping centers and subsidiaries that constitute or support normal business

5.4 Approve capital expenditure of up to 50 MB

5.5 Perform other transactions as may be assigned by the Board of Directors or the Executive Committee

### Summary of the appointment of directors on subcommittees

Director	Board of Directors	The Audit Committee	The Nomination and Remuneration Committee	The Corporate Risk Management Committee
1. Mr. Suthichai Chirathivat	C	-	-	-
2. Mr. Paitoon Taveebhol	M	C	-	C
3. Mr. Chackchai Panichapat	M	M	C	-
4. Mrs. Sunandha Tulayadhan	M	M	M	-
5. Mr. Karun Kittisataporn	M	M	M	-
6. Mr. Kanchit Bunajinda	M	-	M	M
7. Mr. Suthikiati Chirathivat	M	-	-	-
8. Mr. Suthichart Chirathivat	M	-	-	-
9. Mr. Sudhisak Chirathivat	M	-	A	-
10. Mr. Sudhitham Chirathivat	M	-	A	-
11. Mr. Prin Chirathivat	M	-	A	M
12. Mr. Kobchai Chirathivat	M	-	-	M

Note:  
C – Chairman  
M – Member  
A – Advisory



# NOMINATION OF DIRECTORS AND MANAGEMENT

## NOMINATION OF DIRECTORS

### Term

In accordance with the Public Company Limited Act, and the Company's articles of association it is required that one-third of the directors must leave the Board at every Annual General Meeting of Shareholders (AGM). If the total number is not a multiple of three, the number closest to one-third must be used with the exit of directors who have stayed the longest with the Board, who may be re-elected to the Board.

Independent directors may hold office for up to two consecutive terms, extendable to up to nine years in total, for the expression of free views and service as independent directors. Taking effect from September 27, 2013, this decision is not retroactive for independent directors who assumed their titles before directors' appointment in 2008.

### Criteria for nomination

Recruitment of directors is the responsibility of Nomination and Remuneration Committee, which screens candidates with qualifications predetermined in Company's articles of association, Board charter, and applicable criteria before tabling their names for the Board's endorsement and finally for the shareholders' appointment under the following methods:

1. In voting for directors, each share carries one vote.
2. Each shareholder must exercise all of his/her voting rights to elect the proposed candidates one by one.
3. The candidates with the top votes and those in descending order will become directors, with the number of successful candidates equal to the

number of directors required or to that to be elected at a given meeting. The chairperson of the meeting casts his/her deciding vote if more than one candidate receive equal votes.

In case of a vacant position due to causes other than term completion, the Board must appoint qualified and lawful candidates as replacement directors at the next Board meeting unless the remaining term is shorter than two months. Each replacement serves in such position only for his/her predecessor's remaining term. For the appointment of the replacement, he/she must receive no less than three-quarter of the votes from the remaining directors.

The Company allows all shareholders the opportunity to participate in proposing persons for consideration as possible nominees for appointment as a Director of the Company. This is to take place at least 3 months prior to the end of the financial year, whereby the Company makes the announcement, together with the details of procedure for the nomination and consideration, through the Stock Exchange of Thailand's information disclosure system as well as through the Company's website. There was no shareholder proposed any person to be nominated as a director of the Company in 2013.

### Orientation for newly-appointed Directors

CPN had arranged a meeting among new and existing ones, including CPN's management team. An orientation was held to develop a better understanding of their roles and to present Company's business, as follows, to the new directors:

- CPN's goals, vision, and strategies
- Summary of CPN's group structure, organization chart, and sub-committees
- Summary of CPN's business nature

- Summary of CPN's shareholding structure
- Summary of CPN's policy on connected transactions
- Summary of CPN's performance, recent projects, and projects under construction to provide new directors with adequate basic information to perform their duties efficiently
- CPN's site visit.

Additionally, the office of the Company Secretary has prepared and provided the following documents to the new directors:

- Director's manual, consisting of CPN's vision, mission, and values; corporate governance policy; code of conduct for directors, executives, and employees; CPN's Articles of Association; CPN's Memorandum of Association; charters of the Board of Directors and subcommittees; manual of listed companies' directors; suggestions for disclosure of information; and applicable laws
- Company profile
- Regulations on the CPN's internal information control
- Regulations on the CPN's securities portfolio
- Policy on reporting of directors' and executives' vested interests and relevant forms for report preparation
- Annual reports of the last three years, with information about CPN's business operation and performance, and details on risk management and internal control
- Board meeting minutes dating back one year
- Performance reports of the Audit Committee dating back one year.

## NOMINATION OF MANAGEMENT

### Nomination of President & CEO

The Executive Committee conducts a preliminary screening of candidates with the required qualifications, knowledge, skills, and experience and then tables them to the Nomination and Remuneration Committee for consideration and endorsement before submitting the final list to the Board for its consideration.

This year, Board Meeting No. 9/2013, held on December 6, 2013, passed a resolution appointing Mr. Preecha Ekkunagul as CEO, replacing Mr. Kobchai Chirathivat, effective from January 2, 2014, as recommended by the Nomination and Remuneration Committee, with Mr. Kobchai Chirathivat retained as director. The entire nomination process was undertaken in full compliance with CPN's regulations.

### Nomination of Management

The President & CEO selects and appoints candidates with the qualifications, knowledge, skills, and experience suitable for each executive position. The recruitment will be done under Human Capital Management and Organization Development Department's regulations.

## SUCCESSION PLAN

CPN's succession planning covers the levels of senior executives upward to the President & CEO, to be implemented by the Human Capital

Management and Organization Development Department with approval given by the PDC Corporate (People Development & Engagement Committee). Following the implementation of the succession plan for the President & CEO, candidates are screened by the Nomination and Remuneration Committee before being shortlisted and sent to the Board for consideration.

Regarding senior executive positions, succession planning is required for those considered critical, based on recruitment difficulties in the job market, the incumbent's service years before retirement age (60), health condition, and likelihood of being recruited by other companies. The identification of candidates and succession planning for critical positions are jointly conducted by Human Capital Management and Organization Development Department and the top executives of relevant operation units, with career plan and individual development plan developed for each candidate. The department must also report the outcomes of every implementation step to PDC Corporate.

CPN undertakes competency development for all employees and executives to accommodate the implementation of its succession plans through the following programs and actions:

- Competency improvement through internal training developed in cooperation with the Academy team for each level:
  - Management courses, such as management, strategic thinking, initiation, prioritization, and time management skills
  - Leadership courses, such as driving change, creating inspiration and incentives, effective feedback, and communication
- Short training courses for executives conducted locally and abroad, enabling them to keep abreast of novel management knowledge and trends, as well as network building
- Other non-training programs:
  - Field study trips to leading shopping centers abroad
  - Project assignments to improve specific, needed skills and cross-functional performance
  - Participation in meetings on corporate strategies, human resource development, and business process development
  - Job rotations for middle management and executives to enhance their experience and readiness for promotion, as well as to accommodate future business expansion abroad.
- Transparent, appropriate, and fair management of compensation and benefits under Performance-based Pay principles, with competitive compensation rates with other leading companies in the same industry to encourage their long-term commitment and growth along with CPN.

## REMUNERATION OF DIRECTORS AND MANAGEMENT

### REMUNERATION OF DIRECTORS

CPN has considered the remuneration of directors, taking into account both its fairness and appropriateness, which reflects the extent of their responsibilities and performance relative to the Company's overall operational performance and related factors, inclusive of comparisons to remuneration of other companies within the same or similar industry and business sectors as the Company; whereby the Nomination and Remuneration Committee has annually considered from the survey on remuneration of directors undertaken by the

Stock Exchange of Thailand (SET) and the Thai Institute of Directors Association (IOD) as reference.

In 2013, the Nomination and Remuneration Committee has reviewed and proposed the remuneration of directors to the Board of Directors for consideration and concurrence in submitting it to the 2013 Annual General Meeting of Shareholders on April 26, 2013 for approval with a ceiling of Baht 11,500,000, details as follows :

Type of Remuneration	Amount (Baht)
1. Quarterly Retainer (Baht/Quarter)	
> Chairman	138,000
> Chairman of the Audit Committee	127,000
> Member of the Audit Committee	98,000
> Director	81,000
2. Board Meeting Allowance for the Board of Directors (Baht/Meeting)	
> Chairman	57,500
> Director	40,000
3. Meeting Allowance for the Audit Committee (Baht/Meeting)	
> Chairman of the Audit Committee	65,000
> Member of the Audit Committee	50,000
4. Meeting Allowance for the Nomination and Remuneration Committee including Advisory (Baht/Meeting)	23,000
5. Meeting Allowance for the Corporate Risk Management Committee (Baht/Meeting)	23,000
Total Remuneration for the Directors as approved by the shareholders	11,500,000

Note: Executive director and management do not receive any remuneration for being members of any subcommittees.

The quarterly retainer for the directors together with meeting allowances for subcommittees for 2013 totaled Baht 11,090,000, whereby details of meeting attendance and remuneration are as follows:

## MEETING ATTENDANCE AND REMUNERATION OF THE DIRECTORS IN 2013

No.	Name of Director	Position	Meeting Attendance (Meeting)			
			Board of Directors	The Audit Committee	The Nomination and Remuneration Committee	The Corporate Risk Management Committee
			9 Meetings	11 Meetings	2 Meetings	4 Meetings
1.	Mr. Suthichai Chirathivat	Chairman	9/9	-	-	-
2.	Mr. Paitoon Taveebhol	Director Chairman of the Audit Committee Chairman of the Corporate Risk Management Committee	9/9	11/11	-	4/4
3.	Mr. Chackchai Panichapat	Director Member of the Audit Committee Chairman of the Nomination and Remuneration Committee	9/9	11/11	2/2	-
4.	Mrs. Sunandha Tulayadhan	Director Member of the Audit Committee Member of the Nomination and Remuneration Committee	9/9	11/11	2/2	-
5.	Mr. Karun Rittisataporn	Director Member of the Audit Committee Member of the Nomination and Remuneration Committee	9/9	11/11	1/2	-
6.	Mr. Kanchit Bunajinda	Director Member of the Nomination and Remuneration Committee Member of the Corporate Risk Management Committee	8/9	-	2/2	3/4
7.	Mr. Suthikiati Chirathivat	Director	9/9	-	-	-
8.	Mr. Suthichart Chirathivat	Director	7/9	-	-	-
9.	Mr. Sudhisak Chirathivat	Director Advisory of the Nomination and Remuneration Committee	8/9	-	2/2	-
10.	Mr. Sudhitham Chirathivat	Director Advisory of the Nomination and Remuneration Committee	7/9	-	2/2	-
11.	Mr. Prin Chirathivat	Director Member of the Corporate Risk Management Committee Advisory of the Nomination and Remuneration Committee	6/9	-	2/2	4/4
12.	Mr. Robchai Chirathivat	Director Member of the Corporate Risk Management Committee	8/9	-	-	2/4
Total						

Director Remuneration (Baht)					
Quarterly Retainer	Meeting Allowance for Board of Directors	Meeting Allowance for the Audit Committee	Meeting Allowance for the Nomination and Remuneration Committee	Meeting Allowance for the Corporate Risk Management Committee	Total (Baht)
534,000	495,000	-	-	-	1,029,000
491,000	345,000	700,000	-	89,000	1,625,000
379,000	345,000	535,000	43,000	-	1,302,000
379,000	345,000	535,000	43,000	-	1,302,000
379,000	345,000	535,000	20,000	-	1,279,000
313,000	310,000	-	43,000	66,000	732,000
313,000	345,000	-	-	-	658,000
313,000	270,000	-	-	-	583,000
313,000	305,000	-	43,000	-	661,000
313,000	270,000	-	43,000	-	626,000
313,000	230,000	-	43,000	89,000	675,000
313,000	305,000	-	-	-	618,000
4,353,000	3,910,000	2,305,000	278,000	244,000	11,090,000

#### REMUNERATION OF MANAGEMENT

CPN has considered the remuneration of management, taking into account both its fairness and appropriateness, which also reflects the Company's overall operational performance as well as that of each performance and comparable to the remuneration of other companies within or in similar industry and business sectors as the Company

#### Remuneration for CEO

The Nomination and Remuneration Committee evaluates the performance of the CEO annually to set appropriate compensation in form of a raise or bonuses.

The total remuneration paid to the management for 2013 are as follows:

#### Salaries and Bonuses

CPN contributed remuneration in form of salaries and bonuses paid to 14 executive managements in 2013 amounted to Baht 104,636, 938

#### Provident Fund

CPN contributed the Provident Fund paid to 13 executive managements in 2013 amounted to Baht 5,999,297



## CONNECTED TRANSACTIONS

CPN's core business is provision of retail space rental, other relevant businesses, and promotion of the Company's business operation. The long history of success during its business operation is partly due to the fact that CPN is one of business lines within Central Group, the leader in retail business for over six decades. Central Group encompasses various businesses, ranging from department stores, hotels, restaurants, to retail shops of hundreds of brands and products, which are anchor and retail tenants within CPN's shopping complexes. It can be said that the alliance businesses within the Central Group support CPN to increase its rental rate and build confidence among other prospects to become new tenants. These help guarantee the success of CPN's projects and therefore, the high profits are yielded to CPN shareholders from such mutual relationship explained above. In fact, CPN and the Central Group are two related business alliances, and such alliance businesses create synergies that benefit CPN. The Board of Directors and the Audit Committee ensure that the transaction is in compliance with the relevant law, regulations, and rules.

CPN and its subsidiaries conducted transactions with connected parties with potential conflicts of interest, as disclosed financial statements of 2013. Most of the connected transactions were engaged with Central Holding Co., Ltd., and the Chirathivat Group as described below:

### CONNECTED TRANSACTIONS WITH RELATED PARTIES

#### 1. Revenue from connected parties

comprises revenue from space rental and utility service fee in shopping complexes, revenue from land rental, and management fees, as well as revenue

from other sources, including insurance premiums, property taxes, sales promotion expenses, warrant fees, and other fees for various services collected from connected parties. Total amount of revenue from connected parties in 2013 was 3,579 MB.

#### **Justification and Rationale for Connected Transactions**

CPN's core business is the provision of space for rent and services in shopping complexes, office buildings, residential condominiums, food centers, water parks, and recreational parks located on the premises of shopping complex projects. The company is also the provider of utility services in shopping complexes. Various businesses in the Central Group are inter-related and complementary of one another—department stores, supermarkets, retail shops, and various leading branded restaurants. Most of the revenue is earned from doing business under normal business conditions and under general commercial conditions made with the Central Group, with high growth potential and secure financial status. In addition, businesses under popular brands, including department stores, supermarkets, retail shops and restaurants, can draw more customers to CPN's shopping complexes. This, as a consequence, produces higher returns to CPN and its shareholders. The Company's policy on the rates of rental and services collected from connected parties are as follows:

>> **Rates of rental, service fees, and utility fees** from space rental in shopping complexes collected from businesses are based on market prices. Compared with other space for rent in the vicinity, or in the same class, CPN's rental rates and service fees are comparable. Rental rates are subject to locations, area sizes, forms, periods, and categories, and are in line with normal

business practice following the condition of general trading.

>> **Other types of revenue** come from the collection of insurance premiums, property taxes, sales promotion expenses, warrant fees, and other service fees from tenants in shopping complexes. CPN's policy is to standardize revenue collection from both connected parties and general customers, based on the actual cost, space rental category, and the usual business practice following the condition of general trading.

>> **Revenue from land lease** occurs at some properties where CPN and other companies in the Central Group have a project on the same piece of land, taking into account the marketing advantage and the size of the project. In this case, one of the companies in the Group will act as the buyer or tenant of the whole piece of land

from the landlord and will divide the land into various sizes as needed by other companies, and have those companies lease or sub-lease. The rental is the cost plus actual interests or market price which evaluated by the independent appraiser. Furthermore, the Company's assets were evaluated under SEC, SET and other related regulations and transactions concerning revenue from land leases are verified by the auditor.

>> **Revenue from large space rental in shopping complexes** is agreed at the stage of project design. Rental is derived from the costs of land and construction plus actual interests as well as operating expenses. Most transactions in this category were conducted before the listing of the Company on SET. The Company's assets were evaluated under SET regulations and transactions concerning income from large space rental are verified by the auditor.

#### Details of Revenue Derived from Connected Parties

Connected Party	Transaction value (MB)	Detail
1. Central Retail Corporation Co., Ltd. ("CRC") <sup>(1)</sup> (Majority share held by the Chirathivat Group)	2,012	>> CPN earns revenue from rental, service fees, utility fees, and other revenue from leasing retail areas in shopping complexes to various retail businesses under the CRC Group. The transactions in this category occur in the course of normal business following the condition of general trading.
2. Central Marketing Group Co., Ltd. ("CMG") <sup>(2)</sup> (Majority share held by the Chirathivat Group)	524	>> CPN earns revenue from rental, service fees, utility fees, and other revenues from leasing sales areas in shopping complexes to various retail businesses under the CMG Group. The transactions in this category occur in the course of normal business following the condition of general trading.

Connected Party	Transaction value (MB)	Detail
3. The Central Plaza Hotel Plc Group of Companies ("CHR") <sup>(3)</sup> (Majority share held by the Chirathivat Group)	130	<p>&gt;&gt; The Thai Business Fund 4 has made a sub-lease contract with Central World Hotel Co., Ltd. for land and part of the building in the premises of CentralWorld Project with land area 2.53 rai. Under the contract, which is valid for 29 years until 2032, CHR agreed to use the mentioned land and building for the development of a hotel, a parking lot, and a convention hall. The rental is calculated by the cost plus actual interests and paid to CPN into two parts, one of which is the rental that was paid in the year when the agreement was signed and the other is the annual rental.</p> <p>&gt;&gt; CPN earns revenue from rental, service fees, utility fees, and other revenues from leasing sales areas in shopping complexes and office building to laundry businesses under the CHR Group included the revenue rental area of Bangkok Convention Center which located in the CentralPlaza Lardprao. The transactions in this category occur in the course of normal business following the condition of general trading.</p>
4. Central Restaurant Group Co., Ltd., ("CRG") <sup>(4)</sup> (Majority share held by the Chirathivat Group)	312	<p>&gt;&gt; CPN earns revenue from rental, service fees, utility fees, and other revenues from the lease of space in shopping complexes to businesses in CRG. The transactions in this category occur in the course of normal business following the condition of general trading.</p>

Connected Party	Transaction value (MB)	Detail
5. Other businesses which related parties of CPN are serve as major shareholders, directors, management or controlling	601	<p>&gt;&gt; CPN earns revenue from rental, service fees, utility fees, and other revenue from the lease of space in shopping complexes to other companies in which CPN directors share or hold a director position, such as Fuji Japanese Restaurant, Zen Japanese Restaurant, AKA, Bar-B-Q Plaza, Body Shop, Thai Privilege Health Care Spa, Sakura Restaurant, Lee Coopers, Ragazze, etc. The transactions in this category occur in the course of normal business practice following the condition of general trading.</p> <p>&gt;&gt; Central Pattana Khonkaen Co., Ltd. has made a sub-lease contract with Big C Fairy Co., Ltd., with land area of 21-0-33 rai. Under the contract, which is valid for 30 years ended on June 16, 2026, the lessee developed the mentioned land to parking lot. The rental is calculated by the cost plus actual interests which paid to CPN every year.</p>

Remark: (1) CRC consists of various retail businesses, which comprises Central Department Store, Robinson Department Store, Zen Department Store, Tops Supermarket, PowerBuy, B2S, SuperSports, Homework, Thai Watsadu, FamilyMart, OfficeMate etc.

(2) CMG consists of import, manufacturing, distribution, and sale of consumer goods bearing both international and house brands. These retailers are:

- Apparels : such as 5cm, Benetton, Dorothy Perkins, Energie, Evoluzine, Hush Puppies, FCUK, G2000, izzue, Jockey, Lee, Miss Selfridge, Wrangler, Topshop Topman, Sasch, etc.
- Cosmetic : such as CLARINS, Elizabeth Arden, Laura Mercier, PAYOT, H2O+, etc.
- Watches : such as Guess, Casio, Marc Ecko, Nautica, etc.
- Miscellaneous : such as Samsonite, Pentax, Prince, Casio, Kawai, etc.

(3) CHR operates hotels and resorts in Centara Group.

(4) CRG operates Quick Service Restaurants in various brands such as Mister Donut, KFC, Auntie Anne's, Pepper Lunch, Beard Papa's, Chabuton, Cold Stone Creamery, RYU Shabu Shabu, Yoshinoya, Ootoya, The Terrace, etc.

## 2. Expenses paid to connected parties

comprise expenses for space rental in shopping complexes, land rental, and management fees. In 2013, CPN paid altogether 685 MB to connected parties.

### Justification and Rationale for Connected Transactions

- >> **Rental of land from connected businesses** occurs in projects where CPN and other companies in the Central Group have a joint development plan on the same piece of land, taking into account the marketing advantage and the suitable size of the project. In this case, one company will act as the buyer or tenant of the land from the landlord and will divide the land into different sizes as required for leasing or sub-leasing. The rental will be the cost plus actual interests or market price which evaluated by the independent appraiser. The Company's assets were evaluated under SEC, SET and other related regulations. In addition, the transaction concerning rental payments are verified by auditor.
- >> **Large space rental in shopping complexes** occurs in projects where CPN has a joint investment with a department store in the Central Group. The building will be divided into two parts, the shopping complex and the department store. In some cases, CPN will rent large space in a department store and develop it into a sales area, considering mainly the revenue from rental and service fees compared with the cost of space rental that CPN has to repay the department store. An agreement on the cost of large space rental is reached at the stage of project design under the same criteria as those used for large space rental to connected businesses. Most such

transactions occurred before the listing of the Company on SET. The Company's assets were evaluated under SEC, SET and other related regulations. In addition, the transactions concerning rental payments of large space rental are verified by auditor.

- >> **Hiring a connected business as management consultant** CPN's consideration to hire a management consultant is mainly based on its experience in the retail business and the understanding of the nature and strategies of the business. The management fees paid to management consultant, who is also the Company's connected business, are the actual expenses the service provider incurs in its services.
- >> **The application for insurance with a connected business** is considered the market price and conditions or the best coverage offered from insurance agents by compare the price in the past 2 years. In case of only one insurance agent make a quotation, the Company shall consider by compare the price in the past year, it depend on the conditions and insurance market situation.
- >> **Hiring of IT Infrastructure Management with a connected business** This transaction came about with the merger of CPN's IT with RIS Co., Ltd., a company in the Central Group, for maximum and optimal efficiency in IT infrastructure in the investment, system administration, and personnel development aspects. Savings arise with the economies of scale along with bargaining power over IT transactions. Conditions and service fees are based on actual costs, which are comparable to market rates as well as CPN-administered fees. Every two years, the average fees undergo revisions for baseline fees.

### Expenses paid to connected parties

- 2.1 CPN rents land from Central Department Store Co., Ltd., the company in CRC which Chirathivat Group is major shareholder, to launch shopping complexes in CentralPlaza Ramindra and CentralPlaza Pinklao projects.
- 2.2 CPN sub-rents land from Central Pattaya Co., Ltd., the subsidiary of Big C Superstore Plc. which Chirathivat Group is major shareholder, to launch a shopping complex in Central Center Pattaya Project (ownership of the land is held by an individual).
- 2.3 CPN rents parts of the buildings belonging to Central Department Store Co., Ltd., which Chirathivat Group is major shareholder, in CentralPlaza Lardprao, CentralPlaza Pinklao, and CentralPlaza Ratchada-Rama III projects for development into retail areas in addition to the parts where CPN holds land ownership or land rental rights.
- 2.4 CPN sub-rents some part of land and building in CentralPlaza Lardprao from Central International Development Co., Ltd. ("CID"), which Chirathivat Group is major shareholder (ownership of the land is held by the State Railway of Thailand). Under the sub-lease contract which is valid for 20 years ended on December 18, 2028. Total sub-lease payment that CPN will pay to CID according to the contract is 16,178.32 MB. This transaction was approved by the shareholders with no conflict of interest in the EGM No.1/2009 on March 25, 2009.
- 2.5 CPN hired Central Department Store Co., Ltd. ("HCDS") which Chirathivat Group is major shareholder, to manage the business, provide management consultation, set up policies, and provide recommendations for running businesses. The directors with no conflict of interests and the Audit Committee have agreed that the service provided by HCDS is beneficial to CPN's business operation due to HCDS's experience, knowledge and understanding in retail business. In addition, the offered terms and conditions of the agreement from HCDS are reasonable. The transaction details were disclosed to the Stock Exchange of Thailand on February 24, 2014.
- 2.6 Centara Udonthani Hotel (formerly named "Charoensri Grand Hotel") which CPN acquired accompany with the CentralPlaza Udonthani Project (formerly named "Charoensri Plaza") since 2009, hired Central Plaza Hotel Co., Ltd. the subsidiary of CHR, which Chirathivat Group is major shareholder, to manage the hotel. The management fee is according to the market price and comparable to the transaction with the other persons.
- 2.7 CPN has signed a 30-year lease on a plot of land with Vantage Ground Co., Ltd. ("Vantage"), a company in Central Group which Chirathivat Group is a major shareholder, for developing CentralWestGate Project. This contract will end on February 17, 2043. Total upfront and annual rental fee, which CPN has to pay to Vantage for the whole duration of the contract, is 5,099 MB. This transaction was approved by the shareholders with no conflict of interest in the EGM No.1/2013 on January 18, 2013
- 2.8 CPN purchased some merchandises and services from the businesses in Central Group; CRC such as purchasing office supplies, CHR such as rental room and service in the hotel included food and beverage, CRG such as purchasing food and beverage, and other businesses which related parties of CPN are serve as major shareholders,

directors, management or controlling persons. The transactions in this category occur according to support normal business and following the condition of general trading that comparable to the transaction with the other persons.

2.9 CPN took out insurance for shopping complexes and office buildings against any accidents, disasters, and other detrimental incidents with CG Broker Co., Ltd., which Chirathivat Group is major shareholder.

2.10 CPN hired RIS, a company in Central Group which Chirathivat Group is a major shareholder, to provide IT infrastructural management, namely the procurement and installation of essential IT and communication equipment, namely hardware and software, maintenance and control of applications to efficiently accommodate business applications, and provide troubleshooting through service desks and hardware to CPN.

### 3. Loans between CPN and connected parties

#### **Policies on loans between CPN and connected parties**

All loans must comply with the following policies on loans between CPN and connected parties:

#### **>> CPN and subsidiaries (those with 99.99% shares held by CPN)**

CPN allows subsidiaries to borrow from CPN and vice versa if the subsidiaries have working capital surplus and CPN needs such money. In this case, current accounts are set up with CPN and promissory notes are prepared as evidence with the average interest rate of unsecured debt securities issued by the Company. Connected

transaction approvers consist of the Vice President for Finance, the Senior Executive Vice President for Finance & Accounting, and the President & CEO, respectively.

#### **>> CPN and joint-venture partners (those with 50 to 99.99% shares held by CPN)**

CPN allows joint-venture partners to secure their own sources of fund. In urgent cases, however, they may borrow from shareholders in proportion to their shareholding in CPN. Approval is needed from the Senior Executive Vice President for Finance & Accounting, the President & CEO, and the Board of Directors, respectively. In this case, promissory notes are prepared as evidence. As regards interest rates, the applying rates are based on commercial banks' MLR.

#### **>> CPN and associated companies (those with less than 50% shares held by CPN) or connected parties**

CPN has no policy to let associated companies, with CPN holding less than 50% shares, or connected parties borrow from it. In fact, no such instance has happened. According to CPN's regulations, if a loan is extended to an associated company, approval is needed from the Board of Directors with promissory notes as evidence and with commercial banks' MLR applied.



#### Loans between CPN and connected parties

Description as at December 31, 2013	Amount (MB)	Financial Statements of
1. Loans <sup>(1)</sup>		
1) Loans obtained from subsidiaries	6,800	CPN
2) Loans obtained from related parties	4	Consolidated
2. Loans <sup>(2)</sup>		
1) Loans granted to subsidiaries	13,322	CPN
2) Loans granted to related parties	-	Consolidated

Remarks: (1) These items without collaterals are payable on demand and carry interest at the average interest rate of unsecured debt securities issued by the Company.

(2) These items without collaterals are payable on demand and carry interest at the average interest rate of unsecured debt securities issued by the Company. (except a loan to Central Pattana Khon Kaen Co., Ltd., a subsidiary, which is secured by plots of land owned by the subsidiary)

#### 4. Guarantees for loans for connected parties

##### Justification and Rationale for Connected Transactions

CPN's policy is to provide loan guarantees for its subsidiaries in proportion to its shareholding but has no policy of placing assets for such loan guarantees. However, CPN does provide guarantees as its parent company, and collects commissions from subsidiaries for such guarantees.

CPN had three categories of guarantee obligations to connected parties:

Description as at December 31, 2013	Amount (MB)
1. Guarantees for subsidiaries' outstanding loans	
>> Thai Business Fund 5	381
>> CPN Pattaya Co., Ltd. <sup>(1)</sup>	390
>> Central Pattana Chonburi Co., Ltd.	400
Total	1,171
2. Guarantees for bank overdraft for subsidiaries	14 <sup>(2)</sup>
3. Loan ceiling guarantees for subsidiaries' public utilities guarantees given to Thai commercial banks	239

Remark : (1) The guarantee was formerly for CPN Pattaya Beach Hotel Co., Ltd., which had completed the registration of the amalgamation with CPN Pattaya Beach Co., Ltd. and established of a new company, namely CPN Pattaya Co., Ltd. on July 1, 2013.

(2) As at year-end 2013, it was no bank overdraft outstanding.

## APPROVAL PROCEDURE OF CONNECTED TRANSACTIONS

All transactions with connected businesses or individuals must go through an approval process, as stipulated by the Company's regulations, in the same way as normal transactions. Approvals are given by authorized persons in each duty and responsibility. Each person in charge of and involved in the transaction would have to make reasonable judgment under the normal business practice, taking into account the best interests of the Company and shareholders, like engaging in transactions with outsiders. All transactions with connected parties must also be lawfully conducted to ensure transparency and compliance with the relevant laws, rules, and regulations. The Company has instituted that normal business practice and supporting normal business practice with operation under the condition of general trading set by the Committee are under the jurisdiction of the operational task forces to deliberate the transaction in accordance with the Company's approval procedure. Other transactions are deliberated by its category and size, with the Office of Company Secretary taking charge of compliance with SET regulations as well as occasionally collecting and summarizing connected transactions for the Audit Committee's acknowledgment. CPN has announced its "Connected Transaction Policy" and communicated to all relevant parties for compliance. The Committee and the management must sign their names at year's end to ensure that no transactions with conflicts of interest occurred in the past year. If there was any, it was done in compliance with SET regulations. Transactions between connected parties and the Company are scrutinized by the Office of Internal Audit and External Audit to ensure the Company's compliance with laws and related regulations.

## POLICY OR TREND FOR FUTURE CONNECTED TRANSACTIONS

Since transactions with connected parties represent those conducted in the course of normal business practice, it is expected that connected transactions will continue to take place in future. Especially for the one related to joint development of shopping complexes with other companies in the Central Group, it is the strong point that helps promote CPN's successful operation and contributed to its market leadership from past to present. The policy or trend for future connected transactions remains committed to the same principle as the previous year, namely following the condition of general trading and taking into account the benefit of the Company and shareholders. CPN's Board has clearly approved the condition of normal trading in the Company's and its subsidiaries' transaction with connected parties for transparent business operation and the operational guidance for related parties as follows:

### 1. Joint Shopping Complex Development with Companies of the Central Group

\*\*\* It is an open principle that has been practiced since the Company was enlisted on SET in 1995\*\*\*

To develop an integrated shopping complex, it is necessary to have components enhancing the Company's strength. Companies in the Central Group operate related businesses with CPN, such as department store, retail business, and hotels. With their long experience in the industry and strong brand, these companies can enhance the project's credibility, resulting in stronger business operation as well as Company's and shareholders' added value. Below are the characteristics of joint shopping complex development with other companies in the Central Group.

### 1.1 Land Purchase/Sale or Leasing/ For Rent

Principles: CPN and other companies in the Central Group make a purchase or leasing from outsiders for joint shopping complex development. The process is to have a company buy or rent a whole plot of land from the landlord. Once the project design is completed, that company sells or sub-leases the land to other companies in proportion to each company's need to develop its own project. (Each takes responsibility for its own plot of land.)

Price and condition setting: Cost plus cost of fund

### 1.2 Construction of Shopping Complexes and Department Stores or Business Units (Bus)

Principles: Each holds the ownership of land on which its building is situated. Each is therefore responsible for its own construction cost.

Price and condition setting: actual cost with the independent engineering consultant fairly calculating the construction cost and system according to the proportion of actual area use.

### 1.3 Construction of common areas, comprising car parks and landscape

Principles:

- >> CPN holds the ownership of the car park and the outer section of shopping complexes. It also takes responsibility for the costs of all common areas, considered part of the service provided to tenants.
- >> Department stores or BUs jointly take responsibility for construction according to operational guidance as follows:

1) Car parks: At no less than half of the construction costs provided by department stores for customers as required by law

2) Common areas: In proportion to the gross area

Price and condition setting: Actual cost—with the independent engineering consultant fairly calculating the construction cost and system according to the proportion of actual area use.

### 1.4 Large Space Rental or Space for Rent in Shopping Complexes

Principles: CPN may rent or rent out large areas of department stores or Bus, and the lease will be agreed at the stage of project design.

Price and condition setting: Cost of land and construction plus cost of fund and operating expense

## 2. Space rental, service fee and utility fee

Principle: In charging short-term or long-term rental, service fees or utility fees from various retail businesses under the Central Group or connected parties that rent the retail space for other purposes, the price will be set by comparison with the one for profitable clients. Rental rates are subject to locations, area sizes, forms, rental patterns, periods, and categories. The benefits earned are not only rentals, service fees, and utility fees, but also the potential in business operation, experience and success in joint business from past to present.

Price and condition setting: Set a price by comparing with the one for profitable clients.

“Profitable customers” means clients with high potential, who rent large retail space or in many projects and provide direct or indirect support for the Company’s successful operation.

The Central Group conducts connected businesses with various companies and with potential connected transactions. Since its establishment, the Central Group has been potential business alliance and it has provided great support to CPN's successful operation. As a result, CPN remains the source of continually connected transactions. For price and condition deliberation, CPN still takes its best interests into account.

### 3. Fee for Operating Expenses

"Operating Expenses" are insurance premiums, property taxes, promotional expenses, recognizance fees, and service fee collected by tenants

Principles: Asset management incurs operating expenses. In normal business practice, the company charges these expenses by calculating from the actual operating cost. The rate, in the same standard for general customers, depends on lease categories and space rental patterns.

Price and condition setting: Actual cost

### 4. Insurance/Group Health Insurance

Principles: Comprehensively and equally provide relevant and necessary information for the price offer to each insurance broker. The committee considers the selection of these brokers. In the process, no connected committee or connected management members can attend the deliberation.

Price and condition setting: Market price or compared price from the price offered by the insurance broker

with the most reasonable amount and the most beneficial conditions for the Company. The price can be compared at least two years backward. In case there is no comparable offer, the Company deliberates the approval by comparing prices with those of the previous year, depending on the insurance conditions and market situation during that period.

### 5. Procurement-Employment

"Procurement" means the purchase of materials, equipment or products, including rental or hire purchase

"Employment" means to hire a seller, manufacturer, contractor or organizer to produce, organize, manage, assemble or construct from the beginning stage to completion, including service provision, inclusive service, and transportation.

This includes the package purchase or hiring of a given contractor to construct buildings and install equipment while managing construction project as well.

Principles: Follow the Company's procurement regulations and process. In selecting the seller or contractor, CPN will proceed with transparency and fairness according to the stated procurement policy. In the process, no connected committee or connected management can attend the deliberation.

Price and condition setting: Market price or compared price from the price offering with the most reasonable amount and the most beneficial conditions for the Company.

## 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 generally accepted accounting standards 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 the 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 the quality of the 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, 2013.



Mr. Suthichai Chirathivat  
Chairman



Mr. Kobchai Chirathivat  
Director  
President & CEO

# INDEPENDENT AUDITOR'S REPORT

## To the Shareholders of Central Pattana Public Company Limited

I have audited the accompanying 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 2013, 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.

### Management's Responsibility for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with Thai Financial Reporting Standards, 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.

### Auditor's Responsibility

My responsibility is to express an opinion on these consolidated and separate financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the

financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### Opinion

In my opinion, the 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 2013 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.



(Thanit Osathalert)  
Certified Public Accountant  
Registration No. 5155

KPMG Phoomchai Audit Ltd.  
Bangkok  
21 February 2014

**CENTRAL PATTANA PUBLIC COMPANY LIMITED  
AND ITS SUBSIDIARIES**

.....

**FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2013  
AND  
INDEPENDENT AUDITOR'S REPORT**

.....



# STATEMENT OF FINANCIAL POSITION

Central Pattana Public Company Limited and its Subsidiaries

(in Baht)				
Consolidated financial statements				
	Note	31 December 2013	31 December 2012	1 January 2012
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	6	1,752,178,399	2,893,635,040	833,058,059
Current investments	7	117,010,721	1,313,509,486	111,556,736
Trade accounts receivable	5, 8	1,229,673,788	626,721,785	881,244,960
Other receivables	5, 9	2,400,239,657	1,492,512,801	1,466,528,589
Short-term loans to related parties	5	-	-	-
<b>Total current assets</b>		<b>5,499,102,565</b>	<b>6,326,379,112</b>	<b>3,292,388,344</b>
<b>Non-current assets</b>				
Investments in subsidiaries and funds	10	-	-	-
Investment in associates	11	3,354,239,257	3,308,789,222	2,714,169,875
Investment in jointly-controlled entities	12	-	-	-
Long-term investments - related parties	13	-	-	-
Other long-term investments	7	2,218,702	2,242,670	2,242,050
Long-term loans to related parties	5	-	-	-
Investment properties	14	53,575,156,506	45,038,465,475	39,726,014,610
Property, plant and equipment	15	2,352,903,164	2,463,434,325	2,423,240,407
Leasehold rights	16	11,456,563,951	11,340,796,019	14,494,303,720
Asset usage rights	17	127,264,252	181,003,202	156,792,365
Deferred tax assets	18	745,362,460	656,059,417	410,510,580
Other non-current assets	5, 19	425,963,382	318,469,509	301,985,134
<b>Total non-current assets</b>		<b>72,039,671,674</b>	<b>63,309,259,839</b>	<b>60,229,258,741</b>
<b>Total assets</b>		<b>77,538,774,239</b>	<b>69,635,638,951</b>	<b>63,521,647,085</b>

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

# STATEMENT OF FINANCIAL POSITION

Central Pattana Public Company Limited and its Subsidiaries

(in Baht)				
Consolidated financial statements				
	Note	31 December 2013	31 December 2012	1 January 2012
<b>Liabilities and equity</b>				
<b>Current liabilities</b>				
Loan from financial institution	20	900,000,000	-	500,000,000
Trade accounts payable	5, 21	598,412,053	662,821,379	791,771,360
Other payables	5, 22	5,157,203,879	4,022,149,929	3,713,819,226
Short-term loans from related parties	5, 20	4,159,962	3,944,703	3,815,441
Current portion of long-term loans	20	5,153,567,000	6,621,066,200	6,479,917,200
Current portion of accounts payable for leasehold right	5	-	219,292,248	426,171,727
Current portion of unearned rental and service income		317,870,781	315,687,144	292,122,571
Income tax payable		547,968,060	326,442,136	315,041,898
Contractor payables		2,779,050,202	2,320,257,394	2,832,830,633
<b>Total current liabilities</b>		<b>15,458,231,937</b>	<b>14,491,661,133</b>	<b>15,355,490,056</b>
<b>Non-current liabilities</b>				
Long-term loans from related parties	5, 20	-	-	-
Other long-term loans payable	20	13,788,036,680	18,943,698,000	18,264,764,200
Accounts payable for leasehold right	5	-	-	219,292,248
Deferred tax liabilities	18	155,447,688	273,258,707	493,366,973
Employee benefit obligations	23	171,551,584	127,976,428	110,267,656
Unearned rental and service income		4,941,489,040	4,717,556,256	4,731,512,060
Deposits received from customers		5,184,958,035	4,502,246,962	3,890,619,901
Guarantees for leasehold rights	5	1,015,418,010	679,267,221	8,156,688
<b>Total non-current liabilities</b>		<b>25,256,901,037</b>	<b>29,244,003,574</b>	<b>27,717,979,726</b>
<b>Total liabilities</b>		<b>40,715,132,974</b>	<b>43,735,664,707</b>	<b>43,073,469,782</b>

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

# STATEMENT OF FINANCIAL POSITION

Central Pattana Public Company Limited and its Subsidiaries

				(in Baht)
				Consolidated financial statements
	Note	31 December 2013	31 December 2012	1 January 2012
<b>Liabilities and equity</b>				
<b>Equity</b>				
Share capital	24			
Authorised share capital		2,244,000,000	2,178,816,000	2,178,816,000
Issued and paid-up share capital		2,244,000,000	2,178,816,000	2,178,816,000
Premium on ordinary shares		8,558,557,850	2,007,565,850	2,007,565,850
Retained earnings				
Appropriated for legal reserve	25	224,400,000	217,881,600	217,881,600
Unappropriated		25,195,199,173	20,992,843,892	15,610,308,220
Other components of equity	25	(43,736,017)	(45,677,191)	(51,785,457)
<b>Equity attributable to owners of the Company</b>		<b>36,178,421,006</b>	<b>25,351,430,151</b>	<b>19,962,786,213</b>
Non-controlling interests		645,220,259	548,544,093	485,391,090
<b>Total equity</b>		<b>36,823,641,265</b>	<b>25,899,974,244</b>	<b>20,448,177,303</b>
<b>Total liabilities and equity</b>		<b>77,538,774,239</b>	<b>69,635,638,951</b>	<b>63,521,647,085</b>

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

# STATEMENT OF FINANCIAL POSITION

Central Pattana Public Company Limited and its Subsidiaries

(in Baht)				
Separate financial statements				
	Note	31 December 2013	31 December 2012	1 January 2012
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	6	699,184,185	1,945,915,399	199,960,894
Current investments	7	3,560,000	1,202,124,172	3,070,000
Trade accounts receivable	5, 8	626,979,232	317,682,716	509,519,329
Other receivables	5, 9	1,667,212,440	839,689,574	1,293,383,167
Short-term loans to related parties	5	88,124,293	82,147,951	1,161,469,014
<b>Total current assets</b>		<b>3,085,060,150</b>	<b>4,387,559,812</b>	<b>3,167,402,404</b>
<b>Non-current assets</b>				
Investments in subsidiaries and funds	10	21,807,139,780	21,652,099,928	21,680,083,928
Investment in associates	11	5,544,768,726	5,544,768,726	4,446,170,726
Investment in jointly-controlled entities	12	-	-	-
Long-term investments - related parties	13	-	-	-
Other long-term investments	7	1,000,000	1,000,000	1,000,000
Long-term loans to related parties	5	13,234,089,917	13,531,654,885	14,599,734,495
Investment properties	14	16,483,119,890	9,195,376,724	7,055,611,185
Property, plant and equipment	15	370,262,316	364,807,918	331,075,203
Leasehold rights	16	5,803,275,519	5,320,054,177	5,577,351,586
Asset usage rights	17	-	-	-
Deferred tax assets	18	130,091,727	-	-
Other non-current assets	5, 19	302,056,699	210,174,252	161,244,049
<b>Total non-current assets</b>		<b>63,675,804,574</b>	<b>55,819,936,610</b>	<b>53,852,271,172</b>
<b>Total assets</b>		<b>66,760,864,724</b>	<b>60,207,496,422</b>	<b>57,019,673,576</b>

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

# STATEMENT OF FINANCIAL POSITION

Central Pattana Public Company Limited and its Subsidiaries

(in Baht)				
Separate financial statements				
	Note	31 December 2013	31 December 2012	1 January 2012
<b>Liabilities and equity</b>				
<b>Current liabilities</b>				
Loan from financial institution	20	900,000,000	-	500,000,000
Trade accounts payable	5, 21	320,375,333	431,996,021	443,811,502
Other payables	5, 22	2,089,577,028	1,224,322,596	3,429,692,571
Short-term loans from related parties	5, 20	3,377,972,226	2,603,183,605	1,128,800,298
Current portion of long-term loans	20	3,982,225,000	5,804,220,000	5,600,040,000
Current portion of accounts payable for leasehold right	5	-	219,292,248	426,171,727
Current portion of unearned rental and service income		110,080,547	118,299,758	113,908,825
Income tax payable		171,087,007	138,135,786	80,558,385
Contractor payables		1,507,126,206	784,635,181	575,354,279
<b>Total current liabilities</b>		<b>12,458,443,347</b>	<b>11,324,085,195</b>	<b>12,298,337,587</b>
<b>Non-current liabilities</b>				
Long-term loans from related parties	5, 20	3,421,792,207	3,378,903,293	3,349,684,726
Other long-term loans payable	20	11,363,465,000	14,845,690,000	13,649,910,000
Accounts payable for leasehold right	5	-	-	219,292,248
Deferred tax liabilities	18	-	51,936,202	230,635,529
Employee benefit obligations	23	145,352,171	112,149,918	96,040,364
Unearned rental and service income		714,089,098	670,667,832	627,979,925
Deposits received from customers		1,729,844,137	1,261,066,611	1,105,965,774
Guarantees for leasehold rights	5	774,714,219	446,287,130	5,812,380
<b>Total non-current liabilities</b>		<b>18,149,256,832</b>	<b>20,766,700,986</b>	<b>19,285,320,946</b>
<b>Total liabilities</b>		<b>30,607,700,179</b>	<b>32,090,786,181</b>	<b>31,583,658,533</b>

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

# STATEMENT OF FINANCIAL POSITION

Central Pattana Public Company Limited and its Subsidiaries

(in Baht)				
Separate financial statements				
	Note	31 December 2013	31 December 2012	1 January 2012
<b>Liabilities and equity</b>				
<b>Equity</b>				
Share capital	24			
Authorised share capital		2,244,000,000	2,178,816,000	2,178,816,000
Issued and paid-up share capital		2,244,000,000	2,178,816,000	2,178,816,000
Premium on ordinary shares		8,558,557,850	2,007,565,850	2,007,565,850
Retained earnings				
Appropriated for legal reserve	25	224,400,000	217,881,600	217,881,600
Unappropriated		25,123,672,051	23,709,562,147	21,029,706,949
Other components of equity	25	2,534,644	2,884,644	2,044,644
<b>Total equity</b>		<b>36,153,164,545</b>	<b>28,116,710,241</b>	<b>25,436,015,043</b>
<b>Total liabilities and equity</b>		<b>66,760,864,724</b>	<b>60,207,496,422</b>	<b>57,019,673,576</b>

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

# STATEMENT OF COMPREHENSIVE INCOME

Central Pattana Public Company Limited and its Subsidiaries

For the years ended 31 December

(in Baht)					
	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
Income					
Revenue from rent and services	5	18,128,314,102	15,324,819,664	7,085,786,442	6,187,912,674
Revenue from food and beverage	5	881,882,893	725,178,202	13,347,698	-
Revenue from hotel operation		902,978,834	711,775,339	-	-
Investment income	5, 27	97,655,779	77,803,880	2,834,396,467	3,403,647,180
Gain on lease under finance lease	5, 37	-	1,775,836,332	-	-
Other income	5, 28	1,698,192,611	925,550,128	1,322,387,916	900,234,263
Total income		21,709,024,219	19,540,963,545	11,255,918,523	10,491,794,117
Expenses					
Cost of rent and services	5	9,541,895,158	8,555,586,249	4,249,972,148	3,843,698,045
Cost of food and beverage	5	690,764,382	608,775,094	10,543,143	-
Cost of hotel operation		308,964,107	269,038,489	-	-
Administrative expenses	5, 29	3,445,545,818	2,740,927,148	2,256,738,444	1,781,115,463
Finance costs	5, 32	812,532,817	1,057,395,440	906,356,612	1,136,981,111
Total expenses		14,799,702,282	13,231,722,420	7,423,610,347	6,761,794,619
Share of profit (loss)					
Associates	11	686,122,862	584,247,771	-	-
Jointly-controlled entities	12	(191,368)	-	-	-
Total		685,931,494	584,247,771	-	-
Profit before income tax expense		7,595,253,431	6,893,488,896	3,832,308,176	3,729,999,498
Income tax expense	33	(1,206,049,820)	(641,637,769)	(330,695,478)	(243,982,861)
Profit for the year		6,389,203,611	6,251,851,127	3,501,612,698	3,486,016,637

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



# STATEMENT OF COMPREHENSIVE INCOME

Central Pattana Public Company Limited and its Subsidiaries

For the years ended 31 December

		(in Baht)			
		Consolidated financial statements		Separate financial statements	
	Note	2013	2012	2013	2012
<b>Other comprehensive income</b>					
Foreign currency translation differences					
for foreign operations		28,971	2,369,689	-	-
Net change in fair value of					
available-for-sale investments		1,912,203	3,738,577	(350,000)	840,000
Defined benefit plan actuarial losses,					
net of income tax		(13,912,117)	-	(11,241,147)	-
<b>Other comprehensive income</b>					
for the year, net of income tax		(11,970,943)	6,108,266	(11,591,147)	840,000
<b>Total comprehensive income</b>					
for the year		6,377,232,668	6,257,959,393	3,490,021,551	3,486,856,637
<b>Profit attributable to:</b>					
Owners of the Company		6,292,529,045	6,188,698,124	3,501,612,698	3,486,016,637
Non-controlling interests		96,674,566	63,153,003	-	-
<b>Profit for the year</b>		<b>6,389,203,611</b>	<b>6,251,851,127</b>	<b>3,501,612,698</b>	<b>3,486,016,637</b>
<b>Total comprehensive income</b>					
<b>attributable to:</b>					
Owners of the Company		6,280,558,102	6,194,806,390	3,490,021,551	3,486,856,637
Non-controlling interests		96,674,566	63,153,003	-	-
<b>Total comprehensive income for the year</b>		<b>6,377,232,668</b>	<b>6,257,959,393</b>	<b>3,490,021,551</b>	<b>3,486,856,637</b>
Basic earnings per share	34	1.42	1.42	0.79	0.80

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

# STATEMENT OF CHANGES IN EQUITY

Central Pattana Public Company Limited and its Subsidiaries

	Consolidated financial statements												(in Baht)
	Retained earnings			Other components of equity									
	Note	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Currency translation differences	Fair value changes in available-for-sale investments	Reserve on business combination involving entities under common control			Total other components of equity	Equity attributable to owners of the Company	
Year ended 31 December 2012													
Balance at 1 January 2012		2,178,816,000	2,007,565,850	217,881,600	15,610,308,220	(3,451,483)	6,037,801	(54,371,775)	(51,785,457)	19,962,786,213	485,391,090	20,448,177,303	
Transactions with owners, recorded directly in equity													
Contributions by and distributions to owners of the Company													
Dividends to owners of the Company	35	-	-	-	(806,162,452)	-	-	-	-	(806,162,452)	-	(806,162,452)	
Total contributions by and distributions to owners of the Company		-	-	-	(806,162,452)	-	-	-	-	(806,162,452)	-	(806,162,452)	
Comprehensive income for the year													
Profit		-	-	-	6,188,698,124	-	-	-	-	6,188,698,124	63,153,003	6,251,851,127	
Other comprehensive income		-	-	-	-	2,369,689	3,738,577	-	-	6,108,266	-	6,108,266	
Total comprehensive income for the year		-	-	-	6,188,698,124	2,369,689	3,738,577	-	-	6,108,266	63,153,003	6,257,959,393	
Balance at 31 December 2012		2,178,816,000	2,007,565,850	217,881,600	20,992,843,892	(1,081,794)	9,776,378	(54,371,775)	(45,677,191)	25,351,430,151	548,544,093	25,899,974,244	

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

# STATEMENT OF CHANGES IN EQUITY

Central Pattana Public Company Limited and its Subsidiaries

(In Baht)

	Consolidated financial statements											
	Retained earnings			Other components of equity								
	Note	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Currency translation differences	Other comprehensive income				Equity attributable to owners of the Company	Non-controlling interests
Fair value changes in available-for-sale investments							Reserve on business combination involving entities under common control	Total other components of equity				
Year ended 31 December 2013												
Balance at 1 January 2013		2,178,816,000	2,007,565,850	217,881,600	20,992,843,892	(1,081,794)	9,776,378	(54,371,775)	(45,677,191)	25,351,430,151	548,544,093	25,899,974,244
Transactions with owners, recorded directly in equity												
Contributions by and distributions to owners of the Company												
Issue of ordinary shares		65,184,000	6,550,992,000	-	-	-	-	-	-	6,616,176,000	-	6,616,176,000
Dividends to owners of the Company	35	-	-	-	(2,069,743,247)	-	-	-	-	(2,069,743,247)	-	(2,069,743,247)
Total contributions by and distributions to owners of the Company												
		65,184,000	6,550,992,000	-	(2,069,743,247)	-	-	-	-	4,546,432,753	-	4,546,432,753
Changes in ownership interests in subsidiary												
Acquisition of non-controlling interests without a change in control		-	-	-	-	-	-	-	-	-	1,600	1,600
Total changes in ownership interests in subsidiaries												
Comprehensive income for the year												
Profit		-	-	-	6,292,529,045	-	-	-	-	6,292,529,045	96,674,566	6,389,203,611
Other comprehensive income		-	-	-	(13,912,117)	28,971	1,912,203	-	1,941,174	(11,970,943)	-	(11,970,943)
Total comprehensive income for the year												
		-	-	-	6,278,616,928	28,971	1,912,203	-	1,941,174	6,280,558,102	96,674,566	6,377,232,668
Transfer to legal reserve	25	-	-	6,518,400	(6,518,400)	-	-	-	-	-	-	-
Balance at 31 December 2013		2,244,000,000	8,558,557,850	224,400,000	25,195,199,173	(1,052,823)	11,688,581	(54,371,775)	(43,736,017)	36,178,421,006	645,220,259	36,823,641,265

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

# STATEMENT OF CHANGES IN EQUITY

Central Pattana Public Company Limited and its Subsidiaries

	Note	Separate financial statements				Other comprehensive income		(in Baht)
		Issued and paid-up share capital	Share premium	Retained earnings		Fair value changes in available-for-sale investments		
				Legal reserve	Unappropriated			
Year ended 31 December 2012								
Balance at 1 January 2012		2,178,816,000	2,007,565,850	217,881,600	21,029,706,949	2,044,644	25,436,015,043	
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners of the Company								
Dividends to owners of the Company	35	-	-	-	(806,161,439)	-	(806,161,439)	
Total contributions by and distributions to owners of the Company		-	-	-	(806,161,439)	-	(806,161,439)	
Comprehensive income for the year								
Profit		-	-	-	3,486,016,637	-	3,486,016,637	
Other comprehensive income		-	-	-	-	840,000	840,000	
Total comprehensive income for the year		-	-	-	3,486,016,637	840,000	3,486,856,637	
Balance at 31 December 2012		2,178,816,000	2,007,565,850	217,881,600	23,709,562,147	2,884,644	28,116,710,241	
Year ended 31 December 2013								
Balance at 1 January 2013		2,178,816,000	2,007,565,850	217,881,600	23,709,562,147	2,884,644	28,116,710,241	
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners of the Company								
Issue of ordinary shares		65,184,000	6,550,992,000	-	-	-	6,616,176,000	
Dividends to owners of the Company	35	-	-	-	(2,069,743,247)	-	(2,069,743,247)	
Total contributions by and distributions to owners of the Company		65,184,000	6,550,992,000	-	(2,069,743,247)	-	4,546,432,753	
Comprehensive income for the year								
Profit		-	-	-	3,501,612,698	-	3,501,612,698	
Other comprehensive income		-	-	-	(11,241,147)	(350,000)	(11,591,147)	
Total comprehensive income for the year		-	-	-	3,490,371,551	(350,000)	3,490,021,551	
Transfer to legal reserve	25	-	-	6,518,400	(6,518,400)	-	-	
Balance at 31 December 2013		2,244,000,000	8,558,557,850	224,400,000	25,123,672,051	2,534,644	36,153,164,545	

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

## STATEMENT OF CASH FLOWS

Central Pattana Public Company Limited and its Subsidiaries  
For the years ended 31 December

		(in Baht)			
		Consolidated financial statements		Separate financial statements	
	Note	2013	2012	2013	2012
<b>Cash flows from operating activities</b>					
Profit for the year		6,389,203,611	6,251,851,127	3,501,612,698	3,486,016,637
Adjustments for					
Depreciation		2,613,640,472	2,217,410,283	485,897,859	434,901,775
Amortisation of leasehold right		1,070,064,933	1,040,417,207	540,123,669	469,303,027
Reversal of allowance for impairment of assets		(377,333,334)	-	(177,704,852)	-
Foreign currency translation differences for foreign operations		28,971	2,369,689	-	-
Investment income		(97,655,779)	(77,803,880)	(2,834,396,467)	(3,403,647,180)
Finance costs		812,532,817	1,057,395,440	906,356,612	1,136,981,111
Allowance for doubtful accounts (reversal)		(3,358,920)	13,922,397	1,178,028	(297,421)
Gain on lease under finance lease	5, 37	-	(1,775,836,332)	-	-
(Gain) loss on disposal of equipment		746,822	18,649,307	(1,657,350)	17,295,921
Recognition of unearned rental and service income		(387,966,727)	(352,113,512)	(130,249,711)	(129,856,166)
Employee benefit obligations		26,946,500	17,882,773	19,831,220	16,283,554
Share of profit of associates and jointly-controlled entities		(685,931,494)	(584,247,771)	-	-
Unrealised (gain) loss on exchange		20,753,640	(24,672,960)	-	-
Unrealised (gain) loss from financial instruments		(43,706,478)	931,006	(5,760,196)	931,006
Income tax expense		1,206,049,820	641,637,769	330,695,478	243,982,861
		10,544,014,854	8,447,792,543	2,635,926,988	2,271,895,125

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

# STATEMENT OF CASH FLOWS

Central Pattana Public Company Limited and its Subsidiaries

For the years ended 31 December

			(in Baht)	
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<b>Changes in operating assets and liabilities</b>				
Trade accounts receivable	(599,593,083)	240,600,779	(310,474,544)	192,134,035
Other receivables	(905,934,607)	(25,655,454)	(1,163,093,222)	24,228,976
Other non-current assets	(48,603,076)	(35,769,443)	(86,730,600)	(44,003,814)
Trade accounts payable	582,193,119	10,006,616	199,661,399	9,751,738
Other payables	972,937,948	678,105,360	1,130,082,412	(1,841,037,654)
Unearned rental and service income	614,083,147	361,722,279	165,451,765	176,935,006
Deposits from customers received	1,420,021,361	1,552,255,594	637,950,473	356,507,504
Repayment of deposits received from customers	(737,310,288)	(940,628,534)	(169,172,948)	(201,406,666)
Guarantee for leasehold prepayment	372,100,000	671,110,533	340,100,000	440,474,750
Employee benefits obligations paid	(761,490)	(174,000)	(680,400)	(174,000)
<b>Cash generated from operating activities</b>	<b>12,213,147,885</b>	<b>10,959,366,273</b>	<b>3,379,021,323</b>	<b>1,385,305,000</b>
Income tax paid	(1,188,159,928)	(1,095,894,632)	(476,961,899)	(365,104,787)
<b>Net cash provided by operating activities</b>	<b>11,024,987,957</b>	<b>9,863,471,641</b>	<b>2,902,059,424</b>	<b>1,020,200,213</b>
<b>Cash flows from investing activities</b>				
Interest received	92,602,722	72,428,733	670,143,265	727,360,781
Dividends received	640,802,827	496,400,979	2,487,380,594	3,092,453,141
(Increase) decrease in current investments	1,198,410,968	(1,198,214,172)	1,198,214,172	(1,198,214,172)
Purchase of investments in subsidiary, fund, associates, and jointly-controlled entities	-	(564,744,084)	(1,998,999)	(1,098,598,000)
Proceeds from redemption of investment units in funds	-	-	24,664,000	27,984,000
Loans to related parties	-	-	(4,645,953,620)	(7,603,590,015)
Loans repaid by related parties	-	-	4,933,160,452	9,759,362,173
Purchase of investment properties	(8,424,820,191)	(5,801,678,171)	(6,105,061,830)	(2,112,789,814)
Purchase of property, plant and equipment	(249,692,434)	(329,455,278)	(113,835,332)	(110,270,069)
Purchase leasehold rights	(1,020,157,387)	(800,650,374)	(1,366,692,311)	(530,378,258)
Sales equipment, leasehold rights and investment properties	65,667,190	4,373,988,897	43,516,740	15,115,109
Decrease in contractor payables	(1,892,859,777)	(1,899,437,022)	(780,937,227)	(183,856,433)
Decrease in leasehold rights payables	(219,292,248)	(426,171,727)	(219,292,248)	(426,171,727)
<b>Net cash provided by (used in) investing activities</b>	<b>(9,809,338,330)</b>	<b>(6,077,532,219)</b>	<b>(3,876,692,344)</b>	<b>358,406,716</b>

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

## STATEMENT OF CASH FLOWS

Central Pattana Public Company Limited and its Subsidiaries  
For the years ended 31 December

	(in Baht)			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<b>Cash flows from financing activities</b>				
Finance costs paid	(1,175,965,948)	(1,236,986,615)	(1,236,142,843)	(1,227,190,829)
Dividends paid	(2,069,545,077)	(806,100,540)	(2,069,545,077)	(806,099,528)
Payment for liability under financial lease	(4,612,323)	(2,358,086)	(4,612,323)	(2,358,086)
Proceeds from loans from related parties	-	-	2,308,897,588	2,436,705,458
Proceeds from borrowings	1,400,000,000	8,750,000,000	1,400,000,000	8,450,000,000
Repayment of loans from related parties	-	-	(1,482,651,639)	(933,669,439)
Proceeds from issue of ordinary shares	6,616,176,000	-	6,616,176,000	-
Proceeds from non-controlling interests	1,600	-	-	-
Repayments of borrowings	(7,123,160,520)	(8,429,917,200)	(5,804,220,000)	(7,550,040,000)
<b>Net cash provided by (used in)</b>				
<b>financing activities</b>	(2,357,106,268)	(1,725,362,441)	(272,098,294)	367,347,576
<b>Net increase (decrease) in cash</b>				
<b>and cash equivalents</b>	(1,141,456,641)	2,060,576,981	(1,246,731,214)	1,745,954,505
Cash and cash equivalents				
at 1 January	2,893,635,040	833,058,059	1,945,915,399	199,960,894
<b>Cash and cash equivalents</b>				
<b>at 31 December</b>	1,752,178,399	2,893,635,040	699,184,185	1,945,915,399

### Non-cash transactions

During the year 2013, the Group has constructed investment properties at a total cost of Baht 10,805.9 million (2012: Baht 7,282.9 million), of which Baht 8,424.8 million was paid by cash (2012 : Baht 5,801.7 million), and Baht 2,381.1 million was outstanding as payable for investment property as at 31 December 2013 (2012 : Baht 1,481.2 million).

During the year 2013, the Company has constructed investment properties at a total cost of Baht 7,682.8 million (2012: Baht 2,531.4 million), of which Baht 6,105.1 million was paid by cash (2012 : Baht 2,112.8 million), and Baht 1,577.7 million was outstanding as payable for investment property as at 31 December 2013 (2012 : Baht 418.6 million).



During the year 2013, the Group acquired property, plant and equipment at a total cost of Baht 284.9 million (2012: Baht 342.0 million) of which Baht 249.7 million was paid by cash (2012: Baht 329.5 million), Baht 1.9 million was finance lease agreements (2012 : Baht 4.0 million), and Baht 33.3 million was outstanding as payable for purchases of property, plant and equipment as at 31 December 2013 (2012 : Baht 8.5 million).

During the year 2013, the Company acquired property, plant and equipment at a total cost of Baht 119.9 million (2012: Baht 121.3 million) of which Baht 113.8 million was paid by cash (2012: Baht 110.3 million), Baht 1.9 million was finance lease agreements (2012 : Baht 4.0 million) , and Baht 4.2 million was outstanding as payable for purchases of property, plant and equipment as at 31 December 2013 (2012 : Baht 7.0 million).

During the year 2013, the Group acquired leasehold rights at a total cost of Baht 1,258.6 million (2012: Baht 865.2 million) of which Baht 1,020.2 million was paid by cash (2012: Baht 800.7 million), and Baht 238.4 million was outstanding as payable for leasehold rights as at 31 December 2013 (2012 : Baht 64.5 million).

During the year 2013, the Company acquired leasehold rights at a total cost of Baht 1,547.1 million (2012: Baht 594.2 million) of which Baht 1,366.7 million was paid by cash (2012: Baht 530.4 million), and Baht 180.4 million was outstanding as payable for leasehold rights as at 31 December 2013 (2012 : Baht 63.8 million).

*The accompanying notes are an integral part of these financial statements.*

# NOTES TO THE FINANCIAL STATEMENTS

Central Pattana Public Company Limited and its Subsidiaries

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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 authorised for issue by the Board of Directors on 21 February 2014.

## 1 General information

Central Pattana Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at 999/9 Rama I Road, Patumwan, Patumwan,

Bangkok 10330.

The Company was listed on the Stock Exchange of Thailand in March 1995.

The Company’s major shareholder during the financial year was Central Holdings Company Limited (26.2% shareholding), which is incorporated in Thailand.

The principal businesses of the Company are to invest in developing new projects, manage projects and earn income from property management. Details of the Company’s subsidiaries and funds, associates, jointly-control entities and related parties as at 31 December 2013 and 2012 are additional given in notes 5, 10, 11, 12 and 13. Details are as follows:

Name of entity	Type of business	Country of incorporation	Ownership interest	
			2013	2012
(%)				
Direct subsidiaries				
Central Pattana Rama 2 Co., Ltd.	(1)	Thailand	100.0	100.0
Central Pattana Chiangmai Co., Ltd.	(1) (2) (4)	Thailand	100.0	100.0
Langsuan Realty Co., Ltd.	(3)	Thailand	100.0	100.0
Central Pattana Rattanathibet Co., Ltd.	(1) (2) (4)	Thailand	100.0	100.0
Central Realty Service Co., Ltd.	(2)	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)	Thailand	100.0	100.0
CPN Pattaya Beach Co., Ltd.	(1) (2) (4)	Thailand	-	100.0
(As a result of the amalgamation, a new subsidiary namely CPN Pattaya Co., Ltd. on 1 July 2013)				
Central Pattana Chonburi Co., Ltd.	(1) (2) (4)	Thailand	100.0	100.0
CPN Pattaya Beach Hotel Co., Ltd. (As result of the amalgamation, a new subsidiary namely CPN Pattaya Co., Ltd. on 1 July 2013)	(7)	Thailand	-	100.0

Name of entity	Type of business	Country of incorporation	Ownership interest	
			2013	2012
			(%)	
CPN Construction Management Co.,Ltd.	(1)	Thailand	100.0	100.0
Central Pattana Development Co., Ltd.	(1) (2) (4)	Thailand	100.0	100.0
Central Realty Service Rama 3 Co., Ltd. (Liquidated on 4 June 2013)	(2)	Thailand	-	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
<b>Direct subsidiaries</b>				
Central Pattana Khon Kaen Co., Ltd.	(1) (2) (4)	Thailand	78.1	78.1
CPN Pattaya Co., Ltd.	(1) (2) (4) (7)	Thailand	100.0	-
CPN Learning Center Co., Ltd.	(9)	Thailand	100.0	-
CPN Rayong Co., Ltd.	(1) (2) (4)	Thailand	100.0	-
<b>Indirect subsidiaries</b>				
Central Play Land Co., Ltd. (Under going the liquidation process)	(1)	Thailand	-	100.0
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
Central (Shanghai) Management Consulting Co.,Ltd.	(8)	China	100.0	100.0
CPN Complex Co.,Ltd.	(1) (2)	Thailand	99.9	99.9
CPN City Co.,Ltd.	(6)	Thailand	99.9	99.9
CPN Ventures Sdn. Bhd.	(8)	Malaysia	100.0	-
CPN Real Estate Sdn. Bhd.	(8)	Malaysia	100.0	-
CPN Malls Malaysia Sdn. Bhd.	(8)	Malaysia	100.0	-
<b>Funds</b>				
The Thai Business Fund 4	(6)	Thailand	100.0	100.0
The Thai Business Fund 5	(6)	Thailand	100.0	100.0

#### Type of business

- (1) Construction of office buildings and shopping centers for rent
- (2) Provision of utilities in shopping centers
- (3) Construction of condominiums and shop houses for rent
- (4) Sales of food and beverage
- (5) Operator of play land and water theme park on shopping centers
- (6) Investment in real estates
- (7) Hotel business
- (8) Real estate management consulting and corporate services
- (9) Training service and personnel development

## 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 ("FAP"); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The FAP has issued the following new and revised TFRS relevant to the Group's operations and effective for accounting periods beginning on or after 1 January 2013:

TFRS	Topic
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates
TFRS 8	Operating Segments

The adoption of these new and revised TFRS has resulted in changes in the group's operations policies. The effects of these changes are disclosed in note 3.

In addition to the above new and revised TFRS, the FAP

has issued a number of other new and revised TFRS which are effective for financial statements beginning on or after 1 January 2014 and have not been adopted in the preparation of these financial statements. Those new and revised TFRS that are relevant to the Group's operations are disclosed in note 42.

### (b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following material items in the statements of financial position:

- derivative financial instruments are measured at fair value
- available-for-sale financial assets are measured at fair value

### (c) Functional and presentation currency

The financial statements are presented in Thai Baht, which is the company's functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand unless otherwise stated.

### (d) Use of estimates and judgements

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods affected.

Information about significant areas of estimation uncer-

tainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is included in the following notes:

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Note 4(t)	Current and deferred taxation
Note 14	Valuation of investment properties
Note 16	Leasehold rights
Note 18	Utilisation of tax losses
Note 23	Measurement of defined benefit obligations
Note 38	Valuation of financial instruments
Note 39	Commitments with non-related parties
Note 40	Contingent liabilities

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### 3 Changes in accounting policies

#### (a) Overview

From 1 January 2013, consequent to the adoption of new and revised TFRS as set out in note 2, the Group has changed its accounting policies in the following areas:

- Accounting for the effects of changes in foreign exchange rates
- Presentation of information on operating segments

Details of the new accounting policies adopted by the Group are included in notes 3(b) to 3(c) below. Other new and revised TFRS did not have any impact on the accounting policies, financial position or performance of the Group.

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#### (b) Accounting for the effects of changes in foreign exchange rates

From 1 January 2013, the Group has adopted TAS 21 (revise 2009) Accounting for the effects of changes in foreign exchange rates.

The principal change introduced by TAS 21 (revise 2009) is the introduction of the concept of functional currency,

which is defined as the currency of the primary economic environment in which the entity operates. TAS 21 (revise 2009) requires the entity to determine its functional currency and translate foreign currency items into its functional currency, reporting the effects of such translation in accordance with the provisions of TAS 21 (revise 2009). Foreign currencies are defined by TAS 21 (revise 2009) as all currencies other than the entity's functional currency.

Management has determined that the functional currency of the Company is Thai Baht and that the adoption of TAS 21 (revise 2009) from 1 January 2013 has not had a significant impact on the Group's reported assets, liabilities or retained earnings.

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#### (c) Presentation of information on operating segments

From 1 January 2013, the Group has adopted TFRS 8 Operating Segments. The new policy for presentation of information on operating segments, together with information on the previous policy, is given below. The new policy has been applied retrospectively and segment information included in the 2012 financial statements, which are included in the Group's 2013 interim financial statements for comparative purposes, has been re-presented accordingly. The change in policy only impacts presentational aspects and has no impact on the Group's reported assets, liabilities, results or earnings per share.

TFRS 8 introduces the "management approach" to segment reporting. It requires a change in the presentation and disclosure of segment information based on the internal reports regularly reviewed by the Group's Chief Operating Decision Maker in order to assess each segment's performance and to allocate resources to those segments. Previously the Group presented segment information in respect of its business and geographical segments in accordance with TAS 14 Segment Reporting.

The change in basis of presentation and disclosure of

segment information has had no significant effect on the segment information reported in the Group's financial statements.

## 4 Significant accounting policies

The accounting policies set out below have been applied consistently to all period presented in these financial statements.

### (α) 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 jointly-controlled entities.

#### Business combinations

The Group applies the acquisition method for all business combinations other than those with entities under common control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

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 of the acquisition date.

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 and share-based payment awards of the acquiree that are replaced mandatorily in the business combination. If a business combination results in the termination of pre-existing relationships between the Group and the acquiree, then the lower of the termination amount, as contained in the agreement, and the value of the off-market element is deducted from the consideration transferred and recognised in other expenses.

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.

The Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

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.

#### Acquisitions from entities under common control

Business combinations of entities or businesses under common control are accounted for using a method similar to the pooling of interest method and in accordance with the Guideline issued in 2009 by the FAP.

#### Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated



financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group. Losses applicable to non-controlling interests in a subsidiary are allocated to non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

#### Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

#### Associates and jointly-controlled entities

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity.

Jointly-controlled entities are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic and operation decisions.

Investments in associates and jointly-controlled entities are accounted for in the consolidated financial statements using the equity method (equity-accounted investees) and are recognised initially at cost. The cost of the investment includes transaction costs.

The consolidated financial statements include the Group's share of profit or loss and other comprehensive income of equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in an equity accounted investee, the Group's carrying amount of that interest is reduced to zero and recognition of further losses is discontinued except to the extent that the Group has an obligations or has made payments on behalf of the investee.

#### Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates and jointly-controlled entities 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.

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### (b) Foreign currencies

#### Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at reporting date are translated to the functional currency at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in profit or loss.

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

of the transactions.

Foreign currency differences arising on retranslation are generally recognised in profit or loss. However, foreign currency differences arising from the retranslation of the following items are recognised in other comprehensive income:

- Available-for-sale equity investments (except on impairment in which case foreign currency differences that have been recognised in other comprehensive income are reclassified to profit or loss);
- A financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or
- Qualifying cash flow hedges to the extent the hedge is effective.

#### Foreign operations

The assets and liabilities of foreign operations are translated to Thai Baht at the foreign exchange rates ruling at the reporting date.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are stated at exchange rates ruling on transaction dates.

The revenues and expenses of foreign operations are translated to Thai Baht at rates approximating the foreign exchange rates ruling at the dates of the transactions.

Foreign exchange differences arising on translation are recognised in other comprehensive income and presented in the foreign currency translation reserve in equity until disposal of the investments.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign 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.

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#### (c) Derivative financial instruments

Derivative financial instruments are used to manage exposure to foreign exchange, interest rate arising from operational, financing and investment activities. Derivative financial instruments are not used for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, they are remeasured at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

The fair value of interest rate swaps is based on broker quotes at the reporting date. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the reporting date.

The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price at the reporting date for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

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#### (d) 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.

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#### (e) Trade and other accounts receivable

Trade and other accounts receivable (including balances with related parties) are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

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#### (f) Investments

##### Investments in subsidiaries, associates and jointly-controlled entities

Investments in subsidiaries, associates and jointly-controlled entities in the separate financial statements of the Company are accounted for using the cost method. Investment in associates and jointly-controlled entities in the consolidated financial statements is accounted for using the equity method.

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

Debt securities and marketable equity securities held for trading are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in profit or loss.

Debt securities that the Group has positive intent and ability to hold to maturity are classified as held-to-maturity investment. 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 are determined at the quoted bid price at the reporting date.

##### 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.

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#### (g) Investment properties

Investment properties are properties which 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 stated 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.

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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#### (h) Property, plant and equipment

##### Recognition and measurement

##### Owned assets

Property, plant and equipment are stated 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.

Gains and losses on disposal of an 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 net within other income 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 fair value and reclassified as investment property.

##### 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 and equipment. The estimated useful lives are as follows:

Furniture, fixtures and equipment	5-15 years
Transportation equipment	5 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.

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#### (i) Leasehold rights

Leasehold rights are recorded at cost less accumulated amortisation and impairment losses.

##### Amortisation

Leasehold rights are charged to profit or loss on a straight-line basis over the period of lease as follows:

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Leasehold rights over land and buildings	30 years
Leasehold rights over land	25-40 years (over the period of lease)

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#### (j) Long-term leases

##### Where the Group is the lessee

Leases of property or equipment which substantially transfer all the risks and rewards of ownership to the lessees are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated to the principal and to the finance charges so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period. The property or equipment acquired under finance leases is depreciated over the useful life of the asset.

Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as

operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease. For long-term leases where the Group does not occupy the entire areas at the lease inception date, lease expenses are charged to profit or loss on a systematic basis over the period of the lease in proportion to the area that the Group occupies in each year.

When an operating lease is terminated before the lease period expires, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which the termination takes place.

##### Where the Group is the lessor

Assets leased out under operating leases are included in property and equipment in the statements of financial position. They are depreciated over their expected useful lives on a basis consistent with other similar property and equipment owned by the Group. Rental income is recognised on a straight-line basis over the lease term.

Assets leased out by the Group under which a significant portion of the risks and rewards of ownership are transferred to the lessee are classified as finance lease. The assets held under finance lease are recorded as accounts receivable under finance lease in the statements of financial position.

The sales revenue recorded at the commencement of a finance lease represents the fair value of the asset, or if lower, the present value of the minimum lease payments accruing to the lessor, computed at a commercial rate of interest. The cost of sale recognised at the commencement of the lease term is the cost or carrying amount of the leased property. The difference between the sales revenue and the cost of sale is recorded as gain which is recognised by the Group in accordance with its normal accounting policy.

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### (k) Assets usage right

Assets usage rights are stated at cost less accumulated amortisation and impairment losses.

#### Amortisation

Amortisation is calculated over the cost of the asset, 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 for the current and comparative periods are as follows:

Assets usage rights	10 and 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

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 or its cash-generating unit 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.

#### Calculation of recoverable amount

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

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

#### Reversals of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss. For financial assets carried at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised in other comprehensive income.

Impairment losses recognised in prior periods in respect of other 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 estimate 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.

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#### (m) Interest-bearing liabilities

Interest-bearing liabilities are recognised initially at fair value.

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#### (n) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

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#### (o) Employee benefits

##### Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

##### Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The discount rate is the yield at the reporting date on AA credit-rated bonds

that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognised asset is limited to the total of any unrecognised past service costs and 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. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Group. An economic benefit is available to the group if it is realisable during the life of the plan, or on settlement of the plan liabilities.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised in profit or loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in profit or loss.

The Group recognises all actuarial gains and losses arising from defined benefit plans in other comprehensive income and all expenses related to defined benefit plans in profit or loss.

##### Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans 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.

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### (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 finance cost.

### (q) Revenue

Revenue excludes value added taxes and is arrived at after deduction of trade discounts and special discount.

#### Rent and services

Revenue from rent is recognised in profit or loss on a straight-line basis over the term of the lease. Revenue from services is recognised as services are provided. Lease incentives granted are recognised as an integral part of the total revenue from rent. Contingent rentals are recognised as income in the accounting period in which they are earned. Unearned rental and service revenue are recognised on a straight-line basis over the term of the lease.

#### Food and beverage

Revenue from food and beverage is recognised upon delivery of goods to customers.

#### Investments

Revenue from investments comprises dividend and interest income from bank deposits and investments.

#### Dividend income

Dividend income is recognised in profit or loss on the

date the Group's right to receive payments is established which in the case of quoted securities is usually the ex-dividend date.

#### Interest income

Interest income is recognised in profit or loss as it accrues.

### (r) Finance costs

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration, losses on disposal of available-for-sale financial assets, dividends on preference shares classified as liabilities, fair value losses on financial assets at fair value through profit or loss, impairment losses recognised on financial assets (other than trade receivables), and losses on hedging instruments that are recognised in profit or loss.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

### (s) Lease payments

Payments made under operating leases 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 payments made, 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.

Payments made under sub-lease agreement, which is an operating lease, with Central International Development Co., Ltd. is recognised in profit or loss on a systematic basis.

#### (t) 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 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 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 jointly-controlled entities 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 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.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. 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.

#### (u) Earnings per share

The Group/Company 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/Company by the weighted average number of ordinary shares outstanding during the year.

#### (v) 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 (primarily the Company's headquarters), head office expenses, and tax assets and liabilities.

## 5 Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or joint control the

party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities

Relationship with key management and other related parties were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Central Holding Co., Ltd.	Thailand	Major shareholder, some common directors
CPN Retail Growth Leasehold Property Fund	Thailand	Associate, holding 27.8%
CPN Commercial Growth Leasehold Property Fund	Thailand	Associate, holding 25.0%
Central Plaza i-City Malls Malaysia Sdn. Bhd.	Malaysia	Jointly-controlled entity, holding 60.0%
Central Plaza i-City Sdn. Bhd.	Malaysia	Jointly-controlled entity, holding 60.0%
Central Plaza i-City Real Estate Sdn. Bhd.	Malaysia	Jointly-controlled entity, holding 60.0%
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

Name of entities	Country of incorporation/ nationality	Nature of relationships
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 Department Store 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	Some common directors
Big C Fairy Co., Ltd.	Thailand	Some common directors
Siam Retail Development Co., Ltd.	Thailand	Some common directors
Ayudhaya Agrocity Co., Ltd.	Thailand	Some common directors
Square Ritz Plaza Co., Ltd.	Thailand	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
Fuji Delicious Creation Co.,Ltd.	Thailand	Some common directors
CMG Marketing Co., Ltd.	Thailand	Some common directors
CRC Thai Watsadu Co., Ltd.	Thailand	Some common directors
Central Restaurant Holding Co., Ltd.	Thailand	Some common directors
CRG International Food Co., Ltd.	Thailand	Some common directors
The Barbecue Plaza Co., Ltd.	Thailand	Some common directors

Relationships between the Company and its subsidiaries and funds are disclosed in note 1.

The Pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policies
Revenue from rent and services	Market prices which are subject to location, lease space, lease form, timing and type of lease
Revenue from food and beverage	Market prices
Management income and other income	The rate being charged by other parties in the business
Interest charged to wholly owned subsidiaries and related parties	The average interest rate of debt securities issued by the Company
Cost of rent and services	Market prices
Cost of food and beverage	Market prices
Administrative expenses	At cost
Management fee and leasehold rights	Contractually agreed prices
Directors' remuneration	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:

	(in thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
<b>Revenue</b>				
Revenue from rent and services				
Subsidiaries	-	-	85,405	85,067
Associates	105,365	-	1,722	-
Other related parties	3,470,001	2,517,458	1,353,985	1,139,322
<b>Total</b>	<b>3,575,366</b>	<b>2,517,458</b>	<b>1,441,112</b>	<b>1,224,389</b>
Revenue from food and beverage				
Other related parties	6,385	-	-	-
Management income				
Subsidiaries and funds	-	-	271,052	224,438
Associates	351,403	300,407	351,403	300,407

	(in thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Jointly-controlled entities	16,928	-	16,928	-
Other related parties	3,310	1,400	3,310	1,400
<b>Total</b>	<b>371,641</b>	<b>301,807</b>	<b>642,693</b>	<b>526,245</b>
<b>Interest income</b>				
Subsidiaries and funds	-	-	603,954	697,282
Other related parties	3,870	4,896	3,890	4,926
<b>Total</b>	<b>3,870</b>	<b>4,896</b>	<b>607,844</b>	<b>702,208</b>
<b>Dividend income</b>				
Subsidiaries and funds	-	-	1,522,680	2,168,319
Associates	640,673	496,281	640,673	496,281
<b>Total</b>	<b>640,673</b>	<b>496,281</b>	<b>2,163,353</b>	<b>2,664,600</b>
<b>Gain on lease under finance lease</b>				
Associate	-	1,775,836	-	-
<b>Other income</b>				
Subsidiaries and funds	-	-	155,349	155,797
Other related parties	95,736	88,984	30,602	23,610
<b>Total</b>	<b>95,736</b>	<b>88,984</b>	<b>185,951</b>	<b>179,407</b>
<b>Expenses</b>				
<b>Cost of rent and services</b>				
Subsidiaries and funds	-	-	249,247	293,695
Other related parties	527,939	459,250	524,197	449,625
<b>Total</b>	<b>527,939</b>	<b>459,250</b>	<b>773,444</b>	<b>743,320</b>
<b>Cost of food and beverage</b>				
Other related parties	9	14	-	-
<b>Management fees</b>				
Subsidiaries and funds	-	-	-	4
Other related parties	137,458	128,698	126,756	122,689
<b>Total</b>	<b>137,458</b>	<b>128,698</b>	<b>126,756</b>	<b>122,693</b>

## Administrative expenses

Subsidiaries and funds	-	-	27,933	30,680
Other related parties	19,415	16,424	15,925	11,632
<b>Total</b>	<b>19,415</b>	<b>16,424</b>	<b>43,858</b>	<b>42,312</b>

## Interest expense

Subsidiaries	-	-	262,147	248,425
Other related parties	215	130	-	-
<b>Total</b>	<b>215</b>	<b>130</b>	<b>262,147</b>	<b>248,425</b>

## Management benefits expenses

In 2013, the Group and Company paid salaries, bonuses, meeting allowances and pensions to the directors and management members totaling Baht 121.7 million (2012: Baht 96.8 million).

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

	(in thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
<b>Trade accounts receivable</b>				
Subsidiaries:				
CPN Pattaya Beach Co., Ltd.	-	-	-	5,333
Central Pattana Rattanathibet Co., Ltd.	-	-	4,638	3,988
Central Pattana Khon Kaen Co., Ltd.	-	-	4,316	4,213
Central World Co., Ltd.	-	-	5,310	11,436
Central Pattana Chonburi Co., Ltd.	-	-	3,830	3,118
Central Pattana Development Co., Ltd.	-	-	8,015	6,902
Central Pattana Chiangmai Co., Ltd.	-	-	5,525	5,935
Bangna Central Property Co., Ltd.	-	-	4,868	3,995
Central Food Avenue Co., Ltd.	-	-	609	2,964
Central Pattana Rama 2 Co., Ltd.	-	-	391	439
Central Realty Service Co., Ltd.	-	-	14,639	51
Central Pattana Nine Square Co., Ltd.	-	-	5,237	4,391
The Thai Business Fund 4	-	-	1,325	7,567
CPN Pattaya Beach Hotel Co., Ltd.	-	-	-	341



	(in thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
CPN Pattaya Co.,Ltd.	-	-	6,077	-
CPN Learning Center Co., Ltd.	-	-	165	-
Central Pattana Rama 3 Co., Ltd.	-	-	1,118	-
Langsuan Realty Co., Ltd.	-	-	296	-
Others	-	-	-	1,186
<b>Total subsidiaries</b>	<b>-</b>	<b>-</b>	<b>66,359</b>	<b>61,859</b>
Other related parties:				
Central Department Store's Group	147,160	49,848	59,550	17,400
Others	58,733	35,742	32,537	21,938
<b>Total other related parties</b>	<b>205,893</b>	<b>85,590</b>	<b>92,087</b>	<b>39,338</b>
<b>Total</b>	<b>205,893</b>	<b>85,590</b>	<b>158,446</b>	<b>101,197</b>
<b>Accrued dividend income</b>				
<b>Subsidiarie</b>				
The Thai Business Fund 4	-	-	119,056	443,523
The Thai Business Fund 5	-	-	23,865	25,276
<b>Total</b>	<b>-</b>	<b>-</b>	<b>142,921</b>	<b>468,799</b>
<b>Accrued interest income:</b>				
<b>Subsidiaries:</b>				
The Thai Business Fund 4	-	-	1,596	2,908
The Thai Business Fund 5	-	-	260	358
Other related party:				
Siam Retail Development Co., Ltd.	135,456	135,456	135,456	135,456
<b>Total</b>	<b>135,456</b>	<b>135,456</b>	<b>137,312</b>	<b>138,722</b>

	(in thousand Baht)					
	Interest rate		Consolidated		Separate	
	2013	2012	2013	2012	2013	2012
	(% per annum)					
Loans to related parties						
Short-term loans to						
Subsidiaries:						
The Thai Business Fund 5	4.34	6.00	-	-	71,078	73,115
Central Realty Service Co.,Ltd.	-	4.35	-	-	-	9,033
CPN Global Co.,Ltd.	4.26	-	-	-	9,020	-
CPN Learning Center Co., Ltd.	4.26	-	-	-	8,026	-
Total short-term loans			-	-	88,124	82,148
Long-term loans to						
Subsidiaries:						
Central World Co., Ltd.	4.26	4.35	-	-	8,376,391	7,404,702
Central Pattana Development Co, Ltd.	4.26	4.35	-	-	2,867,971	2,888,412
Central Food Avenue Co., Ltd.	4.26	4.35	-	-	15,694	605,720
Central Pattana Khon Kaen Co., Ltd.	4.26	4.35	-	-	278,506	440,171
Central Pattana Rattana Thibet Co., Ltd.	-	4.35	-	-	-	238,512
CPN Pattaya Beach Co., Ltd.	-	4.35	-	-	-	864,906
Central Pattana Chonburi Co., Ltd.	4.26	4.35	-	-	187,877	377,674
CPN Pattaya Beach Hotel Co.,Ltd.	-	4.35	-	-	-	195
Langsuan Realty Co., Ltd.	4.26	4.35	-	-	939,196	711,363
CPN Pattaya Co., Ltd.	4.26	-	-	-	221,430	-
CPN Rayong Co., Ltd.	4.26	-	-	-	347,025	-
Total long-term loans			-	-	13,234,090	13,531,655
Total loans to related parties			-	-	13,322,214	13,613,803
Summary of loans to related parties						
Short-term loans			-	-	88,124	82,148
Long-term loans			-	-	13,234,090	13,531,655
			-	-	13,322,214	13,613,803
Less allowance for doubtful accounts			-	-	-	-
Total loans to related parties, net			-	-	13,322,214	13,613,803

Movements during the years ended 31 December of loans to related parties were as follows:

	Consolidated financial statements		(in thousand Baht) Separate financial statements	
	2013	2012	2013	2012
<b>Short-term loans to</b>				
<b>Subsidiaries</b>				
At 1 January	-	-	82,148	1,161,469
Increase				
- Principal	-	-	32,454	232,590
- Interest	-	-	290	2,164
Decrease				
- Principal	-	-	(26,546)	(1,310,786)
- Interest	-	-	(222)	(3,289)
<b>At 31 December</b>	<b>-</b>	<b>-</b>	<b>88,124</b>	<b>82,148</b>
<b>Long-term loans to</b>				
<b>Subsidiaries</b>				
At 1 January	-	-	13,531,655	14,599,734
Increase				
- Principal	-	-	4,613,500	7,371,000
- Interest	-	-	577,931	603,433
Decrease				
- Principal	-	-	(4,906,614)	(8,448,576)
- Interest	-	-	(582,382)	(593,936)
<b>At 31 December</b>	<b>-</b>	<b>-</b>	<b>13,234,090</b>	<b>13,531,655</b>

Loans to subsidiaries are unsecured and denominated in Thai Baht. All loans are repayable on demand and carry interests at the average interest rate of debt

securities issued by the Company. Loans to funds carry interest at the rates ranging from 3.0 % to 5.0 % per annum.

	(in thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
<b>Trade accounts payable</b>				
Subsidiaries:				
Central World Co., Ltd.	-	-	4,182	93,293
Central Realty Service Co., Ltd.	-	-	-	2
The Thai Business Fund 4	-	-	878	7,943
Central Pattana Nine Square Co., Ltd.	-	-	1,131	481
Central Pattana Khon Kaen Co., Ltd.	-	-	2,191	449
Central Pattana Chiangmai Co., Ltd.	-	-	1,017	1,154
Bangna Central Property Co., Ltd.	-	-	880	623
CPN Pattaya Beach Co., Ltd.	-	-	-	640
Central Pattana Development Co., Ltd.	-	-	2,989	647
Central Pattana Rattana Thibet Co., Ltd.	-	-	2,726	275
Central Pattana Chonburi Co., Ltd.	-	-	393	647
CPN Pattaya Beach Hotel Co., Ltd.	-	-	-	54
CPN Pattaya Co., Ltd.	-	-	1,012	-
CPN Learning Center Co., Ltd.	-	-	669	-
Others	-	-	-	83
<b>Total subsidiaries</b>	<b>-</b>	<b>-</b>	<b>18,068</b>	<b>106,291</b>
Other related parties:				
Central Department Store's Group	3,705	12,003	3,086	11,322
Others	27,396	4,216	21,079	3,101
<b>Total related parties</b>	<b>31,101</b>	<b>16,219</b>	<b>24,165</b>	<b>14,423</b>
<b>Total</b>	<b>31,101</b>	<b>16,219</b>	<b>42,233</b>	<b>120,714</b>
<b>Account payable for leasehold right</b>				
Other related party:				
Central International Development Co., Ltd.	-	219,292	-	219,292
<b>Guarantees for leasehold rights</b>				
Other related party:				
Central Department Store's Group	1,015,418	679,267	774,714	446,287

	(in thousand Baht)					
	Interest rate		Consolidated		Separate	
	2013	2012	2013	2012	2013	2012
	(% per annum)					
Loans from related parties						
Short-term loans from						
Subsidiaries:						
Central Pattana Nine Square Co., Ltd.	4.26	4.35	-	-	2,089,664	1,508,540
CPN Construction Management Co., Ltd.	4.26	4.35	-	-	10,105	40,586
Central Pattana Chiangmai Co., Ltd.	4.26	4.35	-	-	413,379	91,252
CPN Global Co., Ltd.	-	4.35	-	-	-	2,815
CPN Pattaya Beach Hotel Co., Ltd.	-	4.35	-	-	-	599,106
Central Realty service Co., Ltd.	4.26	-	-	-	53,192	-
The Thai Business Fund 4	2.55	2.98	-	-	661,104	360,885
Central Pattana Rattana Thibet Co., Ltd.	4.26	-	-	-	150,528	-
Other related parties:						
Others	5.50	5.50	4,160	3,945	-	-
Total short-term loans			4,160	3,945	3,377,972	2,603,184
Long-term loans from						
Subsidiaries:						
Central Pattana Rama 3 Co., Ltd.	4.26	4.35	-	-	1,596,747	1,536,656
Central Pattana Rama 2 Co., Ltd.	4.26	4.35	-	-	1,825,045	1,842,247
Total long-term loans			-	-	3,421,792	3,378,903
Total loans from related parties			4,160	3,945	6,799,764	5,982,087

Movements during the years ended 31 December of loans from related parties were as follows:

	(in thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
<b>Short-term loans from</b>				
<b>Subsidiaries</b>				
At 1 January	-	-	2,603,184	1,128,800
Increase				
- Principal	-	-	2,182,897	2,304,706
- Interest	-	-	100,237	62,502
Decrease				
- Principal	-	-	(1,402,652)	(835,669)
- Interest	-	-	(105,694)	(57,155)
<b>At 31 December</b>	<b>-</b>	<b>-</b>	<b>3,377,972</b>	<b>2,603,184</b>
<b>Other related parties</b>				
At 1 January	3,945	3,815	-	-
Increase				
- Interest	215	130	-	-
<b>At 31 December</b>	<b>4,160</b>	<b>3,945</b>	<b>-</b>	<b>-</b>
<b>Total short-term loans</b>				
<b>from related parties</b>				
At 1 January	3,945	3,815	2,603,184	1,128,800
Increase				
- Principal	-	-	2,182,897	2,304,706
- Interest	215	130	100,237	62,502
Decrease				
- Principal	-	-	(1,402,652)	(835,669)
- Interest	-	-	(105,694)	(57,155)
<b>At 31 December</b>	<b>4,160</b>	<b>3,945</b>	<b>3,377,972</b>	<b>2,603,184</b>

	(in thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
<b>Long-term loans from</b>				
<b>Subsidiaries</b>				
At 1 January	-	-	3,378,903	3,349,685
Increase				
- Principal	-	-	126,000	132,000
- Interest	-	-	145,685	144,014
Decrease				
- Principal	-	-	(80,000)	(98,000)
- Interest	-	-	(148,796)	(148,796)
<b>At 31 December</b>	<b>-</b>	<b>-</b>	<b>3,421,792</b>	<b>3,378,903</b>

Loans from related parties are unsecured and denominated in Thai Baht. The loans are repayable on demand. Loans from subsidiaries and related parties carry interests at the average interest rate of unse-

cured debt securities issued by the Company. Loans from funds carry interest at the rates ranging from 2.0 % to 6.0 % per annum.

#### Key management personnel compensation

Key management personnel compensation for the years ended 31 December consist of:

	(in thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Short-term benefits	121,684	96,807	121,684	96,807
Long-term benefits	2,855	2,336	2,855	2,336
<b>Total</b>	<b>124,539</b>	<b>99,143</b>	<b>124,539</b>	<b>99,143</b>



### Commitments with related parties

The Group has entered into service and premise lease agreements with related parties. The rental and service fees are payable as at 31 December as follows:

	Consolidated		(in thousand Baht)	
	financial statements		financial statements	
	2013	2012	2013	2012
<b>Non-cancellable operating lease commitments</b>				
Within one year	598	559	618	579
After one year but within five years	2,962	2,561	3,042	2,641
After five years	14,399	10,959	14,678	11,258
<b>Total</b>	<b>17,959</b>	<b>14,079</b>	<b>18,338</b>	<b>14,478</b>

The Group entered into the 2 land lease agreements with Central Department Store Co., Ltd., a related party, for a period of 30 years ending in 2023 and 2024.

A subsidiary has entered into an agreement with Central Plaza Hotel Public Company Limited to sublease its leasehold right over land and part of its construction located at Central World for 29 years ending in December 2032. According to the agreement, the sublessee agreed to use land and its constructions a hotel, a parking and a convention hall project.

#### Thai Business Fund 4

On 18 December 2002, Thai Business Fund 4 ("TBF4") entered into a land and building lease agreement, related to the location of Central World Plaza with The Bureau of the Crown Property. The lease agreement was for a period of 30 years ending in December 2032.

On 23 December 2002, TBF4 entered into a utilities system sublease contract. The lease agreement was for a period of 30 years and ending in December 2032. Under the conditions of the contract, Central World

Co., Ltd. had to make an advance lump sum payment of unearned leasehold right in advance of Baht 80 million and monthly rent as stated in the contract to TBF4. Central World had Central Pattana Public Company Limited ("CPN") as a guarantor. Moreover, TBF4 entered into a real estate management contract with Central World Co., Ltd., the property management fee is charged as specified in the contract.

According to the 7th TBF4's unitholders' resolution on 27 September 2011, unitholders had an unanimous resolution to change the sublessee from Central World Co., Ltd. to CPN by cancelling a sublease utilities system contract and a real estate management contract with Central World Co., Ltd.

As a result, TBF4 terminated a sublease utilities system contract and a real estate management contract with Central World on 1 December 2011 and had obligation to pay compensation in amount of Baht 2,219 million for investment in system and development of parking building by Central World and contract termination. CPN agreed to pay for the obligation on behalf of

TBF4 in order to sublease utilities system contract and become a real estate manager for Central World project instead.

TBF4 has subleased the system to the CPN on 1 December 2011. The contract covered the period 1 December 2011 to the end of December 2032. According to the contract, the Company has to pay the lump sum rent of Baht 56.1 million and pay the monthly rent of Baht 20 million according to the contract.

According to the 4th TBF4's unitholders' resolution on 7 September 2012, the unitholders had an unanimous resolution to terminate the sublease offices contract with Central World Co., Ltd. and approved to enter into new sublease office contracts with Property Fund Type I and CPN and Central World Co., Ltd. and amended the real estate management contract with CPN.

As a result, on 14 September 2012, TBF4 terminated the sublease office contract of The Offices at Central World. TBF4 had obligation to pay compensation in amount of Baht 3,530.3 million for investment in system and development of offices building by Central World and contract termination. TBF4 had entered into sub-lease contract with CPN Commercial Growth Leasehold Property Fund ("CPNCG") for part of land and office integrated components, related equipment and system including right for the use of the parking spaces at The Offices at Central World. The contract covered for a period of 20 years up until 22 December 2032. In addition, TBF4 had entered into sublease contracts with CPN and Central World Co., Ltd for parts of office building. The contracts covered the period 14 September 2012 to 22 December 2032 and 14 September 2012 to 23 December 2012, respectively.

On 25 September 2013, the Fund entered into a memorandum for the cancellation of a certain land leasehold

under the agreement with The Crown Property Bureau and subsequent appointment to Central Pattana Public Company Limited as the new lessee of the lease directly with The Crown Property Bureau. Central Pattana Public Company Limited acquired the leasehold right to land on the cancellation under conditions in a new agreement. Therefore, to compensate the Fund for the loss of the leasehold right to land of the cancellation of certain land lease. Central Pattana Public Company Limited agreed to pay compensation to the Fund in amount of Baht 502 million by payments of Baht 425 million on 15 December 2013 and Baht 77 million in January 2033.

#### **Central Plaza Lardprao**

In 2009, the Company subleased land and shopping, office and parking buildings including their improvements, integrated components and equipment of Central Plaza Lardprao from Central International Development Company Limited for 20 years up until 18 December 2028. The Company had to pay advance rental in the amount of Baht 2,162 million, which is classified as leasehold rights in the statements of financial position. In addition, the Company is required to pay annual rent throughout the agreement period totalling Baht 14,016 million.

Titles over the buildings, premises or properties the Company's renovation, development or erection will be transferred to The State Railway of Thailand ("the ultimate lessor") upon expiry of the agreement together with certain equipment specified in the lease agreement.

#### **Central West Gate**

In January 2013, the Company entered into a land lease agreement with Vantage Ground Co., Ltd., a related

party, for the construction of shop buildings for lease with a period of 30 years ending on 18 February 2043. Under the conditions of the agreement, the Company had to pay rental in the amount of Baht 654.9 million and pay the annual rent throughout the agreement

period totalling Baht 4,443.7 million. The lease can be renewed for another 10-years, at the rate and the terms to be agreed upon in writing in advance not less than 2 years prior to the completion of the lease.

## 6 Cash and cash equivalents

	(in thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Cash on hand	9,153	6,414	4,090	2,275
Call deposits	1,743,025	2,887,221	695,094	1,943,640
<b>Total</b>	<b>1,752,178</b>	<b>2,893,635</b>	<b>699,184</b>	<b>1,945,915</b>

Cash and cash equivalents of the Group and the Company as at 31 December 2013 and 2012 were denominated entirely in Thai Baht.

## 7 Other investments

	(in thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
<b>Current</b>				
Debt securities held-to-maturities	-	1,198,410	-	1,198,214
Equity securities available-for-sale	105,323	105,323	1,025	1,025
Add unrealised holding gain	11,688	9,776	2,535	2,885
	<b>117,011</b>	<b>1,313,509</b>	<b>3,560</b>	<b>1,202,124</b>
<b>Non-current</b>				
Other equity securities	2,219	2,243	1,000	1,000
<b>Total</b>	<b>119,230</b>	<b>1,315,752</b>	<b>4,560</b>	<b>1,203,124</b>

Other investments of the Group and the Company as at 31 December 2013 and 2012 were denominated entirely in Thai Baht.

## 8 Trade accounts receivable

		(in thousand Baht)			
		Consolidated		Separate	
		financial statements		financial statements	
	Note	2013	2012	2013	2012
Subsidiaries and					
other related parties	5	205,894	85,590	158,446	101,197
Other parties		1,044,204	564,915	470,987	217,762
Total		1,250,098	650,505	629,433	318,959
Less allowance for doubtful					
accounts		(20,424)	(23,783)	(2,454)	(1,276)
Net		1,229,674	626,722	626,979	317,683
Bad and doubtful debt					
expenses (reverse) for the year		(3,359)	13,922	1,178	(297)

Aging analyses for trade accounts receivable and deposits from overdue customers were as follows:

	(in thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Subsidiaries and other related parties				
Within credit terms	27,969	25,157	79,871	71,850
Overdue:				
Less than 3 months	117,660	27,757	40,187	9,731
3-6 months	30,035	13,130	22,364	8,964
6-12 months	19,806	13,175	9,867	6,683
Over 12 months	10,424	6,371	6,157	3,969
Total	205,894	85,590	158,446	101,197
Deposits from overdue customers	583,580	248,596	211,988	128,272

	(in thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
<b>Other parties</b>				
Within credit terms	80,306	259,562	57,446	104,179
Overdue:				
Less than 3 months	678,184	136,237	308,894	54,044
3-6 months	175,010	42,679	57,587	21,992
6-12 months	74,750	79,470	28,494	17,049
Over 12 months	35,954	46,967	18,566	20,498
	1,044,204	564,915	470,987	217,762
Less allowance for doubtful accounts	(20,424)	(23,783)	(2,454)	(1,276)
<b>Net</b>	<b>1,023,780</b>	<b>541,132</b>	<b>468,533</b>	<b>216,486</b>
Deposits from overdue customers	4,406,628	1,651,735	1,293,297	691,892

The normal credit term granted by the Group and the Company ranges from 1 day to 30 days.

Trade accounts receivable of the Group and the Company as at 31 December 2013 and 2012 were denominated entirely in Thai Baht.

Deposits received from overdue customers were in excess of the overdue receivables.

## 9 Other receivables

	Note	(in thousand Baht)			
		Consolidated		Separate	
		financial statements		financial statements	
		2013	2012	2013	2012
Accrued income	5	793,077	477,634	451,224	666,688
Receivables from Revenue Department		178,902	378,610	-	-
Other accounts receivable		180,263	370,011	105,623	22,644
Prepaid expenses		413,748	193,538	330,696	136,995
Others		834,250	72,720	779,669	13,363
<b>Total</b>		<b>2,400,240</b>	<b>1,492,513</b>	<b>1,667,212</b>	<b>839,690</b>

## 10 Investments in subsidiaries and funds

	(in thousand Baht)	
	Separate financial statements	
	2013	2012
At 1 January	21,652,100	21,680,084
Acquisitions of investments	1,999	-
Disposal of investments and redemption of investment units	(24,664)	(27,984)
Reversal of allowance for impairment	177,705	-
<b>At 31 December</b>	<b>21,807,140</b>	<b>21,652,100</b>

### CPN Global Co., Ltd.

At the Company's Board of Directors' meeting held on 11 May 2010, the Board members approved the acquisition of 9,994 common shares of CPN Global Co., Ltd. from a related party to support the Company's overseas expansion. The subsidiary registered 10,000 shares at Baht 100 par value; 25% of which, or Baht 0.3 million, have been paid up as at 31 December 2010. Subsequently after the acquisition, CPN Global Co., Ltd. has become the subsidiary of the Company. During 2011, subsidiary called for the remaining unpaid capital of 75% of the registered shares at Baht 100 a value in the amount of Baht 0.75 million. Accordingly, the subsidiary's registered share capital has been fully paid up.

To support the aforementioned overseas expansion, during 2010, the subsidiary has operation as follows:

- CPN Global Co., Ltd. incorporated two additional legal entities in Hong Kong namely Global Retail Development & Investment Ltd. and Global Commercial Property Ltd. on 16 April 2010 and 23 April 2010, respectively.
- Global Retail Development & Investment Ltd. incorporated additional legal entity in China namely Central

(Shanghai) Management Consulting Co., Ltd. on 19 October 2010. The Company called for the unpaid capital of 20% of the new shares issued, of RMB 2.3 million on 13 January 2011, and the company called for the remaining unpaid capital of 40.3% of the new shares issued, of RMB 4 million on 9 September 2011. During the first quarter of 2012, the Central (Shanghai) Management Consulting Co., Ltd. called for the unpaid capital of 27.73% of the new shares issued, of RMB 2.7 million on 20 March 2012. Subsequently, during third quarter of 2012, the Central (Shanghai) Management Consulting Co., Ltd. called for the unpaid capital of 11.97% of the new shares issued, of RMB 1.0 million on 27 September 2012. Subsequently, on 24 April 2013, the Central (Shanghai) Management Consulting Co., Ltd. increased of the registered capital from RMB 10.0 million to RMB 16.0 million and called for the unpaid capital of 20% of the new shares issued, of RMB 1.2 million.

On 9 July 2013, CPN Global Co., Ltd., the subsidiary of the Company which holds 99.94% of shares, holds shares of three subsidiaries and three Joint Ventures to support the Company's business expansion in Malaysia. Details are as follows:

The subsidiaries which CPN Global holds direct and indirect 100% of shares, are as follows:

- CPN Ventures Sdn. Bhd.  
The shareholder of: CPN Global Co., Ltd., holds 100% of shares  
Registered capital: RM 400,000, which comprises 400,000 shares with a par value of RM 1 each.
- CPN Real Estate Sdn. Bhd.  
The shareholder of: CPN Ventures Sdn. Bhd., holds 100% of shares  
Registered capital: RM 400,000, which comprises 400,000 shares with a par value of RM 1 each.
- CPN Malls Malaysia Sdn. Bhd.  
The shareholder of: CPN Ventures Sdn. Bhd., holds 100% of shares  
Registered capital: RM 400,000, which comprises 400,000 shares with a par value of RM 1 each.

The Joint Ventures in which CPN Global holds indirectly 60% of shares, are as follows:

- Central Plaza i-City Malls Malaysia Sdn. Bhd. (Joint Venture Company)  
The shareholder of: CPN Real Estate Sdn. Bhd., holds 50% of shares CPN Malls Malaysia Sdn. Bhd. holds 10% of shares I-City Properties Sdn. Bhd. (Joint Venture Party) holds 40% of shares  
Registered capital: RM 400,000, which comprises 400,000 shares with a par value of RM 1 each.
- Central Plaza i-City Sdn. Bhd.  
The shareholder of: Central Plaza i-City Malls Malaysia Sdn. Bhd., holds 100% of shares  
Registered capital: RM 400,000, which comprises 400,000 shares with a par value of RM 1 each.
- Central Plaza i-City Real Estate Sdn. Bhd.  
The shareholder of: Central Plaza i-City Sdn. Bhd., holds 100% of shares

Registered capital: RM 400,000, which comprises 400,000 shares with a par value of RM 1 each.

Subsequently, on 19 July 2013, the subsidiaries in Malaysia in which the Company indirectly holds shares, consisting of CPN Real Estate Sdn. Bhd., CPN Malls Malaysia Sdn. Bhd., and the joint venture consisting of Central Plaza i-City Malls Malaysia Sdn. Bhd., Central Plaza i-City Sdn. Bhd. and Central Plaza i-City Real Estate Sdn. Bhd., have entered into a Joint Venture and Shareholders' Agreement with I-Berhad and I-City Properties Sdn. Bhd., a subsidiary of I-Berhad. The Company indirectly holds a 60% equity interest through the related subsidiaries of the Company and I-Berhad Group holds a 40% equity interest.

#### Central Pattana Development Co, Ltd.

At the extraordinary shareholders meeting of CPN Chiangrai Co., Ltd. on 25 May 2012, the shareholders passed a special resolution to change the company's name from "CPN Chiangrai Co., Ltd." to "Central Pattana Development Co., Ltd.". The name change was registered with the Ministry of Commerce on 29 May 2012.

#### Central Realty Service Rama 3 Co., Ltd.

Central Realty Service Rama 3 Co., Ltd. was registration of the dissolution on 2 August 2010 and had completed liquidation on 4 June 2013.

CPN Pattaya Beach Hotel Co., Ltd. (the amalgamation by registration CPN Pattaya Co., Ltd. on 1 July 2013)

On 1 December 2012, CPN Pattaya Beach Hotel Co., Ltd. entered into the purchase/sales utilities systems of Hilton Pattaya Hotel agreement with CPN Pattaya Beach Co., Ltd. amounting to Baht 626 million. The transactions are eliminated in preparing the consolidated financial



statements.

#### CPN Pattaya Co., Ltd.

On 1 July 2013, the Company has completed the registration of the amalgamation of the Company's subsidiaries: CPN Pattaya Beach Co., Ltd. and CPN Pattaya Beach Hotel Co., Ltd. As a result of the amalgamation, a new subsidiary namely CPN Pattaya Co., Ltd., has been established with a registered capital of Baht 2,500 million in which the Company has a direct holding of 99.99% of the shares. CPN Pattaya Co., Ltd. shall assume all assets, debts, rights, obligations and liabilities from the two subsidiaries by effect of the law, effective from the registration date onwards.

#### CPN Learning Center Co., Ltd.

On 30 July 2013, the Company has registered the establishment of a new subsidiary to operate the training business. CPN Learning Center Co., Ltd. has a registered 10,000 shares at Baht 100 par value totalling Baht 1.0 million.

#### Restructuring of the Company's subsidiaries

At the Company's Board of Directors' meeting held on 12 May 2013, the Board members approved a resolution in the restructuring of the two subsidiaries of the Company which are 99.99% indirectly owned by the Company and which have the same group of minority shareholders as follows:

1. Registration of the dissolution of Central Play Land Co., Ltd. ("CPL"), whose major operation was to provide leasing of commercial space. As part of the process, total assets and liabilities will be transferred to Bangna Central Property Co., Ltd. ("BCP"). Currently, CPL is undergoing the liquidation process.

2. Registration of the increase in share of Bangna Central Property Co., Ltd., whose major operation was to provide the construction of shopping centers and office buildings for rent, provision of utilities, operators of play land and water theme park, sales of food and beverages in shopping centers, and construction of condominiums for rent and sales, from Baht 600 million to Baht 1,160.6 million, to support the transferring all of the assets and liabilities of Central Play Land Co., Ltd.

The above stated restructuring had no impact on the share holding proportion of the Company, the subsidiaries, and minority interest because the shareholders in two indirect subsidiaries are the same group and in the same holding proportion.

On 24 December 2013, Central World Co., Ltd., a subsidiary, which the Company holds 90.00% of all shares, has acquired additional shares in CPN City Co., Ltd. from 13,978,634 shares (equivalent to 75.00%) to 18,634,847 shares (equivalent to 99.99%) from Central Food Avenue Co., Ltd. in the number of 4,656,213 shares. The objective is to enhance the flexibility and efficiency of internal management.

#### CPN Rayong Co., Ltd. (formerly W. Estate Co., Ltd.)

On 1 October 2013, the Company acquired 99.94% of common shares of W. Estate Co., Ltd. which had authorised shares of Baht 1 million (10,000 shares at Baht 100 par value) and the share capital was fully paid-up.

At the extraordinary shareholders meeting of W. Estate Co., Ltd. on 2 November 2013, the shareholders passed a special resolution to change the Company's name from "W. Estate Co., Ltd." to "CPN Rayong Co., Ltd.". The name change was registered with the Ministry of Commerce on 11 November 2013.

Investments in subsidiaries and funds as at 31 December 2013 and 2012 and dividend income from those investments for the years then ended were as follows:

Separate financial statements												
	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net		Dividend income	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	(in million Baht)				(in thousand Baht)							
Subsidiaries												
Central Pattana Rama 2 Co., Ltd.	1000	1000	15000	15000	1500,000	1,500,000	-	-	1,500,000	1,500,000	-	-
Central Pattana Chiangmai Co., Ltd.	1000	1000	10000	10000	1,000,000	1,000,000	-	-	1,000,000	1,000,000	170,000	400,000
Langsuan Realty Co., Ltd	1000	1000	8300	8300	830,000	830,000	-	-	830,000	830,000	-	-
Central Pattana Rattanathibet Co., Ltd.	1000	1000	8000	8000	589,998	589,998	-	-	589,998	589,998	-	97,349
Central Realty Service Co., Ltd.	1000	1000	10	10	1,000	1,000	-	-	1,000	1,000	-	-
Central Food Avenue Co., Ltd.	1000	1000	50	50	5,000	5,000	-	-	5,000	5,000	-	-
Central World Co., Ltd.	1000	1000	2,5119	2,5119	2,412,733	2,412,733	-	-	2,412,733	2,412,733	-	-
Central Pattana Rama 3 Co., Ltd.	1000	1000	324.7	324.7	2,166,751	1,985,470	-	-	2,166,751	1,985,470	-	-
CPN Pattaya Beach Co., Ltd												
(Under going the liquidation process)	-	1000	-	15000	-	1,499,999	-	-	-	1,499,999	172,500	279,300
Central Pattana Chonburi Co., Ltd.	1000	1000	9000	9000	808,984	808,984	-	-	808,984	808,984	-	-
CPN Pattaya Beach Hotel Co., Ltd.												
(Under going the liquidation process)	-	1000	-	1,0000	-	1,000,060	-	-	-	1,000,060	-	-
CPN Construction Management Co.,Ltd.	1000	1000	10	10	999	999	-	-	999	999	39,972	-
Central Pattana Development Co., Ltd.	1000	1000	7000	7000	744,285	744,285	-	-	744,285	744,285	-	-
Central Realty Service Rama 3 Co., Ltd.												
(Liquidated on 4 June 2013)	-	1000	-	1750	-	181,282	-	-	-	181,282	-	-
CPN Global Company Limited	1000	1000	10	10	1,000	1,000	-	-	1,000	1,000	-	-
Central Pattana Nine Square Co., Ltd.	933	933	2,4000	2,4000	2,239,200	2,239,200	-	(177,705)	2,239,200	2,061,495	-	-
Central Pattana Khon Kaen Co., Ltd	781	781	20000	20000	1,562,683	1,562,683	(101,505)	(101,505)	1,461,178	1,461,178	-	-
CPN Learning Center Co., Ltd.	1000	-	10	-	1,000	-	-	-	1,000	-	-	-
CPN Pattaya Co., Ltd	1000	-	2,5000	-	2,500,060	-	-	-	2,500,060	-	-	-
CPN Rayong Co., Ltd.	999	-	10	-	999	-	-	-	999	-	-	-
Funds												
The Thai Business Fund <sup>4)(b)</sup>	1000	1000	5,443.8	5,443.8	5,443,793	5,443,793	-	-	5,443,793	5,443,793	852,903	1,120,136
The Thai Business Fund <sup>5)(b)</sup>	1000	1000	100.2	124.8	100,160	124,824	-	-	100,160	124,824	287,305	271,534
Total					21,908,645	21,931,310	(101,505)	(279,210)	21,807,140	21,852,100	1,522,680	2,168,319

<sup>(1)</sup>Investments in The Thai Business Fund 4 and The Thai Business Fund 5 are investment units (type C) which have rights to receive dividends subordinated to the other types of unitholders (type A and B).

<sup>(2)</sup>**The Thai Business Fund 4**

In 2009, the Thai Business Fund 4 amended the dividend payment policy for investment units type C which should not be less than net cash remaining after (1) the dividend paid and payable to investment

units type A and B, (2) the redemption of capital to investment units type A and B, (3) the deduction of cash reserved for other debt payments and (4) the payment for dividend payable.

During 2009, the Company purchased investment units type A and B of The Thai Business Fund 4 from financial institutions totaling Baht 1,794.4 million. Such investment unit purchase had no effect on capital and proportion of units that have rights to receive the dividends (Investment units type C).

## 11 Investment in associates

			(in thousand Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
At 1 January	3,308,789	2,714,170	5,544,769	4,446,171
Acquisitions	-	564,744	-	1,098,598
Share of net profit of investment equity method	686,123	584,248	-	-
Dividend income	(640,673)	(496,281)	-	-
Gain on disposal	-	(58,092)	-	-
<b>At 31 December</b>	<b>3,354,239</b>	<b>3,308,789</b>	<b>5,544,769</b>	<b>5,544,769</b>

Investment in associates as at 31 December 2013 and 2012 and dividend income from the investment for the years then ended were as follows:

Consolidated financial statements												(in thousand Baht)
	Ownership interest		Paid-up capital		Cost		Equity		Fair value of listed securities		Dividend income	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
(%)												
Associates												
CPN Retail Growth												
Leasehold Property Fund	27.8	27.8	15,763,958	15,763,958	4,446,171	4,446,171	2,820,246	2,775,148	7,142,370	8,643,632	553,329	496,281
CPN Commercial Growth												
Leasehold Property Fund	25.0	25.0	4,394,282	4,394,382	1,098,598	1,098,598	533,993	533,641	1,077,266	1,429,244	87,344	-
Total					5,544,769	5,544,769	3,354,239	3,308,789	82,19,636	10,072,876	640,673	496,281

Separate financial statements										(in thousand Baht)
	Ownership interest		Paid-up capital		Cost		Fair value of listed securities		Dividend income	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
(%)										
Associates										
CPN Retail Growth										
Leasehold Property Fund	27.8	27.8	15,763,958	15,763,958	4,446,171	4,446,171	7,142,370	8,643,632	553,329	496,281
CPN Commercial Growth										
Leasehold Property Fund	25.0	25.0	4,394,382	4,394,382	1,098,598	1,098,598	1,077,266	1,429,244	87,344	-
Total					5,544,769	5,544,769	8,219,636	10,072,876	640,673	496,281

On 14 September 2012, the Company invested in CPN Commercial Growth Leasehold Property Fund ("CPNCG") in amount of 107 million units, and holdings 25% of total issued investment unit of CPNCG totaling Baht 1,099 million. The purpose of the Fund is to invest in leasehold rights on building of The Offices

at Central World as stated in note 37.

The following summarised financial information of associated companies which has been accounted for using the equity method is not adjusted for the percentage of ownership held by the Group:

	Ownership interest (%)	Total assets	Total liabilities	Total revenues	Net profit
(in thousand Baht)					
<b>2013</b>					
CPN Retail Growth Leasehold Property Fund	27.8	19,779,691	1,953,126	2,707,742	2,152,477
CPN Commercial Growth Leasehold Property Fund	25.0	5,438,110	562,794	517,912	350,782
<b>Total</b>		<b>25,217,801</b>	<b>2,515,920</b>	<b>3,225,654</b>	<b>2,503,259</b>
<b>2012</b>					
CPN Retail Growth Leasehold Property Fund	27.8	19,173,252	1,556,437	2,537,195	2,004,399
CPN Commercial Growth Leasehold Property Fund	25.0	5,042,197	539,890	141,855	107,956
<b>Total</b>		<b>24,215,449</b>	<b>2,096,327</b>	<b>2,679,050</b>	<b>2,112,355</b>

## 12 Investment in jointly – controlled entities

(in Baht)

	Consolidated financial statements	
	2013	2012
At 1 January	-	-
Acquisitions	60	-
Share of net losses of the investment-equity method	(191,368)	-
At 31 December	(191,308)	-

Disclose as follows:

(in Baht)

	Consolidated financial statements	
	2013	2012
Investment in jointly-controlled entities	-	-
Losses exceeds the carrying amount of investments	(191,308)	-
At 31 December	(191,308)	-





## Contingent liabilities and commitments relating to the equity method

	(in Baht)	
	2013	2012
Contingent liabilities directly incurred by the Group	(191,308)	-

## 13 Long-term investments - related parties

	(in thousand Baht)					
	Ownership interest		Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012	2013	2012
	(% )					
Siam Retail Development Co., Ltd.	15	15	66,250	66,250	-	-
Ayudhaya Agrocitcity Co., Ltd.	12	12	50,397	50,397	-	-
Square Ritz Plaza Co., Ltd.	12	12	15,000	15,000	-	-
Total investment, at cost			131,647	131,647	-	-
Less allowance for impairment			(131,647)	(131,647)	-	-
Net			-	-	-	-

## 14 Investment properties

	(in thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<b>Cost</b>				
At 1 January	55,066,732	47,827,763	11,185,450	8,680,945
Additions	10,805,937	7,282,915	7,682,792	2,513,412
Disposals/transfer	(136,666)	(43,946)	(11,641)	(8,907)
At 31 December	65,736,003	55,066,732	18,856,601	11,185,450
<b>Accumulated depreciation and impairment losses</b>				
At 1 January	10,028,267	8,101,749	1,990,073	1,625,334
Depreciation charge for the year	2,243,471	1,948,427	392,342	367,848
Disposals/transfer	(110,892)	(21,909)	(8,934)	(3,109)
At 31 December	12,160,846	10,028,267	2,373,481	1,990,073

	(in thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
	2013	2012
<b>Net book value</b>		
At 1 January 2012	-	39,726,014
At 31 December 2012 and		
1 January 2013	45,038,465	45,038,465
At 31 December 2013	53,575,157	-

Investment properties were revalued as at 31 December 2013 by Brooke Real Estate Co., Ltd., a firm of independent professional valuers, using a "Income method, DCF

Technique". The appraised value (including partial of leasehold right) was Baht 115,803 million (2012: Baht 89,402 million) which show as below:

	(in million Baht)			
	Consolidated financial statements			
	2013		2012	
	Book value	Fair value	Book value	Fair value
Investment properties	53,575		45,038	
Leasehold right	2,129		1,304	
<b>Total</b>	<b>55,704</b>	<b>115,803</b>	<b>46,342</b>	<b>89,402</b>

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

- >> Central Plaza Khonkhan
- >> Central Plaza Chiangrai
- >> Central Plaza Pisanulok
- >> Central Plaza Grand Rama 9
- >> Central City Residential
- >> Chaengwattana Office
- >> Bangna Office
- >> Langsuan Colonade
- >> Central Plaza Suratthani
- >> Central Plaza Lampang
- >> Central Plaza Ubonratchathani
- >> Central Festival Chiangmai
- >> Central Festival Hat-Yai
- >> Project under development
- >> Central Plaza Chiangmai Airport
- >> Central Plaza Ramindra
- >> Central Plaza Bangna
- >> Central Plaza Pinklao
- >> Central Centre Pattaya
- >> Central Plaza Ratchada - Rama 3
- >> Central Plaza Rattanathibet
- >> Central Plaza Changwattana
- >> Central Festival Pattaya Beach
- >> Central Plaza Udonthani
- >> Central Plaza Chonburi

The Group's projects under development consist of 5 shopping centres.

During 2013, the company purchased land worth Bath 554 million from a third party for future development of a shop building and department store (31 December 2012: Baht 376 million). The payments were made in cashier cheque in the amount of Baht 317 million and in aval in the amount of Baht 237 million (maturing on 19 March 2014).

During 2013, the company purchased land worth Bath

355 million from a third party for future development of a shop building and department store. The payments were made fully in cashier cheque.

#### Collateral

As at 31 December 2013, long-term borrowings, as discussed in note 20, are secured by the Group's and Company's investment properties with book values of Baht 14,382 million and Baht 3,901 million, respectively (2012: Baht 15,427 million and Baht 4,119 million, respectively).

## 15 Property, plant and equipment

### (a) Group

	(in thousand Baht)				
	Consolidated financial statements				
	Land	Buildings and improvements	Transportation and office equipments	Construction in progress	Total
<b>Cost</b>					
At 1 January 2012	91,371	1,979,883	640,025	219,213	2,930,492
Additions	-	4,222	73,571	264,202	341,995
Transfer - net	-	176,152	126,232	(302,384)	-
Disposals /write off	-	(518)	(27,096)	(21,827)	(49,441)
<b>At 31 December 2012 and</b>					
1 January 2013	91,371	2,159,739	812,732	159,204	3,223,046
Additions	-	6,157	151,161	127,607	284,925
Transfer - net	-	58,259	154,158	(212,417)	-
Disposals /write off	-	(1,801)	(54,727)	-	(56,528)
<b>At 31 December 2013</b>	<b>91,371</b>	<b>2,222,354</b>	<b>1,063,324</b>	<b>74,394</b>	<b>3,451,443</b>

(in thousand Baht)

	Consolidated financial statements				
	Land	Buildings and improvements	Transportation and office equipments	Construction in progress	Total
<b>Accumulated depreciation and impairment losses</b>					
At 1 January 2012	-	216,956	290,296	-	507,252
Depreciation charge for the year	-	157,733	111,250	-	268,983
Disposals / write off	-	155	(16,778)	-	(16,623)
<b>At 31 December 2012 and 1 January 2013</b>	-	374,844	384,768	-	759,612
Depreciation charge for the year	-	173,978	196,191	-	370,169
Transfer - net	-	(13,073)	13,073	-	-
Disposals / write off	-	(689)	(30,552)	-	(31,241)
<b>At 31 December 2013</b>	-	535,060	563,480	-	1,098,540
<b>Net book value</b>					
<b>At 1 January 2012</b>					
Owned assets	91,371	1,762,927	344,311	219,213	2,417,822
Assets under finance leases	-	-	5,418	-	5,418
	91,371	1,762,927	349,729	219,213	2,423,240
<b>At 31 December 2012 and 1 January 2013</b>					
Owned assets	91,371	1,784,895	418,840	159,204	2,454,310
Assets under finance leases	-	-	9,124	-	9,124
	91,371	1,784,895	427,964	159,204	2,463,434
<b>At 31 December 2013</b>					
Owned assets	91,371	1,687,294	494,620	74,394	2,347,679
Assets under finance leases	-	-	5,224	-	5,224
	91,371	1,687,294	499,844	74,394	2,352,903

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 2013 amounted to Baht 293 million (2012: Baht 148 million).

#### Collateral

As at 31 December 2013, long-term borrowings, as discussed in note 20, are secured by the Group's properties with book values of Baht 1,088 million (2012: Baht 1,356 million).

#### (b) Company

	(in thousand Baht)			
	Separate financial statements			
	Buildings and improvements	Transportation and office equipments	Construction in progress	Total
Cost				
At 1 January 2012	60,906	407,194	107,969	576,069
Additions	-	65,227	56,079	121,306
Transfer - net	-	2,423	(2,423)	-
Disposals / write off	-	(15,508)	(15,233)	(30,741)
At 31 December 2012 and				
1 January 2013	60,906	459,336	146,392	666,634
Additions	-	85,221	34,651	119,872
Transfer - net	-	110,272	(110,272)	-
Disposals / write off	(1,802)	(47,967)	-	(49,769)
At 31 December 2013	59,104	606,862	70,771	736,737
Accumulated depreciation and impairment losses				
At 1 January 2012	29,737	215,257	-	244,994
Depreciation charge for the year	4,307	62,747	-	67,054
Disposals / write off	-	(10,222)	-	(10,222)
At 31 December 2012 and				
1 January 2013	34,044	267,782	-	301,826

	(in thousand Baht)			
	Separate financial statements			
	Buildings and improvements	Transportation and office equipments	Construction in progress	Total
Depreciation charge for the year	1,308	92,247	-	93,555
Disposals / write off	(754)	(28,152)	-	(28,906)
<b>At 31 December 2013</b>	<b>34,598</b>	<b>331,877</b>	<b>-</b>	<b>366,475</b>
<b>Net book value</b>				
<b>At 1 January 2012</b>				
Owned assets	31,169	186,519	107,969	325,657
Assets under finance leases	-	5,418	-	5,418
	31,169	191,937	107,969	331,075
<b>At 31 December 2012 and 1 January 2013</b>				
Owned assets	26,862	182,430	146,392	355,684
Assets under finance leases	-	9,124	-	9,124
	26,862	191,554	146,392	364,808
<b>At 31 December 2013</b>				
Owned assets	24,506	269,761	70,771	365,038
Assets under finance leases	-	5,224	-	5,224
	24,506	274,985	70,771	370,262

The gross amount of the Company's fully depreciated property, plant and equipment that was still in use as at 31 December 2013 amounted to Baht 169 million (2012: Baht 137 million).

## 16 Leasehold rights

	Consolidated financial statements	(in thousand Baht) Separate financial statements
<b>Cost</b>		
At 1 January	23,326,258	7,064,005
Additions	865,199	594,156
Disposals / transfer	(4,014,019)	(6,093)
<b>At 31 December 2012 and 1 January 2013</b>	<b>20,177,438</b>	<b>7,652,068</b>
Additions	1,258,603	1,547,066
Disposals / transfer	(15,710)	(19,238)
<b>At 31 December 2013</b>	<b>21,420,331</b>	<b>9,179,896</b>
<b>Accumulated amortisation and impairment losses</b>		
At 1 January 2012	8,831,954	1,486,653
Amortisation for the year	1,040,418	469,303
Disposals / transfer	(1,510,164)	-
Obligation under long-term operating leases	474,434	376,057
<b>At 31 December 2012 and 1 January 2013</b>	<b>8,836,642</b>	<b>2,332,013</b>
Amortisation for the year	1,070,065	540,124
Disposals / transfer	(359)	(945)
Obligation under long-term operating leases	434,752	505,430
Reversal of impairment losses	(377,333)	-
<b>At 31 December 2013</b>	<b>9,963,767</b>	<b>3,376,622</b>
<b>Net book value</b>		
<b>At 1 January 2012</b>	<b>14,494,304</b>	<b>5,577,352</b>
<b>At 31 December 2012 and 1 January 2013</b>	<b>11,340,796</b>	<b>5,320,055</b>
<b>At 31 December 2013</b>	<b>11,456,564</b>	<b>5,803,274</b>

Most of the Group's leasehold right, relating to Central World Tower, Central Plaza Ladprao and part of Investment properties projects, are leased under long-term operating leases.

As at 31 December 2013, the Group has obligation

under long-term lease agreement amounting to Baht 3,356 million (2012: Baht 2,921 million) which resulted from the difference between the actual rent paid and systematic amortisation according to TAS 17 (revised 2009): Leases. The obligation under long-term lease



agreement is presented net with the advance paid for leasehold rights over land and buildings for which the rents have been prepaid.

#### Collateral

As at 31 December 2013, leasehold right, as discussed in note 20, are secured by the Group's properties with book value of Baht 627 million (2012: Baht 679 million).

## 17 Assets usage rights

	(in thousand Baht)
Consolidated financial statements	
<b>Cost</b>	
At 1 January 2012	217,449
Addition	34,325
Disposal / Transfer	(99)
At 31 December 2012 and 1 January 2013	251,675
Disposal / Transfer	(65,734)
At 31 December 2013	185,941
<b>Accumulated amortisation</b>	
At 1 January 2012	60,657
Amortisation charge for the year	10,015
At 31 December 2012 and 1 January 2013	70,672
Amortisation charge for the year	8,472
Disposal / Transfer	(20,467)
At 31 December 2013	58,677
<b>Net book value</b>	
At 1 January 2012	156,792
At 31 December 2012 and 1 January 2013	181,003
At 31 December 2013	127,264

During 2012, a subsidiary entered into a joint memorandum agreement with a third party to request electricity supply from the Metropolitan Electricity Authority ("MEA"). Pursuant to this memorandum the subsidiary has transferred part of the subsidiary's

land of net book value amounting to Baht 34 million to MEA to locate sub power station in exchanged the right to request the electricity supply from MEA. The Group has recognised the rights in the statements of financial position.

## 18 Deferred tax

Deferred tax assets and liabilities as at 31 December were as follows

	(in thousand Baht)					
	Consolidated financial statements					
	Assets			Liabilities		
	31	31	1	31	31	1
	December	December	January	December	December	January
	2013	2012	2012	2013	2012	2012
Total	1,401,175	1,304,239	948,028	(811,260)	(921,438)	(1,030,885)
Set off of tax	(655,813)	(648,180)	(537,518)	655,813	648,180	537,518
<b>Net deferred tax assets (liabilities)</b>	<b>745,362</b>	<b>656,059</b>	<b>410,510</b>	<b>(155,447)</b>	<b>(273,258)</b>	<b>(493,367)</b>

	(in thousand Baht)					
	Separate financial statements					
	Assets			Liabilities		
	31	31	1	31	31	1
	December	December	January	December	December	January
	2013	2012	2012	2013	2012	2012
Total	649,396	527,680	418,373	(519,304)	(579,617)	(649,008)
Set off of tax	(519,304)	(527,680)	(418,373)	519,304	527,680	418,373
<b>Net deferred tax assets (liabilities)</b>	<b>130,092</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(51,937)</b>	<b>(230,635)</b>

Movements in total deferred tax assets and liabilities during the year were as follows:

	(in thousand Baht)			
	Consolidated financial statements			
	(charge) / credit			
	At 1 January 2013	to profit or loss (note 33)	Other comprehensive income	At 31 December 2013
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	1,379	2,207	-	3,586
Allowance for impairment	161,927	(115,120)	-	46,807
Building under consignment sale	188,857	12,541	-	201,398
Deposits from customers	450,293	180,812	-	631,105
Loss carry forward	187,416	(111,440)	-	75,976
Liabilities under long-term operating leases	260,267	77,938	-	338,205
Defined benefit obligation	25,598	5,234	3,478	34,310
Others	28,502	41,286	-	69,788
<b>Total</b>	<b>1,304,239</b>	<b>93,458</b>	<b>3,478</b>	<b>1,401,175</b>
<b>Deferred tax liabilities</b>				
Gain on lease under finance lease	(921,438)	110,178	-	(811,260)
<b>Total</b>	<b>(921,438)</b>	<b>110,178</b>	<b>-</b>	<b>(811,260)</b>
<b>Net</b>	<b>382,801</b>	<b>203,636</b>	<b>3,478</b>	<b>589,915</b>

	(in thousand Baht)			
	Consolidated financial statements			
	(charge) / credit			
	At 1 January 2012	to profit or loss (note 33)	Other comprehensive income	At 31 December 2012
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	646	733	-	1,379
Allowance for impairment	164,139	(2,212)	-	161,927
Building under consignment sale	173,159	15,698	-	188,857
Deposits from customers	347,011	103,282	-	450,293
Loss carry forward	48,794	138,622	-	187,416
Liabilities under long-term operating leases				
operating leases	186,873	73,394	-	260,267
Defined benefit obligation	21,794	3,804	-	25,598
Others	5,612	22,890	-	28,502
<b>Total</b>	<b>948,028</b>	<b>356,211</b>	<b>-</b>	<b>1,304,239</b>
<b>Deferred tax liabilities</b>				
Gain on lease under finance lease	(1,030,885)	109,447	-	(921,438)
<b>Total</b>	<b>(1,030,885)</b>	<b>109,447</b>	<b>-</b>	<b>(921,438)</b>
<b>Net</b>	<b>(82,857)</b>	<b>465,658</b>	<b>-</b>	<b>382,801</b>

(in thousand Baht)				
	Separate financial statements			
	(charge) / credit			
	At 1 January 2013	to profit or loss (note 33)	Other comprehensive income	At 31 December 2013
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	253	235	-	488
Allowance for impairment	62,672	(36,005)	-	26,667
Deposits from customers	149,168	71,936	-	221,104
Liabilities under long-term operating leases				
operating leases	250,209	76,274	-	326,483
Defined benefit obligation	22,430	3,830	2,810	29,070
Unearned rental income	10,105	2,775	-	12,880
Others	32,843	(139)	-	32,704
<b>Total</b>	<b>527,680</b>	<b>118,906</b>	<b>2,810</b>	<b>649,396</b>
<b>Deferred tax liability</b>				
Gain on lease under finance lease	(579,617)	60,313	-	(519,304)
<b>Total</b>	<b>(579,617)</b>	<b>60,31</b>	<b>-</b>	<b>(519,304)</b>
<b>Net</b>	<b>(51,937)</b>	<b>179,219</b>	<b>2,810</b>	<b>130,092</b>

(in thousand Baht)

	Separate financial statements			
	(charge) / credit			
	At 1 January 2013	to profit or loss (note 33)	Other comprehensive income	At 31 December 2013
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	312	(59)	-	253
Allowance for impairment	62,672	-	-	62,672
Deposits from customers	141,550	7,618	-	149,168
Liabilities under long-term operating leases				
operating leases	174,998	75,211		250,209
Defined benefit obligation	19,208	3,222	-	22,430
Unearned rental income	-	10,105	-	10,105
Others	19,633	13,210	-	32,843
<b>Total</b>	<b>418,373</b>	<b>109,307</b>	<b>-</b>	<b>527,680</b>
<b>Deferred tax liability</b>				
Gain on lease under finance lease	(649,008)	69,391	-	(579,617)
<b>Total</b>	<b>(649,008)</b>	<b>69,391</b>	<b>-</b>	<b>(579,617)</b>
<b>Net</b>	<b>(230,635)</b>	<b>178,698</b>	<b>-</b>	<b>(51,937)</b>

## 19 Other non-current assets

(in thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
Accrued interest receivable	5	135,456	135,456	135,456	135,456
Withholding tax deducted					
at source		94,398	97,454	-	-
Deposits and other rights		148,288	78,015	119,380	67,773
Guarantees for leasehold rights		47,821	7,545	47,221	6,945
<b>Total</b>		<b>425,963</b>	<b>318,470</b>	<b>302,057</b>	<b>210,174</b>

## 20 Interest-bearing liabilities

	Note	Consolidated		(in thousand Baht)	
		financial statements		Separate	
		2013	2012	2013	2012
<b>Current</b>					
Unsecured short-term loans from related parties	5	4,160	3,945	3,377,972	2,603,184
Unsecured short-term loans from financial institution		900,000	-	900,000	-
Current portion of long-term loans from financial institutions					
- secured		2,229,910	1,870,080	1,149,870	1,150,040
- unsecured		1,582,355	954,180	1,582,355	954,180
		3,812,265	2,824,260	2,732,225	2,104,220
Current portion of long-term loans from institutional investors					
- secured		91,302	96,806	-	-
- unsecured		1,250,000	3,700,000	1,250,000	3,700,000
		1,341,302	3,796,806	1,250,000	3,700,000
<b>Total current portion of long-term loans</b>		<b>5,153,567</b>	<b>6,621,066</b>	<b>3,982,225</b>	<b>5,804,220</b>
<b>Non-current</b>					
Unsecured long-term loans from related parties	5	-	-	3,421,792	3,378,903
Long-term loans from financial institutions					
- secured		3,384,840	6,104,750	1,250,000	2,399,870
- unsecured		3,363,465	4,445,820	3,363,465	4,445,820
		6,748,305	10,550,570	4,613,465	6,845,690
Long-term loans from institutional investors					
- secured		289,732	393,128	-	-
- unsecured		6,750,000	8,000,000	6,750,000	8,000,000
		7,039,732	8,393,128	6,750,000	8,000,000
<b>Total other long-term loans</b>		<b>13,788,037</b>	<b>18,943,698</b>	<b>11,363,465</b>	<b>14,845,690</b>
<b>Total</b>		<b>19,845,764</b>	<b>25,568,709</b>	<b>23,045,454</b>	<b>26,631,997</b>



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

	Consolidated		(in thousand Baht)	
	financial statements		Separate	
	2013	2012	2013	2012
Within one year	6,057,727	6,625,011	8,260,197	8,407,404
After one year but within five years	13,398,662	17,362,061	14,395,882	16,984,718
After five years	389,375	1,581,637	389,375	1,239,875
<b>Total</b>	<b>19,845,764</b>	<b>25,568,709</b>	<b>23,045,454</b>	<b>26,631,997</b>

Secured interest-bearing liabilities as at 31 December were secured on the following assets:

	Consolidated		(in thousand Baht)	
	financial statements		Separate	
	2013	2012	2013	2012
Land	1,898,123	2,470,142	874,425	874,425
Leasehold rights over land	626,741	917,570	-	-
Buildings and improvements	13,571,687	14,074,894	3,026,411	3,244,099
<b>Total</b>	<b>16,096,551</b>	<b>17,462,606</b>	<b>3,900,836</b>	<b>4,118,524</b>

As at 31 December 2013 the Group had unutilised credit facilities totalling Baht 9,739 million (2012: Baht 7,679 million).

In December 2013, the Company has a loan dominated in Thai Baht of Baht 1,000 million from a local financial institution. Such agreement stipulates that the Company repays monthly principal totalling 36 months. The loan is payable in 35 instalments of Baht 27.78 million per instalment, every month and the rest in final instalment. As at 31 December 2013, the Company has not utilised.

In December 2013, the Company entered into a Baht 1,000 million credit facility (Term Loan) agreement with a financial institution. Such agreement shall completely repay the drawn down amount, by November 2020. The Company agrees to pay interest on the last working day of the month

and return principal in 60 monthly installments, beginning in December 2015. As at 31 December 2013, the Company has not utilised.

In July 2012, the Company has a loan denominated in Thai Baht of Baht 500 million from a local financial institution. The agreement covers a grace period of 23 months. The loan is payable in 60 instalments of Baht 8.4 million per instalment, every month and final instalment Baht of 5.9 million. The first repayment will due in June 2014. As at 30 September 2012, the Company has already fully utilised of the said facility.

In August 2012, the Company has a loan denominated in Thai Baht of Baht 500 million from a local financial institution. The agreement covers a grace period of 18 months.

The loan is payable in 42 instalments of Baht 12 million per instalment, every month and final instalment Baht of 8 million. The first repayment will due in February 2014. As at 30 September 2012, the Company has already fully utilised of the said facility.

In July 2012, the Company issued, through a private placement, Baht 500 million worth of Thai Baht denominated, name registered, non-subordinated and unsecured debentures without debenture holders' representative. The debentures have term to maturity of 1 year and 4 months. The debenture will pay interest every six months, as stated in the contract. The debenture has a maturity date in November 2013.

In June 2012, the Company has a loan denominated in Thai Baht of Baht 1,500 million from a local financial institution. The agreement covers a grace period of 2 years. The loan is payable in 36 instalments of Baht 41.7 million per instalment, every month. The first repayment will due in June 2014. As at 30 June 2012, the Company has already fully utilised of the said facility.

In June 2012, the Company has a loan denominated in Thai Baht of Baht 500 million from a local financial institution. The agreement covers a grace period of 27 months. The loan is payable in 20 instalments of Baht 25 million per instalment, every 3 months. The first repayment will due in September 2014. As at 30 June 2012, the Company has already fully utilised of the said facility.

In June 2012, the Company issued, through a private placement, Baht 1,000 million worth of Thai Baht denominated, principal instalment, name registered, non-subordinated and unsecured debentures without debentureholders' representative. The debentures have term to maturity of 5 years. The first repayment will due by June 2014 and mature in June 2017. The principal and the interest will be paid every six-month period.

In December 2011, the Company has a loan denominated in Thai Baht of Baht 3,000 million from a local financial institution. The agreement covers a grace period of 2 years. The loan is payable in 60 instalments of Baht 50 million per instalment, every month. The first repayment will due in October 2013. The Company pledged land and building as collateral for the borrowing. As at 30 June 2012, the Company has already fully utilised of the said facility.

In December 2011, the Company issued through private placement Baht 1,000 million worth of Thai Baht denominated, name registered, unsubordinated and unsecured debentures without debentureholders' representative. The debentures have term to maturity of 3 years and 6 months, maturing on 23 June 2015, and pay interest every six-month period.

In December 2011, the Company issued through private placement Baht 1,000 million worth of Thai Baht denominated, name registered, unsubordinated and unsecured debentures without debentureholders' representative. The debentures have term to maturity of 5 years and 1 month, maturing on 23 January 2017, and pay interest every six-month period.

In October 2011, the Company issued through private placement Baht 1,200 million worth of Thai Baht denominated, name registered, unsubordinated and unsecured debentures without debentureholders' representative. The debentures have term to maturity of 5 years, maturing on 12 October 2016, and pay interest every six-month period.

In October 2011, the Company issued through private placement Baht 500 million worth of Thai Baht denominated, name registered, unsubordinated and unsecured debentures without debentureholders' representative. The debentures have term to maturity of 7 years, maturing on 12 October 2018, and pay interest every six-month period.

In October 2011, the Company issued through private place-

ment Baht 300 million worth of Thai Baht denominated, name registered, unsubordinated and unsecured debentures without debentureholders' representative. The debentures have term to maturity of 10 years, maturing on 12 October 2021, and pay interest every six-month period.

In September 2011, the Company entered into a Baht 1,500 million credit facility agreement with a financial institution. Such agreement stipulates that the Company repays the principle in 36 monthly instalments of Baht 41.7 million each on the last working day of the month, beginning in September 2013. As at 31 December 2012, the Company has already utilised of the said facility.

In April 2011, the Company issued through private placement Baht 1,000 million worth of Thai Baht denominated, name registered, unsubordinated and unsecured debentures without debentureholders' representative. The debentures have term to maturity of 5 years, maturing on 29 March 2016, and pay interest every six-month period.

In March 2011, the Company issued through private placement Baht 500 million worth of Thai Baht denominated, name registered, unsubordinated and unsecured debentures without debentureholders' representative. The debentures have term to maturity of 5 years, maturing on 25 March 2016, and pay interest every six-month period.

In February 2011, the Company entered into a Baht 500 million loan agreement with a financial institution. Such agreement stipulates that the Company repays the principle every three-month period in 8 periods of instalments of Baht 62.5 million each the first instalment will be made on the last working day of April 2013 onwards. As at 30 September 2011, the Company has already fully utilised of the said facility.

In December 2010, the Company issued through private placement Baht 500 million worth of Thai Baht denominated, name registered, unsubordinated and unsecured debentures

without debentureholders' representative. The debentures have term to maturity of 5 years, maturing on 28 December 2015, and pay interest every six-month period.

In December 2010, the Company entered into a Baht 1,500 million credit facility agreement with a financial institution. Such agreement stipulates that the Company repays the principle in 30 monthly instalments of Baht 50 million each on the last working day of the month, beginning in January 2012. The Company agrees to pay interest from the first drawdown date until 31 December 2011 at the market rate. As at 30 June 2011, the Company has already fully utilised of the said facility.

In December 2010, the Company entered into a Baht 1,500 million credit facility (Term Loan) agreement with a financial institution. Such agreement stipulates that the Company shall completely repay the drawn down amount, by the end of September 2014. The Company agrees to pay interest on the last working day of the month and return principle in quarterly instalments of not less than Baht 125 million each, beginning in December 2011. As at 30 September 2011, the Company has already fully utilised of the said facility.

In June 2010, the Company issued to institutional investors Baht 500 million worth of Thai Baht denominated, unsubordinated and unsecured debentures with the term to maturity of 2 years, maturing on 9 June 2012. The debentures pay interest every three-month period.

In September 2011, a subsidiary has a loan denominated in Thai Baht of Baht 2,000 million from a local financial institution. The agreement is for a period of 7 years and covers a grace period of 2 years from the date that the first portion of loan is drawn down. The first repayment of principle every three-month period in 20 instalments of Baht 100 million for each period. The subsidiary used its leasehold rights to land and a pledged building as collateral for the borrowing, which is also guaranteed by the Company. As at 31 December 2011, the said subsidiary has

been completely utilised.

During 2009, a subsidiary has a loan denominated in Thai Baht of Baht 1,500 million from a local financial institution. The agreement is for a period of 7 years and covers a grace period of 2 years from the date that the first portion of loan is drawn down the first repayment due in October 2010. The loan is payable in 60 instalments. The subsidiary used its land and a pledged building as collateral for the borrowing.

During 2009, a subsidiary has a loan denominated in Thai Baht of Baht 1,000 million from a local financial institution. The agreement is for a period of 7 years and covers a grace period of 2 years from the date that the first portion of loan is drawn down. The loan repayment due in January 2011. The loan is payable in 60 instalments. The subsidiary used its leasehold right of building as collateral for the borrowing with a guarantee by the Company. As at 31 March 2011 the loan facility has been completely utilised.

During 2009, a subsidiary has a loan denominated in Thai Baht of Baht 1,000 million from a local financial institution. The agreement is for a period of 7 years and covers a grace period of 2 years from the date that the first portion of loan is drawn down. The loan is payable in 60 instalments. The subsidiary used its subleased building as collateral for the borrowing with a guarantee by the Company. As at 31 March 2011, the loan facility has been completely utilised.

During 2008, The Company obtained a loan which is denominated in Thai Baht in the amount of Baht 2,500 million from a local financial institution. The agreement is for a period of 7 years and no principal is payable until October 2010. The loan is payable in 60 instalments. The Company uses its land and building as collateral.

During the year 2007, the Company issued unsecured and unsubordinated debentures, denominated in Thai Baht 3,000 million, offered to institutional investors and maturing in 2012.

During 2009, the Company issued through private placement Baht 3,200 million worth of Thai Baht denominated, unsecured and unsubordinated debentures, offered to institutional investors. The debentures have term to maturity 4 years, maturing in 2013, and pay interest every six-months period.

During 2009, the Company issued through private placement Baht 1,000 million worth of Thai Baht denominated, unsecured and unsubordinated debentures, offered to institutional investors. The debentures have term to maturity 5 years, maturing in 2014, and pay interest every six-months period.

During 2009, the Company issued through private placement Baht 1,000 million worth of Thai Baht denominated, unsecured and unsubordinated debentures, offered to institutional investors and maturing in 2012.

Long-term loans from financial institutions and institution investor bear interest at fixed and floating rates ranging from 3.5% to 5% per annum. The loans have maturity terms ranging from 3 years to 10 years and have the conditions stated in each loan agreement. The group companies will have to strictly comply with the conditions stated in each loan agreement, i.e. they will not use the company's assets, and those of the important subsidiary companies as securities in any commitment liability, financial ratio compliance, maintenance of SET status as registered companies, and other conditions as stated in the agreement.

As at 31 December 2013, Baht 5,996 million worth of interest-bearing and secured liabilities of the Group (2012: Baht 8,465 million) have been secured by Investment property, Property, plant and equipment and leasehold right on land under project being financed by such lenders.

## Effective interest rates and reprising / maturing analysis

	Consolidated financial statements						(in thousand Baht)
	Effective interest rate	Floating interest rate	Fixed interest rate maturing			carrying value	
			Within 1 year	After 1 year but within 5 years	After 5 years		
	(%)						
2013							
Loans from financial institutions and institutional investors	4.25	4,131,034	4,962,265	10,358,930	389,375	19,841,604	20,089,846
2012							
Loans from financial institutions and institutional investors	4.29	3,396,316	6,226,078	14,394,515	1,547,855	25,564,764	25,770,813
							(in thousand Baht)
	Separate financial statements						(in thousand Baht)
	Effective interest rate	Floating interest rate	Fixed interest rate maturing			carrying value	
			Within 1 year	After 1 year but within 5 years	After 5 years		
	(%)						
2013							
Loans from financial institutions and institutional investors	4.16	1,850,000	4,282,225	9,724,090	389,375	16,245,690	16,424,791
2012							
Loans from financial institutions and institutional investors	4.38	3,000,000	5,487,540	10,922,495	1,239,875	20,649,910	20,764,178

## 21 Trade accounts payables

(in thousand Baht)

Consolidated financial statements			
	Note	31 December 2013	31 December 2012
			1 January 2012
Related parties	5	31,101	16,219
Other parties		567,311	646,602
<b>Total</b>		<b>598,412</b>	<b>662,821</b>

(in thousand Baht)

Separate financial statements			
	Note	31 December 2013	31 December 2012
			1 January 2012
Related parties	5	42,233	120,714
Other parties		278,142	311,282
<b>Total</b>		<b>320,375</b>	<b>431,996</b>

## 22 Other payables

(in thousand Baht)

Consolidated financial statements			
	Note	31 December 2013	31 December 2012
			1 January 2013
Other payables	5	1,871,186	1,319,044
Accrued expenses		1,089,895	907,397
Retention payable		1,702,914	1,483,858
Accrued interest expense		52,648	62,390
Unearned income		74,396	145,380
Account payable-aval	14	236,747	-
Others		129,418	104,081
<b>Total</b>		<b>5,157,204</b>	<b>4,022,150</b>

(in thousand Baht)

	Note	Separate financial statements		
		31 December 2013	31 December 2012	1 January 2013
Other payables	5	332,886	249,576	2,631,049
Accrued expenses		616,397	438,542	324,097
Retention payable		702,870	351,507	268,134
Accrued interest expense		52,648	62,390	74,868
Unearned income		64,039	52,039	45,017
Account payable-aval	14	236,747	-	-
Others		83,990	70,268	86,528
<b>Total</b>		<b>2,089,577</b>	<b>1,224,322</b>	<b>3,429,693</b>

## 23 Employee benefit obligations

The Group adopted TAS 19 - Employee Benefits with effect from 1 January 2011. The Group opted to apply the new standard retrospectively.

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.

Movement in the present value of the defined benefit obligations:

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Defined benefit obligations at 1 January	127,976	110,267	112,150	96,040
Benefits paid by the plan	(761)	(174)	(680)	(174)
Current service costs and interest	26,947	17,883	19,831	16,284
Actuarial losses in other comprehensive income	17,390	-	14,051	-
<b>Defined benefit obligations at 31 December</b>	<b>171,552</b>	<b>127,976</b>	<b>145,352</b>	<b>112,150</b>

Expense recognised in profit or loss:

			(in thousand Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Current service costs	21,265	12,366	14,984	11,430
Interest cost	5,682	5,517	4,847	4,854
<b>Total</b>	<b>26,947</b>	<b>17,883</b>	<b>19,831</b>	<b>16,284</b>

The expense is recognised in the following line items in the statement of comprehensive income:

			(in thousand Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Cost of rental and service	6,133	3,821	2,114	2,831
Cost of food and beverage	77	173	-	-
Administrative expenses	20,737	13,889	17,717	13,453
<b>Total</b>	<b>26,947</b>	<b>17,883</b>	<b>19,831</b>	<b>16,284</b>

Actuarial gain and losses recognised in other comprehensive income:

			(in thousand Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Included in retained earnings:				
At 1 January	-	-	-	-
Recognised during the year	17,390	-	14,051	-
<b>At 31 December</b>	<b>17,390</b>	<b>-</b>	<b>14,051</b>	<b>-</b>



Principal actuarial assumptions at the reporting date:

	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Average discount rate at 31 December	4.1	5	4.1	5
Average future salary increases	6	6	6	6

(%)

Mortality assumption of the mortality rate are based published statistics and mortality tables from Thailand Mortality Ordinary issued by the Office of the Insurance Commission.

## 24 Share capital

	Par	(thousand share / thousand Baht)			
	Value	2013		2012	
		Number	Baht	Number	Baht
	(in Baht)				
<b>Authorised</b>					
At 1 January					
- ordinary shares	1	-	-	2,178,816	2,178,816
- ordinary shares	0.5	4,357,632	2,178,816	-	-
Issue of new shares	0.5	130,368	65,184	-	-
At 31 December					
- ordinary shares	1	-	-	2,178,816	2,178,816
- ordinary shares	0.5	4,488,000	2,244,000	-	-
<b>Issued and paid-up</b>					
At 1 January					
- ordinary shares	1	-	-	2,178,816	2,178,816
- ordinary shares	0.5	4,357,632	2,178,816	-	-
Issue of new shares	0.5	130,368	65,184	-	-
At 31 December					
- ordinary shares	1	-	-	2,178,816	2,178,816
- ordinary shares	0.5	4,488,000	2,244,000	-	-

At the ordinary shareholder's meeting held on 26 April 2013, the shareholders approved significant resolutions as follows:

- Approved the conversion of the par value of the Company's shares from Baht 1 per share, totalling 2,178,816,000 shares to Baht 0.5 per share, totalling 4,357,632,000 shares, whereby the paid-up capital of the Company is Baht 2,178,816,000 representing ordinary shares in cash of 4,357,632,000 shares and approved the amendment to the Memorandum of Association of the Company to be in accordance with the conversion of the par value of the Company's shares. The Company registered the conversion of the par value of the Company's shares with the Ministry of Commerce on 29 April 2013.
- Approved the increase of the registered capital of the Company from Baht 2,178,816,000 to Baht 2,244,000,000, divided into 4,488,000,000 shares with a par value of Baht 0.5 per share by issuing new ordinary shares in the number of 130,368,000 shares with a par value of Baht 0.5 per share to the institutional investors and approved the amendment to the Memorandum of Association of the Company to be in accordance with the increase of the registered capital. The Company had fully paid-up and registered the increased in its paid-up capital with the Ministry of Commerce on 22 May 2013.

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### 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 as a reserve account ("share premium"). Share premium is not available for dividend distribution.

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## 25 Reserves

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.

During 2013, the Company allocated the additional legal reserve in amounts of Baht 6.5 million. As a result of, the Company's legal reserve as at 31 December 2013 was Baht 224.4 million, which was equal 10% of the registered authorised capital.

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### Other components of equity

#### Currency translation differences

The currency translation differences account within equity comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

#### Fair value changes in available-for-sale investments

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

#### Movements in reserves

Movements in reserves are shown in the statements of changes in equity.

#### Reserve on business combination involving entities under common control

The reserve represents the excess of the book values of subsidiaries acquired in transactions involving common control entities over the costs of acquisitions. It is non-distributable and will be retained until the respective

subsidiaries are sold or otherwise disposed of.

## 26 Segment information

The Group has three reportable segments, as described below, which are the Group's strategic divisions. The strategic divisions offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic divisions, 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.

Segment 1 Development of shopping centre buildings, office building and condominiums for rent

including provision of utility services, operator of play land and water theme park in the shopping centre buildings

Segment 2 Sales of food and beverage in the shopping centres

Segment 3 Hotel business

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.

### Information about reportable segments

	(in thousand Baht)							
	Segment 1		Segment 2		Segment 3		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
External revenue	18,128,314	15,324,820	881,883	725,178	902,979	711,775	19,913,176	16,761,773
Inter-segment revenue	30,982	25,404	261	128	5,338	7,371	36,581	32,903
<b>Total segment revenue</b>	<b>18,159,296</b>	<b>15,350,224</b>	<b>882,144</b>	<b>725,306</b>	<b>908,317</b>	<b>719,146</b>	<b>19,949,757</b>	<b>16,794,676</b>
Interest revenue	94,385	75,171	61	57	3,080	2,456	97,526	77,684
Interest expense	706,451	925,491	-	-	33,428	44,880	739,879	970,371
Depreciation and amortisation	3,460,948	3,040,835	27,052	20,401	195,705	196,592	3,683,705	3,257,828
Segment profit before income tax	8,651,456	6,791,491	160,141	89,459	562,168	450,407	9,373,765	7,331,357
Share of profit of associates	686,123	548,248	-	-	-	-	686,123	548,248
Share of loss of jointly-controlled entities	(191)	-	-	-	-	-	(191)	-
Material items of income and expense								
Other material non-cash items:								
- Impairment loss on leasehold rights reversed	377,333	-	-	-	-	-	377,333	-
Segment assets	65,063,356	57,037,006	154,356	130,716	2,166,911	1,674,974	67,384,623	58,842,696
Segment liabilities	2,763,303	2,258,517	-	-	15,747	61,740	2,779,050	2,320,257

## Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items

	(in thousand Baht)	
	2013	2012
<b>Revenues</b>		
Total revenue from reportable segments	19,949,757	16,794,676
Other revenue	1,795,848	2,779,190
	21,745,605	19,573,866
Elimination of inter-segment revenue	(36,581)	(32,903)
<b>Consolidated revenue</b>	<b>21,709,024</b>	<b>19,540,963</b>
<b>Profit or loss</b>		
Total profit for reportable segments	9,373,765	7,331,357
Elimination of inter-segment profits	(2,213)	(2,984)
Unallocated amounts:		
- Other revenue	1,795,848	2,779,190
- Other expenses	(4,258,079)	(3,798,322)
Share of loss of jointly-controlled entities	(191)	-
Share of profit of associates	686,123	584,248
<b>Consolidated profit before income tax</b>	<b>7,595,253</b>	<b>6,893,489</b>
<b>Assets</b>		
Total assets for reportable segments	67,384,623	58,842,696
Other unallocated amounts		
- Investment	3,473,469	4,624,541
- Deferred tax assets	745,362	656,059
- Other assets	5,935,320	5,512,343
<b>Consolidated total assets</b>	<b>77,538,774</b>	<b>69,635,639</b>
<b>Liabilities</b>		
Total liabilities for reportable segments	2,779,050	2,320,257
Other unallocated amounts		
- Loans	19,845,764	25,568,709
- Deferred tax liabilities	155,448	273,259
- Other liabilities	17,934,871	15,573,440
<b>Consolidated total liabilities</b>	<b>40,715,133</b>	<b>43,735,665</b>

As disclosed in Note 3(c), following the adoption of TFRS 8 – Operating Segments from 1 January 2013, the Group has no changed in basis for presentation

of information and measurement of profit or loss on operating segments

## 27 Investment income

		(in thousand Baht)			
		Consolidated		Separate	
		financial statements		financial statements	
	Note	2013	2012	2013	2012
<b>Dividend income</b>					
Subsidiaries and funds	5	-	-	1,522,680	2,168,319
Other related parties	5	-	-	640,673	496,281
Other parties		130	120	130	120
		130	120	2,163,483	2,664,720
<b>Interest income</b>					
Subsidiaries and funds	5	-	-	603,954	697,282
Other related parties	5	3,870	4,896	3,890	4,926
Other parties		93,656	72,788	63,069	36,719
		97,526	77,684	670,913	738,927
<b>Total</b>		<b>97,656</b>	<b>77,804</b>	<b>2,834,396</b>	<b>3,403,647</b>

## 28 Other income

		(in thousand Baht)			
		Consolidated		Separate	
		financial statements		financial statements	
	Note	2013	2012	2013	2012
Expenses claimed					
by tenants		584,543	451,980	140,217	89,719
Management fees		392,322	242,500	642,740	495,845
Reversal of allowance for					
impairment	10, 16	377,333	-	177,705	-
Others		343,995	231,070	361,726	314,670
<b>Total</b>		<b>1,698,193</b>	<b>925,550</b>	<b>1,322,388</b>	<b>900,234</b>

## 29 Administrative expenses

		(in thousand Baht)			
		Consolidated financial statements		Separate financial statements	
	Note	2013	2012	2013	2012
Marketing		617,468	459,141	385,646	275,644
Personnel		1,392,416	1,302,236	1,112,394	1,058,349
Administrative	5	236,525	188,738	162,565	135,912
Depreciation		514,074	379,596	131,387	87,931
Others		685,063	411,216	464,746	223,279
<b>Total</b>		<b>3,445,546</b>	<b>2,740,927</b>	<b>2,256,738</b>	<b>1,781,115</b>

## 30 Employee benefit expenses

		(in thousand Baht)			
		Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
<b>Management</b>					
Wages and salaries		86,160	61,708	86,160	61,708
Others		35,524	35,099	35,524	35,099
<b>Total</b>		<b>121,684</b>	<b>96,807</b>	<b>121,684</b>	<b>96,807</b>
<b>Other employees</b>					
Wages and salaries		1,279,371	1,146,339	840,412	772,458
Contribution to defined contribution plans		26,698	22,989	22,291	18,822
Others		466,635	463,480	281,884	317,251
<b>Total</b>		<b>1,772,704</b>	<b>1,632,808</b>	<b>1,144,587</b>	<b>1,108,531</b>

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 and separately by the

employees and the Group at the 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.

### 31 Expenses by nature

	Note	Consolidated		(in thousand Baht)	
		financial statements		Separate	
		2013	2012	2013	2012
Personal expenses	30	1,894,388	1,729,615	1,266,271	1,205,338
Depreciation / amortisation	14,15,16	3,683,705	3,259,973	1,026,021	904,202
Finance cost	32	812,533	1,057,395	906,357	1,136,981
Utilities expenses		3,251,925	2,759,098	1,665,111	1,480,441
Rental expenses		1,324,737	928,505	932,483	818,187
Marketing	29	617,468	459,141	385,646	275,644
Consult and others fee		431,185	235,572	329,701	160,991
Others		2,783,761	2,802,423	912,020	780,011
<b>Total</b>		<b>14,799,702</b>	<b>13,231,722</b>	<b>7,423,610</b>	<b>6,761,795</b>

### 32 Finance costs

	Note	Consolidated		(in thousand Baht)	
		financial statements		Separate	
		2013	2012	2013	2012
Interest expense:					
- subsidiaries and related parties	5	215	130	262,147	248,425
- financial institutions and institutional investors		1,040,922	1,137,702	833,200	886,248
Fee					
- financial institutions and institutional investors		72,654	87,024	69,838	80,606
<b>Total finance costs</b>		<b>1,113,791</b>	<b>1,224,856</b>	<b>1,165,185</b>	<b>1,215,279</b>
Finance costs capitalised		(301,258)	(167,461)	(258,828)	(78,298)
<b>Net</b>		<b>812,533</b>	<b>1,057,395</b>	<b>906,357</b>	<b>1,136,981</b>

Finance costs for properties under development for the years 2013 has been capitalised at rates ranging

from 2%-5% (2012: 3%-6%), representing the weighted average interest rate of general purposes borrowings.

### 33 Income tax

#### Income tax recognised in profit or loss

	Note	Consolidated financial statements		(in thousand Baht) Separate financial statements	
		2013	2012	2013	2012
<b>Current tax expense</b>					
Current year		1,409,686	1,107,296	509,914	422,681
		1,409,686	1,107,296	509,914	422,681
<b>Deferred tax expense</b>					
Movements in temporary differences		(203,636)	(465,658)	(179,219)	(178,698)
	18	(203,636)	(465,658)	(179,219)	(178,698)
<b>Total</b>		<b>1,206,050</b>	<b>641,638</b>	<b>330,695</b>	<b>243,983</b>

#### Reconciliation of effective tax rate

	Consolidated financial statements			
	2013		2012	
	Tax rate (%)	(in thousand Baht)	Tax rate (%)	(in thousand Baht)
Profit for the year		6,389,204		6,251,851
Total income tax expense		1,206,050		641,638
Profit before income tax expense		7,595,254		6,893,489
Income tax using the tax rate	20	1,519,051	23	1,585,502
Income from Thai operations not subject to tax		(452,630)		(761,550)
Expenses not deductible for tax purposes		6,738		5,971
Recognition of tax losses		-		(188,285)
Elimination in consolidated financial statement from income not subject to tax		132,891		-
<b>Total</b>	<b>16</b>	<b>1,206,050</b>	<b>9</b>	<b>641,638</b>



	Separate financial statements			
	2013		2012	
	Tax rate (%)	(in thousand Baht)	Tax rate (%)	(in thousand Baht)
Profit for the year		3,501,613		3,486,016
Total income tax expense		330,695		243,983
Profit before total income tax expense		3,832,308		3,729,999
Income tax using the tax rate	20	766,462	23	857,900
Income from Thai operations not subject to tax		(438,195)		(618,006)
Expenses not deductible for tax purposes		2,428		4,089
<b>Total</b>	<b>9</b>	<b>330,695</b>	<b>7</b>	<b>243,983</b>

#### Income tax reduction

Royal Decree No. 530 B.E. 2554 dated 21 December 2011 grants a reduction in the corporate income tax rate for the three accounting periods 2012, 2013 and 2014; from 30% to 23% for the accounting period 2012 which begins on or after 1 January 2012 and to 20% for the following two accounting periods (2013 and 2014) which begin on or after 1 January 2013 and 2014, respectively.

It is understood that the Government will proceed to amend the law in order to maintain the corporate income tax rate at not higher than 20% for the accounting period 2015 which begins on or after 1 January 2015 and onwards in order to give full effect to the Cabinet resolution dated 11 October 2011 to increase Thailand's tax competitiveness.

#### 34 Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2013 and 2012 were based on the profit for the years attributable to ordinary shareholders of the Group/Company and the number of ordinary shares outstanding during the years, calculated as follows:

	(in thousand Baht/thousand shares)			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
<b>Profit attributable to ordinary</b>				
shareholders of the Company (basic)	6,292,529	6,188,698	3,501,613	3,486,017
<b>Number of ordinary shares outstanding</b>				
at 1 January	2,178,816	2,178,816	2,178,816	2,178,816
Effect of conversion of the par value	2,178,816	2,178,816	2,178,816	2,178,816
Effect of shares issued	80,005	-	80,005	-
<b>Number of ordinary shares</b>				
Outstanding	4,437,637	4,357,632	4,437,637	4,357,632
<b>Basic earnings per share (Baht)</b>	<b>1.42</b>	<b>1.42</b>	<b>0.79</b>	<b>0.80</b>

During the year 2013, the Group/Company had the conversion of the par value of the Group's/Company share (see note 24). Consequently, the Group/Company has restated the number of weighted average ordinary shares used in the computation of basic earnings per share for the year ended 31 December 2013, assuming the conversion of the such par value occurred on 1 January 2012.

### 35 Dividends

At the Company's annual general meeting of the shareholders of the Company held on 26 April 2013, the shareholders approved the distribution of dividend from 2012 operating result in the amount of Baht 0.95 per share, totalling Baht 2,069.9 million, and was paid to the shareholders in May 2013.

At the Company's general annual meeting of the shareholders of the company held on 27 April 2012, the shareholders approved the distribution of dividend from 2011 operating result in the amount of Baht 0.37 per share, totalling Baht 806.2 million, and was paid to the shareholders in May 2012.

### 36 Impact from fire damage as a result of political demonstration

The Group has entered into long-term lease agreements for land and premises of the Central World Project in the name of the Thai Business Fund 4, with the Crown Property Bureau. The leased properties comprise:

- The Central World Shopping Complex
- The Offices at Central World
- Zen Department Store, the Company's long-term lessee
- Isetan Department Store, the Company's long-term lessee

- Parts of land that the Company has subleased to the group of Central Plaza Hotel Plc. to construct and operate Centara Grand at Central World Hotel

A fire at the Central World Project on 19 May 2010 caused damage to assets and parts of the following buildings of the Central World Project:

- Zen Department Store (parts of which are the Group's assets under long-term lease to Zen Department Store)
- Central World Shopping Complex

As a result of the fire, the Group needed to close down the Central World Shopping Complex and Zen Department Store from April 2010. On 28 September 2010, the Group opened for commercial purposes parts of the Central World Shopping Complex. The remaining damaged areas, comprising ZEN Department Store and parts of the shopping complex, remain closed and are undergoing demolition and repair. Consequently, the Group has not charged rent to tenants during periods of closure.

The Group has recorded losses from the write-off of damaged properties in the consolidated financial statements for the year then ended 31 December 2010 at the damaged properties' aggregate net book values of Baht 775 million.

The Group's insurance policies comprise (1) the Industrial All Risk Policy with sum insured of Baht 13,224 million (2) the Business Interruption Policy with sum insured of Baht 6,147 million and (3) the Terrorism Insurance Policy with sum insured of Baht 3,500 million. The management has already filed claims with its insurers seeking compensations from all of the said insurance policies.

On 16 December 2011, the Group has made a prosecution against insurance company as a result of the fire

incident at Central World shopping complex. The Group has claimed for the indemnity from Industrial All Risks policy at the amount of Baht 2,848.4 million for the Group itself and/or The Bureau of the Crown Property and also claimed for Baht 989.8 million from the Business Interruption policy for the Group.

As at 31 December 2012, the lawsuit is still under the Court of first instance's consideration and on 1 March 2013 the Court of first instance has ruled the judgment in favor of the Group.

Subsequently, the insurance company has filed the appeal objecting against such judgement of Court of first instance to the Appeal Court in August 2013.

As at 31 December 2013, the lawsuit is still under the Company's request to extend the period of the appeal to the Appeal Court; however, the management believes that the Group of Companies will be able to receive the full amount of indemnity.

- Land on which the property is located
- Part of the office building, consisting of the areas inside (except for the leased underground area called B1-B3, parts of the G floor, third floor, and sixth floor, Floors 7, 25 and 44).
- Public utility works, together with related auxiliary equipment
- Right for the use of the parking spaces for 1,218 cars.

Subsequently, on 21 December 2012, TBF4 ("Subsidiary") sub-leased part of office building at The Offices at Central World (second portion) to the CPNCG to lease for 20 years, with a total value of Baht 366.0 million. TBF4, along with SCB Asset Management (the fund manager), has already registered the property leasehold right, which represents the following assets:

- Parts of the sixth floor (not invested by CPNCG under the first portion) and Floors 7, 25 and 44 (office leases)
- Right for the use of the parking spaces for 53 cars.

### 37 Leasing or sub-leasing properties

The Board of Directors' meeting No. 2/2012, held on 24 February 2012, approved in principle to sublease its leasehold right over The Offices at Central World to the Leasehold Property Fund ("Property Fund").

On 14 September 2012, TBF4 ("Subsidiaries") sub-leased part of land and office at The Offices at Central World (first portion) to the CPN Commercial Growth Leasehold Property Fund ("CPNCG") to lease for 20 years, with a total value of Baht 4,365.5 million (this amount excludes CPNCG additional issuance and offering expense of Baht 70.9 million, which is the responsibility of CPN). TBF4, along with SCB Asset Management (the fund manager), has already registered the property leasehold right, which represents the following assets:

The sublease is a finance lease and consequently, the Group has recorded gain on lease under finance lease for the year of Baht 1,775.8 million in the consolidated statements of comprehensive income.

Therefore, under the agreement to establish the right and to take action on behalf of The Offices at Central World along the Company with CPNCG, the Company in its capacity as the guarantor of leasehold right to the Crown Property Bureau has certain covenants pertaining to maintenance of certain financial credit ratings from rating services organisation, market capitalisation of the Company, financial ratios in the financial statements, percentage of investment unit held by the Company within the stipulated period of time and others conditions, including in the case of default as specified in the agreement.

### CPN Retail Growth Leasehold Property Fund ("CPNRF")

The Board of Directors' meeting held on 9 August 2013, approved in principle to lease the property (partial) for a period of 30 years and sell the property (partial) of CentralPlaza Chiangmai Airport from the Central Pattana Chiangmai Company Limited, which is a subsidiary of Central Pattana Public Company Limited holding 99.99 percent of its total issued shares to the CPN Retail Growth Leasehold Property Fund ("CPNRF") as follows:

- Leasing the part of land where the shopping complex, the multipurpose hall, the indoor parking spaces, including certain parts of the surrounding roads and the entrances and exits (excluding other land under development).
- Leasing certain parts of one shopping complex and a multipurpose hall, including indoor parking spaces (in proportion to the utilized areas of the shopping complex and the multipurpose hall in which will lease). Provided that it excludes spaces located which will be leased to Robinson Department Store, under a long-term lease, and the rental area located in parking spaces.
- Leasing the system relevant to the shopping complex, the multipurpose hall, and the indoor parking spaces of the building.
- Selling the furniture and the related equipment.

The Company expects to invest in the capital increase of CPNRF in the proportion equivalent to 25.0 – 27.8 percent of the total number of investment units of CPNRF.

However, the aforementioned process shall be based on the capital market situation, and the conclusion of price in the final process with the board's conditions will be determined.

## 38 Financial instruments

### Financial risk management policies

The principal financial risks faced by the Group are interest rate risk, foreign currency risk and credit risk. The Group borrows at both fixed and floating rates of interest to finance its operations. Credit risk arises from the risk in the collectability of rental fees.

### Capital management

The Board's 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 loans and local money and capital markets through which the Group issues debentures and transfer 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 1.00, 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.

### 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 debt securities and loans interest rates are mainly fixed. The Group is primarily exposed to interest rate risk from its borrowings. The Group mitigates this risk by ensuring that the majority of its debt securities and borrowings are at fixed

interest rates to manage exposure to fluctuations in interest rates on specific debt securities and borrowings.

#### Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies. The Group will consider to utilise forward exchange contracts to hedge such financial assets and liabilities denominated in foreign currencies.

#### Credit risks

The current policies established by the Group to manage credit risk are:

- To collect an advance equivalent to 6 months rental from customers.
- To terminate rental contracts for tenants whose rental fees are outstanding over 90 days.

#### Liquidity risks

The liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments.

The objective of liquidity risk management of the Group is to have appropriate and sufficient capital for cash outflow for investment at present and in the future and to be able to invest such capital to gain appropriate returns under investment policies of the Group.

#### Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values have been determined for measurement and/or disclo-

sure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The fair value of trade and other short-term receivables is taken to approximate the carrying value.

The fair value of investments in equity and debt securities, which are held for trading, held to maturity and available for sales, is determined by reference to their quoted bid price at the reporting date. The fair value of held-to-maturity investments is determined for disclosure purposes only.

The fair value of interest rate swaps is based on broker quotes. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price at the reporting date for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

The carrying amounts of the financial assets and financial liabilities approximate their fair values. Such assets and liabilities include cash and cash equivalents, investments, trade accounts receivable and payables, other receivables and payables, loans to subsidiaries, short-term borrowings and floating interest rate long-term borrowings. Information on the fair values of borrowings is included in note 20.

### 39 Commitments with non-related parties

	(in million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Capital commitments				
Contracted but not provide for				
Buildings and facilities systems	4,467	4,658	3,572	3,661
Total	4,467	4,658	3,572	3,661
Non-cancellable operating lease commitments				
Within one year	549	531	28	27
After one year but within five years	2,445	2,278	142	121
After five years	23,478	14,934	3,280	1,755
Total	26,472	17,743	3,450	1,903
Other commitments				
Bank guarantees	584	545	345	216

(a) The Group entered into forward foreign exchange contracts to manage the risk arising from foreign exchange. As at 31 December 2013, the details were as follows:

	(in million Baht)		
	2013		Total
	Thai Baht Currency	United States Dollars Currency	
Forward foreign exchange contract			
- Bought contracts	-	731	731
- Sold contracts	(769)	-	(769)
	(769)	731	(38)

(b) The Company had various interest rate swap agreements with various banks to reduce the risk of fluctuation in interest rates covering Thai Baht in the total amount of Baht 3,000 million divided as follows:

- An amount of Baht 1,500 million for 2.5 years, due in June 2014
- An amount of Baht 1,500 million for 3 years, due in September 2014

For the duration of the agreements, the Company is committed to receive payments from or make payments to the other party whenever the interest rates vary from the agreed rates based on the terms and conditions stipulated in the agreements. However, the Company is still liable for commitments with the lender if the counterparty is unable to comply with the terms and conditions of such agreements.

(c) A subsidiary has signed 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 operating income and additional compensation as a percentage of gross operating profit as follows:

- 7% from the first 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

(d) The Group entered into a land lease agreement with a third party. The land was leased for the construction of a shopping centre 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 month rental.

(e) The Group entered into a land lease agreement with a third party. The land was leased for the construction of

a building 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.

(f) The Group entered into a land lease agreement with a local company. Land was leased for the construction of a shopping centre for lease. The lease agreement was for a period of 30 years ending in June 2030. Under the conditions of the agreement, the Group paid advance rental and has to pay a monthly rental. The rental will be increased every three years at the rate of 15% of the latest rental. The agreement can be renewed for the same period as the lessor is able to renew with the landlord. The lessor would obtain the rights to the buildings and improvements thereon at the lease expiration date. During 2006, the Group has not paid the lease payments under this agreement since the project has been temporarily suspended. The lease term and conditions are under consideration to be amended by both parties. However, during the year 2007 the Group entered into an agreement to cancel the lease, as a result of which the Group had to pay a compensation fee to the lessor of Baht 377 million.

On 29 June 2007, the Group entered into two land lease agreements with a local company. Under the conditions of the agreement, the Group paid advance rental. One agreement charges no monthly lease fee 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 latter agreement, the Group has to pay the land rental charge of Baht 700,000 per month which will be increased at the rate of 15%, every three years from 1 July 2010. This agreement can be renewed for another 10-year period (till 30 June 2050) with monthly rental

charge at the same rate as at 30 June 2040 for the whole additional 10 years.

(g) The Group entered into three lease agreements with third parties for the construction of shop buildings 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 advanced rental and guarantee 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 21st year of the lease to the end of the 30 years lease term. The land lease agreements can be renewed for a period of not less than 15 years through a one year advance written notification before expiration in which the terms will be renegotiated upon renewal. The lessor will obtain the ownership rights of buildings and improvements thereon at the lease expiration date. Upon the expiration of the shophouse lease, the lessor will give the Group a priority in renewing the lease agreement.

The Group entered into three land lease agreements with the third parties to construct shop buildings for rent. The lease agreement covered a 30-year period ending in February 2038. Under the conditions of the agreement, the Group had to pay advanced rental. In addition, the Group has to pay a rental annually. The rental will be increased every 3 years at the rate of 12%. The lease can be renewed for another 10-year period 2 years before the agreement terminated with the new rate and compensation agreed.

(h) In 2003, the Group entered into a land and building lease agreement as lessee with The Bureau of the Crown Property. The lease agreement was for a period of 30

years ending in December 2032 during which the Group has to pay a monthly rental. Under the conditions of the agreement, the agreement can be renewed for another 30-year period in which the terms have been agreed. The lessor obtains the ownership rights of building and improvements on the first day of the lease.

In 2007, the Group entered into two MOU comprising of the cancellation of certain land lease under the principal agreement with The Bureau of the Crown Property 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. However, the Group has commitment to pay rental fee to The Bureau of the Crown Property after the termination of the lease period.

On 19 August 2011 the Group entered into a land and building lease agreement as lessee in addition to principle agreement with The Bureau of the Crown Property. 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 yearly rental. The agreement can be renewed for another 30-year period in which the terms have been agreed for 3 years in advance faced on the rates and benefits, according to a new agreement. The lessor pledges to provide prior benefits to the company to renew the lease.

On 25 September 2013, the Group had made amendment to the lease agreement No.3, with the Crown Property Bureau by amending the renewal period from the 30 years to 38 years. After, the completing of the lease period, the lease conditions will be the same, except that the rental expenses should be divided in to two phases, i.e. 8 years and 30 years, respectively, under the following conditions:

- The first 8-year phase, (i.e. from 31th year – 38th



year), after the terminated date of the lease period, the lessee needs to send a written notification, and the Group needs to sign a renewal agreement or a new agreement within 22 December 2029, by making annual rental payments under the conditions as stated in the lease agreement.

- The 30-year phase, (i.e. 39<sup>th</sup> – 68<sup>th</sup> year inclusive), after the terminated date of the first 8-year term, under the conditions of the lease agreement, the Group has to notify, in writing, within the 33<sup>rd</sup> year as from the effective date of the agreement, to the lessor within 22 December 2035, in order to fix a new rate of the rental charge. The Group needs to sign the renewal agreement, or the new lease agreement within 22 December 2037.

(i) In 2005, the Group entered into a land lease agreement with a local company for the construction of shop buildings and parking. The land 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 six months in advance by written notification before expiration in which the terms will be renegotiated upon renewal.

Subsequently, in 2009, the Group entered into an MOU to amend land lease agreement under the same period and condition as it may be surrendered to the government for the mass rapid transit.

On 9 August 2007, the Group entered into a land and building lease agreement with a third 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 a yearly rental. The rental will be increased every five years at the rate of 35% of the latest month rental. The lease agreement can be renewed by notification one year in advance.

During 2012, the Group entered into a land lease agreement with the third parties. The lease agreement was for a period of 3 years, ending on 31 March 2015. Under the conditions of the agreement, the Group has to pay a monthly rental. The lease agreement can be renewed not less than 60 days in advance, in writing, before the agreement terminated in which the terms have been agreed.

(j) The Group entered into two lease agreements with third parties for the construction of shop buildings for lease. The principal 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 rent in the amount of Baht 1.5 million. Another 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 latter agreements, the Group has to pay monthly land rental which will be increased at the rate of 15%, every three years. This agreement can be renewed by notification three months in advance at the notification date from the lessor in which the terms have been agreed.

(k) The Group entered into a land lease agreement with third parties for the construction of shop buildings 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 paid advance rental and has to pay yearly rental. The rental will be increased every five years at the rate of 15% of the latest month rental. The lease can be renewed for another 10-year period 2 years before the agreement terminated with the new rate and compensation agreed.

(l) On 25 September 2013, the Company had made amendment to the lease agreement No.3, with the Crown Property Bureau by amending the renewal period from the 30 years to 38 years. After, the completing of the lease period, the lease conditions will be the same, except that the rental expenses should be divided in to two

phases, i.e. 8 years and 30 years, respectively, under the following conditions:

- The first 8-year phase, (i.e. from 31<sup>st</sup> year – 38<sup>th</sup> year), after the terminated date of the lease period, the lessee needs to send a written notification within 27<sup>th</sup> year as from the effective date of the agreement has been in force, by making annual rental payments under the conditions as stated in the lease agreement.
- The 30-year phase, (i.e. 39<sup>th</sup> – 68<sup>th</sup> year inclusive), after the terminated date of the first 8-year term, under the conditions of the lease agreement, the Company has to notify, in writing, within the 33<sup>rd</sup> year as from the effective date of the agreement to the lessor in order to fix a new rate of the rental charge. The Company needs to sign the renewal agreement, or the new lease agreement within 22 December 2037.

## 40 Contingent liabilities

### Guarantee

As at 31 December 2013, the Company entered into a loan guarantee agreement for subsidiaries totalling Baht 1,425 million (2012: Baht 4,188 million).

## 41 Events after the reporting period

### Debentures

In February 2014, the Company issued through private placement Baht 1,500 million worth of Thai Baht denominated, name registered, unsubordinated and unsecured debentures without debentureholders' representative. The debentures have term to maturity of 3 years, maturing on 19 February 2017, and pay interest every six-month period.

### Dividend

At the Board of Directors' meeting of the Company held on 21 February 2014 approving the appropriation of dividends from 2013 operating results of Baht 0.55 per share (totaling Baht 2,468.4 million).

## 42 Thai Financial Reporting Standards (TFRS) not yet adopted

The Group has not adopted the following new and revised TFRS that have been issued but are not yet effective. The new and revised TFRS are expected to become effective for annual financial periods beginning on or after 1 January in the year indicated in the following table.

TFRS	Topic	Year effective
TAS 1 (revised 2012)	Presentation of financial statements	2014
TAS 7 (revised 2012)	Statement of Cash Flows	2014
TAS 12 (revised 2012)	Income Taxes	2014
TAS 17 (revised 2012)	Leases	2014
TAS 18 (revised 2012)	Revenue Recognition	2014
TAS 19 (revised 2012)	Employee Benefits	2014
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates	2014
TAS 24 (revised 2012)	Related Party Disclosures	2014
TAS 28 (revised 2012)	Investments in Associates	2014

TFRS	Topic	Year effective
TAS 31 (revised 2012)	Interests in Joint Ventures	2014
TAS 34 (revised 2012)	Interim Financial Reports	2014
TAS 36 (revised 2012)	Impairment of Assets	2014
TAS 38 (revised 2012)	Intangible Assets	2014
TFRS 3 (revised 2012)	Business Combinations	2014
TFRS 8 (revised 2012)	Operating Segments	2014
TFRIC 1	Changes in Existing Decommissioning Restoration and Similar Liabilities	2014
TFRIC 4	Determining whether an Arrangement contains a Lease	2014
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	2014
TFRIC 10	Interim Financial Reporting and Impairment	2014
TIC 15	Operating Leases-Incentives	2014
TIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	2014

Management expects to adopt and apply these new and revised TFRS in accordance with the FAP's announcement and has made a preliminary assessment of the potential initial impact on the consolidated and

separate / Company's 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.

### 43 Reclassification of accounts

Certain accounts in the 2012 financial statements have been reclassified to conform to the presentation in the 2013 financial statements.

	(in million Baht)					
	2012					
	Consolidated financial statements			Separate financial statements		
	Before reclass.	Reclass.	After reclass.	Before reclass.	Reclass.	After reclass.
<b>Statement of financial position</b>						
Investment properties	46,341,877	(1,303,412)	45,038,465	9,447,171	(251,794)	9,195,377
Leasehold rights	10,037,384	1,303,412	11,340,796	5,068,261	251,794	5,320,055
Trade account payable	-	662,821	662,821	-	431,996	431,996
Trade accounts payable - related parties	16,219	(16,219)	-	120,714	(120,714)	-
Other payables	4,668,752	(646,602)	4,022,150	1,535,605	(311,282)	1,224,323
Deferred tax assets	1,304,239	(648,180)	656,059	527,680	(527,680)	-
Deferred tax liabilities	(921,439)	648,180	(273,259)	(579,616)	527,680	(51,936)
		-			-	

The reclassification have been made in order to comply with the classification adopted by the parent company and in the opinion of management, the new classification is more appropriate to the Group's/Company's business.

## AUDITOR'S FEE

### AUDIT FEE

In 2013 audit fee out of the Company and its subsidiaries has been paid for audit firm that the auditor work for amounted to Baht 6,010,000.

### OTHER SERVICE FEE

- None -

## MANAGEMENT BIOGRAPHY



01

**Mr. Suthichai  
Chirathivat**

Age 73 years

Percentage of Shareholding in the Company : 1.87%

Chairman

Been a CPN Director since : March 28, 2000

### Education

- > Diploma in Civil Engineering,  
Kingston College of Technology, U.K.
- > Honorary Doctorate of Business  
Administration Program,  
Chiangrai Rajabhat University

### Experience

- > Chairman of Supervisory Board,  
Vice Chairman of the Executive Committee,  
Chief Financial Officer  
Central Group of Companies Co., Ltd.
- > Assistant General Manager  
Central Department Store Co., Ltd.
- > Manager, Assistant Manager  
Central Department Store - Silom Branch

### Positions in other listed companies in SET

- > Vice Chairman  
Central Plaza Hotel Plc.

### Positions in non-listed companies

- > Chairman of Board of Directors  
Central Group of Companies Co., Ltd.

### Completed Program from Thai Institute of Directors (IOD)

- 2006 > Director Accreditation Program (DAP)
- 2000 > Role of Chairman Program (RCP)



02

**Mr. Paitoon  
Taveebhol**

Age 63 years

Percentage of Shareholding in the Company : None

Independent Director

Chairman of the Audit Committee

Chairman of the Corporate Risk Management Committee

Been a CPN Director since : July 10, 2002

### Education

- > B.A. (Accounting), Ramkhamhaeng University
- > MBA, Kasetsart University
- > Certificate in Auditing, Thammasat University

### Experience

- > Managing Director  
Arthur Andersen Business Advisory Ltd.
- > Director, Executive Director  
SGV-Na Thalang Co., Ltd.
- > Independent Director,  
Chairman of Audit Committee,  
Member of Corporate Governance Committee  
Big C Supercenter Plc.
- > Audit, Following and Evaluation Committee  
Walailak University
- > President  
Mater Dei Institute Parent and Teacher Association
- > Vice Chairman  
Mater Dei Institute Foundation
- > Managing Director  
BT Business Consulting Co., Ltd.
- > Vice President, Council Member  
The Institute of Internal Auditors of Thailand
- > President, Secretary General  
The ASEAN Federation of Accountants
- > Vice President, Council Member  
The Institute of Certified Accountants and  
Auditors of Thailand

#### Positions in other listed companies in SET

- > 2011-Present Independent Director,  
Chairman of Audit Committee  
KCE Electronics Plc.
- > 2007-Present Independent Director,  
Chairman of the Nomination and Remuneration  
Committee, Audit and CG Committee Member  
Somboon Advance Technology Plc.

#### Positions in non-listed companies

- > 2012-Present Independent Director,  
Audit Committee Member  
EASY BUY Plc.
- > 2004-Present Board Member  
Mater Dei Institute

#### Completed Program from Thai Institute of Directors (IOD)

- 2013 > Seminar "The 2<sup>nd</sup> National Director Conference  
2013 Board Leadership Evolution"
- 2011 > Seminar "Financial Reporting Standard for  
Non-Publicly Accountable Entities"  
  - > Seminar "Corruption Prevention and Reporting  
under NACC's Law"
  - > Seminar "Audit Committee Forum"
- 2010 > Monitoring the Internal Audit Function (MIA)  
  - > Monitoring the System of Internal Control and  
Risk Management (MIR)
  - > Monitoring the Quality of Financial Reporting  
(MFR)
  - > Role of the Compensation Committee (RCC)
- 2009 > Monitoring Fraud Risk Management (MFM)
- 2008 > Chartered Director Class (R-CDC)
- 2005 > Audit Committee Program (ACP)  
  - > Role of Chairman Program (RCP)
- 2003 > Director Certification Program (DCP)  
  - > Director Accreditation Program (DAP)

#### Other Programs/Seminars

- 2012 > Seminar "11<sup>th</sup> Asian Forum on Corporate Social  
Responsibility (AFCSR)"  
  - > Seminar "Anti-Corruption Day : Join Forces to  
Change Thailand"
- 2011 > Seminar "Financial Reporting Standard for  
Non-Publicly Accountable Entities"  
  - > Seminar "Corruption Prevention and Reporting  
under NACC's Law"
  - > Seminar "Audit Committee Forum"



03

**Mr. Chackchai  
Panichapat**

Age 75 years

Percentage of Shareholding in the Company : None

Independent Director

Member of the Audit Committee

Chairman of the Nomination and Remuneration Committee

Been a CPN Director since : July 10, 2002

#### Education

- > B.E. (Electrical Engineering),  
Chulalongkorn University
- > M.E. (Electrical Engineering),  
University of Texas, U.S.A.
- > National Defence College,  
The Joint State-Private Sectors Course, Class 1

#### Experience

- > Deputy Secretary General of the Board of Investment  
Thailand Board of Investment
- > Chairman  
Amata (Vietnam) Joint Stock Company

#### Positions in other listed companies in SET

- > 2007-Present Independent Director,  
Member of the Audit Committee, Chairman of the  
Nomination and Remuneration Committee  
Kang Yong Electric Plc.

- > 2004-Present Independent Director, Advisory Board Member Saha Union Plc.
- > 2001-Present Director, Executive Director Amata Corporation Plc.
- > 1999-Present Independent Director, Chairman of the Audit Committee, Member of the Nomination and Remuneration Committee City Sports and Recreation Plc.

#### Positions in non-listed companies

- > Chairman  
Magnecomp Precision Technology Plc.
- > Chairman  
Precipart Co., Ltd.
- > Chairman  
Amata Water Co., Ltd.
- > Director  
Amata Hong Kong Ltd.
- > Director  
San Miguel Beer (Thailand) Co., Ltd.
- > Director  
San Miguel Marketing (Thailand) Co., Ltd.
- > Director  
Thai San Miguel Liquor Co., Ltd.

#### Completed Program from Thai Institute of Directors (IOD)

- 2009 > Audit Committee Program (ACP)
- 2007 > Role of the Compensation Committee (RCC)
- 2006 > Director Certification Program (DCP)
- 2005 > Finance for Non-Finance Directors (FND)
- 2003 > Director Accreditation Program (DAP)



04

**Mrs. Sunandha  
Tulayadhan**

Age 67 years

Percentage of Shareholding in the Company : None

Independent Director

Member of the Audit Committee

Member of the Nomination and Remuneration Committee

Been a CPN Director since : July 10, 2002

#### Education

- > B.A. (Liberal Arts), College of New Rochelle, U.S.A.

#### Education

- > Chairman  
Ogilvy & Mather Group, Thailand and Vietnam
- > Regional Executive Board Member  
Ogilvy & Mather Asia Pacific
- > Director  
Ogilvy & Mather Worldwide Board
- > Chairman  
WPP Group, Thailand and Vietnam

#### Positions in other listed companies in SET

- > None

#### Positions in non-listed companies

- > Advisor of Executive Committee  
KIS International School

#### Completed Program from Thai Institute of Directors (IOD)

- 2013 > Anti-Corruption for Executive Program (ACEP)
- 2011 > Seminar "How New Foreign Bribery Laws Companies in Thailand"
- 2009 > Monitoring Fraud Risk Management (MFM)
- 2007 > Seminar "Audit Committee : Experience, Problems and Good Practices"



- 2005 > Audit Committee Program (ACP)  
 > Finance for Non-Finance Directors (FND)  
 2004 > Directors Accreditation Program (DAP)  
 > Seminar "Directors Forum 3/2004"  
 > Seminar "Directors Forum 2/2004"

#### Other Programs/Seminars

- 2012 > Seminar "Audit Committee Effectiveness"  
 2011 > Seminar "Committee on the Great Flood Crisis"



05

**Mr. Karun  
Kittisataporn**

Age 66 years

Percentage of Shareholding in the Company : None

Independent Director

Member of the Audit Committee

Member of the Nomination and Remuneration Committee

Been a CPN Director since : April 30, 2009

#### Education

- > B.C.A. (Economics) Victoria University of Wellington,  
New Zealand  
 > M.A. (International Trade), Syracuse University, U.S.A.  
 > Diploma, GATT Commercial Policy Course, Geneva,  
Switzerland  
 > National Defence College,  
The Joint State-Private Sectors Course, Class 8

#### Experience

- > Commission Member  
Securities and Exchange Commission  
 > Director  
Public Sector Development Commission  
 > Member  
The National Legislative Assembly Thailand  
 > Director  
Bank of Thailand  
 > Permanent Secretary  
Ministry of Commerce

#### Positions in other listed companies in SET

- > 2012-Present Independent Director,  
Audit Committee Member  
Sahamit Machinery Plc.  
 > 2012-Present Independent Director,  
Audit Committee Member  
Khon Kaen Sugar Industry Plc.  
 > 2008-Present Independent Director,  
Chairman of Nomination and Remuneration Committee  
Bank of Ayudhya Plc.

#### Positions in non-listed companies

- > Director  
Insurance Commission  
 > Member  
Council of State  
 > Chairman  
Support Arts and Crafts International  
Centre of Thailand (Public Organization)

#### Completed Program from Thai Institute of Directors (IOD)

- 2011 > Financial Institutions Governance Program (FGP)  
 > Monitoring the Quality of Financial Reporting (MFR)  
 2009 > Audit Committee Program (ACP)  
 > Financial Statements for Directors (FSD)  
 2008 > Role of the Compensation Committee (RCC)  
 2006 > Director Certification Program (DCP)



06

**Mr. Kanchit  
Bunajinda**

Age 46 years

Percentage of Shareholding in the Company : None

Independent Director

Member of the Nomination and Remuneration Committee

Member of the Corporate Risk Management Committee

Been a CPN Director since : June 26, 2003

### Education

- > B.E. (Civil Engineering), Chulalongkorn University
- > MBA (Finance and International Business), Sasin Graduate Institute of Business Administration, Chulalongkorn University
- > Kellogg Graduate School Management, Northwestern University, U.S.A. in an exchange program of Sasin Graduate Institute of Business Administration, Chulalongkorn University

### Experience

- > Senior Vice President, Heading the Financial Institutions group and the Mergers and Acquisition practice  
Merrill Lynch Phatra Co., Ltd.  
(Currently- Phatra Securities Plc.)
- > Director  
Pruksa Real Estate Plc.
- > Alternate Director  
Asian Corporate Governance Association Limited, Hong Kong

### Positions in other listed companies in SET

- > 2010-Present Director  
Robinson Department Store Plc.
- > 2006-Present Director  
Central Plaza Hotel Plc.
- > Independent Director, Executive Director, Member of Risk Management Committee  
Pruksa Real Estate Plc.

### Positions in non-listed companies

- > Audit Committee Member  
True Visions Plc.

### Completed Program from Thai Institute of Directors (IOD)

- 2009 > Director Luncheon Briefing (DLB)
  - > Monitoring of the Quality of Financial Reporting (MFR)
  - > Monitoring the Internal Audit Function (MIA)
  - > Monitoring the System of Internal Control and Risk Management (MIR)

- 2006 > Audit Committee Program (ACP)
- 2005 > Director Accreditation Program (DAP)
- 2003 > Director Certification Program (DCP)



07

**Mr. Suthikiati  
Chirathivat**

Age 71 years

Percentage of Shareholding in the Company : 1.86%

Director

Been a CPN Director since : July 10, 2002

### Education

- > Diploma in Mechanical Engineering,  
South West Essex Technical College, U.K.
- > B.A. (Political Science), Ramkhamhaeng University
- > M.A. (Political Science), Ramkhamhaeng University
- > Honorary Doctorate of Philosophy in  
Mass Communications, Ramkhamhaeng University
- > National Defence College,  
The Joint State-Private Sectors Course, Class 1
- > National Defence College,  
The Modern Management, Class 1

### Experience

- > Vice Chairman of Supervisory Board  
Central Group of Companies Co., Ltd.
- > Assistant Manager  
Central Trading Co., Ltd.
- > Assistant General Manager  
Central Department Store Co., Ltd.
- > The Founder and Head of Thai Retailers Association  
Thai Retailers Association
- > Advisor to The Minister of Tourism and Sports  
Ministry of Tourism and Sports
- > Director  
Assumption Association

#### Positions in other listed companies in SET

- > Chairman  
Central Plaza Hotel Plc.
- > Director, Chairman of Executive Committee  
Post Publishing Plc.

#### Positions in non-listed companies

- > Vice Chairman of Board of Directors  
Central Group of Companies Co., Ltd.
- > Director  
Thai Tourism Industry Association

#### Completed Program from Thai Institute of Directors (IOD)

2008 > Director Accreditation Program (DAP)



08

**Mr. Suthichart  
Chirathivat**

Age 68 years

Percentage of Shareholding in the Company : 0.70%

Director

Been a CPN Director since : July 10, 2002

#### Education

- > B.A. (Accounting), St. Joseph's College, U.S.A.
- > National Defence College,  
The Joint State-Private Sectors Course, Class 11

#### Experience

- > Director of Supervisory Board  
Central Group of Companies Co., Ltd.
- > President and Chief Executive Officer  
Central Retail Corporation Ltd.
- > President  
Thai Retailers Association
- > Chairman  
Committee of Retail Business,  
Thai Chamber of Commerce

- > Chairman  
Big C Supercenter Plc.
- > Advisor  
Board of Trade of Thailand
- > Director, Treasurer  
Foundation for Environment Preservation

#### Positions in other listed companies in SET

- > Director  
Central Plaza Hotel Plc.

#### Positions in non-listed companies

- > Vice Chairman of Board of Directors  
Central Group of Companies Co., Ltd.
- > Director  
The Vintage Club Co., Ltd.
- > Director  
Tiang Chirathivat Foundation

#### Completed Program from Thai Institute of Directors (IOD)

- 2004 > Director Accreditation Program (DAP)
- 2003 > Finance for Non-Finance Directors (FND)  
> Board and CEO Assessment
- 2000 > Role of Chairman Program (RCP)



09

**Mr. Sudhisak  
Chirathivat**

Age 68 years

Percentage of Shareholding in the Company : 0.63%

Director

Advisory of the Nomination and Remuneration Committee  
Been a CPN Director since : July 10, 2002

#### Education

- > B.A. (Mathematic), St. John Fisher College, U.S.A.

### Experience

- > Director of Supervisory Board  
Central Group of Companies Co., Ltd.
- > President  
Central Marketing Group
- > Managing Director  
Central Garment Factory Co., Ltd.
- > Managing Director  
Prin Intertrade Co., Ltd.

### Positions in other listed companies in SET

- > 2006-Present Chairman  
Robinson Department Store Plc.
- > 2003-Present Director  
Central Plaza Hotel Plc.

### Positions in non-listed companies

- > Director  
Central Group of Companies Co., Ltd.
- > Director  
Central Garment Factory Co., Ltd.
- > Director  
Harnng Chiangmai Department Store Ltd.
- > Director  
Central Trading Co., Ltd.

### Completed Program from Thai Institute of Directors (IOD)

- 2007 > Director Accreditation Program (DAP)
- > Director Certification Program (DCP)



10

**Mr. Sudhitham  
Chirathivat**

Age 66 years

Percentage of Shareholding in the Company : 0.60%

Director

Advisory of the Nomination and Remuneration Committee

Been a CPN Director since : March 1, 1995

### Education

- > B.A. (Electrical Engineering),  
University of Maryland (College Park), U.S.A.
- > MBA (Operations Research), Iona University, U.S.A.
- > National Defence College,  
The Joint State-Private Sectors Course, Class 13

### Experience

- > Director  
Big C Supercenter Plc.
- > Chairman of Executive Committee  
Central Group of Companies Co., Ltd.
- > Director  
The Thai Chamber of Commerce
- > President  
Rotary Club of Bangkok
- > Chairman  
Coffee Partners Co., Ltd. (Starbucks-Thailand)
- > President and Founder  
Thai Shopping Center Association
- > Managing Director and Chief Executive Officer  
Central Pattana Plc.
- > Advisor to The Ministry of Commerce  
The Ministry of Commerce
- > Executive Vice President,  
President - Store Planning, Marketing,  
and Business Development,  
Vice President - Marketing, and Merchandising  
Central Department Store Co., Ltd.

### Positions in other listed companies in SET

- > 2010-Present Independent Director  
Jasmine International Plc.
- > 2004-Present Vice Chairman  
Robinson Department Store Plc.
- > 2003-Present Director  
Central Plaza Hotel Plc.

### Positions in non-listed companies

- > Director  
Central Group of Companies Co., Ltd.
- > Director  
Central Holding Co., Ltd.
- > Director  
The Vintage Club Co., Ltd.
- > Member, Member of Committee on Commerce  
The National Legislative Assembly Thailand

### Completed Program from Thai Institute of Directors (IOD)

2003 > Director Certification Program (DCP)



# 11

**Mr. Prin  
Chirathivat**

Age 51 years

Percentage of Shareholding in the Company : 0.94%

Director

Member of the Corporate Risk Management Committee  
Advisory of the Nomination and Remuneration Committee

Been a CPN Director since : March 1, 1995

### Education

- > B.A. (Accounting)  
Skidmore College, U.S.A.
- > MBA (Business Management),  
Sasin Graduate Institute of Business Administration,  
Chulalongkorn University
- > Capital Market Academy Leadership Program 2004  
Class 1
- > The Program for Senior Executive Criminal Justice  
Administration (Courts of Justice), Class 13/2008
- > National Defence College,  
The Joint State-Private Sectors Course, Class 22

### Experience

- > Director  
Malee Sampran Plc.
- > Chairman of Audit Committee  
Bualuang Securities Plc.
- > Director  
Dhanamitr Factoring Plc.
- > Director  
Indara Insurance Plc.
- > Executive Director  
Interlife John Hancock Assurance Plc.
- > Director  
General Card Service Ltd.
- > Executive Director  
Central Department Store Co., Ltd.
- > Investment Banking  
Thanachart Securities Plc.

### Positions in other listed companies in SET

- > 2012-Present Member of Audit Committee  
Bumrungrad Hospital Plc.
- > 2006-Present Director  
Robinson Department Store Plc.  
Director  
Central Plaza Hotel Plc.

### Positions in non-listed companies

- > Director, Member of Executive Committee,  
Chief Financial Officer  
Central Group of Companies Co., Ltd.
- > Director, Executive Director  
Central Retail Corporation Ltd.
- > Advisor  
Marketing For Alternative Investment (MAI)
- > Steering Support Committee  
Chiangrai Rajabhat University

#### Completed Program from Thai Institute of Directors (IOD)

- 2010 > Advanced Audit Committee Program
- 2009 > Monitoring Fraud Risk Management (MFM)
  - > Monitoring of the Quality of Financial Reporting (MFR)
- 2007 > Monitoring the Internal Audit Function (MIA)
  - > Monitoring the System of Internal Control and Risk Management (MIR)
- 2006 > Chief Financial Officer Program
- 2005 > Director Accreditation Program (DAP)
  - > Audit Committee Program (ACP)
  - > Role of Chairman Program (RCP)
- 2000 > Director Certification Program (DCP)



12

**Mr. Kobchai  
Chirathivat**

Age 58 years

Percentage of Shareholding in the Company : 0.61%

Director

Member of the Corporate Risk Management Committee  
President & CEO

Been a CPN Director since : March 1, 1995

(The position of President & CEO ended on January 1, 2014)

#### Education

- > LL.B. (Law), Chulalongkorn University
- > M.A. (Political Science), University of Norte Dame, U.S.A.
- > MBA, University of Chicago,  
Graduate School of Business, U.S.A.
- > National Defence College,  
The Joint State-Private Sectors Course, Class 21

#### Experience

- > Chief Operating Officer and Executive Vice President,  
Senior Vice President - Business Development,  
Director - Property Management  
Central Pattana Plc.

- > Deputy Managing Director,  
Marketing Manager,  
Assistant Manager  
Central Trading Co., Ltd.
- > Assistant Branch Manager  
Central Department Stores Co., Ltd.

#### Positions in other listed companies in SET

- > 2012-Present Director  
Malee Sampran Plc.

#### Positions in non-listed companies

- > Director and Member of Executive Committee  
Central Group of Companies Co., Ltd.
- > Director  
Sakura Restaurant Co., Ltd.
- > Director  
Central Advance System Co., Ltd.
- > Director  
Genesis Corporation Co., Ltd.

#### Completed Program from Thai Institute of Directors (IOD)

- 2001 > Director Certification Program (DCP)



13

**Mr. Preecha  
Ekkunagul**

Age 55 years

Percentage of Shareholding in the Company : 0.0001%

CEO

(Taking the position on January 2, 2014)

#### Education

- > B.Sc., Chulalongkorn University
- > M.Eng., Asia Institute of Technology
- > Capital Market Academy Leadership Program 2008,  
Class 7

### Experience

- > Director  
Office Mate Plc.
- > Director, Executive Director, President  
Robinson Department Store Plc. and its Subsidiaries
- > President  
B2S Co., Ltd.
- > President  
CRC Power Retail Co., Ltd.
- > Managing Director  
Big C Supercenter Plc.

### Completed Program from Thai Institute of Directors (IOD)

- 2005 > Director Certificate Program (DCP)
- 2004 > Director Accreditation Program (DAP)



**14**  
**Mr. Sudthidej**  
**Chirathivat**

Age 63 years

Percentage of Shareholding in the Company : 0.73%

Senior Executive Vice President

### Education

- > B.A. (Business Management),  
Prince George College, U.S.A.

### Experience

- > Director, Executive Vice President - Business Development and Project Construction, Vice President - Leasing  
Central Pattana Plc.
- > Manager - Leasing  
Bangna Central Property Co., Ltd.
- > Vice President - Leasing and Marketing  
Central Trading Co., Ltd.
- > Vice President  
Food Park Co., Ltd.



**15**  
**Ms. Wallaya**  
**Chirathivat**

Age 52 years

Percentage of Shareholding in the Company : 0.38%

Senior Executive Vice President,  
Business Development and Project Construction

### Education

- > B.A. (Business Management),  
University of California, Los Angeles (UCLA), U.S.A.
- > MBA, University of Hartford, U.S.A.
- > Advance Management Program - Executive Course,  
Harvard Business School, U.S.A.

### Experience

- > Executive Vice President  
Central Retail Corporation Co., Ltd.
- > Executive Vice President  
Central Pattana Plc.
- > Co-Chief Executive Officer  
Tops Supermarket
- > Managing Director  
Central Supermarket
- > Vice President  
Central Department Store Co., Ltd.



**16**  
**Mr. Somchart**  
**Baramichai**

Age 63 years

Percentage of Shareholding in the Company : None

Senior Executive Vice President, Operation

### Education

- > B.E. (Sanitary), Chulalongkorn University

- > M.E. (Sanitary), Delft University of Technology, Netherlands
- > M.B.A, Thammasat University
- > Advanced Management Program (AMP) at Wharton, University of Pennsylvania, U.S.A.

#### Experience

- > Director, Member of Nomination Committee, Member of Executive Committee  
Thai British Securities Printing Plc.
- > Chairman  
Thai British Dpost. Co.,Ltd.
- > Managing Director  
Thai Containers Group Co., Ltd.
- > Managing Director  
Phoenix Pulp and Paper Plc.

#### Completed Program from Thai Institute of Directors (IOD)

- 2009 > Director Certification Program (DCP)
- 2004 > Director Accreditation Program (DAP)



**17**  
**Mr. Sutthipak  
Chirathivat**

Age 52 years

Percentage of Shareholding in the Company : 0.57%

Executive Vice President, Office of the President

#### Education

- > Mini MBA (Property), Faculty of Architecture, Chulalongkorn University
- > Mini MBA, Faculty of Commerce and Accountancy, Chulalongkorn University
- > Real Estate Investment, Sasin Graduate Institute of Business Administration, Chulalongkorn University

- > Executive MBA, Sasin Graduate Institute of Business Administration, Chulalongkorn University

#### Experience

- > Executive Vice President - Leasing, Executive Vice President - Business Development, Executive Vice President - Marketing, Vice President - Business Development, Senior Leasing and Marketing Manager  
Central Pattana Plc.
- > Executive Vice President  
Thai International Fast - Food Co., Ltd.
- > Executive Vice President, Marketing Manager  
Central Garment Factory Co., Ltd.



**18**  
**Mr. Terachart  
Numanit**

Age 56 years

Percentage of Shareholding in the Company : None

Executive Vice President, Technical Development

#### Education

- > BSCE, Polytechnic University, U.S.A.
- > Certificate Program: Executive Financial Management Class 11, Faculty of Economics, Chulalongkorn University

#### Experience

- > Chief Estimate  
John Holland (Thailand)
- > Project Manager  
New York City, Transit Authority, U.S.A.
- > Engineer  
Project Parsons Brinckerhoff, New York City, U.S.A.
- > Special Project Manager  
Philip Holzman (Thailand)
- > Project Director  
Itochu (Thailand) Co., Ltd.
- > Special Project Director  
K-Tech Construction and Engineering Co., Ltd.





19

**Ph.D. Nattakit  
Tangpoonsinthana**

Age 49 years

Percentage of Shareholding in the Company : None

Executive Vice President, Marketing

#### Education

- > B.A. (Communication Arts), Chulalongkorn University
- > M.A. (Communication),  
The University of North Texas, U.S.A.
- > MBA (Marketing), The University of North Texas, U.S.A.
- > Ph.D. Communication (Broadcasting Management),  
Chulalongkorn University

#### Experience

- > Advisor to the Ministry of Science and Technology  
The Ministry of Science and Technology
- > Chief Marketing Officer - Strategic Marketing Division  
Thai Samsung Electronics Co., Ltd.

#### Other Current Positions

- > Visiting Lecturer - Mass Communication  
The Faculty of Communication Arts,  
Chulalongkorn University



20

**Mrs. Narttaya  
Chirathivat**

Age 50 years

Percentage of Shareholding in the Company : 0.38%

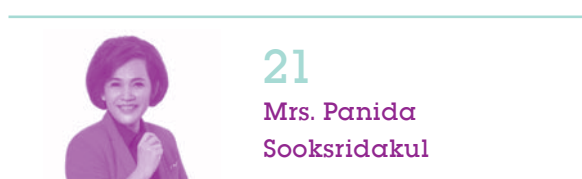
Executive Vice President, Office of the President

#### Education

- > B.A. (Economic), University of Hartford, U.S.A.
- > MBA, University of Hartford, France

#### Experience

- > Senior Vice President - Merchandising  
Robinson Department Store Plc.
- > Director - Softline Merchandising  
Big C Supercenter Plc.
- > General Manager  
Central Retail Logistic Co., Ltd.
- > Director  
Central Department Store Co., Ltd.
- > Manager  
J & S Import Ltd., Part.



21

**Mrs. Panida  
Sooksridakul**

Age 58 years

Percentage of Shareholding in the Company : None

Executive Vice President, Property Management

#### Education

- > B.A (Political Science), Ramkhamhaeng University
- > M.A (Political Science), Ramkhamhaeng University

#### Experience

- > Senior Vice President - Property Development and  
Management,  
Vice President - Property Management  
Central Pattana Plc.



22

**Major Narit  
Ratanaphichetchai**

Age 54 years

Percentage of Shareholding in the Company : 0.0009%

Executive Vice President, Project Development 1

#### Education

- > B. ARCH, Chulalongkorn University
- > M. ARCH, Chulalongkorn University
- > Executive Financial Management,  
Chulalongkorn University
- > Engineer Officer Basic Course,  
Engineer Department, Royal Thai Army
- > Engineer Officer Advance Course,  
Engineer Department, Royal Thai Army

#### Experience

- > Senior Vice President, Business Development  
Central Patana Plc.
- > Senior Vice President, Project Development  
Noble Development Plc.
- > Commissioned Officer, Post Engineer Department  
Royal Thai Army
- > Visiting Lecturer, TU-RE Faculty of Commerce  
and Accountancy  
Thammasat University
- > Visiting Lecturer, MRE Faculty of Architecture  
Chulalongkorn University



23

**Ms. Naparat  
Sriwanvit**

Age 41 years

Percentage of Shareholding in the Company : 0.0012%

Executive Vice President, Finance,  
Accounting and Risk Management  
Company Secretary

Been a Company Secretary since : August 15, 2008

#### Education

- > B.A. (Faculty of Commerce and Accountancy),  
Chulalongkorn University
- > M.A. (Faculty of Commerce and Accountancy),  
Thammasat University

#### Experience

- > Senior Vice President, Finance Department,  
Vice President, Finance Department,  
Central Patana Plc.
- > Assistant Auditor  
Pricewaterhouse Ltd.  
(Currently-PricewaterhouseCoopers ABAS Co., Ltd.)

#### Completed Program from Thai Institute of Directors (IOD)

2002 > Company Secretary Program (CSP) Class 2



24

**Mrs. Vipapat  
Cholsawad-Simon**

Age 50 years

Percentage of Shareholding in the Company : None

Executive Vice President, Leasing

#### Education

- > B.A. (Finance - Accounting),  
University of the Thai Chamber of Commerce
- > Master of MIS (Management Information System),  
The University of Bridgeport, U.S.A.

#### Experience

- > Marketing Director  
Thai Paper Co., Ltd Nov.
- > Vice President – Marketing  
United Pulp and Paper Co., Inc., Philippines
- > Export Director  
SCG Paper
- > Head of Kraft Export Function, Marketing Planning  
and Analysis Section Manager  
Siam Kraft Industry Co., Ltd.
- > Business Researcher, Planning office  
SCG Paper group

## GENERAL INFORMATION OF BUSINESS HELD BY THE COMPANY 10% UPWARD

Company	Nature of Business	Registered Capital (THB)	Percentage of Shareholding
1 <b>Central Realty Services Co., Ltd.</b> 999/9 Rama I Rd, Patumwan, BKK. 10330 Tel +66 (0) 2667 5555	Servicing of Shopping Center Facilities	1,000,000	99.99%
2 <b>Central Food Avenue Co., Ltd.</b> 1697 Phaholyothin Rd, Chatuchak, Chatuchak, BKK. 10900 Tel +66 (0) 2793 6000	Restaurant operations and servicing of shopping complex food center	5,000,000	99.99%
3 <b>Lang Suan Realty Co., Ltd.</b> 95/3 Lang suan Rd, Lumpini, Patumwan, BKK. 10330 Tel +66 (0) 2652 2277	Residential condominium and shop space for rent	1,000,000,000	99.99%
4 <b>Central Pattana Rama 2 Co., Ltd.</b> 160 Rama 2 Road, Samaedum, Bangkhuntian, BKK. 10150 Tel +66 (0) 2866 4300	Shopping Center: CentralPlaza Rama 2	1,500,000,000	99.99%
5 <b>Central Pattana Chiangmai Co., Ltd.</b> 2 Mahidol Road, 252-252/1 Wualai Road, Haiya, Muang, Chiangmai 50100 Tel +66 (0) 5399 9199	Shopping Center: CentralPlaza Chiangmai Airport	1,000,000,000	99.99%
6 <b>Central Pattana Rattana Thibet Co., Ltd.</b> 68/100, 68/919 M.8 Rattana Thibet Road, Bangkrasor, Muang, Nontaburi 11000 Tel +66 (0) 2834 6000	Shopping Center: CentralPlaza Rattana Thibet	800,000,000	99.99%
7 <b>Central Pattana Rama 3 Co., Ltd.</b> 79 Sathupradit Road, Chongnonsee, Yannawa, BKK. 10120 Tel +66 (0) 2649 6000	Shopping Center: CentralPlaza Rama 3	324,738,000	99.99%
8 <b>Central Pattana Khon Kaen Co., Ltd.</b> 999/9 Rama I Rd, Patumwan, BKK. 10330 Tel +66 (0) 2667 5555	Shopping Center: CentralPlaza Khonkaen	2,000,000,000	78.13%
9 <b>Central Pattana Chonburi Co., Ltd.</b> 999/9 Rama I Rd, Patumwan, BKK. 10330 Tel +66 (0) 2667 5555	Shopping Center: CentralPlaza Chonburi	900,000,000	99.99%

Company	Nature of Business	Registered Capital (THB)	Percentage of Shareholding
10 Central Pattana Nine Square Co., Ltd. 9/9 Rama 9 Rd., Huai Khwang, BKK. 10310 Tel +66 (0) 2103 5999	Shopping Center, CentralPlaza Grand Rama 9	3,200,000,000	93.30%
11 Bangna Central Property Co., Ltd. 587, 589 Bangna-Trad Road, Bangna, BKK. 10260 Tel +66 (0) 2763 6000	Shopping Center/Office/ Residential/Playland at CentralPlaza Bangna Project	1,160,563,400	100.00% (Held by Lang Suan Realty Co., Ltd. 41.76% and Central Play Land Co., Ltd. 58.24%)
12 CPN Pattaya Co., Ltd. 999/9, Rama I Rd, Patumwan, BKK. 10330 Tel +66 (0) 2667 5555	Shopping Center: CentralFestival Pattaya Beach and Hilton Pattaya Hotel	2,500,000,000	99.99%
13 Central World Co., Ltd.* 4, 4/1-4/2, 4/4 Ratchadumri Road, Patumwan, BKK. 10330 Tel +66 (0) 2640 7000	Servicing of Shopping Center Facilities at CentralWorld, Centara Hotel & Convention Centre Udon Thani, Shopping Center: Central Plaza-Udon Thani, Centra Plaza Phitsanulok and Central Plaza Ubonratchathani	2,511,938,100	90.00% (Held by Bangna Central Property Co., Ltd. 10.00%)
14 Central Play Land Co., Ltd. 591 Bangna-Trad Road, Bangna, BKK. 10260 Tel +66 (0) 2763 6000	Shopping Center: CentralPlaza Bangna	518,000,000	99.99% (Held by Lang Suan Realty Co., Ltd.)
15 Siam Retail Development Co., Ltd. 5/5-6 M.7 Ramindra Road, Kannayao, BKK. 10230 Tel +66 (0) 2947 5000	Shopping Center: Fashion Island	500,000,000	15.00% (Held by Lang Suan Realty Co., Ltd. 12% and Square Ritz Plaza Co., Ltd. 3%)
16 Square Ritz Plaza Co., Ltd. 5/5 M.7 Ramindra Road, Kannayao, BKK. 10230 Tel +66 (0) 2947 5000	Real Estate Developer	125,000,000	12.00% (Held by Lang Suan Realty Co., Ltd.)

Company	Nature of Business	Registered Capital (THB)	Percentage of Shareholding
17 <b>Ayudhya Agrocitcity Co., Ltd.</b> 47 M.2 Bangna-Trad Road, Bangchalong, Bangplee, Samutprakarn 10540 Tel +66 (0) 2399 4510	Real Estate Developer	400,000,000	11.85% <i>(Held by Lang Suan Realty Co., Ltd.)</i>
18 <b>CPN Retail Growth Leasehold Property Fund Managed by SCB Asset Management Co., Ltd.</b> 19 SCB Park Plaza 3, 21 <sup>st</sup> -22 <sup>nd</sup> Floor, Ratchadapisek Rd., Chatuchak, 10900 Tel. +66 (0) 2949 1500	Property Investment in CentraPlaza Rama 2, CentralPlaza Ratchada-Rama 3 and CentralPlaza Pinklao	16,381,000,000	27.80%
19 <b>CPN Commercial Growth Leasehold Property Fund Managed by SCB Asset Management Co., Ltd.</b> 19 SCB Park Plaza 3, 21 <sup>st</sup> -22 <sup>nd</sup> Floor, Ratchadapisek Rd., Chatuchak, 10900 Tel. +66 (0) 2949 1500	Property Investment in The Offices at CentralWorld	4,394,381,700	25.00%
20 <b>Thai Business Fund 4</b> managed by Krung Thai Asset Management Pcl. 11 Q House Sathorn Building, M,G Floor, South Sathorn Road, BKK. 10120 Tel. +66 (0) 2670 4900	Property Investment in CentralWorld	4,600,000,000	100.00%
21 <b>Thai Business Fund5</b> managed by Krung Thai Asset Management Pcl. 11 Q House Sathorn Building, M,G Floor, South Sathorn Road, BKK. 10120 Tel. +66 (0) 2670 4900	Property Investment in CentralPlaza Bangna	236,760,000**	100.00%
22 <b>CPN Construction Management Co., Ltd.</b> 999/9 Rama I Rd, Patumwan, BKK. 10330 Tel +66 (0) 2667 5555	Construction Management	1,000,000	99.93%

Remark: \*\* Only capital from owner type unitholders

Company	Nature of Business	Registered Capital (THB)	Percentage of Shareholding
23 Central Pattana Developmennt Co., Ltd. 999/9 Rama I Rd, Patumwan, BKK. 10330 Tel +66 (0) 2667 5555	Shopping Center: CentralPlaza Chiangrai, CentralPlaza Suratthani, and CentralPlaza Lampang	700,000,000	99.99%
24 CPN Global Co., Ltd. 999/9 Rama I Rd, Patumwan, BKK. 10330 Tel +66 (0) 2667 5555	Real Estate Developer	1,000,000	99.94%
25 CPN City Co.Ltd. 999/9 Rama I Rd, Patumwan, BKK. 10330 Tel +66 (0) 2667 5555	Real Estate Developer	1,863,485,000	99.99% (Held by Central World Co., Ltd.)
26 CPN Complex Co., Ltd. 999/9 Rama I Rd, Patumwan, BKK. 10330 Tel +66 (0) 2667 5555	Real Estate Developer	1,341,600,000	99.99% (Held by Central World Co., Ltd.)
27 CPN Learning Center Co., Ltd. 999/9 Rama I Rd, Patumwan, BKK. 10330 Tel +66 (0) 2667 5555	Human Capital Management	1,000,000	99.96%
28 CPN Rayong Co., Ltd. 999/9 Rama I Rd, Patumwan, BKK. 10330 Tel +66 (0) 2667 5555	Real Estate Developer	1,000,000	99.94%
29 Global Retail Development & Investment Limited 30/F Jardine House One Connaught Place Central, Hong Kong	Real Estate Developer	HKD10,000	100.00%
30 Global Commercial Property Limited 30/F Jardine House One Connaught Place Central, Hong Kong	Real Estate Developer	HKD10,000	100.00%
31 Central (Shanghai) Management Consulting Co., Ltd. Room 1107, No.238 Jiangchang (No.3) Road, Zhabei District, Shanghai, China	Real Estate Developer	CNY10,000,000	100.00%

Company	Nature of Business	Registered Capital (THB)	Percentage of Shareholding
32 CPN Venture Sdn. Bhd. Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia	Holding Company	MYR400,000	100.00%
33 CPN Real Estate Sdn. Bhd. Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia	Holding Company	MYR400,000	100.00%
34 CPN Malls Malaysia Sdn. Bhd. Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia	Holding Company	MYR400,000	100.00%
35 Central Plaza i-City Malls Malaysia Sdn. Bhd. Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia	Holding Company	MYR400,000	60.00%
36 Central Plaza i-City Sdn. Bhd. Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia	Retail and Property Management and Maintenance	MYR400,000	60.00%
37 Central Plaza i-City Real Estate Sdn. Bhd. Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia	Holder and Owner of Land and Real Estate	MYR400,000	60.00%



## LIST OF COMMITTEE IN SUBSIDIARIES

[illegible]

## EXISTING PROJECTS MANAGED BY CPN

01

### CENTRALPLAZA LARDPRAO

Address : 1693 Phaholyothin Road, Chatuchak, Chatuchak, Bangkok 10900

Tel : +66 (0) 2793 6000 Fax : +66 (0) 2541 1341

02

### CENTRALPLAZA RAMINDRA

Address : 109/10 , Ramindra Road, Bangkhen, Bangkok 10220

Tel : +66 (0) 2790 3000 Fax : +66 (0) 2552 5513

03

### CENTRALPLAZA PINKLAO

Address : 7/222 Baromrachachonnanee Road, Arunamarin, Bangkoknoi, Bangkok 10700

Tel : +66 (0) 2877 5000 Fax : +66 (0) 2884 8486

04

### CENTRAL CENTER PATTAYA

Address : 78/54 Moo 9, Pattaya Sai 2 Road, Banglamung, Chonburi 20260

Tel : +66 (0) 3300 3888 Fax : +66 (0) 3300 3888 ext.1225-7

05

### CENTRALPLAZA CHIANGMAI AIRPORT

Address : 2 Mahidol Road, 252-252/1 Wulai Road, Haiya, Muang, Chiangmai 50100

Tel : +66 (0) 5399 9199 Fax : +66 (0) 5399 9122-3

06

### CENTRALPLAZA RAMA 3

Address : 79 Sathupradit Road, Chongnonsee, Yannawa, Bangkok 10120

Tel : +66 (0) 2649 6000 Fax : +66 (0) 2673 6009

07

### CENTRALPLAZA BANGNA

Address : 587, 589 Bangna-Trad (KM.3) Road, Bangna, Bangkok 10260

Tel : +66 (0) 2763 6000 Fax : +66 (0) 2399 5777

08

### CENTRALPLAZA RAMA 2

Address : 160 Rama 2 Road, Samaedum, Bangkhuntian, Bangkok 10150

Tel : +66 (0) 2866 4300 Fax : +66 (0) 2872 4560

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## 09 CENTRALWORLD

Address : 4, 4/1-4/2, 4/4 Rajdamri Road, Patumwan, Bangkok 10330

Tel : +66 (0) 2640 7000 Fax : +66 (0) 2255 9767

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## 10 CENTRALPLAZA RATTANATHIBET

Address : 68/100, 68/919 Moo 8, Rattanathibet Road, Bangkrasor, Muang, Nonthaburi 11000

Tel : +66 (0) 2103 5777 Fax : +66 (0) 2526 6092

---

## 11 CENTRALPLAZA CHAENGWATTANA

Address : 99, 99/9 Moo 2, Chaengwattana Road, Bangtarad, Pak Kret, Nonthaburi 11120

Tel : +66 (0) 2101 0000 Fax : +66 (0) 2101 1343

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## 12 CENTRALFESTIVAL PATTAYA BEACH

Address : 333/99 Moo 9, Banglamung, Chonburi 20260

Tel : +66 (0) 3300 3999 Fax : +66 (0) 3300 3999 ext.1225-6

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## 13 CENTRALPLAZA UDONTHANI

Address : 277/1-3, 271/5 Prajaksillapakhom Road, Markkeang, Muangudonthani, Udonthani 41000

Tel : +66 (0) 4224 9192 Fax : +66 (0) 4224 4639

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## 14 CENTRALPLAZA CHONBURI

Address : 55/88-89, 55/91 Moo 1, Sa-Med, Muang, Chonburi 20000

Tel : +66 (0) 3300 3333 Fax : +66 (0) 3300 3179

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## 15 CENTRALPLAZA KHONKAEN

Address : 99, 99/1 Srichan Road, Naimuang, Muang, Khonkaen 40000

Tel : +66 (0) 4300 1000 Fax : +66 (0) 4300 1209

---

## 16 CENTRALPLAZA CHIANGRAI

Address : 99/9 Moo 13, Robwiang, Muang District, Chiang Rai 57000

Tel : +66 (0) 5202 0999 Fax : +66 (0) 5202 0900

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17

**CENTRALPLAZA PHITSANULOK**

Address : 9/99 Moo 5, Plaichomphon, Muang, Phitsanulok 65000

Tel : +66 (0) 5500 0999 Fax : +66 (0) 5500 0990

18

**CENTRALPLAZA GRAND RAMA 9**

Address : 9/9 Rama 9 Road, Huai Khwang, Bangkok 10320

Tel : +66 (0) 2103 5999 Fax : +66 (0) 2103 5990

19

**CENTRALPLAZA SURATTHANI**

Address : 88 Moo 10, Watpradu, Muang, Suratthani 84000

Tel : +66 (0) 7796 3555 Fax : +66 (0) 7796 3599

20

**CENTRALPLAZA LAMPANG**

Address : 319 Highway Lampang-Ngao Rd., Suandok, Muang, Lampang 52100

Tel : +66 (0) 5401 0555 Fax : +66 (0) 5401 0599

21

**CENTRALPLAZA UBONRATCHATHANI**

Address : 311 Moo 7, Chae Ra Mae, Muang, Ubonratchathani 34000

Tel : +66 (0) 4595 0699 Fax : +66 (0) 4595 0600

22

**CENTRALFESTIVAL CHIANGMAI**

Address : 99, 99/1, 99/2 Moo 4, Superhighway Road, Fa Ham, Muang, Chiangmai 50000

Tel : +66 (0) 5399 8999 Fax : +66 (0) 5200 1700

23

**CENTRALFESTIVAL HATYAI**

Address : 1518, 1518/1, 1518/2 Rchanavanid Road, Hatyai, Hatyai, Songkhla 90110

Tel : +66 (0) 7480 1555 Fax : +66 (0) 7480 1599

## REFERENCE FIRMS

### REGISTRAR OF COMMON SHARES

**Thailand Securities Depository Co., Ltd.**  
4<sup>th</sup> Floor, The Stock Exchange of Thailand  
62 Ratchadapisek Road, Klongtoey,  
Bangkok 10110, Thailand  
Telephone : +66 (0) 2229 2888  
Facsimile : +66 (0) 2654 5427

### DEBENTURE HOLDER REPRESENTATIVES

*Debentures CPN145A*  
**TMB Bank Public Company Limited**  
393 Silom Road, Bangrak  
Bangkok 10500, Thailand  
Telephone : +66 (0) 2230 6061  
Facsimile : +66 (0) 2266 8150

### REGISTRAR OF UNSECURED DEBENTURES

*Debentures CPN15DA and CPN176A*  
**CIMB Thai Bank Public Company Limited**  
44 Langsuan Road, Lumpini Sub-District, Pathumwan  
Bangkok 10330, Thailand  
Telephone : +66 (0) 2626 7503  
Facsimile : +66 (0) 2626 7542

*Debentures CPN145A*  
**Kasikorn Bank Public Company Limited**  
1 Soi Kasikornthai, Ratburana Road,  
Bangkok 10140, Thailand  
Telephone : +66 (0) 2470 1987  
Facsimile : +66 (0) 2470 1998

*Debentures CPN164A, CPN160A, CPN180A, CPN210A, CPN156A and CPN171A*

**Siam Commercial Bank Public Company Limited**  
9 Ratchadapisek Road, Chatuchak  
Bangkok 10900, Thailand  
Telephone : +66 (0) 2256 2323-8  
Facsimile : +66 (0) 2256 2406

*Debentures CPN163A*

**Bank of Ayudhya Public Company Limited**  
1222 Rama 3 Road, Bang Phongphang, Yan Nawa,  
Bangkok 10120, Thailand  
Telephone : +66 (0) 2296 3582  
Facsimile : +66 (0) 2296 2202

### AUTHORIZED AUDITOR

**KPMG Phoomchai Audit Ltd.**  
Mr. Vichien Thamtrakul, Certified Public Accountant,  
Registration No.3183  
50<sup>th</sup> – 51<sup>st</sup> Floor, Empire Tower  
195 South Sathon Road, Yannawa Sub-District, Sathorn  
Bangkok 10120, Thailand  
Telephone : +66 (0) 2677 2000  
Facsimile : +66 (0) 2677 2222

### CREDIT RATING AND DEBENTURE RATING COMPANY

**TRIS Rating Co., Ltd.**  
24<sup>th</sup> Floor, Silom Complex Building,  
191 Silom Road, Silom Sub-District, Bangrak  
Bangkok 10500, Thailand  
Telephone : +66 (0) 2231 3011  
Facsimile : +66 (0) 2231 3012

## INFORMATION FOR INVESTORS

### CENTRAL PATTANA PUBLIC COMPANY LIMITED

**Registered Capital:** Baht 2,244,000,000

**Issued and Paid-up Capital:** Baht 2,244,000,000

Comprising of ordinary shares of 4,488,000,000 shares

Par Value of Baht 0.5 per share

#### Securities Information

Common shares of Central Pattana Public Company Limited were listed and traded on the Stock Exchange of Thailand with "CPN" as the abbreviated Security Name.

#### Shareholders' Meeting

The Board of Directors of Central Pattana Public Company Limited agreed to hold the Annual General Meeting of Shareholders ("AGM") 2014 on 25<sup>th</sup> April 2014, at 2.00 pm at World Ballroom 23<sup>rd</sup> Floor, Centara Grand and Bangkok Convention Centre at CentralWorld, 999/99 Rama I Road, Patumwan Sub-District, Patumwan District, Bangkok 10330, Thailand.

#### Investor Relations

Contact persons:

Ms. Ampawee Chompoopongkasem

Mr. Chanyuth Waroonthepraksa

Ms. Supatcha Lohwanitchai

Address:

Central Pattana Public Company Limited  
31<sup>st</sup> Floor, the Offices at CentralWorld,  
999/9 Rama I Road, Patumwan Sub-District,  
Patumwan District, Bangkok 10330, Thailand  
Telephone : +66(0) 2667 5555 ext. 1614 or 1688  
Facsimile : +66(0) 2264 5593  
E-mail : [ir@cpn.co.th](mailto:ir@cpn.co.th)  
Website : [www.cpn.co.th](http://www.cpn.co.th)

#### Dividend Policy

CPN has a policy to pay dividend at a rate of approximately 40 percent of the annual net profit (unless there is a compelling reason against this).

Share prices and dividend payments for the past five years (2009-2013).

Unit: Baht/share

Year	Highest Price	Lowest Price	Dividend Payment
2009	24.80	11.60	0.58
2010	32.50	17.60	0.25
2011	40.00	25.75	0.37
2012	81.75	37.75	0.95
2013	57.25 <sup>1</sup>	36.00 <sup>1</sup>	0.55 <sup>2</sup>

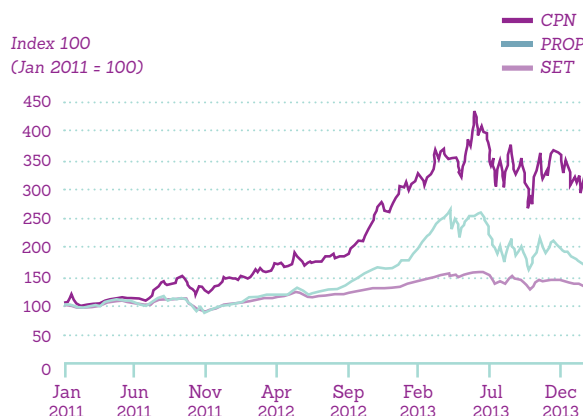
Remark :

1. At par value of Baht 0.5 per share (par value has been changed from Baht 1 per share, effective as of 7<sup>th</sup> May 2013)
2. Subject to AGM approval

Movements of CPN Index against SET Index and Property Development Index.

Increase of share price index	3 years	1 year
CPN Index	201%	1%
SET Index	25%	-8%
Property Development Index	60%	-11%

3-year comparison of CPN share price, Property Index, and SET Index (2011 as base-year)



## Financial Calendar for 2013 and tentative 2014

Financial Calendar	2013	2014 (Tentative)
Announcement of full year financial results (prior year)	February	February
Analyst Meeting for full year performance (prior year)	March	March
The closing date of the shareholders registration book for the rights to attend the AGM	March	March
The Annual General Meeting of the Shareholders	April	April
Dividend payment for the prior year performance	May	May
Announcement of first quarter financial results	May	May
Analyst Meeting for first quarter performance	May	May
Announcement of second quarter financial results	August	August
Analyst Meeting for second quarter performance	August	August
Announcement of third quarter financial results	November	November
Analyst Meeting for third quarter performance	November	November

## Investor Relations Activities for 2013

Date	Investor Relations Activities
10 Jan 2013	Investment conference in Singapore, organized by The Stock Exchange of Thailand in cooperation with DBS Vickers Securities
24-25 Jan 2013	Investment conference in Hong Kong, organized by CLSA Securities
7-8 Mar 2013	Investment conference in Hong Kong and Singapore, organized by Bualuang Securities in cooperation with Morgan Stanley
13-15 Mar 2013	Investment conference with foreign institutions in Bangkok, organized by CLSA Securities
23-29 Mar 2013	Non-deal roadshow in UAE, United Kingdom and France, organized by CLSA Securities
20 Mar 2013	Analyst briefing for the 2012 fiscal year performance at The Stock Exchange of Thailand
2-4 Apr 2013	Non-deal roadshow in USA, organized by The Stock Exchange of Thailand in cooperation with Bank of America Merrill Lynch
26 Apr 2013	Annual General Meeting of Shareholders Year 2013 at Bangkok Convention Centre at CentralPlaza Lardprao
22 May 2013	Analyst briefing for the first quarter of 2013 performance at The Stock Exchange of Thailand
17-21 Jun 2013	Investment conference in Germany, Denmark, Scotland and United Kingdom, organized by The Stock Exchange of Thailand and BNP Paribas Securities Asia in cooperation with ACL Securities
17-18 Jun 2013	Investment conference in Japan, organized by Thanachart Securities in cooperation with Daiwa Securities
19 Jul 2013	Non-deal roadshow in Malaysia, organized by RBH OSK Securities
21 Aug 2013	Analyst briefing for the second quarter of 2013 performance at The Stock Exchange of Thailand
28-29 Aug 2013	Investment conference with foreign institutions in Bangkok, organized by The Stock Exchange of Thailand in cooperation with Phatra Securities
19-20 Sep 2013	Non-deal roadshow in Singapore, organized by DBS Vickers Securities
3 Oct 2013	Investment conference with local institutions in Bangkok, organized by Thanachart Securities
11 Oct 2013	Investment conference with local institutions in Bangkok, organized by Bualuang Securities
28 Nov 2013	Analyst briefing for the third quarter of 2012 performance at The Stock Exchange of Thailand
3-4 Dec 2013	Investment conference in United Kingdom, organized by UBS Securities





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