



**PROPERTY
DEVELOPMENT
& INVESTMENT**

A Member of Central Group

CUSTOMER
CENTRIC
CUSTOMER
CENTRIC
EXCELLENCE
SHARING
GROWING UP
IMPRESSIVE
CPN

ANNUAL REPORT
2015

CENTRAL PATTANA PUBLIC COMPANY LIMITED

LOCATION:

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999/9 Rama I Road, Patumwan Sub-District,
Patumwan District, Bangkok 10330, Thailand

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Facsimile : + 66 (0) 2264 5593

Corporate Website : 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

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Company Secretary

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ANNUAL REPORT 2015
CUSTOMER CENTRIC

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CPN CUSTOMER CENTRIC

Central Pattana Public Company Limited (CPN) is Thailand's largest retail developer with over 35 years of experience. CPN management team's focus has always been on customer service, attention to detail and a commitment to excellence. We have developed long-lasting, successful relationships with our business partners, tenants, investors, and employees to forge the ultimate experience for customers. We consider customer satisfaction a vital part of our job. All of this drives CPN's development of world-class services and provides happiness for all stakeholders.





ONCE YOU SEEK TO FULFILL YOUR
LIFESTYLE

HAVE FUN WITH OUR
EXCEPTIONAL OFFERINGS

“OUR INNOVATION CREATES
A PLEASANT EXPERIENCE THAT
SATISFIES EVER-CHANGING
LIFESTYLES.”

This mall is not just the best
shopping experience. It is a retail
and entertainment hub where people
can relax and enjoy a variety of
services, suitable for everyone.



ONCE YOU THINK ABOUT
THE FUTURE

WE EXCEED THE EXPECTATION

“WE NEVER STOP STRIVING
TO ACHIEVE SUCCESS
BEYOND EXPECTATION.”

CPN is one of the world's leading
property developers, evident in some
100 international awards. We never stop
creating new innovations, thus becoming
the modern trendsetter for all.



ONCE YOU DESIRE TO MAKE AN
IMPRESSION

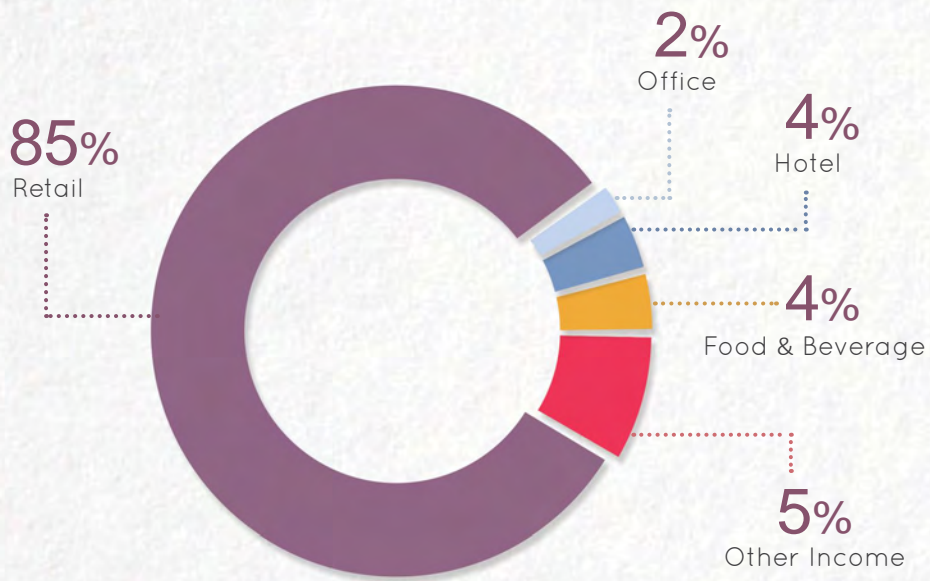
FIND A BIG SURPRISE HERE

“WE ARE ATTENTIVE
TO EVERY DETAIL OF
OUR SERVICES TO MAKE
YOUR DAY.”

Every time, you will experience novelty
and impressiveness because CPN
cares for all feelings and treats you
with sincerity like important
family members.

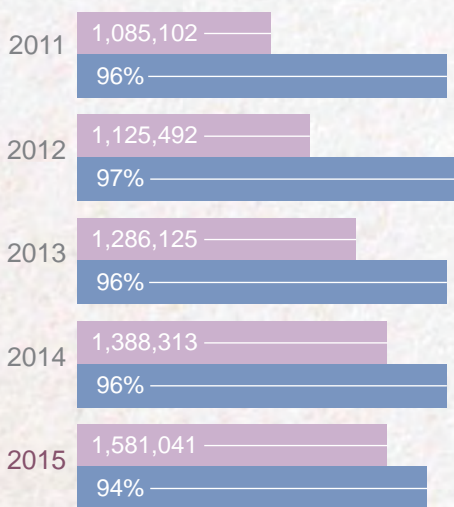
CONSOLIDATED OPERATIONAL AND FINANCIAL HIGHLIGHTS

REVENUE BREAKDOWN BY BUSINESS



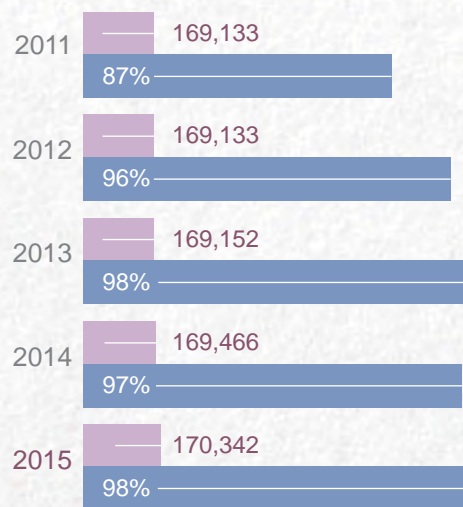
Note: Excludes interest income, dividend income, share of profit from associates, and non-recurring income.

Shopping Center



■ Retail leasable area (sq.m.)
■ Occupancy rate (%)

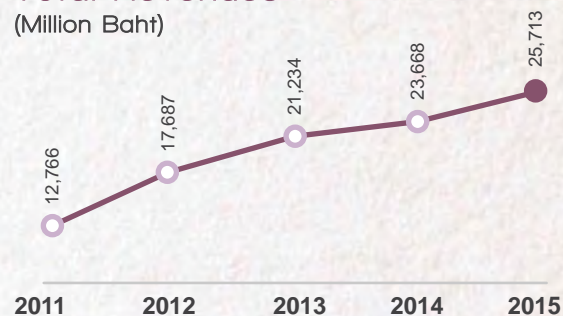
Office



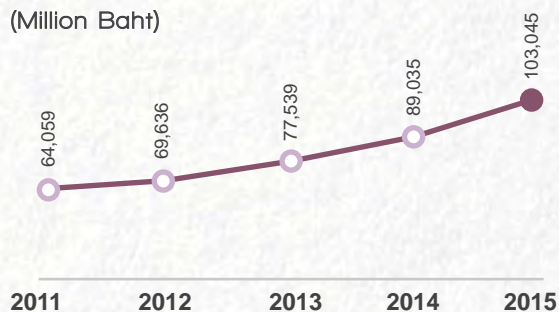
■ Office leasable area (sq.m.)
■ Occupancy rate (%)



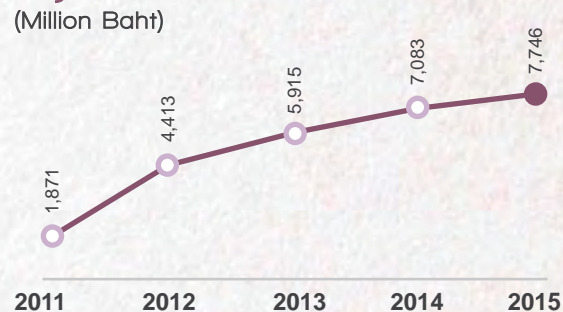
Total Revenues (Million Baht)



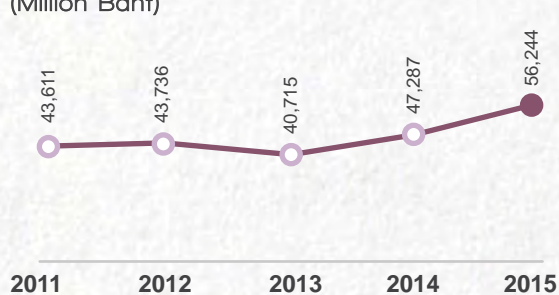
Total Assets (Million Baht)



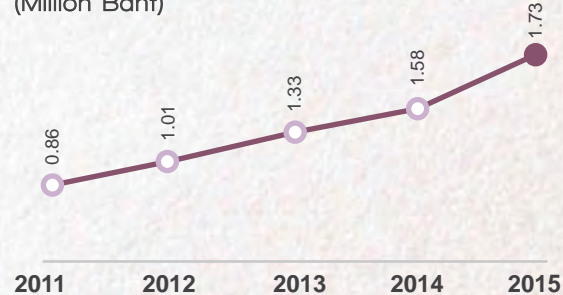
Adjusted Net Profit (Million Baht)



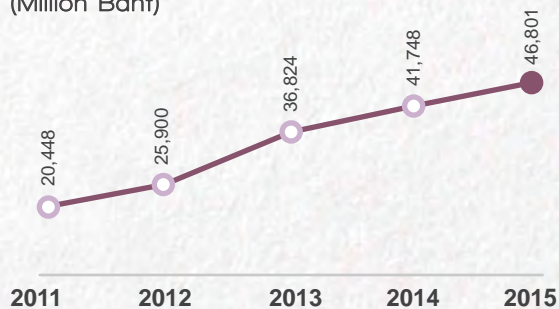
Total Liabilities (Million Baht)



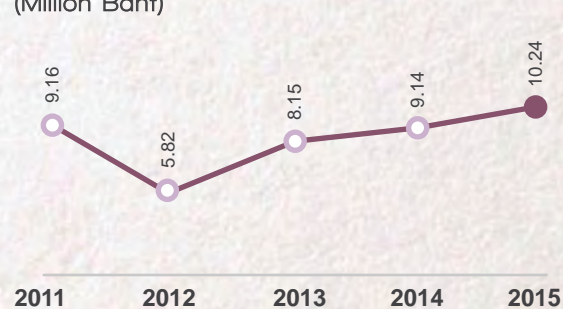
Adjusted Earnings per Share (Million Baht)



Total Shareholders' Equity (Million Baht)



Book Value per Share (Million 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 2011-2015

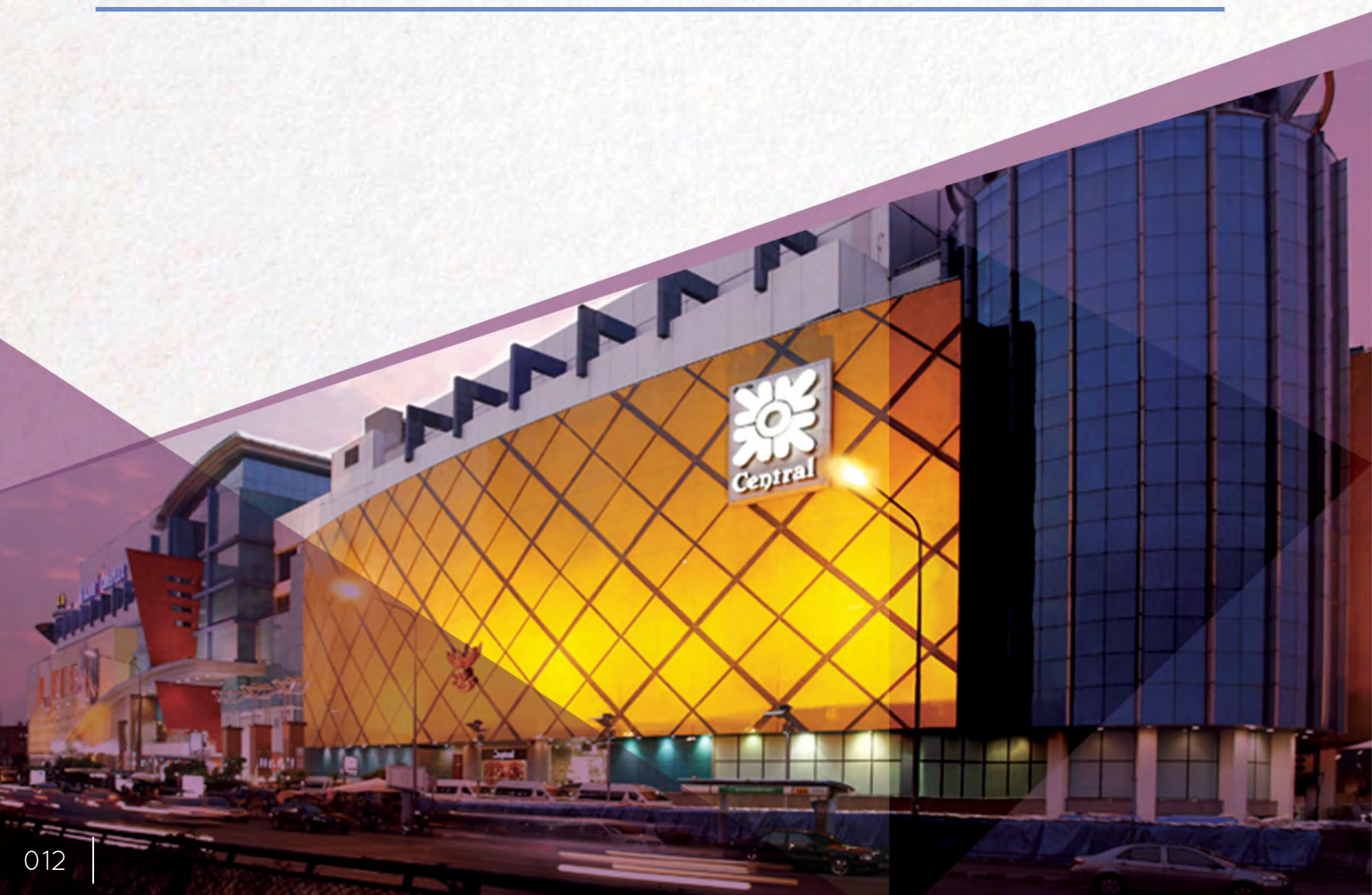
CONSOLIDATED OPERATIONAL AND FINANCIAL HIGHLIGHTS

AS OF 31 DECEMBER	2011	2012	2013	2014	2015
OPERATIONAL PERFORMANCE OF ASSETS UNDER CPN'S MANAGEMENT					
Leaseable Area (square metres)	1,260,608	1,300,998	1,461,650	1,564,152	1,752,950
Retail	1,085,102	1,125,492	1,286,125	1,388,313	1,581,041
Office	169,133	169,133	169,152	169,466	170,342
Hotel (room)	561	561	561	561	561
Residential	6,373	6,373	6,373	6,373	1,567 ^(b)
Occupancy Rate (%)					
Retail	96%	97%	96%	96%	94%
Office	87%	96%	98%	97%	98%
Hotel	45%	76%	76%	75%	77%
Residential	52%	59%	67%	53%	30%

CONSOLIDATED FINANCIAL RESULTS

Unit : '000 Baht

Total Revenues ⁽¹⁾	12,765,702	17,687,323	21,234,033	23,667,717	25,713,003
Revenue from Rent & Services, Food & Beverage, Hotel	11,950,730	16,761,773	19,913,174	22,307,540	24,282,565
Cost of Rent & Services, Food & Beverage, Hotel	7,783,446	9,433,399	10,541,623	11,616,239	12,633,723
Gross Profit ⁽²⁾	4,982,256	8,253,924	10,692,410	12,051,478	13,079,280
Net Profit	2,058,123	6,188,698	6,292,529	7,306,953	7,880,310
Adjusted Net Profit ⁽²⁾	1,871,108	4,412,862	5,915,196	7,083,269	7,745,912




AS OF 31 DECEMBER
2011
2012
2013
2014
2015
CONSOLIDATED FINANCIAL POSITION

Unit : '000 Baht

Total Assets	64,059,165	69,635,639	77,538,774	89,035,187	103,044,632
Total Liabilities	43,610,988	43,735,665	40,715,133	47,287,267	56,243,515
Net Interest-Bearing Debt ⁽³⁾	24,300,067	21,357,620	17,972,416	12,245,660	18,297,518
Total Shareholders' Equity	20,448,177	25,899,974	36,823,641	41,747,921	46,801,117
Retained Earning	15,828,190	21,210,726	25,419,599	30,258,196	35,174,147
Issued and Paid-up Share Capital	2,178,816	2,178,816	2,244,000	2,244,000	2,244,000
Total Number of Shares ('000 Shares)	2,178,816	2,178,816	4,488,000	4,488,000	4,488,000

CONSOLIDATED FINANCIAL RATIOS

Net Interest-Bearing Debt to Equity ⁽³⁾ (time)	1.19	0.82	0.49	0.29	0.39
Gross Profit Margin ⁽²⁾ (%)	39.03	46.67	50.36	50.92	50.87
Net Profit Margin ⁽²⁾ (%)	14.06	24.05	26.41	28.60	29.10
Return on Assets (%)	3.49	9.26	8.55	8.77	8.21
Return on Equity ⁽⁴⁾ (%)	10.71	27.31	20.45	18.98	18.08
Earnings per Share ⁽⁵⁾⁽⁶⁾ (Baht)	0.94	1.42	1.42	1.63	1.76
Adjusted Earnings per Share ⁽²⁾⁽⁵⁾⁽⁶⁾ (Baht)	0.86	1.01	1.33	1.58	1.73
Book Value per Share ⁽⁶⁾ (Baht)	9.16	5.82	8.15	9.14	10.24
Dividend per Share (pay in the following year) ⁽⁶⁾ (Baht)	0.37	0.95	0.55	0.65	0.70 ⁽⁷⁾

Note:

⁽¹⁾ Excludes interest income, dividend income, share of profit of associates, 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 for the year 2012-2015.

⁽⁷⁾ Subject to AGM approval.

⁽⁸⁾ Lease of Luansuan Colonnade building expired at 30 September 2015 and the leased asset was transferred to the lessor at the same day.

MESSAGE FROM THE BOARD OF DIRECTORS



“

CPN has based its conduct on the philosophy of *sustainable business under good governance, transparency, resistance to fraud, ethics, and responsibility* to all stakeholders

”

“

We would like to express our gratitude to all *stakeholders, namely shareholders, retail tenants, customers, business partners, financial institutions, and the mass media* for their long-standing trust in and support to our business.

”



To the Shareholders

Central Pattana Plc. (“CPN”) has kept growing business under its strategic plan by developing new shopping complex projects, enhancing existing ones for greater potential. In 2015, CPN initiated a residential development project in support of its core shopping-complex development business to generate commercial revenue, while supplementing value to project assets. CPN has based its conduct on the philosophy of sustainable business under good governance, transparency, resistance to fraud, ethics, and responsibility to all stakeholders under a desire for “Creating shared value for stakeholders and society as a whole”.

CONTINUED BUSINESS EXPANSION

Despite sluggish economic conditions and slow domestic retail business growth in 2015, CPN’s business continued to carry on its long-term business plan. We launched three new shopping complexes: CentralPlaza Rayong, CentralPlaza WestGate, and CentralFestival EastVille. Our current focus is on novel shopping complexes under different concepts, with innovative designs, decoration, and new, modern services in these and renovated ones to create extraordinary experiences and novelties, while catering to customers’ changing lifestyles. In addition, during the year we invested in part of CentralFestival Phuket. As a result, at the year-end we operated 29 projects: 13 in Bangkok and Greater Bangkok and 16 upcountry. We concurrently reviewed and investigated opportunities for expanding our investments abroad with a focus on Southeast Asian countries marked by dynamic economic growth - particularly Malaysia, Vietnam, and Indonesia. We have undertaken joint investment in one project abroad, namely the Central i-City in Shah Alam City, Selangor, Malaysia, which is under construction and expected to inaugurate in 2018.

As for existing shopping complexes, we focus on excellence in complex management to constantly meet the satisfaction of tenants and customers in parallel with plans to upgrade complexes nationwide to add competitiveness, remain integrated shopping complexes, enhance the image of sophistication to constantly keep them attractive, and, finally, supplement value to renovated assets. In 2015, we undertook 2 asset enhancement projects. First, at CentralPlaza Pinklao, of which partial assets were transferred to CPN Retail Growth Leasehold Property Fund (“CPNRF”), the renovation of G Floor to the Fourth floor areas and exterior facade was completed as planned, accounting for approximate 85% of the project, with the rest continuing to carry out in 2016. Second, at CentralPlaza Bangna, with interior and exterior refurbishment for greater sophistication and response to customer satisfaction. Here, the renovation of the water park on the top floor was completed and opened for the public in November, equipped with new play items and decoration with the Pororo penguin cartoon theme, a top hit in Korea, designed to give all family members a new dimension of fun and exhilaration.

CPN’s shopping complexes under development for 2016-2018 which were officially announced consist of three domestic projects and one abroad: CentralPlaza Nakhon Si Thammarat, CentralPlaza Nakhon Ratchasima, Central Phuket Phase 2, and Central i-City in Malaysia including asset enhancement projects consisting of CentralPlaza Bangna, CentralPlaza Rama 3, Central Center Pattaya, and CentralFestival Phuket, etc.

We recognize optimal value addition to the land around our shopping complexes, while supporting our core business with a notion to develop mixed-use property projects,

incorporating residences, hotels, shopping centers, office buildings, and entertainment complexes in the vicinity. Based on comprehensive market surveys and target customers' needs, we have decided to invest in the residential business under the name of ESCENT condominiums, located on the compound of shopping complexes in Chiangmai, Rayong, and Khonkaen. Due to their outstanding locations and project formats that cater to customers' needs, all three projects have garnered warm support.

HEALTHY GROWTH AND ROBUST FINANCIAL STANDING

For year 2015, CPN and its subsidiaries reported steadily growing results, with 25,872 MB in consolidated income and 7,880 MB in net profit, approximately 8% up from last year for both. This was because we were committed to greater efficiency for revenue management in tandem with continual operating cost and administrative expense management for the benefit of revenue and net profit growth as targeted. We had measures designed to tackle cost and expense reduction, including measures for saving energy and utilities costs as a major component of our operating costs with due regard for energy-saving in parallel with 'green' technological application. Also in place were measures taken with Central Group on pooled procurement, which added efficiency to cost and expense management while constantly retaining our profitability.

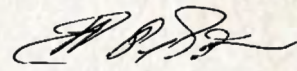
As for our capital structure, we commanded flexibility for fund mobilization, thanks to our low net interest-bearing debt-to-equity ratio of 0.39 times as of end of 2015 together with appropriate financial instruments used in raising fund, thus robust financial standing of the Company.

SUSTAINABILITY MANAGEMENT

Our sustainable business philosophy leads to the development of a more concrete sustainable business approach, driven by the Corporate Governance and Sustainable Development Committee and top management, who defined 10 sustainability missions from the perspectives of stakeholders, focusing on diligent attention and responsibly meeting stakeholders' needs in economic, social, and environmental aspects under corporate governance. In 2015, the Board joined the management and staff in taking pride in being selected as an index component of DJSI (Dow Jones Sustainability Indices, Emerging Markets) for the second successive year. Besides, CPN ranked among the 23 Thai listed companies in the Top 50 in ASEAN based on the 2014 ASEAN CG Scorecard assessment. In 2010, we declared our pledge to become a coalition member of the Thai Private Sector Collective Action Coalition against Corruption (CAC) movement. We have since relentlessly implemented assorted policies and measures dealing with anti-corruption. In January 2015, CPN was granted membership certification and became a full-fledged CAC member.



On behalf of the Board, we would like to express our gratitude to all stakeholders, namely shareholders, retail tenants, customers, business partners, financial institutions, and the mass media for their long-standing trust in and support to our business. Our employees fully deserve our thanks as well for lending cooperation and all-out collaboration to achieve goals in aspects of revenue growth, branch expansion, and stewardship of tenants, customers, and employees, and for their energy-saving cooperation and ongoing, earnest regard for the environment, communities, and society. Their compliance with CPN's corporate governance has secured international acceptance and credibility. The Board wishes to ensure you that CPN will remain committed to doing business with good governance and awareness of social responsibility for the maximum benefit of all stakeholders. We hope that all of you will continue to thrive with CPN sustainably in future years.



Mr. Suthichai Chirathivat
Chairman



Mr. Preecha Ekkunagul
President & CEO



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 Mrs. Sunandha Tulayadhan, Mr. Karun Kittisataporn, and Mrs. Jotika Savanananda as members.

In 2015, there were total of 11 Audit Committee meetings, whereby the Audit Committee consulted the management, the external auditor, and the internal auditor on related matters as well as 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 the audit reports of Internal Audit and of the external auditor concerning

assessment of the internal control system, the Audit Committee had reviewed to ensure that CPN commands sound risk management and corporate governance, provided essential recommendations for development, and monitored management performance improvement against the recommendations of relevant 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 reviewed and endorsed the annual risk-based audit plan and regularly consulted executives of Internal Audit in the absence of the management. Also, in 2015 a quality assessment of the internal audit was undertaken against the international standard of professional internal auditors. The Audit Committee's opinion is that, by and large, Internal Audit adhered to the defined international standard of performance.

OVERSIGHT OF ANTI-CORRUPTION

Since CPN's CAC membership certification awarded on January 16, 2015, the Audit Committee has valued oversight of conformance to the anti-corruption guidelines by assigning Internal Audit to incorporate additional assessment criteria for anti-corruption measures on all its audit checklists. It has also actively required the management to expand conformance to customers and business partners, while overseeing the management's preparedness for re-certification in 2017.

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.

CONNECTED TRANSACTIONS OR 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.

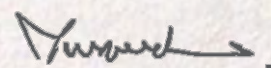
SUITABILITY, CONSIDERATION, SELECTION, AND ENDORSEMENT OF THE EXTERNAL AUDITOR

The Audit Committee made an assessment of the degree of independence of the external auditor and reviewed their activities outputs of 2015. The overall performance of the external auditor is considered good; and they have been fully independent in their audit activities. Additionally, the Audit Committee had two 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.

In selecting and proposing the external auditor for 2016, the Committee has considered the performance outcomes, work scope, and work volumes in comparison to the proposed audit fees for 2016 and agreed to appointed KPMG Phoomchai Audit Ltd. ("main external auditor") as the external auditor to provide views on the consolidated financial statements for CPN and its subsidiaries for 2016 and approved its audit fee for 2016 at no more than Baht 6,550,000 together with a fee at no more than Baht 437,350 for the auditor(s) of CPN's selected subsidiaries registered in other countries.

OVERALL VIEWS AND REMARKS ON CONFORMANCE TO THE AUDIT COMMITTEE CHARTER

The Audit Committee had made a self-assessment of its overall performance for 2015 on February 10, 2016; 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 their 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



“

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.

”

To the Shareholders

In 2015, the Nomination and Remuneration Committee held three meetings, consisting of two regular meetings and one extraordinary meeting, 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 2015 Annual General Meeting of Shareholders (AGM) for consideration. CPN offered minor shareholders a chance to nominate directors from September 29, 2014, to January 15, 2015. Since no such nomination emerged, the committee recommended that the directors who completed their terms in 2015 should be reappointed to another term except for Mr. Chackchai Panichapat, who also completed his director term. To replace him, it proposed the appointment of Dr. Veerathai Santiprabhob. The 2015 AGM approved the appointment of all nominated directors.
2. Proposed the appointment of Mr. Karun Kittisataporn, independent director, member of the Audit Committee and member of the Nomination and Remuneration Committee, as Chairman of the Nomination and Remuneration Committee replacing Mr. Chackchai Panichapat, who completed his term. The Board approved the proposed appointment.
3. Proposed the appointment of Mrs. Jotika Savanananda as an independent director and member of the Audit Committee, replacing Dr. Veerathai Santiprabhob, who resigned to become Governor of the Bank of Thailand. The committee also proposed the appointment of Mr. Sudhitham Chirathivat, non-executive director and adviser to this committee, as a member of this committee, replacing Mr. Kanchit Bunajinda, who resigned to prevent conflicts of interest, possibly arising from his directorship status in CPN and another listed company possibly in the same business as and in competition with CPN.

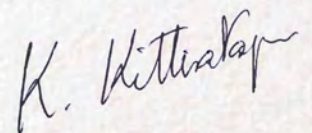
The Board approved these proposed appointments.

4. Considered the 2015 remuneration for the Board and the subcommittees, comprising the Audit Committee, the Nomination and Remuneration Committee, and the Risk Policy 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.
5. 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.
6. Reviewed and revised the CEO evaluation form, based on SET's evaluation form, to improve the conciseness and clarity of questions, to better fit CPN's operation.
7. Acknowledged CPN's 2015 Board diversity information, which comprises the number of independent directors, their genders, ages, tenures, and specific fields of expertise.

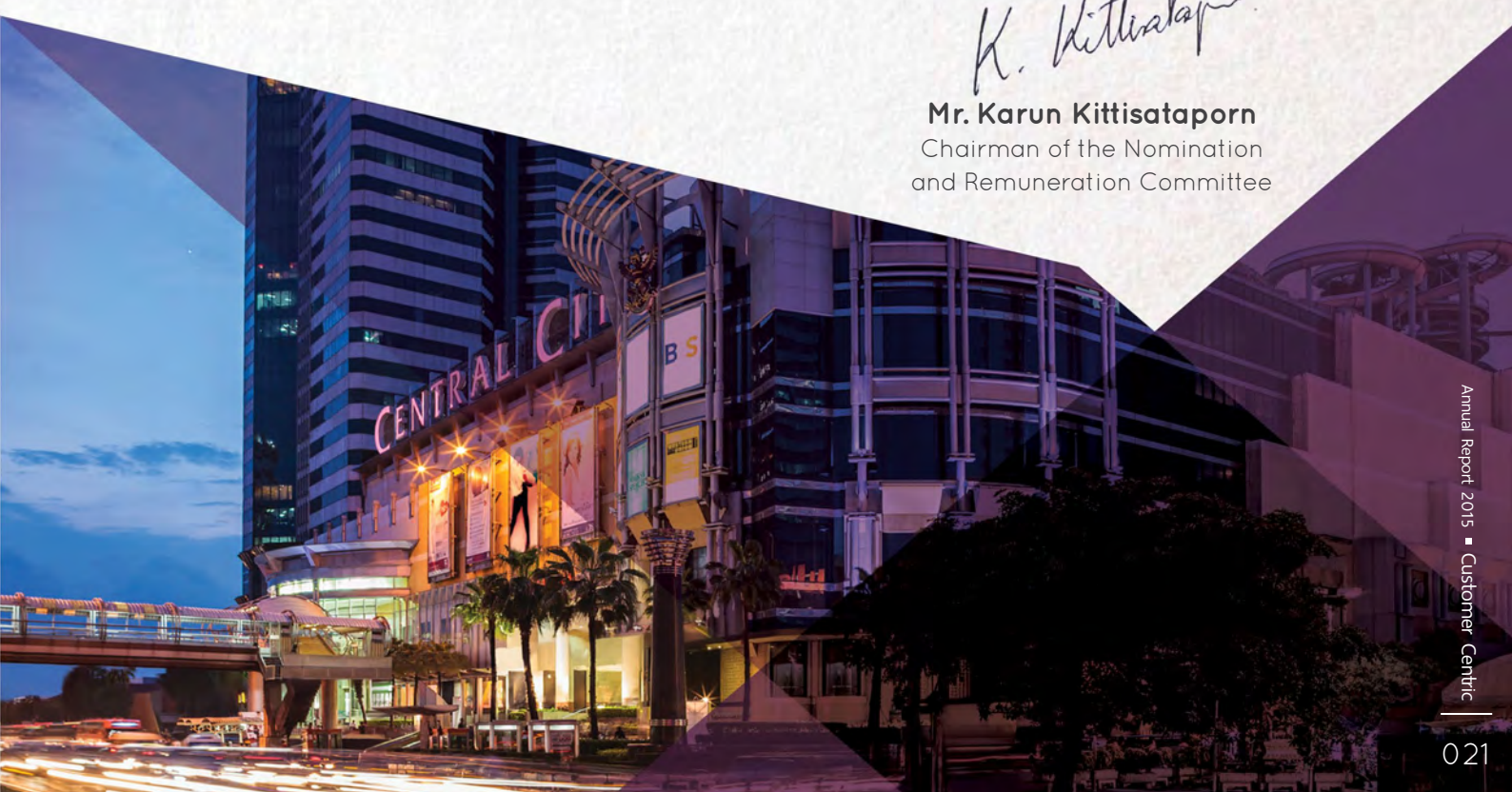
The information will be considered for the nomination of qualified candidates who are knowledgeable and skillful in diverse fields relevant to CPN's business operation.

8. Acknowledged the outcomes of the Committee's self-assessment for 2014 as input for the development of its performance in line with corporate governance practices.
9. Monitored and provided comments on the policy and practices of human capital management and organizational management, including the plans of 2015, recruitment, turnover rate, promotion of employee engagement with the organization, and talent pipeline.
10. Revision of the charter of the Committee: There is no revision this year, since the current charter is seen as complete and suitable.

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. Karun Kittisataporn
Chairman of the Nomination
and Remuneration Committee



REPORT OF THE RISK POLICY 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 Risk Policy Committee**, consisting of four members chaired by Mr.Paitoon Taveebhol, 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. The Risk Policy Committee meets at least once every quarter.
- 2. The Risk Management Committee**, appointed by the President, 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 maintenance of corporate risk management at all levels compatible with the corporate vision; and constantly reports to the Risk Policy Committee progress and other issues of risk management. The Risk Management Committee meets at least once every quarter.

CPN values Enterprise Risk management. The top management together assesses risks and defines key risk indicators (KRIs) so as to regularly track the status of each risk and set up a risk register and a risk response plan, in addition to focusing on managing branch risks. Each new risk is reviewed, and its risk management plan is continually set for all branches.

CPN's business units focuses on managing five categories of risk, namely strategic, operational, compliance, financial and hazard risks:



“

CPN values Enterprise Risk management.

The top management together *assesses risks and defines key risk indicators* so as to regularly track the status of each risk.

”

STRATEGIC RISKS

Competitiveness Sustainability Risk: While CPN's policy is still focusing on expanding business in the domestic market to maintain its leading position in the industry, it is indeed a challenge to come up with innovative forms of shopping complexes to best satisfy customers and differentiate itself from competitors amid intensifying competition against both domestic and multinational operators. To this end, CPN launched thorough feasibility studies to assess project cost-effectiveness, business partners' readiness and caliber, evolving customers' needs, and analyze existing competitors and newcomers, before devising a suitable business plan that not only maintains but also raises its competitiveness.

Foreign Investment Risk: Aspiring to be a regional retail property developer, CPN mapped out an overseas expansion plan, particularly in Southeast Asia, to diversify investment risks and keep relentless business growth, for instance the Central i-City in Malaysia. CPN recognizes differences in markets and competitive landscape, which produce business risks. A special workforce was therefore appointed to investigate details about economy, social situation, politics, industry environment, competitive landscape, business legislation apart from other risk factors potentially affecting the countries of CPN's investment interest. This way, CPN's international investment will be cautiously undertaken and based on sustainable growth.

OPERATIONAL RISKS

These risks arise from efforts to retain and recruit talents result from more intense competition, constantly increasing the needs for experienced and competent personnel in this business. To mitigate such risks, CPN appointed the People Development Committee

to look after welfare, benefits, work satisfaction, and potential development through Individual Development Plans and career paths of employees at all levels. The committee composing of three levels - corporate, business function, and branch - aims to provide employees with high morale and develop their competency for maximum efficiency and effectiveness.

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.

Compliance risks fall under the responsibility of all parties in CPN, from the Board, executives, to all employees, who must share the responsibility of inspecting, controlling, and steering business in strict compliance with related legislation and requirements.

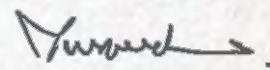
FINANCIAL RISKS

Capital Sufficiency Risk: To sustain its strength under the highly 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.

HAZARD RISKS

These risks arise from work-related hazards, accidents and losses, threats of various forms - whether natural catastrophes like earthquakes of the North, fires, accidents, lack of political stability, or incidents related to shopping complex administration. To manage work safety, CPN appointed the Safety, Occupational Health, and Work Environment Committee along with a team responsible for loss prevention under the administration of the Office of Standard Promotion and Supervision, serving as the center for safety risk factor analysis for risks arising from political situations, fires, floods, and other threats. To this end, a standard operating procedures manual has been developed. Also, a crisis management plan is tracked and revised through simulated emergencies, the outcomes of which are analyzed for proactive plan modification that can help CPN cope with assorted situations under the Business Continuity Management standard.

The Board constantly updates CPN's charters governing Risk Policy Committee and Risk Management Committee 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. This will directly influence the corporate caliber for strategizing and contribute to resounding success under CPN's mission.



Mr. Paitoon Taveebhol

Chairman of the Risk Policy Committee



REPORT OF THE CORPORATE GOVERNANCE AND SUSTAINABLE DEVELOPMENT COMMITTEE



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Central Pattana Public Company Limited (CPN) operates its business with *strong commitment to its Code of Conduct and Corporate Governance (CG) Policy in parallel with CPN's sustainable growth*

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To the Shareholders

In compliance with the policy set forth by the Board of Directors, Central Pattana Public Company Limited (CPN) operates its business with strong commitment to its Code of Conduct and Corporate Governance (CG) Policy in parallel with CPN's sustainable growth, with the Corporate Governance and Sustainable Development Committee overseeing relevant programs and communicating with all personnel to ensure full compliance. In 2015, the committee held six meetings and reported its performance to the Audit Committee and the Board as summarized below:

1. Revised and updated the Code of Conduct and CG Policy by including an anti-money laundering policy, which would serve as a guideline for all employees to follow and support the government's operation on suppression of unlawful actions and against corruption. The Board approved the revised code and policy as proposed.
2. Reviewed and provided recommendations for the Board on advocating CG projects of both national and regional regulatory agencies, such as Corporate Governance Report of Thai Listed Companies and ASEAN CG Scorecard, to improve CPN's operation and information disclosure in compliance with best practices.
3. Reviewed the anti-corruption program and provided recommendations for the Corporate Governance and Sustainable Development taskforce on related activities after being endorsed by CAC (Thailand's Private Sector Collective Action Coalition against Corruption), which included the declaration of intention by the management,

anti-corruption training and orientation, as well as regular campaigns via CG cartoons and internal activities.

4. Formulated the corporate sustainability strategies and declared an intention to strictly follow the short-term, mid-term and long-term strategic plans, leading to 10 sustainability development missions set as a guideline for CPN's sustainable development plan, which covered the key stakeholders in parallel with the economic, environmental and social sustainability.
5. Provided recommendations on and monitored the execution of 10 sustainability missions, which focused on 3 main subjects: 1) developing potential small and medium-sized entrepreneurs 2) reducing greenhouse gas emissions by applying energy-efficient measures and consuming alternative energy, and 3) creating social and community values by promoting local products and educating local people. These missions align with the UN Sustainable Development Goals (SDGs): 1) Quality education 2) Affordable

and clean energy 3) Decent work and economic growth and 4) Sustainable cities and communities. The tracking, follow-up, evaluation, adjustment procedures have been implemented to properly improve the operation.

6. Drove the sustainable development strategies by assigning the top management as SD Champions to ensure that the implementation aligned with the designated sustainability plans and missions, with information disclosure under consideration. Also, acknowledged and monitored the changing market situation and global trends following Environment, Social and Governance (ESG) framework, with a Corporate Governance and Sustainable Development taskforce responsible for implementation, monitoring and updates.



Mr. Preecha Ekkunagul

Chairman of the Corporate Governance
and Sustainable Development Committee



BOARD OF DIRECTORS AND MANAGEMENT TEAM



Mr. Suthichai
Chirathivat



Mr. Paitoon
Taveebhol



Mrs. Sunandha
Tulayadhan



Mr. Karun
Kittisataporn



Mrs. Jotika
Savanananda



Mr. Suthikiati
Chirathivat



Mr. Suthichart
Chirathivat



Mr. Sudhisak
Chirathivat



Mr. Sudhitham
Chirathivat



Mr. Kobchai Chirathivat



Mr. Prin Chirathivat



Mr. Preecha Ekkunagul



Ms. Wallaya Chirathivat



Mr. Suthipak Chirathivat



Ms. Naparat Sriwanvit



Ph.D. Nattakit Tangpoonsinthana



Mrs. Naritaya Chirathivat



Mrs. Panida Sooksridakul



Major Narit Ratanaphichetchai



Flt.Lt. Kree Dejchai



Mrs. April Srivikorn

2015 YEAR IN BRIEF

APRIL

The AGM No. 1/2015 had following resolutions: approval of its financial statements ended on December 31, 2014, approval of Baht 0.65 per share dividend payments, based on the performance in 2014, and also approval of the connected transaction and the asset acquisition transaction regarding the investment in the certain part of CentralFestival Phuket.

MAY

CentralPlaza Rayong was launched on the potential site of Rayong, Thailand's eastern economic hub with the highest per capita income in Thailand and Gross Provincial Product (GPP) ranked top in Eastern Thailand and second only to Bangkok. Rayong sees rapid urban growth and expansion of property projects, particularly condominiums. Rayong is Thailand's biggest industrial hub with over 1,900 factories as well as one of the country's prime tourist attractions. The project therefore accommodates purchasing power of over 820,000 people.

JUNE

CPN has invested in properties under Central Festival Phuket ("CFP") Project with Central Department Store Co., Ltd. ("CDS") where CPN partially sub-leases the land on which the project lies for 25 rai, 36.8 sq.wah. from CDS for 41 years, leases part of CFP building and takes ownership transfer of system works with net leasable area of 44,347 sq.m. according to the resolutions of CPN's 2015 Annual General Meeting of Shareholders.

TRIS Rating affirms the company rating and the existing senior unsecured debenture ratings of Central Pattana PLC. (CPN) at "AA-". At the same time, TRIS Rating assigns the rating of "AA-" to CPN's new senior unsecured debentures, worth Baht 1,000 million (CPN221A). The proceeds from the new debentures will be used for business expansion. The "AA-" ratings reflect the company's leading position in the retail property development industry in Thailand, proven record of managing high-quality shopping centers, reliable cash flows from contract-based rental and service income, and conservative financial policy. The ratings also take into consideration the large amount of capital expenditures needed for business expansion during 2015-2017.



The “stable” outlook reflects the expectation that CPN will sustain the strong operating performance of its shopping centers. Despite pursuing its growth strategy, the company is expected to maintain its financial discipline. The net interest-bearing debt to equity ratio should be kept lower than 1 times.

AUGUST

CentralPlaza WestGate was inaugurated and dubbed the Ultimate Super Regional Mall on the strategic location in the Bang Yai intersection, Bangkok’s “West Gate”. The site is accessible through the government’s completely integrated transportation system linking all routes together. The project gathers lifestyle experiences and entertainment to fulfill all demands of everyone in the family with extensive products and services. CentralPlaza WestGate is designed to be an ultimate lifestyle centre with unique design features and creative art installations throughout the shopping center under the concept of ‘BIG Life’. The mall has received a positive response from customers and tenants. In addition, CPN announced the collaboration plan with the major international furniture company, “IKEA” to open a new IKEA store on the compound of CentralPlaza WestGate, which would strengthen CentralPlaza WestGate its regional mall status, differentiate CPN from competitors, and attract more customers to CPN’s shopping complex as to boost the tenant’s confidence.

SEPTEMBER

CPN, the first and only Thai company in the real estate sector, has been selected as an index component of 2015 Dow Jones Sustainability Indices Emerging Markets (DJSI Emerging Markets) for two consecutive years. This prestigious membership reaffirmed CPN’s philosophy of sustainable business conduct, taking into account the society, the environment, and all stakeholders, with active participation in social and community development.

Board of Directors approved the residence business (condominiums) on CPN’s shopping complex land under the Chiangmai, Khonkaen and Rayong projects, worth some 1,626 MB (excluding land value). Recognizing the potential of mixed-use development of shopping complex projects, CPN announced to develop residential projects in optimal support of its core shopping-complex business. CPN has projected the beginning of the construction work for those three projects by 2Q16, and will take about two years to complete.



OCTOBER

The new-look CentralPlaza Pinklao was relaunched section by section after a major renovation as to modernize image and create appeal to the shopping complex. This will help boost customer traffic within the mall, increase the renewal rate of rental contracts, attract new tenants as well as enhance competitiveness, respond to customers' dynamic expectations, and maintain the positioning of a one-stop shopping center. CentralPlaza Pinklao is located on a strategic commercial site amid burgeoning housing and condominium projects in western Bangkok.

NOVEMBER

CPN launched CentralFestival EastVille, the brand new model of 'CentralFestival' brand refresh with a dimension of freshness and a sense of relaxation by adding new elements of an exotic experience and interaction with customers through modern design works, using Leadership in Energy & Environmental Design (LEED) standards. CentralFestival EastVille combines indoor and outdoor spaces together with special green areas and large trees to bring a touch of nature to the shopping center, where you can escape from the hustle and bustle of the city under the concept of 'Bangkok Escape'. An extensive range of products and services are available at the shopping destination zone and multiple indoor and outdoor spaces are provided for various activities, from dusk to dawn. The site is located on a high potential area for further economic growth of eastern Bangkok in particular to accommodate residents with high purchasing power who lives in the nearby



Watcharapon area and surrounding areas including potential customers from Sukhumvit area. In the future, there will be the Grey monorail (Watcharapon-Rama 9), with a station in front of the project and the MRT Yellow Line (Lardprao-Samrong) in the vicinity nearby.

DECEMBER

The fully themed roof-top waterslide park on the sixth floor of CentralPlaza Bangna was relaunched after renovation to enhance safety and beauty. More amusement park equipment are added to attract larger customer bases, covering wider age groups of both Thai and foreign customers. The water-park launch will enhance CentralPlaza Bangna's competitiveness, enabling it to attract more customers. Designed under the theme of PORORO, a famous South Korea's iconic animated character 'little penguin and friends', the water park was named "PORORO AQUAPARK BANGKOK".



CPN launched **CentralFestival EastVille**,
the brand new model of

'CentralFestival'

brand refresh with a dimension of
freshness and a sense of relaxation

.....

using

*Leadership in
Energy & Environmental
Design (LEED)* standards.

under the concept of

'Bangkok Escape'

AWARDS OF GREAT PRIDE IN 2015

CPN garnered awards of pride from leading institutions worldwide - an evident success of CPN which focuses on sustainable business conduct under corporate governance and responsibility to all stakeholders and an illustration of CPN's competency in business management on par with that of other global firms.



CUSTOMER
CENTRIC



01



“BCI Asia Top 10 Developer Awards 2015”

AWARDS IN PROJECT DESIGN AND DEVELOPMENT

“BCI Asia Top 10 Developer Awards 2015”

01 has been granted to Central Pattana Plc. by BCI Asia Construction Information Pte., Ltd. and FuturArc Journal. These awards are granted to the top 10 outstanding real estate companies that own projects with remarkable design. The three CPN projects that received the awards are: CentralPlaza Rayong, CentralPlaza Nakhon Si Thammarat and CentralFestival EastVille.

“Asia Property Award 2015”

02 from the International Property Awards Group is the region’s biggest and most respected real estate awards programme granted to the best achievers for real estate developer and projects in Asia Pacific. These awards are considered at an international level and widely recognized in the real estate industry. CPN has received the

- “**Highly Commended Retail Development Thailand**” award, granted to CentralPlaza Salaya and CentralFestival Hatyai.

“Thailand Property Award 2015”

03 by AsiaProperty Awards, the most widely recognized platform to showcase local innovators in real estate on a regional level. This award is granted to the top industry leaders and best projects in Thailand. CPN has received two awards in the following fields:

- “**Best Retail Development**” awarded to CentralPlaza WestGate as being the largest and the most complete retail project in Thailand.
- “**Best Retail Architectural Design**” awarded to CentralPlaza WestGate and CentralPlaza Rayong as being the projects with world class standard of outstanding design.



“Best Retail Architectural Design” awarded to CentralPlaza Rayong

AWARDS IN MARKETING AND BRANDING

"Thailand's Top Corporate Brands 2015"

04 award was granted to Central Pattana Plc. by the Master of Science Programme, Department of Marketing, Faculty of Commerce and Accountancy, Chulalongkorn University. This award was granted to the company with the highest growth rate of corporate brand value.

AWARDS IN MANAGEMENT AND FINANCE

"Corporate Governance Report of Thai Listed Companies 2015"

05 "Excellence Scores" had been earned by Central Pattana Plc. for seven consecutive years from 2009-2015. The assessment, conducted by the Thai Institute of Directors Association, showed that CPN was ranked in the "Top Quartile" level for companies with market capitalization of Baht 10 billion.

"ASEAN CG Scorecard 2015"

06 Central Pattana Plc. among 23 Thai listed companies earned the **"ASEAN CG Scorecard 2015" award, listed on Top 50 companies in ASEAN countries.** The ASEAN Corporate Governance Awards is one of the several regional capital market integration initiatives under the ASEAN Capital Markets Forum (ACMF), aiming to establish a common governance framework across the ASEAN region.



CentralWorld

"Best Cash Management Solution"

07 was granted to Central Pattana Plc. at "Assets Triple A Treasury, Trade and Risk Management Award 2015" event in Hong Kong by The Assets, the widely recognized magazine of Asia's financial industry, in recognition of CPN's excellent financial management systems resulting from Central Pattana Group companies' system improvement and reformatting for greater efficiency.

08

MEMBER OF

Dow Jones Sustainability Indices

In Collaboration with RobecoSAM

AWARDS AND ACHIEVEMENT IN SUSTAINABLE DEVELOPMENT

Member of Dow Jones Sustainability Indices (DJSI) Emerging Markets 2015

08

CPN, the first and only Thai company in the real estate sector, has been selected as an index component of 2015 Dow Jones Sustainability Indices Emerging Markets (DJSI Emerging Markets) for two consecutive years. DJSI is the first global sustainability benchmarks that track the stock performance of the world's leading companies in terms of economic, environmental and social criteria. The indices are offered cooperatively by RobecoSAM and S&P Dow Jones Indices, assessing leading global companies with outstanding performance in terms of market capitalization, corporate governance, and social and environment responsibility.

09



“Thailand Sustainability Investment 2015”

“Thailand Sustainability Investment 2015”

09

Central Pattana Plc. among 51 listed companies has been selected to list in “**Thailand Sustainability Investment 2015**” announced by the Stock Exchange of Thailand for CPN has passed the assessment process in sustainability. The list is used as decision-making tool for responsible investors who preferably aim at long-term returns.

“Thailand Quality Class 2015”

10

was awarded to CentralPlaza Khonkaen by the Foundation of Thailand Productivity Institute (FTPI) and the National Science and Technology Development Agency (NSTDA) for becoming an organization in Thailand with best practices and performance excellence.



“Thailand Quality Class 2015” awarded to CentralPlaza Khonkaen

AWARDS IN
ENVIRONMENT AND
ENERGY CONSERVATION

11

“Thailand Energy Awards 2015”

11 honoured companies with outstanding performance in both energy conservation and renewable energy development. CPN received the three following awards from the Ministry of Energy:

- **The winner: Best Regulating Structure** was granted to CentralPlaza Lardprao
- **The winner: Innovation for Energy Efficiency** was granted to CentralFestival Hatyai and CentralFestival Chiangmai
- **The winner: Outstanding Responsibility for Energy Efficiency** was granted to CentralPlaza Lardprao



“Thailand Energy Awards 2015”

The winner:
Outstanding Responsibility
for Energy Efficiency
was granted to CentralPlaza Lardprao



ECONOMIC AND RETAIL INDUSTRY OVERVIEW IN 2015*

ECONOMIC OVERVIEW

Thai economy in 2015 remained stable and tended to grow at a slower pace than that of the previous year. GDP grew by only 2.8%, while inflation fell to -0.9%. The latter was influenced by a decrease in costs related to the falling world crude oil price.

Private consumption was steady due to weak private sector confidence and low purchasing power, particularly of agricultural sector as reflected by modest growth at 2.0%. The sales volumes of most products remained unchanged and tended to increase slightly due to the revival in consumers' confidence. This resulted from the public sector's additional and better-defined investment projects and stimulation measures. Sales increased more noticeably in non-durable necessity goods and services, such as telecommunication expenses. Sales of durable goods remained otherwise low due to income contraction of the agricultural sector, declining quantity and prices of crops, high levels of household debts, and financial institutions' stricter lending practices for the household sector.

Overall investment grew at a slower rate of 4.6%. The confidence index weakened, with investors and people lacking confidence in the Thai economy and the government sector. The economy remained driven mainly by the tourism sector and government investment spending. Private investment in tools, machineries, vehicles, buses and buildings otherwise fell, due to the low level of household income, which resulted from drought and declining farm prices. Due to the high level of household debts, the household sector also restrained its spending. Amid weak domestic and foreign demand, investment in the manufacturing sector remained soft as there remained large excess capacity, thus no need to invest in capacity expansion. The prices of consumer products for export

fell in line with the decreasing world oil price. Besides reducing Thailand's export value, the lower prices will affect exporters' income. Cheaper oil prices also reduced Thailand's import value and drove the country's current account surplus upward substantially. In the retail sector, the modern trade group still relentlessly increased investment and branch expansion efforts, while small and medium entrepreneurs remained cautious about their investment.

Exports slowed down with the decrease in export value resulting mainly from 1) economic deceleration among Thailand's key trading partner countries in Asia, Middle Eastern countries, and Australia, especially the export value of automotive, food, beverages, electrical appliances, metallic, and petroleum products; 2) price reduction of export products in line with the decrease in world crude oil and agricultural prices; and 3) European countries' withdrawal of Thailand's GSP benefits. Frozen seafood, automotive parts, and other groups of products otherwise benefited from the economic recovery in the US, Europe, and Japan. The tourism sector expanded at a slower rate due to the repercussion of the bombing at the Ratchaprasong intersection. Despite a considerable decrease after the bombing, the number of tourists from China, Malaysia, and other countries passing through Thailand's main airports increased from the previous year, with some tourist groups changing their destinations to other regions of Thailand. Past experience indicates that the tourism sector will recover within three months after incidents of unrest. The number of tourists from China, especially those joining group tours, who returned to visit Thailand was lower than expected. They changed their destinations to Japan and South Korea, which had organized tourism promotion activities, including visa exemptions.

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



RETAIL INDUSTRY OVERVIEW

Shopping Centers and Department Stores

Overall retail business in 2015 growth rate was only 3.0% less than the market anticipation of 6.0%. In the first half of the year, consumer goods market had been affected by domestic political troubles since 2014 impacting consumer confidence. Additionally, slowing down Thai economy, decelerated disbursements of public investment, low price level of agricultural products, and rising household debts have lowered the purchasing power of consumers in the middle- and low-income level, and delayed middle- to-high income level consumer spending. However, in the second half of the year, the government gradually announced economic stimulus measures including “Shopping for the Nation” campaign, in which was successfully motivating customers to spend more, leading to positive retail market growth rate in the last quarter of the year.

The supply of retail space in Bangkok Metropolis and its perimeters increased to over 7 million sq.m., with more than 500,000 sq.m. of retail space entering the market in 2015.

Shopping centers occupied the largest share of retail space at about 4.23 million sq.m., followed by community malls and superstore malls or hypermarkets at 1.07 million sq.m. and 0.82 million sq.m. respectively, while the overall occupancy rate was higher than 96%. Despite a continual shrinkage in Thais’ purchasing power, the average rental rate was on a rise, as most entrepreneurs retained their market confidence.

As the industry’s top market share, CPN launched three new shopping complexes this year, namely CentralPlaza Rayong, CentralPlaza WestGate, and CentralFestival EastVille, including the announcement of the CentralPlaza Nakhon Si Thammarat and CentralPlaza Nakhonratchasima projects. Asset enhancement to existing shopping complexes included CentralPlaza Pinklao and CentralPlaza Bangna, while CentralFestival Phuket came under CPN management in June 2015. Other entrepreneurs also launched new shopping centers, such as The EmQuartier, including an additional section at Future Park Rangsit Shopping Center.

Community Malls and Lifestyle Malls

Despite the economy’s sluggish recovery, this group of retail stores continued to thrive

during the past several years. Community malls' retail space increased from 300,000 sq.m. in 2007 to about 1,100,000 sq.m. in 2015. With 14% of the total retail space, the group represented the second-highest market share, replacing the hypermarket group.

With over 200,000 sq.m. of retail space, 18 community malls were launched in outer Bangkok this year. Thirteen community malls were launched in the previous year, while only eleven are expected to be launched in 2016 including Market Place @ Lumpini Township, Sport Mall at Parc Exo, Nusa Avenue, Maze Thonglor, Venice Di Iris, Habito, Suan Plearn Market, Happy Avenue Donmuang, People Park, Pop Market and Metro East Town.

Under fierce competition within this retail group due to the numerous entries of large, medium, and small-scale entrepreneurs, community mall entrepreneurs need to adjust themselves for differentiation and constantly cater to consumers' needs by modifying and expanding projects, attracting new tenants to create diversity and thrills to satisfy all aspects of customers' needs, maintaining and continually expanding regular customer bases, and providing full facilities in their projects. These required skillful management under the challenge of rising costs.

Hypermarkets and Convenience Stores

Few hypermarkets were launched this year, while entrepreneurs are currently focusing on developing small stores and traditional markets to ease branch expansion work and serve diverse groups of customers. Small-store projects resemble a combination of convenience stores and supermarkets, much like super convenience stores and convenience stores, such as Mini Big C, Tesco Lotus Express, Tops Deli, and MaxValu. Recognizing that online shopping will significantly increase the income of retail businesses very soon due to consumers' behavioral changes by focusing on convenience and speedy services, online accesses were provided this year to ease the purchases of target groups.

In addition, this entrepreneur group is penetrating the market with "Plus" mall projects to make their malls more complete by increasing the diversification of shops in the mall areas, adjusting merchandising mix with less of food category and more of the others. Meanwhile, the entertainment businesses like cinemas and water parks have been added to create novelties and attract customers. Such adjustment has moved the group toward a shopping complex



status. Still, today this group is facing stiff competition from retailers of different segments that pursue the same target group, particularly entrepreneurs of convenience stores that stage continuing sales promotional campaigns. Finally, old-style retail stores, including community fresh and flea markets, are playing a bigger role in taking away the hypermarket target customer groups, thanks to their access to communities for consumers' convenience.

The overall focuses of convenience stores were the expansion of branches to maximize areal coverage, initiation of franchising to supplement branch expansion effort, offer of diverse products, including hygienic foods and beverages at reasonable prices to serve the needs of all consumers in their respective areas, and speedy services. This retail group also applied communication technologies in conducting its business via e-commerce and online shopping, together with leveraging the social media for efficient communication with customers. In addition, the establishment of AEC (ASEAN Economic Community) will also attract more investment by foreign entrepreneurs. As a consequence, large-scale entrepreneurs need to focus on branch expansion and sales promotion to create and enhance their relationship with customers.

2016 RETAIL INDUSTRY OUTLOOK AND COMPETITION

In 2016, the net leasable area in Bangkok and its perimeters is expected to increase by roughly 306,000 sq.m. in 2016. The hefty increase in retail-space supply in 2015, coupled with the decline in consumers' confidence, may affect entrepreneurs' rental and occupancy rates. Both rates may therefore remain unchanged or increase slightly in 2016.

This year two shopping centers, namely Show DC on Rama 9 road and Smile Square on New Phetchaburi road and in 2017-2018 another two new shopping hubs in Bangkok, The Em District on Sukhumvit road and IconSiam on the bank of Chao Phraya River are expected to be launched. The retail industry is moving toward mixed-use development, combining residential areas, hotels, office buildings, and entertainment centers to create fully integrated shopping complexes.

Major projects under construction in other provinces include CPN's Central Plaza Nakhon Si Thammarat, Central Phuket Phase 2, and The Mall Group's BluPort Huahin Resort Mall and BluPearl Phuket, etc.

The establishment of AEC turns the attention of the retail industry to develop more projects in other provinces, especially border and major provinces in all regions of Thailand. Many superstore malls and specialty stores have been launched, together with the launches of shopping center development projects in border provinces. Having launched new development projects in Nakhonratchasima and Nakhonsithammarat provinces, CPN also plans to continually expand its businesses to other prospective provinces.

NATURE OF BUSINESS



Established on 17th 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 1st March 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, management of large-scale shopping complexes, and the provision of retail space for rent, complementing by other supportive businesses under mixed-use concept, which include office building and hotel businesses in a bid to optimize the use of land, diversify income sources, and draw in more customers to shopping centers. CPN also runs related and complementary businesses, such as food centers, multi-purpose convention halls, water parks and recreation parks in some shopping complexes to facilitate shoppers. Services and facilities provided at each complex take into consideration location suitability and the needs of target customers as important factors.

CPN's project development starts from finding strategic locations, conducting feasibility studies, controlling designs and construction, administering sale, to managing the shopping complexes/office buildings after their commercial opening. Also in the scope of work is the provision of utilities, together with security and cleaning services at each site. Regarding the hotel business, CPN has employed expert hotel management companies to manage its hotels for optimum benefit.

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, cleaning services, rental & services of convention hall, apart from onsite media services at 29 properties – 13 in Bangkok Metropolitan area and its vicinities and 16 in prime provincial areas – of which 25 projects are owned by CPN, with four leased out to CPN Retail Growth Leasehold Property Fund (“CPNRF”). Other sources of income include the management fee at four property projects under CPNRF and a share of profits from investment in CPNRF.

In 2015, CPN launched four new projects – 3 new greenfield development projects, namely CentralPlaza Rayong, CentralPlaza WestGate, and CentralFestival EastVille, and 1 acquisition project, namely CentralFestival Phuket.

According to its estimated data, as of 31 December 2015, CPN’s earned a 21% market share of the retail industry in Bangkok Metropolitan area with net leasable area of around 1.6 million sq.m. under the management of CPN and its subsidiaries.

02 OFFICE BUILDINGS

The office building business involves the development of office buildings for rent, whereas the office building business not only complements that of the shopping complex, but also adds value to the project from the optimization of land use and enhances 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.

At present, CPN runs seven projects of office towers, on the premises of CentralPlaza Lardprao, CentralPlaza Pinklao, CentralPlaza Bangna, CentralWorld (The Offices at CentralWorld), CentralPlazaChaengwattana, 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, CentralPlaza Pinklao, CentralPlaza Bangna, CentralPlaza Chaengwattana, and CentralPlaza Grand Rama 9 projects are mostly operators of businesses benefiting from shopping mall business, 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 multinational companies.

03 HOTELS

The hotel business on the same premises of shopping centers naturally complements the retail business in terms of demand and also adds value to overall 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, foods and beverages, 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 opened on 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

The only residential building project currently managed by CPN is Central City Residence Condominium, a 11-unit condominium on the premises of CentralPlaza Bangna. The lease contract for Langsuan Colonade, the 50-unit serviced apartment, expired on September 30, 2015, and the leased asset was transferred to the lessor on the same date.

Recognizing the potential of mixed-use development of shopping complex projects, the Board approved in September 2015 the investment in condominium projects on the premises of CPN shopping complexes in Chiangmai, Khonkaen and Rayong. These

residential projects would maximize the benefit of CPN's core shopping-complex businesses. To this end, a specialized team of executives, experienced personnel and experts was set up to conduct feasibility studies on the development of residential projects and execute other relevant tasks. Construction of the three condominium projects are projected to start in the second quarter of 2016, with about two years of construction period.

05 WATER PARKS, ICE RINK AND RECREATION PARKS

Water parks, ice rink and recreation 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. After its suspension for renovation, the water park on the sixth floor of CentralPlaza Bangna was relaunched on November 17, 2015. Designed under the theme of Pororo : The Little Penguin, a highly popular Korean animated character, to create new experiences and fun for customers and their families, the park was named "Pororo Aquapark Bangkok". As for a recreation park, "Central Park", a large-scale recreational park on the premises of CentralPlaza Rama 2, is open to the public and consists 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 Bangna	✓	✓		✓	✓
CentralWorld	✓				
CentralPlaza Rattana Thibet	✓				✓
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	✓				✓
CentralFestival Samui	✓				✓
CentralPlaza Salaya	✓				✓
CentralPlaza Rayong	✓				✓
CentralFestival Phuket	✓				✓
CentralPlaza WestGate	✓				✓
CentralFestival EastVille	✓				✓

PROJECTS MANAGED BY CPN	SHOPPING COMPLEXES	OFFICE BUILDINGS	HOTELS	RESIDENTIAL BUILDINGS	FOOD CENTERS
CentralPlaza Pinklao ¹⁾	✓	✓			✓
CentralPlaza Rama 3 ²⁾	✓				✓
CentralPlaza Rama 2 ³⁾	✓				✓
CentralPlaza Chiangmai Airport ⁴⁾	✓				✓
CentralWorld ⁵⁾		✓			

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⁾ 49% of CPN's asset was leased to CPNRF from April 2014 to April 2044
- ⁵⁾ 97% of the Offices at CentralWorld was subleased to CPNCG from September 2012 to September 2032 (part 1) and from December 2012 to December 2032 (part 2)

ASSET UNDER CPN'S MANAGEMENT

RETAIL PROPERTIES

RETAIL PROPERTIES	YEAR OF OPERATION	DEVELOPMENT ^{/2}	LAND OWNERSHIP ^{/3}
1 CentralPlaza Lardprao	December 1982	G	L (2028)
2 CentralPlaza Ramindra	November 1993	G	L (2023)
3 CentralPlaza Pinklao ^{/1}	March 1995	G	L (2027)
4 Central Center Pattaya	July 1995	G	L (2035) ^{/6}
5 CentralPlaza Chiangmai Airport ^{/1}	March 1996 ^{/4}	A	F
6 CentralPlaza Rama 3 ^{/1}	October 1997	G	F
7 CentralPlaza Bangna	December 2001 ^{/4}	A	F
8 CentralPlaza Rama 2 ^{/1}	December 2002	G	L (2025)
9 CentralWorld	December 2002 ^{/4}	A	L (2040)
10 CentralPlaza Rattanaibet	December 2003 ^{/4}	A	F
11 CentralPlaza Chaengwattana	November 2008	G	F
12 CentralFestival Pattaya Beach	January 2009	G	F
13 CentralPlaza Udonthani	April 2009 ^{/4}	A	F
14 CentralPlaza Chonburi	May 2009	G	F
15 CentralPlaza Khonkaen	December 2009	G	F
16 CentralPlaza Chiangrai	March 2011	G	F
17 CentralPlaza Phitsanulok	October 2011	G	F
18 CentralPlaza Grand Rama 9	December 2011	G	L (2040)

Remarks:

^{/1} For CentralPlaza Pinklao, 42% of asset was subleased to CPNRF from November 2009 to December 2024. Leased area for CPNRF to invest will be changed after completion of the major renovation at CentralPlaza Pinklao project (Phase 1 : April to December 2015 and Phase 2 : January to May 2016). Subsequently, CPN has leased additional land and extended its land lease with Harg Central Department Store Company Limited for another 2 years and 5 months ended in May 2027.

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

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

For CentralPlaza Chiangmai Airport, 49% of asset was leased to CPNRF from April 2014 to April 2044.

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

INVESTMENT COST OF TOTAL PROJECT AS END OF 2015 ^{5/}	TOTAL PROJECT GFA (SQ.M.)	PARKING SPACE (VEHICLES)	HALL (SQ.M.)	LEASEABLE AREA (SQ.M)	OCCUPANCY RATE (%)	NO. OF TENANTS (SHOPS)
4,398	310,000	3,000	4,500	48,148	99%	350
646	86,000	1,000		17,193	96%	75
2,495	340,000	3,500		63,937	81%	320
681	62,000	400		15,226	95%	98
2,233	250,000	2,300	4,800	77,084	98%	644
1,354	220,000	2,300		55,822	92%	270
5,167	450,000	3,250		61,117	87%	291
1,152	210,000	3,200	4,100	93,975	97%	341
12,977	830,000	7,000		199,501	96%	467
2,322	140,000	2,000		77,255	96%	201
5,297	310,000	3,300	4,200	66,138	92%	372
6,536	210,000	2,000		57,557	98%	236
5,094	250,000	2,000	5,000	72,639	94%	228
2,810	156,000	2,040		40,383	98%	263
3,943	200,000	2,100	4,100	49,876	92%	293
1,652	110,000	1,000		22,540	99%	111
1,535	100,000	1,440		26,382	95%	138
5,146	214,000	2,400		59,166	99%	243

Data as of 31 December 2015

Remarks:

^{2/} Development (A=Acquisition), (G= Greenfield)

^{3/} Land Ownership (F=Freehold), (L=Leasehold expired in (year))

^{4/} Year of acquisition.

^{5/} Includes investment of office/residentail/hotel components. Excludes annual lease payments and investments of the assets leased/subleased to CPNRF.

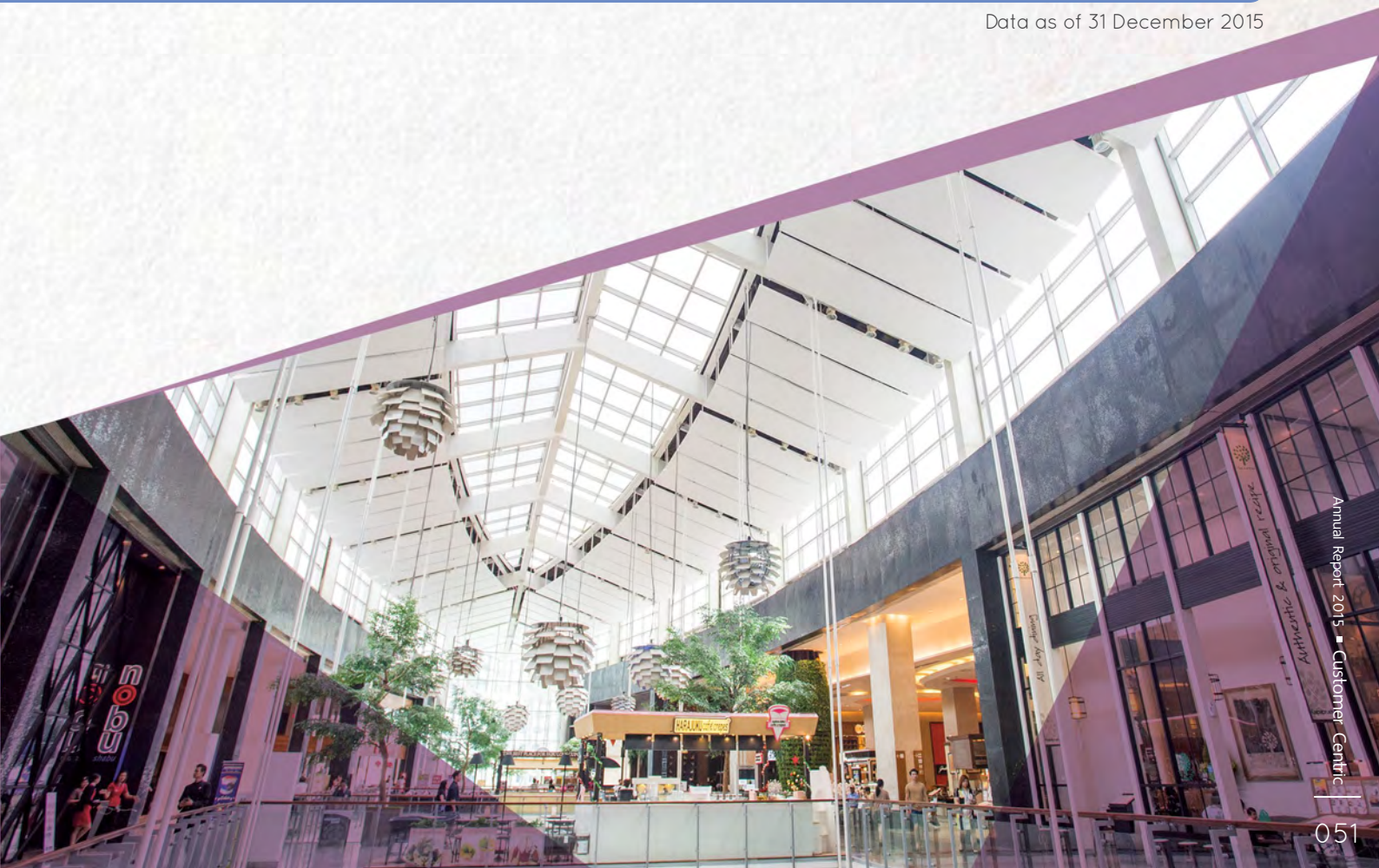
^{6/} CPN has renewed its land lease with the lessor for another 20 years ended in 2035.

RETAIL PROPERTIES		YEAR OF OPERATION	DEVELOPMENT ¹²	LAND OWNERSHIP ¹³
19	CentralPlaza Suratthani	October 2012	G	F
20	CentralPlaza Lampang	November 2012	G	L (2041)
21	CentralPlaza Ubonratchathani	April 2013	G	F
22	CentralFestival Chiangmai	November 2013	G	F
23	CentralFestival Hatyai	December 2013	G	F
24	CentralFestival Samui	March 2014	G	L (2043)
25	CentralPlaza Salaya	August 2014	G	F&L (2044)
26	CentralPlaza Rayong	May 2015	G	F
27	CentralFestival Phuket	June 2015 ¹⁴	A	L (2056)
28	CentralPlaza WestGate	August 2015	G	L (2043)
29	CentralFestival EastVille	November 2015	G	F&L (2045)
TOTAL				



INVESTMENT COST OF TOTAL PROJECT AS END OF 2015 ^{/5}	TOTAL PROJECT GFA (SQ.M.)	PARKING SPACE (VEHICLES)	HALL (SQ.M.)	LEASEABLE AREA (SQ.M)	OCCUPANCY RATE (%)	NO. OF TENANTS (SHOPS)
2,199	130,000	1,400	4,700	34,476	94%	227
1,111	110,000	2,000		22,270	88%	208
1,811	151,000	1,500		32,213	93%	114
4,265	260,000	3,500		66,338	94%	184
4,885	295,000	2,500	5,000	69,830	94%	176
1,840	76,000	600		31,688	96%	147
2,577	185,500	1,600		38,549	92%	348
2,486	155,000	2,000	1,000	30,553	77%	156
6,445	137,000	1,100		38,066	91%	112
7,140	352,000	4,000	5,000	82,690	96%	88
3,766	150,000	1,824		30,428	96%	130
103,962	6,449,500			1,581,040	94%	6,831

Data as of 31 December 2015



OFFICE PROPERTIES

OFFICE PROPERTIES	YEAR OF OPERATION	DEVELOPMENT ⁴	LAND OWNERSHIP ⁵	LEASEABLE AREA (SQ.M)	OCCUPANCY RATE (%)	NO. OF TENANTS (SHOPS)
Lardprao Office	December 1982	G	L (2028)	16,250	95%	65
Pinklao Tower A Office ¹	March 1995	G	L (2027)	22,426	97%	54
Bangna Office	December 2001 ²	A	F	10,007	97%	30
The Offices at CentralWorld ³	November 2004	A	L (2040)	83,929	99%	102
Pinklao Tower B Office ¹	March 2006	G	L (2027)	11,334	97%	49
Chaengwattana Office	March 2009	G	F	19,942	94%	46
Grand Rama 9 Office	December 2011	G	L (2040)	6,454	96%	30
TOTAL				170,342	97%	376

Remarks:

^{1/} Pinklao Tower A and Tower B were subleased to CPNRF from November 2009 to December 2024.

^{2/} Year of acquisition.

^{3/} 97% of the Offices at CentralWorld were subleased to CPNCG from September 2012 to September 2032 (part 1) and from December 2012 to December 2032 (part 2)

^{4/} Development (A=Acquisition), (G= Greenfield)

^{5/} Land Ownership (F=Freehold), (L=Leasehold)





HOTEL PROPERTIES

HOTEL PROPERTIES	YEAR OF OPERATION	NO. OF GUEST ROOMS	OCCUPANCY RATE (%)
Centara Udonthani ¹	April 2009 ³	259	57%
Hilton Pattaya ²	November 2010	302	90%
TOTAL		561	75%

Remarks: ¹CPN is the project owner and Central Plaza Hotel Plc is the hotel manager.

²CPN is the project owner and Hilton Hotel Corporation is the hotel manager.

³Year of acquisition.

RESIDENTIAL PROPERTIES


RESIDENTIAL PROPERTIES	YEAR OF OPERATION	LEASEABLE AREA (SQ.M)	OCCUPANCY RATE (%)
Central City Residential ¹	December 2001 ²	1,567	30%
TOTAL		1,567	30%

Remarks: Lease of Lansuan Colonade property expired at 30 September 2015 and the leased asset was transferred to the lessor at the same day.

¹ CPN owns strata-title of 11 units of the condominium.

² Year of acquisition.





FUTURE PROJECTS



CENTRALPLAZA NAKHON SI THAMMARAT

LOCATION: On Highway 403, near Hua Thanon intersection of Ratchadamnoen Road, a junction of various mass transit transportation.

SIZE: About 51 rai of land (CPN has the land ownership) with a total project area of 150,000 sq.m., of which CPN owns 125,000 sq.m. Consisting of Robinson Department Store and anchor tenants like Tops Market, PowerBuy, B2S, SuperSports, and OfficeMate, SF Cinema the project houses more than 300 leading Thai and international brand outlets and food outlets of various styles. Being an entertainment hub, featuring modern cinemas and an outdoor activity plaza in front of the shopping complex, the project can accommodate more than 1,500 cars.

POTENTIAL: The project's location is regarded as one with enormous potential in the province, whose population exceeds 1.5 million, the most populous Southern province. With a GPP of over 139,000 MB, Nakhonsithammarat is the economic/trade/investment gateway to the South, accommodating AEC with its logistics hub, which also accommodates IMT-GT (Indonesia-Malaysia-Thailand Growth Triangle). The provincial airport is being upgraded to become a customs airport. The province also

houses the Southern Merchandise Distribution Center - Thung Song, which provides rail logistics for the upcoming AEC. The province offers many historical and natural tourist attractions increasingly, drawing both domestic and foreign tourists, notably those from Malaysia, which is bound to give local residents increasing revenue, while related businesses are bound to benefit. In addition, the overall residential market situation appears promising, buoyed by the development of a transport grid and urban growth, thus leading to an investment boom, high economic growth, more income to workers, not to mention more and more returning labor-which implies a higher need for accommodation. Evident are expansion of real-estate projects by local and other investors; these projects look highly promising, which will open up new opportunities for business development in emerging neighborhoods. CPN's project therefore accommodates the high purchasing power of target groups in the province as well as its neighboring provinces- over 1.5 million Nakhonsithammarat residents and those living within 120 kilometers (one hour's drive) in two provinces (Trang and Phatthalung), altogether more than 2.7 million shoppers in addition to more than 1.7 million tourists a year.

PROGRESS: Under construction. The project is planned for completion and inauguration in 2016.

INVESTMENT: About 1,900 MB (excluding investment in Robinson Department Store, which is under the responsibility of Robinson Department Store)



CENTRALPLAZA NAKHON RATCHASIMA



LOCATION:

On Mittraphap Road, in Nakhonratchasima city, Nakhonratchasima province.



SIZE:

About 65 rai of land (CPN has the land ownership) with a total project area of 308,000 sq.m., of which 270,000 sq.m. belongs to CPN. The project will house Central Department Store and anchor tenants like Tops Superstore, PowerBuy, B2S, SuperSports, OfficeMate and SFX Cinema. The site will also house over 400 retail fashion boutiques of leading Thai and international brands and be a meeting place with a gathering of family lifestyle restaurants, bar & bistro and outdoor Market Market. The project provides a large activity space inside and in front of the store and a multipurpose convention center intended to be an activity center at the national level. This new project is planned to become the state-of-the-art entertainment complex for children and families, with parking space for over 3,500 vehicles.



POTENTIAL:

The project is situated on a strategic site of Nakhonratchasima, a northeastern economic hub with the highest GPP in the northeast. 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 7 million tourists a year. The project therefore targets the purchasing power of over 2.6 million Nakhonratchasima residents and those from nearby Buri Ram and Chaiya Phum. Having long been the gateway to the Northeast, Nakhonratchasima has a geographical connection to 19 provinces in the region and some ASEAN economies. This is where the government's mega-projects are centered, including the Bangkok - Nakhonratchasima high-speed train, the MapKabao - Nakhonratchasima dual carriage railway, and Bang Pa-In-Nakhonratchasima Motorway, expected to be completed in 2020-2021.



PROGRESS:

Under construction. The project is planned for completion and inauguration in 2017.



INVESTMENT:

About 5,200 MB (excluding investment in Central Department Store, which is under the responsibility of Central Department Store)





Apart from these two projects, there is an upcoming project, Central Phuket Phase 2, of which format and investment capital are under study and approval deliberation. The project is planned for completion and inauguration in 2017-2018.

In addition, recognizing the potential of mixed-use development of shopping complex projects, CPN is going to develop residence projects in optimal support of its core shopping-complex business. To this end, CPN has set up a department consisting of experienced, skillful executives and personnel to investigate such development's feasibility and execute relevant

tasks. Three condominiums are to be developed on CPN's shopping complex land under the Chiangmai, Khonkaen and Rayong projects, worth approximately 3,000 MB by a CPN's subsidiary, CPN Residence Co. Ltd., who is in charge of the design, development and management of the condominium projects under brand "ESCENT".

ESCENT CONDOMINIUMS

PROJECT DETAILS:

ESCENT	CHIANGMAI	KHONKAEN	RAYONG
 เอสเซ็นท์	 Pool View at ESCENT Chiangmai	 Pool View at ESCENT Khonkaen	 Pool View at ESCENT Rayong
	LOCATION By Highway 118 (Chiangmai-Doi Saket Road), Fa Ham Sub District, Mueang Chiangmai District, Chiangmai	LOCATION By Highway 2 (Mitrphap Road), Nai-Mueang Sub District, Mueang Khonkaen District, Khonkaen	LOCATION By Highway 36 (Sai Bannongmahad-Banchaikapom Road), Choeng Noen Sub-District, Mueang Rayong District, Rayong
LAND AREA	2-0-88.1 Rai	2-1-45.5 Rai	2-3-60.4 Rai
TYPE	26-storey Condominium	24-storey Condominium	25-storey Condominium
NO. OF UNITS	400	408	419
SIZE	24-42 square metres Fully Furnished Ready to Move In		
CONSTRUCTION PERIOD	Approximately 2 years, Ready for transfer in 2018		
TARGET CUSTOMER	Local residents and employees working in surrounding areas who buy property for their own use		
PROJECT INVESTMENT (EXCLUDING LAND COST)	Baht 1,626 million		

CPN Residence plans to launch continually 2-3 residential projects a year, following CPN's shopping complexes with prime locations across Thailand. CPN will develop projects in the concept of Residential & Commercial Community, leveraging on the leading position in retail business together with its experienced real estate team to move forward with business expansion.

ESCENT CHIANGMAI
CONDOMINIUM



ESCENT KHONKAEN
CONDOMINIUM



ESCENT RAYONG
CONDOMINIUM



OVERSEAS PROJECT

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 was appointed to investigate target countries in a variety of aspects, whether economic, social, political, industrial, competition, business laws, or associated risks in each country to screen markets blessed with potential, business opportunities, and suitability to CPN's business. All projects under the plan have undergone stringent feasibility assessment for maximum effectiveness of investment decisions to ensure that its overseas investment is made on the path of sustainability and growth.

CPN looked into additional investment opportunities in Southeast Asia, with a focus on Malaysia, Vietnam and Indonesia. Overseas projects include the renovation of existing shopping complexes as well as brand-new projects in areas with great potential. To this end, CPN may undertake joint investment with overseas business allies so as to penetrate new markets rapidly, efficiently, and robustly to boost competitiveness in a given country. Today, CPN has certain data support from Central Group, a precedented investor in these countries, which has enabled CPN to analyze and develop overseas projects more efficiently. At this stage, CPN has participated in Malaysia's Central i-City project as its pioneering shopping complex abroad, since it envisions retail commerce there to be blessed with opportunities and growth potential.





CENTRAL i-City



JOINT VENTURE:

CPN set up a joint-venture company with I-R&D Sdn. Bhd. (IRD), a subsidiary of Malaysia's I-Berhad, a listed company on the Bursa Stock Exchange engaged in the property development business, to develop Central i-City project. CPN holds 60% shares in the project through subsidiaries registered in Thailand, while IRD holds the rest 40%. The joint-venture company will hire CPN as a property manager and CPN will get the management fee in return.



LOCATION:

In Section 7 of Shah Alam City, Selangor, 22 kilometers from Kuala Lumpur and between two main highways (Federal Highway and Baru Lembah Klang Highway). Directly connected to the Federal Highway, the site has convenient access from Kuala Lumpur, Klang, and Shah Alam.



SIZE:

A total 11.12 acres (28 rai) of land under the ownership, with a total project area of 278,000 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 3,000 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:

Under construction. The project is planned for completion and inauguration in 2018.



INVESTMENT:

About RM 830 million or 8,300 MB (total investment for whole project including investment in department store with which CPN holds 60% stake in the joint venture)



Central
FOOD HALL





VISION

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

MISSIONS

Based on the vision, CPN strives to accomplish four missions to turn its vision into reality.

01**MOST ADMIRED 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.

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.

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.

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.

CORPORATE VALUES

Defining a challenging business vision, CPN aspires to become the most admired and dynamic regional retail property developers.

At CPN, each employee is committed to the

**“To be Confidently Creative
and Strive for Excellence Together”**

value, passed on from one generation to another to drive value-creation and exceed all stakeholders’ expectations while maintaining quality in keeping with CPN’s way and culture.

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.





“
To be Confidently
Creative and Strive
for Excellence Together
”

SUSTAINABILITY MANAGEMENT

MEMBER OF

**Dow Jones
Sustainability Indices**

In Collaboration with RobecoSAM

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2016 Constituent
MSCI Global
Sustainability Indexes

CPN's Sustainability Management is principally expedited by the Corporate Governance and Sustainable Development Committee (CG-SD Committee). The Committee's responsibilities extend also to establishing sustainability missions and review of policies, strategies, operation plans, regulations, standardized systems and operational approaches, including follow-up to ensure unity of operation. The 10 CG-SD Committee members comprise CPN executives, with the CEO as Chairman, Senior Executive Vice Presidents and Executive Vice Presidents from all business groups and central units as directors (details as listed in the Subcommittee: Corporate Governance and Sustainable Development, page 107). In 2015, six meetings were held, and four reports were submitted to the Audit Committee, tasked also with overseeing sustainable development.

In the operating plans, several working groups and committees are involved:

- Corporate Governance and Sustainable Development Task Force comprising 10 senior executives and those at managerial levels, to organize meetings and drive sustainable development policies as well as the value chain. The task force is responsible for overall management of the operation plan and promotion of corporate governance and good governance of tenants, customers and social and community engagement.

Regular follow-up meetings were held to execute implementation of policies and plans all over the organization. Performance will be presented to the CG-SD Committee every quarter.

- The Energy and Utility Conservation Committee comprises senior executives and those at managerial levels from Business Development and Construction Management unit and the Property Management unit to drive policies on energy, water, and gas-saving, as well as environment, greenhouse gas (GHG) emission reduction and alternative energy. The committee communicates the policy to the Energy and Utility Conservation team located at each branch and monitors and controls the performance of the objective through the Energy Performance Evaluation team that checks energy performance in each branch. This committee is also required to report their work progress to the CG-SD Committee every quarter.
- The Occupational Health, Safety and Environment Committee in the Head Office comprises 13 persons from senior executives from the Property Management unit, those at the managerial level from the support units and operational officers to drive and raise standards of occupational health and safety in the organization towards the same direction. A report is submitted to the Risk Management committee at least twice a year.

- The People Development Committee at Corporate level is chaired by the CEO and comprise with Senior Executive Vice Presidents from the Executive Committee and an advisor from Personnel Administration, seven in total. An Executive Vice President also joins the meeting to devise strategies, follow-up and provide advice concerning human resource development. Knowledge is passed on systematically through several levels by establishing the People Development Committee at the level of group, division and branch.
(Detailed Structure of Sustainability Development Management in 2014 Annual Report in page 66)

SUSTAINABILITY STRATEGY FORMULATION

In 2015, the CG-SD Committee has included sustainable strategies as part of the annual business planning process. The CG-SD Committee as well as senior executives has considered critical issues in business, environment, and society as well as critical issues from stakeholders in the strategy planning process along value chain of the organization. The process comprises four steps:

01 Critical Issue Identification

Identification of significant issues throughout the CPN value chain comes from four main areas:

- 1) 15 Issues that impact the sustainability of the organization (continuing data from 2015) that have been expanded to include and aligned with both domestic and international sustainability approaches such as GRI-G4, DJSI, MSCI
- 2) 21 Key risk indicators at the organization level
- 3) Significant issues from hearings and participation of key stakeholders as follows:
 - Analytical articles and research work of investors and analysts of sustainable investments
 - Results of satisfaction surveys of tenants and issues from annual tenant meetings
 - Results of satisfaction survey of customers and complaint issues through various channels
 - Result of employee engagement survey
 - Law and regulations
 - Business issues arising from membership of the Thai Shopping Centre Association
- 4) Analysis of market trends, consumer behavior and innovation development and social trends.

02 Evaluation and Prioritization

The critical issues were ranked according to the impact and materiality matrix in short-, medium- and long-term to the stakeholders, compared to the materiality to the organization sustainability. In the review by the CG-SD Committee and senior executives, it was found through evaluation to maintain the four main groups of stakeholder i.e. 1) tenants 2) customers 3) employees and 4) communities. The committee summarized 15 critical issues as follows:

ECONOMIC	ENVIRONMENTAL	SOCIAL
<ul style="list-style-type: none"> • Business growth • Tenant growth • Appropriate funding sources • Professional service to customers • Effective management of shopping centers • Corporate governance • Supply chain management • Risk and crisis management 	<ul style="list-style-type: none"> • Energy efficiency • Environmental impact reduction • GHG emission reduction • Water management 	<ul style="list-style-type: none"> • Occupational health and safety • Human resources management • Promotion of community development

In the strategy planning, the 15 critical issues were organized into organizational strategies and KPIs at the levels of units, divisions and sections as follows:

1) SHOPPING MALL EXPANSION AND DEVELOPMENT INNOVATION

CPN seeks to constantly expand its business in Bangkok and major economic cities. To develop a project, a location with present and future potential is selected through in-depth analysis with carefulness to ensure its suitability and to maintain upfront position in the Thai market in readiness for the AEC.

CPN also strives for developing its project management process by regularly liaising with relevant units to ensure the highest efficiency and effectiveness of project development. The process starts from project planning, identifying the mall format, agreeing upon a suitable merchandising mix, communicating with tenants, responding to customers' needs, marketing, and offering entertainment in malls.

The project management process also controls the launch of a given shopping complex on the planned time and with the planned quality. CPN, moreover, looks out for opportunities to offer new formats of retail business including innovative design and decoration, which would provide fresh unique experiences that can respond to customers' needs. In return, this would add value to the malls with worthy returns on investment.

2) INTERNATIONAL BUSINESS STRATEGY

Due to increasing competition, the retail market in Thailand may become saturated in the long term. To ensure future growth, CPN has conducted additional studies on opportunities for investments in Southeast Asia, focusing on countries with secure economic growth, good foreign investments and purchasing power, especially Malaysia, Indonesia and Vietnam. CPN is receiving data support regarding investment consideration in variety of aspects, whether business laws, economic, social and

other useful information, from the Central Group that has previously invested in these countries. In addition, CPN is conducting feasibility studies on investments in other countries with great potential and being prepared readiness for future investments.

CPN also continuously conduct readiness preparation of the organization by seeking out capable personnel with experience in shopping center management from these countries to jointly develop the business, undergo training of CPN standards, study and plan on management of various functions to ensure that the shopping center includes all CPN standards and components and answer the needs of the country's customers.

3) OPERATION AND SERVICE EXCELLENCE

CPN focuses on mall management excellence to create added value, while developing and maintaining standards of CPN malls to create tenant and customer satisfaction. While incorporating new mall management innovations and providing new customer experience, the company has over time taken remarks from tenants and shoppers into analysis to ensure its correct and timely decisions in fulfilling tenant and customer needs.

- **Unique selling point** – CPN strives to strengthen its unique selling point through mall modernization, both interior and exterior, to reinforce their eye-catching appearances and respond to customer's changing life-styles. Some special features are added, including transport convenience, both personal and public. Staff development and application of innovation are also focused on to increase service efficiency in parallel with manage operating costs efficiently.
- **Merchandising Mix** - To offer diverse experience for Thai and foreign shoppers, CPN continually adjust its merchandising mix to be both encompassing and diverse with opening of new retail domestic and foreign stores, relying on market analysis data and customers' requirements, to ensure the stores are always up-to-date. CPN, together with tenants, also organizes various marketing activities to develop capacity, increase sales and improve tenant relations.

- **Target Marketing** – With focus on answering customers’ diverse lifestyle needs, CPN organizes signature events, in which tenants and communities are welcome to take part. With emphasis on quality, new advertising media such as online advertising and mobile phone applications, help boost its marketing campaigns.
- **Integrated service** – CPN values the provision of integrated services for shoppers, both Thais and foreigners, including provision of information and assistance while shopping and that of security service and shopping amenities. CPN services create convenience and impression among customers, while facilitating tenants’ business operations. Regular satisfaction surveys are conducted, of which the results are systematically analyzed as part of improvement plans in various areas. The plans cover the upgrading the services of existing malls and developing new services to create a truly “Rewarding Experience” for shoppers and partners.
- **Energy-saving** – CPN manages its malls with concerns on energy-saving and environment -friendly technology. It pays attention to climate change and reduction of both direct and indirect emissions of GHG. CPN also values efficient use of public utilities with application of international utility benchmarking standards and use of new technologies in existing and future stores to save water and preserve energy in various forms. The practice will lead to business expansion with responsibility for the environment as well as efficient, sustainable resource consumption.
- **Asset Management** – CPN systematically manages its asset with the objective of increasing value and improving the efficiency of management of all CPN shopping centers. Utilizing related internal and inter-agency data, CPN seeks to solve problems, maintain quality and develop all malls to ensure a rewarding experience for customers, increase retail stores sale and obtain the highest profit margin from all shopping centers.

4) HUMAN RESOURCE DEVELOPMENT AND MANAGEMENT

CPN employees represent its main driver for stability. CPN, therefore, takes very seriously staff development to maximize their potential.

It also values the building of stronger teamwork under the corporate culture of “To be confidently creative and strive for excellence together” and CG principles.

Giving high priority to staff’s career growth, CPN set up an individual career growth planning system and established CPN Academy as an in-house training center. To this end, the company developed various training courses for all employees. Both knowledge and working skills are provided to grow existing staff up their career paths as they wish. Another project focuses on building and developing leadership potential. CPN also set up a new recruitment channel through online media to draw capable individuals into employment. Creation of ‘Rewarding Experience’ is what the company aims for in developing the organization in parallel with its workforce.

5) FLEXIBLE FUNDING

CPN places constant emphasis on flexible funding to enhance business flow. In addition to CPN’s own funds, it seeks funding from other sources, including the establishment of a real-estate investment trust (REIT), loans, issuance of debentures and shares to increase registered capital. CPN also studied the establishment of a trust fund for investment in REIT. The large variety of sources of fund enables CPN to efficiently manage its business costs, while having a balanced financial ratio. The company therefore has flexibility in seeking funds for business expansion and can be well prepared for new investment opportunities, which always adds value to the business. CPN, in this regard, has in place policies on risk management and financial management that strictly regulate its funding.

6) STAKEHOLDER ENGAGEMENT

CPN deeply cares for and is responsible to all stakeholders, ready to listen to feedback to help develop a sustainable business under transparent and ethical corporate governance, with responsibility to society and the environment. Ten sustainable missions (SD missions) are determined according to views of main stakeholders – tenants, customers, employees, society, environment, trading partners and shareholders. In parallel, there is sustainability in the process of devising the corporate strategies, under the intention that emphasizes

“Development of joint values and minimize impacts to stakeholders”, Those 10 SD missions are as follows:

1. Developing potential entrepreneur
2. Strengthening tenant’s competitive advantage
3. Creating a place of inspiration
4. Delivering exceptional products and services while providing safety and convenience
5. Offering career advancement and opportunities
6. Engaging employees and enhancing well-being
7. Co-creating social and community values
8. Managing societal and environmental impacts efficiently and effectively
9. Encouraging responsible supply chain
10. Acting on good governance and transparency

Each of these missions is assigned the responsibility of senior executives to expedite as the Sustainable Development (SD) Champions.

04 Managing and Driving Business Strategies

The strategic plans, approved by directors and executives, will be monitored for progress, using related company KPIs: financial; tenant and customer satisfaction; employee engagement, and potential employee resignation rate (%regrettable loss). These plans and KPIs will be engrained through systematic communicating from the CEO level down to the next-level executives and to the division, section and personal levels. These KPIs that are cascaded down through the levels will be monitored for strategic progress in five key areas: organizational growth, brand value building, efficiency improvement, internal process and personnel. Monitoring is achieved through each unit’s strategic follow-up meetings and in monthly managing committee meetings. Progress are also tracked, with supervision of detailed plans in accordance with sustainable missions as specified by the CG-SD Committee. These results are also communicated to the senior and middle executives in quarterly performance reviews and the annual Management Information Meeting for acknowledgment of directions and progress of the plans that will also be passed down to all employees. The KPI performance will also be used to consider compensation for the employees and the executives.

SUSTAINABLE DEVELOPMENT REPORTING GUIDELINES

CPN has incorporated Sustainability Report (SD Report) to be a part of 2015 Annual Report, made for the fourth year, to publicize CPN’s performance in economic, environmental and social performance. In 2015, the report follows guidelines specified in the Global Reporting Initiatives (GRI:G4) in accordance to core, which focuses on KPIs that are significantly correlated to sustainability, and this year is the first year CPN will also report on the 10 United Nations Global Compact: UNGC on page 270. The materiality of the report was based on four phases of sustainability strategy formulation. A working team in charge of preparing annual reports verifies all information made for dissemination in this report.

In this 2015 report, CPN has changed the format of its SD Report. Formerly classified into economic, social and environmental dimensions, it now is a performance outcome report of the 10 SD missions as aligned to the sustainable strategies and stakeholder engagement, covering the three dimensions of sustainability (ESG). The scope of the report covers business performance and sustainable development of 29 shopping centers and related supporting businesses all over the country under CPN’s management, which were operational from January 1 to December 31, 2015 (details as shown in Nature of Business, pages 044). Except for Mission 8 – Managing societal and environmental impacts efficiently and effectively, pages 086, that covers performance at 25 shopping centers around the country under CPN’s management and excludes the newly opened and acquired shopping centers in 2015, namely CentralPlaza Rayong, CentralFestival Phuket, CentralPlaza WestGate and CentralFestival EastVille.

Should there be any questions or suggestions concerning the sustainability development report, please contact

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FINANCIAL PERFORMANCE REVIEW

2015 COMPANY'S PERFORMANCE OVERVIEW

Thai economy in 2015 continued to recover at a gradual pace with 2.8% GDP growth. Domestic spending, both public spending and private consumption, remained the main driver of growth. The private consumption gradually recovered supported by improved consumer confidence, persistent decline in energy prices, and partly benefitted from additional stimulus measures such as the government's tax incentive for year-end shopping as well as tax break covering domestic travel, which helped boost consumer interest at shopping centers and travelling nationwide. In addition, tourism sector continued to recover. The number of foreign tourists expanded from last year, but the recovery concentrated in Chinese tourists.

Despite the economy's sluggish recovery, Central Pattana Public Company Limited ("CPN") continued to thrive during the past year. CPN managed to experience revenue and net profit growth for another year and accomplished its expansion plan with the launches of three new green-field projects, namely CentralPlaza Rayong, CentralPlaza WestGate, and CentralFestival EastVille with well-received responses from our customers and tenants and one acquisition in the certain part of CentralFestival Phuket, of which their contributions have enhanced revenue, profits, and cashflow for CPN. CPN also completed the asset enhancement projects at one of CPN's flagship malls, CentralPlaza Pinklao, for its 6-month major renovation (Phase 1) and at CentralPlaza Bangna for its relaunch of fully themed roof-top "PORORO AQUAPARK BANGKOK", enabling them to promote their attractiveness of the mall, attract more customers, increase value of the assets and gain upside for the revenue growth.

During the year, CPN has introduced new formats and concepts of shopping mall while offering customers new unique experiences that differentiate from other counterparts in response to changes in consumers' lifestyle. To this end, CPN launched CentralFestival EastVille with a brand new model of 'CentralFestival' brand refresh. CentralFestival EastVille combines indoor and outdoor spaces together with special green areas and large trees to bring a touch of nature to the shopping center with first time experience with a running track on the rooftop, co-working space, bicycle lane with parking, and pet zone. A complete range of products and services is available at the shopping destination zone. The project would be the place where shoppers can escape from the hustle and bustle of the city under the concept of 'Bangkok Escape' from dusk till dawn.

In addition, CPN announced the first collaboration with IKEA, Swedish global furniture brand, to open a new IKEA store on the compound of CentralPlaza WestGate in the future. Such cooperation would strengthen its regional-mall status, differentiate from competitors and attract more customers to CPN's shopping mall.

In aspects of Environment, Social and Governance (ESG), CPN has been selected as an index component of 2015 Dow Jones Sustainability Indices Emerging Markets (DJSI Emerging Markets) for two consecutive years. This prestigious membership reaffirmed CPN's philosophy of sustainable business conduct, taking into account the society, the environment, and all stakeholders, with active participation in social and community development.

In terms of financial performance, FY2015 CPN posted its consolidated net profit of 7,880 MB, increased by 8% y-o-y with total revenues (excluding investment income) of 25,847 MB, grew by 8% y-o-y.

Note that FY2014 and FY2015 financial results incorporated the following non-recurring items

FY2014 :

- In 2Q14, CPN booked a 157 MB execution fee received from CPNRF in proceeding with the lease of the properties in CentralPlaza Chiangmai Airport incorporated in other income and a 128 MB finance cost associated with asset monetization into CPNRF.
- A 66 MB income from reversals of provisions for impairments of long-term investment in a related company, namely Siam Retail Development Co., Ltd., incorporated in the 4Q14 under other income. (See notes to the financial statements for the year ended 31 December 2014, Item 11)

FY2015 :

- A 134 MB income from reversals of provisions for impairments of land at Khonkaen province incorporated in the 1Q15 under other income. (See notes to the financial statements for three-month period ended 31 March 2015, Item 10)

Without the non-recurring items, FY2015 consolidated net profit would have grown by 7% y-o-y to 7,746 MB and total revenues would have increased by 9% y-o-y to 25,713 MB. The growth in revenue and net profit was mainly driven by

- Improved performance of existing projects especially at CentralWorld.
- The full-year operation in 2015 of CentralFestival Samui and CentralPlaza Salaya after starting operation in 2014.
- Contributions from three new and one acquired projects launched in 2015.
- Continuing growth in hotel business, led by great performance of Hilton Pattaya Hotel.

- Emphasis on efficient cost and expense management continuously including pooled procurement program in terms of supply and marketing campaigns for all shopping malls under CPN's management to achieve economy of scale.
- Dynamic interest expenses management through innovative sources of funding, resulting in lower interest expense of 7% y-o-y (excluding a 128 MB finance cost associated with asset monetization into CPNRF booked under finance cost in 2Q14).

As of December 31, 2015, CPN managed 29 shopping centers (13 projects in Bangkok & greater Bangkok and 16 projects in the provinces), 7 office towers, and 1 residential property (totaling 11 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 year-end 2015, the occupancy rate for CPN's retail properties remained high at average of 94%. Occupancy rate at CentralPlaza Pinklao increased after areas of Phase 1 renovation have been completed and reopened since October 2015. Also, occupancy rate at CentralPlaza Lardprao resumed 99% after the replacement of vacant areas by over 10 new tenants with new brands such as Cotton On, Matsumoto Kiyoshi, etc.

FINANCIAL PERFORMANCE

TOTAL REVENUES

Revenues from Rent and Services

FY2015 consolidated revenues from rent and services increased by 9% y-o-y to 22,231 MB, confirming a well-diversified portfolio despite the decrease in revenues from CentralPlaza Pinklao during a partial closure for renovation. The increase in revenue was primarily due to

- Full-year contributions from CentralFestival Samui and CentralPlaza Salaya that came into full scale operations in 2015 after their launches in 2014.
- Contributions from 3 new & 1 acquired projects launched in 2015, i.e. CentralPlaza Rayong, CentralPlaza WestGate, CentralFestival Phuket, and CentralFestival EastVille.
- FY2015, the average rental rate of all retail properties were 1,524 Baht/sq.m./month. Excluding new malls launched in 2014 and 2015 i.e. CentralFestival Samui, and CentralPlaza Salaya, CentralPlaza Rayong, CentralFestival Phuket, CentralPlaza WestGate, CentralFestival EastVille, and the asset enhancement project i.e. CentralPlaza Pinklao, the same store average rental rate of other retail properties grew by 3% y-o-y from 1,501 to 1,538 Baht/sq.m./month.
- The effective same store rental growth of 3% was in line with the company's full year guideline, nevertheless, lower than the company's long-term target of 5% same store rental growth due to temporary discounts given to assist tenants at some shopping malls during a slow-recovery economy. However, the rental rate growth of new and renewed contracts was maintained at 5% on average per year.

Revenues from Food and Beverage

FY2015, the in-mall food court business recorded a 10% y-o-y sales growth to 1,068 MB. The growth was mainly attributed to new food centers opened in 2014 and fully operated in 2015 and newly opened in 2015 at 3 new & 1 acquired malls as well as the re-opening of new-look food centers at CentralPlaza Pinklao added after the renovation, together with an impressive sales growth at CentralFestival Chiangmai.

Revenues from Hotel Operations

Hotel operations are considered CPN's non-core businesses. FY2015, hotel operations registered a 3% y-o-y revenue growth to 983 MB, thanks to strong performance of Hilton Pattaya Hotel. Wholesale segment especially from Asian market (China, South Korea, and Hong Kong) drove the full-year average occupancy rate at Hilton Pattaya up from 83% in 2014 to 89% in 2015 with higher room rate of 12% y-o-y.

However, weakened performance of Centara Hotel & Convention Centre Udonthani stemmed from lower occupancy rate following the decreased number of corporate and government meetings, despite the fact that average room rate showed a slight growth in 2015.

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 and insurance premium and property tax of properties owned to earn rentals.

FY2015, costs of rental and services increased by 9% y-o-y to 11,450 MB, due primarily to compounding effects of the following factors:

- Full-year realization of operating costs and depreciation of the new projects launched in 2014.
- Additional operating costs and depreciation of the new projects launched in 2015.
- Increased repair and maintenance costs and personnel expenses in general.
- Appreciation of land lease cost at Central Center Pattaya after the renewal of land lease for 20 years on May 1, 2015.

Considering on the same store basis, utility cost, which is a major cost accounted for over 30% of total costs of rent and services for shopping mall operation, decreased 5% y-o-y, which reflected the effectiveness of energy saving programs that CPN has been continuously implementing.

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.

FY2015 costs of food and beverage increased by 9% y-o-y to 852 MB, in line with the increase of the revenues from food and beverage. The increase stemmed primarily from new food courts launched in 2014 and 2015 as previously mentioned.

Costs of Hotel Operations

FY2015 costs of hotel operations posted 332 MB, up 5% y-o-y. The rise in costs was in line with the growth in hotel revenues.

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.

FY2015, total administrative expenses amounted to 4,030 MB, up 10% y-o-y, led by

- Higher personnel expense arising from business expansion for both newly launched malls in 2015 and residential projects, and from increased advertising and promotion expenses for such new mall launches.
- Marketing and promotional expenses for the openings of 3 new and 1 acquired malls, compared to only 2 mall openings in 2014.
- Increased depreciation of equipment for the back offices at new shopping malls.
- However, administrative expenses to core revenues ratio marginally increased to 16.6% in 2015 from 16.4% in 2014.

GROSS PROFIT RATIO & OPERATING PROFIT RATIO

FY2015, Gross Profit ratio (excluding other income) maintained at the level of 48% as previous year. The Operating Profit ratio decreased slightly from 35.7% in 2014 to 35.3% in 2015 due to a slight increase in personnel expenses and marketing expenses as new & acquired malls were launched in 2015, compared with only two new malls launched in 2014. Despite the fact that CPN opened more new malls in 2015, it still maintained margins at the same level; these reflected the efficiency of revenue management and well-managed cost control.

NET PROFIT

FY2015 consolidated net profit recorded an 8% y-o-y growth to 7,880 MB. The y-o-y continuing growth for the CPN's performance was primarily attributable to the following factors:

- Improved performance of existing malls with a double-digit growth in net profit such as at CentralWorld, CentralPlaza Lampang, CentralFestival Chiangmai, CentralPlaza Khonkaen, CentralFestival Pattaya Beach, CentralPlaza Chonburi, and CentralPlaza Suratthani, etc.
- The full-year contributions of CentralFestival Samui and CentralPlaza Salaya launched in 2014.
- Contributions from 3 new & 1 acquired projects launched in 2015.
- Continuing growth in hotel business, led by increased Revenue per available room (RevPar) at Hilton Pattaya Hotel.
- Efficient cost and expense management, lower finance costs including cost savings from the economy of scale. CPN continuously focus on a number of implementation to reduce costs and expenses, reflected in a growth in revenue faster than a rise in operating costs and administrative expenses, thus sustained margins at high level even the company keep expanding the portfolio.

FUTURE DEVELOPMENTS

Under its 5-year plan (2016-2020), CPN aims to increase its revenues at a compound annual growth rate (CAGR) of 15% per annum through asset enhancement to add value to existing malls, regular rental increase, and new project development. CPN targets to grow its portfolio by adding 2-3 new projects a year. In light of Thailand's urbanization, CPN will expand its business in Bangkok & vicinities, and the provinces. Moreover, CPN looks out to open retail stores of new formats, which would come with new offers that can respond to customer needs, led to customer satisfaction. CPN, in addition, conducts studies on overseas markets, aiming to grow its business with sustainability and with comprehensive target achievement in the long run.

DOMESTIC EXPANSION

Currently, CPN's three new projects are under construction and design phase, namely CentralPlaza Nakhon Si Thammarat (south of Thailand), CentralPlaza Nakhon Ratchasima (northeast of Thailand), and Central Phuket Phase 2 including the asset enhancement of two existing projects, namely CentralPlaza Pinklao (Phase 2) and CentralPlaza Bangna (Phase 3).

In addition, recognizing the potential of mixed-use development of shopping complex projects, CPN is going to develop residence projects in optimal support of its core shopping-complex business. To this end, CPN has set up a department consisting of

experienced, skillful executives and personnel to investigate such development's feasibility and execute relevant tasks. CPN is going to develop residential projects (three condominiums) on CPN's shopping complex land under the Chiangmai, Khonkaen and Rayong projects, worth some 1,626 MB (excluding land value). CPN has projected the start of the construction work by 2Q16, and will take about two years to complete.



OVERSEAS EXPANSION

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. CPN has looked into overseas investment opportunities including the renovation of existing projects as well as new development projects in areas with great potential. At this stage, CPN has signed a Joint Venture Agreement with I-R&D Sdn. Bhd. (“IRD”) (formerly, I-City Properties Sdn. Bhd. as the contract party), an I-Berhad wholly-owned subsidiary, to form a joint venture, in which CPN through subsidiaries holds a sixty-percent (60%) stake and IRD holds a forty-percent (40%) stake. The Joint Venture will develop a RM 830 million (or approximately Baht 8,300 million) regional shopping mall at i-City, Shah Alam, Selangor DarulEhsan, Malaysia. CPN envisions retail commerce in Malaysia to be filled with opportunities and growth potential.

Furthermore, CPN has studied additional investment opportunities in Southeast Asian countries, with a focus on Vietnam and Indonesia.

CAPITAL STRUCTURE

Total CAPEX for FY2015 was approximately 16,973 MB, comprising 2,163 MB asset enhancement projects, 14,797 MB new developments and land acquisitions.

During 2015, CPN raised new debts of approximately 21,885 MB, comprising 10,585 MB short-term borrowings and 11,300 MB long-term borrowings and repaid short-term loans, unsecured bonds and scheduled loans totaling 15,280 MB during the period.

As of December 31, 2015, outstanding interest-bearing debts were 22,623 MB, comprising 74% fixed and 26% floating interest rate, increased by 41% from prior-year mainly to fund the 6,364 MB investment in the certain part of CentralFestival Phuket (“CFP”) and accommodate other development projects. Net interest-bearing debt to equity ratio stood at 0.39 times, up from 0.29 times previous year due to increased borrowings

during the period. Nevertheless, with low net gearing, CPN maintains high borrowing capacity while keeping the net interest-bearing debt to equity ratio below 1 times, reflected high flexibility in sourcing funding for future business expansion as well as robust financial status.

In 2015, finance costs amounted to 509 MB, decreased by 7% y-o-y (excluding a 128 MB finance cost associated with asset monetization into CPNRF in 2014). Despite an increase in outstanding debts, a drop in interest expenses stemmed from effective funding management by way of raising new loans or issuing a series of debentures with lower cost of debts to replace high-cost borrowings. A weighted average cost of debts in 2015 was 3.33% per annum, down from 3.89% in 2014.

DIVIDEND PAYOUT

CPN’s Board of Directors has proposed Baht 0.70 per share (3,142 MB) dividend to be paid for the FY2015 performance, comparing to Baht 0.65 per share (2,917 MB) in 2014, pending the approval at the shareholders’ meeting in April 2016. The dividend payment represents a 39.9% dividend payout ratio of the FY2015 net profit.

SUSTAINABILITY DEVELOPMENT REVIEW

SD MISSION 1 AND 2 :

DEVELOPING POTENTIAL ENTREPRENEUR (MISSION 1)

STRENGTHENING TENANT'S COMPETITIVE ADVANTAGE (MISSION 2)

The success of tenants forms the cornerstones of CPN's "Rewarding Experience" for customers. Throughout the 35 years of business growth, CPN has always supported, promoted and continually built stronger bonds with small community tenants as well as foreign big anchors until they expanded their business and branches and become well-recognized both in Thailand and abroad. In 2015, CPN prepared a strategic plan to engage stakeholders sustainably, focusing on tenant partnership as well as a strategic plan to build capacity and develop the potential of trading partners and tenants in parallel with development of CPN shopping centers. The operation plan is organized into several categories with examples as follows:

1. LISTENING AND CREATING PARTICIPATION

- Daily visits to stores to accept services, listen to problems and complaints from the store by tenant services officers that have been developed and evaluated their service provision systematically.
- Annual and quarterly meetings to communicate important operation plans such as new mall

opening or renovation of malls and to acknowledge new policies, practices and joint marketing plans. The meeting also presents an opportunity for tenants to provide ideas and recommendations to help continually improve the quality of mall management.

- Annual satisfaction surveys of store services to assess the real needs of the retail stores and for improvement of CPN's service.
- Provide newsletters and publicize various CPN services as required and open up communication channels so that retail stores can receive information for business contacts and channels through which to send complaints, such as direct contact numbers for public relations officers for each branch, the I-Box, company website, whistleblower@cpn.co.th or CPN Call Center 0-2635-1111.
- Set up relations store activities to promote good relations such as CSR activities with tenants and Central Group, including entertainment activities that answer the diverse lifestyle needs of each tenant group.

2. PROMOTING POTENTIAL

- Devise a marketing plan with retail tenants to promote business, such as new store opening activities, new product launch, promotional products, and public relations.
- Organize seminars to enhance knowledge and competitive ability for tenants. In 2015, a seminar on "Branding" was held for tenants in the Northern and the Central Region.

TOPIC	2015 PERFORMANCE OUTCOMES	2016 PLANS
Tenant engagement	<ul style="list-style-type: none"> • Implemented strategic tenant engagement plan by adjusting the KPI to be more challenging. The outcome was higher than last year but not yet to the target level. • Implemented marketing plan to promote sales strategically with main tenants, resulting in sales increase of 14-35% during the campaign. • Adjusted KPIs by clearly separating tenants and customers. • Drew up a tenant development program, focusing on providing knowledge and comprehensive support to accentuate tenant growth. • Embedded information received from participation of tenants through various channels in operational risk management process. 	<ul style="list-style-type: none"> • Implement the tenant development program. • Implement the strategic tenant engagement plan to achieve a more challenging KPI.

**SD MISSION 3:
CREATING A PLACE
OF INSPIRATION**

In 2015, CPN established operation plans by taking into account customer centricity through modernizing shopping centers, incorporating service innovations to respond to customers' changing behavior and fulfill customers' lifestyles. CPN also promotes increased use of online media to disseminate/monitor news. Under company management, the interior and exterior environment will be well-cared for to ensure safety, health, security to life and assets (see detailed policy and practice for health and safety in www.cpn.co.th/sustainability)

CPN has also taken into account suggestions and complaints received from all channels to improve operations regularly.

There is a mechanism for collection, analysis and quarterly reporting of information from all channels to the Management Committee. KPIs are monitored through a process whereby the Management Committee follow-up all strategic plans and report KPIs that are operational risk factors to the Risk Management Committee and to the Risk Policy Committee.

CHANNELS FOR CUSTOMER FEEDBACK AND PARTICIPATION

CHANNELS FOR CUSTOMER FEEDBACK	FREQUENCY	RESPONSES
Information Counter	daily	Information received can be divided into: (1) Issues requiring immediate response, including inevitable acts. Responsible units must be informed to take action immediately (2) Issues for improvement such as services, recommendations that will be analyzed as data for planning and development (3) Compliments that will be collected and passed on to the concerned unit to be processed for appropriate commendation process.
Direct through customer relations officers	daily	
Calls through the Information counter or CPN Call Center 0-2635-1111	daily	
Shopper satisfaction survey	annual	
Shopper profile and attitude study	quarterly	
Shopper satisfaction to promotional sales activities survey	each promotion activity	
Suggestion box or letters direct to the Company	per incident	
whistleblower@cpn.co.th or email	per incident	
News and communications in social media	per incident	
Notification through the Central Group and other units	per incident	

TOPICS	2015 PERFORMANCE OUTCOMES	2016 PLANS
Customer Engagement	<ul style="list-style-type: none"> Implemented customer engagement strategy plans with KPI achieving the target for three consecutive years. Implemented plan to increase communication channels to correspond with current consumers' needs in fulfilling their lifestyles by launching via online media on Facebook page "CPN Life" that showcases story of interest in society covering modern lifestyles in aspects of shopping, foods and entertainment venues, etc. 	<ul style="list-style-type: none"> Integrate the digital strategy into the communication marketing plan and increase the efficiency of feedback to the commentator. Adjust the customer satisfaction index to be more challenging.
Management	<ul style="list-style-type: none"> Implemented the two shopping centers' enhancement plans and added a family entertainment complex, water park and common recreation area in designated shopping centers according to plans. 	<ul style="list-style-type: none"> Implement plans for asset enhancement projects in pipeline.

TOPICS	2015 PERFORMANCE OUTCOMES	2016 PLANS
	<ul style="list-style-type: none"> Implemented the innovation strategy plan for it to directly correspond to customers' needs, starting with the pilot project of making the stores "Food Destination" and create a new "co-working space" according to plans. Increased communication channels and services for foreigners in alignment with store target groups. 	<ul style="list-style-type: none"> Expand the innovation plan to better correspond to customers' lifestyles. Increase the effectiveness of operational risk evaluation to include more than 85% of the shopping centers under management.

**SD MISSION 4:
DELIVERING EXCEPTIONAL
PRODUCTS AND SERVICES
WHILE PROVIDING SAFETY AND
CONVENIENCE**

CPN strives to develop its management system and operation to international efficiency standards by applying the following international guidelines:

- High management standards such as the guidelines for the Malcolm Baldrige National Quality Award and the Thailand Quality Award were applied to the context of CPN to ensure efficient management of shopping centers and effective provision of customer service. This system is used in all shopping centers and the Quality Management Team is tasked with the evaluation of management efficiency and providing a feedback report for the Mall Management team to make further improvements.

From such improvements, CPN submitted its project to the Thailand Quality Award Competition and won a Thailand Quality Class Award 2010-2012 for its CentralPlaza Chiangmai Airport and the Thailand Quality Class Award 2015 for CentralPlaza Khonkaen.

- CPN designated tenant management and services standards to be aligned with ISO 9001 and CPN's management standards by adjusting policies and operating procedures relating to tenants to comply with the same standard in all projects. In 2015, 24 CPN projects were ISO 9001-certified.
- Improve mall management to increase value and efficiency through analytics of internal and external information received between units in order to solve problems, maintain quality and enable shopping centers to deliver a great customer experience.
- Furthermore, in 2015, CPN started applying the ISO 20121 Event Sustainability Management System to Meetings, Incentives, Conferences, Exhibitions (MICE) industry to develop its event related venues and services along sustainability guidelines, focusing on transparency and fairness in management, compliance with the law and required regulations relevant to safety and waste management. The system has started at Chiangmai Hall, CentralPlaza Chiangmai Airport, with an aim for certification in 2016.

TOPICS	2015 PERFORMANCE OUTCOMES	2016 PLANS
Management	<ul style="list-style-type: none"> Applied for certification of ISO 9001 in accordance with plans. In 2015, three projects were submitted - CentralFestival Chiangmai, CentralFestival Hatyai and CentralPlaza Ubonratchathani. Applied Asset Management System to enhance efficiency at pilot projects. Embedded all information received from tenant and customer participation in the operational risk management process. Evaluated all seven CPN's multi-purpose convention centers according to the Thailand Venue Standard (conference) and received the Thailand MICE Venue Standard accolade. 	<ul style="list-style-type: none"> Apply for ISO 9001 for two more projects and prepare for certification at four more projects in 2017. Systematically expand Asset Management to increase value and efficiency to include more than 50% of all branches. Apply for ISO 20121 certification in one project and expand to include 100%

SD MISSION 5 AND 6 :

OFFERING CAREER ADVANCEMENT
AND OPPORTUNITIES (MISSION 5)

ENGAGING EMPLOYEES AND
ENHANCING WELLBEING (MISSION 6)

All CPN personnel are valuable resources in driving and increasing the competitive edge for the business and have therefore set human resource development as one of its organizational strategies. Apart from looking after CPN personnel to be happy and engaged with the organization so that they can pass on good things to customers, partners, and communities, CPN also emphasize preparing them to become strong leaders and team members with management potential and professionalism. In 2015, two main plans under the organization and personnel development strategy were undertaken: Increase of efficiency in recruitment and internal operations and medium-term and long-term plans in personnel development along with personnel retention. Monitoring of the KPIs is achieved through the strategic plan monitoring process under the Management Committee and the People Development Committee at the corporate level.

PLAN TO INCREASE RECRUITMENT EFFICIENCY

In 2015, CPN streamlined its recruitment method by using various different tools in response to business needs and company value, in parallel with international guidelines on human rights. CPN treats all candidates or prospective employees with equality, impartiality and with respect for human dignity without discrimination on nationality, color, race, gender, age or disability or other personal attributes unrelated to their duties. CPN, therefore, pays attention to fair recruitment process taking into consideration educational qualifications and experience as well as other abilities required for the job.

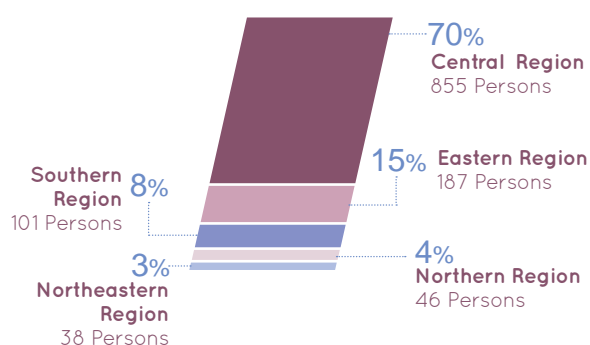
Apart from recruiting personnel along the above guidelines, CPN has a policy to utilize its potential as experts in mall management to promote and support Thailand's education sector.

In 2015, CPN started a Work Integrated Learning Program (WIL) together with the National Science Technology and Innovation Policy Office (STI) and King Mongkut's University of Technology North Bangkok (KMUTNB). The project integrates learning in real-life work environment so that the student may acquire academic knowledge along with the skills and understanding of work in a real mall system. Students who graduated with a vocational certificate (VC) are recruited to work with CPN while attending an undergraduate course (three years with transfer of grades) in Electrical Power Engineering degree, Faculty of Industrial Education, KMUTNB. CPN firmly believes that WIL program will assist in promoting sustainability in Thailand's educational policies so the students may get vocational skills and earn income while studying. Such a program will help building knowledge in personnel development in shopping mall system in Thailand. WIL can also assist CPN in recruiting and building new personnel knowledgeable in shopping mall management, as CPN grows and expands. At present, 17 WIL program students are working with CPN.

CPN recognizes the importance of the Persons with Ability Empowerment Act B.E. 2550 (2007) and Amendments (No. 2) of B.E. 2556 (2013), Article 33, that promotes and improves the quality of life of disabled persons by empowering them with jobs so that they may use their ability to earn income and be self-reliant, reducing burdens on society and families. The disabled persons will become an important contributor to the economy, both at the family and at the national level. Article 35 specifies that employers can use other measures other than full employment. CPN is currently employing one staff as a system administrator and has prepared space for 38 disabled persons to sell their products or services in the shopping malls at various branches.

CPN also encourages transfer of staff to their hometowns to make them happy with their jobs, so as to have staff included as part of CPN's determination to raise people's quality of life and income distribution to the provinces. In 2015, a total of 1,227 new recruits were registered with diverse domiciles as shown in the chart.

NEW RECRUITS BY REGION



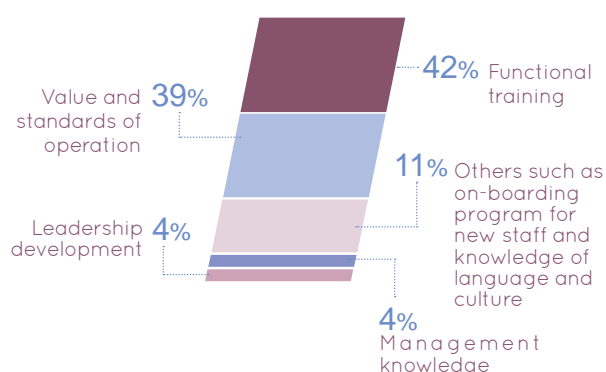
The distribution of new recruits' domiciles is found in accordance with the CPN's business expansion to each respective region, primarily in the Central Region. Altogether, 97 staff requested transfers to their hometowns. Those requested for transfers to three new projects, namely CentralPlaza Rayong and CentralPlaza WestGate and CentralFestival EastVille projects, accounted for 29% of the combined workforce of these three projects.

MEDIUM-TERM AND LONG-TERM PLANS FOR EFFICIENT PERSONNEL DEVELOPMENT

CPN supports enhancement of staff knowledge, skills, and capability to achieve their career excellence that matches its requirements. Another aim is to also get the business prepared for domestic and overseas competition through the CPN Academy under the supervision of the Curriculum Development Committee to ensure equality and impartiality. In the curriculum, staff are trained to meet the requirements of their jobs and units, and divided into classroom training in their respective regions and through 13 e-learning courses for easy access. A variety of development courses, covers the following six areas 1) on-boarding program, 2) functional courses for development of knowledge on shopping center management, 3) CPN Code of Conduct and related standards of operation, 4) management courses, 5) leadership courses at appropriate levels, and 6) knowledge of language and culture.

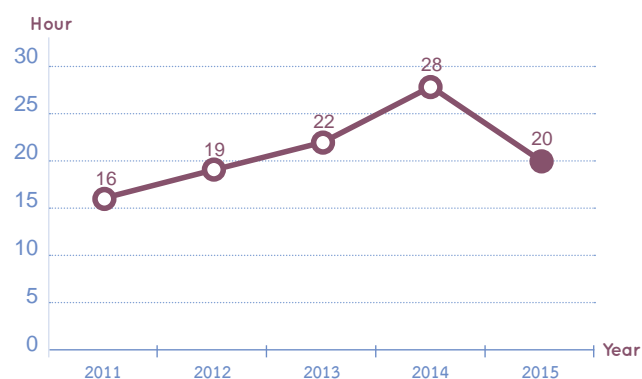
CPN Academy with Central Group also organizes a CEO Sharing Forum Project that provides a chance for middle-level executives to expand their global views by listening to experiences of high level executives from various companies in Central Group. Three such talks were organized in 2015.

TRAINING COURSE CATEGORIES



In 2015, CPN organized a total of 75 internal courses, with an increase of 34% personnel attending various courses in classroom and through electronic media. From last year's satisfaction survey, there is an increase of 2.3% overall satisfaction, and the average training hours of each personnel in CPN is 20 hours per year.

AVERAGE TRAINING HOURS OF EACH PERSONNEL PER YEAR



Note:

In 2013 - 2014 CPN started using SAP program, a software for enterprise resource planning (ERP). Therefore, a lot of personnel were being trained for the system, resulting in the hours spent in training personnel per year becoming high for the two years. For 2015, SAP operation was quite stable therefore CPN offered software training only to new staff.

Therefore, to increase the effectiveness of skills and capability of staff, development of personnel has changed to focus on the on-the-job training and more toward coaching by higher supervisors instead of training in the classroom. Moreover, The Dream Team project on improving the quality of work was organized for the seventh consecutive year to increase the capacity of the personnel to be creative, be systematic-thinking, and turn into practice. In 2015, 97 Dream Team projects were presented from 19 branches. Twenty-three projects concerned conservation of energy and services, in line with CPN's main policies.

CPN has undertaken career path planning in the medium term by extending the Management Trainee Program with Central Group and the GM Trainee program. The long-term plan focuses on grooming people and teams to grow on each individual's career path and in line with business expansion, both in and outside Thailand. Supervisors take charge of their staff's individual career development plans, which consist of individual career plans along with individual development plans (IDPs). Employees will be updated with their individualized development reports and feedback from the supervisor every six months. The capacity assessment

frameworks for CPN's employees are based on the same one for every position and job group. Assessment outcomes will form part of the review in tandem with annual performance outcomes to identify potential consensus (high flyers) and certify the group of smart and conscientious employees to undergo future capacity building.

For important positions, CPN continues to establish a succession plan for senior executives of the organization, which is part of the plan to ensure leadership growth with organizational expansion.



PLAN TO RETAIN EMPLOYEES AND INCREASE COMMITMENT TO THE ORGANIZATION

CHANNEL FOR LISTENING TO EMPLOYEES AND THEIR PARTICIPATION

CHANNELS	FREQUENCY	UNIT RESPONSIBLE		RESPONSES
		CENTRAL	BRANCH	
Meetings and visits by executives and teams	Quarterly	●	●	Information received will be divided into (1) For issues that can be solved or improved immediately within the unit, inform the concerned unit for action (2) Objections, recommendations, and praises for improvement will be analyzed and included in the plan to be submitted for approval to the People Development Committee (3) Complaints will enter the complaint process and will be dealt through due process.
Meetings	Daily Monthly Quarterly	●	●	
Sharing comments / recommendations	Daily	●	●	
Receive complaints through P.O. Box and Complaint Box	Collected monthly	●		
Whistleblower@cpn.co.th and CEO@cpn.co.th	Per incident	●		
Employee Opinion Survey (EOS)	Yearly	●		

CPN looks to increase employee engagement and retain personnel through the following measures:

- **Welfare and compensation**

CPN provides a higher welfare scheme than the general labor market, comprising hospital costs, both for inpatient and outpatient cases, educational assistance for staff and their children, financial assistance for staff's wedding and funerals of family members, as well as emergency loans. The compensation evaluation scheme is based on work performance according to KPI with half-year behavior and attitude assessment and yearly payment.

- **Senior executive administration**

A scheme is prepared for both horizontal and vertical communication:

- o Annual Meeting Conference - annual executive officer meeting to devise organization strategies
- o Performance Review - quarterly senior executive officers meeting follow-up of operation plan according to organization strategies
- o Management Information Meeting - annual management meeting for executives to explain approaches to manage various situations and execution of strategies
- o Communication Day - Activities for branch/division executives to meet with employees to explain approaches to manage various situations and report on branch/division performance and provide feedback
- o Meeting at the level of branch/division/department - meeting for each branch/division/department to establish operation plans and review performances.

- **Opportunity for development and growth**

Review the appropriateness of individual KPIs annually. Shorten the process and mechanism for career development. Focus on learning through on-the-job training. Broaden knowledge through training with CPN Academy courses and outside courses that align with Individual Development Plans.

- **Work environment and working atmosphere**

Physically, CPN has organized a workplace adjustment project to make rearrange of the limited workspace so as to be able to welcome a larger workforce along with the "Big Cleaning Day" project to ensure a tidy, clean and safe workplace. As for organizational culture, CPN focuses on being a transparent, equitable organization with senior executives as role models for freedom. CPN respects individual rights in forming free groups under the corporate governance structure, does not prohibit individual personal or group discussions, does not prohibit opinions or expression of the individual. In this regard, CPN does not have a labor union, and no CPN staff join other labor unions. In promoting a good work environment, CPN follows the approach of forging happiness in everyday work. Team-building activities are organized to promote good relations within the units, especially through customized relationship-building activities according to the subculture of each unit under the theme of "CPN Stronger Together".

TOPICS	2015 PERFORMANCE OUTCOMES	2016 PLANS
Employee engagement	<ul style="list-style-type: none"> • Implemented the plan to build employee engagement using the KPI for employee engagement by seeking to attain the target level for three consecutive years with a 3% increase from the year before.* • Executed 106 subplans according to the plan to forge engagement by the People Team and EOS Change Agent in each unit with monitoring and close follow-up at each level by the People Development Committee of each branch, working units, group and corporate levels. • Implemented the plan to successfully retain personnel and reduce the percentage of KPI regrettable loss as planned. 	<ul style="list-style-type: none"> • Increase the efficiency of the online application system and channels for recruitment on a par with the lifestyles of the new generation. • Increase the efficiency of the career development plans and growth within and across business in parallel with developing personnel through coaching by superiors or by colleagues. • Implement the plan to work efficiently together under the same organizational culture.

* There is a change in the score of employee engagement 2014 from 2015 due to the change in calculation method. (More details about the Human Resource Development & Management can be seen in www.cpn.co.th/sustainability)

PERSONNEL DATA

CPN's headcount as of December 31

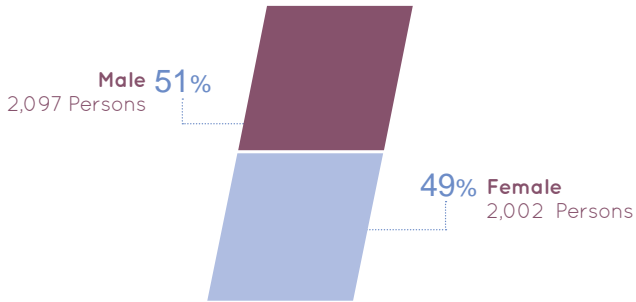


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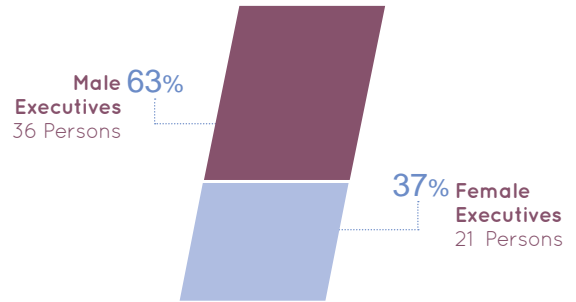
- (x) indicates the number of branches each year
- * including staff of Langsuan Colonade project
- ** including staff recruited for CentralPlaza WestGate and CentralPlaza Rayong, which launched in 2015.



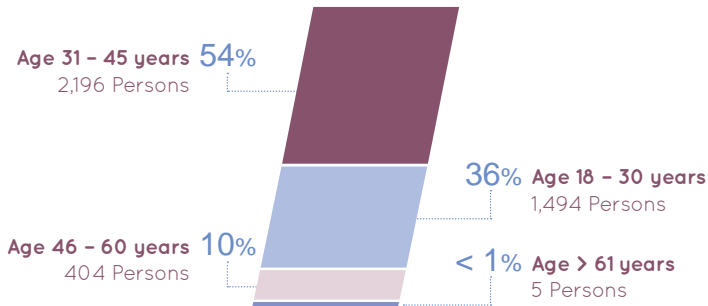
STAFF CLASSIFIED BY GENDER



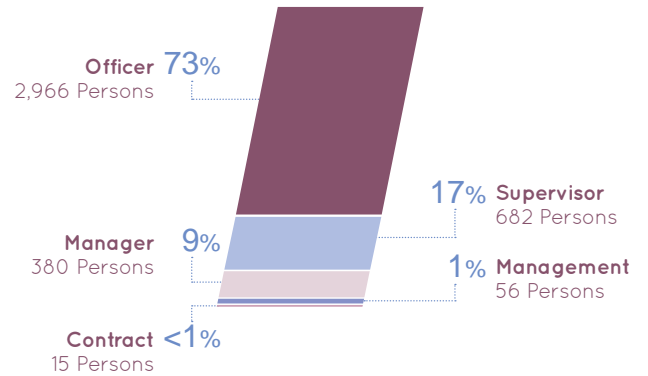
TOP MANAGEMENT CLASSIFIED BY GENDER (VP UP)



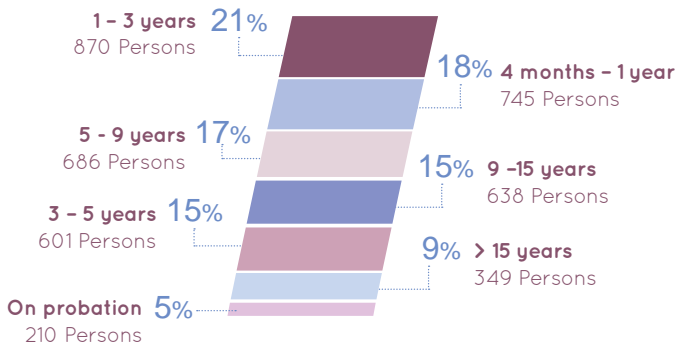
STAFF CLASSIFIED BY AGE



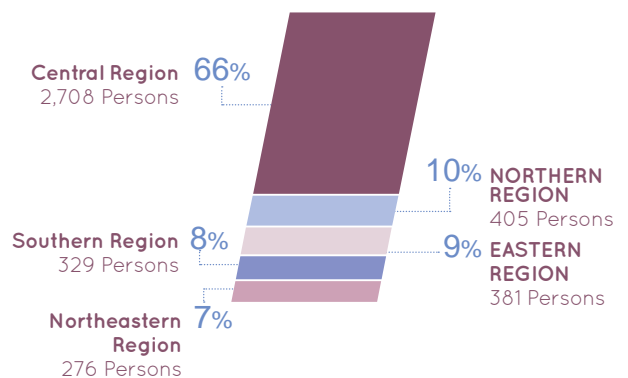
STAFF CLASSIFIED BY JOB LEVEL



STAFF CLASSIFIED BY YEARS OF SERVICE



STAFF CLASSIFIED BY DOMICILE



SD MISSION 7 AND 8 :
CO-CREATING SOCIAL
AND COMMUNITY VALUES (MISSION 7)

MANAGING SOCIETAL AND
ENVIRONMENTAL IMPACTS
EFFICIENTLY AND EFFECTIVELY
(MISSION 8)

CPN promotes good value and CSR throughout its operation in two aspects: development of values in both CPN's projects and joint projects with Central Group, and reduction of impact to society and the community by listening to input from various channels, such as from meetings with community representatives, accepting recommendations and complaints, before construction and also from online media channels and CPN call centers for action plan development. Subsequently, follow-up reports and performance review are presented to the CG-SD Committee.

DEVELOPING SHARED VALUES
IN THE COMMUNITY

Education is the basis for value in society in general. Therefore, in 2015 CPN continued in its emphasis on providing educational opportunities for children and those in need through CPN Growing Thai Wisdom Project and Long-distance Learning-via-sattelite Project. This year, consultation was held and a survey was made of additional locations, while the number was reduced to 86. CPN worked with the Tiang Chirativat Foundation and Central Group in establishing learning centers in schools located in remote villages and communities. CPN also assisted the Border Police Schools that took up two children and youth projects in Ubon Ratchathani and Buri Ram under the initiative of HRH Princess Maha Chakri Sirindhorn.

Under the GrowingThai Wisdom project and CPN Volunteer, it also worked with 3 schools -- Ban Bang Toey School in Nakhon Pathom Province and Bang Yai School, Nonthaburi Province, while constructing a library at the Community Learning Center, Ban Samnak Thong School, Rayong Province.

Apart from education, CPN conducts its business based on becoming part of the caring community, such as providing venues and publicity for local cultural promotion activities as an important provincial event to instill local pride and promote provincial tourism. Such events also help boost the income of small enterprises in showcasing their products in shopping centers. CPN and the Tiang Chirativat Foundation followed His Majesty's initiative in sufficiency economy as the approach for developing and promoting agricultural co-ops in growing crops according to consumers' needs and opening up sales venues through promotional events, including fruit sale by the Thung Kwai Kin Agricultural Cooperative Group of Rayong and the sale of mangosteen and wollongong from three southernmost orders. The 26 days of activities in June, August, and September generated Baht 2.6 million in income direct for farmers. It also partnered with the Ministry of Commerce and Central Group in organizing the fourth "Central Group for Our Community Products" Fair by offering products from communities that has been undergone product development process by Central group under the brand "Central Group for Our Community Products", sold in the malls. In 2015, the event was expanded to all four regions in rotation - CentralFestival Chiangmai, CentralFestival Hatyai, CentralPlaza Ubonratchathani and CentralWorld during June-August 2015.

TOPICS	2015 PERFORMANCE OUTCOMES	2016 PLANS
Community Empowerment	<ul style="list-style-type: none"> • Donations through various foundations such as Tiang Chirativat Foundation, the Environmental Foundation, Pathumwananurak Foundation to support on building Pathumwananurak Park for Pathumwan District etc., with total amount of 69 MB. • Supported with personnel and budget in developing shared values in the communities with total budget of 2 MB. • Adjusted and clarified the framework for allowing the use of venues for organizing events to promote community's good values, tradition and culture. 	<ul style="list-style-type: none"> • Adjust plans for the Growing Thai Wisdom Project to be more effective • Execute plans to support vocational development for communities and activities for provincial tourism promotion.

SOCIAL AND ENVIRONMENTAL IMPACT MANAGEMENT

CPN is fully aware of its responsibility to society and the environment because a shopping center is closely linked to the lives of the people in society and surrounding communities before the construction, during the construction and after store opening. Area surveys are undertaken at the same time as discussions with leading community representatives. Taking into account social comments and community recommendations through various participatory channels forms an important part of assessing possible impacts. Preventive measures include establishing working standards, projects to develop society and communities, and employee volunteering work for charity in the community, etc.

SOCIAL AND COMMUNITY MANAGEMENT

CPN has determined standardized procedures for operation to prevent social impacts, for example, avoidance of controversial pictures or inappropriate values that can create negative attitudes and divisiveness in society, especially concerning sex and morality issues, used in company public relations media or promotional material, and so on.

The 2015 social and community projects comprise public utility construction that is beneficial to the community, for example, provision of a location to set up a Government Service Point (G-Point) in CentralWorld and CentralPlaza Salaya under the government's public facilitation program in accessing a variety of government services e.g. applying for ID card, marital registration, renewing license's permit, processing car plate registration renewal, submitting for social security card, etc. Another project is the transportation hub in front of the malls to ease and mitigate the volume of traffic at CentralPlaza Suratthani, Chiangrai, and Phitsanulok. Another project is the traffic volunteer program that involves sending related personnel to train as traffic facilitators for work 500-1,000 meters around the shopping center. Moreover this year, a total of 89 CPN volunteer programs was organized, a 65% increase from last year's projects. The increase is due to several projects undertaken with Central Group, with a total of 554 staff participating (based on data that were collected and indicate redundancy).

Furthermore, CPN prepares several disaster and crisis prevention plans and conducts fire drill exercises, regularly educating youths in the community. Once disaster occurs, CPN usually sets up a relief center for organizing an event to assist those affected by such disaster. In 2015, along with Central Group, the company collected donations in the "Pray for Nepal" project to assist those affected by a major earthquake in Nepal through organization of the "Nepal in Memory" photo exhibition, and the "Run for Nepal" event for employees, executives, and customers. A total of 2.25 MB was presented to the Nepal Embassy in Thailand. (Further details of past projects can be found in www.cpn.co.th/sustainability)

ENVIRONMENTAL MANAGEMENT

CPN is active in its strategic plan and conservation of energy and environment actions to reduce the impact of climate change. In 2015, the framework for mobilizing the policy for conservation of energy and environment was modified as follows:

1. Efficient energy and utility management
2. GHG emission reduction
3. Garbage, waste, and ecological management.

CPN uses related international standards such as ISO 14001, ISO 14064-1, ISO 50001 and the criteria for the Ministry of Energy's Thailand Energy Awards and ASEAN Energy Awards as benchmarks for its energy and environmental conservation action. The Branch Energy and Utility Operational Team is responsible for execution and supervision and monitoring is undertaken by the unit and related committees, to be reviewed through reports to the Management Committee and the CG-SD Committee every quarter. The company takes seriously compliance with laws and regulations, that is, environmental impact assessment (EIA) reporting before construction and monitoring environmental risk during operation. CPN cares for the environment, even only a tree. CPN did not take it for granted to keep the tree as it is as proven by the construction of a pedestrian link to Groove@CentralWorld that was thoughtfully designed to be with the tree harmoniously and beautifully. During 2015, CPN operations were not found to breach the law or cause any environmental impact.

TOPICS	2015 PERFORMANCE OUTCOMES	2016 PLANS
Energy and Utility Management	<ul style="list-style-type: none"> • Energy consumption reduced by 1.7% from last year (only in controllable areas, excluding the CentralPlaza Pinklao project that was partly closed for renovation) or total reduction of energy of 5.3% from the base year (2012) as planned. • Use of recycled water reduced by 5% because the water quality did not meet the standard and therefore CPN could not recycle water as targetted. • Applied for ISO 50001 certification for CentralPlaza Lardprao and CentralPlaza Rama 2 	<ul style="list-style-type: none"> • Set a target to reduce energy consumption by 3% (only in controllable areas) and maintain the long-term target of 5% reduction in all energy consumption by 2017 (2012-2017 period) • Set an 8% target for use of recycled water (only in eight projects already installed) by 2017. • Expand cooperation in efficient energy management to business partners. • Study novel efficiency measure-ment of energy consumption.
Reduction of GHG emission	<ul style="list-style-type: none"> • Applied for carbon footprint certification in accordance with the evaluation of the Thailand Greenhouse Gas Management Organization (Public Organization) (TGO) for CentralPlaza Lardprao, CentralPlazaRama 3 and CentralPlaza Salaya. • Organized internal meetings that offset carbon emissions from travel, food consumption, conference waste, and electricity used in order to become carbon-neutral to forge awareness of the policy concerning GHG management. • Considered applying alternative energy such as solar power in appropriate projects 	<ul style="list-style-type: none"> • Duplicate procedure for certificationoforganization's carbon footprint to other branches, to cover 25% of all branches opened. • Implement alternative-energy development plan in a given project.
Garbage, Waste, and ecological management	<ul style="list-style-type: none"> • Prepared to apply for ISO 14001 certification of five projects. One project has already been submitted for certification - CentralPlaza Chiangrai, up to now 15 submitted projects in total. 	<ul style="list-style-type: none"> • Submit the application for ISO 14001 certification for four other projects and prepare for three others that require certification. • Implement a plan that identifies issues concerning ecological management and biological diversity in the construction process.



EFFECTIVE MANAGEMENT OF ENERGY USAGE

In 2015, CPN applied energy-saving techniques at 25 shopping centers, with the total investment of over 131 MB. Results show 3% *more effective usage of energy through a comparison of Specific Energy Consumption (SEC) to last year.

ENERGY CONSERVATION MEASURES CPN APPLIED DURING 2015	NUMBER OF PROJECTS	POWER CONSUMPTION REDUCED (kWh/YEAR) (ESTIMATED)	TONS CO ₂ -e REDUCED	INVESTMENT (MB)
Use of innovative high-efficiency chillers	3	1,896,034	1,102	38.83
Installation of Variable Speed Drives (VSD) on various systems	2	157,513	92	2.32
Improvement of cooling tower functioning	4	967,441	562	22.93
Change of light bulbs and lighting systems	16	6,537,426	3,800	64.75
Application of solar energy as renewable energy in 2 existing projects - CentralWorld and CentralPlaza Chaengwattana	2	156,461	91	-
Other measures	25	420,000	244	200

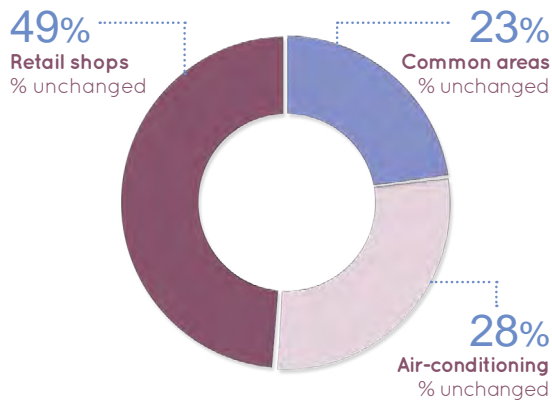
POWER CONSUMPTION

YEARS	NUMBER OF PROJECTS USED IN THE CALCULATION	POWER CONSUMPTION (GWh)	SCOPE 2 GHG EMISSIONS (TON CO ₂ -e)	SPECIFIC ENERGY CONSUMPTION (SEC) (KWh/m ²)
2011	15	456	241,674	282
2012	18	585	310,086	288
2013	20	595	315,597	281
2014	23	659	383,077	278
2015	25	676	392,959	269*

Total GHG emissions (Scope 2) in 2014-2015 were adjusted due to change in the calculation method, following TGO's specifications and in line with application for organization carbon footprint certification.

* Excluding data on CentralPlaza Pinklao, due to partial closure for renovation.

POWER CONSUMPTION BY PRIMARY SOURCE IN 2015



% Contribution Change from 2014
 ▲ Increase
 ▼ Decrease



EFFECTIVE MANAGEMENT OF UTILITY

Water used in CPN businesses is tap water supplied by either the Metropolitan Waterworks Authority or the Provincial Waterworks Authority. Ground water is also used. Reuse of water is normal practice in the operations. In 2015, CPN consumed a total of 8,640,680 cubic meters of water (including recycled water) in the operation of 25 shopping centers. Water consumption efficiency was up by 2.6% from last year's consumption, partly from water-saving measures during water shortage and from the installation of an automatic toilet system to replace old equipment and the installation of additional recycled-water system in CentralPlaza Grand Rama 9.

The amount of recycled water was 206,839 cubic meters, which resulted from the improved water-recycling system in four projects. Recycled-water use decreased by 5% because of water quality in the recycling system in CentralPlaza Chonburi caused a three-month stoppage. Recycled water at the CentralPlaza Chaengwattana could not be used because the quality is not up to CPN's standard.

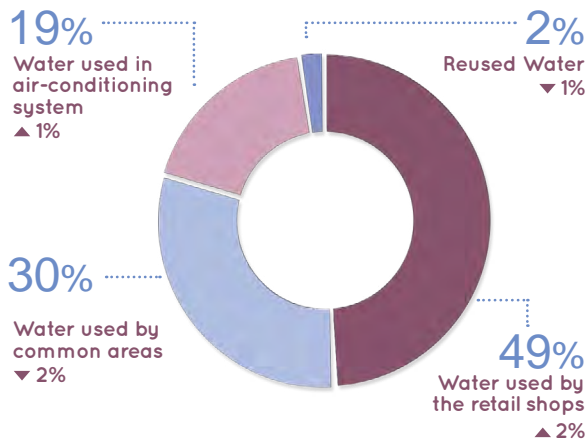
In 2015, the CG-SD Committee approved the installation of four more recycled-water system by 2017 and set a target of 8% recycled-water consumption of the total water consumption in the eight projects where the system has been installed.

WATER CONSUMPTION

YEARS	NUMBER OF PROJECTS INCLUDED IN THE CALCULATION	WATER CONSUMPTION (m ³)	WATER CONSUMPTION PER AREA UNIT (m ³ /m ²)	USE OF RECYCLED WATER (%)
2012	18	6,474,380	3.19	no report
2013	20	7,607,649	3.60	▲ 3 %
2014	23	8,206,773	3.46	▲ 7 %
2015	25	8,640,680	3.37*	▼ 5 %

* excluding data on CentralPlaza Pinklao due to partial closure for renovation.

WATER CONSUMPTION BY AREA OF OPERATION IN 2015



% Contribution Change from 2014

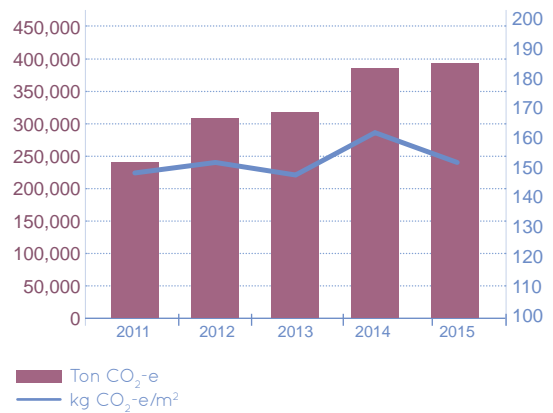
- ▲ Increase
- ▼ Decrease

REDUCTION OF GHG EMISSIONS

In 2015, CPN assessed CO₂ emission based on the organization carbon footprint calculation method as specified in Greenhouse Gas Protocol (GHG Protocol) and calculation of organizational carbon footprint of TGO in line with ISO 14064 in three pilot projects: CentralPlaza Ladprao, CentralPlaza Rama 3, and CentralPlaza Salaya. CPN is scheduled to apply for certification with TGO in the second quarter of 2016 to better determine the approach and set targets for GHG reduction. To this end, CPN has applied the certified framework to the Company GHG Emissions report in Scope 1 : Direct emission (partial), as per data directly collected by the organization and Scope 2 : Indirect emission. Emission of GHG in Scope 1 is 1% of total GHG emissions.

Concerning this issue, in 2015, the Energy and Utility Conservation Committee with the cooperation of Central Group conducted the feasibility study of adding more projects on installation of solar cells on the roof for direct electricity use and aims to execute this project in 2016.

VOLUME OF GHG EMISSIONS (shown only Scope 2) (CO₂-e)



GARBAGE, WASTE AND ECOLOGY MANAGEMENT

CPN has policies and practices in garbage and waste management in alignment with laws and ISO 14001 standards. Wastewater treatment is determined to have wastewater treated at each project's water treatment pond before releasing it to public water sources. The quality of wastewater is inspected at least every quarter by a third-party agency with an ISO/IEC17025 certificate. CPN also supports the use of biotechnology for wastewater treatment to control quality of wastewater before releasing it to public water sources.

In terms of waste management, CPN has a policy to reduce and segregate waste in a closed waste-dumping site and to support garbage sorting by tenants for reuse. This year, CPN sent a total of 63,474 tons of waste from 25 department stores for proper treatment, an increase of 4% per center over the previous year. The greater volume of waste was caused by the full-scale opening of two projects, namely CentralPlaza Salaya and CentralFestival Samui. Of the total waste, 60% was general garbage, 36% garbage, and 4% chemical and infectious garbage.

Also in 2015, CPN expanded the 5S Plus project in offices, emphasizing clean, easily accessible and safe workspace at Head Office at The Offices@CentralWorld. The President & CEO is the assessor. With assistance and cooperation of all personnel and executives, the recycled waste generated totaled 10.3 tons, and 25 tons were sent through the Shred2share project of Infosafe Co., equivalent to 16.5 tons of GHG emission reduction.

VOLUME OF WASTE FOR DISPOSAL

YEARS	NUMBER OF PROJECT included in the calculation	WASTE FOR DISPOSAL From calculations (TONS)
2012	17	40,698
2013	23	57,246
2014	23	61,020
2015	25	63,474

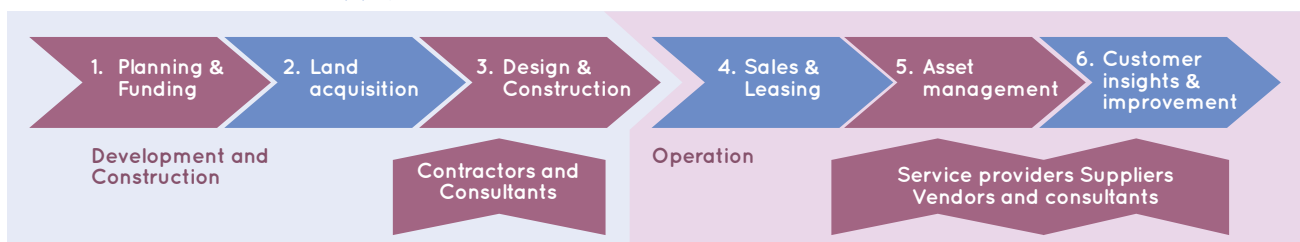
The data reported in 2013 as 23 projects include projects just opened in mid-2013 – CentralPlaza Ubonratchathani, CentralFestival Chiangmai, CentralFestival Hatyai.

CPN has a concern and clear policy on biodiversity and ecological management and will not develop any projects in any protected or conservation areas. CPN has set a regulation that all new construction as well as renovation projects must take into consideration a survey and study of the projects' ecology and consultation from outside experts. CPN takes care to conserve the ecology around each onstruction site, reduce the felling of large trees on the project site. If removal cannot be avoided, the trees growing on the land would be carefully uprooted and, later on, replanted

in appropriate areas. An example is seen in the relocation of a large tree from CentralPlaza Pinklao for replanting at CentralPlaza Salaya. Ever since CPN started a policy on ecological management, over 600 trees were uprooted and replanted, not yet included additional shrubs in each projects such as in CentralPlaza EastVille over 170,000 shrubs were planted. CPN projects are mostly developed in major cities and near communities, and the projects' landscape architecture must therefore design in the highest agreement with the city's characteristics and local ecology. In landscaping, CPN plants indigenous trees around the project, such as the Golden Flower tree (*Cassia fistula*), the provincial tree of Khon Kaen, in the CentralPlaza Khonkaen project, the planting of the Yang Na (*Dipterocarpus alatus*), the provincial tree of Ubonratchathani, in the CentralPlaza Ubonratchathani project; or the Khiam tree (*Cotylelobium lanceolatum*), the provincial tree of Suratthani, in CentralPlaza Suratthani, and the conservation of over 30 types of native lotus in the front pool of CentralPlaza Ubonratchathani.

SD MISSION 9: ENCOURAGING RESPONSIBLE SUPPLY CHAIN

CPN Value Chain and Supply Chain



CPN's supply chain is divided into 1) Development and Construction - concerned with material and equipment procurement and hiring contractors for design and construction of CPN projects, and 2) Operation Management - concerned with procurement of supply and hiring contractors for service inside the malls. Contracts are awarded based on the decision of a committee, comprising executives and representatives from relevant units to ensure transparency and fairness. CPN's consideration of social and environmental responsibility is passed on to its trading partners through several mechanisms :

1. A screening process is required before the contractor is invited to bid in each project/ job or pre-qualification. The criteria for screening are (1) company credibility and financial management ability (2) technical and technological innovation (3) management and consideration for environmental safety, occupational health and quality of work.
2. Determine safety standards and regulations in the contracts, especially for the development and construction sector, including

- A safety check plan must be established for construction workers - provision of training, assistance, and first aid, with regular reviews and improvement
- Safety officers must always be present on construction sites, while outside safety consultants certified with ISO 9001 are hired for inspection in addition to weekly inspection by CPN's project manager.
- All contractors must arrange life insurance for their workers in case of death while on duty, which is beyond the requirement of Thai laws.
- Concerning environmental awareness, it is stated in MOU between CPN and contractors to reduce usage of consumable supplies, and consider the use of local and recyclable materials, equipment and supplies in construction. In addition, the contractors are needed to care for environment as in reducing dust and waste, also correctly managing sewage during construction period.
- Concerning human rights, it is clearly stated in the contract that the use of child labor and forced labor are prohibited. Migrant workers must have work permits and be given fair wages.
- Proper facilities must be provided for workers, such as toilets, shower rooms, washing areas, food shelters, welfare groceries, childcare rooms, and accommodation.
- Concerning community impacts, CPN specifies in the contracts that contractors must survey and look after the neighborhood around construction sites to receive the least impact and must take corrective action should there be any valid complaint about the project's work.

3. A mechanism for evaluating business partners is established. A safety evaluation checklist and discipline/order are reviewed by the project manager and outside expert, weekly and monthly, with penalty if breached or neglected. Evaluation is also undertaken randomly by senior executives of the construction project and evaluation of each contractor in general after the project is completed. These assessments of producers and contractors is used for registering producers/hirees according to the criteria for contract and maintaining status of producer/hirees for next year's project in CPN's system.

In 2015, CPN establishes procurement policies with customers and users in mind by selecting contractors/producers/hirees for best value in terms of outcome/products and service as well as safety risks that the customers will face. For example, choosing a company to check and maintain lifts and escalators, CPN will hire the original manufacturer even though there may be several contractors involved, which may affect management and lead to higher costs, but the customer can have confidence that safety will be maintained at the highest level. Spending analysis is also used to ensure more effective procurement/purchases, for example, pooled procurement for supply instead of separating orders by each project, joint purchases with Central Group for the benefit of management. Another facet is the random checks of main producers and service providers.

TOPICS	2015 PERFORMANCE OUTCOMES	2016 PLANS
Supply chain management	<ul style="list-style-type: none"> • Improved the bidding process to ensure fairness to contractors and prevent advantage/disadvantage in the process of price negotiations. CPN is indicating a clear intent of anti-corruption, and clearly specifying channels for whistleblowing directly to the highest level of senior executives at the level of Senior Executive Vice Presidents, Executive Vice Presidents, and Senior Vice President (Business Development and Construction Management unit) in the invitation to bid letter and inside the bidding room. • Increased efficiency for expenditure management through e-bidding. In 2015, there was an increase of 70% of online bidding projects. 	<ul style="list-style-type: none"> • Prepare to announce the Supplier's Code of Conduct • Develop risk assessment of business partners with justice and more clearly determine ESG or sustainable risk in the supply chain.

SD MISSION 10:
ACTING ON GOOD GOVERNANCE
AND TRANSPARENCY

Details of Corporate Governance in pages 110 -125.



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

1.1 Competitiveness Sustainability Risk

CPN focuses on becoming a regional retail property developer to support the policy of growth through domestic branch expansion and tackling intensifying competition and responding to customers' changing lifestyle. To ensure that strategies and objectives are compatible with acceptable risks, CPN undertakes comprehensive project feasibility studies, synergy plans with Central Group, partners' business readiness and potential analysis, competitor analysis of existing competitors and newcomers, while offering new formats of shopping complexes to better satisfy each customer group' needs and differentiate CPN malls from others, such as in Central Festival EastVille, where all urban lifestyle needs can be fulfilled. In addition, key economic indicators have been closely monitored to track economic circumstances that might affect CPN's overall business operations and prepare appropriate plans for them.

1.2 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 target 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 into analysis on relevant information regarding business conduct in each target country. A special taskforce is appointed to study details and monitor continually economic, social, political, cultural, and industrial movement, as well as business & related businesses legislation, and identify competent investment alliances. The taskforce also defines personnel management policy, suited to countries of CPN's investment interest, for overseas staff and develops training courses on shopping center management with input from advisers, ensuring efficient allocation of competent personnel.

Thanks to its thorough risk management plan, efficiently, effectively, and continuously implemented, CPN rates its strategic risk medium (acceptable level) and still manageable for the future.

02 OPERATIONAL RISK

CPN values the stewardship of employees- a key strategy for developing the corporation toward sustainability - since its business growth policy with a focus on continual branch launches and the intensifying competition posed by the expansion of existing competitors and newcomers has hiked the needs for knowledgeable, skillful personnel of all disciplines in this business. The result is therefore a risk of competent personnel shortages.

Therefore, a People Development Committee was set up to look after employees so that they may perform their tasks efficiently and effectively, not to mention being contented with their tasks. An employee opinion survey is annually conducted to gauge employees' views, comments, and work satisfaction. Once the outcomes are known, each level of the committee jointly plans to modify rules and processes or advocate suitable employee activities to improve their satisfaction. The committee also develops employees' caliber through Individual Development Plan so that they may grow with CPN with a sense of belonging and pride in CPN's success.

Work plans of the People Development Committee across the board resulted in fewer resignations, with staff satisfaction scores now on a rise. Still, staff development will have to be carried on to have quality personnel in sufficient number and in time for business expansion and replace losses caused by tough competition. CPN rates the risk in this area medium for the time being. However, the risk has to be closely monitored to keep it manageable.

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 as to manage compliance risk.

In repressing and managing risks arising from corrupt practices, CPN has in place communication channels for stakeholders to make recommendations, complain, or inform the company about possible corrupt practices directly to the Audit Committee or the President & CEO. It also appointed a panel to systematically, openly, and auditably handle grievances or complaints to ensure confidence and trust in its fair investigation process for all related parties.

Considering the management's earnest compliance with relevant laws and regulations, coupled with stringent internal control and the clear, strict anti-corruption policy, CPN rates the risk in this area low.

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 high level of competition.

To increase its flexibility for future business expansion and reduce financial risks under a fast changing business environment, CPN endeavors to achieve robust financial statements by maintaining its capital structure with a low debt-to-equity ratio (not over 1 times) under a prudent monetary policy, as well as leveraging appropriate financial instruments in sourcing capital. Comprehensive investment analysis is also undertaken for each project so that only the right projects with high potential may be pondered by the Investment Committee before eventual approval.

In view of the tight financial policy, appropriate financial tools, and thorough consideration of the Board and the management team, which yielded outstanding financial performance, CPN rates its financial risk very low.

05 HAZARD RISK

As a shopping complex developer that brings more shopping happiness than its competitors in the number of patrons and nationwide service areas, CPN is more prone to work and service-related accidents and incidents like fires, flooding, earthquakes, political hazards, and assorted events related to the administration of shopping complexes that are difficult to anticipate. These could, however, produce significant losses to CPN's processes, properties, personnel, reputation financial standing, and business opportunities.

In conducting risk management for safety from threats to lives and properties, CPN has developed a system for monitoring and collect statistics on incident cases in all branches nationwide to analyze for causes and prepare solutions and future risk prevention efficiently and effectively.

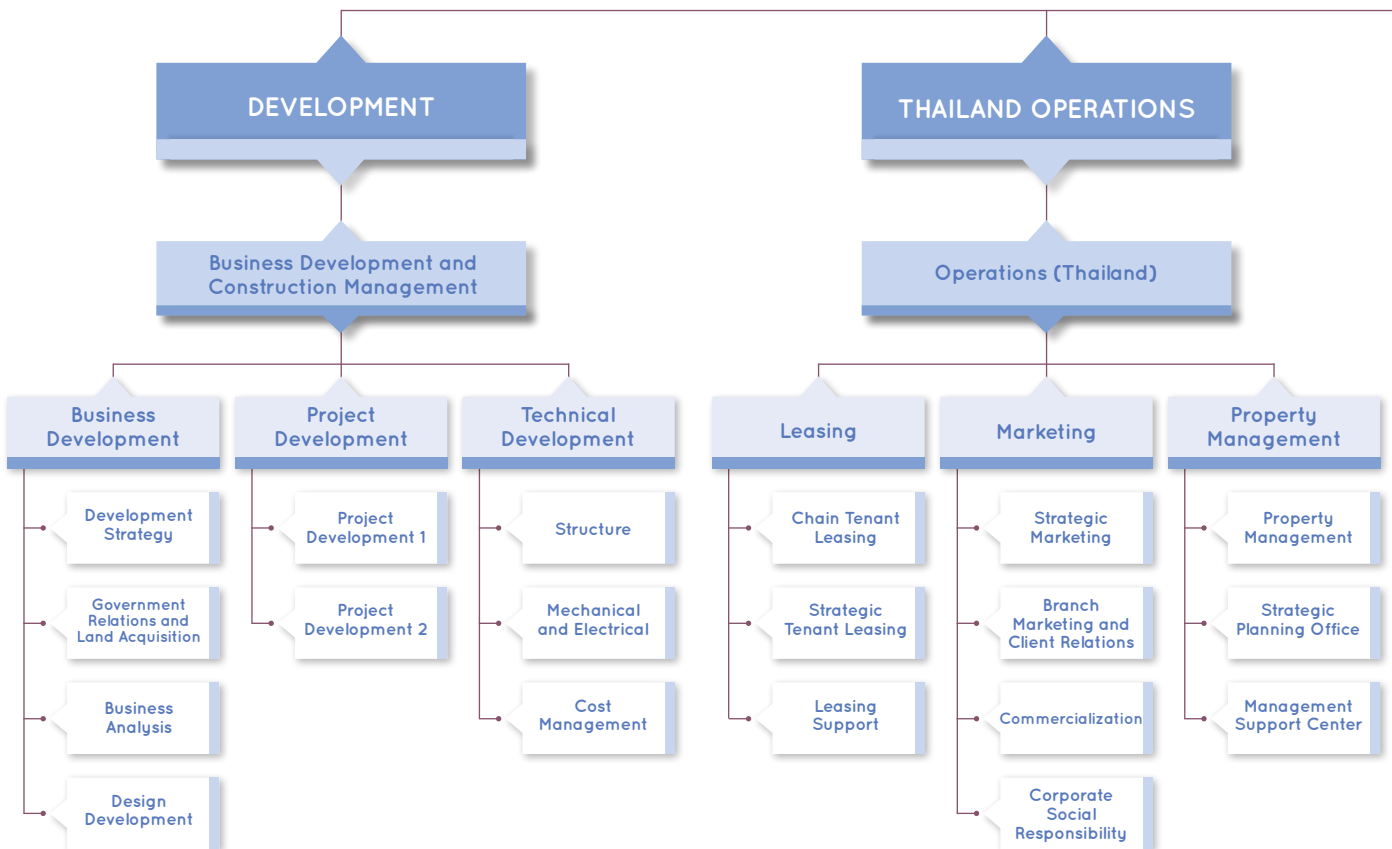
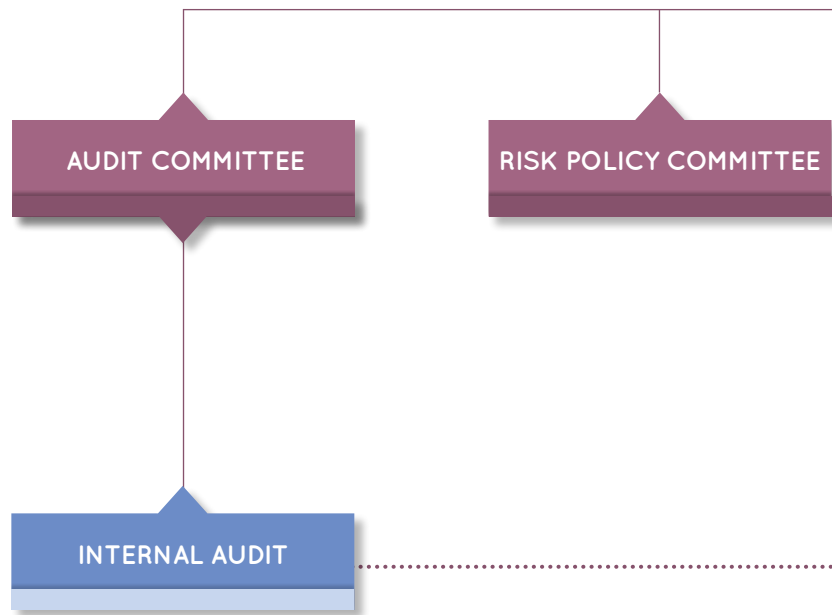
In managing the risk of safety of lives and properties, CPN has required the appointment of a Safety, Occupational Health, and Work Environment Committee under a ministerial regulation. Playing a key role in the prevention and resolution of problems, accidents, and losses, the committee ensures that CPN can effectively manage workplace safety.

CPN has in place a team tasked with loss prevention under the administration of the Office of Standard Promotion and Supervision, which centralizes the analysis of safety risk factors covering political situations, fires, flooding, and others hazards. To this end, a manual has been developed for standard operating procedures, and a crisis management plan is monitored for revision by simulating assorted emergencies and applying the outcomes to the analysis and plan modification. That way, proactive plans are developed for various scenarios under the Business Continuity Management standard.

In addition, to ensure business continuity under external circumstances or factors that may affect business operations, CPN recognizes the criticality of business continuity management, thus establishing the Business Continuity Management Committee (BCMC) to take charge of the matter. BCMC is assigned to and keep business adequately prepared for any threat. A Business Continuity Plan was drawn up to mitigate the severity of undesirable situations and ensure business turnaround to normalcy within reasonable time. In the previous year, CPN ran a business continuity drill at its Head Office, which was a notable success for the IT system, alternate site, and understanding among drill participants.

Concerning possible earthquakes in the North of the country, CPN sees high risk in this aspect. For branches in the risky areas, for example Chiangrai and Chiangmai, CPN has laid down a clear plan with drills performed to continuously forge understanding among staff, tenants, and customers to minimize damage. As for risks from other incident cases, CPN rates them low to medium (acceptable level).

ORGANIZATION CHART



BOARD OF DIRECTORS

EXECUTIVE COMMITTEE

CORPORATE GOVERNANCE AND SUSTAINABLE DEVELOPMENT COMMITTEE

NOMINATION AND REMUNERATION COMMITTEE

CEO

CEO OFFICE

COMPANY SECRETARY

INTERNATIONAL OPERATIONS

PLANNING, POLICY, AND SUPPORT

Operations

- Business Development
- Construction Management
- Leasing
- Property Management and Marketing

Finance, Accounting, and Risk Management

- Finance
- Accounting
- Risk Management
- Excellent Sustainability Development
- Legal and Tenant Management Information System

Human Capital Management and Organization Development

- Human Capital Management
- Organization Development

Corporate Strategic Office

- Strategy
- Merger and Acquisition

Special Project Development

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 Risk Policy Committee
 - 2.4 Corporate Governance and Sustainable Development 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:

- Four independent directors or equivalent 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 ¹ | Chairman |
| 2. Mr. Paitoon Taveebhol | Independent Director |
| 3. Mrs. Sunandha Tulayadhan | Independent Director |
| 4. Mr. Karun Kittisataporn | Independent Director |
| 5. Mrs. Jotika Savanananda ² | Independent Director |
| 6. Mr. Suthikiati Chirathivat ¹ | Director |
| 7. Mr. Suthichart Chirathivat ¹ | Director |

- | | |
|---|----------|
| 8. Mr. Sudhisak Chirathivat ¹ | Director |
| 9. Mr. Sudhitham Chirathivat ¹ | Director |
| 10. Mr. Kobchai Chirathivat ¹ | Director |
| 11. Mr. Prin Chirathivat ¹ | Director |
| 12. Mr. Preecha Ekkunagul | Director |

Note :

- ¹ Representatives of the shareholders
- ² Taking the position on September 25, 2015

DIRECTORS WITH COMPANY SIGNATORY RIGHTS

Directors with company signatory rights are Mr. Sudhitham Chirathivat, Mr. Prin Chirathivat, Mr. Kobchai Chirathivat, and Mr. Preecha Ekkunagul. The joint signatures of any two of these four 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 sub committees 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 250.

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.

SUB COMMITTEES AUDIT COMMITTEE

The Board of Directors is responsible for the appointment of members of the Audit Committee, which consists of four members, comprising 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. Mrs. Sunandha Tulayadhan | Member |
| 3. Mr. Karun Kittisataporn | Member |
| 4. Mrs. Jotika Savanananda ¹ | Member |

Note :

¹ Taking the position on November 1, 2015

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. Review extraordinary significant items of the past year (if any) on the basis of their sensibility, impacts on the financial standing and company performance, as well as the accuracy and completeness of the data disclosed
3. 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
4. Consider the accurate and complete disclosure of information in case of connected or related transactions or other transactions that may cause conflict of interest
5. Review the internal control system to ensure its suitability and effectiveness, including any transactions that may cause financial fraud
6. 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
7. Review and ensure that Internal Audit is independent and has an efficient internal audit process, in addition to ensuring Internal Audit's access to essential data
8. Review the activities and structure of Internal Audit and approve its charter
9. 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
10. Provide suggestions and remarks about the budget and manpower of Internal Audit for the management's approval
11. Review and endorse annual internal audit plans and changes subject to the assessment outcomes of enterprise risk management and Internal Audit's strategic plans
12. Review the internal audit plan with the head of the Internal Audit Office, especially about the internal control system and financial management process
13. Review audit plans and coordinate the scope of audit of internal auditor and the external auditor to be mutually supportive and eliminate redundancy
14. Review Internal Audit's performance outcomes against the Audit Committee-approved audit plans to ensure conformance to the Audit Committee-assigned framework of responsibility
15. Review the hiring of external experts to conduct internal audit if the internal auditor lacks essential skills or specialization needed to conduct internal audit, including IT aspects
16. Institute annual quality assurance reviews and external quality reviews at least every five years
17. 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
18. Review the scope and method of auditing proposed by the external auditor as well as reasons for changing the auditing method (if any)

19. 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
20. Review the report of the external auditor and submit to the management for adjustments in practices as well as following up on such suggestions
21. Consider the adequacy and efficiency of coordination between the external auditor and Internal Audit
22. 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
23. Review conformance by the Company to Securities and Exchange laws, SET requirements, or CPN business-related laws and ethics
24. Review the management's performance and follow up in case of nonconforming
25. Review issues identified by external regulators and remarks by auditor
26. Review the communication of Code of Ethics to the employees and monitor its conformance
27. Review progressed report from management and Company's legal advisor regarding key issues on conforming to the relevant laws and regulations
28. Report its performance for acknowledgement and consideration once every quarter
29. Review any reports prepared by the Company regarding duties and responsibilities of the Audit Committee
30. 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
31. 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:
 - 31.1 Transactions regarding conflict of interests
 - 31.2 Transactions regarding frauds, irregularities or significant deficiencies in internal control system
 - 31.3 Any violation of SEC's laws, rules of SET or laws relevant to the Company's business
32. In case the Board or the management fails to take corrective actions on those transactions under 31.1, 31.2, and 31.3 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
33. Review CPN's continual process of good corporate governance, as well as providing approaches and advices for development
34. Emphasize and promote good corporate governance as a regular agenda for the Board meetings and AGMs
35. 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
36. Review CPN's risk management process to ensure standardization, effectiveness, and efficiency
37. Work with the management in considering key policies regarding risk management and risk assessment as well as risks from corruptions
38. 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
39. Conduct other Board-assigned duties
40. 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
41. Conduct other duties assigned by SET
42. 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

43. 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 consists of three members, comprising as follows:

- Two independent directors
- One non-executive director
- The Chairman is an independent director.

THE NAMES AND POSITIONS OF THE MEMBERS OF THE NOMINATION AND REMUNERATION COMMITTEE ARE AS FOLLOWS:

- | | |
|---|----------|
| 1. Mr. Karun Kittisataporn | Chairman |
| 2. Mrs. Sunandha Tulayadhan | Member |
| 3. Mr. Sudhitham Chirathivat ¹ | Member |

Two advisors to the Committee are appointed as follows:

- | | |
|-----------------------------|----------|
| 1. Mr. Sudhisak Chirathivat | Advisory |
| 2. Mr. Prin Chirathivat | Advisory |

Note :

¹ Taking the position on September 17, 2015

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

- 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

- 1) Consider a clear compensation method and standard for directors, members of the sub-committees, 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 director 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 advisor(s), or both, to provide advice on the Committee's performance. As seen essential and suitable, NRC may decide on such advisors' 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

RISK POLICY COMMITTEE

The Board of Directors is responsible for the appointment of the members of the Risk Policy Committee, which consists of four members, comprising as follows:

- Four directors
- The Chairman is an independent director.

THE NAMES AND POSITIONS OF THE MEMBERS OF THE RISK POLICY COMMITTEE ARE AS FOLLOWS:

- | | |
|----------------------------|----------|
| 1. Mr. Paitoon Taveebhol | Chairman |
| 2. Mr. Kobchai Chirathivat | Member |
| 3. Mr. Prin Chirathivat | Member |
| 4. Mr. Preecha Ekkunagul | Member |

DUTIES AND RESPONSIBILITIES OF THE RISK POLICY 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.

In addition, the management has appointed a risk management committee consisting of senior executives and the executives from each core department to steer and ensure that CPN's risk management is systematically conducted by an explicitly responsible unit and that all CPN units adhere and conform to such risk management practices, whether in strategic plan definition or in business performance.

CORPORATE GOVERNANCE AND SUSTAINABLE DEVELOPMENT COMMITTEE

Corporate Governance and Sustainable Development Committee consists of 10 members :

THE NAMES AND POSITIONS OF THE MEMBERS OF THE CORPORATE GOVERNANCE AND DEVELOPMENT COMMITTEE ARE AS FOLLOWS :

- | | |
|------------------------------------|----------|
| 1. Mr. Preecha Ekkunagul | Chairman |
| 2. Ms. Wallaya Chirathivat | Member |
| 3. Mr. Suthipak Chirathivat | Member |
| 4. Ms. Naparat Sriwanvit | Member |
| 5. Ph.D. Nattakit Tangpoonsinthana | Member |
| 6. Mrs. Narttaya Chirathivat | Member |
| 7. Mrs. Panida Sooksridakul | Member |
| 8. Major Narit Ratanaphichetchai | Member |
| 9. Mrs. April Srivikorn | Member |
| 10. Mr. Chanavat Uahwatanasakul | Member |

DUTIES AND RESPONSIBILITIES OF THE CORPORATE GOVERNANCE AND SUSTAINABLE DEVELOPMENT 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 and sustainable development policies, regulations, and guidelines, together with promoting and providing recommendations on related programs and activities
- 3) Represent CPN in communicating corporate governance and sustainable development activities with directors, management, employees, and all stakeholders
- 4) Ensure accurate, comprehensive disclosure of CPN's corporate governance and sustainable development information via appropriate communication channels
- 5) Review and revise all components of the Corporate Governance and Sustainable Development Committee's duties and responsibilities to ensure alignment with corporate governance policy before submission to the Board for approval.

EXECUTIVE COMMITTEE

The Board of Directors is responsible for the appointment of members of the Executive Committee, which consists 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
- 5) Approve notary's rights and legal transactions concerning all CPN shopping centers and subsidiaries that constitute or support normal business
- 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

- 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
- 8) Approve the allocation of net income for legal reserve provisions
- 9) Approve capital expenditure of up to 200 MB
- 10) Be responsible for human resource management of senior executives
- 11) Promote and motivate employees
- 12) Approve other Board-assigned transactions on a case-by-case basis

MANAGEMENT COMMITTEE

The Management Committee consists of 10 members:

- | | | |
|-----|---|----------|
| 1. | Mr. Preecha Ekkunagul
President & CEO | Chairman |
| 2. | Ms. Wallaya Chirathivat
Senior Executive Vice President,
Business Development and
Project Construction | Member |
| 3. | Mr. Suthipak Chirathivat
Senior Executive Vice President,
Office of the President | Member |
| 4. | Ms. Naparat Sriwanvit
Senior Executive Vice President,
Finance, Accounting and Risk Management | Member |
| 5. | Ph.D. Nattakit Tangpoonsinthana
Executive Vice President, Marketing | Member |
| 6. | Mrs. Narttaya Chirathivat
Executive Vice President, Office of the President | Member |
| 7. | Mrs. Panida Sooksridakul
Executive Vice President, Property Management | Member |
| 8. | Major Narit Ratanaphichetchai
Executive Vice President, Project Development 1 | Member |
| 9. | Flt.Lt. Kree Dejchai
Executive Vice President,
Special Project Development | Member |
| 10. | Mrs. April Srivikorn
Executive Vice President,
Corporate Strategic Office | Member |

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 RISK POLICY COMMITTEE
1. Mr. Suthichai Chirathivat	C	-	-	-
2. Mr. Paitoon Taveebhol	M	C	-	C
3. Mrs. Sunandha Tulayadhan	M	M	M	-
4. Mr. Karun Kittisataporn	M	M	C	-
5. Mrs. Jotika Savanananda	M	M	-	-
6. Mr. Suthikiati Chirathivat	M	-	-	-
7. Mr. Suthichart Chirathivat	M	-	-	-
8. Mr. Sudhisak Chirathivat	M	-	A	-
9. Mr. Sudhitham Chirathivat	M	-	M	-
10. Mr. Kobchai Chirathivat	M	-	-	M
11. Mr. Prin Chirathivat	M	-	A	M
12. Mr. Preecha Ekkunagul	M	-	-	M

Note:

C - Chairman

M - Member

A - Advisory

CORPORATE GOVERNANCE

Since 2004, the Board of Directors of Central Pattana Public Company Limited has drawn up a Corporate Governance (CG) Policy to ensure business efficiency, transparency, and accountability, leading toward secure, sustainable growth.

Annually, CPN's Code of Conduct and CG Policy undergo revision and amendment in line with good worldwide practices, like the rules of the Organisation for Economic Co-operation and Development (OECD), Stock Exchange of Thailand (SET), and other international good practices.

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 123.
- 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 123.
- Acting under the principles and guidelines on affording equal treatment to all shareholders during shareholders' meetings as detailed below:

2015 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 2015 AGM was held on Friday, April 24, 2015, at 14.05 hours at World Ballroom, 23rd floor, Centara Grand & Bangkok Convention Center at CentralWorld, 999/99 Rama 1 Road, Patumwan, Bangkok. A total of 1,658 shareholders personally attended or were represented by their proxies (equal to 81.74% of all shares issued) together with 12 (of the 13) directors (equal to 92.31% 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 Risk Policy 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 29, 2014 to January 15, 2015. 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 2015, no shareholder proposed any name or agenda item for consideration.
- Meeting notices are in Thai and English. For the 2015 AGM, the meeting notice was posted on CPN's website on March 24, 2015, 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/seminar 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 of the last three years, 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. In addition, the names and profiles of the four independent directors are provided for shareholders' voting by proxy. At the 2015 AGM, 984 shareholders appointed independent directors as their proxies. Details are as follows:
 - 872 shareholders appointed Mr. Paitoon Taveebhol, Chairman of the Audit Committee.
 - 70 shareholders appointed Mrs. Sunandha Tulayadhan, Member of the Audit Committee.
 - 42 shareholders appointed Mr. Karun Kittisataporn, Member of the Audit Committee.

DURING THE MEETING

- CPN provided at least a three-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 2015, 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 “CG Policy”, 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. Creating superior value to satisfy customers’ needs and expectations via responsive procurement in line with the Value Chain principle.
7. 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.
8. Conducting focus groups to learn the specific needs of each tenant group and assessing the outcomes for service improvement.
9. 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.
10. 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.

CPN has clearly defined its procedure for business partner selection under its rule on procurement and the rule on project development and construction management, including procurement through business partner selection by price inquiry or price auction, or through E-Auction under CPN's rule on pool procurement. Procurement is, in any case, conducted transparently in line with CPN's Anti-corruption Policy.

- **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, with CPN holding membership and directorship in the association since 1998. In 2015, joint discussions included the following matters:

1. Publicity guidelines for association information through various communication channels, including press conferences and interviews with the mass media, publicity documents, and association seminars designed to educate and provide intelligence on the shopping center business that is useful and timely for the public.
2. Appointment of a mini-taskforce to track new laws and provide views on laws potentially affecting the businesses of shopping centers and retail commerce.
3. Implementation of safety measures, including cooperation for crisis preparedness and the invitation of experts to discuss security matters in shopping centers.

- **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 066.

- **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 during conducting feasibility studies of projects and complying with them throughout the development stages, with constant monitoring of any legal revision that may affect its business operation. For example, CPN fully complies with city planning laws to avoid causing any economic, social, and environmental impacts.

CPN also strictly observes the laws of every targeted country to ensure that its overseas investments are properly and transparently executed.

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. For instance, participation in the Business & Philanthropy Leaders Forum, hosted by the United Nations Entity for Gender Equality and the Empowerment of Women (UN Women), where a CPN director was represented as an executive of the Central Group. CPN is a business unit of the Central Group that is ready to support UN Women’s projects in suppression of violence against women and promotion of gender equality. 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

CPN has undergone the certification process and become an ally of the Thailand’s Private Sector Collective Action Coalition against Corruption (CAC) since January 16, 2015, organized by the Thai Institute of Directors Association (IOD) in conjunction with the Thai Chamber of Commerce, International Chamber of Commerce, Thai Listed Companies Association, and Thai Bankers’ Association.

This year, CPN constantly communicated and carried out its Anti-corruption Policy and Measures, including



- Declaration of management intention at the Management Information Meeting to demonstrate its resolve and be a role model for anti-corruption. Also, staging of Communication Day to communicate with all employees at all branches.
- Employee education through training and orientation, together with other PR media, like the ADMIRE journal and bulletin boards.
- Definition of a policy to prevent business money laundering in support of the public sector's suppression of law-breaking and prevention of fraud. Board Meeting No. 1/2016, held on January 8, 2016, approved a Policy on Anti-money Laundering, regarded as part of the Code of Conduct and CG Policy.
- Representation by a CPN representative at training and seminars to add knowledge and form an alliance for anti-corruption, including a seminar entitled "400 Companies, 1 Voice Combating Policy-level Corrupt Practices", "Active Citizens Combating Corruption Threat" (held on the National Anti-corruption Day), and a workshop entitled "Anti-corruption Guidelines for Business Entities".
- A study on how to expand cooperation to CPN's business partners, which is under the plan formulation stage to establish a business group culture against any form of fraud.

Details of the relevant policies appear in the Code of Conduct, CG Policy, and CPN's Anti-corruption Measures.

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 ask, alert or file complaints together with detailed evidence to the company or relevant agencies via the following channels. Then, the Audit 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
 30th 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
 Email : CEO@cpn.co.th

- **Use i-dea Box** located across the workplace.

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 Policy".

In 2015, CPN was engaged in no significant dispute with any stakeholders.



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.

RESPONSIBLE PERSONS FOR INFORMATION DISCLOSURE

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

INVESTOR RELATIONS

CPN established an Investor Relations Division as the center for handling enquiries, disclosing the Company's information, and liaising 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 ensures an accurate, complete, equitable, and timely dissemination of material information to the target group 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) by quarterly and yearly provides 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 accurate and sufficient information for their decision-making on investment and monitoring of the Company's performance.
3. Disclosure of its information via the 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. Information disclosed on the website includes 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 7,857 visitors a month, with over 311,494 viewings of the webpage information a month. Furthermore, over 4,144 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 impacts caused by internal and external factors. This provides opportunity for executives to meet and answer the questions from analysts, investors, and shareholders in person where last year, an average of 30-40 investors and the interested public participated at each quarterly Opportunity Day. SET also provides a live webcast via SET's website where the viewers can post their questions as seen by the CPN executives through a monitor before them 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 has regularly hosted a variety of investor-meeting activities so that senior executives and Investor Relations meet investors and elaborate information on CPN's performance, strategic plans, guidelines on business growth, and a recap of major events during the period, and answer any questions. These activities in 2015 included:

1. Travelling to meet current and potential investors (roadshow) comprising:
 - 5 roadshows in overseas
 - 6 roadshows in domestic.
2. Hosting 73 company visits to enable analysts, retail investors as well as Thai and foreign institutional investors, to meet CPN's senior executives and Investor Relations via prior appointments to acquire Company information.

3. Organizing one analyst briefing and one investor briefing, inviting securities analysts and Thai institutional investors to visit CentralPlaza WestGate which was launched in August, at the same time, meet CFO to acquire Company information and update quarterly performance results.
4. Hosting 24 site visits for investors and securities analysts via prior appointments,. CPN, in cooperation with securities companies took foreign and Thai investors to visit the Company's shopping centers under CPN's management, where they comprehended business operation through presentations from executives.
5. Holding 12 conference calls with investors.
6. 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 analysts' opinions. Shareholders, investors, and interested parties may contact the Company for additional information through:

Investor Relations Division

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

5. BOARD RESPONSIBILITIES

The Board provides views on the defined policies, vision, missions, and financial goals for every five years together with CPN's strategic plans, with annual revision to be compatible with prevailing business circumstances.

CPN's key strategies and policies are relayed to all executives and employees through various channels. At the executive level, this is done through the Annual Management Committee meeting and the Biannual Management Information Meetings. As for employees at Head Office and branches, communication flows

through the respective lines of command to ensure thorough communication. The Board tracked work progress through quarterly reviews of task outcomes.

THE BOARD'S STRUCTURE

The Board consists of four independent directors out of a total of 12, equivalent one-third of the total. A list of independent directors' names and information appears under "Management Biography" on page 241. 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 100.

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

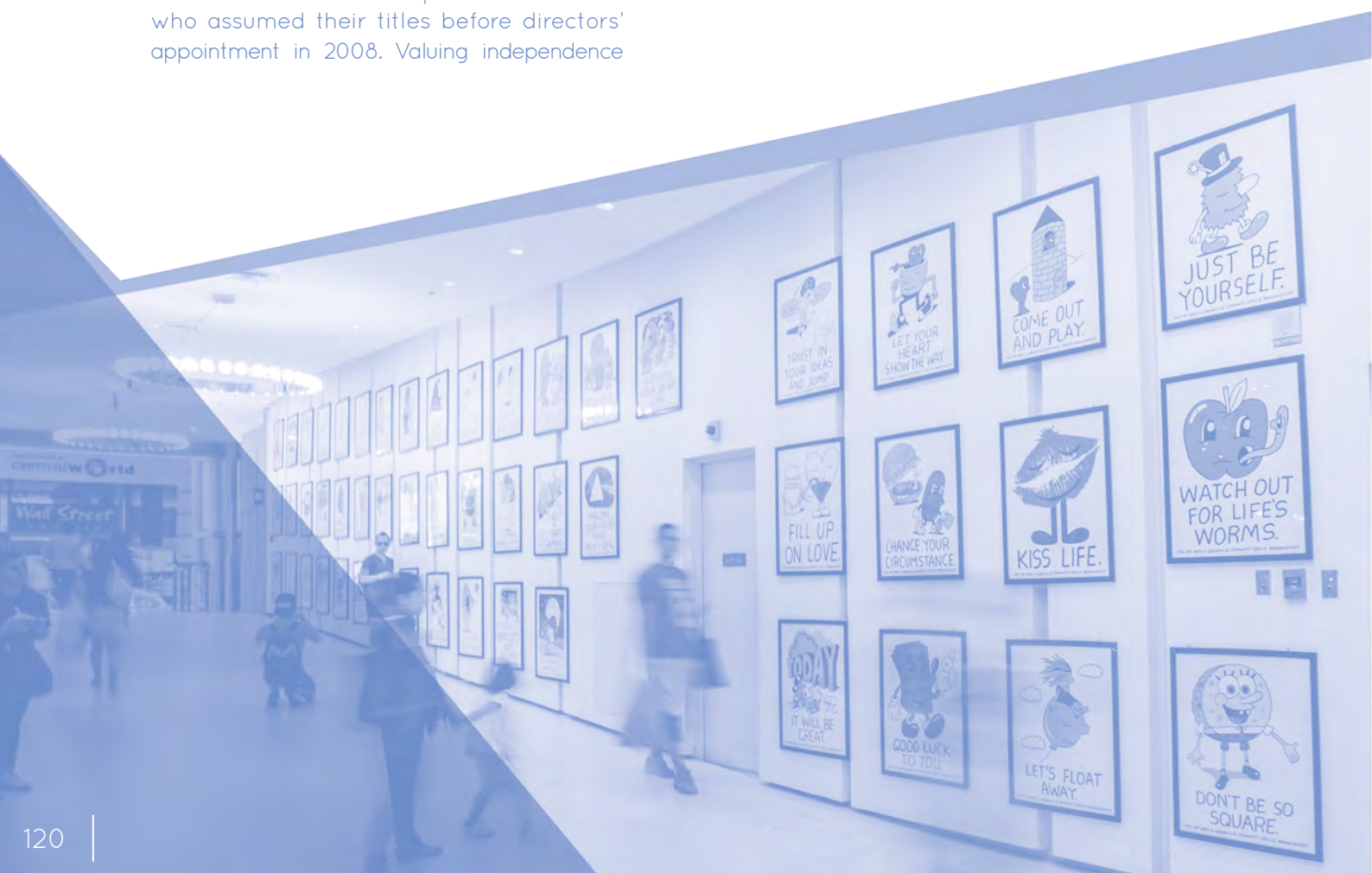
- A director must not serve on more than five SET-listed companies. Currently, this requirement applies.
- Independent directors may hold office for up to two consecutive terms, extendable to up to nine years in total. Taking effect from September 27, 2013, this decision is not retroactive for independent directors who assumed their titles before directors' appointment in 2008. Valuing independence

and continuity of independent directors' performances, the Board decided that the terms of independent directors appointed before directors' appointment of 2008 should not end simultaneously, effective from the 2015 AGM. In conformance to this, Mr. Chackchai Panichapat completed his term and did not return as director. Other independent directors appointed before 2008 will gradually complete their terms under such decision.

- 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, 2015, the President is not a director of any listed company other than CPN.

BOARD MEETINGS

- The Board jointly plans meeting dates for the entire year in advance, with at least six meetings a year. In 2015, there were six regular Board meetings.



- 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.
- Each time the Board voted, the Board decided that the Board composition should be recorded in the meeting minutes, effective from Board Meeting No. 2/2015. To date, voting on each item requiring approval was done by no less than two-thirds of the Board.
- 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, overseas project updates, market situations and project investment plans, “social interest” events or those that could involve CPN's business, and CG guidelines, and so on.
- 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 2015, two meetings were held in March and November to review connected transactions and strategic plans for 2016, where summaries of issues for consideration and helpful recommendations were provided to the Board and the management for further action.
- 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 2015 averaged 94.96%.
- 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

1. 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 1 The Board evaluates the scores given to the following five aspects of its operation:

- 1) Board structure and qualifications
- 2) The roles, duties, and responsibilities of the Board
- 3) Board meetings and board performance
- 4) Relationship with management
- 5) 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.

This year the Board gave its views on business guidelines for sustainability, in-depth study of data concerning retail property businesses, brand valuing and development, and the policy to develop personnel to accommodate increased competition.

- **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.

2. 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.

3. SUBCOMMITTEE'S SELF-EVALUATION FORM

All subcommittees including 1) Audit Committee, 2) Nomination and Remuneration Committee, 3) Risk Policy Committee, and 4) Corporate Governance and Sustainable Development Committee 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.

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 241.

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. Control environment
2. Risk assessment
3. Control activities
4. Information and Communication
5. Monitoring activities.

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 Ms. Nonglak Sriwongphanawes, 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.

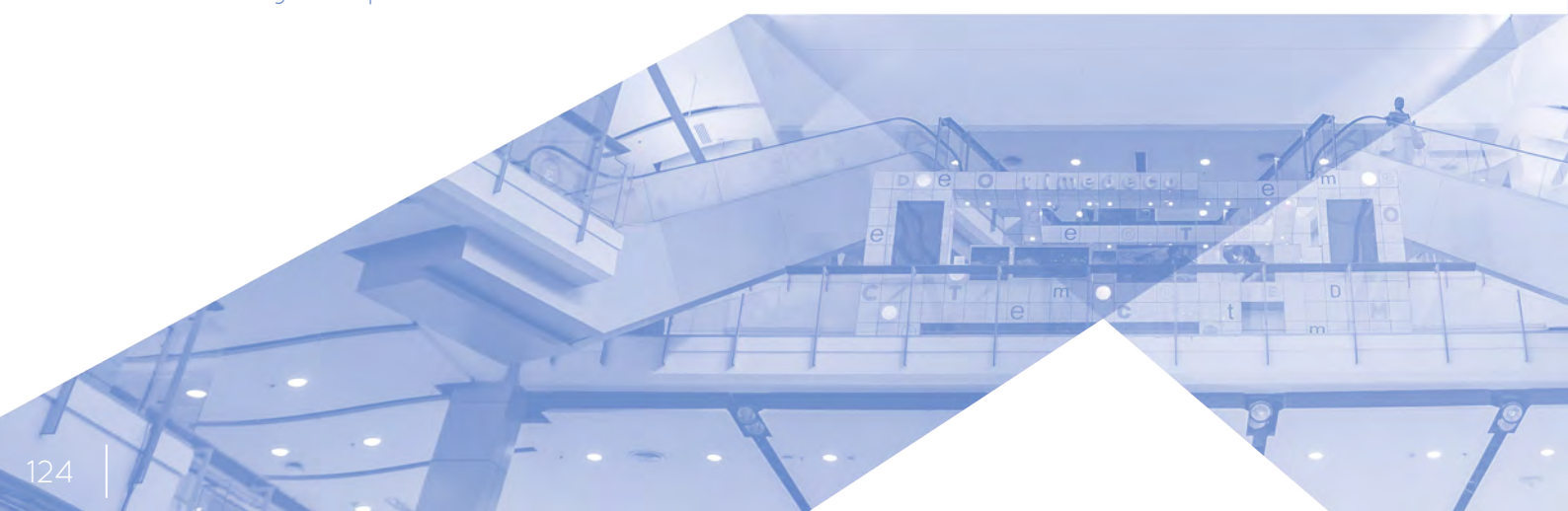
- **Disclosure of connected transactions:** For each fiscal year ending on December 31, directors and executives must fill out the connected transactions disclosure form to demonstrate their transparency, thoroughness, and discretion for deliberating connected transactions during the year. The form is 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 Audit Committee within seven days after receiving the report.

In 2015, CPN did not receive any complaint about misuse of inside information committed by any director or executive.

ADDITIONAL IMPLEMENTATION UNDER CG PRINCIPLES

Further good corporate governance practices implemented by CPN in 2015 were as follows:

- Handling of the conflict of interest of Mr. Kanchit Bunajinda, independent director, who left the Board meeting and abstained on the approval of an item of possible vested interests. This action prevented potential conflicts of interest, possibly arising from his directorship status in CPN and another listed company possibly in the same business as and in competition with CPN. And once the meeting approved this transaction, Mr. Kanchit Bunajinda immediately resigned from the Board, as detailed under CPN's notification of SET on September 17, 2015.
- Development and publicity of the Code of Conduct and CG Policy as E-books for CPN employees to study and revise conveniently and quickly.
- Production of seven episodes of the CG Mini Series, dealing with the real-life application of the Code of Conduct and CG Policy through enjoyable and simple presentation by series characters. Publicity is through the intranet, which is viewed by CPN employees before training and orientation.





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

The Nomination and Remuneration Committee reviews eligible directors by:

- Allowing the major shareholder, minor shareholders, directors, and executives to nominate 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 2015

- Examining the Director Pool of the Thai Institute of Directors Association or other agencies with similar lists
- Leveraging other channels considered suitable by the Nomination and Remuneration Committee.

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/hervoting 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 2015 AGM approved the appointment of Dr. Veerathai Santiprabhob as an independent director replacing Mr. Chackchai Panichapat, who completed his term. Dr. Veerathai Santiprabhob later resigned to become Governor of the Bank of Thailand, effective September 25, 2015. After conducting the selection and screening processes, the Nomination and Remuneration Committee nominated Mrs. Jotika Savanananda, whose knowledge and experience are beneficial for CPN's business operations, replacing Dr. Veerathai Santiprabhob as an independent director. The Board subsequently approved her appointment, effective September 25, 2015. Mrs. Jotika Savanananda was also appointed by the Board as a member of the Audit Committee, effective November 1, 2015.

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

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 sub committees; 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
- Performance reports of the Nomination and Remuneration Committee dating back one year
- Performance reports of the Risk Policy Committee dating back one year.

This year, Dr. Veerathai Santiprabhob and Mrs. Jotika Savanananda attended an orientation for newly-appointed directors.

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.

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 Corporate PDC (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 Corporate PDC and CG Corporate PDC.

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 2015, 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 2015 Annual General Meeting of Shareholders on April 24, 2015 for approval with a ceiling of Baht 12,000,000, 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 Risk Policy Committee (Baht/Meeting)	23,000
Total Remuneration for the Directors as approved by the shareholders	12,000,000

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

The quarterly retainer for the directors together with meeting allowances for sub committees for 2015 totaled Baht 10,612,843, whereby details of meeting attendance and remuneration are as follows:

MEETING ATTENDANCE AND REMUNERATION OF THE DIRECTORS IN 2015

NAME OF DIRECTORS	POSITION	MEETING ATTENDANCE (MEETING)			
		BOARD OF DIRECTORS	THE AUDIT COMMITTEE	THE NOMINATION AND REMUNERATION COMMITTEE	THE RISK POLICY COMMITTEE
		6 MEETINGS	11 MEETINGS	3 MEETINGS	3 MEETINGS
1. Mr. Suthichai Chirathivat	Chairman	6/6	-	-	-
2. Mr. Paitoon Taveebhol	Independent Director Chairman of the Audit Committee Chairman of the Risk Policy Committee	6/6	11/11	-	3/3
3. Mr. Chackchai Panichapat ¹	Independent Director Member of the Audit Committee Chairman of the Nomination and Remuneration Committee	2/2	3/3	1/1	-
4. Mrs. Sunandha Tulayadhan	Independent Director Member of the Audit Committee Member of the Nomination and Remuneration Committee	6/6	10/11	3/3	-
5. Mr. Karun Kittisataporn ²	Independent Director Member of the Audit Committee Chairman of the Nomination and Remuneration Committee	6/6	11/11	3/3	-
6. Mr. Kanchit Bunajinda ³	Independent Director Member of the Nomination and Remuneration Committee Member of the Risk Policy Committee	5/5	-	3/3	2/2
7. Dr. Veerathai Santiprabhob ⁴	Independent Director Member of the Audit Committee	3/3	3/4	-	-
8. Mrs. Jotika Savanananda ⁵	Independent Director Member of the Audit Committee	1/1	2/2	-	-
9. Mr. Suthikiati Chirathivat	Director	4/6	-	-	-
10. Mr. Suthichart Chirathivat	Director	6/6	-	-	-
11. Mr. Sudhisak Chirathivat	Director Advisory of the Nomination and Remuneration Committee	6/6	-	3/3	-
12. Mr. Sudhitham Chirathivat ⁶	Director Member of the Nomination and Remuneration Committee	6/6	-	2/3	-
13. Mr. Kobchai Chirathivat	Director Member of the Risk Policy Committee	6/6	-	-	2/3
14. Mr. Prin Chirathivat	Director Member of the Risk Policy Committee Advisory of the Nomination and Remuneration Committee	5/6	-	3/3	3/3
15. Mr. Preecha Ekkunagul	Director Member of the Risk Policy Committee	6/6	-	-	3/3
TOTAL					

Note:

¹ Completed his director's term on April 24, 2015

² Appointed Chairman of the Nomination and Remuneration Committee on April 24, 2015

³ Resigned from the Board on September 17, 2015

DIRECTOR REMUNERATION (BAHT)					TOTAL (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 RISK POLICY COMMITTEE	
552,000	345,000	-	-	-	897,000
508,000	240,000	715,000	-	69,000	1,532,000
123,846	80,000	150,000	23,000	-	376,846
392,000	240,000	500,000	69,000	-	1,201,000
392,000	240,000	550,000	69,000	-	1,251,000
243,000	200,000	-	69,000	46,000	558,000
167,725	120,000	150,000	-	-	437,725
92,272	40,000	100,000	-	-	232,272
324,000	160,000	-	-	-	484,000
324,000	240,000	-	-	-	564,000
324,000	240,000	-	69,000	-	633,000
324,000	240,000	-	46,000	-	610,000
324,000	240,000	-	-	46,000	610,000
324,000	200,000	-	69,000	69,000	662,000
324,000	240,000	-	-	-	564,000
4,738,843	3,065,000	2,165,000	414,000	230,000	10,612,843

⁴ Appointed to the Board on April 24, appointed to the Member of the Audit Committee on May 8, and resigned from the Board on September 25, 2015

⁵ Appointed to the Board on September 25, and appointed to the Member of the Audit Committee on November 1, 2015

⁶ Appointed to the Member of the Nomination and Remuneration Committee on September 17, 2015

REMUNERATION OF MANAGEMENT

For the remuneration of the management, CPN bases its decisions on fairness and suitability for their responsibilities proportionally to company performance and comparison with pay rates of industry peers.

In addition, it takes into account individual performance outcomes against their goals in line with CPN's vision, mission, and annual strategic plans so as to drive the CEO's and the management's long-term contribution to organizational stability and growth. Below are the details.

- **Remuneration for CEO:**

The Nomination and Remuneration Committee and the Board of Directors evaluate the performance of the CEO annually to set appropriate remuneration in form of salary and bonuses.

- **Remuneration of Senior Management:**

Each year the CEO assesses the performances of individual members of senior management, the outcomes of which support decisions on their remuneration (salaries and bonuses).

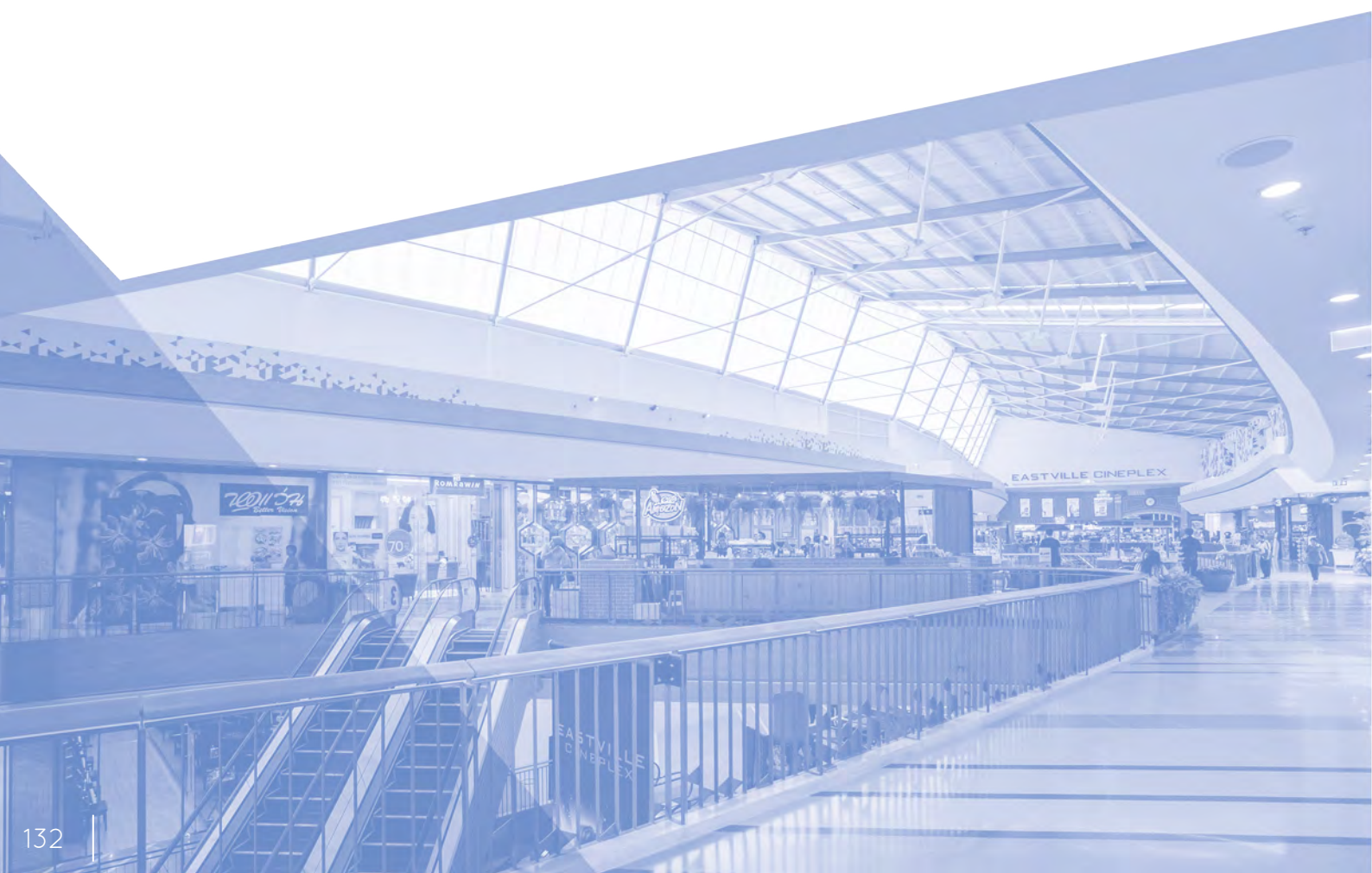
The total remuneration paid to the management for 2015 are as follows:

- **Salaries and Bonuses**

CPN contributed remuneration in form of salaries and bonuses paid to 12 executive managements in 2015 amounted to Baht 109,771,622.

- **Provident Fund**

CPN contributed the Provident Fund paid to 12 executive managements in 2015 amounted to Baht 6,526,600.40.



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 constant leader in retail business. Central Group encompasses various businesses, ranging from department stores, hotels, restaurants, to retail shops of various brands and products, which are anchor and retail tenants within CPN's shopping complexes. It can be said that the alliance businesses within 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 Central Group are two related business alliances, and such alliance businesses create synergies that benefit CPN. The Board of Directors and 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 2015. 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 2015 was 3,939 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

DETAIL	CONNECTED PARTY	RELATIONSHIP	TRANSACTION VALUE (MB)
1. CPN earns revenue from rental, service fees, utility fees, and other revenue from leasing retail areas in shopping complexes and office building. The transactions in this category occur in the course of normal business following the condition of general trading.	1. Central Department Store Group (CDG) ⁽¹⁾	Majority share held by the Chirathivat Group	1,480
	2. Central Food Retail Group (CFG) ⁽²⁾		398
	3. Central Hardlines Group (CHG) ⁽³⁾		186
	4. Central Online Group (COL) ⁽⁴⁾		92
	5. Central Marketing Group (CMG) ⁽⁵⁾		512
	6. Centara Hotels and Resorts Group (CHR) ⁽⁶⁾		120
	7. Central Restaurants Group (CRG) ⁽⁷⁾		416
	8. Other businesses ⁽⁸⁾		735
2. CPN has made a sub-lease contract for land and part of the building in the premises of CentralWorld Project ⁽⁹⁾		Related parties of CPN are serve as major shareholders, directors, management or controlling persons	

Remark:

- (1) CDG runs department stores, which comprise Central Department Store, Robinson Department Store, Zen Department Store, Central Embassy Shopping Center, SuperSports, La Rinascente Department Store and ILLUM Department Store, etc.
- (2) CFG operates consumer goods retailers, which comprise Central Food Hall, Tops Supermarket, FamilyMart, EATHAI and Central Wine Cellar
- (3) CHG operates home decoration, electronic and construction products retailers, which comprise PowerBuy, HomeWorks, baan & BEYOND and Thai Watsadu
- (4) COL operates stationery shops, bookstores, and office supplies solution providers through both in-store and online formats, which comprise OfficeMate and B2S
- (5) CMG manages imported consumer goods bearing both international and house brands in categories as follows.
- Apparels : such as Benetton, Dorothy Perkins, Hush Puppies, G2000, Jockey, Lee, Miss Selfridge, Wrangler and Topshop Topman, etc.
 - Cosmetic : such as CLARINS, Laura Mercier, PAYOT and H2O+, etc.
 - Watches : such as Guess, Casio and Nautica, etc.
 - Miscellaneous : such as Dyson, Tanita and Kawai, etc.
- (6) CHR operates hotels and resorts in Centara Group.
- (7) CRG operates Quick Service Restaurants in various brands such as Mister Donut, KFC, Auntie Anne's, Pepper Lunch, Chabuton, Cold Stone Creamery, RYU Shabu Shabu, Yoshinoya, Ootoya, The Terrace and Tenya, etc.
- (8) Other businesses such as Fuji Japanese Restaurant, Zen Japanese Restaurant, AKA, Sakura Restaurant, Bar-B-Q Plaza, Thai Privilege Health Care Spa, Body Shop and Ragazze, etc.
- (9) 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.

2. EXPENSES PAID TO CONNECTED PARTIES COMPRISE expenses for space rental in shopping complexes, land rental, and management fees. In 2015, CPN paid altogether 879 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** 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.

Details of 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 Central Plaza Ramindra and Central Plaza Pinklao projects.
- 2.2 CPN rents parts of the buildings belonging to Central Department Store Co., Ltd., which Chirathivat Group is major shareholder, in Central Plaza Lardprao, Central Plaza Pinklao, and Central Plaza Ratchada-Rama III projects for development into retail areas in addition to the parts where CPN holds land ownership or land rental rights.
- 2.3 CPN sub-rents some part of land and building in Central Plaza 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.

- 2.4 CPN hired Harnng 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.
- 2.5 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.
- 2.6 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 CentralPlaza WestGate 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. The Board of Directors of CPN at its meeting No. 4/2015, dated August 7, 2015, approved the revocation of part of the land lease for CentralPlaza WestGate Project with Vantage, so that Vantage may sell the land as mentioned to the IKANO Group of companies for IKEA Store construction. In return for this revocation, Vantage has agreed to refund the upfront fee and rental fee paid by CPN under the conditions of the land lease, amounting to about Baht 120 million.
- 2.7 CPN invested in part of the assets under the CentralFestival Phuket 1 Project with Central Department Store Co., Ltd. (“CDS”), a company in Central Group which Chirathivat Group is a major shareholder. This investment consisted of 41-year land subleasing where the project is located, the contract ending on June 6, 2056; a partial lease of the project building (excluding Central Department Store there); and ownership transfer of utility systems, relevant equipment and furniture. Altogether, the compensation for lease, annual rent, and ownership transfer fees that CPN must pay CDS through the lease period amounts to Baht 9,166 million, which has secured approval from the shareholders without vested interests at the 2015 AGM on April 24, 2015.
- 2.8 CPN purchased some merchandises and services from the businesses in Central Group; COL 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

Justification and Rationale for Connected Transactions

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 and with the average interest rate of unsecured debt securities issued by the Company.
- **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, 2015	AMOUNT (MB)	FINANCIAL STATEMENTS OF
1. Loans		
1) Loans obtained from subsidiaries ⁽¹⁾	17,321	CPN
2) Loans obtained from related parties ⁽²⁾	-	Consolidated
2. Loans⁽³⁾		
1) Loans granted to subsidiaries	11,963	CPN
2) Loans granted to related parties	-	Consolidated

Remark:

- ⁽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 commercial banks' MLR.
- ⁽³⁾ These items without collaterals are payable on demand and carry interest at the average interest rate of unsecured debt securities issued by the Company.

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 two categories of guarantee obligations to connected parties:

DESCRIPTION AS AT DECEMBER 31, 2015	AMOUNT (MB)
1. Guarantees for subsidiaries' outstanding loans - Thai Business Fund 5	198
2. Loan ceiling guarantees for subsidiaries' public utilities guarantees given to Thai commercial banks	196

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, recognition 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

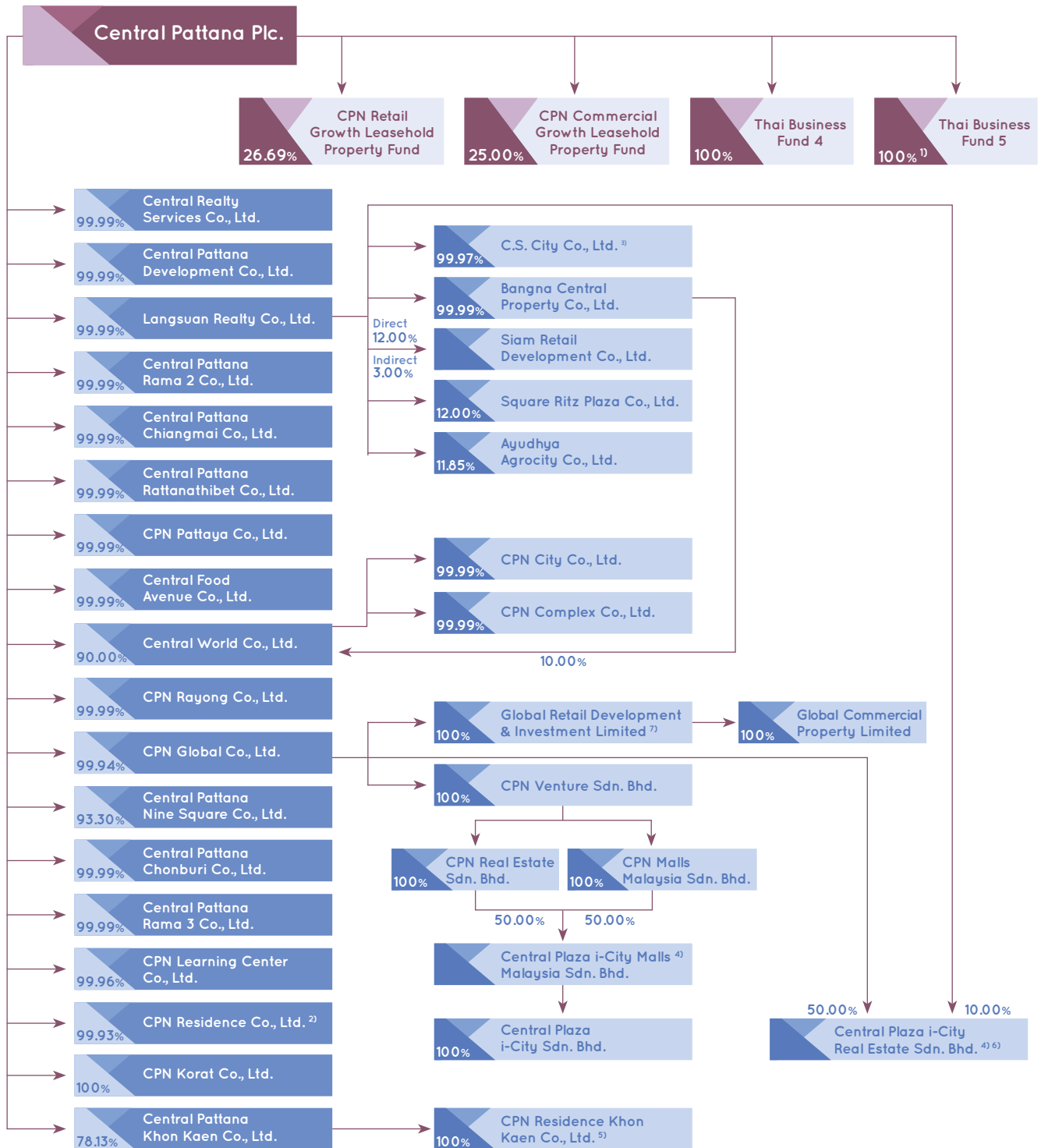
"Employment" means to hire a seller, manufacturer, contractor or organizer to produce, organize, manage, assemble or construct from the beginning stage to completion, including service provision, inclusive service, and transportation.

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.

GROUP STRUCTURE OF THE COMPANY AND ITS SUBSIDIARIES



Remarks:

- ¹⁾ Only proportion unit holder of owner type except unit holders of lender type.
- ²⁾ Formerly CPN Construction Management, changed to CPN Residence Co., Ltd. on October 13, 2015.
- ³⁾ CPN has acquired shares of C.S. City Co., Ltd. on December 1, 2015.
- ⁴⁾ Two joint venture companies have been restructured as in the announcement to SET on August 6, 2015
- ⁵⁾ The company was established on November 20, 2015.
- ⁶⁾ Central Plaza i-City Real Estate Sdn. Bhd. is the joint venture company in which I-R&D Sdn. Bhd., I-Berhad's subsidiary, holds 40%.
- ⁷⁾ Registered the dissolution of Central (Shanghai) Management Consulting Co., Ltd. in October 2015.

REVENUE STRUCTURE OF THE COMPANY AND ITS SUBSIDIARIES

Unit: MB

TYPE OF BUSINESS / OPERATED BY	% OF SHAREHOLDING	YEAR 2011		YEAR 2012		YEAR 2013		YEAR 2014		YEAR 2015	
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
SHOPPING CENTERS		10,062	75.60%	14,505	79.10%	17,522	79.58%	19,743	79.93%	21,577	81.46%
- CENTRAL PATTANA PLC.											
- CENTRAL PATTANA CHIANGMAI CO., LTD.	99.99%										
- BANGNA CENTRAL PROPERTY CO., LTD.	99.99%										
- CENTRAL PATTANA RAMA 3 CO., LTD.	99.99%										
- CENTRAL PATTANA RAMA 2 CO., LTD.	99.99%										
- CENTRAL PATTANA RATTANATHIBET CO., LTD.	99.99%										
- CPN PATTAYA CO., LTD.	99.99%										
- CENTRAL WORLD CO., LTD.	100%										
- 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%										
- CPN RAYONG CO., LTD.	99.99%										
OFFICE BUILDINGS		767	5.80%	794	4.30%	579	2.63%	612	2.48%	638	2.41%
- CENTRAL PATTANA PLC.											
- BANGNA CENTRAL PROPERTY CO., LTD.	99.99%										
- CENTRAL PATTANA NINE SQUARE CO., LTD.	93.30%										
HOTELS		465	3.50%	712	3.90%	903	4.10%	958	3.88%	983	3.71%
- CENTRAL WORLD CO., LTD.	100%										
- CPN PATTAYA CO., LTD.	99.99%										
RESIDENTIAL PROPERTIES		18	0.10%	18	0.10%	19	0.08%	17	0.07%	10	0.04%
- LANGSUAN REALTY CO., LTD.	99.99%										
- BANGNA CENTRAL PROPERTY CO., LTD.	99.99%										
WATER PARK, RECREATION PARK AND ICE RINK		6	0.00%	8	0.00%	8	0.04%	3	0.01%	7	0.03%
- CENTRAL PATTANA PLC.											
- CENTRAL PATTANA RAMA 2 CO., LTD.	99.99%										
- BANGNA CENTRAL PROPERTY CO., LTD.	99.99%										
FOOD CENTERS		632	4.70%	725	4.00%	882	4.01%	975	3.95%	1,068	4.03%
- 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 RATTANATHIBET CO., LTD.	99.99%										
- CENTRAL WORLD CO., LTD.	100%										
- CENTRAL PATTANA DEVELOPMENT CO., LTD.	99.99%										
INTEREST INCOME		48	0.40%	78	0.40%	98	0.44%	61	0.25%	24	0.09%
SHARE OF PROFITS FROM INVESTMENT IN ASSOCIATES AND JOINT VENTURES		498	3.70%	584	3.20%	686	3.12%	813	3.29%	749	2.83%
OTHERS		815	6.10%	925	5.00%	1,321	6.00%	1,518	6.14%	1,431	5.40%
TOTAL REVENUES*		13,311	100%	18,349	100%	22,018	100%	24,700	100%	26,486	100%

Remark: *Excluding non-recurring items.

CAPITAL STRUCTURE

CPN's capital structure, as at December 31, 2015, 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	47.00	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, 2015
CPN163A	n/a	500	25/03/2011	5	Every 6 months	Upon maturity	25/03/2016	500
CPN164A	AA-	1,000	29/04/2011	5	Every 6 months	Upon maturity	29/04/2016	1,000
CPN160A	AA-	1,200	12/10/2011	5	Every 3 months	Upon maturity	12/10/2018	1,200
CPN180A	AA-	500	12/10/2011	7	Every 3 months	Upon maturity	12/10/2021	500
CPN210A	AA-	300	12/10/2011	10	Every 3 months	Upon maturity	12/10/2017	300
CPN171A	n/a	1,000	23/12/2011	5.1	Every 6 months	Upon maturity	23/01/2017	1,000
CPN176A	AA-	1,000	01/06/2012	5	Every 6 months	Installment started	01/06/2017	450
CPN172A	AA-	1,500	19/02/2014	3	Every 6 months	Upon maturity	19/02/2017	1,500
CPN174A	AA-	500	04/04/2014	3	Every 6 months	Upon maturity	04/04/2017	500
CPN19NA	n/a	1,000	07/11/2014	5	Every 6 months	Upon maturity	07/11/2019	1,000
CPN221A	AA-	1,000	02/06/2015	6.6	Once on the maturity date	Upon maturity	12/01/2022	1,000
CPN188A	AA-	1,000	06/08/2015	3	Every 6 months	Upon maturity	06/08/2018	1,400
CPN208A ⁽¹⁾	AA-	1,400	06/08/2015	5	Every 6 months	callable after the 3 rd year	06/08/2020	1,400
CPN228A ⁽¹⁾	AA-	800	06/08/2015	7	Every 6 months	callable after the 5 th year	06/08/2022	800
CPN20DA ⁽¹⁾	AA-	800	16/12/2015	5	Every 6 months	callable after the 3 rd year	16/12/2020	800
CPN21DA ⁽¹⁾	AA-	800	16/12/2015	6	Every 6 months	callable after the 4 th year	16/12/2021	800
CPN22DA ⁽¹⁾	AA-	600	16/12/2015	7	Every 6 months	callable after the 5 th year	16/12/2022	600

Remark:

- (1) The Issuer has the right to make early redemption in full or in part of the debenture before the maturity date
- (2) Average applicable annual loan interest rate of 3.52% per annum

COMPANY FINANCIAL RATIOS FOLLOWING THE DEBENTURE'S RIGHTS AND CONDITIONS

COMPANY FINANCIAL RATIOS FOLLOWING THE DEBENTURE'S RIGHTS AND CONDITIONS	COVENANT RATIOS	AS AT DEC 31, 2015
1. Total Debt to Total Shareholders' Equity	Not over 2.50 times	1.20 times
2. Total Interest Bearing Debt to Total Shareholders' Equity		
2.1 Before deducting cash and cash equivalents, and current investments	Not over 1.75 times	0.48 times
2.2 After deducting cash and cash equivalents, and current investments	Not over 1.75 times	0.39 times
3. Total Assets (excluding Secured Debt) to Unsecured Debt	Not less than 1.50 times	3.85 times

SHAREHOLDERS

CPN's shareholding distributions as at December 31, 2015 are:

SHAREHOLDERS	SHARES	SHAREHOLDING (%)
Registered Capital	4,488,000,000	100.00%
Local Shareholders		
- Juristic persons	1,816,095,555	40.47%
- Persons	1,434,957,427	31.97%
Total	3,251,052,982	72.44%
Foreign Shareholders		
- Juristic persons	1,170,889,678	26.09%
- Persons	66,057,340	1.47%
Total	1,236,947,018	27.56%

TOP TEN MAJOR SHAREHOLDERS AS AT DECEMBER 31, 2015 ARE:*

NO.	SHAREHOLDERS	SHARES	SHAREHOLDING (%)
1	CENTRAL HOLDING CO., LTD.	1,176,343,960	26.21%
2	THAI NVDR CO., LTD.	204,386,894	4.55%
3	STATE STREET BANK EUROPE LIMITED **	193,599,640	4.31%
4	HSBC (SINGAPORE) NOMINEES PTE LTD **	131,488,800	2.93%
5	CHASE NOMINEES LIMITED **	90,370,472	2.01%
6	CREDIT SUISSE AG, HONG KONG BRANCH **	77,394,160	1.72%
7	BARCLAYS BANK PLC, SINGAPORE **	67,350,648	1.50%
8	BANK OF SINGAPORE LIMITED-SEG **	64,275,620	1.43%
9	HSBC (SINGAPORE) NOMINEES PTE LTD **	64,274,141	1.43%
10	SOCIAL SECURITY OFFICE	60,238,800	1.34%

Remark:

- * The top 10 shareholders are ranked by Thailand Securities Depository Co., Ltd.
- ** 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 54% 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 31, 2015, foreign investors altogether held 27.56% of CPN's total paid-up capital.



DIRECTORS AND EXECUTIVES HOLDING CPN SHARES IN 2015, ARE AS FOLLOWS

NO.	NAME	POSITION	NO. OF SHARES AS AT JANUARY 1, 2015		
			DIRECT	INDIRECT ⁽²⁾	TOTAL
1	Mr. Suthichai Chirathivat	Chairman	3,312,800	22,293,200	25,606,000
2	Mr. Paitoon Taveebhol	Independent Director	-	-	-
3	Mrs. Sunandha Tulayadhan	Independent Director	-	-	-
4	Mr. Karun Kittisataporn	Independent Director	-	-	-
5	Mrs. Jotika Savanananda	Independent Director	-	-	-
6	Mr. Suthikiati Chirathivat	Director	22,645,900	-	22,645,900
7	Mr. Suthichart Chirathivat	Director	12,972,400	18,636,400	31,608,800
8	Mr. Sudhisak Chirathivat	Director	28,346,400	-	28,346,400
9	Mr. Sudhitham Chirathivat	Director	26,764,600	-	26,764,600
10	Mr. Kobchai Chirathivat	Director	27,105,400	110,000	27,215,400
11	Mr. Prin Chirathivat	Director	42,145,895	192,000	42,337,895
12	Mr. Preecha Ekkunagul	Director, President & CEO	-	3,000	3,000
13	Ms. Wallaya Chirathivat	Senior Executive Vice President, Business Development and Project Construction	17,199,200	-	17,199,200
14	Mr. Suthipak Chirathivat	Senior Executive Vice President, Office of the President	25,589,600	-	25,589,600
15	Ms. Naparat Sriwanvit	Senior Executive Vice President, Finance, Accounting and Risk Management	54,000	-	54,000
16	Ph.D. Nattakit Tangpoonsinthana	Executive Vice President, Marketing	-	-	-

CHANGES IN NO. OF SHARES ⁽¹⁾ INCREASED/(DECREASED) DURING 2015			NO. OF SHARES AS AT DECEMBER 31, 2015			SHAREHOLDING (%) AS AT DECEMBER 31, 2015
DIRECT	INDIRECT ⁽²⁾	TOTAL	DIRECT	INDIRECT ⁽²⁾	TOTAL	
-	-	-	3,312,800	22,293,200	25,606,000	0.57
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	22,645,900	-	22,645,900	0.50
-	-	-	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
-	3,000	3,000	27,105,400	113,000	27,218,400	0.61
-	-	-	42,145,895	192,000	42,337,895	0.94
-	-	-	-	3,000	3,000	0.00
-	-	-	17,199,200	-	17,199,200	0.38
-	-	-	25,589,600	-	25,589,600	0.57
-	-	-	54,000	-	54,000	0.00
-	-	-	-	-	-	-

NO.	NAME	POSITION	NO. OF SHARES AS AT JANUARY 1, 2015		
			DIRECT	INDIRECT ⁽²⁾	TOTAL
17	Mrs. Narttaya Chirathivat	Executive Vice President, Office of the President	17,099,200	-	17,099,200
18	Mrs. Panida Sooksridakul	Executive Vice President, Property Management	-	-	-
19	Major Narit Ratanaphichetchai	Executive Vice President, Project Development 1	30,000	-	30,000
20	Flt.Lt. Kree Dejchai	Executive Vice President, Special Project Development	-	-	-
21	Mrs. April Srivikorn	Executive Vice President, Corporate Strategy	-	-	-
22	Mrs. Suwadee Singngam	Senior Vice President, Accounting and Administration	20,000	48,000	20,000

Remark:

- (1) The acquisition and disposition of securities were disclosed under an quarterly report on shareholding of directors and executive officers (Form 59-2).
- (2) Securities held by a spouse and / or children under the legal age of directors or executive officers.

2. 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.

CHANGES IN NO. OF SHARES ⁽¹⁾ INCREASED/(DECREASED) DURING 2015			NO. OF SHARES AS AT DECEMBER 31, 2015			SHAREHOLDING (%) AS AT DECEMBER 31, 2015
DIRECT	INDIRECT ⁽²⁾	TOTAL	DIRECT	INDIRECT ⁽²⁾	TOTAL	
3,000	-	3,000	17,102,200	-	17,102,200	0.38
-	-	-	-	-	-	-
20,000	-	20,000	50,000	-	50,000	0.00
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	20,000	48,000	68,000	0.00



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 financial statements.

The Board of Directors has set up and maintained an effective internal control to reasonably ensure that all accounting records are accurate, complete and sufficient to secure its assets. Moreover, all possible weakness could be found to prevent fraud or material unusual transactions.

The Board of Directors has appointed the audit committee which comprises independent directors, to control quality of financial report and internal control system. The opinion of the audit committee on this matter has already been presented in the audit committee report. The Board of Directors is of an opinion that internal control systems of the Company are in the satisfactory and sufficient level to reasonably build the confidence in the reliability of the consolidated financial statements of the Company and its subsidiaries as of December 31, 2015.



Mr. Suthichai Chirathivat

Chairman



Mr. Preecha Ekkunagul

Director
President & CEO



CENTRAL PATTANA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER 2015
AND INDEPENDENT AUDITOR'S REPORT



INDEPENDENT AUDITOR'S REPORT

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 2015, 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 2015 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
17 February 2016

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

	Note	Consolidated financial statements		Separate financial statements	
		31 December 2015	31 December 2014	31 December 2015	31 December 2014
<i>(in Baht)</i>					
Assets					
<i>Current assets</i>					
Cash and cash equivalents	5	2,577,733,661	2,487,781,567	1,841,602,604	1,743,814,177
Current investments	6	1,748,018,000	1,285,220,512	1,591,174,055	1,144,837,577
Trade accounts receivable	4, 7	1,249,501,326	1,404,324,122	739,482,844	756,595,427
Other receivables	4, 8	1,761,742,763	1,840,825,306	1,174,926,917	1,153,717,314
Short-term loans to related parties	4	-	-	133,431,948	69,349,014
Total current assets		7,336,995,750	7,018,151,507	5,480,618,368	4,868,313,509
<i>Non-current assets</i>					
Investments in subsidiaries and funds	9	-	-	24,259,247,304	22,783,141,100
Investment in associates and joint ventures	10	5,517,303,574	5,443,526,858	7,578,673,686	7,578,673,686
Long-term investments related-parties	11	66,250,000	66,250,000	-	-
Other long-term investments	6	2,216,153	2,217,827	1,000,000	1,000,000
Long-term loans to related parties	4	-	-	11,829,981,679	12,670,446,871
Investment properties	12	74,796,435,883	60,927,249,949	36,321,638,724	23,070,219,321
Property, plant and equipment	13	1,939,047,881	2,140,491,324	360,637,031	364,245,410
Leasehold rights	14	11,644,371,972	11,795,158,799	6,821,265,819	6,453,411,814
Asset usage rights	15	197,010,216	122,588,750	64,425,217	-
Deferred tax assets	16	789,229,576	731,388,996	277,940,502	153,144,174
Other non-current assets	4, 17	755,771,143	788,163,715	260,870,446	254,605,877
Total non-current assets		95,707,636,398	82,017,036,218	87,775,680,408	73,328,888,253
Total assets		103,044,632,148	89,035,187,725	93,256,298,776	78,197,201,762

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

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

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		31 December 2015	31 December 2014	31 December 2015	31 December 2014
Liabilities and equity					
		<i>(in Baht)</i>			
Current liabilities					
Short-term loan from financial institutions	18	-	200,000,000	-	200,000,000
Trade accounts payable	4, 19	904,079,294	828,393,324	591,391,745	508,218,871
Other payables	4, 20	5,196,585,266	4,890,294,549	2,108,950,035	2,003,654,507
Short-term loans from related parties	4, 18	-	4,387,061	13,815,856,990	11,944,597,420
Current portion of account payable for leasehold right	4	33,333,333	-	33,333,333	-
Current portion of long-term loans	18	5,168,982,000	4,478,722,000	5,077,680,000	3,962,580,000
Current portion of unearned rental and service income	4	664,062,270	688,904,684	72,365,483	117,955,178
Income tax payable		372,496,734	253,605,371	100,025,555	-
Contractor payables		3,190,358,744	2,782,184,394	2,530,325,801	1,690,408,909
Total current liabilities		15,529,897,641	14,126,491,383	24,329,928,942	20,427,414,885
Non-current liabilities					
Long-term loans from related parties	4, 18	-	-	3,505,587,391	3,484,191,061
Other long-term loans	18	17,454,287,680	11,339,939,680	17,347,160,000	11,141,510,000
Accounts payable for leasehold right	4	300,000,000	-	300,000,000	-
Deferred tax liabilities	16	76,594,163	139,265,420	-	-
Employee benefit obligations	21	274,543,724	193,475,849	234,731,301	167,229,865
Unearned rental and service income	4, 35	15,786,750,091	14,830,725,268	1,729,250,688	696,014,602
Deposits received from customers	4	6,322,877,621	5,395,426,934	2,843,194,840	2,132,399,811
Long-term provisions		234,141,781	39,967,449	234,141,781	39,967,449
Guarantees for leasehold rights	4	264,422,655	1,221,974,671	252,965,096	947,597,059
Total non-current liabilities		40,713,617,715	33,160,775,271	26,447,031,097	18,608,909,847
Total liabilities		56,243,515,356	47,287,266,654	50,776,960,039	39,036,324,732

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

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

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		31 December 2015	31 December 2014	31 December 2015	31 December 2014
<i>(in Baht)</i>					
Liabilities and equity					
Equity					
Share capital	22				
Authorised share capital		2,244,000,000	2,244,000,000	2,244,000,000	2,244,000,000
Issued and paid-up share capital		2,244,000,000	2,244,000,000	2,244,000,000	2,244,000,000
Premium on ordinary shares		8,558,557,850	8,558,557,850	8,558,557,850	8,558,557,850
Retained earnings					
Appropriated to legal reserve	23	224,400,000	224,400,000	224,400,000	224,400,000
Unappropriated		34,949,747,221	30,033,795,650	31,449,535,980	28,131,064,536
Other components of equity	23	(40,111,532)	(40,044,888)	2,844,907	2,854,644
Equity attributable to owners of the Company		45,936,593,539	41,020,708,612	42,479,338,737	39,160,877,030
Non-controlling interests		864,523,253	727,212,459	-	-
Total equity		46,801,116,792	41,747,921,071	42,479,338,737	39,160,877,030
Total liabilities and equity		103,044,632,148	89,035,187,725	93,256,298,776	78,197,201,762

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

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

	Note	Consolidated financial statements		Separate financial statements	
		For the year ended		For the year ended	
		31 December		31 December	
		2015	2014	2015	2014
(in Baht)					
Income					
Revenue from rent and services	4	22,231,356,081	20,374,891,383	10,582,180,165	9,176,390,819
Revenue from food and beverage	4	1,067,712,961	974,774,728	204,701,151	105,984,604
Revenue from hotel operation		983,496,368	957,875,577	-	-
Investment income	4, 25	24,447,379	61,441,989	4,574,941,594	4,254,960,688
Other income	4, 26	1,564,835,958	1,583,861,906	1,510,482,465	1,396,250,075
Total income		25,871,848,747	23,952,845,583	16,872,305,375	14,933,586,186
Expenses					
Cost of rent and services	4	11,449,731,376	10,521,874,336	6,175,665,190	5,408,015,507
Cost of food and beverage	4	852,070,940	779,659,998	159,467,148	84,197,266
Cost of hotel operation		331,920,217	314,706,536	-	-
Administrative expenses	4, 27	4,030,465,763	3,666,737,678	2,631,167,966	2,396,666,415
Finance costs	4, 30	508,714,089	676,751,105	1,096,033,824	1,131,852,165
Total expenses		17,172,902,385	15,959,729,653	10,062,334,128	9,020,731,353
Share of profit (loss)					
Associates	10	745,771,197	813,751,247	-	-
Joint ventures		3,533,219	(479,755)	-	-
Total		749,304,416	813,271,492	-	-
Profit before income tax expense		9,448,250,778	8,806,387,422	6,809,971,247	5,912,854,833
Income tax expense	31	(1,430,629,710)	(1,378,041,110)	(530,397,626)	(437,106,183)
Profit for the year		8,017,621,068	7,428,346,312	6,279,573,621	5,475,748,650
Other comprehensive income					
<i>Items that are or may be reclassified to profit or loss</i>					
Foreign currency translation differences for foreign operations		(1,519,446)	1,438,915	-	-
Net change in fair value of available-for-sale investments		1,452,802	2,252,214	(9,737)	320,000
Defined benefit plan actuarial losses, net of income tax		(46,360,441)	-	(43,920,588)	-
Other comprehensive income for the year, net of income tax		(46,427,085)	3,691,129	(43,930,325)	320,000
Total comprehensive income for the year		7,971,193,983	7,432,037,441	6,235,643,296	5,476,068,650

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

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

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		For the year ended		For the year ended	
		31 December		31 December	
		2015	2014	2015	2014
<i>(in Baht)</i>					
Profit attributable to:					
Owners of the Company		7,880,309,769	7,306,952,642	6,279,573,621	5,475,748,650
Non-controlling interests		137,311,299	121,393,670	-	-
Profit for the year		<u>8,017,621,068</u>	<u>7,428,346,312</u>	<u>6,279,573,621</u>	<u>5,475,748,650</u>
Total comprehensive income attributable to:					
Owners of the Company		7,833,882,684	7,310,643,771	6,235,643,296	5,476,068,650
Non-controlling interests		137,311,299	121,393,670	-	-
Total comprehensive income for the year		<u>7,971,193,983</u>	<u>7,432,037,441</u>	<u>6,235,643,296</u>	<u>5,476,068,650</u>
Basic earnings per share	32	<u>1.76</u>	<u>1.63</u>	<u>1.40</u>	<u>1.22</u>

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

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

	Consolidated financial statements																			
	Retained earnings		Other components of equity							Equity attributable to owners of the Company	Non-controlling interests	Total equity								
	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Currency translation differences	Fair value changes in available-for-sale investments (in Baht)	Reserve on business combination involving entities under common control	Total other components of equity												
Year ended 31 December 2014																				
Balance at 1 January 2014	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									
Transactions with owners, recorded directly in equity																				
<i>Contributions by and distributions to owners of the Company</i>																				
Dividends to owners of the Company	-	-	-	(2,468,356,165)	-	-	-	-	(2,468,356,165)	(39,400,150)	(2,507,756,315)									
Total transactions with owners, recorded directly in equity	-	-	-	(2,468,356,165)	-	-	-	-	(2,468,356,165)	(39,400,150)	(2,507,756,315)									
Changes in ownership interests in subsidiary																				
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	-	-	-	-	(1,320)	(1,320)									
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	(1,320)	(1,320)									
Comprehensive income for the year																				
Profit	-	-	-	7,306,952,642	-	-	-	-	7,306,952,642	121,393,670	7,428,346,312									
Other comprehensive income	-	-	-	-	1,438,915	2,252,214	-	3,691,129	3,691,129	-	3,691,129									
Total comprehensive income for the year	-	-	-	7,306,952,642	1,438,915	2,252,214	-	3,691,129	7,310,643,771	121,393,670	7,432,037,441									
Balance at 31 December 2014	2,244,000,000	8,558,557,850	224,400,000	30,033,795,650	386,092	13,940,795	(54,371,775)	(40,044,888)	41,020,708,612	727,212,459	41,747,921,071									

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

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

	Consolidated financial statements											
	Retained earnings					Other components of equity					Total equity	
	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Currency translation differences	Fair value changes in available-for-sale investments (in Baht)	Reserve on business combination involving entities under common control	Total other components of equity	Equity attributable to owners of the Company	Non-controlling interests		
Year ended 31 December 2015												
Balance at 1 January 2015	2,244,000,000	8,558,557,850	224,400,000	30,033,795,650	386,092	13,940,795	(54,371,775)	(40,044,888)	41,020,708,612	727,212,459	41,747,921,071	
Transactions with owners, recorded directly in equity												
<i>Contributions by and distributions to owners of the Company</i>												
Dividends to owners of the Company	-	-	-	(2,917,181,589)	-	-	-	-	(2,917,181,589)	-	(2,917,181,589)	
Total transactions with owners, recorded directly in equity	-	-	-	(2,917,181,589)	-	-	-	-	(2,917,181,589)	-	(2,917,181,589)	
Changes in ownership interests in subsidiary												
Restructuring of business	-	-	-	(816,168)	-	-	-	-	(816,168)	-	(816,168)	
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	-	-	-	-	(505)	(505)	
Total changes in ownership interests in subsidiaries	-	-	-	(816,168)	-	-	-	-	(816,168)	(505)	(816,673)	
Comprehensive income for the year												
Profit	-	-	-	7,880,309,769	-	-	-	-	7,880,309,769	137,311,299	8,017,621,068	
Other comprehensive income	-	-	-	(46,360,441)	(1,519,446)	1,452,802	-	(66,644)	(46,427,085)	-	(46,427,085)	
Total comprehensive income for the year	-	-	-	7,833,949,328	(1,519,446)	1,452,802	-	(66,644)	7,833,882,684	137,311,299	7,971,193,983	
Balance at 31 December 2015	2,244,000,000	8,558,557,850	224,400,000	34,949,747,221	(1,133,354)	15,393,597	(54,371,775)	(40,111,532)	45,936,593,539	864,523,253	46,801,116,792	

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

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

	Separate financial statements						Total equity
	Retained earnings			Other comprehensive income			
	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated investments	Fair value changes in available-for-sale investments		
Year ended 31 December 2014							
Balance at 1 January 2014	2,244,000,000	8,558,557,850	224,400,000	25,123,672,051	2,534,644	36,153,164,545	
Transactions with owners, recorded directly in equity				<i>(in Baht)</i>			
<i>Contributions by and distributions to owners of the Company</i>							
Dividends to owners of the Company	-	-	-	(2,468,356,165)	-	(2,468,356,165)	
Total transactions with owners, recorded directly in equity	-	-	-	(2,468,356,165)	-	(2,468,356,165)	
Comprehensive income for the year							
Profit	-	-	-	5,475,748,650	-	5,475,748,650	
Other comprehensive income	-	-	-	-	320,000	320,000	
Total comprehensive income for the year	-	-	-	5,475,748,650	320,000	5,476,068,650	
Balance at 31 December 2014	2,244,000,000	8,558,557,850	224,400,000	28,131,064,536	2,854,644	39,160,877,030	

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

Central Pattana Public Company Limited and its Subsidiaries

Statement of changes in equity

	Separate financial statements							
	Note	Issued and paid-up share capital	Share premium	Legal reserve	Retained earnings	Other comprehensive income		
						Unappropriated investments	Fair value changes in available-for-sale investments	Total equity
Year ended 31 December 2015								
Balance at 1 January 2015		2,244,000,000	8,558,557,850	224,400,000	28,131,064,536	2,854,644	39,160,877,030	
Transactions with owners, recorded directly in equity								
<i>Contributions by and distributions to owners of the Company</i>								
Dividends to owners of the Company	33	-	-	-	(2,917,181,589)	-	(2,917,181,589)	
Total transactions with owners, recorded directly in equity		-	-	-	(2,917,181,589)	-	(2,917,181,589)	
Comprehensive income for the year								
Profit		-	-	-	6,279,573,621	-	6,279,573,621	
Other comprehensive income		-	-	-	(43,920,588)	(9,737)	(43,930,325)	
Total comprehensive income for the year		-	-	-	6,235,653,033	(9,737)	6,235,643,296	
Balance at 31 December 2015		2,244,000,000	8,558,557,850	224,400,000	31,449,535,980	2,844,907	42,479,338,737	

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

Central Pattana Public Company Limited and its Subsidiaries

Statement of cash flows

	Consolidated financial statements		Separate financial statements	
	For the year ended		For the year ended	
	31 December		31 December	
	2015	2014	2015	2014
	(in Baht)			
Cash flows from operating activities				
Profit for the year	8,017,621,068	7,428,346,312	6,279,573,621	5,475,748,650
<i>Adjustments for</i>				
Depreciation	3,391,086,666	3,075,217,361	1,242,228,256	941,418,950
Amortisation of leasehold right	1,046,764,784	943,961,417	604,915,586	560,706,700
Reversal of allowance for impairment	(166,226,531)	(66,250,000)	(133,334,505)	-
Foreign currencies translation differences for foreign operations	(1,519,446)	1,438,915	-	-
Investment income	(24,447,379)	(61,441,989)	(4,574,941,594)	(4,254,960,688)
Finance costs	508,714,089	676,751,105	1,096,033,824	1,131,852,165
Reversal allowance for doubtful accounts	(1,589,864)	4,995,182	(1,425,281)	4,646,925
Loss (gain) on disposals and write off of assets	18,866,382	(2,180,255)	(9,414,514)	(241,471)
Recognition of unearned rental and service income	(846,159,204)	(781,519,670)	(100,231,277)	(138,135,165)
Employee benefit obligations	26,641,365	25,914,845	15,804,941	25,836,894
Share of profit of associates and joint ventures	(745,771,197)	(813,751,247)	-	-
Share of (profit) loss of investments in associates and joint ventures, net of income tax	(3,533,219)	479,755	-	-
Restructuring of business	(816,168)	-	-	-
Unrealised loss on exchange	122,483,400	6,388,200	-	-
Unrealised loss (gain) from financial instruments	44,126,810	22,039,817	-	(3,407,379)
Provisions	2,321,342	-	2,321,342	-
Income tax expense	1,430,629,710	1,378,041,110	530,397,626	437,106,183
	<u>12,819,192,608</u>	<u>11,838,430,858</u>	<u>4,951,928,025</u>	<u>4,180,571,764</u>
Changes in operating assets and liabilities				
Trade accounts receivable	156,412,660	(179,645,516)	18,537,864	(134,263,120)
Other receivables	45,696,036	353,597,763	6,064,653	409,058,200
Other non-current assets	(36,394,708)	(356,852,821)	(80,615,040)	52,838,443
Trade accounts payable	75,685,970	229,981,271	83,172,874	187,843,538
Other payables	296,372,282	(80,343,929)	209,513,409	(393,601)
Unearned rental and service income	1,777,341,613	11,041,789,801	1,087,877,668	127,935,300
Deposits from customers received	2,418,182,363	1,415,366,718	1,204,598,212	884,328,528
Repayment of deposits received from customers	(1,490,731,676)	(1,204,897,819)	(493,803,183)	(481,772,854)
Guarantee for leasehold prepayment	60,879,890	387,400,000	61,986,842	249,000,000
Repayment of guarantee for leasehold	(1,000,134,070)	-	(724,650,000)	-
Employee benefits obligations paid	(3,524,040)	(3,990,580)	(3,204,240)	(3,959,200)
Cash generated from operating activities	<u>15,118,978,928</u>	<u>23,440,835,746</u>	<u>6,321,407,084</u>	<u>5,471,186,998</u>
Income tax paid	<u>(1,420,660,073)</u>	<u>(1,674,612,605)</u>	<u>(528,628,812)</u>	<u>(646,805,078)</u>
Net cash from operating activities	<u>13,698,318,855</u>	<u>21,766,223,141</u>	<u>5,792,778,272</u>	<u>4,824,381,920</u>

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

Central Pattana Public Company Limited and its Subsidiaries

Statement of cash flows

	Consolidated financial statements		Separate financial statements	
	For the year ended		For the year ended	
	31 December		31 December	
	2015	2014	2015	2014
	(in Baht)			
Cash flows from investing activities				
Interest received	21,274,449	55,452,910	538,331,767	545,480,472
Dividends received	736,601,082	758,498,606	3,976,237,798	3,726,748,521
Increase in current investments	(461,344,686)	(1,165,957,577)	(446,346,215)	(1,140,957,577)
Purchase of investments in subsidiary, associates and joint ventures	(60,943,382)	(2,033,904,960)	(1,398,600,730)	(3,033,906,280)
Proceeds from redemption of investment units in funds	-	-	24,000,000	24,000,000
Loans to related parties	-	-	(6,227,235,126)	(5,030,966,779)
Loans repaid by related parties	-	-	6,999,112,166	5,634,608,384
Purchase of investment properties	(14,393,146,158)	(8,524,399,880)	(12,268,387,040)	(6,263,959,361)
Purchase of plant and equipment	(55,908,605)	(126,455,967)	(55,284,885)	(81,865,024)
Purchase leasehold rights	(728,982,256)	(1,373,930,647)	(758,107,722)	(1,179,967,302)
Decrease in contractor payables	(1,834,087,314)	(1,654,081,215)	(1,045,568,553)	(969,194,720)
Sales of leasehold rights and investment properties	101,909,465	211,033,706	58,005,484	7,315,064
Net cash used in investing activities	(16,674,627,405)	(13,853,745,024)	(10,603,843,056)	(7,762,664,602)
Cash flows from financing activities				
Finance costs paid	(620,751,210)	(845,059,694)	(1,196,652,710)	(1,186,595,944)
Dividends paid	(2,916,824,652)	(2,507,590,041)	(2,916,824,652)	(2,468,189,892)
Payment for liability under financial lease	(770,989)	(1,281,894)	(770,989)	(1,281,893)
Proceeds from loans from related parties	-	-	6,731,766,646	15,763,145,679
Repayment of loans from related parties	-	-	(4,829,415,084)	(7,182,565,276)
Proceeds from loans from financial institutions and institutional investors	21,885,000,000	7,500,000,000	21,885,000,000	7,500,000,000
Repayments of loans from financial institutions and institutional investors	(15,280,392,000)	(11,322,942,000)	(14,764,250,000)	(8,441,600,000)
Acquisition of non-controlling interests	(505)	(1,320)	-	-
Net cash from (used in) financing activities	3,066,260,644	(7,176,874,949)	4,908,853,211	3,982,912,674
Net increase in cash and cash equivalents	89,952,094	735,603,168	97,788,427	1,044,629,992
Cash and cash equivalents at 1 January	2,487,781,567	1,752,178,399	1,743,814,177	699,184,185
Cash and cash equivalents at 31 December	2,577,733,661	2,487,781,567	1,841,602,604	1,743,814,177

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

Central Pattana Public Company Limited and its Subsidiaries

Statement of cash flows

Non-cash transactions

During the year 2015, the Group has constructed investment properties at a total cost of Baht 16,854.3 million (2014: Baht 10,277.9 million), of which Baht 14,393.1 million was paid by cash (2014: Baht 8,338.2 million), and increased from capitalised borrowing costs relating to the acquisition of assets amounted to Baht 166.2 million (2014: Baht 186.2 million) and Baht 2,295.0 million was outstanding as contractor payables for investment property as at 31 December 2015 (2014: Baht 1,753.5 million).

During the year 2015, the Company has constructed investment properties at a total cost of Baht 14,404.3 million (2014: Baht 7,436.2 million), of which Baht 12,268.4 million was paid by cash (2014: Baht 6,143.1 million), and increased from capitalised borrowing costs relating to the acquisition of assets amounted to Baht 149.5 million (2014: Baht 120.9 million) and Baht 1,986.4 million was outstanding as contractor payables for investment property as at 31 December 2015 (2014: Baht 1,172.2 million).

During the year 2015, the Group acquired property, plant and equipment at a total cost of Baht 105.3 million (2014: Baht 127.9 million) of which Baht 55.9 million was paid by cash (2014: Baht 126.5 million) and Baht 49.4 million was outstanding as contractor payables for purchases of property, plant and equipment as at 31 December 2015 (2014: Baht 1.4 million).

During the year 2015, the Company acquired property, plant and equipment at a total cost of Baht 62.3 million (2014: Baht 93.3 million) of which Baht 55.3 million was paid by cash (2014: Baht 81.9 million), and Baht 7.0 million was outstanding as contractor payables for purchases of property, plant and equipment as at 31 December 2015 (2014: Baht 11.4 million).

During the year 2015, the Group acquired leasehold rights at a total cost of Baht 1,152.0 million (2014: Baht 1,502.4 million) of which Baht 729.0 million was paid by cash (2014: Baht 1,373.9 million), and Baht 423.0 million was outstanding as contractor payables for leasehold rights as at 31 December 2015 (2014: Baht 128.5 million).

During the year 2015, the Company acquired leasehold rights at a total cost of Baht 1,175.3 million (2014: Baht 1,309.6 million) of which Baht 758.1 million was paid by cash (2014: Baht 1,180.0 million), and Baht 417.2 million was outstanding as contractor payables for leasehold rights as at 31 December 2015 (2014: Baht 129.6 million).

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

Central Pattana Public Company Limited and its Subsidiaries

Notes to the financial statements

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36	Financial instruments
37	Commitments with non-related parties
38	Contingent liabilities
39	Events after the reporting period
40	Thai Financial Reporting Standards (TFRS) not yet adopted

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 17 February 2016.

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, joint ventures entities and related parties as at 31 December 2015 and 2014 are additional given in notes 4, 9, 10 and 11. Details are as follows:

Name of entity	Type of business	Country of incorporation	Ownership interest	
			2015	2014
				(%)
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) (6)	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
Central Pattana Chonburi Co., Ltd.	(1) (2) (4)	Thailand	100.0	100.0
CPN Residence Co., Ltd. (formerly CPN Construction Management Co.,Ltd..)	(3)	Thailand	100.0	100.0
Central Pattana Development Co., Ltd.	(1) (2) (4)	Thailand	100.0	100.0
CPN Global Co., Ltd.	(6)	Thailand	100.0	100.0
Central Pattana Nine Square Co., Ltd.	(1) (2)	Thailand	93.3	93.3
Central Pattana Khon Kaen Co., Ltd.	(1) (2) (4)	Thailand	78.1	78.1
CPN Pattaya Co., Ltd.	(1) (2) (4) (7)	Thailand	100.0	100.0
CPN Learning Center Co., Ltd.	(9)	Thailand	100.0	100.0
CPN Rayong Co., Ltd.	(1) (2) (4)	Thailand	100.0	100.0
CPN Korat Co., Ltd. (formerly Korat Land Owner Co., Ltd.)	(1) (2) (4)	Thailand	100.0	100.0

Name of entity	Type of business	Country of incorporation	Ownership interest	
			2015	2014
<i>(%)</i>				
Indirect subsidiaries				
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 Central (Shanghai) Management Consulting Co.,Ltd. (<i>registration of the dissolution</i>)	(6)	Hong Kong	100.0	100.0
	(8)	China	-	100.0
CPN Complex Co.,Ltd.	(1) (2)	Thailand	99.9	99.9
CPN City Co.,Ltd.	(6)	Thailand	99.9	99.9
CPN Residence Khon Kaen Co., Ltd.	(3)	Thailand	99.4	-
C.S. City Co., Ltd.	(1)	Thailand	100.0	-
CPN Ventures Sdn. Bhd.	(8)	Malaysia	100.0	100.0
CPN Real Estate Sdn. Bhd.	(6)	Malaysia	100.0	100.0
CPN Malls Malaysia Sdn. Bhd.	(6)	Malaysia	100.0	100.0
Central Plaza i-City Malls Malaysia Sdn. Bhd.	(6)	Malaysia	100.0	-
Central Plaza i-City Sdn. Bhd.	(6)	Malaysia	100.0	-
Funds				
Thai Business Fund 4	(6)	Thailand	100.0	100.0
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 utility services in shopping centers
- (3) Construction of residential 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 new and revised TFRS effective for annual accounting periods beginning on or after 1 January 2015. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies. These changes have no material effect on the financial statements.

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 2015 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 40.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items, which are measured on an alternative basis on each reporting date.

<i>Items</i>	<i>Measurement bases</i>
Derivative financial instruments	Fair value
Available-for-sale financial assets	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 these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

(1) Assumptions and estimation uncertainties

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

Note 3(u)	Current and deferred taxation
Note 12	Valuation of investment properties
Note 14	Leasehold rights
Note 16	Utilisation of tax losses
Note 21	Measurement of defined benefit obligations
Note 36	Valuation of financial instruments
Note 37	Commitments with non-related parties
Note 38	Contingent liabilities

Measurement of fair values

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

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the CFO.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Group Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 12 - investment property; and
- Note 36 - financial instruments.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all period presented in these financial statements.

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in associates and joint ventures.

Business combinations

The Group applies the acquisition method for all business combinations when control is transferred to the Group 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 (NCI) 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. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates and a joint venture.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

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

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 joint ventures are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) 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, including goodwill and fair value adjustments arising on acquisition, are translated to Thai Baht at the exchange rates 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 are recognised in other comprehensive income and accumulated in the translation reserve, except to extent that the translation difference is allocated to non-controlling interest.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, 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.

(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).

(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.

(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.

(f) Investments

Investments in subsidiaries, associates and joint ventures

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

Investments in other debt and equity securities

Debt securities 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.

(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.

(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:

Leasehold rights over land and buildings	30 years
Leasehold rights over land	25-40 years (over the period of lease)

(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.

(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	10-40 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.

(m) *Interest-bearing liabilities*

Interest-bearing liabilities are recognised initially at fair value.

(n) *Trade and other accounts payable*

Trade and other accounts payable are stated at cost.

(o) *Employee benefits*

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any application minimum funding requirements.

Actuarial gains or loss arising from remeasurements of the net defined benefit liability, are recognized immediately in OCI. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(p) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as 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 joint ventures to the extent that it is probable that they will not reverse in the foreseeable future.

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

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted 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) **Basic earnings per share**

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group/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.

4 **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.

Relationships with subsidiaries, associates, funds and joint ventures are described in notes 1, 9 and 10. 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
Central Department Store Co., Ltd.	Thailand	Some common directors
Hang Central Department Store Co., Ltd.	Thailand	Some common directors
Central Trading Co., Ltd.	Thailand	Some common directors
Central Super Store Co., Ltd.	Thailand	Some common directors
Power Buy Co., Ltd.	Thailand	Some common directors
CRC Sport Co., Ltd.	Thailand	Some common directors
CRC Power Retail Co., Ltd.	Thailand	Some common directors
B2S Co., Ltd.	Thailand	Some common directors
Office Club (Thai) Co., Ltd.	Thailand	Some common directors
Earth Care Co., Ltd.	Thailand	Some common directors
CR Chiangmai (Thailand) Co., Ltd.	Thailand	Some common directors
Central Garment Factory Co., Ltd.	Thailand	Some common directors
Samsonite (Thailand) Co., Ltd.	Thailand	Some common directors
Central Plaza Hotel Public Company Limited	Thailand	Some common directors
Central World Hotel Co., Ltd.	Thailand	Some common directors
Central Restaurant Group Co., Ltd.	Thailand	Some common directors
Central Food Retail Co., Ltd.	Thailand	Some common directors
Food Gimmick Co., Ltd.	Thailand	Some common directors
Sakura Restaurant Co., Ltd.	Thailand	Some common directors
Food Excellent Co., Ltd.	Thailand	Some common directors
Central International Development Co., Ltd.	Thailand	Some common directors
Robinson 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

Name of entities	Country of incorporation/ nationality	Nature of relationships
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
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
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group.

The pricing policies for transactions with related parties are explained further below:

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 and contractually agreed interest rate
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
Purchase of assets	Market prices
Management fee from hotel business	Contractually agreed prices

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

<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Revenue				
Revenue from rent and services				
Subsidiaries and funds	-	-	72,114	72,220
Associates	466,211	334,719	7,833	4,214
Other related parties	3,779,179	3,601,777	1,941,719	1,727,587
Total	4,245,390	3,936,496	2,021,666	1,804,021
Revenue from food and beverage				
Other related parties	5,058	6,938	23	-
Management income				
Subsidiaries and funds	-	-	271,995	269,194
Associates	411,006	387,763	411,006	387,763
Joint ventures	20,184	40,568	20,184	40,569
Other related parties	-	1,650	-	1,650
Total	431,190	429,981	703,185	699,176
Interest income				
Subsidiaries and funds	-	-	521,741	548,967
Other related parties	5,651	5,390	5,651	5,390
Total	5,651	5,390	527,392	554,357
Dividend income				
Subsidiaries and funds	-	-	3,298,549	2,924,369
Associates	-	-	736,471	758,368
Total	-	-	4,035,020	3,682,737
Other income				
Subsidiaries and funds	-	-	124,727	157,539
Associates	29,050	205,269	16,069	171,516
Other related parties	148,935	149,167	71,052	55,357
Total	177,985	354,436	211,848	384,412
Expenses				
Cost of rent and services				
Subsidiaries and funds	-	-	237,703	258,749
Associates	3,039	5,664	3,136	3,039
Other related parties	591,698	547,262	582,556	535,610
Total	594,737	552,926	823,395	797,398
Cost of food and beverage				
Subsidiaries and funds	-	-	5	242
Associates	36,416	38,705	-	-
Other related parties	337	18	312	11
Total	36,753	38,723	317	253
Management fees				
Other related parties	178,102	154,427	167,833	142,794

<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Administrative expenses				
Subsidiaries and funds	-	-	22,139	23,443
Associates	43,719	45,318	43,719	45,318
Other related parties	108,449	65,551	87,610	54,166
Total	152,168	110,869	153,468	122,927
Interest expense				
Subsidiaries and funds	-	-	571,601	493,660
Other related parties	225	227	-	-
Total	225	227	571,601	493,660

Key management personnel compensation

Key management personnel compensation for the years ended 31 December consist of:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Short-term benefits	126,997	136,266	126,997	136,266
Long-term benefits	3,266	3,055	3,266	3,055
Total	130,263	139,321	130,263	139,321

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

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
<i>Trade accounts receivable- related parties</i>				
Subsidiaries:				
Central Pattana Rattana Thibet Co., Ltd.	-	-	4,226	3,633
Central Pattana Khon Kaen Co., Ltd.	-	-	5,035	3,781
Central World Co., Ltd.	-	-	14,773	11,087
Central Pattana Chonburi Co., Ltd.	-	-	3,698	2,931
Central Pattana Development Co., Ltd.	-	-	9,221	6,379
Central Pattana Chiangmai Co., Ltd.	-	-	3,259	1,754
Bangna Central Property Co., Ltd.	-	-	5,552	4,112
Central Food Avenue Co., Ltd.	-	-	237	252
Central Pattana Rama 2 Co., Ltd.	-	-	443	430
Central Realty Service Co., Ltd.	-	-	1,200	6,671
Central Pattana Nine Square Co., Ltd.	-	-	5,537	4,955
Thai Business Fund 4	-	-	384	397
CPN Pattaya Co., Ltd.	-	-	6,649	5,046
CPN Learning Center Co., Ltd.	-	-	-	32
Central Pattana Rama 3 Co., Ltd.	-	-	1,024	2,111
Langsuan Realty Co., Ltd.	-	-	10	276
CPN Rayong Co., Ltd.	-	-	6,492	-
CPN Residence Khon Kaen Co., Ltd.	-	-	396	-
Total subsidiaries	-	-	68,136	53,847

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<i>(in thousand Baht)</i>				
Trade accounts receivable - related parties				
Other related parties:				
Central Department Store's Group	209,999	207,558	73,068	105,270
Others	86,222	156,730	19,972	90,966
Total other related parties	296,221	364,288	93,040	196,236
Total	296,221	364,288	161,176	250,083
Other receivables				
Accrued dividend income				
Subsidiaries:				
Thai Business Fund 4	-	-	127,179	70,691
Thai Business Fund 5	-	-	31,105	28,497
Total	-	-	158,284	99,188
Accrued interest income				
Subsidiaries:				
Thai Business Fund 4	-	-	1,393	1,509
Thai Business Fund 5	-	-	129	196
Total	-	-	1,522	1,705
Other non-current assets				
Accrued interest income				
Other related party:				
Siam Retail Development Co., Ltd.	135,456	135,456	135,456	135,456
Total	135,456	135,456	135,456	135,456

Loans to related parties

	Interest rate		Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014	2015	2014
<i>(% per annum)</i>						
<i>(in thousand Baht)</i>						
Short-term loans to						
Subsidiaries:						
Thai Business Fund 5	4.01	4.25	-	-	37,682	54,380
CPN Global Co., Ltd.	3.18	3.92	-	-	95,750	14,467
CPN Learning Center Co., Ltd.	-	3.92	-	-	-	502
Total short-term loans			-	-	133,432	69,349
Long-term loans to						
Subsidiaries:						
Central World Co., Ltd.	3.18	3.92	-	-	7,248,222	8,145,434
Central Pattana Development Co., Ltd.	3.18	3.92	-	-	1,581,531	2,163,126
Central Food Avenue Co., Ltd.	3.18	3.92	-	-	16,387	15,263
Central Pattana Khon Kaen Co., Ltd.	-	3.92	-	-	-	44,382
Langsuan Realty Co., Ltd.	3.18	3.92	-	-	1,707,951	1,235,014
CPN Residence Co., Ltd.	3.18	-	-	-	345,275	-

	Interest rate		Consolidated		Separate	
	2015	2014	financial statements		financial statements	
	(% per annum)		2015	2014	2015	2014
<i>Long-term loans to</i>						
<i>Subsidiaries:</i>						
CPN Rayong Co., Ltd.	3.18	3.92	-	-	930,616	349,665
CPN Korat Co., Ltd.	-	3.92	-	-	-	717,563
Total long-term loans			-	-	11,829,982	12,670,447
Total loans to related parties			-	-	11,963,414	12,739,796
<i>Summary of loans to related parties</i>						
Short-term loans			-	-	133,432	69,349
Long-term loans			-	-	11,829,982	12,670,447
			-	-	11,963,414	12,739,796
Less allowance for doubtful accounts			-	-	-	-
Total loans to related parties, net			-	-	11,963,414	12,739,796

Movements during the years ended 31 December of loans to related parties were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
<i>(in thousand Baht)</i>				
<i>Short-term loans to</i>				
Subsidiaries				
At 1 January	-	-	69,349	88,124
Increase				
- Principal	-	-	86,353	6,574
- Interest	-	-	1,478	445
Decrease				
- Principal	-	-	(22,477)	(24,719)
- Interest	-	-	(1,271)	(1,075)
At 31 December	-	-	133,432	69,349
<i>Long-term loans to</i>				
Subsidiaries				
At 1 January	-	-	12,670,447	13,234,090
Increase				
- Principal	-	-	6,140,882	5,024,393
- Interest	-	-	486,119	527,491
Decrease				
- Principal	-	-	(6,976,635)	(5,609,890)
- Interest	-	-	(490,831)	(505,637)
At 31 December	-	-	11,829,982	12,670,447

Loans to subsidiaries are unsecured and denominated in Thai Baht 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 2.0 % to 5.0 % per annum.

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Trade accounts payable - related parties				
Subsidiaries:				
Central World Co., Ltd.	-	-	3,246	2,190
Central Realty Service Co., Ltd.	-	-	1,236	1,202
Thai Business Fund 4	-	-	8,762	6,416
Central Pattana Nine Square Co., Ltd.	-	-	1,824	1,150
Central Pattana Khon Kaen Co., Ltd.	-	-	1,222	1,128
Central Pattana Chiangmai Co., Ltd.	-	-	993	1,533
Bangna Central Property Co., Ltd.	-	-	2,156	228
Central Pattana Development Co., Ltd.	-	-	2,141	887
Central Pattana Rattana Thibet Co., Ltd.	-	-	846	672
Central Pattana Chonburi Co., Ltd.	-	-	215	643
Central Pattana Rama 2 Co., Ltd.	-	-	-	21
CPN Pattaya Co., Ltd.	-	-	1,622	760
CPN Learning Center Co., Ltd.	-	-	-	71
CPN Rayong Co., Ltd.	-	-	825	15
Central Pattana Rama 3 Co., Ltd.	-	-	283	-
CPN Residence Co., Ltd.	-	-	611	-
Langsuan Realty Co., Ltd.	-	-	83	-
Total subsidiaries	-	-	26,065	16,916
Other related parties:				
Central Department Store's Group	11,543	27,979	8,246	21,416
Others	28,409	34,865	21,862	26,867
Total related parties	39,952	62,844	30,108	48,283
Total	39,952	62,844	56,173	65,199
Accounts payable for leasehold right				
Other related parties:				
Central Department Store's Group	333,333	-	333,333	-
Less Current portion of accounts payable for leasehold right	(33,333)	-	(33,333)	-
	300,000	-	300,000	-
Unearned rental and service income				
Subsidiaries				
Associates	9,880,548	10,215,138	1,380	1,866
Total	9,880,548	10,215,138	66,802	72,845
Less Current portion of unearned rental service income	(353,370)	(353,370)	(5,557)	(5,557)
Net	9,527,178	9,861,768	61,245	67,288
Deposits received from customer				
Subsidiaries				
Central Department Store's Group	369,292	342,564	140,412	117,631
Other related parties	325,181	269,417	165,399	124,362
Total	694,473	611,981	306,088	241,993

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Guarantees for leasehold rights				
Other related party:				
Central Department Store's Group	264,423	1,209,410	252,965	947,597

Loans from related parties

	Interest rate		Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014	2015	2014
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>			
Short-term loans from						
Subsidiaries:						
Central Pattana Nine Square Co.,Ltd.	3.18	3.92	-	-	1,309,052	401,225
CPN Residence Co., Ltd.	-	3.92	-	-	-	1,080
Central Pattana Chiangmai Co., Ltd.	3.18	3.92	-	-	9,593,336	9,886,313
Central Realty service Co., Ltd.	3.18	3.92	-	-	31,761	18,379
Thai Business Fund 4	2.44	2.50	-	-	731,104	761,103
Central Pattana Rattana Thibet Co., Ltd.	3.18	3.92	-	-	747,859	471,718
CPN Pattaya Co., Ltd.	3.18	3.92	-	-	674,045	272,346
Central Pattana Chonburi Co., Ltd.	3.18	3.92	-	-	363,808	132,433
Central Pattana Khon Kaen Co., Ltd.	3.18	-	-	-	156,408	-
CPN Korat Co., Ltd.	3.18	-	-	-	208,484	-
Other related parties:						
Others	-	5.50	-	4,387	-	-
Total short-term loans			-	4,387	13,815,857	11,944,597
Long-term loans from						
Subsidiaries:						
Central Pattana Rama 3 Co., Ltd.	3.18	3.92	-	-	1,711,873	1,681,675
Central Pattana Rama 2 Co., Ltd.	3.18	3.92	-	-	1,793,714	1,802,516
Total long-term loans			-	-	3,505,587	3,484,191
Total loans from related parties			-	4,387	17,321,444	15,428,788

Movements during the years ended 31 December of loans from related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Short-term loans from				
Subsidiaries				
At 1 January	-	-	11,944,597	3,377,972
Increase				
- Principal	-	-	6,367,703	14,904,386
- Interest	-	-	423,644	316,913
Decrease				
- Principal	-	-	(4,494,240)	(6,372,928)
- Interest	-	-	(425,847)	(281,746)
At 31 December	-	-	13,815,857	11,944,597

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Other related parties				
At 1 January	4,387	4,160	-	-
Increase				
- Interest	225	227	-	-
Decrease				
- Principal	(3,345)	-	-	-
- Interest	(1,267)	-	-	-
At 31 December	-	4,387	-	-
Total short-term loans from related parties				
At 1 January	4,387	4,160	11,944,597	3,377,972
Increase				
- Principal	-	-	6,367,703	14,904,386
- Interest	225	227	423,644	316,913
Decrease				
- Principal	(3,345)	-	(4,494,240)	(6,372,928)
- Interest	(1,267)	-	(425,847)	(281,746)
At 31 December	-	4,387	13,815,857	11,944,597
Long-term loans from Subsidiaries				
At 1 January	-	-	3,484,191	3,421,792
Increase				
- Principal	-	-	364,063	858,760
- Interest	-	-	121,631	150,515
Decrease				
- Principal	-	-	(335,174)	(809,637)
- Interest	-	-	(129,124)	(137,239)
At 31 December	-	-	3,505,587	3,484,191

Loans from related parties are unsecured and denominated in Thai Baht. Loans from subsidiaries and related parties carry interests at the average interest rate of unsecured debt securities issued by the Company. Loans from funds carry interest at the rates ranging from 2.0 % to 5.0 % per annum.

Commitments with related parties

As at 31 December the Group has entered into service and premise lease agreements with related parties. The rental and service fees are payable as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Non-cancellable operating lease commitments				
Within one year	723	626	963	866
After one year but within five years	3,366	3,215	4,326	4,175
After five years	14,620	13,520	17,500	16,639
Total	18,709	17,361	22,789	21,680

The Company entered into a land lease agreement with Hang 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 CentralWorld for 29 years ending in December 2032. According to the agreement, the sub-lessee agreed to use land and its constructions to develop a hotel, a parking and a convention hall.

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 CentralWorld Plaza with The Crown Property Bureau. The lease agreement was for a period of 30 years ending in December 2032.

On 23 December 2002, TBF4 entered into a sublease utilities system contract and a real estate management contract with Central World Co., Ltd. (“Central World”) The lease agreement was for a period of 30 years ending in December 2032. Under the conditions of the contracts, Central World had to make an advance lump sum payment of unearned leasehold right in advance of Baht 80 million and monthly rent stated in the contract to TBF4. Central World had the Company as a guarantor. In addition, TBF4 entered into a real estate management contract with Central World and had to pay real estate management fee as stated in 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 to the Company by cancelling a sublease utilities system contract and a real estate management contract with Central World.

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. The Company 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 Company 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 and approved to enter into new sublease office contracts with Property Fund Type I and the Company and Central World and amended the real estate management contract with the Company.

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 the Company and Central World 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 certain land leasehold under the agreement with The Crown Property Bureau and subsequent appointment to the Company as the new lessee of the lease directly with The Crown Property Bureau. The Company 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. The Company 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.

CentralPlaza Lardprao

In 2009, the Company subleased land, shopping center, office building and parking building including their improvements, integrated components and equipment of CentralPlaza 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.

CentralPlaza WestGate

In January 2013, the Company entered into a land lease agreement with Vantage Ground Co., Ltd. ("Vantage") a related party, for the construction of 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-year, at the rate and the benefit to be agreed upon in writing in advance not less than 2 years prior to the completion of the lease.

At the Company's Board of Directors' meeting held on 7 August 2015, the Board members approved the cancellation of partial land lease agreement of CentralPlaza WestGate with Vantage, the related party, in order to sale the land to third party for construct these store, the company notified the cancellation of the agreement in October 2015. Vantage agreed to pay the compensation of land lease and annual rental which the Company paid under the conditions of the land lease agreement.

CentralFestival Phuket

In June 2015, the Company entered into subleased land contracts and shopping lease agreements with Central Department Store Co., Ltd. a related party, for the operation of shop buildings for lease with a period of 41 years and 6 days ending on 6 June 2056. Under the conditions of the agreements, the Company had to pay rental of shop buildings in the amount of Baht 5,572.9 million and the Company had to pay for leasehold right to land in the amount of Baht 666.7 million and pay the annual land rent throughout the agreement period totalling Baht 2,769.2 million. In addition, there was an entering into purchase system and asset agreements totalling Baht 55.5 million.

CentralPlaza Pinklao

In 2015, the Company entered into a memorandum for the extension a land lease agreement with Hang Central Department Store Co., Ltd. by agreed to extend their lease for 2 years and 5 months since 1 January 2025 to 31 May 2027, the lessee agreed to additional pay in amount of Baht 291 million according to the contract.

5 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Cash on hand	17,291	13,802	8,137	5,636
Call deposits	1,760,443	2,473,980	1,033,466	1,738,178
Highly liquid short-term investments	800,000	-	800,000	-
Total	<u>2,577,734</u>	<u>2,487,782</u>	<u>1,841,603</u>	<u>1,743,814</u>

Cash and cash equivalents of the Group and the Company as at 31 December 2015 and 2014 were denominated entirely in Thai Baht.

6 Other investments

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Current				
Short-term deposits at financial institutions	8,289	-	-	-
Debt securities held-to-maturities	-	499,236	-	499,236
Equity securities available-for-sale	1,724,335	772,044	1,588,329	642,747
Accumulated changes in fair value	15,394	13,941	2,845	2,855
Short-term investments	<u>1,748,018</u>	<u>1,285,221</u>	<u>1,591,174</u>	<u>1,144,838</u>
Non-current				
Other equity securities	2,216	2,218	1,000	1,000
Other long-term investments	<u>2,216</u>	<u>2,218</u>	<u>1,000</u>	<u>1,000</u>
Total	<u>1,750,234</u>	<u>1,287,439</u>	<u>1,592,174</u>	<u>1,145,838</u>

The currency denomination of other investments as at 31 December was as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Thai Baht (THB)	1,741,945	1,287,439	1,592,174	1,145,838
Malaysian Ringgit (MYR)	8,289	-	-	-
Total	<u>1,750,234</u>	<u>1,287,439</u>	<u>1,592,174</u>	<u>1,145,838</u>

7 Trade accounts receivable

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
<i>(in thousand Baht)</i>					
Subsidiaries and other related parties	4	296,221	364,288	161,176	250,083
Other parties		977,110	1,065,455	583,983	513,613
Total		<u>1,273,331</u>	<u>1,429,743</u>	<u>745,159</u>	<u>763,696</u>
Less allowance for doubtful accounts		(23,830)	(25,419)	(5,676)	(7,101)
Net		<u>1,249,501</u>	<u>1,404,324</u>	<u>739,483</u>	<u>756,595</u>
Bad and doubtful debt expenses (reverse) for the year		<u>(1,589)</u>	<u>4,995</u>	<u>(1,425)</u>	<u>4,647</u>

Aging analyses for trade accounts receivable and deposits from overdue customers were as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<i>(in thousand Baht)</i>				
<i>Subsidiaries and other related parties</i>				
Within credit terms	104,642	67,806	95,001	95,178
Overdue:				
Less than 3 months	96,428	252,998	36,496	130,893
3-6 months	68,563	17,210	10,369	9,297
6-12 months	7,280	26,274	3,380	14,715
Over 12 months	19,308	-	15,930	-
Total	<u>296,221</u>	<u>364,288</u>	<u>161,176</u>	<u>250,083</u>
Deposits from overdue customers	<u>637,088</u>	<u>601,400</u>	<u>274,894</u>	<u>234,843</u>
<i>Other parties</i>				
Within credit terms	157,588	182,722	124,309	119,462
Overdue:				
Less than 3 months	538,727	637,831	336,239	268,622
3-6 months	99,482	110,812	56,158	61,264
6-12 months	84,717	62,074	52,293	50,524
Over 12 months	96,596	72,016	14,984	13,741
	<u>977,110</u>	<u>1,065,455</u>	<u>583,983</u>	<u>513,613</u>
Less allowance for doubtful accounts	(23,830)	(25,419)	(5,676)	(7,101)
Net	<u>953,280</u>	<u>1,040,036</u>	<u>578,307</u>	<u>506,512</u>
Deposits from overdue customers	<u>4,880,961</u>	<u>4,221,672</u>	<u>2,122,609</u>	<u>1,535,392</u>

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 2015 and 2014 were denominated entirely in Thai Baht.

Deposits received from overdue customers were in excess of the overdue receivables.

8 Other receivables

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
		<i>(in thousand Baht)</i>			
Accrued income	4	814,007	740,637	375,856	344,099
Accrued dividend income	4	-	-	158,284	99,188
Receivables from					
Revenue Department		76,504	72,144	-	4,287
Other accounts receivable		190,950	251,788	69,932	132,242
Prepaid expenses		444,219	410,939	368,957	332,786
Others		236,063	365,317	201,898	241,115
Total		<u>1,761,743</u>	<u>1,840,825</u>	<u>1,174,927</u>	<u>1,153,717</u>

9 Investments in subsidiaries and funds

	Separate financial statements	
	2015	2014
	<i>(in thousand Baht)</i>	
At 1 January	22,783,141	21,807,140
Acquisitions of investments	1,398,601	1,000,001
Disposal of investments and redemption of investment units	(24,000)	(24,000)
Reversal of allowance for impairment	101,505	-
At 31 December	<u>24,259,247</u>	<u>22,783,141</u>

Central (Shanghai) Management Consulting Co., Ltd.

At the Company's Board of Directors' meeting held on 21 February 2014, the Board members approved the registration of the dissolution and the liquidation of the Central (Shanghai) Management Consulting Co., Ltd. which resulted from the adjustment of the Group's investing strategy in the overseas projects.

In October 2015, Central (Shanghai) Management Consulting Co., Ltd. was registration of the dissolution because there is no operation currently, the dissolution of this subsidiary does not affect to the Company's operations.

CPN Korat Co., Ltd.

On 25 December 2014, the Company had acquired 99.94% shares of Korat Land Owner Co., Ltd. which has the authorised shares of Baht 1 million comprised of 100,000 shares with a par value of Baht 10 each, and the share capital was fully paid-up.

At the extraordinary shareholders meeting of Korat Land Owner Co., Ltd. on 13 January 2015, the shareholders passed a resolution to change the company's name from "Korat Land Owner Co., Ltd." to "CPN Korat Co., Ltd.". The name change was registered with the Ministry of Commerce on 20 January 2015.

At the extraordinary shareholders meeting of CPN Korat Co., Ltd. on 13 January 2015, the shareholders approved a resolution to increase the registered capital from Baht 1 million to Baht 1,000 million by reissuing the new ordinary capital as common stock, totalling 99,900,000 shares with a par value of Baht 10 each in order to use for its working capital and the share capital was paid-up amounting Baht 999 million.

CPN Ventures SDN. BHD. (Indirect subsidiary)

At the extraordinary shareholders meeting No.1/2015 of CPN Ventures SDN. BHD. the shareholders approved a resolution to increase the registered capital from RM 400,000 to RM 5 million by reissuing the new ordinary share capital as common stock, totalling 4,600,000 shares with a par value of RM 1 each. On 31 December 2015, the CPN Ventures SDN. BHD. had received the payment of the said shares 76% paid-up shares, totalling RM 3,500,000.

CPN Complex Co., Ltd. (Indirect subsidiary)

At the extraordinary shareholders meeting of CPN Complex Co., Ltd. (“CPN Complex”) on 21 July 2015, shareholders approved a resolution to increase the registered capital from Baht 1,342 million to Baht 2,342 million by reissuing the new ordinary capital as common stock, totalling 10,000,000 shares with a par value of Baht 100 each. CPN Complex had received the payment of the said shares 25% paid-up shares, totalling Baht 250 million in order to use for its working capital. CPN Complex had registered the capital on 3 August 2015.

CPN City Co., Ltd. (Indirect subsidiary)

At the extraordinary shareholders meeting of CPN City Co., Ltd. (“CPN City”) on 21 July 2015, shareholders approved a resolution to increase the registered capital from Baht 1,863 million to Baht 2,863 million by reissuing the new ordinary capital as common stock, totalling 10,000,000 shares with a par value of Baht 100 each. CPN City had received the payment of the said shares 25% paid-up shares, totalling Baht 250 million in order to use for its working capital. CPN City had registered the capital on 3 August 2015.

Central Plaza i-City Real Estate Sdn. Bhd.

At the extraordinary shareholders meeting on 2 February 2015, shareholders approved restructuring of Central Plaza i-City Real Estate Sdn. Bhd. The objective is to enhance the investment in Malaysia, the details are as follow:

Former shareholder structure: Central Plaza i-City Sdn. Bhd. holds 100% of shares.

New shareholder structure: CPN Global Co., Ltd., the subsidiary of the Company holds 50% of shares.

Langsuan Realty Co., Ltd., the subsidiary of the Company holds 10% of shares.

I-R&D Sdn. Bhd., the subsidiary of I-Berhad (Joint Venture party) holds 40% of shares.

At the extraordinary shareholders meeting of Central Plaza i-City Real Estate Sdn. Bhd. on 26 November 2015, shareholders approved a resolution to increase the registered capital from RM 0.4 million to RM 458 million by reissuing the new ordinary capital as common stock, totalling 457.6 million shares with a par value of RM 1 each in the same proportion of shareholding. As at 31 December 2015, Central Plaza i-City Real Estate Sdn. Bhd. had received the payment of the said, totalling RM 12 million.

Central Plaza i-City Malls Malaysia Sdn. Bhd.

At the extraordinary shareholders meeting on 2 February 2015, shareholders approved restructuring of Central Plaza i-City Malls Malaysia Sdn. Bhd. The objective is to enhance the investment in Malaysia, the details are as follow:

Former shareholder structure: CPN Real Estate Sdn. Bhd., the subsidiary of the Company holds 50% of shares.

CPN Malls Malaysia Sdn. Bhd., the subsidiary of the Company holds 10% of shares.

I-City Properties Sdn. Bhd. (Joint Venture party) holds 40% of shares.

New shareholder structure: CPN Real Estate Sdn. Bhd., the subsidiary of the Company holds 50% of shares.

CPN Malls Malaysia Sdn. Bhd., the subsidiary of the Company holds 50% of shares.

CPN Residence Co., Ltd.

At the extraordinary shareholders meeting of CPN Residence Co., Ltd. on 16 September 2015, the shareholders approved a resolution to investment in condominium projects near the shopping center in Chiang Mai, Khon Kaen and Rayong in totalling Baht 1,626 million (exclude land amount).

At the extraordinary shareholders meeting of CPN Construction Management Co., Ltd. on 10 October 2015, the shareholders passed a resolution to change the company's name from "CPN Construction Management Co., Ltd." to "CPN Residence Co., Ltd.". The name change was registered with the Ministry of Commerce on 13 October 2015.

At the extraordinary shareholders meeting of CPN Residence Co., Ltd. on 2 December 2015, the shareholders approved a resolution to increase the registered capital from Baht 1 million to Baht 1,000 million by reissuing the new ordinary capital as common stock, totalling 10,000,000 shares with a par value of Bath 100 each in order to use for its working capital.

CPN Residence Khon Kaen Co., Ltd. (Indirect subsidiary)

In December 2015, the Group has registered the establishment of CPN Residence Khon Kaen Co., Ltd. to support investment in residence project in Khonkaen province. The subsidiary has a registered capital in Baht 200 million, totalling 2 million shares with a par value of Baht 100 each and the share capital was 25% paid-up or Baht 50 million.

C.S. City Co., Ltd. (Indirect subsidiary)

On 30 November 2015, the Group acquired 99.97% shares of C.S. City Co., Ltd. which has the registered capital in Baht 1 million, totalling 10,000 shares with a par value of Bath 100 each and the share capital was 25% paid up or Baht 250,000. The objective is to expand business of the Group.

Investments in subsidiaries and funds as at 31 December 2015 and 2014 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	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	(in million Baht)											
	(in thousand Baht)											
Subsidiaries												
Central Pattana Rama 2 Co., Ltd.	100.0	100.0	1,500.0	1,500.0	1,500,000	1,500,000	-	-	1,500,000	1,500,000	-	-
Central Pattana Chiangmai Co., Ltd.	100.0	100.0	1,000.0	1,000.0	1,000,000	1,000,000	-	-	1,000,000	1,000,000	500,000	659,999
Langsuan Realty Co., Ltd.	100.0	100.0	830.0	830.0	830,000	830,000	-	-	830,000	830,000	-	-
Central Pattana Rattanahibet Co., Ltd.	100.0	100.0	800.0	800.0	589,998	589,998	-	-	589,998	589,998	235,999	182,899
Central Realty Service Co., Ltd.	100.0	100.0	1.0	1.0	1,000	1,000	-	-	1,000	1,000	24,998	54,997
Central Food Avenue Co., Ltd.	100.0	100.0	5.0	5.0	5,000	5,000	-	-	5,000	5,000	-	-
Central World Co., Ltd.	100.0	100.0	2,511.9	2,511.9	2,412,733	2,412,733	-	-	2,412,733	2,412,733	-	-
Central Pattana Rama 3 Co., Ltd.	100.0	100.0	324.7	324.7	2,166,751	2,166,751	-	-	2,166,751	2,166,751	-	-
Central Pattana Chonburi Co., Ltd.	100.0	100.0	900.0	900.0	808,984	808,984	-	-	808,984	808,984	-	-
CPN Residence Co., Ltd.	100.0	100.0	400.6	1.0	400,599	999	-	-	400,599	999	-	9,993
Central Pattana Development Co., Ltd.	100.0	100.0	700.0	700.0	744,285	744,285	-	-	744,285	744,285	-	-
CPN Global Company Limited	100.0	100.0	1.0	1.0	1,000	1,000	-	-	1,000	1,000	-	-
Central Pattana Nine Square Co., Ltd.	93.3	93.3	2,400.0	2,400.0	2,239,200	2,239,200	-	-	2,239,200	2,239,200	-	559,600
Central Pattana Khon Kaen Co., Ltd.	78.1	78.1	2,000.0	2,000.0	1,562,684	1,562,683	-	(101,505)	1,562,684	1,461,178	-	-
CPN Learning Center Co., Ltd.	100.0	100.0	1.0	1.0	1,000	1,000	-	-	1,000	1,000	9,696	-
CPN Pattaya Co., Ltd.	100.0	100.0	2,500.0	2,500.0	2,500,060	2,500,060	-	-	2,500,060	2,500,060	750,000	200,000
CPN Rayong Co., Ltd.	100.0	100.0	1,000.0	1,000.0	999,999	999,999	-	-	999,999	999,999	-	-
Bangna Central Property Co., Ltd.	-	-	962.5	962.5	1	1	-	-	1	1	-	-
CPN Korat Co., Ltd.	100.0	100.0	1,000.0	1.0	1,000,000	1,000	-	-	1,000,000	1,000	-	-
Funds												
Thai Business Fund 4 ⁽¹⁾⁽²⁾	100.0	100.0	5,443.8	5,443.8	5,443,793	5,443,793	-	-	5,443,793	5,443,793	1,409,194	918,817
Thai Business Fund 5 ⁽¹⁾	100.0	100.0	52.2	76.2	52,160	76,160	-	-	52,160	76,160	368,662	338,064
Total			24,259,247	22,884,646	24,259,247	22,783,141	-	(101,505)	24,259,247	22,783,141	3,298,549	2,924,369

^①Investments in Thai Business Fund 4 and 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).

^②*Thai Business Fund 4*

In 2009, 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.

10 Investment in associates and joint ventures

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Associates				
At 1 January	5,443,527	3,354,239	7,578,674	5,544,769
Acquisitions	-	2,033,905	-	2,033,905
Share of net profit of investment - equity method	745,771	813,751	-	-
Dividend income	(736,471)	(758,368)	-	-
At 31 December	<u>5,452,827</u>	<u>5,443,527</u>	<u>7,578,674</u>	<u>7,578,674</u>
Joint ventures				
At 1 January	-	-	-	-
Acquisitions	60,944	-	-	-
Share of net profits of joint ventures	3,533	-	-	-
At 31 December	<u>64,477</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total investment in associates and joint ventures at 31 December	<u>5,517,304</u>	<u>5,443,527</u>	<u>7,578,674</u>	<u>7,578,674</u>

Investment in associates and joint ventures as at 31 December 2015 and 2014 and dividend income from the investment for the years then ended were as follows:

Consolidated financial statements												
	Ownership interest (%)		Paid-up capital		Cost		Equity (in thousand Baht)		Fair value of listed securities		Dividend income	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Associates												
CPN Retail Growth	26.7	26.7	24,406,208	24,406,208	6,480,076	6,480,076	4,898,451	4,902,234	10,097,921	9,507,399	648,157	674,950
Leasehold Property Fund												
CPN Commercial Growth	25.0	25.0	4,394,382	4,394,382	1,098,598	1,098,598	554,376	541,293	1,407,912	1,098,598	88,314	83,418
Leasehold Property Fund												
Total												
			<u>7,578,674</u>	<u>7,578,674</u>	<u>7,578,674</u>	<u>7,578,674</u>	<u>5,452,827</u>	<u>5,443,527</u>	<u>11,505,833</u>	<u>10,605,997</u>	<u>736,471</u>	<u>758,368</u>
Joint ventures												
Central Plaza i-City	60.0	60.0	100,813	-	60,970	-	64,477	-	-	-	-	-
Real Estate Sdn. Bhd.												

Investment in associates as at 31 December 2015 and 2014 and dividend income from the investment for the years then ended were as follows:

Separate financial statements

	Ownership interest (%)		Paid-up capital		Cost		Fair value of listed securities		Dividend income	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
<i>Associates</i>										
CPN Retail Growth	26.7	26.7	24,406,208	24,406,208	6,480,076	6,480,076	10,097,921	9,507,399	648,157	674,950
CPN Commercial Growth Leasehold Property Fund	25.0	25.0	4,394,382	4,394,382	1,098,598	1,098,598	1,407,912	1,098,598	88,314	83,418
Total					7,578,674	7,578,674	11,505,833	10,605,997	736,471	758,368

Associates and joint ventures

The following table summarises the financial information of the associates and joint ventures as included in their own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarized financial information to the carrying amount of the Group's interest in these companies.

	CPN Retail Growth Leasehold Property Fund		CPN Commercial Growth Leasehold Property Fund		Central Plaza i-City Real Estate Sdn. Bhd.	
	2015	2014	2015	2014	2015	2014
Revenue	4,701,811	3,843,077	639,566	540,079	7,333	-
Profit from continuing operations	2,414,243	2,677,240	405,588	362,874	5,889	-
Other comprehensive income	1,566,193	533,670	78,413	2,453	-	-
Total comprehensive income	3,980,436	3,210,910	484,001	365,327	5,889	-
Attributable to investee's shareholders	3,980,436	3,210,910	484,001	365,327	5,889	-
Current assets	813,882	676,072	168,630	109,238	1,807	-
Non-current assets	31,970,053	30,315,272	5,405,053	5,348,053	141,289	68,526
Current liabilities	(541,204)	(313,094)	(41,469)	(38,300)	(35,636)	(69,065)
Non-current liabilities	(3,000,515)	(2,988,055)	(494,502)	(512,023)	-	-
Net assets (liabilities)	29,242,216	27,690,195	5,037,712	4,906,968	107,460	(539)
Attributable to investee's shareholders	29,242,216	27,690,195	5,037,712	4,906,968	107,460	(539)
Group's interest in net assets of investee at 1 January	4,902,234	2,820,246	541,293	533,993	-	-
Acquisitions	-	2,033,906	-	-	60,944	-
Total comprehensive income attributable to the Group	644,374	723,032	101,397	90,718	3,533	-
Dividends received during the year	(648,157)	(674,950)	(88,314)	(83,418)	-	-
Group's interest in net assets of investee at end of year	4,898,451	4,902,234	554,376	541,293	64,477	-
Elimination of unrealised profit on downstream sales	-	-	-	-	-	-
Carrying amount of interest in investee at 31 December	4,898,451	4,902,234	554,376	541,293	64,477	-

11 Long-term investments - related parties

	Ownership interest		Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014	2015	2014
	(%)		<i>(in thousand Baht)</i>			
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			(65,397)	(65,397)	-	-
Net			66,250	66,250	-	-

12 Investment properties

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Cost				
At 1 January	74,788,696	65,736,003	26,280,834	18,856,601
Additions	16,854,342	10,277,882	14,404,344	7,436,179
Disposals / amortisation	(300,860)	(1,225,189)	(20,057)	(11,946)
Reversal of allowance for impairment	134,397	-	-	-
At 31 December	91,476,575	74,788,696	40,665,121	26,280,834
Accumulated depreciation				
At 1 January	13,861,446	12,160,846	3,210,615	2,373,481
Depreciation charge for the year	3,055,589	2,730,678	1,146,802	842,253
Disposals / amortisation	(236,896)	(1,030,078)	(13,935)	(5,119)
At 31 December	16,680,139	13,861,446	4,343,482	3,210,615
Net book value				
At 1 January 2014	-	53,575,157	-	16,483,120
At 31 December 2014 and 1 January 2015	60,927,250	60,927,250	23,070,219	23,070,219
At 31 December 2015	74,796,436	-	36,321,639	-

Investment properties were revalued as at 31 December 2015 by independent professional valuers, using a “Income method, DCF Technique”. The appraised value (including partial of leasehold right) was Baht 157,100 million (2014: Baht 127,664 million) which show as below:

	Consolidated financial statements			
	2015		2014	
	Book value	Fair value	Book value	Fair value
		<i>(in million Baht)</i>		
Investment properties	74,796		60,927	
Leasehold right	11,644		11,795	
Total	86,440	157,100	72,722	127,664

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

- CentralPlaza Chiangmai Airport
- CentralPlaza Bangna
- Central Centre Pattaya
- CentralPlaza Rattanathibet
- CentralFestival Pattaya Beach
- CentralPlaza Chonburi
- CentralPlaza Chiangrai
- CentralPlaza Grand Rama 9
- Chaengwattana Office
- Langsuan Colonade
- CentralPlaza Lampang
- CentralFestival Chiangmai
- CentralFestival Samui
- CentralPlaza Rayong
- CentralPlaza WestGate
- Project under development
- CentralPlaza Ramindra
- CentralPlaza Pinklao
- CentralPlaza Ratchada - Rama 3
- CentralPlaza Changwattana
- CentralPlaza Udonthani
- CentralPlaza Khonkhan
- CentralPlaza Pisanulok
- Central City Residential
- Bangna Office
- CentralPlaza Suratthani
- CentralPlaza Ubonratchathani
- CentralFestival Hat-yai
- CentralPlaza Salaya
- CentralFestival Phuket
- CentralFestival EastVille

The Group’s projects under development consist of 4 shopping centres.

Collateral

As at 31 December 2015, long-term borrowings, as discussed in note 18, are secured by the Group’s and Company’s investment properties with book values of Baht 2,007 million (2014: Baht 6,690 million).

13 Property, plant and equipment

(a) Group

	Consolidated financial statements				
	Land	Buildings and improvements	Transportation and office equipments <i>(in thousand Baht)</i>	Construction in progress	Total
Cost					
At 1 January 2014	91,371	2,222,354	1,063,324	74,394	3,451,443
Additions	-	30,110	75,789	22,003	127,902
Transfer - net	-	30,507	(2,614)	(27,893)	-
Disposals / write off	-	(1,636)	(1,757)	-	(3,393)
At 31 December 2014 and 1 January 2015	91,371	2,281,335	1,134,742	68,504	3,575,952
Additions	-	7,091	59,012	39,230	105,333
Transfer - net	-	17,694	(2,614)	(15,080)	-
Disposals / write off	-	(921)	(10,461)	-	(11,382)
Reversal of allowance for impairment	-	31,829	-	-	31,829
At 31 December 2015	91,371	2,337,028	1,180,679	92,654	3,701,732
Accumulated depreciation					
At 1 January 2014	-	535,060	563,480	-	1,098,540
Depreciation charge for the year	-	186,045	153,777	-	339,822
Transfer - net	-	971	(971)	-	-
Disposals / write off	-	(1,291)	(1,610)	-	(2,901)
At 31 December 2014 and 1 January 2015	-	720,785	714,676	-	1,435,461
Depreciation charge for the year	-	197,990	137,508	-	335,498
Transfer - net	-	1,685	(1,685)	-	-
Disposals / write off	-	-	(8,274)	-	(8,274)
At 31 December 2015	-	920,460	842,225	-	1,762,685

Consolidated financial statements

	Land	Buildings and improvements	Transportation and office equipments <i>(in thousand Baht)</i>	Construction in progress	Total
Net book value					
At 1 January 2014					
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
At 31 December 2014 and 1 January 2015					
Owned assets	91,371	1,560,550	416,929	68,504	2,137,354
Assets under finance leases	-	-	3,137	-	3,137
	91,371	1,560,550	420,066	68,504	2,140,491
At 31 December 2015					
Owned assets	91,371	1,416,568	338,454	92,654	1,939,047
Assets under finance leases	-	-	-	-	-
	91,371	1,416,568	338,454	92,654	1,939,047

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 2015 amounted to Baht 481 million (2014: Baht 304 million).

Collateral

As at 31 December 2015, long-term borrowings, as discussed in note 18, are not secured by the Group's properties (2014: borrowings are secured by the Group's properties with book values of Baht 1,004 million).

(b) Company

	Buildings and improvements	Separate financial statements Transportation and office equipments (in thousand Baht)	Construction in progress	Total
Cost				
At 1 January 2014	59,104	606,862	70,771	736,737
Additions	25,635	66,218	1,443	93,296
Transfer - net	13,732	(5,199)	(8,533)	-
Disposals / write off	(417)	(1,757)	-	(2,174)
At 31 December 2014 and 1 January 2015	98,054	666,124	63,681	827,859
Additions	5,569	37,722	19,036	62,327
Transfer - net	5,901	(3,011)	(2,890)	-
Disposals / write off	(297)	(7,223)	-	(7,520)
Reversal of allowance for impairment	31,829	-	-	31,829
At 31 December 2015	141,056	693,612	79,827	914,495
Accumulated depreciation				
At 1 January 2014	34,598	331,877	-	366,475
Depreciation charge for the year	15,354	83,812	-	99,166
Transfer - net	911	(911)	-	-
Disposals / write off	(417)	(1,610)	-	(2,027)
At 31 December 2014 and 1 January 2015	50,446	413,168	-	463,614
Depreciation charge for the year	25,807	69,619	-	95,426
Transfer - net	1,685	(1,685)	-	-
Disposals / write off	(5)	(5,177)	-	(5,182)
At 31 December 2015	77,933	475,925	-	553,858
Net book value				
At 1 January 2014				
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

	Buildings and improvements	Separate financial statements		Total
		Transportation and office equipments <i>(in thousand Baht)</i>	Construction in progress	
At 31 December 2014 and 1 January 2015				
Owned assets	47,608	249,819	63,681	361,108
Assets under finance leases	-	3,137	-	3,137
	47,608	252,956	63,681	364,245
At 31 December 2015				
Owned assets	63,123	217,687	79,827	360,637
Assets under finance leases	-	-	-	-
	63,123	217,687	79,827	360,637

The gross amount of the Company's fully depreciated property, plant and equipment that was still in use as at 31 December 2015 amounted to Baht 332 million (2014: Baht 277 million).

14 Leasehold rights

	Consolidated financial statements <i>(in thousand Baht)</i>	Separate financial statements
Cost		
At 1 January 2014	21,420,331	9,179,896
Additions	1,502,399	1,309,622
Disposals / transfer	(20,472)	(140)
At 31 December 2014 and 1 January 2015	22,902,258	10,489,378
Additions	1,152,031	1,175,275
Disposals / transfer	(180,530)	(118,081)
At 31 December 2015	23,873,759	11,546,572
Accumulated amortisation		
At 1 January 2014	9,963,767	3,376,622
Amortisation for the year	943,961	560,707
Disposals / transfer	(7,213)	(40)
Obligation under long-term operating leases	206,584	98,677
At 31 December 2014 and 1 January 2015	11,107,099	4,035,966
Amortisation for the year	1,046,765	604,915
Disposals / transfer	(59,347)	(77,950)
Obligation under long-term operating leases	134,870	162,375
At 31 December 2015	12,229,387	4,725,306
Net book value		
At 1 January 2014	11,456,564	5,803,274
At 31 December 2014 and 1 January 2015	11,795,159	6,453,412
At 31 December 2015	11,644,372	6,821,266

During the year 2015, the Company entered into lease agreements with third parties for developing and constructing the shopping centres in the future project by paying for the leasehold right with amount of Baht 292 million (2014: Baht 1,194 million).

Most of the Group's leasehold rights, relating to Central World, Central Plaza Lardprao and part of Investment properties projects, are leased under long-term operating leases.

Collateral

As at 31 December 2015, long-term borrowings, as discussed in note 18 are not secured by the Group's Leasehold rights (2014: borrowings are secured by the Group's leasehold rights with book values of Baht 78 million).

15 Assets usage rights

	Consolidated financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
Cost		
At 1 January 2014	185,941	-
Disposal / Transfer	40	-
At 31 December 2014 and 1 January 2015	185,981	-
Additions	86,656	70,384
At 31 December 2015	272,637	70,384
Accumulated amortisation		
At 1 January 2014	58,677	-
Amortisation charge for the year	4,715	-
At 31 December 2014 and 1 January 2015	63,392	-
Amortisation charge for the year	12,235	5,959
At 31 December 2015	75,627	5,959
Net book value		
At 1 January 2014	127,264	-
At 31 December 2014 and 1 January 2015	122,589	-
At 31 December 2015	197,010	64,425

During 2015, the Company entered into a memorandum agreement to request electricity supply from the Provincial Electricity Authority ("PEA"). Pursuant to this memorandum the Company has transferred part of the Company's land of net book value amounting to Baht 70 million to PEA to locate sub power station in exchanged the right to request the electricity supply from PEA. The Company has recognised the rights in the statements of financial position.

16 Deferred tax

Deferred tax assets and liabilities as at 31 December were as follows:

	Consolidated financial statements			
	Assets		Liabilities	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Total	1,310,148	1,301,046	(597,512)	(708,922)
Set off of tax	(520,918)	(569,657)	520,918	569,657
Net deferred tax assets (liabilities)	789,230	731,389	(76,594)	(139,265)

	Separate financial statements			
	Assets		Liabilities	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Total	676,581	612,132	(398,640)	(458,988)
Set off of tax	(398,640)	(458,988)	398,640	458,988
Net deferred tax assets (liabilities)	277,941	153,144	-	-

Movements in total deferred tax assets and liabilities during the year were as follows:

	Consolidated financial statements			
	(Charged) / credited to:			
	At 1 January 2015	Profit or loss (note 31)	Other comprehensive income	At 31 December 2015
	<i>(in thousand Baht)</i>			
Deferred tax assets				
Allowance for doubtful accounts	4,583	(293)	-	4,290
Allowance for impairment	46,807	(26,667)	-	20,140
Building under consignment sale	222,067	13,906	-	235,973
Deposit from customers	572,977	(26,558)	-	546,419
Loss carry forward	21,983	7,408	-	29,391
Liabilities under long-term operating leases	331,521	8,695	-	340,216
Defined benefit obligation	38,701	4,617	11,590	54,908
Others	62,407	16,404	-	78,811
Total	1,301,046	(2,488)	11,590	1,310,148
Deferred tax liabilities				
Gain on lease under finance lease	(708,922)	111,410	-	(597,512)
Total	(708,922)	111,410	-	(597,512)
Net	592,124	108,922	11,590	712,636

Consolidated financial statements				
(Charged) / credited to:				
	At 1 January 2014	Profit or loss (note 31) (in thousand Baht)	Other comprehensive income	At 31 December 2014
Deferred tax assets				
Allowance for doubtful accounts	3,586	997	-	4,583
Allowance for impairment	46,807	-	-	46,807
Building under consignment sale	201,398	20,669	-	222,067
Deposit from customers	631,105	(58,128)	-	572,977
Loss carry forward	75,976	(53,993)	-	21,983
Liabilities under long-term operating leases	338,205	(6,684)	-	331,521
Defined benefit obligation	34,310	4,391	-	38,701
Others	69,788	(7,381)	-	62,407
Total	1,401,175	(100,129)	-	1,301,046
Deferred tax liabilities				
Gain on lease under finance lease	(811,260)	102,338	-	(708,922)
Total	(811,260)	102,338	-	(708,922)
Net	589,915	2,209	-	592,124
Separate financial statements				
(Charged) / credited to:				
	At 1 January 2015	Profit or loss (note 31) (in thousand Baht)	Other comprehensive income	At 31 December 2015
Deferred tax assets				
Allowance for doubtful accounts	1,417	(285)	-	1,132
Allowance for impairment	26,667	(26,667)	-	-
Deposit from customers	190,677	63,643	-	254,320
Liabilities under long-term operating leases	317,563	9,222	-	326,785
Defined benefit obligation	33,446	2,520	10,980	46,946
Unearned rental income	22,519	8,968	-	31,487
Others	19,843	(3,932)	-	15,911
Total	612,132	53,469	10,980	676,581
Deferred tax liabilities				
Gain on lease under finance lease	(458,988)	60,348	-	(398,640)
Total	(458,988)	60,348	-	(398,640)
Net	153,144	113,817	10,980	277,941

	Separate financial statements			
	(Charged) / credited to:			
	At 1	Other		At 31
	January 2014	Profit or loss (note 31)	comprehensive income	December 2014
	<i>(in thousand Baht)</i>			
Deferred tax assets				
Allowance for doubtful accounts	488	929	-	1,417
Allowance for impairment	26,667	-	-	26,667
Deposit from customers	221,104	(30,427)	-	190,677
Liabilities under long-term operating leases	326,483	(8,920)	-	317,563
Defined benefit obligation	29,070	4,376	-	33,446
Unearned rental income	12,880	9,639	-	22,519
Others	32,704	(12,861)	-	19,843
Total	649,396	(37,264)	-	612,132
Deferred tax liabilities				
Gain on lease under finance lease	(519,304)	60,316	-	(458,988)
Total	(519,304)	60,316	-	(458,988)
Net	130,092	23,052	-	153,144

17 Other non-current assets

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2015	2014	2015	2014
		<i>(in thousand Baht)</i>			
Accrued interest receivable	4	135,456	135,456	135,456	135,456
Withholding tax deducted at source		458,536	502,406	-	-
Deposits and other rights		118,588	106,339	82,823	75,787
Guarantees for leasehold rights		43,191	43,963	42,591	43,363
Total		755,771	788,164	260,870	254,606

18 Interest-bearing liabilities

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2015	2014	2015	2014
		<i>(in thousand Baht)</i>			
Current					
Unsecured short-term loans from related parties	4	-	4,387	13,815,857	11,944,597
Unsecured short-term loans from financial institution		-	200,000	-	200,000

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
<i>(in thousand Baht)</i>					
Current portion of long-term loans from financial institutions					
- secured		-	424,840	-	-
- unsecured		2,077,680	1,662,580	2,077,680	1,662,580
		<u>2,077,680</u>	<u>2,087,420</u>	<u>2,077,680</u>	<u>1,662,580</u>
Current portion of long-term loans from institutional investors					
- secured		91,302	91,302	-	-
- unsecured		3,000,000	2,300,000	3,000,000	2,300,000
		<u>3,091,302</u>	<u>2,391,302</u>	<u>3,000,000</u>	<u>2,300,000</u>
Total current portion of long-term loans		<u>5,168,982</u>	<u>4,478,722</u>	<u>5,077,680</u>	<u>3,962,580</u>
Total current		<u>5,168,982</u>	<u>4,683,109</u>	<u>18,893,537</u>	<u>16,107,177</u>
Non-current					
Unsecured long-term loans from related parties	4	-	-	3,505,587	3,484,191
Long-term loans from financial institutions - unsecured		<u>5,597,160</u>	<u>3,191,510</u>	<u>5,597,160</u>	<u>3,191,510</u>
Long-term loans from institutional investors					
- secured		107,128	198,430	-	-
- unsecured		11,750,000	7,950,000	11,750,000	7,950,000
		<u>11,857,128</u>	<u>8,148,430</u>	<u>11,750,000</u>	<u>7,950,000</u>
Total non-current		<u>17,454,288</u>	<u>11,339,940</u>	<u>20,852,747</u>	<u>14,625,701</u>
Total		<u>22,623,270</u>	<u>16,023,049</u>	<u>39,746,284</u>	<u>30,732,878</u>

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

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<i>(in thousand Baht)</i>				
Within one year	5,168,982	4,683,109	18,893,537	16,107,177
After one year but within five years	13,954,288	11,039,940	17,352,747	14,325,701
After five years	3,500,000	300,000	3,500,000	300,000
Total	<u>22,623,270</u>	<u>16,023,049</u>	<u>39,746,284</u>	<u>30,732,878</u>

Secured interest-bearing liabilities as at 31 December were secured on the following assets:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Buildings and improvements				
- Investment properties	1,827,705	5,666,636	-	-
- Land, building and equipment	-	1,004,275	-	-
Land				
- Investment properties	179,512	1,023,698	-	-
Leasehold rights over land	-	77,556	-	-
Total	<u>2,007,217</u>	<u>7,772,165</u>	<u>-</u>	<u>-</u>

As at 31 December 2015 the Group had unutilised credit facilities totalling Baht 8,154 million (2014: Baht 8,874 million).

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 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 September 2011, the Company entered into not exceeding of 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. The Company has already utilised of the said facility.

In October 2011, the Company issued through private placement 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 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 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 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 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 has already fully utilised of the said facility.

In June 2012, the Company issued, through a private placement, Baht 1,500 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 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. The Company has already fully utilised of the said facility.

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 the principle instalments totalling 36 monthly instalments at Baht 27.8 million on the last working day of the month due for each period and the rest in final instalment, beginning with the first instalment on the last working day of 25th month. The Company has already fully utilised of the said facility.

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 instalments, beginning in December 2015. The Company has already fully utilised of the said facility.

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 in February 2017, and pay interest every six-month period.

In April 2014, 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 3 years, maturing in April 2017, and pay interest every six-month period, as referred in the agreement.

In October 2014, the Company has a loan denominated in Thai Baht of Baht 2,000 million from a local financial institution. Such agreement stipulates that the Company repays the principle in 36 monthly instalments due to instalments 1-35 of Baht 55 million per instalment and instalment 36 pay rest on final instalment. The Company has already fully utilised of the said facility.

In November 2014, 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 in 7 November 2019, and pay interest every six-month period.

In June 2015, 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 6 years, 7 month and 10 days, maturing on 21 January 2022, and pay interest on maturing.

In August 2015, the Company issued through private placement Bath 1,400 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 6 August 2018, and pay interest twice a year.

In August 2015, the Company issued through private placement Bath 1,400 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 6 August 2020, and pay interest twice a year.

In August 2015, the Company issued through private placement Bath 800 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 6 August 2022, and pay interest twice a year.

In September 2015, the Company entered into not exceeding of Baht 1,000 million credit facility agreement with a financial institution. Such agreement stipulates that the Company repays the principle in 36 monthly instalments. The Company has already fully utilised of the said facility.

In December 2015, the Company issued through private placement Bath 800 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 16 December 2020, and pay interest twice a year.

In December 2015, the Company issued through private placement Bath 800 million worth of Thai Baht denominated, name registered, unsubordinated and unsecured debentures without debentureholders' representative. The debentures have term to maturity of 6 years, maturing on 16 December 2021, and pay interest twice a year.

In December 2015, the Company issued through private placement Bath 600 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 16 December 2022, and pay interest twice a year.

In December 2015, the Company entered into not exceeding of Baht 3,000 million credit facility agreement with a financial institution. Such agreement stipulates that the Company repays the principle in 36 monthly instalments. As at 31 December 2015, the Company has already utilised Baht 1,000 million of the said facility.

As at 31 December 2015, Baht 198 million worth of interest-bearing and secured liabilities of the Group (2014: Baht 715 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

	Effective interest rate (%)	Loans from-at floating interest rate	Consolidated financial statements				Fair value
			Loans from-at fixed interest rate and the periods in which those liabilities mature		Total carrying value		
			Within 1 year	After 1 year but within 5 years			
			<i>(in thousand Baht)</i>				
2015							
Loans from financial institutions and institutional investors	3.33	5,831,760	3,833,280	9,458,230	3,500,000	22,623,270	23,103,731
2014							
Loans from financial institutions and institutional investors	3.89	3,039,732	3,987,420	8,691,510	300,000	16,018,662	17,033,850

Separate financial statements

	Loans from-at floating interest rate	Loans from-at fixed interest rate and the periods in which those liabilities mature				Total carrying value	Fair value
		Effective interest rate (%)	Within 1 year	After 1 year but within 5 years	After 5 years		
			<i>(in thousand Baht)</i>				
2015							
Loans from financial institutions and institutional investors	3.32	5,633,330	3,833,280	9,458,230	3,500,000	22,424,840	22,900,931
2014							
Loans from financial institutions and institutional investors	3.88	2,750,000	3,562,580	8,691,510	300,000	15,304,090	16,292,186

19 Trade accounts payables

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
		<i>(in thousand Baht)</i>			
Related parties	4	39,952	62,844	56,173	65,199
Other parties		864,127	765,549	535,219	443,020
Total		904,079	828,393	591,392	508,219

20 Other payables

	2015	Consolidated financial statements		2015	2014
		2015	2014		
		<i>(in thousand Baht)</i>			
Other accounts payable	2,065,443	1,897,803	375,449	351,234	
Accrued expenses	887,784	841,324	497,031	495,976	
Retention payable	1,874,805	1,815,649	1,007,630	947,352	
Accrued interest expense	128,891	70,320	128,891	70,320	
Unearned income	117,136	161,105	49,250	74,181	
Others	122,526	104,094	50,699	64,592	
Total	5,196,585	4,890,295	2,108,950	2,003,655	

21 Employee benefit obligations

The Group and the Company operate defined benefit plans based on the requirement of Thai Labour Protection Act B.E. 1998 to provide retirement benefits to employees based on pensionable remuneration and length of service.

The defined benefit plans expose the Group to actuarial risks, such as longevity risk, interest rate risk and market (investment) risk.

Movement in the present value of the defined benefit obligations:

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
		<i>(in thousand Baht)</i>			
Defined benefit obligations at 1 January		193,476	171,552	167,230	145,352
Include in profit or loss:	29				
Current service cost		19,133	19,236	9,354	19,519
Interest on obligation		7,508	6,679	6,450	6,318
Included in other comprehensive income					
Actuarial gain (loss)		57,951	-	54,901	-
Other					
Benefit paid		(3,524)	(3,991)	(3,204)	(3,959)
Defined benefit obligations at 31 December		274,544	193,476	234,731	167,230

Actuarial gains and losses recognised in other comprehensive income arising from:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Demographic assumptions	(82)	-	(138)	-
Financial assumptions	47,664	-	37,591	-
Experience adjustment	10,369	-	17,448	-
Total	57,951	-	54,901	-

Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(%)</i>			
Discount rate	3.3	4.1	3.3	4.1
Future salary growth	8.0	6.0	8.0	6.0

Assumptions regarding future mortality have been based on published statistics and mortality tables from Thailand Mortality Ordinary issued by the Office of the Insurance Commission.

At 31 December 2015, the weighted-average duration of the defined benefit obligation was 20 years (2014: 19 years).

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	Consolidated financial statements		Separate financial statements	
	<i>(in thousand Baht)</i>			
Defined benefit obligation 31 December 2015	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(32,694)	39,204	(26,946)	32,132
Future salary growth (1% movement)	37,427	(32,009)	30,691	(26,388)

22 Share capital

	Par Value (in Baht)	2015 Number	2015 Baht (thousand share / thousand Baht)	2014 Number	2014 Baht
Authorised					
At 1 January					
- ordinary shares	0.5	<u>4,488,000</u>	<u>2,244,000</u>	<u>4,488,000</u>	<u>2,244,000</u>
At 31 December					
- ordinary shares	0.5	<u>4,488,000</u>	<u>2,244,000</u>	<u>4,488,000</u>	<u>2,244,000</u>
Issued and paid-up					
At 1 January					
- ordinary shares	0.5	<u>4,488,000</u>	<u>2,244,000</u>	<u>4,488,000</u>	<u>2,244,000</u>
At 31 December					
- ordinary shares	0.5	<u>4,488,000</u>	<u>2,244,000</u>	<u>4,488,000</u>	<u>2,244,000</u>

Share premium

Section 51 of the Public Companies Act B.E. 1992 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.

23 Reserves

Reserves comprise:

Appropriations of profit and/or retained earnings

Legal reserve

Section 116 of the Public Companies Act B.E. 1992 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

Other components of equity

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.

24 Segment information

The Group has four 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

	Segment 1		Segment 2		Segment 3		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
External revenue	22,231,356	20,374,891	1,067,713	974,775	983,497	957,876	24,282,566	22,307,542
Inter-segment revenue	41,422	38,620	8	126	765	1,957	42,195	40,703
Total segment revenue	22,272,778	20,413,511	1,067,721	974,901	984,262	959,833	24,324,761	22,348,245
Interest revenue	22,961	59,699	-	-	1,356	1,613	24,317	61,312
Finance cost	507,723	661,340	-	-	991	15,411	508,714	676,751
Depreciation and amortisation	4,196,807	3,740,525	33,387	44,434	207,658	234,218	4,437,852	4,019,177
Segment profit before income tax	11,096,556	10,051,396	178,904	162,726	651,012	643,405	11,926,472	10,857,527
Share of profit of associates	745,771	813,751	-	-	-	-	745,771	813,751
Share of profit (loss) of joint venture	3,533	(480)	-	-	-	-	3,533	(480)
Material items of income and expense								
Other material non-cash items:								
- Reversal of allowance for impairment	166,226	66,250	-	-	-	-	166,226	66,250
Reportable segment assets as at 31 December	86,497,279	72,744,253	143,462	162,224	1,739,115	1,956,423	88,379,856	74,862,900
Reportable segment liabilities as at 31 December	2,997,157	2,602,065	8,129	5,640	185,073	174,479	3,190,359	2,782,184

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items

	2015	2014
	<i>(in thousand Baht)</i>	
Revenues		
Total revenue from reportable segments	24,324,761	22,348,245
Other revenue	1,589,283	1,645,304
	<u>25,914,044</u>	<u>23,993,549</u>
Elimination of inter-segment revenue	(42,195)	(40,703)
Consolidated revenue	<u>25,871,849</u>	<u>23,952,846</u>
Profit		
Total profit for reportable segments	<u>11,926,472</u>	<u>10,857,527</u>
Elimination of inter-segment profits	(277,628)	(166,227)
Unallocated amounts:		
- Other revenue	1,589,283	1,645,304
- Other expenses	(4,539,180)	(4,343,488)
Share of profit (loss) of joint venture	3,533	(480)
Share of profit of associates	745,771	813,751
Consolidated profit before income tax	<u>9,448,251</u>	<u>8,806,387</u>
Assets		
Total assets for reportable segments	88,379,856	74,862,900
Other unallocated amounts		
- Investment	7,333,788	6,797,215
- Deferred tax assets	789,230	731,389
- Other assets	6,541,758	6,643,684
Consolidated total assets	<u>103,044,632</u>	<u>89,035,188</u>
Liabilities		
Total liabilities for reportable segments	3,190,359	2,782,184
Other unallocated amounts		
- Loans	22,623,270	16,023,049
- Deferred tax liabilities	76,594	139,265
- Other liabilities	30,353,292	28,342,769
Consolidated total liabilities	<u>56,243,515</u>	<u>47,287,267</u>

Geographical information

The Group is mostly managed and operates principally in Thailand. There are no material revenues derived from, or assets located in, foreign countries.

Major customer

Revenue from Central Department Store Group of the Group's 1 and 2 segments represents approximately Baht 1,440 million (2014: Baht 1,311 million) of the Group's total revenues.

25 Investment income

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
<i>(in thousand Baht)</i>					
Dividend income					
Subsidiaries and funds	4	-	-	3,298,549	2,924,369
Associates	4	-	-	736,471	758,368
Other parties		130	130	130	130
		130	130	4,035,150	3,682,867
Interest income					
Subsidiaries and funds	4	-	-	521,741	548,967
Other related parties	4	5,651	5,390	5,651	5,390
Other parties		18,666	55,922	12,399	17,737
		24,317	61,312	539,791	572,094
Total		24,447	61,442	4,574,941	4,254,961

26 Other income

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
<i>(in thousand Baht)</i>					
Expenses claimed by tenants		753,950	591,873	283,077	162,955
Management fees	4	431,229	430,014	703,224	699,209
Reversal of allowance for impairment	11, 13	166,226	66,250	133,334	-
Others		213,431	495,725	390,847	534,086
Total		1,564,836	1,583,862	1,510,482	1,396,250

27 Administrative expenses

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<i>(in thousand Baht)</i>				
Marketing	839,975	708,046	537,994	408,422
Personnel	1,804,812	1,581,801	1,380,919	1,193,753
Administrative	261,506	262,780	181,692	184,772
Depreciation	532,182	556,665	152,253	149,222
Others	591,991	557,446	378,310	460,497
Total	4,030,466	3,666,738	2,631,168	2,396,666

28 Employee benefit expenses

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Management				
Wages and salaries	82,141	85,514	82,141	85,514
Others	44,856	50,752	44,856	50,752
	126,997	136,266	126,997	136,266
Other employees				
Wages and salaries	1,645,805	1,428,287	1,110,474	922,662
Contribution to defined contribution plans	38,006	31,096	31,703	26,192
Others	669,714	544,288	418,965	347,714
	2,353,525	2,003,671	1,561,142	1,296,568
Total	2,480,522	2,139,937	1,688,139	1,432,834

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.

29 Expenses by nature

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
		<i>(in thousand Baht)</i>			
Personal expenses	28	2,480,522	2,139,937	1,688,139	1,432,834
Depreciation / amortisation	12, 13, 14	4,437,852	4,019,176	1,847,143	1,502,126
Finance cost	30	508,714	676,751	1,096,034	1,131,852
Utilities expenses		3,680,498	3,617,952	2,181,764	2,071,990
Rental expenses		1,497,446	1,266,493	1,096,283	919,283
Marketing	27	839,975	708,046	537,994	408,422
Consult and others fee		318,367	358,890	206,205	249,736
Others		3,409,528	3,172,485	1,408,772	1,304,488
Total		17,172,902	15,959,730	10,062,334	9,020,731

30 Finance costs

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
<i>(in thousand Baht)</i>					
Interest expense:					
- subsidiaries, funds and related parties	4	225	227	571,601	493,660
- financial institutions and institutional investors		641,542	741,535	675,742	641,480
Fee					
- financial institutions and institutional investors		16,441	119,578	14,912	117,572
Total finance costs		658,208	861,340	1,262,255	1,252,712
Finance costs capitalised		(149,494)	(184,589)	(166,221)	(120,860)
Net		508,714	676,751	1,096,034	1,131,852

Finance costs for properties under development for the years 2015 has been capitalised at rates ranging from 2%-5% (2014: 2%-5%), representing the weighted average interest rate of general purposes borrowings.

31 Income tax

Income tax recognised in profit or loss

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
<i>(in thousand Baht)</i>					
Current tax expense					
Current year		1,539,552	1,380,250	644,215	460,158
		<u>1,539,552</u>	<u>1,380,250</u>	<u>644,215</u>	<u>460,158</u>
Deferred tax expense					
Movements in temporary differences	16	(108,922)	(2,209)	(113,817)	(23,052)
		<u>(108,922)</u>	<u>(2,209)</u>	<u>(113,817)</u>	<u>(23,052)</u>
Total		1,430,630	1,378,041	530,398	437,106

Reconciliation of effective tax rate

	Consolidated financial statements			
	2015		2014	
	<i>Tax rate</i>	<i>(in thousand</i>	<i>Tax rate</i>	<i>(in thousand</i>
	<i>(%)</i>	<i>Baht)</i>	<i>(%)</i>	<i>Baht)</i>
Profit for the year		8,017,621		7,428,346
Total income tax expense		1,430,630		1,378,041
Profit before income tax expense		<u>9,448,251</u>		<u>8,806,387</u>
Income tax using the tax rate	20	1,889,650	20	1,761,277
Income from Thai operations not subject to tax		(498,583)		(572,170)
Expenses not deductible for tax purposes		10,700		6,814
Elimination in consolidated financial statement from income not subject to tax		28,863		182,120
Total	15	<u>1,430,630</u>	16	<u>1,378,041</u>

	Separate financial statements			
	2015		2014	
	<i>Tax rate</i>	<i>(in thousand</i>	<i>Tax rate</i>	<i>(in thousand</i>
	<i>(%)</i>	<i>Baht)</i>	<i>(%)</i>	<i>Baht)</i>
Profit for the year		6,279,574		5,475,749
Total income tax expense		530,398		437,106
Profit before total income tax expense		<u>6,809,972</u>		<u>5,912,855</u>
Income tax using the tax rate	20	1,361,995	20	1,182,571
Income from Thai operations not subject to tax		(832,702)		(746,466)
Expenses not deductible for tax purposes		1,105		1,001
Total	8	<u>530,398</u>	7	<u>437,106</u>

Income tax reduction

Royal Decree No. 577 B.E. 2557 dated 10 November 2014 grants the reduction to 20% of net taxable profit for the accounting period 2015 which begins on or after 1 January 2015.

On 22 January 2016, The National Legislative Assembly has approved a reduction of the corporate income tax rate from 30% to 20% of net taxable profit for the accounting period which begins on or after 1 January 2016.

The Group has applied the reduced tax rate of 20% in measuring deferred tax assets and liabilities as at 31 December 2015 and 2014 in accordance with the clarification issued by the FAP in 2012.

32 Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2015 and 2014 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:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht/thousand shares)</i>			
Profit attributable to ordinary shareholders of the Company (basic)	<u>7,880,310</u>	<u>7,306,953</u>	<u>6,279,574</u>	<u>5,475,749</u>
Number of ordinary shares outstanding at 1 January	<u>4,488,000</u>	<u>4,488,000</u>	<u>4,488,000</u>	<u>4,488,000</u>
Weighted average number of Ordinary shares outstanding (basic)	<u>4,488,000</u>	<u>4,488,000</u>	<u>4,488,000</u>	<u>4,488,000</u>
Basic earnings per share (in Baht)	<u>1.76</u>	<u>1.63</u>	<u>1.40</u>	<u>1.22</u>

33 Dividends

At the Company's annual general meeting of the shareholders of the Company held on 24 April 2015, the shareholders approved the distribution of dividend from 2014 operating result in the amount of Baht 0.65 per share, totalling Baht 2,917.2 million, and was paid to the shareholders in May 2015.

At the Company's annual general meeting of the shareholders of the Company held on 25 April 2014, the shareholders approved the distribution of dividend from 2013 operating results in the amount of Baht 0.55 per share, totaling Baht 2,468.4 million, and was paid to the shareholders in May 2014.

34 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 CentralWorld Shopping Complex and Zen Department Store from April 2010. On 28 September 2010, the Group opened for commercial purposes parts of the CentralWorld 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 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 CentralWorld 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 1 March 2013 the Court of first instance has ruled the judgment in favor of the Group.

In August 2013, the insurance company has filed the appeal objecting against such judgement of Court of first instance to the Appeal Court. Subsequently, the Group had filed the appeal to the Appeal Court in December 2013.

As at 9 October 2014, the Appeal Court reversed the judgement of the First Court. As a result, the insurance company did not have to make payment of compensation to the Group.

Subsequently, on 9 March 2015, the Group had filed the appeal objecting against such judgment of the Appeal Court to the Supreme Court.

As at 31 December 2015, the lawsuit is still under the Supreme Court's consideration. The management believes that the Group will be able to claim for the amount of indemnity. However, the Group had not received the said indemnity which is still under the court's consideration.

35 Leasing properties

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.

On 23 April 2014, The Group of companies has rented a partial of the above mentioned Central Plaza Chiangmai Airport Project to CPNRF, totalling approximately Baht 10,496 million (this amount excludes additional issuance and offering expense of Baht 128 million, which was the responsibility of CPN) and the Company has invested in investment units to increase the capital of CPNRF in the percentage of 23.53 of all of the investment units to increase capital of CPNRF or 135,593,664 units at the value of Baht 15 per unit totalling Baht 2,033.90 million, as a result the Company has amount of investment unit in CPNRF totalling 590,521,686 units and the proportion holding investment had changed from 27.80% before increasing the capital to 26.69% after increasing the capital. Accordingly, the Group had fully collected the lease amount in April 2014.

36 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.

Fair values of financial assets and liabilities

Fair values of financial assets and liabilities, together with the carrying values shown in the consolidated and separate statement of financial position at 31 December were as follows:

	Carrying amount	Consolidated financial statements			
		Fair value			Total
		Level 1	Level 2	Level 3	
<i>(in thousand Baht)</i>					
31 December 2015					
<i>Current</i>					
Short-term deposits at financial institutions	8,289	-	-	8,289	8,289
Equity securities available for sale	1,739,729	3,050	1,736,679	-	1,739,729
Loans from financial institutions and institutional investors	(5,168,982)	-	-	(5,233,500)	(5,233,500)
Derivatives	(31,628)	-	-	(31,628)	(31,628)
<i>Non - current</i>					
Loans from financial institutions and institutional investors	(17,454,288)	-	-	(17,870,231)	(17,870,231)
Separate financial statements					
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
		<i>(in thousand Baht)</i>			
31 December 2015					
<i>Current</i>					
Equity securities available for sale	1,591,174	3,050	1,588,124	-	1,591,174
Short-term loans to related parties	133,432	-	-	133,432	133,432
Short-term loans from related parties	(13,815,857)	-	-	(13,815,857)	(13,815,857)

	Carrying amount	Separate financial statements			
		Fair value			Total
		Level 1	Level 2	Level 3	
<i>(in thousand Baht)</i>					
Loans from financial institutions and institutional investors	(5,077,680)	-	-	(5,140,187)	(5,140,187)
Non - current					
Investment in Funds	5,495,953	-	12,918,784	-	12,918,784
Long-term loans to related parties	11,829,982	-	-	11,829,982	11,829,982
Long-term loans from related parties	(3,505,587)	-	-	(3,505,587)	(3,505,587)
Loans from financial institutions and institutional investors	(17,347,160)	-	-	(17,760,744)	(17,760,744)

	Consolidated financial statements		Separate financial statements	
	Fair value	Book value	Fair value	Book value
<i>(in thousand Baht)</i>				
31 December 2014				
Current				
Debt securities held-to-maturities	499,236	499,236	499,236	499,236
Equity securities available for sale	785,985	785,985	645,602	645,602
Short-term loans to related parties	-	-	69,349	69,349
Short-term loans from related parties	(4,387)	(4,387)	(11,944,597)	(11,944,597)
Loans from financial institutions and institutional investors	(4,818,321)	(4,678,722)	(4,288,654)	(4,162,580)
Derivatives	12,499	12,499	-	-
Non - current				
Investment in Funds	-	-	12,335,129	5,495,953
Long-term loans to related parties	-	-	12,670,447	12,670,447
Long-term loans from related parties	-	-	(3,484,191)	(3,484,191)
Loans from financial institutions and institutional investors	(12,215,529)	(11,339,940)	(12,003,532)	(11,141,510)

Financial instruments carried at fair value

Fair value hierarchy

The table above analyses recurring fair value measurements for financial assets. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

The Group determines Level 2 fair values for equity/debt securities using a total net asset value of the Company's portfolio, which is in the daily/monthly report from the asset management company.

Financial instruments not measured at fair value

Type	Valuation technique	Significant unobservable inputs
Loans from financial institutions	Discounted cash flows	Not applicable
Loans to and loans from related parties	Discounted cash flows	Not applicable
Investment in Funds	Total net asset value	Total net asset value of fund

Level 3 fair values

Details of the determination of Level 3 fair value measurements and the transfer out of Level 3 of the fair value hierarchy during the year ended 31 December 2015 are set out below.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair value, then the valuation team assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of TFRS, including the level in the fair value hierarchy the resulting fair value estimate should be classified.

The Group determines Level 3 fair values for fair value of swap and forward contracts were calculated using the rates quoted by the Company's bankers which were based on market conditions existing at the statement of financial position date.

Significant valuation issues are reported to the Group Audit Committee.

37 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Capital commitments				
Contracted but not provide for				
Buildings and facilities systems	2,485	3,258	1,963	2,436
Total	2,485	3,258	1,963	2,436
Non-cancellable operating lease commitments				
Within one year	656	577	114	49
After one year but within five years	3,218	2,800	587	334
After five years	25,557	24,728	6,758	5,839
Total	29,431	28,105	7,459	6,222
Other commitments				
Bank guarantees	504	703	309	474

(a) Forward contracts

As at 31 December 2015, the Group has forward contracts covering Malaysian Ringgit currencies with local financial institutions totalling of Malaysian Ringgit 47.8 million. The repayment terms of the forward contracts are less than one year.

- (b) 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
- (c) 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.
- (d) 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.
- (e) On 29 June 2007, the Group entered into two land lease agreements with a local company. Land was leased for the construction of a shopping centre for lease. 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.
- (f) 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.

- (g) In 2003, the Group entered into a land and building lease agreement as lessee with The Crown Property Bureau. 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 Crown Property Bureau 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 Crown Property Bureau 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 Crown Property Bureau. 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 adue 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 monthly rental payments under the conditions as stated in the lease agreement.
 - The 30-year phase, (i.e. 39th - 68th 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 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.
- (h) 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.

- (i) 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.
- (j) 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.
- (k) On 25 September 2013, the Company had made amendment to the lease agreement No.1, with the Crown Property Bureau date on 19 August 2011 as describe in (g) 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 after the terminated date of the lease period, the lessee needs to send a written notification and 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 after the terminated date of the first 8-year term, under the conditions of the lease agreement, the Company has to notify in writing 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.
- (l) The Company entered into a land lease agreement with a third party for construction of a shopping centre for lease. The lease agreement was for a period of 30 years ending in March 2045. Under the condition of the agreement, the Company paid advance rental and has to pay rental annually. The rental will be increased every three years at the rate of 15 % of the final rental.
- (m) The Company entered into many land lease agreements with a third party for construction of a shopping centre for lease. The lease agreements were for a period of 30 years. However, these agreements can extend for 10 years and ending in June 2056. Under the condition of the agreement, the Company has to pay rental annually. The rental will be increased every three years at the rate of 10 % of the final rental.
- (n) The Company entered into sublease land contracts, system service agreements and shopping lease agreement with a local company, for a period of 20 years ending on 30 April 2035. Under the conditions of the agreements, the Company had to pay for leasehold right in the amount of Baht 292.1 million and pay the annual rent throughout the agreement period totalling Baht 1,239.7 million and the monthly service fee throughout the agreement period totalling Baht 62.5 million.
- (o) The Company entered into a land lease agreement with third party for construction of a shopping centre. The lease agreement was for a period of 30 years and ending in June 2046. Under the condition of the agreement, the Company has to pay rental annually which will be increased every ten years.

38 Contingent liabilities

Guarantee

As at 31 December 2015, the Company entered into a loan guarantee agreement for subsidiaries totalling Baht 394 million (2014: Baht 807 million).

39 Events after the reporting period

Dividend

At the Board of Director of the Company meeting held on 17 February 2016, the Board approved the distribution of dividend from 2015 operating result in the amount of Baht 0.70 per share, totaling Baht 3,141.6 million.

40 Thai Financial Reporting Standards (TFRS) not yet adopted

A number of new and revised TFRS have been issued but are not yet effective and have not been applied in preparing these financial statements. Those new and revised TFRS that may be relevant to the Group's operations, which become effective for annual financial periods beginning on or after 1 January 2016, are set out below. The Group does not plan to adopt these TFRS early.

TFRS	Topic
TAS 1 (revised 2015)	Presentation of Financial Statements
TAS 2 (revised 2015)	Inventories
TAS 7 (revised 2015)	Statement of Cash Flows
TAS 8 (revised 2015)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2015)	Events After the Reporting Period
TAS 11 (revised 2015)	Construction Contracts
TAS 12 (revised 2015)	Income Taxes
TAS 16 (revised 2015)	Property, Plant and Equipment
TAS 17 (revised 2015)	Leases
TAS 18 (revised 2015)	Revenue
TAS 19 (revised 2015)	Employee Benefits
TAS 21 (revised 2015)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2015)	Borrowing Costs
TAS 24 (revised 2015)	Related Party Disclosures
TAS 26 (revised 2015)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2015)	Separate Financial Statements
TAS 28 (revised 2015)	Investments in Associates and Joint Ventures
TAS 33 (revised 2015)	Earnings Per Share
TAS 34 (revised 2015)	Interim Financial Reporting
TAS 36 (revised 2015)	Impairment of Assets
TAS 37 (revised 2015)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2015)	Intangible Assets
TAS 40 (revised 2015)	Investment Property
TFRS 3 (revised 2015)	Business Combinations
TFRS 5 (revised 2015)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2015)	Operating Segments
TFRS 10 (revised 2015)	Consolidated Financial Statements
TFRS 11 (revised 2015)	Joint Arrangements
TFRS 12 (revised 2015)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2015)	Fair Value Measurement
TSIC 15 (revised 2015)	Operating Leases – Incentives
TSIC 25 (revised 2015)	Income Taxes – Changes in the Tax Status of an Enterprise or its Shareholders
TSIC 27 (revised 2015)	Evaluating the Substance of Transactions in the Legal Form of a Lease

TFRS	Topic
TSIC 32 (revised 2015)	Intangible Assets – Web Site Costs
TFRIC 1 (revised 2015)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 10 (revised 2015)	Interim Financial Reporting and Impairment

The Group has made a preliminary assessment of the potential initial impact on the consolidated and separate 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.

WESTGATE HALL



Frank cafe'

HATS ON

Unwind Hills

fresh

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fresh

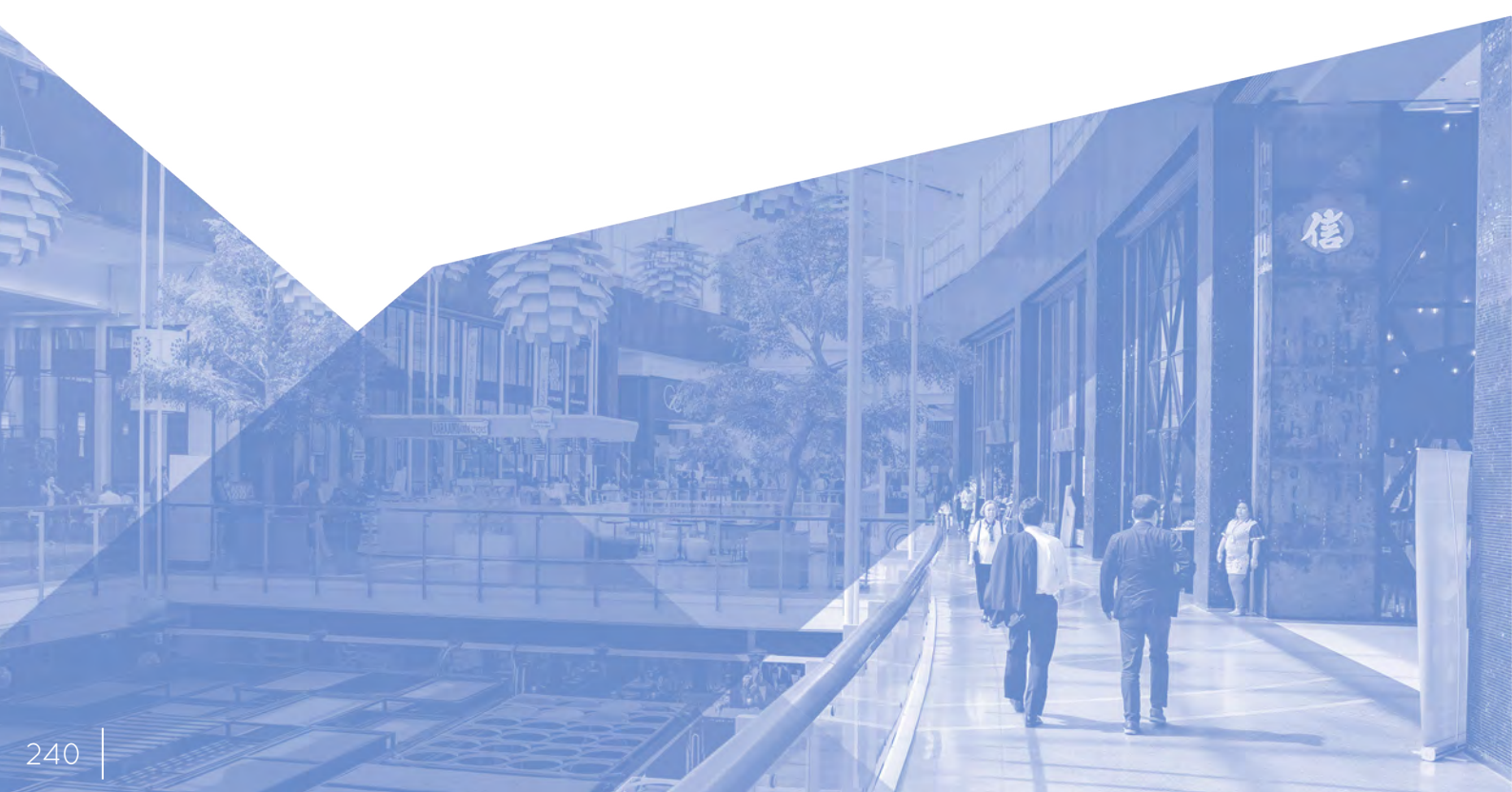
AUDITOR'S FEE

AUDIT FEE

In 2015 audit fee out of the Company and its subsidiaries has been paid for audit firm that the auditor work for amounted to Baht 6,160,000.

OTHER SERVICE FEE

- None -



MANAGEMENT BIOGRAPHY



01

**MR. SUTHICHAJ
CHIRATHIVAT**
CHAIRMAN

Date of Being a director of the Company:

28 March 2000

Age : 75 Years

Percentage of Shareholding in the Company:

0.57%

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):

Year 2006 - Director Accreditation Program (DAP)

Year 2000 - Role of Chairman Program (RCP)



02

**MR. PAITOON
TAVEEBHOL**

INDEPENDENT DIRECTOR
CHAIRMAN OF THE AUDIT COMMITTEE
CHAIRMAN OF THE RISK POLICY COMMITTEE

Date of Being a director of the Company:

10 July 2002

Age : 65 Years

Percentage of Shareholding in the Company:

None

Education:

- B.A. (Accounting), Ramkhamhaeng University
- MBA, Kasetsart University
- Certificate in Auditing, Thammasat University

Experience:

- 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
- Board Member Mater Dei Institute
- 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

- Managing Director
Arthur Andersen Business
Advisory Ltd.
- Director, Executive Director
SGV-Na Thalang Co., Ltd.

Positions in other listed companies in SET:

- Independent Director, Chairman of Audit Committee
KCE Eletronics Plc.
- Independent Director, Chairman of the Nomination
and Remuneration Committee, Audit and CG
Committee Member
Somboon Advance Technology Plc.

Positions in non-listed companies:

- Chairman,
Zen Corporation Group Co., Ltd.
- Independent Director, Audit Committee Member
EASY BUY Plc.

Completed Program from Thai Institute of Directors (IOD):

- Year 2015 - Seminar "Director Briefing 1/2015"
- Seminar "National Director Conference 2015"
- Seminar "Director Luncheon Briefing 4/2015"
- Seminar "CAC Conference 2015"
- Seminar "Directors Forum 2/2015"
- Year 2014 - Seminar "Invitation to the 5th National
Conference on Collective Action
Against Corruption"
- Year 2013 - Seminar "The 2nd National Director
Conference 2013 Board Leadership
Evolution"
- Year 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)
- Year 2009 - Monitoring Fraud Risk Management
(MFM)
- Year 2008 - Chartered Director Class (R-CDC)
- Year 2005 - Audit Committee Program (ACP)
- Role of Chairman Program (RCP)
- Year 2003 - Director Certification Program (DCP)
- Director Accreditation Program (DAP)

Completed Program from Thai Institute of Directors (IOD):

- Year 2015 - Seminar "CG Forum 1/2015"
- Seminar "Thailand CG Forum"
- Seminar "The 2015 Asian Roundtable
on Corporate Governance"



03

**MRS. SUNANDHA
TULAYADHAN**

INDEPENDENT DIRECTOR
MEMBER OF THE AUDIT COMMITTEE
MEMBER OF THE NOMINATION AND
REMUNERATION COMMITTEE

Date of Being a director of the Company:

10 July 2002

Age : 69 Years

Percentage of Shareholding in the Company:

None

Education:

- B.A. (Liberal Arts), College of New Rochelle, U.S.A.

Experience:

- 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):

- Year 2013 - Anti-Corruption for Executive Program
(ACEP)
- Year 2009 - Monitoring Fraud Risk Management (MFM)
- Year 2005 - Audit Committee Program (ACP)
- Finance for Non-Finance Directors (FND)
- Year 2004 - Directors Accreditation Program (DAP)



04

**MR. KARUN
KITTISATAPORN**

INDEPENDENT DIRECTOR
MEMBER OF THE AUDIT COMMITTEE
CHAIRMAN OF THE NOMINATION AND
REMUNERATION COMMITTEE

Date of Being a director of the Company:

30 April 2009

Age : 68 Years

Percentage of Shareholding in the Company:

None

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
- Diploma, National Defence College, The Joint State-Private Sector Course, Class 8

Experience:

- Director Insurance Commission
- 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:

- Independent Director, Audit Committee Member Sahamit Machinery Plc.
- Independent Director, Audit Committee Member, Nomination and Remuneration Committee Khon Kaen Sugar Industry Plc.

- Independent Director, Chairman of Nomination and Remuneration Committee Bank of Ayudhya Plc.

Positions in non-listed companies:

- Member Council of State
- Chairman Support Arts and Crafts International Centre of Thailand (Public Organization)

Completed Program from Thai Institute of Directors (IOD):

- Year 2013 - Monitoring The Internal Audit Function (MIA)
- Anti-Corruption for Executive Program (ACEP)
- Year 2011 - Financial Institutions Governance Program (FGP)
- Monitoring the Quality of Financial Reporting (MFR)
- Year 2009 - Audit Committee Program (ACP)
- Financial Statements for Directors (FSD)
- Year 2008 - Role of the Compensation Committee (RCC)
- Year 2006 - Director Certification Program (DCP)



05

**MRS. JOTIKA
SAVANANANDA**

INDEPENDENT DIRECTOR
MEMBER OF THE AUDIT COMMITTEE

Date of Being a director of the Company:

25 September 2015

Age : 55 Years

Percentage of Shareholding in the Company:

None

Education:

- MBA, (Finance and International Business), Sasin Graduate Institute of Business Administration, Chulalongkorn University
- MS (Psychology), University of San Francisco
- BA (Psychology), University of Minnesota
- Certificate, Capital Market Academy Leadership Program, Class 10
- Diploma, National Defence College, The Joint State-Private Sector Course, Class 10

Experience:

- Director
Government Housing Bank
- President
SCB Asset Management Co., Ltd.
- Chairman
Investment Committee,
SCB Asset Management Co., Ltd.
- Member, Risk Management Committee
SCB Asset Management Co., Ltd.
- CEO
TMB Asset Management Co., Ltd.
- Chairman
Investment Committee,
TMB Asset Management Co., Ltd.
- Member, Risk Management Committee
TMB Asset Management Co., Ltd.
- Executive Vice President
Asset Plus Securities Co., Ltd.
- Research Director
Barrings Research (Thailand)
- FX Dealer
Standard Chartered Bank, Bangkok

Positions in other listed companies in SET:

- None

Positions in non-listed companies:

- Governor
The Stock Exchange of Thailand
- Director
Office of Insurance Commission
- Chairman
Talis Asset Management Co., Ltd.

Completed Program from Thai Institute of Directors (IOD):

- Year 2015 - Risk Management Committee Program (RMP)
- Advanced Audit Committee Program (AACP)
- Year 2006 - Director Certification Program (DCP)
- Finance for Non-Finance Directors (FND)
- Year 2004 - Directors Accreditation Program (DAP)

**06**

**MR. SUTHIKIATI
CHIRATHIVAT**
DIRECTOR

Date of Being a director of the Company:

10 July 2002

Age : 73 Years**Percentage of Shareholding in the Company:**

0.5%

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
- Honorary Doctorate of Philosophy in Hotel and Tourism Studies, Kasem Bundit University
- Honorary Doctorate of Philosophy in Business Administration Program, Dhurakij Pundit University
- Diploma, National Defence College, The Joint State- Private Sector Course, Class 1
- National Defence College, The Modern Management, Class 1

Experience:

- Assistant Manager
Central Trading Co., Ltd.
- Assistant General Manager
Central Department Store Co., Ltd.
- Heads of Political Science Association
Ramkhamhaeng University
- Committee of Ramkhamhaeng University Council
Ramkhamhaeng University
- The Founder and Head of Thai Retailers Association
Thai Retailers Association
- Advisor to The Minister of Tourism and Sports
Ministry of Tourism and Sports
- Vice Chairman of Supervisory Board
Central Group of Companies Co., Ltd.
- One of the Founding Members importer and owner
in usage of barcodes in Thailand, Central Ladprao
Shopping Complex project

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
Post International Media Co., Ltd.
- Director
Post-ACP Co., Ltd.
- Director
Post-IM Plus Co., Ltd.
- Director
Thai Tourism Industry Association
- Honorary Advisor
Thai Hainanese Trade Association

Completed Program from Thai Institute of Directors (IOD):

Year 2008 - Director Accreditation Program (DAP)

**07**

**MR. SUTHICHART
CHIRATHIVAT**
DIRECTOR

Date of Being a director of the Company:

10 July 2002

Age : 70 Years

Percentage of Shareholding in the Company:

0.7%

Education:

- B.A. (Accounting), St. Joseph's College, U.S.A.
- Diploma, National Defence College,
The Joint State-Private Sector 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
Tiang Chirathivat Foundation

Completed Program from Thai Institute of Directors (IOD):

Year 2004 - Director Accreditation Program (DAP)

Year 2003 - Finance for Non-Finance Directors (FND)

- Board and CEO Assessment

Year 2000 - Role of Chairman Program (RCP)



08

**MR. SUDHISAK
CHIRATHIVAT**

DIRECTOR
ADVISORY OF THE NOMINATION AND
REMUNERATION COMMITTEE

Date of Being a director of the Company:

10 July 2002

Age : 70 Years

Percentage of Shareholding in the Company:

0.63%

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 Co., Ltd.
- Managing Director
Central Garment Factory Co., Ltd.
- Managing Director
Prin Intertrade Co., Ltd.

Positions in other listed companies in SET:

- Chairman
Robinson Department Store Plc.
- Director
Central Plaza Hotel Plc.

Positions in non-listed companies:

- Director
Central Group of Companies Co., Ltd.
- Director
Central Garment Factory Co., Ltd.
- Director
Harg Chiangmai Department Store Co., Ltd.
- Director
Central Trading Co., Ltd.

Completed Program from Thai Institute of Directors (IOD):

- Year 2007 - Director Accreditation Program (DAP)
- Director Certification Program (DCP)



09

**MR. SUDHITHAM
CHIRATHIVAT**

DIRECTOR
MEMBER OF THE NOMINATION AND
REMUNERATION COMMITTEE

Date of Being a director of the Company:

1 March 1995

Age : 68 Years

Percentage of Shareholding in the Company:

0.60%

Education:

- B.A. (Electrical Engineering), University of Maryland (College Park), U.S.A.
- MBA (Operations Research), Iona University, U.S.A.
- Diploma, National Defence College,
The Joint State-Private Sector Course, Class 13

Experience:

- Chairman of Executive Committee
Central Group of Companies Co., Ltd.
- Director
Big C Supercenter Plc.
- Member, Member of Committee on Commerce
The National Legislative Assembly Thailand
- 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,
Central Department Store Co., Ltd.

Positions in other listed companies in SET:

- Director
TV Thunder Plc.
- Independent Director
Jasmine International Plc.

- Vice Chairman
Robinson Department Store Plc.
- 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.

Completed Program from Thai Institute of Directors (IOD):

Year 2003 - Director Certification Program (DCP)



10

**MR. KOBCHAI
CHIRATHIVAT**

DIRECTOR
MEMBER OF THE RISK POLICY COMMITTEE

Date of Being a director of the Company:

1 March 1995

Age : 60 Years

Percentage of Shareholding in the Company:

0.61%

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.
- Diploma, National Defence College,
The Joint State-Private Sector Course, Class 21

Experience:

- President & CEO,
Central Pattana Plc.
- Deputy Managing Director,
Central Trading Co., Ltd.
- Assistant Branch Management
Central Department Store Co., Ltd.

Positions in other listed companies in SET:

- Director
Malee Sampran Plc.

Positions in non-listed companies:

- Director
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):

Year 2014 - National Director Conference (NDC)

Year 2001 - Director Certification Program (DCP)



11

**MR. PRIN
CHIRATHIVAT**

DIRECTOR
MEMBER OF THE RISK POLICY COMMITTEE
ADVISORY OF THE NOMINATION AND
REMUNERATION COMMITTEE

Date of Being a director of the Company:

1 March 1995

Age : 53 Years

Percentage of Shareholding in the Company:

0.94%

Education:

- B.A.(Accounting) Skidmore College, U.S.A.
- MBA (Business Management), Sasin Graduate Institute of Business Administration, Chulalongkorn University
- Certificate, Capital Market Academy Leadership Program, Class 1
- The Programme for Senior Executive Criminal Justice Administration (Courts of Justice), Class 13/2008
- Diploma, National Defence College, The Joint State-Private Sector Course, Class 22

Experience:

- Director
Malee Sampran Plc.
- Advisor
Marketing For Alternative Investment (MAI)
- 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 Co., Ltd.
- Executive Director
Central Department Store Co., Ltd.
- Investment Banking
Thanachart Securities Plc.

Positions in other listed companies in SET:

- Member of Audit Committee
Bumrungrad Hospital Plc.
- Director
Robinson Department Store Plc.
- Director
Central Plaza Hotel Plc.

Positions in non-listed companies:

- Director, Member of Executive Committee,
Deputy Group CEO
Central Group of Companies Co., Ltd.
- Director, Executive Director
Central Retail Corporation Co., Ltd.
- Steering Support Committee
Chiangrai Rajabhat University

Completed Program from Thai Institute of Directors (IOD):

- Year 2010 - Advanced Audit Committee Program (AACP)
- Year 2009 - Monitoring Fraud Risk Management (MFM)
- Monitoring of the Quality of Financial Reporting (MFR)
- Year 2007 - Monitoring the Internal Audit Function (MIA)
- Monitoring the System of Internal Control and Risk Management (MIR)
- Year 2006 - Chief Financial Officer Program (CFO)
- Year 2005 - Director Accreditation Program (DAP)
- Audit Committee Program (ACP)
- Role of Chairman Program (RCP)
- Year 2000 - Director Certification Program (DCP)

**12****MR. PREECHA
EKKUNAGUL**

DIRECTOR
PRESIDENT & CEO
MEMBER OF THE RISK POLICY COMMITTEE

Date of Being a director of the Company:

25 April 2014

Age : 57 Years**Percentage of Shareholding in the Company:**

0.0001%

Education:

- B.Sc., Chulalongkorn University
- M.Eng., Asian Institute of Technology
- Certificate, Capital Market Academy Leadership Program, 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):

- Year 2005 - Director Certificate Program (DCP)
- Year 2004 - Director Accreditation Program (DAP)

**13****MS. WALLAYA
CHIRATHIVAT**

SENIOR EXECUTIVE VICE PRESIDENT,
BUSINESS DEVELOPMENT AND PROJECT
CONSTRUCTION

Age : 54 Years**Percentage of Shareholding in the Company:**
0.38%**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.
- National Defence College,
The Joint State-Private Sectors Course, Class 55
- Certificate, Capital Market Academy Leadership Program, Class 10

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.

Positions in non-listed companies:

- President
Thai Shopping Center Association

Other Programs/Seminar

- Year 2014 - PoompalungPandin 3

**14****MR. SUTHIPAK
CHIRATHIVAT**

SENIOR EXECUTIVE VICE PRESIDENT,
OFFICE OF THE PRESIDENT

Age : 54 Years**Percentage of Shareholding in the Company:**
0.57%**Education:**

- B.A (Political Science), Ramkhamhaeng University
- 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

- Diploma, National Defence College, The Joint State-Private Sector Course, Class 54
- Advance Management Program, Executive Course, Harvard Business School, U.S.A.
- Certificate, Capital Market Academy Leadership Program, Class 8
- Thailand Energy Academy, Class 5

Experience:

- Executive Vice President - Office of the President Central Pattana Plc.
- Executive Vice President Thai International Fast - Food Co., Ltd.
- Executive Vice President, Marketing Manager Central Garment Factory Co., Ltd.



15

MS. NAPARAT SRIWANVIT

SENIOR EXECUTIVE VICE PRESIDENT, FINANCE, ACCOUNTING AND RISK MANAGEMENT COMPANY SECRETARY

Age : 43 Years

Percentage of Shareholding in the Company: 0.001%

Education:

- B.A. (Second Class Honors), Faculty of Commerce and Accountancy, Chulalongkorn University
- M.A. (Faculty of Commerce and Accountancy), Thammasat University
- Finance for Executives Program, INSEAD Business School, France
- Certified Public Accountant (CPA), Member of the Federation of Accounting Professions, Thailand

Experience:

- Executive Vice President Finance, Accounting and Risk Management Central Pattana Plc.
- Auditor Pricewaterhouse Ltd. (Currently Pricewaterhouse Coopers ABAS Co., Ltd.)

Completed Program from Thai Institute of Directors (IOD):

Year 2002 - Company Secretary Program (CSP) Class 2



16

PH.D. NATTAKIT TANGPOONSINTHANA

EXECUTIVE VICE PRESIDENT, MARKETING

Age : 51 Years

Percentage of Shareholding in the Company: None

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
- Director
Metropolitan Waterworks Authority
- Counselor
Thailand Management Association (TMA)
- Subcommittee
Thailand National Committee on Competitive Benchmarking Development



17

MRS. NARTTAYA CHIRATHIVAT

EXECUTIVE VICE PRESIDENT,
OFFICE OF THE PRESIDENT

Age : 52 Years

Percentage of Shareholding in the Company:
0.38%

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.



18

MRS. PANIDA SOOKSRIDAKUL

EXECUTIVE VICE PRESIDENT,
PROPERTY MANAGEMENT

Age : 60 Years

Percentage of Shareholding in the Company:
None

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.



19

MAJOR NARIT RATANAPHICHETCHAI

EXECUTIVE VICE PRESIDENT,
PROJECT DEVELOPMENT 1

Age : 55 Years

Percentage of Shareholding in the Company:
0.001%

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
- Certificate, Capital Market Academy Leadership Program, Class 21

Experience:

- Senior Vice President, Business Development Central Pattana 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

**20****FLIGHT LIEUTENANT
KREE DEJCHAI**EXECUTIVE VICE PRESIDENT,
SPECIAL PROJECT DEVELOPMENT**Age :** 52 Years**Percentage of Shareholding in the Company:**
None**Education:**

- B.E. (Civil Engineering), Chulalongkorn University
- M.B.A, Kasetsart University
- National Defence College, The Joint State-Private Sectors Course, Class 55

Experience:

- Chief Operating Officer
SC Asset Corporation Public Co., Ltd.
- Executive Vice President Property Development (Low Rise)
SC Asset Corporation Public Co., Ltd.
- Director
Casa Ville Co., Ltd.
- Senior Vice President
Quality Houses Public Co., Ltd.
- Vice President
Quality Houses Public Co., Ltd.
- Assistant Manager
Quality Houses Public Co., Ltd.
- Engineer Consult
P.A. Design Co., Ltd.
- Instructor
Royal Thai Air Force Academy

**21****MRS. APRIL SRIVIKORN**EXECUTIVE VICE PRESIDENT,
CORPORATE STRATEGY**Age :** 33 Years**Percentage of Shareholding in the Company:**
None**Education:**

- Master of Business Administration, Stanford Graduate School Of Business, Stanford, CA, USA
- Bachelor of Arts in Economics with Minor in Psychology, Stanford University, Stanford, CA, USA

Experience:

- Engagement Manager
McKinsey & Company

GENERAL INFORMATION OF BUSINESS HELD BY THE COMPANY 10% UPWARD

COMPANY	NATURE OF BUSINESS	REGISTERED CAPITAL (THB)	PERCENTAGE OF SHAREHOLDING
1 Central Realty Services Co., Ltd. 999/9 Rama I Rd., Patumwan, BKK. 10330 Tel. +66 (0) 2667 5555	Servicing of Shopping Center Facilities (Partially): CentralPlaza Lardprao	1,000,000	99.99%
2 Central Food Avenue Co., Ltd. 1697 Phaholyothin Rd., Chatuchak, Chatuchak, BKK. 10900 Tel. +66 (0) 2793 6000	Restaurant operations and servicing of shopping complex food center: CentralPlaza Chaengwattana	5,000,000	99.99%
3 Lang Suan Realty Co., Ltd. 999/9 Rama I Rd., Patumwan, BKK. 10330 Tel. +66 (0) 2667 5555	Residential condominium, Shop space for rent and Holding Company	1,000,000,000	99.99%
4 Central Pattana Rama 2 Co., Ltd. 160 Rama 2 Rd., Samaedum, Bangkhuntian, BKK. 10150 Tel. +66 (0) 2866 4300	Shopping Center: CentralPlaza Rama 2	1,500,000,000	99.99%
5 Central Pattana Chiangmai Co., Ltd. 2 Mahidol Rd., 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 Central Pattana Rattanathibet Co., Ltd. 562, 566 Rattanathibet Rd., Bangkrasor, Muang, Nontaburi 11000 Tel. +66 (0) 2834 6000	Shopping Center: CentralPlaza Rattanathibet	800,000,000	99.99%
7 Central Pattana Rama 3 Co., Ltd. 79 Sathupradit Rd., Chongnonsee, Yannawa, BKK. 10120 Tel. +66 (0) 2649 6000	Shopping Center: CentralPlaza Rama 3	324,738,000	99.99%
8 Central Pattana Khon Kaen Co., Ltd. 999/9 Rama I Rd., Patumwan, BKK. 10330 Tel. +66 (0) 2667 5555	Shopping Center: CentralPlaza Khonkaen	2,000,000,000	78.13%
9 Central Pattana Chonburi Co., Ltd. 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/ Office: CentralPlaza Grand Rama 9	3,200,000,000	93.30%
11 Bangna Central Property Co., Ltd. 587, 589 Bangna-Trad Rd., Bangna, BKK. 10260 Tel. +66 (0) 2763 6000	Shopping Center/Office/ Residential/Playland at CentralPlaza Bangna	1,160,563,400	99.99% (Held by Lang Suan Realty Co., Ltd.)
12 CPN Pattaya Co., Ltd. 999/9, Rama I Rd., Patumwan, BKK. 10330 Tel. +66 (0) 2667 5555	Shopping Center: CentralFestival Pattaya Beach and The Hilton Pattaya Hotel	2,500,000,000	99.99%
13 Central World Co., Ltd. 4, 4/1-4/2, 4/4 Ratchadumri Rd., Patumwan, BKK. 10330 Tel. +66 (0) 2640 7000	Centara Hotel & Convention Centre Udon Thani, Shopping Center: CentralPlaza Udonthani, CentralPlaza Phitsanulok, CentralPlaza Ubonratchathani and CentralFestival Samui	2,511,938,100	99.99% (Held directly 90% and held by Bangna Central Property Co., Ltd. 10.00%)
14 Siam Retail Development Co., Ltd. 587, 589, 589/7-9 Ramindra Rd., 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%)
15 Square Ritz Plaza Co., Ltd. 587 Ramindra Rd., Kannayao, BKK. 10230 Tel. +66 (0) 2947 5000	Real Estate Developer	125,000,000	12.00% (Held by Lang Suan Realty Co., Ltd.)
16 Ayudhya Agrocitcity Co., Ltd. 3/10 M.17 Bangna-Trad Rd., Bangplee, Bangplee, Samutprakarn 10540 Tel. +66 (0) 2399 4510	Real Estate Developer	400,000,000	11.85% (Held by Lang Suan Realty Co., Ltd.)
17 CPN Retail Growth Leasehold Property Fund Managed by SCB Asset Management Co., Ltd. SCB Park Plaza 1, 7 th -8 th Floor,18 Ratchadapisek Rd., Chatuchak, BKK. 10900 Tel. +66 (0) 2949 1500	Property Investment in CentraPlaza Rama 2, CentralPlaza Rama 3, CentralPlaza Pinklao and CentralPlaza Chiangmai Airport	24,406,207,630	26.69%
18 CPN Commercial Growth Leasehold Property Fund Managed by SCB Asset Management Co., Ltd. SCB Park Plaza 1, 7 th -8 th Floor, 18 Ratchadapisek Rd., Chatuchak, BKK. 10900 Tel. +66 (0) 2949 1500	Property Investment in The Offices at CentralWorld	4,394,381,700	25.00%

COMPANY	NATURE OF BUSINESS	REGISTERED CAPITAL (THB)	PERCENTAGE OF SHAREHOLDING
19 Thai Business Fund 4 Managed by Krung Thai Asset Management Plc. 1 Empire Tower, 32 nd Fl, South Sathorn Rd., Yannawa, Sathorn, BKK. 10120 Tel. +66 (0) 2686 6100	Property Investment in CentralWorld	5,443,793,159*	100.00%
20 Thai Business Fund 5 Managed by Krung Thai Asset Management Plc. 1 Empire Tower, 32 nd Fl, South Sathorn Rd., Yannawa, Sathorn, BKK. 10120 Tel. +66 (0) 2686 6100	Property Investment in CentralPlaza Bangna	52,160,000	100.00%
21 CPN Residence Co., Ltd. 999/9 Rama I Rd., Patumwan, BKK. 10330 Tel. +66 (0) 2667 5555	Residential Developer : ESCENT Chiangmai and Rayong	1,000,000,000*	99.93%
22 CPN Pattana Development 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%
23 CPN Global Co., Ltd. 999/9 Rama I Rd., Patumwan, BKK. 10330 Tel. +66 (0) 2667 5555	Real Estate Developer and Holding Company	1,000,000	99.94%
24 CPN City Co., Ltd. 999/9 Rama I Rd., Patumwan, BKK. 10330 Tel. +66 (0) 2667 5555	Real Estate Developer	2,863,485,000	99.99% (Held by Central World Co., Ltd.)
25 CPN Complex Co., Ltd. 999/9 Rama I Rd., Patumwan, BKK. 10330 Tel. +66 (0) 2667 5555	Real Estate Developer	2,341,600,000	99.99% (Held by Central World Co., Ltd.)
26 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%
27 CPN Rayong Co., Ltd. 999/9 Rama I Rd., Patumwan, BKK. 10330 Tel. +66 (0) 2667 5555	Shopping Center: CentralPlaza Rayong	1,000,000,000	99.99%
28 CPN Korat Co., Ltd. 999/9 Rama I Rd., Patumwan, BKK. 10330 Tel. +66 (0) 2667 5555	Real Estate Developer	1,000,000,000	100.00%

Remark : * Only capital from owner type unitholders

COMPANY	NATURE OF BUSINESS	REGISTERED CAPITAL (THB)	PERCENTAGE OF SHAREHOLDING
29 CPN Residence Khon Kaen Co., Ltd. 999/9 Rama I Rd., Patumwan, BKK. 10330 Tel. +66 (0) 2667 5555	Residential Developer : ESCENT Khonkaen	200,000,000	78.13% (Held by Central Pattana Khon Kaen Co., Ltd.)
30 C.S. City Co., Ltd. 999/9 Rama I Rd., Patumwan, BKK. 10330 Tel. +66 (0) 2667 5555	Real Estate Developer	1,000,000	99.97% (Held by Lang Suan Realty Co., Ltd.)
31 Global Retail Development & Investment Limited 30/F Jardine House One Connaught Place Central, Hong Kong	Real Estate Developer	HKD10,000	99.94% (Held by CPN Global Co., Ltd.)
32 Global Commercial Property Limited 30/F Jardine House One Connaught Place Central, Hong Kong	Real Estate Developer	HKD10,000	99.94% (Held by Global Retail Development & Investment Limited)
33 CPN Venture Sdn. Bhd. Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia	Real Estate Management Consulting and Corporate Services	MYR5,000,000	99.94% (Held by CPN Global Co., Ltd.)
34 CPN Real Estate Sdn. Bhd. Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia	Holding Company	MYR400,000	99.94% (Held by CPN Venture Sdn. Bhd.)
35 CPN Malls Malaysia Sdn. Bhd. Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia	Holding Company	MYR400,000	99.94% (Held by CPN Venture Sdn. Bhd.)
36 Central Plaza i-City Malls Malaysia Sdn. Bhd. Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia	Holding Company	MYR400,000	99.94% (Held by CPN Malls Malaysia Sdn. Bhd., and CPN Real Estate Sdn. Bhd.)

COMPANY	NATURE OF BUSINESS	REGISTERED CAPITAL (THB)	PERCENTAGE OF SHAREHOLDING
37 Central Plaza i-City Sdn. Bhd. Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia	Holding Company	MYR400,000	99.94% (Held by Central Plaza i-City Malls Malaysia Sdn. Bhd.)
38 Central Plaza i-City Real Estate Sdn. Bhd. Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia	Holding Company	MYR25,000,000	59.97% (Held by CPN Global Co., Ltd. 50% and Lang Suan Realty Co., Ltd. 10%)



LIST OF COMMITTEE IN SUBSIDIARIES

	Central Pattana Plc.	Central Realty Services Co., Ltd.	Central Food Avenue Co., Ltd.	Central World Co., Ltd.	Langsuan Realty Co., Ltd.	Central Pattana Rattana Thibet Co., Ltd.	Bangna Central Property Co., Ltd.	Central Pattana Rama 3 Co., Ltd.	Central Pattana Rama 2 Co., Ltd.	Central Pattana Chiangmai Co., Ltd.	Central Pattana Chonburi Co., Ltd.	Central Pattana Khon Kaen Co., Ltd.	CPN Pattaya Co., Ltd.	Central Pattana Nine Square Co., Ltd.	CPN Residence Co., Ltd. ¹⁾	Central Pattana Development Co., Ltd.	CPN Global Co., Ltd.	CPN City Co., Ltd.	CPN Complex Co., Ltd.	CPN Learning Center Co., Ltd.	CPN Rayong Co., Ltd.	CPN Korat Co., Ltd. ²⁾	CPN Residence Khon Kaen Co., Ltd. ³⁾	C.S. City Co., Ltd. ⁴⁾	Global Retail Development & Investment Limited	Global Commercial Property Limited	CPN Venture Sdn. Bhd.	CPN Real Estate Sdn. Bhd.	CPN Malls Malaysia Sdn. Bhd.	Central Plaza i-City Malls Malaysia Sdn. Bhd.	Central Plaza i-City Sdn. Bhd.	Central Plaza i-City Real Estate Sdn. Bhd.				
1 Mr. Suthichai Chirathivat	✓				✓																															
2 Mr. Sudhitham Chirathivat	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓				✓	✓	✓							
3 Mr. Suthikiati Chirathivat	✓																																			
4 Mr. Suthichart Chirathivat	✓																																			
5 Mr. Kobchai Chirathivat	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			
6 Mr. Prin Chirathivat	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓												
7 Mr. Preecha Ekkunagul	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			
8 Mr. Sudhisak Chirathivat	✓																																			
9 Mr. Paitoon Taveebhol	✓																																			
10 Mrs. Jotika Savanananda	✓																																			
11 Mrs. Sunandha Tulayadhan	✓																																			
12 Mr. Karun Kittisatoporn	✓																																			
13 Mr. Suthiphand Chirathivat	✓	✓		✓	✓	✓		✓	✓					✓																						
14 Mr. Suthipak Chirathivat	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		
15 Miss Wallaya Chirathivat	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			✓	✓	✓	✓	✓	✓	✓	✓		
16 Mrs. Narttaya Chirathivat											✓												✓													
17 Mr. Suthilaksh Chirathivat																✓																				
18 Mr. Yotin Booddicharern														✓																						
19 Mr. Jatesiri Booddicharern														✓																						
20 Mr. Premchai Karnasuta														✓																						
21 Mr. Thaveepol Kongseri														✓																						
22 Mr. Jarern Jirawisan														✓																						
23 Mr. Peerapon Pattanapeeradej											✓												✓													
24 Mr. Noppadon Pattanapeeradej											✓												✓													
25 Mr. Chanavat Uahwatanasakul							✓		✓	✓	✓				✓	✓				✓	✓	✓	✓	✓					✓	✓	✓	✓	✓	✓		
26 Mr. Sakkanon Chirathivat										✓																										
27 Flt.Lt. Kree Dejchai														✓									✓													
28 Ms. Puan Sri Tey Siew Thuan																																	✓	✓	✓	
29 Mr. Soon Thien Suan																																	✓	✓	✓	
30 Ms. Leong Wai Yin																												✓	✓	✓	✓					
31 Mr. Razali Bin Abdul Rashid																												✓	✓	✓	✓					

Notes

- 1) CPN Construction Management changed its name to CPN Residence Co., Ltd. on October 13, 2015.
- 2) Korat Land Owner Co., Ltd. changed its name to CPN Korat Co., Ltd. on January 20, 2015.
- 3) CPN Residence Khon Kaen Co., Ltd. was established on November 20, 2015.
- 4) CPN has acquired shares of C.S. City Co., Ltd. on December 1, 2015.

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

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

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

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

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

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

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

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 Kanchanavanid Road, Hatyai, Hatyai, Songkhla 90110
Tel : +66 (0) 7480 1555 **Fax :** +66 (0) 7480 1599

24**CentralFestival Samui**

Address : 209, 209/1-209/2 Moo 2, Borpuad, Samui, Suratthani 84320
Tel : +66 (0) 7796 2777 **Fax :** +66 (0) 7796 2799

25**CentralPlaza Salaya**

Address : 99/19, 99/20 Moo 2, Bangtoey, Sampran, Nakornpatom 73210
Tel : +66 (0) 3410 0888 **Fax :** +66 (0) 3410 0899

26**CentralPlaza Rayong**

Address : 99, 99/1 Bangna-Trad Road, Chengneun, Muang Rayong, Rayong 21000
Tel : +66 (0) 3301 3333 **Fax :** +66 (0) 3301 3300

27**CentralFestival Phuket**

Address : 74, 75 Wichitsongkran Road, Phuket City, Phuket 83000
Tel : +66 (0) 7629 1111 **Fax :** +66 (0) 7629 4000

28**CentralPlaza WestGate**

Address : 199, 199/1, 199/2 Moo 6, Soa Thong Hin, Bang Yai, Nonthaburi 11140
Tel : +66 (0) 2102 7999 **Fax :** +66 (0) 2102 7900

29**CentralFestival EastVille**

Address : 69, 69/1, 69/2 Praditmanutham Road, Lardprao, Bangkok 10230
Tel : +66 (0) 2102 5000 **Fax :** +66 (0) 2102 5099

REFERENCE FIRMS

REGISTRAR OF COMMON SHARES

Thailand Securities Depository Co., Ltd.
93 The Stock Exchange of Thailand Building
Ratchadapisek Road, Dindaeng,
Bangkok 10400, Thailand
Telephone : + 66 (0) 2009 9000
Facsimile : + 66 (0) 2009 9991

REGISTRAR OF UNSECURED DEBENTURES

• *Debentures CPN176A, CPN172A, and CPN19NA*

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 CPN164A, CPN160A, CPN180A, CPN210A,
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, CPN174A, CPN221A, CPN188A,
CPN208A, CPN228A, CPN20DA, CPN21DA, and CPN22DA*

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. Thanit Osathalert,
Certified Public Account, Registration No.5155
50th – 51st Floor, Empire Tower
1 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.

24th 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 4,488,000,000 ordinary 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") 2016 on 21st April 2016, at 2.00 pm at Bangkok Convention Centre 22nd 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 person:

Ms. Pattamika Pongsurayamas

Mr. Chanyuth Waroonthepraksa

Ms. Supatcha Lohwanitchai

Address:

Central Pattana Public Company Limited
31st 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, 1688-9

Facsimile : +66 (0) 2264 5593

E-mail : ir@cpn.co.th

Website : 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 (2011-2015)

Unit: Baht/share

YEAR	HIGHEST PRICE	LOWEST PRICE	DIVIDEND PAYMENT
2011	40.00	25.75	0.37
2012	81.75	37.75	0.95
2013	57.25 ^{/1}	36.00 ^{/1}	0.55
2014	49.50 ^{/1}	37.00 ^{/1}	0.65
2015	49.25 ^{/1}	39.75 ^{/1}	0.70 ^{/2}

Remark:

- At par value of Baht 0.5 per share (par value has been changed from Baht 1 per share, effective as of 7th May 2013)
- 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	16%	6%
SET Index	-8%	-13%
Property Development Index	-3%	-10%

3 - year comparison of CPN share price, Property Index, and SET Index (2013 as base-year)

index 100
(Jan 2013 = 100)



Source: The Stock Exchange of Thailand (SET)

— CPN
— Property Sector
— SET

FINANCIAL CALENDAR FOR 2015 AND 2016

FINANCIAL CALENDAR	2015	2016 (TENTATIVE)
Announcement of full year financial results (prior year)	February	February
The closing date of the shareholders registration book for the rights to attend the AGM	March	March
Analyst Meeting for full year performance (prior year) (Opportunity Day) organized by The Stock Exchange of Thailand	April	March
The Annual General Meeting of the Shareholders	April	April
Dividend payment for prior year performance	May	May
Announcement of first quarter financial results	May	May
Analyst Meeting for first quarter performance (Opportunity Day) organized by The Stock Exchange of Thailand	May	May
Announcement of second quarter financial results	August	August
Analyst Meeting for second quarter performance (Opportunity Day) organized by The Stock Exchange of Thailand	August	August
Announcement of third quarter financial results	November	November
Analyst Meeting for third quarter performance (Opportunity Day) organized by The Stock Exchange of Thailand	November	November

INVESTOR RELATIONS ACTIVITIES FOR 2015

DATE	EVENTS
9 Jan	DBS Thailand Corporate Access Day Conference with local institutions in Bangkok, organized by DBS Vickers Securities
19-20 Jan	Thai Corporate Day in Hong Kong, organized by Bualuang Securities in cooperation with Morgan Stanley
9 Feb	Thailand Infrastructure and REIT Conference with local and foreign institutions in Bangkok, organized by Macquarie Securities and the Ministry of Finance
12 Mar	Analyst Briefing with CFO at The Offices@CentralWorld, organized by Central Pattana Plc.
17-21 Mar	Non-deal roadshow in Hong Kong and Japan, organized by CLSA Securities
29 May	dbTISCO Thailand Consumer & Tourism Corporate Day with local and foreign institutions in Bangkok, organized by Deutsche TISCO Investment Advisory
9-10 Jun	Non-deal roadshow in Singapore, organized by Phatra Securities in cooperation with Bank of America Merrill Lynch
31 Aug	Analyst Briefing with CFO at CentralPlaza WestGate, organized by Central Pattana Plc.
3 Sep	Fund Manager Briefing with CFO at CentralPlaza WestGate, organized by Central Pattana Plc and Kasikorn Securities
10 Sep	CIMB Corporate Day with local institutions in Bangkok, organized by CIMB Securities
7-8 Oct	SET U.S. Roadshow "Thailand's New Economy" in USA (New York), organized by The Stock Exchange of Thailand in cooperation with KT ZMICO Securities and Auerbach Grayson
20-22 Oct	Non-deal roadshow in London-Frankfurt, organized by DBS Vickers Securities
3 Dec	Thailand Focus 2015 Conference with foreign institutions in Bangkok, organized by Phatra Securities in cooperation with Bank of America Merrill Lynch

GRI INDEX

GRI Content Index for 'In accordance' - Core

GRI INDICATOR	DESCRIPTION	PAGE REFERENCE AND REMARKS
GENERAL STANDARD DISCLOSURE		
STRATEGY AND ANALYSIS		
G4-1	Statement from senior decision-maker	014-017
G4-2	Description of key impacts, risks, and opportunities	022-025, 095-097
ORGANIZATION PROFILE		
G4-3	Organization's name	Inside cover
G4-4	Primary brands, products, and services	044-046
G4-5	Location of the organization's headquarters	Inside cover, 262-263
G4-6	Countries of operation	Inside cover
G4-7	Nature of ownership and legal form	047, 141-142, 233-237
G4-8	Markets served	048-053
G4-9	Scale of the organization	010-013, 048-053
G4-10	Workforce figures	084-085
G4-11	Percentage of total employees covered by collective bargaining agreements	083
G4-12	Organization's supply chain	092
G4-13	Significant changes during the reporting period	014-017, 070
G4-14	Report whether and how the precautionary approach or principle is addressed by the organization	087, 095-097
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes	027, 034-039, 067, 070, 110
G4-16	Memberships of associations and national or international advocacy organizations	034-039, 114-116
IDENTIFIED ASPECTS AND KEY BOUNDARIES		
G4-17	Entities included in the organization's consolidated financial statements	070, 141-142
G4-18	Process for defining the report content and the aspect boundaries	067-070
G4-19	Material aspects identified in the process for defining report content	067-070
G4-20	Aspect boundary within the organization	070
G4-21	Aspect boundary outside the organization	070
G4-22	Effect of any restatements of information provided in previous reports	070, 083, 089
G4-23	Significant changes from previous reports in the scope and aspect boundaries	070

GRI INDICATOR	DESCRIPTION	PAGE REFERENCE AND REMARKS
STAKEHOLDER ENGAGEMENT		
G4-24	List of stakeholder groups	067
G4-25	Identification and selection of stakeholders	067, 113-116
G4-26	Approaches to stakeholder engagement	067, 078-080, 082-083, 086-093
G4-27	Key topics and concerns raised through stakeholder engagement	067, 078-080, 082-083, 086-093
REPORT PROFILES		
G4-28	Reporting period	070
G4-29	Date of previous report	070
G4-30	Reporting cycle	070
G4-31	Contact point	070
G4-32	GRI Content Index	070
G4-33	Assurance	None
GOVERNANCE		
G4-34, 35, 36, 38, 39	Governance structure, delegation, responsibility and composition	066-067, 107
G4-40	Nomination committee selection process	020, 105
G4-41	Ensure avoid conflict of interest	119-120
ETHICS AND INTEGRITY		
G4-56	Organization's values, principles, standards and norms of behavior	064, 110, 124
G4-57	Internal and external mechanism for seeking advice on ethical and lawful behavior	116-117
G4-58	Internal and external mechanism for reporting concern about unethical or unlawful behavior	116-117

GRI INDICATOR	DESCRIPTION		PAGE REFERENCE AND REMARKS
PERFORMANCE INDICATORS			
ECONOMIC			
Economic Performance	G4-EC1	Direct economic value generated and distributed	071-075
	G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	225
Market Presence	G4-EC6	Proportion of hired from the local community	081, 084-085
Indirect Economic impacts	G4-EC7	Development and impact of infrastructure investments and services supported	086
	G4-EC8	Indirect economic impacts, including the extent of impacts	079-086
ENVIRONMENT			
Materials	G4-EN2	Recycled input materials	092-093
Energy	G4-EN3	Energy consumption within the organization	088-090
	G4-EN5	Energy intensity	088-090
	G4-EN6	Reduction of energy consumption	088-090
	G4-EN7	Reductions in energy requirements of products and services	088-090
	CRE1	Building energy intensity	088-090
Water	G4-EN8	Total water consumption	090-091
	G4-EN9	Water sources significantly affected by withdrawal of water	090-091
	G4-EN10	Total volume of water recycled and reused	090-091
	CRE2	Building water intensity	090-091
Biodiversity	G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas	091-092
	G4-EN12	Biodiversity in protected areas	091-092
	G4-EN13	Habitats protected or restored	091-092
Emissions	G4-EN15	Direct greenhouse gas (GHG) emission (Scope 1)	091
	G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	089, 091
	G4-EN18	Greenhouse gas (GHG) emissions intensity	091
	G4-EN19	Reduction of greenhouse gas (GHG) emissions	091
	CRE3	Greenhouse gas emission intensity from building	091
Effluents and Waste	G4-EN22	Total water discharge by quality and destination	090-091
	G4-EN23	Total weight of waste by type and disposal method	091-092
	G4-EN29	Fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	087

GRI INDICATOR		DESCRIPTION	PAGE REFERENCE AND REMARKS
SOCIAL			
Employment	G4-LA1	Total number and rates of new employee hires and employee turnover	081, 083-084
	G4-LA2	Benefits provided to full-time employees	082-083
Occupational Health and Safety	G4-LA5	Workforce in formal joint management-worker health and safety	066
	G4-LA8	Health and safety topics covered in formal agreements with trade unions	Not applicable as no employee join any trade unions
Training and Education	G4-LA9	Average hours of training	081
	G4-LA10	Skills management and lifelong learning	081
	G4-LA11	Performance and career development reviews	081-083
Diversity and equal Opportunity	G4-LA12	Breakdown of employees per employee category according to indicators of diversity	084-085
Labor Practices Grievance Mechanisms	G4-LA16	Grievances about labor practices	116-117
Non-Discrimination	G4-HR3	Incidents and actions taken	None
Freedom of Association	G4-HR4	The right to exercise freedom of association	081, 083
Child Labor	G4-HR5	Child labor, and measures taken to contribute to the effective abolition of child labor	092-093
Forces or Compulsory Labor	G4-HR6	Incidents of forced or compulsory labor	None
Indigenous Rights	G4-HR8	Incidents of violations involving rights of indigenous peoples and actions taken	None
Human Rights Grievance Mechanisms	G4-HR12	Grievances about human rights impacts filed	None
Local Communities	G4-SO1	Operations with local community engagement	086-087
	G4-SO2	Operations with negative impacts on local communities	087
Anti-Corruption	G4-SO3	Risk assessment on corruption	096-097
	G4-SO4	Communication and training on anti-corruption	096, 115-116
	G4-SO5	Incidents of corruption and actions taken	None

GRI INDICATOR		DESCRIPTION	PAGE REFERENCE AND REMARKS
SOCIAL			
Public Policy	G4-SO6	Political contributions	Not applicable as the company does not extend political donations
Compliance	G4-SO8	Fines and non-monetary sanctions for non-compliance with laws and regulations	None
Grievance Mechanisms for Impacts on Society	G4-SO11	Grievances about impacts on society filed, addressed, and resolved	None
Customer Health and Safety	G4-PR1	Health and safety impacts assessment	079, 092-093
	G4-PR2	Incidents of non-compliance	None
	G4-PR4	Incidents of non-compliance with regulations and voluntary codes	115-116
Product and Service Labeling	G4-PR5	Results of surveys measuring customer satisfaction	077-078
Marketing Communication	G4-PR7	Incidents of non-compliance	None
Customer Privacy	G4-PR8	Complaints regarding breaches of customer privacy and losses of customer data	None
Compliance	G4-PR9	Fines for non-compliance	None

United Nations Global Compact Principles

PRINCIPLES	PAGE	
Human rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights	115
	Principle 2: Business should make sure that they are not complicit in human rights abuses	115
Labor	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	083
	Principle 4: The elimination of all forms of forced and compulsory labor	092-093, 115
	Principle 5: The effective abolition of child labor	092-093, 115
	Principle 6: The elimination of discrimination in respect of employment and occupation	080-081
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges	087-092
	Principle 8: Undertake initiatives to promote greater environmental responsibility	087-092
	Principle 9: Encourage the development and diffusion of environmentally friendly technologies	087-092
Anti-corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery	115 - 116



**PROPERTY
DEVELOPMENT
& INVESTMENT**

A Member of Central Group

CENTRAL PATTANA PUBLIC COMPANY LIMITED

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999/9 Rama 1 Road, Patumwan, Bangkok 10330 Thailand

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