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Mr. Vanchai Chirathivat
Chairman

Chairman Statement

...Past performances have proven that the Company is the leading retail property development company in Thailand; and with the diligence and commitment of the management and staff to create new retail concepts and services for its customers, while bringing added value to shareholders, I am confident that the Company's strong financial status and its experienced and professional reputation will ensure the Company's sustainable growth...

It is my pleasure to inform our valued shareholders that the business performance and operations of Central Pattana Public Company Limited (hereafter, the Company) in 2005 was very successful. This represented a significant step towards the Company becoming a leading listed company on the Stock Exchange of Thailand as well as earning acceptance by investors abroad, due to its high international standards of management.

In 2005, the Company earned a profit of Baht 3,295 million, an increase of over 144 percent from last year, and the average market share price of the Company increased by over 87 percent. The key factor in this success was the establishment of the CPN Retail Growth Property Fund (CPNRF), Thailand's largest retail property fund. The Fund has attracted great interest from both local and international investors proving the Company's leading position in the country's retail property development sector. The Company's net profit after tax deduction, from the financial lease at Central Plaza Rama II and Central Plaza Ratchada-Rama III shopping centers to the Fund, is recorded at over Baht 2,000 million. The share value of CPNRF units has been stable since its listing on the Stock Exchange of Thailand and is currently 10 percent higher than at the IPO. The Company believes that CPNRF is the perfect source of financing since the Company and the CPNRF have clear and differing investment strategies. The Company continues to invest in developing new projects, manage projects and earn from property management whereas CPNRF will invest in existing projects with stable income at lower risk.



The Company's relentless and focused efforts have resulted in the continuous growth of both income and profit. Particular highlights contributing to increased incomes for the Company include:

- The occupancy rate of the Offices at Centralworld, a premium office tower located in the Centralworld project, which increased from 56 percent in 2004 to over 90 percent in 2005 with the majority of tenants being leading local and international companies
- The opening of the Central Town Rattanathibet expansion phase, which received a warm response from retailers with an occupancy rate of over 90 percent being achieved prior to opening day
- The increasing rental rate of all existing projects
- The entry of new retail brands into the Company's shopping centers, such as Toys R Us, which opened its first Thailand branch in Central City Bangna

Last December, the Company organized a 25th anniversary event to celebrate its first quarter century as the market leader and used this occasion to introduce its new logo representing its business aspirations. As part of a broad re-branding exercise, the Company also introduced a new classification for a format of its existing shopping centers and future developments.

Moving forward, the Company's strategy is to bring continuous and sustainable growth to its main business and to continue the development and the management of properties in the retail sector. The Company's five-year goal is to introduce at least eight new projects, which will maintain its market leader status and add value to its shareholders.

At present, the Company is redeveloping the Centralworld Shopping Center into a "New World Landmark" - the most modern and grandest shopping center in Bangkok's central business district, which will be promoted as "Asia's Number One Shopping Paradise". In addition, the Company will undertake the development of another two projects in 2006: Central Plaza Chaengwattana and Central Festival Pattaya Beach, both of which are situated in excellent locations offering high growth potential. Other projects under feasibility study include projects in major cities throughout Thailand and international projects in neighboring ASEAN' countries.



In addition to its expansion plans, the Company is also focusing on the improvement of its administration and management systems and the quality improvement of all shopping center management and service facilities. KPI and Balanced Score Card systems have been used and EVA (Economic Value Added) models will be adopted in the near future. Throughout, the Company will continue to place a firm emphasis on adherence to high ethical and moral standards and has already established a Corporate Governance Committee, which has issued clear policies to ensure that all staff are aware of the need for transparency and responsibility in all of their actions. This has further built confidence among minority interests; and has resulted in the Company being listed in the 2005 Top Quartile category for Best Managed Good Corporate Governance of Thai listed companies.

As a result of the Company's performance and financial strength, TRIS upgraded the Company's credit rating from "A-" to "A", in February 2005. This independent validation is indicative of the Company's financial stability and potential for growth as well as its competitiveness in the retail property development sector, and will help lower future financial costs. Apart from this, the Company has consistently adopted a conservative financial policy by maintaining a debt to equity ratio of not more than one, which empowered it to successfully weather

the regional economic crisis that started in the late 1990's. So much so, that the Company was placed in the top 200 companies in the category of market value of less than US Dollars 1,000 million by FORBES ASIA Magazine in its October 2005 issue - an honor accorded to only 11 Thai companies ranked in this list.

Past performances have proven that the Company is the retail property development business leader in Thailand, and with the diligence and commitment of the management and staff to introduce and create new services for its customers, while bringing added value to shareholders, I am confident that the Company's strong financial status and its experienced and professional reputation will ensure the Company's continuing robust growth.

In conclusion, and on behalf of the Board of Directors of Central Pattana Public Company Limited, I wish to express my sincere appreciation to all shareholders, the management team, staffs, tenants, customers, financial institutions, investors and all related parties for their valuable contribution to the Company's success and for their trust and the support kindly rendered to the Company. I sincerely hope that each and every one of you will continue your kind patronage of the Company.

A handwritten signature in black ink, appearing to be 'V. Chirathivat'.

Mr. Vanchai Chirathivat
Chairman



It is my great pleasure to report that Central Pattana Public Company Limited (CPN) continues to be the leader of the retail property development sector in Thailand, a position we have maintained for the past 25 years since the launch of Central Plaza Lardprao - Thailand's first mixed use shopping center. Despite a number of economic slowdowns experienced over the years, CPN succeeded in achieving our objectives because of our extensive experience in the retail management business and our financial strength. Currently, we own and manage 10 projects, with a market capitalization of over Bht. 39,000 million. Additionally, we are now ranked as one of the SET50 in the Stock Exchange of Thailand (SET), demonstrating our ability to sustain our growth and leadership in this business sector.

Our business expansion plan includes the development of eight additional shopping centers in Thailand and overseas within the next five years. To expand our customer base, we intend to increase the level of customer satisfaction in all areas of

service. On the tenant development side, we plan to cultivate the existing tenants as well as systematically attract new tenants to support our expansion goals. Two new projects currently under development include retail centers at Chaeng Wattana and Pattaya Beach. Another two projects, for which land has already been acquired, are under feasibility study; these are Khon Kaen and Chonburi. Other upcoming projects are progressing according to plan.

To accommodate our future growth, preparations are well underway to develop and implement a fully-integrated human resources system, including comprehensive performance evaluation across the entire company. We are also building a strong organizational culture based on transparent operational guidelines to ensure future success.

With our vision to be the leading retail developer with world class experience, including our extensive experience and unique management style will bring the Company to achieve real and sustainable levels of growth and success in the years to come.

Finally, I wish to express my sincere appreciation to CPN tenants, customers, business partners, financial institutions, shareholders, the management team, employees and all parties concerned. Each and every one has kindly contributed to CPN's continued success.

Mr. Kobchai Chirathivat
President & Chief Executive Officer

President & CEO Statement

To the shareholders of Central Pattana Public Company Limited

The Audit Committee comprises of three independent qualified Directors, one of whom has direct knowledge and experience in accounting.

During 2005, the Audit Committee performed its duties as assigned by the Board of Directors of the Company in compliance with the regulations of the Stock Exchange of Thailand. It convened 11 meetings, and discussed relevant matters, as necessary, with management, external auditors and internal auditors. In every meeting, the Audit Committee reported and expressed its opinions and proposed suggestions freely as deemed appropriate. The duties and responsibilities of the Audit Committee can be summarized as follows:

The Preparation of Financial Reports and Disclosure of Information

To review the sufficiency of the processes for the preparation of financial statements, and the reliability of disclosure of information, verification of the quarterly and annual financial statements to ensure that preparation of all reports is in accordance with Generally Accepted Accounting Principles, ensuring that disclosures of key information and related transactions as well as potential conflicts of interest transactions are adequate. The Audit Committee also stated its opinions on the audit plan and audit report before submission to the Board of Directors for final approval.

Internal Controls and Internal Audit

To consider and approve the annual audit plan and all audit reports from the Internal Audit Department; to oversee the work of the internal audit department and ensure its compliance with the Standards of the Professional Practices of Internal Auditing; to give reasonable assurances that the existing internal controls are adequate and appropriate for the Company to achieve its goals of economic efficiency.

The Audit Committee also considered and reviewed manpower and personnel development plans of the audit department and made appropriate recommendations in the use of the Audit Management Systems including automating all phases of the audit process, such as: risk assessment, scheduling, planning and execution, review, reporting and tracking. It is expected that the system will be fully implemented by the first quarter of year 2006.

Compliance with Relevant Regulations and Laws

To regularly review that the Company is in compliance with all rules and regulations of the Stock Exchange of Thailand and other applicable laws.

Audit Committee Report

Disclosure of Related Transactions

To regularly consider the preparation of adequate information and its disclosure of all related, and possible conflicts of interest, transactions.

Risk Management

To consider and express opinions on risk management reports and risk management progressive reports for both corporate and the shopping center levels by exchanging knowledge and information on risk and internal controls that may affect the Company between the Risk Management Committee, the risk management working team and the management on a quarterly basis.

Good Corporate Governance

To consistently promote good corporate governance and to monitor the Company, at all levels to ensure that it is continuing to develop good corporate governance practices, in addition to giving guidelines and suggestions necessary for such development. Recently, the Audit Committee recommended that a good corporate governance policy be promoted internally to create wide awareness among all staff. The Company agreed with this recommendation and has engaged a quality consultant to undertake this work.

Selection and Appointment of Auditor

To consider and compare the auditors' fees and evaluate their performance and maintain a policy of rotation at appropriate time intervals. The Audit Committee has proposed to the Board of Directors to appoint KPMG Phoomchai Audit Ltd. as the Company's auditor for the financial year ending December 31, 2006 with a fee of Baht 1,040,000 (Baht One Million and Forty Thousand). This can be officially proposed to the General Meeting of the Shareholders for approval.

The Audit Committee's Self-Assessment

To undertake a performance self-assessment for the year 2005 by having each member answer a questionnaire on the effectiveness of the Audit Committee. This self-assessment was undertaken on January 23, 2006 and the result was deemed to be satisfactory.

In summary and conclusion, the Audit Committee is therefore of the opinion that the preparation and disclosure of information in the Company's financial reports are sufficient and reliable, and the existing internal controls are adequate.



Mr. Paitoon Taveebhol
Chairman of Audit Committee
17 February 2006

January

- The Company donated the Centralworld Skywalk, an elevated walkway bridge connecting the Chidlom and Siam BTS Stations, as a gift to the people of Bangkok through Bangkok Metropolitan Administration Office. The bridge is worth Baht 250 million.

February

- The Company inaugurated The Offices at Centralworld. Situated in the central business district of Bangkok, this 45- floor office building with a total space of 80,000 sq.m. has a unique design and is equipped with state-of-the-art technology and an international standard security system.

- TRIS upgraded the Company's credit and bonds rating from "A-" to "A" reflecting the Company's strength as the leader in the retail property development business in Thailand.

May

- The Company registered a conversion of all preferred shares held under the "Thailand Equity Fund" to common shares. As a result, the Company's fully paid up equity of Baht 2,178,816,000 now comprises 2,178,816,000 common shares with a par value of Baht 1. However, the post of representative from the "Thailand Equity Fund" on the Company's Board of Directors has remained unchanged.



- The Company held an inauguration ceremony for the “Centralworld” project, which was attended by the 2005 Miss Universe contestants and distinguished guests. “Centralworld”, situated in the Ratchaprasong area - the heart of Bangkok, is valued at Baht 26,000 million. The Company’s aim is for this mixed use complex to become the best shopping venue in Asia with a worldwide reputation for excellence.

August

- The Company listed its CPN Retail Growth Property Fund with a value of Baht 10,915 million on the Stock Exchange of Thailand. Positive responses were received from investors, beyond all expectations.

- The Company purchased 499,995 common shares of Central Pattana Rama 3 Co., Ltd., (equivalent to 39.47 percent of its fully paid equity of 1,266,670 shares with a par value of Baht 100), together with five common shares of Central Realty Service Rama 3 Co., Ltd., (equivalent to 0.0003 percent of its fully paid equity of 1,750,000 shares with a par value of Baht 100), from RODAMCO Thailand BV for a total price of Baht 1,521,442,000. Following these purchases, the Company’s shares in both companies increased from 60.53 percent to 99.99 percent. As a result, the Company has full control over and manages the two companies.



September

- The Company inaugurated Central Town Rattana Thibet with a total space of 93,000 sq.m., making it the biggest community mall in Nonthaburi and the western suburbs of Bangkok.



centralw^old

centralplaza

centralfesti^{val}

centralt^{own}

November

- The Company was rated among “Asia’s Best under a Billion” by FORBES Magazine, the internationally acclaimed business magazine. The Company is one of only 200 leading companies in Asia in 2005 in this category and was the only retail property development and management company in Thailand to receive this acclamation.

December

- The Company underwent a major re-branding process in order to promote a stronger identity with the introduction of a new logo - “CPN”. This new logo is expected to update Company’s image and to emphasize its position as a world class leader in retail property development and management. Furthermore, it will aid in the expansion of the Company’s business to other countries in Asia.

In addition, the Company was ranked as one of 50 leading listed companies on the Stock Exchange of Thailand (SET), based on ‘the SET50’ calculation of its share price and one of the 2005 Top Quartile category for Good Corporate Governance of Thai listed companies. These awards are evidence of the Company’s considerable achievements in its business.



Central Plaza Lardprao



Central Plaza Ramindra



Central City Bangna



Central Plaza Pinklao



Central Festival Center Pattaya



Central Airport Plaza Chiangmai



Central Plaza Ratchada Rama III



Central Plaza Rama II



Central Town Rattanathibet

Management Direction in 2005

The effective development and management of retail properties is a key factor in the Company's achievement of both its short term and long term strategic planning goals and considers the continuing development of its management team as a critical factor in achieving these.

Management in 2005

International Standard Management Development

The Company is aware that an internationally acceptable standard of management is vitally important to maintain its status as a leader in the shopping center business and to be ready to receive foreign investment in the future. To achieve this, the Company has adopted the standards set by the International Council of Shopping Centers (ICSC) as its guidelines and the Company has implemented an Operation Guidebook, a Checklist and Reporting System. In addition, systematic human resources development policies have been adopted, which include regular foreign study trips, training programs and ensuring all management are fully prepared for the roles and positions they occupy, both now and in the future.

The Development of Customer's Satisfaction

One of the Company's objectives is that every shopping center branch can completely respond to all the demands of its customers, both tenants and shoppers who must feel fully satisfied with all services provided. To achieve this objective, the Company is focusing on the development of its service standards as follows:

- By constructing shopping centers with a full range of products responding to consumers' needs.
- By continuously improving its shopping centers so that they always look exciting and modern by selecting progressive tenants and building attractive interior spaces and enticing exteriors and window displays.
- By establishing a Customer Service Unit to ensure that all existing services and new initiatives are maintained to the highest standards and can respond rapidly to meet customers' needs
- By having established its own security company in which the Company provides security staff with training courses specially designed for working at shopping centers to ensure that tenants and shoppers can feel they are in a completely safe environment.
- The Company is determined to keep its commitment to keeping its premises, especially common areas and toilets, clean at all times and up to the same standard as leading hotels, for the convenience of all customers.



Marketing



The Company has undertaken several measures to improve its marketing, including changing interior designs to create an atmosphere that suits the changing lifestyles of customers and offering innovative goods and products by introducing new popular shops. To maintain and expand its existing customer base, the Company has also undertaken the following:

- Inauguration of the Central Town Rattana Thibet, a community shopping center for the growing community in Nonthaburi and the western area of Bangkok.
- Introduction of a new “Lifestyle Zone”, with a space of over 1,300 sq.m. and housing leading brand name shops offering diverse goods and services on the 2nd Floor of Central City Bangna
- Improvement of the common area of Central Plaza Ratchada Rama III by installing a beautiful and modern aquarium.
- Improvement of columns and hallway at Central Plaza Pinklao in a contemporary design to create a comfortable atmosphere.
- Transforming the common area of Central Plaza Rama II into a Kid Club Zone - an area devoted to developing the skills of youngsters.
- Expansion of the area for selling Northern souvenirs so that it now houses over 30 popular shops inside the Kaad Luang Zone on the ground floor of Central Airport Plaza Chiangmai.



- Transformation of the Centralworld shopping plaza into one of the most modern and unique shopping centers in Thailand. Major renovations will be completed by mid 2006 and will develop a worldwide reputation for shopping excellence.
- The construction of a walk way connecting Central Plaza Pinklao Shopping Center, The Office Buildings at Central Pinklao Tower A and Tower B and the provision of a gym and a spa. Combined, these will provide greater convenience to customers and tenants and give the buildings a unique character.



Public Relations

During 2005, the Company regularly organized various public relations and sales promotion activities to promote shopping center tenants' businesses and also organized ad hoc events on special occasions to promote good relations between the Company and the general public, such as:

- The Brave the Winter Project, which collected clothes for the needy in Chiangmai.
- The Second Hand Books Project, which collected used books to donate to Petchaburi Prison so that prisoners could improve themselves through acquiring new knowledge.
- The Computers Donation to Wat Suan Kaew Foundation Project, which was designed to provide to poor Thai children access to IT resources.

In addition, the Company gave full cooperation to various organizations by allowing them use of shopping center spaces to stage events related to the Royal Household and other charity activities. They included:

- "Royal Project 36", which was co-organized with the Royal Project Foundation on the occasion of the World Health Organization's presentation of a medal to H.M. the Queen in recognition of her work to promote food safety.
- "Heart to Heart for Needy Patients with Cancer", jointly organized with the Chulaporn Research Institute and encouraged people to buy glassware hand painted by HRH Chulaporn Valailuksana with all proceeds being donated towards the construction of a Cancer Hospital.
- "For Your Beloved Teeth", jointly organized with Mahidol University to promote awareness of the need for oral health.



- "For Your Beloved Teeth", jointly organized with Mahidol University to promote awareness of the need for oral health.
- "In memory of the First Anniversary of the death of Khun Phum Jensen", jointly organized with the Khun Phum Foundation and selling mementoes such as t-shirts, polo shirts, caps, coffee cups etc. with all proceeds being donated towards future charity activities for needy children.

Since June 1, 2005 the Company has also promoted an awareness of the need to save energy to its employees, in line with Government policy.

The Company established a Metropolitan Police Counter Service (MCS) at Central Plaza Lardprao to receive emergency reports and complaints, and to offer general advice to the public. Members of the public can also contact the MCS and request the police to look after their house while they are away.

There is also a Government Counter Service at Central Airport Plaza Chiangmai where those who need to use government services can do so conveniently.



Customer Relations

The Company considers all tenants of shopping centers and office buildings to be its business partners and stakeholders of vital importance and activities are regularly organized to promote a common goodwill and improved business opportunities for all. These include:

- The “8th Central Pattana Golf Championship”, an annual event where the Company’s executives meet and exchange ideas with tenants as well as other key business partners.
- Organizing seminars on topics related to business operations in shopping centers
- Screening movies and organizing concerts by international musicians.

To quickly and efficiently respond to its customers: both existing and prospective tenants, as well as shoppers, the Company has set up the “Central Pattana Call Center” at tel. 02 635 1111. This is in operation during Monday to Friday from 08.30 to 20.00 hours and on Saturday and Sunday from 09.00 to 21.30 hours. Staff can provide information on any shopping center and receive complaints. This service also provides valuable feedback to the management team of the Company, enabling problems to be solved quickly and useful recommendations to be incorporated in future business improvements.



Sales Promotions “Pleasure Plus”

“Beyond Expectation to a Higher Degree”

The objective of all sales promotions is to “provide satisfaction beyond expectation” to customers: both tenants and shoppers; and Marketing and Sale promotion plans will follow the following main objectives:

1. To promote popular activities and sales promotion activities that are unique to each shopping center
2. To emphasize increasing sales volumes in line with prevailing market conditions and the customer base of each shopping center.
3. To maintain existing and attract new customers with strong purchasing power.
4. To create a trendy and fashionable image by introducing innovations.
5. To maintain the Company’s good social image by supporting activities benefiting children, society in general as well as supporting government initiatives.



Promotion and Marketing Strategies:

1. Strategic Sales Promotions focus on increasing tenants' sales volumes by arranging major sales campaigns incorporating extensive advertising and public relations throughout the year, such as:

- Central Plaza Andaman Spice, a fashion show of the trendiest Summer fashions with over 200 male and female models at the Centralworld Skywalk, the longest catwalk in the world, Pattaya Summer Spice,



a beach wear fashion show on Pattaya beach and a Summer Collection fashion show at every branch of Central Plaza.

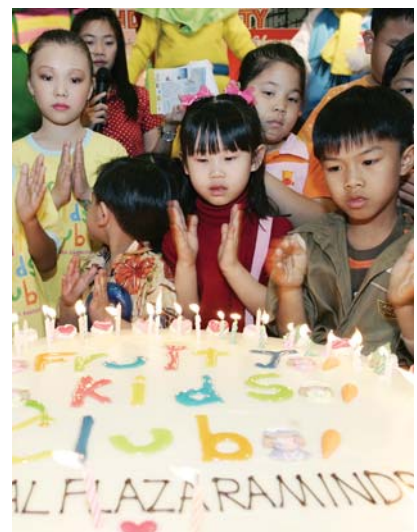
- Central Plaza Annual Sale, "Buy All", the best offer of the year with discounts of 50 to 80 percent from all shops
- Central Plaza Gift Wonderland, offering chances for free gifts worth over Baht 3 million every weekend

The Company spent over Baht 70 million for the sales promotion activities associated with these three campaigns, resulting in a 20 - 30 percent increase in the number of customers and an increase of 80 - 85 percent in overall sales volumes.

2. Joint Promotions with Strategic Partners - The Company co-organized sales promotion activities with major partners such as Visa International, Citibank, AIS, UOB credit card, Krungsri GE credit card, 1-2 Call, Nokia, Master Card, etc. targeting quality customers and creating traffic to increase tenants' sales volumes.

3. Brand Loyalty Creation Strategies are aimed at existing and new customers, and appropriate activities were staged to cater to these, including:

- For Kids & Families focusing on children aged 5 - 12 years old and their families by establishing "Kids Clubs" at various branches such as: the Leo Land Club at Central City Bangna, the Galaxy Kids Club at Central Plaza Rama II, the Aquarium Kids Club at Central Airport Plaza Chiangmai and the Fruity Kids Club at Central Plaza Ramindra.
- For Teenagers & First Jobbers - targeted at youngsters and young career people aged 13 - 25 years of age by introducing the Central Plaza Plus Card in cooperation with OK Cash Card, a new concept of gift card, which can accept cash deposits and offer a range of benefits and privileges to the cardholders. The card was inaugurated in November 2005 and has received a warm response.





4. Live Event Strategies. These are organized by the Company to generate increased customer visits on a regular basis and include such notable events, such as: the ELLE Fashion Week, the Japanese Festival, the Heineken Green Carpet Party, the International Birds Festival, a Horror Mask Contest, a Halloween Dog Dressing Contest, and a Dutchie Boys and Girls Contest. There were also new product introduction fairs such as the “Moscow” route opening of THAI Airlines, Seed FM Opening and the opening of the Internet True Wi-Fi facility in shopping centers, etc.

In addition, grand sales activities were organized for selected products in large dedicated floor spaces, such as: a Watch Fair, the Power Buy Expo, the Super Sports Super Show, a Mobile Phone Expo and a Motor Show.

Moreover, the Company co-sponsored major entertainment activities such as Disney on Ice, the Guangzhao Gymnastics Show, and concerts by Kylie Minogue, TaTa Young, Good Charlotte and Norah Jones.

5. Tenant Support Programs, providing public relations support to tenants and major activities via various forms of internal media and external media as follows:

- The Grand Opening of Toys R Us at Central City Bangna
- Promoting the use of the U-Turn bridge to Central City Bangna by organizing a special “U-Turn University” sale

- Sales promotion activities for tenants in various specialized zones such as Junction X, E- Center and Sky Dining
- Opening the new “Lifestyle Zone”, on the 2nd Floor of Central City Bangna.

6. Support of Social Activities - The Company supported various social, charity and art and culture promotion activities, organized by both the public and private sectors including: the Royal Project Fair, the “In Memory of Khun Phum” Fair, the “Breast Cancer Prevention” Fair organized by the Ministry of Health, the “No Drugs” Fair, a “Letter Writing Week”, the “Your Beloved Teeth Fair”, an “East Region Painting Contest” and the “Waves of Thai Kindness to the South” event, co-organized with the Tourism Authority of Thailand.

7. Support of Education Activity, The Company also supported activities designed to provide technical knowledge and skills to children so that they could spend their free time usefully. These activities included Children’s Day, Education Expo, Thailand Crossword Competition, and Art Exhibitions organized by various institutes.

Organization Development and Human Resources Management

Human resources with an emphasis on quality of knowledge, capability and virtue, combined with being a learning organization, is regarded as the key factor for driving the Company's growth and creating 'The Rewarding Experiences' to satisfy customers and relevant persons. In effect, the Company can grow with sustainability and stability thus increasing the value to the Shareholders.

In 2005, the Company has focused on organizational development, including human resources management in the form of integration, in tandem with long-term strategies to enable business sustainable growth. This can be summarized as follows:

■ Recruitment & Selection

Effective human resources management starts with the recruitment of competent people. With that objective in mind, the Company has conducted a proactive personnel recruitment approach called "Campus Recruitment" to target new graduates with bachelor and master degrees from target universities. Moreover, the competency-based evaluation has been emphasized on the recruitment and selection process to ensure the hiring of competent personnel in line with the job title.

■ Human Capital Management

The appropriate remuneration according to the incumbent's capability and performance is another aspect of human resources management that the Company attaches priority to, with the awareness that remuneration is the main factor in employee retainment. The Company has joined the survey of total rewards and fringe benefits with leading companies with similar lines of business, in order to establish a competitive remuneration system. The Company also has considered conduction the Cost of Living Adjustment (COLA) and has improved fringe benefits to be in line with the current economic situation. Additionally, the Company has organized activities to promote good relations among the employees to improve morale and quality of work-life.

■ Organization Development

The Company has evolved into a learning organization that focuses on continuous development. It started with creating an organizational development unit as the corporate coordinator of all functions within the Company to manage changes and implement organization development initiatives. At present, it is divided into 4 interventions:

1. Human Capital Development

The development of personnel is regarded as a long-term investment which results in success and value creation to the organization. Employees have been continuously trained to enhance their skills & competency. Many development programs have been deployed specifically for each employee level in every functions. In addition, the Company participates in the Management Development Program (MDP), the exchange program to enrich work experiences by learning from successful organizations, both domestically and internationally. To catch up with changing technology and new management tools, the Company enrolls key personnel in various seminars and conferences: Asia Business Forum, International Council of Shopping Center Conference (ICSC), and INSEAD Executive Development Program, etc. Moreover, the best performers have been identified and developed as in-house trainers/champions. Reshuffling of jobs to develop skills and enrich the scope of responsibility for career advancement has also been implemented.

2. Corporate Strategy & Performance Management

To create business value & growth in sustainability, corporate vision including direction, strategy and policy framework needs to be defined in corresponding to business environment. The systematic strategic planning and policy management with effective corporate performance measurement is also regarded as the enabler of this success.

The Company by the Executive Committee and the Management, jointly with the authoritative consultants has reviewed and established the new vision including the long-term plan for 2006-2010. The Corporate strategy has defined in two groups: Core Business Growth strategy and Organization Development strategy to create competitive advantage. In addition, the Company has developed the new Brand Model as well as introduced the

Balanced Scorecard initiative incorporated with strategic management. The strategic objective and strategic map has already been identified in the Annual Management Conference under the theme of “Integration for New Vision - The New Challenge for Sustainable Growth.”

The Company has cascaded its vision and clearly communicated its goals to all employees to ensure that their key performance indicator (KPI) & target is consistent with the overall corporate strategy. The KPI & target then becomes a part of the overall performance evaluation. The annual bonus is tied to the individual performance evaluation and in line with the operational result of each department or unit. Through a systematic performance evaluation process incorporated with leadership & managerial competency assessment, the Company further identifies the talents that will be developed and promoted to the management position under a program called the “Succession Plan”.

To ensure the appropriate & efficient planning on policy, strategy and action plan, Organization Health Assessment information should be taken into consideration with multi-dimension synthesis. The company has also realized this significant, therefore, by conducting Employee Opinion Survey (EOS) and Voice of Customer (VOC) Survey to acknowledge the associates’ and customers’ point of view towards company’s management system, procedures, and services.

3. Business Process Management

The other enabler of business success is to maximize customer’s satisfaction. In order to achieve that, the company shall have standard and efficient operating procedures that suit to the business situation and align with business strategies. As a result, the Quality Management System (QMS) has been established and maintained regarding the international standard. The company has been certified

on ISO 9001:2000 by SGS (Thailand) in scope of ‘Development and Management of Shopping Center’ under accreditation of National Accreditation System of Thailand (NAC) and United Kingdom Accreditation Service (UKAS). Internal Quality Audit has also been stringently implemented in periodically to ensure the efficiency of QMS implementation. In addition, Business Process Improvement (BPI) Task Force has been established to review and improve the business process continuously in order to be sure that it suits to business situation and dynamic business environments. Moreover, Risk Management has also been continuously implemented and incorporated with the Corporate Governance under the direction of Risk Management Committee (RMC). As results, all mentioned initiatives have enabled the organization to perform efficiently and become the Most ADMIRE Retail Experience Developer with sustainable growth.

4. Organization Capital Management

Regarding a belief that strong brand structure with strong corporate culture and values will be the enabler of organization and associate success, the company has developed Brand Model including Brand Attributes, Corporate Culture Model and ADMIRE Values to be a code of practice for both executives and staff to adhere. As result, organization and staff reputation and renown will be retained. These also lead organization to be a good performer in corporate governance with the rewarding experience to all stakeholders. Moreover, the company has also stringent managed all business related aspects according to a corporate governance philosophy. These have been inspired from our recognition on an important of the responsibilities to all concerned stakeholders under a code of ethics. All mentioned stringent harmonized practices entire organization will enable the company to be ‘the Most ADMIRE Retail Experience Developer’ sustainably in eventually.

At present, the Company is undertaking the renovation and expansion of Centralworld. The design and construction of Central Plaza Chaengwattana and Central Festival Pattaya Beach are also underway. Project details are as follows:



Centralworld Project

- Located on an area of 64 Rai, in the heart of Bangkok's shopping district - Ratchaprasong
- The expansion of Centralworld will increase the total retail space by 70,000 sqm. in addition to the existing 130,000 sqm. In addition, the existing space - both interior and exterior area (for outdoor activities) in front of the project, are being renovated to create a more modern retail environment and imagery. With an investment of Baht 6,000 million, the existing property will be transformed into the biggest mixed use complex in the heart of Bangkok. The initial expansion phase is scheduled to be completed and officially inaugurated by Mid 2006
- Over Baht 250 million has been invested in the construction of the Skywalk, an elevated walkway connecting Centralworld to Chidlom and Siam BTS stations. At present, the Skywalk sections connecting The Offices at Centralworld office building with Chidlom and Siam BTS stations are open to the public. The remaining section of the Skywalk giving access to Centralworld is expected to be in service after the inauguration of the expansion phase of Centralworld.
- Centralworld Plaza Hotel, the largest 5-star convention hotel in the Asia Pacific region with a convention hall space of 16,000 sq.m., both to be invested and managed by Centralworld Plaza Hotel Co., Ltd. is expected to be completed by early 2008 (Centralworld Plaza Hotel Co., Ltd. subleased land from Thai Business Fund 4).

Future Projects

Central Plaza Chaengwattana Project

- Located on an area of 24 Rai on Chaengwattana Road, Bang Talad Sub-district, Pak Kred District, Nonthaburi Province.
- It comprises a shopping mall with retail space of 100,000 sqm. (including a Central Department Store), an office building of 20,000 sqm. located on top of the shopping mall and a car park of 94,000 sqm. and is positioned to attract customers living in Nonthaburi and its' environs.
- Chaengwattana Road is considered to be a desirable site because of its continuing growth. The site is surrounded by residential areas, office buildings, educational buildings and government agencies. In addition, a new government center has been proposed by stated Government policy and consequently, strong local purchasing power can be expected.
- The project is scheduled to be completed and become operational by 2008.
- The investment cost is approximately Baht 4,550 million.

**Central Festival Pattaya Beach Project**

- Located on an area of over 22 Rai close to Pattaya Klang Road, Nong Prue Sub-district, Bang Lamung District, Chonburi Province.
- It is to be developed into a shopping mall of 80,000 sqm. (including a Central Department Store) with a car park of 70,000 sqm. The project will appeal to consumers living in the area and tourists.
- Pattaya is a high potential site as it is a popular tourist attraction and has strong business growth potential. Situated on the Beach Road and easily reached by customers, the location of the project is advantageous. As the project positioning will be different from competitors, and from the existing Central Festival Center Pattaya, the Company believes that the project will attract both local residents and tourists with high purchasing power.
- The project is due to be completed and become operational in 2008.
- The investment cost is approximately Baht 3,300 million.

**Projects under feasibility study**

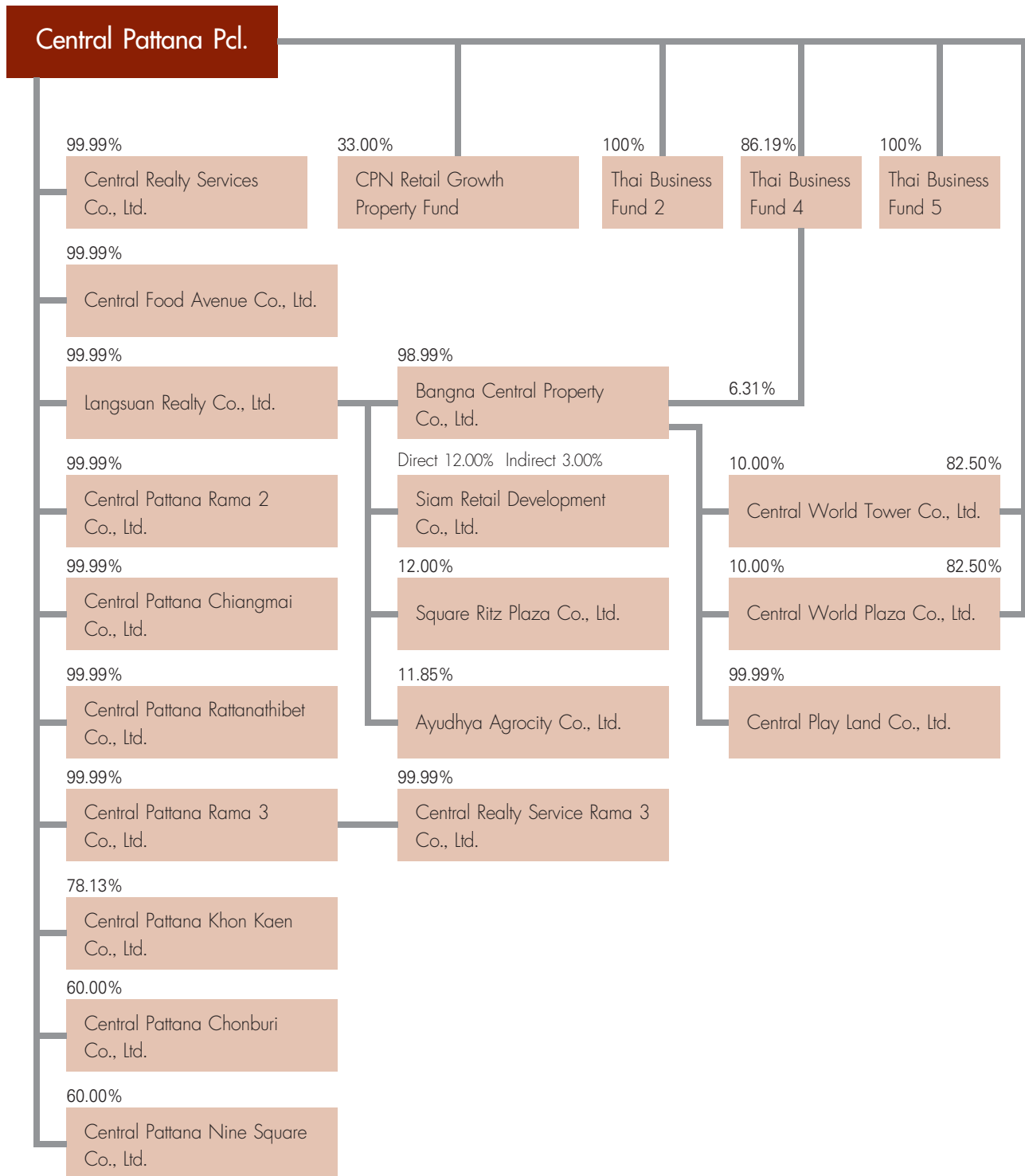
- **Project at Rama 9:** located at the intersection of Ratchadapisek and Rama 9 Road adjacent to the underground train station.
- **Project in Khon Kaen province:** located on Mittraphab Road, Naimuaeng Sub-district, Muang District, Khon Kaen Province
- **Project in Chonburi:** located on Sukhumvit Road, Samed Sub-district, Muang District, Chonburi Province.

The above three projects are the subject of separate feasibility studies.

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Holding Structure

Central Pattana Public Company Limited was established on June 17, 1980 with the objective of developing large format, full service retail shopping centers. The Company has been listed on the Stock Exchange of Thailand (SET) since March 1, 1995. Its current fully paid equity is Baht 2,178,816,200 with Central Holdings Co., Ltd., and Chirathivat family members as its major shareholders. Its core business is to provide serviced retail space for rent. At present, the Company manages 10 shopping complexes in Bangkok and upcountry. In addition, the Company has undertaken the management of related businesses, i.e. office buildings, residential buildings, food centers, water and recreational parks, and the provision of services and facilities in its shopping complexes. The Company possesses over 25 years of retail property management experience.

Business Categories

The Company's main business is to develop retail property for rent comprising shopping complexes, office buildings, residential buildings, food centers, water and recreational parks. Each project is uniquely developed depending upon given location and customer base.

Property development includes the acquisition of suitable land, construction supervision, leasing, marketing, and property management, as well as the provision of services in the shopping complexes when they are operational.

The Company's businesses can be categorized as follows:

1. Shopping Complexes

This is the Company's main business, which generates revenues from rental and services amounting to over 80 percent of its total income. The activities include the lease rental of retail spaces and the provision of services: utilities, security and cleaning. At present, the Company and its subsidiaries manage 10 shopping complexes, as follows:

Project Name	Start of operation
Central Plaza Lardprao	December 1982
Central Plaza Ramindra	November 1993
Central City Bangna	December 1993
Central Plaza Pinklao	March 1995
Central Festival Center Pattaya	July 1995
Central Airport Plaza Chiangmai	March 1996
Central Plaza Ratchada Rama III*	October 1997
Central Plaza Rama II*	December 2002
Centralworld	December 2002
Central Town Rattana Thibet	December 2003

The Company is currently undertaking the improvement and expansion of Centralworld and when completed, this will be one of the largest and most modern shopping complexes in Asia. The expanded sections are scheduled to open officially in mid-2006.

* Parts of the assets of these two projects have been leased to CPNRF in August 2005. However, the Company remains in charge of managing the projects.

2. Office Buildings

Developing office buildings for rent depends heavily on the supply and demand of office space in given location. In addition, if an office building is situated within a shopping complex, the value of the office building as well as the overall total value of the site is highly enhanced due to the generally increased traffic demands. The Company has four office building projects which are located within the shopping complexes: Central Plaza Lardprao, Central Plaza Pinklao, Central City Bangna and Centralworld. A majority of the office tenants operate businesses that are retail-related, i.e. learning centers, beauty treatment centers, finance and security companies, etc. The Offices at Centralworld is an exception, as it offers a 45-storey premium grade office space to international companies.

3. Residential Buildings

At present, the Company manages two residential building projects: Lang Suan Colonade - a serviced apartment situated on Lang Suan Road, the heart of the central business district (CBD) in Bangkok, and Central City Residence - a condominium which is part of Central City Bangna.

4. Water Park and Recreational Park

The water and recreational park business provides variety and entertainment where customers can enjoy outdoor activities at shopping complexes. At present, there are two projects. Leo Land Water Park, situated on the 6th floor of Central City Bangna, is popular among families and tourists. Central Park, located next to Central Plaza Rama II, comprises a health park, a playground, an activity area and restaurants.

5. Food Centers

Food Centers in shopping complexes comprise various booths selling economically priced popular dishes for the convenience of customers. Revenues from the sales of food and beverages are an important part of the Company's income.

	Company	Nature of Business	Registered Capital	Percentage of Shareholding
1	Central Realty Services Co., Ltd. 999/9 Rama I Rd., Patumwan, BKK.10330 Tel 0-2264-5555	Servicing of Shopping Center Facilities	1,000,000	99.99%
2	Central Food Avenue Co., Ltd. 1697 Phaholyothin Rd., Chatuchak, Chatuchak, BKK.10900 Tel 0-2937-1555	Restaurant operations and servicing of shopping complex food center	1,000,000	99.99%
3	Langsuan Realty Co., Ltd. 95/3 Langsuan Rd., Lumpini, Patumwan, BKK.10330 Tel 0-2652-2849	Residential condominium and shop space for rent	1,000,000,000	99.99%
4	Central Pattana Rama 2 Co., Ltd. 128 M.6 Rama II Rd., Samaedum, Bangkhuntian, BKK.10150 Tel 0-2866-4300	Shopping Center	1,500,000,000	99.99%
5	Central Pattana Chiangmai Co., Ltd. 2 Mahidol Rd., Haiya, Muang, Chiangmai 50100 Tel 0-5328-1660	Shopping Center	1,000,000,000	99.99%
6	Central Pattana Rattana Thibet Co., Ltd. 68/100 M.8 Rattana Thibet Rd., Bangkrasor, Muang, Nontaburi 11000 Tel 0-2526-6004	Shopping Center	800,000,000	99.99%
7	Central Pattana Rama 3 Co., Ltd. 79 Sathupradit Rd., Chongnonsee, Yannawa, BKK.10120 Tel 0-2673-6000	Shopping Center	126,667,000	99.99%
8	Central Pattana Khon Kaen Co., Ltd. 999/9 Rama I Rd., Patumwan, BKK.10330 Tel 0-2264-5555	Shopping Center	260,000,000	78.13%
9	Central Pattana Chonburi Co., Ltd. 999/9 Rama I Rd., Patumwan, BKK.10330 Tel 0-2264-5555	Shopping Center	350,000,000	60.00%
10	Central Pattana Nine Square Co., Ltd. 999/9 Rama I Rd., Patumwan, BKK.10330 Tel 0-2264-5555	Shopping Center	600,000,000	60.00%
11	Central Realty Service Rama 3 Co., Ltd. 79 Sathupradit Rd., Chongnonsee, Yannawa, BKK.10120 Tel 0-2673-6000	Servicing of Shopping Center Facilities	175,000,000	99.99% by Central Pattana Rama 3 Co., Ltd.

General Information of Business held
by the Company 10% upward

Company	Nature of Business	Registered Capital	Percentage of Shareholding
12 Bangna Central Property Co., Ltd. 1091,1093 M.12 Bangna-Trad (KM3) Bangna, BKK.10260 Tel 0-2361-0888	Shopping Center/Office/ Residential/Playland	600,000,000	98.99% (by Langsuan Realty Co., Ltd.)
13 Central World Tower Co., Ltd. 999/9 Rama I Rd., Patumwan, BKK.10330 Tel 0-2264-5555	Office	1,850,000,000	92.50% (includes 10% by Bangna Central Property Co., Ltd.)
14 Central World Plaza Co., Ltd. 4 Ratchadumri Rd., Patumwan, BKK 10330 Tel 0-2255-9500	Servicing of Shopping Center Facilities	1,000,000,000	92.50% (includes 10% by Bangna Central Property Co., Ltd.)
15 Central Play Land Co., Ltd. 1094 M.12 Bangna-Trad (KM3) Bangna BKK.10260 Tel 0-2361-0888	Space for rent in shopping center	518,000,000	99.99% (by Bangna Central Property Co., Ltd.)
16 Siam Retail Development Co., Ltd. 5/5-6 M.7 Ramindra Rd., Kannayao, BKK. Tel 0-2947-5000	Shopping Center	500,000,000	15.00% (12% by Langsuan Realty Co., Ltd. 3% by Square Ritz Plaza Co., Ltd.)
17 Square Ritz Plaza Co., Ltd. 5/5 M.7 Ramindra Rd., Kannayao, BKK. Tel 0-2947-5000	Real Estate Developer	125,000,000	12.00% (by Langsuan Realty Co., Ltd.)
18 Ayudhya Agrocitcity Co., Ltd. 47 M.2 Bangna-Trad Rd., Bangplee, Samutprakarn 10540 Tel 0-2750-4290	Real Estate Developer	400,000,000	11.85% (by Langsuan Realty Co., Ltd.)
19 CPN Retail Growth Property Fund Managed by TMB Asset Management Co., Ltd. 990 Abdulrahim Place, 32th Floor, Rama IV Rd., Silom, Bangkok, 10500 Tel. 0-2636-1800	Property Investing	10,915,000,000	33.00%
20 Thai Business Fund 2 Managed by Krung Thai Asset Management Plc. 11 Q House Sathorn Building, M,G Floor, South Sathorn Rd., BKK. 10120 Tel. 0-2670-4900	Property Investing	500,000,000	100.00% of owner type unitholder
21 Thai Business Fund 4 Managed by Krung Thai Asset Management Plc. 11 Q House Sathorn Building, M,G Floor, South Sathorn Rd., BKK. 10120 Tel. 0-2670-4900	Property Investing	4,600,000,000	92.50% of owner type unitholder, (includes 6.31% by Bangna Central Property Co., Ltd.)
22 Thai Business Fund 5 Managed by Krung Thai Asset Management Plc. 11 Q House Sathorn Building, M,G Floor, South Sathorn Rd., BKK. 10120 Tel. 0-2670-4900	Property Investing	400,000,000	100.00% of owner type unitholder

Name	Central Pattana Pcl. (CPN)	CPN Retail Growth Fund
Role	Central Pattana Pcl. (CPN)	Thai Military Bank Management Fund Co., Ltd. (TMBAM) as Fund Manager
		Central Pattana Pcl. (CPN) as Property Manager
Key character	A leader in property development and management for retail businesses in Thailand	Thailand's biggest retail property Fund
Objectives	Focusing on the development of both new and existing retail business properties to increase income, including the management of CPN and CPNRF projects. CPN aims to develop another eight projects in the next five years and to continue improving its international standard of services to maintain its reputation as the leading professional property management company in Thailand	Focusing on investment in property development for retail business undertaken by CPN and others. Consideration is given to maintaining income stability and cash flow to ensure a stable rate of return and low risk. Presently, CPNRF is investing in two CPN projects, i.e. some parts of Central Plaza Rama II Project and some parts of Central Plaza Ratchada - Rama III Project.
Related Relations	At present CPN holds 33 percent of CPNRF unit trusts. CPNRF is a major source of capital for CPN business expansion as CPN will sell some properties to CPNRF to increase its capital while earning additional income from all CPNRF project management fees.	CPNRF's policy is to invest in existing retail business properties that provide stable cash flows, but there is no plan to invest in projects that required redevelopment or major renovation. However, a majority share of votes is required in the unitholder's meeting prior to any purchase. CPNRF has the Right of First Refusal for seven years from the date of the Fund registration in case CPN agrees to sell any properties it owns or controls to any party.
Investors	Suitable for investors who prefer high investment rates of return in the form of capital gains.	Suitable for investors who prefer low risk investment and to gain the returns in the form of dividends.

Type of Business/Operated By	% of Shareholders	Year 2005 Amount	%	Year 2004 Amount	%	Year 2003 Amount	%
Shopping Center		5,474	79.4%	5,130	82.9%	4,561	82.3%
- Central Pattana Pcl.							
- Central Pattana Chiangmai Co., Ltd.	99.99%						
- Bangna Central Property Co., Ltd.	98.99%						
- Central Play Land Co., Ltd.	99.99%						
- Central Pattana Rama 3 Co., Ltd.	99.99%						
- Central Pattana Rama 2 Co., Ltd.	99.99%						
- Central World Plaza Co., Ltd.	92.50%						
- Central Pattana Rattana Thibet Co., Ltd.	99.99%						
- Central Pattana Khon Kaen Co., Ltd.	78.13%						
Office Building		482	7.0%	229	3.7%	200	3.6%
- Central Pattana Pcl.							
- Bangna Central Property Co., Ltd.	98.99%						
- Central World Tower Co., Ltd.	92.50%						
Residential		31	0.4%	40	0.6%	37	0.7%
- Langsuan Realty Co., Ltd.	99.99%						
- Bangna Central Property Co., Ltd.	98.99%						
Water & Amusement Park		14	0.2%	48	0.8%	42	0.8%
- Bangna Central Property Co., Ltd.	98.99%						
Food Center		420	6.1%	387	6.3%	342	6.2%
- Central Food Avenue Co., Ltd.	99.99%						
- Central Pattana Chiangmai Co., Ltd.	99.99%						
- Bangna Central Property Co., Ltd.	98.99%						
- Central Realty Services Rama 3 Co., Ltd.	99.99%						
- Central Pattana Rama 2 Co., Ltd.	99.99%						
- Central World Plaza Co., Ltd.	92.50%						
- Central Pattana Rattana Thibet Co., Ltd.	99.99%						
Interest Income		55	0.8%	32	0.5%	33	0.6%
Others		422	6.1%	324	5.2%	325	5.9%
Total Revenue⁽¹⁾		6,899	100.0%	6,190	100.0%	5,540	100.0%

Remark (1) Total Revenue exclude gain on financial lease amounted to 2,885 Million Baht and share of profit of investment in CPNRF amounted to 83 Million Baht.

The Revenue Structure of the Company and its Subsidiaries

Revenues from Rental and service income				Revenues from Food and beverage sales
Shopping Center	Office Building	Residential	Water & Amusement Park	Food Center
Central Pattana Pcl. Central Pattana Chiangmai Co., Ltd. Bangna Central Property Co., Ltd. Central Play Land Co., Ltd. Central Pattana Rama 3 Co., Ltd. Central Pattana Rama 2 Co., Ltd. Central World Plaza Co., Ltd. Central Pattana Rattanathibet Co., Ltd. Central Pattana Khon Kaen Co., Ltd.	Central Pattana Pcl. Bangna Central Property Co., Ltd. Central World Tower Co., Ltd.	Langsuan Realty Co., Ltd. Bangna Central Property Co., Ltd.	Bangna Central Property Co., Ltd.	Central Food Avenue Co., Ltd. Central Pattana Chiangmai Co., Ltd. Bangna Central Property Co., Ltd. Central Realty Services Rama 3 Co., Ltd. Central Pattana Rama 2 Co., Ltd. Central World Plaza Co., Ltd. Central Pattana Rattanathibet Co., Ltd.

Retail Industry 2005

Overview

Compared to 2004, Thailand's economic growth in 2005 experienced a slowdown due to higher oil prices and inflation. Natural disasters adversely affected the agricultural sector, the violence in the three southernmost provinces and the tsunami that struck Southern Thailand in December 2004 contributed to a reduction in the number of foreign tourists. Growth of private sector investment declined while growth of domestic consumer consumption showed recessionary trends but these can be considered as parts of a period of adjustment leading to a more stable period of consumption ahead. However, despite the setbacks, increased economic growth can be expected in 2006 and the contributing factors will be an improvement in investor confidence, the recovery of the tourism industry and increased domestic consumption owing to the higher rate of employment and increasing monthly salaries in both the public and private sectors. Furthermore, the inflation rate is expected to peak in Q2/2006 and may decline in the second half of 2006.

The retail sector has experienced high levels of competition amongst key industry players and increased business expansion. Most of the existing retail operators introduced various strategies to address these changes, including renovating their shopping complexes to maintain existing customers and attract new ones, opening new locations, and adopting marketing campaigns to differentiate themselves from others and maintain market share. However, the country's internal and external factors have had the following effects on the retail industry:

Positive Factors:

- An increase in monthly salaries for employees in public and private enterprises as well as an increase in the minimum wage
- The recovery of tourism after the Asian tsunami as evidenced by the increased number of foreign tourists during the 4th quarter of last year
- Increased earnings from exports
- Mega-project investments by the government sector

Negative Factors:

- Increasing oil prices caused higher production costs and retail prices
- Increasing interest rates attracted more savings while reducing consumption
- Increasing inflation caused a decline in income in real terms
- The continuing violence in the deep southern part of Thailand

As for the development of the retail sector, good locations in downtown Bangkok and in high density suburban areas continue to be in high demand. Retail complexes in Siam Square, Ratchaprasong, and Sukhumvit areas, the heart of Bangkok, which as been promoted by the Tourism Authority of Thailand as the "Shopping Street" are considered to be prime sites attracting masses of customers despite heavy competition.

Shopping Centers Competition

In 2005, shopping centers adopted various marketing strategies, i.e. renovating the interior designs, modifying the mix of shop types to respond to the new demands of their customers, improving and developing spaces as new attractions, offering continuous marketing and promotion activities to attract customers, including increasing the number of sales seasons to increase revenues.

- The Emporium Shopping Center has been renovated in the style of “Fashion Town of Paris” by transforming its glass elevator into a vertical garden, by changing the first level basement area into a Shoes & Bags Salon section and by expanding the food and the Gourmet Market areas
- The Siam Paragon Shopping Complex has recently opened with an area of over 500,000 sqm and has positioned itself as the ‘World Class Shopping Destination’, housing an internationally acclaimed aquarium - the most modern in Asia
- Seacon Square Shopping Center has increased the size of its Food Court on the 4th floor, and Thai Food area on the ground floor. Additionally, the Tutor Square Zone has been moved from 4th floor to 3rd floor, allowing for use of a bigger floor space
- The Siam Center has rebuilt its front exterior in glass adorned with graphic designs and lights, in addition to renovating the interior design to give a trendier look. A new food court with the concept of Food for Fun has been opened and offers a unique atmosphere.
- The Future Park Rangsit Shopping Center has introduced a lifestyle boutique area of 5,000 sqm on the 2nd floor

Retail Business Competition

The retail business is highly competitive as new projects have been opened and almost all shopping centers have been renovated. Promotional activities include year-round sales activities to increase market share. Consumers now have more alternative shopping destinations to choose from. As a result, retail businesses are now focusing on creating customer retention programs and additional attractions to ensure customer loyalty.

As suitable land plots for large retail format shopping complexes are becoming increasingly difficult to acquire in metropolitan Bangkok, smaller retail format developments are becoming the norm for expansion. This will further contribute to increased industry competition. The expansion of transportation systems such as the construction of the new highways to Suwannabhumi International Airport and the extended mass rapid transit systems will play a major role in promoting the expansion of the retail business.

Competition:

Given the highly competitive nature of the market, it is necessary to adopt a pro-active business growth strategy, and the Company is required to maintain its quality and improve its shopping plaza management standards. The Company has been quick to upgrade and modernize its existing shopping complexes and to prepare for new ones in response to present and future customer's needs. Concise identification of customer bases, establishing business format to suit each location and being different from competitive developments also helps to minimize the downward effects of an increasing number of competitors.

Construction:

The effective and continuous development of new projects in accordance with the Company's pro-active business growth plan requires close construction supervision in order to maintain the high quality and standards of all works being undertaken. Moreover, effective monitoring and job cost revision procedures have allowed the company to efficiently control investment cost within allocated budget.

The Company has set up clear regulations pertaining to the qualifications and selection of design and engineering consultants, engineering supervision consultants and contractors. All selection processes are undertaken diligently and companies being employed must possess acceptable qualifications and experiences.

Safety of lives and assets of tenants and customers as well as staff are major priorities, as well as the maintenance of convenience and complete services. The development of all projects in line with high quality construction standards not only limits the risk of damage to life and assets but also efficiently controls the investment costs within allocated budgets and can result in significant savings.

Interest Rate:

In the previous year, interest rates have increased steadily and this trend looks likely to continue in the future. The Company has carefully managed its investments by adopting long term loans with fixed interest rate policies in order to accommodate project improvement plans irrespective of fluctuations in the market interest rates.

Moreover, new financial tools have been introduced for the purpose of acquiring investment funds, i.e. the establishment of a Property Fund, open to subscription by general investors. This will help the Company to undertake new project investment without increasing its debts and this will also lower the risk caused by the fluctuation of interest rates. For existing loans with floating interest rates, the Company has adopted Interest Rate Swap mechanisms as its risk management strategy to minimize any potential adverse effects of interest rate changes.

Relevant Laws:

Future possible restrictions created by laws or new government policies on city zoning, land acquisition, mass rapid transit systems or environmental considerations are beyond the company's control but could directly affect the Company's development plans. As a result, the Company has emphasized the selection of locations and size of projects in the context of relevant laws prior to making any investment decision. Once initiated, projects are closely monitored to ensure that any necessary modifications can be adopted in accordance to any changes in applicable laws or government policies.

Long-term Land Lease Agreements:

To obtain the best location, some projects are located on leasehold land in which every negotiated contract states the conditions and terms of contract extension after the expiration of the initial contract period. However, if the Company cannot ensure such long-term lease agreements on acceptable terms, it is prepared to undertake feasibility studies on alternative land sites in the same location, or nearby, in order to avoid potential future revenue losses. This preparedness to forego long-term lease options where terms are unfavorable, will secure continuing growth of the Company's incomes and profits in the future.

Natural Disasters and Terrorism:

The threat of terrorism remains a concern both at home and abroad. To reduce financial risk, the Company has purchased insurance policies for all projects to cover losses from natural disasters and terrorism. In addition, the Company closely monitors all relevant news and information and has established comprehensive security measures in order to prevent any unpleasant events and be well prepared for any emergency situation.

1. In 1996, O.P. Natural Products Co., Ltd. and SSUP Bangkok 1991 Co., Ltd. filed a lawsuit against Central Pattana PLC and Central Realty Service Co., Ltd. (the Company) for a breach of its rental agreement and tort amounting to Baht 83.4 million. The Company, as the defendant, filed a counter claim for the offense of tort for damages amounting to Baht 2.5 million. In October 2001, the First Instance Court found in favor of the Company. However, the Court of Appeal overruled this verdict. The Company was ordered to pay Baht 91,234 to the plaintiff for the damages caused by a 4-month cessation of utility services and, furthermore, to enter into a rental contract with the plaintiff with the same condition of an annual rental rate of increase as the reservation contract, i.e. 5 percent. In case the Company does not wish to enter into the rental contract, it must refund the plaintiff a deposit of Baht 3,462,002, decoration costs of Baht 870,000 and the damage from the cancellation of a 20 year period contract, calculated as Baht 5,474,004 in proportion to the unutilized rental time plus 7.5 percent annual interest. At present, the case is being considered by the Supreme Court.
2. In 2003, Mr. Somboon Rimsamutchai filed a lawsuit against Central Pattana Rama 2 Co., Ltd. and its contractor and Mr. Sawat Panapongwasin together with a party of 20 persons filed a lawsuit against Central Pattana Rama 2 Co., Ltd. on a tort. They alleged that the construction of Central Plaza Rama II Shopping Center has damaged the assets of the plaintiffs amounting to Baht 52 million and Baht 12.8 million respectively. Both cases were ordered by Thonburi Civil Court to be combined into one case. The First Instance Court judged in favor of the Company. The plaintiffs, however, lodged an appeal and the case is now under the consideration of the Court of Appeal.

Capital Structure as of December 31, 2005**Common Shares**

Equity: Baht 2,178,816,000
 Paid-up equity: Baht 2,178,816,000
 No. of common shares: 2,178,816,000 shares
 Par value: Baht 1 per share
 Share price as at December 31, 2005: Baht 14.40

Notes:

The number of common shares as at December 31, 2005 has been increased from that as at December 31, 2004 by the amount of 178,571,000 shares. This is because of the change from preferred shares to common shares of the Thailand Equity Fund.

Preferred shares

None

Notes:

The Company has registered the change of 178,571,000 preferred shares to common shares at the rate of one preferred share per one common share with a par value of Baht 1 on May 4, 2005 without the cost of the said change.

List of Shareholders

December 31, 2005

No.	Shareholder	Number of shares	%
1	Central Holding Co., Ltd.	588,171,980	27.00
2	Thailand Equity Fund	178,571,000	8.20
3	Mr. Sudhitham Chirathivat	120,649,490	5.54
4	Mr. Kobchai Chirathivat	80,443,880	3.69
5	Mr. Prin Chirathivat	61,336,160	2.82
6	Mr. Vanchai Chirathivat	60,521,210	2.78
7	Khunying Suchitra Mongkolkiti	60,325,330	2.77
8	Mr. Suthiphand Chirathivat	47,493,256	2.18
9	Ms. Nate-anong Chirathivat	42,489,140	1.95
10	Mr. Sudhidej Chirathivat	32,173,510	1.48

Major shareholders whose actions greatly affect the policy making or business operations

Central Holding Co., Ltd. and members of the Chirathivat family are the company's major shareholders whose actions greatly affect the company's policy making and business operations. This is because 8 out of 13 Directors are their representatives.

Dividend Policy

The Company and its affiliates have set a policy to pay dividends at the rate of 40 percent of annual net profit (except when there is a compelling reason not to do this).

Capital Structure

Bill of Exchange

Bill of Exchange Number	Amount (THB Million)	Issued Date	Tenor (Years)	Interest Rate	Collateral	Maturity Date	Balance (THB Million) Dec 31, 2005
CPN B/E 2003/161	150	11/05/2003	2.5	3.20%	-	05/04/2006	150

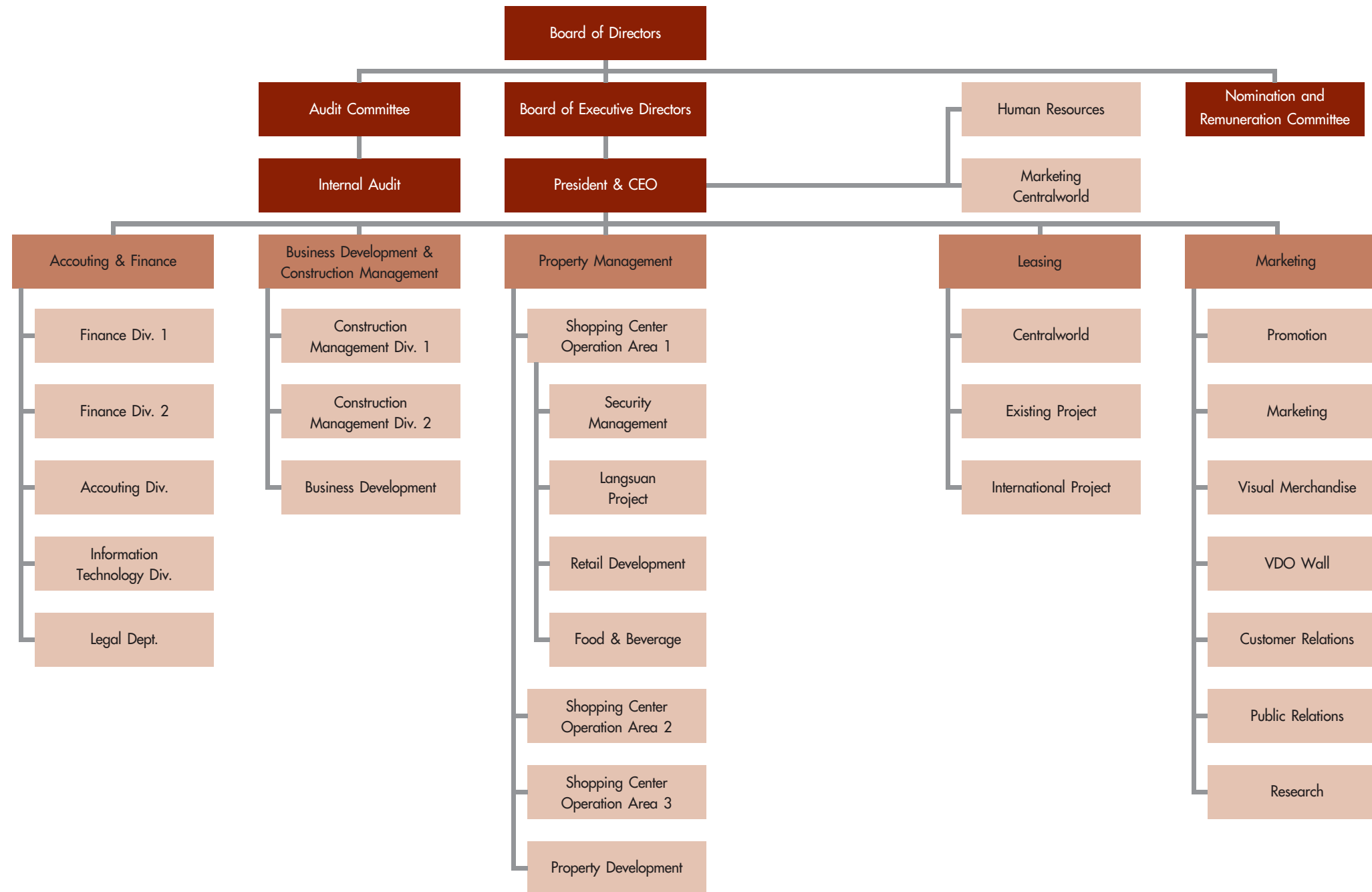
Unsecured and Unsubordinated Debentures

Debentures Name	CPN066A	CPN093A	CPN10DA	CPN074A	CPN074B
Credit Rating	A	A	A	N/A	N/A
Amount (THB Million)	1,000	1,000	1,500	500	500
Issued Date	28/06/2001	16/03/2004	16/03/2004	18/04/2005	18/04/2005
Tenor (Years)	5.0	5.0	6.7	2.0	2.0
Interest Period	Semi-Annual	Semi-Annual	Semi-Annual	Semi-Annual	Semi-Annual
Principal Payment	Semi-Annual	Bullet	Bullet	Bullet	Bullet
Maturity Date	28/06/2006	16/03/2009	09/12/2010	12/04/2007	18/04/2007
Balance Dec 31, 2005	125	1,000	1,500	500	500

Average Interest Rate = 4.60%

Financial Covenants under the Terms and Conditions of Debentures	Covenants	As of Dec 31, 2005
1. Total Liabilities (exclude guarantee for leasehold right) to Shareholder Equity	not exceed 2.50	1.83
2. Total Borrowing to Shareholder Equity	not exceed 1.75	0.94
3. Unsecured Asset to Unsecured Loan	not less than 1.50	5.08

Information of Bonds & Bill of Exchanges



As of December 31, 2005

Audit Committee		Position
1. Mr. Paitoon	Taveebhol	Chairman
2. Mr. Chackchai	Panichapat	Audit Committee Member
3. Mrs. Sunandha	Tulayadhan	Audit Committee Member

Nomination and Remuneration Committee		Position
1. Mr. Chackchai	Panichapat	Chairman
2. Mrs. Sunandha	Tulayadhan	Director
3. Mr. Kanchit	Bunajinda	Director
4. Mr. Sudhitham	Chirathivat	Director
5. Mr. Suthichart	Chirathivat	Director
6. Mr. Sudhisak	Chirathivat	Director
7. Mr. Prin	Chirathivat	Director

Risk Management Committee		Position
1. Mr. Prin	Chirathivat	Advisory Chairman
2. Mr. Kobchai	Chirathivat	Chairman
3. Mr. Sudthidej	Chirathivat	Vice Chairman
4. Mr. Naris	Cheyklin	Vice Chairman
5. Mrs. Suwadee	Singngam	Committee Leader
6. Mrs. Panida	Sooksridakul	Committee Member
7. Mrs. Ancharee	Pattana-anunsuk	Committee Member
8. Mrs. Prapairat	Kanavittaya	Committee Member

Good Corporate Government Committee		Position
1. Mr. Naris	Cheyklin	Chairman
2. Mr. Mingmitr	Manakul	Committee Member
3. Ms. Naparat	Sriwanvit	Committee Member
4. Mrs. Suwadee	Singngam	Committee Member
5. Mr. Uthai	Kongkittiwong	Committee Member

Sub-Committee

Financial Remuneration

Directors Remuneration

Remuneration in form of Director fees, paid quarterly, and meeting allowances paid by the Company to the Board of Directors in their capacity as Directors and Audit Committee members, comprising a total of 13 Directors totaled Baht 2,860,000. The details are below:

List of Directors		Position	Meeting Attendance		Remuneration (Baht/Year)
			Board of Directors	Audit Committee	
1. Mr. Vanchai	Chirathivat	Chairman	5/5	-	180,000
2. Mr. Anek	Sithiprasasana	Vice Chairman	5/5	-	180,000
3. Mr. Paitoon	Taveebhol	Independent Director	5/5		350,000
		Chairman of Audit Committee		11/11	110,000
4. Mr. Chackchai	Panichapat	Independent Director	3/5		250,000
		Audit Committee		11/11	110,000
5. Ms. Sunandha	Tulayadhan	Independent Director	4/5		280,000
		Audit Committee		10/11	100,000
6. Mr. Kanchit	Bunajinda	Director	4/5	-	160,000
7. Mr. Suthichai	Chirathivat	Director	4/5	-	160,000
8. Mr. Suthikiati	Chirathivat	Director	3/5	-	140,000
9. Mr. Suthichart	Chirathivat	Director	3/5	-	140,000
10. Mr. Sudhisak	Chirathivat	Director	5/5	-	180,000
11. Mr. Sudhidham	Chirathivat	Director	4/5	-	160,000
12. Mr. Kobchai	Chirathivat	Director	5/5	-	180,000
13. Mr. Prin	Chirathivat	Director	5/5	-	180,000
Total					2,860,000

Management Remuneration

Remuneration in form of salaries, bonuses and other financial benefits paid to nine executives in 2005 amounted to Baht 40,626,515.

Other Remuneration

The Company contributed a total of Baht 2,314,048 into the Provident fund of its eight executives. In addition, each executive has been provided with one company car.

Remuneration to the Board of Directors
and the Management Team

1. Audit fee

Audit fee of the Company and its subsidiaries in this year had been paid for audit firm that the auditor work for, person or companies who related to the auditor and audit firm amounted to Baht 4,468,000

2. Non-Audit fee

Non-Audit fee of the Company and its subsidiaries in this year which is Corporate Risk Management had been paid for audit firm that the auditor work for, person or companies who related to the auditor and audit firm amounted to Baht 1,700,000 without additional fee for services in process.

1. Corporate Governance Policy

The Company recognizes that adhering to principles of good corporate governance is essential to ensuring the efficiency and transparency of the Company's organizational structure and management, as well as its operations. This will bring reliability and sustainable growth. All stakeholders will ultimately obtain the highest benefits. As a result, the Board of Directors approved a Good Corporate Governance Policy and arranged for it to be officially implemented. All Directors, the management team and staff at all levels have been informed via the Company's intranet and announcement boards that they must fully comply with the said policy. An employee manual, which includes a collection of the corporate governance policies, regulations on the ethics of the Board of Directors, the management team and staff, quality of service policy, and various rules and regulations pertaining to working conditions and Company welfare, has been made available to all Company employees.

To achieve the policy goals, a Good Corporate Governance Committee has been appointed to supervise, monitor, evaluate and improve operations as well as to recommend approved guidelines for action.

As a result of its continuous and active policy implementation, the Company has been ranked for two consecutive years as one of 93 out of 371 listed companies in the category of Good Corporate Governance '2005 Top Quartile'.

2. Shareholders' Rights and Equitable Treatment

The Company has set up guidelines to maintain shareholders' rights and equitable treatment as follows:

- A shareholder has the right to participate in decision making on all important matters as proposed in shareholders meetings. The Company will notify shareholders of any meeting 14 days prior to the meeting so that shareholders will have ample time to understand the issues. The meeting agenda and a complete set of meeting documents accompanied by

the opinions of the Board of Directors related to each agenda and other necessary supporting details will also be sent to all shareholders.

- The Company will ensure that documents, or evidence of the right to attend shareholders meetings, will be properly examined and registration to attend the shareholders' meeting can be made 2 hours in advance.
- All shareholders are guaranteed the same basic rights and equitable treatment, i.e. the right to receipt of share certificates and transfer of shares, the right to be informed of accurate and clear information, the right to attend meetings, equal voting rights to approve important transactions, the right to select Directors to manage the Company and the right to receive the Company's profits in the form of dividends and/or other rights.
- The Company's mechanisms will ensure that all returns of investment will be given to its shareholders. The structure of subsidiary and joint venture companies are not complex because of the absence of joint or cross shareholdings, and because of the Company's regulations pertaining to the prevention of any misuse of inside information and the avoidance of conflicts of interest.

3. Stakeholders' Rights

The Company has emphasized stakeholders' rights as follows:

Employees: The Company treats its employees with fairness and due consideration. Surveys are regularly conducted to ensure that the Company's remuneration is competitive with that of similar businesses and other leading companies. In addition, welfare benefits are provided and constantly improved to boost employees' morale. Work place and working environment have also been improved to ensure overall satisfaction.

Most importantly, the Company conducted the "Employee Opinion Survey (EOS) 2005, a part of the "We Care Your Voice" campaign, in which employees were given

the opportunity to express their opinion on all related matters for the Company consideration.

Lenders: The Company scrupulously complies with all agreed conditions of loans.

Customers: The Company takes good care of its customers. Advice on business operations has been given in order to help customers' achieve their objectives, and services have been provided with set standards. Customer information is treated as strictly confidential. To solve the problems of customers as soon as possible, a customer service unit or assigned personnel are ready to answer to customers' complaints promptly.

Competitors: The Company conducts its business on the basis of fair competition, taking free trade principles into account and strategies such as market dumping, price cutting or dishonest tactics designed to destroy competitors are never employed. Instead, the Company finds new market niches and introduces new developments to best respond to the evolving needs of its customers.

Community: The Company regularly provides support to projects and activities which benefit local communities and society in general. For example:

- i. the Company has organized activities areas in various shopping complexes to provide knowledge on the prevention of and solutions to the drugs abuse menace;
- ii. it has established a used books project jointly with Toyota Foundation to collect donated books and distribute them to needy schools up-country;
- iii. it has established a project to ensure that the public receive oral health care in a joint project involving the Health Office of the Bangkok Metropolitan Administration;
- iv. along with the Office of Health and Environment, the Company has jointly organized the Healthy Kid by Mum competition; and
- v. it has provided spaces to help the sale of longans in the "Longan - OTOP Lamphun Fair", jointly organized with the Lamphun Trade Office.

4. Shareholders Meeting

In 2005 the Company held its annual shareholders meeting at The Offices at Centralworld. The meeting's date, time, place and agenda were announced in the newspapers for three consecutive days not less than three days prior to the meeting as required by the relevant

law. Eight out of 13 Directors attended the meeting and these comprised of the Board Chairman, the President, Independent Directors and other Directors.

Prior to the beginning of the meeting, the chairman announced the number of shareholders or proxies present and the total number of shares held by all attendees, and clarified the voting and counting procedures. The meeting progressed according to the set agenda, every shareholder was granted equal voting rights and ample time was provided for a question-and-answer session in which all shareholders had the same right to give opinions or ask questions.

The process of vote counting was accurate, open, transparent and verifiable. For items on the agenda requiring votes, the number of shareholders and the number of shares held by those abstaining or those casting a vote of approval or objection were declared in the meeting. The resolution was based on the number of votes as required by law.

The minutes of the meeting were completed within 14 days from the date of the meeting and posted on the Company's website after being approved by the Chairman of the meeting. The Company has already submitted the minutes to the Stock Exchange of Thailand (SET), as required by its regulations.

5. Leadership and Vision

The Board of Directors has participated in specifying and approving the Company's vision, mission, strategies, business plan, and budget. Roles, duties and responsibilities have been delegated clearly among the Board of Directors, the Audit Committee and the management team. The Board of Directors also supervises the Management Committee to ensure that the business has been conducted with efficiency and effectiveness in accordance with the business plan and budget.

The Board of Directors has established a business expansion strategy to strengthen the Company's status and emphasize its continued leadership in retail property development sector in a manner acceptable both locally and internationally. In the next five years, the Company plans to have at least another seven shopping centers in Thailand and one abroad. Under this plan, the Company will be responsible for the management of at least 18 shopping centers by the year 2010. Company will also

maintain and expand its many customer bases and will continue with the strengthening of its office management processes including improving the effectiveness of its work and human resources systems. This will reflect the Company's vision in maintaining its leader status and developing its management and services to match the world class standards. To increase its management effectiveness, the Company has researched and adopted suitable modern management tools including the use of Key Performance Indicators (KPI) and a Balanced Score Card methodology. Economic Value Added (EVA) models is currently under study and expected to be used for performance improvement in terms of both effectiveness and efficiency in the near future. The Board of Directors has also monitored risk management issues and response performance regularly in its meetings.

6. Conflicts of Interest

The Board of Directors has provided measures to carefully monitor all transactions with potential conflicts of interest by outlining policies and approval procedures for any such transactions. In addition, a policy to protect inside information has been established in order to ensure that the management team and all concerned parties will not use any internal information for their own benefit. The measures are:

Connected Transactions and Transactions with Conflicts of Interest

The Audit Committee is assigned to review and provide opinions on significant connected transactions that are not under the authority of the Management Committee. The Board of Directors then considers said transactions carefully in compliance with the regulations of the Stock Exchange of Thailand, giving due consideration to ensuring that the maximum benefit is derived by the Company. In any case where there may be Directors who are related to the transactions, these Directors will not attend the meeting or vote. Such transactions will be disclosed in the Company's quarterly Financial Statements as well as in the Annual Report and the annual information disclosure form (Form 56-1). Details of the approval procedures and their regulations have been included under the topic of Connected Transactions on page 171.

In addition, the management team is required to report on their connected transactions ending 31 December every year.

Monitoring of Inside Information

The Company has issued the following regulations:

- **Regulation on holding shares of Central Pattana Pcl.**
According to this regulation, the Directors and Members of the Management Committee must report any change of shares they own in the Company to the Securities and Exchange Commission and the Company (Finance Department) within three days from the date of any transaction.
- **Regulation on controlling inside information of Central Pattana Pcl.** According to this regulation, all Company personnel are prohibited from using undisclosed significant information to trade the company's shares or for their own benefit, especially during the end of each quarter until seven days after the announcement of the Company's performance and its submission to the Stock Exchange of Thailand. It also prohibits all Company personnel from disclosing inside information to outsiders who may benefit from trading the company's shares by using said information. All Company personnel are required to sign an acknowledgement and understanding of the said regulations and to comply strictly with them. Ignorance of these regulations by Company personnel is considered as any defense, and any transgressions of these regulations are subject to disciplinary action.

7. Business Ethics

The Company has a policy on business conduct with adherence to responsibility to all related parties in order to bring about satisfaction of all parties involved and for mutual sustainable benefits. The Company values the importance of business ethics as one of guiding principle in conducting business. It is considered the duty of the Board of Directors and all of the staff to consistently operate in responsible manner as specified in the Company Regulation on Code of Conduct. Additionally, the Company has set up systematic follow up procedures with penalty specified and regularly promotes the Company culture as such.

8. Balance of Power of the Non-Executive Directors

The Board of Directors comprises 13 Directors comprise: two Directors who are Executive Directors, eight Directors who are Non-Executive Directors but are representatives of major shareholders and three Independent Directors.

Independent Directors account for 23 percent of the Board of Directors and 77 percent of the remaining Directors

have been appointed equitably according to the extent of their investment in the Company. It is assured that all Directors have fully performed their duties as representatives of shareholders and that checks and balances have been undertaken properly.

9. Same or Separate Positioning

The Board Chairman is not the same person as the CEO, but these two persons are the representatives of the same major shareholders. However, the Board Chairman promotes the participation of all Directors in the meeting while providing help, advice and support to the businesses conducted by the management team through the CEO, but is not permitted to interfere with the routine work or daily business operation under the responsibility of the President. This reflects the clear separation of roles and responsibilities between the Board of Directors and the management. According to the structure of the Board of Directors, three independent Directors will perform checks and balances.

10. Remuneration for Directors and Management

Remuneration for Directors:

The Company has set up a policy to ensure proper and competitive remuneration for Directors in order to retain the required caliber of qualified Directors. The Nomination and Remuneration Committee is responsible for setting remuneration and proposing it to the Board of Directors before referring it to the shareholders meeting for approval. The remuneration for Directors in 2005 consists of the following:

■ Quarterly remuneration: Directors will receive remuneration quarterly. In case a Director ends his/her term of office and a new Director is appointed, the remuneration will be paid in proportion to the number of days in the position.

■ Meeting allowance: This is money paid to Directors for attending meetings.

Remuneration for Management:

Salaries and other benefits paid to the management team are in line with the principles and policies of the Board of Directors. Individual remuneration packages will depend on the Company's and each executive's performance with due consideration being given to the management structure and responsibilities of each executive. Details of management team remuneration in 2005 are provided on page 163.

11. Meeting of the Board of Directors

The Board of Directors holds an ordinary meeting at least once every quarter and may hold extraordinary meetings as deemed necessary. Matters and issues to be discussed will be stated clearly in advance along with notification of the regular agenda items related to monitoring business progress. An invitation letter will be sent together with the agenda and meeting documents at least seven days in advance to allow Directors adequate time to prepare for the meeting. Usually, the duration of the meeting is between two to three hours and minutes of the meeting are required to be approved. All meeting documents and minutes are subsequently filed and are conveniently available for reference and verification.

			No. of Meeting Attendance		
List of Directors		Position	Ordinary meeting	Extraordinary meeting	Total
1. Mr. Vanchai	Chirathivat	Chairman	4/4	1/1	5/5
2. Mr. Anek	Sithiprasasana	Vice Chairman	4/4	1/1	5/5
3. Mr. Paitoon	Taveebhol	Independent Director	4/4	1/1	5/5
4. Mr. Chackchai	Panichapat	Independent Director	2/4	1/1	3/5
5. Ms. Sunandha	Tulayadhan	Independent Director	4/4	0/1	4/5
6. Mr. Kanchit	Bunajinda	Director	4/4	0/1	4/5
7. Mr. Suthichai	Chirathivat	Director	4/4	0/1	4/5
8. Mr. Suthikiati	Chirathivat	Director	2/4	1/1	3/5
9. Mr. Suthichart	Chirathivat	Director	3/4	0/1	3/5
10. Mr. Sudhisak	Chirathivat	Director	4/4	1/1	5/5
11. Mr. Sudhitham	Chirathivat	Director	3/4	1/1	4/5
12. Mr. Kobchai	Chirathivat	Director	4/4	1/1	5/5
13. Mr. Prin	Chirathivat	Director	4/4	1/1	5/5

In 2005, five meetings were held: four ordinary meetings and one extraordinary meeting. The details of the attendance for each Director are listed on page 162:

12. Committees

1) Audit Committee

The Audit Committee comprises of three Independent Directors, with a three-year term of office. Its duties and responsibilities are to review the accuracy and sufficiency of the Company's financial statements, the effectiveness and adequacy of the Company's internal controls and internal audit, compliance with the laws and regulations of the Securities and Exchange Act, all regulations of the Stock Exchange of Thailand and other applicable laws. It will also consider and propose to appoint the auditor and a service fee. In addition, the Committee is responsible for the accurate and complete disclosure of related transactions or all possible conflicts of interest transactions and the preparation of a report on the Audit Committee's activities, which is signed by Chairman of the Committee and disclosed in the Company's Annual Report.

2) Recruitment and Remuneration Committee

The Board of Directors in its meeting No. 1/2548 on February 28, 2005 appointed the Nomination and Remuneration Committee comprising seven Directors, two Independent Directors and five Non-Executive Directors. The term is three years as of March 1, 2005.

A policy on transparency, clarity and work standards has been set up to ensure that the processes of nomination and remuneration can be verified.

Duties and Responsibilities Pertaining to Nomination

- Proposing an appropriate policy for the selection and nomination of Directors and the CEO.
- Selecting and proposing suitably qualified candidates, who have relevant knowledge, good ethics and morals, for nomination as Directors and/or the CEO as deemed appropriate to the Board of Directors. The nomination of Directors must be approved in the Shareholders' meeting.
- Ensuring the availability of a succession plan of specific positions of Directors and the CEO.
- Compiling a list of qualified candidates for nomination and maintaining it up to date.

Duties and Responsibilities Pertaining to Remuneration

- Establishing policies and guidelines for the remuneration packages for Directors and the

CEO in line with the Company's business strategies. The process and criteria must be clear, fair and reasonable. The shareholders in its annual meeting must approved the remuneration of the Directors.

- Reviewing the structure and payment system as well as remuneration rates ensuring they are in line with those in the current market and commensurate the company's performance. The performances and roles and responsibilities of each Director and the President, and their ability to increase value for shareholders in the long run, will also be taken into consideration.

3) Risk Management Committee

This comprises four members, i.e. one Director, the President and two members from the management team, supported by a dedicated secretarial staff. The Risk Management Committee is assigned to set up risk management policies and systems, monitor the performance of risk management responses, starting from the process of potential risks identification, analysis, evaluation, and systematic feedbacks. Its responsibilities also include making recommendations on risk management activities to all individual departments throughout the Company.

4) Good Corporate Governance Committee

The Good Corporate Governance Committee has five members comprising one member from the management team as the Committee's Chairman and four representatives from various Company departments. Their responsibilities include the establishment of criteria, guidelines and standards of performances for all related parties, and their monitoring and continuous evaluation throughout the year, and to report accordingly to the Management Committee for its consideration and acknowledgement. In addition, the Committee is responsible for the promulgation of a Company manual containing the Company's core values, rules and regulations, which is distributed internally and to outside investors. The Committee is also responsible for arranging training for executives and for staff at all levels so that they fully understand the Company's Good Corporate Governance policies and perform their duties in due compliance.

13. Internal Controls, Internal Audit and Risk Management Internal Controls & Internal Audit

The Internal Audit Department is independent and report directly to the Audit Committee on a regular basis. The internal audit work is improved continuously emphasizing

independence, objectivity and compliance with the International Standards for the Professional Practice of Internal Auditing to give reasonable assurance that the internal audit contributes to the Company accomplishing its overall goals and policies.

The Company recognizes the importance of internal controls at both managerial and operational levels. Internal Controls are established to ensure the effectiveness, efficiency and economics of operations, the accuracy reliability and timely of both financial and non-financial reporting, safeguarding of the Company assets and the compliance with the Company's policies, regulations and all applicable laws.

Risk Management

The Company emphasizes risk management and thus has set up a continuous potential risk evaluation plan. To ensure effective risk management development, the Company has engaged an international standard consulting company to undertake evaluations and set up risk management mechanisms in a systematic and complete manner. In addition, a Risk Management Committee has been appointed to be responsible for evaluating potential risks and setting up risk management structures for the Company to ensure that any and all potential risks are minimized. Moreover, the Committee will analyze and evaluate potential risks that could occur at all Company business locations and compile appropriate reports for regular review by the Board of Directors

14. Report of the Board of Directors

The Board of Directors is responsible for the combined Financial Statement of the Company and subsidiaries as well as for financial information as detailed in this Annual Report. Such report and information are prepared in line with the Generally Accepted Accounting Principles and significant information has been disclosed adequately in the Notes to the Financial Statement. The signatures of both the Board Chairman and the President are given in order to confirm their responsibilities, and their opinions are also stated in the Acknowledgement of the Responsibility of the Board of Directors for the Financial Statement as shown on Page 176.

15. Relations with Investors

The Board of Directors considers it important to disclose both financial and non-financial information on time, with accuracy, completeness, and transparency, to every party concerned. This will allow all investors and stakeholders to obtain reliable and adequate information for decision

making. The disclosure of information is strictly undertaken in line with all relevant rules, regulations and laws of the Securities Exchange Committee and the Stock Exchange of Thailand. In addition, the Senior Executive Vice President Finance has been assigned to contact institutional investors and shareholders as well as analysts and concerned government offices without favor as and when the need arises.

The Company also discloses its information via its website: www.centralpattana.com and via the Electronic Company Information Disclosure (ELCID) facility of the Stock Exchange of Thailand, which posts this information on its website: www.set.or.th.

During 2005, the Company organized the following activities to promote information disclosure to the public:

- Sending Management Discussion and Analysis information - MD&A via ELCID, quarterly.
- Distributing the Company Newsletter to investors, analysts and other interested parties, quarterly.
- Posting information for investors such as current financial information, the Company's Annual Report, Annual Information Disclosure Form (Form 56-1), and all information disclosed to the Stock Exchange of Thailand, on the Company's website: www.centralpattana.com
- Participating in the "SET in the City 2005" organized by the Stock Exchange of Thailand, and The Money and Banking Magazine in order to promote the Company's information to investors and interested parties, as a part of the Company's public relations activities.
- Participating in the quarterly meeting of the listed companies and investors in the Opportunity Day, in which all participating companies are allowed to explain business and operations information news to investors, analysts and the press.
- Participating in various roadshows abroad with other financial institutions to provide information and answer questions to interested institutional investors.
- Organizing an analysts meeting to announce the establishment of the CPN Retail Growth Property Fund.
- Facilitating analysts and investors to join regular company visit programs for briefings on current Company's progress.

Investors may request any information related to the Company via tel. 0 2264 5555 extension 1665 or at the email address: snapararat@central.co.th.

Connected transactions in 2005 can be categorized as follows:

1. Ordinary and usual course of business transactions such as lease/sublease of spaces in shopping complexes, office buildings, residential buildings and vacant lands, buyback/leaseback space from/to related companies/persons. These are under the responsibility of the Leasing Department, the New Business Development Department and the Property Management Department.

1.1 Transactions with government agencies.

■ N/A.

1.2 Ordinary and usual course of business transactions on normal commercial terms.

■ These are detailed in the Notes to Financial Statement no. 26.

2. Transactions that support ordinary and usual course of business such as purchasing or selling merchandise, providing or obtaining services in rented areas, providing or engaging management services, construction services, security services, cleaning services with related companies/ persons. These are under the responsibility of the Administrative Department, the Leasing Department, the Property Management Department, the New Business Development and Construction Department and the Finance Department.

■ These are detailed in the Notes to financial statement no. 26.

■ In 2005, the Company has an insurance policy to cover damages caused by accidents, natural disasters and other disasters for Central Plaza Ratchada Rama III, Central City Bangna and Central Plaza Ramindra. The validity of the insurance policy is one year from December 31, 2004 to December 30, 2005. The insurance was provided by CG Broker Co., Ltd., an insurance broker whose major shareholders are the same as those of the Company, i.e. Chirathivat Group (both persons and juristic persons). This Group holds 58.65 percent and 99.97 percent of the Company's shares and CG Broker Co., Ltd.'s shares, respectively. The combined insured assets have a value of Baht 15, 231, 297.49.

CG Broker Co., Ltd. possesses greater negotiating power with its insurance company as a result of the combined value of the assets. Thus, the Company can save on the insurance premiums while obtaining better conditions and protection. In case of claims, the Company has full confidence that CG Broker Co., Ltd. will render its full support in any subsequent negotiations.

To ensure transparency of the transaction, the Company, by the approval of independent Directors, has set up procedures related to acquiring insurance policies. For example, it is required to have price quotations from at least three qualified insurance brokers based on the same information. The one with the best offer will be selected by a selection committee. Any member of the committee who has a conflict of interest with respect to the deal will not be allowed to attend any meeting with this issue on the agenda.

The Company disclosed the said transaction to the Stock Exchange of Thailand on February 28, 2005.

- The Company has extended the management services agreement with Harng Central Department Store Co., Ltd. The service agreement covers providing business consultation to the management team. Chirathivat Group (comprising both persons and juristic persons) is a major shareholder of both the Company and Harng Central Department Store Co., Ltd. in the amount of 61.70 percent and 100 percent, respectively. The contract has been extended for two years from January 1, 2006 - December 31, 2007. The Company is required to pay 0.8 percent of the monthly rental and services incomes, which must not be less than 3,622,500 Baht nor exceed 5,433,750 Baht per month, and subject to an annual increase of 5% based on the latest service fee.

Considering that Harg Central Department Store Co., Ltd. has had extensive experience in retail management and understands the nature of the business as well as the Company's strategies, the Board of Directors approved the extension of the contract.

The Company disclosed the transactions to the SET on December 9, 2005 and February 23, 2006, respectively.

3. Transactions relating to assets or services such as selling or purchasing of land, buildings, investments, and other assets including rentals of assets with related companies/persons are under the responsibility of New Business Development Department, Finance Department, and Property Management Department.

■ These are detailed in the Notes to Financial Statement no. 26

4. Transactions relating to financial assistance such as borrowing or lending money, loan guarantees, purchase/sale guarantees with related companies/persons including the issuance of securities affecting profits/losses to related companies/persons or the issuance of securities with related companies/persons as underwriters, are under the responsibility of the Finance Department, the Legal Department and the Secretary to the Board of Directors.

■ These are detailed in the Notes to Financial Statement no. 26, which is proportional to the number of shares.

The Opinions of Independent Directors and the Auditor on Connected Transactions

The auditor has verified and confirmed that rental and services rates charged to shops of the related parties are comparable to those charged by others in the same vicinity, subject to location, shop size, lease period, timing and type of lease.

Approval Procedures for Connected Transactions

It is the Company's policy and regulation that all responsible parties must be aware of the potential conflicts of interest that may occur. Every connected transaction must be carefully conducted in the same manner as for outsiders with the aim to provide the highest benefit to the Company. Approval procedures must be transparent and in line with the relevant rules and regulations of the Stock Exchange of Thailand ("SET"). Prior to any connected transaction with a value of over Baht one million, approval of the Vice President of Finance must first be obtained. In case the Vice President of Finance considers that any connected transaction needs to be disclosed to the SET and/or approval requested from the Board of Directors and/or shareholders of the company, the responsible party must first proceed the matter as required by the rules and regulations of the SET. The said procedures have been outlined in the Company's regulations on "Connected Transactions with related companies/ persons". All concerned parties are required to sign an acknowledgement of the said regulation and must understand it deeply. Ignorance, or any attempt to circumvent the regulations, are considered as wrongdoings. In addition, at every year end all directors and the management team are required to sign a statement confirming that no connected transaction with a conflict of interest has been made throughout the year, or if any have, they have been conducted in compliance with rules and regulations of the SET.

Policy and Future Trend of Connected Transactions

The Company expects that the policy and future trend of connected transactions will remain unchanged from the previous year. However, this will be subject to consideration of the maximization of the Company's benefits.

Performance for the year 2005

Revenue

Consolidated revenue of the Company and subsidiaries in 2005 were 9,783.5 MB., an increase of 3,594.0 MB. or 58.1% from prior year. The majority of this growth came from the gain of 2,884.8 MB. (2,018.9 MB. net of tax)¹ from financial lease² of its building and utility system of Central Plaza Rama II and Rama III to CPNRF in August 2005 and also from property management fee of 57.8 MB. from CPNRF. These 2 items were presented as other income which was 3,306.9 MB., an increase of 2,983.4 MB. or 922.2% from previous year. The other significant contribution came from the increase in rental&service and food&beverage revenues which were increased 587.7 MB. or 10.1% from last year, even with a part of revenue from Central Plaza Rama II and Rama III was transferred to CPNRF since August. This increase came from the increase of rental income from The Offices at Centralworld and Central Town Rattana Thibet which was officially launched in September which added 25,000 Sq.m. of new leasable retail space. In addition, higher rental rate and higher rental income from common area from the increase of promotion activities throughout the year also helped to increase revenue in 2005.

In addition, the Company has profit sharing of investment in CPNRF of 83.2 MB. in this year.

Cost and Administrative expenses

Consolidated operating cost and administrative expenses of the Company and subsidiaries in 2005 were 3,500.7 MB. and 1,405.6 MB., an increase of 345.0 MB. or 10.9% and 559.2 MB. or 66.1% from previous year, respectively. Operating cost was higher than last year due to increased operating costs and depreciation of The Offices at Centralworld and Central Town Rattana Thibet, land lease fee of Centralworld Project and increased utility cost especially from cost of electricity. However, according to financial lease contract with CPNRF, a part of operating cost and depreciation of Central Plaza Rama II and Rama III were also transferred to CPNRF. The increase in administrative expenses mainly came from the provision for losses on impairment of its land for future development of 406.6 MB. and higher advertising and promotion expenses such as the official launch of The Offices at Centralworld and Central Town Rattana Thibet, the grand opening of Centralworld Plaza joined with all candidates of Miss Universe and the 10th anniversary celebration of Central Plaza Pinklao.

Operating profit and Net income

Consolidated operating profit and net income for the year 2005 were 4,877.2 MB. and 3,294.5 MB. which increased from prior year by 2,689.9 MB. or 123.0% and 1,946.8 MB. or 144.4%, respectively. This was due to a substantial increase in revenues as mentioned above especially the gain from financial lease of its building and utility system of Central Plaza Rama II and Rama III to CPNRF.

¹ Income tax on gain from the financial lease with CPNRF was recorded in accordance with deferred income tax principle which specified that income tax of 30% on the transaction were recorded in this year.

² Two types of leasing contract are as follow;

1. Financial Lease: realise gain from the lease of building and utility system to CPNRF one time on the agreement date.
2. Operating Lease: amortize revenue from the lease/sublease of land to CPNRF throughout the period of lease agreement.

Net profit margin in 2005 was 33.7%, a sharp increase from the year 2004 at 21.8%. This was due to the gain from financial lease of its building and utility system of Central Plaza Rama II and Rama III to CPNRF. Excluding this gain from financial lease and the provision for losses on impairment as mentioned, net profit margin in 2005 would be 21.0% which slightly decreased from prior year even with a part of net profit of Central Plaza Rama II and Rama III was transferred to CPNRF. This reflected the better operating performance of the Company.

Return on equity (ROE) in 2005 was 29.4% which increased from last year at 15.9% also due to gain from financial lease of its building and utility system of Central Plaza Rama II and Rama III to CPNRF in August 2005.

Financial Position as at December 31, 2005

Assets

As at December 31, 2005, the consolidated assets were 33,376.3 MB., an increase of 6,272.0 MB. or 23.1% from December 31, 2004. The increase came mainly from the cash proceeds from leasing properties of Central Plaza Rama II and Rama III to CPNRF at a higher value than book value of these assets and from the operating lease of land. The increase also came from an increase in property and equipment from the construction and renovation of Centralworld Plaza, Central Town Rattana Thibet and the purchase of land for new projects.

Liabilities

As at December 31, 2005, the consolidated liabilities were 21,587.2 MB., an increase of 3,226.1 MB. or 17.6% from December 31, 2004 due to the issuance of unsecured bond with the amount of 1,000 MB. in April for renovation and new project development and due to capital increase by lender type investment unitholders amounted 2,425 MB. in the Thai Business Fund 4 to finance the Centralworld Project renovation. This increase also came from the deferred income tax from the gain associated with the transactions with CPNRF and an increase in unearned rental income from operating lease of land to CPNRF. The Company also repaid loan of Central Pattana Rama II and Rama III of 1,157 MB.

Shareholder's Equity

Shareholders' equity as at December 31, 2005 was 11,789.1 MB., higher than December 31, 2004 by 3,045.9 MB. or 34.8%. The increase resulted from the positive net income for the year 2005 which amounted to 3,294.5 MB. and from the increase in minority interest of 297.7 MB. which mainly came from investment in subsidiaries of minority shareholder. However, there was also a decrease in equity due to dividend payment of 544.7 MB. in May.

In Q2/2005, the number of common shares increased by 178,571,000 shares from converting preferred share to common share, according to the agreement between Thailand Equity Fund and the Company, with a conversion ratio of 1 convertible preferred share for 1 common share. The total number of common shares after completing the capital increase procedures was 2,178,816,000 shares up from the previous amount of 2,000,245,000 shares. The new total number of common shares was effective from May 10, 2005 onward. However, this transaction has not affected the issued and paid-up share capital amount.

Cash Flow Status and Financial Ratio for the year 2005

Cash inflow from operation for 2005 was 2,427.3 MB., lower than 2,586.7 MB. of 2004 by 159.4 MB. or 6.0%, due to a decrease in cash from operation of Central Plaza Rama II and Rama III which was partially leased to CPNRF and due to an increase in interest expense from higher debts.

Cash outflow for investment for 2005 was 266.4 MB., lower than 3,995.0 MB. of 2004 by 3,728.6 MB. or 93.0%. In this year, there was cash inflow of 6,893.1 MB. from financial lease of its building and utility system of Central Plaza Rama II and Rama III to CPNRF. However, there were cash outflows from investment in 33% of CPNRF property fund amounted to 3,602.0 MB. and from renovation and construction of existing and new projects as well as acquisition of land for future development totalled 3,002.3 MB.

Cash inflow from financing activities for 2005 was 1,301.3 MB., higher than 1,151.3 MB of 2004 by 150.0 MB. or 13.0%. This was due to an issuance of 1,000 MB unsecured bond and a capital increase of 2,425 MB. by lender type investment unitholders of Thai Business Fund 4 and also due to an increase of 458.1 MB. from investment in subsidiaries of minority shareholder. However, there were cash outflows from scheduled repayment of loan and prepayment of all loan of Central Pattana Rama II and Rama III of 1,157 MB. and also from dividend payment of 544.7 MB.

Interest coverage ratio of 2005 was 5.9x fell from last year at 7.6x due to an increase in interest expense from higher borrowings to finance Company's business expansion and a decrease of cash flow from operation of Central Plaza Rama II and Rama III which was transferred into CPNRF.

The Company has continuously improved its existing projects in this year such as the official opening of The Offices at Centralworld in the beginning of the year, the grand opening of Centralworld Plaza and also the official launch of Central Town Rattanathibet in September. In addition, the Company has continuously searched for new investment opportunities to sustain company's long-term growth. The Company acquired 2 new land plots in this year, a beachfront land at Pattaya and another at Chaeng Wattana. However, although these investments might incur the company to borrow more, the company mainly used cash proceeds from financial lease of its building and utility system of Central Plaza Rama II and Rama III to CPNRF. Consequently net interest bearing debt to equity ratio in year 2005 to fall to only 0.4 times, lower than the company's policy of 1 time.

The Board of Directors of Central Pattana Public Company Limited (hereafter the Company) acknowledges responsibility for the consolidated Financial Statements of the Company and its subsidiaries, as well as for all financial information contained in the Annual Report. The Financial Statement has been prepared in accordance with generally accepted accounting standards in Thailand, and these have been applied appropriately and consistently, and conservative judgments and best estimates have been adopted, where necessary. In addition, key information is adequately disclosed in the Notes to the Financial Statements.

The Board of Directors has established and maintained an effective internal audit system to ensure that all accounting records are accurate, complete, and sufficient to secure the assets of the Company. In addition, any possible weaknesses have been identified and rectified to prevent fraud or any major unusual transactions.

The Board of Directors has appointed an Audit Committee, comprising of Directors who are not in the management team. The Audit Committee is responsible for the quality of the Financial Statements and the internal audit system. The opinion of the Audit Committee on this matter has been presented in its own report.

The Board of Directors is hereby of the opinion that the overall internal audit system of the Company has been and remains satisfactory and enhances confidence in the reliability of the consolidated Financial Statements of the Company and its subsidiaries as at 31 December 2005.



Mr. Vanchai Chirathivat
Chairman



Mr. Kobchai Chirathivat
President & CEO

Acknowledgement of the Responsibility
of the Board of Directors for the Financial Statement

Auditor's Report

To the Shareholders of Central Pattana Public Company Limited

I have audited the accompanying consolidated and company balance sheets as at 31 December 2005 and 2004 and the related consolidated and company statements of income, changes in shareholders' equity, and cash flows for the years then ended of Central Pattana Public Company Limited and its subsidiaries and of Central Pattana Public Company Limited, respectively. The Company's management is responsible for the correctness and completeness of information in these financial statements. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the consolidated and company financial statements referred to above present fairly, in all material respects, the consolidated and company financial position as at 31 December 2005 and 2004 and the consolidated and company results of operations and cash flows for the years then ended of Central Pattana Public Company Limited and its subsidiaries and of Central Pattana Public Company Limited, respectively in accordance with generally accepted accounting principles.



Boonmee Ngotngamwong

Certified Public Accountant (Thailand) No. 3673

PricewaterhouseCoopers ABAS Limited

Bangkok

23 February 2006

Auditor's Report

Balance Sheets

As at 31 December 2005 and 2004

		Consolidated		Company	
		2005	2004	2005	2004
	Notes	Baht	Baht	Baht	Baht
Assets					
Current Assets					
Cash and cash equivalents	3	5,021,817,719	1,559,524,717	280,353,985	206,039,377
Short-term investments	4	1,117,891,127	540,484,562	2,103,459	103,713,576
Trade accounts receivable, net	5	134,744,804	102,222,233	61,562,117	71,479,159
Loans to related parties	26	8,794,435	29,340,971	160,493,939	174,875,488
Other current assets	6	1,000,314,345	493,925,503	196,573,488	130,989,729
Total Current Assets		<u>7,283,562,430</u>	<u>2,725,497,986</u>	<u>701,086,988</u>	<u>687,097,329</u>
Non-Current Assets					
Loans to related parties	26	-	-	3,704,309,080	3,437,775,376
Investments in subsidiaries and joint ventures	7	-	-	16,692,911,460	8,382,314,026
Investment in associate	7	2,266,374,905	-	2,266,374,905	-
Other general investments					
- related parties	8	-	-	-	-
- others	9	1,000,000	1,000,000	1,000,000	1,000,000
Deferred tax assets, net	10	488,471,022	364,870,290	193,625,316	162,646,233
Property and equipment, net	11	23,086,341,624	23,860,578,058	3,405,896,613	3,493,769,941
Other assets	12	250,544,401	152,344,348	61,841,203	64,054,648
Total Non-Current Assets		<u>26,092,731,952</u>	<u>24,378,792,696</u>	<u>26,325,958,577</u>	<u>15,541,560,224</u>
Total Assets		<u><u>33,376,294,382</u></u>	<u><u>27,104,290,682</u></u>	<u><u>27,027,045,565</u></u>	<u><u>16,228,657,553</u></u>

The notes to the consolidated and company financial statements form an integral part of these financial statements.

Balance Sheets

As at 31 December 2005 and 2004

		Consolidated		Company	
		2005	2004	2005	2004
	Notes	Baht	Baht	Baht	Baht
Liabilities and Shareholders' Equity					
Current Liabilities					
Bank overdrafts and loans from financial institutions		15,931,936	12,079,753	-	-
Trade accounts payable		7,567,105	2,253,151	4,048,301	2,413,152
Loans from related parties	26	3,042,341	2,898,904	4,035,546,839	271,884,191
Current portion of long-term borrowings	13	1,597,844,004	1,022,570,722	273,335,106	587,989,256
Income tax payable		234,767,667	196,768,455	145,076,515	136,880,111
Contractor payable		727,991,564	579,519,354	6,878,529	5,639,347
Other current liabilities	14	1,946,901,963	2,706,818,135	618,210,951	659,853,175
Total Current Liabilities		<u>4,534,046,580</u>	<u>4,522,908,474</u>	<u>5,083,096,241</u>	<u>1,664,659,232</u>
Non-Current Liabilities					
Long-term other account payable	14	-	170,000,000	-	170,000,000
Long-term loans from related parties	26	-	-	5,347,904,092	1,187,336,836
Long-term borrowings	13	9,442,969,288	8,630,628,912	3,500,000,000	2,773,335,106
Deferred tax liabilities	10	863,074,058	-	-	-
Unearned rental and service income		5,114,974,540	3,426,617,863	1,081,218,799	1,228,339,439
Deposits received from customers		1,611,715,510	1,591,717,265	796,855,882	735,246,818
Guarantees for leasehold right		20,431,664	19,216,219	4,313,843	4,313,843
Total Non-Current Liabilities		<u>17,053,165,060</u>	<u>13,838,180,259</u>	<u>10,730,292,616</u>	<u>6,098,572,042</u>
Total Liabilities		<u>21,587,211,640</u>	<u>18,361,088,733</u>	<u>15,813,388,857</u>	<u>7,763,231,274</u>

The notes to the consolidated and company financial statements form an integral part of these financial statements.

Balance Sheets

As at 31 December 2005 and 2004

		Consolidated		Company	
		2005	2004	2005	2004
	Notes	Baht	Baht	Baht	Baht
Liabilities and Shareholders' Equity (Cont'd)					
Shareholders' Equity					
Share capital Authorised share capital	15	<u>2,178,816,000</u>	<u>2,178,816,000</u>	<u>2,178,816,000</u>	<u>2,178,816,000</u>
Issued and paid-up share capital	15	2,178,816,000	2,178,816,000	2,178,816,000	2,178,816,000
Premium on share capital	15	2,007,565,850	2,007,565,850	2,007,565,850	2,007,565,850
Negative goodwill	2.8	112,594,465	112,594,465	112,594,465	112,594,465
Unrealised gain on investment in available-for-sale securities	4	1,074,644	2,684,795	1,074,644	2,684,795
Retained earnings					
Appropriated-legal reserve	16	217,881,600	217,881,600	217,881,600	217,881,600
Unappropriated		<u>6,695,724,149</u>	<u>3,945,883,569</u>	<u>6,695,724,149</u>	<u>3,945,883,569</u>
Total Parent's Shareholders' Equity		11,213,656,708	8,465,426,279	11,213,656,708	8,465,426,279
Minority interest		<u>575,426,034</u>	<u>277,775,670</u>	-	-
Total Shareholders' Equity		<u>11,789,082,742</u>	<u>8,743,201,949</u>	<u>11,213,656,708</u>	<u>8,465,426,279</u>
Total Liabilities and Shareholders' Equity		<u>33,376,294,382</u>	<u>27,104,290,682</u>	<u>27,027,045,565</u>	<u>16,228,657,553</u>

The notes to the consolidated and company financial statements form an integral part of these financial statements.

Statements of Income

For the years ended 31 December 2005 and 2004

		Consolidated		Company	
		2005	2004	2005	2004
	Notes	Baht	Baht	Baht	Baht
Revenues					
Rental and service income		6,001,511,076	5,447,495,969	2,533,757,279	2,170,932,499
Food and beverage sales		420,176,364	386,556,235	-	-
Cost of rental and service		(3,177,288,982)	(2,861,543,952)	(976,549,988)	(763,417,819)
Cost of food and beverage sales		(323,433,745)	(294,190,527)	-	-
Gross profit		<u>2,920,964,713</u>	<u>2,678,317,725</u>	<u>1,557,207,291</u>	<u>1,407,514,680</u>
Administrative expenses		(1,402,999,305)	(844,033,438)	(617,093,294)	(472,451,809)
Profit from rental, sales and service		<u>1,517,965,408</u>	<u>1,834,284,287</u>	<u>940,113,997</u>	<u>935,062,871</u>
Interest income		54,911,560	31,937,969	103,383,154	85,717,604
Other income	17	3,306,860,148	323,517,054	357,855,025	274,291,033
Directors' remuneration		(2,560,000)	(2,410,000)	(2,560,000)	(2,410,000)
Operating profit	19	<u>4,877,177,116</u>	<u>2,187,329,310</u>	<u>1,398,792,176</u>	<u>1,292,661,508</u>
Share of profit of investment in subsidiaries, joint ventures and associate - equity method,	7	<u>83,227,460</u>	-	<u>3,488,034,990</u>	<u>700,438,261</u>
Profit before interest and tax		<u>4,960,404,576</u>	<u>2,187,329,310</u>	<u>4,886,827,166</u>	<u>1,993,099,769</u>
Interest expense	18	(543,523,949)	(459,298,924)	(309,507,166)	(246,203,269)
Income tax	20	(1,282,775,420)	(399,152,885)	(1,282,775,420)	(399,152,885)
Profit after tax		<u>3,134,105,207</u>	<u>1,328,877,501</u>	<u>3,294,544,580</u>	<u>1,347,743,615</u>
Share of loss in subsidiaries attributed to minority interests		<u>160,439,373</u>	<u>18,866,114</u>	-	-
Net profit for the year		<u><u>3,294,544,580</u></u>	<u><u>1,347,743,615</u></u>	<u><u>3,294,544,580</u></u>	<u><u>1,347,743,615</u></u>
Basic earnings per share (Baht)	21				
Net profit for the year		<u>1.56</u>	<u>0.67</u>	<u>1.56</u>	<u>0.67</u>
Diluted earnings per share (Baht)	21				
Net profit for the year		<u>1.56</u>	<u>0.62</u>	<u>1.56</u>	<u>0.62</u>

The notes to the consolidated and company financial statements form an integral part of these financial statements.

Statements of Changes in Shareholders' Equity

For the years ended 31 December 2005 and 2004

Consolidated

	Issued and paid up share capital	Share premium	Negative goodwill	Unrealised gain of investment in available for sale securities	Legal reserve	Unappropriated retained earnings	Minority interest	Total
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Beginning balance 2005	2,178,816,000	2,007,565,850	112,594,465	2,684,795	217,881,600	3,945,883,569	277,775,670	8,743,201,949
Change in fair value	-	-	-	(1,610,151)	-	-	-	(1,610,151)
Net profit for the year	-	-	-	-	-	3,294,544,580	(160,439,373)	3,134,105,207
Dividend (Note 22)	-	-	-	-	-	(544,704,000)	-	(544,704,000)
Purchase of shares from minority interest	-	-	-	-	-	-	458,089,737	458,089,737
Ending balance 31 December 2005	<u>2,178,816,000</u>	<u>2,007,565,850</u>	<u>112,594,465</u>	<u>1,074,644</u>	<u>217,881,600</u>	<u>6,695,724,149</u>	<u>575,426,034</u>	<u>11,789,082,742</u>
Beginning balance 2004	2,178,816,000	2,007,565,850	112,594,465	1,254,233	200,024,500	3,095,336,574	360,029,595	7,955,621,217
Change in fair value	-	-	-	1,430,562	-	-	-	1,430,562
Legal reserve (Note 16)	-	-	-	-	17,857,100	(17,857,100)	-	-
Net profit for the year	-	-	-	-	-	1,347,743,615	(18,866,114)	1,328,877,501
Dividend (Note 22)	-	-	-	-	-	(479,339,520)	-	(479,339,520)
Purchase of shares from minority interest	-	-	-	-	-	-	(63,387,811)	(63,387,811)
Ending balance 31 December 2004	<u>2,178,816,000</u>	<u>2,007,565,850</u>	<u>112,594,465</u>	<u>2,684,795</u>	<u>217,881,600</u>	<u>3,945,883,569</u>	<u>277,775,670</u>	<u>8,743,201,949</u>

The notes to the consolidated and company financial statements form an integral part of these financial statements.

Statements of Changes in Shareholders' Equity

For the years ended 31 December 2005 and 2004

Company

	Issued and paid up share capital	Share premium	Negative goodwill	Unrealised gain of investment in available for sale securities	Legal reserve	Unappropriated retained earnings	Total
	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Beginning balance 2005	2,178,816,000	2,007,565,850	112,594,465	2,684,795	217,881,600	3,945,883,569	8,465,426,279
Change in fair value	-	-	-	(1,610,151)	-	-	(1,610,151)
Net profit for the year	-	-	-	-	-	3,294,544,580	3,294,544,580
Dividend (Note 22)	-	-	-	-	-	(544,704,000)	(544,704,000)
Ending balance 31 December 2005	<u>2,178,816,000</u>	<u>2,007,565,850</u>	<u>112,594,465</u>	<u>1,074,644</u>	<u>217,881,600</u>	<u>6,695,724,149</u>	<u>11,213,656,708</u>
Beginning balance 2004	2,178,816,000	2,007,565,850	112,594,465	1,254,233	200,024,500	3,095,336,574	7,595,591,622
Change in fair value	-	-	-	1,430,562	-	-	1,430,562
Legal reserve (Note 16)	-	-	-	-	17,857,100	(17,857,100)	-
Net profit for the year	-	-	-	-	-	1,347,743,615	1,347,743,615
Dividend (Note 22)	-	-	-	-	-	(479,339,520)	(479,339,520)
Ending balance 31 December 2004	<u>2,178,816,000</u>	<u>2,007,565,850</u>	<u>112,594,465</u>	<u>2,684,795</u>	<u>217,881,600</u>	<u>3,945,883,569</u>	<u>8,465,426,279</u>

The notes to the consolidated and company financial statements form an integral part of these financial statements.

Statements of Cash Flows

For the years ended 31 December 2005 and 2004

		Consolidated		Company	
		2005	2004	2005	2004
	Notes	Baht	Baht	Baht	Baht
Cash flows from operating activities					
Cash generated from operations	23	3,467,689,465	3,495,690,395	1,244,003,197	1,441,156,019
Less : Cash paid					
Interest expense		(535,055,185)	(446,443,041)	(301,038,402)	(233,347,386)
Income tax		(505,302,882)	(462,500,761)	(349,102,146)	(336,578,080)
Net cash from operating activities		<u>2,427,331,398</u>	<u>2,586,746,593</u>	<u>593,862,649</u>	<u>871,230,553</u>
Cash flows from investing activities					
(Increase) decrease in short-term investment		(575,745,642)	(75,501,909)	103,271,040	(3,424)
Additional paid-up capital of subsidiaries		-	-	(5,349,916,982)	(668,735,864)
Disposals of other general investments		-	21,131,856	-	-
Payment for investment in associate	7	(3,601,950,000)	-	(3,601,950,000)	-
Loans to related parties		(688,690)	(13,147,305)	(2,953,874,388)	(2,461,014,877)
Proceeds from sale and finance leases of property and equipment		6,893,104,349	-	3,288,634	-
Property and equipment	7	(3,002,328,916)	(3,927,509,408)	(105,622,960)	(419,229,540)
Loans repayments received from related parties		21,235,226	-	2,701,722,232	1,066,010,579
Proceeds from decrease of investment in property fund	7	-	-	230,917,683	99,091,395
Dividend received	7	-	-	675,555,997	617,958,302
Net cash used in investing activities		<u>(266,373,673)</u>	<u>(3,995,026,766)</u>	<u>(8,296,608,744)</u>	<u>(1,765,923,429)</u>

The notes to the consolidated and company financial statements form an integral part of these financial statements.

Statements of Cash Flows

For the years ended 31 December 2005 and 2004

	Notes	Consolidated		Company	
		2005	2004	2005	2004
		Baht	Baht	Baht	Baht
Cash flows from financing activities					
Proceeds from loans from related parties		78,453	158,640	12,456,134,175	193,113,404
Repayments on loans from related parties		64,984	-	(4,531,904,270)	(784,939,835)
Proceeds from borrowings from financial institutions	13	3,693,909,000	2,983,850,000	1,000,000,000	2,500,000,000
Payments on borrowings from financial institutions		(2,306,102,897)	(1,353,406,704)	(602,465,202)	(625,000,000)
Proceeds from investment from minority interest		458,089,737	-	-	-
Dividends paid to the shareholders		<u>(544,704,000)</u>	<u>(479,339,520)</u>	<u>(544,704,000)</u>	<u>(479,339,520)</u>
Net cash receipts from financing activities		<u>1,301,335,277</u>	<u>1,151,262,416</u>	<u>7,777,060,703</u>	<u>803,834,049</u>
Net increase (decrease) in cash and cash equivalents					
		3,462,293,002	(257,017,757)	74,314,608	(90,858,827)
Beginning balance		<u>1,559,524,717</u>	<u>1,816,542,474</u>	<u>206,039,377</u>	<u>296,898,204</u>
Ending balance		<u>5,021,817,719</u>	<u>1,559,524,717</u>	<u>280,353,985</u>	<u>206,039,377</u>
Non cash transactions Investing activities					
Purchases of property and equipment by credit		1,227,991,564	664,637,508	-	511,499,663

The notes to the consolidated and company financial statements form an integral part of these financial statements.

Notes to the Consolidated and Company Financial Statements

For the years ended 31 December 2005 and 2004

1. General information

Central Pattana Public Company Limited (the Company) is a public limited company, which is incorporated and domiciled in Thailand. The address of its registered office is as follows:

999/9 Rama I Road, Patumwan, Patumwan, Bangkok 10330

The Company is listed on the Stock Exchange of Thailand.

The principal business operations of the Company and its subsidiaries (the Group) are summarised as follows:

- (1) Construction of shopping center buildings, office buildings, condominiums and shophouses for rent;
- (2) Provision of utility services in shopping centers;
- (3) Sales of food and beverage in shopping centers;
- (4) Operator of water theme park and play land in shopping centers; and
- (5) Investment in real estate.

As at 31 December 2005, the Group employed 1,677 persons (2004 : 1,616 persons).

These consolidated and company financial statements have been approved for issue by the board of directors on 23 February 2006.

2. Accounting policies

The principal accounting policies adopted in the preparation of these consolidated and company financial statements are set out below:

2.1 Basis of preparation

The consolidated and company financial statements have been prepared in accordance with Thai Generally Accepted Accounting Principles under the Accounting Act, B.E. 2543, being those Thai Accounting Standards issued under the Accounting Profession Act, B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission.

As a result of the Federation of Accounting Profession (FAP) approval of three new accounting standards on 12 May 2005, the Company has adopted TAS 52, "Events After Balance Sheet Date", TAS 53, "Provisions, Contingent Liabilities, and Contingent Assets" and TAS 54, "Discontinuing Operations" since the second quarter of 2005. The adoption of the three new standards did not have an impact on the financial statements presented.

The consolidated and company financial statements have been prepared under the historical cost convention except for certain investments which are fair valued as disclosed in the accounting policies below.

The preparation of the financial statements in conformity with Thai generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statement and the amounts or revenues and expenses in the reported periods. Actual results may differ from those estimates.

An English version of the consolidated and company financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

2.2 Consolidation

a) Subsidiaries

Subsidiaries, which are those companies in which the Group has power to govern the financial and operating policies, are consolidated. The existence and effect of potential voting rights that are presently exercisable or presently convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are consolidated from the date on which effective control is transferred to the Group and are no longer consolidated from the date that control ceases. All intercompany transactions, balances and unrealised gains on transactions between group companies have been eliminated; unrealised losses are also eliminated unless the losses cannot be recovered. Where necessary, accounting policies for subsidiaries have been changed to ensure consistency with the policies adopted by the Group. Separate disclosure is made for minority interests in the consolidated balance sheets and consolidated income statements.

Investments in subsidiary undertakings are accounted for in the company financial statements by the equity method of accounting. Provisions are recorded for impairment in value. Equity accounting involves recognising in the income statement the Company's share of the subsidiaries' profit or loss for the year. The Company's interest in the subsidiary is carried in the balance sheet at an amount that reflects its share of the net assets of the subsidiary and includes negative goodwill on the acquisition.

A list of the Group's principal subsidiaries is shown in Note 27.

b) Associates

Associates are all entities over which the Group has significant influence but not control, generally with a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for by the equity method of accounting and are initially recognised at cost in the consolidated and company financial statements. The Group's investment in associates includes goodwill (net of accumulated amortisation) identified on acquisition. The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in fair value reserves is recognised in fair value reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other the Group's obligations or payments that are made on behalf of the associates, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed, where necessary, to ensure consistency with the policies adopted by the Group.

A list of the Group's principal associates is set out in Note 27.

c) Interests in joint ventures

The Group's interest in a jointly controlled entity is accounted for by proportionate consolidation in the consolidated financial statements. Under this method the Group includes its share of the joint venture's individual income and expenses, assets and liabilities and cash flows on a line-by-line basis in the relevant components of the financial statements. The Group recognises the portion of gains or losses on the sale of assets by the Group to the joint venture that it is attributable to the other venturers. The Group does not recognise its share of profits or losses from the joint venture that result from the purchase of assets by the Group from the joint venture until it resells the assets to an independent party. However, if a loss on the transaction provides evidence of a reduction in the net realisable value of current assets or an impairment loss, the loss is recognised immediately.

The interest in a jointly controlled entity is accounted for in the Company financial statements by the equity method of accounting.

A list of Group's principal joint ventures is set out in Note 27.

2.3 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of the cashflow statement, cash and cash equivalents comprise cash on hand, deposits held at call with financial institutions, and other short-term highly liquid investments with original maturity of 3 months or less.

2.4 Trade receivables

Trade receivables are recognised initially at original invoice amount and subsequently measured at the remaining amount less allowance for doubtful receivables based on a review of all outstanding amount at the year end. The estimate encompasses consideration of past collection experience, customers' deposits and other factors such as local economic conditions. Bad debts are written off during the year in which they are identified.

Concentrations of credit risk with respect to trade receivables are limited due to the Group's large number of customers, which are dispersed and have a variety of end markets in which they sell. The Group's historical experience in collection of accounts receivable falls within the recorded allowances. Due to these factors, management believes that no additional credit risk beyond the amounts provided for collection losses is inherent in the Group's trade receivable.

2.5 Investments

The Group classifies investments into the following categories: trading, held-to-maturity and available-for-sale. Investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in price are classified as trading investments and included in current assets (the group does not hold this category of investment during this year). Investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held-to-maturity and are included in non-current assets. Investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, are classified as available-for-sale; these are included in non-current assets unless management has expressed the intention of holding the investment for less than 12 months from the balance sheet date or unless they will need to be sold to raise operating capital, in which case they are included in current assets. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

The available-for-sale investments, comprising marketable debts and equity securities, are fair valued annually at the close of business on 31 December. For investments traded in an active market, fair value is determined by reference to bid price in the Stock Exchange of Thailand and the Thai Bond Dealing Center. The unrealised gains and losses of available-for-sale investments are recognised in equity.

Investments in non-marketable equity securities are classified as general investments and are carried at cost less impairment.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to the statement of income.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of income.

When disposing of part of the group's holding of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined by the weighted average of the total holding of the investment.

2.6 Property and equipment

Property and equipment comprise leasehold rights, land, assets for lease and operating furniture, fixtures and equipment. Land is recorded at cost. All other property and equipment is stated at historical cost less depreciation. The accounting policy for leasehold rights is disclosed in detail in the accounting policy of long-term leases.

Depreciation is calculated on the straight-line basis to write off the cost of each asset except for land, as it is deemed to have an indefinite life, to their residual values over their estimated useful life or over the period of lease.

Leasehold rights to land and building	30 years	(over the period of lease)
Leasehold rights to land	25-30 years	(over the period of lease)
Buildings and improvements	25-30 years	
Furniture, fixtures and equipment	5-15 years	
Motor vehicles	5 years	

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Estimated recoverable amount is the higher of the anticipated discounted cash flows from the continuing use of the asset and the amount obtainable from the sale of the asset less any costs of disposal.

Gains and losses on disposal of property and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit.

Borrowing costs to finance the construction of property and equipment are capitalised as part of cost of the asset during the period of time that is required to complete and prepare the property for its intended use. The borrowing costs include interest on short-term and long-term borrowings. Capitalisation of borrowing costs will be suspended during extended periods in which active development is interrupted.

The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Group's outstanding short-term and long-term borrowings during the year. Where funds are borrowed specifically for the acquisition, construction or production of property and equipment, the amount of borrowing costs eligible for capitalisation on that asset is determined as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings.

Expenditures for addition, renewal and betterment, which result in a substantial increase in an asset's current replacement value, are capitalised. Repair and maintenance costs are recognised as an expense when incurred.

2.7 Accounting for long-term leases

Where a group company 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 the statement of income 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 the statement of income 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 the statement of income 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 has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

Where a group company is the lessor

Operating leases

Assets leased out under operating leases are included in property and equipment in the balance sheet. 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.

Finance leases

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 balance sheet.

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/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.

2.8 Intangible assets

Negative goodwill

Negative goodwill represents the excess of the fair value of the Group's share of net asset acquired over the cost of the acquisition.

Negative goodwill occurring on acquisitions of subsidiaries after 1 January 2000, the effective date of Thai Accounting Standard No. 43 - Business Combinations is classified under assets and is presented as a deduction from other assets in the balance sheet. As this negative goodwill does not relate to future losses or expenses, this negative goodwill, not exceeding the fair values of the non-monetary assets acquired, is recognised in the income statement on a straight-line method over the remaining weighted average useful life of the depreciable assets.

Negative goodwill occurring on acquisitions of subsidiaries before 1 January 2000 represents the excess of fair value of land over the cost of acquisition and is presented under shareholders' equity in the balance sheet. This is negative goodwill which occurred before the effective date of Thai Accounting Standard No. 43 - Business Combinations. The Group chose not to restate the financial statements on adoption of Thai Accounting Standard No. 43.

The carrying amount of goodwill is reviewed annually. Where an indication of impairment exists, the carrying amount of goodwill is assessed and written down immediately to its recoverable amount.

Assets usage right

Expenditure to secure assets usage right is capitalised and amortised using the straight-line basis over their useful lives over a period of 28 years.

2.9 Deferred income taxes

Deferred income tax is provided in full, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. The principal temporary differences of the Group arise from allowances for impairment in value of assets, allowances for doubtful accounts, and other provisions.

Tax rates enacted at the balance sheet date are used to determine deferred income tax.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

2.10 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

2.11 Revenue recognition

Rental income is recognised as income over the lease period (Note 2.7). Service income is recognised as services are rendered. Unearned rental and service income are recognised using the straight-line method over the period of lease.

Revenue from foods and beverage sales is recognised upon delivery of goods to customers.

Other revenues earned by the Group are recognised on the following basis:

- Interest income - as it accrues unless collectibility is in doubt.
- Dividend income - when the shareholder's right to receive payment is established.

In the consolidated financial statements, inter-group sales are eliminated.

2.12 Financial instruments

Financial assets carried on the balance sheet include cash and cash equivalents, investments and receivables. Financial liabilities carried on the balance sheet include trade creditors, leases and borrowings. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

The Company has entered into an interest rate swap contract to protect it from risks incurring from movements in interest rates. The difference in the amount to be received or paid under the interest rate swap contract is recorded as interest expense over the contract period. Profit and loss from termination of the contract or loan repayment before maturity (if any) is recorded in income statement (There have been no terminations of contracts this year).

Disclosures about financial instruments to which the group is a party to are provided in Note 25.

2.13 Provident fund

The Group established a provident fund scheme under the Provident Fund Act B.E. 2530. The fund was registered in 1998. The assets in the trust fund are separated from the assets of the Group and are managed by an approved fund manager. The provident fund is funded by payments from employees and by the Group companies. Contributions to the provident fund are charged to the statement of income in the year to which they relate (Note 19).

3. Cash and cash equivalents

	Consolidated		Company	
	2005	2004	2005	2004
	Baht'000	Baht'000	Baht'000	Baht'000
Cash	4,756	5,439	1,950	989
Deposits at call with banks	2,795,628	1,432,286	278,404	205,050
Fixed bank deposits and promissory notes with financial institutions maturing in less than or equal to 3 months	2,221,434	121,800	-	-
	<u>5,021,818</u>	<u>1,559,525</u>	<u>280,354</u>	<u>206,039</u>

The weighted average interest rate of deposits at call with banks and promissory notes with financial institutions is 1.50% per annum (2004 : 0.75% per annum).

4. Short-term investments

	Consolidated		Company	
	2005	2004	2005	2004
	Baht'000	Baht'000	Baht'000	Baht'000
General investments				
Fixed bank deposits	<u>821,368</u>	<u>103,766</u>	<u>3</u>	<u>3</u>
Total general investments	<u>821,368</u>	<u>103,766</u>	<u>3</u>	<u>3</u>
Securities: available-for-sale				
Debt securities	294,423	433,009	-	100,000
Equity security	1,025	1,025	1,025	1,025
Add : Fair value gains	<u>1,075</u>	<u>2,685</u>	<u>1,075</u>	<u>2,685</u>
Securities available-for-sale, net	<u>296,523</u>	<u>436,719</u>	<u>2,100</u>	<u>103,710</u>
Total short-term investments	<u>1,117,891</u>	<u>540,485</u>	<u>2,103</u>	<u>103,713</u>

The average interest rate of fixed deposits with banks and financial institutions is 3.25% per annum (2004 : 1.53% per annum). Fixed deposits amounting to Baht 9.6 million (2004 : Baht 9.6 million) were pledged with commercial banks for letters of guarantee issued by the banks on behalf of the Group.

The movements of available-for-sale securities during the year are as follows:

	Consolidated		Company	
	2005	2004	2005	2004
	Baht'000	Baht'000	Baht'000	Baht'000
Available-for-sale securities				
Opening net book amount	436,719	449,430	103,710	102,280
Additions	343,667	115,502	50,000	-
Disposals	(482,253)	(129,643)	(150,000)	-
Fair values gains	(1,610)	1,430	(1,610)	1,430
Closing net book amount	<u>296,523</u>	<u>436,719</u>	<u>2,100</u>	<u>103,710</u>

5. Trade accounts receivable, net

	Consolidated		Company	
	2005	2004	2005	2004
	Baht'000	Baht'000	Baht'000	Baht'000
Gross trade accounts receivable				
Related parties (Note 26 (f))	25,220	13,338	24,522	48,351
Others (third parties)	115,064	96,144	38,880	25,049
<u>Less</u> Allowance for doubtful accounts	<u>(5,539)</u>	<u>(7,260)</u>	<u>(1,840)</u>	<u>(1,921)</u>
Trade accounts receivable, net	<u>134,745</u>	<u>102,222</u>	<u>61,562</u>	<u>71,479</u>

The Group has no concentrations of credit risk due to the Group has a large number of tenants in various businesses. The Group's management is of opinion that the Group does not have credit risk other than that provided in the allowance for doubtful accounts as presented in the financial statements. The estimate for allowance for doubtful accounts encompasses consideration of past collection experiences, customers' deposits and other factors such as the local economic conditions.

Outstanding trade accounts receivable as at 31 December can be aged as follows:

Consolidated

	2005			2004		
	Related parties	Third parties	Total	Related parties	Third parties	Total
	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
Within 3 months	24,233	71,008	95,241	5,818	61,077	66,895
3 - 6 months	40	22,022	22,062	2,215	8,768	10,983
6 - 12 months	1	6,708	6,709	3,732	4,039	7,771
Over 12 months	946	15,326	16,272	1,573	22,260	23,833
	<u>25,220</u>	<u>115,064</u>	<u>140,284</u>	<u>13,338</u>	<u>96,144</u>	<u>109,482</u>
<u>Less</u> Allowance for doubtful accounts	<u>-</u>	<u>(5,539)</u>	<u>(5,539)</u>	<u>-</u>	<u>(7,260)</u>	<u>(7,260)</u>
	<u>25,220</u>	<u>109,525</u>	<u>134,745</u>	<u>13,338</u>	<u>88,884</u>	<u>102,222</u>
Deposits from customers	<u>20,870</u>	<u>662,237</u>	<u>183,027</u>	<u>23,968</u>	<u>118,782</u>	<u>142,750</u>

Company

	Related parties	2005 Third parties	Total	Related parties	2004 Third parties	Total
	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
Within 3 months	23,345	27,847	51,192	47,333	16,946	64,279
3 - 6 months	676	5,340	6,016	448	3,494	3,942
6 - 12 months	208	1,345	1,553	395	2,760	3,155
Over 12 months	293	4,348	4,641	175	1,849	2,024
	<u>24,522</u>	<u>38,880</u>	<u>63,402</u>	<u>48,351</u>	<u>25,049</u>	<u>73,400</u>
Less Allowance for doubtful accounts	<u>-</u>	<u>(1,840)</u>	<u>(1,840)</u>	<u>-</u>	<u>(1,921)</u>	<u>(1,921)</u>
	<u>24,522</u>	<u>37,040</u>	<u>61,562</u>	<u>48,351</u>	<u>23,128</u>	<u>71,479</u>
Deposits from customers	<u>9,239</u>	<u>88,231</u>	<u>97,471</u>	<u>14,998</u>	<u>78,892</u>	<u>93,890</u>

6. Other current assets

	Consolidated		Company	
	2005	2004	2005	2004
	Baht'000	Baht'000	Baht'000	Baht'000
Withholding tax deducted at source	486,348	-	-	-
Accrued income	251,062	254,763	165,258	111,416
Other accounts receivable	213,694	201,362	13,512	5,139
Prepaid expenses	30,942	27,368	11,605	13,854
Others	18,268	10,433	6,198	581
	<u>1,000,314</u>	<u>493,926</u>	<u>196,573</u>	<u>130,990</u>

7. Investments in subsidiaries, joint ventures and associate

Movements of investments in subsidiaries and joint ventures can be summarised as follows:

Company

	2005	2004
	Baht'000	Baht'000
Opening net book amount	8,382,314	7,826,127
Share of results before tax	3,404,807	700,438
Share of tax in subsidiaries (Note 20)	(956,456)	(95,938)
Share of results after tax	2,448,351	604,500
Investment in subsidiaries and joint ventures	6,768,720	668,736
Disposals and decrease of investment interest	(230,918)	(99,091)
Dividend received	(675,556)	(617,958)
Closing net book amount	<u>16,692,911</u>	<u>8,382,314</u>

Main business of subsidiaries, joint ventures and associate

- (1) Construction of shopping center buildings and office building for rent
- (2) Utility services in shopping centers
- (3) Construction of condominiums and shophouses for rent
- (4) Sales of food and beverage
- (5) Investment in real estate

7.1 Subsidiaries and Joint Ventures

Main business, paid up capital and percentage of direct and indirect holding in each subsidiary and joint venture are shown in Note 27.

Interests in the Thai Business Funds represent unit holdings with a subordinate right to receive dividends after other classes of unit holders.

Company

	Investment at cost method		Investment at equity method	
	2005	2004	2005	2004
	Baht'000	Baht'000	Baht'000	Baht'000
Investments in Subsidiaries				
Central Pattana Rama II Co., Ltd.	1,500,000	1,500,000	4,424,113	1,550,819
Central Pattana Chiangmai Co., Ltd.	1,000,000	1,000,000	1,039,294	963,767
Lang Suan Realty Co., Ltd.	830,000	830,000	1,020,811	993,641
Central Pattana Rattana Thibet Co., Ltd.	589,999	589,999	514,078	433,513
Central Realty Service Co., Ltd.	1,000	1,000	138,603	118,561
Central Food Avenue Co., Ltd.	1,000	1,000	8,040	8,417
Centralworld Tower Co., Ltd.	1,526,249	676,874	1,200,442	638,267
Centralworld Plaza Co., Ltd.	824,999	525,919	439,822	346,828
Central Pattana Khon Kaen Co., Ltd.	203,149	203,149	100,894	99,179
Central Pattana Nine Square Co., Ltd.	241,200	241,200	64,563	236,227
Central Pattana Rama III Co., Ltd.	1,781,464	-	3,373,493	-
Investments in Joint Ventures				
Central Pattana Rama III Co., Ltd.	-	524,934	-	725,944
Central Pattana Chonburi Co., Ltd.	189,084	189,084	117,929	126,822
Investment in Funds				
Thai Business Fund 1	-	153,559	-	153,547
Thai Business Fund 2	302,480	351,825	302,444	351,819
Thai Business Fund 4	4,044,608	1,364,608	3,627,673	1,286,267
Thai Business Fund 5	320,712	348,696	320,712	348,696
Total	13,355,944	8,501,847	16,692,911	8,382,314

All holdings are investments in the ordinary share capital of the undertaking concerned and are unchanged from 2004, except during the year 2005, the Group invested in capital increase in shares of Centralworld Tower Co., Ltd. and Centralworld Plaza Co., Ltd. amounting to Baht 849 million and Baht 299 million, respectively and invested in the class C units of Thai Business Fund 4 amounting to Baht 2,680 million and received cash the from capital reduction of funds.

In addition, during the year the company purchased 499,995 shares in Central Pattana Rama III Co., Ltd. from the joint venture partner amounting to Baht 1,521 million, therefore, the Company has 100% interest in Central Pattana Rama III Co., Ltd. The joint venture status was changed to subsidiary status.

The Thai Business Fund 1 has been liquidated effective from 17 August 2005 onward.

The financial statements of the funds are consolidated in the consolidated financial statements. The Thai Business Fund 1 is accounted for by proportionate consolidation because the Group and another unit holders in the class B units have joint control over the Fund. The Thai Business Fund 2, The Thai Business Fund 4 and The Thai Business Fund 5 are consolidated (as subsidiaries) because the Group has the power to control operations of these funds.

Paid up capital and percentage of direct holding of investments in funds are capital of and percentage of direct holding in unit holders that have right to receive dividend after other classes of unit holders.

7.2 Associate

Consolidate and Company

	Investment at cost method		Investment at equity method	
	2005	2004	2005	2004
	Baht'000	Baht'000	Baht'000	Baht'000
Associate				
CPN Retail Growth Property Fund	<u>3,601,950</u>	<u>-</u>	<u>2,266,375</u>	<u>-</u>

The Company has invested in CPN Retail Growth Property Fund (the "Fund") with an interest of 33% of the total issued investment units of the Fund. This Fund will use the proceeds from the offering to invest by purchasing, leasing and/or subleasing real estate properties. The properties in which the Fund will invest is part of Central Plaza Rama II which is properties of Central Pattana Rama II Co., Ltd., the Company's subsidiary and part of Central Plaza Ratchada - Rama III which is properties of Central Pattana Rama III Co., Ltd., the Company's subsidiary.

8. Other general investment - related parties

There was no movement in other general investments during 2005 and 2004.

A detail of other general investment - related parties can be summarised as follows:

	2005 Holding	Consolidated		Company	
	%	2005 Baht'000	2004 Baht'000	2005 Baht'000	2004 Baht'000
Investments - related parties					
Siam Retail Development Co., Ltd.	15	66,250	66,250	-	-
Ayudhaya Agrocit Co., Ltd.	12	50,397	50,397	-	-
Square Ritz Plaza Co., Ltd.	12	15,000	15,000	-	-
Total investment, at cost		131,647	131,647	-	-
Less: Allowance for impairment		(131,647)	(131,647)	-	-
		-	-	-	-

9. Other general investment - others

	2005 Holding	Consolidated		Company	
	%	2005 Baht'000	2004 Baht'000	2005 Baht'000	2004 Baht'000
Investment in other company					
Bangkok Club Co., Ltd.	0.1	1,000	1,000	1,000	1,000
Total other investments		1,000	1,000	1,000	1,000

10. Deferred income tax

The following amounts of deferred tax assets and liabilities after offsetting are included in the consolidated and the company balance sheets

	Consolidated		Company	
	2005	2004	2005	2004
	Baht'000	Baht'000	Baht'000	Baht'000
Deferred tax assets, net	488,471	364,870	193,625	162,646
Deferred tax liabilities, net	863,074	-	-	-

The movement on the deferred income tax account is as follows:

	Consolidated		Company	
	2005	2004	2005	2004
	Baht'000	Baht'000	Baht'000	Baht'000
Deferred tax assets				
Beginning balance	1,287,589	748,233	583,434	591,156
Increase during the year	195,806	579,153	31,486	14,058
Decrease during the year	(119,029)	(39,797)	(21,244)	(21,780)
Ending balance	<u>1,364,366</u>	<u>1,287,589</u>	<u>593,676</u>	<u>583,434</u>
Deferred tax liabilities				
Beginning balance	(922,719)	(493,779)	(420,788)	(441,526)
Increase during the year	(882,549)	(456,369)	-	-
Decrease during the year	66,299	27,429	20,737	20,738
Ending balance	<u>(1,738,969)</u>	<u>(922,719)</u>	<u>(400,051)</u>	<u>(420,788)</u>
Deferred tax assets (liabilities), net	<u>(374,603)</u>	<u>364,870</u>	<u>193,625</u>	<u>162,646</u>

Deferred income tax assets and liabilities are offset when there is a legally enforceable right of offset.

Deferred tax assets and liabilities which have been offset are as follows:

	Consolidated		Company	
	2005	2004	2005	2004
	Baht'000	Baht'000	Baht'000	Baht'000
Deferred tax assets	875,895	922,719	400,051	420,788
Deferred tax liabilities	875,895	922,719	400,051	420,788

The movement in deferred tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) is as follows:

31 December 2005

	Consolidated				
	Allowance for doubtful accounts	Allowance for impairment	Building under consignment sale	Deposit from customers	Other provisions
	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
Deferred tax assets					
Beginning balance	51,000	64,572	922,719	130,421	118,877
Charged/(credit) to P/L	(396)	144,103	(46,824)	(32,769)	12,663
Ending balance	<u>50,604</u>	<u>208,675</u>	<u>875,895</u>	<u>97,652</u>	<u>131,540</u>

31 December 2005

	Unearned revenue	Gain on Finance lease	Total
	Baht'000	Baht'000	Baht'000
Deferred tax liabilities			
Beginning balance	(922,719)	-	(922,719)
Charged/(credit) to P/L	<u>46,824</u>	<u>(863,074)</u>	<u>(816,250)</u>
Ending balance	<u>(875,895)</u>	<u>(863,074)</u>	<u>(1,738,969)</u>

31 December 2005

	Company					
	Allowance for doubtful accounts	Allowance for impairment	Building under consignment sale	Deposit from customers	Other provisions	Total
	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
Deferred tax assets						
Beginning balance	49,398	27,367	420,788	56,358	29,523	583,434
Charged/(credit) to P/L	<u>(24)</u>	<u>-</u>	<u>(20,737)</u>	<u>22,654</u>	<u>8,349</u>	<u>10,242</u>
Ending balance	<u>49,374</u>	<u>27,367</u>	<u>400,051</u>	<u>79,012</u>	<u>37,872</u>	<u>593,676</u>

31 December 2005

	Unearned revenue	Total
	Baht'000	Baht'000
Deferred tax liabilities		
Beginning balance	(420,788)	(420,788)
Charged/(credit) to P/L	<u>20,737</u>	<u>20,737</u>
Ending balance	<u>(400,051)</u>	<u>(400,051)</u>

11. Property and equipment

Consolidated

		Leasehold rights to land and building	Leasehold land rights	Building & improvement	Vehicles and office equipment	Construction in progress	Project under development	Total
	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
At 31 December 2004								
Cost	3,796,851	3,286,367	1,740,439	18,778,069	682,122	1,176,518	1,897,138	31,357,504
<u>Less</u> Accumulated depreciation	-	(61,138)	(598,332)	(5,497,752)	(469,199)	-	(63,573)	(6,689,994)
Allowance for impairment loss	-	-	-	-	-	-	(420,000)	(420,000)
Obligation under long term lease agreement	-	(331,864)	(55,068)	-	-	-	-	(386,932)
Net book value	<u>3,796,851</u>	<u>2,893,365</u>	<u>1,087,039</u>	<u>13,280,317</u>	<u>212,923</u>	<u>1,176,518</u>	<u>1,413,565</u>	<u>23,860,578</u>
Year ended 31 December 2005								
Opening net book value	3,796,851	2,893,365	1,087,039	13,280,317	212,923	1,176,518	1,413,565	23,860,578
Addition	308,683	-	170,536	115,999	82,000	2,089,062	883,503	3,649,783
Disposal	-	-	(174,956)	(2,518,524)	(46,158)	-	-	(2,739,638)
Transferred in (out)	-	-	128,969	962,499	30,502	(1,128,618)	6,648	-
Depreciation charge	-	-	(102,439)	(876,921)	(82,574)	-	(2,664)	(1,064,598)
Allowance for impairment loss	-	-	-	-	-	-	(406,639)	(406,639)
Obligation under long term lease agreement	-	(181,889)	(31,255)	-	-	-	-	(213,144)
Closing net book value	<u>4,105,534</u>	<u>2,711,476</u>	<u>1,077,894</u>	<u>10,963,370</u>	<u>196,693</u>	<u>2,136,962</u>	<u>1,894,413</u>	<u>23,086,342</u>
At 31 December 2005								
Cost	4,105,534	3,286,367	1,805,092	17,075,696	680,444	2,136,962	2,721,052	31,811,147
<u>Less</u> Accumulated depreciation	-	(61,138)	(640,875)	(6,112,326)	(483,751)	-	-	(7,298,090)
Allowance for impairment loss	-	-	-	-	-	-	(826,639)	(826,639)
Obligation under long term lease agreement	-	(513,753)	(86,323)	-	-	-	-	(600,076)
Net book value	<u>4,105,534</u>	<u>2,711,476</u>	<u>1,077,894</u>	<u>10,963,370</u>	<u>196,693</u>	<u>2,136,962</u>	<u>1,894,413</u>	<u>23,086,342</u>

Most of the Group's property plant and equipment are leased out under operating leases.

Long-term borrowings (Note 13) are secured by the Group's properties with book values of Baht 9,617 million (2004: Baht 9,289 million).

The Group has liability under long-term lease agreement amounting to Baht 600 million (2004 : Baht 387 million) resulting from the difference between the actual amount paid according to the contract and amortisation on systematic basis according to Thai Accounting Standard No.29 "Long-term lease agreement". Liabilities under long-term lease agreement are deducted from the advance paid for leasehold right on land and building because both accounts relate to acquisition of the same project.

There was no an interest capitalised to projects under development for the year ended 31 December 2005 (2004 : Total interest capitalised was Baht 36 million. The capitalisation rate of 5.75% was used representing the weighted average interest rate of general purposes borrowings).

The Group's project under development for shopping centers and office comprise of a total of 5 projects. However, development of 3 projects located in Bangkok and up-country has been suspended. The management's decision to continue the construction of these projects depends on future economic conditions and the ability to obtain additional funds. The total costs of these projects, and related allowance for impairment as of 31 December 2005 amount to Baht 911 million and 827 million, respectively (2004 : Baht 1,044 million and Baht 420 million, respectively). The management believes that, at present, the assets could be recovered at values not less than their net carrying values.

Company

	land	Leasehold land right	Building & improvement	Vehicles and office equipment	Construction in progress	Total
	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
At 31 December 2004						
Cost	1,087,199	568,416	3,845,123	246,061	60,188	5,806,987
<u>Less</u> Accumulated depreciation	-	(237,857)	(1,877,663)	(197,697)	-	(2,313,217)
Net book value	<u>1,087,199</u>	<u>330,559</u>	<u>1,967,460</u>	<u>48,364</u>	<u>60,188</u>	<u>3,493,770</u>
Year ended 31 December 2005						
Opening net book value	1,087,199	330,559	1,967,460	48,364	60,188	3,493,770
Additions	-	-	11,463	47,072	67,823	126,358
Disposals	(23,093)	-	-	-	-	(23,093)
Transferred in/(out)	-	-	19,790	23,039	(42,829)	-
Depreciation charge	-	(24,965)	(141,874)	(24,299)	-	(191,138)
Closing net book value	<u>1,064,106</u>	<u>305,594</u>	<u>1,856,839</u>	<u>94,176</u>	<u>85,182</u>	<u>3,405,897</u>
At 31 December 2005						
Cost	1,064,106	568,416	3,876,376	316,172	85,182	5,910,252
<u>Less</u> Accumulated depreciation	-	(262,822)	(2,019,537)	(221,996)	-	(2,504,355)
Net book value	<u>1,064,106</u>	<u>305,594</u>	<u>1,856,839</u>	<u>94,176</u>	<u>85,182</u>	<u>3,405,897</u>

Long-term borrowings (Note 13) are secured by the Company's properties with book values of Baht 1,332 million (2004: Baht 1,403 million).

In addition, part of land newly acquired in 2005 have been mortgaged as collateral for endorsed promissory notes which were issued to the third party by the company as mentioned in Note 14.

12. Other assets

	Consolidated		Company	
	2005	2004	2005	2004
	Baht'000	Baht'000	Baht'000	Baht'000
Withholding tax deducted at source	99,688	85,082	40	-
Deposit and other rights	41,650	29,838	33,251	32,418
Guarantee for leasehold rights	28,650	31,637	28,550	31,637
Negative goodwill, net	(111,855)	(118,514)	-	-
Assets usage right, net	192,411	124,301	-	-
	<u>250,544</u>	<u>152,344</u>	<u>61,841</u>	<u>64,055</u>

Movement of negative goodwill and assets usage right during the year are as follows:

	Negative goodwill	Assets usage right
	Baht'000	Baht'000
For the year ended 31 December 2005		
Opening net book value	(118,514)	124,301
Addition during the year	-	75,818
Amortisation to revenue (expense) during the year	6,659	(7,708)
Closing net book value	<u>(111,855)</u>	<u>192,411</u>
As at 31 December 2005		
Cost	133,173	200,119
<u>Less</u> Accumulated amortisation	<u>(21,318)</u>	<u>(7,708)</u>
Net book value	<u>111,855</u>	<u>192,411</u>

During the year 2005 and 2004, the Group has secured an assets usage right which would benefit the group's business. This cost is amortised at the commencement of usage date onward.

13. Borrowings

	Consolidated		Company	
	2005	2004	2005	2004
	Baht'000	Baht'000	Baht'000	Baht'000
Current portion of long-term borrowings				
Financial institution borrowings	1,186,268	434,582	-	-
Bill of exchange, net	286,576	337,989	148,335	337,989
Bonds issued to financial institutions	125,000	250,000	125,000	250,000
	<u>1,597,844</u>	<u>1,022,571</u>	<u>273,335</u>	<u>587,989</u>
Long-term borrowings				
Financial institution borrowings	5,942,969	5,857,294	-	-
Bill of exchange, net	-	148,335	-	148,335
Bonds issued to financial institutions	3,500,000	2,625,000	3,500,000	2,625,000
	<u>9,442,969</u>	<u>8,630,629</u>	<u>3,500,000</u>	<u>2,773,335</u>
Total borrowings	<u>11,040,813</u>	<u>9,653,200</u>	<u>3,773,335</u>	<u>3,361,324</u>

The movements in the borrowings can be analysed as follows:

For the year ended 31 December 2005

	Consolidated	Company
	Baht' 000	Baht' 000
Opening amount	9,653,200	3,361,324
Borrowing	3,693,909	1,000,000
Repayment of borrowings	(2,306,296)	(587,989)
Closing amount	<u>11,040,813</u>	<u>3,773,335</u>

All loans are secured with land and buildings and improvement of the Company and its subsidiaries as mentioned in Note 11 to the financial statements, except for Company loans which have no collateral amounting to Baht 4,129 million and loans amounting to Baht 6,339 million of the Group which was guaranteed by the Company.

During the year 2004, the Company has issued unsecured and unsubordinated debentures, denominated in Thai Baht, offered to the local financial institutions and maturing in 2009 and 2010, bearing interest rates of 4.20% and 5.24% per annum, respectively.

In 2005 the Company has issued unsecured and unsubordinated debentures, denominated in Thai Baht in the amount of Baht 1,000 million, offered to the local financial institutions and maturing in 2007, bearing interest rates at 3.80% per annum.

The exposure of the borrowings of the Group to interest rate changes are as follows:

	Consolidated		Company	
	2005	2004	2005	2004
	Baht'000	Baht'000	Baht'000	Baht'000
Total borrowings:				
- at fixed rates	10,277,143	8,971,015	3,773,335	2,986,324
- at floating rates	763,670	682,185	-	375,000
	<u>11,040,813</u>	<u>9,653,200</u>	<u>3,773,335</u>	<u>3,361,324</u>

Weighted average effective interest rates:

	Consolidated		Company	
	2005	2004	2005	2004
	%	%	%	%
- Loan from banks and financial institutions	4.83	5.01	4.85	4.93
- Loan from related companies (Note 26)	3.12	4.06	0.62	3.58

The carrying amounts and fair values of long-term borrowings as at 31 December are as follows:

Consolidated

	Carrying amount		Fair value	
	2005	2004	2005	2004
	Baht'000	Baht'000	Baht'000	Baht'000
- Bank, financial institutions and other company borrowings	11,040,813	9,653,200	10,389,464	9,231,647

Company

	Carrying amount		Fair value	
	2005	2004	2005	2004
	Baht'000	Baht'000	Baht'000	Baht'000
- Bank, financial institutions borrowings	3,773,335	3,361,324	3,653,226	3,296,014
- Loan from related companies (Note 26)	9,383,541	1,459,221	9,383,541	1,459,221

The fair values of Bank and financial institution borrowings and loan from related companies are based on discounted cash flows using a discount rate based upon the borrowing rate which the directors expect would be available to the Group at the balance sheet date.

Maturity of long-term borrowings:

	Consolidated		Company	
	2005	2004	2005	2004
	Baht'000	Baht'000	Baht'000	Baht'000
Less than 1 year	1,597,844	1,022,571	273,335	587,989
Later than 1 year and not later than 2 years	2,091,457	1,148,811	1,000,000	273,335
Later than 2 years and not later than 5 years	5,167,434	3,145,341	2,500,000	1,000,000
More than 5 years	2,184,078	4,336,477	-	1,500,000
	<u>11,040,813</u>	<u>9,653,200</u>	<u>3,773,335</u>	<u>3,361,324</u>

As at 31 December, the group has the following undrawn committed borrowing facilities as follows:

	Consolidated		Company	
	2005	2004	2005	2004
	Baht'000	Baht'000	Baht'000	Baht'000
Unused credit lines				
Floating rate	1,518,000	1,513,000	93,000	93,000
	<u>1,518,000</u>	<u>1,513,000</u>	<u>93,000</u>	<u>93,000</u>

These loan facilities are guaranteed by the Company and a related company and leasehold right and mortgage of the existing properties of a subsidiary, with a book value of Baht 874 million and/or the properties of the subsidiary in the future when these borrowings are drawn down.

14. Other current liabilities

	Consolidated		Company	
	2005	2004	2005	2004
	Baht'000	Baht'000	Baht'000	Baht'000
Other accounts payable	267,950	1,561,463	96,345	70,483
Endorsed promissory note payable	670,000	340,000	170,000	340,000
Accrued expenses	636,870	464,177	260,351	180,538
Retention payable	148,581	182,629	8,516	5,545
Accrued interest expenses	29,177	20,708	29,177	20,708
Others	194,324	137,841	53,822	42,579
	<u>1,946,902</u>	<u>2,706,818</u>	<u>618,211</u>	<u>659,853</u>

In this year a subsidiary issued 10 endorsed promissory notes to third party for payment of land amounting to Baht 500 million, the tenure of which is 12 months (2004: The company issued 3 endorsed promissory notes at par value of Baht 170 million each, totalling Baht 510 million, to third party for land cost in 2004. The endorsed promissory notes' periods are 6, 12 and 18 months respectively).

As at 31 December 2005, the Group and the Company has outstanding endorsed promissory notes due within one year as follows:

	Consolidated		Company	
	2005	2004	2005	2004
	Baht'000	Baht'000	Baht'000	Baht'000
Endorse promissory notes payable	670,000	510,000	170,000	510,000
<u>Less</u> Current portion Due over one year	<u>(670,000)</u>	<u>(340,000)</u>	<u>(170,000)</u>	<u>(340,000)</u>
	<u>-</u>	<u>170,000</u>	<u>-</u>	<u>170,000</u>

15. Share capital and premium on share capital

	Number of shares			Amount			Premium on share capital			
	Common	Preferred	Total	Common	Preferred	Total	Common	Preferred	Total	Total
	share	share	share	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
Authorised share capital										
At 31 December 2005	2,178,816,000	-	2,178,816,000	2,178,816	-	2,178,816	2,007,565	-	2,007,565	4,186,381
Issued and paid-up share capital										
As 31 December 2003	400,049,000	35,714,200	435,763,200	2,000,245	178,571	2,178,816	1,186,139	821,426	2,007,565	4,186,381
Decrease of par value	1,600,196,000	142,856,800	1,743,052,800	-	-	-	-	-	-	-
At 31 December 2004	2,000,245,000	178,571,000	2,178,816,000	2,000,245	178,571	2,178,816	1,186,139	821,426	2,007,565	4,186,381
Conversion of preferred share to ordinary share	178,571,000	(178,571,000)	-	178,571	(178,571)	-	821,426	(821,426)	-	-
At 31 December 2005	2,178,816,000	-	2,178,816,000	2,178,816	-	2,178,816	2,007,565	-	2,007,565	4,186,381

The total authorised and registered number of ordinary shares is 2,178,816,000 shares (2004 : 2,000,245,000 shares) with a par value of Baht 1 per share (2004 : Baht 1 per share). All issued shares are fully paid.

At the Annual General Meeting held on 21 April 2004, the shareholder passed a resolution to approve decrease of par value of ordinary shares from a par value of Baht 5 per share to a par value of Baht 1 per share causing the number of registered shares and shares in issue to be changed from 435,763,200 shares to 2,178,816,000 shares. The Company registered the decreased par value of ordinary share with the Ministry of Commerce on 10 May 2004.

The preferred shares rights are as follow:

1. One preferred share can be converted into one ordinary share at any time, in lots of not less than 1 million shares.
2. Each preferred share has equal voting rights to each common share.
3. Each preferred share shall be entitled to the same dividend rights as that of each of the Company's common shares.
4. Preferred share shareholders are entitled in case of bankruptcy or termination or liquidation, to receive the remaining assets after settlement of all liabilities and other commitments as follows:
 - 4.1 Preferred shareholders shall be entitled to receive a return of the full amount of the purchase price for the Company's preferred share (par value plus share premium) before ordinary shareholders. In case assets and/or cash are inadequate to return to all convertible preferred shareholders, such assets and/or cash will be proportionately allocated to preferred shareholders.
 - 4.2 Any assets and/or cash thereafter remaining will be distributed to ordinary shareholders who shall be entitled to receive up to the par value of such ordinary shares plus an amount up to the share premium of the preferred shares. In case assets and/or cash are inadequate to return to all ordinary shareholders, such assets and/or cash will be proportionately allocated to ordinary shareholders.
 - 4.3 The remaining assets and/or cash after the payment of the clauses 4.1 and 4.2 will be distributed proportionately based on number of shares held to all shareholders, including preferred share and ordinary shareholders.

According to the resolution at the Extraordinary Shareholders' Meeting on 26 June 2003, the preferred share can be converted into an ordinary share. The Company has registered for the conversion of the 178,571,000 preferred shares with a par value of Baht 1 per share totalling Baht 178,571,000 to 178,571,000 ordinary shares with a par value of Baht 1 per share totalling Baht 178,571,000 with the Ministry of Commerce on 4 May 2005.

16. Legal reserve

Under the Public Companies Act, the Company is required to set aside as a legal reserve at least 5 percent of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10 percent of the registered capital. The legal reserve is not distributable as dividend. The Company will set aside its net profit as a legal reserve when the Board of Directors pass a resolution to approve the reserve.

17. Other operating income

	Consolidated		Company	
	2005	2004	2005	2004
	Baht'000	Baht'000	Baht'000	Baht'000
Gain on finance lease	2,884,779	-	-	-
Expenses claimed from tenants	171,743	184,154	61,422	54,613
Management income	57,795	9,964	134,072	84,230
Other	192,543	129,399	162,361	135,448
	<u>3,306,860</u>	<u>323,517</u>	<u>357,855</u>	<u>274,291</u>

The details of gain on finance lease is as follows:

	2005
	Baht'000
Cash receipt from finance lease of building and utility system	4,944,616
<u>Less</u> Costs of building and utility system	<u>(2,059,837)</u>
Gain before income tax	2,884,779
<u>Less</u> Income tax presented under income tax	<u>(865,855)</u>
Net gain on finance lease	<u>2,018,924</u>

18. Interest expense

	Consolidated		Company	
	2005	2004	2005	2004
	Baht'000	Baht'000	Baht'000	Baht'000
Interest expense				
- Bonds	164,792	117,464	164,792	117,464
- Financial institution borrowings	378,732	341,835	19,127	35,859
- Related parties	-	-	125,588	92,880
	<u>543,524</u>	<u>459,299</u>	<u>309,507</u>	<u>246,203</u>

19. Operating profit

The following expenditures, classified by nature, have been charged in arriving at operating profit:

	Consolidated		Company	
	2005	2004	2005	2004
	Baht'000	Baht'000	Baht'000	Baht'000
Depreciation on property and equipment (Note 11)				
- owned assets	962,159	890,742	188,687	154,083
- owned assets leased under operating leases	102,439	85,098	2,760	24,965
Staff costs	465,035	373,185	323,600	251,213
Impairment charge on other investment and projects under development (included in administrative expenses)	406,639	-	-	-
Contribution to provident fund	8,309	6,802	6,959	5,642
Doubtful debts on loan to related company	-	-	-	(9,959)
Amortisation of intangible assets				
- Negative goodwill (included in other operating income, Note 12)	(6,659)	(6,659)	-	-
- Assets usage right (included in expense, Note 12)	7,708	-	-	-

20. Income tax

Income taxes in the consolidated and the Company's statement of income are stated as follows:

	Consolidated		Company	
	2005	2004	2005	2004
	Baht'000	Baht'000	Baht'000	Baht'000
Current tax charge	512,436	472,353	345,410	316,237
Deferred tax	770,339	(110,416)	(19,091)	(13,022)
Tax adjustment of subsidiaries	-	37,216	-	37,216
Share of tax of subsidiaries	-	-	956,456	58,722
Income tax charge	<u>1,282,775</u>	<u>399,153</u>	<u>1,282,775</u>	<u>399,153</u>

The calculation of income tax in the consolidated and company statements of income are as follows:

	Consolidated		Company	
	2005	2004	2005	2004
	Baht'000	Baht'000	Baht'000	Baht'000
Profit before tax	<u>4,416,881</u>	<u>1,746,897</u>	<u>1,089,285</u>	<u>1,046,459</u>
Tax calculated at a tax rate of 30%	1,325,064	524,069	326,786	313,938
Income not subject to tax	(417,584)	(265,630)	-	-
Expenses not deductible (deductible) for tax purposes	375,295	142,462	(467)	(10,723)
Tax adjustment of subsidiaries	-	37,216	-	37,216
Utilised tax losses	-	(38,964)	-	-
Share of tax of subsidiaries	-	-	956,456	58,722
Income tax	<u>1,282,775</u>	<u>339,153</u>	<u>1,282,775</u>	<u>339,153</u>

21. Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year. Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

	Consolidated		Company	
	2005	2004	2005	2004
Basic Earnings per share				
Net profit attributable to shareholders (Baht' 000)	3,294,545	1,347,744	3,294,545	1,347,744
Weighted average number of ordinary shares in issue ('000 shares)	2,118,640	2,000,245	2,118,640	2,000,245
Basic earnings per share (Baht)	<u>1.56</u>	<u>0.67</u>	<u>1.56</u>	<u>0.67</u>
Diluted Earnings per share				
Net profit attributable to shareholders (Baht' 000)	3,294,545	1,347,744	3,294,545	1,347,744
Weighted average number of ordinary shares for diluted earnings per share ('000 shares)	2,118,640	2,178,816	2,118,640	2,178,816
Diluted earnings per share (Baht)	<u>1.56</u>	<u>0.62</u>	<u>1.56</u>	<u>0.62</u>

On 4 May 2005, the Company has registered for the conversion of the 178,571,000 preferred shares to 178,571,000 ordinary shares (Note 11), therefore, there are no preferred shares as at 31 December 2005.

For the calculation of the diluted earnings per share, for the year ended 31 December 2004 the weighted average number of shares assuming conversion of all dilutive potential common shares is 2,178,816,000 shares.

22. Dividends

At the Annual General Meeting on 28 April 2005, the shareholders approved the payment of a dividend in respect of 2004 of Baht 0.25 per share totaling Baht 545 million (2004: Baht 1.10 per share totaling Baht 479 million). The Company paid dividend on 25 May 2005.

23. Cash flows from operating activities

Reconciliation of net profit for the year ended 31 December to cash flows from operating activities:

	Notes	Consolidated		Company	
		2005	2004	2005	2004
		Baht	Baht	Baht	Baht
Net profit		3,294,544,580	1,347,743,615	3,294,544,580	1,347,743,615
Interest expense		543,523,949	459,298,924	309,507,166	246,203,269
Income tax		1,282,775,420	399,152,885	1,282,775,420	399,152,885
Minority interest		(160,439,373)	(18,866,114)	-	-
Profit before interest and tax		4,960,404,576	2,187,329,310	4,886,827,166	1,993,099,769
Adjustments for:					
Depreciation, amortisation and impairment		1,475,385,622	950,788,691	205,922,782	207,631,538
Doubtful debts (reversal)		(929,877)	(621,731)	(81,160)	1,664,686
Write-off of unclaimed withholding tax		-	20,930,604	-	-
Gain on sales and financial lease of fixed assets		(2,896,199,414)	-	-	-
Doubtful debts on loan to related parties		-	-	-	(9,958,614)
Recognition of unearned income		(250,966,870)	(243,400,808)	(76,028,818)	(76,567,739)
Share of (profit) of subsidiaries, joint ventures and associate	7	(83,227,460)	-	(3,488,034,990)	(700,438,261)
Amortisation of negative goodwill	12	(6,658,676)	(6,658,676)	-	-
Gain on disposal of investments		(3,271,074)	(651,510)	(3,271,074)	-
Changes in operating assets and liabilities:					
- trade accounts receivable		(31,592,694)	4,181,189	9,998,201	(21,134,126)
- other current assets		(506,388,842)	(131,100,229)	(65,583,758)	(18,023,831)
- other assets		(216,332,080)	24,414,021	2,213,445	(138,561)
- trade accounts payable		5,313,954	1,147,287	1,635,148	(166,017)
- other current liabilities		(938,384,937)	395,167,745	(220,110,988)	56,117,762
- unearned rental and service income		1,939,323,547	138,246,664	(71,091,821)	(45,090,219)
- deposit from customers		19,998,245	183,596,278	61,609,064	54,159,632
- guarantee for leasehold		1,215,445	(27,678,440)	-	-
Cash generated from operations		<u>3,467,689,465</u>	<u>3,495,690,395</u>	<u>1,244,003,197</u>	<u>1,441,156,019</u>

24. Segment information

Financial information by business segments

For the year ended 31 December 2005

	Rental and services	Food and beverage	Consolidated
	Baht'000	Baht'000	Baht'000
Revenues	6,001,511	420,176	6,421,687
Segment results	2,824,223	96,743	2,920,966
Interest income			54,911
Other income			3,306,860
Share of profit of investment in associate			83,227
Unallocated costs			(1,405,559)
Operating profit			4,960,405
Interest expense			(543,524)
Profit before tax			4,416,881
Income tax			(1,282,775)
Group profit			3,134,106
Minority interest			160,439
Net profit			<u>3,294,545</u>
Fixed assets by segment (As at 31 December 2005)	23,083,617	2,725	23,086,342
Total assets by segment (As at 31 December 2005)	33,349,116	27,178	33,376,294

The Group operates only in Thailand. Therefore, no geographical segmental information is presented as secondary information. The Group is organised into two main business segments:

- Development of shopping center buildings, office building and condominiums for rent including provision of utility services, operator of play land and water theme park in the shopping center buildings;
- Sales of food and beverage

Selling price between segments is based on market rates with a discount not exceeding 10%.

Financial information by business segments

For the year ended 31 December 2005

	Rental and services	Food and beverage	Consolidated
	Baht'000	Baht'000	Baht'000
Revenues	5,447,496	386,556	5,834,052
Segment results	2,585,952	92,366	2,678,318
Interest income			31,938
Other income			323,517
Unallocated costs			(846,443)
Operating profit			2,187,330
Interest expense			(459,299)
Profit before tax			1,728,031
Income tax			(399,153)
Profit after tax			1,328,878
Minority interest			18,866
Net profit			<u>1,347,744</u>
Fixed assets by segment (As at 31 December 2004)	23,855,944	4,634	23,860,578
Total assets by segment (As at 31 December 2004)	27,075,715	28,576	27,104,291

25. Financial instruments

The principal financial risks faced by the Group are interest rate 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.

In 2003, the Group did not use financial instruments to reduce uncertainties over future cash flows arising from movements in interest rates. However, in 2005, the Group entered into an interest rate swap contract that entitles it to receive interest at floating rates on a notional principal amount of Baht 1,910 million and obliges it to pay interest at a fixed rate of 5.25% per annum (floating rate was 5.5%). Under the swap contract, the difference in interest amount between the fixed rate and the floating rates (bank minimum lending interest rate minus 1%) is calculated by reference to the agreed notional principal amounts.

As at 31 December 2005, the remaining terms of the interest rate swap contracts were 9 months, and their aggregate fair value, which has been calculated by a bank assuming the contracts are terminated at the balance sheet date, was an asset of Baht 3.3 million.

a) 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.

b) Liquidity risks

The liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments.

c) Fair values

The carrying amounts of the following financial assets and financial liabilities approximate to their fair values: cash and cash at banks, investments, trade accounts receivables and payables, other receivables and payables, loans to subsidiaries, short term borrowings and floating interest rate long-term borrowings. Information on the fair values of borrowings is included in Note 13.

26. Related party transactions

Enterprises and individuals that directly or indirectly, through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Related companies are the companies which have common directors, who have authority in making financial and operating decision. The related companies which have trading transactions could be grouped as follows:

- Central Department Store Group
- Fast Food Group
- Big C Super Center Group
- Retail Group and others

The Group enters into transactions with related companies in the normal course of business. Significant transactions for the years ended 31 December can be summarised as follows:

a) Rental, services and management income

For the year ended 31 December	Consolidated		Company	
	2005	2004	2005	2004
	Baht'000	Baht'000	Baht'000	Baht'000
Rental and service income Subsidiaries				
Central Realty Service Co., Ltd.	-	-	60,465	55,890
Central Food Avenue Co., Ltd.	-	-	16,468	24,660
Other subsidiaries	-	-	17,945	5,974
	<u>-</u>	<u>-</u>	<u>94,878</u>	<u>86,524</u>
Joint Ventures				
Central Pattana Chonburi Co., Ltd.	213	-	355	-
Central Pattana Rama III Co., Ltd.	-	218	-	6
	<u>213</u>	<u>218</u>	<u>355</u>	<u>6</u>
Related parties				
Central Department Store Group	151,282	173,449	46,235	32,427
Fast Food Group	117,624	100,501	57,830	51,539
Central Plaza Hotel Company Limited	28,537	21,027	25,783	21,027
Retail Group and others	323,332	251,841	116,354	96,569
	<u>620,775</u>	<u>546,818</u>	<u>246,202</u>	<u>201,562</u>
	<u>620,988</u>	<u>547,036</u>	<u>341,435</u>	<u>288,092</u>

Rate of rental service and utilities services charged per square meter of shopping center for the years ended 31 December 2005 and 2004, which the Company and its subsidiaries charge to related companies and other connected shops and/or nearby shops on the same floor are at rates close to those charged to other connected shops and/or nearby shops on the same floor. These rates are determined according to location, lease space, lease term, timing and type of lease.

For the year ended 31 December	Consolidated		Company	
	2005	2004	2005	2004
	Baht'000	Baht'000	Baht'000	Baht'000
Management fee Subsidiaries				
Bangna Central Property Co., Ltd.	-	-	13,188	-
Central Pattana Rama III Co., Ltd.	-	-	8,095	-
Central Realty Service Rama III Co., Ltd.	-	-	3,472	-
Central Pattana Rama II Co., Ltd.	-	-	10,642	19,143
Central Realty Service Co., Ltd.	-	-	33,456	28,431
Central Pattana Chiangmai Co., Ltd.	-	-	9,849	9,992
	<u>-</u>	<u>-</u>	<u>78,702</u>	<u>57,566</u>
Joint Ventures				
Central Pattana Rama III Co., Ltd.	-	5,828	-	14,569
Central Realty Service Rama III Co., Ltd.	-	2,406	-	6,016
	<u>-</u>	<u>8,234</u>	<u>-</u>	<u>20,585</u>
Related parties				
Central Department Store Group	3,650	766	3,650	766
Others	45	180	45	180
	<u>3,695</u>	<u>946</u>	<u>3,695</u>	<u>946</u>
	<u>3,695</u>	<u>9,180</u>	<u>82,397</u>	<u>79,097</u>

Management and consultant fees are charged at the rates being charged by other companies in the similar business.

b) Cost of rental and services

For the year ended 31 December	Consolidated		Company	
	2005	2004	2005	2004
	Baht'000	Baht'000	Baht'000	Baht'000
Cost of rental and services Subsidiaries				
Thai Business Fund 2	-	-	153,337	144,772
Central Pattana Rama II Co., Ltd.	-	-	46,452	-
	<u>-</u>	<u>-</u>	<u>199,789</u>	<u>144,772</u>
Related parties				
Central Department Store Group	19,202	19,439	19,009	16,455
Retails Group and others	54,462	12,579	50,298	50,211
	<u>73,664</u>	<u>32,018</u>	<u>69,307</u>	<u>66,666</u>
	<u>73,664</u>	<u>32,018</u>	<u>269,096</u>	<u>211,438</u>

Rental and service from the above companies were carried out at the rates charged to third parties.

c) Cost of food and beverage

For the year ended 31 December	Consolidated		Company	
	2005	2004	2005	2004
	Baht'000	Baht'000	Baht'000	Baht'000
Related parties				
Central Department Store Group	40	12		-
	<u>40</u>	<u>12</u>	<u></u>	<u>-</u>

Transactions in food and beverage with the above companies were carried at commercial terms and at market price.

d) Other income and other expenses

For the year ended 31 December	Consolidated		Company	
	2005	2004	2005	2004
	Baht'000	Baht'000	Baht'000	Baht'000
Subsidiaries				
Interest income		-	92,189	35,867
Other income		-	50,922	93,356
Administrative expenses		-	(16,175)	(687)
Interest expenses		-	(53,976)	(92,879)
Associate				
Gain on finance leases	2,884,779	-	-	-
Joint Ventures				
Interest income	1,254	1,396	416	-
Other income	2,850	373	2,852	16,276
Administrative expenses	(176)	(14,227)	-	-
Interest expenses	(17,045)	(127)	(16,206)	(3,172)
Related parties				
Interest income	202	44	181	-
Other income	37,516	32,018	23,144	19,158
Administrative expenses	(73,664)	(52,685)	(69,307)	(50,640)

Interest expense was mostly paid to the Thai Business Fund 2 at minimum lending rate (MLR) - 1% per annum. Administrative expense charged from related companies are mostly paid to the Central Group at the rate of 0.8% of consolidated incomes of the Group but not less than Baht 3 million per month.

During this year, the subsidiaries have entered into finance lease agreements with a Property Fund which resulted in a gain in the consolidated financial statements totalling Baht 2,885 million.

Other income were charged at the rate being charged by other companies in the business. Selling and administrative expenses are charged at cost.

e) Directors' remuneration

In 2005, the total salaries and other benefits, including directors' fee shown as an expense in the statements of income, of the directors and management was Baht 54.23 million (2004 : Baht 38.31 million).

f) Outstanding balances arising from rental, services and management fee (Note 5)

	Consolidated		Company	
	2005	2004	2005	2004
	Baht'000	Baht'000	Baht'000	Baht'000
Accounts receivable Subsidiaries				
Bangna Central Property Co., Ltd.	-	-	4,358	6,776
Central Pattana Chiangmai Co., Ltd.	-	-	3,861	6,614
Central Realty Service Co., Ltd.	-	-	3,530	2,544
Centralworld Plaza Co., Ltd.	-	-	3,125	2,164
Central Pattana Rattana Thibet Co., Ltd.	-	-	1,347	1,000
Centralworld Tower Co., Ltd.	-	-	711	1,467
Central Pattana Rama II Co., Ltd.	-	-	697	11,630
Central Realty Service Rama III Co., Ltd.	-	-	470	654
Central Pattana Rama III Co., Ltd.	-	-	133	7,623
Other subsidiaries	-	-	1	60
Related parties				
Central Department Store Co., Ltd.	22,177	7,861	4,869	1,577
Central Plaza Hotel Co., Ltd.	163	433	159	433
Others	2,880	5,044	1,261	5,809
	<u>25,220</u>	<u>13,338</u>	<u>24,522</u>	<u>48,351</u>

g) Loans to related parties

Movement of loans to related parties during the year is as follows:

	Consolidated		Company	
	2005	2004	2005	2004
	Baht'000	Baht'000	Baht'000	Baht'000
Short-term and long-term loans				
Beginning balance	29,341	16,194	3,612,651	2,207,688
Loans made to related parties	11,083	13,147	2,953,874	2,461,015
Loans payments	(31,630)	-	(2,701,722)	(1,056,052)
Ending balance	<u>8,794</u>	<u>29,341</u>	<u>3,864,803</u>	<u>3,612,651</u>

Outstanding balance as at 31 December :

	Consolidated		Company	
	2005	2004	2005	2004
	Baht'000	Baht'000	Baht'000	Baht'000
Short-term loans to subsidiaries				
The Thai Business Fund 5	-	-	160,494	174,876
Advances to related parties	8,794	29,341		-
Total short-term loans	<u>8,794</u>	<u>29,341</u>	<u>160,494</u>	<u>174,876</u>
Long-term loans Loans to subsidiaries and joint venture				
Centralworld Tower Co., Ltd.	-	-	1,795,183	1,554,440
Central Pattana Rattana Thibet Co., Ltd.	-	-	789,164	405,924
Centralworld Plaza Co., Ltd.	-	-	552,168	536,443
Central Pattana Chiangmai Co., Ltd.	-	-	321,019	383,157
Central Pattana Khon Kaen Co., Ltd.	-	-	224,789	213,965
Central Pattana Chonburi Co., Ltd.	-	-	21,986	9,654
Central Pattana Rama II Co., Ltd.	-	-	-	334,192
	<u>-</u>	<u>-</u>	<u>3,704,309</u>	<u>3,437,775</u>
Loans to related party				
Siam Retail Development Co., Ltd.	162,739	162,739	162,739	162,739
Less: Allowance for doubtful accounts	<u>(162,739)</u>	<u>(162,739)</u>	<u>(162,739)</u>	<u>(162,739)</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total long-term loans	<u>-</u>	<u>-</u>	<u>3,704,309</u>	<u>3,437,775</u>
Total loans to related parties	<u>8,794</u>	<u>29,341</u>	<u>3,864,803</u>	<u>3,612,651</u>

Loans to subsidiaries and related parties are unsecured and denominated in Thai Baht, except a loan to Central Pattana Khon Kaen Co., Ltd., a subsidiary, which is secured by plots of land owned by the subsidiary with a net book value of land of Baht 326 million (2004: Baht 326 million). All loans are repayable on demand. Loans to subsidiaries wholly owned by the Company carry interest at the Company's fixed deposit rate. Loans to other subsidiaries and related companies carry interest at the Company's borrowing rate.

Loans to Siam Retail Development Co., Ltd., (SRDC) represent subordinated shareholders' loans in the Group's shareholding proportion. As of 31 December 2005, the Group holds an investment in ordinary shares representing 15% of the total shares outstanding of SRDC where a restructuring of its debts with its lenders has been completed. However, according to the restructuring plan the Group will receive certain amounts over a very long period of time resulting in an uncertainty in future settlement. Therefore, management has decided to make full allowance for doubtful account.

h) Loans from related parties

Movement of loans from related parties during the year is as follows:

	Consolidated		Company	
	2005	2004	2005	2004
	Baht'000	Baht'000	Baht'000	Baht'000
Beginning balance	2,899	2,740	1,459,221	2,051,048
Loan received	143	159	8,710,630	193,113
Loan payment	-	-	(786,400)	(784,940)
Ending balance	<u>3,042</u>	<u>2,899</u>	<u>9,383,451</u>	<u>1,459,221</u>

During this year, the Company has loans from subsidiaries which are unsecured and denominated in Thai Baht and are payable on demand. They carry interest at 3 months bank's fixed deposit rate.

Outstanding balance as at 31 December

	Consolidated		Company	
	2005	2004	2005	2004
	Baht'000	Baht'000	Baht'000	Baht'000
Advance and short-term loan				
Loans from subsidiaries				
Central Pattana Rama II Co., Ltd.	-	-	3,876,319	-
Thai Business Fund 2	-	-	159,228	158,990
Central Realty Service Co., Ltd.	-	-	-	112,894
Loans from related parties				
Fairy Plaza Co., Ltd.	813	774	-	-
Others	2,229	2,125	-	-
Total short-term loans from related parties	<u>3,042</u>	<u>2,899</u>	<u>4,035,547</u>	<u>271,884</u>
Long-term loans				
Loans from subsidiary				
Central Pattana Rama III Co., Ltd.	-	-	3,579,326	-
Thai Business Fund 2	-	-	812,782	971,772
Central Realty Service Co., Ltd.	-	-	604,796	-
Central Realty Service Rama III Co., Ltd.	-	-	351,000	-
Loans from joint venture				
Central Pattana Rama III Co., Ltd.	-	-	-	215,565
Total long-term loans from related parties	<u>-</u>	<u>-</u>	<u>5,347,904</u>	<u>1,187,337</u>
Total	<u>3,042</u>	<u>2,899</u>	<u>9,383,451</u>	<u>1,459,221</u>

Loans from related parties are unsecured and denominated in Thai Baht and are repayable on demand. Loan from joint venture is repayable in 10 years. The loan from joint venture carries interest at the lower of bank's fixed deposit rate plus 1% per annum or 4% per annum. Loans from subsidiaries and loans from other related parties carry interest at 3 months bank's fixed deposit rate. Loans from funds carry interest rates at 5.0% - 7.0% per annum.

Short-term loans from related parties are unsecured and denominated in Baht. The loans are repayable on demand and carry interest at the rate of Fixed Deposit Rate and Minimum Lending Rate (MLR) minus 1%.

Long-term loans from joint venture is unsecured and denominated in Baht. The loan repayment period is 10 years by equal installment and the loans carry interest at the rate of 2% per annum.

i) Related party transactions

In December 2004, a subsidiary of the Group has entered into Memorandum of Understanding (MOU) with Central Plaza Hotel Public Company Limited to lease or sublease its leasehold land and part of its construction located at Centralworld Plaza for 29 years. According to the agreement, the potential lessee agreed to use land and its constructions to develop a hotel, a parking lot and a convention hall.

As at 31 December 2005, the details of the master agreement have been agreed.

27. Principal subsidiaries, joint ventures and associate undertaking

Subsidiaries included in the consolidated financial statements comprise the following:

		Paid up capital		Percentage of direct and indirect holding	
		31 December 2005	31 December 2004	31 December 2005	31 December 2004
	Business	Million Baht	Million Baht	%	%
Subsidiaries					
Central Pattana Rama II Co., Ltd.	(1)	1,500.0	1,500.0	100.0	100.0
Central Pattana Chiangmai Co., Ltd.	(1), (2) and (4)	1,000.0	1,000.0	100.0	100.0
Langsuan Realty Co., Ltd.	(3)	830.0	830.0	100.0	100.0
Central Pattana Rattana Thibet Co., Ltd.	(1)	800.0	590.0	100.0	100.0
Central Realty Service Co., Ltd.	(2)	1.0	1.0	100.0	100.0
Central Food Avenue Co., Ltd.	(4)	1.0	1.0	100.0	100.0
Bangna Central Property Co., Ltd.	(1) to (5)	402.0	402.0	99.0	99.0
Centralworld Tower Co., Ltd.	(1)	1,850.0	900.0	92.5	93.3
Centralworld Plaza Co., Ltd.	(2) and (4)	1,000.0	850.0	92.5	80.0
Central Play Land Co., Ltd.	(1) and (5)	518.0	518.0	100.0	100.0
Central Pattana Khon Kaen Co., Ltd.	(1)	260.0	260.0	78.1	78.1
Central Pattana Nine Square Co., Ltd.	(1)	402.0	402.0	60.0	60.0
Central Pattana Rama III Co., Ltd.	(1)	126.7	126.7	100.0	60.5
Central Realty Service Rama III Co., Ltd.	(2)	175.0	175.0	100.0	60.5
Associate					
CPN Retail Growth Property Fund	(6)	10,915.0	-	33.0	-
Joint Ventures					
Central Pattana Chonburi Co., Ltd.	(1)	315.1	315.1	60.0	60.0

		Paid up capital		Percentage of direct and indirect holding	
		31 December 2005	31 December 2004	31 December 2005	31 December 2004
	Business	Million Baht	Million Baht	%	%
Funds					
The Thai Business Fund 1	(6)	-	253.7	-	60.5
The Thai Business Fund 2	(6)	302.5	351.9	100.0	100.0
The Thai Business Fund 4	(6)	4,600.0	1,575.0	100.0	100.0
The Thai Business Fund 5	(6)	320.7	348.7	100.0	100.0

Paid up capital of and percentage of holding in The Thai Business Fund 1, The Thai Business Fund 2, The Thai Business Fund 4 and The Thai Business Fund 5 are capital of, and holdings in, units that have rights to receive dividends after all other classes of unit holders.

Main business

- (1) Construction of shopping center buildings for rent
- (2) Provision of utilities services in shopping centers
- (3) Construction of condominiums and shop houses for rent
- (4) Sales of food and beverage
- (5) Operator of play land and water theme park on shopping center
- (6) Investment in real estate

28. Contingent liabilities

Guarantee

- (a) As at 31 December 2005, the Company and its subsidiaries have contingent liabilities in respect of letters of guarantees issued by banks in favor of a state enterprise for the consumption of electricity totaling Baht 169 million (2004: Baht 156 million).
- (b) As at 31 December 2004, the Company has entered into a performance guarantee agreement for the debts and obligations of joint ventures as follows:
 - Central Pattana Rama III Co., Ltd. and its subsidiary under the Building Lease Agreement and System Lease Agreement made between Central Pattana Rama III Co., Ltd. and its subsidiary and Thai Business Fund 1
 - Central Pattana Rama III Co., Ltd. and its subsidiary under the Property Management Agreement made between Central Pattana Rama III and its subsidiaries and Thai Business Fund 1.

The debts and obligations under the above guarantee to Central Pattana Rama III Co., Ltd. and its subsidiary are limited to the total amount of Baht 392 million which is proportionate to the Company's interest in Central Pattana Rama III Co., Ltd. and its subsidiaries.

As at 31 December 2005, the Company has no obligations of joint ventures under this agreement since a performance guarantee agreement has been cancelled and also the Thai business Fund 1 has been liquidated in this year.

- (c) As at 31 December 2005, the Company has entered into a loan guarantee agreement for subsidiaries totalling Baht 6,339 million (2004: Baht 4,892 million).

Litigation

The significant litigation of the Company and the Group as at 31 December 2005 is as follows:

- (d) In 1996, a local company filed a case with the court against the Company for breach of rental agreement amounting to Baht 83.4 million. The Company filed a counter-claim with the court against that company for damages of Baht 2.5 million. In October 2001, the first court gave its verdict in favor of the Company. However, in September 2004, the appeal court gave a verdict in favor of a counter party. At present, the case has been appealed to the supreme court.

29. Commitments**Capital commitments**

Capital expenditure contracted for at the balance sheet date but not recognised in the financial statements is as follows:

	Consolidated		Company	
	2005	2004	2005	2004
	Million Baht	Million Baht	Million Baht	Million Baht
Property and equipment	<u>2,111</u>	<u>961</u>	<u>-</u>	<u>-</u>

Operating lease commitments - where a group company is the lessee

The future minimum lease payments under non-cancelable operating lease are as follows:

	Consolidated		Company	
	2005	2004	2005	2004
	Million Baht	Million Baht	Million Baht	Million Baht
Not later than 1 year	181	181	324	324
Later than 1 year and not later than 5 years	1,027	914	1,296	1,296
Later than 5 years	<u>14,919</u>	<u>15,213</u>	<u>324</u>	<u>648</u>
	<u>16,127</u>	<u>16,308</u>	<u>1,944</u>	<u>2,268</u>

The above minimum lease payments exclude lease commitments of the suspended projects which are under negotiation for renewal of contracts as detailed in (a) and (b).

- (a) The Group has 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 thirty years ending in May 2027. Under the conditions in the agreement, the Group paid advance rental which is presented in the balance sheets under Property and equipment - Project under development and has to pay monthly rental. The rental will be increased every five years at the rate of 10% of the latest month rental. However, this project has been suspended.
- (b) The Group has entered into a land lease agreement with a local company. Land was leased for the construction of a shopping center for lease. The lease agreement was for a period of 30 years ending in June 2030. Under the conditions in the agreement, the Group paid advance rental which is presented in the balance sheet under Project under development, and has to pay monthly rental. The rental will be increased every 3 years at the rate of 15% of the latest rental. The agreement can be renewed for the same period that the lessor can renew it from the landlord. The lessor would obtain the rights of buildings and improvements thereon at the lease expiration date. During 2005, the Group has not paid the lease payments under this agreement since the project has been temporarily suspended. The lease term and conditions are under consideration to be amended by both parties.

- (c) The Group has entered into three lease agreements with third parties for construction of shop buildings for lease and shophouses. Two land lease agreements were for a period of thirty years ending in August 2025 and in July 2030, respectively. One other agreement is for a lease of shophouses for a period of 26 years ending in July 2021. Under the conditions in the agreements, the Group has to pay advance rental which are presented in the balance sheets under Property and equipment - Project under development and guarantee for leasehold right. In addition, the Group has to pay monthly rental which it will be revised every 5 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 deposit amounting to Baht 298.6 million from the 21st year of lease to the 30th year of lease. The lease agreements can be renewed for a period of not less than 15 years through a one year advance written notification before expiration. The lessor will obtain the ownership rights of buildings and improvements thereon at the lease expiration date.
- (d) In 2003, the Group has entered into a land and building lease agreement with The Bureau of the Crown Property as lessee. The lease agreement was for a period of thirty years ending in December 2032 which the Group has to pay monthly rental. Under the conditions in the agreement the agreement can be renewed for another 30-year period. The lessor obtains the ownership rights of building and improvements on the first day of lease.
- (e) In 2002, the Company has entered into a lease agreement of Central Plaza Pinklao shopping center building with a related company, Thai Business Fund 2. The lease agreement is for a period of 3 years ending in December 2004. Under the conditions in the agreement, the Company has to pay monthly rental. The rental rate can be revised either up or down from January 2003, at a rate not exceeding 15% of the average rental of the previous year. The agreement can be renewed for a 3-year period at a time but not over 10 years in total. To warrant the Company's performance regarding its obligations under this agreement, the Company transferred its right on the land where the shopping center was located and Central Realty Service Company Limited, a subsidiary, mortgaged its utility systems as collateral.

30. Interest in joint ventures

The following amounts represent the Group's share of the assets and liabilities and revenue and expenses of the joint ventures which are included in the consolidated balance sheets and income statements:

	Consolidated	
	2005	2004
	Baht'000	Baht'000
Current assets	1,386	512,412
Non-current assets	277,696	1,404,982
Current liabilities	(22,485)	(54,689)
Non-current liabilities	(3,852)	(1,168,527)
Revenues	2,838,688	465,656
Expenses	(513,284)	(430,290)
Profit before tax	2,325,404	35,366
Taxation	(26,583)	(4,985)
Net profit	<u>2,298,821</u>	<u>30,381</u>

The average number of employees in joint ventures in 2005 was 123 persons (2004: 108 persons).

31. Information on quality of assets

The quality of assets classified in accordance with the guidelines of the Securities Exchange Commission as at 31 December 2005 and 2004 are as follows;

Investment in equity securities

Consolidated

2005					2004				
Net asset					Net asset				
		Cost	value	Allowance			Cost	value	Allowance
	Number	Baht'000	Baht'000	Baht'000		Number	Baht'000	Baht'000	Baht'000
Companies which									
have defaulted on									
interest payment	3	131,647	(123,751)	(131,647)	3	131,647	(140,458)	(131,647)	
	<u>3</u>	<u>131,647</u>	<u>(123,751)</u>	<u>(131,647)</u>	<u>3</u>	<u>131,647</u>	<u>(140,458)</u>	<u>(131,647)</u>	

The net asset value is derived from net asset value attributable to the Group, based on the financial statements for the year ended 31 December 2004 which were audited by another independent auditor (As at 31 December 2004 : based on the audited financial statements for the year ended 31 December 2003).

32. Post balance sheet event

At the Board of Directors Meeting on 23 February 2006, the Board of Directors approved the payment of a dividend in respect of 2005 operating results of Baht 0.40 per share totaling Baht 871.53 million.

Mr. Vanchai Chirathivat
Chairman**Present**

- Honorary Chairman, Malee Sampran Pcl.
- Chairman, Central Group of Companies
- Chairman, Harng Central Department Store Ltd.
- Chairman, Central Trading Co., Ltd.
- President, Executive Director, Central Plaza Hotel Pcl.
- Honorary Chairman, Post Publishing Pcl.

Mr. Anek Sithiprasasana
Vice Chairman**Experience**

- Deputy Minister of Interior
- Chairman of The Board of Directors, The Mass Communication Organization of Thailand
- Permanent Secretary of The Prime Minister's Office
- Permanent Secretary of The Minister of Interior's Office
- Director General of The Department of Local Administration

Mr. Suthichai Chirathivat
Director
Executive Chairman**Present**

- Executive Chairman, Central Group of Companies
- Executive Director, Post Publishing Pcl.
- Executive Director, Central Plaza Hotel Pcl.

Experience

- Vice Chairman & CFO, Central Group of Companies
- Assistant General Manager, Harng Central Department Store Ltd.
- Manager, Central Department Store-Silom Branch
- Assistant Manager, Central Department Store-Silom Branch

Mr. Paitoon Taveebhol
Independent Director
Chairman of Audit Committee**Present**

- Board Member, Mater Dei Institute
- President, The Alumni Association of Business Administration, Ramkhamhaeng University

Experience

- Managing Director, BT Business Consulting Co., Ltd.
- Managing Director, Arthur Andersen Business Advisory Ltd.
- Director and Executive Director, SGV-Na Thalang Co., Ltd.
- Vice President, The Institute of Certified Accountants and Auditors of Thailand
- Vice President, The Institute of Internal Auditors of Thailand
- Secretary General and Council Member of the Institute of Certified Accountants and Auditors of Thailand
- President, The ASEAN Federation of Accountants
- Secretary General and Council Member of The ASEAN Federation of Accountants

Mr. Chackchai Panichapat
Independent Director
Audit Committee Member
Chairman of Nomination and Remuneration Committee**Present**

- Director and Executive Director, Amata Corporation Pcl.
- Independent Director, Saha Union Pcl.
- Independent Director and Chairman of the Audit Committee, City Sports and Recreation Pcl.
- Independent Director and Member of the Audit Committee, Magnecomp Precision Technology Pcl.
- Independent Director and Member of the Audit Committee, Kang Yong Electric Pcl.
- Independent Director, Thitikorn Pcl.

Experience

- Deputy Secretary General of the Board of Investment

Mrs. Sunandha Tulayadhan

Independent Director

Audit Committee Member

Nomination and Remuneration Committee Member

Present

- WPP Country Chairman, Thailand and Vietnam

Experience

- Chairman, Ogilvy & Mather Group, Thailand and Vietnam
- Regional Executive Board Member, Ogilvy & Mather Asia Pacific
- Director, Ogilvy & Mather Worldwide Board

Mr. Suthikiati Chirathivat

Director

Executive Vice Chairman

Present

- Chairman of the Executive Board, Central Hotels & Resorts Group
- Chairman of the Executive Board, Central Restaurant Group
- Executive Vice Chairman, Central Group of Companies
- Chairman Executive Committee, Post Publishing Pcl.

Experience

- One of the founders of Central Plaza Lardprao
- The first importer; and originated BARCODE system in Thailand
- Former Head of Thai Retailers Association
- Founder of Food Franchises in Thailand (KFC, Mister Donut, Baskin Robbins)

Social Status

- Honorary Doctoral Degree of Philosophy in Mass Communications
- Member of the National Legislative Assembly (1991-1992)
- Served as Senator (1992-1996)
- Director, Assumption Association
- Director of Thai Tourist Industry Association
- Director of Thai Hotels Association
- Member of Old England Students Association

Mr. Suthichart Chirathivat

Director

Nomination and Remuneration Committee Member

Executive Director - Human Resources

Present

- Chairman, Big C Super Center Pcl.
- Director, Central Plaza Hotel Pcl.
- Director and Treasurer - Billiard Sports Association of Thailand
- Director, The Vintage Club Co., Ltd.

Experience

- President, Thai Retailers Association
- Chairman, Committee on Retail Business Thai Chamber of Commerce
- Advisor Board of Trade of Thailand
- Director and Treasurer - Foundation For Environment Preservation

Mr. Sudhisak Chirathivat

Director

Nomination and Remuneration Committee Member

Executive Director - Operation

Present

- Executive Director, Central Group of Companies
- Executive Director, Central Plaza Hotel Pcl.
- Director, Central Retail Logistics Co., Ltd.
- Director, Harnng Chiangmai Department Store Ltd.
- Director, Central Garment Factory Co., Ltd.
- Director, Central Trading Co., Ltd.

Experience

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

Mr. Sudhitham Chirathivat

Director

Nomination and Remuneration Committee Member

Executive Director - Operation

Present

- Executive Director, Central Group of Companies
- Director, Central Holding Co., Ltd.
- Board of Directors of TT&T Pcl.
- Director, Central Plaza Hotel Pcl.
- Executive Director, The Vintage Club Co., Ltd.

Experience

- Managing Director & CEO Central Pattana Pcl.
- Vice President, Store Planning & Operations, Marketing and Merchandising, Harg Central Department Store Ltd.
- Manager, Marketing & Operations, Central Pattana Co., Ltd
- President, Thai Shopping Center Association
- Chairman, Coffee Partners Co., Ltd. (Starbucks-Thailand)
- President, Rotary Club of Bangkok
- Director, The Thai Chamber of Commerce

Mr. Kanchit Bunajinda

Director

Nomination and Remuneration Committee Member

Present

- Director, Private Equity (Thailand) Co., Ltd.
(An Affiliate of Lombard Investment, Inc.)
- Director, Preuksa Real Estate Pcl.
- Independent Director, United Broadcasting Corporation Pcl.

Experience

- Senior Vice President, Heading the Financial Institutions group and the Mergers & Acquisition practice, Merrill Lynch Phatra Co., Ltd. (Now changed to Phatra Securities Pcl.)

Mr. Prin Chirathivat

Director

Nomination and Remuneration Committee Member

Executive Director - Finance

Present

- Executive Director, Central Plaza Hotel Pcl.
- Director, General Card Service Ltd.
- Executive Director, Central Retail Corporation Ltd.
- Director, Malee Sampran Pcl.
- Director, Indara Insurance Pcl.
- Executive Director, Central Group of Companies
- Director, Dhanamitr Factoring Pcl.
- Chairman of Audit Committee, Bualuang Securities Pcl.
- Advisory Committee, Marketing for Alternative Investment (MAI)
- Chiangrai Rajabhat University Steering Support Committee, Chiangrai Rajabhat University

Experience

- Executive Director, Interlife John Hancock Assurance Pcl.
- Executive Director, Harg Central Department Store Ltd.
- Investment Banking, Bualuang Securities Pcl.

Mr. Kobchai Chirathivat

Director

President & Chief Executive Officer

Present

- Director, Central Holding Co., Ltd.

Experience

- Chief Operating Officer & Executive Vice President, Central Pattana Pcl.
- Senior Vice President - New Business Development, Central Pattana Pcl.
- Director-Property Management, Central Pattana Pcl.
- Deputy Managing Director, Central Trading Co., Ltd.
- Marketing Manager, Central Trading Co., Ltd.
- Assistant Branch Manager, Central Trading Co., Ltd.

Mr. Naris Cheykin

Secretary to the Board of Directors

Senior Executive Vice President, Finance & Accounting

Experience

- Senior Vice President - Accounting, Siam City Bank Pcl.
- Director and Executive Director, Siam City Insurance Co., Ltd.
- Director & Vice President, Thai Wah Pcl.
- Group Financial Controller, Tanayong Pcl.
- Computer Audit Supervisor, SGV Na Thalang Co., Ltd.

Mr. Sudthidej Chirathivat

Senior Executive Vice President, Business Development
& Project Construction

Experience

- Executive Vice President, Business Development and Construction Management, Central Pattana Pcl.
- Vice President - Leasing, Central Pattana Pcl.
- Leasing Manager, Bangna Central Property Co., Ltd.
- Vice President, Food Park Co., Ltd.
- Vice President - Leasing and Marketing, Central Trading Co., Ltd.

Mr. Terachart Numanit

Executive Vice President, Project Construction

Experience

- Project Director - Itochu (Thailand)
- Special Project Director - K-Tech Construction & Engineering Co., Ltd.
- Chief Estimate - John Holland (Thailand)
- Project Manager - New York City, Transit Authority, NY, USA
- Project Engineer - Parson Brinckerhoff, NY, USA

Mr. Sudhipak Chirathivat

Executive Vice President, Leasing

Experience

- Executive Vice President - Business Development, Central Pattana Pcl.
- Vice President - Business Development, Central Pattana Pcl.
- Senior Leasing and Marketing Manager, Central Pattana Pcl.
- Executive Vice President, Thai International Fast-Food Co., Ltd.
- Executive Vice President, Central Garment Factory Co., Ltd.
- Marketing Manager, Central Garment Factory Co., Ltd.

Mr. Prawit Janyasittikul

Executive Vice President, Marketing

Experience

- Vice President - Promotion, Central Pattana Pcl.
- Vice President - Promotion and Advertising, Harg Central Department Store Ltd.
- Promotion Manager, Harg Central Department Store Ltd.
- Speaker for Asia Business Forum

Ms. Wallaya Chirathivat

Executive Vice President, Business Development

Experience

- Executive Vice President - Central Retail Corporation Ltd.
- Co-Chief Executive Officer - Tops Supermarket
- Managing Director - Central Supermarket
- Vice President - Central Department Store Co., Ltd.

Company	As	Address
Common Share & Preferred Share		
1 Thailand Securities Depository Co., Ltd.	Registrar	2/7 Moo 4 (Northpark Project) Vibhavadi - Rangsit Rd., Tung Song Hong, Bangkok, 10210 Tel 0-2596-9343-63
Unsecured Debentures		
1 Siam Commercial Bank Pcl.	CPN066A's Registrar	9 Ratchadapisek Rd., Lardyao, Chatuchak, Bangkok, 10900 Tel 0-2544-3942
2 TMB Bank Pcl.	CPN093A & CPN10DA's Registrar	393 Silom Road, Bangrak, Bangkok, 10500 Tel 0-2230-5575
3 Bank Thai Pcl.	CPN074A & CPN074B's Registrar	44 Langsuan Rd., Lumpini, Patuwan Bangkok, 10330 Tel 0-2626-7502-3
Auditors and Risk Management Advisor		
1 PricewaterhouseCoopers ABAS Ltd.	Auditors and Risk Management Advisor	15th Floor Bangkok City Tower 179/74-80, South Sathorn Rd., Sathorn, Bangkok, 10120 Tel 0-2286-9999
Credit Rating Company		
1 TRIS Rating Co., Ltd.	Company and Issue Rating	Silom Complex Building, 24th Floor, 191 Silom Rd., Bangkok 10500 Tel. 0-2231-3011

Reference Firms

1. CENTRAL PLAZA LARDPRAO

General Manager: Mr.Athivut Suwanchinda
Address: 1693 Phaholyothin Rd., Chatuchak, Bangkok 10900
Tel: + 66 (0) 2937-1555 Fax: + 66 (0) 2541-1341

2. CENTRAL PLAZA RAMINDRA

General Manager: Ms.Wanphen Kawbuakaew
Address: 109/10 Moo 3, Ramindra Rd., Bangkhen, Bangkok 10220
Tel: + 66 (0) 2552-5503 Fax: + 66 (0) 2552-5513

3. CENTRAL CITY BANGNA

General Manager: Mrs.Nujaree Maratanalert
Address: 1091, 1093 Moo 12, Bangna-Trak (KM3), Bangna, Bangkok 10260
Tel: + 66 (0) 2361-0888 Fax: + 66 (0) 2398-8941

4. CENTRAL PLAZA PINKLAO

General Manager: Ms.Oranee Poolkwan
Address: 7/222 Baromrachachonnane Rd., Bankoknoi, Bangkok 10700
Tel: + 66 (0) 2884-8100 Fax: + 66 (0) 2884-8486

5. CENTRAL FESTIVAL CENTER PATTAYA

General Manager: Mr.Sarun Tuntijumnun
Address: 78/54 Moo 9, Pattaya 2 Rd., Banglamung, Chonburi 20260
Tel: + 66 (0) 3836-1443 Fax: + 66 (0) 3836-1443 # 1225

6. CENTRAL AIRPORT PLAZA CHIANGMAI

General Manager: Ms.Orachorn Chanwiwattana
Address: 2 Mahidol Rd., Haiya, Muang, Chiangmai 50100
Tel: + 66 (0) 5399-9199 Fax: + 66 (0) 5399-9122-3

7. CENTRAL PLAZA RATCHADA RAMA III

General Manager: Mr.Suchin Mekasuwanroj
Address: 79 Sathupradit Rd., Chongnonsee, Yannawa, Bangkok 10120
Tel: + 66 (0) 2673-6000 Fax: + 66 (0) 2673-6009

8. CENTRAL PLAZA RAMA II

General Manager: Mr.Thanasombat Sanitwongse
Address: 128 Moo 6, Rama II Rd., Samaedum, Bangkhuntian, Bangkok 10150
Tel: + 66 (0) 2866-4300 Fax: + 66 (0) 2872-4560

9. CENTRALWORLD

Assistant to Vice President: Mr.Amorn Amornkul
Address: 4 Rajdamri Rd., Patumwan, Bangkok 10330
Tel: + 66 (0) 2255-9500 Fax: + 66 (0) 2255-9500 # 1885

10. CENTRAL TOWN RATTANATHIBET

General Manager: Mr.Surasit Manawatanakij
Address: 68/100 Moo 8, Rattathibet Rd., Bangkrasor, Muang, Nonthaburi 11000
Tel: + 66 (0) 2526-6003-12 Fax: + 66 (0) 2526-6092

Existing Projects

