



CENTRAL PLAZA HOTEL  
PUBLIC COMPANY LIMITED



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Discover  
our secrets  
and share

**CENTARA**  
HOTELS & RESORTS



**ANNUAL REPORT**  
**2014**



# AWARDS

# 2014



**TTG Asia 2014**  
Best Beach Resort in Asia :  
Centara Grand Beach  
Resort & Villas Hua Hin

Sustainable Travel  
Company of the Year Award  
Centara Hotels & Resorts



**MATATO Maldivian Award**  
Leading All Inclusive award :  
Centara Grand Beach  
Resort & Spa Maldiv



**Travel Mole :  
Best Website Award**  
Centara Hotels & Resorts



**Trip Advisor Award of Excellence**  
19 Centara Hotels & Resorts



**Smoke Free Hotel Award**  
10 Centara Hotels & Resorts



**Smart Travel Asia Award**  
5 Centara Hotels & Resorts



**The Green Leaf Health**  
Promotion Hotel - Golden Star Award :  
7 Centara Hotels & Resorts



**Earthcheck Silver Certificate**  
10 Centara Hotels & Resorts



**Asean Green Award**  
Centara Grand Beach  
Resort & Villas Hua Hin



**World Luxury Spa Award**  
Centara Ras Fushi  
Resort & Spa Maldives



**Thailand Tatler Best Restaurant Award**  
Centara Grand & Bangkok Convention  
Centre at CentralWorld



**Thailand Spa & Well-being Award 2014**  
2 Centara Hotels & Resorts

# 2013

- VIRGIN HOLIDAYS AWARD
- TTG TRAVEL AWARDS
- TRIPADVISOR CERTIFICATION
- MARTTRAVELASIA.COM AWARD
- THAILAND TOURISM AWARD
- MATATO MALDIVIAN TOURISM AWARD
- THAILAND SPA & WELL-BEING AWARD
- THAILAND ENERGY AWARD
- BEST WELLNESS SPA AWARD: ASIA PACIFIC

# 2012

- VIRGIN HOLIDAYS AWARD
- TTG TRAVEL AWARDS
- TRIPADVISOR CERTIFICATION
- WORLD LUXURY SPA AWARDS
- SMART TRAVEL ASIA.COM AWARD

# 2011

- FAR EAST HOTEL GROUP OF THE YEAR
- ASIA HOTEL FORUM AWARD
- WORLD TRAVEL AWARDS 2011
- EARTH CHECK SILVER CERTIFICATE
- TTG TRAVEL AWARDS
- GOLDEN AWARD 2011
- SOUTHEAST ASIA'S INSTITUTIONAL INVESTOR COPORATE AWARDS (THAILAND)
- THE 8TH THAILAND TOURISM AWARD
- THE GREEN LEAF GOLDEN AWARD
- GREEN ACCOMMODATIONS GOLD CLASS AWARD
- 2011 THAILAND BEST RESTAURANTS

# CONTENTS

## DIRECTORS' REPORT

Financial Highlights	4	Board of Directors	8
Message from the Chairman	6		

## BUSINESS REVIEW

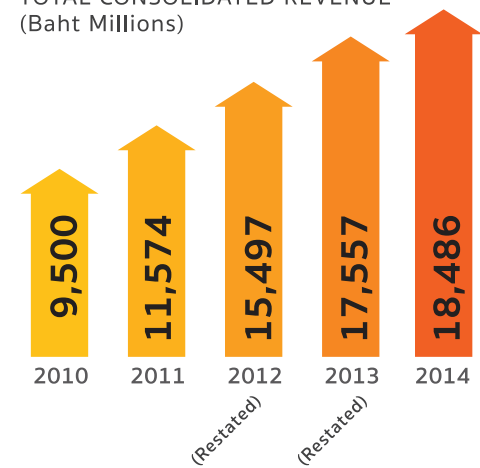
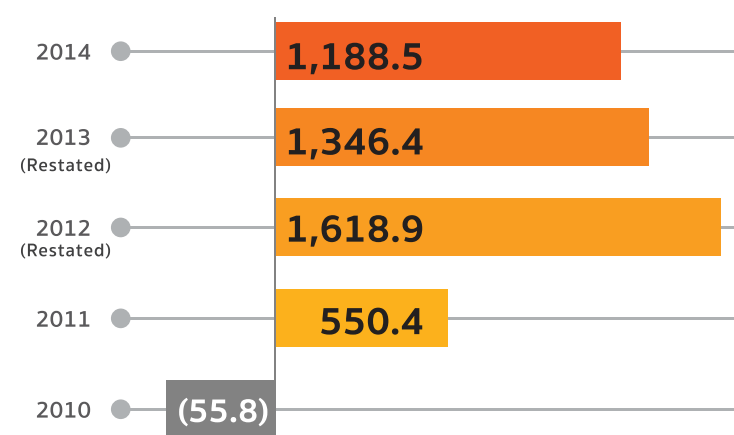
Message from Cheif Executive Officer of Centara Hotels & Resorts	12	Message from Cheif Executive Officer of Central Restaurants Group.Co.Ltd.	36
Hotel Business Group History	14	Restaurant Business Group History	38
Thailand's Tourism Industry Overview	20	Restaurant Business Overview	40
Centara Family	22	Business And Compitition Situation	40
Performance Highlights	24	2014 Performance Report	41
Group Business Development by Centara International Management (CIM)	26	Restaurant Family	42
Group Marketing	27	Business Development	44
Sustainable Development Development of Hotel Business	28	Sustainable Development Development of Restaurant Business	46
Sustainable Development Development of Human Resources	32		

## FINANCIAL STATEMENTS

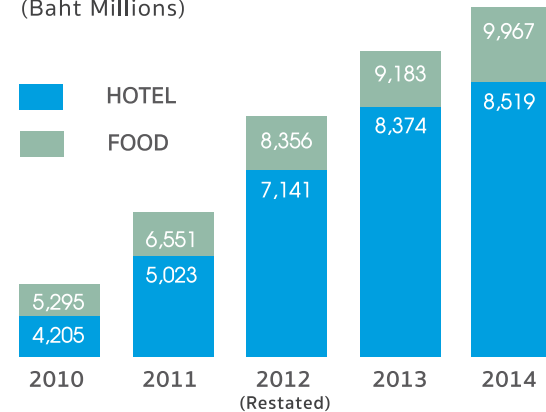
Report of the Audit Committee	50	Statement of Changes in Shareholders' Equity	63
Report of the Nomination and Compensation Committee	52	Statement Cash Flows	65
Report of the Enterprise Risk Mangement Committee	53	Note to the Consolidated and Company Financial Statements	68
Report of Responsibility of the Board of Directors to Financial Statements	54	Analysys and Explanation of Financial Status and Operating Results	148
Auditor's Report	57	Nature of Business	162
Statement of Financial Position	58	Revenue Structure	164
Statement of Comprehensive Income	61	Risk Factors	166

## CORPORATE GOVERNANCE

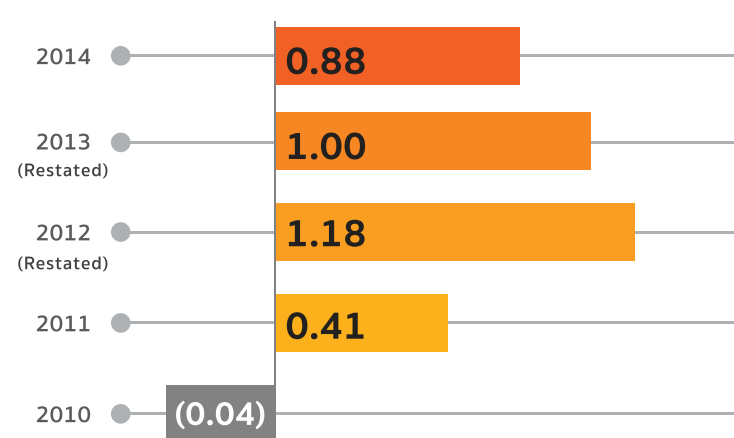
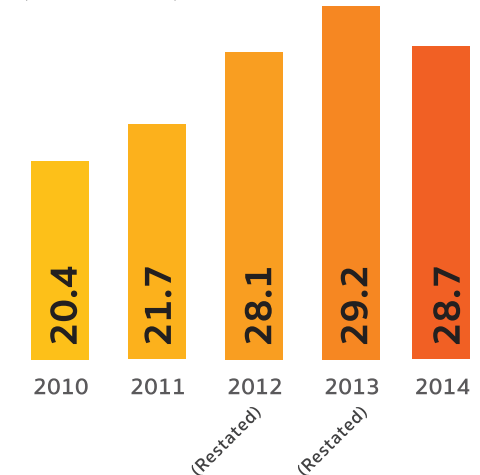
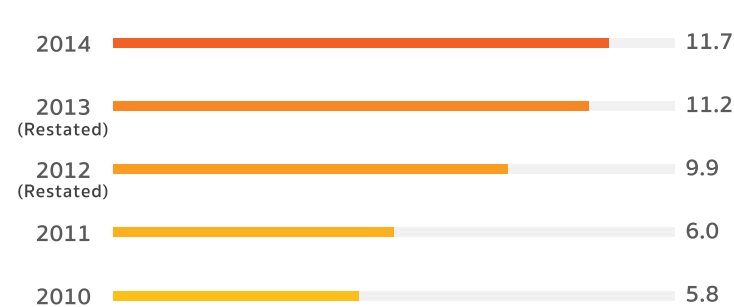
Corporate and Management Structure	170	Connected Transactions	218
Director Biography	186	General Information of Business Held	232
List of Shareholders	197	Company's General Information	236
Remuneration of the Directors and Management	198	Information of Debentures	237
Auditor's Fee	200	Other Reference Firms	238
Good Corporate Governance	201	Corporate Management	239

TOTAL CONSOLIDATED REVENUE  
(Baht Millions)NET PROFIT (LOSS) AFTER TAX  
(Baht Millions)

2014 Extra - Ordinary gain totaling Baht 33.7 million\*  
 2012 Extra - Ordinary gain totaling Baht 632 million\*  
 2013, 2011 and 2010 Extra - Ordinary loss totaling Baht 12.4, 55 and 25.2 million respectively.\*

HOTEL AND FOOD REVENUE  
(Baht Millions)

TOTAL : 18,486

EARNINGS (LOSS) PER SHARE  
(Baht)TOTAL CONSOLIDATED ASSETS  
(Baht Billions)SHAREHOLDERS EQUITY  
(Baht Billions)

\* Detail As Shown In ANALYSIS AND EXPLANATION OF THE FINANCIAL STATUS and OPERATION RESULT SECTION

# FINANCIAL HIGHLIGHTS

(Unit : Million Baht)

	2014		2013 (Restated)		2012 (Restated)	
	Consolidated	Separated	Consolidated	Separated	Consolidated	Separated
<b>Operating Results</b>						
Revenues from sales	18,282.8	2,030.6	16,981.4	2,204.2	14,389.3	1,989.7
Total revenues	18,486.3	3,047.1	17,557.4	3,618.3	15,496.9	3,210.4
Gross profit	9,875.4	1,187.3	9,451.5	1,306.9	7,849.9	1,154.7
Earnings before interest expenses and income tax	2,162.2	1,019.8	2,335.8	1,438.2	2,370.7	1,162.2
Net profit (loss)	1,188.5	662.6	1,346.4	966.0	1,618.9	699.2
<b>Financial Position</b>						
Total assets	28,708.9	15,555.7	29,224.4	15,927.3	28,205.2	16,459.8
Total liabilities	16,992.7	8,768.7	18,006.6	9,251.6	18,233.5	10,338.2
Interest bearing debts <sup>(1)</sup>	10,256.1	6,976.5	11,507.8	7,423.5	12,053.6	8,373.3
Shareholders' equity	11,716.2	6,787.0	11,217.8	6,675.6	9,971.7	6,121.6
Retained earnings <sup>(2)</sup>	5,626.0	3,540.1	4,977.5	3,417.5	4,036.1	2,852.3
Weighted Average Number of ordinary shares (million shares)	1,350	1,350	1,350	1,350	1,350	1,350
<b>Key Financial Ratios</b>						
Net profit margin (%) <sup>(3), (4)</sup>	6.2%	12.8%	7.7%	14.7%	6.4%	11.4%
Return on assets (%) <sup>(4)</sup>	4.0%	4.3%	4.6%	6.1%	3.5%	4.2%
Return on equity (%) <sup>(4)</sup>	9.9%	9.8%	12.1%	14.5%	9.9%	11.4%
Interest bearing debts / Equity (times)	0.9	1.0	1.0	1.1	1.2	1.4
Total liabilities / Equity (times)	1.5	1.3	1.6	1.4	1.8	1.7
Earnings (loss) per share (Baht)	0.88	0.49	1.00	0.72	1.18	0.52
Dividend per share (Baht)	n/a	TBA	n/a	0.4	n/a	0.3
Book value per share (Baht)	8.68	5.03	8.31	4.94	7.39	4.53

(1) Interest bearing debts in Consolidated and Separated financial statements include loans from related parties.

(2) Retained earnings include appropriated retained earnings for legal reserve.

(3) Net profit margin in Separated financial statements exclude dividend income, land rental expenses payable to the property fund and loss from guarantee provision.

(4) Net profit margin, Return of assets and Return on equity in Consolidated financial statements were excluded extra-ordinary items as follows:

FY/2014 - extra-loss from investment in property fund accounted for equity method and gain from business acquisition and gain on re-measuring to fair value of investments totaling Baht 33.7 million.

FY/2013 - extra-loss from investment in property fund accounted for equity method totaling Baht 12.4 million.

FY/2012 - loss from guarantee provision, extra-loss from investment in property fund accounted for equity method and gain from business acquisition and gain on re-measuring to fair value of investments totaling Baht 632.0 million.



# MESSAGE FROM THE CHAIRMAN

Dear Shareholders,

Once again, Central Plaza Hotel Public Company Limited (CENTEL) has had another extremely successful year, one of continued growth and refinement of our business performance. The company's hotel division, Centara Hotels and Resorts (CHR), has been especially active and flourishing during 2014, with dramatic growth visible across a range of markets, while our many business partners benefitted from our Thai-influenced service orientation and expertise.

As noted, during 2014, we expanded our hotel businesses into a variety of neighboring countries, including those beyond the AEC area, and across many accommodation categories; moving confidently from the budget hotel and beachside resort sector, right through to convention centres, functional city accommodation, and four and five-star hotels; while maintaining our strong reputation as a provider of top-quality hotel facilities and services.

During 2014, the Company has continued to consolidate its mastery of its two main businesses – hotels/resorts, and food service. We are one of the largest quick service restaurant operators in Thailand, across all market segments from light to full-menu providers. One of our main emphasis over the past year has been to use our restaurant expertise and reach to expand the international awareness and presence of Thai cuisine. As Thai cuisine in general is highly regarded globally, the Company has a clear opportunity to become a dominant, branded factor in the continuing growth of Thai food appeal; not only to our neighboring countries but also increasingly across Europe and North America.

In closing, I would like to take this opportunity to thank our shareholders, business partners, valued customers, management and staff for all their support and outstanding contributions that helped the company attain its excellent position today.



**(Mr. Suthikiati Chirathivat)**  
Chairman of the Board





# BOARD OF DIRECTORS



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1. Mr. Suthiporn Chirathivat  
Honorary Advisor  
of Board Committee

2. Khunging Suchitra Mongkolkiti  
Honorary Advisor  
of Board Committee

3. Prof. Viroj Lowhaphandu  
Honorary Advisor  
of Board Committee

4. Mr. Suthikiati Chirathivat  
Chairman of The Board

5. Mr. Suthichai Chirathivat  
Vice Chairman

6. Mr. Thirayuth Chirathivat  
Member of Risk Management and Corporate  
Governance Committee  
Chief Executive Officer

7. Mr. Suthichart Chirathivat  
Director

8. Mr. Sudhisak Chirathivat  
Director

9. Mr. Sudhitham Chirathivat  
Director  
Member Nomination and  
Compensation Committee  
Member of Risk Management  
and Corporate Governance  
Committee

10. Mr. Prin Chirathivat  
Director  
Member of Nomination and  
Compensation Committee  
Member of Risk Management  
and Corporate Governance  
Committee

11. Mr. Bhisit Kuslasayanon  
Independent Director  
Chairman of Audit Committee  
Member of Nomination and  
Compensation Committee

12. Dr. Chanvitaya Suvarnapunya  
Independent Director  
Chairman of Nomination and  
Compensation Committee  
Member of Audit Committee

13. Mr. Vichien Tejapaibul  
Independent Director  
Member of Audit Committee  
Member of Nomination and  
Compensation Committee

14. Mr. Gerd Kurt Steeb  
Independent Director



# HOTEL BUSINESS OVERVIEW





## MESSAGE FROM CHIEF EXECUTIVE OFFICER OF CENTARA HOTELS & RESORTS

The year 2014 is another year in which we at Centara Hotels & Resorts can take pride in further expansion. We have taken significant steps into the Middle East, we have expanded into Laos, and we have increased our presence in Indonesia. During the course of the year we have signed management contracts for 12 hotels, in accordance with our strategies and goals set during the previous year. We now have 75 hotels and resorts in 11 countries: Thailand, Vietnam, Indonesia, Laos, Sri Lanka, Maldives, Mauritius, China, Ethiopia, Qatar and Oman. Within this same year we have opened five new hotels under management contracts, both in Thailand and overseas, which have been well received from our business partners and customers.

As always throughout our company history we remain focused on Thai entity and services, or "Thainess". This is one of the key factors that have led to us receiving numerous awards from international bodies such as TTG Asia and TripAdvisor.

In addition, we attach importance to environmental conservation and sustainable development. As a result we have received environmental awards from organisations such as EarthCheck, and from numerous Thai governmental bodies. Travellers throughout the world take environmental responsibility as a criterion for making a decision on which hotel and resort services to use.

Despite the economic impact on tourism in early 2014 due to the political unrest, we managed to increase our revenues and make satisfactory profits, thanks to sound management practices.

I would like to take this opportunity to thank all our customers and our business partners for their continuing support and goodwill. I also add my warmest thanks and appreciation to our executives and staff, whose support and dedicated working efforts have driven our company to grow strongly and to succeed. I firmly believe that in 2015 our company will continue to grow and to be increasingly recognised internationally as a strong Thai brand.



**(Mr. Thirayuth Chirathivat)**  
Chief Executive Officer  
Centara Hotels & Resorts



# HOTEL BUSINESS GROUP HISTORY



## HISTORY

Centara Hotels & Resorts has its origins in a venture that was begun late in the 1970s by Central Group at a large plot of land in Bangkok's Chatuchak district. The company was aiming to create a first for Thailand, with a megamall, a five-star hotel, and a convention centre. With the Thai economy having been in some turmoil during most of the decade, as indeed had the world economy, the venture was viewed as being a considerable risk.

The hotel and convention centre comprised a significant portion of the massive total project that revolved around the Central Plaza shopping complex, a project championed by Samrit, the oldest brother of the Chirathivat family. Construction of the entire project was being carried out in near simultaneous fashion, and the success of each element was inextricably interconnected.

By this period, Central had become an increasingly familiar retail name with Thai consumers, and shoppers could choose from five Central Department Store branches in Bangkok - Wang Burapar, Rachaprasong, Silom, Chidlom and Lad Ya.

Elsewhere in the city, small shops were still pervasive, and this was especially the case with the Ladprao district, a growing residential and business suburb on the northern side of Bangkok. For the Chirathivat family, the new Ladprao shopping mall was a bold bet that the city's shoppers would embrace an entirely new retail model.

Construction of a hotel with a minimum of 600 rooms, plus a convention centre, had been part of the terms when purchasing the land. This represented a move in a challenging new direction for the Chirathivat family, who had no experience in hotels or convention centres. They did however have confidence that the tourism sector was on its way to becoming one of the country's largest revenue earners.

The Chirathivat family founded Central Plaza Hotel Pcl to handle this project, and the doors opened for the first time at what was initially the Hyatt Central Plaza & Bangkok Convention Centre on 23 April 1983. The name of the hotel was later changed to the Sofitel Centara Grand Bangkok, and was rebranded to its present name of Centara Grand at Central Plaza Ladprao Bangkok on 1 January 2012.

## ABOUT CENTARA HOTELS & RESORTS

Centara Hotels & Resorts is a leading Thailand-based hotel chain. The company is owned by Central Plaza Hotel Public Company Limited, which was founded in 1980. Initially the company operated under the brand name of Central Hotels & Resorts until rebranding as Centara Hotels & Resorts in 2007.

Central Plaza Hotel Pcl is a division of Thailand's largest retail conglomerate, Central Group, which is owned by the Chirathivat family.

Centara currently has 46 deluxe and first-class properties covering all the main tourism destinations in Thailand. A further 21 resorts in Maldives, Vietnam, Shanghai, Bali, Sri Lanka, Mauritius, Ethiopia, Qatar, Laos and Oman are either open or in the construction phase.

The company owns 15 of the properties under its name. The remainder are operated under management contracts.

Central Plaza Hotel Pcl has received a Royal Warrant of Appointment from His Majesty King Bhumibol Adulyadej, the first hotel company in Thailand to receive this honour.



In 1986 the family, urged by the fifth sibling, Suthikiati Chirathivat, decided to expand its hotel interests by acquiring the Railway Hotel in Hua Hin, which was being offered for leasehold tender by the State Railway.

The Railway Hotel was steeped in history, having originally opened in October 1922 when the newly laid railway line from Bangkok to Malaysia had turned the village of Hua Hin into Thailand's first beach resort.

Hua Hin had become a preferred destination for the Thai royal family and the country's aristocracy, and the hotel was an elegant architectural achievement regarded as one of the classic hotels of Asia. That gave Suthikiati a reason to believe Central Group should pursue the bid. He was convinced the company was capable of doing what was needed to restore the hotel to its heyday.

With the bid a success, the process of renovating the Railway Hotel began. Today branded as Centara Grand Beach Resort & Villas Hua Hin, and still with the elegance of the railway era, the lovely old property is a member of the Leading Hotels of the World, while Hua Hin itself has become one of Thailand's preferred tourism destinations for Thai and foreign visitors alike, noted for its air of quiet charm.

By the early 1990s, tourism was generating enormous demand for hotel rooms in Thailand, and the company decided on further expansion.

One of the most dramatic developments was the five-star hotel opened at Chaweng Beach on the island of Samui in 1995. Samui had until then been primarily a backpacker destination, but the hotel, now known as Centara Grand Beach Resort Samui, was one of the main catalysts for change. Occupying a prime position at Chaweng Beach, the hotel is now one of Samui's most successful and has been followed by two other Centara resorts on the island, Centara Villas Samui, and Centra Coconut Beach Resort Samui.

Not only was Central Group willing to invest in other hotels, there were hotel owners viewing the success of the group and wondering if the company could manage their properties. The group had progressed until this time as Central Hotels & Resorts, and had been a hotel-owning

company. As a hotel management company, now contemplating expansion through the acquisition of management contracts from other owners, the name "Central" could be considered misleading, especially if applied to secluded resorts. In 2007 the decision was made to change Central Hotels & Resorts to Centara Hotels & Resorts.

Centara Hotels & Resorts has in recent years pursued an asset-light expansion strategy through acquiring management contracts from other property owners in Thailand and overseas. The company also acquires ownership of other properties when suitable opportunities arise.

Late in 2009 Centara opened its first hotel overseas when it acquired ownership of an existing resort in the South Ari Atoll in Maldives and redeveloped the property as a five-star resort named Centara Grand Island Resort & Spa Maldives. The venture proved an immediate success, and a second property, Centara Ras Fushi Resort & Spa Maldives, has since opened near to the capital island Male. As an adults-only resort, Centara Ras Fushi caters for a different market to the family-friendly resort of Centara Grand Island.

Centara has identified the Indian Ocean as being a strategic part of its growth plan. There are two resorts in Mauritius, namely Centara Poste Lafayette Resort & Spa Mauritius and Centara Grand Azuri Resort & Spa Mauritius. Centara Ceysands Resort & Spa opened in Sri Lanka in 2014.

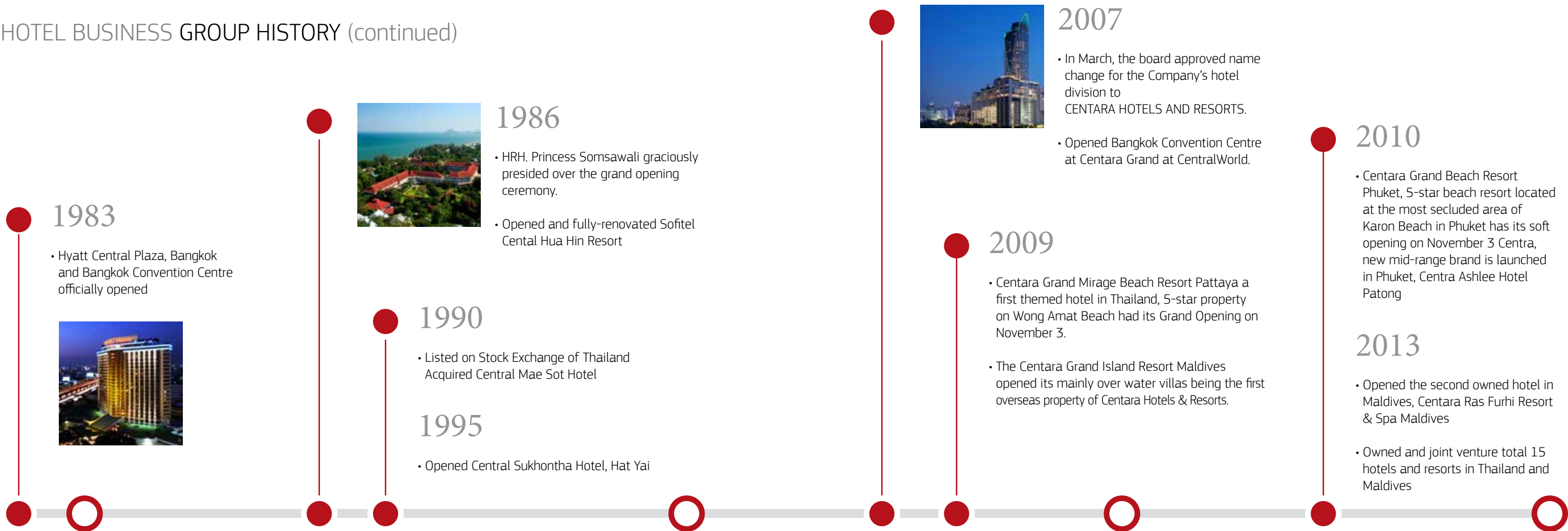
The company currently has two resort hotels open in Vietnam, namely Chen Sea Resort & Spa Phu Quoc, which is part of the Centara Boutique Collection and opened in 2011; and Sandy Beach Non Nuoc Resort Danang. Managed by Centara, which was acquired in 2012 and will be rebranded as a Centara resort when renovations are completed. Centara operates both these properties under management contracts.

Centara currently operates two resorts in Bali under management contracts: Centra Taum Seminyak Bali opened in 2012, and Centara Grand Nusa Dua Resort & Villas in 2014.

Further hotels are currently under construction in Thailand, Laos, Vietnam, Bali, Shanghai, Maldives, Sri Lanka, Ethiopia, Qatar and Oman.



HOTEL BUSINESS GROUP HISTORY (continued)



1983	• Hyatt Central Plaza, Bangkok and Bangkok Convention Centre officially opened	1998	• Created "Village" brand concept. • Purchased Central Butterfly Village, Koh Samui and commenced extension of 60 villas, total now • Rebranded the group as Central Hotels & Resorts.	2004	• Obtained construction permits for : Central Mirage Beach Resort, Pattaya Central Phuket Beach Resort, Phuket • Additional 10 suites – Novotel Central Sukhontha Hat Yai	2007	• In March, the board approved name change for the Company's hotel division to CENTARA HOTELS AND RESORTS. • Opened Bangkok Convention Centre at Centara Grand at CentralWorld. • Centara Kata Resort added 30 more rooms		
1986	• HRH. Princess Somsawali graciously presided over the grand opening ceremony. • Opened and fully-renovated Sofitel Cental Hua Hin Resort	1999	• Opened Central Karon Village, Phuket • Renamed Central Butterfly Village as Central Samui Village	2005	• Hotel Management Agreement for Central Duangtawan Hotel in Chiangmai on January 1. • Received first guests at Central Krabi Bay Resort on December 25.	2008	• The Centara Chaan Talay in Trat, managed by CHR, opened in March • Centara Grand at Central World and Bangkok Convention Centre (BCC), the new Flagship of the company celebrated its official Grand Opening on December 2 in the presence of HRH Princess Ubonrattana. • In December, Central Group renewed its lease with State Railway of Thailand with respect to the Central Plaza complex at Ladprao, Bangkok, which includes the Sofitel Centara Grand Bangkok for 20 years (to 2028) Entered into Joint Venture and Hotel Management Agreements for the Centara Grand Island Resort Maldives, scheduled to open in the second part of 2009.		
1988	• Entered into Hotel Management Agreement for Central Wong Amat Beach Resort	2000	• Moved Central Floating Hotel to East Timor and e-opened as Central Maritime Hotel, Dili, East Timor.	2006	• Sold Central Floating Hotel, Dili, East Timor. Acquisition through a JV with Lehman Brothers (50:50) for two hotels in Phuket, namely the Islandia 335 rooms, now Central Karon Beach Resort and the Jiva, 128 rooms, now Central Kata Resort.				
1990	• Listed on Stock Exchange of Thailand Acquired Central Mae Sot Hotel	2001	• Added 8 more villas to Central Karon Village, Phuket • Signed Franchise agreements for : Bangkok as Sofitel Central Plaza Hotel and Hat Yai as Novotel Central Sukhontha • Started construction of SKY HALL, exhibition facility at Sofitel Central Plaza Bangkok		• HRH. Princess Ubonrattana graciously presided over the grand opening ceremony of Central Krabi Bay Resort on November 12, 2006. • Major renovation of Central Hua Hin Village with upgrading to Pool Villas now The Villas at Sofitel Central Hua Hin Resort. • Upgrading of Central Samui Beach Resort and Central Samui Village through the addition of Pool Suites and Pool Villas, respectively.				
1993	• Purchased a newly built hotel in Los Angeles Became Public Company Limited	2002	• Major renovations at Central Samui Beach Resort and Sofitel Central Hua Hin Resort • Added new facilities to Sofitel Central Plaza, with a Centara Spa at Mezzanine level as well as Cencio Karaoke Lounge.						
1993/94	• Acquired Central Floating Hotel (a converted vessel)	2003	• Broke ground for Central Krabi Bay Resort a 5 star luxury property. • Opening of ZICO's Brazilian Grill and Bar in Samui. • Signed Agreement signed to develop the Central World Hotel at CentralWorld Plaza, including a 20,000 sqm. Convention and Exhibition Centre.						
1995	• Opened Central Sukhontha Hotel, Hat Yai					2009	• Centara Grand Mirage Beach Resort Pattaya a first themed hotel in Thailand, 5-star property on Wong Amat Beach had its Grand Opening on November 3. • The Centara Grand Island Resort Maldives opened its mainly over water villas being the first overseas property of Centara Hotels & Resorts. • Earlier in the year 2 management contract were signed for Bhundari Resort and Spa Samui property was taken over in April		
1996	• HRH. Princess Somsawali graciously presided over the grand opening ceremony of Central Samui Beach Resort • Sold Central Plaza hotel Los Angeles							2010	• Centara Grand Beach Resort Phuket, 5-star beach resort located at the most secluded area of Karon Beach in Phuket has its soft opening on November 3 Centra, new mid-range brand is launched in Phuket, Centra Ashlee Hotel Patong • Expansion of Centara Boutique Collection from 1 hotel to 12 hotels
									together with Centara Pariya Resort Koh Pha-Ngan Siripanna Villas Resort Chiang Mai a 5-star property, the first Centara Boutique Collection, opened on November 15. • The second overseas property, Moksha Himalaya Spa Resort, Centara Boutique Collection opened its Spa and hotel suites late in the year. • A second ZICO, Brazilian Grill and Steak Restaurant, opened at the Central Festival Shopping Centre, Pattaya.
								2011	• Centara Grand Beach Resort Phuket, 5-star beach resort located at the most secluded area of Karon Beach in Phuket has its soft opening on November 3 Centra, new mid-range brand is launched in Phuket, Centra Ashlee Hotel Patong • Opened first managed resort in Vietnam, Chen Sea Resort & Spa, Phu Quoc, Centara Boutique Collection • Opened first managed hotel in the Philippines, Centara Hotel Manila • Acquired 11 managed hotels & resorts in Thailand • Acquired 12 managed hotels & resorts overseas including new locations in Bali, Sri Lanka, China and Mauritius
								2012	• Opened first managed hotel in Mauritius, Centara Poste Lafayette Resort & Spa Mauritius • Opened Centara Hotel & Convention Centre Khonkaen
									2013
									• Opened the second owned hotel in Maldives, Centara Ras Furhi Resort & Spa Maldives • Opened managed hotel in Phang Nga, Centara Seaview Resort Khoa Lak • Opened 2 managed hotels in Bangkok; Centara Watergate Pavillion Hotel Bangkok and Centra Central Station Bangkok • Opened 2 managed hotels in Pattaya; Centara Grand Modus Resort & Spa Pattaya and Centara Grand Phratamnak Pattaya • Opened the second managed hotel in Mauritius; Centara Grand Azuri Resort & Spa Mauritius • Opened managed hotel in Sri Lanka; Centara Passikudah Resort & Spa Sri Lanka • Acquired 8 management contracts in Thailand • Acquired 2 management contracts in Ethiopia and Qatar • Owned and joint venture total 15 hotels and resorts in Thailand and Maldives • Managed total 51 hotels and resorts in Thailand, Vietnam, Indonesia, Sri Lanka, Maldives, China, Mauritius, Ethiopia and Qatar



HOTEL BUSINESS  
GROUP HISTORY 2014



Centara Blue Marine Resort & Spa Phuket

- 2014**
- Rebranded 4 star hotel in Phuket: Centara Blue Marine Resort Phuket (266 keys)
  - Opened managed hotel in Pattaya: Centra Avenue Hotel Pattaya (51 keys)
  - Opened 2 managed hotels in Mauritius and Sri Lanka:  
Centara Ceysand Resort & Spa Sri Lanka (165 keys)  
Centara Grand Auzri Residence & Suites Mauritius (100 keys)
  - Opened managed hotel in Indonesia: Centara Grand Nusa Dua Resort & Villas (14 keys)
  - Acquired 3 management contracts in Thailand (495 keys)
  - Acquired 8 management contracts overseas (Laos, Indonesia and Oman) (2,229 keys)

Ownership interest in 15 hotels and resorts; ie 13 in Thailand and 2 in the Maldives (3,825 keys)

Managed a total of 60 hotels and resorts in Thailand, China, Laos, Vietnam, Indonesia, Sri Lanka, Maldives, Mauritius, Ethiopia, Qatar and Oma (11,230 keys)

**Total portfolio 75 hotels and resorts 15,055 keys**



Centara Ceysands Resort & Spa Sri Lanka



# THAILAND’S TOURISM INDUSTRY OVERVIEW

The year 2014 was a difficult one for Thailand’s tourism industry, especially when compared to the previous year’s overall performance. In 2013 the tourism sector had grown enormously, with the number of tourist arrivals increasing by nearly 20 percent. Consequently, many predicted that the industry would continue to grow by as much as 12 percent in 2014, with the number of tourist arrivals as high as 27 or even 29 million. But the result sadly was in the opposite direction.

According to the Tourism Council of Thailand (TCT), the number of international arrivals in 2014 was 24.7 million, representing a decrease of about 6.9 percent over the previous year. In the first six months alone the shrinkage was about 12 percent. Total revenue from foreign tourists was 1.2 trillion baht, representing a 5 percent decrease in comparison to the previous year. These figures are much the same as those from the Department of Tourism, Ministry of Tourism and Sports.

The main factors that affected the tourism industry in the first quarter of the year were the political demonstrations and the announcement of the state of emergency. These significantly impacted the confidence of foreign tourists. Hotels near the protest areas faced booking cancellations of rooms and events venues from both the public and private sectors for the safety of visitors and participants.

The tourism sector received the greatest impact in the second quarter, after the announcement of the coup and martial law caused many countries to raise their travel warning for Thailand. The number of tourists declined as well as the number of inbound flights, as the airlines tried to adapt to the situation.

Although business and consumer confidence subsequently improved, the tourism sector remained subdued in the third quarter as martial law remained in place. Tourists were still not

confident of travelling to the Kingdom. In addition, the slowdown of the global economy resulted in a decline of tourists from Russia, Europe, Oceania, the Middle East and Africa.

Business began to pick up in the fourth quarter, which marked the first expansion after shrinking for three consecutive quarters. This resulted from the high season and the temporary exemption from paying visa fees for Chinese tourists travelling to Thailand. This increased the number of Chinese tourists, especially in Chiang Mai and other provinces, but tourism from Russia and Japan remained depressed through depreciation of the ruble and the yen, while poor economic performance significantly slowed down the volume of arrivals from parts of Europe.

The tourism industry in 2015 is expected by a number of organisations to improve. TCT has estimated about 28 million international tourists, a 15 percent increase, with the business generating revenue of about 1.3 trillion baht from foreign tourists and 800,000 million baht from local tourists. The key factor is the significant increase in the number of Chinese tourists while the risk factor is from the continuing lack of tourists from Europe and Russia.

The Office of the National Economic and Social Development Board believes the supportive factors are that tourists now have more understanding and confidence about the situation in Thailand, and that the costs of travelling are lower due to the decline in oil prices and the competition among low-cost airlines. Measures are being taken to tackle the problems of tourist exploitation and deception, and well-organised promotions of destinations and attractions will all help tourism in Thailand to recover in the next phase.

Year	Tourists		Revenue from the Tourism Industry	
	Total (persons)	% Δ	Total (Million)	% Δ
2008	14,584,220	+0.83	574,520.52	+4.88
2009	14,149,841	-2.98	510,255.05	-11.19
2010	15,936,400	+12.63	592,794.09	+16.18
2011	19,230,470	+20.67	776,217.20	+30.94
2012	22,353,903	+16.24	983,928.36	+26.76
2013	26,546,725	+18.76	1,207,145.82	+22.69
2014	24,779,768	-6.66	1,147,653.49	-4.93

Table summarising the number and income of foreign tourists year 2008-2014 (January to December\*)

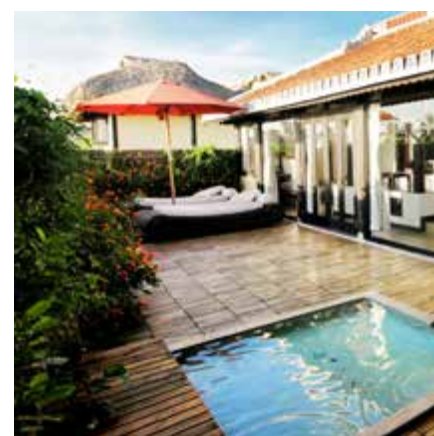
Source: Department of Tourism, Ministry of Tourism and Sports

References: The Bank of Thailand’s Business Report, the Office of the National Economic and Social Development Board, Department of Tourism Ministry of Tourism and Sports and the Tourism Council of Thailand.



# CENTARA FAMILY

Today, we have 6 different brands under the Centara family



## CENTARA GRAND HOTELS & RESORTS

Set in prime city and beachfront locations, all hotels and resorts in the Centara Grand category are five-star, offering outstanding facilities and service whilst assuring absolute value for our guests. Each Grand hotel has a number of restaurants, a luxurious Spa Cenvaree and a fitness centre, along with sports and game facilities.

## CENTARA HOTELS & RESORTS

Enjoying premium settings in city centre locations and beach and island destinations, our core range of hotels and resorts are all four-star category and provide a memorable experience in both facilities and service.

## CENTARA BOUTIQUE COLLECTION

Many people planning a luxury holiday in an exotic setting are looking for a hotel or resort other than the larger properties, somewhere that will reflect their own independence of mind, their own preferences for style and ambience, and their own needs for privacy. Our Boutique Collection is a series of distinctive properties designed to an intimate scale, imparting a residential quality.



## CENTARA RESIDENCE & SUITES

Conveniently located to attract the corporate and the leisure long-stay guest, these spacious serviced apartments offer value and provide a moderate level of facilities and services. There are two categories available, namely Centara Grand, which is five-star category; and Centara, which provides a four-star experience.



## CENTRA HOTELS & RESORTS

The Centra brand, as the contraction of the Centara name indicates, offers affordable hotels and resorts that provide a quality experience designed to exceed expectations but not over-deliver to a point superfluous to the needs of our guests.



## COSI HOTELS

The latest brand from Centara, COSI Hotels is designed for cost-conscious travellers who mostly do all their own bookings on-line and who are searching for pocket-friendly accommodation prices. Guests will feel comfortable and relaxed as an overall experience while staying at COSI.



# PERFORMANCE HIGHLIGHTS

Revenue from our hotel business in 2014 was 8,091 million Baht, which when compared to the 8,037 million Baht earned in 2013 represented an increase of 0.7 percent. Our profit on the 2014 earnings was 7,991.3 million Baht, an decrease of 11.7 percent over the previous year.

Our 15 company-owned hotels and resorts generated revenues that were up by 0.68 percent over the previous year to 7,991.3 million Baht, while revenues from hotel management fees increased by 17.3 percent to 220.1 million Baht.

The number of our company-owned and managed hotels and resorts increased during 2014 from 66 to 75 properties. We announced the acquisition of new management contracts in Vietnam, Laos and Bali, and took our first steps into the Middle East with properties in Oman and Qatar.

Our hotel business in Bangkok was heavily disrupted due to the anti-government demonstrations during Q1 and Q2. The business situation began to stabilise after the coup d'état on 22<sup>nd</sup> May.

The demonstrations resulted in the complete blockage of Ratchaprasong Road until the beginning of March, limiting access to Centara Grand and Bangkok Convention Centre at CentralWorld. The year for the hotel closed below target by 448.5 million Baht and showed a net profit of 12.9 million Baht, against a projected profit of 232 million Baht. The average room rate decreased by 1.73 percent compared to the 2013 figure, with occupancy at an average of 65.3 percent.

The occupancy and closure by demonstrators of the Energy Ministry and PTT building opposite Centara Grand at Central Plaza Ladprao Bangkok, and the attendant bad publicity internationally surrounding the unrest, resulted in a significant fall in revenue for the hotel. Compared to 2013, the total hotel revenue decreased

by 13 percent, to 914 million Baht. Occupancy was 60.6 percent, a decrease of 15.8 percent.

Centara Watergate Pavillion Hotel Bangkok also suffered for the first five months of what was the first fully operational year for the hotel, with an overall occupancy rate of 69.3 percent.

Our other two hotels in Bangkok are both under the Centra brand. Centra Government Complex Hotel and Convention Centre Chaeng Watthana was forced to close for four months, April to July, because of its location in a rally site. After reopening the hotel enjoyed extremely high occupancy, both for rooms and the convention centre, and ended the year with an overall occupancy of 45.28 percent. The year 2014 was the first full year for Centra Central Station Hotel Bangkok, which had an overall occupancy of 59.5 percent.

Pattaya had a bad year as a resort destination, with the economic problems in Russia, one of its largest markets, being added to the political unrest in Bangkok to cause a decrease in arrivals. Centara Grand Mirage Beach Resort Pattaya suffered its first challenging year since the hotel first opened, and finished with an overall occupancy of 79 percent. Centara Grand Phratamnak Pattaya remained in its soft-opening phase during 2014, the first full year of operation, due to the uncompleted Building B and Spa Cenvaree. The hotel suffered from the same general malaise affecting the rest of Pattaya, with occupancy across the year at 47.25 percent, but achieved a TripAdvisor rating within the top 8 hotels of 390 properties in Pattaya.

The situation in Phuket, far from the troubles in Bangkok, was substantially brighter, although some of our properties on the island fell short of their projected revenues due to cancellations from tour operators.

Centara Grand Beach Resort Phuket achieved strong occupancy of 87.5 percent. The hotel, which has been in operation for four years, won a number of awards including Thailand Tourism Standard 2012-2014, TripAdvisor 2014 Certificate of Excellence, Holiday with Kids 2014 Top 10 Family Resorts in Thailand, and Wine Spectator Award of Excellence 2014. Centara Grand West Sands Resort & Villas Phuket increased its room inventory from 280 to 457 rooms from January 2014 and delivered an increase in revenue of 26.5 percent compared to 2013, and occupancy of 72 percent.

The year 2014 was the first full year of operations by us of Centara Seaview Resort Khao Lak, the hotel recording a very satisfactory growth in revenue of 28 percent over the previous year, with the highest revenue achieved since the hotel first opened. We also enjoyed outstandingly good publicity through hosting the Ms Thailand pageant in June and the first ever Ms Myanmar pageant in September.

The political situation had very little effect on business in Krabi. Centara Grand Beach Resort & Villas Krabi enjoyed occupancy of 76.98 percent, up by 7.11 percent on the previous year due to significant growth in business from China, Malaysia and the USA. Centara Anda Dhevi Resort & Spa Krabi closed 2014 on a record high, with an occupancy of 87.7 percent.

Samui suffered little from the effects of the political unrest. The year began well for Centara Grand Beach Resort Samui, and it was only from September onwards when 32 of the rooms were closed for maintenance until late December that occupancy dipped a little, achieving 84.03 percent overall, compared to 88.14 percent the previous year.

In the northeast of Thailand, 2014 was the first year that we have operated Centara Hotel & Convention Centre Khon Kaen on

100 percent full service, and total revenue grew by 35 percent over the previous year. Centara Hotel & Convention Centre Udon Thani achieved its highest revenue ever in 2014, with a number of large conventions, military exercise groups from the USA and Singapore, business units from Bangkok and Laos, and a huge increase in banquet activities from within Udon Thani.

Centara Chaan Talay Resort & Villas Trat substantially improved occupancy, revenue and GOP over the previous year. Centara Koh Chang Tropicana Resort felt the influence of the declining Russian market but penetrated new markets in China and India. In Hat Yai there were local disturbances along with the political problems in Bangkok, but Centara Hotel Hat Yai performed better than any of its competitors in terms of occupancy, ARR and RevPAR. Occupancy was 69.7 percent.

Overseas, our resort hotels in Maldives continued to perform outstandingly well.

Centara Grand Island Resort & Spa Maldives recorded occupancy of 88.79 percent, the Ultimate All-Inclusive package continuing to drive demand and success for the resort. For the second year running, the resort won the Leading Family Resort in Maldives award from MATATO. Our other Maldives property, Centara Ras Fushi Resort & Spa Maldives, enjoyed occupancy of 92 percent in what was its first year of operation.

In Vietnam, Chen Sea Resort & Spa recorded occupancy of 70 percent and an 8 percent increase in revenue, although the island of Phu Quoc, as with the rest of the country, saw a decreasing number of foreign visitors. Centara Sandy Beach Danang was undergoing extensive renovations and expansion throughout most of the year, operating with only 80 rooms from March onwards, but once the project is completed the resort is expected to become the first choice four-star property for visitors to Danang.



# GROUP BUSINESS DEVELOPMENT BY CENTARA INTERNATIONAL MANAGEMENT (CIM)

The year 2014 was another phenomenal year of expansion for our hospitality management business. Centara Hotels & Resorts has continuous expanded its business in Middle East by signing Centara Muscat Hotel in Oman. In addition, we have aggressively expanded into Indonesia by signing 7 new hotel management agreements.

In this year, Centara Hotels & Resorts has grown to 75 properties with more than 15,000 keys across 11 counties: Thailand, Vietnam, Indonesia, China, Laos, Sri Lanka, Maldives, Mauritius, Ethiopia, Qatar, and Oman. Out of the current 75 properties, 60 are managed, 15 are owned and 44 have opened and are operating. Further details regarding the growth of Centara Hotels & Resorts in 2013 in terms of hotel openings and new deals are set out below:

**A. THE OPENING OF 5 MANAGED PROPERTIES:**

**a. Thailand**

- I. Centara Blue Marine Resort Phuket (266 keys)
- II. Centara Avenue Hotel Pattaya (51 keys)

**b. Overseas**

- I. Centara Ceysand Resort & Spa, Sri Lanka (165 keys)
- II. Centara Grand Azuri Residence & Suite, Mauritius (100 keys)
- III. Centara Grand Nusa Dua Resort & Villa, Bali (14 villas)

**B. NEW HOTEL MANAGEMENT CONTRACTS SIGNED IN RESPECT OF 12 PROPERTIES:**

**a. Thailand**

- I. Centra Avenue Hotel Pattaya (51 keys)
- II. Centra Phu Pano Resort Krabi (158 keys)
- III. Centra Hotel & Convention Centre Chonburi (286 keys)

**b. Overseas**

- I. Centara Grand Hotel Vientiane, Laos (200 keys)
- II. Centara Muscat Hotel, Oman (154 keys)
- III. Centara Crystal on the Bay, Bali (210 keys)
- IV. Centara Senggigi Beach Resort & Spa Lombok, Indonesia (195 keys)
- V. Centara Pecatu Resort & Spa Bali (392 keys)
- VI. Centara Hotel Seminyak Bali (210 keys)
- VII. Princess Benoa Resort & Spa Managed by Centara, Bali (168 keys)
- VIII. Centara Seturan Hotel Yogyakarta, Indonesia (200 keys)
- IX. Centara Surabaya Hotel & Convention Center (500 keys)

In 2015, Centara Hotels & Resorts expects to open a total of 10 properties with approximately 1,940 keys. These properties are located in Thailand, Vietnam, Indonesia, Turkey and Oman.

Centara Hotels & Resort's business expansion strategy for 2015 will remain as "Asset Right" in accordance with its long term business plan:

**Thailand**

In Thailand, we plan to invest in COSI hotels, our new affordable lifestyle hotel brand for the independent savvy traveler. COSI will provide limited services at an affordable price in a modern, clean and safe environment. The first flagship COSI hotel in Thailand is scheduled to be opened within 2017.

**Outside of Thailand**

We are continuing to look for investment and acquisition opportunities in the world's gateway cities, especially in London while continuing to focus on penetrating the Middle East, Chinese and ASEAN markets through hotel management contracts.

# GROUP MARKETING

**OVERALL IN 2014**

Our trading in Thailand was influenced by external issues beyond business controls and declining visitor arrivals for both Thailand and our other major destination – Maldives, in the latter part of the year. Tourist arrivals actually declined to Thailand in 2014 down 6.66% on previous year. Other can Africa, indeed all major source regions declined, East Asia -8.48%, Europe -2.38 %, the Americas -5.31%, South Asia -7.13%, Oceania -7.31% and Middle East -5.91%. Most noticeable major single source market declines influencing regional totals were Hong Kong -17.75%, Russia -8.17%, Korean -13.73% and Australia -7.21%. In The Maldives overall tourists arrivals grow 7.1% in the full year, however pace did tail off in the last quarter of the year. The growth driver within the year came from Asian markets whilst more traditional European sources delivered only marginal growth.

Whilst source markets saw shrinkage, Centara was able to grow select markets with our continued drive to deliver a balanced customer mix. Noteworthy in 2014 were markets including UK+18 %, South Africa +130 %, France +49 % and Middle East +19 %.

All these markets have the benefit of a local sales structure, which clearly is an important asset, especially during times of downturn, ensuring immediate and constant support and service to the industry and customer alike.

Our international sales network continues to grow, now with 18 countries worldwide, 26 locations. We have added Singapore and Manila – further supporting our strategy in the ASEAN region and further afield, Stockholm for the Nordic Region ready to launch in early 2015.

2014 saw continued expansion of our commercial team focused on constant monitoring and reviews of our commercial systems and policies together with a hands-on control of property revenue, ensuring we maximize every opportunity to deliver required rates and revenue growth. Social media activities continue to be a key part of our guest communication. Engagement interaction and feedback have been tremendously beneficial to our product development. Fans and followers continue to grow apace and we see the benefits of this engagement with strong year on year sales in this space. Supporting both our social media team and larger marketing network we recently introduce an “in-house” video production centre. With search becoming increasing mobile, demand for more animated and entertaining results to enquiries means video search is fast growing and this new division ensures we stay at the forefront in our industry. Centara The1Card continues to go from strength to strength as the strategy to communicate with 1Card member from other businesses in the group pays dividends. Adding value to card holders including complimentary WIFI and exclusive rates and promotions in addition to loyalty tier benefits continues to attract members to book. The addition of the Thai language website for the 1 Card also adds value in 2015 and beyond. Exciting developments for our loyalty card member includes the option to pay part cash part points, making the card even more valuable to the holder.

Finally, but possibly most exciting is our continued development of on-line strategies. Continuous upgrades to our e-commerce solutions including our website and mobile apps rewards the business with growing revenues from this important segment.- now exceeding 25% of total rooms revenue. Upgrades at brand.com include a multi-lingual platform offering visitors the choice of English, Thai, Chinese, German, Russian, French and Arabic, a new and enhanced booking engine experience and total integration of our loyalty card with the websites and booking engine process.



# SUSTAINABLE DEVELOPMENT DEVELOPMENT OF **HOTEL BUSINESS**

## CENTARA'S SUSTAINABLE DEVELOPMENT POLICY

The Board of Directors has set a policy to operate the business of the company and its subsidiaries with responsibility towards society, the environment, and the stakeholders. This is integral to the sustainable development policy of the company as declared in its vision and mission statements.



Centara Hotels & Resorts ensures its company-wide practices are consistent and that they follow these key objectives:

- Conduct business according to the principles of good governance with ethics, sound morals, integrity, transparency and accountability.
- Conduct business with the practice of environmental and social responsibility by committing to the four basic sustainable developments, which are Cultural Diversity, Social Equity, Environmental Quality and Economic Prosperity.

- Integrate sustainable development knowledge into corporate governance policy.
- Comprehensive communications company-wide is driven to ensure that every employee is fully aware of the sustainability policy and contributes through positive engagement.
- Sustainable development knowledge and accurate understanding is enhanced to ensure cooperation from customers, business partners and stakeholders.
- Implement corporate sustainable development plan with the requirement of a clear and practical way to follow up.
- The management and staff at all levels operate by adhering to a strict moral and ethical code.
- Encourage the development of human resources so they have knowledge and skills needed to advance in their careers, become self-reliant and can raise their own families.
- Strengthen employees' awareness on social responsibility. Take part in energy savings, environment and national resources conservation and also offer help in community development in the areas where the company operates.
- Establish concrete environmental management, energy savings and resource conservation measures using the same standardised indicators throughout the organisation.
- Create a report on key environmental performance indicators in order to raise environmental awareness and reduce environmental impacts among our customers, communities and stakeholders.



### ENVIRONMENTAL MANAGEMENT

Environmental management plays an important role in preventing negative impacts by Centara properties on social communities, people in those communities, and the environment. Therefore, the company continues placing emphasis upon its commitment in regard to care for the environment and sustainable development.

The main objective is to have a commitment with all the business stakeholders in terms of environmental preservation and protection, generating income and opportunities and also helping nearby communities. In order to implement its commitment in the same direction throughout the group with recognised and



EarthCheck 2014  
Silver Benchmarked 2014  
Certificate



2014 EarthCheck Silver  
Certification/  
ISO: 14001:2004  
Environmental  
Management System

trusted international standard assessment, Centara decided to choose a company with expertise as its consultant to help with the environmental management, development and assessment of all the Grand hotels (owned hotels).

Centara properties manage their environmental quality using standard and internationally recognised benchmarking indicators and checklists as the following:

- Greenhouse gas emissions
- Cultural heritage conservation
- Energy efficiency, conservation and management
- Water savings
- Ecosystem conservation and management
- Management of social and cultural impacts
- Land use planning and development
- Air quality protection and noise control
- Waste water management
- Storage and use of environmentally harmful substances

For social and environmental assessment, the evaluation system is being applied via a computer system. After that there will be an independent organisation to check every year to ensure transparency and accuracy. The following are our hotels and resorts with certificates in environmental management for the hotel and tourism industry.



SUSTAINABLE DEVELOPMENT  
DEVELOPMENT OF HOTEL BUSINESS  
CENTARA’S SUSTAINABLE DEVELOPMENT POLICY (continued)



**EARTHCHECK 2014 SILVER BENCHMARKED 2014 CERTIFICATE**

- Centara Grand & Bangkok Convention Centre at CentralWorld
- Centara Grand at Central Plaza Ladprao Bangkok
- Centara Grand Beach Resort & Villas Hua Hin
- Centara Grand Mirage Beach Resort Pattaya
- Centara Grand Beach Resort Samui
- Centara Grand Beach Resort & Villas Krabi
- Centara Grand Beach Resort Phuket
- Centara Grand Island Resort & Spa Maldives



**2014 EARTHCHECK SILVER CERTIFICATION/ISO: 14001:2004 ENVIRONMENTAL MANAGEMENT SYSTEM**

- Centara Karon Resort Phuket
- Centara Kata Resort Phuket
- Centara Seaview Resort Khao Lak



Centara Hotels & Resorts has been actively promoting environmental and energy conservation by initiating many environment-related activities. Some of the activities include:

- Participated in the Earth Hour 2014 initiative by joining WWF, FEED and Bangkok Metropolitan Administration to encourage the public to turn off non-essential lights at the same time for 60 minutes.
- Worked with Bangkok Metropolitan Administration and Thai Cycling for Health Association to organise Car Free Day 2014 to reduce energy use, reduce pollution and also help promote good health.
- Organized the Central Group Big Cleaning Day 2014 project to raise awareness among employees as well as the public to take good care of their environment. All the volunteers worked together to clean the areas around their workplaces both in Bangkok and upcountry.
- Campaigned against usage of foam plastic food containers. Reduction of paper use and cancellation of plastic bags across all properties.

- Centara Grand at Central Plaza Ladprao Bangkok organised Go Green Go Bike!, a bicycling-in-the-park campaign to promote biking amongst employees living near the hotel area instead of taking a car or public transport to work to reduce the hotel's carbon footprint.
- Centara Grand Beach Resort & Villas Hua Hin was a major sponsor for Bye Bye Plastic, an event with the objectives to influence the perceptions, behaviour and eco-communication in the local community. The activities included an eco-life exhibition at the hotel beach. During the event the hotel donated Avitez drinking water, a brand whose bottles are made from biodegradable plants.
- Representatives from Centara Grand Beach Resort & Villas Hua Hin joined the 11th Preserve Hua Hin Green Run, organised by Preserve Hua Hin Group to raise funds for increasing green areas by transforming an area of 18 rai around Wat Khao Krai Lart into the last reforested mangrove forest in Hua Hin municipality, together with an eco-learning centre.
- Centara Grand Beach Resort Phuket helped release turtles into the Andaman Sea and undertook a reforestation project of more than 200 trees at Kathu Mining Museum.
- Centara Hotels & Resorts has joined the Fin Free Thailand campaign to stop the serving of shark fin dishes in all restaurants in the group.

# SUSTAINABLE DEVELOPMENT

## DEVELOPMENT OF HUMAN RESOURCES

Due to a rapid growth of the Company, Centara Hotels & Resorts has focused on developing our people through a variety of training and development programmes. Not only do we intend to enhance their capabilities but we also aim to elevate their morale and engagement

### 1. 4 CS: CENTARA CAREER CREATION FOR CHILDREN:

The programme has been offered to the target group of underprivileged youth since 2011 (originally derived from the programme of YCDP: Youth Career Development Programme implemented in 2006). Under the official patronage of Department of Skill Development and Office of the Basic Education Commission, this programme is intended to develop the students from “Suksasongkroh Schools”, “Rajaprachanukroh Schools” and “Schools for the Students with Disabilities” in a period of 5 months in 1 selected area out of Housekeeping, Food & Beverage Service, Kitchen, Stewarding or Gardening prior to a placement in a full-time position.

Since 2011, we have developed a total of 384 staff members who successfully accomplished the programme. Among all the staff, we have a total of 81 staff with disabilities. The programme has started becoming internationally acclaimed owing to the 2013’s PATA Grand Award in the Category of Education & Training granted by Pacific Asia Travel Association. Moreover, since Centara Hotels & Resorts has also supported the group of students with disabilities, our contribution became recognised by Bureau of Special Education, Ministry of Education presenting the Best Employer for Promoting Sustainable Career for the Students with Disabilities. In 2014, we signed a memorandum of understanding with Plan International, a youth development association based in UK. Plan International will provide a partial financial support to the students enrolled in this programme.

### 2. MANAGEMENT DEVELOPMENT PROGRAMME (MDP)

The purpose of this programme is to identify top talents of the Company and groom them to be in managerial or executive role in the future. It has been done in collaboration with Dhurakij Pundit University (DPU) in Thailand and Swiss College of Hospitality Management Lenk (SHML) in Switzerland. The selected candidates undergo a 1-year training programme in

which they attend an initial theoretical training on management principles for 2.5 months at DPU, followed by a 2.5-month real-time management training at a selected hotel or resort of Centara and finally a 7-month training at SHML and internship in Switzerland. This programme has been offered for a total of 10 batches, starting in the year 2005. In 2014, we could identify 9 top talents for the batch of MDP 10. They successfully accomplished the programme and have been subsequently placed in a new role at property level. Up to present, including the batch of MDP 10, we have a total of 35 staff members who originated from this development programme and still work at Centara Hotels & Resorts.



### 3. ACCEPTANCE OF OVERSEAS MANAGEMENT TRAINEES:

Apart from local universities and colleges, the Company also accepted the hospitality management students from prestigious institutes in overseas countries such as Glion Institute of Higher Education, Les Roches International School of Hotel Management, Erasmus University Rotterdam, Swiss College of Hospitality Management Lenk, University of Stenden, etc. The management training programme is offered to the students placed in both front-of-the-house areas and back-of-the-house areas for a period of up to 6 months.

### 4. TARGET TRAINING HOURS ACCOMPLISHMENT:

In 2014, Corporate Human Resources determined a Key Performance Indicator (KPI) of Training Hours to be achieved by staff at the average of at least 40 hours per person. The training hours are recorded in a booklet called “3 Ms Record: My Learning, My Career, My Future”. The training hours can be acquired through the participation into in-house training arranged by Human Resources Department, training under synergy programme with Central Group, external training, training on safety, security and sustainability, and departmental training. In 2014, Centara Hotels & Resorts properties were able to achieve the target training hours at the average of 49 hours per person out of the 40-hour target.

### 5. SYNERGISED HUMAN RESOURCES PROJECTS WITH CENTRAL GROUP OF COMPANIES:

In collaboration with other business units of Central Group of Companies, Centara Hotels & Resorts started working on human resources synergy projects. The major purpose of synergising human resources is to enable both employees and public to recognise the Central Group of Companies as comprised of the eight business units. Not only does such recognition enhance the Company’s reputation and image to the public but it also raises an awareness of the job opportunities available to the internal employees whom we expect to retain. Another useful programme is the provision of various collaborative training programmes such as Time Management & Priority Setting, Delegation, Supervisory Skill, Presentational Skill, etc.

### 6. HUMAN RESOURCES & TRAINING AUDIT

This audit programme is to ensure that Human Resources Department of Centara Hotels & Resorts properties are adhered to the standards of human resources and training policies as determined by Corporate Human Resources. Each property will undergo comprehensive assessment in accordance with the criteria established by Corporate Human Resources. According to the audit result of 2014, Centara Hotels & Resorts properties

achieved the average score of 88.81% which reflected an improvement from the score of 82.45% achieved in 2013.

### 7. CENTARA HUB TRAINING PROGRAMME

This Hub Training Programme is intended to create a network of departmental trainers at Centara Hotels & Resorts properties. Corporate Training made a visit to the properties by region on the purpose of conducting training courses to the target group of supervisors, managers and department heads. In 2014, the Hub Training Programme placed an emphasis on the certified training on Leadership Skill in the topics of “Successful Transition to Supervisor”, “Train the Trainer” and “Presentational Skill”.

### 8. SUCCESSION PLANNING

The aim of the programme is to identify a group of talents at Centara Hotels & Resorts properties and place them into a training plan of up to 1 year in 4 components which are generic skill training, functional skill training, leadership skill training and project management skill training. The participants will undergo an assessment by the immediate Supervisors, Department Heads and Human Resources Department. In 2014, there was 8.2% of the staff enrolled out of 6% target, or 454 enrollees out of 5,479 eligible staff.

### 9. MEMORANDUM OF UNDERSTANDING WITH UNIVERSITIES, COLLEGES AND ACADEMIC INSTITUTES

The aim is to enhance the channel of obtaining new workforce through the establishment of a network with 55 universities, colleges and academic institutes including those with which we signed a memorandum of understanding in 2014, i.e. Bangkok University and Lead Business Institute (a representative of Cornell University in the U.S.).



# RESTAURANT BUSINESS OVERVIEW



## MESSAGE FROM CHIEF EXECUTIVE OFFICER OF CENTRAL RESTAURANTS GROUP CO., LTD.

I am pleased to report that Central Restaurants Group Co Ltd (CRG) continues to remain one of the leaders in Thailand's chain restaurants business.

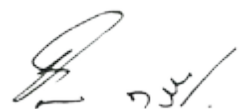
Amongst our brands are many well-known names with extensive branches internationally, including KFC, Mister Donut, Auntie Anne's, Ootoya, Yoshinoya, Cold Stone Creamery, Pepper Lunch, Chabuton (TV Champion Chef Ramen), Tenya (Japan's first-rank Tempura & Tendon restaurant), Katsuya (the renowned Tonkatsu restaurant from Tokyo), and a popular contemporary Thai restaurant, The Terrace.

CRG continues to grow every year, despite the various crises in Thailand and the world's economic fluctuations. Although there have been many uncertain situations during the course of 2014, we have been able to continue our growth this year because we have a solid foundation in concise management and good strategic planning, as well as preparedness in adapting to crisis.

In 2014, Central Restaurants Group had a total of 781 restaurants under 12 brands including the new brand, Katsuya, which was launched this year.

CRG expects that the economy and other situations will incline towards an improvement during 2015, which would be favourable to the food business and its potential for continuing growth.

Consequently, CRG has planned strategies for store expansion to cover and reach a greater number of customers, and refurbishment of the existing restaurants for the best customer experience. Simultaneously, CRG's internal management will continue to focus closely on the cost of production and services, human resources, technology, and marketing promotions, in order to be prepared for the stable growth of the business.



**(Mr. Thiradej Chirathivat)**  
Chief Executive Officer  
Central Restaurants Group Co., Ltd.





RESTAURANT BUSINESS  
GROUP HISTORY



- 1978

- Firstly introduced "MISTER DONUT" to Thai consumer as pioneer of QSR business in Thailand.
- 1984

- Being authorized franchisee of KFC , the strong and widely accepted international brand.
- 1998

- Entering snack segment in Thailand with the premium Soft Pretzel brand "AUNTIE ANNE'S " from the USA .
- 2007

- Bringing in New Japanese Fast Casual Restaurant, "PEPPER LUNCH".
- 2009

- Being Authorized Franchisee of BEARD PAPA'S, Fresh 'n natural cream puffs.
- 2010

- Brought "CHABUTON" Ramen into Thai market, which is "TV Champion chef's Japanese Ramen restaurant"
  - Being Authorized Franchisee of COLD STONE CREAMERY from the USA.
  - Opened Japanese Food restaurant in Thailand, "RYU SHABU SHABU"
  - Operated THE TERRACE Restaurant
- 2011

- Being Authorized Franchisee of YOSHINOYA, the Authentic Japanese Rice Bowl
  - Being Authorized Franchise of the well-known Japanese Home Cooking Style Restaurant OOTOYA
- 2013

- Being Authorized Franchisee of TENYA, the No.1 Tempura & Tendon Japanese restaurant from Tokyo
  - Being Authorized Franchisee of KATSUYA, the renowned Tonkatsu & Katsudon



# RESTAURANT BUSINESS OVERVIEW

# BUSINESS AND COMPETITION SITUATION

# 2014 PERFORMANCE REPORT



Chain foodservice is categorised into two main parts, namely Quick Service Restaurants (QSCs) and Casual Dining Restaurants (CDRs). Recently, however, there has been a trend towards a new service, Fast Casual Dining Restaurants (FCDRs), which offer table service and charges at the exit, and this is playing an increasing role in Thailand due to the behaviour adjustment of customers with a fast-paced lifestyle.

The chain foodservice sector is today a continually growing business, as the majority of customers have to work far away from home. Also, the current hurried society and heavy traffic leaves us with less time to cook at home, and consequently the number of consumers eating out is increasing. Additionally, this type of restaurant is convenient and hygienic, with high standards and a variety of food choices at reasonable prices, so as to match the demand and lifestyle of city people. This results in the increase of chain foodservice use by the target group, covering not only youngsters but also families, children and working people.

Because of the continual growth of this business the competition is becoming intense, as evidenced by considerable investment in the chain foodservice sector by existing entrepreneurs in the food industry and newcomers from other industries such as real estate, logistics, and consumer products based locally and overseas.

The consumer foodservice market in Thailand, as composed of independent foodservice and chain foodservice, was estimated in 2014 to have total revenue of approximately THB 720 billion, with a growth rate of 3.3% over the previous year. Of the two primary sectors, independent foodservice is the largest with approximately THB 500 billion or about 70% of the total market. This sector had a growth rate of 1.5% over the past year. Chain foodservice has approximately THB 200 billion or about 30% of the market, and had a growth rate of 8%. It can be seen that the growth rate of the chain foodservice demonstrates its high potential, a result of the behavioural change of customers with the increasing needs for convenience, promptness, quality care, standard and health. Chain foodservice is becoming more popular as it can respond to the customers' demands.

The year 2014 was a challenging one for the food business of Central Restaurants Group Co Ltd (CRG) as we had to operate amongst the effects of the world's economic crisis. The long local political tension from the end of 2013 to the middle of 2014, as well as the domestic economic problems, caused a high level of household debt and resulted in the decrease of the consumers' purchasing power and trust. As such, the domestic consumers of all income levels become aware of the importance of price and the worthiness of products, and more careful with their spending. Such a situation has an inevitable effect on the food business as well as the retail business.

However, despite facing the rather serious situations and obstacles, the company was able to drive growth of the total revenue in 2014 at an increase of 9.3% over the past year, with the total revenue of THB 9,904 million, and the total number of 781 stores, managing altogether 12 brands. This success was due to management of the business by professional and capable personnel. The latest brand in which the company has invested is Katsuya, a popular Tonkatsu restaurant from Japan.

Apart from its satisfactory performance, CRG has received two international awards. One was the Adman Award granted to the KFC brand on the best use of social media for the KFC 30-years anniversary campaign. The other was the Cold Stone Creamery brand, which earned three awards from Cold Stone Creamery Global Franchisee Conference, USA: Cold Stone Ambassador, Best Seasonal Product, and Golden Spade Award (Central Pinklao).



Cold Stone Creamery:  
"Brand Ambassador"



Cold Stone Creamery:  
"Best Seasonal Product"



Cold Stone Creamery:  
"Golden Spade"



# RESTAURANT FAMILY

Today, we have 12 brands under the Central Restaurants Group Co.,Ltd.



### MISTER DONUT

Mister Donut is the leading brand in the donuts market in Thailand. It has maintained a market share of over 56%, resulting from in-depth research and consumer behaviour analysis, as well as the continual development of new products for the market developed to win the hearts of customers, effective advertising and public relations planning, and the focus on store expansion across the country to reach as many customers as possible.

In 2014, in spite of different factors based on the income and purchasing power of Mister Donut’s customers, particularly in the upcountry provinces, Mister Donut still earned growth compared to the previous year, with a sales volume of over THB 1,900 million. Much of this growth in the midst of the economic recession and the customers’ reduced purchasing power was made possible due to new products such as Fun-Z-Do, Smidgin-Do, Mini Donut, and the launch of the new campaign Hello Kitty Do, which was considered very successful in building brand popularity and the highest sales volume of the year at the same time. The aim to create engaging products and to offer new promotions under the effective marketing media underlines and further strengthens the customers’ brand awareness.

Mister Donut was expanded during 2014 by a further 15 stores, making the total number of 324 stores to cover over 70 provinces nationwide.



### KFC

KFC is the brand leader in QSR in Thailand, operating a total number of 203 stores under the management of Central Restaurants Group Co Ltd in 2014, calculated as 40% of all the 534 stores countrywide, while the rest are under the management of YUM Thailand.

During 2014, when the company’s food business faced challenges, KFC was able to increase the revenue to 13% over the previous year due to a strategic adjustment in promotions and the development of a new menu to answer customers’ demand and meet their satisfaction, as well as to suit their conditions and dynamic urban lifestyle. This included a variety of new menu sets as suitable for each target group, at affordable prices. KFC also changed its strategy in response to the customers’ demand of more convenience by opening KFC Drive Thru in this year, with the total number of 10 stores. Additionally, KFC web ordering was increasingly promoted alongside the rapid growth of technology.

Furthermore, KFC focused on building brand loyalty and commitment to various groups of customers via TV commercials, and the 7-Shoot Football League.



### AUNTIE ANNE’S

Auntie Anne’s established the foundations of being leader in the Soft Pretzel market in Thailand 16 years ago, since the beginning of the business, and strongly retains the brand uniqueness under the concept of “Uniquely Delicious”.

In 2014, Auntie Anne’s opened new eight branches, with the total number of 125 branches as expanded to more provincial cities. During the year, Auntie Anne’s introduced various kinds of tasty products such as Pretzel Cup, Cheesy Trio Pretzel, and Super Duo Pretzel, under the concept of “Feeling You”. Moreover, Auntie Anne’s expanded sales channels through hospitals, coupled with effective advertising and public relations via various mixed media. Joint promotions with related business partners expanded the customer base, and the rollout of corporate social responsibility activities among club members have helped promote brand loyalty.

OOTOYA

Ootoya in 2014 enjoyed revenue growth of 14% over the previous year, and added seven more branches, making a total number of 47 branches. During the year, Ootoya developed new



menus to add variety for customers, while emphasising on the concept of an “Authentic Japanese Home Cooking Restaurant” where delicacy and attention is paid to the selection of high quality ingredients, the cooking process, and the service. Ootoya continues to communicate its Japanese authenticity through advertising channels such as TV commercials, BTS Skytrain, and other social media networks. The home delivery sales channel has been promoted through radio channels for consumer awareness.

### OTHER BRANDS

CRG has continuously expanded other brands with their increasing numbers and marketing activities, and advertising through printed media and in various forms of digital and social media. The brands have also had new products and menus developed. Chabuton Ramen, Yoshinoya, The Terrace, Cold Stone Creamery, Pepper Lunch, and Tenya, saw the opening of a total of 12 new stores in 2014.

In 2014, CRG introduced the Katsuya brand, a popular Japanese Tonkatsu, with the sole right to management in Thailand. Three branches have been opened. In the next year this brand will be expanded in the number of branches.



# BUSINESS DEVELOPMENT



In the first trimester of 2014, the retail business was adversely affected by the political unrest and by the expanding e-commerce business, to which most of the retailers have had to adapt as a response to consumers' changing behaviour. After the government issued various forms of policies to encourage Thai consumers' trust and spending, together with marketing campaigns and promotions supported by the private sector for the same purpose, the overall economy and the retail business of the country in the next trimester of 2014 improved.

In 2014, the Retail and Wholesale Business Act contributed to the continuous growth of the medium and small shopping centres that focus on beautiful design to fit Thai consumers' modern lifestyles, and the entry of new retailers was expected to gain market share from the existing players who have turned towards the development of small shopping centres to survive the crisis. Therefore, in 2014, not only did the Retail Act help push the shopping centres in the form of community malls to grow, but it also helped carry forward the drive-thru fast food business and coffee shops in Thailand for their continual growth, especially in the peripheral area of Bangkok due to the expansion of suburban housing business.

CRG continued to expand its stores in 2014 by opening new 81 restaurants to cover the services nationwide, resulting in the total number of 781 branches throughout the country (as of December 31st, 2014), highlighting on the company's leadership in restaurant and beverage business in Thailand just as in the previous years.

In addition, for the retail market, the company has prepared to cope with the anticipated effects of Thailand's membership of the ASEAN Economic Community (AEC), as well as with the e-commerce business that now partially shares the market with the retail business, even though the restaurant business is less affected by e-commerce than other retail businesses. This is because of the provision of services that cannot be found in online shops: this can be characterised as the "selling of different experiences instead of aiming to sell the merchandise"; and that it is "a business in which consumers pay more attention mainly to the look, taste, and smell".

In 2014 and for the coming years, the company has a policy to expand the trading business in a parallel market segment, that is to expand physical stores and via e-commerce. For the stores, the company aims to expand the business of the affiliated restaurants to traditional and new retailers in a consistent manner, with consideration regarding mainly community distribution or geographic basis. The company also focuses on providing restaurant business services covering as many areas as possible, including adjusting the store decoration style to be modern and match the demand of Thai and foreign customers, in preparation for market invasion of the AEC in the coming year of 2015. The company has expanded the business proactively with the focus on increasing branches to expand the market to the customer groups not having yet experienced the services of CRG restaurants in all areas, such as hospitals, industrial estates, and major office buildings.

The company has set up an expansion plan in selecting prime locations as suitable for each type of business, to make sure that the company's restaurant businesses are profitable and that the new food business is well-accepted by consumers. Thus, the competitively outstanding locations and the branch expansion into new market segments are the key factors in revenue increase, and they are definitely included in the company's yearly expansion plan. The retail market in the following years will see changes in terms of retailers, which will be beneficial to the consumers and investors. Retail stores with specific and unique products and services will create more awareness and perception among interested groups of consumers. The AEC will enable significant changes in the Thai retail market, particularly with the entry of overseas retailers.



# SUSTAINABLE DEVELOPMENT

## DEVELOPMENT OF RESTAURANT BUSINESS



### CORPORATE SOCIAL RESPONSIBILITY

In 2014, the company initiated a policy that focused on social support and development in the country, with an assignment from the Central Group's Board of Directors for the operation of the Hygienic Kitchen project as an important part of the main project, Central Developing the Education. The primary objective is for youngsters in poor schools to have good health and quality of living. The company has supported with kitchen tools and food to schools in need, promoting them to be aware of good health to the children and encouraging students, teachers, and personnel to have knowledge in food safety for the preparation of hygienic and nutritious food. The company conducted a continuing operation during the year in four schools: Ban Kham School (Kham Khett Wittayakarn), Sawang Daen Din District, Sakon Nakhon Province in June 2014; Mahidol School, Saba Yoi District, Songkhla Province in June 2014; Ban Sabam School (Mongkolwittaya), Mueang District, Phuket Province in November 2014; and Sab Sai Thong Border Patrol Police Learning Centre, Kok Muang Sub-district, Pakham District, Buri Ram Province in December.

As for the CRG brands, Mister Donut organised the Kids' Playground project for the consecutive year, in collaboration with Provincial Border Patrol Police Schools, for the construction of playgrounds and provision of skill-developing toys for children in primary schools of remote areas. During this year we delivered a playground to Ban Tham Hin Border Patrol Police School, Ratchaburi Province. As for Auntie Anne's, this year the brand held the project Give 1, Get 100, where customers enjoyed 1 pretzel and 1 baht would be donated to the fund for school building construction at Thutiyapoh Anusorn Border Patrol Police School. This was part of the Fund for the Development of Children and Youth in Remote Areas, under the patronage of Her Royal Highness Princess Maha Chakri Sirindhorn. There was also an activity for Auntie Anne's 15th anniversary in cooperation with other chain brands such as Mister Donut, KFC, Pepper Lunch, and The Terrace, to return the happiness to the total number of 15 orphanage foundations during August to November. Other brands also gave out foods to children in various orphanages during the year.

The company also organised a monthly campaign amongst staff for blood donations to the Thai Red Cross. Also, there were social support activities through the group's brands under the CRG name. At all events, the organisation of the social assistance activities was well supported by employees and trading partners.

### HUMAN RESOURCES DEVELOPMENT

With the development of its human resources in 2014, CRG aimed to increase the efficiency of the company's staff and prepare for them to be ready to grow in their career. Programmes included the development of directors in terms of leadership, strategic work, modern management, effective coaching, and building international visions to support the business expansion to the AEC. Regarding the development of store management teams, the company set up training courses to enhance the quality in managing restaurants and to build customer satisfaction. Programmes such as Modern Restaurant Leader, Strategy to build Customers' Loyalty, Trends of Customers' Behaviour and Demand were held for the teams to carry out effective and successful operations and to create an enjoyable working environment for the staff. Staff members that have completed all the trainings will be considered for promotion to a higher position once the company has expanded its business.

The company has also supported education for the new generation of young people, in order to build their career path into restaurant business management. The company has participated in the Dual Vocational Project with 132 vocational colleges all over the country, for the purpose of creating effective restaurant personnel, by giving out scholarships and opportunities of internship to over 1,100 students in 2014, with further plans to extend activities in the following years.

Correspondingly, the company has recruited a special group of staff, 162 persons with hearing impairment, to work with usual staff in the head office and stores as appropriate and capable. This special group of staff has received training and been promoted to a higher position once having passed the functional competency test for the assigned task. The company has also organised yearly seminars to encourage this special group. The employment of such staff in a serious manner has earned the company an honourable award for an outstanding private organization supporting disabled people in 2014 from the Ministry of Social Development and Human Security.

## FINANCIAL STATEMENTS





# REPORT OF THE **AUDIT** COMMITTEE



## TO : THE SHAREHOLDERS OF THE CENTRAL PLAZA HOTEL PLC.

The Audit Committee of the Central Plaza Hotel Plc. comprises of 4 Independent Directors, who are fully qualified as specified by the regulations of the Stock Exchange of Thailand (SET) and are fully independent in discharging their duties in accordance with the Charter for the Audit Committee. On 29 October, 2014 Mr. Kanchit Bunajinda, a Member of the Audit Committee resigned from the Committee, thereafter resulting in the current Audit Committee to be comprised of only 3 Members; namely: Mr.Bhisit Kuslasayanon as Chairman of the Audit Committee, Dr.Chanvitaya Suvarnapunya, and Mr.Vichien Tejapaibul.

During 2014, there were 12 Audit Committee meetings; whereby all Members of the Committee attended every meeting with the exception of

Mr.Vichien Tejapaibul, who requested to be excused from 2 meetings due to other pressing commitments. At these meetings, members of the Management group together with respective Chief Accounts of the Company and Subsidiary Companies involved as well as the Director of Internal Audit Unit and the external Auditor joined and participated in the discussions of the relevant agenda items being considered, in order to present comments and additional useful inputs. Further, regular briefings of the outcome of these meetings were presented to the Board of Directors during the year, a summary of which is as follows:

## QUARTERLY AND FULLY YEAR FINANCIAL STATEMENTS FOR 2014

The Audit Committee, together with the Auditors and members of the Management responsible for their preparation, reviewed every quarterly and the annual financial statements, to assess the correctness and accuracy of these financial reports and any associated information disclosures, important estimates, and any restatements of the financial accounts having a significant impact on the financial statements prior to submitting them for consideration and acceptance by the Board of Directors. Additionally, the Audit Committee met once with the external Auditors without any members of the Management being present, to assess and review the degree of independence of their audit activities, together with other specific issues that may have resulted in possible damages or acts of corruption. As such, the Auditors reported and confirmed that they have not

found any suspicious issues relating to any misconduct on the part of the Directors and members of the Management, as defined by Clause 89/25 of the Securities and Stock Exchange Act.

The Audit Committee is of the opinion that the financial statements are accurate and present all relevant information in a fully correct, comprehensive and timely manner, corresponding to generally accepted standards of financial reporting.

## INTERNAL CONTROLS SYSTEM

The Audit Committee assigned the Internal Auditor to join in reviewing and evaluating the internal controls system every quarter. Based on the evaluation reports of the Internal Audit Unit during 2014 and associated comments from the Auditors (if any), the Audit Committee has made recommendations to the Management group to undertake corrective actions as well as to make various improvements accordingly.

The Audit Committee also evaluated and approved the annual internal audit plans that also covered all operational aspects involving high risks together with important areas of control, which included all Subsidiary Companies and management services companies in order to reflect the current business operational environment. Additionally, the Audit Committee regularly advised and made recommendations to the Internal Auditor, so as to enable the Internal Audit Unit to achieve international standards of operations and increased effectiveness.

## COMPLIANCE WITH APPLICABLE SECURITIES LAWS AND LEGAL REQUIREMENTS OF THE SET, TOGETHER WITH OTHER RELEVANT LEGAL REGULATIONS

The Audit Committee reviewed and assessed, together with the Legal Department and the Office of the Company Secretary, the overall compliance of the Company relating to all applicable securities laws and legal or regulatory requirements of the SET, as well as any other laws relevant for the Company's business operations. The Audit Committee is of the opinion that the Company has effectively ensured that its operations have complied with all applicable and relevant laws as well as regulatory requirements in an adequate and appropriate manner.

## TRANSACTIONS WITH POTENTIAL CONFLICT OF INTERESTS

The Audit Committee reviewed and assessed, ever quarter, any proposed connected transactions to be undertaken with related parties or businesses. The Committee has determined that the Company used pricing policies for the products or services relating to such transactions involving related parties or businesses which may have a conflict of interests, that are comparable to those used for normal transactions with outside parties and without resulting in any conflict of interests situations arising; and that the Company has adequately disclosed the associated information in a comprehensive manner.

## REVIEW OF AND PROPOSED APPOINTMENT OF THE EXTERNAL AUDITORS FOR 2015

The Audit Committee considered and reviewed the selection of the external Auditors for 2015; whereby various leading Thai Audit Firms submitted their proposals to undertake the audit of the Company and companies within the Group. After taking into consideration the degree of their respective independence, knowhow, good standards of audit practices and the adequacy of their people resources, together with the appropriateness of the proposed audit fee, the Audit Committee has proposed to Board of Directors to submit, for approval by the Annual General Shareholders Meeting, that any one of the following persons: Mr. Supot Singhasaneh (CPA No.2826), or Ms. Somboon Supasiripinyo (CPA No.3731), or Ms. Boonsri Chotipaiboonphan (CPA No.3756), or Ms. Vannaporn Jongperadechanon (CPA No. 4098), from KPMG Poomchai Audit Ltd., be appointed as the authorized external Auditor, with an annual audit fee of Baht 1,795,000.- (Baht one million, seven hundred, and ninety-five thousands).

In the self-evaluation process of its own performance, the Audit Committee has compared its activities and performance with those specified in Charter of the Audit Committee; whereby the evaluation result has achieved what can be considered as a 'good' score.

In summary, the Audit Committee is of the opinion that the Board of Directors and the Management group are fully committed to carrying out their respective duties and responsibilities in a professional manner, with the aim of the Company achieving its stated objectives and goals in accordance with the applicable laws and established business plans. Further, the external Auditors have been certified by the Federation of the Accounting Profession, under the Royal Patronage of HM the King; and the Company has also fully complied with the principles of good corporate governance.

On behalf of the Audit Committee

**(Mr. Bhisit Kuslasayanon)**  
Chairman, Audit Committee  
Bangkok.  
23 February, 2015

# REPORT OF THE **NOMINATION** AND COMPENSATION COMMITTEE



In 2014, the Nomination and Compensation Committee has performed its duties and responsibilities under its Charter by held two meetings, with a summary of the meetings as follows:

- Considering and recruiting qualified candidates for directorship and submitting them to the Board of Directors and Shareholders' meetings for their consideration and nomination to replace the directors retired by rotation in 2014. The Company offered minor shareholders a chance to nominate directors since December 3, 2014 to February 13, 2015. Since no such nomination emerged, the Committee recommended that the retired directors who finished their terms in 2013 should be reappointed to another term. The 2014 AGM approved every nominated director.

- Considering the 2014 compensation for the Board and its subcommittees, consisting of Audit Committee, Nomination and Compensation Committee, Risk Management and Corporate Governance Committee and submitting it to the Board and Shareholders' meeting for consideration and approval, taking into account their responsibilities performance and other relevant factors. The compensation amounts are also compared with industry peers and met with approval from the Shareholders.

- Considering the succession plan for the Company's senior executives to ensure continuity and consistency with Centel's strategic plans.

- Considering and giving opinion on human resource policies and work processes.

- Considering, determining goal setting and providing performance assessment for CEO's performance in the preceding year and worked with CEO in setting goals and evaluation methods for his performance in the current year.

- Considering duties and responsibilities, as well as performance under the Nomination and Compensation Committee charter and reviewing the charter for more alignment with the situation and best practice of regulators

The Nomination and Compensation Committee has performed its assigned duties independently and properly for the highest benefit of the Company, shareholders and other stakeholders. The Committee has reported its summarized performance and findings to the Board of Directors for its acknowledgment every times.

(Dr. Chanvitaya Suvarnapunya)  
The Nomination and Compensation  
Committee Chairman

# REPORT OF THE **ENTERPRISE** RISK MANAGEMENT COMMITTEE



CENTEL's Board of Directors emphasized that the Enterprise Risk Management Development of the Company carry out in accordance with good Corporate Governance principle in order to help effectively identify and manage risks.

The Board of Directors held The Board of Directors held responsibility in setting the policy, simultaneously the Enterprise Risk Management and CG Committee and Business Unit Risks Management Committee held responsibility in implementing and monitoring its ongoing application. Notable risk management performances for the Year 2014 are as follows:

1. Comprehensively covering in all dimensions including the 4 critical types of risk, namely:

## 1.1 Strategic Risk

The Company focused on business strategic establishment which has been uniformed and met with the mission statement as well as business plan. At the same time ensured that such strategic and business plan was in line with the risk acceptable level.

## 1.2 Operational Risk

The Company focused on comprehensive stage of all operational matters, covering all processes at all levels, such as investment, IT, human resources as well as safety risk to lives and the Company's assets.

## 1.3 Financial Risk

The company focused on organizational management which in accordance with prudent financial policy and the given operating budget to provide reasonable return and ensured that Enterprise Risk Management as well as internal control were efficient and adequate under the under uncertainty situation.

## 1.4 Compliance Risk

The Company focused on strict compliance with internal and external rule in addition to all applicable laws.

2. Promoted and developed risk management among top executive as well as cascaded at all level across the properties, to review their understanding, raise risk management culture as well as risk awareness.

3. Ensured systematic and regular monitoring for all business units in practice, including constant operations update in order to ensure conformity to the formulated plans through reports from relevant department through reports from relevant department.

(Mr. Sudhitham Chirathivat)  
Acting Chairman of the Enterprise  
Risk Management  
and Corporate Governance Committee



# REPORT OF RESPONSIBILITY OF THE **BOARD** OF **DIRECTORS** TO FINANCIAL STAEMENTS

The Board of Directors of Central Plaza Hotel Public Company Limited ("the Company") is responsible for the consolidated financial statements of the company and its subsidiaries as well as financial information in the annual report. The financial statements have been prepared in accordance with Thai Financial Reporting Standards. The policies pursued are deemed appropriate and applied consistently and conservation judgment and best estimate are adopted in this preparation with adequate disclosure of important information in the notes to the financial statements.

The Board of Directors has appointed an audit committee comprising independent directors to provide effective oversight of finances and the internal control system to ensure that accounting records are accurate, complete and timely, to prevent fraud and materially irregular operations. The views of the Audit Committee are reported in the Committee's report in this annual report.

In this regard, the Board of Directors is of an opinion that internal control systems of the Company are in satisfactory and sufficient level to reasonably build the confidence in the reliability of the consolidated financial statement of the Company and its subsidiaries as at December 31, 2014.

*S.k. Chirathivat*

(Mr. Suthikiati Chirathivat)  
Chairman of the Board

*Thirayuth Chirathivat*

(Mr. Thirayuth Chirathivat)  
Chief Executive Officer  
Centara Hotels & Resorts





# AUDITOR'S REPORT

To the Shareholders and the Board of Directors of Central Plaza Hotel Public Company Limited

I have audited the accompanying consolidated and company financial statements of Central Plaza Hotel Public Company Limited and its subsidiaries and of Central Plaza Hotel Public Company Limited, which comprise the consolidated and company statements of financial position as at 31 December 2014, and the related consolidated and company statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other notes.

## MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## AUDITOR'S RESPONSIBILITY

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## OPINION

In my opinion, the consolidated and company financial statements referred to above present fairly, in all material respects, the consolidated and company financial position of Central Plaza Hotel Public Company Limited and its subsidiaries and of Central Plaza Hotel Public Company Limited as at

31 December 2014, and its consolidated and company results of operations and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

**(Nattaporn Phan-Udom)**  
 Certified Public Accountant (Thailand) No.3430  
 PricewaterhouseCoopers ABAS Ltd.  
 Bangkok  
 26 February 2015



STATEMENT OF

# FINANCIAL POSITION

As at 31 DECEMBER 2014

		Consolidated			Company		
		Restated			Restated		
	Notes	31 December 2014 Baht	31 December 2013 Baht	1 January 20--13 Baht	31 December 2014 Baht	31 December 2013 Baht	1 January 2013 Baht
<b>Assets</b>							
<b>Current assets</b>							
Cash and cash equivalents	8	645,650,173	741,517,856	356,281,149	27,866,505	32,124,666	20,053,882
Temporary investments		-	-	3,960,256	-	-	-
Trade and other receivables, net	9	1,031,426,598	936,363,869	857,129,608	305,226,414	542,218,730	314,507,017
Short-term loans to others		24,464,440	41,492,204	150,094,840	-	-	-
Short-term loans to related parties	35	-	-	-	321,500,000	470,700,000	464,850,000
Inventories	10	634,966,623	614,956,787	473,384,494	24,409,942	23,768,590	23,264,904
Other current assets	11	136,810,475	129,124,063	173,592,285	41,239,538	27,534,302	13,231,992
<b>Total current assets</b>		<b>2,473,318,309</b>	<b>2,463,454,779</b>	<b>2,014,442,632</b>	<b>720,242,399</b>	<b>1,096,346,288</b>	<b>835,907,795</b>
<b>Non-current assets</b>							
Investments in subsidiaries	12	-	-	-	4,907,582,405	4,737,582,405	4,622,962,561
Investments in associates	12	724,811,852	802,751,203	842,131,542	787,412,874	796,933,251	805,204,788
Investments in joint ventures	12	-	95,528,677	80,757,097	-	60,000,000	60,000,000
Other long-term investments		843,663	590,271	552,407	-	-	-
Long-term loans to related parties	35	-	41,000,000	157,000,000	3,192,200,000	3,111,950,000	3,740,700,000
Investment properties	13	457,678,588	473,164,072	491,387,587	289,742,897	302,662,714	315,582,530
Property, plant and equipment	14	22,760,153,036	22,945,234,149	22,277,733,229	5,516,396,769	5,685,112,475	5,860,037,630
Goodwill	15	314,602,238	314,602,238	314,602,238	-	-	-
Leasehold rights	16	877,933,576	920,561,031	760,691,820	95,410,682	90,048,451	84,991,440
Other intangible assets	17	419,813,463	459,078,256	473,443,750	25,602,190	28,625,787	36,666,088
Deferred tax assets	18	148,723,855	188,073,841	275,139,241	-	-	79,223,018
Other non-current assets	19	530,994,634	520,318,745	517,293,823	21,146,991	18,005,119	18,550,285
<b>Total non-current assets</b>		<b>26,235,554,905</b>	<b>26,760,902,483</b>	<b>26,190,732,734</b>	<b>14,835,494,808</b>	<b>14,830,920,202</b>	<b>15,623,918,340</b>
<b>Total assets</b>		<b>28,708,873,214</b>	<b>29,224,357,262</b>	<b>28,205,175,366</b>	<b>15,555,737,207</b>	<b>15,927,266,490</b>	<b>16,459,826,135</b>

The accompanying notes on page 68 to 147 are an integral part of these consolidated and company financial statements.

		Consolidated			Company		
		Restated			Restated		
	Notes	31 December 2014 Baht	31 December 2013 Baht	1 January 20--13 Baht	31 December 2014 Baht	31 December 2013 Baht	1 January 2013 Baht
<b>Liabilities and shareholders' equity</b>							
<b>Current liabilities</b>							
Bank overdrafts and short-term borrowings from financial institutions	20	1,312,784,323	2,168,831,477	2,599,441,615	1,302,831,309	1,853,984,199	2,407,315,474
Trade and other payables	21	2,485,282,091	2,304,948,347	1,972,264,591	293,995,826	330,240,561	330,730,576
Current portion of long-term borrowings from financial institutions	20	935,518,700	1,250,505,280	958,000,000	288,000,000	788,000,000	588,000,000
Current portion of finance lease liabilities	20	20,165,339	26,881,039	24,830,165	13,160,218	12,327,988	11,549,557
Current portion of debentures	20	-	-	1,399,862,968	-	-	1,399,862,968
Current portion of equity of unit holder in property fund	20	-	-	62,000,000	-	-	-
Current portion of deferred income		183,492,768	182,357,465	174,813,987	95,806,535	94,896,842	96,654,027
Current portion of liability under consignment agreement		-	-	-	-	-	116,726,443
Short-term loans from others	20	32,963,000	32,813,600	30,631,600	-	-	-
Short-term loans from related parties	20, 35	61,068,902	60,260,523	61,065,935	716,300,000	841,400,000	749,000,000
Provision of guarantee payment	22	-	-	56,188,542	-	-	28,189,791
Income tax payable		77,377,106	68,762,432	104,808,703	-	-	-
Other current liabilities	23	235,845,859	322,942,426	314,326,134	61,606,885	60,550,159	49,239,234
<b>Total current liabilities</b>		<b>5,344,498,088</b>	<b>6,418,302,589</b>	<b>7,758,234,240</b>	<b>2,771,700,773</b>	<b>3,981,399,749</b>	<b>5,777,268,070</b>
<b>Non-current liabilities</b>							
Long-term borrowings from financial institutions	20	3,588,612,850	5,144,487,160	5,112,519,330	354,000,000	1,142,000,000	1,430,000,000
Debentures	20	4,297,317,315	2,798,111,109	1,799,117,717	4,297,317,315	2,798,111,109	1,799,117,717
Finance lease liabilities	20	7,761,904	25,934,689	47,607,678	4,973,847	18,134,065	30,462,053
Equity of unit holder in property fund		-	-	31,000,000	-	-	-
Deferred income		2,444,863,041	2,532,520,720	2,650,052,622	1,144,290,411	1,194,623,745	1,244,957,079
Deferred tax liabilities	18	780,822,753	657,301,489	521,279,509	136,193,827	57,329,928	-
Employee benefit obligations	24	136,790,634	129,754,168	117,254,837	49,238,797	48,791,785	45,204,280
Provision for decommissioning		87,289,720	80,724,042	72,393,373	-	-	-
Other non-current liabilities		304,764,022	219,420,216	124,010,954	11,003,598	11,232,256	11,174,124
<b>Total non-current liabilities</b>		<b>11,648,222,239</b>	<b>11,588,253,593</b>	<b>10,475,236,020</b>	<b>5,997,017,795</b>	<b>5,270,222,888</b>	<b>4,560,915,253</b>
<b>Total liabilities</b>		<b>16,992,720,327</b>	<b>18,006,556,182</b>	<b>18,233,470,260</b>	<b>8,768,718,568</b>	<b>9,251,622,637</b>	<b>10,338,183,323</b>

The accompanying notes on page 68 to 147 are an integral part of these consolidated and company financial statements.

STATEMENT OF FINANCIAL POSITION

As at 31 December 2014 (continued)

	Notes	Consolidated			Company		
		Restated			Restated		
		31 December	31 December	1 January	31 December	31 December	1 January
		2014	2013	20--13	2014	2013	2013
		Baht	Baht	Baht	Baht	Baht	Baht
<b>Liabilities and shareholders' equity (Cont'd)</b>							
<b>Shareholders' equity</b>							
Share capital							
Authorised share capital							
1,350,000,000 ordinary shares							
of Baht 1 each	25	1,350,000,000	1,350,000,000	1,350,000,000	1,350,000,000	1,350,000,000	1,350,000,000
Issued and paid-up share capital							
1,350,000,000 ordinary shares							
of Baht 1 each		1,350,000,000	1,350,000,000	1,350,000,000	1,350,000,000	1,350,000,000	1,350,000,000
Premium on paid-up capital		970,000,000	970,000,000	970,000,000	970,000,000	970,000,000	970,000,000
Retained earnings							
Appropriated-Legal reserve	26	158,080,000	158,080,000	158,080,000	158,080,000	158,080,000	158,080,000
Unappropriated		5,467,921,167	4,819,429,578	3,878,009,168	3,382,021,093	3,259,449,353	2,694,241,798
Other components of equity	27	2,968,878,145	3,117,254,630	2,654,475,291	926,917,546	938,114,500	949,321,014
<b>Equity attributable to owners of the parent</b>							
Non-controlling interests		801,273,575	803,036,872	961,140,647	-	-	-
<b>Total shareholders' equity</b>							
		11,716,152,887	11,217,801,080	9,971,705,106	6,787,018,639	6,675,643,853	6,121,642,812
<b>Total liabilities and shareholders' equity</b>							
		28,708,873,214	29,224,357,262	28,205,175,366	15,555,737,207	15,927,266,490	16,459,826,135

The accompanying notes on page 68 to 147 are an integral part of these consolidated and company financial statements.

STATEMENT OF

COMPREHENSIVE INCOME

For the year ended 31 DECEMBER 2014

	Notes	Consolidated		Company	
		Restated		Restated	
		2014	2013	2014	2013
		Baht	Baht	Baht	Baht
<b>Revenues</b>					
Revenues from hotel operations and related services		8,091,469,372	8,037,382,005	2,080,961,829	2,254,504,500
Revenues from food and beverage		9,900,799,697	9,058,588,107	-	-
Dividends received		-	-	312,787,160	636,118,827
Other income	28	494,001,891	461,380,903	653,306,089	727,650,134
<b>Total revenues</b>		18,486,270,960	17,557,351,015	3,047,055,078	3,618,273,461
<b>Expenses</b>					
	30				
Cost of sales - hotel operations and related services	35.6	5,235,045,601	5,243,274,816	1,363,856,653	1,521,594,292
Cost of sales - food and beverage		5,537,013,505	4,978,262,097	-	-
Selling expenses		839,609,039	734,204,006	224,982,075	205,296,748
Administrative expenses		4,712,387,917	4,290,284,346	438,411,635	453,189,660
Finance costs	29	455,314,247	506,575,636	274,365,551	328,630,341
<b>Total expenses</b>		16,779,370,309	15,752,600,901	2,301,615,914	2,508,711,041
<b>Operating profit</b>		1,706,900,651	1,804,750,114	745,439,164	1,109,562,420
<b>Share of net (loss) profit of investments</b>					
Joint venture		118,645	14,771,574	-	-
Associate		(43,279,989)	6,761,862	-	-
<b>Total</b>		(43,161,344)	21,533,436	-	-
<b>Profit before income tax expense</b>		1,663,739,307	1,826,283,550	745,439,164	1,109,562,420
Income tax expense	31	(366,365,527)	(425,951,237)	(82,867,424)	(143,524,831)
<b>Net profit for the year</b>		1,297,373,780	1,400,332,313	662,571,740	966,037,589
<b>Profit attributable to:</b>					
Owners of the parent		1,188,491,589	1,346,420,410	662,571,740	966,037,589
Non-controlling interests		108,882,191	53,911,903	-	-
		1,297,373,780	1,400,332,313	662,571,740	966,037,589
<b>Earnings per share</b>					
Basic earnings per share (Baht)	32	0.88	1.00	0.49	0.72

The accompanying notes on page 68 to 147 are an integral part of these consolidated and company financial statements.



STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2014 (continued)

	Consolidated		Company	
	Restated		Restated	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Net profit for the year	1,297,373,780	1,400,332,313	662,571,740	966,037,589
Other comprehensive income				
Gain on remeasuring of available-for-sale investments	202,713	30,291	-	-
Gains on asset revaluation	-	393,904,266	-	-
Exchange differences on translating	(38,118,346)	38,969,522	-	-
Other comprehensive income for the year, net of income tax	(37,915,633)	432,904,079	-	-
Total comprehensive income for the year	1,259,458,147	1,833,236,392	662,571,740	966,037,589
Total comprehensive income attributable to:				
Owners of the parent	1,184,796,013	1,768,112,366	662,571,740	966,037,589
Non-controlling interests	74,662,134	65,124,026	-	-
	1,259,458,147	1,833,236,392	662,571,740	966,037,589

The accompanying notes on page 68 to 147 are an integral part of these consolidated and company financial statements.

STATEMENT OF

CHANGES IN SHAREHOLDERS' EQUITY

For the year ended 31 DECEMBER 2014

	Consolidated											
	Retained earnings				Other components of equity				Total			
	Issued and paid-up share capital		Premium on paid-up capital		Remeasuring of available-for-sale investment		Gain on asset revaluation		Surplus on business combination under common control		Translation adjustment	
	Notes	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Opening balance 1 January 2013	4	1,350,000,000	-	-	-	370,632	2,675,725,293	-	2,654,475,291	8,964,674,763	964,736,722	9,929,411,485
Retrospective adjustments												
Balance after adjustment		1,350,000,000	-	-	370,632	2,675,725,293	-	(21,620,634)	2,654,475,291	9,010,564,459	961,140,647	9,971,705,106
Dividend paid	33	-	-	-	-	(405,000,000)	-	-	-	(405,000,000)	-	(405,000,000)
Dividend paid from a subsidiary		-	-	-	-	-	-	-	-	-	(53,351,680)	(53,351,680)
Total comprehensive income for the year		-	-	-	30,291	392,530,142	-	29,131,523	421,691,956	1,768,112,366	65,124,026	1,833,236,392
Acquisition of subsidiary		-	-	-	-	-	-	-	143,422,000	143,422,000	-	143,422,000
Effect from business acquisition		-	-	-	-	-	-	-	-	-	120,000,000	120,000,000
Increase in Non-controlling interests		-	-	-	-	-	-	-	-	-	-	-
From acquiring of investment in subsidiary		-	-	-	-	-	-	-	-	-	(263,422,000)	(263,422,000)
Transfer depreciation of land and building		-	-	-	-	-	(102,334,617)	-	(102,334,617)	(102,334,617)	(26,454,121)	(128,788,738)
Closing balance 31 December 2013		1,350,000,000	-	-	400,923	2,965,920,818	143,422,000	7,510,889	3,117,254,630	10,414,764,208	803,036,872	11,217,801,080
Opening balance 1 January 2014	4	1,350,000,000	-	-	400,923	2,965,920,818	143,422,000	7,510,889	3,117,254,630	10,344,374,417	807,403,529	11,151,777,946
Retrospective adjustments												
Balance after adjustment		1,350,000,000	-	-	400,923	2,965,920,818	143,422,000	7,510,889	3,117,254,630	10,414,764,208	803,036,872	11,217,801,080
Dividend paid	33	-	-	-	-	-	-	-	-	-	-	(540,000,000)
Dividend paid from a subsidiary	33	-	-	-	-	-	-	-	-	(540,000,000)	-	(540,000,000)
Total comprehensive income for the year		-	-	-	202,713	-	-	(3,898,289)	(3,695,576)	1,184,796,013	74,662,134	1,259,458,147
Increase in Non-controlling interests		-	-	-	-	-	-	-	-	-	-	-
From acquiring of investment in subsidiary		-	-	-	-	-	-	-	-	-	3,118,392	3,118,392
Transfer depreciation of land and building		-	-	-	-	-	(144,680,909)	-	(144,680,909)	(144,680,909)	(26,115,823)	(170,796,732)
Closing balance 31 December 2014		1,350,000,000	-	-	603,636	2,821,239,909	143,422,000	3,612,600	2,968,878,145	10,914,879,312	801,273,575	11,716,152,887

The accompanying notes on page 68 to 147 are an integral part of these consolidated and company financial statements.

STATEMENT OF CHANGES IN SHAREHOLDERS’ EQUITY

For the year ended 31 December 2014 (continued)

		Company					
		Issued and paid-up share capital Baht	Premium on paid-up capital Baht	Retained earnings		Other components of equity	Total shareholders' equity Baht
Notes				Legal reserve Baht	Unappropriated Baht	Gain on asset revaluation Baht	
Opening balance 1 January 2013		1,350,000,000	970,000,000	158,080,000	2,648,829,564	949,321,014	6,076,230,578
Retrospective adjustments	4	-	-	-	45,412,234	-	45,412,234
Balance after adjustment		1,350,000,000	970,000,000	158,080,000	2,694,241,798	949,321,014	6,121,642,812
Deferred tax charged directly to equity		-	-	-	4,169,966	-	4,169,966
Dividend paid	33	-	-	-	(405,000,000)	-	(405,000,000)
Total comprehensive income for the year		-	-	-	966,037,589	-	966,037,589
Transfer depreciation of land and building		-	-	-	-	(11,206,514)	(11,206,514)
Closing balance 31 December 2013		1,350,000,000	970,000,000	158,080,000	3,259,449,353	938,114,500	6,675,643,853
Opening balance 1 January 2014		1,350,000,000	970,000,000	158,080,000	3,189,065,695	938,114,500	6,605,260,195
Retrospective adjustments	4	-	-	-	70,383,658	-	70,383,658
Balance after adjustment		1,350,000,000	970,000,000	158,080,000	3,259,449,353	938,114,500	6,675,643,853
Dividend paid	33	-	-	-	(540,000,000)	-	(540,000,000)
Total comprehensive income for the year		-	-	-	662,571,740	-	662,571,740
Transfer depreciation of land and building		-	-	-	-	(11,196,954)	(11,196,954)
Closing balance 31 December 2014		1,350,000,000	970,000,000	158,080,000	3,382,021,093	926,917,546	6,787,018,639

The accompanying notes on page 68 to 147 are an integral part of these consolidated and company financial statements.

STATEMENT OF

CASH FLOWS

For the year ended 31 DECEMBER 2014

	Notes	Consolidated		Company	
		2014 Baht	2013 Baht	2014 Baht	2013 Baht
Cash flows from operating activities					
Profit before income tax for the year		1,663,739,307	1,826,283,550	745,439,164	1,109,562,420
Adjustments:					
Allowance for doubtful accounts (reversal)		(17,787,509)	19,981,313	418,750	(172,525)
Allowance for doubtful accounts of short-term loan to others		34,504,056	-	-	-
(Reversal of) allowance for inventory obsolescence		934,989	(122,524)	-	-
Depreciation and amortisation		1,734,988,597	1,577,965,014	326,619,713	240,427,988
Impairment charge					
Loss on disposals and write-off of plant and equipment		89,924,517	33,506,298	12,538,126	8,384,829
Dividends received		-	-	(312,787,160)	(636,118,827)
Share of profit from investments in associates and interests in joint ventures (net from income tax)	12	43,161,344	(21,533,436)	-	-
Finance costs	29	455,314,247	506,575,636	274,365,551	328,630,341
Realisation of deferred income		(248,001,759)	(232,247,847)	(144,911,180)	(141,202,885)
Loss from discontinued branch		41,479,500	13,535,569	-	-
Unrealised gain on exchange rate		-	(7,083,899)	-	-
Provision for employee benefits		15,237,855	15,788,574	5,323,896	5,437,105
Provision for decommissioning		11,221,871	11,629,083	-	-
(Reversal) provision for impairment of property, plant		25,501,847	(5,882,960)	-	-
(Reversal) provision for impairment of intangible assets		(2,730,536)	(1,228,172)	-	-
Gain on business acquisition		(86,475,937)	-	-	-
Gain on re-measuring to fair value of investments		(16,597,576)	-	-	-
Changes in working capital (excluding the effects of acquisition of subsidiaries)		3,744,414,813	3,737,166,199	907,006,860	914,948,446
Trade and other receivables		(153,042,091)	(100,085,150)	234,625,566	(228,598,447)
Inventories		(19,633,791)	(141,449,769)	(641,352)	(503,686)
Other current assets		8,813,817	44,468,222	(2,782,908)	(14,302,310)
Other non-current assets		(18,871,938)	(7,420,644)	(2,604,018)	90,451,547
Trade and other payables		233,253,456	472,262,194	(52,663,629)	(28,230,110)
Other current liabilities		(87,607,604)	8,616,292	1,056,726	11,310,925
Deferred income		161,479,383	122,259,423	95,487,539	89,112,366
Provision of guarantee payment		-	(56,188,542)	-	(28,189,791)
Provision for decommissioning cost		(4,656,193)	(3,298,413)	-	-
Provision of employee benefits		(8,756,329)	(3,289,243)	(4,876,884)	(1,849,600)
Other non-current liabilities		85,343,806	92,445,484	(228,658)	58,131
Cash generated from operating activities		3,940,737,329	4,165,486,053	1,174,379,242	804,207,471
Income tax paid		(199,679,643)	(232,378,683)	(12,126,296)	-
Net cash flows from operating activities		3,741,057,686	3,933,107,370	1,162,252,946	804,207,471

The accompanying notes on page 68 to 147 are an integral part of these consolidated and company financial statements.



# STATEMENT OF CASH FLOWS

## For the year ended 31 December 2014 (continued)

		Consolidated		Company	
		2014	2013	2014	2013
	Notes	Baht	Baht	Baht	Baht
<b>Cash flows from investing activities</b>					
Net cash payment for acquisition of investment in subsidiaries		(105,196,082)	(120,000,000)	-	-
Payment for additional investments in subsidiaries		-	-	(110,000,000)	(143,749,844)
Loan payments received from related parties	35	-	-	(1,978,850,000)	(1,301,100,000)
Proceeds from loans from others		-	116,000,000	2,047,800,000	1,924,000,000
Loans made to others		-	182,450,538	-	-
Cash received from short-term investment		(4,464,440)	(70,000,000)	-	-
Cash received from decrease in share capital of a subsidiary		-	3,960,256	-	-
Purchase of property, plant and equipment software licenses and asset under financial lease agreement		(1,371,344,015)	(2,003,183,712)	(172,441,937)	(138,780,586)
Prepayment for land		-	-	-	(411,850)
Proceed from disposals of plant and equipment		11,892,240	3,298,074	50,000	1,537,853
Net changes in land deposit		-	-	-	(2,451,119)
Proceeds from redemption of investment in property funds		9,520,377	8,271,537	9,520,377	37,401,537
Dividends received from subsidiaries		-	-	287,648,175	598,248,169
Dividends received from associates and property funds		25,138,985	37,870,658	25,138,985	37,870,658
Net cash (used in) from investing activities		(1,434,452,935)	(1,841,332,649)	108,865,600	1,012,564,818
<b>Cash flows from financing activities</b>					
Net changes in short-term loans from financial institutions		(850,000,000)	(390,000,000)	(550,000,000)	(550,000,000)
Interest paid		(406,810,461)	(607,345,122)	(257,191,657)	(316,970,673)
Dividends paid to owners of the Company		(540,000,000)	(405,000,000)	(540,000,000)	(405,000,000)
Proceeds from loans from related parties	35	-	-	2,933,280,000	2,208,500,000
Repayments of loans from related parties	35	-	(17,444,809)	(3,058,380,000)	(2,116,100,000)
Proceeds from debentures		1,500,000,000	1,000,000,000	1,500,000,000	1,000,000,000
Repayments of debentures		-	(1,400,000,000)	-	(1,400,000,000)
Finance lease principal payments		(27,359,798)	(19,622,115)	(13,932,160)	(11,549,557)
Proceeds from long-term borrowings		154,279,050	1,082,848,800	-	500,000,000
Repayments of long-term borrowings		(2,132,106,071)	(758,375,690)	(1,288,000,000)	(588,000,000)
Repayments of loan from others		(41,000,000)	-	-	-
Equity of unit holders in property funds	20	-	(93,000,000)	-	-
Dividends paid to non-controlling interests		(53,428,000)	(53,351,680)	-	-
Dividends paid to unit holders in property funds		-	(4,637,260)	-	-
Cash paid for liabilities under consignment agreement		-	-	-	(122,250,000)
Net cash used in financing activities		(2,396,425,280)	(1,665,927,876)	(1,274,223,817)	(1,801,370,230)
<b>Net (decrease) increase in cash and cash equivalents</b>		(89,820,529)	425,846,845	(3,105,271)	15,402,059
Cash and cash equivalents at the beginning of the year		722,686,379	296,839,534	28,140,467	12,738,408
<b>Cash and cash equivalents at the end of the year</b>		632,865,850	722,686,379	25,035,196	28,140,467

The accompanying notes on page 68 to 147 are an integral part of these consolidated and company financial statements.

	Notes	Consolidated		Company	
		2014 Baht	2013 Baht	2014 Baht	2013 Baht
Cash and cash equivalentst		645,650,173	741,517,856	27,866,505	32,124,666
Bank overdrafts	20	(12,784,323)	(18,831,477)	(2,831,309)	(3,984,199)
		632,865,850	722,686,379	25,035,196	28,140,467
<b>Non-cash transactions</b>					
Acquisition of property, plant and equipment, and software licenses by payable		170,700,744	279,179,951	2,637,240	9,759,518

The accompanying notes on page 68 to 147 are an integral part of these consolidated and company financial statements.

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the year ended 31 DECEMBER 2014

1 GENERAL INFORMATION

Central Plaza Hotel Public Company Limited, (the “Company”) is a public limited company which is incorporated and domiciled in Thailand and is listed on the Stock Exchange of Thailand on 10 January 1990. The address of the Company's registered office is as follows:

1695 Phaholyothin Road, Chatuchak, Bangkok, Thailand.

For reporting purposes, the Company and its subsidiaries are referred to as the Group.

The principal businesses of the Company are in the hotel business. Details of the Company's subsidiaries, associates and interests in joint ventures as at 31 December 2014 and 2013 are as follows:

The principal businesses of the Company are in the hotel business. Details of the Company's subsidiaries, associate and joint venture are as follows: (Cont'd)

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			31 December 2014	31 December 2013
Direct subsidiaries				
Investment in subsidiaries				
Central Samui Beach Resort Co., Ltd.	Hotel	Thailand	100.0	100.0
Central Karon Village Co., Ltd.	Hotel	Thailand	100.0	100.0
Central Krabi Bay Resort Co., Ltd.	Hotel	Thailand	100.0	100.0
Central Hua Hin Beach Resort Co., Ltd.	Hotel	Thailand	63.9	63.9
Central World Hotel Co., Ltd.	Hotel	Thailand	100.0	100.0
Central Koh Kood Hotel Co., Ltd.	Hotel	Thailand	100.0	100.0
Central Hotel Management Co., Ltd.	Holding company	Thailand	100.0	100.0
Central Restaurants Group Co., Ltd.	Food and beverage	Thailand	100.0	100.0
Triplenine Decor Co., Ltd.	Dormant company	Thailand	100.0	100.0
Central Samui Hotel Management Co., Ltd.	Hotel	Thailand	100.0	100.0
Centara International Management Co., Ltd.	Holding company and hotel management	Thailand	100.0	100.0
S.P. Realty Had Farang Resort Co., Ltd.	Not operate yet	Thailand	100.0	100.0
S.P. Realty Pattaya Beach Co., Ltd.	Not operate yet	Thailand	100.0	100.0
Cenvaree Healthy Spa Co., Ltd.	Not operate yet	Thailand	100.0	100.0
Central Bangkok Convention & Exhibition Co., Ltd.	Not operate yet	Thailand	100.0	100.0
Centara International Management (Thailand) Co., Ltd.	Hotel management	Thailand	100.0	100.0
Karon Phuket Hotel Co., Ltd.	Hotel	Thailand	99.3	99.3
Cosi Hotels Co., Ltd.	Not operate yet	Thailand	100.0	100.0
Centara Import-Export Co., Ltd.	Import and export	Thailand	100.0	100.0
Cosi Hotel Management Co., Ltd.	Not operate yet	Thailand	100.0	100.0
Centara Loyalty Marketing Co., Ltd.	Offer privileges for customers	Thailand	100.0	100.0
Centara Learning Centre Co., Ltd.	Learning centre	Thailand	100.0	100.0
Kata Phuket Hotel Co., Ltd.	Hotel	Thailand	99.0	-
Investment in property fund				
Thai Pattana Fund 2	Property fund	Thailand	-	23.9*

\* By direct and indirect shareholding  
The property fund was registered for dissolution on 7 February 2014 and finished the liquidation process on 31 March 2014.

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			31 December 2014	31 December 2013
Indirect subsidiaries				
Investment in subsidiaries				
Central Sukhontha Hotel Co., Ltd.	Hotel	Thailand	100.0	100.0
Central Samui Village Co., Ltd.	Hotel	Thailand	100.0	100.0
Central Mae Sot Hill Hotel Co., Ltd.	Hotel	Thailand	98.4	98.4
CRG Manufacturing Co., Ltd.	Food and beverage	Thailand	100.0	100.0
Central Laundry Services Co., Ltd.	Dormant company	Thailand	100.0	100.0
CRG International Food Co., Ltd.	Food and beverage	Thailand	100.0	100.0
S.P. Realty Lanta Beach Co., Ltd.	Not operate yet	Thailand	100.0	100.0
Centara Maldives Pvt. Ltd.	Hotel	Maldives	75.0	75.0
R.M.L. Leisure Pvt. Ltd.	Hotel	Maldives	74.0	74.0
Centara (Shanghai) Hotel Management	Not operate yet	China	100.0	-
CIM for Hotel Management- Egypt, S.A.E	Not operate yet	Egypt	100.0	-
Investment in associate and interest in joint venture				
Centara Hotels & Resorts Leasehold Property Fund	Property fund	Thailand	25.3	25.3
Kata Phuket Hotel Co., Ltd.	Hotel	Thailand	-	50.0

These Group consolidated financial statements were authorised for issue by the Board of Directors on 26 February 2015.



NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS  
For the year ended 31 December 2014 (continued)

2 ACCOUNTING POLICIES

The principal accounting policies applied 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 Financial Reporting Standards issued under the Accounting Profession Act B.E.2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

The consolidated and company financial statements have been prepared under the cost convention except revaluation of property, plant and equipment and available for sale investment which are carried at fair value as disclosed in the accounting policies below.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 5.

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 New financial reporting standards and revised financial reporting standards

1) Revised accounting standards which are effective on 1 January 2014 and are relevant to the Group

TFRIC 13	Customer loyalty programmes
TFRIC 13	clarifies that where goods or services are sold together with a customer loyalty incentive

(for example, loyalty points or free products), the arrangement is a multiple-element arrangement, and the consideration received or receivable from the customer is allocated between the components of the arrangement using fair values. New accounting policy is desorbed in Note 2.23.

2) New financial reporting standards and revised accounting standards, revised financial reporting standards are effective on 1 January 2015.These standards are relevant to the Group and are not early adopted:

a) Financial reporting standards, which are expected to have a significant impact to the Group:

TAS 1 (revised 2014)	Presentation of financial statements
TAS 16 (revised 2014)	Property, plant and equipment
TAS 19 (revised 2014)	Employee benefits
TAS 27 (revised 2014)	Separate financial statements
TAS 28 (revised 2014)	Investments in associates and joint ventures
TAS 34 (revised 2014)	Interim financial reporting
TFRS 10	Consolidated financial statements
TFRS 11	Joint arrangements
TFRS 12	Disclosure of interests in other entities
TFRS 13	Fair value measurement
TFRIC 14 (revised 2014)	TAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction
TFRIC 20	Stripping costs in the production phase of a surface mine

TAS 1 (revised 2014), the main change is that a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI.

TAS 16 (revised 2014) indicates that spare part, stand-by equipment and servicing equipment are recognised as PPE when they meet the definition of PPE. Otherwise, such items are classified as inventory. This standard has no impact to the Group

TAS 19 (revised 2014), the key changes are (a) actuarial gains and losses are renamed 'remeasurements' and will be recognised immediately in 'other comprehensive income' (OCI). Actuarial gains and losses will no longer be deferred using the corridor approach or recognised in profit or loss; and (b) past-service costs will be recognised in the period of a plan amendment; unvested benefits will no longer be spread over a future-service period. This standard has no impact to the Group.

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS  
For the year ended 31 December 2014 (continued)

TAS 27 (revised 2014) provide the requirements relating to separate financial statements.

TAS 28 (revised 2014) provide the requirements for investment in associates and joint ventures accounted by equity method.

TAS 34 (revised 2014), the key change is the disclosure requirements for operating segment. An entity shall disclose information of a measure of total assets and liabilities for a particular reportable segment if such amounts are regularly provided to the chief operating decision maker and if there has been a material change from the amount disclosed in the last annual financial statements for that reportable segment.

TFRS 10 has a single definition of control and supersedes the principles of control and consolidation included within the original TAS 27, ‘Consolidated and separate financial statements’. The standard sets out the requirements for when an entity should prepare consolidated financial statements, defines the principles of control, explains how to apply the principles of control and explains the accounting requirements for preparing consolidated financial statements. The key principle in the new standard is that control exists, and consolidation is required, only if the investor possesses power over the investee, has exposure to variable returns from its involvement with the investee and has the ability to use its power over the investee to affect its returns. This standard has no impact to the Group.

TFRS 11 defined that a joint arrangement is a contractual arrangement where at least two parties agree to share control over the activities of the arrangement. Unanimous consent toward decisions about relevant activities between the parties sharing control is a requirement in order to meet the definition of joint control. Joint arrangements can be joint operations or joint ventures. The classification is principle based and depends on the parties’ exposure in relation to the arrangement. When the parties’ exposure to the arrangement only extends to the net assets of the arrangement, the arrangement is a joint venture. Joint operations have rights to assets and obligations for liabilities. Joint operations account for their rights to assets and obligations for liabilities. Joint ventures account for their interest by using the equity method of accounting. This standard has no impact to the Group.

TFRS 12 require entities to disclose information that helps readers of financial statements to evaluate the nature of risks and financial effects associated with the entity’s interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities. This standard has no impact to the Group.

TFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across TFRSs. The management is currently assessing the impact of applying this standard.

TFRIC 14 (revised 2014), this interpretation applies to all post-employment defined benefits and other long-term employee benefits. For the purpose of this interpretation, minimum funding requirements are any requirements to fund a post-employment or other long-term benefit plan. This interpretation explains how the pension asset or liability may be affected by a statutory or contractual minimum funding requirement. This standard has no impact to the Group.

TFRIC 20 (revised 2014), this interpretation sets out the accounting for overburden waste removal (stripping) costs in the production phase of a surface mine. This standard has no impact to the Group.

b) Financial reporting standards with minor changes and do not have impact to the Group are as follows:

TAS 2 (revised 2014)	Inventories
TAS 7 (revised 2014)	Statement of cash flows
TAS 8 (revised 2014)	Accounting policies, changes in accounting estimates and errors
TAS 10 (revised 2014)	Events after the reporting period
TAS 11 (revised 2014)	Construction contracts
TAS 12 (revised 2014)	Income taxes
TAS 17 (revised 2014)	Leases
TAS 18 (revised 2014)	Revenue
TAS 20 (revised 2014)	Accounting for government grants & disclosure of government assistance
TAS 21 (revised 2014)	The effects of changes in foreign exchange rates
TAS 23 (revised 2014)	Borrowing costs
TAS 24 (revised 2014)	Related party disclosures
TAS 26 (revised 2014)	Accounting and reporting by retirement benefit plans
TAS 29 (revised 2014)	Financial reporting in hyperinflationary economies
TAS 33 (revised 2014)	Earnings per share
TAS 36 (revised 2014)	Impairment of assets
TAS 37 (revised 2014)	Provisions, contingent liabilities and contingent assets
TAS 38 (revised 2014)	Intangible assets
TAS 40 (revised 2014)	Investment property



NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS  
 For the year ended 31 December 2014 (continued)

TFRS 2 (revised 2014)	Share-based payment
TFRS 3 (revised 2014)	Business combinations
TFRS 5 (revised 2014)	Non-current asset held for sale and discontinued operations
TFRS 6 (revised 2014)	Exploration for and evaluation of mineral resources
TFRS 8 (revised 2014)	Operating segments
TSIC 10 (revised 2014)	Government assistance - No specific relation to operating activities
TSIC 15 (revised 2014)	Operating leases - Incentives
TSIC 25 (revised 2014)	Income taxes - changes in the tax status of an entity or its shareholders
TSIC 27 (revised 2014)	Evaluating the substance of transactions involving the legal form of a lease
TSIC 29 (revised 2014)	Service concession arrangements: Disclosures
TSIC 31 (revised 2014)	Revenue - barter transactions involving advertising services
TSIC 32 (revised 2014)	Intangible assets - Web site costs
TFRIC 1 (revised 2014)	Changes in existing decommissioning, restoration and similar liabilities
TFRIC 4 (revised 2014)	Determining whether an arrangement contains a lease
TFRIC 5 (revised 2014)	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
TFRIC 7 (revised 2014)	Applying the restatement approach under IAS 29 Financial reporting in hyperinflationary economies
TFRIC 10 (revised 2014)	Interim financial reporting and impairment
TFRIC 12 (revised 2014)	Service concession arrangements
TFRIC 13 (revised 2014)	Customer loyalty programmes
TFRIC 15 (revised 2014)	Agreements for the construction of real estate
TFRIC 17 (revised 2014)	Distributions of non-cash assets to owners
TFRIC 18 (revised 2014)	Transfers of assets from customers

3) New financial reporting standard which is effective on 1 January 2016.	
TFRS4 (revised 2014)	Insurance contracts
TFRS 4 applies to all insurance contracts (including reinsurance contracts) that an entity issues and to reinsurance contracts that it holds. TFRS 4 is not relevant to the Group's operations.	

2.3 Group Accounting - Investments in subsidiaries and associates and interests in joint ventures

(1) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

Investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS  
For the year ended 31 December 2014 (continued)

Intercompany transactions, balances and unrealised gains or loss on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

**(2) Transactions and non-controlling interests**

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control or significant influence, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

**(3) Associates and interests in joint ventures**

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20 % and 50 % of the voting rights. Investments in associates and interests in joint ventures are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss. See Note 2.14 for the impairment of assets including goodwill.

The Group's share of its associates' and joint ventures' post-acquisition profits or losses is recognised in the profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate and joint venture equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate and joint venture.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the associates and joint ventures. 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. Dilution gains and losses arising in investments in associates are recognised in the profit or loss.

In the Company's separate financial statements, investments in associates and interests in joint ventures are accounted for using the cost method.

A list of the Group's principal associates and joint ventures is set out in Note 12. The effects acquisitions and disposals of associates are shown in Note 34.

**2.4 Foreign currency translation**

**(a) Functional and presentation currency**

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Thai Baht, which is the company's functional and the Group's presentation currency.

**(b) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit and loss, any exchange component of that gain or loss is recognised in profit and loss.



NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS  
For the year ended 31 December 2014 (continued)

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for each statement of comprehensive income are translated at average exchange rates; and
- All resulting exchange differences are recognised as a separate component of equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.5 Cash and cash equivalents

In the consolidated and company statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the consolidated and Company statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

2.6 Trade accounts receivable

Trade accounts receivable are carried at the original invoice amount and subsequently measured at the remaining amount less any allowance for doubtful receivables based on a review of all outstanding amounts at the year-end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written-off during the year in which they are identified and recognised in profit or loss within selling and administrative costs.

2.7 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the first-in, first-out method for food and beverage, finished goods, raw materials for manufacturing and spa products and by the moving average method for a subsidiary engaged in the manufacturing and sale of ice-cream products. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebates. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads based on normal operating capacity. It excludes borrowing costs. Net realisable value is the estimate of the selling price in the ordinary course of business, less applicable variable selling expenses. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

2.8 Investments

Investments other than investments in subsidiaries, associates and interests in joint ventures are classified into the following four categories: (1) trading investments; (2) held-to-maturity investments; (3) available-for-sale investments; and (4) general investments. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

(1) 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.

(2) 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, except for maturities within 12 months from the statement of financial position date which are classified as current assets.

(3) 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; and are included in non-current assets unless management has expressed the intention of holding the investment for less than 12 months from the statement of financial position date or unless they will need to be sold to raise operating capital, in which case they are included in current assets.

(4) Investments in non-marketable equity securities are classified as general investments.

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the year ended 31 December 2014 (continued)

All categories of investment are initially recognised at cost, which is equal to the fair value of consideration paid plus transaction cost.

Trading investments and available for sale investments are subsequently measured at fair value. The fair value of investments is based on quoted bid price at the close of business on the statement of financial position date by reference to the Stock Exchange of Thailand. The unrealised gains and losses of trading investments are recognised in income statement. The unrealised gains and losses of available for sale investments are recognised in equity.

Held-to-maturity investments are carried at amortised cost using the effective yield method less impairment loss.

General investments are carried at cost less impairment loss.

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 income statement.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit or loss. When disposing of part of the Company's holding of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined by the weight average carrying amount of the total holding of the investment.

2.9 Investment Property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Investment property is measured initially at its cost, including related transaction costs and borrowing costs. Borrowing costs are incurred for the purpose of acquiring, constructing or producing a qualifying investment property are capitalised as part of its cost. Borrowing costs are capitalised while acquisition or construction is actively underway and cease once the asset is substantially complete, or suspended if the development of the asset is suspended.

After initial recognition, investment property is carried at cost less any accumulated depreciation and any accumulated impairment losses.

Land is not depreciated. Depreciation on other investment properties is calculated using the straight line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Buildings and building improvement	15 and 30 years
------------------------------------	-----------------

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

2.10 Property, plant and equipment

Property, plant and equipment comprise mainly land and buildings except assets under financial lease agreement are shown at fair value, based on valuations by external independent valuers every 5 years, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.



NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the year ended 31 December 2014 (continued)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land and building are credited to statement of comprehensive income and shown as gain on asset revaluation in shareholders' equity. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against gain on asset revaluation directly in equity; all other decreases are charged to profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost is transferred from 'gain on asset revaluation' to retained earnings. According to FAP announcement, see in Note 14.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost (or the revalued amount) to their residual values over their estimated useful lives, as follows:

Land improvements	10 - 25 years or leased period
Buildings and improvements	10 - 50 years
Machinery and equipment	5 - 30 years
Furniture, fixtures and office equipment	3 - 19 years
Vehicles	5 - 10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The asset's carrying amount is written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.14).

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "Other losses or gains, net" in profit or loss.

When revalued assets are sold, the amounts included in gain on asset revaluation are transferred to retained earnings.

2.11 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary undertaking at the date of acquisition. Goodwill on acquisitions of subsidiaries is separately reported in the consolidated statement of financial position.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segment.

2.12 Leasehold right

Leasehold right is prepaid rental expense that is capitalised and amortised using the straight-line method over the lease period. Leasehold right is not re-valued. The carrying amount of leasehold right is reviewed annually for impairment where it is considered necessary.

2.13 Intangible assets

License agreements

Expenditure on acquired patents, trademarks and licences relating to restaurant franchises is capitalised and amortised using the straight-line method over their estimated useful lives, generally over 10 years. The intangible assets are not revalued. The carrying amount of intangible asset is reviewed annually and adjusted for impairment where it is considered necessary.

Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives not over 10 years.

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the year ended 31 December 2014 (continued)

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

2.14 Impairment of assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.15 Leases

Leases - Where a Group company is the lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

The Group leases certain property, plant and equipment. Leases of property, plant or equipment where the Group has substantially all the risks and rewards of ownership 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 and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant or equipment acquired under finance leases is depreciated over the shorter period of the useful life of the asset and the lease term.

Leases - Where a Group company is the lessor

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return. Initial direct costs are included in initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term.

Assets leased out under operating leases are included in property, plant and equipment in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with other similar property, plant and equipment owned by the Group. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.



NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS  
For the year ended 31 December 2014 (continued)

2.16 Borrowings

Borrowings are recognised initially at the fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting date.

2.17 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, 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. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising from investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.18 Employee Benefits

The Group has both defined benefit and defined contribution plans. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets, together with adjustments for unrecognised past-service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Past-service costs are recognised immediately in profit or loss, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS  
For the year ended 31 December 2014 (continued)

2.19 Provisions

Provisions, which exclude the provisions relating to employee benefits, are recognised when the Group has a present legal or constructive obligation as a result of past events, if 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.

2.20 Share Capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any Group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the company's equity holders until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transact costs and the related income tax effects, is included in equity attributable to the company's equity holders.

2.21 Revenue recognition

Hotel revenues from rooms, food and beverage and other services are recognised when the rooms are occupied, food and beverage are sold and the services are rendered.

Revenues from quick service restaurant business are recognised when food and beverage are sold to the customers.

Revenue from investments comprises rental income from investment properties and dividend and interest income from investments and bank deposits.

Rental income from investment property is recognised in the statement of income on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income. Contingent rentals are recognised as income in the accounting period in which they are earned.

Dividend income is recognised in the statement of income on the date the Group's/Company's right to receive payments is established.

Interest income is recognised in the statement of income as it accrues.

2.22 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

2.23 Customer loyalty programmes

The Group offers customer loyalty programmes for members card as a part of sales and services. The member will receive loyalty points that could be redeemed in the future by customers for selected goods, services or discount with no consideration paid based on terms and conditions as specified in the card.

Under TFRIC 13, credits granted to a customer are considered as a separately identifiable component of the sale transaction. The consideration received in respect of the sale transaction is allocated between:

- the initial sale of goods or supply of services, for which the corresponding revenue is recognised immediately in income; and
- credits awarded and redeemable in the future, for which the corresponding revenue is deferred until the customer redeems the awards and the entity fulfils its obligations to supply the awards.

The Group initially records loyalty points to deferred revenue at fair value and recognises as income when customer redeems the awards and the entity fulfils its obligation to supply the awards.



NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the year ended 31 December 2014 (continued)

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group’s activities expose it to a variety of financial risks: currency risk and interest rate risk. The Group’s overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group’s financial performance. The Group uses derivative financial instruments such as interest rate swap to hedge certain exposures.

Interest rate risk

The Group’s income and operating cash flows are substantially independent of changes in market interest rates. All interest rate derivative transactions are subject to approval by the Finance Director before execution. The Group has no significant interest-bearing assets. The Group’s policy is enter into interest rate swap. Under the interest rate swaps, The Group agrees with the other parties to exchange, at specified intervals (generally quarterly), the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts. Any differential to be paid or received on an interest rate swap agreement is recognised as a component of interest revenue or expense over the period of the agreement. Gains and losses on early termination of interest rate swaps or on repayment of the borrowing are taken to profit or loss.

Foreign exchange risk

The Group has two investments in foreign subsidiaries, whose net assets are exposed to currency translation risk. However, the Group does not enters into forward exchange contract to hedge the foreign currency exposure of its subsidiaries.

3.2 Accounting for derivative financial instruments and hedging activities

Interest rate swap agreements protect the Group from movements in interest rates. Any differential to be paid or received on an interest rate swap agreement is recognised as a component of interest revenue or expense over the period of the agreement. Gains and losses on early termination of interest rate swaps or on repayment of the borrowing are taken to profit or loss.

4 CHANGE IN PRESENTATION AND RESTATEMENT

4.1 Change in presentation

Comparative figures have been adjusted to conform with changes in presentation in the current year as follows:

	Consolidated					
	As at 1 January 2013			As at 31 December 2013		
	Originally	Adjustment	Restated	Originally	Adjustment	Restated
	stated			stated		
	Baht	Baht	Baht	Baht	Baht	Baht
<b>Current liabilities</b>						
Trade and other payables	1,997,094,756	(24,830,165)	1,972,264,591	2,331,829,386	(26,881,039)	2,304,948,347
Current portion of finance lease liabilities	-	24,830,165	24,830,165	-	26,881,039	26,881,039
<b>Non-current liabilities</b>						
Other non-current liabilities	157,787,575	(47,607,678)	110,179,897	228,560,071	(25,934,689)	202,625,382
Finance lease liabilities	-	47,607,678	47,607,678	-	25,934,689	25,934,689

	Company					
	As at 1 January 2013			As at 31 December 2013		
	Originally	Adjustment	Restated	Originally	Adjustment	Restated
	stated			stated		
	Baht	Baht	Baht	Baht	Baht	Baht
<b>Current liabilities</b>						
Trade and other payables	342,280,133	(11,549,557)	330,730,576	342,568,549	(12,327,988)	330,240,561
Current portion of finance lease liabilities	-	11,549,557	11,549,557	-	12,327,988	12,327,988
<b>Non-current liabilities</b>						
Other non-current liabilities	41,636,177	(30,462,053)	11,174,124	29,366,321	(18,134,065)	11,232,256
Finance lease liabilities	-	30,462,053	30,462,053	-	18,134,065	18,134,065

With the effective of TAS 1 (revised 2009) “Presentation of Financial Statements”, the Group presented statements of financial position as at 31 December 2014, 31 December 2013 and 1 January 2013 for the reclassification of comparative figures.

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the year ended 31 December 2014 (continued)

4.2 Restatement

(1) Retrospectively adjust deferred income tax

During the year 2014, the Group's management has amended the calculation of deferred tax for taxable temporary differences to be consistent with the use of tax benefits in the future. The Group has restated the financial statements to amend the recording of deferred income tax.

The effects of retrospective adjustment to the change on Statements of financial position as at 31 December 2013 and 1 January 2013 are as follows:

	Company					
	As at 1 January 2013			As at 31 December 2013		
	Originally stated	Adjustment	Restated	Originally stated	Adjustment	Restated
	Baht	Baht	Baht	Baht	Baht	Baht
Increase in deferred tax assets	33,810,784	45,412,234	79,223,018	-	-	-
Decrease in deferred tax liabilities	-	-	-	127,713,586	(70,383,658)	57,329,928

	Consolidate					
	As at 1 January 2013			As at 31 December 2013		
	Originally stated	Adjustment	Restated	Originally stated	Adjustment	Restated
	Baht	Baht	Baht	Baht	Baht	Baht
Increase in deferred tax assets	219,014,563	56,124,678	275,139,241	175,639,531	12,434,310	188,073,841
Decrease in deferred tax liabilities	-	-	-	727,685,147	(70,383,658)	657,301,489

The effect to the Statements of Comprehensive Income for year ended 31 December 2013 was presented as follows:

	Restated Consolidated and Company
	Baht
Decrease in income tax expense	24,971,423
Increase in net profit for the period	24,971,423
Increase in total comprehensive income for the period	24,971,423
Increase in basic earnings per share	0.02

(2) Retrospectively adjust rental fee of a subsidiary of the Group.

In January 2015, a foreign subsidiary received billings recharge from principal lessee who did not agree to the basis of change measurement of the subsidiary. The Group has restated the financial statements to record liabilities from the beginning of the lease period.

The effects of retrospective adjustment to the change on Statements of financial position as at 31 December 2013 and 1 January 2013 are as follows:

	Consolidate					
	As at 1 January 2013			As at 31 December 2013		
	Originally stated	Adjustment	Restated	Originally stated	Adjustment	Restated
	Baht	Baht	Baht	Baht	Baht	Baht
Increase in other current liabilities	157,787,575	13,831,057	171,618,632	228,560,071	16,794,833	245,354,904
Decrease in retain earnings	3,832,119,472	(10,234,982)	3,821,884,490	4,749,039,787	(12,428,176)	4,736,611,611
Decrease in non-controlling interests	964,736,722	(3,596,075)	961,140,647	807,403,529	(4,366,657)	803,036,872



NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the year ended 31 December 2014 (continued)

The effect to the Statements of Comprehensive Income for year ended 31 December 2013 was presented as follows:

	Restated Consolidated
	Baht
Increase in cost of sales - hotel operations and related services	2,963,777
Decrease in net profit for the period	(2,963,777)
Decrease in total comprehensive income for the period	(2,963,777)
Decrease in basic earnings per share	(0.002)

5 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

(a) Estimated impairment of goodwill and investments in subsidiaries

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2.14. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of financial estimates for next 5 years future that was approved by management.

If the estimated growth rate used in these calculations of discounted cash flows had been 10% lower than management's estimates (for example 6.3% instead of 7.0%), goodwill would not impaired.

(b) Pension benefits

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will have an impact on the carrying amount of pension obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in Note 24.

6 CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt. In addition, the Group has to maintain debt to equity ratio under condition of loan agreement (Note 20).

7 SEGMENT INFORMATION

Segment information Segment reporting is presented in respect of the Group's business segments. The primary format, business segments, is based on the Group's and its subsidiaries' management and internal reporting provided to the chief operation decision-maker. The Chief Operation Decision-Maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Company's Management committee that makes strategic decisions.

Inter-segment pricing is determined on mutually agreed terms.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise interest or dividend-earning assets and revenue, interest-bearing loans, borrowings and expenses, and corporate assets and expenses.

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the year ended 31 December 2014 (continued)

7.1 Financial information by business segments

The Company and its subsidiaries comprise the following main business segments:

- Segment 1 Hotel
- Segment 2 Food and ice-cream

Business segment results and financial position for the years ended 31 December 2014 and 2013 were as follows:

(Unit : Million Baht)

	Hotel operation		Food and ice-cream operation		Total continuing operations		Eliminations		Consolidated	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Revenues	8,231	8,154	10,005	9,150	18,236	17,304	(244)	(209)	17,992	17,095
Interest income	315	370	5	8	320	378	(306)	(353)	14	25
Other income	1,011	1,094	65	126	1,076	1,220	(596)	(783)	480	437
<b>Total revenue</b>	<b>9,557</b>	<b>9,618</b>	<b>10,075</b>	<b>9,284</b>	<b>19,632</b>	<b>18,902</b>	<b>(1,146)</b>	<b>(1,345)</b>	<b>18,486</b>	<b>17,557</b>
Cost of sale	5,217	5,309	5,615	5,046	10,832	10,355	(59)	(139)	10,773	10,216
Administrative expenses	1,850	1,881	3,648	3,168	5,498	5,049	(786)	(754)	4,712	4,295
Selling expenses	386	358	453	392	839	750	-	(15)	839	735
Financial costs	756	855	5	5	761	860	(306)	(353)	455	507
<b>Total expenses</b>	<b>8,209</b>	<b>8,403</b>	<b>9,721</b>	<b>8,611</b>	<b>17,930</b>	<b>17,014</b>	<b>(1,151)</b>	<b>(1,261)</b>	<b>16,779</b>	<b>15,753</b>
Share (loss) profit from investments	(43)	22	-	-	(43)	22	-	-	(43)	22
Profit before finance costs and income tax expense	1,305	1,237	354	673	1,659	1,910	5	(84)	1,664	1,826
Income tax expense	(307)	(303)	(59)	(123)	(366)	(426)	-	-	(366)	(426)
<b>Profit for the years</b>	<b>998</b>	<b>934</b>	<b>295</b>	<b>550</b>	<b>1,293</b>	<b>1,484</b>	<b>5</b>	<b>(84)</b>	<b>1,298</b>	<b>1,400</b>

7.2 Financial information by geographical segments

The Group's business segments are managed on a worldwide basis and, they operate in main geographical areas as follows:

Thailand is the home country of the parent company which is also the main operating. The areas of operation are principally hotel operations, food and beverage operations, remanufacturing and management operations.

Republic of Maldives - The main activities are hotel operations.

(Unit : Million Baht)

	Revenues		Segment results		Total assets	
	2014	2013	2014	2013	2014	2013
Thailand	17,933	17,669	2,128	2,836	45,586	46,438
Maldives	1,699	1,233	250	(19)	3,492	3,643
Eliminated	(1,146)	(1,345)	(1,080)	(1,417)	(20,369)	(20,857)
	<b>18,486</b>	<b>17,557</b>	<b>1,298</b>	<b>1,400</b>	<b>28,709</b>	<b>29,224</b>

8 CASH AND CASH EQUIVALENTS

	Consolidated		Company	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Cash on hand	67,763,459	63,127,524	1,726,105	1,699,003
Cash at bank	577,886,714	671,393,768	26,140,400	30,425,663
Short-term investment less than 3 months	-	6,996,564	-	-
	<b>645,650,173</b>	<b>741,517,856</b>	<b>1,298</b>	<b>1,400</b>

The average effective interest rate of deposits with banks was 0.1% to 1.3% per annum (2013: 0.6% to 2.8% per annum).

# NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

## For the year ended 31 December 2014 (continued)

### 9 TRADE AND OTHER RECEIVABLES, NET

	Consolidated		Company	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Trade receivables - gross	536,991,236	575,169,495	92,249,321	103,917,707
<u>Less</u> Provision for impairment of trade receivables	(5,602,624)	(23,390,133)	(897,925)	(479,175)
Trade receivables - net	531,388,612	551,779,362	91,351,396	103,438,532
Prepaid expenses	232,413,956	106,626,511	17,125,357	22,573,990
Prepaid promotion expenses	42,772,141	-	-	-
Advance to suppliers	28,821,150	39,806,460	-	-
Other receivables	149,177,256	129,805,415	68,318,677	43,176,922
Receivables from related parties (Note 35.2)	46,853,483	108,346,121	128,430,984	373,029,286
	1,031,426,598	936,363,869	305,226,414	542,218,730

Outstanding trade receivables as at 31 December can be analysed as follows:

	Consolidated		Company	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Within credit terms	377,484,874	410,538,284	81,563,310	90,479,734
Overdue:				
Less than 3 months	111,277,601	112,913,374	8,574,656	9,540,921
3 - 6 months	38,299,031	12,921,839	743,153	1,437,603
6 - 12 months	3,321,909	10,084,178	72,627	896,289
Over 12 months	6,607,821	28,711,820	1,295,575	1,563,160
	536,991,236	575,169,495	92,249,321	103,917,707
<u>Less</u> Provision for impairment of trade receivables	(5,602,624)	(23,390,133)	(897,925)	(479,175)
	531,388,612	551,779,362	91,351,396	103,438,532

### 10 INVENTORIES

	Consolidated		Company	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Food and beverage	67,899,718	67,927,942	15,219,714	15,902,559
Raw materials	440,603,126	447,658,979	-	-
Work in process	1,954,934	1,832,036	-	-
Finished goods	5,773,686	6,659,145	-	-
Operating supplies	117,066,901	74,637,105	8,966,206	6,181,356
Others	5,778,773	19,417,106	224,022	1,684,675
	639,077,138	618,132,313	24,409,942	23,768,590
<u>Less</u> Allowance for obsolete stock	(4,110,515)	(3,175,526)	-	-
	634,966,623	614,956,787	24,409,942	23,768,590

The cost of inventories which is recognised as an expense and included in ‘cost of sales’ for the year ended 31 December 2014 amounting to Baht 4,597 million (2013: Baht 4,240 million).

The Group reversed Baht 0.93 million of a previous inventory write-down in the statement of comprehensive income (2013: Baht 0.12 million).

### 11 OTHER CURRENT ASSETS

	Consolidated		Company	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Withholding income tax and input tax receivable	96,054,774	60,335,966	38,201,089	25,648,949
Undue input tax	39,063,134	44,212,047	3,038,449	1,885,353
Office supplies	-	13,011,156	-	-
Others	1,692,567	11,564,894	-	-
	136,810,475	129,124,063	41,239,538	27,534,302



NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the year ended 31 December 2014 (continued)

12 INVESTMENTS IN SUBSIDIARIES, ASSOCIATE AND INTERESTS IN JOINT VENTURE

a) Investments in subsidiaries

	Company	
	2014	2013
	Baht	Baht
At 1 January	4,737,582,405	4,622,962,561
Additional investments	-	143,749,844
Transfer from interests in joint ventures (Note 12 b)	170,000,000	-
Proceeds from redemption of property funds	-	(29,130,000)
At 31 December	4,907,582,405	4,737,582,405

2014

On 5 March 2014, the Group invested in Centara (Shanghai) Hotel Management Co., Ltd., consisting of register share capital of 6,000,000 Chinese Yuan. The invested shares represent 100% ownership. The Group paid share capital of Baht 11.11 million (equivalent to 2,099,158 Chinese Yuan), paid of Baht 4.67 million (equivalent to 893,444 Chinese Yuan) on 14 June 2014 and paid of Baht 6.44 million (equivalent to 1,205,714 Chinese Yuan) on 10 November 2014.

On 13 March 2014, the Group invested in CIM for Hotel Management - Egypt, S.A.E., consisting of 20,000 ordinary shares with a par value of 25 Egyptian Pound (call-up of 2.5 Egypt Pond per share). The invested shares represent 100% ownership. The Group paid share capital of Baht 0.23 million (equivalent to 50,000 Egyptian Pound) on 28 February 2014)

2013

On 13 February 2013, the Company invested in Cosi Hotel Management Co., Ltd., consisting of 49,997 ordinary shares with a par value of Baht 100 per share (call-up of Baht 25 per share), totalling Baht 1.3 million. Total invested shares represent 100% ownership. The Company paid for share capital on 13 February 2013.

On 13 February 2013, the Company invested in Centara Loyalty Marketing Co., Ltd., consisting of 499,997 ordinary shares with a par value of Baht 100 per share (call-up of Baht 25 per share), totalling Baht 12.5 million. Total invested shares represent 100% ownership. The Company paid for share capital on 13 February 2013.

On 27 February 2013, the Company additionally acquired the ordinary shares of 160,000 shares from non-controlling interests, totalling Baht 120 million of Karon Phuket Hotel Co., Ltd. This made the Company increase the investment the portion from 83.91% to 99.32%. The surplus on business combination under common control of Baht 143,421,726 has been charged to consolidated shareholders' equity.

On 25 September 2013, Cosi Hotel Management Co., Ltd additionally called-up of 300,000 ordinary shares with a par value of Baht 100 per share, call-up of Baht 25 per share, totalling Baht 7.5 million. Total invested shares represent 100% owner. The Company paid for share capital on 26 September 2013.

On 17 December 2013, the Company invested in Centara Learning Centre Co., Ltd. Consisting of 1,000,000 ordinary shares with a par value of Baht 10 per share (call-up of Baht 2.5 per share), totalling Baht 2.5 million. Total invested shares represent 100% ownership. The Company paid for share capital on 17 December 2013.

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the year ended 31 December 2014 (continued)

All investments in subsidiaries included in the consolidated financial statements are investments in ordinary shares of subsidiaries and units in property funds as follows:

	Company				
	Country of incorporation	% Ownership interest		Voting power from (if different ownership interest)	
		2014	2013	2014	2013
<b>Subsidiaries</b>					
Central Samui Beach Resort Co., Ltd.	Thailand	100.0	100.0	-	-
Central Karon Village Co., Ltd.	Thailand	100.0	100.0	-	-
Central Krabi Bay Resort Co., Ltd.	Thailand	100.0	100.0	-	-
Central Hua Hin Beach Resort Co., Ltd.	Thailand	63.9	63.9	-	-
Central World Hotel Co., Ltd.	Thailand	100.0	100.0	-	-
Central Koh Kood Hotel Co., Ltd.	Thailand	100.0	100.0	-	-
Central Hotel Management Co., Ltd.	Thailand	100.0	100.0	-	-
Central Restaurants Group Co., Ltd.	Thailand	100.0	100.0	-	-
Triplenine Décor Co., Ltd.	Thailand	100.0	100.0	-	-
Central Samui Hotel Management Co., Ltd.	Thailand	100.0	100.0	-	-
Centara International Management Co., Ltd.	Thailand	100.0	100.0	-	-
S.P. Realty Had Farang Resort Co., Ltd.	Thailand	100.0	100.0	-	-
S.P. Realty Pattaya Beach Co., Ltd.	Thailand	100.0	100.0	-	-
Cenvaree Healthy Spa Co., Ltd.	Thailand	100.0	100.0	-	-
Central Bangkok Convention & Exhibition Co., Ltd.	Thailand	100.0	100.0	-	-
Centara International Management (Thailand) Co., Ltd.	Thailand	100.0	100.0	-	-
Karon Phuket Hotel Co., Ltd.	Thailand	99.3	99.3	-	-
Cosi Hotels Co., Ltd.	Thailand	100.0	100.0	-	-
Centara Import-Export Co., Ltd.	Thailand	100.0	100.0	-	-
Cosi Hotel Management Co., Ltd.	Thailand	100.0	100.0	-	-
Centara Loyalty Marketing Co., Ltd.	Thailand	100.0	100.0	-	-
Centara Learning Centre Co., Ltd.	Thailand	100.0	100.0	-	-
Central Sukhontha Hotel Co., Ltd.	Thailand	100.0*	100.0*	-	-
Central Samui Village Co., Ltd.	Thailand	100.0*	100.0*	-	-
Central Mae Sot Hill Hotel Co., Ltd.	Thailand	98.4*	98.4*	-	-
CRG Manufacturing Co., Ltd.	Thailand	100.0*	100.0*	-	-
Central Laundry Services Co., Ltd.	Thailand	100.0*	100.0*	-	-
CRG International Food Co., Ltd.	Thailand	100.0*	100.0*	-	-
S.P. Realty Lanta Beach Co., Ltd.	Thailand	100.0*	100.0*	-	-
Centara Maldives Pvt. Ltd.	Maldives	75.0*	75.0*	-	-
R.M.L. Leisure Pvt. Ltd.	Maldives	74.0*	74.0*	-	-
Centara (Shanghai) Hotel Management Co., Ltd.	China	100.0*	-	-	-
CIM for Hotel Management Egypt, S.A.E	Egypt	100.0*	-	-	-
Kata Phuket Hotel Co., Ltd.	Thailand	99.0	-	-	-
<b>Property funds</b>					
Thai Pattana Fund 2	Thailand	-	23.9	-	100.0.0

\* By indirect shareholding

b) Investments in associate and interests in joint venture

	Consolidated		Company	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
<b>At 1 January</b>	898,279,880	922,888,639	856,933,251	865,204,788
Share of net (loss) profit of investments in associates - equity method	(43,161,344)	21,533,436	-	-
Additional investment	110,000,000	-	110,000,000	-
Unit redeemed	(9,520,377)	(8,271,537)	(9,520,377)	(8,271,537)
Remeasuring of investments to fair value	16,597,576	-	-	-
Change/transfer to investment in subsidiaries (Note 12 a)	(222,244,898)	-	(170,000,000)	-
Dividend received	(25,138,985)	(37,870,658)	-	-
At 31 December	724,811,852	898,279,880	787,412,874	856,933,251

On 7 October 2014, the Group additionally acquired the investment portion of 49% (existing portion is 50.00%), totalling Baht 110.0 million of the share capital of Kata Phuket Hotel Co., Ltd. This made the Group increase the investment portion to 99%. The investment in Kata Phuket Hotel Co., Ltd. changed from “Interests in joint venture” to “Investment in subsidiary” at the date that the Group has control of this entity.

The investments in associate and interests in joint venture in the consolidated financial statements as at financial position date are as follows:

	Consolidated				
	Country of incorporation	% Ownership interest		Voting power from (if different ownership interest)	
		2014	2013	2014	2013
<b>Associates</b>					
Centara Hotels & Resorts Leasehold Property Fund	Thailand	25.3	25.3	-	-
<b>Interests in joint venture</b>					
Kata Phuket Hotel Co., Ltd.	Thailand	-	50.0	-	-
	Company				
	Country of incorporation	% Ownership interest		Voting power from (if different ownership interest)	
		2014	2013	2014	2013
<b>Associates</b>					
Centara Hotels & Resorts Leasehold Property Fund	Thailand	25.3	25.3	-	-
<b>Interests in joint venture</b>					
Kata Phuket Hotel Co., Ltd.	Thailand	-	50.0	-	-

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the year ended 31 December 2014 (continued)

The Group’s share of result of its associate and its share of the assets and liabilities are as follows:

	Assets Baht	Liabilities Baht	Revenues Baht	Profit (loss) Baht	Interest held %
<b>For the year ended 31 December 2014</b>					
Centara Hotels & Resorts Leasehold Property Fund	723,948,727	1,860,461	42,923,813	(43,279,989)	25.3
<b>For the year ended 31 December 2013</b>					
Centara Kata Phuket Hotel Co., Ltd. Fund	817,048,228	707,631	57,018,867	6,761,862	25.3

13 INVESTMENT PROPERTIES

Cost method

	Consolidated		Company	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
<b>At 1 January</b>				
Cost	643,284,205	643,284,205	367,489,498	367,489,498
<u>Less</u> Accumulated depreciation	(170,120,133)	(151,896,618)	(64,826,784)	(51,906,968)
Net book amount	473,164,072	491,387,587	302,662,714	315,582,530
<b>For the year ended 31 December</b>				
Opening net book amount	473,164,072	491,387,587	302,662,714	315,582,530
Depreciation	(15,485,484)	(18,223,515)	(12,919,817)	(12,919,816)
Closing net book amount	457,678,588	473,164,072	289,742,897	302,662,714
<b>As at 31 December</b>				
Cost	643,284,205	643,284,205	367,489,498	367,489,498
<u>Less</u> Accumulated depreciation	(185,605,617)	(170,120,133)	(77,746,601)	(64,826,784)
Net book amount	457,678,588	473,164,072	289,742,897	302,662,714
Fair value	3,643,000,000	3,643,000,000	1,673,671,200	1,673,671,200

As at 31 December 2014, investment properties at net book value of Baht 457.7 million (Company: Baht 289.7 million) were revalued by Broke Real Estate Co., Ltd., a firm of independent professional valuers, on 8 May 2010 at open market values on an existing use basis. The appraised value was Baht 3,336 million (Company: Baht 1,673.7 million). The remainder of its investment properties at net book value of Baht 162.7 million was revalued by American Appraisal (Thailand) Co., Ltd., a firm of independent professional valuers, on 21 December 2011 at open market values on an existing use basis. The appraised value was Baht 307 million. Total market value of investment properties as at 31 December 2014 were Baht 3.643 million.

Amounts recognised in profit and loss that are related to investment property are as follows:

	Consolidated		Company	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Rental income	114,612,529	114,612,529	50,333,333	50,333,333
Direct operating expense arise from investment property that generated rental income	(41,573,747)	(44,433,590)	(12,919,816)	(12,919,816)



NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the year ended 31 December 2014 (continued)

14 PROPERTY, PLANT AND EQUIPMENT

	Consolidated									
	Land	Land	Buildings	Machinery	Furniture,	Hotel	Leasehold	Vehicles	Assets under	Total
	improvements	improvements	and	and	fixtures	operating	improvements		construction	
	Baht	Baht	Baht	Baht	and office	equipment	Baht	Baht	Baht	Baht
At 1 January 2013										
Cost/Revaluation	4,542,765,811	551,768,603	11,900,103,690	4,308,330,578	2,280,547,788	327,336,319	921,386,477	198,704,147	955,596,549	25,986,539,962
Less										
Accumulated depreciation	-	(203,664,704)	(2,619,820,554)	(2,107,415,431)	(1,292,056,121)	(3,799,503)	(117,327,007)	(128,296,627)	-	(6,472,379,947)
Less										
Provision for impairment	-	(490,802)	(30,884,194)	(89,207)	(686,554)	(543,330)	-	-	-	(32,694,087)
Net book amount	4,542,765,811	347,613,097	9,249,398,942	2,200,825,940	987,805,113	322,993,486	804,059,470	70,407,520	955,596,549	19,481,465,928
Year ended										
31 December 2013										
Opening net book amount	4,542,765,811	347,613,097	9,249,398,942	2,200,825,940	987,805,113	322,993,486	804,059,470	70,407,520	955,596,549	19,481,465,928
Additions	-	3,054,900	393,807,537	213,604,830	146,115,652	55,875,533	1,848,259	15,526,920	761,313,952	1,591,147,583
Disposals and										
write-offs, net	-	(5,246)	(10,707,363)	(1,606,821)	(408,329)	(33,702,607)	-	(771,967)	(1,211,738)	(48,414,071)
Reclassification and										
adjustment, net	-	138,100,254	5,202,192	66,551,584	(61,723,381)	(20,364,047)	(118,536,836)	(1,214,865)	1,303,843	9,318,744
Transfer from (to)										
other accounts	-	46,178,080	847,505,612	407,959,896	153,038,945	15,090,629	16,478,417	3,200,500	(1,503,762,868)	(14,310,789)
Depreciation charge	-	(29,719,567)	(676,511,858)	(362,804,872)	(262,314,305)	(4,882,632)	(56,812,798)	(13,330,523)	-	(1,406,376,555)
Translation adjustment	-	2,061,068	124,426,495	23,878,390	7,827,489	2,495,239	-	947,803	4,830,477	166,466,961
Revaluation surplus	228,354,406	17,251,798	246,774,128	-	-	-	-	-	-	492,380,332
Less										
Provision for impairment	-	-	5,371,106	-	511,854	-	-	-	-	5,882,960
Closing net book amount	4,771,120,217	524,534,384	10,185,266,791	2,548,408,947	970,853,038	337,505,601	647,036,512	74,765,388	218,070,215	20,277,561,093
At 31 December 2013										
Cost/Revaluation	4,771,120,217	748,584,772	13,566,387,453	5,097,505,709	2,525,001,700	342,027,123	808,111,633	212,859,246	213,239,738	28,284,837,591
Less										
Accumulated depreciation	-	(226,111,456)	(3,480,034,068)	(2,572,885,945)	(1,561,801,451)	(6,473,431)	(160,584,319)	(139,041,661)	-	(8,146,932,331)
Less										
Provision for impairment	-	-	(25,513,089)	(89,207)	(174,700)	(543,330)	(490,802)	-	-	(26,811,128)
Translation adjustment	-	2,061,068	124,426,495	23,878,390	7,827,489	2,495,239	-	947,803	4,830,477	166,466,961
Net book amount	4,771,120,217	524,534,384	10,185,266,791	2,548,408,947	970,853,038	337,505,601	647,036,512	74,765,388	218,070,215	20,277,561,093

	Consolidated									
	Land	Land	Buildings	Machinery	Furniture,	Hotel	Leasehold	Vehicles	Assets under	Total
	improvements	improvements	and	and	fixtures	operating	improvements		construction	
	Baht	Baht	Baht	Baht	and office	equipment	Baht	Baht	Baht	Baht
Year ended										
31 December 2014										
Opening net book amount	4,771,120,217	524,534,384	10,185,266,791	2,548,408,947	970,853,038	337,505,601	647,036,512	74,765,388	218,070,215	20,277,561,093
Additions	21,700,000	2,288,626	304,109,982	202,495,590	187,968,450	70,275,529	525,700	15,281,372	247,861,860	1,052,507,109
Acquisition of subsidiary	373,525,250	874,561	177,980,282	10,391,731	5,611,482	16,613,628	-	437,193	-	585,434,127
Disposals and										
write-offs, net	-	49,234	(193,036,086)	(7,734,558)	(7,421,904)	(31,190,424)	-	(4,060,486)	(871,554)	(244,265,778)
Reclassification										
and adjustment, net	284,169,874	(98,990,931)	(245,775,307)	(88,288,164)	75,513,364	(5,975,525)	112,527,075	(589,073)	65,977	32,657,290
Transfer from (to)										
other accounts	68,871	12,742,816	135,709,203	85,417,654	49,829,401	1,610,806	5,069,296	-	(305,842,297)	(15,394,250)
Depreciation charge	-	(30,980,318)	(755,101,225)	(361,476,855)	(239,300,428)	(3,869,882)	(48,977,954)	(13,639,026)	-	(1,453,345,688)
Translation adjustment	-	(845,234)	13,818,909	22,264,177	(39,004,394)	(802,131)	-	809,712	10,478,095	6,719,134
Less										
Provision for impairment	-	-	(9,190,071)	(2,541,151)	(13,782,325)	543,330	-	-	(531,630)	(25,501,847)
Closing net book amount	5,450,584,212	409,673,138	9,613,782,478	2,408,937,371	990,266,684	384,710,932	716,180,629	73,005,080	169,230,666	20,216,371,190
At 31 December 2014										
Cost/Revaluation	5,450,584,212	638,048,824	13,540,626,610	5,207,401,934	2,846,221,673	398,920,219	946,026,200	212,694,844	154,453,725	29,394,978,241
Less										
Accumulated depreciation	-	(229,591,521)	(4,034,588,867)	(2,841,976,772)	(1,810,954,926)	(15,902,395)	(229,354,769)	(141,447,279)	-	(9,303,816,529)
Less										
Provision for impairment	-	-	(30,500,668)	(2,630,358)	(13,957,025)	-	(490,802)	-	(531,630)	(48,110,483)
Translation adjustment	-	1,215,835	138,245,403	46,142,567	(31,043,038)	1,693,108	-	1,757,515	15,308,571	173,319,961
Net book amount	5,450,584,212	409,673,138	9,613,782,478	2,408,937,371	990,266,684	384,710,932	716,180,629	73,005,080	169,230,666	20,216,371,190

There was no borrowing costs (2013: Baht 5.0 million) were capitalised during the year and are included in ‘Additions’

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the year ended 31 December 2014 (continued)

14 PROPERTY, PLANT AND EQUIPMENT

	Consolidated									
	Land improvements Baht	Land improvements Baht	Buildings and improvements Baht	Machinery and equipment Baht	Furniture, fixtures and office equipment Baht	Hotel operating equipment Baht	Leasehold improvements Baht	Vehicles Baht	Assets under construction Baht	Total Baht
At 1 January 2013										
Cost/Revaluation	1,304,815,641	282,192,230	2,644,219,766	1,097,367,657	460,985,086	104,854,768	790,278,538	84,187,771	10,548,514	6,779,449,971
Less										
Accumulated depreciation	-	(79,822,173)	(186,312,041)	(310,807,216)	(169,143,182)	-	(103,444,203)	(69,883,526)	-	(919,412,341)
Net book amount	1,304,815,641	202,370,057	2,457,907,725	786,560,441	291,841,904	104,854,768	686,834,335	14,304,245	10,548,514	5,860,037,630
Year ended										
31 December 2013										
Opening net book amount	1,304,815,641	202,370,057	2,457,907,725	786,560,441	291,841,904	104,854,768	686,834,335	14,304,245	10,548,514	5,860,037,630
Additions	-	1,529,342	167,314	12,621,718	9,904,292	15,624,089	1,848,259	3,640,654	17,045,946	62,381,614
Disposals, net	-	-	-	(432,569)	(205,621)	(11,029,616)	-	(442,840)	-	(12,110,646)
Reclassification (Cost)	-	17,929,110	3,670,577	14,607,746	(30,762,830)	955,139	(642,877)	(691,299)	332,788	5,398,354
Transfer from (to)										
other accounts	-	15,020,763	(21,386,126)	(13,961,259)	24,367,452	511,895	16,478,417	-	(21,031,142)	-
Depreciation charge	-	(16,077,138)	(52,452,835)	(66,331,502)	(44,436,009)	-	(49,404,472)	(1,892,521)	-	(230,594,477)
Closing net book amount	1,304,815,641	220,772,134	2,387,906,655	733,064,575	250,709,188	110,916,275	655,113,662	14,918,239	6,896,106	5,685,112,475
At 31 December 2013										
Cost/Revaluation	1,304,815,641	296,141,480	2,638,133,272	1,089,827,242	486,055,171	110,916,275	807,873,278	78,775,826	6,896,106	6,819,434,291
Less										
Accumulated depreciation	-	(75,369,346)	(250,226,617)	(356,762,667)	(235,345,983)	-	(152,759,616)	(63,857,587)	-	(1,134,321,816)
Net book amount	1,304,815,641	220,772,134	2,387,906,655	733,064,575	250,709,188	110,916,275	655,113,662	14,918,239	6,896,106	5,685,112,475
Year ended										
31 December 2014										
Opening net book amount	1,304,815,641	220,772,134	2,387,906,655	733,064,575	250,709,188	110,916,275	655,113,662	14,918,239	6,896,106	5,685,112,475
Additions	-	1,982,635	1,584,000	8,879,413	7,521,418	13,391,801	525,700	6,818,805	29,134,545	69,838,317
Disposals, net	-	-	-	(489,146)	(293,213)	(11,755,542)	-	-	-	(12,537,901)
Transfer from (to)										
other accounts	-	12,742,816	-	4,413,750	2,644,070	-	5,069,296	-	(26,912,407)	(2,042,475)
Depreciation charge	-	(15,561,519)	(53,874,752)	(65,849,488)	(37,473,959)	-	(48,831,602)	(2,382,327)	-	(223,973,647)
Closing net book amount	1,304,815,641	219,936,066	2,335,615,903	680,019,104	223,107,504	112,552,534	611,877,056	19,354,717	9,118,244	5,516,396,769
At 31 December 2014										
Cost/Revaluation	1,304,815,641	310,866,931	2,639,717,272	1,101,625,358	487,152,457	112,552,534	813,468,274	81,627,959	9,118,245	6,860,944,671
Less										
Accumulated depreciation	-	(90,930,865)	(304,101,369)	(421,606,254)	(264,044,953)	-	(201,591,218)	(62,273,243)	-	(1,344,547,902)
Net book amount	1,304,815,641	219,936,066	2,335,615,903	680,019,104	223,107,504	112,552,534	611,877,056	19,354,716	9,118,245	5,516,396,769

Following a fire at one of the subsidiaries in August 2013, inventory, building and equipment with a net book value (NBV) of USD 813,950 or Baht 25,550,460 was destroyed (inventory was USD 30,263 or Baht 949,977 and building and equipment were USD 783,687 or Baht 24,600,483). These burnt assets are covered by an insurance policy. On 20 May 2014, the Company received insurance claim from its insurance company totalling USD 876,374 or Baht 28,390,837. The Group has already recorded and written-off all burnt assets in the financial statement for the year ended 31 December 2013.

At 31 December 2013, the Company and 2 subsidiaries mortgaged land, buildings and construction with carrying value of Baht 4,641 million as collateral for bank overdrafts and long term loan with financial institutions. Later on 3 February 2014, the mortgaged land returned to a subsidiary due to the end of the term of loan from financial institution during 2013.

The land lease agreement for the Hua Hin Railway Hotel stipulates that hotel buildings and premises including the additional fixtures paid by a subsidiary, Central Hua Hin Beach Resort Co., Ltd., belong to the State Railway of Thailand.

Revaluation of assets

In the third quarter of 2013, five subsidiaries engaged an independent appraiser to appraise existing property and equipment as at 1 January 2013, which included property and equipment which were previously appraised. The subsidiaries recorded property and equipment at the new appraisal value according to the appraisal report. The increasing in revaluation surplus net off deferred tax of subsidiaries Baht 393.90 million has been charge to other comprehensive income. Additionally, in the consolidated statement of comprehensive income, A subsidiary recorded loss from impairment of asset of approximately Baht 4.06 million.

In December 2012, the Company and its four subsidiaries engaged an independent appraiser to appraise existing property, plant and equipment. Valuation methodologies applied are income approach. The increasing in revaluation surplus of the Company and subsidiaries approximately Baht 2,190.6 million (Company: Baht 1,185.9 million) has been charged to other comprehensive income.

On 12 April 2011, the Federation of Accounting Profession (“FAP”) announced “Accounting Record on Revaluation” FAP announcement No. 18/2554 giving the Group two alternatives to be applied on depreciating revalued assets: (a) comply with the principle as stipulated in paragraph No. 38 of TAS No. 16 “Property, Plant and Equipment”, and depreciate the revalued sum or (b) comply with the cost method when revaluation is made and continue to depreciate the original cost only.

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the year ended 31 December 2014 (continued)

The Group adopted the alternative to comply with the cost method when revaluation is made. The effects of the above accounting treatment on the Group's results for the years ended 31 December 2014 and 2013 were to increase the Group's profit by Baht 135.9 million and Baht 126.4 million, respectively and increase in earnings per share by Baht 0.10 per share and Baht 0.09 per share, respectively.

Assets under financial lease agreement

Hotel buildings, constructions and fixtures thereon of a subsidiary, Central World Hotel Co., Ltd. ("CWH") must be transferred the rights on buildings and constructions thereon which CWH repair and maintenance or construct on the sub-lease land to the land owner, the Crown Property Bureau, at the date of those repair and maintenance or construction would be completed. According to the sub-lease land agreement, as at 31 December 2014 and 2013, assets under financial lease agreement were as the following:

	Consolidated				
	Land improvements Baht	Buildings and improvements Baht	Machinery and equipment Baht	Furniture, fixtures and office equipment Baht	Total Baht
At 1 January 2013					
Cost	66,081,647	2,413,482,900	1,031,017,656	27,726,347	3,538,308,550
Less Accumulated depreciation	(11,571,196)	(458,610,190)	(261,829,293)	(10,030,570)	(742,041,249)
Net book amount	54,510,451	1,954,872,710	769,188,363	17,695,777	2,796,267,301
Year ended 31 December 2013					
Opening net book amount	54,510,451	1,954,872,710	769,188,363	17,695,777	2,796,267,301
Additions	-	4,902,261	3,201,657	-	8,103,918
Disposals, net	-	-	(140,494)	-	(140,494)
Transfer from other accounts	-	8,588,017	5,722,772	-	14,310,789
Depreciation charge	(2,725,280)	(98,117,465)	(47,870,940)	(2,154,773)	(150,868,458)
Closing net book amount	51,785,171	1,870,245,523	730,101,358	15,541,004	2,667,673,056
At 31 December 2013					
Cost	66,081,647	2,426,973,178	1,035,258,965	27,726,347	3,556,040,137
Less Accumulated depreciation	(14,296,476)	(556,727,655)	(305,157,607)	(12,185,343)	(888,367,081)
Net book amount	51,785,171	1,870,245,523	730,101,358	15,541,004	2,667,673,056

	Consolidated				
	Land improvements Baht	Buildings and improvements Baht	Machinery and equipment Baht	Furniture, fixtures and office equipment Baht	Total Baht
Year ended 31 December 2014					
Opening net book amount	51,785,171	1,870,245,523	730,101,358	15,541,004	2,667,673,056
Additions	-	7,050,632	7,219,487	-	14,270,119
Disposals, net	-	-	(275,889)	-	(275,889)
Transfer from other accounts	-	11,497,901	-	-	11,497,901
Depreciation charge	(2,725,280)	(99,399,704)	(45,103,584)	(2,154,773)	(149,383,341)
Closing net book amount	49,059,891	1,789,394,352	691,941,372	13,386,231	2,543,781,846
At 31 December 2014					
Cost	66,081,647	2,445,521,711	1,042,202,563	27,726,347	3,581,532,268
Less Accumulated depreciation	(17,021,756)	(656,127,359)	(350,261,191)	(14,340,116)	(1,037,750,422)
Net book amount	49,059,891	1,789,394,352	691,941,372	13,386,231	2,543,781,846

15 GOODWILL

	Consolidated	
	2014 Baht	2013 Baht
At 1 January	314,602,238	314,602,238
At 31 December	314,602,238	314,602,238

Goodwill arising from the acquisition of Central Restaurants Group Co., Ltd. and indirect interest in CRG International Food Co., Ltd. are Baht 115 million and Baht 199 million respectively. The Group has reviewed for impairment of goodwill annually by comparing the carrying amount to the recoverable amount for each cash-generating unit. This is determined based on value-in-use calculations. These calculations use a cash flow projection for 5 years and cash flows beyond the 5 year period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the business in which CGU operates.



NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the year ended 31 December 2014 (continued)

The key assumptions used for value-in-use calculations are as follows:

Gross margin <sup>1</sup>	68.00%
Growth rate <sup>2</sup>	0.00%
Discount rate <sup>3</sup>	10.43%

- 1 Budgeted gross margin.
- 2 Weighted average growth rate used to extrapolate cash flows beyond the budget period.
- 3 Pre-tax discount rate applied to the cash flow projections.

These assumptions have been used for the analysis of each CGU within the business segment.

Management determined budgeted gross margin based on past performance and its expectations of market development. The weighted average growth rates used are consistent with the forecasts included in industry reports. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments

16 LEASEHOLD RIGHTS

	Consolidated		Company	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
At 1 January	920,561,031	760,691,820	90,048,451	84,991,440
Additions	119,567,246	281,965,806	98,550,000	92,970,000
Translation adjustment	2,364,194	31,244,275	-	-
Amortisation charge	(164,558,895)	(153,340,870)	(93,187,769)	(87,912,989)
At 31 December	877,933,576	920,561,031	95,410,682	90,048,451

17 OTHER INTANGIBLE ASSETS

	Consolidated			Company	
	Software licenses Baht	License Agreement Baht	Deferred initial fees Baht	Total Baht	Software licenses Baht
<b>At 1 January 2013</b>					
Cost	230,935,744	239,926,421	260,743,667	731,605,832	78,020,280
Translation adjustment	(1,288)	-	-	(1,288)	-
Less Accumulated amortisation	(122,010,428)	(31,990,189)	(96,029,438)	(250,030,055)	(41,354,192)
Less Provision for shop close	-	-	(8,130,739)	(8,130,739)	-
Net book amount	108,924,028	207,936,232	156,583,490	473,443,750	36,666,088
<b>Year ended 31 December 2013</b>					
Opening net book amount	108,924,028	207,936,232	156,583,490	473,443,750	36,666,088
Additions	15,207,584	-	49,325,237	64,532,821	1,654,432
Disposals, net	(40,553)	-	-	(40,553)	-
Write off, net	-	-	(1,744,823)	(1,744,823)	-
Translation adjustment	146,382	-	-	146,382	-
Amortisation charge	(30,605,808)	(23,992,642)	(23,889,043)	(78,487,493)	(9,694,733)
Reverse provision for impairment	-	-	1,228,172	1,228,172	-
Closing net book amount	93,631,633	183,943,590	181,503,033	459,078,256	28,625,787
<b>At 31 December 2013</b>					
Cost	229,269,587	239,926,421	299,338,890	768,534,898	78,918,591
Translation adjustment	146,382	-	-	146,382	-
Less Accumulated amortisation	(135,784,336)	(55,982,831)	(110,933,290)	(302,700,457)	(50,292,804)
Less Provision for shop close	-	-	(6,902,567)	(6,902,567)	-
Net book amount	93,631,633	183,943,590	181,503,033	459,078,256	28,625,787
<b>Year ended 31 December 2014</b>					
Opening net book amount	93,631,633	183,943,590	181,503,033	459,078,256	28,625,787
Additions	17,843,655	-	30,454,133	48,297,788	4,364,938
Acquisition of subsidiary (Note 34)	1,712,645	-	-	1,712,645	-
Disposals, net	(2,462,507)	-	(10,911,862)	(13,374,369)	(73,755)
Adjustment	97,467	-	(977,257)	(879,790)	-
Transfer from other accounts	4,834,676	-	-	4,834,676	2,042,475
Translation adjustment	3,233	-	-	3,233	-
Amortisation charge	(32,157,460)	(23,992,643)	(26,439,409)	(82,589,512)	(9,357,255)
Reverse provision for impairment	(345,338)	-	3,075,874	2,730,536	-
Closing net book amount	83,158,004	159,950,947	176,704,512	419,813,463	25,602,190
<b>At 31 December 2014</b>					
Cost	244,461,714	239,926,421	301,260,952	785,649,087	85,134,004
Translation adjustment	3,233	-	-	3,233	-
Less Accumulated amortisation	(161,107,987)	(79,975,474)	(120,729,747)	(361,813,208)	(59,531,814)
Less Provision for shop close	(198,956)	-	(3,826,693)	(4,025,649)	-
Net book amount	83,158,004	159,950,947	176,704,512	419,813,463	25,602,190

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the year ended 31 December 2014 (continued)

18 DEFERRED INCOME TAX ASSETS AND LIABILITIES

The analysis of deferred tax assets and deferred tax liabilities are as follows:

	Consolidated		Company	
		Restated		Restated
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
<b>Deferred tax assets:</b>				
Deferred tax asset to be recovered within 12 months	38,814,706	103,983,313	3,756,441	60,611,072
Deferred tax asset to be recovered after more than 12 months	224,888,713	308,634,661	91,778,799	116,587,625
	263,703,419	412,617,974	95,535,240	177,198,697
<b>Deferred tax liabilities:</b>				
Deferred tax liabilities to be settled within 12 months	35,253,463	54,376,758	5,151,416	5,151,416
Deferred tax liabilities to be settled after more than 12 months	863,548,854	827,468,864	226,577,651	229,377,209
	895,802,317	881,845,622	231,729,067	234,528,625
<b>Deferred tax, net</b>	<b>(632,098,898)</b>	<b>(469,227,648)</b>	<b>(136,193,827)</b>	<b>(57,329,928)</b>

The gross movement and the deferred income tax account is as follows:

	Consolidated		Company	
		Restated		Restated
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
At 1 January	(469,227,648)	(246,140,268)	(57,329,928)	79,223,019
Acquisition of subsidiary	(4,212,225)	-	-	-
Charged/(credited) to profit or loss	(174,378,587)	(230,429,366)	(81,663,457)	(143,524,831)
Tax charged/(credited) to other comprehensive income	15,719,562	7,341,986	2,799,558	6,971,884
At 31 December	<b>(632,098,898)</b>	<b>(469,227,648)</b>	<b>(136,193,827)</b>	<b>(57,329,928)</b>

The movement of deferred income tax assets and liabilities is as follows:

	Consolidated					
	Tax losses	Finance lease	Depreciation	Employee benefit	Others	Total
	Baht	liabilities Baht	Baht	Baht	Baht	Baht
<b>Deferred tax assets</b>						
At 1 January 2014	184,640,033	63,986,322	110,241,126	25,989,567	27,760,926	412,617,974
Acquisition of subsidiary	-	-	-	110,988	10,736	121,724
Charged (credited) to profit or loss	(103,887,126)	(3,482,815)	(34,369,547)	744,133	(8,040,924)	(149,036,279)
At 31 December 2014	80,752,907	60,503,507	75,871,579	26,844,688	19,730,738	263,703,419
At 1 January 2013	358,115,441	49,446,043	125,510,993	22,759,732	31,610,381	587,442,590
Charged (credited) to profit or loss	(173,475,408)	14,540,279	(15,269,867)	(12,679,010)	(3,849,455)	(190,733,461)
Charged/directly to other comprehensive income/equity	-	-	-	15,908,845	-	15,908,845
At 31 December 2013	184,640,033	63,986,322	110,241,126	25,989,567	27,760,926	412,617,974
<b>Deferred tax liabilities</b>						
At 1 January 2014	98,670,104	782,489,343	586,103	100,072		881,845,622
Acquisition of subsidiary	4,333,949	-	-	-	-	4,333,949
Charged/(credited) to profit or loss	25,474,023	-	(131,715)	-	-	25,342,308
Charged directly to other comprehensive income/equity	-	(15,770,240)	-	50,678		(15,719,562)
At 31 December 2014	128,478,076	766,719,103	454,388	150,750		895,802,317
At 1 January 2013	55,470,950	773,212,015	1,523,016	3,376,875		833,582,856
Charged/(credited) to profit or loss	43,199,154	-	(936,913)	(3,284,013)		38,978,228
Charged directly to other comprehensive income/equity	-	9,277,328	-	7,210		9,284,538
At 31 December 2013	98,670,104	782,489,343	586,103	100,072		881,845,622

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS  
For the year ended 31 December 2014 (continued)

	Company					
	Tax losses Baht	Finance lease liabilities Baht	Depreciation Baht	Employee benefit Baht	Others Baht	Total Baht
<b>Deferred tax assets</b>						
At 1 January 2014	43,328,567	57,769,167	66,246,771	9,758,357	95,835	177,198,697
Charged (credited) to profit or loss	(43,328,567)	(4,878,734)	(33,545,559)	89,403	-	(81,663,457)
At 31 December 2014	-	52,890,433	32,701,212	9,847,760	95,835	95,535,240
At 1 January 2013	151,772,272	44,472,278	114,421,830	9,040,856	130,341	319,837,577
Charged (credited) to profit or loss	(108,443,705)	13,296,889	(48,175,059)	(3,452,464)	(34,506)	(146,808,845)
Charged/directly to other comprehensive income/equity	-	-	-	4,169,965	-	4,169,965
At 31 December 2013	43,328,567	57,769,167	66,246,771	9,758,357	95,835	177,198,697

	Company		
	Revaluation surplus Baht	Others Baht	Total Baht
<b>Deferred tax liabilities</b>			
At 1 January 2014	234,528,625	-	234,528,625
Charged/(credited) to profit or loss	-	-	-
Charged directly to other comprehensive income/equity	(2,799,558)	-	(2,799,558)
At 31 December 2014	231,729,067	-	231,729,067
At 1 January 2013	237,330,544	3,284,014	240,614,558
Charged/(credited) to profit or loss	-	(3,284,014)	(3,284,014)
Charged directly to other comprehensive income/equity	(2,801,919)	-	(2,801,919)
At 31 December 2013	234,528,625	-	234,528,625

Presentation in the statements of financial position is as follows:

	Consolidated		Company	
	2014 Baht	Restated 2013 Baht	2014 Baht	Restated 2013 Baht
<b>At 31 December</b>				
Deferred income tax assets	148,723,855	188,073,841	-	-
Deferred income tax liabilities	(780,822,753)	(657,301,489)	(136,193,827)	(57,329,928)
Deferred income tax, net	(632,098,898)	(469,227,648)	(136,193,827)	(57,329,928)

Deferred income tax assets and liabilities are offset when the income taxes related to the same fiscal authority. Deferred tax assets and deferred tax liabilities in the consolidated financial position are presented at net amount of assets and liabilities incurred in each entity.

Deferred income tax assets are recognized for tax loss carry forwards only to the extent that realization of the related tax benefit through the future taxable profits is probable. The Group did not recognise deferred income tax assets of Baht 961,492,762 (2013: Baht 603,282,746) in respect of tax losses to carry forward against future taxable income, these tax losses will expire in 2019.

19 OTHER NON-CURRENT ASSETS

	Consolidated		Company	
	2014 Baht	Restated 2013 Baht	2014 Baht	Restated 2013 Baht
Deposits	424,510,571	399,530,558	7,690,182	5,052,831
Advance payment for construction land and equipment	26,433,732	31,806,803	12,665,142	12,127,288
Prepaid car park service	79,122,991	83,518,712	-	-
Others	927,340	5,462,672	791,667	825,000
Total	530,994,634	520,318,745	21,146,991	18,005,119



NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the year ended 31 December 2014 (continued)

20 BORROWINGS

	Consolidated		Company	
	2014	Restated	2014	Restated
	Baht	2013 Baht	Baht	2013 Baht
<b>Current</b>				
Bank overdrafts	12,784,323	18,831,477	2,831,309	3,984,199
Short-term borrowings from financial institutions	1,300,000,000	2,150,000,000	1,300,000,000	1,850,000,000
Current portion of long-term borrowings Financial institutions	935,518,700	1,250,505,280	288,000,000	788,000,000
Current portion of finance lease liabilities	20,165,339	26,881,039	13,160,218	12,327,988
Short-term loans from others	32,963,000	32,813,600	-	-
Short-term loan from related parties	61,068,902	60,260,523	716,300,000	841,400,000
	<u>2,362,500,264</u>	<u>3,539,291,919</u>	<u>2,320,291,527</u>	<u>3,495,712,187</u>
<b>Non-current</b>				
Long-term from financial institutions	3,588,612,850	5,144,487,160	354,000,000	1,142,000,000
Debentures	4,297,317,315	2,798,111,109	4,297,317,315	2,798,111,109
Finance lease liabilities	<u>7,761,904</u>	<u>25,934,689</u>	<u>4,973,847</u>	<u>18,134,065</u>
	<u>7,893,692,069</u>	<u>7,968,532,958</u>	<u>4,656,291,162</u>	<u>3,958,245,174</u>
Total borrowings	<u>10,256,192,333</u>	<u>11,507,824,877</u>	<u>6,976,582,689</u>	<u>7,453,957,361</u>

The borrowings include secured liabilities in a total amount of Baht 3,926 million (2013: Baht 4,359 million). The bank borrowings are secured over a part of the land and buildings of the Group (Note 14). Lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default.

As at 31 December 2014, the borrowings from banks of the Group are Baht 2,815 million and USD 51.9 million (2013: Baht 6,440 million and USD 64.15 million).

The interest rate exposure on the borrowings of the Group and the Company is as follows:

	Consolidated		Company	
	2014	Restated	2014	Restated
	Baht	2013 Baht	Baht	2013 Baht
Borrowings:				
- at fixed rates	5,719,276,460	5,094,000,960	6,333,611,912	5,519,973,162
- at floating rates	<u>4,536,915,873</u>	<u>6,413,823,917</u>	<u>642,970,777</u>	<u>1,933,984,199</u>
Total borrowings	<u>10,256,192,333</u>	<u>11,507,824,877</u>	<u>6,976,582,689</u>	<u>7,453,957,361</u>

Maturity of long-term borrowings are as follow:

	Consolidated		Company	
	2014	Restated	2014	Restated
	Baht	2013 Baht	Baht	2013 Baht
No later than 1 year	935,518,700	1,250,505,280	288,000,000	788,000,000
Late than 1 year but not later than 5 years	2,850,241,650	3,976,330,040	354,000,000	1,142,000,000
Later than 5 years	<u>738,371,200</u>	<u>1,168,157,120</u>	<u>-</u>	<u>-</u>
	<u>4,524,131,550</u>	<u>6,394,992,440</u>	<u>642,000,000</u>	<u>1,930,000,000</u>

Under the terms and conditions on the loan agreements, the Company need to comply with debt to equity ratio not exceed 2:1, 2.5:1 and 2.75:1.

Long-term loans from financial institutions bear interest at market rates.

During 2011, the Company has renewed long-term loan agreement with a financial institution which had been due in 2011 amounting to Baht 500 million. The new agreement is repayable in year 2014.

Bank overdrafts and short-term loans from financial institutions, and long-term loans of the Group as at 31 December 2014 and 2013 were secured by the Group's property, plant and equipment with carrying value of Baht 4,695 million as at 31 December 2014 (2013: Baht 4,641 million).

Central Restaurants Group Co., Ltd ("CRG") entered into the agreements with three local banks to obtain various short-term credit facility lines. Under the term of the agreement, CRG shall not dispose, pledge or mortgage the existing or future property and leasehold right in an amount over the agreed amount stated in the agreements without consent from the bank.

According to the loan agreement between Central World Hotel Co., Ltd ("CWH") and a local bank, CWH shall not dispose, transfer, lease, or make any commitment in leasehold land and building and construction thereon without consent from the bank

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS  
For the year ended 31 December 2014 (continued)

Debentures				
	Interest rate (%)	Maturity date	Consolidated / Company	
			2014 Baht	2013 Baht
No. 2/2010	3.85	23 June 2017	500,000,000	500,000,000
No. 3/2010	3.85	29 June 2017	500,000,000	500,000,000
No. 1/2011	4.86	29 March 2016	500,000,000	500,000,000
No. 2/2011	4.75	29 March 2016	300,000,000	300,000,000
No. 1/2013	4.02	30 September 2016	1,000,000,000	1,000,000,000
No. 1/2014	3.30	3 September 2016	1,500,000,000	-
			4,300,000,000	2,800,000,000
Deferred expense in issuing debenture			(2,682,685)	(1,888,891)
Net			4,297,317,315	2,798,111,109
Debenture due within one year			-	-
Debenture due after one year			4,297,317,315	2,798,111,109

The debentures are in the name of specific holders, unsubordinated and without collateral.

On 3 September 2014, the Company issued 2-year debentures of semi annually, fixed interest rate of 3.30% per annum, totalling amount of Baht 1,500 million, maturity on 3 September 2016.

The debenture deed contains certain restrictions and conditions relating to financial ratios, payment of dividends, decrease in paid up share capital, pledge, mortgage, and disposal of assets, which are material for business operations.

Under the terms and conditions on the prospectus, the Company need to comply with interest bearing debt to equity ratio not exceed 2:1.

As at 31 December 2014 and 2013, the Company has various interest rate swap contracts which the details of the contracts are as follows:

Conditions under previous contracts	
Principal	Baht 1,000,000,000
Interest rate	Quarterly, fixed interest rate of 3.85% p.a.

Conditions under interest rate swaps contracts	
Principal	Baht 1,000,000,000
Interest rate	Semi annually, 6 month - fixed deposit interest rate plus 1.90% p.a.

The above contracts are matured on 30 September 2013 and 29 June 2017.

The carrying amounts and fair values of certain long-term borrowings are as follows:

	Consolidated			
	Carrying amounts		Fair values	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Long-term bank borrowings later than 1 year	3,588,612,850	5,144,487,160	3,817,305,974	5,084,488,401
Debentures	4,297,317,315	2,798,111,109	4,369,829,939	2,836,430,055
	7,885,930,165	7,942,598,269	8,187,135,913	7,920,918,456

	Company			
	Carrying amounts		Fair values	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Long-term borrowings from bank	642,000,000	1,142,000,000	370,457,663	1,175,991,817
Debentures	4,297,317,315	2,798,111,109	4,369,829,939	2,836,430,055
	4,939,317,315	3,940,111,109	4,740,287,602	4,012,421,872

The fair values are based on discounted cash flows using a discount rate based upon the borrowing rate which the management expects would be available to the Group and the Company at the statement of financial position date. The carrying amounts of short-term borrowings, loan from related parties and lease obligations approximate their fair values.

# NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

## For the year ended 31 December 2014 (continued)

### Borrowing facilities

The Group and the Company have the following undrawn bank overdrafts and committed borrowing facilities:

	Consolidated		Company	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Float rate				
- expiring within one year	978,215,677	632,144,578	173,168,691	202,015,801
	978,215,677	632,144,578	173,168,691	202,015,801

### 21 TRADE AND OTHER PAYABLES

	Consolidated		Company	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Trade payable - other parties	708,230,640	732,385,023	58,757,215	56,616,146
Trade payable - related parties (Note 35.2)	30,035,450	11,091,430	626,413	87,367
Amounts due to related parties (Note 35.2)	-	-	6,738,827	12,460,167
Other payables	87,296,553	171,992,692	48,095,321	42,683,719
Payables for purchase of building and equipment	170,700,744	279,179,951	2,637,240	1,788,068
Guest deposit	461,918,779	492,604,146	86,253,646	148,783,628
Accrued expenses	1,026,973,757	617,626,651	90,887,164	67,814,488
Other	126,168	68,454	-	6,978
Total trade and other payables	2,485,282,091	2,304,948,347	293,995,826	330,240,561

### 22 PROVISION FOR GUARANTEE PAYMENT

Provision for guarantee payment represented guarantee under the building lease agreement which the Company and a subsidiary guarantee lease fee income of Centara Hotels & Resorts Leasehold Property Fund. There was no balances of provision for guarantee payment as 31 December 2014 and 2013.

Movements during the years ended 31 December 2014 and 2013 of provision for guarantee payment were as follows:

	Consolidated		Company	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
At 1 January	-	56,188,542	-	28,189,791
Decrease	-	(56,188,542)	-	(28,189,791)
At 31 December	-	-	-	-

### 23 OTHER CURRENT LIABILITIES

	Consolidated		Company	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Deposits	8,817,330	7,436,224	-	223,531
Retentions	50,868,566	120,824,432	4,831,006	7,619,257
Withholding tax and value added tax payables	176,106,655	194,513,274	56,775,879	52,707,371
Others	53,308	168,496	-	-
Total	235,845,859	322,942,426	61,606,885	60,550,159

### 24 PROVISION FOR EMPLOYEE BENEFITS

The amounts recognised in the statement of financial position are determined as follows:

	Consolidated		Company	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Present value of unfunded obligations	136,790,634	129,754,168	49,238,797	48,791,785
Actuarial gains	-	-	-	-
Liability in the statement of financial position	136,790,634	129,754,168	49,238,797	48,791,785

The movement in the defined obligation over the year is as follows:

	Consolidated		Company	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
At 1 January	129,754,168	117,254,837	48,791,785	45,204,280
Current service cost	11,631,148	12,357,818	4,208,642	4,381,820
Interest cost	3,606,707	3,430,756	1,115,254	1,055,285
Benefits paid	(8,756,329)	(3,289,243)	(4,876,884)	(1,849,600)
Acquisition from investment in subsidiary (Note 34)	554,940	-	-	-
At 31 December	136,790,634	129,754,168	49,238,797	48,791,785



NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the year ended 31 December 2014 (continued)

The amount recognised in expenses is as follows:

	Consolidated		Company	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Current service cost	11,631,148	12,357,818	4,208,642	4,381,820
Interest cost	3,606,707	3,430,756	1,115,254	1,055,285
Total, included in staff costs	15,237,855	15,788,574	5,323,896	5,437,105

Of the total charge, Baht 15,237,855 (2013: Baht 15,788,574) were included in administrative expenses.

The principal actuarial assumptions used were as follows:

	Consolidated		Company	
	2014	2013	2014	2013
	%	%	%	%
Discount rate	3.60	3.60	3.60	3.60
Inflation rate	3.50	3.50	3.50	3.50
Future salary increases	5.00	5.00	5.00	5.00

Mortality assumption of the mortality rate is based from Thailand mortality ordinary 2008 (TM008) issued by the Office of the Insurance Commission.

25 SHARE CAPITAL

	Consolidated/Company				
	Authorised shares number of Shares	Issued and paid-up shares number of Shares	Ordinary shares Baht	Share premium Baht	Total Baht
At 1 January 2013	1,350,000,000	1,350,000,000	1,350,000,000	970,000,000	2,320,000,000
Issue of shares	-	-	-	-	-
Reduction of shares	-	-	-	-	-
At 31 December 2013	1,350,000,000	1,350,000,000	1,350,000,000	970,000,000	2,320,000,000
Issue of shares	-	-	-	-	-
Reduction of shares	-	-	-	-	-
At 31 December 2014	1,350,000,000	1,350,000,000	1,350,000,000	970,000,000	2,320,000,000

The total number of authorised ordinary shares is 1,350,000,000 shares (2013: 1,350,000,000 shares) with a par value of Baht 1 per share. The issued and paid-up shares is 1,350,000,000 shares (2013: 1,350,000,000 shares).

26 LEGAL RESERVE

	Consolidated		Company	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
At 1 January	158,080,000	158,080,000	158,080,000	158,080,000
Appropriation during the year	-	-	-	-
At 31 December	158,080,000	158,080,000	158,080,000	158,080,000

Under the Public Limited Company Act., B.E. 2535, the Company is required to set aside as a legal reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the registered capital. The legal reserve is non-distributable.

As at 31 December 2014, legal reserve of subsidiaries amounting to Baht 6,742,000 (2013: Baht 6,987,143) have been included in the unappropriated retained earnings of the consolidated financial statements.

# NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

## For the year ended 31 December 2014 (continued)

### 27 OTHER COMPONENT OF EQUITY

	Consolidated				
	Remeasuring of available for- sale investment Baht	Land and building revaluation Baht	Surplus on Business Combination Baht	Translation adjustment Baht	Total Baht
At 1 January 2013	370,632	2,675,725,293	-	(21,620,634)	2,654,475,291
Revaluation	-	392,530,142	-	-	392,530,142
Revaluation transfer	-	(102,334,617)	-	-	(102,334,617)
Acquisition of subsidiary	-	-	143,422,000	-	143,422,000
Gain on remeasuring of available-for-sale available-for-sale investments	30,291	-	-	-	30,291
Currency translation difference	-	-	-	29,131,523	29,131,523
At 31 December 2013	400,923	2,965,920,818	143,422,000	7,510,889	3,117,254,630
At 1 January 2014	400,923	2,965,920,818	143,422,000	7,510,889	3,117,254,630
Revaluation	-	-	-	-	-
Revaluation transfer	-	(144,680,909)	-	-	(144,680,909)
Acquisition of subsidiary	-	-	-	-	-
Gain on remeasuring of available-for-sale investments	202,713	-	-	-	202,713
Currency translation difference	-	-	-	(3,898,289)	(3,898,289)
At 31 December 2014	603,636	2,821,239,909	143,422,000	3,612,600	2,968,878,145

	Company
	Land and building revaluation Baht
At 1 January 2013	949,321,014
Revaluation transfer	(11,206,514)
At 31 December 2013	938,114,500
At 1 January 2014	938,114,500
Revaluation transfer	(11,196,954)
At 31 December 2014	926,917,546

### 28 OTHER INCOME

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Interest income	13,595,949	25,228,453	162,005,318	185,870,974
Management income	220,128,202	187,656,047	280,087,624	298,469,776
Service income	18,750,000	25,000,000	169,500,000	169,500,000
Gain on business acquisition	86,475,937	-	-	-
Income from guarantee on subsidiaries loan	-	-	18,631,836	21,075,044
Gain on re-measuring to fair value of investments	16,597,576	-	-	-
Rental and other services income	5,121,589	4,170,016	-	-
Subsidy	7,987,048	6,612,909	-	-
Gain on insurance claim	10,615,526	78,826,326	-	-
Sale of used oil	20,037,273	15,441,905	-	-
Others	94,692,791	118,445,247	23,081,311	52,734,340
Total other income	494,001,891	461,380,903	653,306,089	727,650,134

### 29 FINANCE COST

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Interest expense:				
Related parties	-	-	33,987,739	43,476,213
Financial institutions and debenture holders	455,314,247	503,058,230	240,377,812	285,154,128
Unit holders in property fund's	-	3,517,406	-	-
Total finance cost	455,314,247	506,575,636	274,365,551	328,630,341

### 30 EXPENSES BY NATURE

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

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Cost of food and beverage used	4,544,417,853	4,239,697,721	244,395,606	264,847,303
Staff costs	4,146,957,972	3,936,182,963	765,066,087	786,196,583
Royalty fee	451,235,903	400,218,989	-	-
Land and building rental	2,163,302,711	2,010,757,908	106,082,194	210,812,231
Depreciation and amortisation	1,577,478,095	1,627,878,680	232,276,458	235,352,635

# NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

## For the year ended 31 December 2014 (continued)

### 31 INCOME TAX EXPENSE

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Current tax:				
Current tax on profits for the year	194,988,325	189,041,085	1,203,967	-
Adjustments in respect of prior year	(3,001,385)	6,480,786	-	-
<b>Total current tax</b>	<b>191,986,940</b>	<b>195,521,871</b>	<b>1,203,967</b>	<b>-</b>
Deferred tax:				
Origination and reversal of temporary differences	177,390,687	230,429,366	81,663,457	143,524,831
Adjustments in respect of prior year	(3,012,100)	-	-	-
<b>Total deferred tax</b>	<b>174,378,587</b>	<b>230,429,366</b>	<b>81,663,457</b>	<b>143,524,831</b>
<b>Total tax expense</b>	<b>366,365,527</b>	<b>425,951,237</b>	<b>82,867,424</b>	<b>143,524,831</b>

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the home country of the company as follows:

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Profit before tax	1,663,739,307	1,826,283,550	745,439,164	1,109,562,420
Tax calculated at a tax rate of 15%, 20% and 25% (2013: 15% and 20%)	319,252,244	367,695,495	149,087,833	221,912,484
Tax effect of:				
Associates and joint venture' results reported net of tax	8,632,269	(4,346,862)	-	-
Income from property fund which subject to tax exemption	-	(21,117,221)	-	-
Income not subject to tax	(21,367,871)	(5,843,829)	(62,557,432)	(127,223,765)
Expense not deducted for tax purpose	10,964,914	4,901,382	183,967	584,178
Expense deducted at greater amount	(36,110,955)	(22,239,264)	(738,059)	(809,244)
Utilisation of previously Unrecognised tax losses	(17,499,002)	-	-	-
Tax losses for which no deferred income tax asset was recognised	12,922,533	24,411,198	-	-
Deferred tax expense relating to the origination and reversal of temporary differences	81,506,197	77,565,662	(3,108,885)	49,061,178
Unrealised (gain) losses resulting from intergroup transaction	14,078,681	11,405,462	-	-
Adjustment in respect of prior year	(6,013,483)	(6,480,786)	-	-
<b>Tax charge</b>	<b>366,365,527</b>	<b>425,951,237</b>	<b>82,867,424</b>	<b>143,524,831</b>

The weighted average applicable tax rate was 22.02% (2013: 23.32%). The decrease is caused by utilisation of previously unrecognised tax losses.

The tax (charge)/credit relating to component of other comprehensive income is as follows:

	Consolidated					
	2014			2013		
	Before tax Baht	Tax (charge) credit Baht	After tax Baht	Before tax Baht	Tax (charge) credit Baht	After tax Baht
<b>Fair value gains:</b>						
Land and buildings	-	-	-	492,380,332	(98,476,066)	393,904,266
Available-for-sale financial asset	253,391	(50,678)	202,713	37,501	(7,573)	30,291
Currency translation difference	(38,118,346)	-	(38,118,346)	38,969,522	-	38,969,522
<b>Other comprehensive income</b>	<b>(37,864,955)</b>	<b>(50,678)</b>	<b>(37,915,633)</b>	<b>531,387,355</b>	<b>(98,483,639)</b>	<b>432,904,079</b>

	Consolidated		Company	
	2014 Baht	Restated 2013 Baht	2014 Baht	Restated 2013 Baht
Current tax	191,986,940	195,521,871	1,203,967	-
Deferred tax (Note 18)	174,378,587	230,429,366	81,663,457	143,524,831
Share of tax of associates (Note 12)	2,373,661	1,553,700	-	-

### 32 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit attributable to shareholders of the company by the weighted average number of ordinary shares in issue during the year, excluding treasury shares (Note 25).

	Consolidated		Company	
	2014	Restated 2013	2014	Restated 2013
Earnings (Baht)				
Net profit attributable to ordinary shareholders of the company	1,188,491,589	1,346,420,410	662,571,740	966,037,589
Weighted average number of ordinary shares outstanding (Shares)	1,350,000,000	1,350,000,000	1,350,000,000	1,350,000,000
Basic earnings per share (Baht per share)	0.88	1.00	0.49	0.72

There are no potential dilutive ordinary shares in issue for the years ended 2014 and 2013.



NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the year ended 31 December 2014 (continued)

33 DIVIDENDS PER SHARE

At the Annual General Meeting of Shareholders on 24 April 2014, the shareholders approved the declaration of the annual dividend for the year 2014 at Baht 0.4 per share (2013: Baht 0.30 per share), totalling Baht 540 million (2013: Bath 405 million). The dividends were paid on 22 May 2014.

34 BUSINESS ACQUISITION

Kata Phuket Hotel Co., Ltd.

On 7 October 2014, the Group additionally acquired the investment portion of 49.00%, (existing portion is 50.00%), totalling Baht 110 million of the share capital of Kata Phuket Hotel Co., Ltd. from the one of shareholder who desires to exit from the business. This made the Group increase the investment portion to 99.00%. The investment in Kata Phuket Hotel Co., Ltd. changed from “Interests in joint venture” to “Investment in subsidiary” at the date that the Group has control of this entity. The Group recognised a gain of Baht 16.60 million as a result of measuring at fair value of investment held before the business acquisition. The gain is included in other income in the Group’s statement of comprehensive income. The acquired companies generated revenue of Baht 46.49 million and net income of Baht 12.41 million to the Group for the period from 1 October 2014 to 31 December 2014. If the acquisition had occurred on 1 January 2014, the Group’s revenue would have been of Baht 155.19 million, and net income would have been of Baht 12.65 million.

Details of net assets acquired from business acquisition are as follows:

	Baht Million
Purchase price	110.00
Fair value of investment held before business acquisition	112.24
Fair value of net assets acquired (see below)	(308.71)
Gain from business acquisition present in other income	(86.47)

	Baht Million
Cash and cash equivalents	5.97
Trade and other receivables	3.77
Inventories	1.31
Other current assets	4.43
Property, plant and equipment, net	585.43
Intangible assets, net	1.71
Deposit	1.57
Refundable deposit	(10.78)
Trade and other payables	(5.08)
Amount due to related parties	(64.57)
Accrued expenses	(4.45)
Income tax payable	(2.21)
Other current liabilities	(0.51)
Borrowings from financial institutions	(118.0)
Loan from related party	(82.00)
Deferred tax liabilities	(4.21)
Employees benefit obligations	(0.55)
Fair value of net assets	311.83
Non-controlling interests	(3.12)
Fair value of net assets acquired	308.71

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the year ended 31 December 2014 (continued)

35 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.

Relationships with related parties that control or jointly control the Company or are being controlled or jointly controlled by the Company or have transactions with the Group were as follows:

Name of entities	Country of incorporation / nationality	Nature of relationships
Centara Hotels & Leasehold Property Fund	Thailand	Associate, 25.3% shareholding
Thai Pattana Fund 2	Thailand	Subsidiary, 23.92% direct and indirect shareholding
Thai Business Fund 4	Thailand	Related party
Central Department Store Co., Ltd.	Thailand	Related party, common shareholders and directors
Harnng Central Department Co., Ltd.	Thailand	Related party, common shareholders and directors
Central International Development Co., Ltd.	Thailand	Related party, common shareholders and directors
Central Pattana Public Company Limited	Thailand	Related party, common shareholders and directors
Power Buy Co., Ltd.	Thailand	Related party, common shareholders and directors
Central World Co., Ltd.	Thailand	Related party, common directors
Tieng Chirathivat Co., Ltd.	Thailand	Related party, common directors
AAPC (Thailand) Co., Ltd.	Thailand	Related party, shareholder of a subsidiary

The pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policies
Interest income and interest expense	Bank interest rate
Management fee income	Contractually agreed prices
Dividend income	Dividend announcement
Management fee expense	Contractually agreed prices
Rental income and rental expense	Contractually agreed prices
Area rental income	Contractually agreed prices
Loss from guarantee provision	Contractually agreed prices
Leasehold right payment	Contractually agreed prices
Prepayment of car park service	Contractually agreed prices
Sale of equipment	Contractually agreed prices
Electricity expense	Contractually agreed prices

The following transactions were carried out with related parties for the year ended 31 December 2014 and 2013 from related parties

35.1) Incomes and expenses

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
<b>Subsidiaries:</b>				
Rental income	-	-	9,450,000	9,450,000
Interest income	-	-	160,177,298	179,291,190
Management fee income	-	-	432,145,822	445,377,456
Dividend income	-	-	287,648,175	598,248,169
Interest expense	-	-	33,987,739	43,476,213
Other expenses	-	-	2,646,560	2,646,560
Rental expense	-	-	10,147,200	117,817,550
<b>Joint ventures:</b>				
Management fee income	7,386,870	9,888,504	7,386,870	9,897,039
Interest income	1,845,000	2,460,000	1,845,000	2,460,000
Other income	18,750,000	25,000,000	-	-
<b>Associates:</b>				
Rental income	100,366,667	100,366,667	50,366,667	50,366,667
Dividend income	25,138,985	37,870,658	25,138,985	37,870,658
Rental expense	149,967,674	160,614,505	-	-
<b>Entities controlled by ultimate shareholders</b>				
Rental income	14,279,196	14,279,196	-	-
Management fee income	14,718,762	15,127,202	-	-
Other income	26,088,263	27,196,526	-	-
Rental expense	128,922,298	124,395,386	96,924,175	93,928,958
Electricity expense	43,068,244	43,092,699	43,068,244	43,092,699
Management fees expense	12,360,000	12,000,000	6,000,000	6,000,000
Other service fees	14,227,152	14,735,357	-	-

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the year ended 31 December 2014 (continued)

35.2) Receivables and payables

Balances as at 31 December 2014 and 2013 with related parties were as follows:

	Consolidated		Company	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
<b>Receivables from:</b>				
Subsidiaries	-	-	116,773,275	370,137,691
Entities controlled by ultimate shareholders	46,853,483	108,346,121	11,657,709	2,891,595
Total	46,853,483	108,346,121	128,430,984	373,029,286
<b>Payables to:</b>				
Subsidiaries	-	-	6,738,827	12,460,167
Entities controlled by ultimate shareholders	30,035,450	11,091,430	626,413	87,367
Total	30,035,450	11,091,430	7,365,240	12,547,534

35.3) Loans to related parties

	Interest rate		Consolidated		Company	
	2014	2013	2014	2013	2014	2013
	(%)	(%)	Baht	Baht	Baht	Baht
<b>Short-term loans</b>						
<b>Subsidiaries</b>						
Central Krabi Bay Resort Co., Ltd.	4.15 - 4.75	4.75	-	-	150,400,000	154,700,000
Central World Hotel Co., Ltd.	4.15 - 4.55	4.75	-	-	171,100,000	316,000,000
Short-term loans to related parties			-	-	321,500,000	470,700,000

	Interest rate		Consolidated		Company	
	2014	2013	2014	2013	2014	2013
	(%)	(%)	Baht	Baht	Baht	Baht
<b>Long-term loans</b>						
<b>Subsidiaries</b>						
Central Samui Hotel Management Co., Ltd.	4.15 - 4.75	4.75	-	-	303,000,000	293,500,000
Central Karon Village Co., Ltd.	4.15 - 4.75	4.75	-	-	91,000,000	104,000,000
Central Hotel Management Co., Ltd.	4.15 - 4.75	4.75	-	-	111,000,000	120,000,000
Central Krabi Bay Resort Co., Ltd.	4.15 - 4.75	4.75	-	-	498,100,000	532,300,000
Central World Hotel Co., Ltd.	4.15 - 4.75	4.75	-	-	1,096,900,000	1,098,500,000
S.P. Realty Had Farang Co., Ltd.	4.15 - 4.75	4.75	-	-	400,000	300,000
Centara International Management Co., Ltd.	4.15 - 4.75	4.75	-	-	911,000,000	894,000,000
S.P. Realty Pattaya Beach Co., Ltd.	4.15 - 4.75	4.75	-	-	26,300,000	25,100,000
Tripleline Decor Co., Ltd.	4.15 - 4.75	4.75	-	-	2,400,000	2,250,000
Centara Import-Export Co., Ltd.	4.15 - 4.75	4.75	-	-	5,000,000	1,000,000
Central Koh Kood Hotel Co., Ltd.	4.15 - 4.75	-	-	-	100,000	-
Cosi Hotels Co., Ltd.	3.00	-	-	-	5,000,000	-
Kata Phuket Hotel Co., Ltd.	4.15 - 4.75	6.00	-	41,000,000	142,000,000	41,000,000
Long-term loans to related parties			-	41,000,000	3,192,200,000	3,111,950,000

Movements during the years ended 31 December 2014 and 2013 of loans to related parties were as follows:

	Consolidated		Company	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
<b>Subsidiaries</b>				
At 1 January	-	-	3,541,650,000	4,164,550,000
Increase	-	-	1,937,850,000	1,301,100,000
Increase from acquisition of subsidiary	-	-	41,000,000	-
Decrease	-	-	(2,006,800,000)	(1,924,000,000)
At 31 December	-	-	3,513,700,000	3,541,650,000
<b>Joint ventures</b>				
At 1 January	41,000,000	157,000,000	41,000,000	41,000,000
Decrease	(41,000,000)	(116,000,000)	(41,000,000)	-
At 31 December	-	41,000,000	-	41,000,000
<b>Total loans to related parties</b>				
At 1 January	41,000,000	157,000,000	3,582,650,000	4,205,550,000
Increase	-	-	1,937,850,000	1,301,100,000
Increase from acquisition of subsidiary	-	-	41,000,000	-
Decrease	-	(116,000,000)	(2,047,800,000)	(1,924,000,000)
Reclassified to subsidiary	(41,000,000)	-	-	-
At 31 December	-	41,000,000	3,513,700,000	3,582,650,000



# NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

## For the year ended 31 December 2014 (continued)

### 35.4) Loans from related parties

	Interest rate		Consolidated		Company	
	2014 (%)	2013 (%)	2014 Baht	2013 Baht	2014 Baht	2013 Baht
<b>Short-term loans</b>						
<b>Subsidiaries</b>						
Centara International Management (Thailand) Co., Ltd.	3.00	3.00	-	-	-	178,000,000
Central Hua Hin Beach Resort Co., Ltd.	3.00	3.00	-	-	95,000,000	55,000,000
Cosi Hotels Co., Ltd.	3.00	3.00	-	-	-	4,900,000
Central Samui Beach Resort Co., Ltd.	4.15 - 4.75	4.75	-	-	526,500,000	513,500,000
Karon Phuket Hotel Co., Ltd.	4.15 - 4.75	4.75	-	-	70,000,000	79,000,000
Cosi Hotel Management Co., Ltd.	3.00	3.00	-	-	1,000,000	1,000,000
Centara Loyalty Marketing Co., Ltd.	3.00	3.00	-	-	20,000,000	10,000,000
Centara Learning Centre Co., Ltd.	4.15 - 4.75	-	-	-	2,300,000	-
Centara Bangkok Conventiond Exhibition Co., Ltd.	3.00	-	-	-	750,000	-
Centara Healthy Spa Co., Ltd.	3.00	-	-	-	750,000	-
Related parties	3.00	3.00	61,068,902	60,260,523	-	-
Total			61,068,902	60,260,523	716,300,000	841,400,000

Movements during the years ended 31 December 2014 and 2013 of short-term loans from related parties were as follows:

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
<b>Short-term loans from related parties</b>				
At 1 January	60,260,523	61,065,935	841,400,000	749,000,000
Increase	-	-	2,933,280,000	2,208,500,000
Decrease	-	(17,441,460)	(3,058,380,000)	(2,116,100,000)
Translation adjustment	808,379	16,636,048	-	-
At 31 December	61,068,902	60,260,523	716,300,000	841,400,000

### 35.5) Key management personnel compensation

Key management personnel compensation comprised:

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
<b>Short-term employee benefits</b>	66,619,534	38,577,125	66,619,534	38,237,125
Post-employment benefits	1,185,234	1,204,593	1,185,234	1,204,593
Total	67,804,768	39,781,718	67,804,768	39,441,718

### 35.6) Long-term contracts

#### Long-term lease agreement

#### The Company

Under the terms of a reciprocal agreement entered into with Central International Development Co., Ltd. (“CID”) who entered into long-term land lease agreement with State Railway of Thailand (“SRT”), the Company was granted the right to construct a hotel building on the leased property of Central International Development Co., Ltd. and to operate the hotel for the Company’s benefits up to 18 December 2008. This agreement is renewable for period of 10 years each. The Company is committed to make payments for this right totaling approximately Baht 73.7 million payable in various installments up to 2008.

On 26 March 2003, CID entered into a memorandum of understanding with SRT in which the said related company agreed to pay certain compensation on lease agreement as mutually agreed with SRT. The Company agreed to share the said compensation for the total amount of approximately Baht 65 million to be paid in 8 installments; the first installment was paid on 31 March 2003 and the last installment will be paid by 18 December 2008.

#### Transfer of assets to State Railway of Thailand

As at 18 December 2008 which was the expiration date of the said reciprocation agreement, the Company was required to transfer the construction on sub-lease land, fixtures and improvements, including part of equipment to SRT. The net book value at the expiration date of agreement was Baht 23.9 million, resulting the Company incurred loss from disposal assets at the same amount.

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS  
For the year ended 31 December 2014 (continued)

On 9 December 2008 CID entered into a new land and/or building lease agreement of 20 years lease term with SRT. The Company then signed the memorandum of agreement with CID in order to preserve and affirm of undertaking the right to enter into the new sub-lease agreement with CID. Company has to pay the guarantee deposit on land and/or building lease agreement of Central Plaza Hotel at Ladprao, in the amount of Baht 95 million on the day which CID entered into lease agreement with SRT.

In 2009, the Company entered into a sub-lease agreement with Central International Development Co., Ltd. (“sub-lessor”) for the sub-leasing of Sofitel Centara Grand Bangkok Hotel’s building (Formerly Central Plaza Ladprao Hotel) and hotel building improvements including durable goods for a period of 20 years. The lease will expire on 18 December 2028. The Company was required to pay the sub-lessor of Baht 2,556 million for the sub-leasing right and annual rent for the whole lease term. During 2009, the Company recorded sub-leasing right and annual rent of Baht 361 million as leasehold right in the consolidated and separate balance sheets (Note 16). In addition, the Company was required to pay durable goods rental fee totalling Baht 31 million for the whole lease term. The Company recorded durable goods rental fee as asset under finance lease (Note 14).

Leased assets, which the Company has renovated, improved or constructed, altered, added, maintained or rebuilt, will be transferred to SRT as soon as the said activities are completed. In addition, the Company has to return leased supplies according to the list in the lease agreement in a manner which appropriate to their condition and useful lives to SRT at the end of the lease agreement.

Subsidiaries

Centara Grand Beach Resort Samui Project

Agreements between Central Plaza Hotel Public Co., Ltd., its subsidiaries and Thai Pattana Fund I

On 12 December 2002, Central Samui Beach Resort Co., Ltd., (“CSBR”) entered into a purchase and sales agreement with Thai Pattana Fund I (“TP1”) in which CSBR agreed to sell a hotel building and furniture for hotel operations to TP1. CSBR also entered into a leaseback agreement with TP1 on the same date for a three years period from the agreement date. The leaseback agreement can be renewed for 3 years. In addition, on 12 December 2002, CSBR entered into a land lease agreement with TP1 for a 15 years. Under this agreement, TP1 as the owner of the hotel buildings which are located on the leased land, agreed to sell the said hotel buildings including furniture back to CSBR on the transfer of the building ownership date. The transfer of building ownership will be made when CSBR has made full repayment for repurchase of the hotel buildings and furniture to TP1 as stated in the agreement.

TP1 hired CSBR as property manager according to property management agreement dated 12 December 2002 for a 15 years period. As guarantee for the repayment and compliance with related agreements, CSBR had mortgaged land, which is the location of the leased assets, and Central Plaza Hotel Public Co., Ltd. (“CPH”) had provided a guarantee letter to TP1 for repayment and compliance with the building lease agreement and property management agreement.

On 26 September 2008, CSBR and TP1 arranged a memorandum of agreement for termination of agreements which CSBR and TP1 agreed to terminate the land lease agreement, the building lease agreement, the property management agreement and the mortgage of land. All the said agreements were ceased on the day that the memorandum of agreement was signed. In addition, CSBR agreed to buy and TP1 agreed to sell furniture and equipments remained in the hotel building as at the date in the memorandum of agreement, in the amount of Baht 1 million. TP1 agreed to transfer rights and deliver the said furniture and equipment to CSBR and CSBR paid for the said furniture and equipment to TP1 on the date of the memorandum of agreement. And on the same date, CPH and TP1 arranged a memorandum of agreement to annul the guarantee letter, dated 12 December 2002, which CPH had prepared for TP1 for a guarantee of debt repayment of CSBR under the property management agreement, building lease agreement and land lease agreement.

On 26 September 2008, TP1 sold the hotel building to CPH since CSBR did not exercise its right to buy the hotel building under the land lease agreement dated 12 December 2002. TP1 received Baht 1,450 million from sale of the building.

Agreements between Central Plaza Hotel Public Co., Ltd., its subsidiaries and Centara Hotels & Resorts Leasehold Property Fund.

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS  
 For the year ended 31 December 2014 (continued)

On 25 September 2008, Central Plaza Hotel Public Company Limited and its subsidiary entered into agreements relating to land and hotel building of Centara Grand Beach Resort Samui Hotel (formerly: Central Samui Beach Resort Hotel) with Centara Hotels & Resorts Leasehold Property Fund (“CTARAF”), in the following matters.

- 1

Central Samui Beach Resort Co., Ltd. (“CSBR”) entered into the land lease agreement with CTARAF for lease the land to CTARAF for the period of 30 years commencing from the date on which both parties register the lease agreement (26 September 2008). CTARAF agreed to pay the land lease fee in the total amount of Baht 1,500 million with full payment on the date on which the lease was registered. CSBR recognised such proceeds from lease as deferred income in its balance sheet and amortises to income using the straight line method over the lease term of 30 years. As at 31 December 2014, the balance of deferred income in consolidated financial statements, net of amortisation of Baht 50.0 million (2013: Baht 50.0 million) was Baht 1,186.7 million (2013: Baht 1,236.7 million).
- 2

Central Plaza Hotel Public Company Limited (“CPH”) entered into the property lease agreement with Centara Grand Beach Resort Samui Hotel, including the utility facilities and related equipment with CTARAF in order to lease to CTARAF for the period of 30 years commencing from the date that both parties registered the lease agreement (26 September 2008). CTARAF agreed to pay the property lease fee in the total amount of Baht 1,510 million with full payment on the date on which the lease was registered. CPH recognised such proceeds from lease as deferred income in its balance sheet in separate financial statements and amortises to income using the straight line method over the lease term of 30 years. As at 31 December 2014, the balance of deferred income net of amortisation of Baht 50.3 million (2013: Baht 50.3 million) was Baht 1,194.7 million (2013: Baht 1,245.0 million).

Under the property lease agreement, CPH agreed and guaranteed that, in the period of 4 years from the registry date of lease, CTARAF would receive lease fee income from the lease assets in the amount not less than the accumulated guaranteed lease fee specified in the agreement. If CTARAF receives the accumulated lease fee income less than the accumulated guaranteed lease fee as in the agreement, CPH agreed to pay CTARAF the difference between the accumulated lease fee income of the fund and the accumulated guaranteed lease fee income.

On 1 December 2008, CPH and CSBR entered into the agreement regarding guarantee CTARAF lease fee income. CSBR as a land lessor which mutually get benefits from CTARAF on lease agreement, to be the co-guarantor in guarantee CTARAF lease fee income. In case CPH have to pay any payments to CTARAF under the above guarantee agreement, CSBR agree to pay partial guarantee payment to CPH according to the rate specified in the agreement.

If CTARAF wished to renew the land lease agreement and building lease agreement as in No.1 and No. 2 above when the lease period was due, CTARAF has to state its intention to CSBR and CPH, depending on the case, in writing within the 26th year from the first year of the lease period and both parties negotiate and finalise the details for renewal of lease agreement within the 27th year from the first year of the lease period.

- 3

CSBR entered into the agreement for sale of furniture and equipment installed / used within the Centara Grand Beach Resort Samui Hotel with CTARAF, under which CTARAF agreed to pay for rights transferring of the said furniture and equipment in the amount of Baht 80 million (including VAT) by making a full payment on the day that the rights are transferred (26 September 2008).
- 4

CTARAF entered into the sub-lease agreement of Centara Grand Beach Resort Samui Hotel with Central Samui Hotel Management Co., Ltd. (“CSHM”) for lease the land, building and utility facility and relating equipment, and furniture and equipment to CSHM to use in operating the hotel business. The lease term is 3 years commencing from 26 September 2008. CTARAF promised to CSHM that CSHM is able to lease the assets for another 3 years since the end of the lease term. CSHM must inform the fund for exercise of the promised right in writing not less than 6 months before the end the lease term. According to this agreement, CSHM agreed to pay a monthly lease fee comprise of fixed lease fee in the amount of Baht 225 million per annum and variable lease fee calculating from percentage as enumerate in the agreement of revenue after deduction of costs and operating expenses, other expenses and fixed rental.

According to the sub-lease agreement and other relating agreements, CSHM must comply with the conditions stipulated in the agreement such as submission of documents and other information specified in the agreement, opening and maintaining of various bank accounts including transfer of rights over the said bank accounts to CTARAF, without the increase of additional debt, selling, disposing, lease, forming a commitment in part or all of assets, loaning to, investing, except for the consent in writing from CTARAF is granted.

Except in circumstance that CSHM can demonstrate to CTARAF that any event in beyond the control of or prevention by the Company and such event has caused an adverse material impact on the operation of the hotel and such event occurs temporarily (“Temporary Force Majeure”) and resulting in the CSHM being unable to pay the fixed rental to the Fund in an amount and within the due date specified in sublease agreement, the Company shall pay rental to the Fund in the amount equivalent to 100 percent of earnings before interest, taxes, depreciation, and amortisation (“EBITDA”) calculated from the operation of the hotel during such period and it shall not be deemed the Company is in default of payment.

In past years, CSHM has been affected badly by some external, uncontrollable factors. These factors include the global financial crisis, political unrest in Thailand and important changes in the profiles of guests that have led to a drop in a demand for rooms. The hotel has not performed as expected because the hotel market in Koh Samui has changed a lot since the Fund was set up. CSHM sent letter dated 3 September 2013 to CTARAF to exercises the right under Clause 3.3 of the sublease agreement to pay rental in amount equivalent to 100 percent of earnings before interest, taxes, depreciation, and amortisation (“EBITDA”)



NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS  
For the year ended 31 December 2014 (continued)

After informing the facts to CTARAF, CTARAF is aware of the facts and has convened a meeting with the CSHM to consider and verify the facts related to such events, as well as engaging Jones Lang LaSalle (Thailand) Co., Ltd. to conduct a study on the market condition of hotels in Samui from 2007 to 2012 in order to give an opinion to CTARAF on such events and the hotel business operation condition. In addition, the Fund has engaged independence legal advisor to give opinion on the rights and duties of the CSHM and CTARAF. According to the letter dated 16 May 2014, CTARAF deemed that the such events are beyond the control of or prevention by the Company, and had an adverse material impact upon the hotel business operation of Centara Grand Hotel by CSHM. Furthermore, the occurrence of such events is of a temporary nature and resulted in CSHM being unable to pay the fixed rental to CTARAF in an amount and within the due date specified in the Sublease Agreement, in accordance with the conditions on the adjustment of the rental as set out in Clause 3.3 of the Sublease Agreement, provided that CSHM shall be entitled to pay rental to CTARAF in the amount equivalent to 100 percent of EBITDA calculated from the hotel business operation since the date of such events that was January 2013 to September 2014, end of Sublease Agreement.

As of 31 December 2014, CSHM has been operated and lease land and building and utility facility and relating equipment for Centara Grand Beach Resort Samui without agreeing in new rental rate. However, CSHM deemed that new rental rate would be set at the same as the previous rental payment. During negotiation process, CSHM has recorded rental fee in rate of 100 percent of EBITDA that may cause the difference from new agreeing rental rate.

**Central Wong Amat Beach Resort, Pattaya**

On 23 December 2003, Central International Development Co., Ltd. (“the Consignor”) entered into a consignment agreement of land and building with Thai Pattana Fund 2 (“the Consignee”) and other party as another consignor had entered into a consignment agreement of land with Thai Pattana Fund 2 (“the Consignee”) for Central Hua Hin Beach Resort Co., Ltd. (“CHBR”) to lease and operate the hotel business, the contracting parties of which agreed with the consignors or Central Hua Hin Beach Resort Co., Ltd. or Central Plaza Hotel Public Company Limited, either of which will have the right to redeem the assets on consignment from the consignee at the redeemable price stipulated in the agreement within 10 years counting from the registration date of the ownership transfer or in the case of the one who has the right to redeem wishing to finalize the redemption of the assets on consignment prior to 10 years’ period will have to notify the consignee in writing, in advance not less than 30 days before the next installment is due.

On 18 December 2003, both consignors issued the renounce letter for the right to redeem the assets on consignment to Central Hua Hin Beach Resort Co., Ltd. and Central Plaza Hotel Public Company Limited.

As guarantee for the repayment and compliance with this agreement, Central Plaza Hotel Public Co., Ltd. has prepared a guarantee letter for the repayment of CHBR to Thai Pattana Fund 2.

On 1 March 2006, CHBR issued the renounce letter for the right to redeem the assets on consignment for the Company only.

On 23 December 2003, Central Hua Hin Beach Resort Co., Ltd. (“CHBR”) entered into a land and hotel buildings lease agreement of Central Wong Amat Beach Resort, Pattaya (“Hotel Buildings”) with Thai Pattana Fund 2 (“The Fund”) to operate the hotel business for a period of 10 years, starting from 23 December 2003 onwards. Thus, CHBR agreed to pay the rent, on a semi-annual basis, by instalments of Baht 55 million per period. The lease rate will be in force for the lease period starting from the date of signing the agreement until 28 February 2007, after which the contracting parties will adjust the rental as appropriate. The first payment of rent was due on 26 August 2004 to cover the lease period from 23 December 2003 until 31 August 2004 and the next payment is due on the third working day before the end of February and August of each year. The last payment of rent will be made upon termination or ending of the agreement, in the amount calculated based on the actual number of days counting from the date following the preceding payment of rent until the end of the agreement.

On 4 February 2014, the Company redeemed collateral land from Thai Pattana Fund 2, Consignee. Then land title deed was pledged as bank borrowing’s collateral instead.

In addition, CHBR agreed to build a building or other construction on the leased land in order to add value to the land and hotel buildings as compensation to the Fund for agreeing with CHBR to lease the assets and, one year after the beginning of the lease period, CHBR agreed to renovate and/or consider to renovate the hotel building to improve the value of leased assets and the suitability of its hotel business.

On 1 March 2006, the Company entered into a leasehold rights transfer agreement with CHBR and the Fund. The transfer agreement granted the Company the leaseholder rights and responsibilities under land and hotel buildings lease agreement.

**Central World Hotel Co., Ltd.**

On 28 April 2005, Central World Hotel Co., Ltd. (“CWH”), entered into a sublease of hotel land and building with Thai Business Fund 4 (“the Fund”) to develop and to operate a hotel or other related businesses. CWH is required to pay rental in advance and annual rental fee of totalling Baht 1,188.8 million to the Fund up to the end of the agreement on 22 December 2032. CWH paid the rental in advance upon signing the agreement of Baht 275 million. During 2014, CWH paid the annual rent of Baht 15.8 million (2013: Baht 15.8 million) which was recorded as leasehold right in the consolidated statements of financial position (Note 16).

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS  
For the year ended 31 December 2014 (continued)

The above agreement also specified CWH to transfer the rights on buildings and constructions thereon which CWH repair and maintenance or construct on the sub-lease land to the land owner, the Crown Property Bureau, at the date of those repair and maintenance or construction would be completed.

As at 31 December 2014, CWH has not transferred the rights on buildings and constructions thereon to the land owner, as CWH obtained approval for an extension period for development and hotel buildings construction and consequence will transfer buildings and construction rights to the owner within the year 2014.

Long-term service agreements

The Company

On 1 July 2004, the Company entered into management agreements with its subsidiaries, effective from 1 January 2004. Management fee would be paid on a quarterly basis. The parties to the agreement have the right to amend the agreement, as detailed below:

- The Company entered into management agreements with its seven subsidiaries in the hotel group to manage the hotel operations. Under the said agreements, the Company would receive management fee based on the percentage of net sales specified in the agreements, divided into operational management fee and marketing management fee.
- The Company entered into a marketing management agreement with another subsidiary in the hotel group. Under this agreement, the Company would receive the marketing management fee at the percentage of net sales specified in the agreement.
- The Company entered into a management agreement with Central Restaurants Group Co., Ltd. ("CRG"), for the operational management of CRG. Under the said agreement, the Company would receive a monthly fixed management fee as specified in the agreement.

On 26 September 2008, the Company entered into management agreement with Central Samui Hotel Management Co., Ltd. to manage the hotel's operation for 30 years commencing from the agreement date. Under the said agreement, the Company would receive the management fee as specified in the agreement.

On 31 March 2011 and 26 May 2011, the Company entered into management agreements with Karon Phuket Hotel Co., Ltd. ("CKR") and Kata Phuket Hotel Co., Ltd. ("CKT") to manage the hotel's operation for 5 years ending March 2016 and May 2016, respectively. The agreements are automatically renewable for 5 years. Under the said agreements, the Company would receive the management fee as specified in the agreements.

On 31 January 2014, the Company entered into a service agreement with Harn Central Department Store Co., Ltd. for a period of 1 year in order to receive information and various suggestions, which are beneficial to the Company. The agreement is automatically renewable for a year. The service fee is Baht 1,000,000 per month with the increased by 5% for service fee from the previous year.

Subsidiaries

Central Sukhontha Hotel Co., Ltd. ("CHY") has entered into a rental and services agreement with Central Department Store Co., Ltd. for a period of 30 years ending on 31 May 2024. Central Department Store Co., Ltd. agreed to lease part of the building as a shopping center. Total income to CHY under the agreement will amount to approximately Baht 428 million in total. As at 31 December 2014, the balance of deferred rental income in consolidated financial statements, net of amortisation was Baht 140.4 million (2013: Baht 154.6 million).

On 31 January 2013, Central Restaurant Group Co., Ltd. ("CRG") entered into a service agreement with Harn Central Department Store Co., Ltd. for a period of 1 year in order to receive information and various CRG suggestions, which are beneficial. The agreement is automatically renewable for a year. The service fee is Baht 500,000 per month with the increased by 5% for service fee from the previous year.

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the year ended 31 December 2014 (continued)

Long-term lease and service agreements

Central Restaurants Group Co., Ltd. (“CRG”) had long-term lease and service agreements with related party for periods of 3 to 30 years up to 2026. According to the terms of the agreements, CRG has to pay monthly rental and service charges at fixed rates or at certain percentages of gross sales as follows:

	Consolidated	
	2014	2013
	Baht	Baht
Non-cancellable operating lease commitments		
No later than 1 year	288,343,196	310,582,819
Later than 1 year but not later than 5 years	210,371,280	261,407,611
Later than 5 years	5,756,039	8,772,621
Total	504,470,515	580,763,051

35.7) COMMITMENTS UNDER AGREEMENTS WITH RELATED PARTIES

The Company

As at 31 December 2014, the Company guaranteed the overdraft lines, letters of credit and various guarantees for subsidiaries to various local banks totaling Baht 32 million (2013: Baht 32 million).

The Company provided guarantee in respect to Central World Hotel Co., Ltd. (“CWH”) loans to a financial institution in the amount not less than Baht 2,350 million.

In June 2009, CWH had drawn down the loan totalling Baht 2,300 million. As at 31 December 2014, the outstanding loan is equal to Baht 500 million (2013: Baht 500 million).

Subsidiaries

As at 31 December 2014, Central Restaurants Group Co., Ltd. had provided guarantees to a financial institution for bank overdraft and long-term loan facility of a subsidiary totalling Baht 55.8 million (2013: Baht 50 million).

36 COMMITMENTS WITH NON-RELATED PARTIES

	Consolidated		Company	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Capital commitments				
Contracted but not provided for Hotel construction	78,172,649	93,873,253	6,537,206	6,789,746
Total	78,172,649	93,873,253	6,537,206	6,789,746
Non-cancellable operating lease and service				
Commitments of Central Restaurant Groups Co., Ltd.				
No later than one year	171,224,031	160,868,578	-	-
Later than 1 year but not later than 5 years	132,268,837	117,091,511	-	-
Later than 5 years	1,508,530	1,922,630	-	-
Total	305,001,398	279,882,719	-	-

37 CONTINGENCIES

In 2013, a subsidiary of the Group received a letter from the Court stating that it was being sued by a customer under consumer law; the claim was for Baht 50 million. The Group is currently seeking appropriate legal advice and also waiting for the Court of Appeals judges to rule whether this is a consumer law case or not. However, the management of the Group believes that it will not cause any significant damage to the Group.

On 9 February 2015, The Court rendered this judgment that the subsidiary has to pay penalty with interest amount of Baht 0.50 million to plaintiff. However, the subsidiary is under the process of resubmit this case to the Appeal court. The Group has not recorded such liabilities.

38 EVENT AFTER THE REPORTING PERIOD

At the Board of Directors' meeting No. 1/2558 on 26 February 2015, the board approved the declaration of the annual dividend at Baht 0.40 per share (2013: Baht 0.40 per share), totalling Baht 540.0 million (2013: Baht 540.0 million).



# ANALYSYS AND EXPLANATION OF FINANCIAL STATUS AND OPERATING RESULTS

For the year ended **31 DECEMBER 2014**

## 1. OPERATING PERFORMANCE RESULTS

### Overview

The Company and its Subsidiaries achieved total FY/2014 consolidated revenues of Baht 18,282.8 million, an increase of Baht 825.8 million or 4.7% year-on-year (YoY). This revenue comprised of a 0.7% increase in Hotels Business revenues and a 9.3% increase in Food Business revenues. The Company and its Subsidiaries achieved total consolidated EBITDA of Baht 3,572.8 million, a YOY decrease of Baht 223.7 million or 5.9%; as well as total consolidated Net Profit from normal operations of Baht 1,154.8 million, an YoY decrease of Baht 204.2 million or 15.0%, and Net Profit after extraordinary items of Baht 1,188.5 million that represented a decrease of Baht 158.1 million or 11.7%, YoY.

In 2014, the hotels located in Bangkok were significantly affected by the political situation that started towards the end of 2013, which impacted the tourism industry and resulted in a decreased in the total number of international tourists arrivals coming to Thailand last year. However, the political situation improved after Quarter 3/2014; as well as various initiatives were implemented by the Government and involved organizations to support, stimulate and revive the tourism industry, resulting in increased total tourist arrivals in late 2014. At the same time, resorts hotel properties (outside of Bangkok) continued to achieve improved operating results compared to the previous year. Furthermore, the Centara Grand Island Resort & Spa and the Centara Ras Fushi Resort & Spa, Maldives continued to perform very well during the year. This resulted in the Hotels Business growing and achieving increased revenues. While the Food Business also continued to be very successful, both in terms of achieving YoY increased revenues of Baht 842 million or 9.3% and expanding its QSR network with 38 new outlets together with one new QSR brand concept, ie: Katsuya.

Therefore, a detailed analysis according to the Financial Statements the operating performance results of the Company and its Subsidiaries, for the year ending 31 December 2014, is as follows:

(Baht – Million)	FY/2014		FY/2013 (Restated)		Changes YoY (Increase + / Decrease -)	
	Baht	%	Baht	%	Baht	%
Hotels Business revenues	7,991.3	43.7%	7,937.1	45.5%	+54.2	+0.7%
Food Business revenues	9,900.7	54.2%	9,058.8	51.9%	+841.9	+9.3%
Other income	390.8	2.1%	461.1	2.6%	-70.3	-15.2%
<b>TOTAL CONSOLIDATED REVENUES</b>	<b>18,282.8</b>	<b>100.0%</b>	<b>17,457.0</b>	<b>100.0%</b>	<b>+825.8</b>	<b>+4.7%</b>
Direct costs – Hotels Business	(2,972.1)	(16.2%)	(3,003.1)	(17.2%)	-30.9	-1.0%
Direct costs – Food Business	(4,884.0)	(26.6%)	(4,398.3)	(25.2%)	+485.7	+11.0%
<b>TOTAL COST of SALES <sup>(1)</sup></b>	<b>(7,856.1)</b>	<b>(42.8 %)</b>	<b>(7,401.4)</b>	<b>(42.4%)</b>	<b>+454.7</b>	<b>+6.1%</b>
Less: Selling & General Administrative expenses and others	(6,880.3)	(37.6%)	6,293.0	36.0%	+587.3	+9.3%
Add: Share of profit from investments (based on the equity method)	26.4	0.1%	33.9	0.2%	-7.5	-22.2%
<b>EBITDA</b>	<b>3,572.8</b>	<b>19.5%</b>	<b>3,796.5</b>	<b>21.7%</b>	<b>-223.7</b>	<b>-5.9%</b>
Less: Depreciation & Amortization	(1,587.7)	(8.7%)	(1,551.5)	(8.9%)	+36.2	+2.3%
<b>EBIT</b>	<b>1,985.1</b>	<b>10.9%</b>	<b>2,245.0</b>	<b>12.9%</b>	<b>-259.9</b>	<b>-11.6%</b>
Less: Cost of Finance	(455.3)	(2.5%)	(506.6)	(2.9%)	-51.3	-10.1%
Less: Corporate income tax	(366.4)	(2.0%)	(426.0)	(2.4%)	-59.6	-14.0%
Less: Net Profits from non-controlling interests (based on the equity method)	(108.9)	(0.6%)	(53.7)	(0.3%)	+55.2	+102.8%
Add : Revenues from amortization of deferred rental income (CGBS)	100.3	0.5%	100.3	0.6%	-	-
<b>NET PROFIT/(Loss) from normal operations</b>	<b>1,154.8</b>	<b>6.3%</b>	<b>1,359.0</b>	<b>7.8%</b>	<b>-204.2</b>	<b>-15.0%</b>
<u>Extraordinary Items</u>						
Add: Share of Loss from Property Fund (based on equity method)						
(Profit/Loss from appraise value of assets)	(69.4)	(0.4%)	(12.4)	(0.1%)	+57.0	+459.9%
Add: Profit from purchase of businesses and re-appraised fair value of investments made	103.1	0.6%	-	-	+103.1	+100.0%
<b>NET PROFIT</b>	<b>1,188.5</b>	<b>6.5%</b>	<b>1,346.6</b>	<b>7.7%</b>	<b>-158.1</b>	<b>-11.7%</b>
Note: Gross Profit & % Gross Margin	10,136.2	56.3%	9,694.5	56.7%	+441.5	+4.6%

<sup>(1)</sup> Cost of Sales EXCLUDING depreciation & amortization that are allocated as cost of sales

ANALYSYS AND EXPLANATION OF  
FINANCIAL STATUS AND OPERATING RESULTS  
For the year ended 31 December 2014 (continued)

Consolidated revenues from sales and services

The Company and its Subsidiaries operate 2 core business, namely: the Hotels Business and the Food Business; whereby the revenue mix for 2014 derived from the Hotels Business and the Food Business was 46 : 54 (compared to 47 : 53 for 2013) with total consolidated revenues of Baht 18,282.8 million (comparing to Baht 17,457.0 million in 2013) increasing by Baht 825.8 million, or 4.7%, year-on-year as shown in detail below.

Hotels Business Revenues

Total revenues for the Hotels Business, consisting 1) room sales, 2) food & beverage sales, and 3) income derived from other services provided, such as: transfer services, laundry & dry cleaning services, spa services, functions and banqueting sales, whereby the revenues mix in 2014 for these 3 categories was approximately 62 : 29 : 9.

The achieved average occupancy rate (OCC), average room rate (ARR) and RevPAR for the Hotels Business of the Company and its Subsidiaries can be summarized as follows:

	2014	2013	% Increase (Decrease)	% Change
OCC ( %)*	74.8%	79.8%	-5.0%	-6.3%
ARR (Baht) *	4,855	4,370	+485	+11.1%
RevPAR (Baht) *	3,632	3,486	+146	+4.2%

\* Includes Centrara Kata Resort, Phuket, that is a Subsidiary Company since October 7, 2014

(Unit : Million Baht)

Hotels Business Revenues (Hotels)	FY 2014	FY 2013	Increase (Decrease)	% Change
Centara Grand at Central Plaza Ladprao Bangkok	916.5	1,052.4	(135.9)	-12.9%
Centara Grand Beach Resort & Villas Hua Hin	625.9	618.6	7.3	+1.2%
Centara Grand Beach Resort Samui	438.2	443.1	(4.9)	-1.1%
Centara Hat Yai	170.7	196.5	(25.8)	-13.1%
Centara Mae Sot Hill Resort	34.6	34.1	0.5	+1.5%
Centara Villas Samui	128.0	132.6	(4.6)	-3.5%
Centara Villas Phuket	93.3	98.0	(4.7)	-4.8%
Centara Grand Beach Resort & Villas Krabi	467.4	430.6	36.8	+8.5%
Centara Grand & Bangkok Convention Centre at Central World	1,133.3	1,458.4	(325.1)	-22.3%
Centara Grand Mirage Beach Resort Pattaya	1,116.0	1,150.9	(34.9)	-3.0%
Centara Grand Beach Resort Phuket	746.7	719.2	27.5	+3.8%
Centara Karon Resort Phuket	378.8	370.3	8.5	+2.3%
Centara Kata Resort Phuket <sup>(1)</sup>	46.0	-	46.0	+100.0%
Centara Grand Island Resort & Spa Maldives	862.6	762.5	100.1	+13.1%
Centara Ras Fushi Resort & Spa Maldives	816.9	452.3	364.6	+80.6%
Others	16.4	17.6	(1.2)	-6.8%
Total sales from Hotel Business	7,991.3	7,937.1	54.2	+0.7%

\* Kata Phuket Co.Ltd. changed its status from being a joint venture company to a full Subsidiary Company since October 7, 2014.

The Hotels Business consolidated revenues increased by Baht 54.2 million, or 0.7%,YoY, with achieved overall Average Occupancy (OCC) of 74.8% (a decrease of 5%) and achieved Average Room Rate (ARR) of Baht 4,855 (an increase of Baht 485 compared to the previous year).

These operating results are primarily due to the fact hotels located in Bangkok were significantly affected by the political situation that started towards the end of 2013, which impacted the tourism industry and resulted in a decreased in the total number of international tourists arrivals coming to Thailand last year. However, the political situation improved after Quarter 3/2014; as well as various initiatives were implemented by the Government and involved organizations to support, stimulate and revive the tourism industry, resulting in increased total tourist arrivals in late 2014. At the same time, resorts hotel properties (outside of Bangkok) continued to achieve improved operating results compared to the previous year.

Furthermore, the 2 hotels located in the Maldives continued to perform very well during the year, with the Centara Grand Island Resort & Spa, Maldives achieving increased total revenues of Baht 111.8 million and the Centara Ras Fushi Resort & Spa, Maldives (that was opened in March 2013) also achieved increased total revenues of Baht 350.7 million.

# ANALYSYS AND EXPLANATION OF FINANCIAL STATUS AND OPERATING RESULTS

For the year ended 31 December 2014 (continued)

Food Business Revenues				
Total revenues for the Food Business consist of sales of food and beverages at the outlets of the various QSR brand concepts of : KFC, Mister Donut, Auntie Anne's, Pepper Lunch, Beard Papa's, Chabuton Ramen, Coldstone Creamery, Ryu Shabu Shabu, Yoshinoya, Ootoya, The Terrace, Tenya and Katsuya with details of the respective revenues and YoY growth by brand concepts as follows:				
(Unit : Million Baht)				
QSR Brands	FY 2014	FY 2013	Increase (Decrease)	% Change
Mister Donut	1,904.9	1,852.7	52.2	+2.8%
KFC	5,352.6	4,723.5	629.1	+13.3%
Auntie Anne's	731.5	756.4	(24.9)	-3.3%
Pepper Lunch	188.9	209.6	(20.7)	-9.9%
Beard Papa	12.4	47.5	(35.1)	-73.9%
Chabuton Ramen	238.7	233.1	5.6	+2.4%
Cold Stone Creamery	89.8	70.5	19.3	+27.4%
Ryu Shabu Shabu	17.3	21.3	(4.0)	-18.8%
Yoshinoya	196.9	174.8	22.1	+12.6%
Ootoya	880.2	771.2	109.0	+14.1%
The Terrace	97.8	70.1	27.7	+39.5%
Tenya	49.1	4.8	44.3	+922.9%
Katsuya*	11.8	-	11.8	+100.0%
Other sales revenues	128.8	123.3	5.5	+4.5%
TOTAL FOOD BUSINESS REVENUES	9,900.7	9,058.8	841.9	+9.3%

\* katsuya started operations in July 2014

YoY Revenues Growth Rate	2014
Total System Sales (TSS) Growth	+9.3%
Same Store Sales (SSS) Growth	+1.4%

Total number of QSR Outlets by Brand Concepts as at the end of 2014 and 2013

Brand Concepts	31 Dec 2014	31 Dec 2013	Increase (Decrease)
KFC	203	194	9
Mister Donut	324	309	15
Auntie Anne's	125	117	8
Pepper Lunch	16	18	(2)
Beard Papa's	-	6	(6)
Chabuton Ramen	15	14	1
Cosldstone Creamery	14	16	(2)
Ryu Shabu Shabu	1	1	-
Yoshinoya	18	18	-
Ootoya	47	40	7
The Terrace	11	8	3
Tenya (started 11 Oct 2013)	4	2	2
Katsuya (started 15 Jul 2014)	3	-	3
TOTAL	781	743	38

Total revenues from the Food Business revenues increased by Baht 841.9 million, or 9.3%,YoY, which is mainly due to the increased revenues from the continuing addition of 38 new QSR outlets, ongoing development and launch of new products and menu offerings, together with sustained and increased sales promotions and advertising activities. The Food Business group has a total of 781 QSR outlets as at the end of 2014, and achieved Total-System-Sales growth of 9.3%YoY and Same-Store-Sales growth of 1.4%YoY (compared to 9.7% and 0.9%YoY respectively in 2013).

## Other Income

Other income consisted of income from the management of hotel properties belong to other parties under the various Hotel Management Agreements, rental and services income, and cooperative marketing income ; whereby total FY/2014 other income decreased by Baht 70.3 million, or 15.2%, compared to the previous year, mainly as a result of the decrease in income from insurance claim.



ANALYSYS AND EXPLANATION OF  
FINANCIAL STATUS AND OPERATING RESULTS  
For the year ended 31 December 2014 (continued)

Costs of sales and Gross Profit Margin

In 2014, the Company and its Subsidiaries had costs of sales totaling Baht 7,856.1 million (versus Baht 7,401.4 million in 2013), thus representing a Gross Profit Margin of 56.3% (versus 56.7% in 2013), with the details by the respective business groups as follows:

(Unit : Million Baht)

Business Group	2014			2013			% Change in the Costs of sales
	Costs of sales (Baht Million)	Gross Profit (Baht Million)	Gross Profit Margin (%)	Costs of sales (Baht Million)	Gross Profit (Baht Million)	Gross Profit Margin (%)	
Hotels Business	2,972.1	5,119.4	63.3%	3,003.1	5,034.2	62.6%	-1.0%
Food Business	4,884.0	5,016.8	50.7%	4,398.3	4,660.3	51.4%	+11.0%
Total*	7,856.1	10,136.2	56.3%	7,401.4	9,694.5	56.7%	+6.1%

\* Costs of Sales excludes depreciation and amortization costs allocated to costs of sales

Hotels Business

For FY/2014, the Company and its Subsidiary Companies had costs of sales for the Hotels business totaling Baht 2,972.1 million, comprising of direct costs - such as, costs in providing guest rooms services together with costs of F&B, salaries and benefits for direct staff headcount, and consumables; whereby relative to total Hotel Business revenues this represents an achieved Gross Margin of 63.3.7% (compared to 62.6% in 2013). This YoY increase in the % Gross Margin is mainly due to the increased total revenues for all hotels properties – especially for the 2 Maldives hotel properties, namely: Centara Grand Island Resort & Spa, Maldives and Centara Ras Fushi Resort & Spa, Maldives.

Food Business

For FY/2014, the Company and its Subsidiary Companies had costs of sales for the Food Business totaling Baht 4,884.0 million, comprising of direct costs - such as, costs of food and beverage, salaries and benefits for direct staff headcount, and consumables; whereby relative to total Food Business revenues represents an achieved Gross Margin of 50.7% (compared to 51.4% in 2013). This marginal YoY decrease in the total costs of sales is primarily due the increased direct costs corresponding to the increased total revenues, together with the increased allocation of selling and general administrative expenses, increased costs for the core raw food materials used, and the increase in overall sales promotions and advertising expenses during the year. All of these factors contributed to the overall increase in the total costs of sales for the Food Business group.

Selling and Administrative Expenses

Total selling and general administrative expenses of the Company and its Subsidiary Companies, comprises of staff salaries and benefits, hotel properties management expenses, facilities rental costs, costs for credit cards usage, QSR franchise and royalty fees; whereby for FY/2014, total selling and general administrative expenses was Baht 6,880.3million, an increase of Baht 587.3 million, or 9.3%,YoY. Thus, relative to total consolidated revenues, it is equal to 37.6% (compared to 36.0% in 2013). The YoY increase in the total selling and general administrative expenses is due to costs relating the ongoing new QSR outlets expansion (totaling 38) during the year.

Share of Profits from Investments, based on the equity method

In 2014, the Company and its Subsidiary Companies recognized the share of losses from its investments (based on the equity method), which was equal to a net loss, resulting from an appraisal of assets, of Baht 43.1 million, compared to a net share of profits totaling Baht 21.5 million in 2013 or representing a total YoY decrease of Baht 64.6 million. The net loss, in 2014, was due to an appraisal of value of the assets in the property fund with its rental/leasehold rights for hotels and resort properties within the Centara Group, which is associate company.

NET PROFIT/(LOSS) FROM NON-CONTROLLING INTERESTS (by the equity method)

In 2014, the Company and its Subsidiary Companies recognized (based on the equity method) the share of Net Profit from Non-Controlling Interests totaling Baht 108.9 million (compared to a share of Net Profit totaling Baht 53.7 million), thus representing a YoY increase of Baht 55.2 million, or 102.8%, compared 2013.

EXTRAORDINARY ITEMS in 2014

Gain from purchasing a business and the related reappraised fair value of the investment made: As a result of the Hotels Business's expansion plan, on October 7, 2014, it invested in acquiring an additional 49% equity (from a previous 50% shareholding) in the Kata Phuket Co.Ltd., which resulted in the Company now having a total of 99% equity in that company and changed its status from being a joint venture company to a full Subsidiary Company.

In order to recognize the share of profit, through using the equity method, from the joint venture business, due to the increased investment in 2014 the previous joint venture company became a full Subsidiary Company, from an accounting viewpoint, the Company had to undertake a reappraisal of the fair value of its investment prior to increasing its investment in that company. This resulted in the value of the previous investment, based on the equity method, being adjusted to its fair value based on the current fair value of the business. As such, the Company has to recognize an extraordinary item, which is a gain, totaling Baht 103.1 million, based on the purchase of the business and the related latest appraised fair value of its investment.

ANALYSYS AND EXPLANATION OF  
FINANCIAL STATUS AND OPERATING RESULTS  
For the year ended 31 December 2014 (continued)

NET PROFIT

For FY/ 2014, the Company and its Subsidiary Companies achieved total consolidated Net Profit of Baht 1,188.5 million, a decrease of Baht 158.1 million, or 11.7%,YoY, which is amount is equal to 6.5% (compared to 7.7% in 2013) of total consolidated revenues. This YoY decrease in the Net Profit margin is mainly due to the affect from the political situation and economic.

In view of the economic and political situations having possible negative impacts on the tourism industry and hotel business, the CENTEL Group has maintained its proactive efforts in finding various measures to reduce overall costs and expenses - such as, negotiating with key suppliers, together with implementing energy costs savings programs and ongoing effective costs management and controls procedures.

Additionally, CENTEL plans to explore additional sources of revenues through further expanding the Hotels Business group's activities; while it plans to focus on its core strategies of expanding the Food Business through adding new QSR outlets as well as new QSR brand concepts, together with continuing to develop new menu/products offerings and deploying sustained proactive marketing and promotions campaigns.

2.FINANCIAL STATUS

Assets:

As at 31 December 2014 the Company and its Subsidiaries had total assets of Baht 28,708.9 million, an decrease of Baht 515.5 million, or 1.8%,over 2013., that primarily results from depreciation of Property, Plant and equipment during 2014. Moreover, increasing in investment during 2014, the previous joint venture company became a full Subsidiary Company, resulting in decreased investments in joint ventures.

As such, the significant assets of the Company and its Subsidiaries are as follows:

Trade Receivables

As at 31 December 2014, the Company and its Subsidiaries had total Trade Receivables (net) of Baht 531.4 million, an decrease of Baht 20.4 million,or 3.7%, from the end of 2013; with achieved average collections of 25 days (the calculated average collection days excludes CRG's revenues, as the majority of CRG's revenues are cash sales) which is a positive sign since the payment terms of the Company and its Subsidiaries is 15 -30 days. Details of these trade receivables and associated aging is as follows:

Trade receivable - Aging	31 December 2014		31 December 2013	
	Baht Million	%	Baht Million	%
<b>Current</b>	377.5	70.3%	410.5	71.4%
<b>Overdue :</b>				
Less than 3 months	111.3	20.7%	112.9	19.6%
3 - 6 months	38.3	7.1%	12.9	2.2%
6 -12 months	3.3	0.6%	10.1	1.8%
More than 12 months	6.6	1.3%	28.7	5.0%
<b>Total :</b>	537.0	100.0%	575.2	100.0%
<u>Less:</u> Provisions for doubtful debts	(5.6)		(23.4)	
NET - TRADE RECEIVABLES	531.4		551.8	

As at 31 December 2014, current trade receivables equaled to 70.3% of the total trade receivables, trade receivables due but at not more than 3 months aging equaled 20.7%. The Company and its Subsidiaries has a policy to make provisions for doubtful dates based on the analysis of the actual past payment records of the clients together with an assessment of likelihood of payments being received; whereby, as at the end of 2014, a total provision of Baht 5.6 million was earmarked as being possible doubtful debts, which the Company believes is adequate to cover those trade receivable that may not be collected from the debtors.

Land, Buildings and Equipments; Intangible Assets and Leasehold Rights

As at 31 December 2014, the Company and its Subsidiaries had total fixed assets –net (in the form of land, building and equipments) totaling Baht 22,760.2 million (compare to Baht 22,945.2 million in 2013); total intangible assets of Baht 419.8 million (compared to Baht 459.1 million in 2013); and net total leasehold rights value of Baht 877.9 million (compared to Baht 920.6 million in 2013), details of which relating to the land, building and equipments, intangible assets and leasehold rights for the respective business groups are as follows:

Assets (Baht -Million)	31 Dec 2014	31 Dec 2013
<b>Land, buildings and equipments –Net</b>		
- Hotels Business	20,973.1	21,160.4
- Food Business	1,787.1	1,784.8
Total :	22,760.2	22,945.2
<b>Intangible Assets – net</b>		
- Hotels Business	54.1	58.6
- Food Business	365.7	400.5
Total	419.8	459.1
<b>Leasehold rights - net</b>		
- Hotels Business	830.3	866.9
- Food Business	47.6	53.7
Total	877.9	920.6
Total Assets : (Land, buildings and equipments; Intangible assets, and leasehold rights -net)	24,057.9	24,324.9

ANALYSYS AND EXPLANATION OF  
FINANCIAL STATUS AND OPERATING RESULTS  
For the year ended 31 December 2014 (continued)

The 2014 asset value for land, buildings and equipment decreased from 2013 by Baht 185.0 million, or 0.8%, as a result of the depreciation and amortization during 2014:

Other intangible assets decreased by Baht 39.3 million compared to 2013, resulting from the amortization of intangible assets during 2014.

Total leasehold rights value decreased by Baht 42.7 million, resulting from the amortization of leasehold rights during 2014.

3. SOURCES OF FUNDS

Liabilities

As at 31 December 2014, the Company and its Subsidiaries had total liabilities of Baht 16,992.7 million, a decrease from 2013 of Baht 1,013.9 million or 5.6% YoY, as a result of the Company reducing its short term loans by Baht 1,176 million and long term loans by Baht 1,575 million . The Company issued a new batch of debentures with a total value of Baht 1,500 million during 2014.

As at 31 December 2014, the Company and its Subsidiaries had total interest-bearing debts as follows:

Types of loans/Debts	Available Credit Facility (Baht Million)	Used Credit Facility (Baht Million)	Applicable Rate of Interest
1. Loans from financial institutions			
- Bank overdrafts	978.2	12.8	MOR
- Short term loans	1,300.0	1,300.0	2.75%
- Long term loans*	4,524.1	4,524.1	3 months Fixed Deposits rates + 2.0%, MLR -0.5 to 1.75%, LIBOR 3 month + 2% to 3% 3.30% - 4.86%, 6 months Fixed deposit rates + 1.9%
2. Debentures (Net) **	-	4,297.3	
3.Short term loans from other businesses/persons	-	33.0	7.0%
4. Short term loans from related persons or businesses	-	61.1	3.00%
5. Finance lease liabilities	-	27.9	12.0%-13.0%
TOTAL	6,802.3	10,256.2	

\* for use relating to the Centara Grand Island Resort & Spa Maldives (CIM), the Centara Ras Fushi Maldives (CRF), Centara Grand and Bangkok Convention Center (CGCW), Centara Grand Mirage Beach Resort Pattaya (CMBR) and Centara Grand Beach Resort Phuket.

\*\* Net of associated accrued costs relating to the issue of debenture totaling Baht 2.7 million

Shareholders’ Equity

At the Extraordinary Shareholders Meeting No. 1/2006, held on 21 June 2006, the Shareholders approved a resolution relating to the Company’s registered capital as follows :

1. Approved to change in the Par Value of the ordinary shares of the Company from Baht 5.00 per share to Baht 1.00 per share, resulting in the total number of ordinary shares issued to now total 900 million shares (from the previous total of 180 million shares).
2. Approved the change and increase of the registered capital of the Company to Baht 1,580.8 million (from the previous total of Baht 900.0 million),through the issue of 680.8 million new ordinary shares with a par value of Baht 1.00 per share
3. Approved the allocation of the new ordinary shares to be issued from the approve capital increase as follows:
  - a. Allocation of not more than 450 million ordinary shares, with a par value of Baht 1.00 per share, for offering for sale to the existing Shareholders
  - b. Allocation of not more than 170 million ordinary shares, at a par value of Baht 1.00 per share, for offering for sale to the general public.
  - c. Allocation of not more than 60.8 million ordinary shares, with a par value of baht 1.00 per share, to be made available to meet the rights to purchase new ordinary shares by holders of the Company’s warrants.

In August 2006, the Company therefore received funds from the sale of the 450 million new ordinary shares of the Company to existing Shareholder (at an offering price of Baht 1.60 per share) totaling Baht 720.0 million; and on 3 August 2006 the Company also registered its new capital increase to be Baht 1,350.0 million (from previous Baht 900.0 million).

At the Annual General Shareholders Meeting held on 23 April 2012, the Shareholder approved a resolution to reduce the total registered capital to Baht 1,350.0 million (from previous Baht 1,580.0 million) through the elimination of a total of 230.8 million ordinary shares, with a par value of Baht 1.0 each, that were previously registered but unsold.



ANALYSYS AND EXPLANATION OF  
FINANCIAL STATUS AND OPERATING RESULTS  
For the year ended 31 December 2014 (continued)

**Adequacy of the Company's Capital Structure**

As at 31 December 2014, the Company and its Subsidiaries have an Interest-bearing Debt/Equity Ratio of 0.88 times and 1.03 times respectively; which capital structure is still complies to the agreed debt covenants obligations whereby the an important source of funds for the group are the operational cash flows together with its borrowings.

4. CASH FLOWS AND MAINTENACE OF LIQUIDITY RATIO

**Cash Flows**

The Company and its Subsidiaries had the following net cash flows from the various activities of the Group for the financial period ending 31 December 2014 compared to 31 December 2013.

	(Unit : Million Baht)		
	2014	2013	% change
Cash flow from operating activities	3,741.1	3,933.1	-4.9%
Cash flow used in investing activities	(1,434.5)	(1,841.3)	-22.1%
Cash flows used in financing activities	(2,396.4)	(1,665.9)	+43.9%
Net Cash flow	(89.8)	425.8	

**Operating activities**

Cash flow from the operating activities of the Company and its Subsidiaries for the financial year ending 31 December 2014, totaled Baht 3,741.1 million, decreasing by 4.9% from the previous year.

**Investing activities**

Cash flow used in the investing activities of the Company and its Subsidiaries for the financial year ending 31 December 2014, totaled Baht 1,434.5 million, used mostly for investing in Subsidiary Companies as mentioned above, purchased property, plant and equipment, together with for the expansion of new QSR outlets in the Food Business.

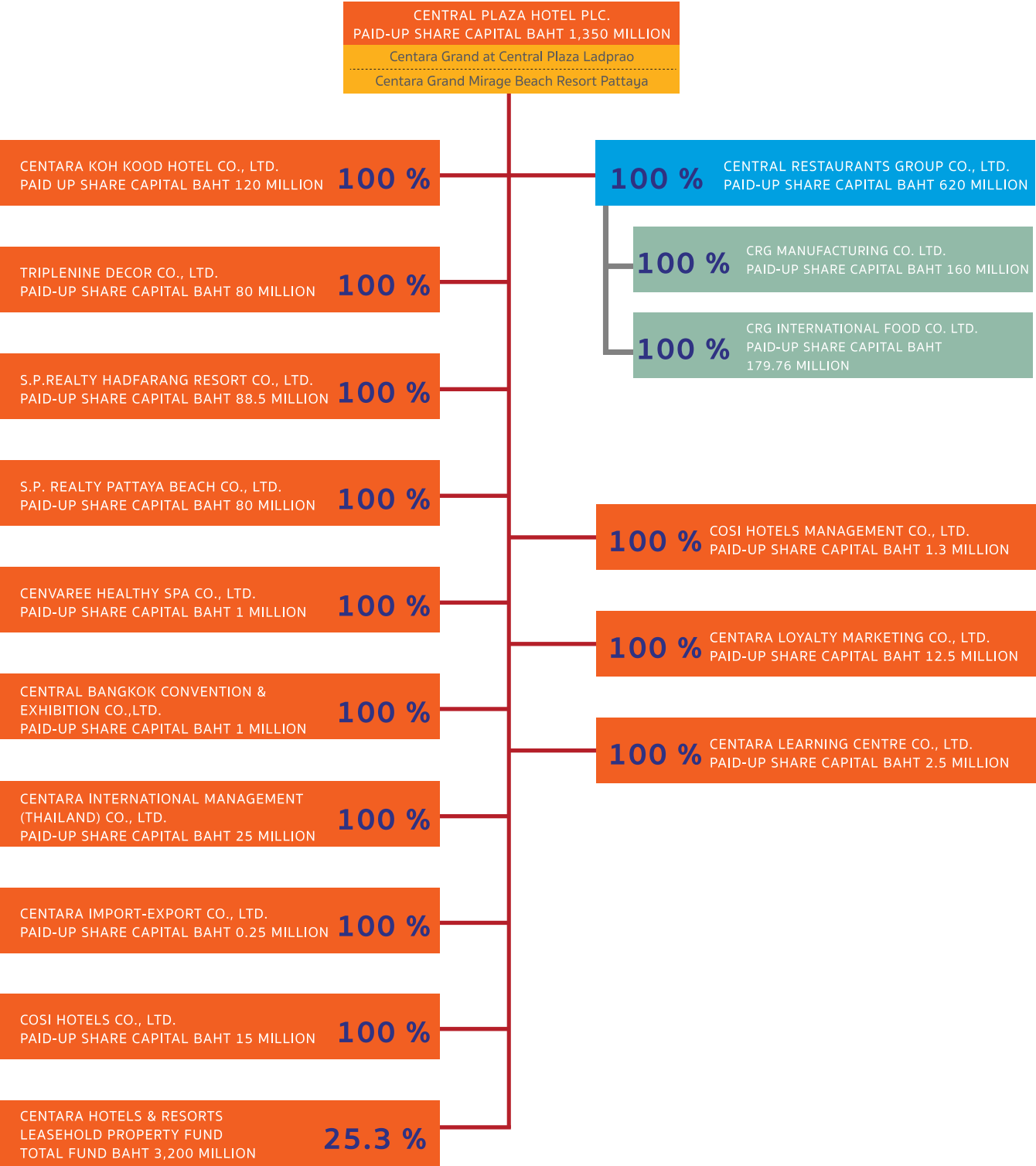
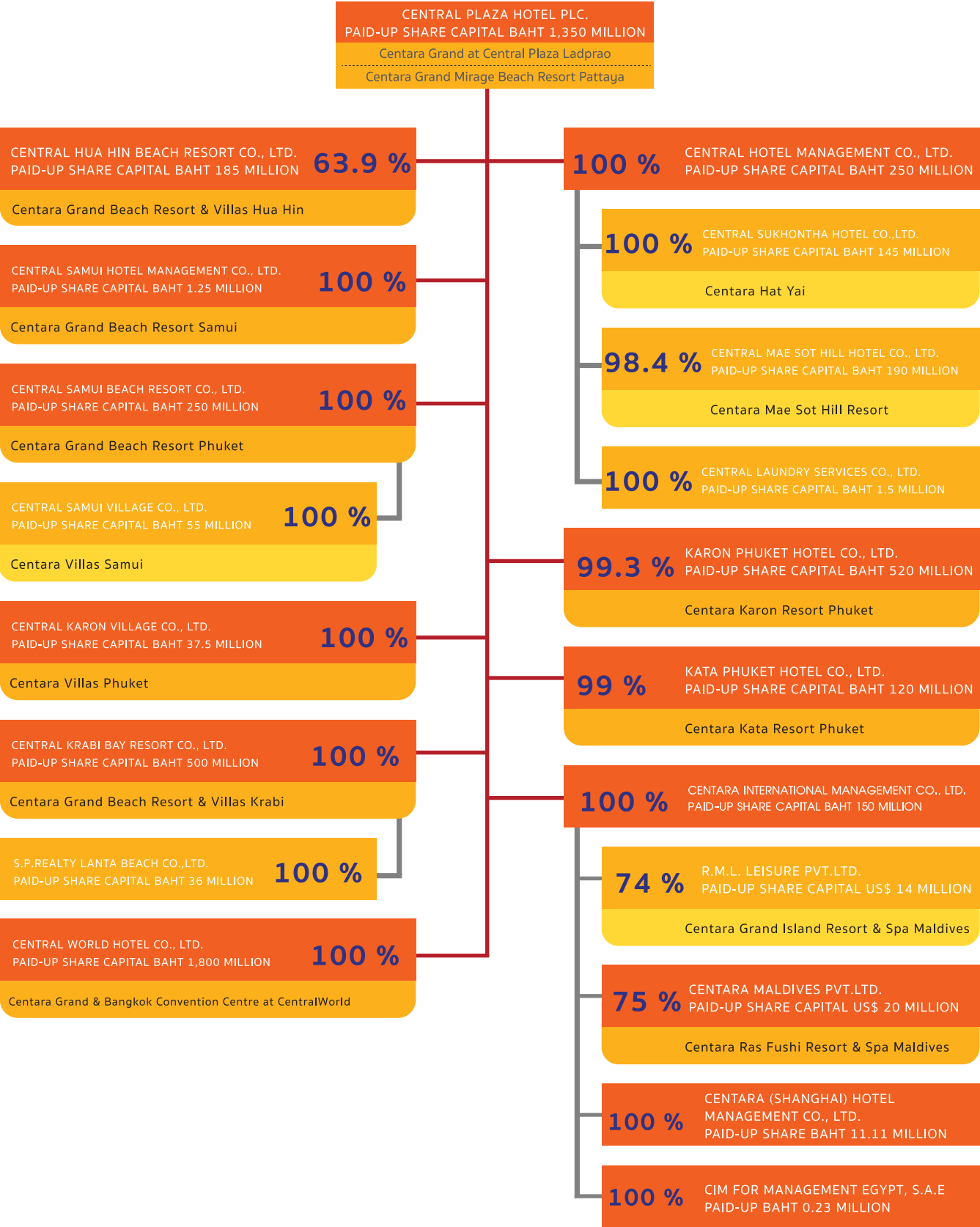
**Financing activities**

Cash flow used in the financing activities of the Company and its Subsidiaries for the financial year ending 31 December 2014, totaled Baht 2,396.4 million, used mostly for the repayment of loans from financial institutions together with payment of interest costs.

**Maintenance of the Liquidity Ratio**

As at 31 December 2014 and 31 December 2013, the Company and its Subsidiaries had a Liquidity Ratio of 0.46 times and 0.38 times respectively, representing an improvement in the liquidity ratio compared to 2013, resulting mainly from debentures reaching their maturity within 1 year. An assessment of the Debt Service Coverage Ratio of the Company and its Subsidiaries, as at 31 December 2014, indicates this is at 1.51 times (compared to 1.36 times for 2013), meaning that the Company and its Subsidiaries still have positive cash flows to meet its ongoing debt obligations as well as interest payments.

# NATURE OF BUSINESS



# REVENUE STRUCTURE

(Unit : Million Baht)

Business		Current % Holding	2014		2013 (Restated)		2012	
			Amount	%	Amount	%	Amount	%
<b>Hotel</b>	<b>Sales revenues</b>							
	Centara Grand at Central Plaza Ladprao Bangkok	--	916.5	5.0	1,052.4	6.0	940.7	6.3
	Centara Grand Beach Resort & Villas Hua Hin	63.9%	625.9	3.4	618.6	3.5	552.4	3.7
	Centara Grand Beach Resort Samui	100.0%	438.2	2.4	443.1	2.5	389.8	2.6
	Centara Hat Yai	100.0%	170.7	0.9	196.5	1.1	155.4	1.0
	Centara Mae Sot Hill Resort	98.4%	34.6	0.2	34.1	0.2	31.6	0.2
	Centara Villas Samui	100.0%	128.0	0.7	132.6	0.8	120.6	0.8
	Centara Villas Phuket	100.0%	93.3	0.5	98.0	0.6	99.1	0.7
	Centara Grand Beach Resort & Villas Krabi	100.0%	467.4	2.6	430.6	2.5	403.0	2.7
	Centara Grand & Bangkok Convention Centre at Central World	100.0%	1,133.3	6.2	1,458.4	8.4	1,392.0	9.4
	Centara Grand Mirage Beach Resort Pattaya	100.0%	1,116.0	6.1	1,150.9	6.6	1,049.0	7.1
	Centara Grand Beach Resort Phuket	100.0%	746.7	4.1	719.2	4.1	677.4	4.6
	Centara Karon Resort Phuket <sup>(1)</sup>	99.3%	378.8	2.1	370.3	2.1	251.8	1.7
	Centara Kata Resort Phuket <sup>(2)</sup>	99.0%	46.0	0.3	-	-	-	-
	Centara Grand Island Resort & Spa Maldives <sup>(3)</sup>	74.0%	862.6	4.7	762.5	4.4	67.9	0.5
	Centara Ras Fushi Resort & Spa Maldives <sup>(4)</sup>	75.0%	816.9	4.5	452.3	2.6	-	-
	Others	-	16.4	0.0	17.6	0.1	-	-
Total sales from Hotel Business			7,991.3	43.7	7,937.1	45.5	6,130.7	41.3

(Unit : Million Baht)

Business		Current % Holding	2014		2013 (Restated)		2012	
			Amount	%	Amount	%	Amount	%
<b>Food</b>	<b>Sales revenues</b>							
	Mister Donut	100.0%	1,904.9	10.4	1,852.7	10.6	1,476.4	12.9
	KFC	100.0%	5,352.6	29.3	4,723.5	27.1	3,768.9	32.9
	Auntie Anne's	100.0%	731.5	4.0	756.4	4.3	530.5	4.6
	Pepper Lunch	100.0%	188.9	1.0	209.6	1.2	137.0	1.2
	Beard Papa	100.0%	12.4	0.1	47.5	0.3	69.7	0.6
	Chabuton Ramen	100.0%	238.7	1.3	233.1	1.3	119.4	1.1
	Cold Stone Creamery	100.0%	89.8	0.5	70.5	0.4	38.5	0.3
	Ryu Shabu Shabu	100.0%	17.3	0.1	21.3	0.1	28.3	0.2
	Yoshinoya	100.0%	196.9	1.1	174.8	1.0	19.9	0.2
	Ootoya	100.0%	880.2	4.8	771.2	4.4	207.5	1.8
	The Terrace	100.0%	97.8	0.5	70.1	0.4	7.4	0.1
	Tenya	100.0%	49.1	0.3	4.8	0.0	-	-
	Katsuya	100.0%	11.8	0.1	-	-	-	-
	Other sales revenues	100.0%	128.8	0.7	123.3	0.7	91.8	0.8
Total sales from Food Business			9,900.7	54.2	9,058.8	51.9	6,495.3	56.7
Other income <sup>(5)</sup>			390.8	2.1	461.1	2.6	439.9	3.0
Total revenues <sup>(6)</sup>			18,282.8	100.0	17,457.0	100.0	14,829.2	100.0

Note:

(1) Centara Karon Resort Phuket changed its status from being a joint venture company to a full Subsidiary Company since March 2012

(2) Centara Kata Phuket Co.Ltd. changed its status from being a joint venture company to a full Subsidiary Company since October 7, 2014

(3) Centara Grand Island Resort & Spa Maldives changed its status from being an associate company to a full Subsidiary Company since December 2012

(4) Centara Ras Fushi Resort & Spa Maldives full operated in March 2013.

(5) Other income comprised hotel management fee, rental and service fee, marketing support fund and subsidy, etc.

(6) Total revenues did not include amortization of rental income (from the property fund) relating to the Centara Grand Samui Hotel Project for the year 2014 of Baht 100.3 million (Y2013 and Y2012: Baht 100.3 million each) (Y2014: extra-gain from purchase of businesses and re-appraised fair value of investments made of Baht 103.1 million)



# RISK FACTORS

The following are the perceived risk factors relevant for the Company's business operations:

## 1. STRATEGIC RISKS

The Company focused on operating the core businesses in accordance with the established corporate vision and mission which the current corporate strategic directions and associated business plans are in line with acceptable level of impact.

- 1.1 Business Readiness: The Company has defined continuing business expansion plans both for Thailand and overseas. Therefore, given the highly competitive business environment in which the Company operates, the Company must have in place specific business readiness plans that will support such strategic expansion policies – especially in regards to developing its human resources at all levels of its key operational units, undertaking detailed feasibility studies of any proposed new projects to ensure they are both viable and worthwhile for the committed investments, including assessing the creditability and trustworthiness of potential business partners.
- 1.2 Foreign Investments: The Company has further plans to expand its business overseas other than in the Maldives. Therefore, it is importance that detailed research, thorough analysis and careful assessments are made in regards to the various factors relevant to operating a business in a specific new overseas market or country before deciding to invest. Additionally, the Company assigns a specific project team, responsible for studying as well as assessing the current situation and future trends relating in that new market or country in regard to the economic, political, social and business environment; and also has policy of only investing jointly with business partners who have potential.

## 2. OPERATIONAL RISKS

The Company is focused on reviewing and assessing all its operational processes and procedures, covering all aspects and levels in regards to investing activities, information technology related activities, operational resources, and including any risks to safety from various factors or situations that may have an impact upon the lives of our customers, employees and staff at all levels, as well as upon the assets of the organisation and its business units.

- 2.1 The recruitment and hiring of our staff and the creation of their positive connection with and loyalty to the organisation: These are important factors to support our ongoing business expansion in Thailand and overseas in line with our strategies. Therefore, the Company gives great importance to the detailed analysis of the hiring policies of our competitors; whereby a Committee has been established to be responsible for reviewing the systematic restructuring of our compensation structure, together with a working team responsible for human resources development activities at all levels of the organisation.

- 2.2 The management of changes to our business activities: The Company has a policy to enhance and improve out information technology systems, in order to be well-prepared to meet future requirements of the organisation. Therefore it is necessary to implement new systems that are effective in meeting all aspects of the operational processes in line with the Company's business strategies, which focuses on expansion both in-country and overseas. Expansion. At the same time, it is also necessary to select reputable business partners who are both experienced and have the relevant experts in improving of such information technology systems.
- 2.3 Effective management of and preparedness for various situations of uncertainty relating to the political environment: An Emergency Situation management Committee has been established to effectively manage any situation that arises in response to the various critical levels of emergencies that may occur. Additionally, a Business Continuity Plan has been defined with the sole aim of preventing any business or work activities disruptions, in order to minimise the potential impacts from such emergency situations as much as possible affected
- 2.4 Other disastrous situations: (ie: natural disasters): The Company gives great importance to the proactive protection and recovery plans in regards to such situations, through defining rules and activities guidelines for every business unit or branch of the organisation to following such situations, together undertaking regular trail runs . Additionally, associated business continuity action plans have been established to be well-prepared to face such risks, should they occur.

## 3 FINACIAL RISKS

The Company is focus on making effective and careful use of its funds within the agreed budgets. This is in order to achieve appropriate returns for all Stakeholders, together with creating confidence that the established risks management systems and internal controls systems are adequately effective for the agreed acceptable levels of risks, as well as appropriate enough for the ever changing business and operating environment.

Establishing adequate sources of funds: The Company has a policy to establish appropriate and adequate sources of funds, and to manage the associated costs to be at appropriate levels. This is in order that the Company can effectively maintain the overall stability of its business in the midst of the highly competitive environment, to maintain a low Debt/ Equity Ratio so that the Company achieves a good liquidity situation in its operations and able to expand its business on a stable basis, to efficiently manage it debts and liabilities, and to make appropriate use of all the available financial tools in order to raise funds as required.

## 4 COMPLIANCE RISKS

The Company is committed to full and strict compliance with all relevant legal and regulatory requirements, including any regulations – both external and internal to the organisation – in the operation of its businesses, as well as to ensure that all business activities have the legally required official approvals and certifications. This is in order to conform to and support the principles of good corporate governance.

A full-page background image with a blue color cast. It shows the silhouettes of five business professionals (four men and one woman) standing in a modern office with large floor-to-ceiling windows. They are looking out at a dense city skyline. The office floor is highly reflective, showing clear reflections of the people and the city. The text 'CORPORATE GOVERNANCE' is overlaid in the center-left area.

# CORPORATE GOVERNANCE

# CORPORATE AND MANAGEMENT STRUCTURE

The Corporate and management Structure of the Company comprises of

1. The Board of Directors of the Company,
2. 3 (three) Board Committees,

with the following details:

## 1. THE BOARD OF DIRECTORS OF THE COMPANY

### 1.1 Structure and Composition of the Board of Directors and Appointment of Board Directors

- The Board of Directors must possess extensive experiences in the core business or industry sector of the Company, and disclose its policy on the composition of the Board.
- The Board of Directors determines the structure and composition of the Board, in order to comprise of Directors of varying qualifications – in terms of skills, abilities, experiences, relevant specific capabilities that are beneficial for the Company. The Board should have a total of not less than 5 Directors; and the Board must comprise of not less than 1/3 (one-third), but not less than 3, those who are Independent Directors as well as not less than half are residents of Thailand.
- The Chairman of the Board and the Chief Executive Officer are not the one and same person so that there will be a balance of power and authority in the operations of the business.
- Appointment of Company Directors is to be in full accordance with the relevant applicable legal and regulatory requirements, and are to be undertaken in a transparent and clear manner.
- In the event that Directorship has completed the term of office and retires, a Shareholders Meeting will consider the appointment of new Directors; whereby such appointments are to be made via a majority vote of those Shareholders present at the Meeting; and in the event of a tie then the Chairman of the Meeting will cast the deciding vote.
- In the event that a Directorship becomes vacant for any reason other than a Director being required to retire by rotation, then the Board of Directors will consider to appoint a person, possessing the qualifications as well as not those that are prohibited in accordance to the legal and regulatory requirements, a replacement Director at the next Board of Directors Meeting, unless the remaining term of office of person who has ceased to be a Director is less than 2 months. However, the replacement Director will have a term of office equal to the remaining period of the term of office who that person has replaced; and the appointment of the replacement Director requires at least  $\frac{3}{4}$  of the votes of those Company Directors remaining in office.

### 1.2 Qualifications for a Director

- A Director must be a person of legal age, who is not declared as being bankrupt, lacks abilities or similar to a person lacking abilities, has not received a final sentence to be imprisoned for any fraudulent activities, and has been disciplined or terminated from employment or has been discharged from a Government organisation on charges of fraudulent activities in their duties.
- A Director must be knowledgeable, capable and have experiences that are beneficial to the Company's business operations, and a person with honesty, moral ethics, as well as able to be in a position to devote sufficient time as required in carrying out the duties as a Director.
- A Director can concurrently also be a Directors in other businesses or organisations, such positions are not a hindrance to the effective discharge of the duties of being the Company's Director; whereby a Company Director is not allowed to concurrently be a Directors in more than 5 other SET listed companies organizations.
- A Director must not act in any way akin to managing or undertaking any other businesses that will diminish the befits of the Company, or that will afford benefits to others persons or legal entities regardless of the fact that the Director does so for personal gains or that of others.

### 1.3 Independent Directors

An Independent Director is a Director complete independent and free of being under the control, influence of or having any obligations towards the Management group, the majority Shareholder, as well as have any involvement or vested interests in the decisions of the Management group. As such, an Independent Director is required to have these qualifications in regard to being fully independent.

- A person who owns equity holdings of not more than 0.5% of the total number of voting shares of the Company and its Subsidiaries, the Parent company and the JV companies, or any parties with a possible conflict of interests; whereby such equity holdings includes those held in the name of persons connected with or related to the Independent Director.
- Not being a person or a Director who is, or has been, involved in the management of, an employee or staff of, an advisor (with a monthly retainer) to, as well as a person with a controlling authority or power over, the Company and its Subsidiaries, the Parent company, the JV companies, a Subsidiary of parallel status, or any legal entities/parties with a possible conflict of interests – unless not less than 2 years have passed since having had such a status or held such a position, as described above, prior to being appointed an Independent Director.



## CORPORATE AND MANAGEMENT STRUCTURE

(continued)

- Not being a person, related by blood or through legal registration, with the status of a father or mother, spouse, siblings, and children as well as including spouses of the children, of members of the Management group, the majority Shareholder, those with a controlling power over, as well as of someone about to be appointed a member of Management of or with a controlling a controlling power over the Company or its Subsidiaries.
- Not being a person who has or has had business relationships with the Company and its Subsidiaries, the Parent company, JV companies or any parties with a possible conflict of interests, in a manner that may result being a hindrance to the exercise of a fully independent judgment on his/her part; as well as not being a majority Shareholder, a non-Independent Director, member of the Management group of a party who has business relationships with his/her Company and its Subsidiaries, the Parent company, JV companies or any parties with a possible conflict of interests - unless not less than 2 years have passed since having had such a status or held such a position, as described above, prior to being appointed an Independent Director.

'Business relationships', as stated in the first paragraph above, includes any normal business transactions relating to normal business activities, the rental or renting of fixed assets, as well as any transactions relating to assets or services, and providing or receiving financial support and assistance in the form of receiving and providing loans or guarantees together with providing assets as loan collaterals and any such similar activities; whereby any such business relationships, as described above, would result in the Company in question or the counterparty having debt obligations the other party equal to more than 3% of the total tangible assets of the Company or more than Baht 20.0 million, whichever is the lower value. As such, the method of calculating of such debt obligations is to be the same as that use for assessing the value of connected transactions under the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Act of Listed Companies Concerning the Connected Transactions mutatis mutandis, relating to connected transactions, but the assessment of such debt obligations should only include those that occurs within a period of 1 year prior to the start of any such business relationships with the party in question.

- Not being a person who is or has been an Auditor of the Company and its Subsidiaries, the Parent company and JV companies or any legal entities/parties with a possible conflict of interests, as well as a majority Shareholder, a non-Independent Director, a member of Management, and a Managing Partner of an Audit firm in which the Auditor of the Company and its Subsidiaries, the Parent Company, JV companies or any legal entities/parties with a possible conflict of interests are currently employed - unless not less than 2 years have passed since having had such a status or held such a position, as described above, prior to being appointed an Independent Director.
- Not being a person who has provided any type of professional services (including legal or financial advisory services) to and receiving total fees payment being more than Baht 2.0 million for such services per year from the Company and its Subsidiaries, the parent Company, and JV companies or any legal entities/parties with a possible conflict of interests. - unless not less than 2 years have passed since having had such a status or held such a position, as described above, prior to being appointed an Independent Director. However, in the event that the such professional services are provided by a legal entity, then the above prohibited position or status should also include being the majority Shareholder, a non-Independent Director, a member of Management, or the Managing Partner of any such legal entity providing the abovementioned professional services.

- Not being a Director who is has been appointed to represent a Director of the Company, or the majority Shareholder as well as a Shareholder connected to the majority Shareholder of the Company.
- Not be a person undertaking or involved with a similar business as that of the Company and significant business competitor of the Company and its Subsidiaries; or a person who is a significant partner in a Partnership, as well as a part of the Management group, staff and employee, an advisor with a monthly retainer, or a Shareholder with a shareholding in excess of 1% of the total voting votes, of another company operating a business similar to that of the Company and its Subsidiaries.
- Not being a person with any other qualifications and/or status that will not enable the giving of fully independent opinions in regards to the operations of the Company.
- An Independent Direct may be assigned by the Board of Directors to make decisions in regards to the operations of the Company and its Subsidiaries, its Parent company and JV Companies, as well as Subsidiaries Companies of a parallel status or other legal entities with a possible conflict of interests; whereby such decisions will be made on a collective basis as a group.

## CORPORATE AND MANAGEMENT STRUCTURE

(continued)

### 1.4 Role and Responsibilities of the Board of Directors

- Carry out the duties and responsibilities in accordance with all the legal and regulatory requirements, as well as with the Articles of Association of the Company, the resolutions of both the Board of Directors and the Shareholders Meetings, in an honest and responsible manner and integrity, always keeping in mind the best interests of the all Stakeholders on an equal basis.
- Consider, review and approve the important issues relating to the business operations of the Company; define the vision and mission, policies, together with the business strategies, business objectives and goals, annual budgets; as well as oversee and monitor that the Management group efficiently and effectively discharge its duties according all the established policies and plans.
- Determine and approve the policies and guidelines relating to good corporate governance practices as well as ensure these are full documented; whereby the Board of Directors will also regularly review and update these policies as well as monitor that they are full comply to as required. Additionally, the Board will promote and arrange that a written Code of ethics and good business conducts be published, so that all Directors, members of management and Staff full understand the required standards of ethics to be adopted by the Company in the operations of its businesses. The Board will also monitor that these established standards are fully adhered to by everyone in the organisation.
- Consider and approve the establishment of the various Board Committees to support the Board to carry out its responsibilities as appropriate and necessary; whereby the Board will also regularly review and monitor both the various activities and outputs of these Board Committees.
- Independent Directors on the Board should be fully independent in rendering their judgments when considering and determining the Company's strategies, management of resources, appointments of Directors and the required standards of business operations; and should also be prepared to disagree with any actions on the part of the Management group or even other Directors in the event they have any conflicting views on the possible impacts with regard to the equal status or rights or status of all Shareholders alike.
- Consider in a careful manner any situations involving conflicts of interests or benefits; whereby considerations of such transactions with possible conflict of interests must be undertaken within clearly defined guidelines and for the primary benefits of the Company and all its Shareholders; whereby those involved parties having vested interest must not participate in such considerations, and the Board must oversee and ensure that the established procedures in regard to the required consideration process and transparent disclosures of all relevant information on the specific transaction involving a conflict of interests are strictly adhered to.
- Establish clear policies and guidelines on the required process and procedures to be implemented in regards to any connected transactions.
- Define and establish a system of good governance and management, procedures for financial reporting, as well as the process for overseeing compliance to all the legal and regulatory requirements and established policies of the Company. The Board will also establish an internal group that is fully independent and responsible for undertaking the above mention oversight and monitoring activities and for reviewing all the key internal systems at least once a year.
- Define policies relating to risks management systems to cover the entire organisation, with the Management group being responsible for their implementation and submitting reports to the Board of Directors on a regular basis; as well as review and assess the overall adequacy of such risks management systems at least once a year or whenever the degree of risks have changed, which includes giving importance to any advance warning signals or red flags and various irregular incidents that may occur.
- Define and establish an effective and adequate system of internal controls; whereby the Board and/or the Audit Committee to report on adequacy of the existing system of internal controls and risks management in the Company's Annual Report.
- Establish clear guidelines and procedures for the Audit Committee being required to report to the Board upon finding or suspecting any activities or incidents that may have a significant negative impact on the financial status or the operations of the Company; whereby the Board must rectify or improve such incidents within the recommended appropriate timeframe proposed by the Audit Committee.
- Arrange regulars review and assessments of as well as improvements to the established policies and key business plans, in order to make them appropriate to the current business environment. Additionally, establish succession plans for the key senior Management positions of the Company; and create the position of the Company Secretary, responsible for coordinating the various activities of the Board of Directors so as to enable both the Board and the Company to comply with all the relevant legal and regulatory requirements.
- Ensure that the Company operate its business within the principles and guidelines of good corporate governance; and support effective communications and dissemination of these principles to all employees within the Company, so that they will both be fully aware and act with full compliance accordingly.
- Carry out any other responsibilities relating to the Company's business that may be assigned by the Shareholders.

## CORPORATE AND MANAGEMENT STRUCTURE

(continued)

### 1.5 Meetings of the Board of Directors

- The Board of Directors is required to hold a Board meeting every 3 months; whereby these meetings will be scheduled in advance for the entire year, with also extraordinary meeting to be held for any special occasions, as necessary.
- At least 2 Directors together have the right to request for a Board Meeting to take place, whereby the Chairman of the Board (or a person assigned to do so) will decide the date for such a meeting to held within 14 days of receiving such a request.
- The Chairman of the Board (or a person assigned to do so) will call for a Board Meeting through sending out a Letter of Notification, with details of the date, time and venue for a schedule meeting, not less than 7 days prior to the proposed meeting date – unless, for special reasons or necessity, there is a need for a Board Meeting to take place in order to protect the best interests of the Company; whereby other means of notification will be used for call a meeting within a shorter timeframe.
- For every Board Meeting, there must be at least on half of the total number of Board Members attending to constitute a quorum; whereby the Chairman of the Board will Chair the meeting. However, in any meeting, if the Chairman of the Board not be able to attend or undertake this duty, then the attending Directors will select one of their peers to act as the Chairman for that meeting.

- Any decisions or resolutions of the Board of Directors must be based on a majority vote; whereby each Director has only one vote, and in the event of a tie then the meeting Chairman will cast an additional and deciding vote. Any Directors having a vested interest in a matter being considered must excuse themselves from the discussions and also has no right to vote for that specific matter.
- The Board of Directors can invite members of the Management group or any other involved person(s) within the Company to join a meeting to clarify and make comments on, or to express their opinions relating to any matters being considered at the meeting.
- Non-Executive Directors must meet together, at least once a year, without any Directors who are members of the Management group being present, in order to discuss and exchange opinions on the responsibilities and activities of the Management group.
- The Company Secretary (or a person assigned to do so) will be responsible for taking the minutes of the Board Meetings.

### 2. BOARD COMMITTEES

#### 2.1 Audit Committee

The Audit Committee comprises of these Directors:

1. Mr.Bhisit Kuslasayanon : Chairman
2. Dr.Charnvithaya Suvarnapunya : Member
3. Mr.Vichien Tejapaibul : Member

\*Remark: On 29 October, 2014 Mr. Kanchit Bunajinda, a Member of the Audit Committee resigned from the Committee. However, Mr.Vichien Tejapaibul has knowledgeable and experienced for reviewing the reliability of financial statements.

#### Duties and responsibilities of the Audit Committee

1. Undertaking the activities assigned by the Board of Directors, in accordance with the Charter for the Audit Committee - with regard to reviewing and assessing, together with the external Auditors and the Internal Auditor, that the Company has in place an effective system of internal controls of that are appropriate and adequate; and reviewing the internal audit records and reports in the event of any conclusions and suspicions of possible abnormal or fraudulent activities as well as significant deficiencies in the internal controls system, as well as submitting its findings to the Board of Directors with recommendations for further consideration.

The Audit Committee is also responsible for considering and nominating independent persons to be appointed as external Auditors of the Company, together with proposing the associated remuneration package for the external Auditors. The Audit Committee is also required to meet with the external Auditors at least once a year without any members of the Management group being present.

2. The Audit Committee comprises of at least 3 Independent Directors, or as determined by the SEC, and consisting of the Chairman and respective Members, all of whom must possess all the required qualifications of being an Independent Director and able to render impartial judgments according to the assigned duties and responsibilities with full independence and in an equitable manner, as specified by the requirements of the SEC. Members of the Audit Committee must be knowledgeable and adequately experienced enough to carry out the required responsibilities as an Audit Committee member; whereby at least one member must be fully knowledgeable and well-experienced to review both the correctness and creditability of the Company's financial statements.
3. In every meeting of the Audit Committee, there must be a not less than one half of all the Audit Committee members attending the meeting to constitute a quorum.



CORPORATE AND MANAGEMENT STRUCTURE  
(continued)

4. A Member of the Audit Committee has a term of office of not more than 3 years or that which is equal to the remaining term of office as a member of the Board of Directors; whereby Members of the Audit Committee whose term of office has expired can be appointed as a Member again for another term. However, in the event that there is a vacancy in the Audit Committee, for any reason other than retirement due to the expiration of the term of office and retirement by rotation, then Company's Board of Directors will appoint a person possessing all the required qualifications to be a Member of the Audit Committee so that the Committee has the total required number of Members; whereby that replacement Member will be a member only for the remaining duration of the term of office of the Member being replaced.
5. The Director for internal Audit will be appointed concurrently as the Secretary to the Audit Committee, responsible for arranging and preparing for the meetings of the Audit Committee as well as coordinating all the required reports for submitting to the Board of Directors, investors, the Shareholders and the SET. The Secretary of the Audit Committee is required to attend all meetings of the Audit Committee but has not voting rights in any matters being considered and discussed; and is also able to propose that an assistant to the Secretary be appointed.

6. The Audit Committee is required to meet at least 4 times a year to review the financial statements, the internal controls system, the risks management system, compliance to all the legal and regulatory requirements of the SET and the Public Companies Act. Notifications of scheduled meetings must be made not less than 5 days before the scheduled date of the meeting with the scheduled dates are determined in advance for the year, whereby all Members of the Audit Committee are required to attend at least 3 out of the 4 of the scheduled meeting during the year.

2.2 The Nomination and Compensation Committee

The Nomination and Compensation Committee will comprises of at least 5 Members, of which not less one half must be Independent Directors or external Directors; with at least not less than one half of total number of Members, and inclusive of at least one Independent or external Director, attending the Committee Meeting to constitute a quorum.

A Member of the Nomination and Compensation Committee has a term of office of 3 years; whereby the term of office of a Member will be equal to the remaining term of office as a member of the Company's Board of Director, with Members being selected for appointment by the Board of Directors, and those Members retiring by rotation can be appointed for another term.

The Nomination and Compensation Committee is required to meet as necessary and appropriate to effectively discharge its responsibilities as required by the regulations relating to the Nomination and Compensation Committee but not less than once a year; whereby the Chairman of the Committee is responsible for sending out notification regarding details of the scheduled meeting, together with the agenda items to be considered and any relevant supporting documents, sufficiently in advance to enable Members to adequately review and prepare for the meeting, as well as for reporting the outcome of the Committee's meetings and activities to the Board of Directors after every meeting.

Names of the current Members of the Nomination and Compensation Committee are as follows:

1. Dr. Charnvithaya Suvarnapunya : Chairman
2. Mr. Vichien Tejapaibul : Member
3. Mr. Bhisit Kuslasayanon : Member
4. Mr. Sudhitham Chirathivat : Member
5. Mr. Prin Chirathivat : Member

Duties and responsibilities of the Nomination Committee

1. Propose, to the Board of Directors for approval, policies relating to the selection and nomination of Company Directors, whereby the process as well as procedures needs to clear, equitable as well as appropriate and reasonable.
2. Propose, to the Board of Directions for consideration and approval, the selection and nomination of the Chief Executive Office of the Company, whereby the process as well as procedures needs to clear, equitable as well as appropriate and reasonable.
3. Review and propose, for approval by the Board of Directors, strategies and policies relating to the human resources matters that are appropriate for and in line with the business strategies and operations of the Company.
4. Select and nominate persons with the required credentials, moral ethics, and appropriate qualifications credentials for being appointed as Directors and/or the Chief Executive Officer of the Company, as applicable.
5. Review the composition, total number and experiences of Company Directors to be appointed, together with those qualified nominees to fill any vacancies that occur.

CORPORATE AND MANAGEMENT STRUCTURE  
(continued)

<p>6. Oversee and ensure that effective succession plans are in place for the positions of Company Directors and Chief Executive Office.</p> <p>7. Determine the terms and conditions of the employment contract for the position of the Company Directors and Chief Executive Officer of the Company together with the associated succession plans.</p>	<p>3. Recommend guidelines and process for payment of the compensation and benefits, both in the form of monies and in other forms, for the Board Directors, Members of Board Committees established by the Board, as well as for the Chief Executive officer of the Company.</p> <p>4. Review and assess that the composition, structure and amount of compensation to be adopted are in line with the current market environment together with being appropriate for the business operations of the Company as well as required activities and performance outputs of the Company Directors and the Chief Executive Officer.</p>		
<p><b>Duties and responsibilities of the Compensation Committee</b></p>			
<p>1. Determine and submit to the Board of Directors for consideration and proposal for eventual by the Shareholders Meeting, the policies and appropriate structure relating to the compensation and benefits of Company Directors that are in line with the established business strategies and operations of the Company, whereby the process as well as procedures needs to clear, equitable as well as appropriate and reasonable.</p> <p>2. Determine and propose, for consideration and approval by the Board of Directors, the policies and appropriate structure relating to the compensation and benefits of Chief Executive Officer that are in line with the established business strategies and operations of the Company, whereby the process as well as procedures needs to clear, equitable as well as appropriate and reasonable.</p>	<p>5. Oversee and ensure that the Company Directors and the Chief Executive Officer receive the appropriate compensation and benefits package commensurate with the expected duties and responsibilities towards the Company.</p> <p>6. Determine the performance evaluations process and procedures for Company Directors as well as the Chief Executive Officer that will facilitate the review and required annual compensation increase taking into consideration the required duties and relevant risks as well as giving importance to the long term value added to the to the overall Shareholders equity in the long term.</p>		
	<p>7. Review and submit, for consideration and approval by the Shareholders Meeting, the proposed annual compensation package to be adopted for Company Directors.</p>		
		<p><b>2.3 Risks Management and Governance Committee</b></p> <p>The name of the current members of the Risks Management and Governance Committee are as follows:</p> <p>1. Mr. Sudhitham Chirathivat : Acting Chairman</p> <p>2. Mr. Prin Chirathivat : Member</p> <p>3. Mr.Thirayuth Chirathivat : Member</p> <p>4. Dr. Ronnachit Mahattanapruet : Member</p> <p> *Remark: On 29 October, 2014 Mr. Kanchit Bunajinda, the Chairman of the Risks Management and Governance Committee resigned from the Committee. Mr. Sudhitham Chirathivat was appointed as acting chairman of the Risks Management and Governance Committee.</p> <p> <b>The Corporate Risks Management and Governance Committee</b></p> <p>A Risks Management and Governance Committee at the corporate level has been established, with the approval of the Company's Board of Directors, comprising of Independent Directors together with representative of the Management Group and with an Independent Director as the Chairman of this Committee, and having the following responsibilities:</p>	<p><b>Risks Management Activities</b></p> <p>1. Responsible for reviewing the policies, strategies and relevant organisation structure relating to overall management of risks, together with undertaking appropriate activities to ensure that the proposed strategic plans conform to the established acceptable levels of risks (or risks appetite) of the Company as wells to the requirements of all Stakeholders.</p> <p>2. Support the overall operational activities of the respective risks management committees at the various operating levels.</p> <p>3. Monitor and evaluate the effectiveness and efficiency of the overall risks management activities within the Company.</p> <p>4. Understand and able to assess the various potential risks that may negatively affect the achievement of the established objectives and goals of the organisation, as well as ensure that such risks have been manage in an effective manner so that they at the level of risks acceptable for the Company.</p> <p>5. Make recommendations regarding as well as and give concurrence to various risks management measures within the organisation.</p>

CORPORATE AND MANAGEMENT STRUCTURE  
(continued)

Governance Activities

Define as well as review relevant policies, guidelines and operating procedures to conform to the principles and practices of good corporate governance. Determine policies and action plans relating to corporate social responsibilities. Hold meetings to monitor the progress made with regard to planned good corporate governance practices and social responsibilities-related matters; together giving necessary support, as required, to the corporate governance working group, as well as reviewing and evaluating internal activities based on the principles of good governance so that recommendation for improvements to specific issues can be made.

This Committee should also represent the Company, with regard to the Management group, staff and employees, and any external parties, in communicating about as well as the implementation of any activities relating good corporate governance.

Chief Executive Officer

The Chief Executive Officer is the senior most member of the Management group, who is appointed by the Board of Directors, with responsibility for the overall management and operations of the Company in line with the established vision and mission as well as policies and strategies that are within the scope and framework of the legal requirements, objectives and Articles of Association of the Company as well as the resolutions of the Board of Directors and the Shareholders.

As such, the Chief Executive Officer can also be a Director ion other legal entities or Companies so long as this does not interfere or be an hindrance to the discharge of the duties and responsibilities of being the Chief Executive Officer of the Company, as well as so long as those other businesses are not the same as or compete with that of the Company; whereby prior concurrence to becoming a Director in another business is given by the Company's Board of Directors.

The initial performance evaluation process of the Chief Executive Officer is the responsibility of the Nomination and Compensation Committee; thereafter the Committee then will submit its performance evaluation of the Chief Executive Officer to the Board of Directors for consideration and concurrence; whereby the Chief Executive Officer participates in the initial determination of the various expected performance targets and then the eventual approved performance objectives and goals to be achieved in every year.

The Company Secretary

The Company will assign the following duties to the person appointed as the Company Secretary:

1. Prepare and maintains all documents relating to the Board of Directors and its activities, to the Shareholders – namely: the Directors register, letters of notifications for Board Meetings and Shareholders Meetings, minutes of the Board Meetings and Shareholders Meetings, and Annual Reports together the Quarterly/Annual Financial Statements of the Company.

2. Maintain all reports from the Directors and members of the Management group regarding their vested interests with regard to the Company
3. Give advice on the legal requirements relating to the activities and responsibilities of being a Director of the Company operations of the Company
4. Undertake any other duties as may be assigned by the Board.

The Board of Directors has established various processes to be observed relating to the strict oversight of any transactions involving possible conflict of interests. Clearly defined policies and procedures have been established to approve any connected transactions, which are required to be strictly followed; whereby the Audit Committee will consider, review and give its concurrence to any such significant transactions that are not within the scope of authority of the Executive Committee. Thereafter, the Board of Directors will also carefully consider the appropriateness of such proposed transactions, keeping in mind the best interest of the Company as the prime factor in its decision; whereby the Director(s) having any vested interest will not take part in the consideration and will not have a vote in the matter being considered.

Self Evaluation of the Board of Directors

The Board of Directors have established guidelines and processes for the self evaluation of the Board, whereby both the self evaluation of the entire Board, as a group, in the performance its duties and responsibilities takes place at every Board Meeting and the self evaluation of the Directors, on an individual basis, in performing his/her responsibilities take place once a year, as well as the Board will review these self evaluation outputs amongst themselves in order define ways for making improvements in their required activities for the future.

Determination of Board Compensation

1. The Board of Directors has clearly determined the structure and guidelines for determining the annual compensation package and other benefits for Board Directors, with comparisons being made to those Companies within the same industry sector, which are eventually submitting for approval by the Shareholders Meeting; whereby the Nomination and Compensation Committee will initially review and assess, in a fully transparent and equitable manner, that the total amount of monies to be paid in any year are commensurate with the required duties and responsibilities, as well as appropriate to other surrounding factors and the benefits to be received in return from each individual Director.

CORPORATE AND MANAGEMENT STRUCTURE  
(continued)

2. Those persons who are appointed as new Directors of the Company will receive a handbook that includes detailed information about the Company, its business operations and activities, the applicable legal and regulatory requirements as well as any other relevant regulations, and other business information that are important for the discharge of the responsibilities of a Company Director, as well as Minutes of the previous Board Meetings and Audit Committee Meetings the Shareholders Meetings. These new Directors will also be introduced to the other members of the Board of Directors and senior Management. Additionally, they will be encouraged and receive support in attending various training courses and associated seminars or event that will enhance their abilities to effectively discharge their duties as a Director of the Company.

Internal Controls

The Board of Directors of the Company has arranged to establish an internal controls system covering all aspects of the Company's operations and activities – from financial matters, overall operations, operating with full compliance to all relevant legal and regulatory requirements, and management of risks. This also includes the establishment of various audit procedures and effective balance of powers and responsibilities to fully protect both the investments and the assets of the Company on an a continuing basis, establish various levels of authority of approvals as well as overall authority of members of Management and Staff, and establishment of written business operation procedures. Additionally, an Internal Audit group has been established responsible for the review of activities of both the internal operating and supporting business units within the organisation, to ensure that they all fully comply to the established procedures,

as well a to regularly review and assess the effectiveness and adequacy of the applicable existing internal controls for each business unit. As such, the Board of Directors enables the Internal Audit group to be full independent in its audit activities and an effective balance of authorities, reporting directly and regularly as required to the Audit Committee.

The Audit Committee is responsible for assessing the qualifications and appropriateness of the Director of the person to be appointed as the Director of Internal Audit group. The Audit Committee will also appoint this qualified person to be concurrently the Secretary of the Audit Committee, with responsibility for arranging and preparing for meetings of the Audit Committee and for coordinating the submission of all required reports to the Board of Directors, investors, Shareholders, and the SET; whereby the Secretary of the Audit Committee must attend all meeting of the Committee but has not right of vote in any matters being considered, as well as has the right to propose the appointment of an Assistant Secretary. Further, the appointment, transfer or dismissal of the Director of Internal Audit group must have the concurrence of the Audit Committee.

As at 31 December 2014, the Internal Audit Group had a total of 14 people. The biographer and qualifications of the incumbent Director of the Internal Group is as follows:

**Name:** Mr. Piphit Yenyongsakul  
**Position:** Director, Internal Audit Group  
**Age:** 50 years

Academic and relevant training & development qualifications:

- Bachelor of Accountancy, Ramkhamhaeng University
- Certified Public Accountant, Federation of Accounting Profession
- Tax Auditor, Revenue Department
- Qualified Attorney, Lawyers Council
- Certified Professional Internal Auditor of Thailand (CPIAT 17) The Institute of Internal Auditors of Thailand.

Professional Experience:

1989 – 2002, Audit Manager Mitr Pracha Audit & Law Office

BUSINESS ETHICS

In undertaking the business operations for the sake of achieving maximum benefits for the Shareholders, the Board of Directors of the Company has established a core policy to give equal and concurrent importance to the actual achievement of corporate success as well as to both the means of and methods used in achieving such successes.

As such, so as to conform to the above mentioned core policy, the Board of Directors has defined a set and standard of behaviour to be strictly observed be all Directors, members of the Management group, and all employees in carrying out their business activities; as well as have compiled a “Code of Ethics and Good Business Conduct” so as to enable that these standards of expected behavior are clearly and easily understood and followed by Directors, members of Management and all employees in their behaviour towards and treatment of all staff, Shareholders, customers, business partners, competitors, as well as society as a whole together with local communities and the environment.

As such, the Board of Directors has put in place processes and procedures to oversee and ensure that these standards of behaviour are strictly adhered to by all parties at all times.



# DIRECTOR BIOGRAPHY

Mr. Suthikiati Chirathivat	Position	<ul style="list-style-type: none"> <li>Chairman of the Board</li> </ul>
	Age	<ul style="list-style-type: none"> <li>72 years</li> </ul>
	% Shareholding in the Company	<ul style="list-style-type: none"> <li>32,293,176 shares (or 2.4% of paid up shares)</li> </ul>
	Education	<ul style="list-style-type: none"> <li>Honorary PhD in Business Administration Program, Dhurakij Pundit University</li> <li>Honorary PhD in Hotel and Tourism Studies, Kasem Bundit University</li> <li>Honorary PhD in Mass Communications, Ramkamhaeng University</li> <li>M.A. (Political Science), Ramkamhaeng University</li> <li>B.A. (Political Science), Ramkamhaeng University</li> <li>Diploma in Mechanical Engineering, South West Essex Technical Collage, U.K.</li> <li>National Defense College, The Joint State - Private Sectors Course, Class 1</li> <li>National Defense College, The Modern Management Course, Class 1</li> </ul>
	Completed Program from Thai Institute of Directors (IOD)	<ul style="list-style-type: none"> <li>2008, Director Accreditation Program (DAP)</li> </ul>
	Experience	<ul style="list-style-type: none"> <li>Assistant Manager, Central Trading Co., Ltd.</li> <li>Assistant General Manager, Central Department Store Co., Ltd.</li> <li>Heads of Political Science Association, Ramkamhaeng University and Committee of Ramkamhaeng University Council</li> <li>The Founder and Head of Thai Retails Association, Thai Retails Association</li> <li>Advisor to The Minister of Tourism and Sports, Ministry of Tourism and Sports</li> <li>One of the Founding Members importer and owner in usage of barcodes in Thailand, Central Ladprao Shopping Complex project</li> </ul>
	Other Current Positions	
	- Listed Company	<ul style="list-style-type: none"> <li>Chairman Executive Committee, Post Publishing Plc.</li> <li>Director, Central Pattana Plc.</li> </ul>
	- Non Listed Company	<ul style="list-style-type: none"> <li>Vice Chairman, Central Group of Companies Co., Ltd.</li> <li>Director, Post International Media Co., Ltd.</li> <li>Director, Post – ACP Co., Ltd.</li> <li>Director, Post – IM Plus Co., Ltd.</li> <li>Director, Thai Tourism Industry Association</li> </ul>
	- Other companies which materially compete directly or have related business with the Company (possible conflict of interest)	<ul style="list-style-type: none"> <li>None</li> </ul>

Meeting Attendance in 2014  
- The Board of Director's meetings    • 5/6

Mr. Suthichai Chirathivat	Position	<ul style="list-style-type: none"> <li>Vice Chairman</li> </ul>
	Age	<ul style="list-style-type: none"> <li>74 years</li> </ul>
	% Shareholding in the Company	<ul style="list-style-type: none"> <li>2,278,073 shares (or 0.2% of paid up shares)</li> </ul>
	Education	<ul style="list-style-type: none"> <li>Honorary Doctor of Business Administration Program, Chiangrai Rajphat University</li> <li>Diploma in Civil Engineering Kingston College of Technology, U.K.</li> </ul>
	Completed Program from Thai Institute of Directors (IOD)	<ul style="list-style-type: none"> <li>2006, Director Accreditation Program (DAP)</li> <li>2000, Role of Chairman Program (RCP)</li> </ul>
	Experience	<ul style="list-style-type: none"> <li>Chairman, Chief Financial Officer, Central Group of Companies Co., Ltd.</li> <li>Assistant General Manager, Central Department Store Co., Ltd.</li> <li>Manager, Central Department Store-Silom Branch</li> <li>Assistant Manager, Central Department Store-Silom Branch</li> </ul>
	Other Current Positions	
	- Listed Company	<ul style="list-style-type: none"> <li>Chairman, Central Pattana Plc.</li> </ul>
	- Non Listed Company	<ul style="list-style-type: none"> <li>Chairman, Central Group of Companies Co., Ltd.</li> </ul>
	- Other companies which materially compete directly or have related business with the Company (possible conflict of interest)	<ul style="list-style-type: none"> <li>None</li> </ul>

Meeting Attendance in 2014  
- The Board of Director's meetings    • 6/6

## DIRECTOR BIOGRAPHY

(continued)

Mr. Bhisit Kuslasayanont	Position	<ul style="list-style-type: none"> <li>Independent Director</li> <li>Chairman of Audit Committee</li> <li>Member of Nomination and Compensation Committee</li> </ul>
	Age	<ul style="list-style-type: none"> <li>73 years</li> </ul>
	% Shareholding in the Company	<ul style="list-style-type: none"> <li>None</li> </ul>
	Education	<ul style="list-style-type: none"> <li>Master degree of Engineering, New South Wale University, Australia</li> <li>Bachelor degree of Engineering, The University of Sydney, Australia</li> <li>National Defense College, The Joint State - Private Sectors Course, Class 8</li> </ul>
	Experience	<ul style="list-style-type: none"> <li>Director, Committee of Mahidol University</li> <li>Managing Director of Thai Airways International Pcl.</li> <li>Chairman of the Board, Royal Orchid Sheraton</li> <li>Chairman of the Board, Airport Hotel</li> <li>Advisor of Dean, Faculty of Science, Mahidol University</li> </ul>
	Other Current Positions	
	- Listed Company	<ul style="list-style-type: none"> <li>None</li> </ul>
	- Non Listed Company	<ul style="list-style-type: none"> <li>Chairman, Flying Orange Co., Ltd.</li> <li>Vice Chairman, Stang Holding Co., Ltd.</li> <li>Director, International Drug Development Co., Ltd.</li> </ul>
	- Other companies which materially compete directly or have related business with the Company (possible conflict of interest)	<ul style="list-style-type: none"> <li>None</li> </ul>
	Meeting Attendance in 2014	
	- The Board of Director's meetings	<ul style="list-style-type: none"> <li>6/6</li> </ul>
	- Audit Committee's meeting	<ul style="list-style-type: none"> <li>12/12</li> </ul>
	- Nomination and Compensation Committee's meeting	<ul style="list-style-type: none"> <li>2/2</li> </ul>
	<u>Information regarding to appointed</u>	
	The relationship in the Company, Subsidiary, Associated Company or other Independent director conflicted business entity in present of during the past 2 years	
	- <u>Not</u> being a director who takes part in the management of the Company, employee, staff member, or advisor receiving a regular salary	
	- <u>Not</u> being a professional service provider (i.e. auditor or legal advisory)	
	- <u>Not</u> having business relationship significantly in a way that may impact the performing task independently (i.e.buy – sell materials/ products/ service or financial support)	

Dr. Charnvitaya Suvamapunya	Position	<ul style="list-style-type: none"> <li>Independent Director</li> <li>Chairman of Nomination and Compensation Committee</li> <li>Member of Audit Committee</li> </ul>
	Age	<ul style="list-style-type: none"> <li>62 years</li> </ul>
	% Shareholding in the Company	<ul style="list-style-type: none"> <li>None</li> </ul>
	Education	<ul style="list-style-type: none"> <li>Honorary Doctor of Private Law, Ghent University, France</li> <li>Diploma in American Laws, Wisconsin University, USA</li> <li>Bachelor degree of Law, Thammasat University</li> </ul>
	Completed Program from Thai Institute of Directors (IOD)	<ul style="list-style-type: none"> <li>2005, Audit Committee Program (ACP), Director Accreditation Program (DAP)</li> </ul>
	Experience	<ul style="list-style-type: none"> <li>Director and Lawyer, Koodare Brothers Co., Ltd.</li> <li>Lawyer, Dr. Ukrit Mongkolnavin Law Office</li> <li>Dean of faculty of Law, Thai Chamber of Commerce University</li> </ul>
	Other Current Positions	
	- Listed Company	<ul style="list-style-type: none"> <li>None</li> </ul>
	- Non Listed Company	<ul style="list-style-type: none"> <li>Director, DLA Piper (Thailand) Co., Ltd.</li> <li>Director, Kentop (Thailand) Ltd.</li> <li>Director, Hyundai Merchant Marine (Thailand) Co., Ltd.</li> <li>Director, Fragrant Property Ltd.</li> <li>Director of Master of Laws Program, Sripatum University (Phayathai branch)</li> </ul>
	- Other companies which materially compete directly or have related business with the Company (possible conflict of interest)	<ul style="list-style-type: none"> <li>None</li> </ul>
	Meeting Attendance in 2014	
	- The Board of Director's meetings	<ul style="list-style-type: none"> <li>6/6</li> </ul>
	- Audit Committee's meeting	<ul style="list-style-type: none"> <li>12/12</li> </ul>
	- Nomination and Compensation Committee's meeting	<ul style="list-style-type: none"> <li>2/2</li> </ul>
	<u>Information regarding to appointed</u>	
	The relationship in the Company, Subsidiary, Associated Company or other Independent director conflicted business entity in present of during the past 2 years	
	- <u>Not</u> being a director who takes part in the management of the Company, employee, staff member, or advisor receiving a regular salary	
	- <u>Not</u> being a professional service provider (i.e. auditor or legal advisory)	
	- <u>Not</u> having business relationship significantly in a way that may impact the performing task independently (i.e.buy – sell materials/ products/ service or financial support)	

## DIRECTOR BIOGRAPHY

(continued)

Mr. Vichien Tejapaibul	Position	<ul style="list-style-type: none"> <li>Independent Director</li> <li>Member of Audit Committee</li> <li>Member of Nomination and Compensation Committee</li> </ul>
	Age	<ul style="list-style-type: none"> <li>75 years</li> </ul>
	% Shareholding in the Company	<ul style="list-style-type: none"> <li>None</li> </ul>
	Education	<ul style="list-style-type: none"> <li>B.A. (Business Administration), Boston University, USA</li> <li>National Defense College, The Joint State - Private Sectors Course, Class 2</li> <li>King Prajadhipok's Institute, Class 1</li> <li>Diploma in Capital Market Academy, Class 10</li> </ul>
	Completed Program from Thai Institute of Directors (IOD)	<ul style="list-style-type: none"> <li>2006, Finance for Non-Finance Directors (FND)</li> <li>2004, Director Accreditation Program (DAP)</li> </ul>
	Experience	<ul style="list-style-type: none"> <li>Vice Chairman, Srinakorn Bank Ltd.</li> <li>Managing Director, Srinakorn Bank Ltd.</li> <li>Senator</li> <li>Advisor, Thailand Trade Representative (Dr. Kantathi Suphamongkhon)</li> <li>Advisor, Chairman of Senator (General Teeradej Meepien)</li> <li>Honorary Advisor, Thai Chamber of Commerce and Concil of Thailand Chambers</li> <li>Honorary Advisor, Thai Chamber of Commerce University</li> <li>Chairman, Funding Management Committee of Huachiew Chalermprakiet University</li> <li>Chairman, Tokyo Marine Srimuang Insurance Co., Ltd.</li> </ul>
	Other Current Positions	
	- Listed Company	<ul style="list-style-type: none"> <li>Director, Asia Fiber Plc.</li> </ul>
	- Non Listed Company	<ul style="list-style-type: none"> <li>Chairman, Phatra Sathit Co. Ltd.</li> <li>Chairman, Film Mania Plus Co., Ltd.</li> <li>Director, Tejapaibul Co., Ltd.</li> <li>Director, Utah Capital Co., Ltd.</li> <li>Director, CB Richard Ellis(Thailand) Co., Ltd.</li> <li>Director, Thai Housing Development Co., Ltd.</li> <li>Director, Worawat Co., Ltd.</li> <li>Director, Sedthakarn Co., Ltd.</li> <li>Director, Pracha Nu Khro Co., Ltd.</li> </ul>
	- Other companies which materially compete directly or have related business with the Company (possible conflict of interest)	<ul style="list-style-type: none"> <li>None</li> </ul>
	Meeting Attendance in 2014	
	- The Board of Director's meetings	<ul style="list-style-type: none"> <li>6/6</li> </ul>

- Audit Committee's meeting      10/12

- Nomination and Compensation Committee's meeting      1/2

#### Information regarding to appointed

The relationship in the Company, Subsidiary, Associated Company or other Independent director conflicted business entity in present of during the past 2 years

- Not being a director who takes part in the management of the Company, employee, staff member, or advisor receiving a regular salary

- Not being a professional service provider (i.e. auditor or legal advisory)

- Not having business relationship significantly in a way that may impact the performing task independently (i.e. buy – sell materials/ products/ service or financial support)

Mr. Gerd Kurt STEEB	Position	<ul style="list-style-type: none"> <li>Independent Director</li> </ul>
	Age	<ul style="list-style-type: none"> <li>71 years</li> </ul>
	% Shareholding in the Company	<ul style="list-style-type: none"> <li>None</li> </ul>
	Education	<ul style="list-style-type: none"> <li>Hotel and Catering School Bad Ueberkingen, Germany</li> <li>Senior Hotel Management Institute Heidelberg, Germany</li> <li>Diploma/Bachelor of Business Administration (equivalent)</li> <li>Vice President Students Organisation</li> </ul>
	Completed Program from Thai Institute of Directors (IOD)	<ul style="list-style-type: none"> <li>None</li> </ul>
	Experience	<ul style="list-style-type: none"> <li>President and Director of Centara Hotel &amp; Resorts</li> <li>Managing Director of Centara Hotel &amp; Resorts</li> <li>Executive Vice President of Centara Hotel &amp; Resorts</li> <li>Vice President – Operations of Centara Hotel &amp; Resorts</li> <li>General manager of ACCOR Group</li> <li>General manager and Regional Manager of ACCOR Group</li> </ul>
	Other Current Positions	
	- Listed Company	<ul style="list-style-type: none"> <li>None</li> </ul>
	- Non Listed Company	<ul style="list-style-type: none"> <li>None</li> </ul>
	- Other companies which materially compete directly or have related business with the Company (possible conflict of interest)	<ul style="list-style-type: none"> <li>None</li> </ul>
	Remark: Mr. Gerd Kurt Steeb was assigned to be an Independent Director since November 14, 2014. Thus he didn't participate in board of directors meeting in 2014.	
	Information regarding to appointed	
	The relationship in the Company, Subsidiary, Associated Company or other Independent director conflicted business entity in present of during the past 2 years	

- Not being a director who takes part in the management of the Company, employee, staff member, or advisor receiving a regular salary

- Not being a professional service provider (i.e. auditor or legal advisory)

- Not having business relationship significantly in a way that may impact the performing task independently (i.e. buy – sell materials/ products/ service or financial support)

DIRECTOR BIOGRAPHY  
(continued)

Mr. Sudhitham Chirathivat	Position	<ul style="list-style-type: none"><li>• Director</li><li>• Member of Nomination and Compensation Committee</li><li>• Acting Chairman of Risk Management and Corporate Governance Committee</li></ul>
	Age	<ul style="list-style-type: none"><li>• 67 years</li></ul>
	% Shareholding in the Company	<ul style="list-style-type: none"><li>• 16,016,654 shares (or 1.2 % of paid up shares)</li></ul>
	Education	<ul style="list-style-type: none"><li>• MBA (Operations Research), Lona University, USA</li><li>• Bachelor degree of Electrical Engineering, University of Maryland (College Park), USA</li><li>• National Defense College, The Joint State - Private Sectors Course, Class 13</li></ul>
	Completed Program from Thai Institute of Directors (IOD)	<ul style="list-style-type: none"><li>• 2003, Director Certification Program (DCP)</li></ul>
	Experience	<ul style="list-style-type: none"><li>• Director, The Thai Chamber of Commerce</li><li>• President, Rotary Club Bangkhen</li><li>• Chairman, Coffee Partners Co., Ltd. (Starbucks-Thailand)</li><li>• President and Founder, Thai Shopping Center Association</li><li>• Managing Director and Chief Executive Officer, Central Pattana Plc.</li><li>• Advisory, The Ministry of Commerce</li></ul>
	Other Current Positions	
	- Listed Company	<ul style="list-style-type: none"><li>• Director, Central Pattana Plc.</li><li>• Director, Robinson Department Store Plc.</li><li>• Chairman, Jasmine International Plc.</li></ul>
	- Non Listed Company	<ul style="list-style-type: none"><li>• Executive Chairman, Central Group of Companies Co., Ltd.</li><li>• Chairman, Earth Care (Thailand) Co., Ltd.</li><li>• Director, The Vintage Club Co., Ltd.</li></ul>
	- Other companies which materially compete directly or have related business with the Company (possible conflict of interest)	<ul style="list-style-type: none"><li>• None</li></ul>
	Meeting Attendance in 2014	
	- The Board of Director's meetings	<ul style="list-style-type: none"><li>• 6/6</li></ul>
	- Nomination and Compensation Committee's meeting	<ul style="list-style-type: none"><li>• 1/2</li></ul>
	- Risk Management and Corporate Governance's meeting	<ul style="list-style-type: none"><li>• 4/4</li></ul>

Mr. Prin Chirathivat	Position	<ul style="list-style-type: none"><li>• Director</li><li>• Member of Nomination and Compensation Committee</li><li>• Member of Risk Management and Corporate Governance Committee</li></ul>
	Age	<ul style="list-style-type: none"><li>• 52 years</li></ul>
	% Shareholding in the Company	<ul style="list-style-type: none"><li>• 29,263,374 shares (or 2.17% of paid up shares)</li></ul>
	Education	<ul style="list-style-type: none"><li>• MBA (Business Management) Sasin Graduate Institute of Business Administration, Chulalongkorn University</li><li>• B.A. (Accounting) Skidmore College, USA</li><li>• National Defense College, The Joint State - Private Sectors Course, class 22</li><li>• 2008, The Program of Senior Executive on Justice Administration (Class 13)</li><li>• Diploma in Capital Market Academy, Class 1</li></ul>
	Completed Program from Thai Institute of Directors (IOD)	<ul style="list-style-type: none"><li>• 2010, Advanced Audit Committee Program</li><li>• 2009, Monitoring Fraud Risk Management (MFM), Monitoring of Quality of Financial Reporting (MFR)</li><li>• 2007, Monitoring the Internal Audit Function (MIA) Monitoring the System of Internal Control and Risk Management (MIR)</li><li>• 2006, Chief Financial Officer</li><li>• 2005, Director Accreditation Program (DAP), Audit Committee Program (ACP), The Role of Chairman (RCP)</li><li>• 2000, Director Certification Program (DCP)</li></ul>
	Experience	<ul style="list-style-type: none"><li>• Chairman of Audit Committee, Bualuang Securities Plc.</li><li>• Advisor, Market For Alternative Investment (MAI)</li><li>• Director, Malee Sam Pran Plc.</li><li>• Director, Thanamitr Factoring Plc.</li><li>• Director, Indra Insurance Plc.</li><li>• Executive director, Interlife John Hancock Life Insurance Plc.</li><li>• Director, General Guard Service Co., Ltd.</li><li>• Executive director, Central Department Store Co., Ltd.</li><li>• Investment Banking, Thanachart Securities Plc.</li></ul>
	Other Current Positions	
	- Listed Company	<ul style="list-style-type: none"><li>• Member of Audit Committee, Bumrungrad Hospital Plc.</li><li>• Director, Member of Risk Management Committee and Advisory of Nomination and Remuneration Committee, Central Pattana Plc.</li></ul>
	- Non Listed Company	<ul style="list-style-type: none"><li>• Director and Executive Director and Chief Financial Officer, Central Group of Companies Co., Ltd.</li><li>• Director and Executive Director, Central Retail Corporation Ltd.</li><li>• Steering Support Committee, Chiangrai Rajabhat University</li></ul>
	- Other companies which materially compete directly or have related business with the Company (possible conflict of interest)	<ul style="list-style-type: none"><li>• None</li></ul>
	Meeting Attendance in 2014	
	- The Board of Director's meetings	<ul style="list-style-type: none"><li>• 6/6</li></ul>
	- Nomination and Compensation Committee's meeting	<ul style="list-style-type: none"><li>• 2/2</li></ul>
	- Risk Management and Corporate Governance's meeting	<ul style="list-style-type: none"><li>• 4/4</li></ul>



## DIRECTOR BIOGRAPHY

(continued)

Mr. Suthichart Chirathivat	Position	• Director
	Age	• 69 years
	% Shareholding in the Company	• 6,796,654 shares (or 0.5% of paid up shares)
	Education	• B.A. (Accounting), St.Joseph's College, USA • National Defense College, The Joint State - Private Sectors Course, Class 11
	Completed Program from Thai Institute of Directors (IOD)	• 2004, Director Accreditation Program (DAP) • 2003, Finance for Non-Finance Directors (FND), Board and CEO Assessment • 2000, Role of Chairman Program (RCP)
	Experience	• President and Chief Executive Officer, Central Retail Corporation Ltd. • Chairman, Big C Super Center Plc. • President, Thai Retailers Association • Chairman, Committee of Retail Business, Thai Chamber of Commerce • Advisor, Board of Trade of Thailand • Director, Treasurer, Foundation for Environment Preservation
	Other Current Positions	
	- Listed Company	• Director, Central Pattana Plc.
	- Non Listed Company	• Vice Chairman, Central Group of Companies Co., Ltd. • Director, Central Inter Pattana Co., Ltd. • Director, Central Department Store Co., Ltd. • Director, Tiang Chirathivat Foundation
	- Other companies which materially compete directly or have related business with the Company (possible conflict of interest)	• None
	Meeting Attendance in 2014	
	- The Board of Director's meetings	• 6/6

Mr. Sudhisak Chirathivat	Position	• Director
	Age	• 69 years
	% Shareholding in the Company	• 16,205,095 shares (or 1.2% of paid up shares)
	Education	• B.A. (Mathematic), St. John Fisher College, USA
	Completed Program from Thai Institute of Directors (IOD)	• 2007, Director Accreditation Program (DAP), Director Certification Program (DCP)
	Experience	• President, Central Marketing Group Co., Ltd. • Managing Director, Central Garment Factory Co., Ltd. • Managing Director, Prin Inter Trade Co., Ltd.
	Other Current Positions	
	- Listed Company	• Chairman, Robinson Department Store Plc. • Director, Central Pattana Plc.
	- Non Listed Company	• Director, Central Group of Companies Co., Ltd. • Director, Central Garment Factory Co., Ltd. • Director, Central Retail Corporation Ltd. • Director, Harng Chiangmai Department Store Ltd. • Director, Central Trading Co., Ltd.
	- Other companies which materially compete directly or have related business with the Company (possible conflict of interest)	• None
	Meeting Attendance in 2014	
	- The Board of Director's meetings	• 6/6

DIRECTOR BIOGRAPHY  
(continued)

Mr.Thirayuth Chirathival	Position	<ul style="list-style-type: none"><li>Member of Risk Management and Corporate Governance Committee</li><li>Chief Executive Officer</li></ul>
	Age	<ul style="list-style-type: none"><li>49 years</li></ul>
	% Shareholding in the Company	<ul style="list-style-type: none"><li>16,725,000 shares (or 1.2% of paid up shares)</li></ul>
	Education	<ul style="list-style-type: none"><li>Master degree of Food, Hotel and Tourism Management, Rochester Institute of Technology, Rochester, USA</li><li>Bachelor degree of Political Science, Chulalongkorn University</li><li>2011, The Program of Senior Executive on Justice Administration (Class 15)</li><li>2008, TLCA Executive Development Program (Class 1)</li><li>2003, Program for Management Development, Executive Education Harvard Business School</li><li>1997, Finance for Management, Chulalongkorn University</li><li>1996, Mini MBA Program, Chulalongkorn University</li><li>1993, Psychology Institute, National Defense College</li></ul>
	Completed Program from Thai Institute of Directors (IOD)	<ul style="list-style-type: none"><li>2002, Directors Certification of Program (DCP)</li></ul>
	Experience	<ul style="list-style-type: none"><li>Senior Vice President - Project Management</li><li>•Vice President - Project Management</li><li>Director of Project Management and Procurement</li><li>Promotion &amp; New project Manager</li><li>Food and Beverage Coordinator, Centara Hotels &amp; Resorts</li><li>Assistant Manager, Marriott Hotel &amp; Resort, Park Ridge, NJ, USA</li></ul>
	Other Current Positions	
	- Listed Company	<ul style="list-style-type: none"><li>None</li></ul>
	- Non Listed Company	<ul style="list-style-type: none"><li>Director of Subsidiary Companies</li></ul>
	- Other companies which materially compete directly or have related business with the Company (possible conflict of interest)	<ul style="list-style-type: none"><li>None</li></ul>
	Meeting Attendance in 2014	
	- The Board of Director's meetings	<ul style="list-style-type: none"><li>6/6</li></ul>
	- Risk Management and Corporate Governance's meeting	<ul style="list-style-type: none"><li>3/4</li></ul>

LIST OF SHAREHOLDERS

THE MAJORITY OF SHAREHOLDERS

The top 10 of majority shareholders as of 31 December 2014, as follows

Shareholder	Number of Shares	%
Tiang Chirathivat Co.,Ltd	67,523,190	5.00
THE BANK OF NEW YORK MELLON	43,952,400	3.26
Mr. Suthiluk Chirathivat	36,447,923	2.70
Mr. Niti Ostanukrau	36,129,511	2.68
Mr. Suthikiati Chirathivat	32,293,176	2.39
Mr. Prin Chirathivat	29,263,374	2.17
Mr. Tos Chirathivat	28,976,874	2.15
Mrs. Natira Boonsri	26,232,492	1.94
Mrs. Rattana Norapallop	21,623,718	1.60
Mr. Pichai Chirathivat	21,596,787	1.60

Note :       The Chirathivat Group holds a total of 69.3% of the paid-up share capital of CENTEL

DIRECTORS AND EXECUTIVES HOLDING CENTEL SHARES

Directors and executives holding CENTEL shares as at 31 December 2014, as follows

Shareholder	Number of Shares	%
Mr. Suthikiati Chirathivat	32,293,176	2.39
Mr. Prin Chirathivat	29,263,374	2.17
Mr. Sudhisak Chirathivat	22,055,095	1.63
Mr. Suthichart Chirathivat	19,609,854	1.45
Mr. Suthichai Chirathivat	17,824,473	1.32
Mr. Thirakiati Chirathivat	17,111,000	1.27
Mr. Thirayuth Chirathivat	16,725,000	1.24
Mr. Sudhitham Chirathivat	16,016,654	1.19
Mrs. Supatra Chirathivat	11,819,576	0.88
Mr. Ronnachit Mahattanapreut	158,831	0.01

# REMUNERATION OF THE DIRECTORS AND MANAGEMENT

Central Plaza Hotel Public Company Limited specifies policy for fair and reasonable remuneration of directors, which has been considered by The Nomination and Compensation Committee. The Committee takes into consideration of role and responsibilities, the Company's performance and be comparable to the same or related type of business which is compatible with the Company. The budget for the year 2014 was not exceeding amount of Baht 7,000,000, was approved by the Annual General Meeting of Shareholders, as follows:

## MONETARY REMUNERATION

Type of Remuneration	Amount (Baht)
<b>1. Quarterly Retainer (Baht/Quarter)</b>	
- Chairman	55,000
- Director	42,000
<b>2. Meeting Fee for Board of Directors (Baht/Meeting)</b>	
- Chairman	27,500
- Director	23,500
<b>3. Meeting Fee for Audit Committee (Baht/Meeting)</b>	
- Chairman of Audit Committee	27,500
- Member of Audit Committee	25,000
<b>4. Meeting Fee for Nomination and Compensation Committee (Baht/Meeting)</b>	
- Chairman of Nomination and Compensation Committee	25,000
- Member of Nomination and Compensation Committee	20,000
<b>5. Meeting Fee for Risk Management and Corporate Governance Committee (Baht/Meeting)</b>	
- Chairman of Risk Management and Corporate Governance Committee	25,000
- Member of Risk Management and Corporate Governance Committee	20,000

Total remuneration of directors in form of director fees and meeting fees paid by Central Plaza Hotel Public Company Limited was amount of Baht 4,485,500. The details of the meeting attendance and remuneration in 2014 as follows:

Name	Position	Meeting Attendance (Meeting)				Total Remuneration (Baht/annum.)
		Board of Director	Audit Committee	Nomination and Compensation Committee	Risk Management and Corporate Governance Committee	
Mr. Suthikiati Chirathivat	Chairman of The Board	5/6				357,500
Mr. Suthichai Chirathivat	Vice Chairman	6/6				309,000
Mr. Bhisit Kuslasayanon	Independent Director	6/6				309,000
	Chairman of Audit Committee		10/10			275,000
	Member of Nomination and Compensation Committee			2/2		40,000
Mr. Chanvitaya Suvarnapunya	Independent Director	6/6				309,000
	Chairman of Nomination and Compensation Committee			2/2		50,000
	Member of Audit Committee		10/10			250,000
Mr. Vichien Tejapaibul	Independent Director	6/6				309,000
	Member of Audit Committee		8/10			200,000
	Member of Nomination and Compensation Committee			1/2		20,000
Mr. Kanchit Bunajinda*	Independent Director	3/6				196,500
	Chairman of Risk Management and Corporate Governance Committee				3/4	75,000
	Member of Audit Committee		5/10			125,000
Mr. Sudhitham Chirathivat	Director	6/6				309,000
	Member of Nomination and Compensation Committee			1/2		20,000
	Member of Risk Management and Corporate Governance Committee				4/4	80,000
Mr. Prin Chirathivat	Director	5/6				285,500
	Member of Nomination and Compensation Committee			2/2		40,000
	Member of Risk Management and Corporate Governance Committee				4/4	80,000
Mr. Suthichart Chirathivat	Director	6/6				309,000
Mr. Sudhisak Chirathivat	Director	6/6				309,000
Mr. Thirayuth Chirathivat	Chief Executive Officer	6/6				168,000
	Member of Risk Management and Corporate Governance Committee				3/4	60,000
Total						4,485,500

\* Remark : On 29 October, 2014, Mr. Kanchit Bunajinda, a Member of the Committee resigned from the Board of Directors, Audit Committee and Risk Management and Corporate Governance Committee.

Management Remuneration: The remunerations amount of Baht 61,297,035 was paid to 9 managements in term of salaries, bonus and other benefits.

## OTHER REMUNERATIONS

### (a) Meal allowance

The company provides meal allowance's restaurant to Board of Director the amount of Baht 40,000. In 2014, The Board of Director consumed at the actual amount of Baht 347,762.

### (b) Provident Fund

The Company automatically provides "Provident Fund" to all Thai employees who completed 6 months period of working. By this mean, the Company will deduct from the employee's payroll and the company contributes to the Fund at the same amount.

# AUDITOR'S FEE

## 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 7,058,000.

## 2. NON-AUDIT FEE

In 2014, The Company had been paid for agreed-upon procedures (AuP) in reviewing financial information for Department Store Project at the Phahon Yothin Triangl to the auditor amounted to Baht 270,000.

# GOOD CORPORATE GOVERNANCE

The Board of Directors of the Central Plaza Hotel pcl. is fully committed to manage the orgainsation through adherence to the principles of good corporate governance, and fully recognises the importance of good corporate governance practices in enhancing the organisation's potential competitiveness - for both the immediate and longer tem. Additionally, such practices will create further trust and confidence on the part of investors, financial instiutions, business partners, and all our Stakeholders.

In operating a business that will grow and develop towards achieving economic added value for the Shareholders as well as a balance of benefits to be gained by all Stakeholders and the Company, the Board of Directors have determined core management policies and business practices to be implemented in the operations of the businesses; whereby these core policies and practices are based upon the principles of good corporate governance, full transparency, accountability to all Stakeholders and responsibility towards society. These core policies and business practices will serve as guidelines for Directors, Management, and all Employees of the Company; whereby the Board of Directors have regularly reviewed and updated such policies and practices, so that they are always timely and relevant to the current business environment.

The Board of Directors, Management and all Employees have been made aware of the the required business ethics and abovementioned policies on good governance, so that they can adopt them as part of their working disciplines; whereby the Company has communicated to everyone in the organisation the need to adhere to these ethical and good governance practices through the Company's website (<http://www.centarahotelsresorts.com>), within the orientation programme for all new employees, as well as via internal PR posters.

The core policies and practices relating to the principles of good coprporate governance comprises of 5 key components as follows :

## POLICIES ON GOOD COPORATE GOVERNANCE :

### 1. Rights of Shareholders

The Company recogises the principles of and places great importance to protecting the rights of all Shareholders, ie:

- Support and ensure that every Shareholders - whether they are majority Shareholders, minority Shareholders, institutional investors or foreign shareholders alike – receive the same basic rights, and are all treated in an equal manner.

Not act in any way that will violate or deprive Shareholders of their entitled rights. This includes limiting any opportunity for Shareholders to receive any relevant information and communications regarding the Company, or to attend Shareholders Meetings; ie: the right to be registered as a Shareholder of the Company; the right to exchange or transfer the ownership of those shares owned by the Shareholder; the right to receive relevant and accurate information and news, of any significance, relating to the Company on a regular basis and in a sufficient manner; the right to attend Shareholders Meetings of the Company; the right to appoint or dismiss, and to approve the remuneration of, Directors of the Company; the right to appoint external Auditors of the Company; the right to receive a share of the Company's profits or dividend payments; and the right to participate in the decision making process on, or to be informed about, any important changes to basic operational factors of the Company.

- Inform and communicate details regarding the exercise of any Shareholders rights via the SET's news network or through the Company's website, taking into consideration the right of Shareholders to be informed on an equal basis and ensuring not to act in any way as to restricting full access to any information or news about the Company.



## GOOD CORPORATE GOVERNANCE (continued)

### Prior to the Shareholders Meeting :

1. Prior to the scheduled Meeting date and in accordance with the regulations defined by the Company, minority Shareholders are able to submit topics to be proposed as agenda items for consideration during the Shareholders Meetings, as well as to submit names of those with the required qualifications to be considered as possible nominees for appointment as Directors of the Company.
2. Send out Letters of Notification to attend Shareholders Meetings together with the proposed agenda items and supporting documents containing relevant and concise important information, the opinions of the Board of Directors relating to the proposed agenda items to be considered, procedures for the Meeting, and a map indicating the location of the Meeting venue – both in Thai and English.
3. Communicate and post on the Company's website (www.centarahotelsresorts.com) as well as through the SET news network, details regarding the abovementioned Letters of Notification to attend the Shareholders Meeting together with the various supporting information, at least 30 days prior to the scheduled Meeting date.
4. Insert copies of the Letters of Notification to attend the Shareholders Meeting, together with the various supporting information, in the local press at least 7 days prior to the scheduled Meeting date, in order to enable Shareholders to have sufficient time to review the information relating to the consideration of the various proposed agenda items.
5. Shareholders can also submit, in advance to the Company Secretary, any questions regarding the proposed agenda items to be considered.

### The day of the Shareholders Meeting

6. Determine the date, time and venue of the Shareholders Meeting, keeping in mind the convenience of the Shareholders in attending the Meeting.
7. Make use of appropriate technology for the Shareholders Meeting, in regards to the attendees registration process and counting of votes, so that the Meeting can be conducted efficiently and quickly as well as in a proper and accurate manner.
8. All the Chairmen of the various Board Committees will be present during the course of the Shareholders Meeting, in order to respond to any questions or comments from Shareholders regarding their respective areas of responsibilities; whereby the Chairman of the Meeting will give an opportunity for all Shareholders, on an equal basis, to review their activities, and to ask questions or make any comments.
9. The Company's Directors, senior Management and the external Auditor will also attend the Shareholders Meeting, to give Shareholders the opportunity to ask questions and make any comments, as well as to request members of senior Management or the external Auditors to clarify any points relevant to the agenda item being considered.
10. Prior to the start of the Meeting, inform Shareholders, in a clear and concise manner, about the procedures to be used in conducting the Meeting as well in exercising and counting their votes; and arrange that, for those agenda items involving multiple decisions, voting should be done separately for each respective decision accordingly.

11. In voting for the appointment of new Company Directors, Shareholders will have the opportunity to exercise their votes for each respective nominee separately and on an individual basis, with Shareholders being encouraged to make use of the voting slips supplied in casting their votes for each agenda item.
12. The Company allows Shareholders to join the Shareholders Meeting after it has started; whereby they have the right to exercise their votes only for those agenda items not yet considered and voted upon as at that point.
13. Those Shareholders not able to attend the Shareholders Meeting in person can exercise their votes by giving a power of attorney to an Independent Director or any other person considered as appropriate by them to attend the Meeting and vote on their behalf.
14. Ensure that the Company arranges to have an independent person be present at the Ordinary or Extraordinary Shareholders Meetings, in order to check and count the votes casted at these Meetings, and to announce the total vote counts in a clear and concise manner, which vote counts are to be recorded in the Minutes of the Meeting.
15. During the Meeting, no additional agenda items should be made to those already proposed and indicated in the Letter of Notification to attend the Shareholders Meeting; or any changes to any important information should be allowed – without informing all Shareholders sufficiently in advance prior to the Meeting.

### After the Shareholders Meeting

16. Disclose to the general public, on the next working day, the resolutions of the Shareholders Meeting, together with the respective vote counts, for each agenda item – via the SET news network and the Company's website.
17. Distribute the VDO recording of the Shareholders Meeting via the Company's website.
18. Arrange to have the Minutes of the Shareholders Meeting (that summarises all the key discussions points, the questions submitted, the comments and clarifications made, and the vote exercising and counting process announced at the start of the meeting, together with names of those Directors attending or requesting a leave of absence from the Meeting) be completed and submitted to the SET as well as posted on the Company's website within 14 days after the date of the Meeting.

GOOD CORPORATE GOVERNANCE  
(continued)

2. EQUITABLE TREATMENT OF SHAREHOLDERS

The Company places great importance in each and every Shareolder Shareholders, regardless of sex, age, skin colour or race, nationality, religion, beliefs and opinions, or political convictions; whereby every Shareholder – both majority or minority Shareholders – are to be treated both on an equal basis and in an equitable manner, without showing any bias towards one group over another through disclosing to any one group information that is not yet disclosed to the other or made public.

To protect and ensure that the basic rights are afforded to all Shareholders in a fair manner and on an equal basis, the Company has these core governance policies:

1.Treatment of all Stakeholder Groups

- The Board of Directors oversees and has defined these policies in regards to the sale/purchase of the shares of the Company as well as to the use of inside information, in order to ensure that all Shareholders are treated in a fair manner and on an equal basis, and to prevent Directors or any involved members of Management from purchasing shares of the Company in an illegal manner for their person gain or for the benefit of others.

1.1 Ownership of the shares of the Company

- Those holding the position as a Director and a member of Management are required to file a report of their ownership of Company shares to the SEC, at the start of their term of office and also within 3 working days every time they make any purchase/sale of the shares of the Company; whereby all Directors and members of Management also have the responsibility to regularly disclose such equity holdings to the Board of Directors as required by the applicable laws and regulations, and such disclosed information must also be included in the Company's Annual Report.
- In the event that Directors, members of Management and Staff (including their spouses and children not yet of legal age) purchase or sell or transfer ownership of any shares of the Company, they must submit a report and disclose any transactions, relating to any changes in the ownership of the shares of the Company, to the regulatory organisation as required by the applicable laws and regulations.
- In order to prevent any occurrence of situations involving a possible conflict of interests, all Directors, members of Management and Staff (including their spouses and children not yet of legal age) are prohibited from purchasing or selling or transferring ownership of the shares of the Company during a 1 month-period prior to the respective release and disclosure of the Financial Statements of the Company.

1.2 Control Use of Inside Information

- The internal use and communication of any inside confidential information within the organisation for work purposes must be based only on the approved specific requirements of the assigned duties and responsibilities of those persons involved; whereby any other staff, not approved to do so or not directly involved with their work, are prohibited from communicating or disclose confidential Company-related or business information to others on a personal basis.
- Directors, members of Management and all staff are prohibited from making use of any inside information of any significant importance that have not yet been disclosed to the general public for personal gain or for the benefit of others; and are required to strictly observe the established Company regulations relating to both the safe-keeping and use of such information.
- Specific written guidelines and regulations have been established, as well as informed to everyone in the organisation, in regards to the safe-keeping and prevention of the use of inside information; whereby such regulations are required to be strictly observed.

2. Oversight of Conflicts of Interests

The Company has as a core policy to operate its business in an honest, open and equitable manner as well as with integrity and full transparency, through requiring that all Diretors, members of Management and Staff to strictly observe and adhere to these regulations:

- Not allowed to undertake or be involved any business that is in direct competition with that of the Company. Avoid undertaking any connected transactions in which they are directly involved or that is related to other individuals/legal entities that may then result ina a possible conflict of interests with the Company.
- The Board of Directors is responsible for overseeing and ensuring that the Company operates its business strictly according to required procedures relating to undertaking connected transactions and associated information disclosures, and in full compliance with the relevant applicable laws and regulations by the regulatory organisations.
- In the event that any connected transactions need to be undetake, it must based on the applicable normal business conditions, as well as be in accordance with the established and approved conditions of the Board of Directors, and in a transparent and equitable manner as if the transaction is made with an outside party, keeping in mind the best interests of the Company.
- Directors are not allowed to participate in the consideration and approval of a proposed transaction in which they have a conflict of interests.
- In the event that a propsed connected transaction is not in accordance with the established and approved conditions of the Board of Directors and which will result in a conflict of interest, then it must be reviewed and concurred to by the Audit Committee before being submitted for consideration and approval by the Board of Directors and/or the Shareholders Meeting (as applicable).

GOOD CORPORATE GOVERNANCE  
(continued)

3. ROLE OF STAKEHOLDERS

The Company has defined its policies relating to corporate social responsibility, especially with regards to matters that will have an adverse impact on the Company's business operations, so that all persons involved and all Stakeholders can feel confident that the business activities of the Company always takes into consideration any factors involving the development of both the environment and society as a whole.

As such, the Company has determined a set of regulations to be observed, as shown below, in regards to the required code of ethics and business conduct of the Board of Directors, the Management group and all Staff, so that all those involved can use them as a guideline for carrying out the business-related duties and activities, that involve the Company and all Stakeholders, in an honest and equitable manner; whereby the Company has placed great importance on all Stakeholder groups.

• **Shareholders** : The Company is committed to being a good representative of its Shareholders, in growing a business organisation in a stable manner, as well as in increasing the overall economic value added on a sustainable basis, together with disclosing any relevant information to its Shareholders in an accurate and transparent manner. Additionally, the Company encourages and supports its Shareholders to exercise their basic Shareholders rights, as well as take note of thevarious comments, opinions and suggestions related to the operation sof the business received from the Shareholders.

• **Staff** : The Company considers its staff to be a valuable resource and a key factor in driving the Company forward and in achieving its success. Thus, the Company is committed to taking good care of and treating its employees in an appropriate and equitable manner in regards to their career opportunities, compensation plans, development of their potential, and their working environment, without taking advantage in the execution of the employment contracts. The Company also ensures that it determines and offers appropriate compensation, training and skills development opportunities, and further education to develop their full potential; as well as that all staff are well looked after.

• **Creditors** : The Company has defined measures and procedures to not infringe on the rights of its creditors; to act in strict accordance with all the requirements and conditions of the loans agreements made with its creditors; and to ensure that all required debt repayments (for both the principal amount and interest due) to creditors are made in full and on time. Moreover, the Company will not act in any unlawful or illegal manner towards all its creditors.

• **Customers and Clients** : The Company is committed to meeting the requirements of, to fully satisfying and taking good care of, and to being accountable to all its customers and clients. The Company also ensures that it provides services in accordance with the established standards, and treat all customer information as being confidential and not to disclose such information without prior approval. The Company has a specific group responsible for receiving and effectively dealing with customer complaints within established guidelines and procedures, so that they are resolved equitably and satisfactorily in a timely manner.

• **Competitors** : The Company operates its business within a positive, open and normal competitive business environment, through maintaining the required normal competitive business practices, and refraining from making use of any illegal or fraudulent means to acces any confidential business information about its competitors and from destroying the reputation of its competitors through use of untrue accusations or malicious information.

• **Society, Communities, and the Environment** : The Company is committed to operating its businesses in an ethical and legal manner as well as through full compliance with all the relevant and applicable regulations. The Company is also committed to ensuring that its various business activities in no way causes any harm to the quality of life of society, the communities and the environment; to creating positive relationships and connection with the local communities in which it operates; and to regularly supporting all activities that are beneficial for local communities and the environment.

• **Public/Government Sector** : The Company cooperates with and supports all Government policies and initiatives that are benficial for the country and conform to the applicable laws and regulations. The Company also agrees with the guidelines and participates in various projects relating to anti-corruption initiatives, as well as fully supports all activities that aim to instill in all staff and employees the need to always act in accordance with all relevant and applicable laws and regulations.

OPERATING POLICIES & PROCEDURES GUIDELINE

1.Policy on Protecting and Use of Inside Information

CENTRAL PLAZA HOTEL Pcl.(CENTEL) is a SET public listed company; and, as such, having a policy relating to the protection and use of any 'inside information' is of critical importance.

The Company's staff must not make use of any confidential 'inside information' relating to the Company, that has not yet been disclosed to the general public, in an improper or illegal manner for the sake of personal gain or that of others. Any disclosures of such important Company information must be done by only those authorised to do so; whereby such authorised disclosures must be done on an uniform and equal basis, as well as in an equitable and fully transparent, manner.

In the event of any rumours occurring that may affect investors' investment decisions, the Company will authorise a specific person to immediately make an announcement as to the associated true facts and accurate information.

GOOD CORPORATE GOVERNANCE  
(continued)

2.Policy on Information Security

The Information Technology (IT) systems must be used only for the Company’s operations; whereby every staff member must act in accordance with the established policies relating to the security of the IT systems, as well as to the associated, relevant and applicable laws, regulations and requirements.

All staff members are required to use only legal and licensed software programmes or applications; additionally they must not use the internet to search for any contents or information that is illicit, illegal, culturally improper, or in violation of any associated specified laws, regulations and policies.

3.Policy on Internal Controls and Risk Management

The Board of Directors has determined that the Company establishes a system of internal controls that covers all key aspects of the business – such as, financial, operations, and complete compliance to all relevant applicable legal and regulatory requirements.

Additionally, various procedures have been established to audit and monitor as well as to be an system of ‘check and balance’, so as to always sufficiently and effectively protect, preserve and look after both the Shareholders’ investments and assets of the Company.

The Company has also established various levels of approval authority, on the part of the Management and operational staff, together with comprehensively documented working and operating procedures. An Internal Audit Group has also been established, responsible for monitoring all (operational and support) business units, so as to ensure full adherence to the required procedures and guidelines, and for assessing the effectiveness and adequacy of the various internal controls implemented for each respective business unit. As such, the Audit Committee has authorised that the Internal Audit Group to work with full independence, so that it can fully monitor all activities and be an effective ‘check and balance’; whereby it is responsible to and submits all reports directly to the Audit Committee on a regular basis as specified.

Furthermore, a policy on risk management has been determined in accordance with the principles of good corporate governance; whereby the Management group is required to understand the various risks factors involved, and then to assess the degree of associated risks – in terms of the potential opportunities and benefits as well as the possible negative impacts for the organisation – so that these risks can be managed to the levels that are acceptable to the Company in a timely manner.

4.Policy on Respecting the Law on Human Rights

The Company fully supports the protection and respects the principle of human rights; as well as respects and treats all Stakeholders in an equitable manner without bias or prejudice in regards to race, religious beliefs, ages, and sex.

5.Policy on Participating in Political Activities

The company has a policy of not participating in or expressing any opinions and its position relating to the political situation. Otherwise, this may create an understanding that the Company is involved with, actively supports, or is biased towards one particular party over the others – thus also creating some disunity, or that the Company is receiving some special privilege in an improper or illegal manner.

6.Policy on Social Responsibility, and Responsibility towards Communities and the Environment

The Company has a policy to create and communicate a positive understanding, within the organization, in regards to its social responsibility as well as its responsibility towards local communities and the environment for the sake of sustainable development.

This also includes implementing effective external public relations and creating positive mindsets relating the such policies and guidelines regarding the Company’s social responsibility and its responsibility towards local communities and the environment, in order to gain outside support for the various associated Company activities – such as: taking in students from various colleges universities majoring in hospitality studies for training in Centara hotels and resorts, so as to create unique on-the-job learning opportunities for these students; as well as supporting the development of various integrated local community assistance projects aimed at creating job opportunities and new vocations for their residents, so that they can be more self-sufficient in taking care of themselves and their families.

Additionally, the Company is committed to undertaking all activities in line with the relevant laws and regulations regarding problems for the immediate environment in which the Company operates; as well as to regularly reviewing, monitoring and assessing these situations in order to reduce any impacts on the environment as a result of the Company’s business operations.

The Company also undertakes to create greater awareness, on the part of its staff, of their role and responsibilities relating to protecting the quality of the immediate environment and to preserving the available natural resources on a sustainable basis.



GOOD CORPORATE GOVERNANCE  
(continued)

<p><b>7.Policy on Energy Conservation</b></p> <p>Full adherence to the relevant laws, regulations and other applicable procedures regarding energy conservation and saving within the Company's operations is required; whereby ongoing development of effective and efficient energy savings and management systems as well as regular staff training on the energy usage is undertaken. Further, such policies and activities regarding energy conservation are communicated to the Staff, so as to trigger and create better awareness, by everyone, of the importance of such policies and activities, as well as to promote their full participation in such energy conservation and saving activities.</p>	<p><b>9.Policy on Public Relations and Marketing</b></p> <p>The Company undertakes all public relations and marketing activities that is clear, comprehensive, timely, equal and equitable, as well as accurate, truthful and without any misrepresentations that may be misleading to consumers.</p> <p>Further, currently, there are various ways of communicating information – inclusive of the popular social media - regarding social and consumer expectations, therefore, any communications regarding or response to various situations must be fully accurate and immediate. This also includes any interviews given to various media, which must be undertaken willingly and wholeheartedly.</p>	<ul style="list-style-type: none"><li>• The Company promotes the values of being honest and accountable; it also encourages that these traits be integrated as part of the corporate culture of the Company, together with raising the level of awareness, on then part of the people within the organisation, that fraudulent actions are not desirable and should be avoided.</li><li>• The Company has established a system of reporting and disclosing the financial status of the Company, in a fully transparent and accurate manner as well as in full accordance with the generally accepted accounting standards.</li><li>• The Company has established channels of communications for use any staff or Stakeholders to act as informants in submitting any information, complaints, and suggestions on any suspicious or apparent possible fraudulent activities; whereby there are also measures in place to protect the rights and safety of such informants or 'whistle-blowers'.</li><li>• The Company has established measures to prevent the giving and/or receiving of any gratuities and gifts, or any benefits and goods, or any entertainment or expenses, that are of an abnormal nature or in an irregular manner or against the law in specific countries and markets - as defined by the regulations of the Company.</li><li>• The Company has established measures to prevent the giving of any bribes in any form and in a direct or indirect manner, regardless of whether it is to facilitate the smooth implementation of a transaction or to enhance a business relationship.</li><li>• Any procurement or sourcing/supply of services and goods with a Government organisation must be carried out in a fully transparent and equitable manner, as well as in accordance with the established procurement procedures and all applicable laws and regulations.</li></ul>	<p><b>Receiving Confidential Information and Complaints from Informants (or 'Whistle-Blowers')</b></p> <p>The Company has established a channel to receive confidential information and/or complaints about any illegal or suspicious activities (that may result in internal fraud or irregularity on the part of the Company's staff) from informants, who may be a staff member or a Stakeholder, so as to facilitate more effective actions to be taken by those involved in overseeing and protecting the best interests of the Company.</p> <p>In the event that any Stakeholder has any suspicions or witnesses any possible and suspicious actions that may violate any relevant and applicable laws and regulations or the established business ethics of the Company, he/she can submit such information together with any supporting information or documents in a fully confidential manner to:</p> <p>The Audit Committee Central Plaza Hotel pcl. 999/99 Rama 1 Road, Pathumwan, Bangkok 10330.</p> <p>The informant's rights will be fully protected in accordance with the law.</p> <p>As such, during 2014, the Company has NOT had any disputes of any significance with any Stakeholders.</p>
<p><b>8.Policy on Safety and Occupational Health</b></p> <p>Full adherence to the relevant laws and regulations regarding occupational health and workplace safety is required for the sake of both our staff as well as customers; whereby regular reviews and assessments are made relating to such safety and occupational health aspects - such as, reducing risks of accidents occurring as a result of the staff carrying out their work or of any sickness caused by improper work procedures, so that the findings can be used to make ongoing and effective improvements.</p> <p>Further, regular and ongoing training sessions are also undertaken, in order to prepare the Staff to effectively deal with any critical situations that may occur at anytime.</p>	<p><b>10.Policies Relating to Anti-Corruption Guidelines</b></p> <ul style="list-style-type: none"><li>• The Company gives importance to the policies on anti-corruption and corrupt practices, whereby, the Company joined as part of the Collective Action Coalition on Anti- Corruption Initiatives, including sending our officers to join in anti-corruption training seminars so as to regularly develop our knowledge and insights into these issues.</li><li>• The Company has established a system of internal controls together with a system of risks assessment and management that are effective and appropriate, that are aimed at preventing any possible fraudulent or irregular and inappropriate activities – both internally by our staff or externally by those outside the Company involved with the its operations.</li></ul>		

GOOD CORPORATE GOVERNANCE  
(continued)

4. INFORMATION DISCLOSURES AND TRANSPARENCY

1. Information Disclosures

The Company places great importance to regular, open, accurate, comprehensive, and timely communications, regardless of the fact that the information being communicated is positive or negative by nature. Thus, the disclosure of information by the Company is in full accordance with the established and applicable information disclosure procedures, regulations and requirements as specified by the SEC and SET.

The processes for the disclosure of both important financial and non-financial information by the Company are as follows:

- Importance is given to the disclosure of both financial and non-financial information that is accurate, and comprehensive, as well as in a transparent and timely manner and with maximum coverage, so that all interested investors and Stakeholders can have regular access to credible and sufficient information to make investment decisions.
- Disclosure of Company-related information and news that will be of value and interest to minority Shareholders, institutional investors, securities analysts and the general public -both in Thailand and overseas - on an equal and equitable basis, as well as through various channels of communications. In order to achieve widespread coverage, such disclosure is done via the Company's website, the SET news network, quarterly reports on the operating performance of the Company and also in the Company's Annual Report.

- Disclosures of important information to the general public includes: The Annual Statement of the Company (Form 56-1); the Company's Annual Report (Form 56-2), financial reports, details of majority Shareholders; Shareholders rights in exercising their votes; details relating to the Company Directors and various Board Committees; required information disclosures to the SET; policy on dividend payments; the Company's report on good corporate governance policies and practices; business ethics and good business conducts in the operations of the Company's business; and various activities undertaken by the Company and its business plans.

2. Persons Responsible for Disclosing Information

- The Chief Executive Officer (CEO), or person assigned by the CEO, is responsible for disclosing Company-related information to the general public, based on the established policies relating to the accuracy, comprehensiveness and timeliness of the information as well as to disclosing information in an equitable manner.
- The Company Secretary is responsible for the required disclosures of information to the SET and the SEC, as well as to Shareholders and investors.
- The member of the Senior Management responsible for financial and investor relations matters is responsible for giving information, as well as for responding to the questions or comments made by Shareholders, investors, securities analysts and the general public that involve financial information, operating performance results, business structure, corporate policies and strategies, business and investment plans, new projects in progress, Shareholders structure, as well as any key factors that may have an impact on the business operations of the Company.

- The member of Senior Management responsible for marketing and public relations matters is responsible for giving information and responding to questions from the press and media and the general public that involve marketing plans and activities of the Company. Additionally, in any major event involving the Company, the PR Group must coordinate with the involved business unit to obtain relevant and accurate information, so that such information can be released, within the specific scope assigned, to the press and media for clarification,
- Those persons not responsible for or assigned by the Chairman of the Company in disclosing information about the Company must not disclose any information which may adversely impact the image and reputation of the Company, as well as any information that may also have an impact on the share price of the Company.

3. External Auditor and preparation of Financial Reports

The company has been audited by external Auditors, who are fully independent and possess the required qualifications, knowledge, expertise and experiences as specified, so that both the Board of Directors and the Shareholders can be confident that the audited Financial Statements of Company's and its Subsidiaries accurately reflect the true financial status and financial performance results.

The Board of Directors places great importance on and is responsible for the Financial Statements of the Company and its Subsidiaries, that are prepared, with all due care and in a comprehensive manner, in accordance with generally accepted accounting principles and standards, as well as are based on appropriate and correct accounting policies, so as to accurately reflect the actual operating results of the Company.

The Board of Directors has arranged for reporting and adequate disclosure of important operating results and financial information of the Company in a transparent manner to the involved parties, as required and on a regular basis; namely : SEC and SET. This is so that the information is of value and interest to all Shareholders and investors.

Additionally, the Board of Directors has established the Audit Committee to be responsible for reviewing the accuracy and credibility of the financial reports. The Audit Committee is also responsible for reviewing and ensuring that the existing system of internal controls is both appropriate and adequate, so that the Board can be confident that the Financial Statements are correct and credible.

4. Important Information

- The Company will not disclose or give out important information that has not been made public to members of its staff, who are not authorised to have access to such information, nor to any investors, securities analysts and the press and media till such time as such information has been released to the general public. In the event that any such information, that should not yet have been disclosed, is mistakenly disclosed, then the Company will ensure that the same information is released to the general public immediately and without delay.
- The Company's staff is responsible for the secure and safe-keeping of any confidential inside Company-related information, together with confidential information relating to business partners, customers and Shareholders and Stakeholders; whereby he/she is prohibited from disclose and make use for personal gains any such confidential information that is part of carrying out his/her duties, as well as to exercise all due care in giving out such information or express an opinion about such information without being authorised or assigned to do so.

GOOD CORPORATE GOVERNANCE  
(continued)

INVESTOR RELATIONS (IR)

The Board of Directors is fully aware that both important financial and non-financial information of the Company will have an impact on the decision of investors and Stakeholders; it has therefore ordered that the members of Management must ensure that any required information disclosures must be done in a comprehensive, credible, regular and timely manner; whereby the Management group has always given great importance to this matter and adhered to these requirements.

In regards to Investor Relations activities, the Company has established a special IR unit responsible and has assigned the SVP - Finance and Administration together with the staff of the IR unit to be responsible for contacting institutional investors, Shareholders, securities analysts, as well as any involved Government/Public Sector organisations. Additionally, interested investors can also contact and request relevant information directly from the IR Unit at the following contact number/ email – Tel. 66(0) 2769-1234 extn.6640; or e-mail address siwichayali@chr.co.th

During 2014, members of the Company's Senior Management together with the IR Unit undertook various investor relations-related activities as follows:

- 1. SET Opportunity Day events for listed companies, meeting with interest investors to present the Company's Quarterly operating performance results,
- 2. Company visits by securities analysts and investors, to meet Senior Management of the Company and the IR Unit as well as to discuss and obtain investors-related information; with these visits being arranged in advance by appointment. (56 visits)

- 3. Meetings with small groups of securities analysts (4 times)
- 4. Face-to-face interviews and conference calls (415 times)
- 5. Investor Road Shows – locally and overseas (19 trips)

5. Duties and Responsibilities of the Board of Directors of the Company

Structure and Composition of the Board of Directors

The Board of Directors of the Company comprises of 11 Directors

- Executive Directors            2 persons
- Non-Executive Directors    5 persons
- Independent Directors        4 persons

Board Committees

The Company has established both the Board of Directors and various Board Committees to assist the Board in overseeing the business operations as follows:

- 1. **The Audit Committee** : Comprising of 3 Directors who are Independent Directors, whereby Mr. Vichien Tejapaibul is an Independent Director possessing knowledge about accounting and finance.

2. **Nomination and Compensation Committee**

Comprising of 4 Directors, responsible for defining the criteria and policies regarding the proposed remuneration, as necessary and appropriate, for the Board of Directors and the various Board Committees as well as members of the Senior Management group, which are submitted to the Board of Directors for review/approval and/or proposing the Shareholders Meeting for final approval (as applicable)

3. **Risks Management and Governance Committee**

Comprising of 5 Directors, with the following duties and responsibilities;

3.1 **Risks Management**

- 1. Review the policies, strategies and organisation structure relating to the management of risks; and undertake activities to ensure that proposed strategies conform to the established acceptable level of risks (risk appetite) of the Company as well as comply with the requirements of the Stakeholders.
- 2. Support the activities of the respective Risks Management Committees at the operations level.
- 3. Monitor and assess the results and adequacy of the overall risks management activities within the organisation.
- 4. Understand and able to effectively assess any potential risks factors that may adversely affect the achievement of the established objectives of the Company ; and ensure that such risks can be managed to be at the established acceptable level of risks.
- 5. Proposed recommendations and concur to any proposed risks management measures and activities to be implemented within the organisation.

3.2 **Governance**

Define and review policies relating to that any proposed policies, practices and procedures conform to the principles of good corporate governance.

Determine policies and activities plans relating to corporate social responsibility.

Meet and monitor the progress of planned good governance activities and social responsibility; make recommendations, as required, to the governance working group and undertake internal assessments so as to make any recommendation for further improvements.

Represent the Company in the dissemination of information – to the Management, Staff and external parties - relating to any Company activities relating to good governance.

GOOD CORPORATE GOVERNANCE  
(continued)

SEPARATION OF THE POSITIONS OF THE CHAIRMAN OF THE BOARD OF DIRECTORS AND THE CHIEF EXECUTIVE OFFICER

The Company has determined that the positions of the Chairman of the Board of Directors and the Chief Executive Officer positions are always vested in 2 separate and different persons; whereby there is a clear separation between the responsibilities in defining policies and monitoring the implementation of established policies and associated performance results from the responsibilities of management and implementation of the established policies.

The Chairman of the Board of Directors has the leadership role in ensuring that the Board of Directors discharges its responsibilities fully independent from any influence of the Management group; in determining agenda items to be considered at Board Meetings that are within the scope of responsibilities of the Board of Directors; as well as in chairing Board Meetings and Shareholders Meetings with the active support of all the Directors of the Board during such meetings.

COMPANY SECRETARY

The Company has assigned that the Company Secretary with the following duties:

1. Prepare and maintain for safe-keeping all documentations relating to the Board of Directors and Shareholders, namely: Directors register, Letters of Notifications for Board Meetings and Shareholders Meetings; Minutes of Board Meetings and Shareholders Meetings, as well as the Annual Reports and Quarterly Financial Statements of the Company.
2. Maintain reports relating to declarations of vested interests submitted by Directors and members of Management of the Company.
3. Advise Directors on the relevant applicable laws and regulations relating to the required activities and responsibilities of Directors.
4. Undertake other activities as assigned by the Board of Directors

As at 31 December 2014, the Company Secretary is Dr. Ronnachit Mahattanapruet, who is well-experienced and possesses all the required qualifications to be appointed to this position, with details as follows:

**Name:** Dr. Ronnachit Mahattanapruet  
**Position:** SVP, Finance and Administration and Corporate Secretary  
**Age:** 58 years

Academic and relevant training & development qualifications

- Ph. D Business Administration, Suan Dusit Rajaphat Univeristy
- Masters of Business Administration, Thammasart University
- Bachelor of Accountancy, Thammasart University

Attended Courses and programmes at the Thai Institute of Directors (IOD) Professional experience

- Director for Finance and Strategic Planning, Prasit Pattana plc.
- Ex-Director of small business credit Insurance
- Ex-Audit Committee of credit insurance.

Other positions

- Activities Promotions Committee Member, Chandrakasem Rajabhat University

The Board of Directors has defined clear measures for the strict oversight and proper management of any transactions involving situations of possible conflict of interests, through establishing policies and procdures to be used and strictly observed in approving such transactions. The Audit Committee is required to initially review any proposed connected transactions of any significant importance that is beyond the scope of authority of the Executive Committee and to submit its recommendations to the Board of Directors, who will then carefully consider the appropriateness of undertaking such transactions based on the best interests of the Company as a whole.Those Directors having vested interests will not participate in the Meeting and discussions on any such transactions, as well as will not be entitled to vote on the matter.

The Board of Directors has also defined measures and procedures for disclosures of information and declarations by any Directors, members of Management and any other involved parties who have vested interests in any proposed transactions, which disclousres are to be submitted by the 31<sup>st</sup> of December of every year; whereby the Company Secretary is responsible for collecting such information and submitting a summary report to the Board of Directors accordingly.



# CONNECTED TRANSACTIONS

As of December 31, 2014 the Company and its Subsidiaries undertook various “connected” transactions with related companies and/or other parties who may have potential conflict of interests, whereby these are considered normal commercial transactions and have been approved as “connected transactions” within the normal operational authorization procedures of the Company. Details are as shown on the attached document.

## PROCEDURES AND PROCESS IN APPROVING CONNECTED TRANSACTIONS

As a listed company on the Stock Exchange of Thailand (SET) since 1990 (BE 2533), we have always been appreciative and aware of the need for full and transparent disclosure of any information as well as activities regarding any connected transactions. Therefore, at the 105<sup>th</sup> meeting of the Audit Committee (2/2015) on February 16, 2015 the Audit Committee was informed of all the connected transactions that took place during 2014, where by the Committee reviewed the necessity as well as reasonableness of these transactions and was of the opinion that all such transactions were reasonable and appropriate in every respect.

As for any connected transactions that may take place in the future, the Company has instructed that the Audit Committee undertake a review and approve all such transactions, which must be undertaken only as necessary and with all reasonableness, whereby any payments received from or o related parties must be accordance with standard market practices as well as must be equitable to all parties concerned and fully transparent.

## POLICIES AND GUIDELINES FOR UNDERTAKING CONNECTED TRANSACTIONS

The Company has a policy to undertake commercial transactions with related parties who may be a potential conflict of interest that are only part of the normal business activities of the Company, whereby it is required that all such transactions be undertaken within normal accepted business practices and at commercial terms that are no different than those transactions undertaken with outside third parties.

At the Board Meeting (No 4/2003) on November 13, 2003 the Company established specific policies and procedures for the approval of such connected transactions, whereby the must follow the normal approval process as used for any other business transactions – except that those Directors or Executives who themselves (or who are related to those who) are involved in the transaction being considered for approval must not approve such transactions.

Further, in the event that such the transaction comes up for consideration, full disclosure of their involvement must be made to the Board for review; and such Directors or Executives will have no right to exercise their approval accordingly. The Board must also comply with all the legal requirements of the Securities Laws and the SET as well as with the regulations, announcements and instructions or procedures of SET.

Thus, in undertaking a connected transaction by the Company with a party who may have a potential conflict of interest or who may have some other vested or possible conflict of interest in the future, then the Company requires that the Audit Committee must give its opinion as to the necessity and appropriateness of such transaction. Should the Audit Committee not have the specific expertise in reviewing any such possible connect transaction, then the Audit Committee must get an independent expert or the external auditor of the Company to give their opinion that transaction, which will then be used as part of the decision process (of the Audit Committee or the Shareholders) in approving that connected transaction accordingly.

Further, in disclosing a connected transaction the Company must comply with all the legal requirements of the Securities Laws and the SET as well as with the regulations, announcements and instructions or procedures of the SET together with the required general accounting practices with regards to the disclosure of details concerning any related parties or businesses.

CONNECTED TRANSACTIONS  
(continued)

Related Companies	Transaction Details	For the Year 2014 (Baht Million)	Facts and Reasons
<b>1. Thai Business Fund 4</b>			
<b>Relationship:</b>			
1. Common Majority Shareholders : Chirathivat Group	A Subsidiary Company, Central World Hotel Co., Ltd. (CGCW), subleased land and buildings relating to the hotels facilities from Thai Business Fund 4 in order to operate its hotel and associated business activities, with CGCW paying the leasehold rights fees in advance as well as annual rental fees payable to the Thai Business Fund throughout the term of the lease.	15.75	At the AGM 1/2004 considered the matter, with the opinion that the proposed transaction was reasonable and for the best benefit of the Company; whereby the proposed charges are in line with market rates as well as normal terms and conditions.
2. Thai Business Fund 4 has Central Pattana plc. & Subsidiary Companies owning 50% of the total investment Units (or 100% of the Investment Units Type C (owner type); whereby the Chirathivat Group is the majority shareholders in Central Pattana plc.			
	A Subsidiary Company, Central Restaurants Group Co., Ltd. (CRG) rents retail space within the Central World from the Central World Co. Ltd. for use in its restaurants and retail food services businesses with rental fees paid in advance and the monthly services fees (calculated on a sq.m basis) payable. The rental fees, payable in advance to the Thai Business Fund 4 are based on rental rates that are clearly defined.	21.40	

Related Companies	Transaction Details	For the Year 2014 (Baht Million)	Facts and Reasons
<b>2. Central Department Store Co., Ltd.</b>			
<b>Relationship:</b>			
1. Common Majority Shareholders : Chirathivat Group	A Subsidiary Company, Central Sukhontha Hotel Co.,Ltd. (CSH), has executed a space rental and services agreement with the Central Department Store Co., Ltd. (Hat Yai branch) with a 30 year term; whereby the Central Department Store Co., Ltd. (Hat Yai branch) rents part of the CSH facilities and buildings to operate a shopping complex with CSH receiving both rental and service fees in advance.	37.23	The Audit Committee reviewed the matter and is of the opinion that : both the proposed rental and service fees are in line with market rates, with clearly defined rental fees and agreement terms; and that the proposed transaction is reasonable.
2. Common Directors			
	Central Plaza Hotel plc. and subsidiary companies purchases goods from the Central Department Store Co., Ltd. in providing services to its hotel guests.	0.89	The opinion that the seller is selling quality goods with the agreed prices being in line with market rates and that the proposed transaction is reasonable.
	A Subsidiary Company, Central Restaurants Group Co., Ltd. (CRG) rents retail space within the Central World from the Central Department Store Co. Ltd. for use in its restaurants and retail food services businesses The rate of rental and service charge are calculated on a sq.m basis per month (Or as a percentage of sales) which have a clearly defined rental fees and agreement term.	24.19	The Audit Committee reviewed the matter and is of the opinion that : both the proposed rental and service fees are in line with market rates, with clearly defined rental fees and agreement terms; and that the proposed transactions are reasonable with maximum benefits for the Company.
	The Central Plaza Hotel plc. provides F & B services to the Central Department Store Co., Ltd.	1.56	The Audit Committee reviewed the matter and is of the opinion that : both the proposed rental and service fees are in line with market rates, with clearly defined rental fees and agreement terms; and that the proposed transactions are reasonable with maximum benefits for the Company.

CONNECTED TRANSACTIONS  
(continued)

Related Companies	Transaction Details	For the Year 2014 (Baht Million)	Facts and Reasons
<b>3. Tiang Chirathivat Co., Ltd.</b>			
<b>Relationship:</b>			
1. Common Majority Shareholders : Chirathivat Group	A Subsidiary Company, Central Restaurants Group Co., Ltd. (CRG) rents retail space in the Central Silom Building from Tiang Chirathivat Co., Ltd. for use as its Head Office.	21.28	The Audit Committee reviewed the matter and is of the opinion that : both the proposed rental and service fees are in line with market rates, with clearly defined rental fees and agreement terms; and that the proposed transactions are reasonable with maximum benefits for the Company
2. Common Directors			
	Central Plaza Hotel plc. and subsidiary companies purchases goods from the Tiang Chirathivat Co., Ltd. in providing services to its hotel guests.	0.56	
	The Central Plaza Hotel plc. provides F & B services to Tiang Chirathivat Co., Ltd.	0.82	The Audit Committee reviewed the matter and is of the opinion that the proposed services charges are the same as for normal clients; and that the proposed transactions are reasonable.
<b>4. Central Pattana Plc.</b>			
<b>Relationship:</b>			
1. Common Majority Shareholders : Chirathivat Group	A Subsidiary Company, Central World Hotel Co., Ltd. rents space and parking facilities in the Office Building, from Central Pattana plc., for use by its clients in holding various meetings and promtional exhibitions events.	59.92	The Audit Committee reviewed the matter and is of the opinion that : both the proposed rental and service fees are in line with market rates, with clearly defined rental fees and agreement terms; and that the proposed transactions are reasonable with maximum benefits for the Company
2. Common Directors			
	A Subsidiary Company, Central Restaurants Group Co., Ltd. (CRG), rents space in the Central World commercial complex to sell food and drinks.	260.55	
	The Central Plaza Hotel plc. sells hotel rooms and provides F & B services to Central Pattana plc.	2.00	The Audit Committee reviewed the matter and is of the opinion that the proposed services charges are the same as for normal clients; and that the proposed transactions are reasonable.

Related Companies	Transaction Details	For the Year 2014 (Baht Million)	Facts and Reasons
<b>5. Central Trading Co., Ltd.</b>			
<b>Relationship:</b>			
1. Common Majority Shareholders : Chirathivat Group	Central Plaza Hotel plc. and Subsidiary Companies purchase electronic equipment/machines (ie: cash registers, calculators and related accessories) for use in its business operations from Central Trading Co., Ltd.	1.29	The Audit Committee reviewed the matter and is of the opinion that the seller is selling quality goods, with the agreed prices being in line with market rates, and that the purchase is in accordance with the normal procurement regulations and procedures.
2. Common Directors			
	A Subsidiary Company, Central Restaurants Group Co., Ltd. (CRG), rents retail space space from Central Trading Co., Ltd. to sell food and drinks.	10.04	The Audit Committee reviewed the matter and is of the opinion that the seller is selling quality goods, with the agreed prices being in line with market rates and that the purchase is in accordance with the normal procurement regulations and procedures; and that the proposed transaction is reasonable with maximum benefits for the Company.
	The Central Plaza Hotel plc. provides F & B services to Central Trading Co., Ltd.	0.73	The Audit Committee reviewed the matter and is of the opinion that the proposed services charges are the same as for normal clients; and that the proposed transactions are reasonable.
<b>6. Power Buy Co.,Ltd.</b>			
<b>Relationship:</b>			
1. Common Majority Shareholders : Chirathivat Group	Central Plaza Hotel plc. and Subsidiary Companies purchase electrical products (eg: audio systems speakers, digital cameras, DVD players) from Power Buy Co.,Ltd.	1.16	The Audit Committee reviewed the matter and is of the opinion that the seller is selling quality goods, with the agreed prices being in line with market rates, and that the purchase is in accordance with the the normal procurement regulations and procedures; and that the proposed transaction is reasonable with maximum benefits for the Company.
2. Common Directors			

CONNECTED TRANSACTIONS  
(continued)

Related Companies	Transaction Details	For the Year 2014 (Baht Million)	Facts and Reasons
<b>7. Harn Central Department Store Co., Ltd.</b>			
<b>Relationship:</b>			
1. Common Majority Shareholders : Chirathivat Group	These Group Companies purchase electronic equipment, office equipment, as well as legal and business information consulting services, and rent retail space from HARNG Central Department Store Co., Ltd.		The Audit Committee reviewed the matter and is of the opinion that the seller is selling quality goods, with the agreed prices as well as services and rental charges being in line with market rates, and that the purchase is in accordance with normal procurement regulations and procedures, and that the proposed transaction is reasonable with maximum benefits for the Company.
2. Common Directors	- Central Plaza Hotel plc.	15.87	
	- Central Restaurants Group Co., Ltd.	6.88	
	The Central Plaza Hotel plc. provides banquet rooms and services to the Harn Central Department Store Co., Ltd.	0.72	
<b>8. Office Club (Thailand) Co., Ltd.</b>			
<b>Relationship:</b>			
1. Common Majority Shareholders : Chirathivat Group	These Group Companies purchase office equipment and stationery from Office Club (Thailand) Co., Ltd.		The Audit Committee reviewed the matter and is of the opinion that the seller is selling quality goods, with the agreed prices being in line with market rates and that the purchase is in accordance with normal procurement regulations and procedures, and that the proposed transaction is reasonable with maximum benefits for the Company.
2. Common Directors	- Central Plaza Hotel plc.	0.27	
	- Central Restaurants Group Co., Ltd.	3.57	

Related Companies	Transaction Details	For the Year 2014 (Baht Million)	Facts and Reasons
<b>9. Post Publishing Plc.</b>			
<b>Relationship:</b>			
1. Common Majority Shareholders : Chirathivat Group	These Group Companies purchase newspaper and print advertising space from Post Publishing Plc. for use by its hotel guests and food services clients		The Audit Committee reviewed the matter and is of the opinion that the agreed process are in line with market rates, and that the purchase is in accordance with the normal procurement regulations and procedures; and that the proposed transaction is reasonable with maximum benefits for the Company.
2. Common Directors	- Central Plaza Hotel plc.	6.08	
	- Central Restaurants Group Co., Ltd.	7.60	
	The Central Plaza Hotel plc. sells hotel rooms and provides F & B services to the Post Publishing Plc.	1.09	The Audit Committee reviewed the matter and is of the opinion that the proposed services charges are the same as for normal clients; and that the proposed transactions are reasonable.
<b>10. Central Food Retail Co., Ltd.</b>			
<b>Relationship:</b>			
1. Common Majority Shareholders : Chirathivat Group	Central Plaza Hotel plc. and Subsidiary Companies purchase goods from Central Food Retail Co., Ltd. for use by its hotel guests and customers.	5.34	The Audit Committee reviewed the matter and is of the opinion that the seller is selling quality goods, with the agreed prices being in line with market rates and that the purchase is in accordance with the normal procurement regulations and procedures.
2. Common Directors			
	A Subsidiary Company, Central Restaurants Group Co., Ltd. (CRG), rents retail space in TOPS Supermarket from Central Food Retail Co., Ltd. to sell food and drinks.	2.14	Both the rental and services charges are in line with market rates as well as appropriate to the location and proposed services, and that transaction is reasonable.
	Central Plaza Hotel plc. and Subsidiary Companies sells hotel rooms and rents meeting facilities as well as provides F & B services to Central Food Retail Co., Ltd.	0.63	The Audit Committee reviewed the matter and is of the opinion that the proposed services charges are the same as for normal clients; and that the proposed transactions are reasonable.



CONNECTED TRANSACTIONS  
(continued)

Related Companies	Transaction Details	For the Year 2014 (Baht Million)	Facts and Reasons
<b>11. Central Realty Service Co., Ltd.</b>			
<b>Relationship:</b>			
1. Common Majority Shareholders : Chirathivat Group	Central Plaza Hotel plc. uses public utilities services provided by Central Realty Service Co., Ltd.	0.41	The Audit Committee reviewed the matter and is of the opinion that both the aged rental and services charges are in line with market rates as well as appropriate for the location and the proposed services,and that the proposed transactions are reasonable.
2. Common Directors			
	Central Restaurants Group Co., Ltd. (CRG), rents commercial space from Central Realty Service Co., Ltd. to sell food and drinks.	1.26	
<b>12. Central World Co., Ltd.</b>			
<b>Relationship:</b>			
1. Common Majority Shareholders : Chirathivat Group	A Subsidiary Company, Central Restaurants Group Co., Ltd. (CRG), rents retail space in Central World Complex from Central World Co., Ltd.to sell food and drinks, with rental fees paid in advance and also monthly service fees (calculated on per sq.m basis) payable.	29.99	The Audit Committee reviewed the matter and is of the opinion that both the rental and services charges are in line with market rates as well as appropriate for the location and the proposed services, with the rental agreement terms and charges clearly defined, and that the proposed transaction is reasonable with maximum benefits for the Company.
2. Common Directors			

Related Companies	Transaction Details	For the Year 2014 (Baht Million)	Facts and Reasons
<b>13. Bangna Central Property Co., Ltd.</b>			
<b>Relationship:</b>			
1. Common Majority Shareholders : Chirathivat Group	A Subsidiary Company, Central Restaurants Group Co., Ltd. (CRG), rents retail space in Central Bangna Complex from Bangna Central Property Co., Ltd. to sell food and drinks.	21.64	The Audit Committee reviewed the matter and is of the opinion that both the rental and services charges are in line with market rates as well as appropriate for the location and the proposed services, with the rental agreement terms and charges clearly defined, and that the proposed transaction is reasonable with maximum benefits for the Company.
2. Common Directors			
<b>14. Robinson Department Store Plc.</b>			
<b>Relationship:</b>			
1. Common Majority Shareholders : Chirathivat Group	A Subsidiary Company, Central Restaurants Group Co., Ltd. (CRG), rents retail space in the Robinson shopping complex from Robinson Department Store Plc. to sell food and drinks	70.30	The Audit Committee reviewed the matter and is of the opinion that both the rental and services charges are in line with market rates as well as appropriate for the location and the proposed services, with the rental agreement terms and charges clearly defined, and that the proposed transaction is reasonable with maximum benefits for the Company.
2. Common Directors			

## CONNECTED TRANSACTIONS

(continued)

Related Companies	Transaction Details	For the Year 2014 (Baht Million)	Facts and Reasons
<b>15. Royal Porcelain Co., Ltd.</b>			
<b>Relationship:</b>			
1. Common Majority Shareholders : Chirathivat Group	The Central Plaza Hotel plc. purchase products from Royal Porcelain Co., Ltd. from B2S Co., Ltd.	0.35	The Audit Committee reviewed the matter and is of the opinion that the seller is selling quality goods, with the agreed prices being in line with market rates, and that the purchase is in accordance with normal procurement regulations and procedures, and that the proposed transaction is reasonable.
2. Common Directors			
<b>16. Central Retail Corporation Co., Ltd.</b>			
<b>Relationship:</b>			
1. Common Majority Shareholders : Chirathivat Group	Central Retail Corporation Co., Ltd. provides business planning consulting and warehousing services to a Subsidiary Company, Central Restaurants Group Co., Ltd. (CRG).	0.56	The Audit Committee reviewed the matter and is of the opinion that the services provider is both capable and well-experienced in warehousing management, the services fees charged are in line with market rates, and that the purchase is in accordance with normal procurement regulations and procedures; and that the proposed transaction is reasonable with maximum benefits for Company.
2. Common Directors			
<b>17. Big C Supercenter plc.</b>			
<b>Relationship:</b>			
1. Common Directors	A Subsidiary Company, Central Restaurants Group Co., Ltd. (CRG), rents retail space in BIG C shopping centers from Big C Supercenter plc.to sell food and drinks	495.68	The Audit Committee reviewed the matter and is of the opinion that both the rental and services charges are in line with market rates as well as appropriate for the location and the proposed services, with the rental agreement terms and charges clearly defined; and that the proposed transaction is reasonable with maximum benefits for the Company.

Related Companies	Transaction Details	For the Year 2014 (Baht Million)	Facts and Reasons
18. B2S Co., Ltd.			
Relationship:			
1. Common Directors	The Central Plaza Hotel plc. purchase writing and stationery products from B2S Co., Ltd.	0.07	The Audit Committee reviewed the matter and is of the opinion that the seller is selling quality goods, with the agreed prices being in line with market rates, and that the purchase is in accordance with normal procurement regulations and procedures; and that the proposed transaction is reasonable.
19. Central Embassy Hotel Co., Ltd.			
Relationship:			
1. Common Majority Shareholders : Chirathivat Group	The Central Plaza Hotel plc. and Subsidiary Companies sell hotel rooms and provide F & B services, at market prices, to Central Embassy Hotel Co., Ltd.	0.36	The Audit Committee have reviewed the matter and is of the opinion that the proposed services charges are the same as for normal clients; and that the proposed transactions are reasonable.
2. Common Directors			
20. CRG Manufacturing Co.,Ltd.			
Relationship:			
1. Common Majority Shareholders : Chirathivat Group	The Central Plaza Hotel plc. purchase products from CRG Manufacturing Co.,Ltd.	0.41	The Audit Committee reviewed the matter and is of the opinion that the seller is selling quality goods, with the agreed prices being in line with market rates, and that the purchase is in accordance with normal procurement regulations and procedures, and that the proposed transaction is reasonable.
2. Common Directors			
21. CRC Thai Watsadu Co, Ltd.			
Relationship:			
1. Common Majority Shareholders : Chirathivat Group	The Central Plaza Hotel plc. purchase products from CRG Manufacturing Co.,Ltd.	2.89	The Audit Committee reviewed the matter and is of the opinion that the seller is selling quality goods, with the agreed prices being in line with market rates, and that the purchase is in accordance with normal procurement regulations and procedures, and that the proposed transaction is reasonable.
2. Common Directors			

CONNECTED TRANSACTIONS  
(continued)

Related Companies	Transaction Details	For the Year 2014 (Baht Million)	Facts and Reasons
<b>22. CPN Pattaya Beach Hotel Co., Ltd</b>			
<b>Relationship:</b>			
1. Common Majority Shareholders : Chirathivat Group	Central Plaza Hotel pcl. and its subsidiaries rent consignment area from CPN Pattaya Beach Hotel Co., Ltd for selling food and beverage. The rate of rental and service charge are calculated on a sq.m basis per month (Or as a percentage of sales) which have a clearly defined rental fees and agreement term.	14.96	The Audit Committee have reviewed the matter and is of the opinion that the proposed services charges are the same as for normal clients; and that the proposed transactions are reasonable.
2. Common Directors			
<b>23. Central Life Broker Co., Ltd.</b>			
<b>Relationship:</b>			
1. Common Majority Shareholders : Chirathivat Group	Central Plaza Hotel pcl. and its subsidiaries purchase group insurance for employees from Central Life Broker Co., Ltd. The premium rate is calculated based on the value of insurance premiums and coverage received.	2.55	The Audit Committee have reviewed the matter and is of the opinion that the proposed insurance premiums are the same as for normal clients; and that the proposed transactions are reasonable.
2. Common Directors			
<b>24. Post-ACP Co.,Ltd.</b>			
<b>Relationship:</b>			
1. Common Majority Shareholders : Chirathivat Group	A Subsidiary Company, Central Restaurants Group Co., Ltd. (CRG), engage Post-ACP Co.,Ltd. to publishes and distributes CRG's advertising in Thai language popular magazine -"Cleo"- and also monthly service fees payable.	0.28	The Audit Committee reviewed the matter and is of the opinion that : the proposed service fees is in line with market rates, with clearly defined agreement terms; and that the proposed transactions are reasonable with maximum benefits for the Company
2. Common Directors			

Related Companies	Transaction Details	For the Year 2014 (Baht Million)	Facts and Reasons
<b>25. Central Pattana Nine Square Co., Ltd.</b>			
<b>Relationship:</b>			
1. Common Majority Shareholders : Chirathivat Group	Central Plaza Hotel pcl. and its subsidiaries rent the area from Central Pattana Nine Square Co., Ltd. for selling food and beverage. The rate of rental and service charge are calculated on a sq.m basis per month (Or as a percentage of sales) which have a clearly defined rental fees and agreement term.	25.79	The Audit Committee have reviewed the matter and is of the opinion that the proposed services charges are the same as for normal clients; and that the proposed transactions are reasonable.
2. Common Directors			
<b>26. PATON 3 CO.,LTD.</b>			
<b>Relationship:</b>			
1. Common Majority Shareholders : Chirathivat Group	A Subsidiary Company, Central Restaurants Group Co., Ltd. (CRG), obtained legal advisory services in relation to the regulatory compliance for their business at the market price.	0.90	The Audit Committee reviewed the matter and is of the opinion that : the proposed service fees is in line with market rates, with clearly defined agreement terms; and that the proposed transactions are reasonable with maximum benefits for the Company
2. Common Directors			

# GENERAL INFORMATION OF BUSINESSES HELD

by the **COMPANY 10% UPWARD**

	Company	Nature of Business	Issued Ordinary Share	Issued Ordinary Share held by the Company	Percentage of Shareholding (%)
1	Central Hua Hin Beach Resort Co., Ltd. 1 Damnernkasem Road, Hua Hin, Prachuab-Khirikhan Tel. : (032) 512-021 Fax : (032) 511-099	Centara Grand Beach Resort & Villas Hua Hin (249 rooms)	1,850,000 shares, at par 100 Baht each	1,183,104 shares	63.9%
2	Central Samui Hotel Management Co., Ltd. 38/2 Moo 3 Tambon Bophut, Koh Samui, Suratthani Tel. : (077) 230-500 Fax : (077) 230-522	Centara Grand Beach Resort Samui (203 rooms)	12,500 shares at par 100 Baht each	12,493 shares	100.0%
3	Central Samui Beach Resort Co., Ltd. 38/2 Moo 3 Tambon Bophut, Koh Samui, Suratthani Tel. : (077) 230-500 Fax : (077) 230-522	Centara Grand Beach Resort Phuket (262 rooms)	2,500,000 shares at par 100 Baht each	2,499,994 shares	100.0%
4	Central Samui Village Co., Ltd. 111 Moo 2 Tambon Maret, Koh Samui, Suratthani Tel. : (077) 424-020 Fax : (077) 424-022	Centara Villas Samui (102 rooms)	550,000 shares at par 100 Baht each	549,994 shares (Owned by Central Samui Beach Resort Co., Ltd.)	100.0%
5	Central Hotel Management Co., Ltd. 1695 Paholyothin Road, Chatuchak, Bangkok Tel. : (02) 769-1234 Fax : (02) 100-6232	Holding Company	2,500,000 shares at par 100 Baht each	2,499,993 shares	100.0%
6	Central Sukhontha Hotel Co., Ltd. 3 Sanehanusorn Road, Had Yai, Songkla Tel. : (074) 352-222 Fax : (074) 352-223	Centara Hotel Hat Yai (248 rooms)	1,450,000 shares at par 100 Baht each	1,449,994 shares (Owned by Central Hotel Management Co., Ltd.)	100.0%
7	Central Karon Village Co., Ltd. 701 Patak Road, Tambon Karon, Muang, Phuket Tel. : (076) 286-300 Fax : (076) 286-316	Centara Villas Phuket (72 rooms)	375,000 shares at par 100 Baht each	374,994 shares	100.0%
8	Central Mae Sot Hill Hotel Co., Ltd. 100 Asia Road, Mae Sot, Tak Tel. : (055) 532-601 Fax : (055) 532-600	Centara Mae Sot Hill Resort (120 rooms)	190,000 shares at par 1,000 Baht each	186,996 shares (Owned by Central Hotel Management Co., Ltd.)	98.4%
9	Central Krabi Bay Resort Co., Ltd. 396-396/1 Moo 2 Tambon Ao Nang, Muang, Krabi Tel. : (075) 637-789 Fax : (075) 637-800	Centara Grand Beach Resort & Villas Krabi (192 rooms)	5,000,000 shares at par 100 Baht each	4,999,993 shares	100.0%

	Company	Nature of Business	Issued Ordinary Share	Issued Ordinary Share held by the Company	Percentage of Shareholding (%)
10	Karon Phuket Hotel Co., Ltd. 502/3 Patak Road, Tambon Karon, Muang, Phuket Tel. : (076) 396-200-5 Fax : (076) 396-491	Centara Karon Resort Phuket (335 rooms)	5,200,000 shares at par 100 Baht each	5,164,000 shares	99.3%
11	Kata Phuket Hotel Co., Ltd. 54 Kedkwan Road, Tambon Karon, Muang, Phuket Tel. : (076) 370-300 Fax : (076) 333-462	Centara Kata Resort Phuket (158 rooms)	1,200,000 shares at par 100 Baht each	1,187,995 shares	99.0%
12	Central World Hotel Co., Ltd. 999/99 Rama 1 Road, Pathumwan, Bangkok Tel. : (02) 100-1234 Fax : (02) 100-1235	Centara Grand & Bangkok Convention Centre at Central World (512 rooms)	20,000,000 shares at par 100 Baht each Paid up of 100 Baht and 80 Baht per share for 10,000,000 shares each	19,999,993 shares	100.0%
13	Central Laundry Services Co., Ltd. 1695 Paholyothin Road, Chatuchak, Bangkok Tel. : (02) 769-1234 Fax : (02) 100-6232	Dormant Company	15,000 shares at par 100 Baht each	14,994 shares (Owned by Central Hotel Management Co., Ltd.)	100.0%
14	Central Koh Kood Hotel Co., Ltd. 1695 Paholyothin Road, Chatuchak, Bangkok Tel. : (02) 769-1234 Fax : (02) 100-6232	Dormant Company	1,200,000 shares at par 100 Baht each	1,199,993 shares	100.0%
15	Triplenine Decor Co., Ltd. 999/99 Rama 1 Road, Pathumwan, Bangkok Tel. : (02) 769-1234 Fax : (02) 100-6232	Dormant Company	800,000 shares at par 100 Baht each	799,994 shares	100.0%
16	S.P. Realty Lanta Beach Co.,Ltd. 999/99 Rama 1 Road, Pathumwan, Bangkok Tel. : (02) 769-1234 Fax : (02) 100-6232	Not operate yet	360,000 shares at par 100 Baht each	359,994 shares (Owned by Central Krabi Bay Resort Co., Ltd.)	100.0%
17	S.P. Realty Pattaya Beach Co.,Ltd. 999/99 Rama 1 Road, Pathumwan, Bangkok Tel. : (02) 769-1234 Fax : (02) 100-6232	Not operate yet	800,000 shares at par 100 Baht each	799,993 shares	100.0%
18	S.P. Realty Hadfarang Resort Co.,Ltd. 999/99 Rama 1 Road, Pathumwan, Bangkok Tel. : (02) 769-1234 Fax : (02) 100-6232	Not operate yet	885,000 shares at par 100 Baht each	884,994 shares	100.0%



GENERAL INFORMATION OF BUSINESSES HELD  
by the Company 10% upward (continued)

	Company	Nature of Business	Issued Ordinary Share	Issued Ordinary Share held by the Company	Percentage of Shareholding (%)
19	Centara International Management Co., Ltd. 999/99 Rama 1 Road, Pathumwan, Bangkok Tel. : (02) 769-1234 Fax : (02) 100-6232	Holding Company and Hotel Management	1,500,000 shares at par 100 Baht each	1,499,996 shares	100.0%
20	R.M.L. LEISURE Pvt. Ltd. 4 <sup>th</sup> Floor Rowville, Fareedhi Magu Maafannu, Republic of Maldives *Tel : + 960 330 6566 *Fax : + 960 330 9796	Centara Grand Island Resort & Spa Maldives ( 112 Suites & Villas )	17,990 shares at par of US\$ 778.21 per share	13,312 shares (Owned by Centara International Management Co., Ltd.)	74.0%
21	Cenvaree Healthy Spa Co., Ltd. 999/99 Rama 1 Road, Pathumwan, Bangkok Tel. : (02) 769-1234 Fax : (02) 100-6232	Not operate yet	10,000 shares at par 100 Baht each	9,994 shares	100.0%
22	Central Bangkok Convention & Exhibition Co., Ltd. 999/99 Rama 1 Road, Pathumwan, Bangkok Tel. : (02) 769-1234 Fax : (02) 100-6232	Not operate yet	10,000 shares at par 100 Baht each	9,994 shares	100.0%
23	Centara International Management (Thailand) Co., Ltd. 999/99 Rama 1 Road, Pathumwan, Bangkok Tel. : (02) 769-1234 Fax : (02) 100-6232	Hotel Management	1,000,000 shares at par 100 Baht each Paid up of 25 Baht per share	999,997 shares	100.0%
24	Centara Maldives Pvt. Ltd. 2 <sup>nd</sup> Floor (Eastwing), AAGE Henveiru, Male 20094 Republic of Maldives *Tel : + 960 333 3644 *Fax : + 960 331 5453	Centara Ras Fushi Resort & Spa Maldives ( 140 Suites & Villas )	20,000,000 shares at par of US\$ 1 per share	15,000,000 shares (Owned by Centara International Management Co., Ltd.)	75.0%
25	Central Restaurants Group Co., Ltd. 306 Silom Road, Suriyawong Bangrak, Bangkok Tel. : (02) 635-7930-9 Fax : (02) 635-7940-1	Franchisee of KFC, Mister Donut, Auntie Anne's, Pepper Lunch, Tenya, Chabuton, Cold Stone Creamery, Ryu Shabu Shabu, Yoshinoya, The Terrace and Katsuya	6,200,000 shares at par 100 Baht each	6,199,991 shares	100.0%
26	CRG Manufacturing Co., Ltd. 55/18 Moo 13 Paholyothin Road, Tambon Klong Neung, Klong Luang, Pathumthani Tel. : (02) 909-2277-9 Fax : (02) 529-4900	Manufacturer of ice cream	16,000,000 shares at par 10 Baht each	15,999,994 shares (Owned by Central Restaurants Group Co., Ltd.)	100.0%

	Company	Nature of Business	Issued Ordinary Share	Issued Ordinary Share held by the Company	Percentage of Shareholding (%)
27	CRG International Food Co., Ltd. 306 Silom Road, Suriyawong Bangrak, Bangkok Tel. : (02) 635-7930-9 Fax : (02) 635-7940-1	Japanese Restaurant "Ootoya"	1,797,600 shares at par 100 Baht each	1,797,591 shares (Owned by Central Restaurants Group Co., Ltd.)	100.0%
28	Centara Import-Export Co., Ltd. 999/99 Rama 1 Road, Pathumwan, Bangkok Tel. : (02) 769-1234 Fax : (02) 100-6232	Not operate yet	100,000 shares at par 10 Baht each	99,997 shares	100.0%
29	Cosi Hotels Co., Ltd. 999/99 Rama 1 Road, Pathumwan, Bangkok Tel. : (02) 769-1234 Fax : (02) 100-6232	Not operate yet	300,000 shares at par 100 Baht each Paid up of 50 Baht per share	299,997 shares	100.0%
30	Cosi Hotel Management Co., Ltd. 999/99 Rama 1 Road, Pathumwan, Bangkok Tel. : (02) 769-1234 Fax : (02) 100-6232	Not operate yet	50,000 shares at par 100 Baht each Paid up of 25 Baht per share	49,997 shares	100.0%
31	Centara Loyalty Marketing Co., Ltd. 999/99 Rama 1 Road, Pathumwan, Bangkok Tel. : (02) 769-1234 Fax : (02) 100-6232	Offer privileges for customer	500,000 shares at par 100 Baht each Paid up of 25 Baht per share	499,997 shares	100.0%
32	Centara Learning Centre Co., Ltd. 999/99 Rama 1 Road, Pathumwan, Bangkok Tel. : (02) 769-1234 Fax : (02) 100-6232	Learning Centre	1,000,000 shares at par 10 Baht each Paid up of 2.5 Baht per share	999,996 shares	100.0%
33	Centara Hotels & Resorts Leasehold Property Fund 400/22 6 <sup>th</sup> Floor, Kasikornbank Building Paholyothin Road, Samsen Nai, Phaya Thai, Bangkok Tel : (02) 673-3999 Fax : (02) 673-3900	Property Fund	320,000,000 units at par 10 Baht each	81,093,500 units	25.3%
34	Centara (Shanghai) Hotel Management Co., Ltd. 1208 Ascendas Cross Tower, No.318 Fuzhou Road, Huangpu District, Shanghai, 200001	Hotel Management	Register share capital of 6,000,000 Chinese Yuan paid up of 2,099,158 Chinese Yuan	N/A (Owned by Centara International Management Co., Ltd.)	100.0%
35	CIM for Hotel Management - Egypt, S.A.E North Tower, Nile City Buildings, 22 <sup>nd</sup> Floor, Room No.2328-05, Ramlet Boulac, Corniche El Nile, Cairo	Hotel Management	20,000 shares at par 25 Egyptian Pound each Paid up of 2.5 Egyptian Pound per share	19,998 shares (Owned by Centara International Management Co., Ltd.)	100.0%

# COMPANY’S GENERAL INFORMATION

# INFORMATION OF DEBENTURES

Name	Central Plaza Hotel Public Company Limited
Type of Business	Service business – hotel, restaurants, food and beverages, etc.
Company registration no.	0107536001389 (Previously, Bor. Mor. Jor. 212)
Home Page	http://www.centarahotelsresorts.com

Share capital as at 31 December 2014

Registered:	Baht 1,350,000,000, comprising of 1,350,000,000 ordinary shares at par value of Baht 1 per share
Issued and fully paid:	Baht 1,350,000,000, comprising of 1,350,000,000 ordinary shares at par value of Baht 1 per share

Centara Hotels & Resorts Office

Address	999/99 Rama 1 Road, Pathumwan, Bangkok
Telephone	(02) 769-1234
Fax	(02) 769-1235

Centara Grand at Central Plaza Ladprao Bangkok Office

Address	1695 Paholyothin Road, Chatuchak, Bangkok
Telephone	(02) 541-1234
Fax	(02) 541-1087

Debenture	Credit Rating	Amount (MB)	Issuance Date	Tenor (year)	Interest Rate	Collateral	Interest Payment Cycle	Maturity Date	Balance as at 31 December 2014
CENT176A	A	500	23/06/2553	7 years	6 mFDR + 1.9%	-	6 months	23/06/2560	500
CENT176B	A	500	05/07/2553	6 years 11 months 24 days	6 mFDR + 1.9%	-	6 months	29/06/2560	500
CENT163A	A	500	29/07/2554	4 Years 8 months	4.86%	-	3 months	29/03/2559	500
CENT163B	A	300	09/08/2554	4 Years 7 months	4.75%	-	3 months	09/03/2559	300
CENT169A	A	1,000	30/09/2556	3 years	4.02%	-	6 months	30/09/2559	1,000
CENT169B	A	1,500	3/09/2557	2 years	3.30%	-	6 months	3/09/2559	1,500

CONDITIONS OF DEBENTURES ISSUANCE

1. The Company has to maintain Interest - bearing debt to equity ratio of not more than 2 : 1 as at the ending period of each year, calculated from the consolidated financial statements.
2. The Company may not pay dividend to the shareholders of the company in the amount exceeding 60% of net profit in the year.

# OTHER REFERENCE FIRMS

## SECURITIES REGISTRAR

### Thailand Securities Depository Co., Ltd.

4<sup>th</sup>, 6<sup>th</sup> - 7<sup>th</sup> Floor, 62 Stock Exchange of Thailand Building,  
Ratchadaphisek Road, Klongtoey, Bangkok 10110

Tel. : (02) 359-1200-01

Fax : (02) 359-1259

## DEBENTURE REGISTRAR

### Siam Commercial Bank Public Co., Ltd.

Head Office 9 Rachadapisek Road, Chatuchak,  
Bangkok 10900

Tel. : (02) 544-1000

- “Debentures of Central Plaza Hotel Public Company Limited No. 2/2010 Due B.E. 2560” (CENTEL176A)

- “Debentures of Central Plaza Hotel Public Company Limited No. 3/2010 Due B.E. 2560” (CENTEL176B)

### Bank of Ayudhaya Public Co., Ltd.

Head Office 1222 Rama III Road, Bang Phongphang, Yan  
Nawa, Bangkok 10120

Tel. : (02) 296-3582

- “Debentures of Central Plaza Hotel Public Company Limited No. 1/2011 Due B.E. 2559” (CENTEL163A)

- “Debentures of Central Plaza Hotel Public Company Limited No. 2/2011 Due B.E. 2559” (CENTEL163B)

## CIMB Thai Bank Public Company Limited.

Head Office 44 Langsuan Road, Lumpini, Pathum Wan,  
Bangkok 10330

Tel. : (02) 626-7777

- “Debentures of Central Plaza Hotel Public Company Limited No. 1/2013 Due B.E. 2559” (CENTEL169A)

- “Debentures of Central Plaza Hotel Public Company Limited No. 1/2014 Due B.E. 2559” (CENTEL169B)

## AUDITOR

### PricewaterhouseCoopers ABAS Ltd.

By Khun Nattaporn Phun-Udom (Registration No. 3430)  
15<sup>th</sup> Floor, Bangkok City Tower, 179/74-80 South Sathorn  
Road, Bangkok 10120

Tel. : (02) 344-1000

Fax : (02) 286-5050

## Legal Counselors

Business Advisory (Thailand) Ltd.  
15<sup>th</sup> Floor, Maneeya Center Building, 518/5 Ploenchit Road,  
Pathumwan, Bangkok 10330

Tel. : (02) 255-8977-8, (02) 251-2285

Fax : (02) 254-4576

## CREDIT RATING COMPANY

### Tris Rating Co., Ltd.

24<sup>th</sup> Floor, Silom Complex Building, 191 Silom Road,  
Bangkok 10500

Tel. : (02) 231-3011

# CORPORATE MANAGEMENT

## CENTARA HOTELS & RESORTS

### Corporate Management

Executive Advisor

Executive Advisor

Advisor of Chairman of the Board

Advisor to the Board

Maj. Gen. Krawee Sudasna Na Ayudhya

Prof. Viroj Lowhaphandu

Mr. Dan Chinsupakul

Mr. Gerd K. Steeb

## HOTELS BUSINESS GROUP

### Operations

Chief Executive Officer - CEO

Chief Operating Officer - COO

Vice President - Operations

Vice President - Operations

Mr. Thirayuth Chirathivat

Mr. Markland Blaiklock

Mr. David R. Good

Mr. Michel Horn

### Corporate Affairs & Social Responsibilities

Senior Vice President - Corporate Affairs & Social Responsibilities

Mrs. Supatra Chirathivat

### Centara International Management

Vice President - Development

Mr. Suparat Chirathivat

### Finance & Administration

Senior Vice President - Finance & Administration

Vice President - Procurement

Dr. Ronnachit Mahattanapreut, Ph.D

Mr. Thirakiati Chirathivat

### Sales & Marketing

Senior Vice President - Sales & Marketing

Mr. Chris Bailey

### Human Resources

Vice President - Human Resources

Ms. Pattara Jongcharoenkulchai

CORPORATE MANAGEMENT  
(continued)

<b>General Manager</b>			
Centara Grand & Bangkok Convention Centre at CentralWorld		Mr. Robert F. Maurer-Loeffler	
Centara Grand at Central Plaza Ladprao Bangkok		Mr. Marco Metge	
Centara Grand Beach Resort & Villas Krabi		Mr. David Martens	
Centara Grand Beach Resort Samui		Mr. Martin Heiniger	
Centara Grand Beach Resort & Villas Hua Hin		Mr. Peter Nilsson	
Centara Grand Mirage Beach Resort Pattaya		Mr. Andre Brulhart	
Centara Grand Beach Resort Phuket		Mr. Darren Shaw	
Centara Grand West Sands Resort & Villas Phuket		Mr. Herve Duprat	
Centara Grand Island Resort & Spa Maldives		Mr. Voytek Klasicki	
Centara Villas Samui		Mr. Timothy Rawlinson	
Centara Karon Resort Phuket		Mr. Austin Robinson	
Centara Mae Sot Hill Resort		Mr. Vatthanachai Phipatthongpanta	
Centara Chaan Talay Resort & Villas Trat		Mr. Kris Vanitchnont	
Centara Hotel Hat Yai		Mr. Opas Damrongkul	
Centara Hotel & Convention Centre Udon Thani		Mr. Chaiphun Thongsuthum	
Centara Hotel & Convention Centre Khonkaen		Mr. Wuthisak Pichayagan	
Centara Anda Dhevi Resort & Spa Krabi		Mr. George Kenton	
Centara Watergate Pavillion Hotel & Spa Bangkok		Mr. Sven Walter	
Centara Pattaya Hotel		Mr. Jonas Sjostedt	
Centara Ras Fushi Resort & Spa Maldives		Ms. Prapaijit Thongma	
Khum Phaya Resort & Spa, Centara Boutique Collection		Mr. Chamnan Phuakwattana	
Nova Hotel & Spa Pattaya, Centara Boutique Collection		Mr. Jonas Sjostedt	
Chen Sea Resort & Spa Phu Quoc, Centara Boutique Collection		Mr. Olivier Petit	
Centra Ashlee Hotel Patong		Mr. Phakapol Yawaluk	
Centra Government Complex Hotel & Convention Centre Cheang Watthana		Mr. Asdang Sukwises	
Waterfront Suites Phuket by Centara		Mr. Austin Robinson	
Centara Ceysands Resort & Spa, Srilanka		Mr. Sisira Senaratne	
Centara Koh Chang Tropicana Resort		Mr. Pius Luechinger	
Centara Grand Phratamnak Resort Pattaya		Mr. Carl Duggan	
Sandy Beach Non Nuoc Resort Da Nang Vietnam, Managed by Centara		Mr. Steve Chong	
Centra Central Station Bangkok		Mr. Pattavee Pongnontakul	
The Blue Marine Resort & Spa Phuket managed by Centara		Ms. Regina Salzmann	
Centara Grand Modus Resort & Spa Pattaya		Mr. Panus (Alex) Jureeratana	
Centara Seaview Resort Khao Lak		Mr. Wayne Duberly	
Centara Pelican Bay Residence & Suites Krabi		Mr. Jerome Sim	
<b>Resort Manager</b>			
Centara Grand Azuri Resort & Spa Mauritius			Mr. Ivan Catherine
Centara Poste Lafayette Resort & Spa Mauritius			Mr. Kevin Govinden
Centra Coconut Beach Resort Samui			Mr. Khajohn Wimolcharoensuk
<b>Hotel Manager</b>			
Centara Villas Phuket			Mr. Dechanont Wangthong
Centra Taum Seminyak Bali			Mr. Agus Suananda
Centara Kata Resort Phuket			Ms. Wilawan Chiammanasombut
<b>CENTRAL RESTAURANT GROUP</b>			
CEO			Mr. Thiradej Chirathivat
COO - Operations			Mr. Sucheep Tamacheepjaroen
CFO			Mrs. Nantana Techaboonpratan
VP Human Resources			Mrs. Premhatai Phungbun na Ayudhya
VP Marketing Group			Mr. Takrit Sanitprachakorn
VP Business Development			Mr. Nathapol Montolsophon
VP Supply Chain Management			Mrs. Ampaipan Chirathivat
VP Operations and GM Group			Mr. Chainarong Lerlertvanich
VP Operations Special Project			Ms. Pentip Ungpakorn
General Manager / Mister Donut			Mr. Kantapol Srisuwan
General Manager / KFC			Mrs.Kittiyaporn Kulphaibul
General Manager / Auntie Anne's			Mrs. Nongnapas Rumpeuy
President / Ootoya			Mr. Wichai Charoenthanmanon
General Manager / Pepper Lunch			Mrs. Orawan Komolphanporn
General Manager / Chabuton			Mr. Yasuto Togashi
General Manager / Cold Stone Creamery			Mrs. Wachiraporn Wanitchai
General Manager / The Terrace , RYU			Ms. Chatruedee Suttrakul
General Manager / Yoshinoya			Mr. Pol Sridaeng
General Manager / CRG Manufacturing			Mr. Rastam Benraheem
General Manager / Tenya			Ms. Ganokporn Pirawattanakul
General Manager / Katsuya			Mr. Parwit Amtim





## Thailand



## Overseas

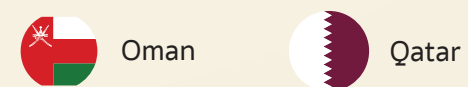
### Southeast Asia



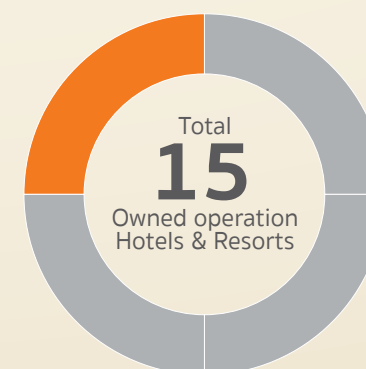
### Indian Ocean

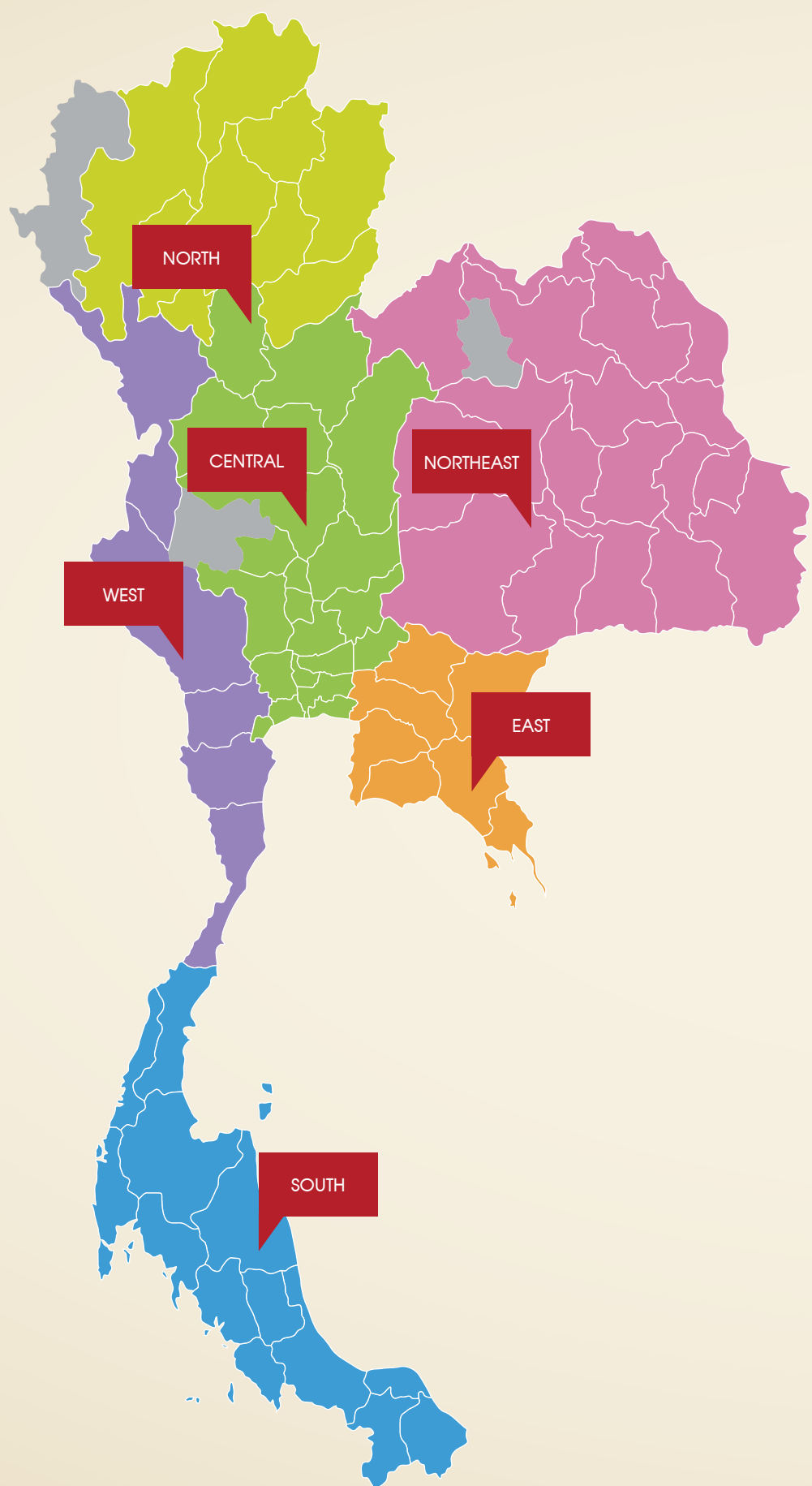


### Arabian Sea



### Africa





# Central Restaurants Group (CRG)

## Operate restaurants in 74 provinces

### NORTH 8 PROVINCES

Nan	Lampang	Uttaradit	Chiang Mai
Phayao	Lamphun	Chiang Rai	Phare

### CENTRAL 21 PROVINCES

Bangkok	Samut Songkhram	Lopburi	Suphanburi
Nonthaburi	Samut Sakhon	Saraburi	Chai Nat
Pathum Thani	Phra Nakhon Si Ayutthaya	Nakhon Nayok	Sukhothai
Nakhon Pathom	Ang Thong	Kamphaeng Phet	Phichit
Samut Prakan	Singburi	Nakhon Sawan	Phitsanulok
			Phetchabun

### WEST 5 PROVINCES

- Ratchaburi
- Phetchaburi
- Kanchanaburi
- Tak
- Prachuap Khiri Khan

### EAST 7 PROVINCES

Chanthaburi	Trat	Sa Kaeo
Chachoengsao	Prachinburi	
Chonburi	Rayong	

### NORTHEAST 19 PROVINCES

Kalasin	Bungkan	Si Sa Ket	Udon Thani
Khon Kaen	Buriram	Sakon Nakhon	Ubon Ratchathani
Chaigaphum	Maha Sarakham	Surin	Loei
Nakhon Phanom	Mukdahan	Nong Khai	Roi et
Nakhon Ratchasima	Yasothon	Amnat Charoen	

### SOUTH 14 PROVINCES

Krabi	Phang Nga	Satun
Chumphon	Phatthalung	Surat Thani
Trang	Phuket	Ranong
Nakhon Si Thammarat	Yala	Narathiwat
Pattani	Songkhla	

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SPA  
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**Cense**  
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**Mister Donut**

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**Auntie Anne's**  
PRETZEL PERFECT

โอโตะยะ  
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OOTOYA  
Japanese Restaurant

**Pepper Lunch**  
เปปเปอร์ ลันช์

ちやぶ屋 とんこつ ちゃんぽん  
—CHABUTON—  
ชาบูตง รามัน

โยชิโนยะ  
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吉野家

**COLD STONE**  
CREAMERY

**The Terrace**  
restaurant

**Ryu**  
SHABU SHABU

เทนปุระ  
**天ぷら**  
TEMPURA TENDON TENYA  
ASAHARA TOKYO

คัสสิยะ  
**かつ**  
KASUYA

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