



## The Acquisition of Charoensri Complex Project

Central Pattana Public Company Limited (“CPN”) is pleased to announce the acquisition of Charoensri Complex Project located in an established metropolitan area of Udon Thani Province, Northeastern region of Thailand. The acquisition has created great opportunities to diversify CPN’s portfolio with significant long-term redevelopment potential. The project has been renamed “*CentralPlaza Udon Thani*”.

On April 8, 2009 CPN acquired the Charoensri Complex Project for a total investment (initial investment plus renovation) of Bt 2,800 million. The transaction was funded through operating cash flow and long-term debts. CPN anticipates the transaction will be accretive in the current financial year.

### I. Project Overview

<b>Acquisition Date</b>	April 8, 2009
<b>Location</b>	45-2-86.5 rai (18.3 acre) land plot in downtown Udon Thani, located on Prajaksillapakhom Road, Maung District, Udon Thani Province
<b>Project Components</b>	<p><b>Shopping Complex</b> – <i>GFA 85,000 sqm/ NLA 49,000 sqm/ 6 levels</i> The largest in the Thailand-Laos borderland area with:</p> <ul style="list-style-type: none"><li>• 3-level department store including 2 specialty stores</li><li>• More than 400 retail shops including 7 restaurants and an entertainment complex.</li><li>• 2,900-sqm convention hall</li></ul> <p><b>3-Star Hotel</b> – <i>GFA 38,000 sqm / 13 levels</i></p> <ul style="list-style-type: none"><li>• A 3-star hotel with 255 rooms to be managed by Centara Hotels</li><li>• A ballroom and 8 small-and-medium sized meeting rooms</li></ul> <p><b>Parking Facility</b> – <i>underground and on-grade</i> Capable to accommodate more than 1,200 vehicles.</p>

### II. Background on the Property Acquired

The Charoensri Complex opened in 1994 and is a major regional shopping center, hotel and convention center in Udon Thani Province, approximately 70 km away from the Thailand-Laos border trade zone. The complex has four parts – the main shopping center including 7 cinemas (“Major Cineplex”) and 16-lane bowling alley (“Major Bowl Hit”), the 25,000-sqm adjoining department store (“Robinson Department Store” including two specialty stores “B2S” and “PowerBuy”), the adjacent Charoensri Grand Royal Hotel, and a 17-2-32.0 rai (7.0 acre) land plot for future expansion. The department store completed an extensive renovation in late 2008. The shopping center now offers a leasable area of 49,000 sqm with an occupancy rate of 99%. The hotel offers 255 guest rooms and operates with an average occupancy rate of 80%.

### III. Financial Information

The total investment (acquisition price and renovation cost) of Bt2,800 million will be spent over 2 year period (2009-2010). Part of this will be depreciated over approximately 20 years at a depreciation cost per year of Bt55.0 million.

### IV. Operation – Shopping Center

#### A. Leaseable Area:

The retail component of the complex has two parts – the Robinson Department Store including B2S and PowerBuy and the plaza housing variety of retail shops. Robinson Department Store is under a right to use agreement and has already paid its right payment up-front to the previous owner. Consequently, operating results of this property will not be recognized in CPN's income until the agreement expires in year 2025, however it will contribute to people traffic in CPN's plaza area.

		Net Leaseable Area (sqm)
<b>Total existing area</b>		<b>49,000</b>
	Robinson Department Store	25,000
	Plaza	24,000

#### B. Contract Type:

- Leaseable area classified as anchor includes Robinson department Store, Major Cineplex and Major Bowl Hit, and SportWorld.
- Anchor and retail space include some existing long-term lease area in which up-front lease payments have already been paid to the previous shopping center owner. Consequently, such long-term lease areas will generate no rental income to CPN until their contracts expired and renewed.
- Rental payment for anchor and retail space under % of sale and fixed rent will be collected on a monthly basis.

Existing contract type (Total leaseable area of 49,000 sqm)

Tenant	% of Leaseable Area	Contract Type	
Anchor	73%	LT Lease	70%
		ST Rent	30%
Retail	27%	LT Lease	26%
		ST Rent	74%
			100%

*Note: Long-term lease (LT Lease) tenant is required to pay upfront a lump-sum rental payment, which will be booked as unearned income and amortized as rental income throughout the lease term on a straight-line basis.*



### **C. Occupancy Forecast:**

- As at the acquisition, the occupancy rate of shopping center is approximately 99%. The occupancy should remain steady until the planned renovation starts.
- The renovation period is 1Q10 to 4Q10.

*Note: The occupancy forecast is calculated based on actual contract sale, offering letters not yet finalized and CPN's assumption on unsold area. Actual numbers may differ slightly.*

### **V. Operation – Hotel**

- The Hotel component offers 38,000-sqm of gross floor area (GFA) and consists of 255 guest rooms, a 2,900-sqm convention hall, ballroom and eight small-and-medium sized meeting rooms. Hotel facilities include restaurants, a lobby bar, karaoke lounge, fitness center and spa.
- The property has been placed under the management of the hands-on experienced Centara Hotel group and will be renamed to “Centara Udon Thani” (previously “Charoensri Grand Royal Hotel”).
- The hotel has an average occupancy of 80%.

Photo Gallery

## CentralPlaza Udon Thani Project (previously Charoensri Complex)

**Figure 1 and 2:** The exterior view of the front of CentralPlaza Udon Thani (previously “Charoensri Complex”) faces Teekathananont Rd.



**Figure 3, 4, 5 and 6:** Interior views of CentralPlaza Udon Thani highlighting tenants’ shops and kiosks.



**Figure 7 and 8:** Interior views highlighting two anchor tenants (“Robinson Department Store” and “Major Cineplex”)



**Figure 9 and 10:** Exterior and interior views of the Centara Udon Thani hotel (previously “Charoensri Grand Royal Hotel”)



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