

CPN REIT



ANNUAL REPORT
2020



THAILAND'S LARGEST RETAIL-FOCUSED
REAL ESTATE INVESTMENT TRUST

Central Rama 3





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SUMMARY OF CPNREIT

As of 31 December 2020

Thai Name	ทรัสต์เพื่อการลงทุนในสิทธิการเช่าอสังหาริมทรัพย์ CPN รีเทล โกรท
English Name	CPN Retail Growth Leasehold REIT
Ticker	CPNREIT
REIT Establishment	29 November 2017

Trustee	SCB Asset Management Company Limited
REIT Manager	CPN REIT Management Company Limited
Auditor	KPMG Phoomchai Audit Ltd.

Market Capitalization	THB 42,037.06 million	Closing Price as of 30 Dec 2020	THB 19.00 per Unit
Net Asset Value	THB 28,043.98 million	NAV per Unit	THB 12.6753 per Unit
Authorized Capital	THB 28,551.79 million	PAR Value	THB 12.9049 per Unit
Price/NAV	1.4989 time	Weighted Average Lease Expiry	34.22 years

CPNREIT was established on 1 December 2017 from the conversion from CPN Retail Growth Leasehold Property Fund (“CPNRF”). The trust units of CPNREIT were first traded on the Stock Exchange of Thailand on 14 December 2017.

Detail of Assets

As of 31 December 2020

Details	Project				
	Central Rama II	Central Rama III	Central Pinklao	Pinklao Office Building Tower A & Tower B	Central Chiangmai Airport
Location	No. 160 Rama 2 Road, Samae Dam Sub-district, Bang Khun Thian District, Bangkok	No. 79, 79/1-79/2, 79/4-79/33 Sathu Pradit Road, Chong Nonsi Sub-district, Yannawa District, Bangkok	No. 7/3-7/128, 7/129-7/221, 7/222-7/552 and 7/553, Borommaratchachonnani Road, Arun Ammarin Sub-district, Bangkok Noi District, Bangkok		No. 2 Mahidol Road, 252-252/1 Wualai Road, Haiya Sub-district, Mueang District, Chiangmai
Gross Area (SQ.M.)	251,182	169,740	137,692	50,653	122,991
Leasable Area (SQ.M.)	82,961	36,477	27,656	34,389	37,405
Parking Area (SQ.M.)	98,813	90,186	66,118		44,142
Land's Leasehold right	For 20 years and expires on 15 August 2025	For 30 years, and expires on 15 August 2035 ²	For approximately 15 years and expires on 31 December 2024		For 30 years and expires on 22 April 2044
Building's Leasehold right	For 20 years and expires on 15 August 2025 ¹	For 30 years, and expires on 15 August 2035 ²	For approximately 15 years and expires on 31 December 2024		For 30 years and expires on 22 April 2044
Date of Valuation	31 December 2020	30 December 2020	30 December 2020		30 December 2020
Fair value (THB million)	24,112	11,888	3,498	728	10,287
Appraiser	Quality Appraisal Co., Ltd.	Siam City Appraisal Co., Ltd.			
Method of Valuation	Income Approach				

Remark :

¹ The registration of the leasehold rights over the real property in the Central Rama 2 (Renewal) was completed on 31 Mar 2020 and the lease term is 30 years (until 15 Aug 2055). In this regard, CPNREIT will proceed with seeking sources of funds for rental payment in 2025.

² The right to renew the lease agreement for 2 further terms of 30 years each

Details	Project			
	Central Pattaya	Hilton Pattaya Hotel	The Ninth Towers Office Building	Unilever House Office Building
Location	No.333/99 and 333/101 Moo 9 Pattaya 1 Road, Nong Prue, Bang lamung, Chonburi		No. 33/4, Rama 9 Road, Huaykwang Sub-District, Huaykwang District, Bangkok	No. 161, Rama 9 Road, Huaykwang, Sub-District, Huaykwang District, Bangkok
Gross Area (SQ.M.)	70,095	49,686	95,997	30,176
Leasable Area (SQ.M.)	29,388	15,182	59,322	18,527
Parking Area (SQ.M.)	14,930	572	27,206	10,035
Land's Leasehold right	-		-	-
Building's Leasehold right	For approximately 20 years and expires on 31 August 2037		For approximately 27 years and expire on 18 April 2047	For approximately 15 years and expire on 14 November 2034
Date of Valuation	30 December 2020		31 December 2020	31 December 2020
Fair value (THB million)	7,145	3,452	5,704	1,347
Appraiser	Siam City Appraisal Co., Ltd.		Quality Appraisal Co., Ltd	
Method of Valuation	Income Approach			

Investment proportion

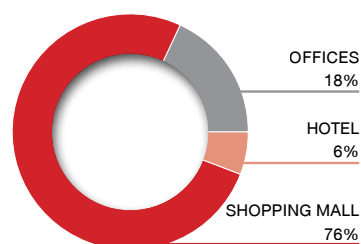


DIRECT
100 %

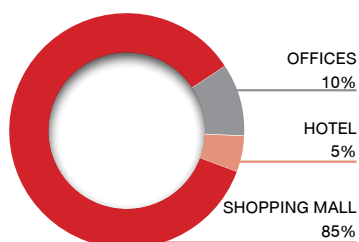


LEASEHOLD RIGHT
100 %

Revenue Structure

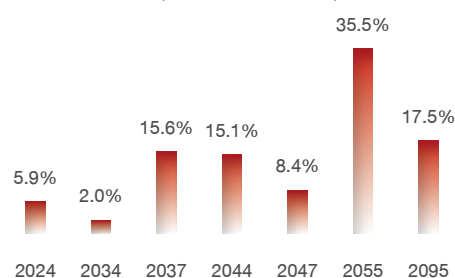


Asset Type (Appraisal Value)



Weighted Average Lease Expiry (WALE)

(% of total leasehold)

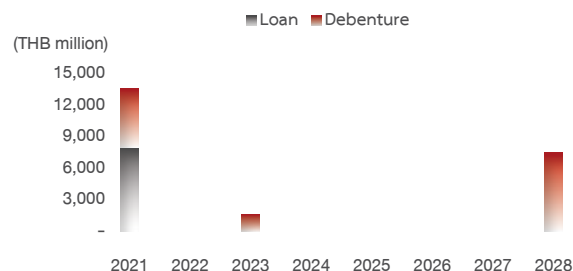


Investment Structure

(THB million)

Total Assets	71,577.17
Total Liabilities	43,533.19
Equity	28,767.88
Retained earnings (Deficit)	(723.90)
Debt/Total assets	32.2%
Credit Rating by TRIS Rating	AA

Debt Expiry Profile



List of the top 5 trust unitholders as of 30 December 2020

Trust Unitholders	No. of trust units	%
1. Central Pattana Public Company Limited	590,521,686	26.69
2. TMB EASTSPRING Property and Infrastructure Income Plus Flexible	72,397,000	3.27
3. Government Saving Bank	68,004,833	3.07
4. Social Security Office	60,369,500	2.73
5. SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	52,352,308	2.37
Foreign Limit	100.00%	
Current Foreign Holding	9.35%	

Distribution Payment Policy

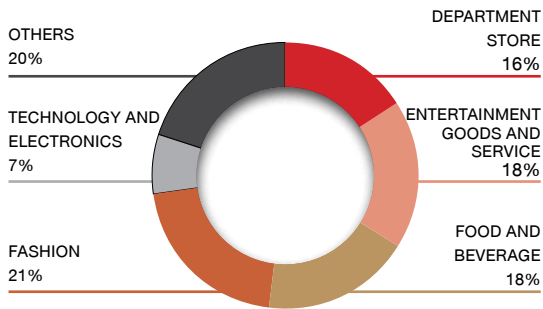
CPNREIT shall make distribution of returns not less than 90% of the adjusted net profit of such accounting period and not less than 2 times per year.	Type of Payment (THB per Unit)	2017	2018	2019	2020	Total
	Distribution of returns	-	1.6170	1.6230	0.2707	3.5107
	Capital Reduction	0.2879 ¹	-	-	0.4712	0.7591
	Total	0.2879	1.6170	1.6230	0.7419	4.2698

Remark: ¹ Payment from the operation period of CPNRF from 1 Oct – 30 Nov 2017 before the conversion to CPNREIT and the operation period of CPNREIT from 29 Nov – 31 Dec 2017.

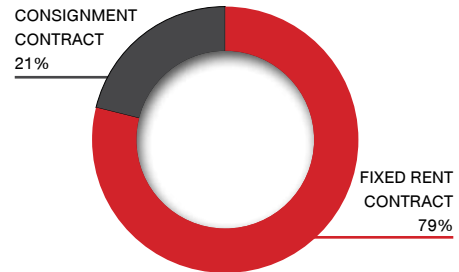
Detail of Tenants

As of 31 December 2020

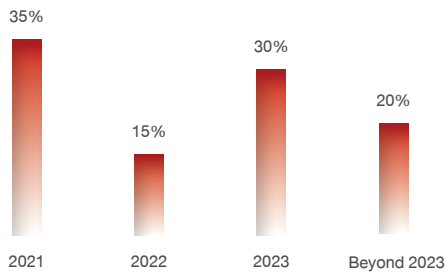
%Merchandise Mix
(% of leasable area)



Rental Structure



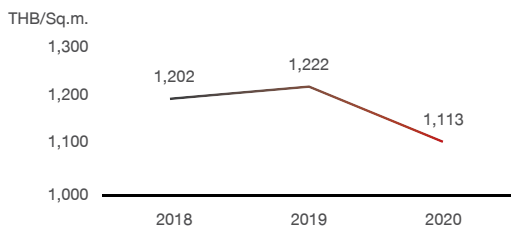
Lease Expiry Profile
(% of leasable area)



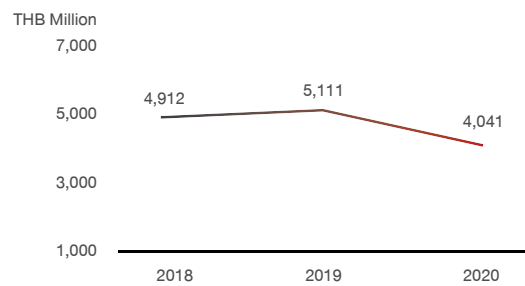
%Renewal Leases

year	Existing Assets	Additional Assets
2018	85	-
2019	96	-
2020	98	95

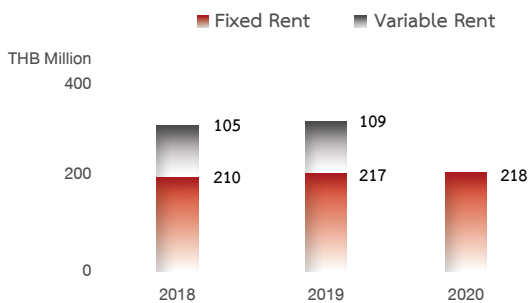
Average Rental Rate
(Shopping Malls and Offices)



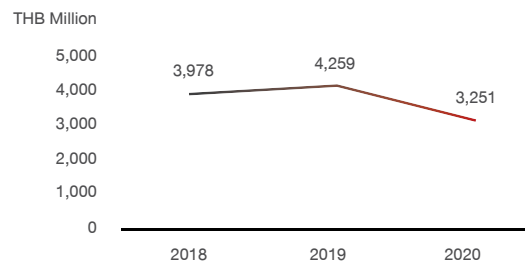
Revenue



Total Rent from Sub-Lessee



EBITDA



Operation Outcome

Financial figures highlights	Unit	2018	2019	2020
Income	THB Million	4,912	5,111	4,041
Other Income	THB Million	15	30	28
EBITDA	THB Million	3,978	4,259	3,251
Net Investment Income	THB Million	3,578	3,756	1,538
Earnings Per Unit (EPU)	THB	1.6171	1.6977	0.6949
Distribution Per Unit (DPU)	THB	1.6170	1.6230	0.2707 ¹
Capital Reduction	THB Baht	-	-	465
Interest bearing debt to total assets	Times	0.31	0.31	0.32
Finance cost ²	Percentage	2.77	3.46	3.15
Net Cash Provided By (Used In) Operating Activities	THB Million	2,833	4,210	(5,299)
Net Cash Provided By (Used In) Financing Activities	THB Million	(3,544)	(4,042)	5,951
Net Increase (Decrease) In Cash	THB Million	(711)	168	652
Net Assets Value (NAV)	THB Million	29,995	29,701	28,044
Net Assets Per Unit	THB	13.5573	13.4244	12.6753
Price / NAV	Times	1.88	2.44	1.50
Dividend Yield	Percentage	6.34	4.96	1.42
Market Cap	THB Million	56,418	72,459	42,037
Closing price	THB per unit	25.50	32.75	19.00

Remark: ¹In 2020 CPNREIT announced the distribution of returns of THB 0.2707 per unit and announced the payment inform of capital reduction of THB 0.4712 per unit.

²Financial cost excluded interests form lease liabilities (average)

Borrowings and Debentures at year ended 2020

Borrowings		Debentures	Amount (THB Million)	Maturity (Years)	Interest Rate (Percentage)	Maturity Date
1. Lender	Financial institutions	CPNREIT218A	2,650	3	2.70	17 Aug 2021
Amount (THB Million)	6,985	CPNREIT288A	7,390	10	3.80	17 Aug 2028
		CPNREIT212A	2,700	2	2.54	8 Feb 2021
2. Lender	Financial institutions	CPNREIT232A	1,795	4	3.30	8 Feb 2023
Amount (THB Million)	1,539	Total	14,535			

More information is available in the 56-REIT1 on www.sec.or.th or www.cpnreit.com





MESSAGE FROM THE CHAIRMAN

Dears Trust Unitholders

In the 2020 operation of CPN Retail Growth Leasehold REIT (CPNREIT), the REIT Manager recognized the implications of the COVID-19 outbreak which began in late 2019 and then spread to countries around the world, including Thailand. The pandemic has brought forward a new normal in businesses, product and service distribution, restaurants, tourism and hotel business, education, working, spending behaviors, entertainment activities that must pay more attention to hygiene standards, and servicing that must focus on the safety and wellbeing of all groups of stakeholders and strictly abide by the government sector's measures to curb and prevent the spread of COVID-19.

Therefore, the REIT Manager, in collaboration with the property manager, has taken proactive measures to manage CPNREIT's properties for efficient benefit procurement in tandem with the fast-changing circumstances. During the temporary closure of shopping malls and hotels as ordered by the government, we provided assistance to the affected shops by giving either a rental rebate or a rental waiver and expedited the renovation of Hilton Pattaya Hotel, which started in April and was finished in December 2020, to improve its operational efficiency. At the same time, we implemented stringent measures to reduce costs and curtail operating expenses with a view to alleviating the impacts on CPNREIT's revenues and profitability. We gave priority to maintaining cash flow and making preparations for liquidity to support business operation in a challenging environment.

To boost CPNREIT's income generation capacity and drive its growth, the REIT Manager made additional asset investments according to the resolution of the Extraordinary General Meeting of Unitholders No. 1/2019. In March 2020, we invested in two office buildings, The Ninth Towers and Unilever House, through a transfer of leasehold rights from GLAND Office Leasehold Real Estate Investment Trust (GLANDRT) and registered the leasehold right of Central Rama 2 Project (Renewal Period) for a lease term of about 30 years, with rental payment due in 2025. However, CPNREIT decided to postpone the remaining investments due to the capital market volatility in the wake of the COVID-19 outbreak.

As soon as investment condition in the capital market tended to recover in late 2020, CPNREIT proceeded to invest in two more projects, Central Marina and Central Lampang, through issuance and offering of additional trust units, with the transfer completely made on February 25, 2021. As for Central Suratthani and Central Ubonratchathani, the REIT Manager will make investment in these two projects when investment condition in the capital market becomes favorable for issuance and offering of trust units so as to ensure completion of the investment as approved by the Extraordinary General Meeting of Unitholders No. 1/2019.

The REIT Manager would like to thank all unitholders for your ongoing trust and support. We are determined to manage CPNREIT towards sustainable growth and generate stable returns for the unitholders through business operation under the good governance policy.

Ms. Auyporn Footrakul

**Chairman of the Board of Directors
CPN REIT Management Company Limited
The REIT Manager of CPNREIT**

Central Rama 2





OBJECTIVE, INVESTMENT POLICY AND NATURE OF BENEFIT PROCUREMENT

Objective and Investment Policy of CPNREIT

1. Objective of CPNREIT

The objective of CPNREIT is to invest in the core properties by means of purchasing and/or leasing and/or sub-leasing and/or accepting transfer of leasehold rights and/or sub-leasehold rights of properties. CPNREIT shall seek benefits from such core properties in the form of rental and service fees, or any other income of similar nature. In addition, CPNREIT will engage in modification, change, enhancement of potential, development and/or disposal of assets for the purpose of generating income and returns for the interest of unitholders in the long run. CPNREIT also aims to make additional investments in core properties for the purpose of continuous growth of its income base, as well as to invest in other assets and/or securities and/or seek interests by any other means in compliance with the securities law and/or any other applicable laws.

2. Investment Policy

CPNREIT will focus on its investments in immovable properties, leasehold rights in immovable properties, and sub-leasehold rights in high-end immovable properties, particularly shopping malls. CPNREIT will also invest in other types of immovable properties that are related to or complement immovable properties in the category of shopping malls, such as assets for commercial purposes, office buildings, hotels, and serviced apartments, etc., as core assets of CPNREIT. CPNREIT will do so by means of purchasing and/or leasing and/or sub-leasing and/or accepting transfer of leasehold rights and/or sub-leasehold rights in the core assets, and place emphasis on the generation of benefits in the form of rental income and service fees, or any other income of a similar nature. In addition, CPNREIT shall cause improvement, change, enhancement, development, and/or disposal of assets for the purposes of generating income and returns to CPNREIT in the continuous interests of the unitholders in the long-term. Furthermore, CPNREIT also intends to make additional investments in additional assets in order to achieve the continuous growth of its income and so as to diversify risks through investment in immovable properties in different locations, as well as to invest in other assets and/or securities and/or to seek other benefits from any other methods in accordance with the Securities Laws and/or any other relevant laws.

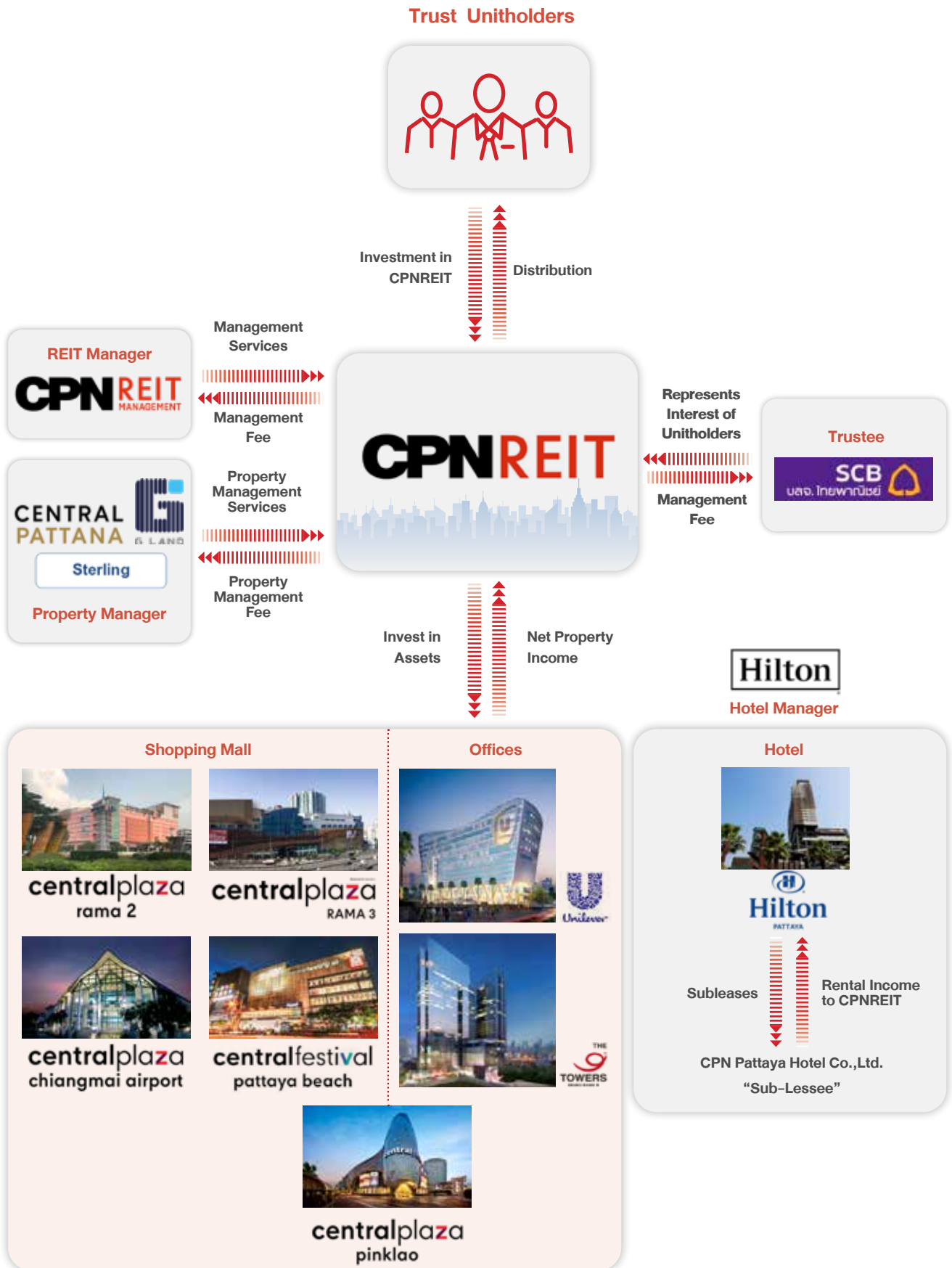
Significant change and development

- CPNREIT invested in The Ninth Towers Office Building Project on 1 March 2020 and in Unilever House Office

Building Project on 2 March 2020. It registered with the Land Office a transfer of leasehold rights of immovable properties in the two projects from GLAND Office Leasehold Real Estate Investment Trust (“GLANDRT”) on 2 March 2020.

- CPNREIT registered the leasehold right of Central Rama 2 Project (Renewal Period) with the Land Office on 31 March 2020, and will start rental payment for this project in 2025.
- Shopping malls under CPNREIT’s management were temporarily closed in accordance with the government’s notification to control the spread of COVID-19 from 22 March to 16 May 2020. All zones of the shopping malls were closed, except zones for financial institution branches and supermarket floor where certain types of businesses were allowed to open according to announcements of the concerned authorities.
- Hilton Pattaya Hotel was temporarily closed in accordance with the government’s notification from April 2020 onwards. During such period, the hotel was speedily renovated from April to December 2020.
- Central Rama 2 Project was renovated from July 2020 onwards. The renovation was gradually carried out in phases, expected to be completed in October 2021.
- On 22 July 2020, TRIS maintained credit rating of CPNREIT and its senior unsecured debentures at “AA” with “Negative” outlook.
- On 24 November 2020, the REIT Manager filed the registration statement for offering of trust units and the draft prospectus to the Office of the Securities and Exchange Commission (“SEC”) for the issue and offering of additional trust units in the amount of not exceeding 355,557,300 units. Proceeds from such capital increase will be used for investment in Central Marina and Central Lampang at a total value of Baht 5,672 million (excluding registration fee, value added tax, stamp duty, and other related fees and expenses). As regards the investment in Central Suratthani and Central Ubonratchathani, the REIT Manager will consider making investment in those properties when the investment environment in the capital market is favorable for the issue and offering of trust units so that the entire investment will be accomplished according to the resolution of the Extraordinary General Meeting of Unitholders No. 1/2019.

Structure of CPNREIT



Detail of Total Assets

As of 31 December 2020



TOTAL ASSETS

71,577,174,291 (THB)



NET ASSET VALUE

28,043,980,974 (THB)



NET ASSET VALUE PER UNIT

12.6753 (THB)



PRICE

19.00 (THB)

(as of 30 Dec 2020)

As of 31 December 2020	Value (THB)	% to NAV
Investments measured at fair value through profit or loss	1,072,799,128	3.8
Investments in leasehold properties at fair value	68,269,714,006	243.4
Cash equivalents	1,162,096,779	4.2
Accrued rental and service receivables	644,432,310	2.3
Refundable value added tax	319,032,642	1.1
Prepaid expenses	27,765,708	0.1
Other assets	81,333,718	0.3
Total Assets	71,577,174,291	255.2

Details of Properties invested by CPNREIT

CPNREIT had been investing in 7 Projects, 5 shopping malls, 4 office buildings, and hotel. In 2020, CPNREIT completely invested in The Ninth Towers Office Building and Unilever House Office Building in accordance with the resolutions of the Extraordinary General Meeting of Trust Unitholders of CPNREIT No. 1/2019 (EGM 1/2019), details are as follows:



YEARLY AVERAGE
OCCUPANCY RATE (%)

94.2



RENTAL STRUCTURE (%)

FIXED **40**

% OF
TENANT
SALES **60**





CENTRAL RAMA 2 PROJECT



General Information of Asset

Central Rama 2 Project was completely developed and has been operating since December 2002. Central Rama 2 is located on Rama 2 Road, one of the most important roads in term of economics. It is the main road for transportation towards Southern region of Thailand and it is surrounded by large residential communities and numbers of industrial factories in the Western and Southern parts of Bangkok with developed transportation and communication network. The Project is located at No. 160 Rama 2 Road, Samae Dam Sub-district Bang Khun Thian District, Bangkok.

Details of Central Rama 2 Project

(as of 31 December 2020)

Characteristic of Investment in Central Rama 2 (the agreement expiring on 15 August 2025)	<ol style="list-style-type: none"> 1. Sub-leasehold rights over the land with the total land area of 53-2-38.4 rais. 2. Leasehold rights over immovable properties (partial) including parking areas (partial) 3. Leasehold rights over utilities systems which are related to the project. <p>For a period of approximately 20 years, with the remaining leasehold period of approximately 4 years (the agreement expiring on 15 August 2025).</p> <ol style="list-style-type: none"> 4. Ownership of movable assets which are related to the project.
Characteristic of Investment in Central Rama 2 (Renewal Period)	<ol style="list-style-type: none"> 1. Leasehold rights (excluding Land) over immovable properties for approximately 30 years from Central Pattana Rama 2, the agreement start from 16 August 2025 to 15 August 2055. These comprise building areas, common areas, and parking areas which are related to the project. The investment area is approximately 264,530 square meters. 2. Leasehold rights over utilities systems which are related to the project for approximately 30 years from Central Pattana Rama 2 since 16 August 2025 to 15 August 2055, which will comprise the electrical system, utilities system, telephone system, elevators, escalators, air conditioning system, engineering works system, wastewater treatment system, and various facilities that have been installed and used in the building and structures of the project which will be invested in by CPNREIT. <p>At present, CPNREIT is the owner of movable assets of Central Rama 2 Project, therefore, there will be no additional investment in these assets.</p>
Property Manager	Central Pattana Public Company Limited (CPN)
Building Area	Gross Floor Area (include parking area) approximately 251,182 sq.m. Gross Leasable Area approximately 82,961 sq.m.
Date of Transfer from CPNRF	1 December 2017
Transfer Value from CPNRF	THB 7,186 million
Cost as of 31 Dec 2020	THB 24,333 million
Fair Value as of 31 Dec 2020	THB 24,221 million



YEARLY AVERAGE
OCCUPANCY RATE (%)

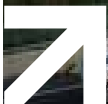
96.5



RENTAL STRUCTURE (%)

FIXED **61**

% OF
TENANT
SALES **39**





CENTRAL RAMA 3 PROJECT



General Information of Asset

Central Rama 3 Project was completely developed and has been operating since October 1997. It's located in one of the best locations of Sathupradit Road which is a continuous area in the heart of Bangkok (Sathorn and Silom). The area is known as one of the main residential and business areas of Bangkok. Central Rama Project 3 is located at No. 79, 79/1-79/2, 79/4-79/33 Sathu Pradit Road, Chong Nonsi Sub-district, Yannawa District, Bangkok.

Details of Central Rama 3 Project

(as of 31 December 2020)

Characteristic of Investment	<ol style="list-style-type: none">1. Leasehold right over the land with the total area of 12-2-44.6 rais.2. Leasehold rights over immovable properties, these comprise building areas (partial), and all parking areas. For approximately 30 years, with the remaining lease period of approximately 15 years (the agreement expiring on 15 August 2035). CPNREIT is entitled to renew the lease agreement for another 2 times, for a period of 30 years each as CPNRF (which was converted into CPNREIT) has paid single and full amount of rental fee and deposit pursuant to the condition of the lease agreement).3. Leasehold rights over utilities systems which are related to the project.4. Ownership of movable assets which are related to the project.
Property Manager	Central Pattana Public Company Limited (CPN)
Building Area	Gross Floor Area (include parking area) approximately 169,740 sq.m. Gross Leasable Area approximately 36,477 sq.m.
Date of Transfer from CPNRF	1 December 2017
Transfer Value from CPNRF	THB 9,179 million
Cost as of 31 Dec 2020	THB 9,704 million
Fair Value as of 31 Dec 2020	THB 11,888 million

CENTRAL PINKLAO



YEARLY AVERAGE
OCCUPANCY RATE (%)

99.2



RENTAL STRUCTURE (%)

FIXED **63**

% OF
TENANT
SALES **37**



Pinklao Tower A
and Tower B



YEARLY AVERAGE
OCCUPANCY RATE (%)

86.5



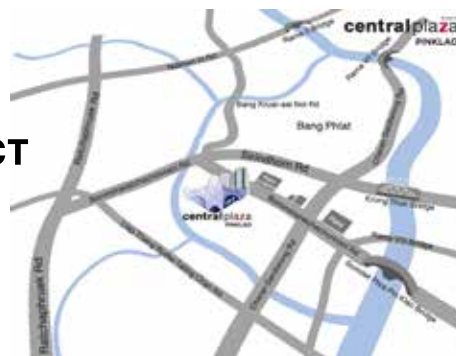
RENTAL STRUCTURE (%)

FIXED **100**





CENTRAL PINKLAO PROJECT AND PINKLAO TOWER A AND TOWER B OFFICE BUILDINGS PROJCT



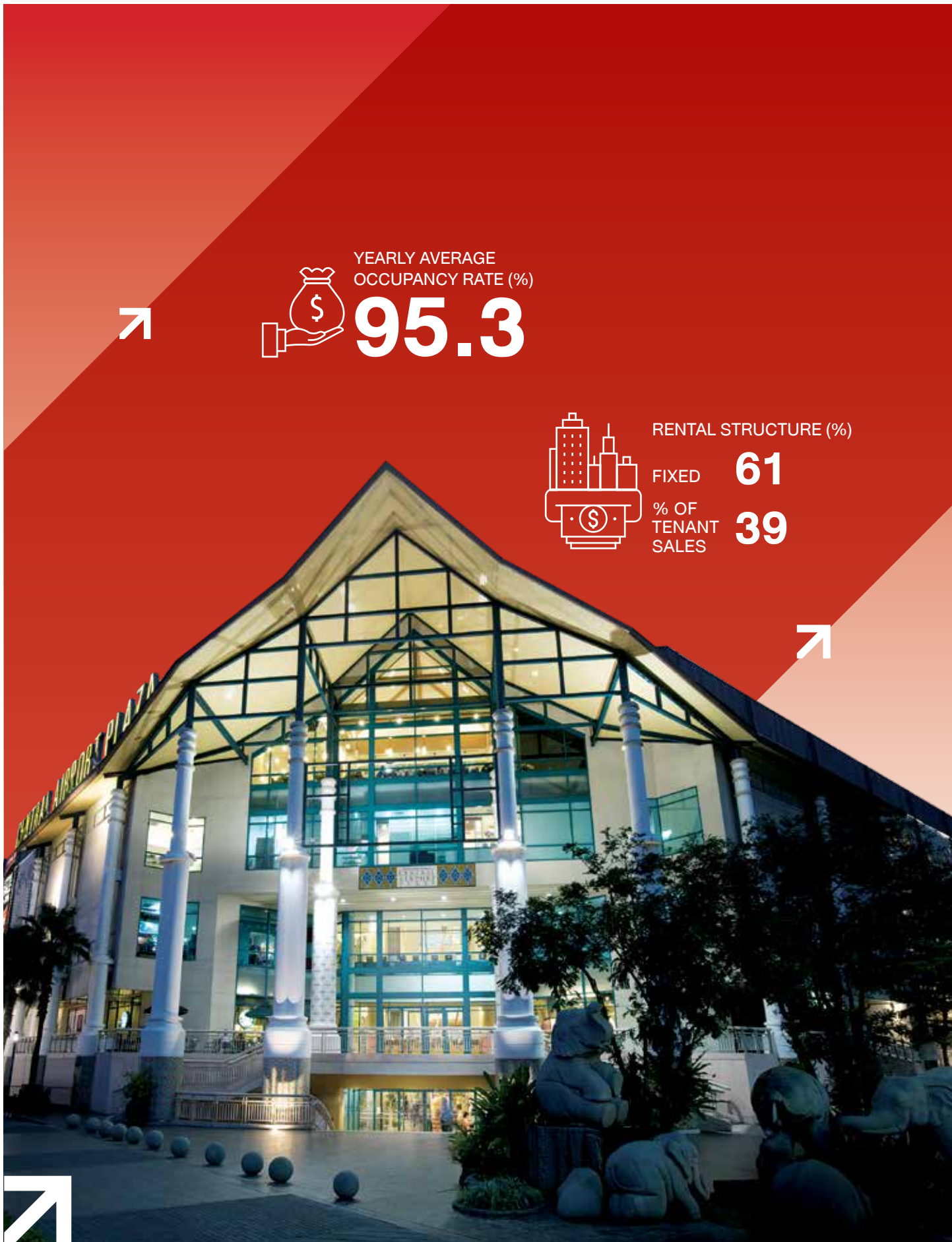
General Information of Asset

Central Pinklao Project was completely developed and has been operating since March 1995. It is a large commercial real estate project, located on Borommaratchachonnani Road, the main road on the west side of Bangkok. The project consists of Central Pinklao shopping mall, Pinklao Tower A, and Tower B, and Central Department Store building. Central Pinklao shopping mall and office buildings are located at No. 7/3-7/128, 7/129-7/221, 7/222-7/552 and 7/553, Borommaratchachonnani Road, Arun Ammarin Sub-district, Bangkok Noi District, Bangkok.

Details of Central Pinklao Project

(as of 31 December 2020)

Characteristic of Investment	<ol style="list-style-type: none"> 1. Sub-leasehold right over the land with the total area of 24-2-84 rais. 2. Leasehold rights over immovable properties, these comprise one shopping mall building (partial), and two office buildings, as well as parking areas inside the building. 3. Leasehold rights over utilities systems which are related to the project. For approximately 15 years, with the remaining lease period of approximately 4 years (the agreement expiring on 31 December 2024). 4. Ownership of movable assets which are related to the Project Invested by CPNREIT.
Property Manager	Central Pattana Public Company Limited (CPN)
Building Area	Gross Floor Area (include parking area) approximately 188,345 sq.m. Gross Leasable Area approximately 62,045 sq.m.
Date of Transfer from CPNRF	1 December 2017
Transfer Value from CPNRF	THB 5,543 million
Cost as of 31 Dec 2020	THB 5,649 million
Fair Value as of 31 Dec 2020	THB 4,226 million



YEARLY AVERAGE
OCCUPANCY RATE (%)

95.3



RENTAL STRUCTURE (%)

FIXED

61

% OF
TENANT
SALES

39





CENTRAL CHIANGMAI AIRPORT PROJECT



General Information of Asset

Central Chiangmai Airport Project is the one of the largest shopping mall in Chiangmai and the upper northern region. It was completely developed and has been operating since 1993 (the year Central Pattana acquired the project). Central Chiangmai Airport Project is located at No. 2 Mahidol Road, 252-252/1 Wualai Road, Haiya Sub-district, Muang District, Chiangmai, whereby Mahidol Road is one of the main roads of Chiangmai. Furthermore, the shopping mall is located closely to Chiang Mai International Airport.

Details of Central Chiangmai Airport Project

(as of 31 December 2020)

Characteristic of Investment	<ol style="list-style-type: none"> 1. Leasehold right over the land where the shopping mall building is located. Multi-purpose buildings, indoor car parking, including roads around the project and entrance (partial) of Central Chiang Mai Airport project with the total area of 32-3-56.85 rais. 2. Leasehold rights over immovable properties, these comprise one shopping mall building areas (partial), one multipurpose hall, as well as parking areas which are related to the project. (proportional to the use of shopping mall area and multi-purpose building invested by CPNREIT). 3. Leasehold rights over utilities systems which are related to the Project Invested by CPNREIT. <p>For approximately 30 years with the remaining lease period of approximately 24 years (the agreement expiring on 22 April 2044).</p> <ol style="list-style-type: none"> 4. Ownership of movable assets which are related to the project.
Property Manager	Central Pattana Public Company Limited (CPN)
Building Area	Gross Floor Area (include parking area) approximately 122,991 sq.m. Gross Leasable Area approximately 37,405 sq.m.
Date of Transfer from CPNRF	1 December 2017
Transfer Value from CPNRF	THB 10,494 million
Cost as of 31 Dec 2020	THB 10,532 million
Fair Value as of 31 Dec 2020	THB 10,287 million



YEARLY AVERAGE
OCCUPANCY RATE (%)

95.9



RENTAL STRUCTURE (%)

FIXED **46**

% OF
TENANT
SALES **54**





CENTRAL PATTAYA PROJECT AND HILTON PATTAYA HOTEL PROJECT



General Information of Asset

Central Pattaya Project was completely developed and has been operating since January 2009. It is located near the largest coastline in Southeast Asia. Hilton Pattaya Hotel, a 5-star hotel, is located within the same project as the shopping center, was completely developed and started its operation since November 2010. Central Pattaya and Hilton Pattaya Hotel Project is located at No. 333/99 and No. 333/101 Moo. 9 Pattaya Sai. 1 Nong Prue Sub-district Bang Lamung District, Chonburi Province.

Details of Central Pattaya and Hilton Pattaya Hotel Project

(as of 31 December 2020)

Central Pattaya	
Characteristic of Investment	<ol style="list-style-type: none"> 1. Leasehold/subleasehold rights over the immovable properties comprising: 1. building areas (partial), and parking areas (partial), which are related to the project. Nonetheless, the leased properties are exclusive of areas of which 1) CPN Pattaya Co., Ltd. ("CPN Pattaya") leased out to tenants who have made rental payments on a long-term basis, and under renovation, and 2) relevant parking areas in respect of CPN Pattaya rights 2. Leasehold rights over utilities systems which are related to the project. These will comprise electrical system, utilities system, telephone system, elevators, escalators, air conditioning system, engineering works system, wastewater treatment system, and various facilities that have been installed and used in the building and structures of the Project. For approximately 20 years with the remaining lease period of approximately 17 years (the agreement expiring on 31 August 2037). 3. Ownership of movable assets which are related to the project, which will comprise equipment for decoration, tools, instruments, whether are permanently fixed or not, including other equipment used for the purpose of decorating or facilitating users of the building and structures of the Project, which are located on and/or fixed on the exterior or in the interior of the areas of the building and structures of the Project, or on the surface of the building and structures of the Project including any other rights relating to or in connection with the aforementioned properties (as the case may be), excluding the properties that are component parts of the building and structures.
Property Manager	Central Pattana Public Company Limited (CPN)
Building Area	Gross Floor Area (include parking area) approximately 70,095 sq.m. Gross Leasable Area approximately 29,388 sq.m.
Investment Date	1 December 2017
Investment Value	THB 8,154 million
Cost as of 31 Dec 2020	THB 8,343 million
Fair Value as of 31 Dec 2020	THB 7,145 million



2020 YEARLY AVERAGE
OCCUPANCY RATE (%)

60.5

(% OF TOTAL ROOMS AVAILABLE
FOR SALES IN 2020)

Hilton Pattaya Hotel

Characteristic of Investment	<ol style="list-style-type: none"> 1. Leasehold rights over the immovable properties comprising a hotel building and parking areas which are related to the project. 2. Leasehold rights over utilities systems which are related to the project. These will comprise electrical system, utilities system, telephone system, elevators, escalators, air conditioning system, engineering works system, wastewater treatment system, and various facilities that have been installed and used in the hotel building and structures of the Project. For approximately 20 years with the remaining lease period of approximately 17 years (the agreement expiring on 31 August 2037). 3. Ownership of movable assets which are related to the project, which will comprise equipment for decoration, tools, instruments, whether are permanently fixed or not, including other equipment used for the purpose of decorating or facilitating users of the hotel building and structures of the Project, which are located on and/or fixed on the exterior or in the interior of the areas of the hotel building and structures of the Project, or on the surface of the hotel building and structures of the Project including any other rights relating to or in connection with the aforementioned properties (as the case may be), excluding the properties that are component parts of the hotel building and structures.
Property Manager	CPN Pattaya Hotel Company limited (CPN Pattaya Hotel)
Hotel Manager	Hilton Group
Area	Gross Floor Area (include parking area) approximately 49,686 sq.m. 304 Rooms Remark: Gross Floor Area means guest room areas and other areas
Investment Date	1 December 2017
Investment Value	THB 3,754 million
Cost as of 31 Dec 2020	THB 3,947 million
Fair Value as of 31 Dec 2020	THB 3,452 million

Remark : For investment in Central Pattaya Project and Hilton Pattaya, CPNREIT did not invest in the plots of land where both assets are located; however, CPN Pattaya under the (partial) building lease agreement and the (partial) building sub-lease agreement with CPNREIT, permits customers and counterparty of CPNREIT, tenants in the leased properties under the agreements in which CPNREIT would make investments, the sub-lessee of properties from CPNREIT as well as any other service users of Hilton Pattaya to utilize certain areas where CPNREIT has not invested but related to such leased properties, e.g. common areas, parking lots, roads surrounding the real properties, and entrances and exits of Central Pattaya Project and Hilton Pattaya, which shall be deemed the areas for common use with free of compensation, whereby the interest of the operation of Central Pattaya and Hilton Pattaya are taken into account.



YEARLY AVERAGE
OCCUPANCY RATE (%)

87.3



RENTAL STRUCTURE (%)

FIXED

100





THE NINTH TOWERS OFFICE BUILDING PROJECT



General Information of Asset

The Ninth Towers Office Building Project is located at No. 33/4, Rama 9 Road, Huaykwang Sub-District, Huaykwang District, Bangkok. It was completely developed and has been operating since February 2014. The project comprises a 34-storey Tower A with 2-level basement and a 32-storey Tower B with 2-level basement. The basement, G Floor and the 2nd Floor of both towers are leasable areas for retail and common areas connecting between Tower A and Tower B. The parking areas are on 3rd to 10th Floor with parking capacity of approximately 1,100 cars. The Ninth Towers Office Building Project is part of the Grand Rama 9 Project which is developed by Grand Canal Land Public Company Limited (GLAND) Group to be a new central business district on the area located at the corner of Rama 9 Road and Ratchadaphisek Road intersection.

Details of The Ninth Towers Office Building Project

(as of 31 December 2020)

Seller	GLANDRT						
Characteristic of Investment	<ol style="list-style-type: none"> Leasehold rights over immovable properties for a remaining term of approximately 27 years whereas the leasehold rights will expire on 18 April 2047. These will comprise office building areas for lease areas, convention room areas, common areas and parking areas. Leasehold rights over utilities systems for a remaining term of approximately 27 years whereas the leasehold rights will expire on 18 April 2047. Ownership of movable assets tha CPNREIT invested, i.e. equipment for decoration, tools, instruments, whether are permanently fixed or not, including other equipment used for the purpose of decorating or facilitating users of the building and structures of the Project. Rights and obligations under the related agreements to be transferred from GLANDRT, and/or directly entering into any agreements with GLAND relating to or in connection with The Ninth Towers Office Building Project. 						
Property Manager	GLAND (Central Pattana holds 67.53 percent of shares in GLAND)						
Building Area	Gross Floor Area (include parking area) approximately 95,997 sq.m. Gross Leasable Area approximately 59,322 sq.m.						
Invesment Date	1 March 2020						
Investment Value	THB 5,847 million						
Expenses related to investment	Registration fees and value added tax totaling of THB 567 million						
Source of Fund	Loan from financial institutions						
Detail of Appraised Value by Appraisal	<p>Date of Valuation : 1 January 2020 Method of Valuation : Income Approach</p> <table border="1"> <thead> <tr> <th>Appraisal</th> <th>Valuation (THB Million)</th> </tr> </thead> <tbody> <tr> <td>Justice Property and Appraisal Co., Ltd (Justice)</td> <td>4,899</td> </tr> <tr> <td>S.L. Standard Appraisal Co., Ltd. (SL)</td> <td>4,744</td> </tr> </tbody> </table> <p>Remark : Justice changed its name to Power Land Plus Appraisal Co., Ltd. (SL)</p>	Appraisal	Valuation (THB Million)	Justice Property and Appraisal Co., Ltd (Justice)	4,899	S.L. Standard Appraisal Co., Ltd. (SL)	4,744
Appraisal	Valuation (THB Million)						
Justice Property and Appraisal Co., Ltd (Justice)	4,899						
S.L. Standard Appraisal Co., Ltd. (SL)	4,744						
Cost as of 31 Dec 2020	THB 6,113 million						
Fair Value as of 31 Dec 2020	THB 5,704 million						



YEARLY AVERAGE
OCCUPANCY RATE (%)

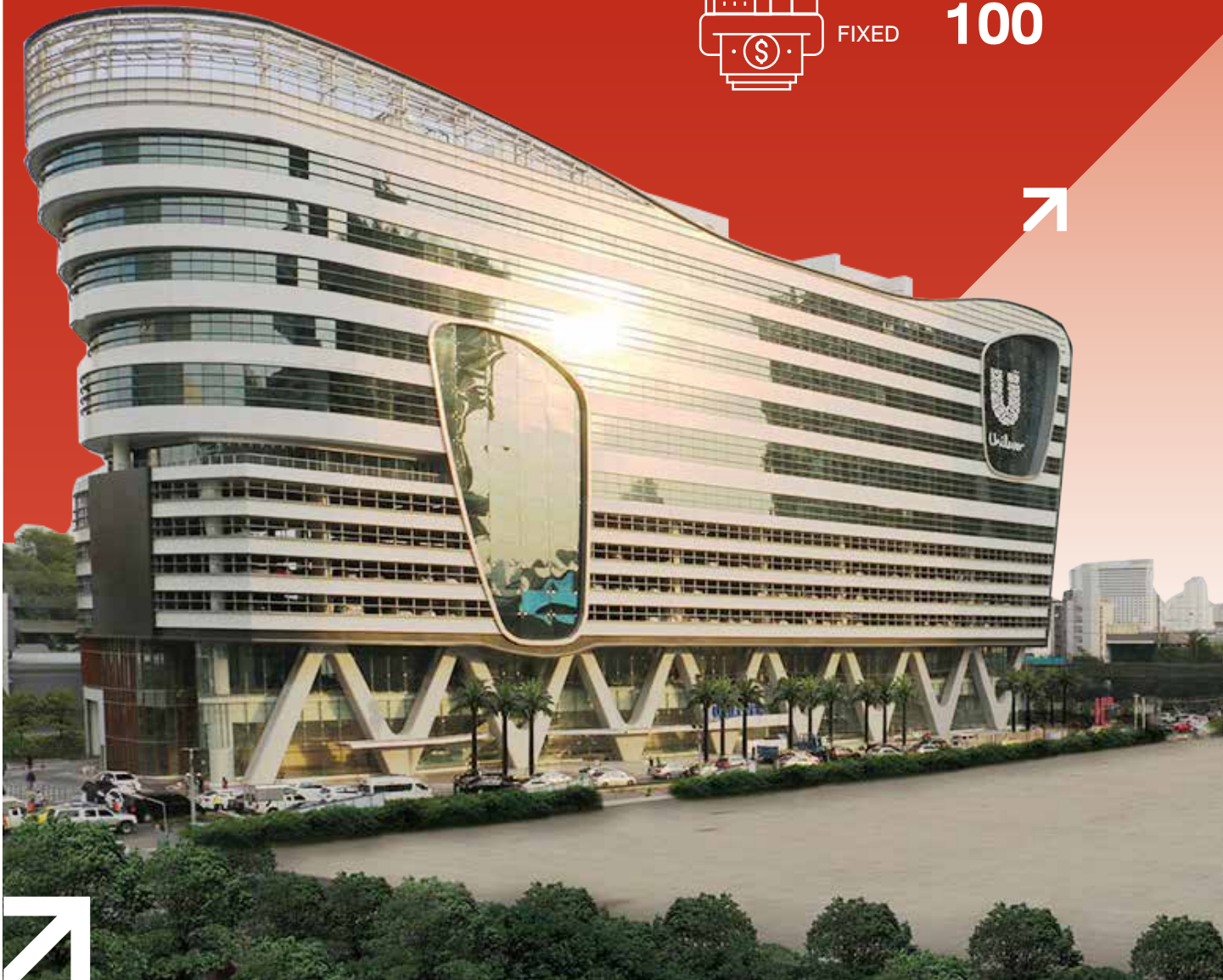
100



RENTAL STRUCTURE (%)

FIXED

100





UNILEVER HOUSE OFFICE BUILDING PROJECT



General Information of Asset

Unilever House Office Building was completely developed, and has been operating since December 2014. The project comprises a 12-storey building with 1-level basement for lease of offices and retail shops together with parking areas from 3rd to 6th Floor with parking capacity of approximately 409 cars. Unilever House Office Building Project is part of the Grand Rama 9 Project which is developed by GLAND Group to be a new central business district on the area located at the corner of Rama 9 Road and Ratchadaphisek Road intersection.

Details of Unilever House Office Building Project

(as of 31 December 2020)

Seller	GLANDRT						
Characteristic of Investment	<ol style="list-style-type: none"> 1. Leasehold rights over immovable properties approximately 14 years whereas the leasehold rights will expire on 14 November 2034, which comprise office building areas for lease and common areas, and parking areas relating to the said areas. 2. Leasehold rights over utilities systems approximately 14 years whereas the leasehold rights will expire on 14 November 2034. 3. Ownership of movable assets, i.e. equipment for decoration, tools, instruments, whether are permanently fixed or not, including other equipment used for the purpose of decorating or facilitating users of the building and structures of the Project, which are located on and/or fixed on or in the interior of the areas of the building and structures of the Project, or on the internal surface of the building and structures of the Project, and/or in the leased areas occupied by tenants in the building and structures of the Project, including any other rights relating to or in connection with the aforementioned properties (as the case may be), excluding the properties that are component parts of the building and structures. 4. Rights and obligations under the related agreements to be transferred from GLANDRT, and/or directly entering into any agreements with GLAND relating to or in connection with Unilever House Office Building Project. 						
Property Manager	Sterling Equity Co., Ltd. (Sterling), a subsidiary of GLAND						
Area	Gross Floor Area (include parking area) approximately 30,176 sq.m. Gross Leasable Area approximately 18,527 sq.m.						
Investment Date	2 March 2020						
Investment Value	THB 1,583 million						
Expenses related to investment	Registration fees and value added tax totaling of THB 174 million						
Source of Fund	Loan from financial institutions						
Detail of Appraised Value by Appraisal	<p>Date of Valuation : 1 January 2020 Method of Valuation : Income Approach</p> <table border="1"> <thead> <tr> <th>Appraisal</th> <th>Valuation (THB Million)</th> </tr> </thead> <tbody> <tr> <td>Justice Property and Appraisal Co., Ltd (Justice)</td> <td>1,285</td> </tr> <tr> <td>S.L. Standard Appraisal Co., Ltd. (SL)</td> <td>1,284</td> </tr> </tbody> </table> <p>Remark : Justice changed its name to Power Land Plus Appraisal Co., Ltd. (SL)</p>	Appraisal	Valuation (THB Million)	Justice Property and Appraisal Co., Ltd (Justice)	1,285	S.L. Standard Appraisal Co., Ltd. (SL)	1,284
Appraisal	Valuation (THB Million)						
Justice Property and Appraisal Co., Ltd (Justice)	1,285						
S.L. Standard Appraisal Co., Ltd. (SL)	1,284						
Cost as of 31 Dec 2020	THB 1,673 million						
Fair Value as of 31 Dec 2020	THB 1,347 million						

Performance outcomes of each project can be summarized as follow:

Project	Area (sq.m.)	Yearly average occupancy rate for 2020 (%)	Rental and service income for 2020 (THB Million)
Central Rama 2	82,961	94.2	994.2
Central Rama 3	36,477	96.5	527.3
Central Pinklao	27,656	99.2	779.4
Pinklao Tower A&B	34,389	86.5	158.1
Central Chiangmai Airport	37,405	95.3	455.6
Central Pattaya	29,388	95.9	333.1
The Ninth Towers Office Building	59,322	87.3	391.6
Unilever House Office Building	18,527	100.0	166.5
Total/Average	326,123	93.4	3,805.8
Hilton Pattaya	304 Room ²	60.5 ¹	235.3

Remark : ¹ % of total rooms available for sales in 2020

² In the process of applying for hotel license for 304 rooms

Nature of Benefit Procurement

CPNREIT intends to create good and sustainable returns from investment to unitholders in long-term, whereby the REIT Manager has its duties to procure benefits from the assets of CPNREIT by setting-out the suitable policies and strategies for managing CPNREIT's assets in order to create commercial income to CPNREIT and to maximize benefits to overall unitholders. In this regard, the REIT Manager has entered into the property manager appointment agreement with the Property Manager to procure benefits from current Assets. Details of which are as follows:

Project	Property Manager
Current Assets	
Central Rama 2	CPN
Central Rama 3	CPN
Central Pinklao	CPN
Central Chiangmai Airport	CPN
Central Pattaya	CPN
Hilton Pattaya Hotel	CPNREIT has subleased all of this property to CPN Pattaya Hotel, which has appointed Hilton Group as the hotel manager.
Additional Assets in 2020	
The Ninth Towers Office Building	GLAND
Unilever House Office Building	Sterling

The REIT Manager, CPN, GLAND, Sterling and CPN Pattaya Hotel are the subsidiaries of the CPN Group. CPN holds 99.99 percent of shares in REIT Manager and the CPN Group holds 99.99 percent of shares in CPN Pattaya Hotel. Additionally, the CPN Group holds 67.53 percent of shares in GLAND, and GLAND holds 99.99 percent of shares in Sterling.

In order to achieve its objective in managing the assets invested in by CPNREIT in the long-term and to create good returns to the unitholders. The REIT Manager has implemented the strategies of benefit procurement from CPNREIT's assets as follows:

- Monitoring operating results of CPNREIT on a yearly basis by comparing with its annual budget and its previous year operating results. If the operating results of CPNREIT do not achieve the target planned, the REIT Manager will analyze the situation and seek for the causes, including to adjust and develop the working plans as necessary to achieve the goal.
- Monitoring operational results of a single sublessee of an asset type of hotel by comparing with an annual budget and its previous year operating results (if any). If the operating results do not achieve planned target, the REIT Manager will analyze the situation and seek for the causes, including adjust and develop the working plans as necessary to achieve the goal.
- Regularly analyzing market and customer information to adjust the shops mix in the shopping malls to suit the customer demand as well as to search for new shops in both local and overseas stores to enhance the shopping malls to be modernized and give new experiences to the customers. This shall include analyzing the market and office tenants' information to improve the services to serve the needs of the customers.
- Always have marketing strategy to attract targeted customers to boost the store sale volume and creating decent experiences to the customers i.e., arranging promotional activities, which are in line with the strategy by collaborating in obtaining marketing research information with the department store and Central's affiliates and business alliances, concurrently with hosting signature events. In giving this strategy, all protocols of which will be effectively communicated to the customers throughout various channels.

- Developing personnel and enhancing service quality to meet international standard as well as using modern technologies to increase customer's pleasure and to reduce business cost, e.g., developing a parking system, public relations center point and restrooms, etc.
- Enhancing returns from the assets invested in by CPNREIT by developing and modifying immovable properties, e.g., adjusting floor plans and modifying stores in order to utilize the spaces efficiently and increase the rent, as well as developing and modifying the shopping malls and office buildings to maintain the good and modern image to tenants and customers.
- Determining appropriate rates of the rental and service fees.

CPNREIT has a policy to procure the benefits from such assets in the characteristics which are subject to types of the assets i.e., shopping mall, office building or hotel. The characteristics of benefit procurement in each type of the assets are as follows:

Benefit Procurement from Shopping Malls and Office Buildings

Nature of Benefit Procurement

CPNREIT's policy concerning benefits procurement from shopping malls and office buildings involves leasing out the areas in those assets to tenants, as well as the service provided in relation to the lease. In this regard, the REIT Manager will appoint the Property Managers who will manage and administer the works in connection with the immovable properties, i.e., seeking the benefits from the assets by leasing out areas and service provided in relation to the lease, pursuant to the policy and business plan of the REIT Manager, procuring tenants to lease areas in the assets, contacting, liaising, and facilitating tenants, collecting rental and service fees for remittance to CPNREIT, as well as performing the maintenance and repairs of the immovable properties of CPNREIT to ensure that they are in good condition and ready for use. CPNREIT has directly entered into lease agreements with tenants/service receivers. Most of lease agreements entered into by CPNREIT contain standard terms and conditions applicable to every tenant and service receivers. The lease agreements of shopping malls comprise 2 main types, which are the lease agreements with fixed rental rate and consignment lease agreements. While, the lease agreements of office buildings are in the form of fixed rental rate only.

Each type of the lease agreements provides different advantage. The fixed rate lease agreements enable CPNREIT to obtain stable income and cash flow in each month from areas leasing and services providing. While, the consignment lease agreements give CPNREIT the upside potential if the tenants get more income. To decide the type of agreement to be entered into with the tenant, whether it would be a fixed-rate or consignment agreement, it depends on business type of the tenant, business strategy of the tenant, negotiation between the lessor and the tenant, including creditability of the sales report system of the tenant. In addition, the lease of the shopping mall and office building areas to tenants will be the lease of areas to multi-tenants (except for Unilever House Office Building Project). The type of tenants in the shopping malls projects are categorized with 2 main types, i.e., anchor tenants that lease the areas from 700 square meters and in-line tenants that lease the areas less than 700 square meters. The anchor tenants mainly are in the types of theatres and specialty stores (i.e. electrical appliances stores, sport equipment stores, bookstores, fitness center) which appeal the shopping malls. Those stores are also the magnets that attract customers to purchase products and use services in the shopping malls. By giving that, it will increase number of in-line tenants to lease the areas in the shopping malls.

In regards to the characteristics of the benefit procurement as mentioned above, the main income that CPNREIT will derive from investment in the shopping malls and office buildings will be from the rental and service fees by leasing out the areas and providing related services to the tenants in the shopping malls, who are retailers, and service operators, and to the tenants in office buildings who are in business organizations, governmental agencies, financial institutes, educational institutes (i.e., tutorial schools, language schools, computer training centers, etc.). The rent and fee in providing related services which CPNREIT will charge are subject to the size of space, location, type of lease, lease term and business type of tenant by taking in account the price list of rental and service fees of each shopping mall. In addition, CPNREIT obtains other type of income which is related to rental and service fees such as parking fee and billboard fee, etc.

Major tenants of CPNREIT, who were a group of persons associated with the REIT Manager from business related to Central Pattana, a major trust unitholder, included Central Department Store Company Limited, Central Food Retail Company Limited, and Central Watson Company Limited accounted for 5.4% of rental and service income. The REIT Manager reviewed and analyzed the rental rate of these related parties and found that their rental rates were close to those of other major tenants operating in the same business and leasing areas in several shopping malls of CPNREIT. However, the rental rate could be different depending on floor, location, and physical characteristics of the rental area.

Project with Single Tenant or Having Significant Cluster of Tenants

The benefit procurement from Unilever House Office Building Project will be sub-leasing to one tenant, Unilever Thai Trading, the subsidiary of Unilever which is the global group of companies engaging in commodity products business. Unilever group's products have been sold across the world (Source: Unilever Annual Report and Account 2019). As of 31 December 2020, Unilever Thai Trading leased totaling 12,326 sq.m., equivalent to 66.5% of total leasable areas of Unilever House office Building Project. The term of the sub-lease agreement between CPNREIT and Unilever Thai Trading will be the same as the term of the lease agreement of Unilever House Office Building Project to be invested in by CPNREIT (which expires on 14 November 2034).

However, although the sublease agreement that CPNREIT entered into with Unilever Thai Trading will be registered the sub-leasehold right, the conditions of the sublease agreement will grant Unilever Thai Trading the right to terminate the agreement by giving CPNREIT an advance notice of not less than 90 days. In this regard, Unilever Thai Trading must indemnify CPNREIT loss by compensating with the rate of 30 percent of the rental and service fees of the remaining lease and service terms, or CPNREIT may forfeit the deposits giving under the lease and service agreements, whichever is higher.

Nonetheless, if Unilever Thai Trading exercises such termination right, CPNREIT might not immediately be able to find the new tenant(s) (one or more) in replacement of Unilever Thai Trading who is the single tenant. In such case, CPNREIT might have to modify the areas in order to lease to other tenants. In so doing, CPNREIT might incur costs and expenses, as well as it would consume time. During such period, CPNREIT might not be able to find new tenants, resulting a direct impact on CPNREIT's income and CPNREIT's ability to make the distributions.

Since Unilever House Office Building Project is an office building located in a prominent area which has comparative points since the project is in the new central business district on Rama 9 Road and located adjacent to the public transportation hub, MRT. In addition, Unilever Thai Trading has already invested in the decoration of the leasing areas in Unilever House Office Building Project. Consequently, if Unilever Thai Trading wishes to relocate its offices, there might incur relatively high switching cost. From the above reasons, it leads to the expectation that Unilever Thai Trading will decide not to relocate its leased premises from Unilever House Office Building Project to elsewhere.

Details of the Property Manager

1. Central Pattana Public Company Limited (CPN)

- **Related experience in the property management (shopping mall and office building)**

CPN was established on 17 June 1980 with objectives of developing and managing the integrated large-sized shopping malls. CPN was listed on the SET on 1 March 1995. At present (as of 31 December 2019), the issued and paid-up capital of CPN totals Baht 2,244 million. The business operations of CPN may be categorized into 6 groups: (1) shopping mall; (2) office building; (3) hotel; (4) residential building; (5) food center and (6) investment in property fund and real estate investment trust.

For the shopping mall business undertaken by CPN, as of 31 December 2019, according to its latest annual report for the year of 2019, CPN has managed 34 shopping mall projects have been managed by CPN. These projects are located in Bangkok and upcountry. CPN continues to develop and expand its shopping mall

business by opening new shopping malls in the country and on abroad, renovating the existing ones, and boosting the capacity of space usage in those shopping malls for the constant income. CPN has undertaken the shopping mall business under main concepts that the shopping mall is the center of life to serve the consumers' lifestyle more relevantly; therefore, each shopping mall of CPN must present a variety of goods and services to the shoppers while various destination concepts are created inside to respond to all groups of customers at all ages who may have different lifestyles and favor. Each shopping mall of CPN is also designed and decorated by presenting the outstanding style and identity of each local area while the interior decoration there also attracts and satisfies the shoppers in order that the shopping malls of CPN have the unique style and CPN continues to be the leader in this shopping mall business.

In addition, shopping mall projects which CPNREIT has invested in/will be investing in, and to which CPN has been appointed/shall be appointed the Property Manager, include all shopping mall projects developed and managed by the CPN Group. As CPN is appointed as the Property Manager to continue the management of such assets, the asset management will be uninterrupted and run in the same direction.

Regarding the office building business of CPN, as of 31 December 2020, according to its latest annual report for the year of 2020, CPN has managed 10 office building projects in total have been managed by CPN. All of these office buildings are located in the shopping mall projects because CPN considers that the demand on office buildings can support the shopping mall business, add the higher value for those projects from the worthwhile utilization of the same plot of land, and increase the efficiency of using and managing the parking space.

- **Relationship between REIT Manager and Property Manager**

CPN holds 99.99 percent of shares in the REIT Manager.

- **Other properties managed by Property Manager that may be competitive with properties of CPNREIT and mechanism or measures to prevent the conflicts of interest**

Shopping Mall Projects Managed by CPN

Project	Year of Operation	Note
1. Central Ladprao	December 1982	-
2. Central Ramindra	November 1993	-
3. Central Pinklao	March 1995	Asset invested by CPNREIT
4. Central Marina	July 1995	Additional asset to be invested by CPNREIT
5. Central Chiangmai Airport	March 1996	Asset invested by CPNREIT
6. Central Rama 3	October 1997	Asset invested by CPNREIT
7. Central Bangna	December 2001	-
8. Central Rama 2	December 2002	Asset invested by CPNREIT
9. Central World	December 2002	-
10. Central Rattanaibet	December 2003	-
11. Central Chaengwattana	November 2008	-
12. Central Pattaya Beach	January 2009	Asset invested by CPNREIT
13. Central Udonthani	April 2009	-
14. Central Chonburi	May 2009	-
15. Central Khonkaen	December 2009	-
16. Central Chiangrai	March 2011	-
17. Central Phitsanulok	October 2011	-
18. Central Rama 9	December 2011	-
19. Central Suratthani	October 2012	Additional asset to be invested by CPNREIT
20. Central Lampang	November 2012	Additional asset to be invested by CPNREIT
21. Central Ubonratchathani	April 2013	Additional asset to be invested by CPNREIT
22. Central Chiangmai	November 2013	-
23. Central Hatyai	December 2013	-
24. Central Samui	March 2014	-
25. Central Salaya	August 2014	-
26. Central Rayong	May 2015	-
27. Central Phuket	June 2015	-
28. Central WestGate	August 2015	-
29. Central EastVille	November 2015	-
30. Central Nakhon Si	July 2016	-
31. Central Korat	November 2017	-
32. Central Mahachai	November 2017	-
33. Central i-City	March 2019	-
34. Central Village	August 2019	-

Source : Annual Report of CPN (Year 2020)

Office Building Projects Managed by CPN

Project	Year of Operation	Note
1. Ladprao	December 1982	-
2. Pinklao Tower A	March 1995	Asset invested by CPNREIT
3. Pinklao Tower B	March 2006	Asset invested by CPNREIT
4. Bangna	December 2001	-
5. Central World Offices	November 2004	Asset invested by CPNCG
6. Chaengwattana	March 2009	-
7. Rama 9	December 2011	-

Source : Annual Report of CPN (Year 2020)

While the REIT Manager has used caution in specifying the roles and scope of duties to be performed by CPN as the Property Manager for the management of assets invested by CPNREIT in types of shopping mall and office building, the conflicts of interest between CPNREIT and CPN may arise out because CPN is also in charge of managing other properties in types of shopping mall and office building in several areas other than the assets invested/to be invested by CPNREIT.

Nevertheless, due to diverse demands of tenants on shopping mall and office building spaces when selecting the leased areas, e.g. location, facilities, budget, traveling convenience, and convenience in business contact, etc., the tenants shall determine which shopping mall and/or office building area should be rented. Moreover, CPNREIT has engaged CPN to manage the assets of CPNREIT under the contractual structure which motivates CPN to generate the good profit to the assets of CPNREIT continually. This could partially mitigate the risk of conflicts of interest mentioned above.

The REIT Manager also formulates the work performance evaluation guideline for the Property Manager, that is, the REIT Manager is entitled to change the Property Manager if the following event occurs:

- If the occupancy rate in the assets invested by CPNREIT and managed by CPN drops less than 50 percent for longer than 3 consecutive months, the REIT Manager may propose the unitholders' meeting to consider and resolve to terminate the Property Manager appointment agreement. The termination of such agreement requires the votes by the unitholders of CPNREIT holding aggregate trust units of more than a half of the total votes of the unitholders.

The occupancy rate is calculated from the actual leased areas divided by the total leasable areas. The total leasable areas exclude the common area, meeting area, and other areas that may not be leased in any period due to force majeure or space repair and decoration. Such calculation of leased areas shall be based on the information from the monthly report.

• Fees that Property Managers Will Be Received from CPNREIT

CPN, who is or will be the Property Manager for shopping malls and office building projects (except for The Ninth Towers Office Building Project and Unilever House Office Building Project, is entitled to the fees for being the Property Manager collected from CPNREIT according to the property manager appointment agreement, which can be summarized as follows:

- 1. Fee for rental collection on behalf of CPNREIT**, at the rate of not exceeding 3 percent of Net Rental Income of CPNREIT. Net Rental Income means total incomes receiving from lease agreements and service agreements before deducting any expenses, including incomes from promotion areas, and direct or indirect incomes from operation of shopping malls, excluding compensations or reimbursements, such as money of property tax or insurance premiums reimbursed from tenants or the sub-lessee, and common area service charges which are charges on the usage of common area, air-conditioning, smoke exhaust, water supply and electricity supply (appeared on the meter of each tenant), and deducting the shop discount to tenant or sub-lessee. (The rental income will be adjusted with the difference between rental income according to the Thai Accounting Standards No. 17 (as may be amended or replaced by other Thai Accounting Standards), and rental income according to lease agreements.

2. **Leasing Commission** for procuring all types of tenants of CPNREIT, in case of both new lease agreements and renewal lease agreements for all types of lease agreements, in both short-term and long-term lease. Details of which are as follows:

2.1 For shopping mall tenants

Leasing Commission Calculated Based on Monthly Rental Fee of Each Tenant

1. Renewal lease with existing tenants	Not exceeding 0.5 (zero point five) month
2. Entry into lease agreement with the new tenants consisting 4 (four) rates depending on terms of lease agreements	
- The tenant who enters into lease agreement with less than 1 (one) year term	Not exceeding 0.5 (zero point five) month
- The tenant who enters into lease agreement with 1 (one) year but no more than 3 (three) years term	Not exceeding 1.0 (one point zero) month
- The tenant who enters into lease agreement with 3 (three) years term and above	Not exceeding 1.5 (one point five) months
- The tenant who enters into lease agreement with more than 3 (three) years term and the tenant has paid lump sum rental fee in advance	Not exceeding 3 (three) percent of the lump sum rental fee received from the tenant in advance

2.2 For office building tenants

Leasing Commission Calculated Based on Monthly Rental Fee of Each Tenant

1. Renewal lease with existing tenants	Not exceeding 0.5 (zero point five) month
2. Entry into lease agreement with the new tenants consisting of 3 (three) rates depending on terms of lease agreements	
- The tenant who enters into lease agreement with less than 3 (three) years term	Not exceeding 0.5 (zero point five) month
- The tenant who enters into lease agreement with 3 (three) years term and above	Not exceeding 1.0 (one point zero) month
- The tenant who enters into lease agreement with more than 3 (three) years term and the tenant has paid lump sum rental fee in advance	Not exceeding 3 (three) percent of the lump sum rental fee received from the tenant in advance

The Property Manager will charge the Leasing Commission for the agreements with a term of at least 1 (one) month and above, but not charge the Leasing Commission for the service agreements of promotion areas or other agreements relating to advertisement media, such as video wall or light box, etc.

Therefore, in case the lease agreements between CPNREIT and tenants are made in a form different from the above case, the REIT Manager will have a power to determine term of payment for the Leasing Commission as it deems appropriate.

3. **Base Management Fee**, at the rate of not exceeding 0.28 percent per year of the investment properties value according to the net asset value report of CPNREIT monthly approved by the Trustee, calculated on the last business day of each month. This shall exclude the investment properties value in hotel and CentralPlaza Rama 2 Project (Renewal Period) during the period which is before commencement of the lease term according to the building lease agreement.

4. Incentive Fee, at the rate of not exceeding 2.35 percent of Net Property Income

Net Property Income means total revenues from immovable properties received by CPNREIT deducted by total costs and expenses from procuring benefits from the immovable properties, excluding fees and expenses of CPNREIT, such as fees for the Property Manager under Items 1. and 2. and fee for the REIT Manager (the costs and expenses from the lease will be adjusted with the difference between costs and expenses from the lease according to the Thai Accounting Standards No. 17 (or as may be amended or replaced by other Thai Accounting Standards), and costs and expenses according to lease agreements).

5. Fee in relation to the sale and purchase of immovable properties of CPNREIT, at the rate of not exceeding 1.50 percent of value of asset additionally invested in by CPNREIT, and the rate of not exceeding 0.75 percent of value of immovable properties disposed from CPNREIT.

6. Fee in relation to supervision of renovation and/or development of immovable properties of CPNREIT, being the fee that CPNREIT will pay to the Property Manager due to its supervision of the development of CPNREIT's immovable properties, which includes recommendations of renovation and/or development of the immovable properties of CPNREIT for value enhancement of CPNREIT's immovable properties, at the rate of not exceeding 2.00 percent of total costs of renovation and/or development of the renovated and/or developed immovable properties of CPNREIT. Such costs of renovation and/or development shall include the costs for compensation paid to tenant due to the early termination in the event of obtaining the leasable area back for renovation and/or development, but exclude the expenses relating to designing, consulting fee, other professional fee. However, the Property Manager may propose renovation and/or development plans to the REIT Manager, together with the fees in relation to the supervision, as well as related details to the REIT Manager for consideration and approval, from time to time.

The above fees do not include value added tax.

2. Grand Canal Land Public Company Limited and Sterling Equity Co., Ltd.

• **Related experience in the property (management office building)**

GLAND was established on 22 April 1985, and, at present, it is a listed company on the SET. As of 31 December 2019, its paid-up capital totals Baht 6,500 million. GLAND operates the property development business, including the residential project in the type of detached house, residential condominium, and commercial building in the type of office building and retail space for sale or rent, and GLAND also provides the project management service. CPN holds 67.53 percent of shares of GLAND through CPN Pattaya in the fourth quarter of 2018.

Sterling was established in 1996. As of 2 April 2019 (source: database of BOL), its paid-up capital totals Baht 1,800 million. Sterling has operated the property development business in the forms of office building and retail space. GLAND holds 99.99 percent of shares of Sterling. At present, Sterling has the office building for rent, Unilever House, and the retail space for rent, The Shoppers@Unilever House.

Currently, The Grand Rama 9 Project has been under development by the GLAND Group. This property project is a major project, located on a 73 Rai plot of land at Rama 9 intersection of Ratchadapisek Road, and connected with several main roads; therefore, its potential location responds to all kinds of travelling. The GLAND Group intends to develop this project to become the central business district in the center of Bangkok. The Grand Rama 9 Project consists of the projects and businesses as follows:

Project Name	Project Type	Year of Operation
1. Belle Grand Rama 9 Project	Residential Condominium	September 2012
2. The Ninth Towers Grand Rama 9 Project	Office Building	February 2014
3. Unilever House Grand Rama 9 Project	Office Building	December 2014
4. G Tower Grand Rama 9 Office Building Project	Office Building	September 2016
5. Super Tower Project and Convention Center	Office Building and Convention Hall	The project model is under revision
6. Arcade Project	Retail Space	
7. Hotel Project	Hotel	
8. The Shoppes Grand Rama 9 Project	Retail space, shops, restaurant located at the basement, Floor 1 or Floor 2 of each project in The Grand Rama 9 Project	Belle Grand Rama 9 Project, The Ninth Towers Grand Rama 9 Project, Unilever House Grad Rama 9 Project, and G Tower Grand Rama 9 Project have commenced the operations already.

Source : Annual Report of GLAND (Year 2020)

In addition, the office building in which CPNREIT invested to which GLAND and Sterling will be appointed the Property Managers are office building projects that have been entirely developed and managed by the GLAND Group. Therefore, GLAND and Sterling will be appointed the Property Managers to continue the management of the said assets to ensure that the asset management will not be interrupted and go in the same direction.

- **Relationship between REIT Manager and Property Manager**

GLAND and the REIT Manager are the subsidiaries of the CPN Group. The CPN Group holds 67.53 percent of shares in GLAND, and CPN holds 99.99 percent of shares in the REIT Manager.

Sterling and the REIT Manager are the subsidiaries of the CPN Group. The CPN Group (by GLAND) holds 99.99 percent of shares in Sterling, and CPN holds 99.99 percent of shares in the REIT Manager.

- **Other properties managed by Property Managers that may be competitive with properties of CPNREIT and mechanism or measures to prevent the conflicts of interest**

The Ninth Towers Office Building Project and Unilever House Office Building Project are a part of The Grand Rama 9 Project, which is a major property project comprising the office building, retail space, convention hall, hotel, and residential condominium, developed by the GLAND Group. The GLAND Group also has a duty of managing G Tower Grand Rama 9 Project, located in The Grand Rama 9 Project. As a result, the potential conflicts of interest in procuring the tenants between the additional investment assets and the said projects may occur.

Office Building Projects Managed by GLAND Group

Project	Year of Operation	Note
1. The Ninth Towers Grand Rama 9 Project	February 2014	Additional asset to be invested by CPNREIT
2. Unilever House Grand Rama 9 Project	December 2014	Additional asset to be invested by CPNREIT
3. G Tower Grand Rama 9 Office Building Project	September 2016	-

Source : Annual Report of GLAND (Year 2020)

To prevent potential risks caused by such conflicts of interest, the undertaking agreement to be entered into between CPNREIT, GLAND, and Sterling contains the following requirements:

(a) GLAND and Sterling as the grantors agree that, in undertaking the rental office building business in The Grand Rama 9 Project, the grantors and/or any persons related to the grantors shall not undertake any actions to persuade, invite, or induce the tenants of office spaces in the assets to be invested by CPNREIT to rent the office spaces in other minor projects in The Grand Rama 9 Project.

(b) Upon the date CPNREIT makes investments in the leased properties, the grantors agree that the setting of rental and service rate of office spaces to be leased to the new tenants and service receivers, and existing tenants and service receivers who want to rent some additional spaces of other minor projects in The Ninth Grand Rama 9 Project must not compete with the lease of office spaces to the new tenants and service receivers, and existing tenants and service receivers who want to rent some additional spaces of The Ninth Grand Rama 9 Project and Unilever House Office Building Project. The grantors must neither give any support or compensation to the new tenants and service receivers, and existing tenants and service receivers who want to rent some additional spaces of other minor projects in The Ninth Grand Rama 9 Project, which is not based on the arm's length basis, to persuade them to enter into the lease and service agreements.

However, except a written consent by CPNREIT, the grantors agree that, throughout the lease term, if the occupancy rate of the leased asset, The Ninth Towers Office Building Project, or the leased asset, Unilever House Office Building Project, is lower than 92 percent of each project invested by CPNREIT, the grantors and/or any persons related to the grantors shall fix the rental and service rate of the office spaces leased to the new tenants and service receivers, and existing tenants and service receivers who want to rent some additional spaces of other minor projects in The Ninth Grand Rama 9 Project as follows:

- Higher than 15 percent of the rental and service rate of office spaces leased to the new tenants and service receivers, and existing tenants and service receivers who want to rent some additional spaces in the leased asset, The Ninth Towers Office Building Project.
- Higher than 10 percent of the rental and service rate of office spaces leased to the new tenants and service receivers, and existing tenants and service receivers who want to rent some additional spaces in the leased asset, Unilever House Office Building Project.

Such rental and service rate of office spaces leased to the new tenants and service receivers, and existing tenants and service receivers who want to rent some additional spaces of other minor projects in The Ninth Grand Rama 9 Project shall be fixed by the REIT Manager when preparing the annual budget in each year. An agreement on setting such rental and service rate shall apply to the leased office spaces where have the zone and the space size equal or close between (a) spaces in other minor projects in The Grand Rama 9 Project; and (b) spaces in The Ninth Towers Office Building Project and/or Unilever House Office Building Project as specified in the Agreement.

In this regard, the parties agree that the agreement on setting such rental and service rate shall not apply to the leased office spaces of any projects in other minor projects in The Grand Rama 9 Project in the following cases:

- In case the grantors and/or any persons related to the grantors sell, dispose of, transfer, or lease (which is not the lease of spaces in operating the rental office space business to general customers on the arm's length basis) the entire leased office spaces in that project to other persons who are not the related persons of the grantors under the terms and conditions on the right of first refusal.
- In case CPNREIT invests in the leased office spaces in that project.

- **Fees that Property Managers Will Be Received from CPNREIT**

1. GLAND

GLAND, the Property Manager of The Ninth Towers Office Building Project, is entitled to the fees for being the Property Manager collected from CPNREIT according to the property manager appointment agreement which can be summarized as follows:

1. **Fee for rental collection on behalf of CPNREIT**, at the rate of not exceeding 3 percent per year of Gross Property Operating Revenue.

Gross Property Operating Revenue means income from rental fees, service fees and other incomes from procuring benefits from the investment properties of CPNREIT, approved of net value asset by the Trustee and the REIT Manager. (The rental income will be adjusted with the difference between rental income according to the Thai Accounting Standards No. 17 (or as may be amended or replaced by other Thai Accounting Standards), and rental income according to lease agreements.).

2. **Incentive Fee**, at the rate of not exceeding 2 percent per year of Property EBITDA.

Property EBITDA means Gross Property Operating Revenue deducted by total costs and expenses from procuring benefits from the investment properties of CPNREIT (the costs and expenses from the lease will be adjusted with the difference between costs and expenses according to the Thai Accounting Standards No. 17 (or as may be amended or replaced by other Thai Accounting Standards), and costs and expenses from the lease according to lease agreements.).

The above fees do not include value added tax.

2. Sterling

Sterling, who will be the Property Manager of CPNREIT for Unilever House Office Building Project, is entitled to the fees for being the Property Manager collected from CPNREIT according to the property manager appointment agreement which can be summarized as follows:

1. **Fee for rental collection on behalf of CPNREIT**, at the rate of not exceeding 4 percent per year of Gross Property Operating Revenue.

Gross Property Operating Revenue means income from rental fees, service fees and other incomes from procuring benefits from the investment properties of CPNREIT, approved of net asset value by the Trustee and the REIT Manager. (The rental income will be adjusted with the difference between rental income according to the Thai Accounting Standards No. 17 (or as may be amended or replaced by other Thai Accounting Standards), and rental income according to lease agreements.).

2. **Incentive Fee**, at the rate of not exceeding 3 percent per year of Property EBITDA.

Property EBITDA means Gross Property Operating Revenue deducted by total costs and expenses from procuring benefits from the investment properties of CPNREIT (the costs and expenses from the lease will be adjusted with the difference between costs and expenses according to the Thai Accounting Standards No. 17 (or as may be amended or replaced by other Thai Accounting Standards), and costs and expenses from the lease according to lease agreements.).

The above fees do not include value added tax.

For the sake of this clause, if the occupancy rate of The Ninth Towers Office Building Project or Unilever House Office Building Project is lower than 92 percent as required above, the grantors agree to disclose or arrange any persons related to the grantors to disclose the information in writing about the rental and service fee, conditions, and lease term of the leased office spaces of other minor projects in The Grand Rama 9 Project to CPNREIT on the quarterly basis, and to permit CPNREIT to check such information pursuant to the request by CPNREIT and as it deems appropriate.

In addition, the appointment of GLAND and Sterling as the Property Manager of The Ninth Towers Office Building Project and Unilever House Office Building Project respectively under the contractual structure which motivates GLAND and Sterling to generate the good profit to the assets of CPNREIT continually. This could partially mitigate the risk of conflicts of interest mentioned above.

Benefit Procurement from Hotels

Nature of Benefit Procurement

CPNREIT has invested in the core property in Hilton Pattaya Hotel by sub-leasing the whole property to CPN Pattaya Hotel for benefit procurement, whereby CPN Pattaya Hotel has appointed Hilton Group, the international hotel management network as a hotel manager. The sub-lease agreement has 3-year terms commencing from 1 January 2018 to 31 December 2020. Upon termination of such sub-lease agreement, both CPNREIT and CPN Pattaya Hotel is entitled to renewal of the agreement for 2 times for 3-year period each. The rental are in the form of both fixed rent and variable rent. On 24 July 2020, CPN Pattaya Hotel submitted the letter of intention to CPNREIT. Later, the REIT Manager already renewed the agreement.

Details of Sub-Lessee

Name of Company	CPN Pattaya Hotel Company Limited
Incorporation Date	25 September 2017
Paid-up and Registered Capital	Baht 200,000,000 (Baht two hundred million) consisting of 20,000,000 (twenty million shares) shares with the par value of Baht 10 (Baht ten)
Board of Directors	<ol style="list-style-type: none">1. Mr. Sudhitham Chirativat2. Mr. Kobchai Chirativat3. Ms. Wallaya Chirativat4. Mr. Suthipak Chirativat5. Mr. Chanavat Uahwatanasakul6. Mr. Preecha Ekkunagul
Major Shareholder	CPN holds 99.99 percent shares
Relationship with REIT Manager	CPN Pattaya Hotel and the REIT Manager are the subsidiaries of CPN, whereby CPN holds 99.99 percent in CPN Pattaya Hotel and CPN holds 99.99 percent in the REIT Manager.

Source: BOL database

Information of Hilton Group

- **Related experience in the property management (Hotel)**

The Hilton Group is an international hotel chain from the United States of America established in 1919. Up to now, the Hilton Group has managed over 18 hotel brands with 6,300 hotels under its management in 118 countries, covering approximately 2,000,000 rooms (source: Hilton 2019 Annual Report and Hilton Reports Third Quarter Results 2020).

- **Relationship between REIT Manager and Property Manager**

None.

- **Other properties managed by Property Manager that may be competitive with properties of CPNREIT and mechanism or measures to prevent the conflicts of interest Hotel Projects in Thailand under the Management of Hilton Group**

From the database of www.hiltonhotels.com/th_TH/, the Hilton Group has now managed 12 hotels in Thailand (including Hilton Pattaya Hotel). Other 11 hotels, except Hilton Pattaya Hotel, are located in main tourism provinces of Thailand, e.g. Bangkok, Koh Samui, Koh Phuket, and Hua Hin. The project details are in the table below.

Project	Province	Note
Hilton Pattaya Hotel	Chonburi	Asset invested by CPNREIT
Conrad Bangkok Hotel	Bangkok	-
DoubleTree by Hilton Bangkok Ploenchit	Bangkok	-
DoubleTree by Hilton Sukhumvit Bangkok	Bangkok	-
Hilton Hotel Sukhumvit Bangkok	Bangkok	-
Millennium Hilton Hotel Bangkok	Bangkok	-
Waldorf Astoria Hotel Bangkok	Bangkok	-
Hilton Hua Hin Resort & Spa Hotel	Prachuap Khiri Khan	-
Conrad Koh Samui Hotel	Surat Thani	-
DoubleTree by Hilton Phuket Banthai Resort	Phuket	-
Hilton Phuket Arcadia Resort & Spa Hotel	Phuket	-
Hilton Garden Inn Phuket Bangtao	Phuket	-

The hotels under the management of the Hilton Group in Thailand, except Hilton Pattaya Hotel that is the asset currently invested by CPNREIT, are located in other provinces which do not directly compete with Hilton Pattaya Hotel. Therefore, it is less likely to have the risk caused by the conflicts of interest between CPNREIT and Hilton Group. Besides, CPN Pattaya Hotel has engaged the Hilton Group to manage Hilton Pattaya Hotel under the contractual structure which motivates the Hilton Group to generate the good profit to Hilton Pattaya Hotel continually. This could partially mitigate the risk of conflicts of interest mentioned above.

Rent to be Received by CPNREIT from Sub-Lease Agreement

Rental to be received by CPNREIT from sub-leasing of Hilton Pattaya is in form of fixed rent and variable rent. Fixed rent shall comprise at least two-thirds of total rental. This helps to partially mitigate risk associated with fluctuation of rental and is in compliance with the SEC Office's regulatory requirement.

With the exception of deferral of rental payment and exemption of rental due to force majeure, or deferral of rental payment due to renovation as specified under the sub-lease agreement, CPN Pattaya Hotel agrees to make payment of the rental to CPNREIT in accordance with the terms and conditions of the sub-lease agreement. Rental under the sub-lease agreement comprises 2 portions, which are fixed rent and variable rent, using the calculation criteria basing on the actual sub-lease period. The method of calculation is as follows.

1. Calculation of rental from 1 January 2018 to 31 December 2020

1.1 Fixed rent

CPN Pattaya Hotel agrees to pay fixed rent with respect to the buildings, structures, utilities systems and movable properties within 45 days from the end of each quarter, calculated based on the actual period of sub-lease, from 1 January 2018 to 31 December 2020, in accordance with the rate provided in the table below, payable in equal amount for each quarter.

Year	Annual Fixed Rent (Baht)
2018	210,000,000
2019	217,350,000
2020	224,957,250

1.2 Variable rent

CPN Pattaya Hotel agrees to pay variable rent with respect to the buildings, structures and utilities systems within 45 days from the end of each quarter, calculated based on the actual period of the sub-lease, from 1 January 2018 to 31 December 2020. The method of calculation shall be the aggregated value criteria, that is, for any accounting year, the variable rent for the current quarter shall be based on aggregated variable rent as at the end of the current quarter, less the accumulated variable rent as at the end of the preceding quarter of the same year. The variable rent shall be calculated as follows:

$$\text{Variable Rent} = 90\% \times (A - B - C - D)$$

A = The total revenue earned from both direct and indirect operation of Hilton Pattaya Hotel in that accumulated quarter, exclusive of valued added tax, specific business tax, or other similar taxes, service charge collected from hotel guests, revenue or money received from sale of assets, compensation received from insurance (except the compensation received from business interruption insurance), compensation received from expropriation of immovable properties, and interest income.

B = The total costs and expenses from the operation of Hilton Pattaya Hotel in that accumulated quarter, including costs and expenses of food and beverages, costs of raw materials and operating supplies, costs and expenses of procurement of equipment for operation in replacement of or in addition to the existing equipment, costs of salaries, labors, and other benefits paid to employees and staffs, costs and expenses of

employees and staff training, costs and expenses of advertising and public relations, costs and expenses of maintenance, repair and decoration of Hilton Pattaya Hotel to be in a good condition, insurance premium, taxes and fees (except corporate income tax), administrative fees, and expenses that the hotel manager of Hilton Pattaya Hotel charges, and other costs and expenses relevant to the operation of Hilton Pattaya Hotel, exclusive of valued added tax, specific business tax, or other similar taxes, and expenses occurred from repair using the past reserves of CPN Pattaya as the previous asset owner, and interest expenses, fees in relation to loans or financing that are not those incurred from financial transactions in connection with the operation of Hilton Pattaya Hotel

C = Reserves for repair, improvement, procurement for replacement or additional procurement of furnishings, equipment, and vehicles of Hilton Pattaya Hotel (FF&E Reserve Deduction) as specified in the management agreement of Hilton Pattaya Hotel, entered into by and between CPN Pattaya Hotel and the hotel manager of Hilton Pattaya Hotel

D = Fixed rental in that accumulated quarter as specified in 1.1 Fixed rent

If the accumulated variable rental as at the end of the current quarter as calculated by the formula above is less than zero, the variable rental shall be deemed as zero. If the accumulated variable rental as at the end of the current quarter as calculated by the formula above exceeds 50 percent of the aggregated fixed rental as at the end of the current quarter, the variable rental shall be reduced to 50 percent of the aggregated fixed rental as at the end of that quarter.

If the amount of accumulated variable rental as at the end of the preceding quarter paid by CPN Pattaya Hotel to CPNREIT exceeds the accumulated variable rental as at the end of the current quarter to be payable by CPN Pattaya Hotel in accordance with the calculation formula based (clause 1.2) on CPN Pattaya Hotel's financial information as appeared in the financial statement prepared by CPN Pattaya Hotel for purpose of the calculation of quarterly variable rental, CPNREIT agrees to set off the excess variable rental paid by CPN Pattaya Hotel with the variable rental of the subsequent quarter to which CPNREIT is entitled to receive from CPN Pattaya Hotel until the excess variable rental is equal to zero. Notwithstanding the foregoing, in the last quarter, CPNREIT agrees to set off the remaining sum of the variable rental it has received with the fixed rental for the last quarter to which

CPNREIT is entitled. If, however, the fixed rental of the last quarter is less than the remaining balance of excess variable rental received by CPNREIT, CPNREIT agrees to return the whole balance of excess variable rental to CPN Pattaya Hotel within 15 days from the date on which the auditor has certified the financial statements of the accounting year of CPN Pattaya Hotel.

Moreover, if the amount of variable rental that CPNREIT receives for any accounting year is greater or less than the variable rental of the same accounting year that CPNREIT should receive in accordance with the calculation result from the formula based (clause 1.2) on the CPN Pattaya Hotel's financial information as appeared in financial statement certified by the auditor of CPN Pattaya Hotel for the purpose of adjustment of the variable rental for that accounting year, CPNREIT shall refund the excess rental fee received, or CPN Pattaya Hotel shall pay the different amount (as the case may be) within 15 days from the date the auditor has certified the financial reports for the accounting year of CPN Pattaya Hotel.

Notwithstanding the foregoing if there are amendments or changes to the Securities Laws in relation to the criteria of payment of fixed rental and/or variable rental, CPNREIT and CPN Pattaya Hotel agree to further consider and discuss the terms and conditions regarding the payment of fixed rental and/or variable rental.

2. Calculation of rental in the event of renewal of sub-lease agreement upon expiration of sub-lease agreement

Term of the existing sub-lease agreement between CPNREIT and CPN Pattaya Hotel is 3 years from 1 January 2018 to 31 December 2020. Upon the expiry of the term of the sub-lease agreement, CPNREIT and CPN Pattaya Hotel may exercise their right to renew the lease term for another 2 times for a period of 3 years each. The parties agree that the fixed rents for the second renewed sub-lease agreement (from 1 January 2021 to 31 December 2023) and the third renewed sub-lease agreement (from 1 January 2024 to 31 December 2026) are as follows:

2.1 Fixed rent

CPN Pattaya Hotel agrees to pay fixed rent with respect to the buildings, structures, utilities systems and movable properties within 45 days from the end of each quarter, calculated based on the actual period of sub-lease, from 1 January 2021 to 31 December 2026, in accordance with the rate per annum as specified in the table below, payable in equal amount for each quarter.

Year	Annual Fixed Rent (Baht)
2021	232,830,754
2022	242,143,984
2023	252,265,602
2024	263,264,383
2025	275,216,586
2026	288,206,809

Remark : CPN Pattaya Hotel and CPNREIT agreed to adjust fixed rent since 2023 onwards due to renovation as stated in the Sub-lease Agreement of Hilton Pattaya

2.2 Variable rent

CPN Pattaya Hotel agrees to pay variable rent with respect to the buildings, structures and utilities systems within 45 days from the end of each quarter, calculated according to the actual period of sub-lease, from 1 January 2021 to 31 December 2026, using the calculation method in Item 1.2.

In this regard, the fixed rent and variable rent are divided into proportions in accordance with the related lease agreements as agreed by CPNREIT and CPN Pattaya Hotel. Details of which are set out in the related agreements i.e. Building Sub-lease Agreement and Utility System Sub-lease Agreement and Movable Assets Lease Agreement.

Opinion of REIT Manager Regarding Ability of Lessee to Comply with Lease Agreement

The REIT Manager considers that CPN Pattaya Hotel has the ability to comply with the sub-lease agreement conditions including to make the fixed rental payment since Hilton Pattaya Hotel is a hotel that had decent historical operating results. It is also situated in a good location of Pattaya City which is a major tourist attraction in Thailand. These are important factors affecting the upcoming growth in operating results of Hilton Pattaya Hotel. One major of such factors resulting in a constant upside growth in operating results of the hotel is that CPN Pattaya Hotel has appointed the Hilton Group to manage the hotel. The Hilton Group has experience and proficiency in managing international hotels, where the familiarity and experiences gave it successfully managing such hotels over time. Moreover, a major shareholder of CPN Pattaya Hotel, which is CPN, also benefits the operation of the Hilton Pattaya Hotel since CPN is well familiar with this hotel making CPN to be able to use its high experiences in succeeding the development and management of the shopping malls to support the business operation of Hilton Pattaya Hotel because both types of assets can support each other's business. Pursuant to the undertaking agreement, CPN agrees to control, supervise and take any necessary preventive actions or remedy in order that CPN Pattaya Hotel, which is the subsidiary of CPN, will strictly comply with the terms and conditions of the agreements to which it is a party.

Throughout the past sub-lease period, CPN Pattaya Hotel had been able to pay the rental fee according to the sub-lease agreement to CPNREIT. However, at the onset of the COVID-19 pandemic, the government sector has adopted various measures to curb the spread of the virus, including social distancing protocols and closure of the airspace to international travel which has restricted tourist arrivals to Thailand and, thus, has impacted number of users of services in CPN Pattaya Hotel. This situation has affected the operation of CPN Pattaya Hotel which has experienced a substantial decrease in its operating performance, thereby entitling CPN Pattaya Hotel to exercise the right to postpone rental payment, either in part or in whole, with respect to the rent from 1 January 2020 to 31 March 2020 due to a force majeure event which will not be deemed an event of default. For its operating results in the nine-month period of 2020, CPN Pattaya Hotel exercised the right to postpone rental payment, in part or in whole, for the rent from 1 January 2020 to 31 March 2020, whereby the payment of rent which was postponed due to a force majeure event will be made in the quarter when the event due to force majeure has passed.

Nonetheless, CPNREIT, the Property Sub-lessee (CPN Pattaya Hotel), and the hotel management (Hilton Group) jointly held discussions and agreed that this period with a decreasing number of users of the hotel services in the wake of the COVID-19 outbreak would be the right timing for hotel renovation, which was originally scheduled for late 2020. The renovation then began in April 2020 and the hotel was partially reopened in November 2020. Under the conditions set out in the lease agreement, CPN Pattaya Hotel exercised the right to postpone rental payment for the months during which the renovation was still underway, i.e. from April 2020, until the renovation has been accomplished. For its operating results in the nine-month period of 2020, CPN Pattaya Hotel exercised the right to postpone rental payment from 1 April 2020 to 30 September 2020, whereby CPN Pattaya Hotel must pay off the said rental that was postponed during the renovation period within the same accounting year. The rental payment will not cause any liquidity problem to the Sub-lessee and will not affect the duty to take care of the sub-leased properties, which is in line with the conditions set out in the related agreements.

Details of the rents received by CPNREIT from CPN Pattaya Hotel of the previous year are as follows:

(Unit : Million Baht)	31 December 2018	31 December 2019	31 December 2020
Rent to be Received by Sub-Lease Agreement¹			
Fixed rent ²	210	217	225.0
Variable rent	105	109	-
Total rent	315	326	225.0
The postponement of the rental income in the event of major renovation			
Fixed rent	-	-	162.3
Variable rent	-	-	-
Total rent	-	-	-
The waived of rental payment due to the force majeure			
Fixed rent	-	-	6.8
Variable rent	-	-	-
Total rent	-	-	6.8
Total rental recorded in its financial statement according the related accounting standards³			
Fixed rent	210	274	235
Variable rent	105	109	-
Total rent	315	383	235

Remark : ¹ Rental by Sub-Lease Agreement before excluding the postponement

² Such rent is the rent actually received by CPNREIT which may differ from a rental income of CPNREIT recorded in its financial statement according the related accounting standards

³ Rental income of CPNREIT recorded in its financial statement according the related accounting standards.

Impact from Change of Property Sub-lessee of Hilton Pattaya Hotel

In the event that CPN Pattaya Hotel, which is the Property Sub-lessee of Hilton Pattaya Hotel does not renew the sub-lease agreement or terminates the agreement prior to the end of the lease term, CPNREIT may need some time to look for another person to act as the Property Sub-lessee in replacement of CPN Pattaya Hotel. Such person may not have the same qualifications or capability as CPN Pattaya Hotel, and CPNREIT might not be able to even find a new Property Sub-lessee at all, or the replacing person might not be able to pay the same rents as CPN Pattaya Hotel, and these will directly impact the revenues of CPNREIT and its capability to distribute the benefits to the unitholders.

In order to mitigate the risk in this event, CPNREIT has entered into a sub-lease agreement of immovable assets and a lease agreement of movable assets, with the lease term of 3 years, under which of the existing agreements commencing from 1 January 2018 to 31 December 2020, and upon the expiry of the lease term, both CPNREIT and CPN Pattaya Hotel may exercise their right to renew the

agreements for 2 times, with a 3-year term each.

In the case that CPNREIT no longer grants the sub-lease of Hilton Pattaya Hotel to CPN Pattaya Hotel, the REIT Manager will follow the protocol in selection of the new sub-lessee by mainly taking into account the benefits of CPNREIT and the unitholders. However, with the asset highlights of Hilton Pattaya Hotel which is situated in a good location of Pattaya City which is a major tourist attraction in Thailand, the seeking of a new sub-lessee in replacement of CPN Pattaya Hotel due to such case should be able proceeded.

Borrowing

1. Loans

Summary of loan agreements

The sources of funds for investment in The Ninth Towers Office Building Project and Unilever House Office Building Project and expenses and fee related to the registrar fee of Central Rama 2 Project (renewal period) was from loan from commercial banks and/or financial institutions. At present, the preliminary important terms and conditions of the loan transactions that CPNREIT has been offered are as follows:

Lender	Financial institutions No.1
Borrower	Trustee on behalf of CPN Retail Growth Leasehold Real Estate Investment Trust (CPNREIT)
Credit Facility (THB million)	Facility A: THB 10,000 million To invest in the Additional Assets, including to pay the relevant expenses and/or to refinance the loans, which will be used for investment in Additional Assets, Facility B: THB 4,170 million For refinancing of credit facility and liabilities which were due under Facility A. Facility C: THB 1,800 million For issuance the bank guarantee to Central Pattana Rama 2 as the collateral for the rental payment of the renewal period for Central Rama 2 Project (Renewal Period)
Interest Rate	Fixed rate and/or Floating rate
Term of Loan	Not exceeding 6 years
Repayment	Repayment by amortizing repayment and/or bullet repayment as specified in the loan agreement
Collateral	None
Loan covenant	Debt to total asset ratio must not be greater than 35 percent throughout the contract term as calculated from the yearly financial statements ended on 31 December of each year. If CPNREIT has been given the credit rating at the level of 'Investment Grade', CPNREIT shall maintain its debt to total assets ratio not to exceed 60 percent as calculated from the yearly financial statements ended on 31 December of each year. The borrower agrees to maintain the ratio of its repayment ability at the rate of not less than 1.2 times at the end of every fiscal year as shown in the financial statement

Lender	Financial institutions No.2
Borrower	Trustee on behalf of CPN Retail Growth Leasehold Real Estate Investment Trust (CPNREIT)
Loans (THB million)	<p>Facility A: THB 2,000 million To invest in the Additional Assets, including to pay the relevant expenses and/or to refinance the loans, which will be used for investment in Additional Assets,</p> <p>Facility B: THB 1,500 million For expenses incurred from renovation and repair of assets, or for repayment to the Borrower for any expenses for which the Borrower has advanced for modification and repair of assets.</p> <p>Facility C: THB 100 million For working capital of CPNREIT's operation expenses</p>
Interest Rate	Fixed rate and/or Floating rate
Term of Loan	Not exceeding 6 years
Repayment	Repayment by amortizing repayment and/or bullet repayment as specified in the loan agreement
Collateral	None
Loan Covenant	Debt to total asset ratio must not be greater than 35 percent throughout the contract term as calculated from the yearly financial statements ended on 31 December of each year. If CPNREIT has been given the credit rating at the level of 'Investment Grade', CPNREIT shall maintain its debt to total assets ratio not to exceed 60 percent as calculated from the yearly financial statements ended on 31 December of each year. The borrower agrees to maintain the ratio of its repayment ability at the rate of not less than 1.2 times at the end of every fiscal year as shown in the financial statement

2. Debentures

CPNREIT issued 4 tranches of debentures for loan prepayment, details are as follows;

Item	Value (Baht million)	Withdrawal Date / Issue Date of Debenture	Repayment date / maturity date	Loan Term / Term of Debenture	Interest Rate (%)	Collateral	Credit Rating
CPNREIT212A	2,700	8 Feb 19	8 Feb 21	2 years	2.54	n.a.	AA ¹
CPNREIT218A	2,650	17 Aug 18	17 Aug 21	3 years	2.70	n.a.	AA ¹
CPNREIT232A	1,795	8 Feb 19	8 Feb 23	4 years	3.30	n.a.	AA ¹
CPNREIT288A	7,390	17 Aug 18	17 Aug 28	10 years	3.80	n.a.	AA ¹

Remark: ¹ On 22 July 2020, TRIS maintained credit rating of CPNREIT and its senior unsecured debentures at "AA" but with "Negative" outlook.

With the issuance of debentures for loan repayment, the Benefit of these newly issued debentures is a fixed interest rate, which is, in the long run, lower than the floating interest rate of the existing bank loans, which be fluctuated over the duration of the loans.

Status of borrowing as at the year ended 31 December 2020

Amount of outstanding loan¹	THB 8,524.0 million
Debentures	THB 14,510.7 million
Total assets	THB 71,577.2 million
Debt to Total Asset Ratio	32.2% ²
The ratio of its repayment ability	not less than 1.2 times

Remark: ¹ In March 2020, the sources of funds for investment in The Ninth Towers Office Building Project and Unilever House Office Building Project and expenses and fee related to the registrar fee of Central Rama 2 Project (renewal period) by THB 8,380.7 million was from loan.

² Total asset value of CPNREIT includes the asset value of Central Rama 2 (Renewal Period) which is in accordance with the relevant accounting standards, while the lease liability of Central Rama 2 (Renewal Period) is not considered as borrowings under regulations of the Office of the SEC. Nonetheless, if excluding the asset value of Central Rama 2 (Renewal Period), the proportion of the loan to the total asset value of CPNREIT will be approximately 43.8%.



ECONOMIC AND INDUSTRY OVERVIEW

Thai Economy 2020

The National Economic and Social Development Council (NESDC) revealed that Thai GDP contracted by 6.1% in 2020 compared to 2019 (with 2.3% growth), marking a record low in 22 years. The COVID-19 pandemic that broke out in 2020 has gravely affected the Thai economy, with all economic indicators turning red. Exports plunged by 6.6%, a continuous reduction from 3.3% in 2019; imports plummeted by 13.5% versus a 2.3% increase in 2019; private sector consumption decreased by 1.0%; and overall investments shrank by 4.8%, divided into an 8.4% contraction in private sector investment and 5.7% growth in public sector investment, with merely public sector consumption showing an increase of 0.8%.

Thailand's economy was hardest hit by the pandemic in the second quarter when the lockdown measures were introduced, leading to closure of department stores, hotels, entertainment venues, pubs, bars, shops, restaurants, etc., along with international travel restrictions which severely impacted the tourism sector. Moreover, changes in consumer behavior triggered by the COVID-19 and the government sector's measures to control and prevent the pandemic resulted in not only a drop in consumption of durable goods, semi-durable goods and services such as apparel & footwear, restaurants & hotels, alcoholic drinks, water & electricity, and others, but also a shift towards online shopping.

Thailand's economy began to recover at a slow pace after loosening of the COVID-19 restrictions in May 2020 when the spreading of the virus in the country could be controlled and prevented. The government then increased the expenditure budget and speeded up the disbursement. Meanwhile, the private sector consumption also picked up, as propelled by the stimulus packages such as the 50:50 co-payment scheme, the "shop dee mee khuen" campaign, the state welfare card project, etc. However, the number of tourist arrivals to Thailand fell dramatically by 83.2% despite the government's attempt to spur domestic travel and tourism through measures such as adding of extra holidays, the We Travel Together scheme, and others, which received positive response only to a certain extent. Since Thailand hinges mainly on export and tourism, its economic recovery has

been drastically impacted and various projects could not be implemented with full efficiency.

After all, the political uncertainties with numerous protests taking place in the fourth quarter, coupled with a new wave of the COVID-19 outbreak in December 2020, have eroded confidence in the private sector consumption and investment and the domestic tourism that are on a recovery path.

Economic Outlook 2021

In 2021, the economic challenges that Thailand faces in 2021 and may become a drag on the economy comprise: 1) control domestic COVID-19 pandemic situation; 2) stabilize the political situation; 3) help some businesses that still not recover; 4) maintain government spending and investment; 5) increase export; 6) encourage private investment; 7) prepare for new coming foreign tourist; 8) prepare for drought and farmers' income; and 9) monitor world economic volatility.

2020 Retail Industry Overview and 2021 Outlook

2020 saw unprecedented disruption and change to the broader economy and retail sector in Thailand, the Region and Globally. Tourism sector had highly impact including international trading, consumption, investment and private income.

Thailand has experienced significant growth in the retail segment over the past decade, driven primarily by rapid urbanization, infrastructure development, rising middle class wealth and incomes, and the exponential growth seen in inbound tourism. Total retail supply has grown significantly in line with the industry and economic growth with the total retail supply in Bangkok standing at circa 9 mn sq.m. of net lettable area (NLA) (source: Knight Frank) and over 20 mn sq.m. across Thailand in gross terms (source: Central Pattana Analysis with Jones Lang LaSalle (JLL) retail data). Retail supply growth in Thailand has seen over 6% of stock added each year on average with shopping mall trends being characterized by 3 key observations:

1. Emergence of “Super Regional Suburban Malls” in key strategic gateway cities / provinces
2. Growing trend in smaller Community & Neighborhood Malls in dense urban areas
3. Prominence of more Mixed-use retail elements, as part of larger and ‘mega’ developments

Total Retail Supply (NLA) & Occupancy in greater Bangkok over 2010–2020

Year	Total Retail Supply (NLA) (mn sq.m.)	Occupancy Rate
2010	5.00	91.0%
2011	5.75	91.7%
2012	5.90	97.3%
2013	6.00	96.0%
2014	6.20	94.0%
2015	6.80	93.0%
2016	7.00	94.0%
2017	7.20	93.0%
2018	8.10	94.0%
2019	8.30	93.0%
2020	8.70	92.0%

Source: Knight Frank Research 2021

Supply of retail space in greater Bangkok is on par with neighbouring cities like Manilla, Kuala Lumpur, Jakarta and even Beijing, however remains less ‘over supplied’ than the likes of Hong Kong and Singapore. While there is more room to grow in reach an ‘oversupplied’ situation compared to prominent shopping destination countries, Bangkok remains cautious in its supply pipeline given its lower consumer expenditure levels and forecast for tourism in the medium term.

Retail Density Analysis across Key Asian Gateway Cities

Key Asian Gateway Cities	Retail Density (sq.m.)
Hongkong	1.52
Singapore	1.08
Kuala Lumpur	0.68
Jakarta	0.62
Bangkok	0.6
Manilla	0.5
Jakarta	0.4

Source: Knight Frank Research 2021

In 2020 consumer confidence saw a significant drop due to employment layoffs, slower economic growth and rising household debt. The Consumer Confidence Index (CCI) dropped from 70 in early 2020 down to 47 in April but has recovered slightly to 52 as at the start of December 2020. The retail sales index has also seen a significant drop from 260 in Q4/2019 to a low of 198 in Q2/2020 and recovered to 240 as at the start of Quarter 4 in 2020.

As a result of this, market occupancy currently sits around 92%-94% with the short term trend set to decline further due to the impacts of COVID-19 pandemic in 2020 and into 2021. Based on this situation, the market may have reached its peak in occupancy with rentals set to decline in the short to medium term also to reflect lower demand. The market is forecasting a drop of 20%-30% to rentals as a result of lower domestic and international demand, global economic uncertainty and lower household wealth due to COVID-19 pandemic.

The COVID-19 pandemic has also disrupted the retail sector through consumer's adoption of online shopping through e-commerce channels. While Thailand is relatively immature in terms overall e-commerce penetration, which sits at 3%-4%, this sector has significant growth potential in order to reach maturity. Markets like China, UK and the US has e-commerce penetration at over 20% highlighting the rapid rate of disruption that technology and online commerce is set to play to the Central Pattana business.

Central Pattana is strongly positioned to not only mitigate the disruptive influence of digital to the existing business, but it has become a first mover on key technology investments and partnerships to complement the offline offer to online products, services and omni channel offering as part of the overall digital strategy. The success of retail in the future depends on successfully delivering customer experience and convenience through both the online and offline worlds, with the mall being at the center of the customer's life to live, work, play and learn.

For 2021, Central Pattana sees retail in recovery mode with nominal growth to be witnessed in the sector. Significant supply still remains to be delivered for Thailand in 2021 at over 200,000 sq.m. in NLA terms. Domestic demand will drive the majority of retail sales for 2021 with continued

government stimulus measures supporting consumption and new Mass Rail Transport infrastructure lines boosting consumption for the sector. Looking further ahead in the Medium to Long term horizon, significant risks remain in the Bangkok market with new mega projects set to put further supply pressure to the retail sector.

2020 Office Industry Overview and 2021 Outlook

The impact of COVID-19 pandemic on the office sector can be seen across 2 key aspects:

1. Macro Economic Impact to Demand and Supply

COVID-19's impact on the Bangkok office sector has seen direct reduction in demand from occupiers throughout 2020. Continued weakness in Private Investment, Net Trade and Unemployment has largely driven the net absorption levels to negative territory in 2020. Private consumption has remained muted across 2020 through domestic and foreign direct investment remaining negative. Firms have held off expansion plans and instead focused on consolidation of cashflow and cost mitigation to survive, driving office space absorption to be negative. Continued pressure on the hospitality, tourism and services sectors, which have seen unemployment reach 2% according to the Bank of Thailand, a record high. While white collar employment is less sensitive to the pandemic, the market has seen firms returning excess space in readiness and direct response to labour market impacts from COVID-19.

This impact has seen vacancy levels rise to over 11% for 2020, according for JLL, for greater Bangkok overall office space with the trend set to increase further throughout 2021.

Composition of Future Supply - Key Commercial Precincts in Bangkok (2020-2025)

Key Commercial Precincts in Bangkok	Future Office Supply (sq.m.)
Lumpini	709,219
Other	261,938
Rama IX - Ratchadapisek	101,181
Bang Na - Trat	100,567
Sukhumvit	98,780
Phahon Yothin	84,738
Silom/Sathon	69,059
Siam-Pathumwan	63,051

Future supply has also been affected with projects being slowed down, delayed or in some instances postponed due to pending market situation improving. The current Bangkok office supply level sits at over 9 mn sq.m. according to JLL, up 2% year on year from 2019 however significant risks remain in the next 5 years with over 1.1 mn sq.m. to be added to the market. The outlook remains cautious for many developers with pipeline projects needing to be pre-leased and tenants secured ahead of project completions, in order for the risk to be mitigated.

Supply Additions to Bangkok Office Market 2011 - 2023

Years	Supply Additions to Bangkok Office Market	
	Prime	Non-prime
2016	3.0	5.8
2017	3.1	5.8
2018	2.9	6.1
2019	3.0	6.2
2020(F)	2.5	7.0
2021(F)	2.5	7.2
2022(F)	2.7	7.3
2023(F)	3.1	7.4
2024(F)	3.6	7.4
2025(F)	3.8	7.4
2026(F)	4.1	7.4

2. Structural Shifts in Demand and new office space Design and Service

The indirect impact of the COVID-19 pandemic has seen structural shifts to the sector with disruptions centered around 2 key trends witnessed:

- Decentralization** - Hub & Spoke model for large corporates looking to decentralize locations
- Technology Disruption** - reduced demand for space & utilization of traditional offices (Work from Home / Remote Work / Flexible Locations)

2021 will see further consolidation of firms looking to rationalize their workplace and headcounts, directly impacting demand in the market. Given the weakness in demand, pressure on vacancy and rents and the impending supply pipeline, the Bangkok office market is forecast to remain weak with little upside in the short term.



RISK FACTORS

1. Risks Associated with CPNREIT or Operation of CPNREIT

1.1 Risks from Economic Volatility That May Affect Immovable Properties Invested In or to be Invested In by CPNREIT

1.2 The outbreak of communicable diseases around the world may lead to higher volatility in the global capital markets, which may materially and adversely affect benefit procurement, financial condition and results of operations of CPNREIT

The global outbreak and spread of infectious diseases over the past several years, including the severe acute respiratory syndrome (SARS), the influenza A virus (H5N1), etc., and the most recent coronavirus disease 2019 (COVID-19), may affect investment decisions and lead to ongoing volatility in the capital markets worldwide or may adversely impact the economy in various aspects. In addition, such outbreaks may disrupt traveling and public transport systems and may prompt recreation venues and workplaces to be closed, thus threatening the world economy. Any material changes in the capital markets or economies at either regional or global level triggered by the pandemic situation or development may have significant adverse impacts on benefit procurement, financial position and operating results of CPNREIT, with far-reaching repercussions not only for Thailand and CPNREIT.

The COVID-19 pandemic breaking out in the past year has materially affected the business operation of CPNREIT as a consequence of the subdued domestic purchasing power, the practicing of a new normal, and the government's measures to curb the spread of the virus such as the enactment of the Emergency Decree on Public Administration in Emergency Situations B.E. 2548. Under such decree, all shopping malls nationwide, including the properties invested and to be invested in by CPNREIT, must suspend their operations from late March to May 16, 2020. Moreover, the closure of airspace, which has restricted tourist arrivals to Thailand, led to a dramatic decrease in number of

customers using services in shopping malls and hotels invested and to be invested in by CPNREIT, as well as a relative drop in sales of retail stores in the shopping malls. The situation affected the operating results for the year 2020, as described in Clause Financial Status and Performance Outcomes.

However, despite the revenue drop in the wake of COVID-19 pandemic, CPNREIT's financial liquidity remains sound with an ability to service debts incurred from borrowing. In the year ended 2020, CPNREIT's interest-bearing debts to total assets ratio stood at 32.2%, increasing only slightly from 31.1% as at 31 December 2019. CPNREIT is still capable of fulfilling the financial covenant.

The implications of COVID-19 outbreak have created the new normal in society at large. People have adapted their way of life to fit into the situation by, for instance, wearing face masks when outside their homes and using public services in various places, practicing social distancing, avoiding crowded areas, working from home, etc. These have affected not only the number of customers using services in shopping malls, stores, restaurants or other service venues, but also the demand for office space. However, CPN, as Thailand's leading shopping mall operator and CPNREIT's Property Manager, has introduced the "Central: Clean & Confident" scheme to respond to the new normal in society, entailing five key measures: (1) extra screening, (2) social distancing, (3) safety tracking, (4) deep cleaning, and (5) touchless experience, in order to enhance confidence among users of services in all shopping centers and office buildings managed by CPN.

In this critical situation, CPN Group has issued remedial measures for tenants in shopping malls and office buildings affected by the COVID-19 pandemic by granting a discount on rent to the affected tenants based on type of the tenants and the impact on them. This rent discount measure will help cut the tenants' expenses to compensate for the drop in their revenues so that they could carry on their business until the crisis

eases, while at the same time helping retain the tenant base in shopping malls and office buildings in the long term. Moreover, to reduce the impacts of COVID-19 on CPNREIT's operating results, CPNREIT, jointly with CPN, GLANd and Sterling or the Property Sub-lessee (CPN Pattaya Hotel), has devised measures to cut down on the operating expenses of each property, comprising management of the operating cost and expense reduction plan by revising down variable expenses such as outsourcing expenses in line with the reduced work and general administration expenses in line with the decrease in number of office employees under the work from home policy. In addition, there is a measure to cut the expenses deemed unnecessary in the present circumstances such as marketing and public relations expenses, together with negotiations with the trade partners to align the operation and conditions with the current situation and environment that require a stringent cost control measure.

For Hilton Pattaya Hotel, the closure of airspace, which has restricted tourist arrivals to Thailand, has gravely impacted users of services in hotels and hotels' performance. According to the conditions specified in the building sub-lease agreement, the movable assets lease agreement and the utilities sub-lease agreement, CPN Pattaya Hotel may consider exercising the right to seek waiver of rental payment due to a force majeure event during such period until the effect of force majeure has ended. For the nine-month of 2020 operation, CPN Pattaya Hotel exercised the right to postpone a partial rental payment, the details of which are provided in Clause Financial Status and Performance Outcomes, regarding Hilton Pattaya Hotel. However, CPNREIT, the Property Sub-lessee (CPN Pattaya Hotel), and the hotel management (Hilton Group) jointly held discussions to reduce those impacts by adjusting hotel strategies. This led to hotel renovation in April 2020 and the hotel was partially reopened in November 2020. CPN Pattaya Hotel exercised the right to suspend rental payment during the period of such renovation. Nonetheless, CPN Pattaya Hotel must pay off the said postponed rental within the same accounting year in accordance with the conditions set out in the related agreements.

Amid the lingering COVID-19 crisis, the REIT Manager expects that the pandemic will remain a threat to benefit procurement from the properties invested in by CPNREIT as follows:

Shopping malls: The new normal will affect number of users of services in shopping centers, as well as sales of products or performance of tenants, which will further dampen tenants' revenues and ability to pay rent that CPNREIT will receive from the lessee respectively.

Office buildings: The new normal has prompted many tenants to adopt the work from home measure, which could result in the tenants reducing their rented spaces or not renewing their rental agreement upon expiry of the agreement, thus further hurting rental income that CPNREIT will receive from the lessee respectively.

Hotels: The COVID-19 pandemic will continue to harm the tourism industry. As at September 30, 2020, the government still closed the airspace to international travel, which has restricted tourist arrivals to Thailand and subsequently dampened tenants' revenues and ability to pay rent that CPNREIT will receive from the sub-lessee.

1.3 Risks from Increasing Competition of Business and Change in Lifestyle

CPNREIT's operating performance may be impacted by the real estate market condition and the stiffer competition in this business from both the existing players and the new entrants that have consistently opened and renovated their shopping centers, office buildings and hotels. Moreover, the changes in today's consumer lifestyle and behavior and the technological advances have led to a challenge from emergence of a variety of product and service shopping channels such as online channels for purchasing products and services and ordering food, financial transaction via mobile banking, etc., which could better respond to the target groups' lifestyle. Therefore, retail business operators and shopping mall operators alike have to adjust themselves and align their strategies with the changing business environment.

As such, the REIT Manager will work with the Property Manager (for shopping malls and office buildings) and the Property Sub-lessee (for hotels) in taking necessary actions within the scope of authority and responsibility of the REIT Manager as specified in the Trust Deed, the REIT Manager Appointment Agreement, other related agreements, and the relevant rules and regulations under supervision of the Trustee, with the objective to enhance competitiveness of the properties invested/to be invested in by CPNREIT. A focus will be placed on

development and improvement of those properties to increase efficiency in benefit procurement from the properties, utilization of the spaces, and maintaining of a good image and modernity among the tenants and users of services in the properties. Particularly for shopping malls, the REIT Manager will collaborate with the Property Manager in devising strategies for development and improvement of shopping malls under the Center of Life concept by offering new formats of shopping malls and utilization areas to deliver a new atmosphere and experience that match the behavior and lifestyle of each target group. This will also include a well-organized layout of retail shops and service stores, arrangement of activities that fulfill needs of persons having similar interests (community), and use of digital platform and technology system for increasing efficiency in communication and servicing of shopping mall customers in order to deliver modernity and impressive experience and enhance efficiency and effectiveness in shopping mall management.

However, the COVID-19 pandemic outbreak has created the new normal in society. People have adapted their way of life to fit into the situation by, for instance, wearing face masks when outside their homes and using public services in various places, practicing social distancing, avoiding crowded areas, etc. These factors have affected the properties invested and to be invested in by CPNREIT. Therefore, CPNREIT has worked with the Property Manager (for shopping malls and office buildings) and the Property Sub-lessee (for hotels) in taking actions as follows:

For shopping malls and office buildings, CPN, as Thailand's leading shopping mall operator and CPNREIT's Property Manager, has introduced the "Central: Clean & Confident" scheme to respond to the new normal in society, entailing five key measures: (1) extra screening, (2) social distancing, (3) safety tracking, (4) deep cleaning, and (5) touchless experience, in order to enhance confidence among users of services in all shopping centers and office buildings managed by CPN, GLAND and Sterling.

For hotels, the hotel management (Hilton Group) has introduced the "Hilton CleanStay" measures to assure all hotel guests, from their very first step into the hotel premises and throughout the period of their use of the hotel services, of hygiene practices for both customers and hotel staff. The measures include, among others, cleaning of guestrooms and disinfection of room

surfaces, cleaning of public spaces, particularly the frequently-touched areas such as elevators and restrooms, every hour, spacing of tables in restaurants and meeting rooms, etc

1.4 The Operating Performance of CPNREIT Partly Depends On Management Capability of the REIT Manager of the Properties Invested In and to be Invested by CPNREIT

The REIT Manager shall be a person who will set the policy for action plans, marketing, for realizing benefits, and management strategy of CPNREIT in order to comply with the Trust Deed, and other relevant agreements. Actions of the REIT Manager will be under the supervision of the Trustee, and will be governed by the Trust Deed, the REIT Manager appointment agreement, and relevant laws.

There is no assurance that the REIT Manager will be able to achieve the implementation of the CPNREIT investment strategy as the REIT Manager is subject to various uncertain factors, including the management capability of the REIT Manager and its ability to properly realize benefits from invested properties and in compliance with the investment principles of CPNREIT, as well as obtain good financial results. Therefore, the REIT Manager cannot guarantee that the operation as per the plan for strategic management and the realization of benefits from the invested properties by the REIT Manager will actually meet such plan, or can be achieved within the timeframe and budget. If the REIT Manager fails to manage according to the strategy, such failure may have an adverse impact on the core assets and may affect CPNREIT's performance and ability to pay dividends to unitholders. While the Trustee will supervise and follow up with the REIT Manager's actions to ensure that such actions shall be in line with the Trust Deed, the REIT Manager appointment agreement, and other relevant agreements and the REIT Manager will take care, follow up, and cause the Property Manager and Property Sub-lessee (in the case of the hotel sector) to comply with relevant agreements.

1.5 CPNREIT Must Rely On the Property Manager's Personnel Who Have Skills and Experience in Managing and Realizing Benefits from Properties

Directors and chief executives of CPN, GLAND and Sterling as Property Manager, in the case of the shopping mall and office building sector, together with the

management team of the Hilton Group, who is in charge of the management of Hilton Pattaya Hotel, have important roles in managing and realizing benefits of properties that are invested in or will be invested in by CPNREIT. Loss of such personnel would constitute a loss of persons who have gained the necessary experience, knowledge, business relationships and the skills required for managing immovable property. In case CPN and/or GLAND and/or Sterling and/or Hilton Group lose any such personnel and are unable to attract, employ and develop new personnel with the necessary experience, knowledge, and qualification in relation to the management and realization of benefits of properties to replace such personnel losses, CPNREIT's ability to make profit may decrease. This will further affect CPNREIT's ability to pay dividends to unitholders.

Nonetheless, this risk can be managed because CPN Group, including GLAND and Sterling, set policy and measures to manage human resource covering aspects of selection and maintaining of personnel, and to develop the potential of personnel in order to have a sufficient number of personnel with a sufficient level of competency required to work responsibly and who are happy to work with dedication and good creativity at all times. With respect to the risk from a change of management team of Hilton Pattaya Hotel, Hilton Group has its own network for hotel management at an international level and is equipped with a good internal working system. It is thus anticipated that in case of a change of the hotel management team, a new hotel management team can be dispatched to seamlessly replace the existing team.

1.6 Risk Caused by Refusal to Renew Hotel Management Agreement Upon Its Expiration, or Even If Renewal Is Made, the Terms and Conditions in the Renewal May Differ

The performance of the Hilton Pattaya Hotel may be affected if the hotel management agreement entered into by the Property Sub-lessee and the current hotel management executives is not renewed upon its expiration, or is terminated prior to its terms. Such event will cause the Property Sub-lessee to seek and appoint new hotel management executives to replace the former management executives. This may cause a disruption of the Hilton Pattaya Hotel. Also, even if the hotel management agreement entered into by the Property Sub-lessee and the current hotel management executives (Hilton Group) is renewed, there is still a risk since new terms and conditions under the new

agreement or the renewed agreement may differ from the previous agreement. These factors are regarded as factors which may affect the operation and ability of CPNREIT to pay dividends to unitholders.

However, since there is a period of approximately 6 years remaining under the current hotel management agreement (which expires on 30 November 2025), and if the Property Sub-lessee can continue to comply with the conditions of rent payment to CPNREIT as per the sub-lease agreement and the hotel management agreement until the expiry of the hotel management agreement, the REIT Manager anticipates that there is the likely possibility of renewing the hotel management agreement upon its expiry under terms and conditions that will be beneficial to all parties. However, if the hotel management agreement is not renewed or is terminated early, the Property Sub-lessee will have the duty to procure and select appropriate new management executives to replace the former management executives in order to continue complying with the sub-lease agreement.

1.7 Risk from a Decrease in the Number of Tourists That Will Affect Hotel Business Operation

1.8 Risk Associated with the Hotel License and Other Relevant Licenses for Business Operation

If the hotel business license and/or any other business license that is related to the Property Sub-lessee (in the case of the hotel sector) is terminated or its renewal is refused, the Property Sub-lessee will not be able to continue operating the hotel. This may be deemed to constitute failure of the Property Sub-lessee to comply with terms and conditions set forth in the Sub-Lease Agreement.

However, the Property Sub-lessee will carry out and comply with relevant procedures and requirements for applying for and the renewal of the hotel license and other business licenses to ensure that any related undertakings are smoothly carried out and in compliance with relevant rules and regulations.

1.9 CPNREIT's Income is Derived from Property in the Hotel Sector Depends On the Financial Condition of the Property Sub-lessee and Compliance with the Sub-Lease Agreement

Part of CPNREIT's performance and ability to pay dividends depends on income which is derived from

rent of the property in the Hilton Pattaya Hotel, which has been sub-leased out by CPNREIT to a single sub-lessee (CPN Pattaya Hotel), which is a subsidiary of CPN. CPNREIT's income from this part comprises of fixed rent, and variable rent (calculated according to the method as prescribed in the sub-lease agreement), which will be paid to CPNREIT by CPN Pattaya Hotel. As a result, CPNREIT is exposed to risk from investment in the leasehold right of this hotel property by sub-leasing only to CPN Pattaya Hotel. Therefore, at any time if the financial condition of CPN Pattaya Hotel has deteriorated from the unexpected poor performance of the hotel, CPN Pattaya Hotel may delay the payments or may be in default of paying rent, and such event may cause the sub-lease agreement to be terminated, resulting in the material adverse effect to the financial condition, operational performance and ability of CPNREIT to pay dividends.

However, according to the conditions set forth in the sub-lease agreement, CPN Pattaya Hotel is not allowed to conduct any action which may cause a risk to the financial condition of CPN Pattaya Hotel. In addition, in order to reduce the risk of this case, the REIT Manager and CPN Pattaya Hotel, as the Property Sub-lessee, will continually and jointly follow up with and evaluate the performance of the Hilton Pattaya Hotel, and will jointly proceed with any actions necessary to modify and improve, and enhance the level of competency in operating the hotel business, by taking into consideration the overall strategy for business management and realization of benefits of CPNREIT's properties. In addition, under the undertaking agreement, CPN agrees to control, oversee, and proceed with any actions that are necessary to enable CPN Pattaya Hotel, which is CPN's subsidiary, to strictly comply with the terms and conditions set forth in the agreements to which CPN Pattaya Hotel is a party, including but not limited to agreements for the realization of benefits in the Hilton Pattaya Hotel, as well as documents and other agreements in connection with the realization of benefits of CPNREIT whereby CPN Pattaya Hotel is related to or has entered into as a party. In particular, CPN will use its best efforts to provide any financial assistance, such as providing loans to CPN Pattaya Hotel, additional investments in shares of CPN Pattaya Hotel in the case of a capital increase, etc. Such financial assistance is not aimed at guaranteeing income to be paid to CPNREIT, rather, the purpose of such money is for support and is to be used as working

capital for the operation of CPN Pattaya Hotel so that CPN Pattaya Hotel is not in default or breach of contractual conditions, or does not give cause for contract termination; provided that the planning and withdrawal of money for the operation of Hilton Pattaya Hotel is operated by the Hilton Group, as hotel management executives.

1.10 Risk from Postponement of Rental Payment or the Waiver of Rental Payment Due to a Force Majeure Event Affecting the Business Operation of Hilton Pattaya

In the case of a force majeure event affecting the business of Hilton Pattaya Hotel, which is regarded as an event under the conditions that provide for postponement or waiver of rental payment due to an event of force majeure set forth in the building sub-lease agreement, the utilities sub-lease agreement and movable assets lease agreement in relation to core assets in Hilton Pattaya Hotel, CPN Pattaya Hotel, as Property Sub-lessee, is entitled to request the postponement of rental payment, either in part or in whole, in any quarter. Also, CPN Pattaya Hotel is entitled to request the waiver of rental payment, either in part or in whole, in any quarter to CPNREIT. In the case of postponement of rental payment or waiver of rental payment by CPN Pattaya Hotel, income and working capital of CPNREIT may be materially affected, which may have an impact on the payment of dividends to unitholders.

However, in order to mitigate the risk which may arise, both parties agree to calculate rent if such event occurs. This may cause CPN Pattaya Hotel to be obligated to continue making a partial rental payment, provided that such rental payment will be determined based on the ability of CPN Pattaya Hotel to pay the rent, together with the effect on Hilton Pattaya Hotel's business of CPN Pattaya Hotel. In case such event has passed, CPN Pattaya Hotel still has to continue making rental payment for the quarter as usual according to the calculation method for normal rent. In addition, CPN Pattaya Hotel must make payment of rent which was postponed and has not been paid in full. The rent which has been postponed and has not been paid in full will be calculated in every quarter according to the criteria prescribed in the building sub-lease agreement, the utilities sub-lease agreement and movable assets lease agreement in relation to core assets in Hilton Pattaya Hotel.

However, the COVID-19 pandemic has caused a substantial decrease in the operating performance of Hilton Pattaya Hotel, which falls into the conditions entitling CPN Pattaya Hotel to exercise the right to postpone rental payment, either in part or in whole, with respect to the rent from 1 January 2020 to 31 March 2020 due to a force majeure event which will not be deemed an event of default. The payment of rent which was postponed due to a force majeure event will be made in the quarter when the event due to force majeure has passed. Nonetheless, in order to manage the impacts that may occur to Hilton Pattaya Hotel, CPNREIT, the Property Sub-lessee (CPN Pattaya Hotel), and the hotel management (Hilton Group) jointly held discussions and agreed that this period with a decreasing number of users of the hotel services would be the right timing for hotel renovation, which was originally scheduled for late 2020. The renovation then began in April 2020 and the hotel was partially reopened in November 2020.

1.11 Risk from Not Being Able to Procure a Sub-Lessee for the Hotel Property in the Future

1.12 Risk of Ability to Pay Rental and Service Fees by Tenants in the Shopping Malls and Office Buildings

The ability to conduct business of the tenants in shopping malls and office buildings that are invested in by CPNREIT may affect their ability to pay rental and service fees, to renew agreements, or lead to early termination of agreements. These results will directly affect the income and working capital of CPNREIT and CPNREIT's ability to pay dividends to unitholders. However, the majority of the lease agreements for spaces in shopping malls and office buildings which are invested in by CPNREIT have a lease period of about three years. This allows the Property Manager to adjust the shops in shopping malls and the tenants of office buildings. In addition, the Property Manager has policies to protect against risk of payment defaults of tenants in the following cases: (1) for general lease agreements, the amount equivalent to about 3-6 months' rent is requested as lease deposit to compensate for CPNREIT's loss of income if such tenant fails to pay rent, and to compensate for loss of benefits and/or damage which may occur to CPNREIT upon a tenant's request for early termination of a lease agreement; (2) termination of the lease agreement is required in case

of failure to make outstanding rent payment for an extended period, and timely cooperation is required of the tenant in negotiating and solving the problem; and (3) overdue payments will be closely followed up on, and if payment default occurs, cooperation with the relevant work units will continually be sought in order to solve the problem. However, the COVID-19 pandemic breaking out in the past year has materially affected the business operation of CPNREIT as a consequence of the subdued domestic purchasing power, the practicing of a new normal, the diminishing number of tourists, and the government's measures to curb the spread of the virus such as the closure of shopping centers. These factors have impacted the tenants' sales and ability to pay rental and service fees, as well as to renew the agreements. Nonetheless, CPN, as the Property Manager, has devised measures to grant a discount on rent to the affected tenants based on type of the tenants and the impact on them in a bid to remedy the tenants and enable them to carry on their business until the crisis eases, which will help retain the tenant base in shopping malls and office buildings in the long term.

1.13 Risk in the Event of Early Termination of the Sub-Lease Agreement by the Single Sub-Lessee of Space in Unilever House Office Building Project

1.14 Risk of Loss of Anchor Tenants of Shopping Mall Projects

1.15 Risk Associated with Renovation of CPNREIT's Properties

The property of CPNREIT, i.e. shopping malls, office buildings, and hotels, requires repair, renovation and refurbishment for the purposes of safety, making them look brand new and modern, and for serving the needs of customers who come to purchase goods and use the services in shopping malls, including the tenants (for properties which are shopping malls and office buildings), and customers who use services within the hotel. Normally, the annual renovation and maintenance will not have much affect on the operation of CPNREIT's properties, except for the case of major renovation that requires renovating for a significant image change on the inside and outside of the properties, or change of important utilities system of the properties, which is normally conducted every 10-15 years. In general, there is no cessation of such property's operations during the renovation, and the renovation will be

conducted only in specific areas required for renovation, while other areas are still in operation as usual, unless it is considered that cessation of the property's operations for renovation is more advantageous than a gradual renovation action on such parts of the properties that would have an adverse effect on tenants and customers who come to purchase goods and use services (for properties which are shopping malls and office buildings), and customers who come to use services in the hotel, as well as CPNREIT's income.

For each major improvement, the REIT Manager, the Property Manager (in the case of shopping malls and office buildings), and the Property Sub-lessee, together with the hotel manager (for the hotel property), will prepare a plan in order to minimize the effects to tenants and customers who come to purchase goods and use services (for the properties which are shopping malls and office buildings) and customers who use services in the hotel, by taking into consideration the necessary financial resources and the appropriate timeframe for such action. Also, a study on the effects of the income and benefits expected to be derived must be conducted prior to undertaking renovation actions in every case. Major renovations are necessary for conducting the business of shopping malls, office buildings, and hotels in order to maintain image, to enhance modernization, to be in line with changes of market conditions at all times, and to create attractiveness for the properties invested in by CPNREIT, and to respond to the needs of tenants in the shopping malls and office buildings, together with customers who come to use services in the shopping malls, office buildings and hotels. These actions help to maintain and increase opportunities to realize income and cash flow of CPNREIT on a long-term basis.

Furthermore, with respect to maintenance of the core assets in the Hilton Pattaya Hotel, to be in good condition and in a position to realize benefits, the Property Sub-lessee must use its best efforts as that of a general hotel operator in taking care of sub-leased property to be in good condition throughout the lease period and appropriate for use as per its objectives as prescribed in the agreement. The Property Sub-lessee shall be responsible for any and all maintenances, repairs, and actions necessary for maintaining the sub-leased property as a hotel. Such expenses shall be deemed as part of the operating expenses according

to the budget mutually agreed upon and approved by the parties.

CPNREIT is currently in the process of renovation of Hilton Pattaya Hotel, which began in April 2020 with the hotel being partially reopened in November 2020. CPNREIT also is under renovation of Central Rama 2 Project, which is expected to be completed in October 2021.

1.16 Risk Due to the Fact that CPNREIT Has No Right to the Space of Big Retail Super Centers Inside Certain Shopping Malls Invested In or to be Invested by CPNREIT

1.17 Risk Arising from the Impact of Damage in the Space That Is Not Invested by CPNREIT

1.18 Risk Associated with Non-Performance by the Contractual Parties

1.19 Risk from Termination of Sub-Lease of Land of Central Rama 2 Project and Central Pinklao Project Due to Termination of Main Lease Agreement

Given the fact that investments in land sub-leasehold rights exist in Central Rama 2 Project and Central Pinklao Project, and even though the long-term sub-leasehold right is registered with the relevant authorities, CPNREIT is still subject to the risk that may occur from termination of the sub-lease of land agreement as a result of expiry or termination of the land lease agreement between sub-lessor of the land to CPNREIT and the landlord. In order to mitigate such risk, CPNREIT has thus proceeded with the following risk management activities:

- a) To proceed with the request for consent together with setting the conditions of the sub-lease of land with the owner of the land according to the land lease agreement between Central Pattana Rama 2 and the landlord, as well as arrangements for the prevention of risk that may occur from the termination of such land lease agreement by obtaining subrogation rights contained in the land lease agreement of Central Pattana Rama 2 from the landlord.

On 28 February 2007, CPNREIT (previously CPNRF) had not obtained such right from the landlord. Therefore, CPNREIT thus agreed with CPN and Central Pattana Rama 2 to establish additional measures until CPNREIT has obtained the subrogation right of the land lease agreement. Since 28 February 2007, CPNREIT, CPN and Central Pattana Rama 2 have proceeded with the following actions:

1. Central Pattana Rama 2 has granted CPNREIT the right to pay the land lease fee in substitution of Central Pattana Rama 2 if Central Pattana Rama 2 fails to pay the land lease fee to the landlord according to the land lease agreement.
2. Central Pattana Rama 2 will send evidence of the lease payments to CPNREIT every month.
3. CPN and/or Central Pattana Rama 2 have arranged for procurement of collateral that is acceptable to CPNREIT, in the form of investment units of a general fixed income fund, for the lease payments as per Clause 1 above, in the amount that is equivalent to the land lease fee, which must be paid by Central Pattana Rama 2 to the landlord for the period of 2 years.
4. Central Pattana Rama 2 has a policy to conduct business as it deems necessary in order to be a company that operates with a low risk profile, by amending part of its memorandum of association relating to the company's objects, in order to be in line with its policy for conducting the necessary business of the company.
5. CPN agrees to maintain a financial ratio at a level acceptable to CPNREIT, provided that it will be the same ratio which is committed to the creditors of CPN, of which are D/E Ratio, and Debt Service Coverage Ratio (DSCR). If CPN is unable to maintain such ratios and cannot rectify such failure within 3 months, CPN Pattana Rama 2 or CPN must provide security money or pledge of

instruments that are acceptable to CPNREIT in an amount equivalent to the outstanding land lease fee that Central Pattana Rama 2 is obligated to pay to the landlord

The above additional measures will be canceled once CPNREIT has obtained from the landlord the subrogation right of the land lease agreement for replacement of Central Pattana Rama 2, or another alternative that is acceptable to CPNREIT has been substituted.

- b) CPN has amended the lease of land agreement between CPN and Central Department Store Ltd., where Central Pinklao Project is located. The amendment provides that CPNREIT can subrogate the land lease agreement if CPN fails to comply with the terms of the land lease agreement, when such failure may result in the termination of the land lease agreement, as well as amending the land lease agreement if Central Department Store Ltd. wishes to transfer ownership of the land where Central Pinklao is located. In such case, Central Department Store Ltd. must cause the transferee of land ownership to accept transfer of all rights and obligations of the lessor with the lessee according to the land lease agreement.

However, regardless of the grounds for the termination of the sub-lease of land agreement, CPNREIT still maintains and holds possessory right of the building as a lessee and can seek benefits from the leased property. If the sub-lease of land agreement is terminated due to the fault of the sub-lessor of the land and CPNREIT fails to exercise the right or is unable to exercise the right to subrogate as the party to the land lease in place of the of sub-lessor of the land as per the conditions set forth in the sub-lease of land agreement, CPNREIT will obtain the sublease fee of the land, which is paid in advance, from the sub-lessor of the land, on a pro rata basis for the remaining period of the sub-lease of land. In addition, if the land lease agreement between the sub-lessor of the land to CPNREIT and the landlord expires or is terminated causing the building and structure on such land to become property of the landlord, such landlord will still have the obligation and responsibility to lease the building and structure to CPNREIT according to the law, for CPNREIT's benefit.

1.20 Risk Arising in the Event That the Lease Agreement of Central Rama 3 Project Is Not Renewed in the 30th Year and 60th Year

The lease agreement of Central Rama 3 Project, which is entered into by CPNREIT and Central Pattana Rama 3, will expire on 15 August 2035. It provides that upon expiry of such lease agreement, Central Pattana Rama 3 agrees to promise to CPNREIT that CPNREIT has the right to renew the agreement 2 more times, each of which is for a 30-year term. Although CPNREIT has the right to renew such lease agreement as per the promise granted by Central Pattana Rama 3 according to the lease agreement, CPNREIT may be unable to exercise its right to renew such agreement by any reason, for example, intentional breach of agreement by Central Pattana Rama 3, or change in laws, or change in practice of the law in relation to lease agreements, or a transferee of ownership of the leased property to a third party who fails to perform in accordance with such promise or Central Pattana Rama 3 is under bankruptcy or rehabilitation proceedings.

In order to reduce such risk, CPNREIT established conditions in the lease agreement that Central Pattana Rama 3 represents that it will not sell, dispose, or transfer ownership of the leased property in order to maintain the position of the lessor under the lease agreement. Also, it provides that CPNREIT has the right to purchase the leased property if Central Pattana Rama 3 is unable to grant the right to CPNREIT to renew the lease agreement as per its promise. Also, CPN, as a shareholder having control over Central Pattana Rama 3, agrees to control and oversee that Central Pattana Rama 3 shall strictly perform its obligations under the lease agreement. Furthermore, CPNREIT has arranged that Central Pattana Rama 3 must mortgage the leased property with CPNREIT as a guarantee of performance under the lease agreement and for remedying damage which CPNREIT may incur from its inability to procure benefits from the leased property as per the lease agreement. Nevertheless, such actions may not fully compensate all damage incurred by CPNREIT.

1.21 CPNREIT's Investment in Certain Projects That Have No Investment in Land

1.22 Risk from Investment in Sub-Leased Space of Central Pattaya Project

Since part of the building space in Central Pattaya Project that is invested in by CPNREIT, which has an area of approximately 4,827 square meters, are sub-leases of space in buildings that are leased by the lessor from an owner (that is, Central Superstore Company Limited (Central Pattaya Branch), the owner of the space leases out the said space to CPN Pattaya. The investment in such sub-lease space causes CPNREIT not to have the power to ensure compliance with the lease agreement by the relevant parties. Therefore, CPNREIT is unable to guarantee that such lease agreement will not be terminated, which may affect the realization of benefits in the future.

However, the said sub-lease spaces in Central Pattaya Project constitute only part of the building. Their investment ratio is low compared to the entire space in the buildings invested in by CPNREIT. Also, CPN, as a parent company of CPN Pattaya, which is the lessor of the building in Central Pattaya Project, has established standard rules for controlling and taking care of CPN Pattaya's compliance with agreements, and measures to prevent CPN Pattaya from performing any actions that may constitute a default of the lease of building space for which CPNREIT has been given consent from the owner of the space of Central Pattaya Project in granting CPNREIT the right to subrogate CPN Pattaya if CPN Pattaya is unable to perform its obligations under the said agreement.

In addition, if CPNREIT is unable to realize the benefits of the sub-lease spaces of Central Pattaya Project due to CPN Pattaya's fault, CPNREIT shall be entitled to terminate the agreement immediately; provided that CPN Pattaya must return to CPNREIT the rent of sub-lease spaces for the remaining sub-lease period, and any money and benefits obtained on behalf of CPNREIT, together with the amount of loss of benefits due to CPNREIT's inability to procure benefit of the sub-lease properties.

Therefore, the risk of CPNREIT's sub-leasing the space of the said projects is regarded as low, and will not materially affect CPNREIT's ability to realize benefits from the investment properties.

1.23 Restrictions in Benefit Procurement of The Ninth Towers Office Building Project

In the lease agreement for The Ninth Towers Office Building Project with some tenants, there is a restriction that prohibits the lessor from operating business or allowing any person to operate business in competition with business of the tenants in the spaces inside of The Ninth Towers Office Building Project throughout the term of such lease agreement. This restriction may hinder CPNREIT's procurement of benefits from the spaces in The Ninth Towers Office Building Project.

However, considering the current high occupancy rate of The Ninth Towers Office Building Project, such restriction might not be a significant hindrance to benefit procurement from the spaces in The Ninth Towers Office Building Project. The REIT Manager and the Property Manager will make an endeavor to reduce such restriction on benefit procurement when considering the next renewal of the space lease agreement and service agreement. As at 31 December 2020, the spaces leased by the tenants with such restriction set out in the space lease agreement made up only approximately 2.5% of the leased spaces of The Ninth Towers Office Building Project.

1.24 Risk from Borrowings

CPNREIT will raise loans in line with the criteria specified in the prospectus. It is expected that such loan proportion of CPNREIT after investment will account for around 32.2%. (The loan proportion is calculated from the current loan proportion of CPNREIT as at 31 December 2020. The total asset value of CPNREIT after completion of investment in additional assets will include value of properties from Central Rama 2 Project (Renewal Period), which is in line with the related accounting standards. However, the lease liabilities of Central Rama 2 Project (Renewal Period) are not deemed as borrowing under the SEC's regulations.) CPNREIT may be exposed to risk from such borrowing as a result of changes in economic condition, interest rate and debt serviceability of the related contractual parties, which may affect CPNREIT's operating performance and relatively lead to its insufficient liquidity to make payment of principal and/or interest. Also, CPNREIT may be prone to risk from a lowered ability to make principal and/or interest payment, as well as financial risk arising from loan refinancing, especially when its cash flow decreases due to

expiration of leasehold rights for the invested properties in some projects. As well, there could be risk from a higher interest cost which may impact the payment of dividends to unitholders and may necessitate a capital increase by CPNREIT through an issue and offering of additional trust units in order to make loan repayment.

However, CPNREIT will make an effort to take any action deemed necessary to mitigate the aforementioned risks. In conducting any such action, CPNREIT will primarily take the interest of unitholders into account.

1.25 Risks Arising from the Fact that CPN is the Major Shareholder of and the Controlling Person of the REIT Manager

The major shareholder and controlling person of the REIT Manager is CPN. CPN holds 99.99 percent of all shares having voting rights of the REIT Manager. This enables CPN to have control over all business policies, operations and finances of the REIT Manager. Furthermore, the fact that CPN is the largest unitholder of CPNREIT enables CPN to have a significant proportion of voting rights meetings of the unitholders of CPNREIT for agenda items for which CPN is not a special interested person.

However, actions of the REIT Manager are under the supervision of the Trustee. In managing and operating CPNREIT, the REIT Manager must comply with the terms set forth in the Trust Deed, the REIT Manager appointment agreement, and other relevant rules. In addition, for operation of the REIT Manager, independent directors have been appointed at a ratio of one-third of all members of directors of the REIT Manager. The independent directors have duties to consider giving comments or giving notes for matters involving related person of CPNREIT, or matters for which there may be a conflict of interest. In this way, monitoring and balancing within the structure of board of directors of the REIT Manager can be arranged.

In addition, in acquisition and disposition of important properties, connected transactions, and other transactions that are considered material matters by CPNREIT, the REIT Manager will proceed with consideration and approval of such transactions and cause such transactions to be in line with relevant principles. A unitholder who has a special interest in any agenda item of a meeting shall have no right to vote for such agenda item.

1.26 Risk from Conflict of Interest Which May Occur Between CPNREIT and CPN Group, Who Acts as Property Manager

Although the REIT Manager has set roles and scope of responsibilities of CPN, GLAND and Sterling, who acts as the Property Manager to carefully manage and operate CPNREIT's shopping mall and office building properties, conflicts of interest between CPNREIT and CPN Group may still occur due to the fact that CPN Group has engaged in the business of leasing out and providing services in spaces in shopping malls and office buildings in various locations as its major business, and due to the fact that CPN also has the duty to procure tenants of shops and office buildings for CPNREIT's properties. Such conflict may result in the decrease of occupancy rate and the decrease of rent or the restriction of the increase of the rent of shopping malls and/or office building of CPNREIT.

However, the possibility of such conflict of interest is not high because decision making for the selection of spaces for lease depends on the need of each tenant. Selection of spaces depends on the location of office buildings or shopping malls, size of space, and differences of CPN projects in terms of targeted customers, services, architecture, decoration, and location, all of which are important factors for making decisions by tenants. Therefore, in principle, tenants are persons who consider and make decisions for selection of spaces in shopping mall projects or office building projects according to their needs.

Furthermore, CPNREIT has employed CPN Group to manage CPNREIT's shopping mall and office building properties by way of an agreement that is structured to provide incentives for CPN to continuously earn a good profit for CPNREIT, with objectives to motivate CPN to manage and operate CPNREIT's shopping mall and office building properties to increase income from rent and service fees, by controlling relevant costs and expenses to be at appropriate levels, which will help reduce risk from the occurrence of conflicts of interest.

With respect to measures set forth for preventing conflicts of interest related to properties managed by CPN, as the Property Manager, the REIT Manager has established measures for consideration of CPN's performance in the Property Manager appointment agreement, thereby entitling the REIT Manager to change the Property Manager upon occurrence of any of the following events:

- If the occupancy rate of properties invested in by CPNREIT and under CPN's management decreases to lower than 50% for a consecutive period of longer than three months, the REIT Manager may propose to a meeting of unitholders to consider and resolve to terminate the Property Manager appointment agreement by the affirmative votes of more than half of all trust units of CPNREIT.

The occupancy rate shall be calculated on actual leased spaces, divided by all leasable spaces excluding common spaces, meeting spaces, and spaces which cannot be leased out temporarily due to force majeure events or due to repair and refurbishment of such spaces. Information from monthly reports shall be used for calculation of such leased spaces.

- (1) GLAND and Sterling, as the Promisors, agree that, in the operation of office buildings for rent in The Grand Rama 9 Project, the Promisors and/or persons related to the Promisors shall not perform any act in such a way as to persuade, induce or motivate tenants of office space in the properties invested in by CPNREIT to lease office space of other minor projects in The Grand Rama 9 Project.
- (2) As from the date CPNREIT has invested in the leased properties, the Promisors agree that the determination of rental and service fees for office spaces leased out to new tenants and service users and existing tenants and service users who desire to lease additional spaces of other minor projects in The Grand Rama 9 Project shall not be in competition with the lease-out of office spaces to new tenants and service users and existing tenants and service users who desire to lease additional spaces of the leased properties in The Ninth Towers Office Building Project and the leased properties in Unilever House Office Building Project, and that no support and benefit shall be provided to new tenants and service users and existing tenants and service users who desire to lease additional spaces of other minor projects in The Grand Rama 9 Project in a way that is inconsistent with the normal course of business in order to motivate them to enter into the lease agreements and service agreements.

Provided that written consent is obtained from CPNREIT, the Promisors agree that if, throughout the lease period, the occupancy rate of leased office spaces of the leased properties in The Ninth Towers Office Building Project or the leased properties in Unilever House Office Building Project is lower than 92% of each project invested in by CPNREIT, the Promisors and/or persons related to the Promisors shall determine rental and service fees for office spaces leased out to new tenants and service users and existing tenants and service users who desire to lease additional spaces of other minor projects in The Grand Rama 9 Project as follows:

- higher than 15% of rental and service fees of office spaces leased out to new tenants and service users and existing tenants and service users who desire to lease additional spaces of the leased properties in The Ninth Towers Office Building Project; and
- higher than 10% of rental and service fees of office spaces leased out to new tenants and service users and existing tenants and service users who desire to lease additional spaces of the leased properties in Unilever House Office Building Project.

The rental and service fees for office spaces leased out to new tenants and service users and existing tenants and service users who lease additional spaces of such leased properties shall be determined in the preparation of each yearly budget by the REIT Manager. The said terms and conditions for determination of rental and service fees shall apply to office spaces for rent that have equal or similar zone and size between (a) the spaces of other minor projects in The Grand Rama 9 Project and (b) the spaces in The Ninth Towers Office Building Project and/or Unilever House Office Building Project as specified in the agreement.

In this respect, the parties to the agreement agree that the terms and conditions for determination of rental and service fees shall not apply to office spaces for rent of any of other minor projects in The Grand Rama 9 Project in the event that:

- the Promisors and/or persons related to the Promisors have disposed of, sold, transferred or leased out (where it is not a lease-out of spaces in the office space for rent business to general customers in the normal course of business) the office spaces for rent in any such project entirely to other person who is not related to the Promisors, subject yet to the right of first refusal condition; or
- CPNREIT has invested in the office spaces for rent in any such project.

For the benefit of this clause of the agreement, if the occupancy rate of the leased properties in The Ninth Towers Office Building Project or the leased properties in Unilever House Office Building Project is lower than 92% as specified above, the Promisors agree to disclose, or arrange for persons related to the Promisors to disclose, information regarding rental and service fees, lease terms and conditions, and lease period of the office spaces for rent of other minor projects in The Grand Rama 9 Project to CPNREIT in writing on a quarterly basis, and to give CPNREIT the right to examine such information as requested and deemed fit by CPNREIT.

In addition, within a period of about four years (ended April 18, 2024) from the date of CPNREIT's investment in The Ninth Towers Office Building Project and Unilever House Office Building Project, if GLAND or Sterling and/or persons related to GLAND or Sterling wish to dispose of, sell, transfer or lease out (where it is not a lease-out of spaces in the office space for rent business to general customers in the normal course of business) a whole or a part of properties used in the operation of office spaces for rent business in The Grand Rama 9 Project, GLAND or Sterling agrees that GLAND or Sterling and/or persons related to GLAND or Sterling will arrange for CPNREIT to obtain the right of first refusal with respect to the investment in such properties.

1.27 Risk in Central Rama 2 Project (Renewal Period) Due to the Fact that the Landlord May Not Want to Obtain the Transfer of Buildings and Structures

The land lease agreements of Central Rama 2 Project (Renewal Period) stipulate that the landlord has the option to take transfer of ownership of the buildings and structures. If the landlord chooses not to take ownership of the buildings and structures, the land lessee, who is the lessor of property to CPNREIT, must demolish the buildings and structures and must be responsible for demolition expenses.

However, such agreements for the lease of buildings and structures of the said project specify that CPNREIT is obligated to demolish buildings and structures for the land lessee, who is the lessor of property to CPNREIT. In such case, CPNREIT must be responsible for demolishing the buildings and structures of Central Rama 2 Project (Renewal Period). If the landlord chooses not to take ownership of the buildings and structures upon cessation of the lease agreements, CPNREIT will be responsible for demolition expenses.

With respect to consideration of investment value, the REIT Manager has conducted an evaluation of the necessary expenses and timeframe in relation to the demolition, if it is to occur, which may affect income during such period.

2. Risk Associated with the Ability to Realize Benefits from the Properties Invested by CPNREIT

2.1 Risk of The Ninth Towers Office Building Project and Unilever House Office Building Project Regarding the Right to Use the Entrance-Exit to the Public Way

Presently, The Ninth Towers Office Building Project and Unilever House Office Building Project are accessible by two ways: one is the access via Phra Ram 9 Road and the other is the access via Ratchadaphisek Road. The access to public roads of these two projects bears risk concerned with the right of way as follows:

(1) Access to The Grand Rama 9 Project via Rama 9 Road

GLAND was permitted by Bangkok Metropolitan Administration (BMA)'s Public Works Department to make a pavement slope to connect the access of The Grand Rama 9 Project to Phra Ram 9 Road, subject to a condition that the general public must be allowed to freely use the road in the project as a short cut between Ratchadaphisek Road and Phra Ram 9 Road. Therefore, failure by GLAND to abide by such condition may result in BMA consider revoking the permission to make the pavement slope to link the access to Phra Ram 9 Road.

(2) Access to The Grand Rama 9 Project via Ratchadaphisek Road

Mass Rapid Transit Authority of Thailand (MRTA) issued a letter permitting GLAND's The Grand Rama 9 Project to use land in that area as access to Ratchadaphisek Road. Nonetheless, if MRTA needs to conduct any act for the benefit of maintaining the security of the electric train system and the safety of people in the electric train system area, whether directly and/or indirectly, or for any other benefit of the people and the public, MRTA shall have the authority to change and revise the permitted land, move or reduce size of the permitted land, whether wholly or partly, and revoke such permission without prior notice, whereby GLAND may not demand any compensation or claim for any damage. Therefore, if GLAND fails to abide by such condition or MRTA exercises such authority, The Ninth Towers Office Building Project and Unilever House Office Building Project may be unable to use the access via Ratchadaphisek Road.

As for road in The Grand Rama 9 Project and road in front of The Ninth Towers Office Building Project and Unilever House Office Building Project, GLAND has registered a right of servitude over such roads for the benefit of the tenants and service users of The Ninth Towers Office Building Project and Unilever House Office Building Project, including their attendants.

CPNREIT, the tenants and service users have to share the access and road in The Grand Rama 9 Project with other persons in The Grand Rama 9

Project. Therefore, CPNREIT, the tenants and service users may face difficulties in using such access and road if those other persons violate the right of CPNREIT and cause damages to such access and road.

However, it is stipulated in the lease agreement of office spaces, parking spaces and utilities and/or the Undertaking Agreement that GLAND and Sterling shall have duty to comply with all conditions and regulations under the permit, letter of permission and related documents and/or to take any action in order to enable CPNREIT, the tenants and service users, and their attendants to utilize and make use of the access and passage in The Grand Rama 9 Project to the public road. GLAND and Sterling shall also have duty to maintain and repair the project's road and access to be in a good and suitable condition for use by CPNREIT throughout the lease period of CPNREIT. If GLAND and Sterling fail to maintain and repair the project's road and access to be in a good and suitable condition, CPNREIT shall have the right to undertake such repair and maintenance work by itself or assign other person to do so at GLAND's and Sterling's sole cost and expense.

2.2 Risk Due to the Fact that The Ninth Towers Office Building Project and Unilever House Office Building Project are Minor Projects Inside The Grand Rama 9 Project

The Ninth Towers Office Building Project and Unilever House Office Building Project are minor projects in The Grand Rama 9 Project, which is a large-scale project being developed by GLAND Group to become a new central business district on Phra Ram 9 Road. It will feature shopping center projects, residential condominium projects, office building projects, hotel projects and others. Therefore, given a change in the situation triggered by economic, political or technological conditions, GLAND Group may be unable to develop these minor projects in The Grand Rama 9 Project in accordance with the established format and concept, or fail to completely develop The Grand Rama 9 Project as planned, or may change the format of The Grand Rama 9 Project without consent from CPNREIT. Thus, CPNREIT may be exposed to risk of the overall environment of The Grand Rama 9 Project changing from its expectation, which may affect the image of The

Ninth Towers Office Building Project and Unilever House Office Building Project, as well as the tenants' decision to lease the spaces or renew the lease agreements, and may also result in a greater difficulty in acquiring tenants to lease the spaces in both projects.

2.3 Risk Arising from Expropriation

2.4 Properties Invested In or to be Invested Are Subject to Environmental Laws, whereby Compliance with Them May Incur Expenses and Liabilities to CPNREIT

2.5 Risks Associated with Natural Disasters, Accident, Unrest

2.6 Risk Arising from Insurance

CPNREIT's business may be subject to risk associated with the operation of and realizing benefits from the properties invested in or to be invested by CPNREIT. Even though CPNREIT may procure appropriate insurance for the properties invested in or to be invested according to relevant laws, CPNREIT may not be able to procure insurance to cover certain risks that may arise. Even though CPNREIT can procure insurance, the premium rate may not be worth the economic benefit to be obtained by CPNREIT, or CPNREIT may be unable to exercise its claim according to the terms set forth in such insurance, either in whole or in part, or the compensation payments may be delayed in accordance with the terms of such insurance, which would not be CPNREIT's fault. Also, CPNREIT may be subject to risk from financial loss once due to the occurrence of a severe event for which CPNREIT is not appropriately compensated for damages, or insurance could not be procured to cover such event. This may directly affect the dividends that are anticipated by unitholders.

2.7 Increase in Expenses Relating to the Immovable Properties That Are in Possession of CPNREIT, as well as an Increase in Operating Expenses

The ability of CPNREIT to pay dividends to unitholders may be adversely affected by expenses relating to the properties and increased operation costs while income is not increased or increases at a lower rate.

Factors which may affect expenses on such properties and increasing operation costs are:

- Increase of maintenance expenses;
- Increase of relevant taxes on immovable property and other fees according to law;

- Changes in law, regulations, rules and policies of government, which may increase expenses as a result of the need to comply with such changes of law, regulations, rules and policies;
- Increase of expenses for public utilities;
- Increase of service fees for sub-contractors (if any);
- Increase in the rate of inflation;
- Increase of insurance premiums;
- Increased expenses due to damage or defects of properties that require repair and for which such expenses cannot be estimated, and also an increase of operating expenses involving property and CPNREIT's operation for realizing benefits from the of properties.

3. Risk Associated with Investment in Properties by CPNREIT

3.1 Investment in Properties Is Exposed to Various Risks

Investment in properties has various risks, including but not limited to (1) adverse change in political or economic conditions, (2) adverse change to market situations, (3) financial conditions of tenants, buyers and sellers of property, (4) sources for supporting funds, i.e. loans, debt instruments, or equity instruments, which may be changed, and which then impact CPNREIT's ability to acquire more properties or maintain and repair properties, (5) change in interest rates, cost of funds, and other operating expenses, (6) change in environmental law, law on zoning and other regulations of governments, and financial policies, (7) claims on environmental impacts from properties, (8) change of market lease fee rates, (9) change of power prices, (10) competition among owners of properties or lessors of properties for attracting tenants and space users, which may affect vacancy rates of lease space or space cannot be leased out with advantageous agreements, (11) renewal of lease agreements cannot be made upon expiry of the existing agreement, (12) inability to promptly collect rent or consideration of use from users and/or tenants or inability to collect it due to bankruptcy of users and/or tenants, (13) inability to procure sufficient insurance or any insurance to cover damages, or an increase of insurance premium, (14) increase in the rate of inflation, (15) property defects requiring repair and unforeseeable expenses, (16) failure of tenants to

comply with terms and conditions set in lease agreement, (17) dependency on cash flow for repair and improvement of property, (18) increase of operating costs including property-related taxes, (19) any rights or encumbrances which were not found during the due diligence examination or review at the Land Department, (20) force majeure events causing damage that cannot be insured against and (21) The global outbreak and spread of infectious diseases.

These factors may cause occupancy rates, rental rates, consideration for use of space, or operating expenses to fluctuate. These factors cause adverse effects on property values and income to be derived from properties. The value of CPNREIT's properties may materially decrease under a rapid downturn in Thailand's immovable property market and Thailand's economy.

3.2 Risk Arising from Verification of Information Prior to Investing

Prior to investing in properties, the REIT Manager conducted a study of the information and details of such properties by examining and reviewing relevant information (due diligence) prior to making the decision to invest. The REIT Manager studied the report issued by the Appraisal Company, the engineering report on the properties, the legal due diligence report, together with other information and agreements. However, such actions do not guarantee that the properties to be invested in by CPNREIT are free from damages or defects that may require incurring expenses to improve and repair the properties. The report issued by the Appraisal Company, the report on the investigation of properties to be invested by CPNREIT, and the legal due diligence report by legal advisors that were used as the basis for evaluation and examination by the REIT Manager, may be incomplete or incorrect since the investigation of certain defects on property is difficult to find out or unable to uncover due to inherent limitations of the investigation, which may include techniques or methods used for investigation, or other factors that are regarded as limitations of investigations held by appraisers, engineers, and legal advisors.

Further, properties to be invested by CPNREIT may violate various rules and regulations which are related to properties, and the study of information, details and due diligence documents by the REIT Manager may not have uncovered such matters, resulting in expenses that may be higher than the budget estimated by the

REIT Manager prior to investing, or incurring duties to follow such obligations involving violations of such regulations as prescribed by relevant authorities.

3.3 Value of Immovable Properties Invested In by CPNREIT According to the Valuation of the Appraisal Companies Does Not Reflect Their Actual Value and There Is No Guarantee that the Selling Price of Immovable Properties Will Be In Line with the Appraised Value, whether at Present or in the Future

3.4 Risk from CPNREIT Investment in Leasehold Right over Immovable Properties

CPNREIT investment is to invest in leasehold right of immovable properties. Therefore, the value of such leasehold right may be reduced due to the reduction of the remaining lease period, or leasehold right value may be changed due to change of appraisal of the leasehold right. These factors may affect the value of the trust units, and may cause the value of trust units to increase or decrease.

4. Other Risks

4.1 Changes of Accounting Standards or Relevant Laws

4.2 Net Asset Value of CPNREIT May Not be Actual Value That CPNREIT Will Obtain Upon Disposal of All Properties or Upon the Dissolution of CPNREIT

4.3 Risk from Liquidity of Trust Units Trading in Secondary Market

4.4 Risks in Aspects of Taxes and Fees

The purchase, sale, transfer, or obtaining the transfer of immovable property, or the purchase, sale, transfer, or obtaining of leasehold rights (in case of CPNREIT investment in lease of immovable property), or the operation for the realization of benefits from CPNREIT properties in the future may incur tax burdens and fees on the purchase, sale, transfer, obtaining ownership, or the transfer or obtaining the transfer of leasehold rights of immovable property, which such burden CPNREIT may have to assume in part or in whole, and the rate of taxes and fees to be paid by CPNREIT or applying of tax incentives may differ from what they are now.

In addition, in the future, the tax burden of CPNREIT and/or the tax burden of unitholders, as it relates to the investment in and/or sale and purchase of trust units, and/or the operation of the CPNREIT properties and obtaining benefits from CPNREIT, may be changed and differ from now if there is the change in law or tax regulations or other aspects relevant to such matters.

4.5 Ability of CPNREIT to Pay Returns

Payment of returns by CPNREIT will be considered based on CPNREIT's performance, and the performance depends on various factors, i.e., the economic situation in country and abroad, the ability of tenants and sub-tenants to pay rents, costs of immovable property management, other operational costs, competition of operators, occupancy rate of CPNREIT investment projects, changes in law and regulations relating to the properties, natural disasters, and the political situation. Therefore, investors may be subject to the risk that payment of dividends will not be made as anticipated, or CPNREIT may be unable to maintain the payment of dividends or to increase the dividend rate.

4.6 Sale & Purchase Price of Trust Units May Not Reflect Net Asset Value of CPNREIT

4.7 Repayment of Capital from Dissolution of CPNREIT May Be Less Than Amount of Investment Made by Unitholders

In case of dissolution of CPNREIT, the REIT Manager cannot guarantee that unitholders will obtain their investment sum in whole or in part, because it depends on the reasons, the method of dissolution of CPNREIT, the principles for disposition of CPNREIT's properties, and the remaining period of leasehold rights.

4.8 Risk from CPNREIT's failure to mobilize funds completely as planned for investment in the properties to be additionally invested in

The Extraordinary General Meeting of Unitholders of CPNREIT No. 1/2019 on 22 November 2019 passed a resolution approving a capital increase of CPNREIT through an issue and offering of additional trust units in an amount of not more than 770 million units in order to use the proceeds from the capital increase for the following purposes:

- (1) Investment in Central Marina Project, Central Lampang Project, Central Suratthani Project, Central Ubonratchathani Project, Central Rama 2 Project (Renewal Period) (excluding rental payment of Central Rama 2 Project (Renewal Period)), The Ninth Towers Office Building Project and Unilever House Office Building Project, and/or
- (2) Repayment of debts incurred from borrowing to finance the investment in Central Marina Project, Central Lampang Project, Central Suratthani Project, Central Ubonratchathani Project, Central Rama 2 Project (Renewal Period) (excluding rental payment of Central Rama 2 Project (Renewal Period)), The Ninth Towers Office Building Project and Unilever House Office Building Project, and/or
- (3) Payment of all expenses arising from fund mobilization and investment in Central Marina Project, Central Lampang Project, Central Suratthani Project, Central Ubonratchathani Project, Central Rama 2 Project (Renewal Period) (excluding rental payment of Central Rama 2 Project (Renewal Period)), The Ninth Towers Office Building Project and Unilever House Office Building Project, and/or
- (4) Meeting working capital needs of CPNREIT.

The REIT Manager obtained the approval for the issue and offering of additional trust units from the SEC on 24 February 2020. In the present circumstances where the COVID-19 pandemic has created far-reaching impacts on the operation of related businesses, including commercial properties invested in by CPNREIT at present and in the future, and also led to drastic fluctuations in investment in the capital market, the REIT Manager therefore deems it appropriate to postpone the offering of additional trust units for sale.

However, to comply with the established investment plan, CPNREIT proceeded to invest in The Ninth Towers Office Building Project on 1 March 2020 and Unilever House Office Building Project on 2 March 2020, and register the leasehold rights for Central Rama 2 Project (Renewal Period) on 31 March 2020 (rental payment of Central Rama 2 Project (Renewal Period) is due in 2025), all of which were financed by loans from financial institutions.

Moreover, in order to follow the plan for additional asset investment as per the resolution of the Extraordinary General Meeting of Unitholders of CPNREIT No. 1/2019 on 22 November 2019, approving investment in assets in the following order: (1) Central Marina Project, (2) Central Lampang Project, (3) Central Suratthani Project, and (4) Central Ubonratchathani Project, the REIT Manager and the financial advisor considered and viewed that the size of fundraising for investment in Central Marina Project and Central Lampang Project would likely suit the capital market condition. Therefore, the REIT Manager proceeded with the issue and offering of new trust units of CPNREIT in an amount of 355,557,300 units for investment in the assets in Central Marina Project and Central Lampang Project at a total value of not exceeding Baht 5,672 million and/or for repayment of debts incurred from borrowing to finance the investment in The Ninth Towers Office Building Project and Unilever House Office Building Project which were already invested in, including payment of expenses arising from registration of the leasehold rights for Central Rama 2 Project (Renewal Period). This aims for appropriate capital restructuring of CPNREIT and reduction of its financial risk that may arise from its loan to total asset ratio which is higher than the debt ratio under policy. As at 31 December 2020, CPNREIT's loan to total asset ratio, if excluding value of assets in Central Rama 2 Project (Renewal Period), stood at around 43.8%. After the said capital increase and additional asset investment, it is expected that CPNREIT will obtain benefit with a drop in such ratio to about 39.9% and improvement in its liquidity for debt service, which will help mitigate its financial risk.

As regards the investment in Central Suratthani Project and Central Ubonratchathani Project, the REIT Manager will consider making investment in those properties when the investment environment in the capital market is favorable for an offer of additional trust units so that the entire investment will be accomplished according to the resolution of the Extraordinary General Meeting of Unitholders of CPNREIT No. 1/2019.

4.9 Risk from investment in Central Rama 2 Project (Renewal Period)

- **CPNREIT having to record lease liabilities in its financial statements for the investment in Central Rama 2 Project (Renewal Period)**

For the investment in Central Rama 2 Project (Renewal Period), there will be rental fee payable in 2025 in the amount of not exceeding Baht 25,394 million (excluding registration fee, value added tax, stamp duty, and other related fees and expenses). The leasehold right for Central Rama 2 Project (Renewal Period) was registered on 31 March 2020. According to the regulations under the relevant accounting standards, CPNREIT must record lease liabilities together with Central Rama 2 Project (Renewal Period) properties in its financial statements as from the date of investment, which was the same date as the leasehold right registration.

However, such lease liabilities are not incorporated into borrowing in the calculation of loan proportion pursuant to the Notification No. TorChor. 49/2555. Moreover, interest expenses incurred from such lease liabilities are non-cash expenses and, hence, will not affect CPNREIT's ability to pay distribution to its unitholders.

- **CPNREIT having to secure adequate funding sources for rental payment of Central Rama 2 Project (Renewal Period) in 2025**

For the investment in Central Rama 2 Project (Renewal Period), there will be rental fee payable in 2025 in the amount of not exceeding Baht 25,394 million (excluding registration fee, value added tax, stamp duty, and other related fees and expenses). Therefore, CPNREIT must secure funding sources for such rental payment in 2025, thereby posing risk of raising sufficient funds for rental payment by the specified period.

However, to prepare for securing of funds for such rental payment, the REIT Manager arranged to propose the unitholders' meeting to approve a capital increase of CPNREIT. Then, the Extraordinary General Meeting of Unitholders of CPNREIT No. 1/2019 on 22 November 2019

passed a resolution approving a capital increase of CPNREIT through an issue and offering of additional trust units in 2025 in an amount of not more than 630 million units with the objective to use the proceeds from the capital increase for rental payment of Central Rama 2 Project (Renewal Period) and/or for repayment of debts incurred from borrowing to finance the rental payment of Central Rama 2 Project (Renewal Period) and/or for payment of all expenses arising from the rental payment of Central Rama 2 Project (Renewal Period) and/or for meeting working capital needs of CPNREIT.

The REIT Manager will arrange to disclose information on the said funding source for the rental payment of Central Rama 2 Project (Renewal Period) in 2025 as per the resolution of the Extraordinary General Meeting of Unitholders of CPNREIT No. 1/2019 in CPNREIT's annual report, as well as at the annual general meeting of unitholders of CPNREIT and on the SET's website in "Companies/Securities in Focus" menu, "Investment Policy" item.

Moreover, loans will be another funding source that CPNREIT can use for the rental payment of Central Rama 2 Project (Renewal Period). The loan proportion of CPNREIT will conform with the Notification of the Capital Market Supervisory Board No. TorChor. 49/2555, stipulating that a REIT can raise loans for not more than 35% of its total asset value, or not more than 60% of total asset value for a REIT whose credit rating is at the investment grade. The current credit rating of CPNREIT is assigned by TRIS at AA with "Negative" outlook (rated on 22 July 2020). After completion of this investment in the properties to be additionally invested in, CPNREIT will have a larger asset size, which will grow from its existing total assets of approximately Baht 71,577 million (as at 31 December 2020).

However, if CPNREIT has to mobilize funds entirely from borrowing to cover the rental payment of Central Rama 2 Project (Renewal Period) in 2025, its loan proportion is expected to be approximately 52.6%, assuming that its credit rating at that time will remain at the investment grade. Loans will consist of (1) loans according to the latest financial

statements as at 31 December 2020, (2) loans estimated for this investment, (3) loans required for renovation projects in 2021, and (4) loans to finance the entire rental payment of Central Rama 2 Project (Renewal Period) in 2025. Meanwhile, assets will consist of (1) existing properties according to the latest financial statements as at 31 December 2020, (2) properties to be additionally invested in, based on the highest value of this investment, and (3) properties of Central Rama 2 Project (Renewal Period). Given that, in 2025, CPNREIT does not obtain credit rating at the investment grade, its ability to mobilize funds through borrowing will decrease from the original forecast of 52.6% under the above assumption to a maximum of 35% under the same assumption. As such, it is expected that CPNREIT will have to secure other alternative funding sources of around Baht 16,638 million.

In the case where CPNREIT is unable to secure sufficient funding sources for the total rental payment of Central Rama 2 Project (Renewal Period) in 2025, the contractual parties will hold discussions to mutually reach an agreement regarding such matter. If a mutual agreement cannot be reached, Central Rama 2 will be entitled to enforce the collateral for rental payment according to the actual damage incurred, with the maximum collateral value of Baht 1,800 million.

- **Impacts from CPNREIT's issue and offering of additional trust units to fund the rental payment of Central Rama 2 Project (Renewal Period) in 2025**

For the investment in Central Rama 2 Project (Renewal Period), there will be rental fee payable in 2025 in the amount of not exceeding Baht 25,394 million (excluding registration fee, value added tax, stamp duty, and other related fees and expenses). In this respect, the Extraordinary General Meeting of Unitholders of CPNREIT No. 1/2019 on 22 November 2019 passed a resolution approving a capital increase of CPNREIT through an issue and offering of additional trust units in 2025 in an amount of not more than 630 million

units with the objective to use the proceeds from the capital increase for rental payment of Central Rama 2 Project (Renewal Period) and/or for repayment of debts incurred from borrowing to finance the rental payment of Central Rama 2 Project (Renewal Period) and/or for payment of all expenses arising from the rental payment of Central Rama 2 Project (Renewal Period) and/or for meeting working capital needs of CPNREIT. At least 50% of the trust units to be additionally issued and offered for sale will be allocated to the existing unitholders of CPNREIT, and the remainder will be offered to specific investors through private placement and/or to the general public as deemed appropriate at the same price as the offering price to the existing unitholders of CPNREIT. Therefore, the existing unitholders of CPNREIT may be affected by the said issue and offering of additional trust units during that period, including the effects from control dilution, price dilution or earnings dilution. From the calculation of such effects based on the maximum amount of trust units to be issued and offered in 2025 (assuming the maximum amount of 630 million units), it is expected that the dilution effect in 2025 on the existing unitholders who do not subscribe for the newly issued trust units in 2025 will be around 20% based on the number of trust units after this capital increase of 2,532.48 million units (assuming the maximum amount of 320.00 million newly issued trust units) combined with the maximum amount of trust units expected to be additionally issued in 2025 and given that there is no issue and offering of additional trust units after this period until 2025. However, the actual number of trust units to be additionally issued and offered may be lower than the said maximum amount of trust units (not exceeding 630 million units). The REIT Manager will take into account the appropriate capital structure at that time in the issue and offer of new trust units in conjunction with such other funding sources as borrowing and/or issue of debentures so as to ensure the utmost benefit for CPNREIT and the unitholders.



LEGAL DISPUTE

In managing CPNREIT, the REIT Manager complies fully with relevant laws, namely Securities and Exchange Act B.E. 2535 (including its subsequent amendments), Trust for Transactions in the Capital Market Act B.E. 2550 (including its subsequent amendments) regulations from regulatory bodies and Trust Deed.

As of 31 December 2020, CPNREIT had no litigation either as a party or litigant in a lawsuit or dispute in arbitration or other significant legal disputes which directly relates to CPNREIT's business that the REIT Manager believes will severely and negatively impact CPNREIT's net asset value more than 5%, financial position, operating performance and operating outlook. Moreover, CPNREIT has no litigation that would significantly impact the procurement of benefit from properties that CPNREIT manages.



MILESTONES AND OTHER KEY MATTERS

Milestones

Year 2017

- CPNREIT was established pursuant to the Trust Act on 29 November 2017 from the conversion of CPNRF.
- The trust units of CPNREIT have been started trading on the SET on 14 December 2017.

Year 2018

- On 25 May 2018, TRIS rated CPNREIT's credit rating as "AA" with a "Stable" outlook.
- On 29 June 2018, TRIS maintained CPNREIT's credit rating as "AA" with "Stable" outlook and rated CPNREIT's senior unsecured debentures as "AA" with "Stable" outlook.
- On 17 August 2018, CPNREIT issued its debentures pursuant to the resolution of the 2018 Annual General Meeting of Trust Unitholders of CPNREIT for not exceeding Baht 16,250 million under the Medium Term Note Program: MTN of CPNREIT in the amount of Baht 10,040 million for the purposes of the repayment of loans or any debts and expenses relating to the issuance of debentures and repayment of the said debts.

Year 2019

- On 8 February 2019, CPNREIT issued debentures in the amount of Baht 4,495 million (under the Medium Term Note Program: MTN of CPNREIT for an amount not exceeding Baht 16,250 million) for the purposes of the repayment of loans or any debts and expenses relating to the issuance of debentures and repayment of the said debts.
- On 25 June 2019, TRIS maintained CPNREIT's credit rating and its senior unsecured debentures at "AA" with "Stable" outlook.
- On 8 August 2019, the Board of Directors Meeting of the REIT Manager acknowledged the resignation of Mr. Charly Madan from the Company's Independent Director and the Chairman of the Board of Directors, which was effective from 31 August 2019 and approved the appointment of Mr. Pongsakorn Thientham as an Independent Director and Director of the Company, which was effective from 1 September 2019.
- On 22 August 2019, the Extraordinary General Meeting of the Shareholders No.1/2562 of the REIT Manager approved the appointment of Mrs. Auyporn Footrakul as the Company's Independent Director and Director, which was effective from 1 September 2019.
- On 22 November 2019, the Extraordinary General Meeting of Unitholders No. 1/2019 of CPNREIT passed the resolution to approve the additional investment by CPNREIT, the details of which were as disclosed and posted on CPNREIT's website (www.cpnreit.com) and via the SET's disclosure system on 6 December 2019.
- On 9 December 2019, the Stock Exchange of Thailand and FTSE Russell announced the result of the review for FTSE SET Index Series, effective from December 23, 2019 onwards. CPNREIT was selected as an addition to the FTSE SET Mid Cap Index.

Y2020

- CPNREIT invested in The Ninth Towers Office Building Project on 1 March 2020 and in Unilever House Office Building Project on 2 March 2020. It registered with the Land Office a transfer of leasehold rights of immovable properties in the two projects from GLAND Office Leasehold Real Estate Investment Trust (“GLANDRT”) on 2 March 2020.
- CPNREIT registered the leasehold right of Central Rama 2 Project (Renewal Period) with the Land Office on 31 March 2020, and will start rental payment for this project in 2025.
- Shopping malls under CPNREIT’s management were temporarily closed in accordance with the government’s notification to control the spread of COVID-19 from 22 March to 16 May 2020. All zones of the shopping malls were closed, except zones for financial institution branches and supermarket floor where certain types of businesses were allowed to open according to announcements of the concerned authorities.
- Hilton Pattaya Hotel was temporarily closed in accordance with the government’s notification from April 2020 onwards. During such period, the hotel was speedily renovated from April to December 2020.
- Central Rama 2 Project was renovated from July 2020 onwards. The renovation was gradually carried out in phases, expected to be completed in October 2021. After completion, the saleable area will increase by around 10,000 square meters.
- On 22 July 2020, TRIS maintained credit rating of CPNREIT and its senior unsecured debentures at “AA” but with “Negative” outlook.
- On 24 November 2020, the REIT Manager filed the registration statement for offering of trust units and the draft prospectus to the Office of the Securities and Exchange Commission (“SEC”) for the issue and offering of additional trust units in the amount of not exceeding 355,557,300 units. Proceeds from such capital increase will be used for investment in Central Marina and Central Lampang at a total value of Baht 5,672 million (excluding registration fee, value added tax, stamp duty, and other related fees and expenses). As regards the investment in Central Surathani and Central Ubonratchathani, the REIT Manager will consider making investment in those properties when the investment environment in the capital market is favorable for the issue and offering of trust units so that the entire investment will be accomplished according to the resolution of the Extraordinary General Meeting of Unitholders No. 1/2019.



OTHER KEY MATTERS

The additional investment in assets in accordance with the resolutions of the Extraordinary General Meeting of Trust Unitholders No. 1/2019

Reference is made to the resolutions of the Extraordinary General Meeting of Unitholders No. 1/2019 of CPN Retail Growth Leasehold REIT (“CPNREIT”), which was held on 22 November 2019, (the “EGM No. 1/2019”) and approved the capital increase by issuance and offering for sale of no more than 770 million trust units, with the total investment value of not exceeding Baht 33,100 million, for the following purposes.

- 1) To invest in Central Marina Project, Central Lampang Project, Central Suratthani Project, Central Ubonratchathani Project, Central Rama 2 Project (Renewal Period) (excluding payment of rental fees for Central Rama 2 Project (Renewal Period)), The Ninth Towers Office Building Project, and Unilever House Office Building Project; and/or
- 2) To repay loan which was drawn to invest in properties specified in 1); and/or
- 3) To pay for other expenses relating to the fundraising and investment in properties specified in 1); and/or
- 4) To be utilized as working capital of CPNREIT.

To be in accordance with the EGM No. 1/2019, CPNREIT has invested in The Ninth Towers Office Building Project and Unilever House Office Building Project since 1 March 2020 and 2 March 2020, respectively, whereby the registration for acceptance of the transfer of leasehold rights over the immovable properties of both projects was completed on 2 March 2020. Later, on 31 March 2020, CPNREIT completed the registration for the leasehold rights over the immovable properties of Central Rama 2 Project (Renewal Period). All sources of funds which were used for investment in The Ninth Towers Office Building Project and Unilever House Office Building Project, as well as for the registration of the leasehold rights in Central Rama 2 Project (Renewal Period) were from money borrowings.

In addition, CPN REIT Management Company Limited as the REIT Manager of CPNREIT (the “REIT Manager”) has submitted an application for issuance and offering for sale of no more than 770 million trust units in order to additionally invest in the approved properties to the Office of the Securities and Exchange Commission of Thailand (the “SEC Office”) which granted its approval of such issuance and offering of the trust units on 24 February 2020, and the registration statement and the draft prospectus submitted at such time subsequently became effective on 26 February 2020. In this regard, the REIT Manager fixed the book closure date for determining the existing unitholders of CPNREIT who are entitled to subscribe for the additional trust units, which was on 27 February 2020, which is also the book closure date for determining the existing unitholders of GLAND Office Leasehold Real Estate Investment Trust (“GLANDRT”) who are entitled to subscribe for the additional trust units. In addition, the REIT Manager has determined key information regarding the offering details, subscription period and list of restricted territories, as per the information disclosed on CPNREIT’s website and the Stock Exchange of Thailand’s website (the “SET”) on 6 March 2020 and 10 March 2020, respectively.

However, due to the spread of Coronavirus 2019 disease (COVID-19) that caused severe fluctuation of the capital markets, the REIT Manager considered the postponement of the issuance and offering for sale of the trust units and disclosed relevant information on websites of CPNREIT and the SET on 12 March 2020. According to the Notification of the Capital Market Supervisory Board TorJor. 49/2555 Re: Issuance and Offer for Sale regarding Units of Real Estate Investment Trust dated 21 November 2012 (as amended) (the “Notification TorJor. 49/2555”) stipulates that the REIT Manager must complete the sale of the trust units within 6 months from the date the SEC Office notifies the approval, it resulted in termination of the approval granted to the REIT Manager on 23 August 2020. Nonetheless, the SEC Office has issued the Notification of the Capital Market Supervisory Board TorNor/Jor. 36/2563 Re: Extension for Operations of Property Funds, Infrastructure Funds, Real Estate Investment

Trusts due to the Spread of Coronavirus Disease 2019 (COVID-19), dated 17 July 2020. According to the notification, an approved person who is unable to sell the trust units within the specified period under Notification TorJor. 49/2555 due to the impact of COVID-19, shall be entitled to request to the SEC Office for extension for sale of the trust units for another 6-month period. In this regard, the REIT Manager submitted the request for such extension to the SEC Office which prolongs the offering period to be ended on 23 February 2021.

When overall capital market outlook shows good recovery and in accordance with the plan of investment in the additional properties as approved from the EGM No. 1/2019, the REIT Manager re-submitted the registration statement and the draft prospectus for offering for sale of the additional trust units in the number of not exceeding 355,557,300 units (the "Additional Trust Units") to the SEC Office on 24 November 2020. The proceeds derived from the capital increase will be utilized for the following purposes.

- 1) To utilize the proceeds from fundraising by means of the capital increase, with the money borrowings (if any) and/or working capital to invest in (1) Centra lMarina Project and (2) Central Lampang Project (collectively, the "Additional Properties"), in the total investment value of not exceeding Baht 5,672 million (excluding registration fees, value added tax, stamp duties, fees and any other related expenses); and/or
- 2) To repay loan which was drawn to invest in The Ninth Towers Office Building Project and Unilever House Office Building Project in which the investment was already completed, and for the related expenses incurred due to the registration of the leasehold rights over the immovable properties in Central Rama 2 Project (Renewal Period); and/or
- 3) To pay for other expenses relating to the fundraising and investment in the Additional Properties; and/or
- 4) To be utilized as working capital of CPNREIT.

CPNREIT has invested in additional assets in accordance with the EGM No. 1/2019 by offering and Additional Trust Units for sale in the number of not exceeding 355,557,300 units with the final offering price at Baht 18.50 per unit. The issuance and offering of the additional trust units were allocated in accordance with the EGM No. 1/2019. Details of which are as follows:

Part 1: To allocate the approximate number of 266,669,904 Additional Trust Units, which is not less than 75 percent of the total Additional Trust Units, to the public investors who are eligible existing CPNREIT unitholders whose names appeared on the book closure date which is on 27 February 2020 in accordance with their unitholding proportion is at 8.2967 existing trust units of CPNREIT per one Additional Trust Unit.

Part 2: To allocate the approximate number of 88,887,396 Additional Trust Units, which is not more than 25 percent of the total Additional Trust Units, to the public investors who are the eligible existing unitholders of GLANDRT whose names appeared on the book closure date which is on 27 February 2020 in accordance with their unitholding proportion is at 5.6225 existing trust units of CPNREIT per one Additional Trust Unit.

Part 3: To allocate the remaining Additional Trust Units after the allocation and/or subscription under Part 1 and/or Part 2 under (1) the private placement and/or (2) to the public investors.

The date of subscription for Part 1 and part 2 was on 8 – 10 February 2021 and for Part 3 offering to the public investors was on 11, 15 – 16 February 2021 and to Institutional investors and/or juristic persons requesting book building was on 18 – 19, 22 February 2021.

At the end of the subscription period, the REIT Manager has submitted the report on the results of sale of securities (F35-5).CPNREIT received the net capital increase amounting Baht 6,493,026,617.70, details were disclosed via the SET's website on 6 March 2020, and trading date of the additional trust unit of 355,557,300 units was on 2 March 2021.

CPNREIT has successfully invested the proceeds from the capital increase in Central Marina Project and Central Lampang Project on 25 February 2021. The total investment value is Baht 5,672 million (excluding the registration fees, value added tax, stamp duties, as well as other related fees and expenses). Details of additional assets are summarized as follows:

Details	Central Marina Project	Central Lampang Project
Location	No. 78/54 and 78/12, Moo 9, Pattaya Sai 2 Road, Nong Prue Sub-District, Banglamung District, Chonburi Province 20260	No. 319 Super Highway Road, Lampang-Ngao Road, Suan-Dok Sub-District, Muang Lampang District, Lampang Province 52100
Leasable Area	14,793 square meters	15,863 square meters
Nature of Investment	Leasehold / sub-leasehold right over immovable properties, leasehold right over utilities systems, and ownership of movable assets	Leasehold right over immovable properties, leasehold right over utilities systems, and ownership of movable assets
Investment Period	14 years 2 months 6 days (from 25 February 2021 to 30 April 2035)	20 years 9 months 22 days (from 25 February 2021 to 16 December 2041)
Investment Value	Baht 2,574 million	Baht 3,098 million

In respect of the investment in Central Suratthani Project and Central Ubonratchathani Project, the REIT Manager will consider investing in such properties when market conditions are favorable for offering of the trust units, so it will accomplish the investment in accordance with the resolutions of the EGM No. 1/2019.



INFORMATION OF TRUST UNITS AND

1. Trust Units

1) Information of Trust Unit as of 31 December 2020

Investment Capital	28,551,790,565	THB
PAR Value	10.9049	THB per Unit
Number of Unit	2,212,476,700	Unit

2) Information of Unit Prices as of 30 December 2019

Closing Prices as of 30 December 2020	19.00	THB per Unit
Highest Price	36.50	THB per Unit
Lowest Price	16.80	THB per Unit
Average Price	27.42	THB per Unit
Market Capitalization as of 30 December 2020	42,037,06	THB Million
Trading Volume per Year	15,830.90	THB Million
Trading Volume per Year	575,302.23	Thousand Units
Net asset Value		
as of 31 December 2019	29,701,187,572	THB
as of 31 December 2020	28,043,980,974	THB

3) Capital Reduction

Since establishment, CPNREIT has reduced its paid-up capital 3 times and made payment to unitholders due to the excess amount of liquidity. The details are as follows:

No.	Operation Period	Capital Reduction (THB)	THB per Unit	Book Closed Date	Payment Date
1/2018	29 Nov – 31 Dec 2017	636,972,041.9	0.2879	9 Mar 2018*	22 Mar 2018
2/2020	1 Apr. – 30 Sep 2020	464,620,107.0	0.2100	25 Nov 2020	8 Dec 2020
3/2020	1 Oct – 31 Dec.2020	577,898,914.0	0.2612	23 Feb 2021	5 Mar 2021

Remark: *Recorded date

Causes of paid-up capital reduction

No.	Causes of paid-up capital reduction
1/2018	<ul style="list-style-type: none"> CPNREIT has cash remaining from the operation before the conversion, including the remaining cash due to unearned transactions before the conversion, and the adjusted net profit that exceeds the net accounting profit. Value of immovable properties or leasehold rights over the immovable properties decrease due to valuation or review of the valuation of assets.
2/2020	<ul style="list-style-type: none"> Value of immovable properties or leasehold rights over the immovable properties decrease due to valuation or review of the valuation of assets.
3/2020	<ul style="list-style-type: none"> Value of immovable properties or leasehold rights over the immovable properties decrease due to valuation or review of the valuation of assets.

2. Debentures

On 24 April 2018, the Annual General Meeting of Unitholders of CPNREIT for the year 2018 approved the issuance and offer for sale of debentures for loan repayment in the amount of not exceeding Baht 16,250 million. Subsequently, CPNREIT issued 4 tranches of debentures since August 2018. The Objective of issuance of debentures was for loans repayment, as follows:

Bond	Amount (THB Million)	Issue Date	Maturity Date	Tenor (Year)	Coupon (%)
CPNREIT218A	2,650	17 Aug 2018	17 Aug 2021	3	2.70
CPNREIT288A	7,390	17 Aug 2018	17 Aug 2028	10	3.80
CPNREIT212A	2,700	8 Feb 2019	8 Feb 2021	2	2.54
CPNREIT232A	1,795	8 Feb 2019	8 Feb 2023	4	3.30
Total	14,535				

Important information of the debentures is summarized as follows:

On 17 August 2018, CPNREIT issued 2 tranches of debentures worth Baht 10,040 million, details are as follows;

Name of Debentures	<p>The debentures that have been issued comprise 2 series as follows:</p> <ol style="list-style-type: none"> Debentures of CPN Retail Growth Leasehold REIT No. 1/2018 Series 1 Due B.E. 2564 (2021) Debentures of CPN Retail Growth Leasehold REIT No. 1/2018 Series 2 Due B.E. 2571 (2028)
Name of Issuer	CPN Retail Growth Leasehold REIT
Registrar	SCB
Debenture holders Representative	Bank of Ayudhaya Public Company Limited
Type of Debentures	Name-registered debenture, senior unsecured type, and with having debenture holders' representative

Number of Offering Units	Total number of offering units not exceeding 10,040,000 units dividing into 2 series as follows: Series 1: 2,650,000 units Series 2: 7,390,000 units
Offering Amount	Total offering amount not exceeding Baht 10,040,000,000 dividing into 2 series as follows: Series 1: Baht 2,650,000,000 Series 2: Baht 7,390,000,000
Par Value (per unit)	Baht 1,000
Offering Price (per unit)	Baht 1,000
Maturity	Series 1: 3 years Series 2: 10 years
Issue Date	17 August 2018
Redemption Date	Series 1: 17 August 2021 Series 2: 17 August 2028
Interest Rate	Series 1: fixed interest rate at 2.70 percent per year Series 2: fixed interest rate at 3.80 percent per year The amount of interest which will be paid in each interest installment, shall be calculated on the outstanding principal amount of debentures based on the 365 days for 1 year basis, and calculation shall be made for days which actually passed in each relevant interest installment.
Interest Payment Date	Payment of interest shall be made by the Issuer every 6 months of every 17 February and 17 August in every year throughout the term of each series of debentures, whereby the first interest payment date is on 17 February 2019.
Principal Repayment	Bullet repayment on the Redemption Date
Early Redemption	None.
Repurchase of Debentures	The Issuer is entitled to repurchase debentures from any debenture holder from the secondary market, or any source at any time without discrimination and for any amount. However, if the Issuer makes general offer to purchase debentures, the Issuer must offer to repurchase from all debenture holders, and from those who want to sell debentures on fair and pro rata basis.
Debentures Status	Debentures are regarded as direct and general debts of the debenture holders, of which must be without condition, without collateral, and are not deferred debts. Each of whose units ranks pari passu according to law. Each debenture holder's entitlement to the repayment of the indebtedness shall not be inferior to the rights of the unsecured and unsubordinated creditors of the Issuer, at present or in future, except in case of those debts which are protected by law to be repaid in priority over other debts.
Debentures Registration	The Issuer will register the debentures with the Thai Bond Market Association (ThaiBMA) within the Issue Date of each series, and will maintain, throughout the term of debentures, the debentures be securities registered with the Thai Bond Market Association, or any other secondary market center which is registered with the SEC Office.

On 8 February 2019, CPNREIT issued its debentures according to the resolution of the Annual General Meeting of Unitholders for the year 2018 in the amount of Baht 4,495 million. Important information of debentures is as follows:

Name of Debentures	The debentures that have been issued comprise 2 series as follows: 1. Debentures of CPN Retail Growth Leasehold REIT No. 1/2019 Series 1 Due B.E. 2564 (2021) 2. Debentures of CPN Retail Growth Leasehold REIT No. 1/2019 Series 2 Due B.E. 2566 (2023)
Name of Issuer	CPN Retail Growth Leasehold REIT
Underwriters	Krung Thai Bank Public Company Limited Government Savings Bank SCB; and Phatra Securities Public Company Limited
Registrar	SCB
Debenture holders' Representative	Bank of Ayudhaya Public Company Limited
Type of Debentures	Name-registered debenture, senior unsecured type, and with having debenture holders' representative
Number of Offering Units	Total number of offering units not exceeding 4,495,000 units dividing into 2 series as follows: Series 1: 2,700,000 units Series 2: 1,795,000 units
Offering Amount	Total offering amount not exceeding Baht 4,495,000,000 dividing into 2 series as follows: Series 1: Baht 2,700,000,000 Series 2: Baht 1,795,000,000
Par Value (per unit)	Baht 1,000
Offering Price (per unit)	Baht 1,000
Maturity	Series 1: 2 years Series 2: 4 years
Issue Date	8 February 2019
Redemption Date	Series 1: 8 February 2021 Series 2: 8 February 2023
Interest Rate	Series 1: fixed interest rate at 2.54 percent per year Series 2: fixed interest rate at 3.30 percent per year The amount of interest which will be paid in each interest installment, shall be calculated on the outstanding principal amount of debentures based on the 365 days for 1 year basis and calculation shall be made for days which actually passed in each relevant interest installment.
Interest Payment Date	Payment of interest shall be made by the Issuer in every 6 months, of every 8 February and 8 August in every year throughout the term of each series of debentures, whereby the first interest payment date is on 8 August 2019.
Principal Repayment	Bullet repayment on the Redemption Date
Early Redemption	None.

Repurchase of Debentures	The Issuer is entitled to repurchase debentures from any debenture holder from the secondary market or any source at any time without discrimination and for any amount. However, if the Issuer makes general offer to purchase debentures, the Issuer must offer to repurchase from all debenture holders, and from those want to sell debentures on fair and pro rata basis.
Debentures Status	Debentures are regarded as direct and general debts to debenture holders, of which must be without condition, without collateral, and are not deferred debts. Each of whose units ranks pari passu according to law. Each debenture holder's entitlement to the repayment of the indebtedness shall not be inferior to the rights of the unsecured and unsubordinated creditors in general of the Issuer, at present or in future, except in case of those debts which are protected by law to be repaid in priority over other debts.
Debentures Registration	The Issuer will register the debentures with the Thai Bond Market Association (ThaiBMA) within the Issue Date of each series, and will maintain, throughout the term of debentures, the debentures as securities registered with the Thai Bond Market Association, or any other secondary market center which is registered with the SEC Office.

On 22 July 2020, TRIS remained giving credit rating for organization, and senior unsecured debentures of CPNREIT at "AA" level, with "Negative" outlook.

3. Detail of Trust Unitholders

List of Top 10 Trust Unitholders as of 30 December 2020

No.	Unitholders	Number of The Units	Unitholders Proportion (%)
1	Central Pattana Public Company Limited	590,521,686	26.69
2	TMB EASTSPRING Property and Infrastructure Income Plus Flexible	72,397,000	3.27
3	Government Savings Bank	68,004,833	3.07
4	Social Security Office	60,369,500	2.73
5	SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	52,352,308	2.37
6	K PROPERTY SECTOR FUND	50,446,800	2.28
7	MORGAN STANLEY & CO. INTERNATIONAL PLC	39,931,358	1.81
8	PRINCIPAL PROPERTY INCOME FUND	37,953,358	1.72
9	MFC PROPERTY DIVIDEND FUND	29,488,269	1.33
10	AIA COMPANY LIMITED-EQDP-D FU	28,378,802	1.28
Total top 10 unitholders		1,029,844,331	46.55
Other unitholders		1,182,632,369	53.45
Total		2,212,476,700	100.00

4. Distribution Payment Policy

1) Policy on Distribution of Returns

- CPNREIT has the policy to make at least 2 distributions of return per year to the trust unitholders.
- In the case where CPNREIT has net profit in any accounting period, the REIT Manager shall make distribution of returns to the trust unitholders of not less than 90 (ninety) percent of the adjusted net profit of such accounting period.

The adjusted net profit under this paragraph means the profit adjusted by the following items:

1. Deduction of unrealized gain from the valuation or review of valuation of CPNREIT's assets, as well as other adjustment of entries made in accordance with the guidelines of the Office of the SEC to be in line with the cash flows status of CPNREIT.
 2. Deduction of reserve for repayment of loans or encumbrance incurred from obtaining loans by CPNREIT, in accordance with the amount specified in the filing and the prospectus, or the annual report as the case may be.
- In the case where CPNREIT has retained earnings in any accounting period, the REIT Manager may make distribution of returns to the trust unitholders from the retained earnings.
 - In the case where CPNREIT has incurred accumulated losses, the REIT Manager shall not make any distribution of returns to the trust unitholders.
 - The REIT Manager shall make distribution of returns to the trust unitholders within the period of 90 days from the end of the accounting year or the accounting period in which the distribution of returns is made, as the case may be. In the case where the REIT Manager is not able to make distribution of returns within such period, the REIT Manager shall inform the trust unitholders through the SET information system.

- The REIT Manager shall make distribution of returns to the trust unitholders in accordance with the holding proportion of each trust unitholder. The REIT Manager reserves the right not to make distribution of returns to the trust unitholders whose holding proportion exceeds the limit or not in compliance with the specified criteria in the Notification No. TorJor. 49/2555 only for the portion exceeding the limit or not complying with the criteria. Any returns not distributed shall be distributed to other trust unitholders in accordance with their holding proportion.
- The REIT Manager shall notify the distribution of returns, the book closing date and the rate of distribution by notifying the trust unitholders whose names are recorded in the trust unitholder register as at the book closing date via the SET information system and notifying the Trustee in writing.
- In considering the distribution of returns, in the case where the distribution to be made per trust unit during any accounting year or accounting period is less than or equal to THB 0.10, the REIT Manager reserves the rights not to make such distribution, provided that the distribution shall be carried forward to the following distribution of returns.
- If a Unitholder fails to exercise the right to any return within the period of prescription of claims under the Civil and Commercial Code, the REIT Manager shall not use such returns for any purpose other than that of CPNREIT

In this regard, The REIT Manager shall provide the appropriate amount of cash reserve for the repayment of the loans or encumbrances each year till the completion of repayment. However, CPNREIT may bring forward the reserve limit of any accounting period with insufficient liquidity as an additional reserve in the following accounting period. In 2020, the REIT Manager plans to provide such reserve of not exceeding THB 200 million.

2) Limitations on Distribution of Returns

The REIT Manager shall make distribution of returns to the trust unitholders in accordance with the holding proportion of each trust unitholder. The REIT Manager reserves the right not to make distribution of returns to the trust unitholders whose holding proportion exceeds the limit or not in compliance with the specified criteria in the Notification No. Tor.Jor. 49/2555 only for the portion exceeding the limit or not complying with the criteria. Any returns not distributed shall be distributed to other trust unitholders in accordance with their holding proportion.

3) Distribution Payments during the Past 3 Years

Historical distribution of returns as follow :

Operating Period	Distribution Payment / Distribution Payment in Form of Capital Reduction	Book Closing Date / Date of Determining List of Unitholders	Payment Date of Distribution / Payment Date of Distribution in Form of Capital Reduction	Rate of Distribution / Rate of Distribution in Form of Capital Reduction (THB)
-	Payment to unitholders in form of capital reduction	9 March 2018	22 March 2018	0.2879 ¹
1 January 2018 to 31 March 2018	Distribution payment	24 May 2018	6 June 2018	0.3795
1 April 2018 to 30 June 2018	Distribution payment	23 August 2018	6 September 2018	0.4055
1 July 2018 to 30 September 2018	Distribution payment	21 November 2018	4 December 2018	0.4157
1 October 2018 to 31 December 2018	Distribution payment	12 March 2019	25 March 2019	0.4163
1 January 2019 to 31 March 2019	Distribution payment	28 May 2019	11 June 2019	0.4055
1 April 2019 to 30 June 2019	Distribution payment	23 August 2019	6 September 2019	0.4055
1 July 2019 to 30 September 2019	Distribution payment	22 November 2019	6 December 2019	0.4060
1 October 2019 to 31 December 2019	Distribution payment	6 March 2020	20 March 2020	0.4060
1 January 2020 to 31 March 2020	Distribution payment	27 May 2020	10 June 2020	0.2707
1 April 2020 to 30 June 2020 ²	Payment in form of capital reduction	25 November 2020	8 December 2020	0.2100
1 July 2020 to 30 September 2020 ³				
1 October 2020 to 31 December 2020 ³	Payment in form of capital reduction	23 February 2021	5 March 2021	0.2612

Remark:

¹ Data from the operating results of CPNREIT during the period from 1 October 2017 to 30 November 2017 prior to the conversion, and from operating results during the period from 29 November 2017 to 31 December 2017.

² On 14 August 2020, the Board of Directors Meeting had passed a resolution of the postponement of interim distribution of returns and / or capital reduction of CPNREIT from the operation period from 1 April 2020 - 30 June 2020. Since the distribution of returns is less than Baht 0.10 per unit trust, the REIT Manager reserves the right not to make such distribution, provided that the distribution shall be carried forward to be considered together with the following distribution of returns in accordance with the defined distribution method..

³ The Board of Directors Meeting had passed a resolution of the payment in form of capital reduction to unitholders for the performance period from 1 April 2020 to 30 September 2020 and from October 2020 to 31 December 2020 in accordance with the Trust Deed as CPNREIT recorded deficit retained earnings resulting from net unrealized loss from changes in fair value of investments and the amount of the payment in form of capital reduction to unitholders is THB 0.2100 per unit, and THB 0.2612 per unit, respectively.



MANAGEMENT STRUCTURE

REIT Manager

1. General Information

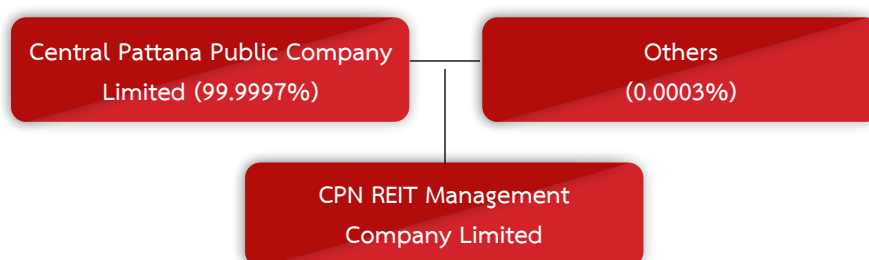
CPN REIT Management Company Limited which acts as the REIT Manager of CPNREIT, is a limited company incorporated in Thailand on 27 June 2017 with the paid-up capital of Baht 10 million, divided into 1,000,000 ordinary shares at par value of Baht 10 each. The main objective of the Company is to manage the real estate investment trust. CPN is the major shareholder in the REIT Manager, holding 99.9997 percent of the total issued shares.

The key information of the REIT Manager is presented in the table below.

Name of the REIT Manager	CPN REIT Management Company Limited
Head Office Address	999/9, Rama I Road, Pathumwan Sub-district, Pathum District, Bangkok
Company Registration Number	0105560104638
Date of Incorporation	27 June 2017
Telephone	02-667-5555 ext. 1660
Facsimile	02-667-5590
Registered Capital	Registered Capital of THB 10 million Paid-Up Capital of THB 10 million Issued of 1,000,000 shares and PAR value of THB 10 per unit
Nature and Scope of Business Operation	Act as a REIT manager of real estate investment trust
Major Shareholder (Shareholding)	Central Pattana Public Company Limited (Holding 99.9997 percent)
List of Directors	1. Ms. Auyporn Footrakul 2. Mr. Pongsakorn Thiengtham 3. Ms. Wallaya Chirathivat 4. Ms. Napat Sriwanvit
Authorized Directors	Ms. Wallaya Chirathivat and Ms. Napat Sriwanvit jointly sign with the company seal affixed
Accounting Period	1 January - 31 December

2. Shareholders' structure

2.1 Shareholders' structure



2.2 Shareholders of the REIT Manager as of 31 December 2019 were listed as follows:

List of Shareholders	Number of Shares Held (share)	Shareholding (%)
1. Central Pattana Public Company Limited	999,997	99.9997
2. Mr. Kobchai Chirathivat	1	0.0001
3. Ms. Wallaya Chirathivat	1	0.0001
4. Mr. Chanavat Uahwatanasakul	1	0.0001
Total	1,000,000	100.0000

2.3 The group of the major shareholder, which by circumstances has the significant power over the determination of the management policy or operation of the REIT Manager:

The major shareholder and controlling person of the REIT Manager is CPN which holds 99.9997 percent of the total paid-up shares of the REIT Manager. CPN is a listed company on the SET in property development sector, which conducts main businesses in developing and managing large shopping centers for rent and conducts other related businesses to support the mixed-used shopping centers projects, i.e. residential buildings, office buildings and hotels. It also conducts other related and supporting businesses such as food courts, conference halls, water theme parks and resting areas in some of the shopping center projects. The details of the subsidiaries, mutual funds, associates and other related businesses of CPN as of 31 December 2018 and 31 December 2019 are presented in the table below.

Name of Entity	Type of Business	Country of Incorporation	CPN Shareholding Percentage	
			31-Dec-19	31-Dec-20
Direct subsidiaries				
Central Pattana Rama 2 Co., Ltd.	(1) (4)	Thailand	100.0	100.0
Central Pattana Chiangmai Company Limited	(1) (2) (4)	Thailand	100.0	100.0
Central Pattana Realty Company Limited	(2) (6)	Thailand	44.0	44.0
Central Pattana Rattanathibet Co., Ltd.	(1) (2) (4)	Thailand	100.0	100.0
Central Food Avenue Co., Ltd.	(4)	Thailand	100.0	100.0
Central World Company Limited	(1) (2) (4) (7)	Thailand	100.0	100.0
Central Pattana Rama 3 Co., Ltd.	(1) (4)	Thailand	100.0	100.0
Central Pattana Chonburi Co., Ltd. (Under liquidation process)	(1) (2) (4)	Thailand	100.0	100.0
CPN Residence Co., Ltd.	(10)	Thailand	100.0	100.0

Name of Entity	Type of Business	Country of Incorporation	CPN Shareholding Percentage	
			31-Dec-19	31-Dec-20
Central Pattana Development Company Limited	(1) (2) (4)	Thailand	100.0	100.0
CPN Global Co., Ltd.	(6)	Thailand	100.0	100.0
Central Pattana Nine Square Co., Ltd.	(1) (2)	Thailand	93.3	93.3
Central Pattana Khon Kaen Co., Ltd.	(1) (2) (4) (10)	Thailand	78.1	78.1
CPN Pattaya Company Limited	(1) (2) (4) (7)	Thailand	100.0	100.0
CPN Learning Center Company Limited (Complete liquidation process)	(9)	Thailand	100.0	-
CPN Rayong Co., Ltd.	(1) (2) (4)	Thailand	100.0	100.0
CPN Korat Co., Ltd.	(1) (2) (4)	Thailand	100.0	100.0
CPN Estate Company Limited	(6)	Thailand	100.0	100.0
CPN Residence Khon Kaen Company Limited	(6)	Thailand	100.0	100.0
Suanlum Property Company Limited	(1)	Thailand	78.0	78.0
Phraram 4 Development Company Limited	(6)	Thailand	90.0	90.0
Saladang Property Management Company Limited	(1)	Thailand	100.0	100.0
CPN REIT Management Company Limited	(11)	Thailand	100.0	100.0
Dara Harbour Company Limited	(6)	Thailand	65.0	65.0
CPN Pattaya Hotel Company Limited	(7)	Thailand	100.0	100.0
Chanakun Development Company Limited	(1)	Thailand	100.0	100.0
CPN Village Company Limited	(1)	Thailand	70.0	70.0
Bayswater Company Limited	(1)	Thailand	-	50.0
Indirect subsidiaries				
Central Pattana Realty Company Limited	(2) (6)	Thailand	56.0	56.0
Central Pattana Nine Square Co., Ltd.	(1) (2)	Thailand	4.4.0	4.4
Bangna Central Property Co., Ltd.	(1) to (5)	Thailand	99.9	99.9
Global Retail Development & Investment Limited	(6)	Hong Kong	100.0	100.0
Global Commercial Property Limited	(6)	Hong Kong	100.0	100.0
CPN Complex Co., Ltd.	(6)	Thailand	99.9	99.9
CPN City Co., Ltd.	(6)	Thailand	99.9	99.9
C.S. City Company Limited	(1)	Thailand	100.0	100.0
CPN Residence Management Company Limited	(12)	Thailand	100.0	100.0
CPN Ventures Sdn. Bhd.	(8)	Malaysia	100.0	100.0
Central Plaza i-City Real Estate Sdn. Bhd.	(6)	Malaysia	60.0	60.0
Grand Canal Land Public Company Limited	(1) (2) (3) (4) (8)	Thailand	67.5	67.5
Belle Development Company Limited	(1) (10)	Thailand	79.6	79.6
Belle Assets Company Limited	(6)	Thailand	100.0	100.0
Sterling Equity Company Limited	(1)	Thailand	100.0	100.0

Name of Entity	Type of Business	Country of Incorporation	CPN Shareholding Percentage	
			31-Dec-19	31-Dec-20
G Land Property Management Company Limited	(1)	Thailand	100.0	100.0
Pharam 9 Square Limited	(1)	Thailand	93.1	93.1
Pharam 9 Square Hotel Co., Ltd.	(7)	Thailand	99.9	99.9
GLAND REIT Management Company Limited (Under liquidation process)	(11)	Thailand	100.0	100.0
Ratchada Assets Holding Company Limited	(6)	Thailand	100.0	100.0
Chipper Global Limited	(6)	British Virgin	100.0	100.0
Bayswater Company Limited	(1)	Thailand	-	50

Source: Financial Statements of CPN, for the year of 2020 ended 31 December 2020.

Type of business

- | | |
|---|---|
| (1) Construction of shopping malls and office buildings for rent | (7) Hotel business |
| (2) Providing utility services in shopping malls | (8) Corporate management and property management consulting services |
| (3) Construction of residential and shop houses for rent | (9) Training and personnel development service |
| (4) Sale of food and beverages | (10) Real estate business for sales of land and houses and condominium units |
| (5) Operator of amusement park and water theme park on shopping centers | (11) Management of a real estate investment trust |
| (6) Real estate investment | (12) Management of condominium juristic person and housing estate juristic person |

As of 31 December 2020, which was the latest closing date of share register book, CPN has the list of top 10 major shareholders as follows:

No.	Name	No. of Shares Held (shares)	Proportion (%)
1	CENTRAL HOLDING CO., LTD.**	1,176,343,960	26.21
2	THAI NVDR CO., LTD.	334,034,221	7.44
3	SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED***	97,437,603	2.17
4	SOCIAL SECURITY OFFICE	94,281,500	2.10
5	BBHISL NOMINEES LIMITED***	83,172,700	1.85
6	MR. NITI OSATHANUGRAH	77,050,300	1.72
7	STATE STREET EUROPE LIMITED***	75,504,570	1.68
8	THE BANK OF NEW YORK MELLON***	64,266,112	1.43
9	BANK OF SINGAPORE LIMITED-THB SEG AC***	57,968,648	1.29
10	UBS AG SINGAPORE BRANCH***	56,016,000	1.25

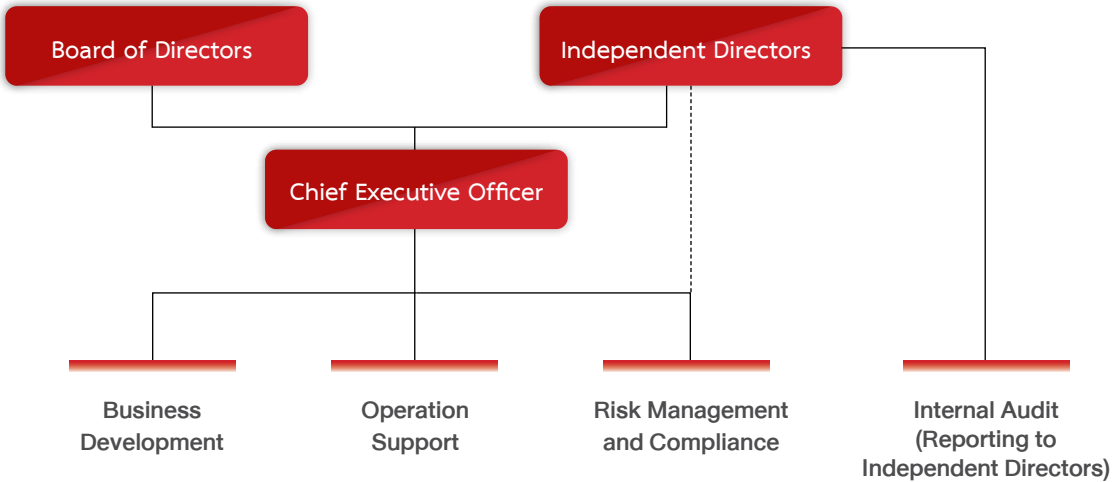
Remarks : * The top ten shareholders are ranked by Thailand Securities Depository Co., Ltd.

** Shareholding of Chirathivat family.

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

3. Management Structure of the REIT Manager

3.1 Management Structure of the REIT Manager



The management structure of the REIT Manager follows the principle of the clear separation of duties and responsibilities of each department where each department shall be independent with its own system, taking into account the risk control and conflict of interest which may arise in order that the REIT Manager would be able to manage the investment for the investors with honesty, integrity and carefulness and take into account the interest of the investors before the interest of the REIT Manager.

The REIT Manager has the management structure which comprises the Board of Directors, the Chief Executive Officer

and departments, i.e. the Business Development, the Operation Support, the Risk Management and the Compliance (which are internal departments) and the Internal Audit (which the third party shall be appointed) as per the structure presented above.

The REIT Manager has the duties and responsibilities to manage CPNREIT and supervise the Property Manager and sub-lessee of the core assets of CPNREIT, i.e. Hilton Pattaya Hotel and to manage CPNREIT in accordance with the policy of the REIT Manager, Trust Deed, REIT manager appointment agreement, Registration Statement, prospectus, rules and related laws.

3.2 List of the Directors

The Board of Directors consists of 4 directors as follows:

1	Mrs. Auyporn Footrakul Chairman and Independent Director (Appointed on 1 September 2019) Education <ul style="list-style-type: none">• Master of Management and Human Relations, Abilene Christian University, USA• Bachelor of Business Administration, Ramkhamhaeng University• Bachelor of Business Administration, Dhurakij Pundit University Work Experience <table><tbody><tr><td>2016 - 2018</td><td>Bangkok Area Revenue Office 7, Revenue Department</td></tr><tr><td>2015 - 2016</td><td>Bangkok Area Revenue Office 14, Revenue Department</td></tr><tr><td>2014 - 2015</td><td>Bangkok Area Revenue Office 6, Revenue Department</td></tr><tr><td>2013 - 2014</td><td>Bangkok Area Revenue Office 28, Revenue Department</td></tr><tr><td>2013</td><td>Revenue Technical Officer, Expert Level, E-Revenue Department, Revenue Department</td></tr></tbody></table>	2016 - 2018	Bangkok Area Revenue Office 7, Revenue Department	2015 - 2016	Bangkok Area Revenue Office 14, Revenue Department	2014 - 2015	Bangkok Area Revenue Office 6, Revenue Department	2013 - 2014	Bangkok Area Revenue Office 28, Revenue Department	2013	Revenue Technical Officer, Expert Level, E-Revenue Department, Revenue Department		
2016 - 2018	Bangkok Area Revenue Office 7, Revenue Department												
2015 - 2016	Bangkok Area Revenue Office 14, Revenue Department												
2014 - 2015	Bangkok Area Revenue Office 6, Revenue Department												
2013 - 2014	Bangkok Area Revenue Office 28, Revenue Department												
2013	Revenue Technical Officer, Expert Level, E-Revenue Department, Revenue Department												
2	Mr. Pongsakorn Thiengtham Independent Director (Appointed on 1 September 2019) Education <ul style="list-style-type: none">• Master of Business Administration, Sasin Graduate Institute of Business Administration of Chulalongkorn University• Bachelor of Science, Electrical Engineering, New Jersey Institute of Technology, USA Work Experience <table><tbody><tr><td>2017 - Present</td><td>Partner, Castle Partners Company Limited</td></tr><tr><td>2012 - Present</td><td>Partner, PPK Partners Limited</td></tr><tr><td>2017 - 2019</td><td>Advisor to the Board of Directors, CPN REIT Management Company Limited</td></tr><tr><td>2004 - 2008</td><td>President, Corporate Finance & Capital Market, Syrus Securities PCL)</td></tr><tr><td>2001 - 2004</td><td>Managing Director, SICCO Advisory Company Limited</td></tr><tr><td>1996 - 2000</td><td>Chief Representative, HSBC Investment Bank Asia, Bangkok</td></tr></tbody></table>	2017 - Present	Partner, Castle Partners Company Limited	2012 - Present	Partner, PPK Partners Limited	2017 - 2019	Advisor to the Board of Directors, CPN REIT Management Company Limited	2004 - 2008	President, Corporate Finance & Capital Market, Syrus Securities PCL)	2001 - 2004	Managing Director, SICCO Advisory Company Limited	1996 - 2000	Chief Representative, HSBC Investment Bank Asia, Bangkok
2017 - Present	Partner, Castle Partners Company Limited												
2012 - Present	Partner, PPK Partners Limited												
2017 - 2019	Advisor to the Board of Directors, CPN REIT Management Company Limited												
2004 - 2008	President, Corporate Finance & Capital Market, Syrus Securities PCL)												
2001 - 2004	Managing Director, SICCO Advisory Company Limited												
1996 - 2000	Chief Representative, HSBC Investment Bank Asia, Bangkok												
3	Ms. Wallaya Chirathivat Director Education <ul style="list-style-type: none">• Master of Business Administration, University of Hartford, U.S.A.• Bachelor of Business Administration, University of California, Los Angeles, U.S.A. Work Experience <table><tbody><tr><td>2018 - present</td><td>Deputy Chief Executive Officer, Central Pattana Public Company Limited</td></tr><tr><td>2011 - 2018</td><td>Senior Executive Vice President, Business Development and Project Construction, Central Pattana Public Company Limited</td></tr><tr><td>2005 - 2011</td><td>Executive Vice President, Business Development and Project Construction, Central Pattana Public Company Limited</td></tr></tbody></table>	2018 - present	Deputy Chief Executive Officer, Central Pattana Public Company Limited	2011 - 2018	Senior Executive Vice President, Business Development and Project Construction, Central Pattana Public Company Limited	2005 - 2011	Executive Vice President, Business Development and Project Construction, Central Pattana Public Company Limited						
2018 - present	Deputy Chief Executive Officer, Central Pattana Public Company Limited												
2011 - 2018	Senior Executive Vice President, Business Development and Project Construction, Central Pattana Public Company Limited												
2005 - 2011	Executive Vice President, Business Development and Project Construction, Central Pattana Public Company Limited												
4	Ms. Napat Sriwanvit Director Education <ul style="list-style-type: none">• Master of Business Administration, Thammasat University• Bachelor of Accountancy, Chulalongkorn University Work Experience <table><tbody><tr><td>2014 - present</td><td>Senior Executive Vice President, Finance, Accounting and Risk Management Central Pattana Public Company Limited</td></tr><tr><td>2013 - 2014</td><td>Executive Vice President, Finance, Accounting and Risk Management Central Pattana Public Company Limited</td></tr></tbody></table>	2014 - present	Senior Executive Vice President, Finance, Accounting and Risk Management Central Pattana Public Company Limited	2013 - 2014	Executive Vice President, Finance, Accounting and Risk Management Central Pattana Public Company Limited								
2014 - present	Senior Executive Vice President, Finance, Accounting and Risk Management Central Pattana Public Company Limited												
2013 - 2014	Executive Vice President, Finance, Accounting and Risk Management Central Pattana Public Company Limited												

4. Roles, Duties, and Responsibilities of the Board of Directors

The REIT Manager shall have a board comprising of not less than 3 qualified directors. At least one-third of the total directors of the Company shall be the independent directors with the qualifications in accordance with the criteria specified in the Notification of the Capital Market Supervisory Board regarding Application for and Approval of Offer for Sale of Newly Issued Shares.

1. Duties and Responsibilities of the Board of Directors to the Company

- 1) To perform the duties in accordance with laws, objectives and Company's bylaws, as well as the resolutions of the Board of Directors and shareholders' meetings with good faith, prudence, and fairness to the shareholders of the Company and unitholders of CPNREIT whereas such performance of duties shall not contradict with the duties of the Company as the REIT Manager.
- 2) To define the operating policy of the Company, oversee, and supervise the executives of the Company to perform the actions in conformity with the policy and regulations under the principles of good corporate governance.
- 3) To approve the financial statements of the REIT Manager, and to report the operating performance of the Company to the shareholders.
- 4) To oversee and control every department of the Company to operate with the fair and equitable treatment to the stakeholders.
- 5) To consider and propose the crucial meeting agenda item which should be considered by the Board of Directors, but has not yet been included in the agenda of the meeting of the Board of Directors.
- 6) To consider, select, and appoint the directors of the Company to replace those vacated from office, as well as to select and propose the appointment of additional directors to the shareholders of the Company.
- 7) To consider and approve the key matters related to the operation of the Company, e.g. dividend payment to the shareholders, arrangement of the

shareholders' meeting as required by law, annual audit plan, selection, appointment, and remuneration of the auditors of the Company, etc.

- 8) To provide the information about the business operation of the Company, as well as relevant laws, notifications, criteria, and regulations to the new directors of the Company.
- 9) To convene at least 4 meetings of the Board of Directors in each year, and the attendance by more than half of the total directors shall constitute a quorum. The resolution of the board meeting shall be passed by the majority votes of the directors present at the meeting. A director with conflict of interest in that particular matter is not eligible to vote.
- 10) To arrange to have the Company Secretary with the duties of proposing the meeting agenda presented by each department, and of preparing the minutes of meeting of the Board of Directors and other related supporting documents.
- 11) To evaluate the performance of the Chief Executive Officer. If the Chief Executive Officer also holds directorship, the director who holds the position of the Chief Executive Officer shall not be involved in considering and making decision on such evaluation.

2. Duties and Responsibilities of the Board of Directors to CPNREIT

- 1) To consider and approve the crucial policies for the management of CPNREIT, e.g. policy of management of CPNREIT, the management of CPNREIT's capital structure, investment policy of real properties, and policy of procurement of benefits from real properties, etc., which shall be implemented by the relevant departments.
- 2) To consider and approve the investment or the acquisition of real properties or leasehold rights in real properties in the first and additional investment in order to procure the benefits from those real properties or from the leasehold rights of such real properties as well as to supervise to ensure that those matters are in accordance with the policy of the REIT Manager, Trust Deed, REIT Manager Appointment Agreement, filing, prospectus, regulations, relevant laws, and

- notifications, which may be amended, and to approve the capital increase of CPNREIT as well as to file for any related permissions.
- 3) To consider and approve the disposal of core properties and equipment of CPNREIT to be in line with the policy of the REIT Manager, Trust Deed, REIT Manager Appointment Agreement, filing, prospectus, regulations, relevant laws, and notifications, which may be amended.
 - 4) To consider and approve the risk management and control policy related to the management of CPNREIT which shall be implemented by the relevant departments.
 - 5) To consider and approve the policies, code of conducts, and procedures to manage any related conflicts of interest, especially between CPNREIT and the REIT Manager and connected persons of the REIT Manager. This includes the measures or guidelines to sustain the maximum interest of CPNREIT or the trust unitholders as a whole upon the occurrence of a conflict of interest.
 - 6) To consider and approve the transactions to be entered into between CPNREIT and the connected persons to ensure that it complies with the criteria stipulated and notifications, which may be amended.
 - 7) To consider and select the Chief Executive Officer to manage CPNREIT.
 - 8) To consider and approve the appointment of the Property Manager to be further approved by the Trustee.
 - 9) To consider and approve the work performance of the Property Manager to be further acknowledged by the Trustee.
 - 10) To consider, select, and approve the lease of the core properties to the sub-lessee that shall be further submitted to the Trustee for approval.
 - 11) To consider and approve the work systems to be outsourced to the service providers under the relevant regulations, as well as to select such outsourced service providers to be acknowledged by the Trustee.
 - 12) To consider and approve the engagement of advisors related to the management of CPNREIT to be acknowledged by the Trustee.
 - 13) To monitor and supervise the performance of the REIT Manager and its delegated persons to ensure that their performance is in line with the policy of the REIT Manager, Trust Deed, REIT Manager Appointment Agreement, filing, prospectus, regulations, relevant laws, and notifications, which may be amended, as well as the reporting of important matters to the Board of Directors on quarterly basis or when it deems appropriate, and the performance evaluation of the Chief Executive Officer.
 - 14) To consider and approve the annual budget.
 - 15) To consider and approve the special expenses and/or capital expenditure budget beyond the annual budget.
 - 16) To supervise the reporting of internal audit outcome (if any) in accordance with the defined plan and criteria.
 - 17) To consider and approve the operating performance and the distribution payment to the trust unitholders.
 - 18) To consider and approve the arrangement of the annual general meeting of trust unitholders or when it deems appropriate, which is beneficial to the management of CPNREIT, or when the trust unitholders jointly holding not less than 10 percent of the total issued unit trusts sign to submit a notice calling the unitholders' meeting in which the rationale of such meeting call is specified clearly.
 - 19) To consider and approve the guideline of settling the significant disputes and complaints related to the operation of CPNREIT as it deems necessary and appropriate to ensure that the complaints and disputes related to the operation of CPNREIT filed by the third persons or trust unitholders are solved or undertaken in other ways in accordance with the relevant laws, requirements, resolutions of the unitholders' meeting, Trust Deed, REIT Manager Appointment Agreement, filing, and prospectus.
 - 20) The Board of Directors of the REIT Manager may delegate one director or several directors or the other person to take an action on behalf of the Board, but such delegation excludes the

delegation or the sub-delegation that shall enable the director or the person authorized by such director to approve the transaction in which he or she may have the conflict of interest, or benefit in other manner that contradicts the benefit of CPNREIT.

- 21) To consider and approve the legal proceedings for the disputes occurred.

3. Duties and Responsibilities of the Independent Directors

The REIT Manager is required to have the independent director(s) as an integral part of the Board of Directors. An independent director shall have knowledge and skills beneficial to the business of the Company. He or she shall have the duties of monitoring, supervising, and examining the performance of the executives and departments of the REIT Manager to ensure that it conforms to the principle of good corporate governance; of giving opinion and support to the policy beneficial to CPNREIT and/or trust unitholders; or of raising an objection when it appears that the REIT Manager may make decision that may cause adverse effect to CPNREIT and/or trust unitholders. The independent director must be neither under control of the executives or major shareholders of the Company, nor involved or have the interest in the decision on operation of the REIT Manager and CPNREIT. The roles, duties, and responsibilities of the independent director are as follows:

- 1) To give opinion or remarks on the transactions made with the connected persons of CPNREIT, or those with potential conflicts of interest, as well as the acquisition or disposal of material assets for benefits of the trust unitholders.
- 2) To give advice or opinion toward important matters, e.g. capital structure, policy of the REIT Manager, operation control policy, etc.
- 3) To give opinion about the risk management and control policy, as well as the risk control or mitigation criteria and methods.
- 4) To recommend or advise in the board meeting of the REIT Manager on important matters that should be considered, e.g. investment in core properties, consideration of complaints, consideration of legal disputes, change of the sub-lessees of the core properties of CPNREIT or the Property Manager (if any), as well as to

provide advice or opinion on the matters in which the independent director has the special expertise or experience and related to the management of CPNREIT.

- 5) To consider, supervise, and advise the REIT Manager on the preparation of the financial statements of the REIT Manager and CPNREIT to ensure that they are complete and accurate.
- 6) To recommend the important matters that should be considered in the board meeting of the REIT Manager.
- 7) To appoint, monitor, examine, and give advice or opinion about the operation plan, evaluate the work performance, and give advice or opinion about the work performance of the internal auditor (if any), as well as to propose and provide opinion about the internal audit report in the board meeting of the REIT Manager.
- 8) To consider the arrangement of internal audit if it deems appropriate.
- 9) To ensure that the advisor(s) to the Board of Directors of the REIT Manager shall not attend the meeting where the issues in which the advisor may have the conflict of interest are considered.
- 10) To perform other actions assigned by the Board of Directors of the REIT Manager and beneficial to CPNREIT.

According to the roles, duties, and responsibilities of the independent director specified above, the relevant departments shall regularly submit their reports to the independent director for consideration and acknowledgement. They shall also give advice on the connected transactions or transaction that may have the conflict of interest with CPNREIT, weakness of the internal control, improvement of the internal control, performance of duties as the REIT Manager, and progress of improvement. To select the independent director, the REIT Manager determines that the independent director shall hold at least the following qualifications:

- 1) Holding not more than 1 percent of the total eligible voting shares of the REIT Manager, parent company, subsidiaries, affiliates, major shareholders, or controlling persons of the REIT Manager or its connected persons, which shall be inclusive of the shares held by persons related to such independent director under Section 258 of the Securities Act;

- 2) Not being or having been a director participating in management, or not being an employee, a staff member, an advisor who receives a regular salary, or a controlling person of the REIT Manager, parent company, subsidiaries, affiliates, same-level subsidiaries, major shareholder, controlling person of the REIT Manager, or connected person both at present and at least 2 years prior to taking the independent directorship;
- 3) Not having relationship by blood or legal registration in a way that makes the independent director being a parent, spouse, sibling, and children, including spouse of the children of directors, executives, major shareholders, controlling persons, or nominated persons to be directors, executives, or controlling persons of the REIT Manager or subsidiaries;
- 4) Neither having nor had business relationship with the REIT Manager, parent company, subsidiaries, affiliates, major shareholders, controlling persons of the REIT Manager, or juristic persons with conflict of interest in a way which may obstruct his independent judgment, or not being significant shareholders, non-independent directors, or management having business relationship with the REIT Manager, parent company, subsidiaries, affiliates, major shareholders, or juristic persons who may be the connected persons both at present and at least 2 years prior to taking the independent directorship;
- 5) Neither being nor having been the auditor of the REIT Manager, parent company, subsidiaries, affiliates, major shareholders, or controlling persons of the REIT Manager or juristic persons who may be the connected persons, and nor being a significant shareholder, a controlling person of the REIT Manager, a non-independent director, management, or a partner of the audit firm which employs the auditor of the REIT Manager, parent company, subsidiaries, affiliates, major shareholders, or controlling persons of the REIT Manager or juristic persons who may be the connected persons both at present and at least 2 years prior to taking the independent directorship;
- 6) Neither being nor was any professional service provider including legal or financial advisor who receives the annual service fee in the amount of more than THB 2 million from the REIT Manager, parent company, subsidiaries, affiliates, major shareholders, or controlling persons of the REIT Manager or juristic persons who may be the connected persons, and nor being a significant shareholder, a controlling person, a non-independent director, management, or partner of such professional service provider both at present and at least 2 years prior to taking the independent directorship;
- 7) Not representing a director of the REIT Manager, major shareholders, or shareholders connecting to the major shareholders;
- 8) Not operating business with the same nature and in competition with the REIT Manager, or its subsidiaries, nor being a significant partner in a partnership or a director involved in administration or an employee, officer, salaried advisor or holding shares more than 1 percent of the total shares with voting rights of other company with the same nature and in competition with the REIT Manager or its subsidiaries;
- 9) Not being a person in the list made by the Stock Exchange of Thailand stating that such person shall not be an executive or management in accordance with the requirement of the Stock Exchange of Thailand and/or not having prohibited characteristics as specified in the Notification of the Capital Market Supervisory Board concerning the Prohibited Characteristics of Personnel in Capital Market Industry, mutatis mutandis under Clause 12(4) of the Notification of the Office of the Securities and Exchange Commission No. SorChor. 29/2555 Re: Rules, Conditions and Procedures for the Approval of REIT Manager and Standard Conduct and its amendments or under other regulations to be further changed by the Office of the SEC;
- 10) Never been under court ruling that he or she has breached or violated the Securities and Exchange laws including any laws related to fund management business, securities and credit fancier business, banking, insurance, money laundering, and/or any other financial business

prescribed by relevant authorities in any jurisdictions, either Thailand or others; provided that such breach or violation be unfair trade practices in connection with securities trading, or fraud, bad faith in managing the Company; and

- 11) Having no other things restricting him or her from giving opinions independently in connection with the operation of the REIT Manager.

In this respect, the terms “parent company”, “subsidiary”, “same-level subsidiary”, “affiliate”, “connected person”, “management”, “major shareholder”, “controlling person”, and “person with conflict of interest” shall have the same definitions to such terms as defined in the Notification of the Capital Market Supervisory Board regarding Application for and Approval of Offer for Sale of Newly Issued Shares.

The Board of Directors of the REIT Manager and the independent director shall have the duties of supervising and providing necessary advice to the REIT Manager; meanwhile, the Chief Executive Officer shall have the authorities, duties, and responsibilities in controlling, monitoring, and overseeing the management of the REIT Manager to ensure that the performance of duties as the REIT Manager conforms to the established policy, Trust Deed, REIT Manager Appointment Agreement, Registration Statement, prospectus, regulations, and relevant laws regarding management of CPNREIT.

4. Duties and Responsibilities of the Chief Executive Officer

The REIT Manager formulates the duties and responsibilities of the Chief Executive Officer as described below.

- 1) To formulate the operation plan in the management of CPNREIT, management of the capital structure, decision-making on investment, establishment of the strategy and policy for selection and procurement of benefits from real properties under the policy of the REIT Manager;
- 2) To consider and approve the audit plan, and to review the annual operation;
- 3) To consider, select, and approve the employment, and approve the termination of employment, as well as other matters related to the employment of personnel by the REIT Manager;

- 4) To oversee the operation and/or daily management as the REIT Manager, as well as to supervise the overall operation of the REIT Manager, and evaluate the work performance of the personnel of the REIT Manager to ensure that it conforms to the corporate governance policy defined by the REIT Manager, resolutions of the Board of Directors of the REIT Manager, Trust Deed, REIT Manager Appointment Agreement, filing, prospectus, regulations, resolutions of the unitholders’ meeting, and laws related to the operation of the REIT Manager;
- 5) To consider and approve the disclosure of information connected to the REIT Manager and the operation of CPNREIT;
- 6) To consider and approve the legal proceedings suitable to the disputes occurred which are significant and under authority limit of the Chief Executive Officer;
- 7) To represent the REIT Manager, and to have the authority to assign other persons to contact with the relevant government agencies and supervisory authorities;
- 8) To have the authority to issue, amend, add, or revise the rules, orders, and regulations in connection with the working of the REIT Manager under the policy given by the Board of Directors;
- 9) To have any authorities, duties, and responsibilities in accordance with the assignment or policy given by the Board of Directors of the REIT Manager; and
- 10) To have the authority in granting the sub-delegation and/or to assign other persons to perform any particular work on behalf of him/her. Such sub-delegation and/or assignment shall be under the scope of delegation as stated in the Power of Attorney and/or in accordance with rules, regulations, or orders stipulated by the Board of Directors of the REIT Manager. In this regard, the authorization of the duties and responsibilities by the Chief Executive Officer must not be in the manner of granting the delegation or the sub-delegation which enables the Chief Executive Officer or such person delegated by the Chief Executive Officer to approve the transactions in which he/she or the person who may have conflict or interest, or receive the benefits in any way or may have other conflicts of interest with CPNREIT.

5. Duties and Responsibilities of the Outsourced Service Provider who has been Assigned to Perform the Work

The REIT Manager may delegate the third person to perform the matter relating to conducting the business of some department provided that the REIT Manager shall oversee that the performance of duties of the third person is in accordance with the policy of the REIT Manager, Trust Deed, REIT manager appointment agreement, Registration Statement, prospectus, regulations, and relevant laws regarding management of CPNREIT. The duties and responsibilities of the outsourced service provider are as follows:

- 1) The REIT Manager may assign other person to perform the internal audit work reporting directly to the independent directors who are independent and separated from other departments. The main duties are to audit and evaluate the internal operational system of the REIT Manager and to report the examination to the independent directors so as to maintain the good internal control system. The following matters shall be audited:
 - (1.) The efficiency of the internal control, the good corporate governance and the risk management;
 - (2.) The accuracy and reliable of the financial information and the non-financial information relating to the management of CPNREIT;
 - (3.) The internal control audit to prevent the conflict of interest and the transaction which may have the conflict of interest;
 - (4.) The sufficiency and efficiency of the risk management.
- 2) The REIT Manager may assign other person to perform the duty relating to the REIT Manager business in the part of information technology, law, human resources (excluding the duty to select the personnel of the REIT Manager) provided that such person shall comply with the same regulation as that of the internal staffs of the REIT Manager, such as the access to the internal information of CPNREIT, including to acknowledge the policies of the REIT Manager, relevant work performance regulations and notification.

List of Management team

1 Ms. Pirinee Pringsulaka

Chief Executive Officer

Education

- Master of Science in Finance, University of Illinois at Urbana - Champaign
- Master of Arts in International Economics and Finance, Chulalongkorn University
- Bachelor of Business Administration in International Business Management, Chulalongkorn University

Work Experience

2017 - Present Chief Executive Officer, CPN REIT Management Company Limited

2006 - 2017 Senior Vice President, Corporate Finance, Central Pattana Public Company Limited

2005 - 2006 Manager, Investment Banking, Equity Capital Markets, DBS Vickers Securities (Thailand) Company Limited

2 Ms. Pattamika Pongsurayamas

Deputy Chief Executive Officer and Acting Head of Department

Education

- Master of Science in Investment Management, City University, London, UK
- Master of Arts in International Financial Analysis, University of Newcastle upon Tyne, UK
- Bachelor of Accountancy (Accounting Information System), Chulalongkorn University

Work Experience

2019 - Present Deputy Chief Executive Officer and Interim Vice President of Operation Support, CPN REIT Management Co., Ltd.

2015 - 2019 Vice President, Corporate Finance, Central Pattana Public Company Limited

2013 - 2014 Senior Manager, Investor Relations, Thoresen Thai Agencies Public Company Limited

2008 - 2013 Vice President, Investor Relations, Kiatnakin Bank Public Company Limited

2005 - 2008 Vice President, Investor Relations, TISCO Bank Public Company Limited

3 Miss Nattiya Pholvarin

Vice President of Business Development

Education

- MSc Accounting and Finance, Leicester University, UK
- Bachelor of Business Administration, Kasetsart University

Work Experience

2017 - Present Vice President, CPN REIT Management Company Limited

2011 - 2017 Assistant Manager, Central Pattana Public Company Limited

4 Mr. Phongpun Krannasut

Vice President of Risk Management and Compliance Department

Education

- Master of Business Administration, Finance, NIDA
- Bachelor of Science, Chemistry, KMITL

Work Experience

2020 - 2021 Vice President of Risk Management and Compliance Department, CPN REIT Management Company Limited

2018-2020 Assistant Vice President, Risk Management & Compliance, GLAND Reit Management Co.,Ltd.

2017-2018 Fund Manager, Infrastructure & Property Fund Department, LH Fund Co.,Ltd.

2015-2017 Fund Manager, Property Fund & Infrastructure Department, SCB Asset Management Co.,Ltd.

Personnel of the REIT Manager

The REIT Manager comprises 6 staff members in total as listed below.

Department	Key Responsible Persons	Work Experience
Business Development	Ms. Pirinee Pringsulaka Chief Executive Officer	- Senior Vice President, Corporate Finance, Central Pattana Public Company Limited (2006 - 2017) - Manager, Investment Banking, Equity Capital Markets, DBS Vickers Securities (Thailand) (2005 – 2006)
	Ms. Nattiya Pholvarin Vice President	- Assistant Manager, Corporate Finance, Central Pattana Public Company Limited (2011 – 2017)
Operation Support	Ms. Pattamika Pongsurayamas Deputy Chief Executive Officer and acting Head of Department	- Vice President, Corporate Finance, Central Pattana Public Company Limited (2015– 2019)
	Ms. Ploypailin Tianchawalit Deputy Vice President	- Audit Assistant, KPMG Phoomchai Audit Ltd. (2018 – 2020)
	Ms. Untika Godard Assistant Vice President	- Assistant Manager, Fund Account, Ticon Industrial Connection Public Company Limited (2013 - 2017) - Senior Accountant, Golden Land Property Development Public Company Limited (2006 – 2013)
Risk Management and Compliance	Mr. Phongpun Krannasut Vice President (Resigned on 15 Feb 29)	- Assistant Vice President, Risk Management & Compliance, GLAND Reit Management Co.,Ltd. (2018-2020) - Fund Manager, Infrastructure & Property Fund Department, LH Fund Co.,Ltd. (2017-2018) - Fund Manager, Property Fund & Infrastructure Department, SCB Asset Management Co.,Ltd. (2015-2017)

Duties of the REIT Manager

The REIT Manager has the primary duty and responsibility to manage CPNREIT entrusted by the Trustee, as well as to invest in the properties of CPNREIT. The REIT Manager shall perform its functions under supervision of the Trustee with the following scope of authority, duties, and responsibilities.

1. Duties to CPNREIT

1.1 The REIT Manager shall conform to the principle of business conduct as follows:

- 1) To perform its duties with knowledge and skills that may reasonably be expected as a professional, and with care and integrity. In this regard, the REIT Manager shall treat the trust unitholders fairly for the best interest of the trust

unitholders as a whole. Additionally, the REIT Manager shall comply with the Trust Deed, REIT Manager Appointment Agreement, objectives of establishing CPNREIT, resolutions of the trust unitholders, and relevant laws.

- 2) To maintain sufficient capital to operate the business, and to compensate for any detriment, which may occur from performing the duties as the REIT Manager.
- 3) To disclose, give opinion, or provide important and relevant information which is sufficient for making investment decision by the investors. In this regard, such information must be clearly communicated, not be distorted, and not misleading.

- 4) Not to exploit any information gained from performing the duties of the REIT Manager for its own interest, or in manner of damage or impact to the interests of CPNREIT.
 - 5) To perform its duties with prudence to avoid conflicts of interest. In the event of conflicts, the REIT Manager shall perform the actions to ensure that the investors shall be treated fairly and appropriately.
 - 6) To comply with the securities laws and other relevant laws on the operation of CPNREIT, code of ethics, and standards of professional conduct as defined by associations related to securities business or by organizations in connection with securities business recognized by the Office of the SEC, mutatis mutandis. In addition, the REIT Manager shall not conspire, employ, or collaborate with anyone to violate such laws or regulations.
 - 7) To cooperate with the Trustee or the Office of the SEC in performing their duties, and to disclose information which may significantly affect the management of CPNREIT or other information they should be notified.
- 1.2 The REIT Manager shall arrange to have proper operation procedures, including an efficient check and balance system, in place, to support the work under its responsibility entirely. To ensure proper and efficient management of CPNREIT entrusted by the Trustee, the operation procedures shall at least cover the following issues:
- 1) The determination of the management policy of CPNREIT, structuring of the investment capital of CPNREIT, and formation of policy and strategy relating to the procurement of benefits from core properties in order that the management of investment entrusted by the Trustee is under prudence, care, and in conformation to the investment policy stipulated in the Trust Deed, and in compliance with securities laws and relevant laws on the operation of CPNREIT, as well as to protect the interest of CPNREIT and the trust unitholders as a whole.
 - 2) A system to manage the risks associated with the management of CPNREIT as assigned so as to prevent and mitigate the risks effectively.
 - 3) To prevent the conflicts of interest, especially between CPNREIT and the REIT Manager and connected persons with the REIT Manager, including measures or guidelines of keeping the best interest of CPNREIT or the trust unitholders as a whole, when a conflict of interest is inevitable.
 - 4) Selection of personnel of the REIT Manager and service providers for functions related to the operation of CPNREIT (if any) to ensure that the knowledgeable and skilled personnel with appropriate qualifications are suitable to the nature of work allocated to them.
 - 5) Supervision of performance of the REIT Manager and related personnel including the service providers of outsourced functions related to the management of CPNREIT to ensure the compliance with the securities laws, relevant laws, and Trust Deed.
 - 6) Disclosure of complete, accurate, and adequate information of CPNREIT in compliance with the provisions stipulated in the Trust Deed and securities laws.
 - 7) A back-office system.
 - 8) An internal audit and control system.
 - 9) Investor relation, and handling of investors' complaints.
 - 10) Handling of legal disputes.
- The REIT Manager may assign other persons to proceed with the issues related to management as the REIT Manager provided that such assignment is in accordance with the established criteria.
- 1.3 The REIT Manager may assign other persons to proceed with the issues related to management and operation of the REIT Manager as it deems necessary in order to enhance the effectiveness of the REIT Manager's operation. The outsource must be under established criteria.
- 1.4 The REIT Manager shall prepare financial statements of CPNREIT in accordance with financial reporting standards as stipulated by the law on accounting profession, and submit such financial statements to the Office of the SEC within three months from the end of each fiscal year.

- 1.5 The REIT Manager shall not undertake any actions that may restrain the Trustee from performing its duties independently; for instance, investing in real properties owned or possessed by the connected persons of the Trustee.
- 1.6 The REIT Manager shall procure liability insurance possibly occurred from the performance of its functions as the REIT Manager, as well as the performance of its directors, executives, and personnel, throughout the terms of the Trust Deed, which is in accordance with the operating procedures of the REIT Manager.
- 1.7 The REIT Manager shall convene the unitholders' meetings to consider and vote for issues specified in the Trust Deed such as amendment of the Trust Deed, capital increase of CPNREIT, change of the Trustee, etc.
- 1.8 In case where an advisor is appointed to provide advice or recommendations related to investment and management in real properties, the REIT Manager shall act in accordance with the following regulations:
 - 1) Arrange for the advisor to declare his/her conflicts of interest in issues under consideration; and
 - 2) Not allow the advisor with direct or indirect conflicts of interest to be involved in decision making on such issues.
- 1.9 For transactions related to real properties for CPNREIT, the REIT Manager shall comply with the following criteria:
 - 1) To proceed to ensure that the sales, disposal of, transfer of real properties, or entering into an agreement relating to real properties for CPNREIT is done appropriately and is enforceable by law.
 - 2) To proceed to ensure that the investment in real properties of CPNREIT is done appropriately, and to perform at least the following actions:
 - a) To conduct self-assessment on preparedness to manage the investment in that property before accepting the assignment as the REIT Manager or before making any additional investment in such real properties for CPNREIT, as the case may be.
 - b) To carry out an analysis and feasibility study, and to undertake due diligence for the real properties including the assessment of various risks that may arise from the investment in those real properties together with the risk management guideline. Such risk exposures shall include the risk associated with the development or construction of real properties (if any) such as risk from the delayed construction and the inability to procure benefits from real properties, etc.
- 1.10 To arrange for the core properties invested by CPNREIT to be appraised by an appraisal company authorized by the Office of the SEC in accordance with the relevant laws, under the regulations stipulated in the Trust Deed and relevant laws; for example, appraisal prior to an acquisition or disposal of the core properties of CPNREIT, review of the appraised value of the core properties of CPNREIT, periodical appraisal of the value of the core properties in compliance with the relevant laws, etc.
- 1.11 To arrange for the properties to be invested by CPNREIT to be professionally examined and reviewed in accordance with the relevant laws including the condition of the property, capability of the counterparty of agreement, financial and legal information, appropriateness of other aspects, etc., which shall be used to support decision-making on investment and information disclosure of CPNREIT. Under any circumstance where the REIT Manager is unable to perform its duty, the Trustee shall manage CPNREIT as deemed necessary in order to prevent, refrain, or limit any severe damage to the interest of CPNREIT or the entire unitholders. In this regard, the Trustee may appoint other person to manage CPNREIT instead during such period.
- 1.12 To perform any actions to acquire the core properties or real properties to be additionally invested by CPNREIT within 60 (sixty) days from the complete establishment of CPNREIT in case of IPO; or from the closing date of the offering of trust units in case of offering of trust units for capital increase of CPNREIT.

- 1.13 The property investment shall apply to the acquisition of ownership or possessory right of the property only. In case of possessory right, it shall be the acquisition of document of entitlement in the form of Nor.Sor.3 Kor or the acquisition of leasehold right with the document of ownership or document of possessory right in the form of Nor.Sor. 3 Kor only.
- 1.14 The real properties acquired shall not be under the enforcement of real rights, or have any disputes unless the REIT Manager and the Trustee have provided the opinion in writing that such enforcement of real right or disputes do not have any significant impact on the provision for benefits from such properties and the conditions for the acquisition of such properties are still beneficial to the trust unitholders as a whole.
- 1.15 The agreement pertaining to the acquisition of real properties shall not have any provision or obligation that may obstruct CPNREIT to sell such real properties at a fair price at the time of selling, such as the agreement granting the right of first refusal to the counterparty in purchasing property from CPNREIT with the purchasing price fixed in advance; or may cause CPNREIT to bear more responsibility than what should be under normal situation when the lease agreement expires.
- 1.16 To arrange for CPNREIT to maintain non-life insurance or insurance covering benefits of the trust unitholders similar to or replacing the non-life insurance against damage caused by the core properties as mutually agreed by the counterparty and not contrary to the relevant laws, third party liability insurance against damage caused by the core properties or operations related to the core properties. Such insurance shall be procured from an acceptable insurer with an insured sum at least sufficient and appropriate for the provision for benefits from the core properties
- 1.17 To provide opinion on transactions related to the acquisition of the core properties together with rationale and related supporting information in the document seeking approval from the trust unitholders or the invitation letter calling the unitholders' meeting to consider capital increase for additional investment in the core properties by CPNREIT.
- 1.18 Upon disposal of the core properties, to arrange for an appraisal company to appraise the value of the core properties, call the unitholders' meeting for approval resolution, obtain consent from the Trustee, and disclose the information according to the regulations specified in the Trust Deed and the relevant laws.
- 1.19 In case of a change in the REIT Manager, to arrange the new REIT Manager to agree to perform the duties in accordance with the Trust Deed and relevant laws, except in the case where the unitholders' meeting passes the resolution of appointing a new REIT manager as nominated by the Trustee since the REIT Manager is unable to seek for any person to replace it within the specified period. Meanwhile, the former REIT Manager shall provide necessary cooperation to ensure successfully handover of the works.
- 1.20 In case of a modification or an amendment of the Trust Deed, the REIT Manager shall oversee to ensure that the modification or amendment is in line with the conditions and methods specified in the Trust Deed and relevant laws. Following the completion of the modification or amendment, the REIT Manager shall submit a copy of the new Trust Deed to the Office of the SEC within 15 days from the signing date or the date on which the Trust Deed is modified or amended (as the case may be).
- 1.21 In case of a change in Trustee, the REIT Manager shall notify the trust unitholders and the Office of the SEC of such change within the time frame specified in the Trust Deed.
- 1.22 To apply for approval to offer the units of CPNREIT in case of capital increase by filing related documents and evidence, and duly certifying correctness and completeness of the information regarding the performance of its functions in the filings.
- 1.23 To give opinion on the ability of the revenue guarantor in honoring the obligations under the guarantee of revenue agreement (if any).
- 1.24 To proceed to list the sold units or newly issued units (in case of capital increase) on the Stock Exchange of Thailand within 45 days from the closing date of unit offering.

1.25 To proceed to allocate the units to any person or a group of persons in accordance with the ratio and rules stipulated by the relevant laws and regulations.

2. Duties in the Management of CPNREIT and Properties of CPNREIT

2.1 To give opinion to the relevant competent officers regarding the qualifications and characteristics of real properties invested by CPNREIT upon request.

2.2 To oversee and manage the core properties including the procurement of benefits from such core properties, emergency management, and renovation of the properties as deemed necessary. In case of major renovation, prior notice to the Trustee is required.

2.3 To arrange for the core properties to be renovated, restored, and modified as deemed necessary and appropriate without violating or contradicting the Trust Deed and relevant laws including the land lease agreement made with the owner of the land where the core properties are located and its amendments, and the real property sublease agreement, and other related movable property lease agreement with the sub-lessee of the core properties. In this regard, prior notice to the Trustee is required.

2.4 To supervise and monitor the sub-lessee to manage, renovate, improve, and maintain the core properties to ensure that they are always in good conditions and ready to use to procure the benefits as specified in the annual actions plan, Trust Deed, and relevant laws.

2.5 To manage and procure the benefits from other properties of CPNREIT apart from the core properties, and undertake any necessary actions to ensure that the management of other properties of CPNREIT is in compliance with the annual action plan, Trust Deed, and relevant laws.

2.6 To facilitate the examination of the core properties by CPNREIT or other persons designated by the Trustee within the working dates and hours of the REIT Manager. In this regard, the REIT Manager shall also give information and testimony and/or deliver any documents (except for information and testimony and/or any documents related to the property rights of the REIT Manager or its subsidiaries) upon request of the Trustee as deemed necessary and appropriate.

2.7 To facilitate the survey of properties of CPNREIT for value appraisal by the property appraisal company or other persons designated by such property appraisal company. The REIT Manager shall also give information and testimony and/or deliver any documents (except for the information and testimony and/or any documents related to the property rights of the REIT Manager or its subsidiaries) upon request of the property appraisal company as deemed necessary and appropriate.

2.8 To arrange to have any documents related or relevant to the core properties possessed by the REIT Manager and/or possessed by CPNREIT, including any accounting documents and evidence related or relevant to CPNREIT for the Trustee or the persons designated by the Trustee and/or the auditors to examine within the working dates and hours of the REIT Manager. The REIT Manager shall also deliver any documents related or relevant to CPNREIT requested by the Trustee or the persons designated by the Trustee and/or the auditors (as the case may be) within 15 business days from the date on which such request is acknowledged or should be acknowledged, except on reasonable ground or otherwise agreed by the counterparty of the agreement.

2.9 To control, supervise, and monitor the sub-lessee of the core properties, and to cooperate with the Trustee and/or the sub-lessee of such core properties to enable the Trustee and/or the sub-lessee of the core properties to pay fees and property tax (or any other similar taxes) arising from the core properties; and to contact, coordinate, provide information, submit documents, and pay withholding taxes deducted by the Trustee and/ or any other taxes related to the management of the REIT Manager to relevant competent officers.

2.10 To control, supervise, and monitor the sub-lessee of the core properties to perform its duties as specified in the subleasing agreements and other related agreements, Trust Deed, and relevant laws.

2.11 To notify the Trustee of the following issues in due time: (a) existence of any damage or defect of the core properties including other equipment and facilities or upon occurrence of the event that will result in the

reduction in the value of the core properties significantly; and (b) there is a material breach of agreement by the sub-lessee of the core properties.

- 2.12 To undertake any other actions as CPNREIT deems necessary and appropriate to ensure that the core properties are in good condition and ready for procuring the benefits or exactly in line with the objectives of the REIT Manager Appointment Agreement. In addition, the REIT Manager shall also provide advices on market situation in case that CPNREIT wishes to sell or assign the leasehold right, or sublease the core properties.

3. Duties in the Preparation of the Accounting and Reports, and Documents relating to Management and Internal Audits

- 3.1 To prepare and disclose the information of CPNREIT to the Office of the SEC, the Stock Exchange of Thailand, the Trustee, and trust unitholders with the provisions stipulated in the Trust Deed and securities laws; and to submit the annual report of CPNREIT to the Trustee and trust unitholders together with the invitation letter to the annual general meeting.
- 3.2 To arrange to have the accounting and various financial reports related to the management of CPNREIT and its core properties as assigned by the Trustee or as deemed necessary and appropriate, in place; and to submit such accounting reports and documents to the Office of the SEC, the Stock Exchange of Thailand, the Trustee, and trust unitholders within the time frame specified by the Trustee to be in conformity with the securities laws, relevant laws, and orders of relevant competent officers.
- 3.3 In this regard, the REIT Manager shall prepare such accounting reports in accordance with the generally accepted accounting principles by segregating the properties and/or any interests arising from the core properties invested by CPNREIT and/or any other properties that had been accepted and/or should be accepted by the REIT Manager on behalf of CPNREIT from its own properties. In this respect, the REIT Manager shall maintain the documents and evidence

supporting the accounting process and accounting records in the complete condition and ready for examination by the Trustee for at least 1 year.

- 3.4 To deliver the following documents to the Trustee within the time frame assigned by the Trustee in order to comply with the securities laws, other relevant laws, and orders of relevant competent officers:
- 1) A full report on property appraisal to be delivered to the Trustee at least 7 days before the date on which the net asset value of CPNREIT is scheduled to be notified to the trust unitholders.
 - 2) Reports on the net asset value and the unit value of CPNREIT at the last business day of each quarter to be delivered to the Trustee for approval before being further submitted to the Office of the SEC within 45 days from the end of each quarter. This shall include the calculation on the net asset value of the core properties at the end of each quarter to be delivered to the Trustee who shall calculate the net asset value of CPNREIT and the value of such trust unit.
 - 3) The updated information about the connected persons of the REIT Manager, and information of the connected transactions between CPNREIT and the REIT Manager or the connected persons to the REIT Manager to be delivered to the Trustee within 30 days from 30 June and 31 December of each year and to submit such information for the consideration of the Trustee before entering into each transaction.
 - 4) The information of connected transactions between CPNREIT and the REIT Manager or the connected persons of the REIT Manager for the previous and current accounting periods to be published in the annual report and the financial statements of CPNREIT.
 - 5) The information about conflicts of interest between CPNREIT and the owner of the core properties invested by CPNREIT together with measures of preventing such conflicts of interest to be notified to the investors on the first day of the initial public offering of the units and upon occurrence of any conflicts.

- 6) The information pertaining to the interest or benefits accepted by the REIT Manager or the connected persons to the REIT Manager from the company or person who is the supplier or service provider of CPNREIT to be disclosed in the filing, the Trust Deed, the invitation letter to the unitholders' meeting seeking approval for various transactions, and the annual report of CPNREIT in order that it shall be used by the unitholders and the Trustee in considering the independence of the REIT Manager in executing the transactions for CPNREIT and the validity of such transactions. The interest or benefits that must be disclosed include the creditors, debtors, guarantors, or recipients of the guarantee, cross shareholding, sharing of the same major shareholders of management, service provision or receipt, intra-group transaction, paying expenses on behalf of another company, etc.
- 7) The updated information related to the acquisition or disposal of the core properties of CPNREIT to be submitted to the Trustee and trust unitholders at least 30 days before executing the transaction, and to be disclosed to the public and the Office of the SEC within 15 days following the date on which the core properties are acquired or disposed of.
- 8) The information of the acquisition or disposal of the core properties and equipment of CPNREIT during the previous and current accounting periods to be disclosed in the annual report and the financial statements of CPNREIT.
- 9) The updated information about borrowing and creation of encumbrances of CPNREIT together with the borrowing agreement to be submitted to the Trustee for acknowledgement before the date on which CPNREIT enters into such agreement.
- 10) The information about borrowing and creation of encumbrances of CPNREIT during the previous and current accounting periods to be disclosed in the annual report and the financial statements of CPNREIT.
- 11) The information related to the transaction deemed by the Trustee as having the material impact on the properties of CPNREIT to be submitted as

requested by the Trustee at least 14 days before executing such transaction.

- 12) The financial statements of the REIT Manager together with the related information to be submitted to the Trustee at least 3 days before the due date of filing the financial statements to the Office of the SEC.

The aforesaid reports are just samples of primary requirement. The counterparties may modify, increase or reduce the number and type of reports, or change the reporting format in the future as mutually determined by the counterparties to comply with the securities laws and relevant laws, and orders of relevant competent officers.

4. Duties in the Execution of Agreements relating to the Procurement of Benefits from Real Properties of CPNREIT

- 4.1 To control, supervise, implement the measures to control and undertake any other actions as deemed necessary and appropriate as the REIT Manager to ensure that the sub-lessee and/or the third persons related to the management of the core properties perform their functions in accordance with the duties, conditions and/or agreements specified in the sublease contract and/or any other agreements related to the core properties, as well as the rules, criteria, regulations, and any provisions of the core properties or policy related to the core properties.
- 4.2 To prepare the lease agreement, the service agreement, the public utilities service agreement, the outsourcing service agreement, and any other agreements related to the core properties (if any).
- 4.3 To proceed and/or arrange for the cash reserve maintained to be sufficient to the projected contract terms and the deposits to be returned in each period.

5. Management

The REIT Manager has separated all affairs in the Company into 3 departments to ensure that the performance of duties is in line with the Company's policy, Trust Deed, REIT Manager Appointment Agreement, filing, prospectus, rules, and laws related to the management of CPNREIT. The duties and responsibilities of each department are summarized below.

5.1 Business Development Department

Business Development Department has the main duties of preparing the work plan and strategy to procure the benefits from the core properties of CPNREIT; setting up the marketing plan, sales promotion, public relation, and competition strategy to ensure that the core properties of CPNREIT is able to generate the compensation as expected; examining and reviewing the real properties to be invested by CPNREIT; preparing the investment plan and proposing the capital structure and appropriate fund sources for investment in the core properties by CPNREIT; seeking for and selecting a new Property Manager and/or sub-lessee of the core properties when it is changed; monitoring and evaluating the performance of the Property Manager and sub-lessee of the core properties; and managing and maintaining the core properties of CPNREIT in the appropriate and ready condition for benefit procurement.

5.2 Operation Support Department

Operation Support Department has the main duties of preparing the budget of CPNREIT; preparing and disclosing the material information of CPNREIT, including but not limited to the quarterly and yearly financial statements, net asset value, and other information about the core properties to ensure that they comply with the relevant requirements; monitoring and supervising the provision of insurance relating to the operation of the core properties of CPNREIT in accordance with the relevant requirements; and proposing the engagement of the outsourced service providers for both CPNREIT and the REIT Manager to the Chief Executive Officer for approval.

5.3 Risk Management and Compliance Department

Risk Management and Compliance Department has the main duties of examining and monitoring the risks associated with the operation and investment of CPNREIT; setting up the appropriate measures to mitigate such risks; supervising and monitoring the operation of CPNREIT to ensure that it complies with relevant regulations and the operating manual; overseeing and monitoring the personnel connected to the operation of CPNREIT to have the appropriate qualifications in accordance with their job

characteristics and relevant requirements; overseeing and preventing the occurrence of conflicts of interest between CPNREIT and connected persons; setting up the appropriate measures to manage the conflicts of interest; and ensuring the preparation of reports and disclosure of information about CPNREIT are in accordance with the relevant criteria.

Method and Conditions for Replacement of REIT Manager

1. Grounds for the Replacement of REIT Manager

- 1) The REIT Manager has informed the SEC Office in writing expressing its intention to terminate the performance as the REIT Manager who has been approved by the SEC Office and the SEC Office has granted the approval thereof;
- 2) The SEC Office revokes the approval for being REIT Manager or orders a suspension of operation as REIT Manager for the remaining period of the approval;
- 3) The validity of the approval is expired, and the REIT Manager does not apply for renewal;
- 4) The REIT Manager has been ordered by the Court for the control of the property, the Court has ordered for the rehabilitation or the REIT Manager ceases to be the juristic person;
- 5) Resolution of unitholders to remove the REIT Manager since the REIT Manager has violated or does not comply with its duties or does not have the qualification in accordance with relevant laws prescribed in the REIT manager appointment agreement and the Trustee has already provide written termination letter for the REIT manager appointment agreement to the REIT Manager; or
- 6) The REIT Manger has exercised its right to terminate the agreement as stipulated in the REIT manager appointment agreement in case the Trustee has intentionally breached or does not comply with its duties, agreement of the significant nature or has breached the material representation as prescribed in the REIT manager appointment agreement;

2. Resignation of the REIT Manager

In case the REIT Manager wishes to resign, it shall inform the resignation in writing to the unitholders by disclosing through the information system of the SET and shall provide written notice to the Trustee not less than 90 days in advance prior to the effective resignation date. In this regard, it shall not cause damage to the beneficiary and the Trustee. During the period that the Trustee is not able to appoint the new trustee, the former trustee shall perform its duties until the new trustee can fully perform its duties replacing the former trustee in accordance with the REIT manager appointment agreement. The period for such former trustee to perform its duties shall not be more than 90 days from the termination date of the REIT manager appointment agreement.

3. Procedure in case the REIT Manager cannot Perform its Duties

In any circumstances, in case the REIT Manager cannot perform its duties, the Trustee shall manage CPNREIT as necessary to protect, prevent or restrict severe damage to the benefit of CPNREIT or unitholders as a whole. The Trustee can delegate other person to manage CPNREIT during such period in accordance with the Trust Deed.

4. REIT Manager's Duties after the Resignation

After resignation, the REIT Manager still has the duties as follows:

- 1) To deliver the work, work system, list of customers, accounting, documents and any information relating to its duties as the REIT Manager whether the trade secret information to the Trustee and/or the new REIT manager, as well as perform any act as reasonably requested by the Trustee so that the new REIT manager can perform its duties consistently for the maximum benefit of CPNREIT and unitholders as a whole.
- 2) To keep the trade secret information confidential by not disclosing the information, draft of drawing, list of customers and other documents that have the nature of trade secret information of CPNREIT to third person without obtaining the written consent from CPNREIT.
- 3) To perform any other acts as deem appropriate so that the new REIT manager can perform its duties consistently according to the REIT manager appointment agreement which shall include certify the accuracy of the items delivered to the Trustee or the new REIT manager.

5. Method for Appointment of New REIT Manager

The Trustee shall request for unitholders' resolution to appoint the new REIT manager within 60 days from the occurrence date of the grounds for the replacement of the REIT Manager and shall appoint the person approved by unitholders within 30 days from the resolution date or any other period according to the notification of the SEC Office. In case of the request for the resolution but does not obtain the approval, the Trustee is entitled to appoint the new REIT manager by itself taking into the consideration of the maximum benefit of unitholders as a whole.

In case the Trustee cannot appoint the new REIT manager since there is no person with the appropriate qualification or no person interests in being the REIT Manager, the Trustee has the duty to perform the duty in replacement of the REIT Manager as prescribed in Trust Deed and under the regulations prescribed in the Securities Laws and other relevant laws.

Other Trust Management by CPNREIT

At present, CPN REIT Management Co., Ltd. (who has become the REIT Manager of CPNREIT upon the establishment of CPNREIT) does not manage other real estate investment trusts. In performing the duty of the Trustee and the REIT Manager in accordance with Trust Deed and other relevant agreements, the Trustee and the REIT Manager have to exercise in due care to prevent the conflict of interest between CPNREIT and the Trustee or the REIT Manager in accordance with the following protocols:

- (a) The Trustee and the REIT Manager shall not have any other interest which may be conflict with the best interest of CPNREIT and should there be the case of the conflict of interest, they might be able to demonstrate that there is the mechanism to management CPNREIT for the best interest of CPNREIT and unitholders as a whole;
- (b) In case the REIT Manager also manages other real estate investment trusts, the core assets of CPNREIT that have been applied for the sale of the trust units shall not be the same type as that of the core assets of other real estate investment trusts;
- (c) CPNREIT shall not enter into any transaction which may cause the Trustee not being able to perform its duty independently, such as the acquisition of the real property from Connected Person of the Trustee which may resulting in the Trustee not being able to provide the opinion regarding to the performance of the REIT Manager independently.

Property Manager

1. Information of the Property Manager

1.1 Central Pattana Public Company Limited

Name of the Property Manager	Central Pattana Public Company Limited
Head Office Address	999/9 The Offices at CentralWorld, Rama I Road, Patumwan Sub-District, Patumwan District, Bangkok
Company Registration Number	0107537002443
Registration Date	19 July 1994
Registered Capital	Registered Capital of THB 2,244,000,000 Issued of 4,488,000,000 shares and PAR value of THB 0.50per unit
Telephone	0-2667-5555
Facsimile	0-2664-5593
Website	www.centralpattana.co.th

• Shareholders' structure

The detail of shareholding structure or organization structure of Central Pattana Public Company Limited (CPN) can be found on the website www.centralpattana.co.th. The list of directors and executives are as follows:

• List of Board of Directors and Management Team as at 31 December 2020

Board of Directors	
1. Dr.Supachai Panitchpakdi	Honorary Chairman
2. Mr. Suthichai Chirathivat	Chairman
3. Mr. Karun Kittisataporn	Independent Director Member of the Audit and Corporate Governance Committee Member of the Nomination and Remuneration Committee
4. Mr. Paitoon Taveebhol	Independent Director Chairman of the Audit and Corporate Governance Committee Chairman of the Nomination and Remuneration Committee
5. Mrs. Jotika Savanananda	Independent Director Member of the Audit and Corporate Governance Committee Member of the Nomination and Remuneration Committee
6. Mr. Veravat Chutichetpong	Independent Director Member of the Audit and Corporate Governance Committee
7. Mr. Suthikiati Chirathivat	Director
8. Mr. Sudhisak Chirathivat	Director Advisory of the Nomination and Remuneration Committee
9. Mr. Sudhitham Chirathivat	Director (Authorized Signature) Member of the Nomination and Remuneration Committee
10. Mr. Kobchai Chirathivat	Director (Authorized Signature) Member of the Risk Policy Committee

Board of Directors	
11. Mr. Prin Chirathivat	Director (Authorized Signature) Member of the Risk Policy Committee Advisory of the Nomination and Remuneration Committee
12. Mr. Preecha Ekkunagul	Director (Authorized Signature) President & CEO Member of the Risk Policy Committee

Management Team	
1. Mr. Preecha Ekkunagul	Director (Authorized Signature) President & CEO Member of the Risk Policy Committee
2. Ms. Wallaya Chirathivat	Deputy Chief Executive Officer
3. Mr. Suthipak Chirathivat	Senior Executive Vice President, Office of the President
4. Ms. Napat Sriwanvit	Senior Executive Vice President, Finance, Accounting and Risk Management
5. Mr. Chanavat Uahwatanasakul	Senior Executive Vice President, Development Workgroup
6. Mr. Lertvit Pumipitak	Senior Executive Vice President, Property Management

1.2 GLAND

Name of the Property Manager	Grand Canal Land Public Company Limited
Head Office Address	33/4, Rama 9 Road, Huay Kwang Sub District, Huay Kwang District Bangkok 10310
Company Registration Number	0107538000118
Registration Date	3 March 1995
Registered Capital	Registered Capital of THB 6,535,484,202 Paid-Up Capital of THB 6,499,829,661 Issued of 6,499,829,661 shares and PAR value of THB 1.00per unit
Telephone	0-2246-2323
Facsimile	0-2247-1082
Website	www.grandcanalland.com

- **Shareholders' structure**

The detail of shareholding structure or organization structure of GLAND can be found on the website www.grandcanalland.com. The list of directors and executives are as follows:

- **List of Board of Directors and Management Team as at 31 December 2020**

List of Board of Directors	
1. Mr. Sudhitham Chirathivat	Chairman (Authorized Signature)
2. Assoc. Prof. Prapanpong Vejajiva	Director (Authorized Signature), Vice Chairman, Member of Nomination and Remuneration Committee
3. Mr. Charan Mongkolchan	Independent Director and Chairman of Audit and Corporate Governance Committee
4. Mrs. Jitmanee Suwannapool	Independent Director, Member of Audit and Corporate Governance Committee, Chairman of Risk Management Committee and
5. Mr. Vithaya Chavananand	Independent Director, Member of Audit and Corporate Governance Committee Chairman of Nomination and Remuneration Committee
6. Mr. Preecha Ekkunagul	Director (Authorized Signature) and Chairman of Management Committee
7. Mr. Pandit Mongkolkul	Director (Authorized Signature) and Advisory of Nomination and Remuneration Committee
8. Miss Nopporn Tirawattanagool	Director
9. Mr. Sansrit Yenbamrung	Director

Management Team	
1. Ms. Napat Sriwanvit	Chief Executive Officer (acting), Member of Risk Management Committee and Member of Management Committee
2. Mrs. Panida Sooksridakul	Deputy Managing Director, Member of Risk Management Committee and Member of Management Committee
3. Flt.Lt. Kree Dejchai	Deputy Managing Director (acting) and Member of Management Committee
4. Mr. Surakit Thantananont	Senior Assistant Managing Director of Business Support Workgroup
5. Ms. Tattayakorn Benjapattharaseth	Assistant Managing Director of Office Property Workgroup

1.3 Sterling

Name of the Property Manager	Sterling Equity Co., Ltd.
Head Office Address	33/4, Rama 9 Road, Huay Kwang Sub District, Huay Kwang District Bangkok 10310
Company Registration Number	0105539047078
Registration Date	22 April 1996
Registered Capital	Paid-up Capital of THB 1,800,000,000 Issued of 18,000,000 shares and PAR value of THB 1.00per unit
Telephone	0-2354-2301-4
Facsimile	0-2354-2300

• List of Board of Directors and Management Team as at 31 December 2020

List of Board of Directors	
1. Mr. Preecha Ekkunagul	Director
2. Mr. Pandit Mongkolkul	Director
3. Ms. Naparat Sriwanvit	Director
4. Assoc. Prof. Prapanpong Vejjajiva	Director
5. Mrs. Panida Sooksridakul	Director

2. Duties and Responsibilities of the Property Manager

The property manager has a right to be compensated from CPNREIT for acting as a property manager according to the appointment agreement between CPNREIT and the property manager.

The property manager has rights, duties and project responsibilities as follows:

- (1) To be compensated from CPNREIT for acting as a property manager according to the appointment agreement between CPNREIT and the property manager;
- (2) To maintain and manage CPNREIT properties day-to-day operation to be in good condition and always primed for benefit procurement;
- (3) To collect revenues and procure benefits from properties and other related assets;
- (4) To comply with agreements or other duties as specified in the property manager appointment agreement;
- (5) To perform other duties as stipulated by the SEC, the Capital Market Supervisory Board or the Office of the SEC to be duties of the property manager or other duties that the REIT management company assigned.

• Sub-Lessee (Hotel Operator)

1. General Information

CPN Pattaya Hotel, in which CPN hold 99.99% of the total issued shares and is a limited company registered in Thailand on 25 September 2017, acts as the sub-lessee of the hotel building of CPNREIT. Details of the company are as follow;

Name	CPN Pattaya Hotel Co., Ltd.
Objectives	To be the sub-lessee and to operate Hilton Pattaya business under CPNREIT
Registered Capital	THB 200 million, divided into 20,000,000 ordinary share at a par value of THB 10 per share.
List of Directors	1. Mr. Sudhitham Chirativat 2. Mr. Kobchai Chirativat 3. Ms. Wallaya Chirativat 4. Mr. Suthipak Chirativat 5. Mr. Chanavat Uahwatanasakul 6. Mr. Preecha Ekkunagul
Major Shareholder	Central Pattana Public Company Limited (Holding 99.99%)

2. Duties and Responsibilities of the Sub-Lessee

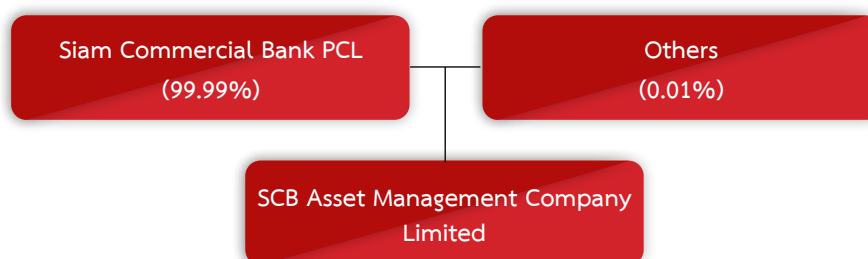
- (1) To select and engage a person to manage hotel business or to perform in any function or duty under the sub-lease objectives as specified in the Sub-Lease Agreement;
- (2) To maintain and manage CPNREIT's properties to ensure they are always be in good condition and primed for benefit procurement;
- (3) To comply with agreements, rules, conditions or other duties as specified in the Sub-Lease Agreement;
- (4) To perform other duties as stipulated by the SEC, the Capital Market Supervisory Board or the Office of the SEC to be duties of the property manager or other duties that the REIT management company assigned.

• Trustee

1. General Information

Name of Trustee	SCB Asset Management Company Limited
Head Office Address	18, SCB Park Plaza 1, 7 - 8 th Floor, Ratchadapisek Road, Chatuchak, Bangkok 10900
Company Registration Number	0105535048398
Telephone	0-2949-1500
Facsimile	0-2949-1501
Website	www.scbam.com
Registered Capital	THB 200,000,000
Paid-up Capital	THB 100,000,000
Related License	The Office of the SEC granted a trustee license to the trustee on 18 September 2013

2. Shareholders' structure



3. Duties and Responsibilities of the Trustee

- The Trustee has the duty to manage the REIT with integrity and prudence as a professional with expertise by providing fair treatment to the trust unitholders and for the best interest of the trust unitholders, and in accordance with the relevant laws, the Trust Deed, objectives of establishment of the Trust, and the resolutions of the trust unitholders' meetings as well as the additional obligations specified in the statement to the trust unitholders (if any).

- The Trustee has the duty to attend every unitholders' meeting. If there is a request for a resolution of the unitholders' meeting, to undertake any action the Trustee shall perform the following acts:

(2.1) to respond to questions, and provide opinions on such action, particularly whether or not it complies with the Trust Deed or the relevant law; or

(2.2) to make an objection and inform the unitholders that such action is impracticable if the proposed action would be in conflict with the Trust Deed or the relevant laws.

- The Trustee has the duty to enforce debt repayment or oversee the enforcement of debt repayment to ensure compliance with the agreements between CPNREIT and third persons.
- The Trustee has the duty to take over the management of the REIT in the absence of the REIT Manager or in the event rendering the REIT Manager being unable to perform its duties until a new REIT Manager is appointed, subject to the criteria prescribed in the Notification Kor.Ror. 14/2555 whereas the Trustee has the duty to manage and operate the REIT as necessary to prevent, inhibit, or limit damage which might adversely affect the benefits of the REIT and trust unitholders as a whole, as well as to perform the

acts in accordance with the duties specified in the Trust Deed and the Trust Act. The Trustee may appoint another person to engage in the interim management of the REIT in its place, provided that such delegated person complies with the scope, criteria, and conditions specified in the Trust Deed. The Trustee also has the power to appoint a new REIT Manager in accordance with the scope of authorities and duties specified in the Trust Deed and the Trust Act or any relevant notifications or regulations and their amendments.

5. The Trustee shall have other rights, duties, and responsibilities in managing the REIT as prescribed in terms and conditions of the securities laws and other relevant laws.
6. If the REIT has a policy of investing in other assets other than the core properties of the REIT, the investment in other assets may be managed by the Trustee, the REIT Manager, or the other person assigned by the Trustee or the REIT Manager as prescribed in the Trust Deed. In case of assigning the other person, who is not the REIT Manager to do so, it must be in compliance with the criteria specified in the Notification of the Capital Market Supervisory Board regarding Outsourcing Operational Function relating to Business Operation to Third Party in case the outsourced function is related to investment of a fund *mutatis mutandis*.
7. In case that the SEC or the Office of the SEC or any other authority, which has the authority by virtue of the relevant laws, issues any law, regulation, notification, rule, order, circulation letter, or exception, cancels or amends, alter, or add any law, regulation, notification, rule or order currently applied, which causes further amendment of the Trust Deed, the Trustee shall take actions as prescribed in the Trust Deed to alter, amend, or add the Trust Deed to be in compliance with such amended or altered law, regulation, notification, rule or order without prior resolution of the trust unitholders.
8. The Trustee shall be prohibited from setting off the obligations arising beyond the performance of the trusteeship duties owed by the Trustee to a third person against the obligations arising from the management of the REIT owed to the Trustee by the third person. Any set-off of obligations in conflict with this provision shall be void.
9. In entering into a juristic act or a transaction with a third person for benefits of the REIT, the Trustee shall notify the third person in writing that it acts in the capacity of a trustee.
10. The Trustee shall prepare the accounts of the assets of the REIT separately from any other accounts under its responsibility. If the Trustee manages several REITs, the Trustee shall prepare the accounts of the assets of each REIT separately. In doing so, the Trustee shall keep such accounts correct and up-to-date. In managing the REIT, the Trustee shall separate the assets of the REIT from the assets which it holds in its own capacity and any other assets in its possession.
11. If the Trustee fails to perform its duty under Clause 10, which causes the assets of the REIT to be commingled with the assets held in its own capacity to the extent that it is unable to distinguish the REIT's assets from that which the Trustee holds in its own capacity, it shall be presumed that:
 - (11.1) The commingled assets are assets of the REIT;
 - (11.2) The damage and liability arising from the management of the commingled assets shall be borne by the Trustee in its own capacity; and
 - (11.3) The benefits arising from the management of the commingled assets belong to the REIT. The commingled assets as mentioned in paragraph one shall include commingled assets that are transformed into a different form or state.
12. If the Trustee fails to perform its duty under Clause 10, which causes the assets of several REIT's to be commingled to the extent that it is unable to distinguish to which REIT the assets belong, it shall be presumed that the commingled assets, including those that are transformed into a different form or state, and any benefits or obligations arising from the management thereof shall belong to each REIT proportionately to the amount each REIT contributed to the commingled assets.

13. The Trustee's exercise of power and performance of duties in managing the REIT is its personal duty. The Trustee shall not delegate its duty to other persons except for in the following cases:
- (13.1) It is otherwise specified in the Trust Deed;
 - (13.2) The transaction is not personal in nature and does not require the professional capability of a trustee;
 - (13.3) The transaction that a reasonable and prudent owner of the assets share the same characteristics as those of the REIT, who manages such assets with similar objectives as those of the REIT, may delegate a third person to manage such assets;
 - (13.4) The safekeeping of assets, preparation of the unitholders register book as well as monitoring, allocation of dividends or provision of support operation services may be delegated to an affiliated company of the Trustee or the REIT Manager or another registrar approved by the SET; and
 - (13.5) Any other cases being under responsibility of and actions by the REIT Manager specified in the Trust Deed or the criteria prescribed in the Notification TorJor. 49/2555, KorRor. 14/2555, and SorShor. 29/2555 or other relevant notifications or requirements and their amendments.
- If the Trustee acts in violation of the above, any act taken shall bind the Trustee personally and shall not bind the REIT.
14. If the Trustee lawfully delegates the management of the REIT to the other person in accordance with Clause 13, the Trustee shall exercise prudence and care in selecting such assigned person as well as adequately and thoroughly supervise and review the delegated management in a careful manner. The Trustee shall establish the operational measures in relation to work delegation in compliance with the criteria prescribed in the SEC Notification No. KorKhor. 1/2553 re: Work System, Contact with Investors, and General Business Operation of Trustee as follows:
- (14.1) Selection of appropriate persons for delegation of duties which takes into account the readiness of the work system and of the delegated persons, as well as any possible conflict of interest between the delegated persons and the REIT;
 - (14.2) Supervision and evaluation of the performance of the delegated persons; and
 - (14.3) Actions to be taken by the Trustee when it appears that the delegated persons are no longer appropriate for further delegation of duties.
- The SEC may prescribe and notify the details of the actions to be taken by the Trustee in such event.
15. In case of the change of the Trustee, if the new trustee finds that the previous management of the REIT is not in compliance with the Trust Deed or the Trust Act, and causes damage to the REIT, the new trustee shall take the following actions:
- (15.1) claim damages from the liable Trustee; and
 - (15.2) recover the assets from the third persons, regardless whether such assets have been directly acquired by the former Trustee and regardless whether the assets had been transformed into a different form or state, except in the event that the third persons had acquired those assets in good faith, in exchange for payment of consideration, and unawareness or there were no reasonable grounds that the third persons should have known that those assets had been acquired as a result of unlawful management of the REIT.
16. For management of the REIT and delegation to the third persons to manage the REIT in accordance with Clause 13, if there are expenses or if the Trustee is required to make payments to or surrender other assets to the third persons out of the monies or assets held in its own capacity due to necessity and appropriateness, the Trustee shall be entitled to obtain reimbursement from the REIT, unless the Trust Deed specifies otherwise.
- The Trustee right to obtain reimbursement for monies or assets under the paragraph above shall have priority over the claim of trust unitholders and third persons with property or other rights over the REIT

and may be immediately exercised and at any time prior to the dissolution of the REIT. If it is necessary to change the form or state of the assets of the REIT in order to obtain monies or assets for reimbursing the Trustee, the Trustee shall be entitled to do so, provided that such act is taken in good faith, and in compliance with the criteria, conditions, and procedures prescribed by the SEC or the Office of the SEC.

17. The Trustee shall be prohibited from exercising the right under Clause 16) unless it has performed all of its obligations in favor of the REIT, except if those obligations can be set off in accordance with the Civil and Commercial Code.
18. If the Trustee fails to manage the REIT in compliance with the Trust Deed or the Trust Act, the Trustee shall be liable for the damage sustained by the REIT. However, the Trustee may, in the case of necessity and where there are reasonable grounds in the interest of the REIT, apply for the approval of the Office of the SEC prior to undertake any action in the management of the REIT in a manner that is inconsistent with the provisions under the Trust Deed. The Trustee shall not be liable under the paragraph above if it manages the REIT in accordance with the approval of the Office of the SEC in good faith and in the best interest of the REIT.
19. The Trustee has the duty to ensure that the material details of the Trust Deed are in compliance with the relevant laws. If the Trust Deed is amended, the Trustee shall act in accordance with the following criteria:
 - (19.1) To ensure that any amendment to the Trust Deed complies with the procedures and conditions prescribed in the Trust Deed and the criteria prescribed in the relevant laws;
 - (19.2) If an amendment of the Trust Deed does not comply with Clause 19.1), the Trustee shall proceed in accordance with the scope of authorities and duties as specified in the Trust Deed and the Trust Act in order to safeguard the rights and benefits of the trust unitholders as a whole; and
 - (19.3) In the case of any subsequent amendment to the criteria relating to the offering for sale of the trust units or management of REIT promulgated under the Securities Act and the Trust Act, and the existing provisions of the Trust Deed are not in compliance therewith, the Trustee shall amend the Trust Deed to be in line with the amended criteria by following the procedures specified in the Trust Deed or as in accordance with the orders of the Office of the SEC under Section 21 of the Trust Act.
20. The Trustee has the duty to monitor, supervise, and review the performance of duties of the REIT Manager or any other delegated person (if any) to ensure that it shall comply with the Trust Deed, the relevant laws, and any other relevant notifications prescribed by the SEC or the Office of the SEC. The aforementioned duties shall also include the following:
 - (20.1) Ensuring that the management of the REIT by the REIT Manager has obtained the approval of the Office of the SEC for the entire period of existence of the REIT;
 - (20.2) Monitoring, supervising, and undertaking actions as necessary to ensure that the delegated person is fully qualified and complies with the criteria prescribed in the Trust Deed and the relevant laws, including dismissing the current delegated person and appointing another person to replace such person;
 - (20.3) Overseeing the investment of the REIT to be in line with the Trust Deed and the relevant laws as well as the prospectus;
 - (20.4) Overseeing the complete information of the REIT is accurately disclosed as prescribed in the Trust Deed and the relevant laws; and
 - (20.5) Giving opinions relate to undertaking actions or entering into transactions for the REIT by the REIT Manager and other delegated persons (if any) in support of the request for a resolution at a unitholders' meeting or disclosing information about the REIT to the trust unitholders or at the request of the Office of the SEC.

21. If the REIT Manager acts or omits an act causing damage to the REIT, or fails to perform its duties in accordance with the Trust Deed or the relevant laws, the Trustee shall have the following duties:
- (21.1) Reporting the matter to the Office of the SEC within 5 (five) business days from the date on which the Trustee becomes aware of or should have been aware of such fact;
- (21.2) Rectifying, preventing, or mitigating such damage to the REIT as it deems appropriate.
22. If the Trustee is also a trust unitholder of the REIT, the Trustee shall, in casting votes or taking an act as a unitholder, take into account the best interest of the unitholders as a whole by adhering to the principles of good faith and due care, including avoidance of any conflict or impact on the performance of its duties as the Trustee of the REIT.
23. The Trustee has a duty to prepare the trust unitholders register and may assign the SET or a securities registrar under the Securities Act to prepare such register on its behalf. In doing so, the Trustee shall oversee such delegated person to comply with the criteria specified in the Trust Deed and the relevant laws, except the preparation of evidence under a system and rules and regulations of Thailand Securities Depository in respect with a securities registrar.
24. The Trustee shall provide evidence representing the rights in the trust units or trust unit certificate for delivery to the unitholders in accordance with the criteria specified in the Trust Deed and the relevant laws.
25. If the trust unitholders request the Trustee or the securities registrar to issue evidence representing their rights in the trust units or trust unit certificates in order to replace those which have been lost, faded, or materially damaged, the Trustee shall issue such evidence or ensure that the same is issued to the unitholders within a reasonable time period.
- The trust unitholders may study details about the scope of authorities, duties, and responsibilities of the Trustee in the Trust Deed.

• Others

Information of Other Persons relating to CPNREIT

1. Auditor

Name	KPMG Phoomchai Audit Ltd.
Head Office Address	50 th Floor, Empire Tower, 1 South Sathon Road, Yannawa Sub-District, Sathorn District, Bangkok
Telephone	0-2677-2000

Remuneration of Auditor

For the accounting period ended on 31 December 2020, CPNREIT agreed to pay the remuneration for auditor as follows:

- (a) Auditor consideration in the total of THB 1.23 million
 (b) Other service fees in the total of THB 0.05 million

For the accounting period ended on 31 December 2021, the Board of Director Meeting approved the remuneration for auditor in the total of THB 1.23 million.

2. Trust Unit Registrar

Name	Thailand Securities Depository Co., Ltd.
Head Office Address	14 th Floor, 93 Ratchadaphisek Road, Dindaeng Sub-District, Dindaeng District, Bangkok
Telephone	0-2009-9999

3. Appraisal

1) Name	Quality Appraisal Co., Ltd.
Head Office Address	Head Office 110/52 ANYAMANEE VILLAGE, SOI LARDPRAO 18 YAEK 8, LARDPRAO RD., CHOMPOL, CHATUCHAK, BANGKOK 10900
Telephone	0-2513-1674-5
2) Name	Siam City Appraisal Co., Ltd.
Head Office Address	731 PM Tower, Asok-Din Daeng Rd., Khwang Din Daeng, Khet Din Daeng, Bangkok 10400
Telephone	0-2247-4715, 0-2248-0116-7

4. CPNREIT's Advisors

CPNREIT Financial Advisors

1) Name	The Siam Commercial Bank Public Company Limited
Head Office Address	No. 9 Ratchadapisek Road, Chatuchak Sub-District, Chatuchak District, Bangkok
Telephone	0-2777-7777
2) Name	Maybank Kim Eng Securities (Thailand) Public Company Limited
Head Office Address	The Office at Central World Building 20th -21th and 25th Floors, No. 999/9, Rama One Road, Pathumwan Sub-District, Pathumwan District
Telephone	0-2658-6300

CPNREIT Legal Advisor

Name	LS Horizon Limited
Head Office Address	No. 93/1 Wireless Road, Lumpini Sub-District, Pathumwan District
Telephone	0-2627-3443



CORPORATE GOVERNANCE

The REIT Manager recognizes the importance of corporate governance that it is crucial for the management of CPNREIT and the trust unitholders' trust. Corporate governance also enables the trust unitholders, investors, and the public to know and examine the management of the REIT Manager. All this, the REIT Manager shall manage CPNREIT in accordance with the relevant laws, Trust Deed, and other related regulations as well as the principle of good corporate governance in order that the said policy is tangibly implemented.

1. The Meeting of REIT Manager

1.1 Board of Directors Meeting

The REIT Manager imposes that the Board of Directors shall have at least one meeting in each quarter to consider the general affairs of the REIT Manager and CPNREIT. The meeting procedures of the Board of Directors are as follows:

1. The REIT Manager shall deliver the notice to the meeting, meeting agenda items together with other supporting documents with adequate and necessary information to be considered by each director prior to the meeting date in order that he or she has sufficient time to study all information in advance.
2. The agenda items of the board meetings shall be proposed for acknowledgement or approval such as operating performance of the REIT Manager and CPNREIT, annual budget of CPNREIT, distribution of return to the trust unitholders, arrangement of the trust unitholders' meeting, investment in additional assets, entering into connected transactions, preparation of business plan and investment, and progress of business plan implementation, etc.
3. At least over a half of the total number of directors attending each meeting shall constitute a quorum. Each director is eligible to vote. A resolution of the Board of Directors shall depend on the majority votes by the directors present at the meeting. A director with conflict of interest in any matter shall be ineligible to vote on such particular matter.
4. In every meeting, the Chairman shall allocate sufficient time for the management to present documents and information for discussion, and for the Board of Directors to discuss the critical issues. Each director is free to express his or her opinion, and to propose any agenda.
5. The REIT Manager shall record the minutes of each meeting, collect all meeting documents accurately and completely so that the document can be audited, and get the meeting minutes approved by the board meeting for further evidence.

1.2 Noteworthy transactions proposed to the Board of Directors in the past year

For the year ended 31 December 2020, CPNREIT had proposed the following noteworthy transactions for the Board of Directors to consider:

No.	Date	Agenda	Resolution	Rationale
1/2020	26 Feb 2020	Determining the list of unitholders who are entitled to subscribe to additional trust units	Approved the book closure date for determining the existing CPNREIT unitholders who are entitled to subscribe to the Additional Trust Units on 27 February 2020.	To comply with the Trust Deed and relevant regulations
2/2020	21 Feb 2020	<ul style="list-style-type: none"> Distribution of returns of CPNREIT Calling Annual General Meeting of trust unitholders for the year 2020¹ 	<ul style="list-style-type: none"> To pay distribution of returns to trust unitholders at THB 0.4060 on 20 Mar 2020 To convene the Annual General Meeting of trust unitholders for the year 2020 on 23 April 2020 	<ul style="list-style-type: none"> To comply with CPNREIT distribution payment policy and relevant regulations To comply with the Trust Deed and relevant regulations
3/2020	13 May 2020	Distribution of returns of CPNREIT	To pay distribution of returns to trust unitholders at THB 0.2707 on 10 Jun 2020	To comply with CPNREIT distribution payment policy and relevant regulations
4/2020	14 Aug 2020	Distribution of returns of CPNREIT	The Postponement of Interim Distribution of Returns and carried forward to be considered together with the operation outcomes from 3Q20 due to the distribution of returns is less than Baht 0.10 per unit trust.	To comply with CPNREIT distribution payment policy and relevant regulations
5/2020	10 Nov 2020	Distribution of returns of CPNREIT	The payment in form of capital reduction to at THB 0.2100 per unit on 8 Dec 2020	To comply with CPNREIT distribution payment policy and relevant regulations

Remark : ¹ On 31 March 2020, the REIT Manager has notified the Cancellation of the 2020 Annual General Meeting of Trust Unitholders due to the current situation of the COVID-19 virus which widely spreads and becomes more severe via the SET. The SEC has issued the Notification No. Sor Ror. 27/2563 Re: Actions of Holding Annual General Meeting for the Year 2020 of Trust Unitholders of Real Estate Investment Trust specifying that if the agendas for the annual general meeting for the year 2020 are only for acknowledgment without seeking approval from the trust unitholders, the REIT Manager may proceed with other methods instead of holding the 2020 annual general meeting.

2. Control on the Use of Inside Information

2.1 Corporate Governance Policy

The REIT Manager's policy is to stringently comply with all and any securities laws, notifications, regulations, orders, or circular letters as amended or issued by the Securities and Exchange Commission ("the Office of the SEC") and the Stock Exchange of Thailand ("SET"). The REIT Manager formulates the policy that every director and executive is required to report his or her conflict of interest and trading of trust units to the Risk Management and Compliance Department and such securities holding report which shall be further submitted to the Office of the SEC.

2.2 Control on the Use of Inside Information

The Risk Management and Compliance Department shall set up the measures and guideline of preventing the conflicts of interest between CPNREIT and persons who may have conflict of interest in order to sustain the best benefits of CPNREIT and the unitholders as a whole. The said measures include:

1) Disclosure of matters in which directors and management may have an interest

- The Risk Management and Compliance Department has the duties of submitting the Disclosure of Interests Form to all directors and executives in order that they disclose their interests prior to taking up office and/or whenever there is a change of any director

- or the executive to be aware of all connected persons with CPNREIT; reporting the securities held by them and their spouse as well as their minor children who hold the trust units for which the Company acts as the REIT Manager; and reporting any change of such holding of securities.
2. The directors and executives of the Company have the duty of promptly reporting to the Risk Management and Compliance Department on the interests they and the related persons have as resulted by their management of CPNREIT when they obtain the Disclosure of Interests Form or they become aware of such interest. The Risk Management and Compliance Department requires that the directors and executives report their trading of trust units to the Risk Management and Compliance Department within 3 business days after the purchase, sales, or transfer of trust units.
 3. Upon the receipt of the aforesaid information, the Risk Management and Compliance Department has the duty of examining the information disclosed by the directors and executives and/or any change in such interests. The examination shall include the inquiry and checking with websites of the relevant agencies or other reliable public information sources in order to verify completeness and accuracy of information disclosed by the directors and executives in the Disclosure of Interests Form.
 4. After checking with the reliable public information sources, the Risk Management and Compliance Department shall record or print out the examination results, which shall be kept as evidence together with the Disclosure of Interests Form disclosed by the directors and executives for further examination
2. To limit the receipt and use of inside information. In this regard, the Company operates under the need-to-know basis. The information received by the personnel or department shall be kept confidential and not be disclosed to other unrelated persons.
 3. To set up an efficient control system to prevent any unrelated persons to know inside information by:
 - a. arranging for the use of password to access into the electronic data in the computer system, and the said password shall be changed regularly;
 - b. setting up the access control matrix which specifies to which data files can be accessed by each officer. In this regard, the Risk Management and Compliance Department shall review and update the access right if any officer resigns or is reshuffled;
 - c. keeping the documents in a safe place or in a cabinet or a locked room; and destroying all unused documents; and
 - d. setting up a security system in the workplace to prevent the third persons; for instance, rooms can be locked, or room access shall be permitted by an officer card or finger print scan.
 4. The officers of the Company who permitted to receive inside information as well as the directors and executives shall report their purchase or sales of trust units to the Risk Management and Compliance Department whenever their holding of trust units is changed within 3 business days. In this regard, the Risk Management and Compliance Department may randomly examine the completeness and accuracy of the said report with any public information sources.
 5. The Risk Management and Compliance Department shall perform the following actions to ensure that the executives and officers who have been aware of inside information shall not exploit it in case of making the transaction possibly affecting the price of trust units or other securities, e.g. purchase and sales of properties of CPNREIT:
 - a. To list the securities of which the related transactions must be monitored (Watch List);
 - b. To send e-mail messages to all related executives and officers regarding such securities;

2) Guideline on protection and use of inside information

The REIT Manager sets up the guideline on protection and use of inside information as follows:

1. To define in writing the code of conduct and best practice for the employees of the Company, particularly, the exploitation of inside information, which shall be communicated to its new personnel who must read and sign for acknowledgement on the first date of working in the Company, and re-sign after any change.

- c. When such list is disclosed to the public, the Risk Management and Compliance Department shall move such list of securities to the account of the restricted list, and send the e-mail message to all related executives and officers under Clause b above, as well as the officers who may have chance to exploit inside information (if any); and
- d. When the personnel who have received inside information of the Company have no chance to exploit such inside information for their purchase and sales of securities, the Risk Management and Compliance Department shall notify the executives and officers under Clause c) above of revoking those securities from the restricted list.

- b. Acquisition of leasehold right in the property through issuance of instrument of ownership or possessory right in the form of Nor.Sor. 3 Kor. However, if CPNREIT wishes to invest in the leasehold right of the property in a way of sublease, the REIT Manager shall provide certain measures on risk prevention or mitigation of possible damage from the breach of the lease agreement or the failure to enforce the rights under the lease agreement.

- 1.2) The acquired property is not subject to the real right or dispute unless the REIT Manager and the Trustee have made an opinion in writing that the real subject to the property right or the dispute does not significantly affect the procurement of benefits from such property; meanwhile, the conditions on acquisition of such property remain beneficial to the trust units as a whole.

- 1.3) The agreement entered into the acquisition of the property is not required any agreement or obligation which may deprive CPNREIT to dispose of the property at a fair price (when the disposal is made) such as the agreement granting the right of first refusal to the counterparty in purchasing property from CPNREIT with the purchasing price fixed in advance; or may cause CPNREIT to bear more responsibility than what should be under normal situation when the lease agreement expires.

- 1.4) The property acquired together with the properties that CPNREIT has previously owned shall be ready to procure the benefits not less than 75 percent of the value of trust units offered plus the amount of loans (if any). CPNREIT may invest in a project under construction ; however, the value of the investment to be acquired and to complete the property for further procurement of benefits shall not be greater than 10 percent of the total asset value of CPNREIT (after offering for sale of the trust units) and it is shown that there is sufficient working capital for such development without any impact to the continuity of CPNREIT.

3. Procedures and Factors for Decision Making on Investment and Management of CPNREIT

In making decision on investment in any property, the REIT Manager shall select and conduct due diligence on the property to be invested by CPNREIT with prudence and care and in conformity with the investment policy as stated in the Trust Deed, filing, prospectus, objectives of establishing CPNREIT, as well as the relevant rules and laws. All information about the selection, examination, and decision whether to invest or not in any property shall be recorded and kept for reference under the following working procedures:

3.1 Working Procedures

- 1) The REIT Manager shall select the core properties to be invested by taking into account the prospect and feasibility of investment and business operation, risks associated with investment or acquisition of such core properties, as well as preliminary details about the location and type of assets, and capital structure management of CPNREIT in investing in those assets, which shall be in accordance with the following criteria and procedures:

- 1.1) It is the investment in the property to acquire ownership or possessory right. Acquisition of possessory right shall be one of the followings:
 - a. Acquisition of the property through issuance of Nor.Sor. 3 Kor; or

- 2) The REIT Manager may engage certain advisors with specific expertise, e.g. financial advisor, auditor, legal advisor, or engineering consultant, etc. to study various issues relating to decision on property investment, and examination or due diligence on the property to be invested by CPNREIT in accordance with the criteria stipulated in Clause 3.2. The REIT Manager shall assess various possible risks deriving from investment in such property, and also provide the guideline of mitigating them. Such risks shall include those relating to the property development or construction (if any) to ensure that the REIT Manager has studied and considered all information and important factors associated with its decision on property investment thoroughly, accurately, and adequately.
- 3) After taking into account the study result under Clause 2) and the REIT Manager is of opinion that such property passes the established criteria, the REIT Manager shall undertake the actions in accordance with the procedures for the acquisition of additional core properties under Clause 3.3, and also take the actions to obtain consent from the Trustee that the investment and/or acquisition of such property complies with the provisions stipulated in the Trust Deed, relevant agreements, and relevant laws, and to ask for approval in conformity with the criteria stipulated in the Trust Deed and relevant laws.
- 4) In considering the disposal of the core properties, the REIT Manager shall assess those to be disposed of by considering the strength, weakness, and opportunities of making profit, as well as risks from disposing of such core properties. In this regard, the REIT Manager shall follow the procedures for the disposal of the core properties under Clause 3.4, which includes the actions to obtain consent from the Trustee that the investment and/or acquisition of such property complies with the provisions stipulated in the Trust Deed, relevant agreements, and relevant laws, and to ask for approval in conformity with the criteria stipulated in the Trust Deed and relevant laws.

3.2 Examination and Due Diligence on the Property to be Invested by CPNREIT

When the REIT Manager selects the core properties to be invested in accordance with the determined procedures, it shall, prior to each acquisition of the core properties and equipment (if any), examine or conduct due diligence on all information and agreements related to the core properties and equipment (if any) such as financial and legal information, etc. to ensure the right decision and disclosure of true information. For the said examination and due diligence, the REIT Manager shall examine and conduct due diligence on the following matters:

1) Examination on property and counterparty

- 1.1) To study the counterparty's capability to perform a juristic act, as well as completeness, accuracy, and enforceability of the documents of entitled rights or relevant documents. In case of the property to be invested is located in other country, the REIT Manager shall examine and review the capability of CPNREIT in acquiring and possessing the property under the relevant laws of that country. The opinion of the legal advisor specializing in laws of such country is also required to be enclosed with the examination and review to ensure that the purchase, sales, transfer, or making the agreements relating to the property for CPNREIT is lawful and valid.
- 1.2) To study the state of the property to be invested by CPNREIT that should involve at least the following issues:
 - 1) To consider the location, economic status, and previous competition of that type of property, as well as tendency, continuity, and consistency of income from such type of property in the future. For example:
 - a. To consider the occupancy rate at least for the past 3 years (in case of the property having been operated less than 3 years, consider the information from the commencement of its operation) in order to compare its competitiveness with other competitors.

- b. To compare the past rental rate or rental price of such property with other competitors in order to assess the probabilities of income generating, and of adding returns in the future.
 - c. To analyze other information related to the market condition of such property, e.g. economic growth affecting both demand and supply in the market.
2. To consider the property value, which should be high enough to provide the economy of scale in the management of CPNREIT.
 3. To analyze the track record on financial status, operating performance, and net benefit at least for the past 3 years, and consider, during the last 2 years, the operating performance in each month to assess the seasonal effect to the revenue (in case of the property having been operated less than 3 years, consider the information from the commencement of its operation).
 - a. To analyze the expenses and profit from the previous lease whether they are higher or lower or close to other properties in the same or similar type in order to formulate a plan to control and revise the expenses to make the good return to CPNREIT.
 - b. To consider the operating performance of other similar properties located nearby, as well as the demand and supply of that type of property in order to assess the risks, income fluctuation, and appropriateness of long-term investment in case of the property that has been newly constructed and has no track record or it has been operated less than 3 years.
 - c. If the property is situated on the location with potential of obtaining more rental than the track record whereas the building is still in good condition and ready for use to procure benefits without adding much investment, if CPNREIT wishes to invest in it, the REIT Manager shall provide a clear plan regarding the improvement of the management or marketing plan to enable such property to procure more benefits in the future.
 4. To analyze and assess previous information about the tenants, e.g. records of rental payment, renewal of the lease agreement by the existing tenants, rental increase, tenants' types of business and nationalities, proportion of major tenants, etc. in order to identify possible risks from the lease ; and to set up the risk prevention measures, and disclose the risk factors in the filing and the prospectus of CPNREIT to the investors.
 5. To arrange the inspection on the condition of building and construction, and state of assets in the building and construction to ensure that they are in good condition to procure the benefits promptly; to check the record of repair or renovation whether it has been done under the engineering principle or not ; to check the record of inspection and maintenance for infrastructure and facilities in the building and construction to ensure that they are undertaken in the appropriate period for their long life.
 6. To examine the compliance with laws on building and construction control as follows:
 - a. To examine the documents indicating that the construction is in line with the generally accepted safety standards.
 - b. To examine whether the previous repair and renovation of construction are in line with the generally accepted safety standards required by the government authorities or not.
 - c. If there was the earthquake in such area or the fire in such building and construction, the REIT Manager shall proceed with the special examination on strength of the building and construction, facilities systems in the building (e.g. fire prevention system, fire exit, lift, escalator, air-conditioning system in the building, etc.) whether they have been checked and maintained on the appropriate period or not.

After the property purchase, the REIT Manager shall arrange the annual examination to ensure that the real property invested by CPNREIT complies with all requirements prescribed in laws on building and construction control.

7. To examine the compliance with laws on environment; for example, examining whether the buildings and construction to be invested are required by law to prepare the environmental impact assessment report to be submitted to the relevant government authorities before construction or not, and whether it has been applied at the present.
 8. To examine ownership and/or the possessory right in any property, construction, or assets thereon whether the person who sells such property to CPNREIT holds the lawful ownership or not, and other documents used in registering the transfer or accepting the assignment of right, or the documents giving consent in the purchase and sales of such property are prepared properly as required by law or not.
 9. To examine the scope of land to be purchased or leased whether or not the cadastral survey has been done to make the boundary mark clearly, which shall prevent the problems of land intrusion or not receiving the entire land as indicated in the title deed in case of investment in ownership and/or possessory right in the property.
 10. To examine to ensure that the property is free from encumbrance under any laws or agreements; or to examine if there is any dispute which shall restrict further procurement of benefits. For example:
 - a. If a government authority denies renewing the lease agreement for the owner of leasehold right in the properties to be sold to CPNREIT, which makes the procurement of benefits on leasehold right of such property terminate, or the model of benefit procurement must be changed.
 - b. There are complaints from the tenants or occupants surrounding such property, which shall take effect to further lease of area by CPNREIT, etc.
 11. To examine whether the property to be purchased has the entrance and exit or not. If not and the entrance and exit belongs to the other person, the REIT Manager shall arrange for CPNREIT the registration of servitude, encumbrance, or any other rights enabling such property to use the entrance and exit of the other person. If the REIT Manager obtains the information that such entrance and exit are the public place, the REIT Manager shall examine whether they are actually the public place as informed or not.
 12. To consider appropriateness of the purchase price of the property or the price of leasehold property whereas such price must give the worthwhile returns for long-term investment and be relevant to the conditions on benefit procurement as agreed with the Sponsor. In this regard, the REIT Manager shall take into account any expenses to be borne by CPNREIT after such purchase (e.g. expenses for repair and renovation of buildings as they have fallen into much dilapidation that the procurement of benefits after purchase is affected, or expenses in demolishing the constructions after the expiration of the lease agreement), and also determine the discount rate from the present value of the future net income so that it is suitable to the risk from the fluctuating rental income in the future.
 13. To examine whether taxes or other expenses on the property have been paid to the relevant authorities completely and accurately or not.
- 1.3) In case that CPNREIT has leased out the core properties to the sub-lessee, the REIT Manager shall analyze the status of such sub-lessee, as well as readiness to manage the properties of CPNREIT such as the counterparty's ability in entering into the transactions, readiness of working system, readiness of personnel and related experience, etc.

2) Examination on considerations in executing the agreements

2.1) In case that CPNREIT makes investment in leasehold right, the terms and conditions for the benefits of CPNREIT shall be considered; for example:

1. The lease agreement has no provision that impose the extra obligations to CPNREIT more than a normal lessee should receive.
2. There is no condition permitting the lessor to terminate the lease agreement made with CPNREIT immediately although CPREIT has not breached any conditions set forth therein.
3. There is the condition granting the right to CPNREIT to terminate the lease agreement with the lessor immediately if the lessor breaches any condition set forth therein.
4. The details, conditions, and rights of CPNREIT are clearly specified in the renewed leased agreement.
5. The conditions and the right of first refusal to CPNREIT for the purchase of such leased property at a price not higher than that proposed by other person are specified provided that the lessor wishes to sell that property.
6. There are the conditions and the right of CPNREIT for sale of leasehold right (if, later, the price of such property becomes higher and CPNREIT earns more profit from selling than from leasing the property, CPNREIT may decide to sell such property, etc.).

2.2) To examine taxes or other expenses on such property by stating clearly that they shall be borne by CPNREIT or the Sponsor.

2.3) To apply the measures for prevention of potential conflicts of interest; for example, the Sponsor undertakes any business of which the nature is in competition with the business of CPNREIT in the nearby area, etc.

2.4) In case that CPNREIT wishes to acquire the leasehold right of the property in the form of sublease, the REIT Manager shall apply the relevant measures for risk prevention or indemnity against any losses that CPNREIT may suffer as a result of the breach of the

lease agreement or failure to enforce obligations under such lease agreement.

2.5) Prior to the payment by CPNREIT to purchase or lease the property, the REIT Manager shall examine to ensure that the ownership in the property has been transferred to CPNREIT (in case of investment in freehold property), or the registration of leasehold right has been completed (in case of investment in leasehold property), and/or the acquisition of any other assets in the property invested, and has been delivered the assets placed as the collateral to CPNREIT, bank guarantee, and/or guarantee agreement, as well as the registration of any servitude on the property for the procurement of benefits by CPNREIT completely as required by laws, and relevantly to the information disclosed to the investors. If the property accepted by CPNREIT includes the buildings, constructions, furniture and/or equipment, the REIT Manager shall have the fixed assets register maintained in order that completion, accuracy, and existence of each asset to be accepted by CPNREIT can be checked. Such asset register shall be submitted to the Trustee for its review of work performance of the REIT Manager.

The REIT Manager shall record and keep the information as well as other evidence relating to the selection, examination, and decision on investing or not investing in any asset of CPNREIT.

3.3 Acquisition of the Core Properties

When the REIT Manager selects the core properties to be invested, and finalizes its property examination whereas it deems appropriate to invest in such property, the actions undertaken to acquire the core properties shall be in accordance with the following criteria:

1) For investment in or acquisition of the properties or leasehold rights to procure the benefits from such real estate or leasehold rights, the REIT Manager shall perform the following acts:

1.1) To arrange for the appraisal of properties by a property appraiser; and perform other acts in compliance with the criteria of investment in assets as stipulated in the notification of the office of the SEC. In this regard, the REIT Manager shall submit the list of properties preliminarily selected to the property appraiser to appraise the property value to be invested by CPNREIT. The appraisal criteria shall be as follows:

1. The property appraiser shall be an independent appraiser approved by the Office of the SEC in accordance with the Notification of the office of the SEC regarding Granting of Approval of Valuation Companies and Principle Valuers for Public Use; and
 2. It shall be a full appraisal with evidence of verification of entitled rights, and for the purpose of public use for the disclosure of the relevant information to the investors. Such appraisal shall be performed by at least two appraisers.
- 1.2) To consider the capital structure of the investment or acquisition of the property or leasehold property.
- 1.3) To consider the substance of the transaction as follows:
1. in accordance with the Trust Deed and relevant laws
 2. for the best interest of CPNREIT
 3. reasonability and fair prices
 4. those with conflict of interest in the transaction shall not be involved in the decision on the transaction entered.
 5. expenses paid to prepare the transaction collected from CPNREIT (if any) are at the fair and suitable rate.
- 1.4) To perform other acts in order to comply with the criteria of investment in the property as stipulated in the notifications
- 2) For ongoing investment in and acquisition of the properties or leasehold property, the REIT Manager shall perform the following acts :
- 2.1) In respect with substance of the transaction, the nature of the transaction shall be as follows:
1. in accordance with the Trust Deed and relevant laws
 2. for the best interest of CPNREIT
 3. reasonability and fair prices
 4. expenses paid for the preparation of the transaction collected from CPNREIT (if any) are at the fair and suitable rate.
 5. those with conflict of interest in the transaction shall not be involved in the decision on the transaction entered.
- 2.2) With respect to the system, the approval is required to go through the following process:
1. In case that the owner, the lessor, or the transferor of the leasehold right of the property is not the REIT Manager or the person related to the REIT Manager:
 - a. It is approved by the Trustee that the transaction is in accordance with the Trust Deed and the relevant laws; and
 - b. For acquisition of the core properties which is the noteworthy transaction, the criteria relating to entering into the noteworthy transaction must be complied with.
 2. In case that the owner, the lessor, or the transferor of the leasehold right of the property is the REIT Manager or the connected persons to the REIT Manager, the REIT Manager shall undertake the actions to make the transaction obtain approval from the Trustee, and in conformity with the Trust Deed and relevant laws. The consideration and approval procedure before entering into the transaction has to undergo the following steps:
 - a. Receive approval by the Trustee that the transaction is in compliance with the Trust Deed and relevant laws.
 - b. In case the value of the transaction exceeds 1 (one) million baht or is 0.03 (zero point zero three) percent of the total net asset value of the REIT or more, whichever value is higher, or in accordance with the criteria stipulated in the notification to be amended in the future, the approval of the Board of Directors of CPNREIT is required or it is in accordance with the approval limit as stipulated in the relevant notifications.
 - c. In case the value of the transaction exceeds 20 (twenty) million baht or more than 3 (three) percent of the total net asset value of the REIT, whichever value is higher, or in

accordance with the criteria stipulated in the notification to be amended in the future, the resolution of approval of the trust unitholders' meeting passed by at least three out of four (three-fourths) of the total votes of the trust unit holders attending the meeting and eligible to cast the vote is required or it shall be in accordance with the approval limit as stipulated in the relevant notifications. In addition, the REIT Manager shall arrange to obtain the opinion of the financial advisor about the analysis of data on the aforesaid property for the purpose of decision making and disclosure of fair information.

- 3) In case that the resolution of the meeting of trust unitholders is required, the invitation letter for such meeting must include the financial advisor's opinion for the purpose of passing such resolution. The invitation letter shall be delivered to the trust unitholders prior to the meeting date in accordance with the Notification, No. BorJor/Ror 29-00 regarding Listing, Disclosure of Information and Delisting of Investment Trust Units B.E. 2558, and the Notification of the SEC Office, No. SorRor. 26/2555 regarding Provisions relating to Particulars, Terms and Conditions in a Trust Instrument of Real Estate Investment Trust and their amendments.

3.4 Disposal of the Core Properties

When the REIT Manager finalizes the selection of the core properties to be disposed of and it deems appropriate to dispose of them, the disposal of such core properties shall be in compliance with the following steps:

- 1) The REIT Manager shall arrange for an evaluation of the core properties in accordance with the relevant provisions.
- 2) The REIT Manager shall arrange for an open disposal, which includes disclosure of the substance of the transaction under Clause 3.3 2) 2.1 regarding an acquisition of additional core properties, and the approval process under Clause 3.3 2) 2.2) regarding an acquisition of additional core properties, mutatis mutandis.

- 3) The disposal of the core properties in the following manners shall comply with the provision under Clause 2) and be a necessary and appropriate case which is approved by the Board of Directors of the REIT Manager as well:

- 3.1) Any disposal of core properties prior to 1 year as from the date of the acquisition of such core properties by CPNREIT; and
- 3.2) Any disposal of acquired core properties back to its former owner.

4. Selection of Property Manager and/or a sub-lessee

The REIT Manager shall evaluate and select a property manager and/or a sub-lessee. When considering entering into a contractual agreement with a property manager and/or a sub-lessee, the REIT Manager shall follow the following procedures:

- 1) The REIT Manager shall assess and evaluate the qualifications of each property manager and/or sub-lessee according to the criteria specified in the REIT Manager operating procedures.
- 2) The REIT Manager shall select the property manager and/or sub-lessee who have/has the highest weighted-average score and summarize the selection result as well as rationale to propose to the Board of Directors for approval. In the event that the score of the property manager with the highest weighted-average score does not reach a specified threshold or the scores for Capabilities and Past Experiences, and Effective Internal Control/ Maintenance of Assets are less than half, the property manager will not be considered as pass and the REIT Manager will have to re-run the selection procedure for a property manager. A sub-lessee whose score is less than half of the total score will not be considered as pass.

Nevertheless, the selection procedure for property manager mentioned above will not be applied for the first investment in core properties.

- 3) In entering into an agreement with a property manager and/or a sub-lessee, the REIT Manager shall arrange for the appointment agreements with a property manager and/or sub-lessee to have, as a minimum, the following terms:

- 3.1) Allow CPNREIT to terminate the agreement and change the property manager and/or the sub-lessee if the property manager and/or the sub-lessee do/does not comply with the terms, or take(s) certain actions or fail(s) to take certain actions that results in lack of credibility to perform duties in accordance with the agreement, or neglect to maintain the assets in good condition, or the sub-lessee causes damages to CPNREIT's properties or neglect to maintain the assets to be in good condition and appropriate for use according to objectives stated in the agreement;
- 3.2) Specify that the property manager and/or the sub-lessee have/has duty to maintain and repair CPNREIT's assets to ensure long-term procurement of benefit;
- 3.3) Specify that if the REIT Manager finds that the property manager and/or the sub-lessee take(s) certain actions or fail(s) to take certain actions which causes the breach of either the property manager appointment agreement or, the sub-lease agreement, or the sub-lessee does not maintain the sub-leased assets to be in good condition and appropriate for use as specified in the agreement, the REIT Manager shall proceed to terminate the property manager appointment agreement and/or the sub-lease agreement of core properties (as the case may be), in order for the REIT Manager to be able to step in to operate, or to re-select a property manager and/or a sub-lessee to replace the former one;
- 3.4) Specify that the property manager and/or the sub-lessee must be able to demonstrate to the REIT Manager that the property manager and/or the sub-lessee have/has, at a minimum, the following internal control processes:
 - 1) There are manual and standard operating procedures in place. Trainings are provided to employees to ensure that they understand the procedures and can appropriately perform their duties.
 - 2) There is a clear segregation between personnel who manages CPNREIT's assets such as leasing department, from other departments and personnel of a property manager and/or a sub-lessee and/or a hotel manager (if any) who manage assets in the same business sector as CPNREIT. Alternatively, there must be other policies or operating procedures to prevent conflict of interest, and access and exploitation of CPNREIT information.
 - 3) There is segregation of duties to prevent a single individual to carry out critical tasks from start to finish. Critical tasks that need to be segregated are, for example: procurement, acceptance of goods or service, accounting, properties and taking stock of properties, etc. For these critical tasks, one person should be designated as a maker and another as a checker. Moreover, there should be another party to randomly review the work of makers and checkers, creating a checks and balance system so that the risk of mistakes or fraud can be mitigated.
 - 4) There is a monitoring and auditing system on employees operating results to prevent erroneous operation or operations that do not comply with the designed controls.
 - 5) All transactions are recorded and all supporting document are kept for subsequent audit and prevention of potential frauds or errors.
 - 6) There is a secure cash receipt and payment system in place that can effectively prevent leakage or fraud attempts.
 - 7) The property manager must have in place a revenue collection system to ensure completeness of tenant revenue collection and have in place a system to prevent duplicate and fraudulent expense reimbursement as well as to ensure that the supporting documents and rationales for expense reimbursement comply with Trust Deed, filing, prospectus and relevant contracts.
 - 8) Documents are pre-numbered for transactions related to assets or payments and receipts such as purchase orders, receipts, invoices for goods or services etc. to prevent the avoidance of auditing and transactions control check points (i.e. receive of cash without issuing receipt or issuing fictitious receipt to customers)

- 9) Controls and security system are in place for CPNREIT's revenue and expense data that are stored in a computerized system to enable retrospective audit of the persons who had accessed the system.
- 10) High value assets must be stored in secured location with restricted access to the area. Access to the area must be approved by management and closed circuit cameras may be deployed to guard the assets.
- 11) Controls over assets are in place. An asset register must be maintained, and updated when investment in additional assets takes place. The updated register must be submitted to the REIT Manger for reconciliation with cash payment, regular physical count of assets and preparation of asset count report. The REIT Manager shall maintain another set of assets register.

Nevertheless, the REIT Manager may have the property manager and/or the sub-lessee be liable for any damages which may occur to the benefit of CPNREIT due to the negligence of the property manager and/or the sub-lessee in the internal control systems that are prone to fraud.

- 3.5) In entering into an agreement with the sub-lessee, the REIT Manager and trustee may arrange to have the following additional conditions (as the case may be) to alleviate or mitigate risks to CPNREIT :
 - 1) Specify that CPNREIT can terminate the sub-lease agreement with the sub-lessee if the sub-lessee does not strictly comply with the terms of the sub-lease agreement, particularly in paying rent according to the sub-lease agreement;
 - 2) Specify the sub-lessee's undertaking, such as incurring of commitment, change in company's objective, etc.
- 3.6) Specify that the REIT Manager has a right to audit the performance of duties of the property manager and/or the sub-lessee to ensure compliance with this operating manual, property manager appointment agreement, sub-lease agreement, undertaking agreement and other relevant agreements.

3.7) Specify that the property manager and/or the sub-lessee must have a control system to monitor as well as randomly check to ensure that the property manager and/or the sub-lessee collect(s) and submit(s) revenues to CPNREIT in full, and do/does not charge from CPNREIT more than necessary expenses which must be within the framework that the Trust Deed, filing, prospectus, and relevant agreements allow.

- 4) In appointing the property manager and/or sub-lessee, the REIT Manager will arrange a mechanism to control, oversee, audit and evaluate their performances as indicated in the REIT Manager operating procedure manual to ensure that the property manager and/or the sub-lessee have/has accurately and thoroughly collected and submitted rental revenues to CPNREIT according to the terms in Property Manager Appointment Agreement/the sub-lease agreement, and that internal control systems operate effectively and are able to prevent fraud, or instantly detect fraud and non-compliance operations.

5. Evaluation of Work Performance of the Property Manager

5.1 System for Control, Supervision, and Evaluation of Work Performance of the Property Manager

The main objective of the Company as the REIT Manager is to provide the stable returns to the trust unitholders by taking into account the benefit to be acquired from the properties invested by CPNREIT. Therefore, the Company establishes a system for control, supervision, and evaluation of work performance of the Property Manager. The Company and the Property Manager shall work closely to enhance potential of the properties invested by CPNREIT.

The Business Development Department shall be in charge of controlling, supervising, and evaluating the work performance of the Property Manager whether or not it conforms to the terms and conditions specified in the Property Manager Appointment Agreement. The actions on this matter include:

- 1) The Business Development Department and the Property Manager shall mutually prepare the annual budget plan of CPNREIT, which specifies the revenues

and expenses in details, determines the target of income procurement, and supervises and monitors all revenues and expenses of CPNREIT to be in line with the target or projection.

- 2) The Business Development Department and the Property Manager shall mutually consider or review the strategic plan of the Property Manager to ensure that more income would be earned while the risk associated with the fluctuating rental income of CPNREIT would be mitigated, as well as to monitor the performance of the Property Manager to ensure that it is in line with the established plan and strategy.
- 3) The Company together with the Property Manager and the Trustee shall mutually examine the assets to ensure that the core properties of CPNREIT is complete, in normal condition, ready to use, not added or lost beyond the REIT Manager's approval.
- 4) The Business Development Department and the Property Manager shall mutually monitor the repair and maintenance of the real properties of CPNREIT, utilities system, and essential equipment in the said properties to ensure that they are in good condition and can be used to procure the benefits consistently, and that they shall have the characteristics or qualification prescribed by laws, e.g. safety system, care for environmental quality, energy saving, etc., as well as all other related contracts under the determined budget, joint consideration between the REIT Manager and the Property Manager, and approval of the Trustee.
- 5) Every department of the REIT Manager shall regularly have the joint meeting with the Property Manager to evaluate the operating performance of CPNREIT, and to find out the appropriate measures to prevent the operating problems of CPNREIT.
- 6) The Business Development Department shall prepare the performance evaluation form for the Property Manager. The evaluation criteria consist of two sections:
 1. Section relating to duties of the Property Manager in accordance with the Property Manager Appointment Agreement
 2. Section relating to work performance of the Property Manager in respect with property management

- 7) The Business Development Department shall control and supervise the operation as described below.
 1. To review the relationship between monthly revenues and expenses whether there are any irregular matters or not
 2. To choose at random the supporting evidence of transaction to examine the transaction existence, accuracy, and completeness in recording payments to the account of CPNREIT with the rental report paid by customers in each month
 3. To review the aging of accounts receivable to ensure that it is in normal condition with no significant increase
 4. To examine at random whether or not the Property Manager performs its duty fairly and transparently by giving no special benefits to any particular tenant
 5. To review an increase or decrease of fixed assets that the approval procedure is appropriate
 6. To review any transaction that are special, rarely occur, or involve the high value to ensure that they are undertaken for a maximum benefit of the trust unitholders
 7. To review the list of expenses charged by the Property Manager to CPNREIT to ensure that no unnecessary or duplicated expenses are charged to CPNREIT, and that they are under the scope mutually agreed
 8. To regularly arrange for the evaluation of the internal control system of the Property Manager. In this regard, the Company may require the auditor of the Property Manager or the external advisory company to regularly report the weakness or defect of the internal control system of the Company, as well as remedy and improvement measures.

5.2 Property Manager Performance Evaluation

The REIT Manager has evaluated the performance of the Property Manager for the period ended 31 Dec 2018. The Property Manager has unerringly and thoroughly performed their duties according to the Property Manager Appointment Agreement. No mistakes that would significantly affect CPNREIT's operation was noted.

6. System for Monitoring the Benefits of CPNREIT

The REIT Manager has the main objectives to make the trust unitholders earn the benefits from investment in CPNREIT consistently and continuously in the long term with consideration on benefits generated from the development and enhancement of quality of the core properties invested by CPNREIT. The REIT Manager has the measures and systems to monitor and look after the benefits from the core properties to be invested by CPNREIT as follows:

- 1) For core properties in part of shopping mall and office building, CPNREIT has policy of procuring the benefits from such type of property by leasing certain areas of such properties, and providing other services relating to the leased area to tenants who are business operators. For core properties in the part of hotel, CPNREIT shall procure the benefits by subleasing such real property, and leasing other related movable properties to a sub-lessee.
- 2) The REIT Manager and the Trustee shall monitor the annual performance of CPNREIT in comparison with the annual budget of CPNREIT, including the operating results of CPNREIT in the previous year. If the performance of the properties invested by CPNREIT has not reached the target, the REIT Manager, the Trustee, and the Property Manager (for the property in part of shopping malls and office buildings) or the sub-lessee (for the property in part of Hilton Pattaya) shall work together to analyze the causes, and to closely work with the Property Manager or the sub-lessee (as the case may be) to develop the operating plan to improve the performance of the properties invested by CPNREIT to achieve the target or the forecast.
- 3) The REIT Manager shall jointly work with the Property Manager to drive the business growth and build good relationship with tenants, together with management of occupancy rate and rental charge at the level that CPNREIT obtains the maximum benefits while the REIT Manager shall jointly work with the Property Manager to supervise and manage the operating cost as well as risks and negative factors to the management of the shopping mall and office buildings by CPNREIT.
- 4) The REIT Manager shall cooperate with the Property Manager to enhance efficiency in property management and procurement of benefits from the properties invested by CPNREIT in part of shopping mall and office building by determining the targeted customers of the property, the leased areas and appropriate service, the pricing of the rental charge and space service charge suitable to the needs of targeted customers, together with the supervision and management of the operating expenses without any impact on quality of the leased areas and services. In addition, the REIT Manager shall care for and maintain the areas of the properties invested by CPNREIT such as improvement of the common area and specific areas suitable for their functioning, and improvement of the property image, and property maintenance up to the standard and their appropriate function to satisfy the customers.
- 5) The REIT Manager shall work together with the sub-lessee to enhance the business growth and good relationship with customers who use the hotel service, and also manage the occupancy rate and accommodation room rate of the core properties in part of Hilton Pattaya at the level that CPNREIT obtains the maximum benefits.
- 6) The REIT Manager shall work together with the sub-lessee to enhance the potential of the core properties in part of Hilton Pattaya. Such management shall include care and maintenance of the core properties up to the standard and their appropriate function, as well as the image of the core properties to satisfy the customers.
- 7) The REIT Manager shall procure insurance for the properties of CPNREIT in conformity with the business practice and the provisions of relevant laws as follows:
 - 7.1) Insurance is sufficient and suitable to the interest of CPNREIT in the properties invested to cover the damage possibly incurred to CPNREIT by determining that CPNREIT is the beneficiary or co-beneficiary with approval from the Trustee.
 - 7.2) Insurance against the third party possibly damaged by the defect of the building, premise or construction. If the lessor or the person granting the right in the properties to CPNREIT or

the sub-lessee of the properties has made insurance already, CPNREIT is required to arrange the insurance only for the case that CPNREIT may be claimed for liability.

7.3) Insurance procured by CPNREIT is required to cover the period that CPNREIT has invested in such property.

8) Transactions with related persons to be entered are required to be in accordance with the following criteria:

8.1) To enter into a transaction with the REIT Manager and/or the connected persons to the REIT Manager, the REIT Manager is required to undertake the work in accordance with the Trust Deed and related laws and for the best interest of CPNREIT.

8.2) The transaction with related persons is made at the fair and reasonable price.

8.3) The person with conflict of interest, whether directly or indirectly, is not allowed to participate in decision making whether to enter into the transaction or not.

8.4) Expenses incurred from the transaction entered into with the connected persons shall be based on the fair and reasonable price and rate.

7. Remuneration of the REIT Manager

The REIT shall pay the fee and expenses to the REIT Manager for the duties performed as the REIT Manager in accordance with terms and conditions set forth in the agreement, which shall be calculated on a monthly basis. Such remunerations exclude the value added tax, specific tax, or other taxes in similarity as follows:

1) Fee for the duties performed as the REIT Manager in accordance with terms and conditions set forth in the agreement shall not be over 1.00 (one point zero) percent per annum of the total asset value. If the fee as calculated under this Clause in each year (excluding other fees deriving from the acquisition or disposal of the properties of CPNREIT incurred on that year (if any) in Clause 2) below) is less than THB 15 million (fifteen million baht) on the last month of any fiscal year, the Trustee shall pay the REIT Manager at the minimum of THB 15 million (fifteen million baht) per annum. The REIT Manager shall revise such amount of fee on the

last month of that fiscal year to make the fee calculated by CPNREIT in each year be equal to 15 million baht (fifteen million baht) per annum.

In case that the REIT Manager has not performed its duties for the whole fiscal year of CPNREIT, which makes the calculation of the fee on that fiscal year impossible, the REIT Manager shall calculate the management fee on that fiscal year based on the actual time it has performed the duties (Pro Rata Basis) by fixing the minimum management fee at 15 million baht (fifteen million baht) per annum and a period of 1 (one) year shall be equal to 365 (three hundred and sixty-five) days.

2) Fee for an acquisition of the properties of CPNREIT shall be 1.50 percent of the value of the property acquired by CPNREIT. Fee for a disposal of the property of the REIT shall be 0.75 percent of the value of the properties disposed by CPNREIT. However, such fee shall be paid to the REIT Manager only for the acquisition or disposal of the property of CPNREIT that has been undertaken by the REIT Manager, or has been proposed by the REIT Manager to CPNREIT for consideration only. These remunerations shall be paid when the acquisition or disposal of the properties of CPNREIT is completed.

3) The REIT Manager may claim other expenses incurred in the examination of the properties of CPNREIT, e.g. traveling cost, accommodation cost, and other expenses actually incurred during the property examination as appropriate, but not exceeding THB 30,000 (thirty thousand Baht) per time. If the actual expenses exceed the limit specified, the parties shall have the mutual agreement on a case-by-case basis.

For the years ended 2019, CPNREIT paid the REIT Manager in an aggregate amount of THB 134.66 million

8. Disclosure of Information to the Trust Unitholders

The REIT Manager recognizes the importance of the adequate, accurate, complete, precise, timely, and transparent disclosure of information to the trust unitholders. Every trust unitholder has the equitable rights to receive the information. The disclosure of information by CPNREIT must be in conformity with the criteria and requirements on disclosure of information prescribed by the Office of the SEC and the SET.

Immediately	<ul style="list-style-type: none"> - Information taking the material effect to the unit price, decision-making on investment, benefits of the trust unitholders - Information about operating performance, e.g. distribution payment - Report upon the occurrence of any event causing the dissolution of CPNREIT - Report upon the occurrence of any event specified in the Trust Deed as grounds of the dissolution of CPNREIT or other events enabling to foresee the dissolution of CPNREIT - Report promptly upon an acquisition or disposal of real properties or the trust unitholders hold the trust units more than the limit portion.
Within 3 business days	<ul style="list-style-type: none"> - Information not taking the direct effect, but should be disclosed to the investors, e.g. change of the director(s), change of the auditor, etc.
Within 14 days	<ul style="list-style-type: none"> - Information to be compiled by the SET for reference, e.g. copy of the minutes of meeting of the trust unitholders, report on the allocation of capital-increase trust units.
Within 15 days	<ul style="list-style-type: none"> - Report on the reduction of paid-up capital of CPNREIT - Report on acquisition or disposal of real properties
Within 30 days	<ul style="list-style-type: none"> - Progress report on investment in under construction properties
Disclosure by specified periods	<ul style="list-style-type: none"> - Quarterly financial statements - 45 days after the end of the accounting period - Yearly financial statements - 2 months after the end of the accounting period (in case the fourth quarterly financial statements are not prepared) - Management Discussion and Analysis - Copy of 56-REIT - within 3 months after the end of the accounting period - An annual report together with Notice to the Annual General Meeting of trust unitholders within 4 months after the end of the accounting period - NAV – within 45 days after the end of the accounting period

9. Trust Unitholders' Meetings

The REIT Manager shall arrange the unitholders' meeting as prescribed in Trust Deed.

1. The REIT Manager can obtain resolutions from Unitholders only by means of holding a Unitholders' meeting.
2. Causes for obtaining resolutions and calling Unitholders' meetings have to comply with the followings and the REIT Manager has to convene Unitholders' meeting in the following circumstances:
 1. When the REIT Manager deems appropriate to call a trust unitholders' meeting for the benefit of managing the business affairs of CPNREIT.
 2. When the trust unitholders whose collective holding are more than 10% of issued trust units, request in writing to the REIT Manager a call for a trust unitholders' meeting by clearly specifying the matters to be considered, the REIT Manager has a duty to call a trust unitholders' meeting within one

month since receiving the written request. If the REIT Manager does not convene a trust unitholders' meeting within one month as stated in clause one above, the trustee can proceed to convene a meeting.

3. Calling trust unitholders' meetings

The REIT Manager shall prepare meeting notice by specifying place, date, time, agenda and matters to be proposed to the meeting with sufficient details. Each matter shall be clearly specified whether it is a matter for information, matter for approval or matter for consideration as the case may be, and furnished by the REIT Manager's opinion as well as impact that might affect the trust unitholders from voting in that particular matter. To distribute the meeting notice to trust unitholders, the REIT Manager shall proceed as follows:

- 3.1 In general case, to distribute to the trust unitholders no less than 7 days ahead of the meeting;
- 3.2 In case that there is specific regulations regarding the timing of distribution of meeting notices, to distribute according to that regulation.

In all circumstances, the meeting notice shall be publicized in at least one local newspaper not less than three days ahead of the meeting.

4. Proxies

4.1 For the trust unitholders' meeting, a trust unitholder may appoint another individual as his/her proxy to attend a meeting and cast votes on his/her behalf. The proxy form must be dated and signed by trust unitholders who wish to appoint as proxy for another individual.

4.2 The proxy forms shall be deposited to the REIT Manager or a designated person by the REIT Manager at the meeting venue before the proxies attend the meeting.

5. Quorum

5.1 To constitute a quorum in the trust unitholders' meetings, there must be at least 25 attendees, both eligible and authorized trust unitholders; or not less than half of total trust unitholders holding no less than one third of the issued units.

5.2 In any trust unitholders' meeting, if within an hour from the time appointed for the meeting, a quorum is not present as specified in section 5.1 and if the trust unitholders' meeting is called due to the trust unitholders' request according to section 2) 2. (2), the meeting shall be cancelled. However, if the meeting is not called according to the trust unitholders' request according to section 2) 2. (2), the REIT Manager shall call another meeting and disseminate meeting notice to trust unitholders before the meeting by at least not less than the time allowed for the last meeting. The adjourned meeting is not required to be in full quorum.

6. Meeting chairperson

The REIT Manager shall appoint one of the directors who is a representative of the REIT Manager to be a meeting chairperson. The meeting chairperson has power and duty to ensure that a meeting is conducted smoothly and accurately as specified in section 15. However, if the REIT Manager has interest in the matter being considered, trustee or representative of trustee shall appoint another person to be a chairperson in that matter.

7. Vote count

A trust unitholder has one vote for each trust unit holds and a trust unitholder who is entitled to vote must not have special interest in any matter being considered.

8. Trust unitholders' resolution

8.1 An ordinary resolution may be passed by a simple majority of the votes of trust unitholders present and entitled to vote.

8.2 In the following circumstances, a resolution may only be passed by more than three-quarters of trust units held by trust unitholders present and entitled to vote except for the agenda and voting of the trust unitholders whose trust units are divided into different classes according to section 9.

(1) In case of acquisition or disposal of core properties with total transaction size of at least 30% of total assets of CPNREIT;

(2) In case of paid-up capital increase or reduction that is not pre-specified in the trust deed;

(3) In case of an increase in capital through general mandate;

(4) In case of entering into transactions with the REIT Manager or connected persons with the REIT Manager with total transaction size of at least Baht 20,000,000 (twenty million), or 3 (three) % of total assets of CPNREIT or more, whichever is the greater;

(5) In case of change in the distribution of return and the return of the trust unitholders' capital;

(6) In case of dismissal or appointment of trustee according to the clauses regarding the change in trustee as specified in the trust deed;

(7) In case of dismissal or appointment of REIT Manager according to the clauses regarding the change in the REIT Manager as specified in the trust deed and REIT Manager Appointment Agreement.

(8) In case of amendment of the Trust Deed in the matters that significantly impact the right of the trust unitholders;

(9) In case of termination of CPNREIT;

- 8.3 The trust unitholders' resolution shall not be taken into effect if the consequences of the resolution cause CPNREIT or the management of CPNREIT to be in conflict or not in compliance with the Trust Deed or other regulations according to the Securities and Exchange Act or Trust Act.
- 8.4 In the circumstances that there are specific guidelines regarding obtaining resolutions and trust unitholders' meetings, the practice shall follow those guidelines.
9. Obtaining resolution and voting of trust unitholders in the circumstances that trust units are divided into several classes
- 9.1 When obtaining a resolution in the matters that affect the right of all classes of trust unitholders such as termination of CPNREIT, the resolution has to be passed with more than half of the votes in each class of trust unitholders present and eligible to vote.
- 9.2 In obtaining a resolution in the matters that affect the right of certain classes of trust unitholders such as an increase in fees and expenses of each class of trust units, the REIT Manager shall obtain resolutions only from that class of trust unitholders.

In 2020, due to the COVID-19 virus which widely spreads and becomes more severe, the REIT Manager has canceled the 2020 Annual General Meeting and provided the documents related to the 2020 Annual General Meeting of Trust Unitholders, in accordance with the Announcement of the Securities and Exchange Commission No. Sor. Ror. 27/2563 Re: Actions of Holding Annual General Meeting for the Year 2020 of Trust Unitholders of Real Estate Investment Trust specifying that if the agendas for the annual general meeting for the year 2020 are only for acknowledgment without seeking approval from the trust unitholders, the REIT Manager may proceed with other methods instead of holding the 2020 annual general meeting which is effective on 20 March 2020.

10. Selection and Appointment of Directors and Executives

The REIT Manager has 1 (one) Board of Directors, which comprises of at least 3 (three) qualified directors, at least one third of whom must be independent directors. The independent directors must possess qualifications according to the criteria as specified in the Notifications of the Capital Market Supervisory Board concerning the Application for and an Approval of Offer for Sale of Newly Issued Shares. Moreover, the Board of Directors and executives who are authorized to manage the REIT Manager must not possess characteristics which are prohibited under the Notification of the Capital Market Supervisory Board concerning Prohibited Characteristics of Personnel in Capital Market Industry according to clause 12(4) of Notification of the Office of the Securities and Exchange Commission No. SorChor. 29/2555, Re: Rules, Conditions and Procedures for the Approval of REIT Manager and Standard Conduct and its subsequent amendments or other relevant regulations that the Office of the SEC may subsequently amend.

Two directors (not independent directors) are authorized to bind the REIT Manager through joint-authorization with company's seal affixed. The Board of Directors may assign one or many directors or other persons to act on the Board's behalf in any matter. Nevertheless, delegation of authority shall not include the delegation or sub-delegation that enables directors or assigned persons by directors to approve transactions that they or other people might have conflict or interests or other benefits in any forms that conflicts with the benefit of CPNREIT.

The REIT Manager has appointed an independent director to be Chairman of the Board to oversee and ensure that the composition and operation of the Board foster deliberation in decision making. The Chairman of the Board has duties to:

- 1) Oversee, monitor and ensure that the Board functions effectively and achieves objectives and goals;
- 2) Jointly propose meeting agenda through discussion with the Chief Executive Officer and have measures to ensure that noteworthy matters are included in the agenda;
- 3) Ensure that the time allotted is sufficient for the management to propose the agenda and for the Board to thoroughly discuss noteworthy matters, and promote thorough deliberation and freely express of opinion.

The Board of Directors may appoint a professional with knowledge and skills to be an advisor to the Board through approval of two out of three directors and provide remuneration as approved in the shareholders' meeting. The Advisor to the Board has duties to attend meetings, provide advice, suggestion or opinion that is beneficial to the decision making of the Board of Directors, and can request the management to ensure that matters are thoroughly examined. Nevertheless, the Advisor to the Board shall not be involved in the decision-making, and in the circumstances that the matters being considered may involve conflict of interests, the Advisor to the Board shall abstain from attending the meeting for that particular matters. The Risk Management and Compliance Department

together with the Independent Director shall evaluate matters with conflicts of interests and inform the Advisor to the Board.

11. Remuneration for Auditors

The auditor's remuneration for the operation period ended 31 December 2020, details as follows;

1. Remuneration for Auditors THB 1.23 Million
2. Other Service fee THB 0.05 Million





CORPORATE SOCIAL RESPONSIBILITY

CPN REIT Management Company Limited as the REIT Manager pays attention to corporate social responsibility either directly or indirectly related to CPNREIT. To elaborate, the business operation of the Company is coupled with equality, anti-corruption, respect to human rights, fair treatment to employees, retention of quality of life of individuals, employees, every sector or in general public, responsibility to consumers, environmental care, involvement in community or social development, and dissemination of innovations from the operations under responsibilities to the society, environment, and stakeholders.

1. Fair Business Practices

Fair business practices are the business ethics emphasized and implemented by the REIT Manager in its management of CPNREIT. The REIT Manager has stringently carried out the management of CPNREIT in accordance with the relevant laws, e.g. Securities and Exchange Act, B.E. 2535 and its amendments, Trust for Transactions in Capital Market Act, B.E. 2550 and its amendments, regulations of any regulatory authorities, and Trust Deed. The REIT Manager also adheres to the Principle of Good Governance, avoids any actions possibly causing conflicts of interest, promotes fair and free business competition, provides fair treatment to every tenant, and gives no false advertisement or inaccurate information possibly causing misunderstanding and damage to the trust unitholders and general investors.

The Property Manager also strictly respects and conforms to the commercial conditions and contracts made with other business partners for fair and equitable business competition.

2. Respect to Human Rights and Fair Treatment to Employees

The REIT Manager regards individuals' fundamental rights as an important matter, and it recognizes that respect to human rights is a foundation for human development. Therefore, the REIT Manager has encouraged employees and the organization not to participate or involve in the violation of human rights. In this regard, the rights to life, freedom of expressions, equality in law enforcement, rights in work based on laws, rights in standard health, rights in social welfare, and employee recruitment with no discrimination of race, religion and gender are clearly defined for the said equality.

3. Responsibility to Consumers

CPNREIT has invested in various assets, which include Central Rama 2 Project, Central Rama 3 Project, Central Pinklao and Pinklao Tower A and Tower B Project, Central Chiangmai Airport Project, and Central Pattaya Project and Hilton Pattaya. The REIT Manager, therefore, has appointed Central Pattana Public Company Limited as the Property Manager. In the management of the said assets, the Property Manager pays attention to the fair treatment and responsibility to all tenants and considers their safety and health. The Property Manager focuses on the building management, retention of service standards, and delivery of quality and safe service to all tenants and service users.

4. Environmental Care

CPNREIT realizes the importance of environment and preservation of natural resources. The REIT manager has tried to mitigate the impact on the environment in each shopping mall and surrounding areas by selecting the equipment that can save energy and is easy for maintenance in the long term. CPNREIT has also conducted the campaigns for recycle process, energy saving, and strict compliance with the environmental laws.



INTERNAL CONTROL AND RISK MANAGEMENT

1. Internal Control

For the operation of the Company as a REIT Manager to run effectively and achieve its objectives, the REIT Manager has implemented key audit and internal control systems to check and ensure that the operations of each department comply with the REIT Manager's policy, Trust Deed, REIT Management Appointment Agreement, trust unitholders' resolutions, filing, prospectus, regulations, rules and applicable laws, and arranged for a mechanism to be regularly monitored, audit and evaluate internal control systems of the property manager and/or the sub-lessee to ensure that the internal control systems are effective, and able to prevent fraud or instantly detect fraud and non-compliant operations. For example, specify that the internal auditor must assess the internal control systems of the property manager and/or sub-lessee at least once a year and report internal control weaknesses or deficiencies to the REIT Manager. The REIT Manager shall oversee the following key systems:

1) Annual budgeting system

CPNREIT is managed through an annual operating plan to achieve the set objectives. The annual operating plan shall align with the strategic trust management plan.

2) Special expenditure approval system and/or capital expenditure not included in annual operating budget

When the REIT Manager sees that it is necessary for CPNREIT to incur special expenditures and/or expenditures exceeding the annual operating budget and/or other essential capital expenditures exceeding annual operating budget approved by the trustee, the REIT Manager has an evaluation and approval of special expenditure system that can be audited.

3) Rental collection monitoring system

The REIT Manager shall arrange for a rent collection monitoring system to ensure that the rent collected by the property manager is completely ceded to CPNREIT, accounts receivable are regularly followed up, and the

write-off of accounts receivable complies with the property manager's procedures.

In the case that the REIT Manager leases the core properties to the sub-lessee, the REIT Manager shall oversee that the sub-lessee pays rent according to the payment schedule specified in the lease agreement by following up with the sub-lessee before due dates in the lease agreement to prevent payment overdue or breach of lease agreement.

4) Procurement system

The REIT Manager maintains sound procurement procedures and processes as well as the audit of procurement procedure of the REIT Manager to ensure that the procurement procedure is compliant with best practices and regulations, transparent, fair and for the benefit of the CPNREIT.

The REIT Manager shall assess the effectiveness of internal controls over procurement system of the property manager by auditing the validity of assets or services by tracing back to the acquisition procedures of tools, appliance, equipment and the procurement of services, and cross-checking with approved annual operating budget to ensure that goods or services that the property manager procures comply with the policy, have been authorized according to the regulations concerning compliance of contracts, the evaluation and selection of appropriate seller/contractor so that CPNREIT receives goods or services that commensurate with the money paid. The REIT Manager shall randomly audit the procurement system of CPNREIT together with the audit of CPNREIT expenses.

5) Payment control system

The REIT Manager has established a procedure for payment control system so that operators can be informed of the payment procedure that is standardized, compliant with regulations, transparent and fair. The workflow is divided into:

1. The expense payment system of CPNREIT;
2. The audit of the expense payment system of the property manager.

Apart from this, the REIT Manager shall audit the allocation of expenses between the asset owner and CPNREIT to ensure compliance with Property Manager Appointment Agreement and that no extra expenses are charged beyond the benefits that CPNREIT receives.

- 6) Monitoring and evaluating system of expenses charged from CPNREIT by the property manager

Expenses that the property manager can reimburse from CPNREIT comprises of administrative and property management expenses or operating account, property management fee and liability compensation from disputes. For each type of expenses charged from CPNREIT, the REIT Manager maintains sound monitoring and evaluating mechanism to ensure that expenses are incurred for CPNREIT and within reasonable amount in the following expense categories:

1. Administrative and property management expense or operating account
2. Property management fee
3. Liability compensation from disputes

- 7) Safekeeping of CPNREIT's documents and evidences

The REIT Manager arranges to have a document filing system that is effective, convenient, efficient and accurate. The safekeeping system must be easy to classify, file and search for documentation efficiently.

- 8) Internal audit system

In the circumstances that the independent director deems fit, the independent director shall consider and select an external party to be an internal auditor by following the REIT Manager's criteria in selection of CPNREIT personnel and external service provider, and the procedures in evaluating and selecting consultants that are relevant to REIT management business. The internal audit must audit and review the REIT Manager's internal controls and assess risks that may impact to CPNREIT.

The REIT Manager shall retain the internal audit result report and remediation progress report to accommodate the audit from regulatory bodies.

2. Risk Management

The REIT Manager pays attention to risk management to safeguard trust unitholders' interest and CPNREIT's assets. The Board of Directors has duties to establish risk management policy that encompasses all CPNREIT's operations and oversee to ensure that the risk management procedures can effectively prevent and mitigate risks. The REIT Manager, through Risk Management and Compliance Department, adopts an Enterprise Risk Management Framework to identify potential events or risks that may happen as well as mitigating measures that can manage risks to tolerable levels to enable the REIT Manager to achieve its REIT management objectives.

The REIT Manager's risk management comprises the following steps:

1. Objective setting
2. Event identification
3. Risk assessment and risk response

The REIT Manager adopts the following criteria in assessing the priority of each risk and its impact:

- 1) Likelihood
- 2) Impact
4. Control activities
5. Monitoring
6. Reporting



PREVENTION OF CONFLICT OF INTEREST

Related transactions

The main duties and responsibilities of the REIT Manager are to supervise and manage CPNREIT and the asset investment of CPNREIT, including to look after CPNREIT's benefits. Although CPNREIT has a policy to avoid entering into connected transactions which may cause conflicts of interest, CPNREIT has entered into such connected transactions in certain instances. In such cases, the REIT Manager will take into account reasons and necessities for CPNREIT to enter into such transactions and will proceed to take action in compliance with the REIT Manager's policies, Trust Deed, REIT Manager appointment agreement, Registration Statement, prospectus, regulations and laws relating to the supervision and management of CPNREIT.

In this regard, for the investment in the Additional Assets, there shall be transactions between CPNREIT and CPN, including its subsidiaries. Those are Connected Persons of the REIT Manager as CPN is a major shareholder and has controlling power over the REIT Manager and subsidiaries of CPN. Details of the transactions between CPNREIT with the REIT Manager, including its Connected Persons as well as transactions between CPNREIT with the Trustee, including its Connected Persons are as follows:

1. Connected (Juristic) Persons of CPNREIT

Connected (Juristic) Persons of CPNREIT	Relationship with CPNREIT
CPN	<ul style="list-style-type: none">- is a major shareholder of the REIT Manager, whereby 99.99 percent of issued and paid-up shares of the REIT Manager are held by CPN.- is a controlling person of the REIT Manager.- is a major unitholder of CPNREIT, whereby 26.69 percent of the total number of units of CPNREIT are held by CPN.- is the owner of and has a leasehold right over certain part of buildings in CentralMarina Project and will be the lessor and sub-lessor of immovable properties and utilities systems and the seller of movable assets for CPNREIT.- CPN was appointed as the Property Manager of the assets that CPNREIT invested.
CPN REIT Management	<ul style="list-style-type: none">- is the REIT Manager of CPNREIT.- is a subsidiary of CPN, whereby 99.99 percent of issued and paid-up shares of CPN REIT Management are held by CPN.
Central Pattana Rama 2	<ul style="list-style-type: none">- is a subsidiary of CPN, whereby 99.99 percent of issued and paid-up shares of Central Pattana Rama 2 are held by CPN.- is the owner of Central Rama 2 Project (Renewal Period) and will be the lessor of immovable properties and utilities systems for CPNREIT.
Central Pattana Rama 3	<ul style="list-style-type: none">- is a subsidiary of CPN, whereby 99.99 percent of issued and paid-up shares of Central Pattana Rama 3 are held by CPN.
Central Pattana Chiangmai	<ul style="list-style-type: none">- is a subsidiary of CPN, whereby 99.99 percent of issued and paid-up shares of Central Pattana Chiangmai are held by CPN.
CPN Pattaya	<ul style="list-style-type: none">- is a subsidiary of CPN, whereby 99.99 percent of issued and paid-up shares of CPN Pattaya are held by CPN.

Connected (Juristic) Persons of CPNREIT	Relationship with CPNREIT
CPN Pattaya Hotel	<ul style="list-style-type: none"> - is a subsidiary of CPN, whereby 99.99 percent of issued and paid-up shares of CPN Pattaya Hotel are held by CPN.
Central Group	<ul style="list-style-type: none"> - consists of juristic persons, of which certain directors, executives or controlling persons are also the directors, executives or controlling persons of CPN, whereby such juristic persons are the lessees of spaces of the properties invested in by CPNREIT for business purposes, including Central Department Store Group (CDG), Central Marketing Group (CMG), Central Food Retail Group (CFG), Central Hardlines Group (CHG), Central Online Group (COL), Central Hotels & Resorts (CHR) and Central Restaurants Group (CRG) (details of which have been shown in www.centralgroup.com).
GLAND	<ul style="list-style-type: none"> - is a subsidiary of CPN Group, whereby 67.53 percent of issued and paid-up shares of GLAND are held by CPN Group. - is the owner of The Ninth Towers Office Building Project and the lessor of immovable properties and utilities systems for CPNREIT. - as the Property Manager of The Ninth Towers Office Building Project.
Sterling	<ul style="list-style-type: none"> - is a subsidiary of CPN Group, whereby 99.99 percent of issued and paid-up shares of Sterling are held by CPN Group (by GLAND). - is the owner of Unilever House Office Building Project and will be the lessor of immovable properties and utilities systems for CPNREIT. - as the Property Manager of Unilever House Office Building Project.
SCB	<ul style="list-style-type: none"> - is a major shareholder of the Trustee, whereby 99.99 percent of issued and paid-up shares of the Trustee are held by SCB.
SCBAM	<ul style="list-style-type: none"> - is the Trustee of CPNREIT. - is a subsidiary of SCB, whereby 99.99 percent of issued and paid-up shares of SCBAM are held by SCB.

2. Transactions of CPNREIT with REIT Manager and its Connected Persons

Connected (Juristic) Persons of CPNREIT	Characteristics of Connected Transaction	Necessity and Rationality of Transaction
CPN and its subsidiaries, including CPN REIT Management, Central Pattana Rama 2, Central Pattana Rama 3, Central Pattana Chiangmai and CPN Pattaya	CPN and its subsidiaries has taken leases of spaces and services from CPNREIT whereby the rental and service fees are at market prices, which are subject to location, area, lease form, lease term and type of lease.	Such transactions have been conducted for the purpose of benefit procurement from CPNREIT's properties whereby the rental and service fees are set according to market prices, which are subject to location, area, lease form, lease term and type of lease.

Connected (Juristic) Persons of CPNREIT	Characteristics of Connected Transaction	Necessity and Rationality of Transaction
CPN Pattaya Hotel	CPNREIT has procured benefits from Hilton Pattaya Hotel by granting a sublease of such properties (i.e., sublease of buildings and utilities systems, and lease of immovable properties) to CPN Pattaya Hotel whereby the benefits received by CPNREIT from the sublease of the properties are in the form of fixed rent and variable rent) from CPN Pattaya Hotel in accordance with the conditions specified in the agreements. Details regarding fixed rent and variable rent are shown in Benefit Procurement from Hotels.	As CPNREIT is unable to manage the properties in the type of hotels in accordance with the Notification No. TorJor. 49/2555. Therefore, it had to grant a sublease of Hilton Pattaya Hotel to CPN Pattaya Hotel, thereby benefiting CPNREIT as CPNREIT could gain additional sources of income (apart from rental/service income derived from leases of spaces of the properties in the types of shopping malls and office buildings) in the forms of fixed rent and variable rent derived from the properties in the type of hotels, located in Pattaya City, which is one of the top tourist destinations of Thailand.
Central Group	Central Group has leased spaces and received services from CPNREIT whereby the rental and service fees are at market prices, which are subject to location, area, lease form, lease term and type of lease.	Such transactions have been conducted for the purpose of benefit procurement from CPNREIT's properties whereby the rental and service fees are set according to market prices, which are subject to location, area, lease form, lease term and type of lease.
Central Pattana Rama 2	<p>Central Pattana Rama 2 has granted a lease of wastewater treatment system to CPNREIT whereby such lease is part of the lease of Central Rama 2. The lease term is 20 years from 15 August 2005 to 15 August 2025.</p> <p>On 31 March 2020, CPNREIT registered the leasehold right of properties in Central Rama 2 Project (Renewal Period) from Central Pattana Rama 2.</p>	<p>Such transaction has been conducted in support of the utilization of and benefit procurement from CPNREIT's properties.</p> <p>The transaction is considered reasonable because:</p> <ol style="list-style-type: none"> 1) CPNREIT will uninterruptedly acquire the leasehold right of Central Rama 2 Project (Renewal Period) after expiry of the current lease agreement. Central Rama 2 Project (Renewal Period) is the core asset in the type of shopping center situated in a prime area with commercial potential which will help create added value to CPNREIT and the unitholders. 2) The transaction will help diversify risk in the operation of CPNREIT by enhancing its long-term income stability through diversification of risk involved with benefit procurement from properties. It will also contribute to asset diversification since the existing properties of CPNREIT and Central Rama 2 Project (Renewal Period) are in different locations. 3) The investment in Central Rama 2 Project (Renewal Period) will help cushion against impacts from the fluctuation in revenue stream of CPNREIT in case of expiration of the leasehold/sub-leasehold rights of some properties.

Connected (Juristic) Persons of CPNREIT	Characteristics of Connected Transaction	Necessity and Rationality of Transaction
CPN REIT Management	CPN REIT Management is the REIT Manager of CPNREIT.	<p>The directors and executives of CPN REIT Management have experiences in investment management and benefit procurement from immovable properties and have knowledge and understanding of core assets of CPNREIT. Therefore, it is appropriate for CPN REIT Management to perform the duties as the REIT Manager of CPNREIT.</p> <p>CPN REIT Management is a subsidiary, whereby 99.99 percent of shares are held by CPN whereby CPN has experiences and expertise in development and management of shopping malls and office buildings for more than 40 years, thereby supporting the performance of duties by CPN REIT Management as the REIT Manager of CPNREIT.</p>
CPN	CPN is the Property Manager of CPNREIT for the properties which are all shopping malls and office buildings of CPNREIT in the present whereby CPN shall collect property management fee from CPNREIT at the rates and in accordance with the conditions stipulated in the property manager appointment agreement.	CPN has the experience and expertise in development and management of shopping malls and office buildings in Thailand for more than 40 years. Besides, CPN has performed the duties as the Property Manager of CPNREIT's properties which are shopping malls and office buildings whereby CPN has managed such properties since the CPNRF was established in 2005. Moreover, CPN has played a major role in the development and management of the Additional Assets, which are shopping mall projects since the development of such projects commenced. As a result, CPN has knowledge, understanding and experience in managing each of such assets.
GLAND	<p>GLAND acts as the property manager of The Ninth Towers Office Building Project and collects the management fee from CPNREIT at the rate and under the conditions as set out in the Property Manager Appointment Agreement.</p> <p>GLAND had leased the spaces and services from CPNREIT, with the rental and service fees being charged at the market rate, which was based on the location, size of the leased space, form of lease, lease period, and type of lease. Such lease of spaces and services by GLAND already ended on 18 April 2020.</p>	<p>GLAND was formerly the developer and has been the property manager of The Ninth Towers Office Building Project and, therefore, has considerable knowledge, understanding and experience in management of The Ninth Towers Office Building Project.</p> <p>This aims for benefit procurement from CPNREIT's properties, with the rental and service fees being charged at the market rate, which is based on the location, size of the leased space, form of lease, lease period, and type of lease.</p>
Sterling	Sterling acts as the property manager of Unilever House Office Building Project and collects the management fee from CPNREIT at the rate and under the conditions as set out in the Property Manager Appointment Agreement.	Sterling has been the property manager of Unilever House Office Building Project and, therefore, has considerable knowledge, understanding and experience in management of Unilever House Office Building Project.

Value of Connected Transactions of CPNREIT with REIT Manager and its Connected Persons over the Past Period

Item (Unit: THB Thousand)	For the Year Ended 31 December 2019	For the Year Ended 31 December 2020
Income		
Rental and service income		
CPN and its subsidiaries	456,431	309,871
GLAND	-	3,326
Central Group	615,155	387,356
Other income		
CPN and its subsidiaries	-	735
Central Group	253	117
Expenses		
Cost of rental and services		
CPN and its subsidiaries	12,441	17,149
GLAND	-	46,321
Sterling	-	8,503
Central Group	3,589	3,046
Management fee		
CPN REIT Management	134,656	150,348
Property management fee		
CPN and its subsidiaries	471,722	376,822
GLAND	-	18,733
Sterling	-	9,225
Administrative expenses		
CPN and its subsidiaries	14,502	11,257
Central Group	1,937	420

Outstanding Balance of CPNREIT with REIT Manager or its Connected Persons

Item (Unit: THB Thousand)	As of 31 December 2019	As of 31 December 2020
Rental and service receivables		
CPN and its subsidiaries	87,547	222,287
GLAND	-	443
Sterling	-	336
Central Group	37,936	73,124
Trade accounts payable		
CPN and its subsidiaries	107,331	108,715
CPN REIT Management	23,159	26,116
GLAND	-	10,455
Sterling	-	3,899
Central Group	563	110
Other accounts payable		
CPN and its subsidiaries	11	274
Central Group	5,716	7,334
Deposits received in advance		
CPN and its subsidiaries	18,263	18,456
GLAND	-	3,049
Central Group	151,280	138,517
Lease Liabilities		
Central Pattana Rama 2	-	17,727,116
Other liabilities		
CPN and its subsidiaries	1,261	6,262
GLAND	-	77
Sterling	-	29
Central Group	14,137	17,656

3. Transactions of CPNREIT with the Trustee and its Connected Persons

Connected (Juristic) Persons of CPNREIT	Characteristics of Connected Transaction	Necessity and Rationality of Transaction
SCB and its subsidiaries	SCB and its subsidiaries have taken leases of spaces and services from CPNREIT whereby the rental and service fees are at market prices, which are subject to location, area, lease form, lease term and type of lease.	Such transactions have been conducted for the purpose of benefit procurement from CPNREIT's properties whereby the rental and service fees are set according to market prices, which are subject to location, area, lease form, lease term and type of lease.
SCBAM	SCBAM is the Trustee of CPNREIT.	SCBAM has experience in acting as the trustee of real estate investment trusts as well as in managing property funds for several types of businesses and has knowledge and understanding in management of mutual funds and real estate investment trusts including relevant rules. Therefore, SCBAM is suitable for acting as the Trustee.
SCB	CPNREIT has borrowed money from SCB and applied such loans to invest in the Central Pattaya and the Hilton Pattaya Hotel Project whereby a portion of the loans has been drawn down and prepaid, and then new portion of loans is drawn down. In this regard, important conditions and details including interest rates, interest payment and provision of relevant collateral shall be mutually agreed between CPNREIT and SCB.	The loans used for investment in the Central Pattaya and the Hilton Pattaya Hotel Project have been applied for the benefit of the unitholders as the cost of debts is lower than the cost of equity. Moreover, such loans do not create a burden in terms of additional investment to existing unitholders. In the case that CPNREIT uses funds from the borrowings including the issuance and offer for sale of new trust units to invest in the Additional Assets, the unitholders will be affected in relation to control dilution and return dilution which will be lower, compared with the use of funds only from the issuance and offer for sale of new trust units.
	CPNREIT has opened deposit accounts with SCB.	It is in the ordinary course of business of CPNREIT.

Value of Connected Transactions of CPNREIT with the Trustee and its Connected Persons over the Past Period

Item (Unit: Baht Thousand)	For the Year Ended 31 December 2019	For the Year Ended 31 December 2020
Income		
Rental and service income		
SCB and its subsidiaries	55,017	51,025
Interest Income		
SCB	1,318	565
Expenses		
Trustee fee		
SCBAM	36,725	40,930
Financial cost		
SCB	2,368	503

Outstanding Balance of CPNREIT with the Trustee and its Connected Persons

Item (Unit: Baht Thousand)	As of 31 December 2019	As of 31 December 2020
Cash at bank		
SCB	88,466	580,740
Rental and service receivables		
SCB	69	5,917
Other accounts payable		
SCBAM	6,316	7,091
SCB	62	130
Deposits received in advance		
SCB	26,866	26,866
Other liabilities		
SCB and its subsidiaries	1,924	1,910

Policy on Transactions between CPNREIT and REIT Manager or its Connected Persons

In the case of potential transactions of CPNREIT with the REIT Manager or its Connected Persons (apart from those as shown above), the REIT Manager shall comply with the Securities Laws as follows:

1. Connected Persons of the REIT Manager
 - Connected Persons of the REIT Manager shall have the meaning as defined in the notifications relating to the criterion for conducting connected transactions.
 - General conditions and rules of CPNREIT for conducting transactions with the REIT Manager or its Connected are as follows:
 - In conducting transactions of CPNREIT with the REIT Manager or its Connected Persons, such transactions shall be conducted in accordance with the Trust Deed and relevant laws for the benefit of CPNREIT.
 - The transactions conducted by CPNREIT with the REIT Manager or its Connected Persons must be reasonable and at fair prices. Also, expenses for entering into the transactions collected from CPNREIT (if any) must be fair and reasonable.
 - Interested persons of the transactions, whether direct or indirect, must not take part in decision making.
 - In the case that the law stipulates that for entering into any transaction by CPNREIT, approval must be obtained by the meeting of the board of directors of the REIT Manager and/or the meeting of unitholders before entering into such transaction. The REIT Manager shall have independent directors give their opinions on such transaction. The independent directors' opinions shall be presented to the meeting of the board of directors of the REIT Manager and/or the meeting of unitholders to ensure that the entering into the transaction as proposed shall be for the benefit of CPNREIT and the unitholders. If the independent directors do not have expertise in the connected transaction to be conducted, the REIT Manager shall provide independent experts such as independent financial advisors, property appraisers and auditors to give opinions regarding such connected transaction for use in support of the consideration and decision making by the board of directors of the REIT Manager or the unitholders, as the case may be. Any person who has a special interest, shall not be entitled to vote for such transaction, in which he/she has a special interest. In this regard, in considering and approving the entering into the transaction of CPNREIT, whether by the meeting of the board of directors of the REIT Manager and/or the meeting of unitholders, relevant rules shall be complied with. Besides, the connected transactions shall be disclosed in the notes to the financial statements audited or reviewed by the auditor of CPNREIT in accordance with relevant rules.
2. Approval required for entering into any transaction between CPNREIT and the REIT Manager or its Connected Persons shall follow the following steps:
 - Approval from the Trustee must be requested to ensure that such transaction is in accordance with the Trust Deed and relevant laws;
 - In the case of a transaction with a value exceeding Baht 1,000,000 or from 0.03 percent of CPNREIT's net asset value, whichever is higher, approval from the board of directors of the REIT Manager must be obtained;
 - In the case of the value of the transaction is from Baht 20,000,000 or exceeds 3.0 percent of the net asset value of CPNREIT, whichever is higher, it requires the approval of unitholders with the votes of not less than three-fourths of the total voting right of the unitholders attending the meeting and having the right to vote.

Policy on Transactions of CPNREIT with the Trustee or its Connected Persons

In the case that it is necessary for CPNREIT to enter into a transaction with the Trustee or its Connected Persons, the REIT Manager shall consider the necessity and rationality for the entering into the transaction whereby the independent directors shall give opinions on the necessity and benefits to be received by CPNREIT from the entering into the transaction. In this regard, the disclosure of information in accordance with the following steps shall be deemed sufficient disclosure to the unitholders or investors before the entering into the transaction which is contrary to CPNREIT's interest:

1. The information is disclosed via the SET in accordance with the regulations of the SET regarding such matter or via any other channel, by which the unitholders are able to gain access to the information on the entering into such transaction;
2. The period of time for disclosure of information shall be reasonable whereby it must be not less than 14 days;
3. Channels, procedures and period of time for raising objection shall be clearly disclosed whereby such period of time must be not less than 14 days, except for the case that the unitholders' resolution for the entering into such transaction is requested, the objection shall be made during the request for the unitholders' resolution.

The consideration and approval for the entering into such transaction shall be in accordance with relevant rules whereby any person who has special interest in any matter, shall not be entitled to vote for approval for the transaction, in which he/she has special interest. In the case that the unitholders holding more than one fourth of the total number of units sold evidently object to the entering into such transaction in accordance with the procedures stated in Item 3), the Trustee shall not permit or allow the entering into such transaction which is contrary to CPNREIT's interest.

In this regard, for a transaction which causes a conflict of interest between CPNREIT and the Trustee, if the SEC, the SEC Office and/or any other agency with legal authority amends, adds, announces, stipulates, instructs, approves and/or grants relaxation otherwise, CPNREIT shall comply therewith.



FINANCIAL STATUS AND PERFORMANCE OUTCOMES

Financial and Operating Performance in 2020

Income

In 2020, CPNREIT reported total income of Baht 4,069.6 million, a decrease of Baht 1,072.0 million or 20.8%yoy, this was attributable to:

Rental and service income totaled Baht 4,041.1 million, declined by 20.9%yoy. CPNREIT recognized rental income and rental discount on a straight-line basis over the lease term under TFRS 16, resulting in the rental income shown in the financial statements was more than the actual rental income received while the straight-line rental discount was less than the actual rental discount given. The details are as follows:

- Rental and service income from all shopping centers and Pinklao Tower A and Tower B totaled Baht 3,053.4 million, declined by 35.4%yoy, mainly due to the impact from the current COVID-19 situation and the financial support provided to tenants in term of rental discount amounting to Baht 1,361.9 million. Additionally, the collection of property tax income from tenants reduced by 90% in accordance with the Royal Decree on Reduction of Land and Building Taxes B.E. 2020.
- Rental and service income from The Ninth Towers and Unilever House totaling Baht 529.6 million, which CPNREIT has invested since early March 2020.
- The accounting adjustment in accordance with TFRS 16 including rental income on a straight-line basis from shopping centers and office buildings totaled Baht 54.3 million, which was included in the rental and service income, and rental discount on a straight-line basis of Baht 168.5 million reduced the actual rental discount to Baht 1,193.4 million.
- Rental income from sublease of Hilton Pattaya was Baht 218.2 million from fixed rental income only as Hilton Pattaya had been temporary closed for renovation from 1 April – 20 December 2020 and gradually re-opened since mid of November 2020. Also, hotel business was affected by the COVID-19 outbreak resulting to significant reduction in bookings, therefore CPNREIT did not receive variable rental income in 2020.

Additionally, CPNREIT recorded the additional of Baht 17.1 million as a straight-line rental income, which was a non-cash item.

According to the hotel sublease agreement stipulated in the case of renovation, the sublessee has the right to defer the rental payment in the month that there has been a renovation during the quarter. However, the sublessee shall pay the deferred rent within the same fiscal year provided that such payment shall have no impact to the sublessee's liquidity. Therefore, CPNREIT allowed the sublessee to postpone the rental payment for 1 April – 20 December 2020 to be paid later. Moreover, CPNREIT waived the fixed rental payment for the period of 21 –31 December 2020 to the sublessee due to the ongoing COVID-19 pandemic, which is classified as the force majeure circumstance under the hotel sublease agreement.

Interest income was Baht 7.2 million, decreased by 32.4%yoy resulting from lower portion of fixed deposits at banks and lower deposit interest rate, and other incomes were Baht 21.3 million, increased by 8.0%yoy, since there was income from restoring of the lease space.

Expense

In 2020, CPNREIT reported total expense of Baht 2,532.1 million, increased by Baht 1,146.6 million or 82.8%yoy, resulting from the accounting recognition of non-cash interest expense from lease liabilities amounting Baht 1,121.3 million of the lease agreement of Central Rama 2 (Renewal) in accordance with TFRS 16. (if excluding interest expense from lease liabilities, total expense was Baht 1,410.8 million, increased by Baht 25.3 million or 1.8%yoy, mainly due to the additional investment in The Ninth Towers and Unilever House.)

Property expenses totaled Baht 621.9 million, decreased by 11.9%yoy, driven mainly from effective cost saving measures implemented since 2Q20 and continued throughout the year 2020. This was mainly due to a decrease of advertising and promotion expense for organizing less marketing events at shopping centers. (Same store property expense decreased by 29.0%yoy mainly from the 90% discount of land and building tax expenses and lower advertising and promotion expense).

Property management fee was Baht 404.8 million, decreased by 14.2%yoy. This was mainly from declining rental collection fee due to lower net rental income and less incentive fee from lower net property income. Meanwhile, leasing commission fee and property management fee remained stable.

Cost of rental and service was Baht 124.4 million, increased by 2.2%yoy, mainly from utilities expense of The Ninth Towers and Unilever House that CPNREIT has invested since March 2020.

Management fee was Baht 150.3 million, increased by 11.7%yoy, and trustee fee was Baht 40.9 million, increased by 11.5%yoy, following an increase of total assets resulting from investments in leasehold properties at fair value of The Ninth Towers and Unilever House. Moreover, interest expense was Baht 592.2 million, increased by 17.9%yoy due to borrowing from banks to invest in those two office buildings in March 2020.

Meanwhile, registrar fee was Baht 4.2 million, declined by 19.4%yoy, resulting from a 20% discount for the annual registrar fee in 2020 for the listed securities on the Stock Exchange of Thailand (SET) provided by the Thailand Securities Depository Co., Ltd. (TSD) to mitigate the impact of the COVID-19.

Net Investment Income

In 2020, CPNREIT reported net investment income totaling Baht 1,537.5 million, decreased by Baht 2,218.6 million or 59.1%yoy from Baht 3,756.1 million in 2020. This was attributable to a decrease of rental and service income due to the ongoing rental discount provided to tenants, as well as the temporary closure of Hilton Pattaya for renovation as well as impact from COVID-19 pandemic to hotel business causing no variable rental income from hotel in 2020. Additionally, expenses increased from the accounting record of non-cash interest expense from lease liabilities of the lease agreement of Central Rama 2 (Renewal) in accordance with TFRS 16.

However, if eliminating the impact from TFRS 16 i.e. the accounting record of interest expense from lease liabilities amounting Baht 1,121.3 million, and the rental income and rental discount on a straight-line basis totaling Baht 239.9 million, which was a non-cash item, CPNREIT's net investment income would be Baht 2,418.9 million.

Profitability

Net property income margin for 2020 stood at 84.7%, decreased by 1.5%yoy. This was the result of a decrease in property income of 20.8%yoy, and a decrease in property expenses of 11.9%yoy. Net investment income margin stood at 37.8%, decreased by 35.4%yoy due to an increase of interest expense from both interest expense from lease liabilities and interest expense from additional borrowings. (if excluding interest expense from lease liabilities, net investment income margin equaled to 65.4%.)

Balance Sheet Movement

As of 31 December 2020, CPNREIT reported total assets of Baht 71,577.2 million, increased by Baht 24,890.1 million or 53.3% from total assets at the end of 2019. This is mainly attributable to:

- 1) Investment in leasehold properties at fair value amounting to Baht 68,269.7 million, increased by Baht 23,797.7 million or 53.5%yoy from investment value of Baht 7,430.0 million of The Ninth Towers and Unilever House office buildings, and the registration fees, value added tax, stamp duties, as well as other related fees and expenses totaled Baht 350.0 million. Additionally, the registration of the leasehold rights over the real property in the Central Rama 2 (Renewal Period) totaling 16,713.9 million in March 2020.
However, based on the fair value of investment properties at the end of 2020, there was the net unrealized loss from changes in investment value totaled 1,223.6 million, which was non-cash item.
- 2) Investment in securities amounting to Baht 1,072.8 million, mainly investing in money market funds, fixed deposits at banks, and government bonds.
- 3) Rental and service receivables totaling Baht 644.1 million, increased by 221.7%yoy, resulting from delay of rental payment totaled Baht 347.6 million and receivables from accounting record on a straight-line basis totaled Baht 296.5 million.
- 4) Refundable value added tax was Baht 319.0 million, decreased by 18.8%yoy, as during the year CPNREIT received Baht 384.9 million VAT refund from investment in additional assets in December 2017, and the investment in additional assets in March 2020 added up refundable value added tax totaling Baht 378.2 million.

Total liabilities were Baht 43,533.2 million, increased by Baht 26,547.4 million or 156.3%yoy due to the record of lease liabilities for the lease agreement of Central Rama 2 (Renewal) totaling Baht 17,727.1 million. Borrowings from banks totaled Baht 8,524.0 million for investment in The Ninth Towers and Unilever House in March 2020 and for asset renovation. Moreover, other liabilities were Baht 1,107.3 million, increased by 26.1%yoy, from accrued expense for renovation of Central Rama 2 and Hilton Pattaya. At the end of 2020, interest-bearing debt to total assets (excluding lease liabilities) equaled to 32.2%.

As at 31 December 2020, Net Asset Value (“NAV”) was recorded at Baht 28,044.0 million or Baht 12.6753 per unit, decreased from Baht 13.4244 per unit as of 31 December 2019.

At the end 2020, CPNREIT had accumulated deficit of Baht 723.9 million, mainly resulting from the net unrealized loss from changes in investment value of Baht 1,223.6 million.

The Distribution to Unitholders

In consideration of the distribution of payment to trust unitholders from the 2020 operating results, the REIT Manager remains committed to liquidity by considering cash flow from operations affected by the postponement of fixed rental income from hotel, ongoing rental discount policy to assist tenants affected by the COVID-19 situation, accrued rental income and debt repayment schedule. Additionally, CPNREIT reported accumulated deficit arising from net unrealized loss from the fair value of investments in leasehold assets.

Therefore, CPNREIT announced the distribution of return and/or capital reduction from the 2020 operation performance as follows:

Type of Payment	Operation Period	Baht per Unit	Payment Date
Distribution of return	1 Jan – 31 Mar 2020	0.2707	10 Jun 2020
Capital reduction	1 Apr – 30 Sep 2020	0.2100	8 Dec 2020
Capital reduction	1 Oct – 31 Dec 2020	0.2612	5 Mar 2021

FINANCIAL SUMMARY

Table 1: Balance Sheet

Unit: Baht Million	31 December		
	2018	2019	2020
Investment at fair value			
Central Rama 2	6,962.0	6,359.0	24,220.7
Central Rama 3	10,698.0	11,447.0	11,888.0
Central Pinklao	5,678.0	5,216.0	4,226.0
Central Chiangmai Airport	10,658.0	10,655.0	10,287.0
Central Pattaya	7,289.0	7,290.0	7,145.0
Hilton Pattaya	3,465.0	3,505.0	3,452.0
The Ninth Towers	-	-	5,704.0
Unilever House	-	-	1,347.0
Total investment in properties	44,750.0	44,472.0	68,269.7
Investment in securities	999.4	901.6	1,072.8
Cash on hand and at banks	341.7	509.9	1,162.1
Rental and service receivables	130.9	200.2	644.1
Refundable value added tax	392.8	392.8	319.0
Other assets	235.0	210.4	109.5
Total assets	46,849.8	46,687.0	71,577.2
Deposits received from customers	1,543.6	1,583.6	1,664.0
Lease liability	-	-	17,727.1
Borrowings	4,468.7	-	8,524.0
Debentures	10,030.4	14,524.1	14,510.7
Other liabilities	811.9	878.2	1,107.3
Total liabilities	16,854.6	16,985.8	43,533.2
Net Asset	29,995.2	29,701.2	28,044.0
Capital received from unitholders	29,016.4	29,016.4	28,551.8
Equalisation account	216.1	216.1	216.1
Retained earning (deficit)	762.7	468.7	(723.9)
NAV per unit (in Baht)	13.557	13.424	12.675

Table 2: Comprehensive Income Statement

Unit: Baht Million	2018	2019	2020	Change YoY
Property income	4,923.5	5,131.0	4,062.5	(20.8%)
Rental and service income	4,912.0	5,111.2	4,041.1	(20.9%)
Other income	11.5	19.7	21.3	8.0%
Interest income	3.9	10.6	7.2	(32.4%)
Total income	4,927.3	5,141.6	4,069.6	(20.8%)
Property expenses	774.9	705.7	621.9	(11.9%)
Cost of rental and service	141.5	121.7	124.4	2.2%
Selling and administrative expenses	120.4	112.2	92.7	(17.4%)
Property management fee	513.0	471.7	404.8	(14.2%)
Interest expense	400.7	502.4	592.2	17.9%
Interest of lease liability	-	-	1,121.3	100.0%
Other management fees and expenses	174.0	177.4	196.7	10.9%
Total expense	1,349.6	1,385.5	2,532.1	82.8%
Net investment income	3,577.7	3,756.1	1,537.5	(59.1%)
Net realised gain (loss) from changes in investment value	(3.3)	(0.8)	(9.7)	(1102.7%)
Net unrealised gain (loss) from changes in investment value	252.2	(435.7)	(1,223.2)	(180.8%)
Net increase in net assets from operations	3,826.6	3,319.6	304.6	(90.8%)
Distribution	3,577.6	3,590.8	598.9	(83.3%)
Distribution per unit (in Baht)	1.6170	1.6230	0.2707	(83.3%)
Net property income margin	84.3%	86.2%	84.7%	(1.5%)
Net investment income margin	72.7%	73.2%	37.8%	(35.4%)
Net investment income margin excluded interest of lease liability	72.7%	73.2%	65.4%	(7.8%)

Table 3: Leasable Area and Occupancy

Project	Area (sqm)		Average Occupancy Rate				
	GFA	NLA ¹	4Q19	1Q20	2Q20	3Q20	4Q20
Central Rama 2	251,182	82,961	95.5%	94.6%	94.1%	94.0%	94.1%
Central Rama 3	169,740	36,477	96.6%	97.0%	96.8%	96.3%	95.8%
Central Pinklao	137,692	27,656	99.4%	99.1%	99.2%	99.3%	99.3%
Pinklao Tower A & B	50,653	34,389	89.4%	87.8%	86.5%	86.2%	85.4%
Central Chiangmai Airport	122,991	37,405	94.7%	94.8%	94.4%	95.0%	96.8%
Central Pattaya	70,095	29,388	98.6%	98.5%	97.1%	94.5%	93.6%
The Ninth Towers	95,997	59,322/2		94.1%	89.4%	84.3%	81.8%
Unilever House	30,176	18,527		100.0%	100.0%	100.0%	100.0%
Total/Average	928,526	326,123	95.4%	95.1%	93.8%	92.6%	92.2%
Hilton Pattaya	49,686	304 rooms	83.9%	61.1%	Close for renovation		57.2% ¹

Remark: ¹ Anchor and in-line tenants only

² excluding meeting room area of 3,068 sq.m.

³ % of total rooms available for sales in 4Q20

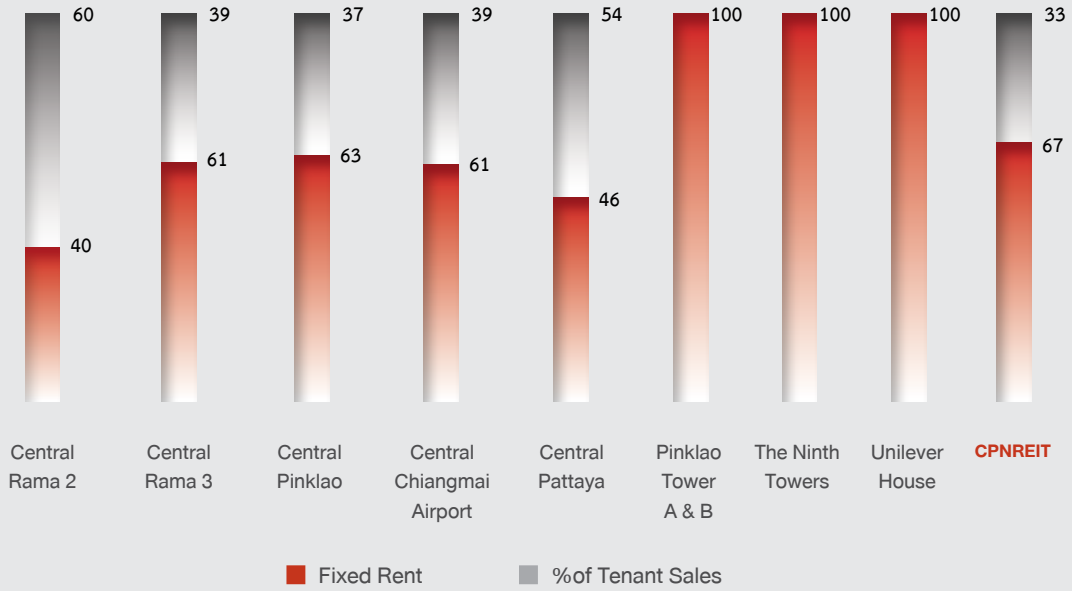
Table 4: Renewals and New Leases

Project	From 1 January to 31 December 2020		
	Renewals and New Leases ^{/1}		
	No. of Leases	Area (sqm)	% of Total Leasable Area ^{/2}
Central Rama 2	170	21,618	60%
Central Rama 3	61	8,178	37%
Central Pinklao	31	4,523	23%
Pinklao Tower A & B	32	9,959	34%
Central Chiangmai Airport	61	7,046	28%
Central Pattaya	23	2,743	16%
The Ninth Towers	33	22,476	46%
Total	411	76,543	39%

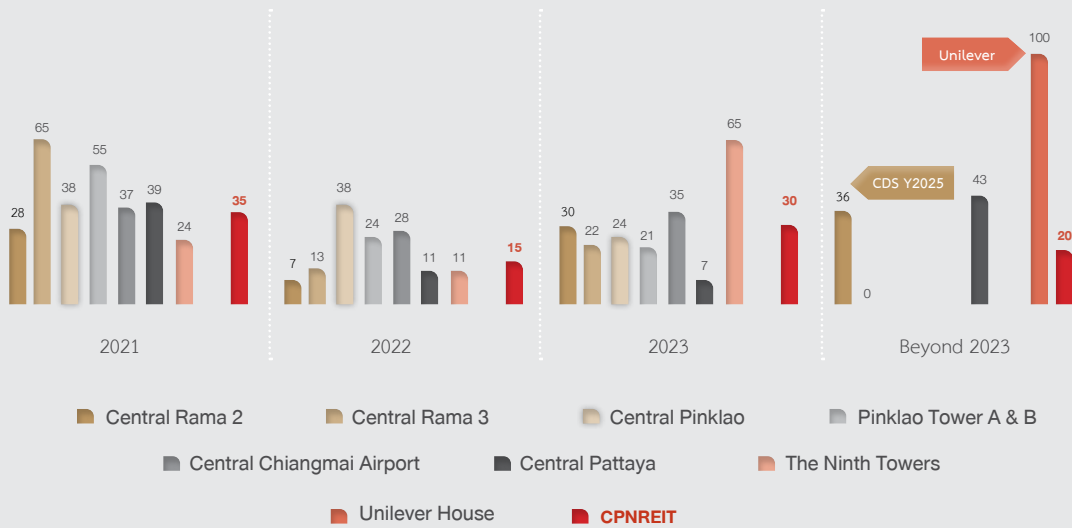
Note: ^{/1} Exclude rental agreements < 1 year and Anchor tenants

^{/2} Percentage of in-line tenants' leasable area as at 31 December 2020

Rental Structure as of 31 December 2020 (%)



Lease Expiry Profile as of 31 December 2020 (%)





TRUSTEE REPORT



TRUSTEE REPORT

February 24th, 2020

To: Trust Unitholders

CPN Retail Growth Leasehold Real Estate Investment Trust

SCB Asset Management Company Limited (the “Trustee”), as the Trustee of CPN Retail Growth Leasehold Real Estate Investment Trust (the “REIT”) which managed by CPN Reit Management Co., Ltd. (the “REIT Manager”), would like to inform you that for the period of January 1st, 2020 to December 31st, 2020, the REIT manager had managed the REIT properly and efficiently as well as in compliance with applicable laws, regulations and the trust deeds in a way that protects interests of the REIT and Trust unitholders as a whole.

Yours faithfully,

SCB Asset Management Company Limited

(Mrs. Tipaphan Puttarawigorn) (Miss Rassamee Ponsukcharoen)

Trustee



SUMMARY OF TRUST DEED

Parties

1. CPN REIT Management Co., Ltd., as the Settlor and the REIT Manager
2. SCB Asset Management Co., Ltd., as the Trustee

Description of CPNREIT and Management Mechanism

1. CPN Retail Growth Leasehold REIT (CPNREIT) is a real estate investment trust that investment in leasehold rights under the Trust for Transactions in the Trust Act which was converted from the CPN Retail Growth Leasehold Property Fund (CPNRF). CPNREIT was, thus, established by the operation of the Trust Deed. In this regard, the establishment of CPNREIT shall have full force and effect upon the Settlor's creating rights and duties in the assets for the Trustee by entering into an agreement under which the Settlor is committed to procure that CPNREIT acquires all assets and liabilities of CPNRF which have been converted in consideration for CPNRF to acquire the newly-issued trust units of CPNREIT.
2. CPNREIT does not have a status of a juristic person, but is a pool of assets under the name and management of the Trustee.
3. The management of CPNREIT shall be acted by the Trustee and the REIT Manager delegated by the Trustee under the Trust Deed. Scope of authorities, duties and responsibilities of the Trustee and the REIT Manager are stated in the relevant parts in the Trust Deed. In this regard, the REIT Manager has major authorities, duties, and responsibilities for managing CPNREIT and investing in core assets of CPNREIT. Meanwhile, the Trustee has major authorities, duties, and responsibilities of supervising the performance of the REIT Manager and other delegated person(s) (if any) to ensure that their performance is in compliance with the Trust Deed and the securities law, and safeguarding the assets of CPNREIT. Additionally, any management of investment in non-core assets shall be conducted by the Trustee, as specified in the Trust Deed or any relevant agreements.
4. The REIT Manager and the Trustee shall perform their duties as entrusted professionals, with due care and in good faith for the best interest of the unitholders as a whole, and in accordance with the Trust Deed and relevant laws, as well as commitments additionally given in the documentation disclosed in the offering for sale of the trust units circulated to the investors (if any) and/or the resolutions of the unitholders' meetings.

Name, Term, and Type of the Trust

Thai name :	ทรัสต์เพื่อการลงทุนในสิทธิการเช่า อสังหาริมทรัพย์ CPN รีเทล โกรท
English name :	CPN Retail Growth Leasehold REIT
Abbreviation :	CPNREIT
Term :	Indefinite
Type :	Closed-end

Establishment Date of CPNREIT and Effective Date of Trust Deed

The establishment of CPNREIT shall have full force and effect upon the Settlor's creating the rights and duties of the assets to the Trustee by entering into an agreement with a commitment that the Settlor shall ensure that CPNREIT acquires all assets and liabilities of the CPNRF which have been converted in consideration for CPNRF acquiring the newly-issued trust units of CPNREIT.

Trust Unitholders

1. Being a unitholder does not give rise to a juristic relationship in terms of principal and agent between the unitholder and the Trustee, and in terms of a partnership or other juristic relationship among the unitholders.
2. Being a unitholder does not cause the unitholder to be liable if the assets of CPNREIT are insufficient for repayment of the debt to the Trustee, the REIT Manager, or the creditors of CPNREIT. In this regard, the Trustee, the REIT Manager, and the creditors of CPNREIT have the right to claim only from the assets of CPNREIT.
3. A unitholder shall be entitled to claim from CPNREIT for a distribution of returns in an amount of not exceeding the income after deducting reserves, and the returns on capital in the amount of not exceeding the capital amount adjusted by the excess or the under-value of the trust units. If the trust units are divided into classes, such right to receive the distribution of returns or returns on capital of the unitholder of each class of the trust units shall also conform to the relevant terms and conditions as stated for each class.
4. In any case, the Trust Deed shall in no way be interpreted in such a way that it contradicts or is in conflict with the terms and conditions under Clauses 1, 2, and 3 above.
5. Being a unitholder does in no way grant him/her/it the sole and exclusive ownership of or a right of claim over the assets of CPNREIT, whether in whole or in part. A unitholder does not have the right to demand that the assets of CPNREIT be transferred to him/her/it. The unitholder may be entitled to recover the assets of CPNREIT from third persons in accordance with the

criteria prescribed in the Trust Act if the management of CPNREIT by the Trustee and/or the REIT Manager does/do not comply with the Trust Deed or the Trust Act which results in the disposal of the assets of CPNREIT to such third persons.

6. The unitholder shall be entitled to receive the returns on capital, benefits, or other assets in relation thereto upon the dissolution of CPNREIT in accordance with the criteria and procedures specified in the Trust Deed. The Trustee or a person acting on its behalf or the assignee of the Trustee or another person acting on its behalf, as the case may be, shall allocate the returns on capital, benefits, or other assets in relation thereto to the unitholders upon the dissolution of CPNREIT. A unitholder shall be entitled to demand the returns on capital in the amount of not exceeding the capital amount adjusted by the excess or the under-value of the trust units in any case
7. A unitholder shall be entitled to receive the returns on capital following the decrease in paid-up capital of CPNREIT in accordance with the criteria prescribed in Clause 5 of the Trust Deed.
8. A unitholder may lawfully pledge the trust units by complying with the criteria and procedures determined by the Trustee and/or the trust unit registrar.
9. A unitholder shall be entitled to transfer the trust units, subject to the criteria specified in the Trust Deed.
10. A unitholder shall be entitled to attend and cast votes at unitholders' meetings in accordance with the criteria specified in the Trust Deed.
11. A unitholder shall not be held liable to the REIT Manager or the Trustee in respect of payment of other monies to CPNREIT after having paid the price of the trust units in full, and shall not bear any other additional liability for the trust units held.

Investment by CPNREIT and its Investment Policy

The investments of CPNREIT shall be made in accordance with the criteria prescribed in the Notification TorJor. 49/2555 and other relevant notifications and amendments thereto, as well as the Trust Deed. CPNREIT will focus on its investments in immovable properties, leasehold rights in immovable properties, and sub-leasehold rights in high-end immovable properties, particularly shopping malls. CPNREIT

will also invest in other types of immovable properties that are related to or complement immovable properties in the category of shopping malls, such as assets for commercial purposes, office buildings, hotels, and serviced apartments, etc., as to be the core assets of CPNREIT. CPNREIT will do so by means of purchasing and/or leasing and/or subleasing and/or accepting transfer of leasehold rights and/or sub-leasehold rights in the core assets, and place emphasis on the generation of benefits in the form of income from rental fees and service fees, or any other income of a similar nature. In addition, CPNREIT shall cause improvement, change, enhancement, development, and/or disposal of assets for the purposes of generating income and returns to CPNREIT in the continuous interests of the unitholders in the long-term. Furthermore, CPNREIT also intends to make additional investments in the assets in order to achieve the continuous growth of its income and so as to diversify risks through investment in immovable properties in different locations, as well as to invest in other assets and/or securities and/or to seek other benefits from any other methods in accordance with the securities law and/or any other relevant laws.

Acquisition of the Core Assets and Equipment (if any)

CPNREIT shall make both direct and indirect investment in accordance with the following criteria:

1. Direct investment, being the investment in the core assets which will be in accordance with the following criteria:
 - 1.1 CPNREIT shall invest in immovable properties in order to acquire the ownership or possession, whereby the acquisition of possession shall be in accordance with the following cases:
 - 1.1.1 Acquisition of immovable properties for which certificates of utilization (Nor.Sor. 3 Gor.) have been issued;
 - 1.1.2 Acquisition of the leasehold rights and/or sub-leasehold rights of immovable properties for which documents of title or possession in the category of Nor.Sor. 3 Kor. have been issued. In the case where CPNREIT invests in the leasehold rights of immovable properties that demonstrate the nature of subleasing, the REIT Manager shall put in place measures for risk mitigation or remedy of damage which may

occur due to the breach of the lease agreement or the failure to exercise the rights under the lease agreement.

- 1.2 The acquired immovable properties shall not be subject to any enforcement of property rights or any dispute unless the REIT Manager and the Trustee, after consideration, have expressed their opinions in writing that such enforcement or dispute does not materially affect the seeking of benefits from such immovable properties, and the conditions for acquiring such immovable properties are beneficial to the unitholders as a whole;
- 1.3 The contract for the acquisition of the immovable properties shall not contain any agreement or commitment which may render CPNREIT unable to dispose of the immovable properties at a fair value (at the time of disposal), for instance, the agreement granting the right of first refusal with a pre-fixed price, etc., or which may impose undue obligations on CPNREIT other than those an ordinary lessee should bear at the end of the lease;
- 1.4 The acquired immovable properties shall be ready to be used for seeking of benefits with the aggregate value of no less than 75 percent of the total value of the trust units offered for sale, including the amount of loan (if any).

In this regard, CPNREIT may invest in a project under construction, provided that, the investment value for the acquisition and completion of the development project shall not exceed 10 percent of the total asset value of CPNREIT (after the offering for sale of the trust units), and CPNREIT must be able to demonstrate that it has sufficient working capital to pay the cost of the development project without affecting the going concern issue of CPNREIT;
- 1.5 The REIT Manager shall arrange for the appraisal of the immovable properties intended for investment, whereby the appraisal shall be fully conducted with the verification of the documents of title, and for the purposes of public use for disclosure to investors. The appraisal reports must have been made within 6 months before the date of the filing of application for the offering for sale

of the trust units. Such appraisal shall be performed by at least 2 appraisal companies considered appropriate by the REIT Manager and the financial advisor who shall mutually prepare the application for the offering for sale of the trust units (if any) so that they will be able to conduct reliable and satisfactory appraisals to reflect the true value of the assets. The appraisal companies shall demonstrate the following:

1.5.1 The appraisal companies must have been approved by the SEC Office;

1.5.2 If the immovable properties to be invested in are located abroad, the appraisal companies to perform the appraisal on such immovable properties can be those whose names are in the approved list of the government or regulatory authorities of the country where such immovable properties are located. In this regard, if there is no such list, the appraisal companies must demonstrate any of the following:

(a) The appraisal companies must practice the profession of asset valuation and be widely-recognized in the country in which those assets are located;

(b) The standards for operations and work systems adopted by the appraisal companies are internationally recognized; and

(c) The appraisal companies are part of an international network of appraisal companies (International Firm).

In this regard, the criteria under this Clause 1.5 shall be applicable to the immovable properties transferred from CPNRF which have been converted, and which have been appropriately appraised under the criteria prescribed under the Notification of the Capital Market Supervisory Board No. TorJor. 34/2559;

1.6 The acquired immovable properties shall have an aggregate value of not less than THB 500 million, and in the case where the amount of funds raised from the offering for sale of the trust units is less than the value of the immovable

properties to be invested in, the REIT Manager must be able to demonstrate that there are other sufficient sources of funds to support the acquisition of such immovable properties.

In addition, in acquiring the core assets and equipment, CPNREIT shall comply with the procedures specified under the Trust Deed.

2. Indirect investment, being the investment in the core assets of CPNREIT through having shareholdings in a company established for the purposes of an operation similar to that of CPNREIT, in accordance with the Notification of the Capital Market Supervisory Board No. TorJor. 49/2555. The investment shall be made in accordance with the following criteria:

2.1 CPNREIT must hold no less than 99 percent of the total issued shares of such company, and no less than 99 percent of the total voting rights of such company.

2.2 CPNREIT may grant a loan to the company under Clause 2.1 by means of holding of debt instruments or entering into an agreement which constitutes the granting of a loan. The granting of a loan to such company shall be deemed as an indirect investment in the core assets.

2.3 The immovable properties that CPNREIT indirectly invests in, whether in its own capacity, or by the company in which CPNREIT holds shares, shall be appraised as follows:

2.3.1 The appraisal of the assets held by CPNREIT shall be in accordance with the criteria set out in Clause 1.5 above. Consideration shall be given to the tax obligations borne by the company in which CPNREIT holds shares, as well as other factors that may affect the price of the immovable properties in which CPNREIT indirectly invests;

2.3.2 The appraisal of the assets by the company in which CPNREIT holds shares shall be in accordance with the criteria set out in Clause 1.5 above;

2.3.3 Other assets invested by the company in which CPNREIT holds shares shall be appraised in accordance with the following criteria:

(a) The appraisal shall be based on the fair value calculated in accordance with the criteria on the determination of the fair value of investment capital issued by the Association of Investment Management Companies, mutatis mutandis;

(b) If the criteria as mentioned in (a) above do not recognize the fair value of any asset, the value determined by the generally-accepted professional principles or international standards shall be applied;

2.3.4 If CPNREIT invests in debt instruments or agreements that constitute indirect investments, the value of those instruments or agreements shall be appraised in accordance with the criteria set out herein;

2.3.5 The REIT Manager must be able to demonstrate that there are measures or mechanisms in place for the Trustee and the REIT Manager to be able to supervise and control the company to ensure that it complies with the criteria applicable to CPNREIT in its direct investments in the core assets. This shall be exclusive of the criteria relating to the borrowing limit specified in the Trust Deed, which shall only apply to investments by CPNREIT in its own capacity.

3. CPNREIT may acquire the non-core assets by investing in any other assets which CPNREIT is allowed to invest in or hold in accordance with the criteria specified under the Trust Deed.

4. CPNREIT shall not enter into any agreement with respect to the investment in the core assets with the following persons, which may result in any involvement in the management of CPNREIT by any of such persons or any person under such persons' control, except for the case where such person is a company with its securities listed on the SET, whereby the consideration thereof shall be in accordance with Clause 4.1.1

4.1 Within 5 years prior to the date on which the application for the offering for sale of the trust units is filed, such person shall possess none of the following characteristics:

4.1.1 Having a record of a material violation of the criteria or conditions relating to the offering for sale of securities;

4.1.2 Having been denied approval for the offering for sale of newly-issued shares by the SEC Office due to there being material grounds to believe the following in respect of the management mechanism of such person:

(a) Being potentially unable to treat the shareholders in a fair manner, particularly due to giving preferential treatment to a particular group of shareholders, thus inappropriately giving them advantages or privileges over other shareholders;

(b) Being potentially unable to safeguard the rights of the shareholders by causing a person to receive additional monetary benefits other than those due in the ordinary course of business or that cause the company to lose benefits to which it is entitled;

4.1.3 Having been denied approval for the offering for sale of newly-issued securities by the SEC Office due to there being material grounds to believe that the disclosure of information to the public is incomplete, inadequate for decision-making, or contained misleading information for the investors, which constitutes concealment or withholding of material information, or creation of fictitious information that does not form a part of the clauses or actions of the company;

4.1.4 Having its application for approval for the offering for sale of newly-issued securities withdrawn due to its failing to give any clarification to the SEC Office under Clause 4.1.2 or Clause 4.1.3 above, or whereby clarifications were given without demonstrating the reasonable facts or grounds for disproving the suspicions set out in Clause 4.1.2 or Clause 4.1.3;

- 4.2 Within 10 years prior to the date on which the application for the offering for sale of the trust units is filed, such person had been subject to a final court judgment on the basis of an offense relating to assets, particularly due to deceitful, fraudulent or dishonest acts that cause widespread damage, regardless whether under Thai or foreign laws;
- 4.3 Being named in a complaint or subject to legal proceedings in respect of the commission of an offence relating to assets by the relevant agencies, particularly due to the performance of work of a deceitful, fraudulent, or dishonest nature that causes widespread damage, regardless whether under Thai or foreign laws;
- 4.4 There are reasonable grounds to believe that such person had acted in such a manner so that the persons possessing the prohibited characteristics under Clause 4.1, Clause 4.2, or Clause 4.3 could evade the application of the criteria in Clause 4.1, Clause 4.2, or Clause 4.3 by the SEC Office against those persons.

Procedures on the Acquisition of the Core Assets and Equipment (if any)

Prior to acquisition of the core assets each time, the REIT Manager has to proceed as follows:

1. Conduct due diligence on the information and agreements relating to the core assets and equipment (if any), for instance, financial and legal information, for the benefit of investment decision-making and disclosure of accurate information. If the owner, lessor, transferor of the leasehold rights, or transferor of the sub-leasehold rights, is a connected person of the REIT Manager, the REIT Manager has to arrange for a financial advisor to give an opinion on the analysis of such information:
 - 1.1 Appraisal of the core assets at least in accordance with the provisions as prescribed under the Trust Deed;
 - 1.2 If CPNREIT plans to invest in the leasehold rights of immovable properties by subleasing, the REIT Manager shall put in place measures for risk mitigation or remedy of damage which may occur due to the breach of the lease agreement or the

failure to exercise the rights under the lease agreement.

2. The acquisition of the additional core assets shall be in accordance with the following conditions:
 - 2.1 With respect to the essence of the transaction,
 - 2.1.1 The acquisition must be in compliance with the Trust Deed and relevant laws;
 - 2.1.2 The acquisition must be in the best interest of CPNREIT;
 - 2.1.3 The acquisition must be reasonable and at a fair price;
 - 2.1.4 The expenses collected from CPNREIT (if any) must be at a fair and reasonable rate; and
 - 2.1.5 The acquisition must be decided by a person who does not have any special interest with regard to the transaction of acquisition thereof.
 - 2.2 With respect to the approval procedure, the REIT Manager shall ensure that:
 - 2.2.1 The acquisition must be approved by the Trustee to ensure that the transaction is in compliance with the Trust Deed and relevant laws;
 - 2.2.2 The acquisition must be approved by the Board of Directors of the REIT Manager in the case of acquiring additional core assets with the value equivalent to 10 percent of the total asset value of CPNREIT or greater; and
 - 2.2.3 The acquisition must be approved by the resolution of a unitholders' meeting with at least three-quarters majority votes of the attending unitholders with voting rights, in the case of acquiring additional core assets with the value equivalent to 30 percent of the total asset value of CPNREIT or greater.

The value of the core assets specified under this Clause shall include the total acquisition value of the total assets of each project available for generating income, as well as the value of any related assets.

2.3 In seeking an approval from the Trustee or the unitholders, the REIT Manager and the Trustee have duties as follows:

2.3.1 The REIT Manager has the duty to prepare the documents for seeking an approval or meeting notice, as the case may be, and to give an opinion on descriptions of transactions under Clause 2.1 together with a clear rationale and supporting information;

2.3.2 The Trustee has the duty to attend the unitholders' meeting and give an opinion on the descriptions of transactions as to whether or not the proposed transactions comply with the Trust Deed and relevant laws.

Disposal of Principal Asset and accessories (if any)

1. CPNREIT may dispose Principal Asset and accessories through a sale and/or transfer of leasehold right and/or sub-leasehold right of Real Estate. In this regard, in disposing of such Principal Asset and accessories, CPNREIT shall proceed with the procedures specified under Trust Deed.
2. CPNREIT may dispose assets other than the Principal Asset invested or held by CPNREIT.

Procedure for Disposal of Principal Asset and accessories (if any)

1. Prior to the disposal of Principal Asset, REIT Manager shall procure to conduct an appraisal of value of the Principal Asset at least in accordance with the conditions under Trust Deed;
2. The disposal of the Principal Asset shall have substance in accordance with the following conditions:

2.1. The disposal shall be made publicly with the content of transaction, the approval procedures and the procedures in order to obtain an approval of the Trustee or a resolution of the Unitholders' meeting according to Trust Deed.

2.2. The disposal of Principal Asset with the following characters, in addition to the compliance with Clause 2.1, it must be a case which is necessary and appropriate and approved by the Board of Directors of the REIT Manager:

- (a) Disposal of Principal Asset before a completion of 1 (one) year from the date of acquisition of such Principal Asset by CPNREIT;
- (b) Disposal of Principal Asset to the former owner.

Investment Policy in Other Assets

1. CPNREIT may invest in other assets in accordance with the following criteria:

1.1 The types of other assets to be invested in by CPNREIT shall comply with Clause 2 and Clause 3 below;

1.2 The investment ratio in other assets shall comply with the criteria prescribed in the relevant notification on the ratio of investment in assets in general mutual funds issued under the Securities Act, mutatis mutandis;

1.3 In the case where the debtor under the instrument invested in by CPNREIT is in default of debt repayment or there are circumstances whereby the debtor will not be able to repay the debt, the REIT Manager shall comply with the same criteria prescribed for general mutual funds issued under the Securities Act, mutatis mutandis;

2. The types of other assets to be invested in by CPNREIT:

2.1 Government bonds;

2.2 Treasury bills;

2.3 Bonds or debentures issued by a state enterprise or a juristic person established under specific laws whereby the principal and interest are fully and unconditionally guaranteed by the Ministry of Finance;

- 2.4 Cash deposits in a bank or a secondary mortgage corporation;
- 2.5 Certificates of deposit issued by a bank or a finance company without the characteristics of structured notes.
- 2.6 Bills of exchange or promissory notes which are issued or certified, or an aval granted or guaranteed by a bank, a finance company or a credit foncier company without the characteristics of structured notes. The certification, granting of an aval, or provision of a guarantee, as the case may be, under this Clause must constitute a certification for an indefinite term, an aval for the entire amount, or an unconditional guarantee of the principal and interest in full.
- 2.7 Investment units or warrants to purchase investment units of a fixed income fund or other mutual funds with a policy to invest in debt instruments or cash deposits. In the case of investment units of a foreign investment fund, the investment units must satisfy the following conditions:
 - 2.7.1 Being investment units of a foreign investment fund under the supervision of the regulatory authority on the securities and exchange which is an ordinary member of the International Organization of Securities Commissions (IOSCO), or being investment units of a foreign investment fund which are traded on the exchanges which are the members of the World Federation of Exchanges (WFE);
 - 2.7.2 That foreign investment fund has a policy to invest in the same types and kinds of assets in which CPNREIT may invest or hold; and
 - 2.7.3 That foreign investment fund is established for general investors.
- 2.8 Investment units of a property fund or units of other REITs which are established under Thai law only.
- 2.9 Instruments of a REIT established under foreign law, whether in the form of a company, a REIT or any other form, provided that the REIT must have the following features:
 - 2.9.1 That the REIT is established for general investors and under the supervision of a regulatory agency supervising securities and securities exchanges which are ordinary members of the International Organization of Securities Commissions (IOSCO);
 - 2.9.2 That the REIT has the main objective to invest in immovable properties, ordinary shares of companies listed in the immovable properties sector in the exchanges which are members of the World Federation of Exchanges (WFE), or in ordinary shares of companies engaged in a business similar to those in the immovable properties sector;
 - 2.9.3 The instruments are traded on the exchanges which are members of the World Federation of Exchanges (WFE), or the instruments, otherwise being redeemable with it;
- 2.10 Derivatives only for hedging purposes of CPNREIT;
- 2.11 Other assets, securities, or instruments prescribed and notified by the SEC Office, the SEC, or the Capital Market Supervisory Board.
- 3. Investment in shares of juristic persons who are the lessees and/or sub-lessees of the core assets of CPNREIT.

CPNREIT may invest in shares of the juristic persons who are the lessees and/or sub-lessees of the core assets of CPNREIT when the following conditions are satisfied:

 - 3.1 The lease agreement provides that the rental fee is based on the operating results of the core assets of CPNREIT; and
 - 3.2 It is an investment in no more than one golden share in the interests of granting approvals on certain operations of the juristic person as prescribed in its articles of association.

Benefit Procurement of CPNREIT

1. CPNREIT may procure benefits from the core assets by means of leasing out, sub-leasing out, granting the use of, or providing services in a similar nature of leasing out of immovable properties, as well as providing related services. CPNREIT is prohibited from undertaking any act which constitutes the use of CPNREIT to operate any other business that CPNREIT itself is unable to undertake directly such as a hotel business or a hospital business, etc.
2. CPNREIT may lease out and/or sublease out any immovable property to any person who will use such immovable property in a business operation that CPNREIT itself is unable to undertake, such as a hotel business or a hospital business, etc., provided that a large portion of the rental fee must be fixed in advance, and if there is any portion of the rental fee is based on the operating results of the lessees and/or the sub-lessees, the maximum rental fee based in the operating results shall not be greater than 50 percent of the rental fee fixed in advance.
3. CPNREIT shall not lease out and/or sublease out any immovable property to any person, and there is reasonable suspicion that person shall use that immovable property in any business operation which is against good morals or is unlawful. There must be a provision that enables CPNREIT to terminate the lease and/or sublease agreement should the lessee and/or the sub-lessee use such immovable property for such business.
4. The REIT Manager has a duty to keep the core assets in a serviceable condition for generating income, as well as to procure sufficient insurance coverage throughout the term CPNREIT invests in the core assets. The insurance must at least provide coverage against loss to the immovable property and third party liabilities against damage arising out of the immovable property or undertaking any act in the immovable property.
5. The management of CPNREIT shall be undertaken by the Trustee and the REIT Manager delegated by the Trustee, who is appointed by the Trust Deed. The scope of authorities, duties, and responsibilities of the Trustee and the REIT Manager is described in the Trust Deed.

In this regard, the REIT Manager has major authorities, duties, and responsibilities for managing CPNREIT and investing in core assets of CPNREIT. Meanwhile, the Trustee has major authorities, duties, and responsibilities of supervising the performance of the REIT Manager and other delegated person(s) (if any) to ensure that their performance is in compliance with the Trust Deed and the securities law, and safeguarding the assets of CPNREIT. Additionally, any management of investment in non-core assets shall be conducted by the Trustee as specified in the Trust Deed or any relevant agreements. If the Trustee is desirous to amend any terms and conditions in an agreement relating to managing interests from the core assets and/or non-core assets, the Trustee will be able to do so after it has mutually agreed with the REIT Manager first. If no mutual agreement is reached, the parties reserve the right to convene a meeting of the unitholders to resolve the issue. The REIT Manager shall convene the unitholders' meeting in accordance with the procedure for convening meetings and obtaining resolutions specified in the Trust Deed.

Loan Obtaining and Creating of Encumbrance on CPNREIT's Assets

1. CPNREIT may obtain loans or create encumbrance on the condition that such loan or encumbrance must be for the management of CPNREIT and the assets of CPNREIT, which include the following objectives:
 - 1.1 to invest in immovable properties or leasehold rights of immovable properties;
 - 1.2 to invest in additional immovable properties or leasehold rights of immovable properties;
 - 1.3 to invest in other assets to be prescribed and notified by the SEC Office, the SEC and/or the Capital Market Supervisory Board as the core assets;
 - 1.4 to undertake the management of the assets of CPNREIT;
 - 1.5 to make improvement or repair of the immovable properties of CPNREIT, or the immovable properties in which CPNREIT has the leasehold rights or possession to ensure that they are in a good and serviceable condition for generating income, as well as to improve the image of the immovable properties;

- 1.6 to make improvement, repair, or replacement of moveable properties or equipment related to the immovable properties of CPNREIT, or the immovable properties in which CPNREIT has the leasehold rights or possession to ensure that they are in a good and serviceable condition for generating income;
- 1.7 to make addition to, or cause additional construction on the buildings located on the existing land which are invested in by CPNREIT, or the buildings to which CPNREIT has the leasehold rights or possession for benefit procurement of CPNREIT;
- 1.8 to use as working capital of CPNREIT;
- 1.9 to make repayment of the loans or encumbrances of CPNREIT;
- 1.10 to restructure loans for repayment of existing loans or encumbrances (Refinance);
- 1.11 to restructure the capital of CPNREIT;
- 1.12 to prevent currency exchange risks and/or interest rate risks due to obtaining loans or issuing debt instruments;
- 1.13 any other objectives the REIT Manager deems appropriate for the management of CPNREIT.

In obtaining loans, the REIT Manager will take into consideration the interests of CPNREIT and the unitholders. If CPNREIT invests in the leasehold rights and/or sub-leasehold rights of immovable properties or movable properties, or the obtaining of loans for the objectives specified in Clause 1.5, Clause 1.6 or Clause 1.7 above, the REIT Manager must consider the remaining lease term under the relevant lease agreement.

- 2. CPNREIT may obtain loans or create encumbrance over the assets of CPNREIT as follows:
 - 2.1 Obtaining loans, applying for credit facilities, overdrafts from juristic persons, financial institutions in the country and/or aboard, as well as insurance companies established under the laws relating to insurance. CPNREIT may consider placing security against repayment of such loans. In addition, CPNREIT may enter into forward contracts or trade derivative products to prevent

risks against CPNREIT regarding exchange rates and/or the interest rates incurred from obtaining loans, whether in whole or in part, such as cross currency swap or interest rate swap, etc.

- 2.2 CPNREIT may obtain loans or create any encumbrance over the assets of CPNREIT, by any one or more methods at any given time, including issuing instruments or entering into any form of contract of which the true essence or subject matter constitutes obtaining loans as follows:

- 2.2.1 Obtaining loans, applying for credit facilities, overdrafts from juristic persons, financial institutions in the country and/or abroad, as well as insurance companies established under the laws relating to insurance. CPNREIT may consider placing security against repayment of such loans. In addition, CPNREIT may enter into forward contracts or trade derivative products to prevent risks against CPNREIT regarding exchange rates and/or the interest rates incurred from obtaining loans, whether in whole or in part, such as cross currency swap or interest rate swap, etc.; or

- 2.2.2 Issuing instruments, debt instruments, whether long term or short term, for offering to individual investors and institutional investors under the relevant notifications of the SEC or the SEC Office, and CPNREIT may consider placing security against issuing such instruments.

The REIT Manager will take into consideration the necessity and suitability in obtaining loans, changing or creating encumbrances over the assets of CPNREIT in the interests of CPNREIT and the unitholders in compliance with the criteria and procedures prescribed in the Trust Deed and the relevant law without obtaining approval from a unitholders' meeting as long as it is not in conflict with the law and the Trust Deed. However, if CPNREIT places the core assets of CPNREIT as security against repayment of the loans, as well as increasing the guaranteed amount in favor of the existing lender in accordance with the procedure in Trust Deed, the REIT Manager shall comply with

other relevant laws.

In entering into a contract to obtain a loan, change or create encumbrance over the assets of CPNREIT, the Trustee shall sign to bind CPNREIT or may authorize the REIT Manager to sign to bind CPNREIT. If the Trustee is desirous to amend any terms and conditions with respect to the loan or encumbrance over the assets of CPNREIT, the Trustee shall be able to do so after it has mutually agreed this with the REIT Manager. If no mutual agreement is reached, the parties reserve the right to convene a unitholders' meeting to resolve the issue. The REIT Manager shall convene the unitholders' meeting in accordance with the procedure for convening meetings and obtaining resolutions specified in the Trust Deed.

3. CPNREIT may not obtain loans in the following cases:
 - 3.1 The terms and conditions are similar to those of perpetual bonds;
 - 3.2 The terms and conditions of the loan grant the right to convert into shares;
 - 3.3 The terms and conditions are described as structured notes with the exception of the following:
 - 3.3.1 The bond allows the debtor to make debt repayment before the date of maturity (callable), or allows CPNREIT to demand the debtor to make debt repayment before the date of maturity (puttable);
 - 3.3.2 The interest rate or rate of return are either fixed or variable based on the interest rates of financial institutions or other interest rates.;
 - 3.3.3 No provision on paying additional interest or giving additional returns based on other underlying factors.
 - 3.4 The terms and conditions are described as securitization.
4. In the case of borrowing by CPNREIT, the indebtedness amount shall not exceed any of the following proportions, with the exception where the indebtedness amount which is greater than the specified proportion is not due to additional borrowing:

- 4.1 35 percent of the total asset value of CPNREIT;
- 4.2 60 percent of the total asset value of CPNREIT if the most recent credit rating of CPNREIT is deemed to be at the investment grade rated by a credit rating agency approved by the SEC Office within a period of 1 year before the date of the borrowing.

The borrowing of CPNREIT shall include any issuance of instruments or entering into contracts in any form with the true intention or essence of a borrowing transaction.

5. An encumbrance of CPNREIT shall be created only when it is necessary and related to the management of the assets of CPNREIT as follows:
 - 5.1 An encumbrance created in connection with entering into material agreements to which CPNREIT is allowed to enter in accordance with the provisions of Notification No. TorJor. 49/2555 and other relevant laws, such as placing the assets of CPNREIT as security against debt repayment under the Trust Deed.
 - 5.2 An encumbrance created within the normal commercial customs or in the ordinary course of business.

Entering into Transactions between CPNREIT and the REIT Manager or Connected Persons of the REIT Manager

1. In terms of the essence of the transaction, it shall be the transaction with the characteristics as stipulated in Trust Deed.
2. In terms of approval system, the REIT Manager shall proceed with the followings:
 - 2.1. To seek approval from the Trustee that such transaction is in accordance with this Trust Deed and relevant laws;
 - 2.2. In case of the transaction exceeding Baht 1,000,000 (one million) or from 0.03 (Zero point zero three) percent of the net asset value of CPNREIT or more, whichever sum is higher, requires the approval of the Board of Directors of the REIT Manager;

2.3. In case of the transaction from Baht 20,000,000 (twenty million) or exceeding 3 (three) percent of the net asset value of CPNREIT, whichever sum is higher, requires the approval of Unitholders with the voting right of not less than 3/4 (three-quarters) of the total voting right of the Unitholders attending the meeting and are entitled to vote.

In case the transaction under this Clause 2. is an acquisition or disposal of the Principal Asset, the calculation of the value shall be calculated from the value of the acquisition or disposal of all assets from each project enabling such project to be available for generating income, including the assets relating to such project.

3. The approval procedures from the Trustee or from the Unitholders' meeting shall be in accordance with the Trust Deed, mutatis mutandis. In case of an approval from Unitholders' meeting, the meeting notice must provide the opinion of the Financial Advisor and/or independent financial advisor (as the case may be) to support the Unitholders' meeting approval.

The approval under Clause 2. and the approval procedure from the Trustee or Unitholders' meeting under Clause 3. can stipulate the exception for the entering into the transaction between CPNREIT and the REIT Manager or Connected Person of the REIT Manager that has already been clearly disclosed in the Registration Statement and the prospectus, including but not limited to, the payment of fees and expenses by CPNREIT to the REIT Manager of not exceeding the amount stipulated in the Registration Statement and/or the payment of consideration to Connected Person of the REIT Manager owing to the acquisition or disposal of additional Principal Asset that is not exceeding the amount stipulated in the Registration Statement and/or the leasing out or subleasing out of Principal Asset of CPNREIT in Hilton Pattaya Hotel to the new lessee or the sub-lessee who is the Connected Person of the REIT Manager. In this regard, the terms in the new agreement shall be the same or not worst-off which is in accordance with the undertaking agreement that CPNREIT has entered into and executed with Central Pattana Development Public Company Limited when investing in Hilton Pattaya Hotel.

Entering into Conflict of Interest Transaction between CPNREIT and Trustee

1. In managing CPNREIT, the Trustee shall not conduct any acts in conflict of the interest of CPNREIT whether or not such acts are for the interest of the Trustee itself or other person, save in the case of demanding the consideration for being the Trustee or in the case the Trustee is able to demonstrate that the Trustee has fairly managed CPNREIT and has sufficiently disclosed relevant information to the beneficiary as stipulated in Clause 3. In this regard, the beneficiary knowing of such information does not object as stipulated in Clause 4. The disclosure of the information and the said objection shall be in accordance with the criteria prescribed by the SEC Office.
2. The Trustee cannot conduct any acts in conflict of the interest of CPNREIT or which may result in the deprivation of independence, except the transaction which is in line with the following criteria:
 - 2.1. Being the transaction that has the measure or mechanism to check and balance the fairness of such transaction;
 - 2.2. In case of the entering to transaction that is in the conflict of interest of CPNREIT, there shall be the disclosure of relevant information to Unitholders sufficiently provided that such person shall not object or shall object in the proportion less than the criteria stipulated in Clause 4.
3. The disclosure of the information in the following manners prior to the entering into CPNREIT conflict of interest transaction is deemed sufficient disclosure to the Unitholders or the investors:
 - 3.1. The disclosure through the SET in accordance with the SET regulation relating to such matter or disclosure through other channels that Unitholders are thoroughly entitled to access the information of entering into transaction;
 - 3.2. Have the reasonable period of disclosure which shall not be less than 14 (fourteen) days;

- 3.3. Clearly disclose the channel, method and period for objection which shall not be less than 14 (fourteen) days save in the case of the circumstance where Unitholders' resolution is provided, the objection shall be conducted in such Unitholders' resolution.
4. In case Unitholders clearly object in accordance with the method disclosed in Clause 3.3 for more than 1/4 (one-fourths) of the total issued Trust Units, the Trustee is prohibited from conduct or consent to entering into the transaction in conflict of the interest of CPNREIT.
5. With regard to the entering into the transaction in conflict of the interest between CPNREIT and the Trustee, in case otherwise amended, added to, notified, instructed, approved and/or waived by the SEC, the SEC Office, and/or other competent authorities, CPNREIT shall proceed accordingly.

Disclosure of Information of CPNREIT

The REIT Manager shall have the duties and responsibilities in preparing and disclosing of CPNREIT's information to the SEC Office, the SET, the Trustee and Unitholders, as well as to deliver CPNREIT annual report together with the annual general meeting notice to the Trustee and the Unitholders.

The disclosure of CPNREIT's information shall be in accordance with the Notification No. TorJor. 51/2555 Re: Rules, Conditions and Procedures for Disclosure regarding Financial and Non-Financial Information of Real Estate Investment Trust, including any amendments thereto and other relevant laws.

Distribution of Returns to Unitholders

1. The REIT Manager shall make at least 2 (two) distributions of returns to the Unitholders at the rate of 90 (ninety) percent of the adjusted net profit of the fiscal year within 90 (ninety) days from the end of the fiscal year or the relevant accounting period, as the case may be, save in the case of year 2017, the REIT Manager shall not make the distribution of returns to Unitholders provided that the REIT Manager may consider making the distribution of returns under this condition in 2018.

The adjusted net income under this Clause shall mean the income adjusted by the following Clauses:

- (1) Unrealized gain from the valuation or review of the value of the assets of CPNREIT, as well as other Clauses in accordance with the guidelines of the SEC Office to be consistent with the cash flow status of CPNREIT;
 - (2) Reserve for repayment of the loans or encumbrance of CPNREIT specified in the registration statement and prospectus or the annual report, as the case may be.
2. If CPNREIT has accumulated income in any accounting period, the REIT Manager may make distribution of returns to the unitholders from the accumulated income.
3. If the REIT Manager is unable to make any distribution of returns in any period, the REIT Manager shall inform the unitholders via the information system of the SET.
4. If CPNREIT has suffered losses, the REIT Manager shall not make any distribution of returns to the unitholders.
5. In making distribution of returns, if the returns per unit to be distributed during any fiscal year or accounting period is equivalent to or less than THB 0.10, the REIT Manager reserves the right not to make distribution of returns in such period. The returns shall be distributed together with the next distribution in accordance with the specified procedure.
6. The REIT Manager shall comply with the criteria on the distribution of returns, unless otherwise amended, added to, notified, instructed, approved and/or waived by the SEC, the SEC Office, and/or other competent authorities, in which case the REIT Manager shall comply accordingly.
7. The REIT Manager shall make distribution of returns to the Unitholders in accordance with the unitholding proportion of each Unitholder. The REIT Manager reserves the right not to make distribution of returns to the Unitholders whose unitholding proportion exceeds or is not complying with the limit specified in the Notification No. TorJor. 49/2555 only for the portion exceeding the limit or not complying with the criteria. Any of such returns not distributed to the Unitholders shall be distributed to other Unitholders in accordance with the relevant unitholding proportion.

8. The REIT Manager shall notify the declaration of returns, the book closing date, and the rate of returns by notifying the unitholders whose names are recorded in the unitholder register as at the book closing date via the information system of the SET and notifying the Trustee in writing.
 9. The REIT Manager shall make distribution of returns by means of fund transfer into the accounts of the unitholders or crossed cheque made payable to the unitholders in accordance with the names and addresses in the unitholders register.
 10. If a unitholder fails to exercise the right to any return within the period of prescription of claims under the Civil and Commercial Code, the REIT Manager shall not use such returns for any purpose other than that of CPNREIT.
4. A unitholder or group of same persons, whose unitholding exceeds the limits in Clause 1 or Clause 2, shall be subject to the restriction on the distribution of returns, that is, the unitholder or group of same persons shall not be entitled to the distribution of returns from the exceeding portion of the trust units or the portion that does not comply with the criteria. Any returns not distributed to the unitholder shall be distributed to other unitholders in accordance with their relevant unitholding proportion
 5. The following unitholders shall be subject to the restrictions on voting:
 - 5.1 The unitholders whose unitholding proportion exceeds the limit or does not comply with the criteria in Clause 1 or Clause 2. The restriction shall apply only to the exceeding portion of the trust units or the portion that does not comply with the criteria in Clause 1 or Clause 2
 - 5.2 The unitholders who have special interests in the matters on which resolution is sought

Restrictions of Rights to Receive Distributions of Returns, Management of Returns, and Voting Rights of Unitholders

1. The allocation of the trust units to any person, groups of same persons, the Settlor, the Trustee, the REIT Manager, or foreign investors must comply with the ratio or criteria prescribed in Notification No. TorJor. 49/2555 or other relevant notifications and amendments thereto
2. If CPNREIT invests in immovable properties in Thailand which are subject to the restriction on the investment proportion by foreigners by the relevant laws, rules, or requirements, the REIT Manager shall allocate the trust units in compliance with those laws, rules, or requirements. If CPNREIT invests in several immovable property projects which are subject to different restrictions on the investment proportion by foreigners, the REIT Manager shall allocate the trust units at the minimum limit prescribed by those relevant law, rules, or requirements.
3. If the unitholding proportion by a unitholder exceeds the limits referred to in Clause 1 or Clause 2, the REIT Manager shall notify, without delay, the unitholder of the restriction on the voting and the distribution of returns specified in the Trust Deed, and shall report the same to the SEC Office within 5 business days from the date on which the REIT Manager is aware of or should be aware of such event.

Rights, Duties, and Responsibilities of the Trustee

1. The Trustee shall be fully qualified, possess no prohibited characteristics, and shall have been granted approval to engage in the business of acting as a trustee by the SEC Office. In performance of duties as the Trustee of CPNREIT, if the facts subsequently surface that the Trustee lacks independence in accordance with the securities law and other relevant laws, the Trustee shall inform the SEC Office thereof, with evidence of reasonable and reliable measures demonstrating that the Trustee would be able to perform its duties independently within 15 days from the date on which those facts surface, and take acts in accordance with those measures unless as otherwise instructed by the SEC Office.
2. The Trustee shall perform its duties with prudence and integrity in the best interest of the REIT unitholders as a whole, and in compliance with the Trust Deed, all relevant laws, and the additional obligations in documents disclosed to the investors (if any). There shall be no provision exempting the Trustee from liability arising from the failure to perform such duties.

3. The Trustee has a duty to monitor and oversee that the REIT Manager or any other delegated person (if any) comply with the Trust Deed and other relevant agreements.
4. The Trustee shall attend every unitholders' meeting, and provide opinions on whether the matters, for which a resolution of approval is sought, are in compliance with the Trust Deed and the relevant laws. If there is a request for a resolution of the unitholders' meeting with respect to any proposed action, the Trustee shall respond to questions and provide opinions on such action, particularly whether or not it complies with the Trust Deed or the relevant laws, or to make an objection and inform the unitholders that such action is impracticable. If the proposed action would be in conflict with the Trust Deed or the relevant laws.
5. The Trustee has a duty to enforce debt repayment or oversee the enforcement of debt repayment to ensure compliance with the agreements between CPNREIT and third persons.
6. The Trustee has a duty to take over the management of CPNREIT in the absence of a REIT Manager or in the event rendering the REIT Manager being unable to perform its duties, subject to the criteria prescribed in Notification KorRor. 14/2555 and other relevant laws.
7. The Trustee shall have other rights, duties, and responsibilities as prescribed in Notification KorRor. 14/2555 and other relevant laws.
8. The Trustee is charged with the management and seeking of benefits from assets other than the core assets of CPNREIT, and undertaking any other necessary act in order to ensure that the management of the non-core assets of CPNREIT is in compliance with the Trust Deed and the relevant laws. The Trustee may also delegate to the REIT Manager the management of the investment in the non-core assets in its place.
9. The Trustee has a duty to amend the Trust Deed as instructed by the SEC Office.
10. The Trustee shall be prohibited from setting off the obligations arising beyond the performance of the trusteeship duties owed by the Trustee to a third person against the obligations arising from the management of CPNREIT owed to the Trustee by the third person. Any set-off of obligations in conflict with this provision shall be void.
11. In entering into a juristic act or a transaction with a third person, the Trustee shall notify the third person in writing that it acts in the capacity of a trustee and expressly specify as such in the documentation evidencing that juristic act or transaction.
12. The Trustee shall prepare the accounts of the assets of CPNREIT separately from any other accounts under its responsibility. If the Trustee manages several REITs, the Trustee shall prepare the accounts of the assets of each REIT separately. In doing so, the Trustee shall keep such accounts correct and up-to-date. In managing CPNREIT, the Trustee shall separate the assets of CPNREIT from the assets which it holds in its own capacity and any other assets in its possession. If the Trustee manages several REITs, the Trustee shall separate the assets of one REIT from one another.
13. If the Trustee fails to perform its duty under Clause 12, which causes the assets of CPNREIT to be commingled with the assets held in its own capacity to the extent that it is unable to distinguish CPNREIT's assets from that which the Trustee holds in its own capacity, it shall be presumed that:
 - 13.1 The commingled assets are assets of CPNREIT;
 - 13.2 The damage and liability arising from the management of the commingled assets shall be borne by the Trustee in its own capacity; and
 - 13.3 The benefits resulting from the management of the commingled assets belong to CPNREIT.

The commingled assets as mentioned above shall include commingled assets that are transformed into a different form or state.
14. If the Trustee fails to perform its duty under Clause 12, which causes the assets of several REITs to be commingled to the extent that it is unable to distinguish to which REIT the assets belong, it shall be presumed that the commingled assets, including those that are transformed into a different form or state, and any benefits or obligations arising from the management thereof shall belong to each REIT proportionate to the amount each REIT contributed to the commingled assets.

15. The management of CPNREIT is the Trustee's personal duty. The Trustee shall not delegate its duty to other persons except for in the following cases:
- 15.1 It is otherwise specified in the Trust Deed;
 - 15.2 The transaction is not personal in nature and does not require the professional capability of a trustee;
 - 15.3 The transaction that a reasonable and prudent owner of the assets of the same characteristics as those of CPNREIT, who manages such assets with similar objectives as those of CPNREIT, may delegate a third person to manage such assets;
 - 15.4 The safekeeping of assets, preparation of the unitholders register book, or provision of support operations services may be delegated to an affiliate company of the Trustee or a third person;
 - 15.5 Any other cases being under the responsibility of and action by the REIT Manager in accordance with the Trust Deed or the criteria prescribed in Notification TorJor. 49/2555, KorRor. 14/2555, and SorShor. 29/2555. This shall include the cases where the SEC prescribes and notifies provisions requiring that the management of specific matters be assigned to third persons or any other requirements in this respect. If the Trustee acts in violation of the above, any act taken shall bind the Trustee personally and shall not bind CPNREIT.
16. If the Trustee lawfully delegates the management of CPNREIT to a third person in accordance with Clause 15, the Trustee shall exercise prudence and care in selecting such person as well as adequately and thoroughly supervise and review the delegated management in a careful manner. The Trustee shall establish operational measures in relation to work delegation in compliance with the criteria prescribed in the SEC Notification No. KorKhor. 1/2553 re: Work System, Contact with Investors and General Business Operation of Trustees as follows:
- 16.1 Selection of appropriate persons for delegation of duties which takes into account the readiness of the work system and of the delegated persons, as well as any possible conflict of interest between the delegated persons and CPNREIT;
 - 16.2 Control and evaluation of the performance of the delegated persons; and
 - 16.3 Actions to be taken by the Trustee in the event that the delegated persons are no longer appropriate for further delegation of duties.
- The SEC may prescribe and notify the details of the actions to be taken by the Trustee in such an event.
17. In the case of the change of the Trustee, if the new trustee finds that the previous management of CPNREIT was not in compliance with the Trust Deed or the Trust Act, and caused damage to CPNREIT, the new trustee shall claim damages from the liable Trustee and recover the assets from the third persons, regardless whether such assets had been directly acquired by the former Trustee and regardless whether the assets had been transformed into a different form or state. The latter shall not apply if the third persons had acquired those assets in good faith, in exchange for payment of consideration, and did not know or there were no reasonable grounds that the third persons should have known that those assets had been acquired as a result of unlawful management.
18. In managing CPNREIT and delegating third persons to manage CPNREIT in accordance with Clause 15, if there are expenses or if the Trustee is required to make payments to or surrender other assets to third persons out of the monies or assets held in its own capacity due to necessity and appropriateness, the Trustee shall be entitled to obtain reimbursement from CPNREIT, unless the Trust Deed specifies that such payment of funds or other assets shall be borne by the Trustee.
- The right to obtain reimbursement for the monies or assets under the paragraph above shall have priority over the claim of a beneficiary and the claim of a third person with property or other rights over CPNREIT, and may be immediately exercised and at any time prior to the dissolution of CPNREIT. If it is necessary to change the form or state of the assets of CPNREIT in order to obtain monies or assets for reimbursing the Trustee, the Trustee shall be entitled to do so, provided such act is taken in good faith.
- In the interests of protecting the assets of CPNREIT, the SEC shall be authorized to prescribe and notify criteria, conditions, and methods for compliance by the Trustee in relation to the payment of monies or

surrender of other assets held in its own capacity to a third person in accordance with the first paragraph or the exercise of rights of the Trustee under the second paragraph.

19. The Trustee shall be prohibited from exercising the right under Clause 18 unless it has performed all of its obligations in favor of CPNREIT, except if those obligations can be set off in accordance with the Civil and Commercial Code.

20. If the Trustee fails to manage CPNREIT in compliance with the Trust Deed or the Trust Act, the Trustee shall be liable for the damage sustained by CPNREIT. However, the Trustee may, in the case of necessity and where there are reasonable grounds in the interests of CPNREIT, apply for the approval of the SEC Office prior to undertaking any action in the management of CPNREIT in a manner that is inconsistent with the provisions under the Trust Deed. The Trustee shall not be liable if it managed CPNREIT in accordance with the approval of the SEC Office in good faith and in the best interests of CPNREIT.

21. The Trustee shall ensure that the material details of the Trust Deed are in compliance with the relevant laws. If the Trust Deed is amended, the Trustee shall act in accordance with the following criteria:

21.1 To ensure that any amendment to the Trust Deed complies with the procedures and conditions prescribed in the Trust Deed and the criteria prescribed in the relevant laws;

21.2 If an amendment to the Trust Deed does not comply with Clause 21.1, the Trustee shall proceed in accordance with its scope of authorities and duties as specified in the Trust Deed and the Trust Act in order to safeguard the rights and benefits of the unitholders as a whole; and

21.3 In the case of any subsequent amendment to the criteria relating to the offering for sale of the trust units or management of REIT promulgated under the Securities Act and the Trust Act, and the existing provisions of the Trust Deed are not in compliance therewith, the Trustee shall amend the Trust Deed to be in line with the amended criteria by following the procedures specified in the Trust Deed or as in accordance with the orders

of the SEC Office.

22. The Trustee shall monitor, supervise, and review the performance of duties by the REIT Manager or any other delegated person (if any) to ensure compliance with the Trust Deed and the relevant laws. In particular, the aforementioned duties shall also include the following:

22.1 Ensuring that the management of CPNREIT by the REIT Manager has obtained the approval of the SEC Office for the entire period of existence of CPNREIT, with the exception of the event set out in Clause 24;

22.2 Monitoring, supervising, and undertaking actions as necessary to ensure that the delegated person is fully qualified and complies with the criteria prescribed in the Trust Deed and the relevant laws, including dismissing the current delegated person and appointing another person to replace such person;

22.3 Overseeing the investment of CPNREIT complies with the Trust Deed and the relevant laws;

22.4 Overseeing the complete information of CPNREIT is accurate disclosed as prescribed in the Trust Deed and the relevant laws; and

22.5 Giving opinions relating to undertaking actions or entering into transactions for CPNREIT by the REIT Manager and other delegated persons (if any) in support of the request for a resolution at a unitholders' meeting or disclosing information about CPNREIT to the investors or at the request of the SEC Office.

23. If the REIT Manager acts or omits an act causing damage to CPNREIT, or fails to perform its duties in accordance with the Trust Deed or the relevant laws, the Trustee shall report the matter to the SEC Office within 5 business days from the date on which the Trustee becomes aware of or should have been aware of such fact. In such a case, the Trustee shall rectify, prevent, or mitigate such damage to CPNREIT as it deems appropriate.

24. If the REIT Manager is unable to perform its duties, the Trustee shall take over the management of CPNREIT as necessary in order to protect against, prevent, or limit serious damage to CPNREIT or the unitholders as

a whole, and shall proceed in accordance with the scope of authorities and duties specified in the Trust Deed and the Trust Act in appointing a new REIT Manager. In taking over the management of the REIT Manager as mentioned above, the Trustee may appoint another person to engage in the interim management of CPNREIT in its place, provided that such delegated person complies with the scope, criteria, and conditions specified in the Trust Deed.

25. If the Trustee is also a unitholder of CPNREIT, the Trustee shall, in casting votes or taking any act as a unitholder, take into account the best interests of the unitholders as a whole by adhering to the principles of good faith and due care, including the avoidance of any conflict with impact on the performance of its duties as the Trustee of CPNREIT.

26. The Trustee shall prepare the unitholders register and may also assign a securities registrar to prepare such register on its behalf. The preparation of the unitholder register shall contain at least the following particulars:

26.1 General information comprising:

26.1.1 Names of the REIT Manager and Trustee;

26.1.2 Number of trust units, par value, paid-up capital, and date of issuance of the trust units;

26.1.3 Restrictions on transfer (if any).

26.2 Information of the unitholders:

26.2.1 Name, nationality, and address of the Unitholders;

26.2.2 Serial number of Trust Units (if any) and number of Trust Units held;

26.2.3 Date of registration or cease to be the Unitholders;

26.2.4 Date of cancellation of Trust Certificates and issuance of replacement certificates (if any);

26.2.5 Application numbers of the requests to amend or record particulars of the registration (if any);

26.2.6 Pledge/ release of mortgage/ attachment of the Trust Units/ release of the attachment of the Trust Units (if any).

27. The Trustee shall provide evidence representing the rights in the trust units for delivery to the unitholders, which shall convey at least the following information, unless where such evidence is prepared in accordance with the securities depository system, in which case the particulars of the said evidence shall be as determined by the securities depository center.

27.1 Necessary and sufficient information for use by the unitholders as evidence in claiming their rights against the Trustee, the REIT Manager, and third persons;

27.2 Contact information of persons related to the management of CPNREIT, such as the Trustee, the REIT Manager, and the securities registrar;

27.3 Information showing that unitholders are unable to sell trust units back to CPNREIT or redeem the trust units, and if there are other restrictions on the rights of unitholders, such restrictions shall be clearly specified.

28. Subject to the provision under Clause 27, if unitholders request the Trustee or the securities registrar to issue evidence representing their rights in the trust units in order to replace the ones which have been lost, faded, or materially damaged, the Trustee shall issue such evidence or ensure that the same is issued to the unitholders within a reasonable time period.

The REIT Manager and its Duties

1. The REIT Manager shall be fully qualified, possess no prohibited characteristics, and shall have been granted approval from the SEC Office to act as a REIT manager in accordance with Notification SorChor. 29/2555.

2. The REIT Manager shall have the duties as delegated by the Trustee in the management of CPNREIT, particularly in respect of the business operations of CPNREIT, which shall include: investments; borrowing; any change or creation of encumbrances over the assets of CPNREIT; entering into agreements; and undertaking of various acts for CPNREIT, including preparation and disclosure of information of CPNREIT and delivery thereof to the Trustee. The latter shall be inclusive of the information as prescribed in Section 56 and Section 57 of the Securities Act. All of the above shall be subject to the scope, criteria, and conditions provided in the REIT Manager Appointment Agreement.

3. The REIT Manager may assign a third person to perform work under its responsibilities on its behalf, provided that the REIT Manager specifies the scope of authorities and duties of the delegated person(s) in the relevant agreements. The REIT Manager shall exercise prudence and care in selecting the delegated person(s), and shall also supervise and review the performance of duties by the delegated person(s). Such delegation shall not be in materially contradictory to or in conflict with the laws governing securities and exchange or other relevant laws.
4. The REIT Manager shall be able to disburse expenses from CPNREIT's assets provided such disbursement is made from CPNREIT's daily operating account under the limit approved by the Trustee. The REIT Manager shall prepare and submit reports on the disbursements to the Trustee for verification and disbursement within 5 business days from the date on which the REIT Manager submits the report to the Trustee.
5. If the REIT Manager holds trust units, the REIT Manager shall exercise its right to vote by taking into account the best interests of the unitholders as a whole in the event of a request for a resolution at a unitholders' meeting.
6. In engaging in the business of managing CPNREIT, the REIT Manager shall adhere to the following principles of business conduct:
 - 6.1 To perform duties by applying knowledge and skills as may reasonably be expected as a professional, and with diligence, care, and honesty. The REIT Manager shall treat all unitholders equitably and shall act in the best interests of the unitholders as a whole. It shall also comply with the laws, the Trust Deed, the objectives for establishing CPNREIT, and the resolutions of the unitholders;
 - 6.2 To continuously maintain sufficient fund capital for operating the business and for bearing any potential liability arising from the performance of duties as the REIT Manager;
 - 6.3 To disclose, give opinions on, or provide sufficient information being important for and relevant to the decision-making of the unitholders on investments. Such information shall be conveyed clearly and shall not be distorted or misleading;
 - 6.4 Not to inappropriately use the information acquired in the course of the performance of its duties as the REIT Manager for its personal gain or in a manner that damages or affects the overall benefits of CPNREIT;
 - 6.5 To exercise with due care in the performance of work in order to avoid conflicts of interest. In the event of a conflict of interest, the REIT Manager shall ensure that the investors receive equitable and appropriate treatment;
 - 6.6 To comply with the provisions in the Securities Act, the Trust Act, and other relevant laws relating to the operation of CPNREIT, as well as adhere to the code of ethics and standards for professional conduct determined by the associations related to the securities business or by organizations in connection with the securities business recognized by the SEC Office, mutatis mutandis. In addition, the REIT Manager shall not encourage, instruct, or collaborate with any other person in violating any such laws or requirements.
 - 6.7 To give its cooperation to the Trustee or the SEC Office in their performance of duties, including disclosing information which may materially affect the management of CPNREIT or other information that should be notified to them.
7. In entering into a transaction concerning immovable properties for CPNREIT, the REIT Manager shall comply with the following criteria:
 - 7.1 To ensure that the disposal of the immovable properties of CPNREIT or the entering into of agreements in connection with immovable properties for CPNREIT are correct, valid and legally enforceable;
 - 7.2 To ensure that the investment in the immovable properties of CPNREIT is reasonable, whereby the following steps must be taken at a minimum:
 - 7.2.1 Conducting an assessment of its readiness in managing the investment in the immovable properties prior to accepting to act as the REIT Manager or before making additional investment in such immovable

properties for CPNREIT, as the case may be; and

- 7.2.2 Conducting a feasibility study and due diligence on the immovable properties, including an assessment of various risks that may arise from the investment, along with arranging risk management guidelines. In this regard, such risks shall include risks associated with the development or construction of immovable property (if any), e.g. potential risks arising from delays in the construction and the inability to generate benefits from the immovable property.
8. The REIT Manager shall convene unitholders' meetings in accordance with the Trust Deed.
9. If an advisor is appointed to give advice or recommendations on investment and management of the immovable property, the REIT Manager shall appoint an advisor who has no interests in the matters relating to its performance of duties as an advisor. If it is evident that the advisor has conflicts of interest in such matters, the REIT Manager shall comply with the following criteria:
 - 9.1 The advisor shall report the conflicts of interest in the matter being considered to the REIT Manager;
 - 9.2 The advisor who has conflicts of interest in the matter being considered, whether directly or indirectly, shall be prohibited from participating in the consideration of such issue.
10. The REIT Manager shall prepare the following financial information and operational results of CPNREIT in compliance with the criteria prescribed in Notification No. TorJor. 51/2555 and other relevant laws and submit the same to the SEC Office or the relevant agencies within the prescribed time period:
 - 10.1 Registration statement of CPNREIT (Form 56-REIT);
 - 10.2 Financial statements of CPNREIT, which shall be in compliance with the accounting standards as prescribed by the law governing the accounting profession;
 - 10.3 Annual report, which shall at least contain the particulars specified in Notification TorJor. 51/2555;
 - 10.4 Information on CPNREIT, such as the following: net asset value of CPNREIT; value of the trust units; and report on the acquisition or disposal of immovable properties or leasehold or sub-leasehold of immovable properties. If CPNREIT acquires a project under construction (greenfield project), the REIT Manager shall prepare and submit a progress report on the construction of such project. The REIT Manager shall also report the par value of the trust units following the capital decrease.
11. If the SEC, the SEC Office, and/or any other competent organization in compliance with the law make any amendments or additions to the notifications, requirements, and instructions, or approvals and/or grants relaxations otherwise, the REIT Manager shall ensure that all of the above is in compliance with such amendment or addition.

Obtaining Resolution and Unitholders' Meetings

1. The REIT Manager can obtain resolutions from Unitholders only by means of holding a Unitholders' meeting.
2. Causes for obtaining resolutions and calling Unitholders' meetings have to comply with the followings and the REIT Manager has to convene Unitholders' meeting in the following circumstances:
 1. The annual general meeting which shall be arranged within 4 (four) months from the date of the end of fiscal year of CPNREIT;
 2. The extraordinary general meeting, which shall be arranged in the following circumstances:
 - (1) When the REIT Manager deems appropriate to call a Unitholders' meeting for the benefit of managing the business affairs of CPNREIT;
 - (2) When one or many Unitholders whose collective holding are at least 10 (ten) percent of issued Trust Units, request in writing to the REIT Manager

a call for a Unitholders' meeting by clearly specifying the ground for calling a Unitholders' meeting, the REIT Manager has a duty to call a Unitholders' meeting within 1 (one) month since receiving the written request from Unitholders.

If the REIT Manager does not convene a Unitholders' meeting within the period as stated in the above paragraph, the Trustee can proceed to convene a meeting.

3. Calling the Unitholders' meetings

The REIT Manager shall prepare meeting notice by specifying venue, date, time, agenda and matters to be proposed to the meeting with sufficient details. Each matter shall be clearly specified whether it is matter for information, matter for approval or matter for consideration as the case may be, and furnished by the REIT Manager's opinion as well as impact that might affect the Unitholders from voting in that particular matter. To distribute the meeting notice to Unitholders, the REIT Manager shall proceed as follows:

3.1 In general case, to distribute to the Unitholders not less than 7 (seven) days ahead of the meeting;

3.2 In case that there are specific regulations regarding the timing of distribution of meeting notices, to distribute according to that regulation.

In all circumstances, the meeting notice shall be publicized in at least 1 (one) local newspaper not less than 3 (three) days ahead of the meeting.

4. Proxies

4.1 For the Unitholders' meeting, a Unitholder may appoint another individual as his/her proxy to attend a meeting and cast votes on his/her behalf. The proxy form must be dated and signed by Unitholder who wishes to appoint as proxy another individual.

4.2 The proxy forms shall be deposited to the REIT Manager or a designated person by the REIT Manager at the meeting venue before the proxies attend the meeting.

5. Quorum

5.1 To constitute a quorum in the Unitholders' meetings, there must be at least 25 (twenty five) attendees,

being Unitholders or the proxies; or not less than half of total number of Unitholders holding an aggregate amount of not less than 1/3 (one-third) of the issued Trust Units.

5.2 In any Unitholders' meeting, if within 1 (one) hour from the time appointed for the meeting has passed, a quorum is not presented as specified in Clause 15.5.1 and if the Unitholders' meeting is called due to the Unitholders' request according to Clause 15.2.2(2), the meeting shall be cancelled. However, if the meeting is not called according to the Unitholders' request according to Clause 15.2.2(2), the REIT Manager shall call another meeting and disseminate meeting notice to Unitholders before the meeting by at least not less than the time allowed for the last meeting. The adjourned meeting is not required to be in full quorum.

6. Meeting chairperson

The REIT Manager shall appoint one of the directors who is a representative of the REIT Manager to be a meeting chairperson. The meeting chairperson has power and duty to ensure that a meeting is conducted smoothly and accurately as specified in this Clause 15. However, if the REIT Manager has interest in the matter being considered, the Trustee or representative of the Trustee shall appoint another person to be a chairperson in that matter.

7. Vote count

A Unitholder has 1 (one) vote for each Trust Unit holds and a Unitholder who is entitled to vote must not have special interest in the matter being considered.

8. Unitholders' resolution

8.1 An ordinary resolution may be passed by a simple majority of the votes of Unitholders present and entitled to vote.

8.2 In the following circumstances, a resolution may only be passed by not less than 3/4 (three-quarters) of Trust Units held by Unitholders present and entitled to vote except for the agenda and voting of the Unitholders whose Trust Units are divided into different classes according to Clause 9.:

(1) In case of acquisition or disposal of Principal Asset with total transaction size of at least 30 (thirty) percent of total asset value of CPNREIT;

- (2) In case of paid-up capital increase or reduction that is not pre-specified in this Trust Deed;
 - (3) In case of an increase in capital through General Mandate;
 - (4) In case of entering into transactions with the REIT Manager or Connected Persons of the REIT Manager with total transaction size of at least Baht 20,000,000 (twenty million), or exceeding 3 (three) percent of net asset value of CPNREIT, whichever is the greater;
 - (5) In case of change in the distribution of return and the return of investment to the Unitholders;
 - (6) In case of dismissal or appointment of Trustee according to the Clauses regarding the change in Trustee as specified in this Trust Deed;
 - (7) In case of dismissal or appointment of REIT Manager according to the Clauses regarding the change of the REIT Manager as specified in this Trust Deed and REIT Manager Appointment Agreement;
 - (8) In case of amendment of this Trust Deed in the matters that significantly impact the right of the Unitholders;
 - (9) In case of dissolution of CPNREIT.
- 8.3 The Unitholders' resolution shall not be taken into effect if the consequences of the resolution cause CPNREIT or the management of CPNREIT to be in conflict or not in compliance with this Trust Deed or other regulations according to the SEC Act or the Trust Act.
- 8.4 In the circumstances that there are specific guidelines regarding obtaining resolutions and Unitholders' meetings, the practice shall follow those guidelines.
9. Obtaining resolution and voting of Unitholders in the circumstances that Trust Units are divided into several classes

9.1 When obtaining a resolution in the matters that affect the right of all classes of Unitholders such as dissolution of CPNREIT, etc, the resolution has to be passed with more than half of the votes in each class of Unitholders present and eligible to vote.

9.2 In obtaining a resolution in the matters that affect the right of certain classes of Unitholders such as an increase in fees and expenses of each class of Trust Units, the REIT Manager shall obtain resolutions only from that class of Unitholders.

Additionally, to comply with the Announcement of the SEC No. Sor. Ror. 27/2563, details as follow:

1. To convene the 2020 Annual General Meeting of Trust Unitholders. The REIT Manager shall convene the meeting within 4 months from the end of the fiscal year, or within 30 June 2020, whichever is due later.
2. For the Annual General Meeting for the Year 2020 of Trust Unitholders specifying that if the agendas are only for acknowledgment without seeking approval from the trust unitholders, the REIT Manager may proceed with other methods in clause 1. instead of holding the annual general meeting to provide the report for acknowledgment as the following matters:
 - (1) For the Trust's significant management and guidelines for future Trust's management.
 - (2) For report of the financial statements of Trust for the Year end and
 - (3) For report the appointment of the external auditors and determination of the audit fee

The REIT Manager shall provide a communication channel for trust unitholder to ask for additional information from the REIT Manager. In case that trust unitholder had submit the question to the REIT Manager, the REIT Manager shall summarize the questions and answers and disclose via the Stock Exchange of Thailand's website.

3. The announcements for Clause 2. Re: Request for Resolutions and Trust Unitholders' Meetings was effective since 1 April 2020 onwards and, in the future, if there is an event that results in the postponement and/or the extension and/or the cancellation of the Annual General Meeting, the REIT Manager shall comply with the relevant announcements from the SEC Office.

Amendment of Trust Deed

1. The amendment to this Trust Deed in the matter affecting the immaterial rights of Unitholders or the matter which clearly is for the benefit of CPNREIT or the Unitholders or in the part that is not impaired the right of Unitholders or to be in accordance with the SEC Act, the Trust Act, as well as the notification, rule or orders issued by virtue of such laws are not required to obtain the Unitholders' resolution in case that such matter has been disclosed to Unitholders via the SET or other channels the Unitholders are able to access and the SEC Office has already acknowledged thereof;
2. The amendment to this Trust Deed has not contradict or contrast to the objectives of the establishment of CPNREIT and the provisions under the SEC Act, the Trust Act, as well as the notification, rule or orders issued by virtue of such laws;
3. The amendment to this Trust Deed in the matter affecting the rights of Unitholders shall obtain the Unitholders' resolution as prescribed in the Trust Deed. save for the case that it is the amendment according to the order of the SEC Office under Section 21 of the Trust Act or is the case under Clause 1.

Dissolution of CPNREIT

1. Upon the occurrence of the following circumstances, the Trustee shall dissolve CPNREIT:
 - 1.1 When the number of the Unitholders is less than 35 (thirty five);

- 1.2 When the Principal Asset is disposed of and the REIT Manager fails to invest in new Real Estate with an aggregate value of not less than THB 500,000,000 (five hundred million) or not less than 75 (seventy five) percent of the total asset value of CPNREIT within 1 (one) year as from the date of disposing of such Principal Asset;

- 1.3 When the Unitholders' meeting resolves to dissolve as prescribed in the Trust Deed;

- 1.4 When there is the cause of the change of the REIT Manager but the Trustee is unable to find the person possessing the appropriate qualifications to become the new REIT manager within the period prescribed by the SEC Office since the termination date of the duty of the previous REIT Manager, provided that the Trustee has already used its effort in seeking the Unitholders' resolution to appoint the new REIT manager but cannot appoint the new REIT manager. In such case, the Trustee shall request for the Unitholders' resolution for CPNREIT dissolution;

- 1.5 When the Court has rendered its judgement or order to dissolve CPNREIT for the case that there is a cause of the change of Trustee but cannot appoint the new trustee due to the inevitable ground and interested person has requested to the Court for the appointment of the new trustee but cannot appoint.

2. Action to be taken for the dissolution of CPNREIT

When there is the dissolution of CPNREIT as prescribed in Clause 1., the Trustee shall perform its duty in order to collect, dispose and allocate property for the payment of CPNREIT's debts and expenses, except where dissolution, liquidation or bankruptcy of the Trustee causes the dissolution of CPNREIT, a liquidator or an official receiver of the Trustee, as the case may be, shall collect, dispose and allocate Assets of CPNREIT in the following order:

- 2.1 the expenses accruing from collecting, disposing of and distribution of assets;

- 2.2 the fees and tax that have to pay or due;

2.3 the consideration of the person appointed by the Court to manage CPNREIT or the liquidator or the official receiver under Section 29 or Section 52 of the Trust Act, the expenses in taking legal action having been borne by Unitholders under the third paragraph of Section 44, Section 45 or Section 46 of the Trust Act and the expenses relating to the management of CPNREIT which the Trustee can rightfully claim from CPNREIT, and consideration of the Trustee;

2.4 other debts.

If CPNREIT's asset is insufficient to pay expenses or debts in any order, the payment shall be allocated proportionally in such the order.

The remaining of CPNREIT's assets after the payment under the first paragraph shall be allocated to the Unitholders proportionally to their unitholding.

Registrar for Trust Units

The registrar for trust units means the Trustee or a person delegated by the Trustee to act as a registrar for trust units. The registrar must be licensed to provide the services as a securities registrar by the SEC, and approved by the SET to act as a registrar for trust units on another person's behalf initially after the establishment of CPNREIT, the Trustee shall appoint the TSD to be the trust Registrar. The registrar shall have the various duties as prescribed by securities law and other relevant criteria as follows:

1. Issuance of trust unit certificates or evidence representing the rights in the trust units: The Trustee shall ensure that the registrar prepares trust unit certificates or evidence representing the rights in the trust units for the unitholders for use in claiming their rights against the Trustee, the REIT Manager, and third persons. If a unitholder requests the Registrar to issue a new trust unit certificate or evidence representing the rights in the trust units in order to replace the one which had been lost or defaced or materially damaged, the registrar shall issue or ensure the issuance of a new trust unit certificate or evidence representing the rights in the trust units to the unitholder within a reasonable time period. The registrar may charge actual expenses incurred (if any) from the unitholder in connection with the action undertaken at the unitholder's request.

2. Preparation of unitholder register: The Trustee may delegate the registrar to prepare the unitholders register in accordance with the scope specified in the Notification KorRor. 14/2555 and other relevant notifications.

3. Transfer of trust units: The unitholder who is desirous of transferring trust units must inform the registrar of his/her/its intention by completing the details in the request form for transferring trust units signed by the transferor and transferee. The requesting unitholder shall also submit the supporting documents for the transfer of trust units as required by the registrar. A transfer of trust units shall be effective and certified upon the registrar having duly recorded the name of the transferee in the unitholder register. The transferor shall pay the transfer fees (if any) as determined by the registrar. In the case of a scripless trust unit transfer, the unitholder shall comply with the criteria specified by the registrar and/or the SET and/or the TSD. In this regard, the transferor shall pay the transfer fees (if any) as determined by the registrar and/or the SET and/or the TSD.

If the transfer of trust units results in a unitholder breaching the unitholding limit, the registrar has the right to deny recording the name of that unitholder in the unitholders register due to such breach of the unitholding limit.

Fees and expenses

The collection of fees, other payments, or expenses from CPNREIT or the unitholders shall be as specified in the Trust Deed. Such fees and expenses are exclusive of value added tax, specific business tax, or any other tax of a similar nature.



FINANCIAL STATEMENTS





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INDEPENDENT AUDITOR'S REPORT

To the Unitholders of CPN Retail Growth Leasehold REIT

Opinion

I have audited the financial statements of CPN Retail Growth Leasehold REIT (the Trust), which comprise the statement of financial position and details of investments as at 31 December 2020, the statements of comprehensive income, changes in net assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as at 31 December 2020 and its financial performance, changes in net assets and cash flows for the year then ended in accordance with the accounting guidance for Property Funds, Real Estate Investment Trusts, Infrastructure Funds and Infrastructure Trusts issued by the Association of Investment Management Companies as approved by The Securities and Exchange Commission.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Trust in accordance with Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that is relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Valuation of investments in leasehold properties at fair value	
Referred to Notes 4 (a), 5 and 8 to the financial statements	
The key audit matter	How the matter was addressed in the audit
Investments in leasehold properties are measured at fair value and material to the financial statements of the Trust. The fair value of investments in leasehold properties are estimated by income approach using discounted cash flows. The Trust engaged independent external valuer to assist in valuing the fair value of these investments. Identification and assessment of the fair value require significant judgment in determining the key assumptions. Therefore, such matter is an area that my audit is particularly concentrated on.	<p>My audit procedures included:</p> <ul style="list-style-type: none"> • Understanding and evaluating the basis upon which the Trust identified and assessed the fair value of assets. • Evaluating the independence, qualification and competence of the valuer of the Trust and read the terms of engagement letter between the valuer and the Trust. • Using the work of external expert engaged by KPMG in considering the reasonableness of measurement basis and key assumptions used for estimating fair value of assets. • Considering the key assumptions by comparing assumptions in appraisal report with actual occurrence, testing calculation and considering the reasonableness of significant movement in the asset valuation from the prior year. • Considering the adequacy of the disclosures in accordance with Thai Financial Reporting Standards.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to management and request that the correction be made.



Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting guidance for Property Funds, Real Estate Investment Trusts, Infrastructure Funds and Infrastructure Trusts issued by the Association of Investment Management Companies as approved by The Securities and Exchange Commission, 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.

In preparing the financial statements, management is responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



I communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with management, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

(Vannaporn Jongperadechanon)
Certified Public Accountant
Registration No. 4098

KPMG Phoomchai Audit Ltd.
Bangkok
17 February 2021



STATEMENT OF FINANCIAL POSITION

CPN RETAIL GROWTH LEASEHOLD REIT

	Note	31 December	
		2020	2019
<i>(in Baht)</i>			
Assets			
Investments measured at fair value through profit or loss	7	1,072,799,128	901,642,042
Investments in leasehold properties at fair value	8, 13	68,269,714,006	44,472,000,000
Cash equivalents	9, 13	1,162,096,779	509,938,079
Accrued rental and service receivables	13	644,432,310	204,016,177
Refundable value added tax		319,032,642	392,805,277
Prepaid expenses		27,765,708	25,645,742
Other assets		81,333,718	180,981,897
Total assets		71,577,174,291	46,687,029,214
Liabilities			
Trade accounts payable	13	166,893,514	150,753,438
Other accounts payable	13	25,875,506	34,250,431
Withholding tax payable		1,562,230	69,618,018
Accrued expenses		631,532,138	333,386,896
Rent received in advance		34,351,039	51,769,060
Deposits received from tenants	13	1,664,026,022	1,583,595,385
Borrowings	10	8,524,033,460	-
Debentures	11	14,510,676,997	14,524,069,085
Lease liabilities	13	17,727,115,770	-
Other liabilities	13	247,126,641	238,399,329
Total liabilities		43,533,193,317	16,985,841,642
Net assets		28,043,980,974	29,701,187,572

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



STATEMENT OF FINANCIAL POSITION

CPN RETAIL GROWTH LEASEHOLD REIT

		31 December	
	<i>Note</i>	2020	2019
		<i>(in Baht)</i>	
<i>Net assets</i>			
Capital from unitholders		28,551,790,565	29,016,410,672
Capital surplus	14	216,092,989	216,092,989
Retained earnings (deficit)	15	(723,902,580)	468,683,911
Net assets		28,043,980,974	29,701,187,572
Net asset value per unit <i>(in Baht)</i>		12.6753	13.4244
Number of units issued at the end of year <i>(units)</i>		2,212,476,700	2,212,476,700

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



DETAILS OF INVESTMENTS

CPN RETAIL GROWTH LEASEHOLD REIT

AS AT 31 DECEMBER 2020

Details of investments are presented by investment category.

Type of investments	Note	Areas held (Rat-Ngam-Sq. Wah)	31 December 2020			31 December 2019		
			Cost (in Baht)	Fair value (in Baht)	Percentage of investments (%)	Cost (in Baht)	Fair value	Percentage of investments (%)
Investments in leasehold properties								
Leasehold and subleasehold rights on land including shopping center buildings and utility systems, hotel and office buildings under 8 projects								
1. CentralPlaza Rama II project								
Location								
Subleasehold right on land, leasehold right on shopping center building including parking building, utility systems, furniture, fixtures and equipment								
Related acquisition costs for leasehold right		53-2-38.4	7,186,000,000		7,186,000,000			
Leasehold improvements			136,411		136,411			
Rights-of-use assets			325,520,236		86,947,616			
			16,821,323,962		-			
			24,332,980,609	24,220,714,006	7,273,084,027	6,359,000,000	14.01	
2. CentralPlaza Rama III project								
Location								
Leasehold right on land, leasehold right on shopping center building including parking spaces, utility systems, furniture, fixtures and equipment								
Related acquisition costs for leasehold right		12-2-44.6	9,179,000,000		9,179,000,000			
Leasehold improvements			248,541		248,541			
			524,691,063		500,641,781			
			9,703,939,604	11,888,000,000	9,679,890,322	11,447,000,000	25.23	

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



DETAILS OF INVESTMENTS

CPN RETAIL GROWTH LEASEHOLD REIT
AS AT 31 DECEMBER 2020

Type of investments	Note	Areas held (Rai-Ngan-Sq. Wah)	31 December 2020			31 December 2019		
			Cost (in Baht)	Fair value (in Baht)	Percentage of investments (%)	Cost (in Baht)	Fair value (in Baht)	Percentage of investments (%)
Investments in leasehold properties								
3. CentralPlaza Pinklao project								
Location		Boromratchachonnane Road, Bangkok noi, Bangkok						
Subleasehold right on land, leasehold right on shopping center building including parking building, office building, utility systems, furniture, fixtures and equipment		24-2-84	5,542,995,247		5,542,995,247			
Related acquisition costs for leasehold right			111,861		111,861			
Leasehold improvements			105,444,213		96,365,997			
			5,648,551,321	4,226,000,000	5,639,473,105	5,216,000,000		11.50
4. CentralPlaza Chiangmai Airport project								
Location		Mahidol Road and Waulai Road, Haiya, Amphur Muang Chiangmai, Chiangmai						
Leasehold right on land, leasehold right on shopping center building including parking building, multipurpose building, utility systems, furniture, fixtures and equipment		32-3-56.85	10,494,000,000		10,494,000,000			
Related acquisition costs for leasehold right			152,780		152,780			
Leasehold improvements			37,585,193		20,078,945			
			10,531,737,973	10,287,000,000	10,514,231,725	10,655,000,000		23.48

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



DETAILS OF INVESTMENTS

CPN RETAIL GROWTH LEASEHOLD REIT

AS AT 31 DECEMBER 2020

Type of investments	Note	31 December 2020		31 December 2019	
		Cost (in Baht)	Fair value investments (%)	Cost (in Baht)	Fair value investments (%)
<i>Investments in leasehold properties</i>					
5. CentraFestival Pattaya Beach project					
Location	Pattaya 1 road, Nong Prue, Bang La Mung, Chonburi				
Leasehold right on shopping center building including parking spaces		4,892,299,492		4,892,299,492	
Leasehold right on utility systems		3,246,532,994		3,246,532,994	
Related acquisition costs for leasehold right		176,123,198		176,123,198	
Furniture, fixtures and equipment		15,525,000		15,525,000	
Leasehold improvements		12,355,680		7,852,287	
		8,342,836,364	10.30	8,338,332,971	16.07
6. Hilton Pattaya Hotel project					
Location	Pattaya 1 road, Nong Prue, Bang La Mung, Chonburi				
Leasehold right on hotel building including parking building		1,501,667,006		1,501,667,006	
Leasehold right on utility systems		2,192,500,508		2,192,500,508	
Related acquisition costs for leasehold right		72,830,971		72,830,971	
Furniture, fixtures and equipment		60,000,000		60,000,000	
Leasehold improvements		119,557,900		-	
		3,946,556,385	4.98	3,826,998,485	7.72

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



DETAILS OF INVESTMENTS

CPN RETAIL GROWTH LEASEHOLD REIT
AS AT 31 DECEMBER 2020

Type of investments	Note	31 December 2020			31 December 2019		
		Cost (in Baht)	Fair value (in Baht)	Percentage of investments (%)	Cost (in Baht)	Fair value (in Baht)	Percentage of investments (%)
Investments in leasehold properties							
7. The Ninth Towers office building project							
Location	Rama 9 road, Huai Khwang, Huai Khwang, Bangkok						
Leasehold right on office spaces and parking spaces		3,385,367,523	-		-		
Leasehold right on utility systems		2,631,134,500	-		-		
Related acquisition costs for leasehold right		90,574,708	-		-		
Furniture, fixtures and equipment		37,694	-		-		
Leasehold improvements		6,270,050	-		-		
		6,113,384,475	5,704,000,000	8.23	-	-	-
8. Unilever House office building project							
Location	Rama 9 road, Huai Khwang, Huai Khwang, Bangkok						
Leasehold right on office spaces and parking spaces		936,457,563	-		-		
Leasehold right on utility systems		712,350,000	-		-		
Related acquisition costs for leasehold right		24,521,936	-		-		
		1,673,329,499	1,347,000,000	1.94	-	-	-
Total investments in leasehold properties		70,293,316,230	68,269,714,006	98.45	45,272,010,635	44,472,000,000	98.01

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



DETAILS OF INVESTMENTS

CPN RETAIL GROWTH LEASEHOLD REIT
AS AT 31 DECEMBER 2020

	Note	Maturity date	31 December 2020			31 December 2019		
			Principle (in Baht)	Fair value (in Baht)	Percentage of investments (%)	Principle (in Baht)	Fair value (in Baht)	Percentage of investments (%)
Investments in securities								
Unit Trust	7							
TMB Treasury Money Fund			171,772,133	173,049,707	400,351,789	401,642,042		
Fixed deposits								
Government Housing Bank		July 2020	-	-	500,000,000	500,000,000*		
Government Housing Bank		April 2021	300,000,000	300,000,000*	-	-		
Bond								
Bank of Thailand		January 2021	99,885,125	99,996,039	-	-		
Bank of Thailand		February 2021	499,484,522	499,753,382	-	-		
Total investments in securities			1,071,141,780	1,072,799,128	900,351,789	901,642,042	1.55	1.99
Total investments			71,364,458,010	69,342,513,134	46,172,362,424	45,373,642,042	100.00	100.00

* Excluding accrued interest income



STATEMENT OF COMPREHENSIVE INCOME

CPN RETAIL GROWTH LEASEHOLD REIT

		For the year ended	
		31 December	
	Note	2020	2019
		(in Baht)	
Income			
Rent and service income	13	4,041,143,303	5,111,246,352
Interest income	13	7,172,751	10,609,643
Other income	13	21,306,761	19,737,557
Total income		4,069,622,815	5,141,593,552
Expenses			
Management fee	12, 13	150,348,220	134,656,099
Trustee fee	12, 13	40,929,730	36,724,663
Registrar fee	12	4,163,600	5,168,150
Professional fee		1,276,000	811,000
Property management fee	12, 13	404,779,959	471,721,962
Costs of rental and services	13	124,430,490	121,747,170
Other expenses	13	92,724,017	112,239,746
Finance cost	13	1,713,429,657	502,414,489
Total expenses		2,532,081,673	1,385,483,279
Net profit on investments		1,537,541,142	3,756,110,273
Net loss on investments			
Net loss on investments	7, 8	(9,720,156)	(808,196)
Net loss on change in fair value of investments	7, 8	(1,223,224,494)	(435,686,986)
Total net loss on investments		(1,232,944,650)	(436,495,182)
Net increase in net assets resulting from operations		304,596,492	3,319,615,091

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



STATEMENT OF CHANGES IN NET ASSETS

CPN RETAIL GROWTH LEASEHOLD REIT

	<i>Note</i>	For the year ended	
		31 December	
		2020	2019
		<i>(in Baht)</i>	
Increase (decrease) in net assets resulting from operations during the year			
Net profit on investments		1,537,541,142	3,756,110,273
Net loss on investments		<u>(1,232,944,650)</u>	<u>(436,495,182)</u>
Increase in net assets during the year		304,596,492	3,319,615,091
Distribution to trust unitholders	15	(1,497,182,983)	(3,613,638,200)
Capital return to trust unitholders	14	<u>(464,620,107)</u>	<u>-</u>
Decrease in net assets during the year		(1,657,206,598)	(294,023,109)
Net assets at 1 January		<u>29,701,187,572</u>	<u>29,995,210,681</u>
Net assets at 31 December		<u>28,043,980,974</u>	<u>29,701,187,572</u>
Changes in number of Trust unit			
<i>(Baht 13.1149 per unit)</i>			
Trust unit at 1 January <i>(units)</i>		<u>2,212,476,700</u>	<u>2,212,476,700</u>
Trust unit at 31 December (units)		<u>2,212,476,700</u>	<u>2,212,476,700</u>

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



STATEMENT OF CASH FLOWS

CPN RETAIL GROWTH LEASEHOLD REIT

	Note	For the year ended	
		31 December	
		2020	2019
		<i>(in Baht)</i>	
Cash flows from operating activities			
Net increase in net assets from operations		304,596,492	3,319,615,091
<i>Adjustments to reconcile net increase (decrease) in net assets from operations to net cash from (used in) operating activities:</i>			
Net loss on investments	7, 8	9,720,156	808,196
Net loss on changes in fair value of investments	7, 8	1,223,224,494	435,686,986
Purchases of investments in securities	7	(2,333,687,370)	(1,849,042,165)
Proceed from sale of investments in securities	7	2,165,012,315	1,957,072,506
Purchases of investments in leasehold properties	8	(8,422,347,737)	(168,218,840)
Proceed from sale of investments in leasehold properties	8	1,031,012	432,723
Increase in accrued rental and service receivables		(443,853,823)	(69,306,194)
Decrease in refundable value added tax		73,772,635	-
Increase in prepaid expense		(2,119,966)	(18,556,299)
Decrease in other assets		99,648,179	46,887,866
Increase in trade accounts payable		16,140,076	11,459,331
Increase (decrease) in other accounts payable		(8,374,925)	2,093,210
Decrease in withholding tax payable		(68,055,788)	(6,397,747)
Increase in accrued expenses		297,355,489	3,309,186
Decrease in rent received in advance		(17,418,021)	(1,183,161)
Increase in deposits received from tenants		80,430,637	40,004,400
Increase in other liabilities		8,727,312	7,772,228
Interest income		(7,172,751)	(10,609,643)
Interest received		10,610,442	5,870,559
Finance cost		1,713,429,657	502,414,489
Net cash from (used in) operating activities		(5,299,331,485)	4,210,112,722

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



STATEMENT OF CASH FLOWS

CPN RETAIL GROWTH LEASEHOLD REIT

		For the year ended	
		31 December	
	Note	2020	2019
		<i>(in Baht)</i>	
<i>Cash flows from financing activities</i>			
Proceeds from borrowings	10	8,530,688,233	726,239,924
Repayment of borrowings	10	-	(5,204,716,579)
Payment of front-end fee	10	(8,500,000)	-
Proceeds from issue of debentures	11	-	4,495,000,000
Transaction costs from issue of debentures	11	-	(4,592,888)
Payment of lease liabilities		(5,960,000)	-
Interest paid		(602,934,958)	(440,133,202)
Distributions to unitholders	15	(1,497,182,983)	(3,613,638,200)
Capital return to trust unitholders	14	(464,620,107)	-
Net cash from (used in) financing activities		5,951,490,185	(4,041,840,945)
Net increase in cash equivalents		652,158,700	168,271,777
Cash equivalents at 1 January		509,938,079	341,666,302
Cash equivalents at 31 December		1,162,096,779	509,938,079

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



NOTES TO THE FINANCIAL STATEMENTS

CPN RETAIL GROWTH LEASEHOLD REIT
FOR THE YEAR ENDED 31 DECEMBER 2020

Note	Contents
1	General information
2	Basis of preparation of the financial statements
3	Changes in accounting policies
4	Significant accounting policies
5	Impact of COVID-19
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7	Investments measured at fair value through profit or loss
8	Investments in leasehold properties at fair value
9	Cash equivalents
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14	Unitholders' equity and retained earnings
15	Distributions to unitholders
16	Information on investment purchase and sale transactions
17	Segment information
18	Information on fair value level and fair value measurement of investments
19	Events after the reporting period
20	Reclassification of accounts

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by management of the Trust on 17 February 2021.

1 General information

CPN Retail Growth Leasehold REIT (“the Trust”) was established from the conversion of CPN Retail Growth Leasehold Property Fund (“the Fund”) and received the transfer of assets, liabilities and obligations from the Fund on 1 December 2017. The Trust was a specific closed-end real estate investment trust with an indefinite term. The Trust was registered on 29 November 2017 with registered capital of Baht 29,653.38 million (2,212,476,700 trust units’ trust, at Baht 13.4028 per unit).

The Trust’s major trust during the financial year was Central Pattana Public Company Limited holding 26.69% of the trust unitholding which issued and paid-up. The Trust was incorporated in Thailand.

CPN REIT Management Company Limited (“the REIT manager”) performs monitoring and managing of the assets of the Trust. SCB Asset Management Company Limited acts as the Trustee and Central Pattana Public Company Limited acts as the Property manager for CentralPlaza Rama II project, CentralPlaza Rama III project, CentralPlaza Pinklao project, CentralPlaza Chiangmai Airport project, CentralFestival Pattaya Beach project and Hilton Pattaya Hotel project. Grand Canal Land Public Company Limited acts as the Property manager for The Ninth Towers office building project and Sterling Equity Company Limited acts as the Property manager for Uniliver House office building project.

The Trust’s objectives are to raise funds and mainly use funds to invest in properties or leasehold properties and seek benefits from such properties.

The Trust’s dividend payment policy is in accordance with condition and procedures as specified in prospectus.

2 Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with the accounting guidance for Property Funds, Real Estate Investment Trusts, Infrastructure Funds and Infrastructure Trusts issued by the Association of Investment Management Companies (“AIMC”) as approved by The Securities and Exchange Commission announced by AIMC in February 2020. In case this accounting guidance does not specifically state the practical guidance for a transaction, the Trust shall apply Thai Financial Reporting Standard (TFRS) as announced by Federation of Accounting Professions (“Accounting Guidance”).

The application of the Accounting Guidance resulted in changes in accounting policies of the Trust which have material impact on the financial statements as disclosed in note 3.

In addition, the Trust has not early adopted a number of new and revised TFRS, which are not yet effective for the current period in preparing these financial statements. The Trust has assessed the potential initial impact on the financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

(b) *Functional and Presentation currency*

The financial statements are presented in Thai Baht, which is the Trust's functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest million unless otherwise stated.

(c) *Use of judgements and estimates*

The preparation of financial statements in conformity with an accounting guidance requires management to make judgements, estimates and assumptions that affect the application of the Trust's accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Note 3 Determining the incremental borrowing rate to measure lease liabilities;

Note 4(e) Lease:

- whether the Trust is reasonably certain to exercise extension options or not to exercise termination options;

Note 5 Impact of COVID-19;

Note 8 Investments in leasehold properties: key assumptions affecting the valuation of investments in leasehold properties.

3 **Changes in accounting policies**

From 1 January 2020, the Trust has initially applied the Accounting Guidance. As a result, the Trust did not adjust the information presented for 2019. Details of changes in the Trust's accounting policies are in note 3(A) - 3(C).

A. *Financial instruments accounting*

Under the Accounting Guidance, the Trust shall measure its financial assets at fair value, which is not different from previous accounting policy, measure its financial liabilities at amortised costs, and recognise interest expenses using effective interest rate ("EIR"). Previously, the Trust recognises interest expense using contractual interest rate based on accrual basis.

The change in accounting policy as described above has no material impact on the Trust's financial statements.

B. Lease accounting

From 1 January 2020, the Trust has initially applied the Accounting Guidance to lease accounting.

Previously, the Trust, as a lessee, recognised payments made under operating leases and relevant lease incentives in profit or loss over the term of the lease. Under the Accounting Guidance, the Trust shall recognise right-of-use assets and lease liabilities. The lease liabilities were discounted using interest rate implicit in the lease or lessee's incremental borrowing rate if the interest rate implicit in the lease was not available.

<i>Impact from change in lease accounting policy</i>	<i>(in million Baht)</i>
<i>At 1 January 2020</i>	
Increase in investments in leasehold properties at fair value	34
Increase in lease liabilities	(34)
<i>Measurement of lease liability</i>	
Operating lease commitment as disclosed at 31 December 2019	36
Present value of remaining lease payments, discounted using the incremental borrowing rate at 1 January 2020	34
Finance lease liabilities recognised as at 31 December 2019	-
Lease liabilities recognised at 1 January 2020	34
Weighted-average incremental borrowing rate (<i>% per annum</i>)	1.80

Right-of-use assets and lease liabilities shown above were presented as part of CentralPlaza Rama II project.

C. Fair value measurement

Under the Accounting Guidance, the objective of fair value measurement is to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions. Previously, the fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's length transaction. In addition, the Accounting Guidance requires to have additional fair value disclosure, in which the Trust has disclosed in notes 7, 8 and 18.

4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except as explained in note 3.

(a) Investments measured at fair value through profit or loss

Accounting policies applicable from 1 January 2020

Investment are initially recognised at fair value through profit or loss when the Trust becomes a party to the contractual provisions of the instrument. Transaction costs that are directly attributable to acquire investments are recognised in profit or loss.

Gains and losses on measurement, including any interest or dividend income, are recognised in profit or loss.

Derecognition

The Trust derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Trust neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Trust currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Accounting policies applicable before 1 January 2020

Investments in securities are recognised as assets at cost at the date on which the Trust has rights on investments. The cost of investments comprises the purchase prices and direct expenses that the Trust pays to acquire such investments.

The investments which cannot be freely traded on an open market is stated at fair value by considering the principles and methods determining by the Association of Investment Management Companies and the stipulations, principles and methods for determining fair value of investments in debt instruments which cannot be freely traded on an open market of the Securities and Exchange Commission.

Gains or losses from investment valuation are presented as net unrealised gains or losses on investment in securities in profit or loss.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount is recognised in profit or loss, presented as “net realised gain (loss) on investments”. If the Trust disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

(b) *Investments in leasehold properties at fair value*

Investments in leasehold properties include properties that are held as right-of-use assets, as well as properties that are owned by the Trust to earn rental income, or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investments in leasehold properties are measured at cost, including transaction costs, on initial recognition and subsequently at fair value, with any change recognised in profit or loss and presented as “gain (loss) from changes in fair value of investment” (2019: *presented as net unrealised gains or losses on investment in leasehold properties*).

Cost includes expenditure that is directly attributable to the acquisition of the investments in leasehold properties. The fair value is based on appraisal value assessed by independent valuers approved pursuant to the notification of the Securities and Exchange Commission. The Trust will conduct appraisal of properties at least every 2 years, commencing from the date of appraisal the acquired properties or the latest date of appraisal properties or the date of disposal properties or there is any indication of impairment and conduct a review of appraisal at least every year after the date of the latest appraisal. The Trust will not appoint any valuers to appraise the properties for more than 2 consecutive times.

Any gains and losses on disposal of investments in leasehold properties are determined by comparing the proceeds from disposal with the carrying amount of investments in properties, recognised in profit or loss and presented as “net realised gain (loss) on investments”.

(c) Cash equivalents

Cash equivalents in the statements of cash flows comprise call deposits.

(d) Accrued rental and service receivables

Accounting policies applicable from 1 January 2020

Accrued rental and service receivables are measured at transaction price less allowance for expected credit loss.

Loss allowances for accrued rental and service income receivables are measured at an amount equal to lifetime expected credit losses. Expected credit losses are estimated using a provision matrix based on the historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both current and forecast general economic conditions at the reporting date. An expected credit loss is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the loss was recognised in profit or loss.

Accrued rental income is presented as part of accrued rental and service receivables.

Accounting policies applicable before 1 January 2020

Accrued rental and service receivables are measured at transaction price less allowance for doubtful accounts which is determined based on an analysis of payment histories and future expectations of rent and service receivables payments. Bad debts are written off when incurred.

(e) Leases

Accounting policies applicable from 1 January 2020

At inception of a contract, the Trust assesses whether a contract is, or contains, a lease. If a contract contains lease and non-lease components, the Trust has elected not to separate non-lease components and account for the lease and associated non-lease components as a single lease component.

As a lessee

The Trust recognises a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which is recognised as an expense on a straight-line basis over the lease term.

Right-of-use assets are initially measured at cost and classified as investment in leasehold properties as described in note 4(b).

The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or incremental borrowing rate, if that rate cannot be readily determined. And subsequently at amortised cost using the effective interest method. The lease payments included fixed payments less any lease incentive receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under a residual value guarantee. The lease payments also include amount under purchase, extension or termination option if the Trust is reasonably certain to exercise option. Variable lease payments that do not depend on index or a rate are recognised as expenses in the accounting period in which they are incurred.

The lease liability is remeasured when there is a modification, change in lease term, change in lease payments, change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the assessment of purchase, extension or termination options. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Accounting policies applicable before 1 January 2020

As a lessee, the Trust classified leases that transfer substantially all of the risks and rewards of ownership as finance leases. When this was the case, the leased assets were measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Minimum lease payments were the payments over the lease term that the lessee was required to make, excluding any contingent rent. Subsequently, the assets were accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases were classified as operating leases and were not recognised in the Trust's statement of financial position. Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

As a lessor

The accounting policy for lessor is described in note 4(i).

(f) Interest-bearing liabilities

Interest-bearing liabilities are measured at amortised cost.

(g) Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Trust has access at that date. The fair value of a liability reflects its non-performance risk.

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

When one is available, the Trust measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Trust uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Trust measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Trust determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- *Level 1*: quoted prices in active markets for identical assets or liabilities.
- *Level 2*: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- *Level 3*: inputs for the asset or liability that are based on unobservable input.

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

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

(h) *Trade accounts payable and other accounts payable*

Trade accounts payable and other accounts payable are stated at amortised cost.

(i) *Rental income*

Accounting policies applicable from 1 January 2020

When the Trust acts as a lessor, it determines at lease inception whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. When the Trust is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease.

If an arrangement contains lease and non-lease components, the Trust allocates the consideration in the contract to each lease component on the basis of stand-alone prices.

The Trust recognises lease payments received under operating leases as rental income on a straight-line basis over the lease term as part of 'rental income'. Initial direct costs incurred in arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as income in the accounting period in which they are earned. Rental income is presented as part of accrued rental and service receivables.

The Trust applies the derecognition and impairment in accordance with note 4(a) and 4(d). The Trust further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

Accounting policies applicable before 1 January 2020

Rental income from investment property is recognised in profit or loss 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.

(j) Service income

Revenue is recognised when a customer obtains control of the services in an amount that reflects the consideration to which the Trust expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts.

Revenue for rendering of services is recognised over time as the services are provided. The related costs are recognised in profit or loss when they are incurred.

(k) Interest

Accounting policies applicable from 1 January 2020

Effective Interest Rate (EIR)

Interest income or expense is recognised using the effective interest method, except to the extent that they are capitalised as being directly attributable to the acquisition, construction of an asset which necessarily takes a substantial periods of time to be prepared for its intended use or sale.

The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

Accounting policies applicable before 1 January 2020

Interest income is recognised in profit or loss at the rate specified in the contract.

Interest expenses and similar costs are charged to profit or loss for the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction of an asset which necessarily takes a substantial periods of time to be prepared for its intended use or sale.

(l) Expenses

Other expenses are recognised on accrual basis.

(m) Income tax

The Trust is exempt from corporate income tax in Thailand so that corporate income tax is not recorded in the financial statements.

(n) Distribution to unitholders

A decrease in retained earnings is recognised as at the date a distribution is declared.

(o) Capital surplus

Share subscription price of investment units in excess of the par value of investment units on the date of transactions of the amounts of unit sold, is recognised in “Capital surplus”.

(p) Related parties

A related party is a person or entity that has direct or indirect control or joint control or has significant influence over the financial and managerial decision-making of the Trust; a person or entity that are under common control or under the same significant influence as the Trust; or the Trust has direct or indirect control or joint control or has significant influence over the financial and managerial decision-making of a person or entity.

(q) Segment reporting

Segment results that are reported to the Trust’s management (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

5 Impact of COVID-19

Due to the COVID-19 outbreak in 2020, Thailand and many other countries have enacted several protective measures against the outbreak, e.g. the order to temporarily shut down operating facilities or reduce operating hours, social distancing, etc. This has affected to the Trust’s businesses as follows:

Rental and services in shopping centers and office buildings

In March 2020, in an effort to contain the impact of COVID-19, provincial governments decided to temporarily shut down the Trust’s shopping center in the enforced locations for specific periods of time under each province order. The shopping center remains to open the supermarket, restaurants and food center (take-away), and some businesses according to provincial government orders and in May 2020, the Trust’s shopping centers began to resume its businesses under provincial governments restriction.

The Trust considered to provide rental discounts to tenant in the shopping centers that has effect in during temporarily shut down the shopping centers and after resumes its businesses. Such transaction was a lease modification, so the Trust has to recognise the lease modification as a new lease from the providing rental discount date and gradually recognise rental discount throughout the remaining lease terms. The Trust recognised rental income from the lease modification for the year ended 31 December 2020 as follows:

For the year ended 31 December 2020

(in million Baht)

Recognised in profit or loss

Rental and service income after actual rental	3,872
Impact of lease modification under TFRS 16	169
Rental and service income after adjustment according to TFRS 16	<u>4,041</u>
Net profit on investments before adjustment according to TFRS 16	<u>1,369</u>
Net profit on investments after adjustment according to TFRS 16	<u>1,538</u>

Hotel business

Hilton Pattaya Hotel

In April 2020, in an effort to contain the impact of COVID-19, provincial governments decided to temporarily shut down the Trust's hotel. During temporarily shut down the hotel, management decided the hotel renovation plan during April 2020 until November 2020 and reopening its operation.

As the situation is highly uncertain and fluid, it is currently not possible to determine the impact of the continued pandemic, government measures and roll out of the vaccination on the business of the Trust. Management is closely monitoring the situation and managing to lessen the impact as much as possible.

6 Financial risks

Credit risk

The Trust has credit risk which results from the failure of a counterparty to settle its contractual obligations specified in financial instruments and risk of the COVID-19 situation. The Trust has only receivables. However, the related financial assets collected in advance the rental deposits from customers as collateral in case of default. Therefore, the Trust does not anticipate material losses from its debt collection, including the Trust considered to provide rental discounts to tenant in the shopping centers that has effect in during temporarily shut down the shopping centers and after reopening its operation.

Credit risk is the risk of financial loss to the Trust if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Trust's receivables from customers and investments in debt securities.

Trust Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

Accrued rental and service receivables

The Trust's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Trust's standard payment and conditions are offered.

The following table provides information about the exposure to credit risk and ECLs for accrued rental and service income receivables.

<i>At 31 December 2020</i>	Accrued rental and service receivables <i>(in thousand Baht)</i>	Allowance for expected credit loss
Within credit terms	31,688	-
Overdue:		
1 - 90 days	206,135	136
91 - 180 days	57,643	52
181 - 360 days	27,211	100
More than 360 days	25,375	171
Total	348,052	459
Accrued income base on operating leases	296,484	
Accrued interest income	355	
Total	644,891	
Less allowance for expected credit loss	(459)	
Net	644,432	

<i>At 31 December 2019</i>	<i>(in thousand Baht)</i>
Within credit terms	38,749
Overdue:	
Less than 3 months	64,708
3 - 6 months	29,914
6 - 12 months	3,358
Over 12 months	7,304
Total	144,033
Accrued income base on operating leases	56,513
Accrued interest income	3,792
Total	204,338
Less allowance for doubtful accounts	(322)
Net	204,016

Movement of allowance for impairment of accrued rental and service receivables

At 1 January 2020	322
Addition	137
At 31 December 2020	459

Loss rates are based on actual credit loss experience over the past. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Trust's view of economic conditions over the expected lives of the receivables.

Currency risk

The Trust has no financial assets or financial liabilities denominated in foreign currency, therefore, there is no exposure to currency risk.

Market risk

The Trust is exposed to market risk due to the holding of investment in debt security for which return on the investment are subject to volatility of economic, political, money market and capital market conditions. Such conditions could have either positive or negative impact on the operation of the Company that issues securities, depending on the extent to which the issuers' business type correlates with the market volatility, which could push the security's price up or down.

Interest rate risk

Interest rate risk is the risk that value of financial assets and financial liabilities is subject to change due to the movement of market interest rates.

The following table summarises the Trust's interest rate risk comprised fair value of assets and categorised by type of interest rates:

<i>Financial assets and financial liabilities</i>	Carrying amount of financial instruments - net			Total
	Floating interest rate	Fixed interest rate	No interest rate	
	<i>(in million Baht)</i>			
<i>At 31 December 2020</i>				
Investments measured at fair value				
through profit or loss	173	300	600	1,073
Cash equivalents	662	-	500	1,162
Borrowings	7,524	1,000	-	8,524
Debentures	-	14,511	-	14,511
<i>At 31 December 2019</i>				
Investments measured at fair value				
through profit or loss	402	500	-	902
Cash equivalents	127	-	383	510
Debentures	-	14,524	-	14,524

Liquidity risk

The Trust monitor its of liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Trust's operations and to mitigate the effects of fluctuations in cash flows.

The following table are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude impact of netting agreements.

<i>At 31 December 2020</i>	Carrying amount	Contractual cash flow		Total
		1 year or less <i>(in million Baht)</i>	More than 1 year	
<i>Financial liabilities</i>				
Trade accounts payable	167	167	-	167
Other accounts payable	26	26	-	26
Deposits received from tenants	1,664	683	981	1,664
Borrowings	8,524	5,490	3,034	8,524
Debentures	14,511	5,349	9,179	14,528
Lease liabilities	17,727	6	25,833	25,839
	42,619	11,721	39,027	50,748

Financial risk management policies

The Trust manages potential risk on investment by setting risk management policy, e.g. investment diversification and analysis of investee's financial position.

7 Investments measured at fair value through profit or loss

Movement of investments measured at fair value through profit or loss for the year period ended 31 December are as follows:

	2020	2019
	<i>(in million Baht)</i>	
At 1 January	902	1,000
Additions	2,334	1,850
Disposal	(2,165)	(1,957)
Gain on investments	2	8
Gain on changes in fair value of investments	-	1
At 31 December	1,073	902

8 Investments in leasehold properties at fair value

Additional in investments in leasehold properties

At the Extraordinary General Meeting of Unitholders of the Trust held on 22 November 2019, had significant resolution as below:

- To approve of an additional investments in 5 projects which are CentralMarina project, CentralPlaza Lampang project, CentralPlaza Surat Thani project, CentralPlaza Ubon Ratchathani project, and CentralPlaza Rama II project (Renewal period) ("Group-1 Assets") from Central Pattana Public Company Limited ("CPN") and/or subsidiaries of CPN with the total investment value of not exceeding Baht 48,560 million and appoint CPN as a Property manager.

2. To approve of an additional investments in 2 projects which are The Ninth Towers office building project and Unilever House office building project (“Group-2 Assets”) from GLAND Office Leasehold Real Estate Investment Trust (“GLANDRT”) with the total investment value of not exceeding Baht 7,430 million and appoint Grand Canal Land Public Company Limited (“GLAND”) and Sterling Equity Company Limited (“Sterling”) as a Property managers.
3. To approve an amendment of the Property Manager Appointment Agreement for the assets currently invested in by the Trust, which are CentralPlaza Rama II project, CentralPlaza Rama III Project, Central Plaza Pinklao project, CentralPlaza Chiangmai Airport project, Central Festival Pattaya Beach project.
4. To approve of the loan transactions which is not exceeding Baht 13,500 million and to approve of the entering into the transaction that has conflict of the interest of the Trust due to a part of source of funds may be from The Siam Commercial Bank Public Company Limited who is a major shareholder of SCB Asset Management Company Limited, the Trustee of the Trust.
5. To approve the capital increase for invest in Group-1 Assets (excluding payment of rental fees for CentralPlaza Rama II project (Renewal period)) and/or Group-2 Assets and/or for other specific proposes which are not exceeding 770 million units by allocate the additional Trust units as the following
 - Not less than 75 percent of the total additional Trust units at this time to the exiting unitholders of the Trust pursuant to the names specified in the unitholder registration book in accordance with the proportion of unitholding.
 - Not less than 25 percent of the total additional Trust units at this time to the exiting unitholders of GLANDRT pursuant to the names specified in the unitholder registration book in accordance with the proportion of unitholding.
 - Remaining after the allocation to private placement and/or public offering.
6. To approve the capital increase for payment of rental fees for CentralPlaza Rama II project (Renewal period) by issuance and offer for sale of the additional trust units in year 2025 for not exceeding 630 million units by allocate the additional Trust units as the following
 - Not less than 50 percent of the total additional Trust units at this time to the exiting unitholders of the Trust pursuant to the names specified in the unitholder registration book in accordance with the proportion of unitholding.
 - Remaining after the allocation to private placement and/or public offering.
7. To approve the issuance and offer for sale of debentures, totalling not exceeding Baht 13,500 million.
8. To approve the amendment of the Trust established agreement as the following
 - To revise details of Group-1 Assets and Group-2 Assets which invested by the Trust in timely basis subject to the asset completion.
 - To revised fee and expense for in accordance with the management of Group-1 Assets and Group-2 Assets.

On 21 February 2020, the REIT manager had notification of subscription ratio and indicative offering price range for capital increase of the Trust units to the Stock Exchange of Thailand which summary as follows:

1. The offering ratio of the additional trust units to be offered to public investors who are existing eligible unitholders of the Trust whose names appeared on the book closure date on 27 February 2020 is at 4.4319 existing trust units of the Trust per one additional trust unit.
2. The offering ratio of the additional trust units to be offered to public investors who are existing eligible unitholders of GLANDRT whose names appeared on the book closure date on 27 February 2020 is at 3.0034 existing trust units of GLANDRT per one additional units.
3. The indicative offering price range is between Baht 32.00 per unit to Baht 33.00 per unit.

As at 1 and 2 March 2020, the Trust was invested in The Ninth Towers office building project and Unilever House office building project, respectively. The Trust was registered and transferred leasehold right for two projects from GLANDRT on 2 March 2020. The details were as follows;

The Ninth Towers office building project

- Leasehold right on office building and parking spaces
- Leasehold right on utility system
- Purchasing of furniture, fixtures, and equipment
- Remaining lease period 27 years ending 18 April 2047

Unilever House office building project

- Leasehold right on office building and parking spaces
- Leasehold right on utility system
- Remaining lease period 14 years ending 14 November 2034

The Trust was repayment on the additional assets' investment totalling Baht 7,780 million which dividend into The Ninth Towers office building project totalling Baht 5,847 million and Unilever House office building project totalling Baht 1,583 million and repayment on registration fee, value added tax, stamp duty, and related acquisition costs totalling Baht 350 million, recorded in investments in leasehold properties.

In March 2020, the REIT manger postponed issue and offer the additional Trust unit including postponed additional investments in CentralMarina project, CentralPlaza Lampang project, CentralPlaza Surat Thani project and CentralPlaza Ubon Ratchathani project. For CentralPlaza Rama II project (Renewal period) is still previously the schedule.

	<i>Note</i>	2020	2019
		<i>(in million Baht)</i>	
At 1 January		44,472	44,750
Acquisitions		2	4
Addition on properties improvement		431	164
Increase in the change of accounting policies	3	34	-
Additional investments in leasehold properties		7,780	-
Rights-of-use assets		16,787	-
Disposals		(1)	-
Net loss on investment		(12)	(9)
Loss on changes in fair value of investments		(1,223)	(437)
At 31 December		68,270	44,472

<i>Year ended 31 December</i>	2020	2019
	<i>(in million Baht)</i>	
Amounts recognised in profit or loss		
Rental income	3,756	4,725
Repair and maintenance expense:		
Property that generated rental income	124	122

The fair value of investments in leasehold properties were determined by independent professional valuers, at discounted cash flow using risk-adjusted discount rates, according to the independent professional valuers' report. The fair value of investment properties have been categorised as a Level 3 fair value.

Project	Gain (loss) from revaluation of investments in leasehold properties For the year ended 31 December	
	2020	2019
	<i>(in million Baht)</i>	
CentralPlaza Rama II	802	(627)
CentralPlaza Rama III	417	648
CentralPlaza Pinklao	(999)	(485)
CentralPlaza Chiangmai Airport	(386)	(8)
Central Festival Pattaya Beach	(149)	(5)
Hilton Pattaya Hotel	(173)	40
The Ninth Towers office building	(409)	-
Unilever House office building	(326)	-
Total	(1,223)	(437)

The following table represented the valuation technique which used to evaluate the fair value of investments in leasehold properties and significant unobservable inputs.

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
<p>Discounted cash flows; The valuation model considers the present value of net cash flows to be generated from the properties, taking into account the increasing in average rental growth rate, occupancy rate and growth rate. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location, tenant credit quality and lease terms.</p>	<p>Average occupancy rate</p> <ul style="list-style-type: none"> - Shopping center: 88% - 99% (2019: 97% - 99%) - Office building: 85% - 100% (2019: 89%) - Hotel: 50% (2019: 70%) <p>Average rental rate</p> <ul style="list-style-type: none"> - Shopping center: 1,000 - 2,000 Baht per square meters (2019: 1,000 - 2,000 Baht per square meters) - Office building: 500 - 800 Baht per square meters (2019: 500 Baht per square meters) <p>Average room rate</p> <ul style="list-style-type: none"> - Hotel: 6,700 Baht per square meters (2019: 6,500 Baht per square meters) <p>Discounted interest rate</p> <ul style="list-style-type: none"> - Shopping center: 9% - 11% (2019: 9.5% - 11%) - Office building: 9% - 11% (2019: 11%) - Hotel: 9.5% (2019: 9.5%) 	<p>The estimated fair value increase (decrease) if:</p> <ul style="list-style-type: none"> - Occupancy rate were higher (lower); - Average rental rate were higher (lower); - Discount interest rate were lower (higher).

Leases

As a lessee

The Trust leased water treatment system with Central Pattana Rama 2 Company Limited, a subsidiary of Central Pattana Public Company Limited. The lease agreement is part of shopping center building lease agreement with CentralPlaza Rama II with ending 15 August 2025.

On 31 March 2020, the Trust registered the leasehold rights in CentralPlaza Rama II (Renewal period) project under conditions as specified in the sublease agreement with Central Pattana Rama 2 Company Limited. The lease agreement period of 30 years from 16 August 2025 to 15 August 2055. The Trust will payment the rental throughout the lease agreement period totalling Baht 25,394 million in 2025. The Trust guaranteed for rental payment to Central Pattana Rama 2 Company Limited of Baht 1,800 million within the period that specified in the contract. Lease agreement can renew according to the agreed conditions by written notice at least 12 months before ending the lease period. The asset details have as follows:

- Leasing building and structures of CentralPlaza Rama II, including the shopping center and the indoor parking area
- Leasing the system relevant to the building and structures of CentralPlaza Rama II

Extension options

Some property leases contain extension options exercisable by the Trust up to one year before the end of the non-cancellable contract period. Where practicable, the Trust seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Trust and not by the lessors. The Trust assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Trust reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

For the year ended 31 December

	2020	2019
	<i>(in million Baht)</i>	
Amounts recognised in profit or loss		
Interest on lease liabilities	1,121	-
Lease expense	-	10

In 2020, total cash outflow for leases of the Trust was Baht 6 million.

As a lessor

The leases of investment properties comprise a number of commercial properties that are leased to third parties under operating leases. Each of the leases contains an initial non-cancellable period of 3 years. Subsequent renewals are negotiated with the lessee. For all investment property leases, the rental income is fixed and variable under the contracts.

On 29 November 2017, the Trust (“the Sublessor”) entered into Hilton Pattaya Hotel building sublease agreement, system sublease agreement and movable assets lease agreement with CPN Pattaya Hotel Company Limited (“the Sublessee”), a subsidiary of Central Pattana Public Company Limited, for using in the operation of hotel business for a period of 1 month ending in 31 December 2017. Counterparties can renew the agreements for 3 times at 3 years each ending in December 2026. Under the conditions of the agreement, the Sublessee had to pay the annual rental throughout the lease agreement period. Subsequently on 23 December 2020, counterparties considered to revise fixed rental for the year 2021 - 2026 result in the Sublessee had to pay fixed rental totalling Baht 2,233 million and variable rental which is calculated from profit before tax deducting reserve for furniture, fixtures and equipment of the hotel.

10 Borrowings

	2020	2019
	<i>(in million Baht)</i>	
Borrowings from financial institutions - Group 1 - unsecured	6,985	-
Borrowings from financial institutions - Group 2 - unsecured	1,539	-
Total	8,524	-

Loan agreements	Amount		Term of payment
	Utilised- net <i>(in million Baht)</i>	Interest rate <i>(% per annum)</i>	
<i>Borrowings from financial institutions - Group 1</i>			
Credit facility A	6,985	Agreed rate in the agreement	- Repayment of principal commencing from March 2021 and every 6 months - Repayment of interest every quarterly commencing from June 2020
<i>Borrowings from financial institutions - Group 2</i>			
Credit facility A1	1,000	Agreed rate in the agreement	- Full repayment of principal when due within March 2021 - Repayment of interest every quarterly commencing from June 2020
Credit facility A3	389	BIBOR plus agreed rate in the agreement	- Repayment of principal commencing within March 2021 and every 6 months - Repayment of interest every quarterly commencing from June 2020
Credit facility B	150	BIBOR plus agreed rate in the agreement	- Full repayment of principal when due within December 2021 - Repayment of interest every quarterly commencing from March 2021
Total	8,524		

At 31 December 2020, borrowings from financial institutions had the effective interest rate at 1.45 - 1.83 % per annum.

Movement of borrowings for the year period ended 31 December were as follows:

	2020	2019
	<i>(in million Baht)</i>	
Beginning of the period	-	4,469
<i>Less</i> Payment of front-end fee	(9)	-
<i>Add</i> Amortised front-end fee	2	10
<i>Add</i> Additional borrowings	8,531	726
<i>Less</i> Proceed from borrowings	-	(5,205)
End of the period	8,524	-

During 2020, the Trust had utilised loan in accordance with loan agreements with financial institutions Group 1 and Group 2 amounting to Baht 6,991.50 million and Baht 1,539 million, respectively.

At 31 December 2020, the Trust has unutilised credit facilities amounting to Baht 6,231 million. The loan agreements determined that such additional investments, for repayment of renovation assets, for working capital for business operation, and repayment of borrowing.

The periods to maturity of borrowings, at 31 December were as follows:

	2020	2019
	<i>(in million Baht)</i>	
Within one year	5,490	-
After one year but within five years	1,078	-
Over five years	1,956	-
Total	8,524	-

11 Debentures

	Interest rate <i>(% per annum)</i>	Maturity date	2020	2019
			<i>(in million Baht)</i>	
Debentures - Series 1 / 2018 - unsecured	2.70	17 August 2021	2,645	2,649
Debentures - Series 2 / 2018 - unsecured	3.80	17 August 2028	7,379	7,383
Debentures - Series 1 / 2019 - unsecured	2.54	8 February 2021	2,695	2,698
Debentures - Series 2 / 2019 - unsecured	3.30	8 February 2023	1,792	1,794
Total			14,511	14,524

The debentures had latest credit rating of “AA” rated by TRIS Rating Company Limited on 22 July 2020.

The debentures were registered with the Thai Bond Market Association on 17 August 2018 and 8 February 2019, respectively.

Movement of debentures for year ended 31 December, were as follows:

	2020	2019
	<i>(in million Baht)</i>	
Beginning of the period	14,524	10,030
Add Issue of debentures	-	4,495
Less Repayment of underwriting fee	(17)	(4)
	14,507	14,521
Add Payment of underwriting fee	4	3
End of the period	14,511	14,524

The periods to maturity of debentures, at 31 December were as follows:

	2020	2019
	<i>(in million Baht)</i>	
Within one year	5,349	-
After one year but within five years	1,794	7,141
After five years	7,385	7,383
Total	14,528	14,524

12 Expenses

(a) *Management fee*

The REIT manager will receive a monthly management fee from the Trust at the rate not exceeding 1% per annum of total assets value (excluding value added tax, specific business tax or any other similar tax), but not less than Baht 15 million per year. Such fee had increasing rate of 3% per year.

(b) *Trustee fee*

The Trustee of the Trust will receive a monthly trustee fee from the Trust at a rate not exceeding 1% per annum of total asset value (excluding value added tax, specific business tax or any other similar tax), but not less than Baht 20 million per year.

(c) *Registrar fee*

The registrar fee is calculated monthly at a rate of 0.023% per annum of the Trust's registered capital, but not exceeding Baht 5 million per year.

(d) *Property management fee*

The Property manager will receive remuneration for acting as the Property manager from the Trust, which shall be payable monthly according to the Property Management Appointment Agreement between the Trust and the Property manager which are summarised as follows:

1. Fee for rental and service collection on behalf of the Trust at the rate not exceeding 4% of net rental and service income of the Trust.
2. Commission for procuring tenants and management of all tenants of the Trust upon entering into lease agreements with new tenants or renewal of lease agreements is calculated from the monthly rental rate of each tenant at the rates not exceeding 0.5 - 1.5 months and not exceeding 3% of the fee for leasehold right received in advance from the tenants, depending on the type and period of lease agreements.
3. Property management fee at the rate not exceeding 0.28% per annum of investment properties value from net asset value report of the Trust that was certified by trustee in each month which was calculated at the last working day of each month. The fee is excluding the value of investment property of hotel and CentralPlaza Rama II project (Renewal period).
4. Incentive fee at the rate not exceeding 3% of net properties income. Net properties income means total revenue that the Trust derived from properties deducting with total costs and expenses incurred from procuring benefits from the properties.
5. Fee for purchase and sale of properties of the Trust at the rate not exceeding 1.5% of the properties' value that the Trust additionally invested and at the rate not exceeding 0.75% of the properties' sales value from the Trust.
6. Fees for the supervision of improvements and/or development of the Trust's properties at the rate not exceeding 2% of the total costs of improvement and/or development of properties of the Trust. Such costs of improvement and/or development including the costs of the purchase of areas to be improved and/or developed back from the existing tenants, but excluding the designing fee, advisor fee, or other professional fees.

13 Related parties

Relationships with related parties were as follows:

Name of Entities	Country of Incorporation/ Nationality	Nature of Relationship	Nature of Transactions
Central Pattana Public Company Limited	Thailand	- Major unitholder holding 26.69% of Trust units issued and paid-up (2019: 26.69%) - Property manager	- Rental and service agreement - Receive property management fee from the Trust
CPN REIT Management Company Limited	Thailand	- REIT manager - Central Pattaya Public Company Limited's subsidiary	- Rental and service agreement - Receive management fee from the Trust
SCB Asset Management Company Limited	Thailand	- Trustee of the Trust	- Receive trustee fee from the Trust
The Siam Commercial Bank Public Company Limited	Thailand	- Parent company of SCB Asset Management Company Limited	- Rental and service agreement - Depository service - Receive underwriting fee from the Trust
SCB Securities Company Limited	Thailand	- The Siam Commercial Bank Public Company Limited's subsidiary	- Rental and service agreement
Central Pattana Rama 2 Company Limited	Thailand	- Central Pattana Public Company Limited's subsidiary - Common directors	- Water treatment system rental agreement rendering to the Trust - Rental and service agreement
Central Pattana Rama 3 Company Limited	Thailand	- Central Pattana Public Company Limited's subsidiary - Common directors	- Rental and service agreement
Central Pattana Chiangmai Company Limited	Thailand	- Central Pattana Public Company Limited's subsidiary - Common directors	- Rental and service agreement

Name of Entities	Country of Incorporation/ Nationality	Nature of Relationship	Nature of Transactions
CPN Pattaya Company Limited	Thailand	<ul style="list-style-type: none"> - Central Pattana Public Company Limited's subsidiary - Common directors 	<ul style="list-style-type: none"> - Rental and service agreement - Lessor of assets which the Trust additionally invested
CPN Pattaya Hotel Company Limited	Thailand	<ul style="list-style-type: none"> - Central Pattana Public Company Limited's subsidiary - Common directors 	<ul style="list-style-type: none"> - Sublease agreement over building and utility systems, and lease agreement over movable assets with the Trust
Grand Canal Land Public Company Limited	Thailand	<ul style="list-style-type: none"> - Property manager - Central Pattana Public Company Limited's subsidiary - Common directors 	<ul style="list-style-type: none"> - Receive property management fee from the Trust - Rental and service agreement
Sterling Equity Company Limited	Thailand	<ul style="list-style-type: none"> - Property manager - Central Pattana Public Company Limited's subsidiary - Common directors 	<ul style="list-style-type: none"> - Receive property management fee from the Trust
GLAND Office Leasehold Real Estate Investment Trust <i>(Under liquidation process)</i>	Thailand	<ul style="list-style-type: none"> - Central Pattana Public Company Limited's associate 	<ul style="list-style-type: none"> - Transferor of investments in leasehold properties
Central Group of Companies	Thailand	<ul style="list-style-type: none"> - Common directors, common management or common control with Central Pattana Public Company Limited 	<ul style="list-style-type: none"> - Rental and service agreement

During the period, the Trust has significant transactions with management company and other entities with common shareholders and/or common directors with the management company and trust manager and the Trust. The significant transactions for the year ended 31 December are as follows:

	2020	2019	
	<i>(in thousand Baht)</i>		
<i>Income</i>			
Rental and service income			
Central Pattana Public Company Limited and its subsidiaries	309,871	456,431	
The Siam Commercial Bank Public Company Limited and its subsidiaries	51,025	55,017	Market prices which are subject to location, lease space, lease from, lease period and type of lease
Grand Canal Land Public Company Limited	3,326	-	
Central Group of Companies	387,356	615,155	
Total	751,578	1,126,603	
Interest income			
The Siam Commercial Bank Public Company Limited	565	1,318	As mutually agreed rate
Other income			
Central Pattana Public Company Limited and its subsidiaries	735	-	The rate being charged by other parties in the business
Central Group of Companies	117	253	
Total	852	253	
<i>Expenses</i>			
Management fee			
CPN REIT Management Company Limited	150,348	134,656	As mutually agreed prices in contract
Trustee fee			
SCB Asset Management Company Limited	40,930	36,725	As mutually agreed prices in contract
Property management fee			
Central Pattana Public Company Limited	376,822	471,722	As mutually agreed prices in contract
Grand Canal Land Public Company Limited	18,733	-	
Sterling Equity Company Limited	9,225	-	
Total	404,780	471,722	
Cost of rental and services			
Central Pattana Public Company Limited and its subsidiaries	17,149	12,441	Market price
Grand Canal Land Public Company Limited	46,321	-	
Sterling Equity Company Limited	8,503	-	
Central Group of Companies	3,046	3,589	
Total	75,019	16,030	

	2020	2019	Pricing policies
	<i>(in thousand Baht)</i>		
Other expenses			
Central Pattana Public Company Limited and its subsidiaries	11,257	14,502	
Central Group of Companies	420	1,937	As mutually agreed prices in contract
Total	11,677	16,439	
Finance costs			
The Siam Commercial Bank Public Company Limited	503	2,368	As mutually agreed prices in contract

Balances as at 31 December with related parties were as follows:

	2020	2019
	<i>(in thousand Baht)</i>	
<i>Investments in leasehold properties</i>		
GLAND office Leasehold Real Estate Investment Trust <i>(Under liquidation process)</i>	7,051,000	-
<i>Cash equivalents</i>		
The Siam Commercial Bank Public Company Limited	580,840	88,466
<i>Rental and service income receivables</i>		
Central Pattana Public Company Limited and its subsidiaries	222,286	87,547
The Siam Commercial Bank Public Company Limited	5,917	74
Grand Canal Land Public Company Limited	443	-
Sterling Equity Company Limited	336	-
Central Group of Companies	73,124	37,936
Total	302,106	125,557
<i>Trade accounts payable</i>		
Central Pattana Public Company Limited and its subsidiaries	108,715	107,331
CPN REIT Management Company Limited	26,116	23,159
Grand Canal Land Public Company Limited	10,455	-
Sterling Equity Company Limited	3,899	-
Central Group of Companies	110	563
Total	149,295	131,053
<i>Other accounts payable</i>		
SCB Asset Management Company Limited	7,091	6,316
Central Pattana Public Company Limited and its subsidiaries	274	11
The Siam Commercial Bank Public Company Limited	130	62
Central Group of Companies	7,334	5,716
Total	14,829	12,105
<i>Deposits received from tenants</i>		
The Siam Commercial Bank Public Company Limited	26,866	26,866
Central Pattana Public Company Limited and its subsidiaries	18,456	18,263
Grand Canal Land Public Company Limited	3,049	-
Central Group of Companies	138,517	151,280
Total	186,888	196,409

	2020	2019
	<i>(in thousand Baht)</i>	
<i>Lease liabilities</i>		
Central Pattana Rama 2 Company Limited	<u>17,727,116</u>	<u>-</u>
<i>Other liabilities</i>		
Central Pattana Public Company Limited and its subsidiaries	6,262	1,261
The Siam Commercial Bank Public Company Limited and its subsidiaries	1,910	1,924
Grand Canal Land Public Company Limited	77	-
Sterling Equity Company Limited	29	-
Central Group of Companies	<u>17,656</u>	<u>14,137</u>
Total	<u>25,934</u>	<u>17,322</u>

14 Unitholders' equity and Retained earnings

On 29 November 2017, CPN REIT Management Company Limited, as a Trust settlor and REIT manager, established CPN Retail Growth Leasehold REIT from the conversion of CPN Retail Growth Leasehold Property Fund ("the Fund"). The Trust had registered capital of Baht 28,653.38 million consisting of 2,212,476,700 trust units at the par value of Baht 13.4028 per unit. The REIT manager had registered such unit trusts to the Stock Exchange of Thailand on 14 December 2017.

On 1 December 2017, the Trust received the transfer of assets, liabilities and obligations of the Fund which was in accordance with the Rights and Duties Transferred Agreement between the Fund and the Trust dated 29 November 2017 and the Trust gave compensation as unit trusts of the Trust to the Fund totalling 2,212,476,700 units at 13.5004 Baht per unit, totalling Baht 29,869.47 million. Subsequently, on 4 December 2017, the Fund had transferred such unit trusts to the unitholders of the Fund at a ratio of 1:1 resulting in the unitholders of the Fund became the unitholders of the Trust and the Trust had recognised the share premium of investment units totalling Baht 216.09 million in the capital surplus account.

At the Board of Directors' Meeting of the REIT manager held on 23 February 2018, the Board of Director approved the capital reduction of the Trust by reducing the value of the unit trusts of Baht 0.2879 per unit, amounting to Baht 636.97 million which had paid the repayment from capital reduction to the unitholders in March 2018. And the Board of Directors' Meeting of the REIT manager held on 10 November 2020, the Board of Director approved the capital reduction of the Trust by reducing the value of the unit trusts of Baht 0.2100 per unit, amounting to Baht 464.62 million which had paid the repayment from capital reduction to the unitholders in December 2020. The capital reduction was in accordance with the Trust established agreement.

	2020			2019		
	Par value (in Baht)	Number (in million units/ million Baht)	Amount	Par value (in Baht)	Number (in million units/ million Baht)	Amount
Trust registered capital and capital received from unitholders						
unit trusts at beginning of the year	13.1149	2,212	29,016	13.1149	2,212	29,016
Less Capital reduction of the Trust	(0.2100)	2,212	(464)	-	-	-
Unit trusts at the end of the year		2,212	28,552		2,212	29,016

Movement of retained earnings (deficit) for the year ended 31 December was as follows:

	2020	2019
	<i>(in million Baht)</i>	
At 1 January	469	763
Net profit on investments	1,537	3,756
Net loss on investments	(10)	(1)
Loss on changes in fair value of investments	(1,223)	(436)
Distributions to unitholders	(1,497)	(3,613)
At 31 December	(724)	469

15 Distributions to unitholders

The Trust has the distributed dividends to unitholders as below;

1. The REIT manager shall pay distribution to the unitholders of not less than 90% of the adjusted net profit of accounting period which will pay not less than 2 times a year and pay within 90 days from the end of accounting period or accounting period that had paid such distribution as the case may be.

The above adjusted net profit means the profit adjusted by the following items:

- 1) Deduction of unrealised gain from the valuation or review of valuation of assets of the Trust and other adjustments made in accordance with the guidelines of the Office of the Securities and Exchange Commission to be in line with the cash status of the Trust.
- 2) Deduction of reserve for repayments of borrowings or commitment incurred from obtaining borrowings by the Trust, in accordance with the amount specified under the Registration Statement and the Prospectus, or the Annual Report as the case may be.
2. In case where the Trust has accumulated profit in any accounting period, the REIT manager may pay distribution to the unitholders from such accumulated profit.
3. In case where the Trust has incurred accumulated losses, the REIT manager shall not to pay any distribution to the unitholders.

4. In consideration of distribution, if the distribution that will be announced to be paid per unit trust during any accounting year or accounting period is lower than or equivalent to Baht 0.10, the REIT manager reserves the rights not to pay such distribution, and the distribution shall be carried forward to pay on the subsequent period according to the stated distribution procedures.

During the year 2020 and 2019, the Board of Directors' of the REIT manager approved the appropriation of distribution which paid to its unitholders as follows:

Dividend announcement date	For the period	Amount per unit (Baht per unit)	Total amount (in million Baht)
<i>Year 2020</i>			
21 February 2020	1 October 2019 - 31 December 2019	0.4060	898
13 May 2020	1 January 2020 - 31 March 2020	0.2707	599
Total			1,497
<i>Year 2019</i>			
26 February 2019	1 October 2018 - 31 December 2018	0.4163	921
14 May 2019	1 January 2019 - 31 March 2019	0.4055	897
8 August 2019	1 April 2019 - 30 June 2019	0.4055	897
8 November 2019	1 July 2019 - 30 September 2019	0.4060	899
Total			3,614

16 Information on investment purchase and sale transactions

The Trust's purchase and sale transactions during the year ended 31 December 2020, excluding investments in cash at banks, amounted to Baht 11,722 million which was 40.39% of the average net asset values during the period. (2019: Baht 3,474 million which was 11.58% of the average net asset values during the year).

17 Segment information

The Trust's reportable operating segment was only investments in leasehold properties and securities, which operated in only one geographical segment, i.e. Thailand by recognise revenue over the time.

18 Information on fair value level and fair value measurement of investments

The following table shows fair value categorised by measurement approach:

	Level 1	Level 2 (in million Baht)	Level 3	Total
<i>At 31 December 2020</i>				
Investments in leasehold properties at fair value	-	-	68,270	68,270
Investments measured at fair value through profit or losses	-	1,073	-	1,073
<i>At 31 December 2019</i>				
Investments in leasehold properties at fair value	-	-	44,472	44,472
Investments measured at fair value through profit or losses	-	902	-	902

The financial instruments traded in non-active markets and measured at obviously quoted market prices, buying and selling prices offered by traders or optional price references with supporting observable data will be categorised as level 2. These financial instruments comprised worth-investing corporate and government debt instruments.

Investments categorised in level 3 have significant unobservable data as they are not actively traded.

19 Events after the reporting period

At the Board of Directors' Meeting of the REIT manager held on 5 February 2021, the Board of Directors approved the distribution payment in the form of capital reduction to existing unitholders prior to the capital increase for the operation period from 1 October 2020 to 31 December 2020 at the rate of Baht 0.2612 per unit, amounting to Baht 577.90 million which will be repaid from capital reduction to the unitholder in March 2021. The capital reduction is in accordance with the Trust established agreement.

On 5 February 2021, the Trust had borrowed loan from a financial institution in short-term loan credit facility of Baht 2,700 million for repayment of borrowing that will be matured in February 2021.

The Trust invested in additional assets' investment according to the approval from Extraordinary General Meeting No 1/2019 by issuance and offering of the additional trust units in totaling not exceeding 355,557,300 units and offering final price Baht 18.50 per unit. The additional trust units will be offered to the existing unitholders of the CPNREIT and GLANDRT during 8 - 10 February 2021 and offered to the public investors on 11 and 15 - 16 February 2021 in order to invest in CentralMarina project and CentralPlaza Lampang project and to repayment borrowing that invested in The Ninth Towers office building project and Unilever House office building project.

Impact of COVID-19

The COVID-19 pandemic continued subsequent to the expiration of the guidance as increasingly affected cases were found and spread all over Thailand. In response to the situation, Thailand has enacted measures to monitor and control the spread, encouraging people to keep social distancing, avoid crowded gathering and travel less. Meanwhile, according to information from the World Health Organization (WHO), vaccines for COVID-19 have become available and are being rolled out around the world. However, it is still not possible to predict for how long and to what extent the vaccines will provide protection and when the spread will be over.

As the situation is highly uncertain and fluid, it is currently not possible to determine the impact of the continued pandemic, government measures and roll out of the vaccination on the business of the Trust. Management is closely monitoring the situation and managing to lessen the impact as much as possible.

20 Reclassification of accounts

Certain accounts in the statement of financial position for the year 2019 have been reclassified to conform to the presentation in the interim financial statements for the year ended 31 December 2020. Other significant reclassifications were as follows:

	Before reclassification	2019 Reclassification (in million Baht)	After reclassification
<i>Statement of financial position</i>			
Accrued rental and service receivables	144	60	204
Accrue interest	4	(4)	-
Prepaid expenses	-	26	26
Other assets	263	(82)	181
		<u>-</u>	

The reclassifications have been made because, in the opinion of the REIT manager, the new classification is more appropriate to the Trust's business.



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