

# **CPN Retail Growth Leasehold REIT**

Interim financial statements  
for the three-month period ended  
31 March 2019

and

Independent auditor's report on review of interim financial  
information

## **Independent Auditor's Report on Review of Interim Financial Information**

### **To the Unitholders of CPN Retail Growth Leasehold REIT**

I have reviewed the accompanying balance sheet and details of investments as at 31 March 2019, the statements of income, changes in net assets, cash flows and the significant financial information for the three-month period ended 31 March 2019 and condensed notes ("interim financial information") of CPN Retail Growth Leasehold REIT. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

#### *Scope of Review*

I conducted my review in accordance with Thai Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

#### *Conclusion*

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting".

(Vannaporn Jongperadechanon)  
Certified Public Accountant  
Registration No. 4098

KPMG Phoomchai Audit Ltd.  
Bangkok  
14 May 2019

# CPN Retail Growth Leasehold REIT

## Balance sheet

		31 March	31 December
	<i>Note</i>	2019	2018
		(Unaudited)	
		<i>(in thousand Baht)</i>	
<b>Assets</b>			
Investments in leasehold properties at fair value (at cost of Baht 45,143.02 million as at 31 March 2019 and Baht 45,113.03 million as at 31 December 2018)	4	44,750,000	44,750,000
Investments in securities at fair value (at cost of Baht 990 million as at 31 March 2019 and 31 December 2018)		1,002,460	999,424
Cash at banks	3, 5	423,463	341,666
Rental and service receivables	3, 6	153,409	130,918
Accrued interest income	3	259	11
Refundable value added tax		392,805	392,805
Other assets		201,199	234,959
<b>Total assets</b>		<b>46,923,595</b>	<b>46,849,783</b>
<b>Liabilities</b>			
Trade accounts payable	3	198,702	139,294
Other accounts payable	3	31,298	32,157
Withholding tax payable		75,677	76,016
Deposits received in advance	3	1,545,028	1,543,591
Accrued expenses	3	216,535	280,877
Unearned lease and service income		103,984	52,952
Borrowings	3, 7	-	4,468,697
Debentures	8	14,521,438	10,030,361
Other liabilities	3	223,605	230,627
<b>Total liabilities</b>		<b>16,916,267</b>	<b>16,854,572</b>
<b>Net assets</b>		<b>30,007,328</b>	<b>29,995,211</b>

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

# CPN Retail Growth Leasehold REIT

## Balance sheet

		31 March	31 December
	<i>Note</i>	2019	2018
		(Unaudited)	
		<i>(in thousand Baht)</i>	
<b><i>Net assets</i></b>			
Trust registered capital		<u>29,016,411</u>	<u>29,016,411</u>
Capital received from unitholders	9	29,016,411	29,016,411
Equalisation account	9	216,093	216,093
Retained earnings	9	<u>774,824</u>	<u>762,707</u>
<b>Net assets</b>		<b><u>30,007,328</u></b>	<b><u>29,995,211</u></b>
Net assets value per unit <i>(in Baht)</i>		13.5627	13.5573
Number of unit trusts issued at the end of period / year <i>(Units)</i>		2,212,476,700	2,212,476,700

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

## CPN Retail Growth Leasehold REIT

### Details of investments

Type of investments	Areas held by the Trust  <i>(Rai-Ngan-Sq. Wah)</i>	31 March 2019 (Unaudited)			31 December 2018		
		Cost	Fair value	Percentage of investments	Cost	Fair value	Percentage of investments
		<i>(in thousand Baht)</i>			<i>(in thousand Baht)</i>		
<b>Investments in leasehold properties</b> <i>(Note 4)</i>							
Leasehold and subleasehold rights on land including shopping center buildings and utility systems and hotel under 6 projects							
1. CentralPlaza Rama II project							
<u>Location</u> Rama II Road, Bangkhuntien, Bangkok							
Subleasehold right on land, leasehold right on shopping center building including parking building, utility systems, furniture, fixtures and equipment							
	53-2-38.4	7,186,000			7,186,000		
Related acquisition costs for leasehold right		136			136		
Leasehold improvements		75,744			62,510		
		<b>7,261,880</b>	<b>6,962,000</b>	<b>15.22</b>	<b>7,248,646</b>	<b>6,962,000</b>	<b>15.22</b>
2. CentralPlaza Rama III project							
<u>Location</u> Ratchadapisek Road, Yannawa, Bangkok							
Leasehold right on land, leasehold right on shopping center building including parking spaces, utility systems, furniture, fixtures and equipment							
	12-2-44.6	9,179,000			9,179,000		
Related acquisition costs for leasehold right		249			249		
Leasehold improvements		412,938			400,306		
		<b>9,592,187</b>	<b>10,698,000</b>	<b>23.38</b>	<b>9,579,555</b>	<b>10,698,000</b>	<b>23.38</b>

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

## CPN Retail Growth Leasehold REIT

### Details of investments

Type of investments	Areas held by the Trust <i>(Rai-Ngan-Sq. Wah)</i>	31 March 2019 (Unaudited)			31 December 2018		
		Cost	Fair value	Percentage of investments	Cost	Fair value	Percentage of investments
		<i>(in thousand Baht)</i>			<i>(in thousand Baht)</i>		
3. CentralPlaza Pinklao project							
<u>Location</u> Boromratchachonnancee 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			5,542,995		
Related acquisition costs for leasehold right		112			112		
Leasehold improvements		74,124			73,290		
		<u>5,617,231</u>	<u>5,678,000</u>	<u>12.41</u>	<u>5,616,397</u>	<u>5,678,000</u>	<u>12.41</u>
4. CentralPlaza Chiangmai Airport project							
<u>Location</u> 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			10,494,000		
Related acquisition costs for leasehold right		153			153		
Leasehold improvements		18,267			14,985		
		<u>10,512,420</u>	<u>10,658,000</u>	<u>23.30</u>	<u>10,509,138</u>	<u>10,658,000</u>	<u>23.30</u>

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

## CPN Retail Growth Leasehold REIT

### Details of investments

Type of investments	31 March 2019 (Unaudited)			31 December 2018		
	Cost	Fair value	Percentage of investments	Cost	Fair value	Percentage of investments
	<i>(in thousand Baht)</i>			<i>(in thousand Baht)</i>		
5. CentralFestival Pattaya Beach project						
<u>Location</u> Pattaya 1 road, Nong Prue,						
Bang La Mung, Chonburi						
Leasehold right on shopping center building						
including parking spaces	4,892,300			4,892,300		
Leasehold right on utility systems	3,246,533			3,246,533		
Related acquisition costs for leasehold right	176,123			176,123		
Furniture, fixtures and equipment	15,525			15,525		
Leasehold improvements	1,817			1,817		
	<u>8,332,298</u>	<u>7,289,000</u>	<u>15.93</u>	<u>8,332,298</u>	<u>7,289,000</u>	<u>15.93</u>
6. Hilton Pattaya Hotel project						
<u>Location</u> Pattaya 1 road, Nong Prue,						
Bang La Mung, Chonburi						
Leasehold right on hotel building						
including parking building	1,501,667			1,501,667		
Leasehold right on utility systems	2,192,501			2,192,501		
Related acquisition costs for leasehold right	72,831			72,831		
Furniture, fixtures and equipment	60,000			60,000		
	<u>3,826,999</u>	<u>3,465,000</u>	<u>7.57</u>	<u>3,826,999</u>	<u>3,465,000</u>	<u>7.57</u>
<b>Total investments in leasehold properties</b>	<u>45,143,015</u>	<u>44,750,000</u>	<u>97.81</u>	<u>45,113,033</u>	<u>44,750,000</u>	<u>97.81</u>

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

## CPN Retail Growth Leasehold REIT

### Details of investments

	31 March 2019 (Unaudited)			31 December 2018		
	Face value	Fair value	Percentage	Face value	Fair value	Percentage
	(in thousand Baht)		of investments	(in thousand Baht)		of investments
<i>Investments in securities</i>						
<i>Unit Trust</i>						
TMB Treasury Money Fund	990,000	1,002,460		990,000	999,424	
<b>Total investments in securities</b>	<b>990,000</b>	<b>1,002,460</b>	<b>2.19</b>	<b>990,000</b>	<b>999,424</b>	<b>2.19</b>
<b>Total investments</b>	<b>46,133,015</b>	<b>45,752,460</b>	<b>100.00</b>	<b>46,103,033</b>	<b>45,749,424</b>	<b>100.00</b>

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



# CPN Retail Growth Leasehold REIT

## Statement of income (Unaudited)

		Three-month period ended	
		31 March	
	Note	2019	2018
<i>(in thousand Baht)</i>			
<b><i>Investment income</i></b>			
Rental and service income	3	1,229,789	1,150,109
Interest income	3	659	924
Other income	3	82,357	33,374
<b>Total income</b>		<b>1,312,805</b>	<b>1,184,407</b>
<b><i>Expenses</i></b>			
Costs of rental and services	3	31,162	31,132
Management fee	3, 11	33,046	32,841
Trustee fee	3, 11	9,013	8,359
Registrar fee	11	2,195	1,276
Property management fee	3, 11	123,466	136,614
Professional fee		190	193
Administrative expenses	3	23,815	29,822
Finance costs	3	129,743	87,297
<b>Total expenses</b>		<b>352,630</b>	<b>327,534</b>
<b>Net investment income</b>		<b>960,175</b>	<b>856,873</b>
<b><i>Net gain (losses) from investments</i></b>			
Net realised losses from investments		(58)	(1,645)
Net unrealised gain (losses) from			
investments in leasehold properties	4	(29,982)	(26,579)
investments in securities		3,036	2,156
<b>Total net losses from investments</b>		<b>(27,004)</b>	<b>(26,068)</b>
<b>Net increase in net assets from operations</b>		<b>933,171</b>	<b>830,805</b>

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

**CPN Retail Growth Leasehold REIT**  
**Statement of changes in net assets (Unaudited)**

		Three-month period ended	
		31 March	
	Note	2019	2018
<i>(in thousand Baht)</i>			
<b><i>Increase (decrease) in net assets from operations during the period</i></b>			
Net investment income		960,175	856,873
Net realised losses from investments		(58)	(1,645)
Net unrealised gain (losses) from			
investments in leasehold properties	4	(29,982)	(26,579)
investments in securities		3,036	2,156
<b>Net increase in net assets from operations</b>		<b>933,171</b>	<b>830,805</b>
<i>Less</i> The reduction of paid-in capital distributed to unitholders	9	-	(636,972)
<i>Less</i> Distribution to unitholders	10	(921,054)	-
<b>Net increase in net assets during the period</b>		<b>12,117</b>	<b>193,833</b>
Net assets as at beginning of period		29,995,211	29,462,148
<b>Net assets at the end of period</b>		<b>30,007,328</b>	<b>29,655,981</b>

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

# CPN Retail Growth Leasehold REIT

## Statement of cash flows (Unaudited)

		Three-month period ended	
		31 March	
	<i>Note</i>	2019	2018
		<i>(in thousand Baht)</i>	
<b><i>Cash flows from operating activities</i></b>			
Net increase in net assets from operations		933,171	830,805
<b><i>Adjustments to reconcile net increase (decrease) in net assets from operations to net cash provided by operating activities:</i></b>			
Purchases of investments in leasehold properties		(30,053)	(19,252)
Proceeds from sales of investments in leasehold properties		14	28
(Increase) decrease in rental and service receivables		(22,491)	53,135
Decrease in refundable value added tax		-	392,805
(Increase) decrease in other assets		33,760	(471,078)
Increase in trade accounts payable		59,408	30,319
Decrease in other accounts payable		(859)	(8,776)
Decrease in withholding tax payable		(339)	(596,040)
Increase in deposits received in advance		1,437	36,780
Increase (decrease) in accrued expenses		10,121	(269,523)
Increase in unearned lease and service income		51,032	10,315
Increase (decrease) in other liabilities		(7,022)	13,669
Interest income		(659)	(924)
Interest received		411	640
Finance costs		129,743	87,297
Net realised losses from investments		58	1,645
Net unrealised (gain) losses from			
investments in leasehold properties	4	29,982	26,579
investments in securities		(3,036)	(2,156)
<b>Net cash provided by operating activities</b>		<b>1,184,678</b>	<b>116,268</b>

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

# CPN Retail Growth Leasehold REIT

## Statement of cash flows (Unaudited)

		Three-month period ended	
		31 March	
	<i>Note</i>	2019	2018
		<i>(in thousand Baht)</i>	
<b><i>Cash flows from financing activities</i></b>			
Repayment of borrowings	7	(4,478,477)	-
Proceeds from issue of debentures	8	4,495,000	-
Transaction costs from issue of debentures		(4,593)	-
Interest paid		(193,757)	(49,574)
The reduction of paid-in capital distributed to unitholders	9	-	(636,972)
Distribution to unitholders	10	<u>(921,054)</u>	<u>-</u>
<b>Net cash used in financing activities</b>		<b><u>(1,102,881)</u></b>	<b><u>(686,546)</u></b>
<b>Net increase (decrease) in cash at banks</b>		<b>81,797</b>	<b>(570,278)</b>
Cash at banks at the beginning of period		<u>341,666</u>	<u>1,052,359</u>
<b>Cash at banks at the end of period</b>		<b><u>423,463</u></b>	<b><u>482,081</u></b>

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

**CPN Retail Growth Leasehold REIT**  
**Significant financial information (Unaudited)**

	Three-month period ended 31 March	
	2019	2018
	<i>(in Baht)</i>	
<b><i>Information on operating results (per unit)</i></b>		
Net assets value as at beginning period	13.5573	13.3164
<b><i>Income (losses) from investing activities</i></b>		
Net investment income	0.4340	0.3873
Net realised losses from investments	-	(0.0008)
Net unrealised gain (losses) from		
investments in leasehold properties	(0.0136)	(0.0120)
investments in securities	0.0013	0.0010
Total income from investing activities	0.4217	0.3755
<i>Less</i> The reduction of paid-in capital distributed to unitholders	-	(0.2879)
<i>Less</i> Distribution to unitholders	(0.4163)	-
<b>Net assets value at the end of period</b>	<b>13.5627</b>	<b>13.4040</b>
<b>Ratio of net increase in net assets from operations to average net assets during the period (%)</b>	<b>3.11</b>	<b>2.81</b>
<b>Significant financial ratios and additional significant information</b>		
Net assets at the end of period <i>(in thousand Baht)</i>	30,007,328	29,655,981
Ratio of total expenses to average net assets during the period (%)	1.18	1.11
Ratio of investment income to average net assets during the period (%)	4.38	4.00
Ratio of weighted average investment purchases and sales during the period to average net assets during the period (%) *	0.10	0.07
Average net assets value during the period <i>(in thousand Baht)</i>	30,005,335	29,589,337

\* The value of investment purchases and sales during the period does not include cash at banks and investments in cash at banks, and are calculated by a weighted average basis outstanding during the period.

**CPN Retail Growth Leasehold REIT**  
**Notes to the interim financial statements**  
**For the three-month period ended 31 March 2019 (Unaudited)**

<b>Note</b>	<b>Contents</b>
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**CPN Retail Growth Leasehold REIT**  
**Notes to the interim financial statements**  
**For the three-month period ended 31 March 2019 (Unaudited)**

These notes form an integral part of the interim financial statements.

The interim 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 financial statements, and were approved and authorised for issue by the authorised director of the REIT manager on 14 May 2019.

**1 Description of CPN Retail Growth Leasehold REIT**

CPN Retail Growth Leasehold REIT (“the Trust”) is a real estate investment trust established under the Trust for Transaction in Capital Market Act, B.E.2550 (“the Act”) in accordance with the Trust Deed on 29 November 2017. 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’s objectives are to raise funds and mainly use funds to invest in properties or leasehold properties and seek benefits from such properties. As at 31 March 2019 and 31 December 2018, the Trust has invested in investments in leasehold properties of 6 projects which were CentralPlaza Rama II, CentralPlaza Rama III, CentralPlaza Pinklao, CentralPlaza Chiangmai Airport, CentralFestival Pattaya Beach and Hilton Pattaya Hotel.

On 14 December 2017, the Stock Exchange of Thailand approved the listing of the unit trusts of the Trust and permitted their trading from such date.

As at 31 March 2019, the major unitholder of the Trust was Central Pattana Public Company Limited holding 26.69% of the unit trusts issued and paid-up. (31 December 2018: 26.69%)

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 (“Central Pattana”) acts as the Property manager.

**2 Basis of preparation of the interim financial statements**

**(a) Statement of compliance**

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standards (TAS) No. 34 (revised 2018) *Interim Financial Reporting*; guidelines promulgated by the Federation of Accounting Professions; and applicable rules and regulations of the Thai Securities and Exchange Commission. In addition, the financial statements have been prepared in accordance with TAS No. 106 “Accounting for Investment Companies”.

The interim financial statements are prepared to provide an update on the financial statements for the year ended 31 December 2018. They do not include all of the financial information required for full annual financial statements but focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Trust for the year ended 31 December 2018.

The accounting policies and methods of computation applied in these interim financial statements are consistent with those applied in the financial statements for the year ended 31 December 2018 except that the Trust has adopted all the new and revised TFRS that are effective for annual periods beginning on or after 1 January 2019.

The primary change is that the Trust has initially adopted TFRS 15 *Revenue from Contracts with Customers* (“TFRS 15”), which replaced TAS 18 *Revenue* (“TAS 18”), and related interpretations. This change has no material impacts on the financial statements.

**CPN Retail Growth Leasehold REIT**  
**Notes to the interim financial statements**  
**For the three-month period ended 31 March 2019 (Unaudited)**

For a number of new and revised TFRS which are not yet effective for current period, the Trust has not early adopted these standards in preparing these interim financial statements before the effective date. Those new and revised TFRS that are relevant to the Trust's operations are disclosed in Note 15 to the financial statements.

**(b) Functional and presentation currency**

The interim financial statements are prepared and 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 thousand unless otherwise stated.

**(c) Use of judgements and estimates**

The preparation of interim financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The preparing these interim financial statements, the significant judgement made by management in applying the Trust's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2018.

**Judgements**

The key judgements made in applying accounting policies that have the most significant effect on the amounts recognised in the interim financial statements is included in Note 4 to the financial statements: Investment in leasehold properties.

**3 Related parties**

For the purposes of these financial statements, parties are considered to be related to the Trust if the Trust has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Trust and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with related parties were as follows:

<b>Name of Entities</b>	<b>Country of Incorporation/ Nationality</b>	<b>Nature of Relationship</b>	<b>Nature of Transaction</b>
Central Pattana Public Company Limited	Thailand	<ul style="list-style-type: none"> <li>- Major unitholder holding 26.69% of Trust units issued and paid-up (31 December 2018: 26.69%)</li> <li>- Property manager</li> </ul>	<ul style="list-style-type: none"> <li>- Rental and service agreement</li> <li>- Receive property management fee from the Trust</li> </ul>



**CPN Retail Growth Leasehold REIT**  
**Notes to the interim financial statements**  
**For the three-month period ended 31 March 2019 (Unaudited)**

<b>Name of Entities</b>	<b>Country of Incorporation/ Nationality</b>	<b>Nature of Relationship</b>	<b>Nature of Transaction</b>
CPN REIT Management Company Limited	Thailand	- REIT manager - Central Pattana Public Company Limited's subsidiary	- Rental and service agreement - Receive property 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	- Grant loan to the Trust - Rental and service agreement - Depository service
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
CPN Pattaya Company Limited	Thailand	- Central Pattana Public Company Limited's subsidiary - Common directors	- Rental and service agreement - Lessor of assets which the Trust additionally invested
CPN Pattaya Hotel Company Limited	Thailand	- Central Pattana Public Company Limited's subsidiary - Common directors	- Sublease agreement over building and utility systems, and lease agreement over movable assets with the Trust

**CPN Retail Growth Leasehold REIT**  
**Notes to the interim financial statements**  
**For the three-month period ended 31 March 2019 (Unaudited)**

<b>Name of Entities</b>	<b>Country of Incorporation/ Nationality</b>	<b>Nature of Relationship</b>	<b>Nature of Transaction</b>
Central Group of Companies	Thailand	- Common directors, common management or common control with Central Pattana Public Company Limited	- Rental and service agreement

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

<b>Transactions</b>	<b>Pricing Policies</b>
Rental and service income	- Market prices which are subject to location, lease space, lease form, lease period and type of lease
Interest income	- As mutually agreed rate
Other income	- The rate being charged by other parties in the business
Costs of rental and services	- Market prices
Management fee	- As mutually agreed prices in contract
Trustee fee	- As mutually agreed prices in contract
Property management fee	- As mutually agreed prices in contract
Administrative expenses	- As mutually agreed prices in contract
Finance costs	- As mutually agreed prices in contract

Significant transactions for the three-month periods ended 31 March with related parties were as follows:

<b>Three-month periods end 31 March</b>	<b>2019</b>	<b>2018</b>
	<i>(in thousand Baht)</i>	
<b>Income</b>		
Rental and service income		
Central Pattana Public Company Limited and its subsidiaries	109,334	90,202
The Siam Commercial Bank Public Company Limited and its subsidiaries	14,471	10,089
Central Group of Companies	132,414	127,601
<b>Total</b>	<b>256,219</b>	<b>227,892</b>
Interest income		
The Siam Commercial Bank Public Company Limited	<b>248</b>	<b>907</b>
Other income		
Central Pattana Public Company Limited and its subsidiaries	2,020	443
Central Group of Companies	20,806	335
<b>Total</b>	<b>22,826</b>	<b>778</b>

**CPN Retail Growth Leasehold REIT**  
**Notes to the interim financial statements**  
**For the three-month period ended 31 March 2019 (Unaudited)**

<i>Three-month periods end 31 March</i>	2019	2018
	<i>(in thousand Baht)</i>	
<b>Expenses</b>		
Costs of rental and services		
Central Pattana Public Company Limited and its subsidiaries	4,036	7,809
Central Group of Companies	831	390
<b>Total</b>	<b>4,867</b>	<b>8,199</b>
Management fee		
CPN REIT Management Company Limited	<b>33,046</b>	<b>32,841</b>
Trustee fee		
SCB Asset Management Company Limited	<b>9,013</b>	<b>8,359</b>
Property management fee		
Central Pattana Public Company Limited	<b>123,466</b>	<b>136,614</b>
Administrative expenses		
Central Pattana Public Company Limited and its subsidiaries	99	15,991
Central Group of Companies	125	198
<b>Total</b>	<b>224</b>	<b>16,189</b>
Finance costs		
The Siam Commercial Bank Public Company Limited	<b>1,990</b>	<b>11,582</b>
Balances as at 31 March 2019 and 31 December 2018 with related parties were as follows:		
	31 March 2019	31 December 2018
	<i>(in thousand Baht)</i>	
<b>Cash at bank</b>		
The Siam Commercial Bank Public Company Limited	<b>102,967</b>	<b>178,921</b>
<b>Rental and service receivables</b>		
Central Pattana Public Company Limited and its Subsidiaries	23,829	44,682
The Siam Commercial Bank Public Company Limited	532	81
Central Group of Companies	10,653	17,175
<b>Total</b>	<b>35,014</b>	<b>61,938</b>
<b>Accrued interest income</b>		
The Siam Commercial Bank Public Company Limited	<b>259</b>	<b>11</b>

**CPN Retail Growth Leasehold REIT**  
**Notes to the interim financial statements**  
**For the three-month period ended 31 March 2019 (Unaudited)**

	31 March 2019	31 December 2018
	<i>(in thousand Baht)</i>	
<b><i>Trade accounts payable</i></b>		
Central Pattana Public Company Limited and its subsidiaries	158,379	96,246
CPN REIT Management Company Limited	22,426	23,191
Central Group of Companies	904	384
<b>Total</b>	<b>181,709</b>	<b>119,821</b>
<b><i>Other accounts payable</i></b>		
SCB Asset Management Company Limited	3,198	5,903
Central Pattana Public Company Limited and its subsidiaries	11	11
The Siam Commercial Bank Public Company Limited	4	4
Central Group of Companies	790	2,439
<b>Total</b>	<b>4,003</b>	<b>8,357</b>
<b><i>Deposits received in advance</i></b>		
The Siam Commercial Bank Public Company Limited	26,866	26,866
Central Pattana Public Company Limited and its subsidiaries	18,263	18,263
Central Group of Companies	146,191	150,423
<b>Total</b>	<b>191,320</b>	<b>195,552</b>
<b><i>Accrued expenses</i></b>		
The Siam Commercial Bank Public Company Limited	-	1,648
<b><i>Borrowings</i></b>		
The Siam Commercial Bank Public Company Limited	-	729,232
<b><i>Other liabilities</i></b>		
Central Pattana Public Company Limited and its subsidiaries	438	838
The Siam Commercial Bank Public Company Limited and its subsidiaries	1,924	1,924
Central Group of Companies	10,995	11,503
<b>Total</b>	<b>13,357</b>	<b>14,265</b>

**CPN Retail Growth Leasehold REIT**  
**Notes to the interim financial statements**  
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**Significant agreements with related parties**

*CPN Pattaya Hotel Company Limited*

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. The annual rental comprise of fixed rental totalling Baht 2,194 million and variable rental which is calculated from profit before tax deducting of reserve for furniture, fixtures and equipment of the hotel.

*Central Pattana Rama 2 Company Limited*

On 1 December 2017, the Trust received the transfer of liabilities and commitment of the Fund which was in accordance with the Rights and Duties Transferred Agreement between the Fund and the Trust dated 29 November 2017 resulting in the commitment from the Operating Lease Agreement between the Trust and Central Pattana Rama 2 Company Limited to start on the date of receiving the transfer.

As at 31 March 2019 and 31 December 2018, the Trust has commitment for the lease under a water treatments system rental agreement with Central Pattana Rama 2 Company Limited, a subsidiary of Central Pattana Public Company Limited. This commitment is part of shopping center building lease agreement with CentralPlaza Rama II for the remaining lease period of 6 years ending 15 August 2025 as follows:

	31 March 2019	31 December 2018
	<i>(in thousand Baht)</i>	
<b><i>Non-cancellable operating lease commitment</i></b>		
Within one year	5,960	6,370
After one year but within five years	26,980	24,620
After five years	3,420	11,740
<b>Total</b>	<b>36,360</b>	<b>42,730</b>

At the Board of Directors’ Meeting of the REIT manager on 20 March 2018, the Board of Directors resolved to approve the termination of the land sublease agreements and the entering into the new land sublease agreements with respect to CentralPlaza Rama II project with Central Pattana Rama 2 Company Limited. In this regard, on 28 June 2018, the Trust registered the termination of the land sublease of CentralPlaza Rama II project, and registered the lease of the land under the new Land Lease Agreements (sublease term from 28 June 2018 to 15 August 2025) with the landlords under the same conditions as specified in the previous land sublease agreement since Central Pattana Rama 2 Company Limited had registered the termination of the lease of the land, and registered the new land lease agreements with the landlords.

**CPN Retail Growth Leasehold REIT**  
**Notes to the interim financial statements**  
**For the three-month period ended 31 March 2019 (Unaudited)**

**4 Investments in leasehold properties**

*Receipt of transfer of investments in leasehold properties*

On 1 December 2017, the Trust received the transfer of investments in leasehold properties from the Fund which was in accordance with the Rights and Duties Transferred Agreement between the Fund and the Trust dated 29 November 2017. The investments in leasehold properties received as transferred from the Fund had fair value of Baht 32,402 million which were under the projects of Central Pattana Public Company Limited and its subsidiaries. The details were as follows:

- CentralPlaza Rama II project with a sublease agreement remaining period of 6 years ending 15 August 2025 and the fair value of Baht 7,186 million.
- CentralPlaza Rama III project with a lease agreement remaining period of 16 years ending 15 August 2035 by having right to renew for another 2 times, 30 years each and the fair value of Baht 9,179 million.
- CentralPlaza Pinklao project with a lease and sublease agreements remaining period of 6 years ending 31 December 2024 and the fair value of Baht 5,543 million.
- CentralPlaza Chiangmai Airport project with a lease agreement remaining period of 25 years ending 22 April 2044 and the fair value of Baht 10,494 million.

*Investments in additional investments in leasehold properties*

On 1 December 2017, the Trust invested in additional assets with CPN Pattaya Company Limited, a subsidiary of Central Pattana Public Company Limited with a lease and sublease agreement period of 20 years ending 31 August 2037. The details were as follows:

CentralFestival Pattaya Beach project

- Leasing part of building and structures of CentralFestival Pattaya Beach, including part of the shopping centre and the indoor parking area
- Leasing the system relevant to the building and structures of CentralFestival Pattaya Beach
- Purchasing the furniture, fixture and equipment

Hilton Pattaya Hotel project

- Leasing all of building and structures of Hilton Pattaya Hotel, including all hotel building and part of the indoor parking area
- Leasing the system relevant to the building and structures of Hilton Pattaya Hotel
- Purchasing the furniture, fixture and equipment

The Trust paid for the investments in additional assets totalling Baht 11,908 million consisting of CentralFestival Pattaya Beach project of Baht 8,154 million and Hilton Pattaya Hotel project of Baht 3,754 million and paid for related expenses in the amount of Baht 249 million which were recorded as cost of investments in leasehold properties.

**CPN Retail Growth Leasehold REIT**  
**Notes to the interim financial statements**  
**For the three-month period ended 31 March 2019 (Unaudited)**

	31 March 2019	31 December 2018
	<i>(in thousand Baht)</i>	
<b>Investments in leasehold properties - at cost</b>		
Investments in leasehold properties - beginning of the period / year	45,113,034	44,915,793
<i>Add</i> Increase in furniture, fixtures and equipment and leasehold improvements during the period / year	30,053	200,682
<i>Less</i> Decrease in furniture, fixtures and equipment and leasehold improvements during the period / year	(71)	(3,441)
	<u><b>45,143,016</b></u>	<u><b>45,113,034</b></u>
<b>Net unrealised gain (losses) from investments in leasehold properties</b>		
Net unrealised losses from investments in leasehold properties - beginning of the period / year	(363,034)	(605,793)
<i>Less</i> Unrealised gain (losses) from revaluation during the period / year	(29,982)	242,759
<b>Investments in leasehold properties - end of the period / year</b>	<u><b>44,750,000</b></u>	<u><b>44,750,000</b></u>

The Trust hired an independent appraiser to revalue these investments in leasehold properties using the income approach. The investments in leasehold properties were subsequently adjusted to their fair values as follows:

	Unrealise gain (losses) from investments in leasehold properties	
	For the three-month	
Project	Period ended 31 March 2019	For the year ended 31 December 2018
	<i>(in thousand Baht)</i>	
CentralPlaza Rama II	(13,234)	(286,491)
CentralPlaza Rama III	(12,632)	1,470,328
CentralPlaza Pinklao	(834)	61,709
CentralPlaza Chiangmai Airport	(3,282)	153,031
Central Festival Pattaya Beach	-	(866,650)
Hilton Pattaya Hotel	-	(289,168)
<b>Total</b>	<u><b>(29,982)</b></u>	<u><b>242,759</b></u>

**CPN Retail Growth Leasehold REIT**  
**Notes to the interim financial statements**  
**For the three-month period ended 31 March 2019 (Unaudited)**

**5 Cash at banks**

As at 31 March 2019 and 31 December 2018, the Trust invested in cash at banks as follows:

	<i>Note</i>	31 March 2019	31 December 2018	31 March 2019	31 December 2018
		Interest rate (% per annum)		(in thousand Baht)	
<b>Current Account</b>					
Citibank, N.A.		-	-	282,032	143,161
KASIKORNBANK Public Company Limited		-	-	60	60
<b>Savings Accounts</b>					
The Siam Commercial Bank Public Company Limited	3	0.375	0.375	102,967	178,921
KASIKORNBANK Public Company Limited		0.370	0.370	38,404	19,524
<b>Total</b>				<b>423,463</b>	<b>341,666</b>

**6 Rental and service receivables**

	<i>Note</i>	31 March 2019	31 December 2018
		(in thousand Baht)	
Related parties	3	35,014	61,938
Other parties		119,415	70,040
<b>Total</b>		<b>154,429</b>	<b>131,978</b>
Less allowance for doubtful accounts		(1,020)	(1,060)
<b>Net</b>		<b>153,409</b>	<b>130,918</b>
Bad and doubtful debts expenses (reversal) for the period / year		<b>(38)</b>	<b>890</b>

Aging analyses for rental and service receivables were as follows:

	31 March 2019	31 December 2018
	(in thousand Baht)	
<b>Related parties</b>		
Within credit terms	18,508	41,090
Overdue:		
Less than 3 months	7,140	9,731
3 - 6 Months	594	3,309
6 - 12 Months	2,146	2,382
Over 12 months	6,626	5,426
	<b>35,014</b>	<b>61,938</b>



**CPN Retail Growth Leasehold REIT**  
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**For the three-month period ended 31 March 2019 (Unaudited)**

	31 March 2019	31 December 2018
	<i>(in thousand Baht)</i>	
<b>Other parties</b>		
Within credit terms	19,649	1,919
Overdue:		
Less than 3 months	89,890	57,663
3 - 6 Months	4,422	4,734
6 - 12 Months	3,543	4,154
Over 12 months	1,911	1,570
	<b>119,415</b>	<b>70,040</b>
Less allowance for doubtful accounts	(1,020)	(1,060)
	<b>118,395</b>	<b>68,980</b>
 <b>Net</b>	 <b>153,409</b>	 <b>130,918</b>

The normal credit term granted for rental and service receivables of the Trust ranges from 1 day to 30 days.

**7 Borrowings**

	Note	31 March 2019	31 December 2018
		<i>(in thousand Baht)</i>	
Borrowings from financial institutions - Group 1			
- unsecured	3	-	729,232
Borrowings from financial institutions - Group 2			
- unsecured		-	3,739,465
<b>Total</b>		<b>-</b>	<b>4,468,697</b>

As at 31 December 2018, borrowings from financial institutions had the effective interest rate at 2.43% per annum.

As at 31 March 2019 and 31 December 2018, the Trust had utilised loan in accordance with loan agreements with financial institutions of which the details were as follows;

	31 March 2019	31 December 2018	Interest rate (% per annum)	Term of payment
	<i>(in million Baht)</i>			
<i>Borrowings from financial institutions - Group 1</i>				
Credit facility 2	-	729	Agreed rate in the agreement	- Repayment of principle and interest every 6 months commencing from June 2019
 <i>Borrowings from financial institutions - Group 2</i>				
Credit facility A1	-	12,547	BIBOR plus agreed rate in the agreement	- Full repayment of principal when due within November 2019 - Repayment of interest semi-annually commencing from January 2018
<b>Total</b>	<b>-</b>	<b>13,276</b>		

**CPN Retail Growth Leasehold REIT**  
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As at 31 March 2019, the Trust had unutilised credit facilities amounting to Baht 3,100 million. The loan agreements determined that such unutilised credit facilities will be utilised for repayment of renovation assets. (31 December 2018: Baht 5,299 million for repayment of borrowing Group 2 and renovation assets)

Movement of borrowings for the three-month period ended 31 March 2019 and for the year ended 31 December 2018 were as follows:

	For the three-month period ended 31 March 2019 (in thousand Baht)	For the year ended 31 December 2018
<b>Beginning of the period / year</b>	<b>4,468,697</b>	<b>14,453,698</b>
Add Additional borrowings	9,780	10,688
Less Repayment of borrowings	(4,478,477)	(9,995,689)
<b>End of the period / year</b>	<b>-</b>	<b>4,468,697</b>

The periods to maturity of borrowings, as at 31 March 2019 and 31 December 2018 were as follows:

	31 March 2019 (in thousand Baht)	31 December 2018
Within one year	-	4,468,697

## **8 Debentures**

	30 March 2019 (in thousand Baht)	31 December 2018
Debentures - Series 1 / 2018		
- unsecured	2,647,853	2,647,630
Debentures - Series 2 / 2018		
- unsecured	7,382,917	7,382,731
Debentures - Series 1 / 2019		
- unsecured	2,697,437	-
Debentures - Series 2 / 2019		
- unsecured	1,793,231	-
<b>Total</b>	<b>14,521,438</b>	<b>10,030,361</b>

On 17 August 2018 the Trust issued the debentures that had name registered, unsubordinated and unsecured debentures with debenture holder representative totalling Baht 10,040 million. The debentures are divided into:

- The first series of Baht 2,650 million with the term of 3 years, maturing on 17 August 2021 and bearing interest at the fixed rate of 2.70% per annum.
- The second series of Baht 7,390 million with the term of 10 years, maturing on 17 August 2028 and bearing interest at the fixed rate of 3.80% per annum.

The debentures had latest credit rating of “AA” rated by TRIS Rating Company Limited on 25 May 2018 and were registered with the Thai Bond Market Association on 17 August 2018.

**CPN Retail Growth Leasehold REIT**  
**Notes to the interim financial statements**  
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On 8 February 2019 the Trust issued the debentures that had name registered, unsubordinated and unsecured debentures with debenture holder representative totalling Baht 4,495 million. The details are as follows;

- The first series of Baht 2,700 million with the term of 2 years, maturing on 8 February 2021 and bearing interest at the fixed rate of 2.54% per annum.
- The second series of Baht 1,795 million with the term of 4 years, maturing on 8 February 2023 and bearing interest at the fixed rate of 3.30% per annum.

The debentures had latest credit rating of “AA” rated by TRIS Rating Company Limited on 29 June 2018 and were registered with the Thai Bond Market Association on 8 February 2019.

Movement of debentures for three-month period ended 31 March 2019 and for the year 31 December 2018 were as follows:

	For the three-month Period ended 31 March 2019	For the year ended 31 December 2018
	<i>(in thousand Baht)</i>	
<b>Beginning of the year / period</b>	<b>10,030,361</b>	<b>10,040,000</b>
<i>Add</i> Issue of debentures	4,495,000	-
<i>Less</i> Repayment of underwriting fee	(4,593)	(10,261)
	<u>14,520,768</u>	<u>10,029,739</u>
<i>Add</i> Payment of underwriting fee	670	622
<b>End of the year / period</b>	<b><u>14,521,438</u></b>	<b><u>10,030,361</u></b>

The periods to maturity of debentures, as at 31 March 2019 and 31 December 2018 were as follows:

	31 March 2019	31 December 2018
	<i>(in thousand Baht)</i>	
After one year but within five years	7,138,521	2,647,630
After five years	7,382,917	7,382,731
<b>Total</b>	<b><u>14,521,438</u></b>	<b><u>10,030,361</u></b>

## **9 Unitholders' equity**

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 29,653.38 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 equilisation account.

**CPN Retail Growth Leasehold REIT**  
**Notes to the interim financial statements**  
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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 0.2879 per unit, amounting to Baht 636.97 million which had paid the repayment from capital reduction to the unitholders in March 2018. The capital reduction was in accordance with the Trust established agreement.

	Par Value (in Baht)	31 March 2019 Number	31 March 2019 Amount (in thousand units/thousand Baht)	31 December 2018 Number	31 December 2018 Amount
<b>Trust registered capital and capital received from unitholders</b>					
Unit trusts at beginning of the period / year	13.4028	2,212,477	29,016,411	2,212,477	29,653,383
Less Capital Reduction of the Trust	(0.2879)	-	-	-	(636,972)
<b>Unit trusts at the end of the period / year</b>		<b>2,212,477</b>	<b>29,016,411</b>	<b>2,212,477</b>	<b>29,016,411</b>

	Note	31 March 2019 (in thousand Baht)	31 December 2018
<b>Retained earnings</b>			
<b>Beginning of the period / year</b>		<b>762,707</b>	<b>(407,327)</b>
Add Increase in net assets from operations during the period / year		933,171	3,826,555
Less Distribution to unitholders	10	(921,054)	(2,656,521)
<b>At the end of the period / year</b>		<b>774,824</b>	<b>762,707</b>

**10 Distribution to unitholders**

At the Board of Directors' of the REIT manager approved the appropriation of distribution which paid to its unitholders as follows:

For the three-month period ended 31 March 2019				
The operation for the period	Approval date	Payment date	Distribution per unit trust (in Baht)	Amount (in thousand Baht)
1 October - 31 December 2018	26 February 2019	25 March 2019	0.4163	921,054
<b>Total</b>				<b>921,054</b>

**11 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.

**CPN Retail Growth Leasehold REIT**  
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**(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 3% 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 of 0.5 - 1.5 months and 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 day of each month. The fee is excluding the value of investment property of hotel.
4. Incentive fee at the rate not exceeding 2.35% 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 of 1.5% of the properties' value that the Trust additionally invested and at the rate of 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 of 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.

**12 Segment information**

The Trust main business is investing in properties and leasehold rights, seeking the benefits from properties, and properties for rent. The Trust has only one geographical segment because they operate only in Thailand.

**CPN Retail Growth Leasehold REIT**  
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**13 Financial instruments**

***Financial risk management policies***

The Trust is exposed to normal business risks from changes in market interest rates and from non-performance of contractual obligations by counterparties. The Trust does not hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Trust. The Trust has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The REIT manager continually monitors the Trust's risk management process to ensure that an appropriate balance between risk and control is achieved.

***Capital management***

The REIT manager's Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. They monitors the return on capital and monitors the level of distribution to unitholders.

***Interest rate risk***

Interest rate risk is the risk that future movements in market interest rates will affect the results of the operations and cash flows of the Trust because borrowings interest rates are mainly floated. The Trust is primarily exposed to interest rate risk from its borrowing (see Note 7 to the financial statements).

***Credit risk***

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Trust as and when they fall due.

The Trust has no concentrations of credit risk from receivables due to the Trust has a large number of customers in various businesses. Additionally, the Trust has a policy to collect in advance the rental deposits from customers as collateral in case of default. The REIT manager is of opinion that the Trust does not have credit risk other than that provided in the allowance for doubtful accounts as presented in the financial statements. The estimate for allowance for doubtful accounts encompasses consideration of past collection experiences, customers' deposits and other factors including the local economic conditions.

***Fair values***

The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. In determining the fair value of its financial assets and liabilities, the Trust takes into account its current circumstances and the costs that would be incurred to exchange or settle the underlying financial instrument. The carrying amounts of the Trust's financial assets and liabilities as presented in the financial statements approximate to their fair values.

**CPN Retail Growth Leasehold REIT**  
**Notes to the interim financial statements**  
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**14 Events after the reporting period**

At the Board of Directors' Meeting of the REIT manager held on 14 May 2019, the Board of Directors approved the dividend payment of the Trust from the operation period from 1 January 2019 to 31 March 2019 at the rate of Baht 0.4055 per unit, amounting to Baht 897.16 million. The dividend will be paid to the unitholders in June 2019.

**15 Thai Financial Reporting Standards (TFRS) not yet adopted**

A number of new and revised TFRS are relevant to the Trust's operations on the date of initial application. Those TFRS which become effective for annual financial reporting periods beginning on or after 1 January 2020 are as follows:

<b>TFRS</b>	<b>Topic</b>
TFRS 7*	Financial Instruments: Disclosures
TFRS 9*	Financial Instruments
TFRS 16	Leases
TAS 32*	Financial Instruments: Presentation

\* *TFRS - Financial instruments standards*

**(a) TFRS - Financial instruments standards**

These TFRSs establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting.

Management is presently considering the potential impact of adopting and initially applying TFRS - Financial instruments standards on the Trust's financial statements.

**(b) TFRS 16 Leases**

TFRS 16 introduces a single lessee accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard, i.e. lessors continue to classify leases as finance or operating leases.

Management is presently considering the potential impact of adopting and initially applying TFRS 16 on the Trust's financial statements.