

# **CPN Retail Growth Leasehold REIT**

Condensed interim financial statements  
for the three-month and six-month periods ended  
30 June 2020  
and  
Independent auditor's review report

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

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

I have reviewed the accompanying statement of financial position and details of investments of CPN Retail Growth Leasehold REIT ("the Trust") as at 30 June 2020, the statements of comprehensive income for the three-month and six-month periods ended 30 June 2020, changes in net assets and cash flows for the six-month period then ended; and condensed notes ("interim financial information"). Management is responsible for the preparation and presentation of this interim financial information 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. 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 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.

*Emphasis of Matter*

I draw attention to notes 2, 4 and 7 to the interim financial information which describes the impact of the COVID-19 outbreak on the Trust's business together with management's plan to address these circumstances, and the adoption of the guidance on temporary accounting relief measures providing additional accounting options for the treatment of the impact of COVID-19 outbreak in the interim financial information for the three-month and six-month periods ended 30 June 2020. My conclusion is not modified in respect of this matter.

(Vannaporn Jongperadechanon)  
Certified Public Accountant  
Registration No. 4098

KPMG Phoomchai Audit Ltd.  
Bangkok  
14 August 2020

# CPN Retail Growth Leasehold REIT

## Statement of financial position

		30 June	31 December
	<i>Note</i>	2020	2019
		(Unaudited)	
		(in thousand Baht)	
<b><i>Assets</i></b>			
Investments measured at fair value to profit or losses	6	767,868	901,642
Investments in leasehold properties at fair value	7, 14	69,073,768	44,472,000
Cash and cash equivalents	8, 14	230,700	509,938
Receivables on accrued interest income	14	8,430	3,792
Rental and service receivables	9, 14	588,446	200,224
Refundable value added tax		763,308	392,805
Prepaid expenses		36,441	25,646
Other assets		102,650	180,982
<b>Total assets</b>		<b>71,571,611</b>	<b>46,687,029</b>
<b><i>Liabilities</i></b>			
Trade accounts payable	14	212,914	150,754
Other accounts payable	14	34,005	34,250
Withholding tax payable		43,784	69,618
Accrued expenses		343,941	333,387
Rent received in advance		40,137	51,769
Deposits received from lessees	14	1,696,663	1,583,595
Borrowings	10	8,372,673	-
Debentures	11	14,525,810	14,524,069
Lease liabilities	14	16,979,717	-
Other liabilities	14	272,614	238,399
<b>Total liabilities</b>		<b>42,522,258</b>	<b>16,985,841</b>
<b>Net assets</b>		<b>29,049,353</b>	<b>29,701,188</b>

The accompanying notes form an integral part of the interim financial statements.

# CPN Retail Growth Leasehold REIT

## Statement of financial position

		30 June	31 December
	<i>Note</i>	2020	2019
		(Unaudited)	
		(in thousand Baht)	
<b><i>Net assets</i></b>			
Capital from unitholders		29,016,411	29,016,411
Equalisation account		216,093	216,093
Retained earnings (deficit)	12	(183,151)	468,684
<b>Net assets</b>		<b>29,049,353</b>	<b>29,701,188</b>
<b>Net asset value per unit (<i>in Baht</i>)</b>		13.1297	13.4244
<b>Number of units issued at the end of period/year (<i>units</i>)</b>		2,212,476,700	2,212,476,700

The accompanying notes form an integral part of the interim financial statements.

## CPN Retail Growth Leasehold REIT

### Details of investments

As at 30 June 2020

Details of investments are presented by investment category.

Type of investments	Note	Areas held (Rai-Ngan-Sq. Wah)	30 June 2020 (Unaudited)			31 December 2019		
			Cost	Fair value	Percentage of investments	Cost	Fair value	Percentage of investments
			(in thousand Baht)		(%)	(in thousand Baht)		(%)
<b>Investments in leasehold properties</b>	<b>7</b>							
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 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			87,317			86,948		
Rights-of-use assets			16,821,324			-		
			<b>24,094,777</b>	<b>23,180,324</b>	<b>33.19</b>	<b>7,273,084</b>	<b>6,359,000</b>	<b>14.01</b>
2. CentralPlaza Rama III project								
Location 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			506,946			500,641		
			<b>9,686,195</b>	<b>11,447,000</b>	<b>16.39</b>	<b>9,679,890</b>	<b>11,447,000</b>	<b>25.23</b>

The accompanying notes form an integral part of the interim financial statements.

## CPN Retail Growth Leasehold REIT

### Details of investments

As at 30 June 2020

Type of investments	Note	Areas held (Rai-Ngan-Sq. Wah)	30 June 2020 (Unaudited)			31 December 2019		
			Cost	Fair value	Percentage of investments	Cost	Fair value	Percentage of investments
			(in thousand Baht)		(%)	(in thousand Baht)		(%)
<b>Investments in leasehold properties</b>	<b>7</b>							
3. CentralPlaza Pinklao project								
<u>Location</u> 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			5,542,995		
Related acquisition costs for leasehold right			112			112		
Leasehold improvements			102,551			96,366		
			<b>5,645,658</b>	<b>5,216,000</b>	<b>7.47</b>	<b>5,639,473</b>	<b>5,216,000</b>	<b>11.50</b>
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			24,185			20,079		
			<b>10,518,338</b>	<b>10,655,000</b>	<b>15.26</b>	<b>10,514,232</b>	<b>10,655,000</b>	<b>23.48</b>

The accompanying notes form an integral part of the interim financial statements.

## CPN Retail Growth Leasehold REIT

### Details of investments

As at 30 June 2020

Type of investments	Note	30 June 2020 (Unaudited)			31 December 2019		
		Cost	Fair value	Percentage of investments	Cost	Fair value	Percentage of investments
		(in thousand Baht)		(%)	(in thousand Baht)		(%)
<b>Investments in leasehold properties</b>	<b>7</b>						
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		7,919			7,852		
		<b>8,338,400</b>	<b>7,290,000</b>	<b>10.44</b>	<b>8,338,333</b>	<b>7,290,000</b>	<b>16.07</b>
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		
		<b>3,826,999</b>	<b>3,505,000</b>	<b>5.02</b>	<b>3,826,999</b>	<b>3,505,000</b>	<b>7.72</b>

The accompanying notes form an integral part of the interim financial statements.

## CPN Retail Growth Leasehold REIT

### Details of investments

As at 30 June 2020

Type of investments	Note	30 June 2020 (Unaudited)			31 December 2019		
		Cost	Fair value	Percentage of investments	Cost	Fair value	Percentage of investments
		(in thousand Baht)		(%)	(in thousand Baht)		(%)
<b>Investments in leasehold properties</b>	<b>7</b>						
7. The Ninth Towers office building project							
<u>Location</u> Rama 9 road, Huai Khwang,							
Huai Khwang, Bangkok							
Leasehold right on office spaces and parking spaces		3,385,368			-		
Leasehold right on utility systems		2,631,134			-		
Related acquisition costs for leasehold right		90,575			-		
Furniture, fixtures and equipment		37			-		
Leasehold improvements		5,746			-		
		<b>6,112,860</b>	<b>6,107,114</b>	<b>8.74</b>	<b>-</b>	<b>-</b>	<b>-</b>
8. Unilever House office building project							
<u>Location</u> Rama 9 road, Huai Khwang,							
Huai Khwang, Bangkok							
Leasehold right on office spaces and parking spaces		936,458			-		
Leasehold right on utility systems		712,350			-		
Related acquisition costs for leasehold right		24,522			-		
		<b>1,673,330</b>	<b>1,673,330</b>	<b>2.39</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total investments in leasehold properties</b>		<b>69,896,557</b>	<b>69,073,768</b>	<b>98.90</b>	<b>45,272,011</b>	<b>44,472,000</b>	<b>98.01</b>

The accompanying notes form an integral part of the interim financial statements.

## CPN Retail Growth Leasehold REIT

### Details of investments

As at 30 June 2020

	<i>Note</i>	<u>Maturity date</u>	30 June 2020 (Unaudited)			31 December 2019		
			Principle	Fair value	Percentage of	Principle	Fair value	Percentage of
			(in thousand Baht)		investments	(in thousand Baht)		investments
					(%)			(%)
<b>Investments in securities</b>	<b>6</b>							
Unit Trust								
TMB Treasury Money Fund			171,772	172,887		400,352	401,642	
Fixed deposits								
Government Housing Bank		July 2020	500,000	500,000*		500,000	500,000*	
Bangkok Bank Public Company Limited		November 2020	50,000	50,000*		-	-	
Bond								
Government Saving Bank		August 2020	44,965	44,981		-	-	
<b>Total investments in securities</b>			<b>766,737</b>	<b>767,868</b>	<b>1.10</b>	<b>900,352</b>	<b>901,642</b>	<b>1.99</b>
<b>Total investments</b>			<b>70,663,294</b>	<b>69,841,636</b>	<b>100.00</b>	<b>46,172,363</b>	<b>45,373,642</b>	<b>100.00</b>

\* Excluding accrued interest income

The accompanying notes form an integral part of the interim financial statements.

**CPN Retail Growth Leasehold REIT**  
**Statement of comprehensive income (Unaudited)**

		Three-month period ended	
		30 June	
	<i>Note</i>	2020	2019
		<i>(in thousand Baht)</i>	
<b><i>Income</i></b>			
Rental and service income	14	729,018	1,268,852
Interest income	14	2,630	1,023
Other income	14	6,806	5,751
<b>Total income</b>		<b>738,454</b>	<b>1,275,626</b>
<b><i>Expenses</i></b>			
Property management fee	13, 14	72,112	114,042
Management fee	13, 14	38,687	33,498
Trustee fee	13, 14	10,551	9,136
Registrar fee	13	1,035	1,288
Professional fee		453	190
Costs of rental and services	14	29,966	32,593
Administrative expense	14	2,057	27,217
Finance cost	14	531,553	122,364
<b>Total expenses</b>		<b>686,414</b>	<b>340,328</b>
<b>Net profit on investments</b>		<b>52,040</b>	<b>935,298</b>
<b>Net gain (losses) on investments</b>			
Net realised losses from investments		-	(8,165)
Net unrealised gain (losses) from			
investments in leasehold properties		-	(17,966)
investments in securities		-	3,381
Net gain on investments	6	1,261	-
Net losses on change in fair value of investments	6, 7	(8,868)	-
<b>Total net losses on investments</b>		<b>(7,607)</b>	<b>(22,750)</b>
<b>Net increase in net assets resulting from operations</b>		<b>44,433</b>	<b>912,548</b>

The accompanying notes form an integral part of the interim financial statements.

**CPN Retail Growth Leasehold REIT**  
**Statement of comprehensive income (Unaudited)**

		Six-month period ended	
		30 June	
	<i>Note</i>	2020	2019
		<i>(in thousand Baht)</i>	
<b><i>Income</i></b>			
Rental and service income	14	1,900,676	2,576,699
Interest income	14	5,524	1,682
Other income	14	12,794	10,050
<b>Total income</b>		<b>1,918,994</b>	<b>2,588,431</b>
<b><i>Expenses</i></b>			
Property management fee	13, 14	181,224	237,508
Management fee	13, 14	73,723	66,544
Trustee fee	13, 14	20,106	18,149
Registrar fee	13	2,070	2,563
Professional fee		644	380
Costs of rental and services	14	74,434	63,755
Administrative expense	14	35,896	51,952
Finance cost	14	664,044	252,107
<b>Total expenses</b>		<b>1,052,141</b>	<b>692,958</b>
<b>Net profit on investments</b>		<b>866,853</b>	<b>1,895,473</b>
<b>Net gain (losses) on investments</b>			
Net realised losses from investments		-	(8,223)
Net unrealised gain (losses) from			
investments in leasehold properties		-	(47,948)
investments in securities		-	6,417
Net gain on investments	6	1,432	-
Net losses on change in fair value of investments	6, 7	(22,937)	-
<b>Total net losses on investments</b>		<b>(21,505)</b>	<b>(49,754)</b>
<b>Net increase in net assets resulting from operations</b>		<b>845,348</b>	<b>1,845,719</b>

The accompanying notes form an integral part of the interim financial statements.

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

		Six-month period ended 30 June	
	<i>Note</i>	2020	2019
		<i>(in thousand Baht)</i>	
<b>Increase (decrease) in net assets resulting from operations during the period</b>			
Net profit on investments		866,853	1,895,473
Net losses on investments		<u>(21,505)</u>	<u>(49,754)</u>
<b>Increase in net assets during the period</b>		<b>845,348</b>	<b>1,845,719</b>
Distribution to unitholders	15	<u>(1,497,183)</u>	<u>(1,818,213)</u>
<b>Increase (decrease) in net assets during the period</b>		<b>(651,835)</b>	<b>27,506</b>
Net assets at 1 January		<u>29,701,188</u>	<u>29,995,211</u>
<b>Net assets at 30 June</b>		<b><u>29,049,353</u></b>	<b><u>30,022,717</u></b>
 <b>Changes in number of unit trusts</b>			
<i>(Baht 13.1149 per unit)</i>			
Unit trust at 1 January ( <i>units</i> )		<u>2,212,476,700</u>	<u>2,212,476,700</u>
<b>Unit trusts at 30 June (<i>units</i>)</b>		<b><u>2,212,476,700</u></b>	<b><u>2,212,476,700</u></b>

The accompanying notes form an integral part of the interim financial statements.

**CPN Retail Growth Leasehold REIT**  
**Statement of cash flows (Unaudited)**

		Six-month period ended	
		30 June	
	<i>Note</i>	2020	2019
		<i>(in thousand Baht)</i>	
<b><i>Cash flows from operating activities</i></b>			
Net increase in net assets from operations		845,348	1,845,719
<i>Adjustments to reconcile net increase (decrease) in net assets from operations to net cash from (used in) operating activities:</i>			
Net realised losses from investments		-	8,223
Net unrealised (gain) losses from			
investments in leasehold properties		-	47,948
investments in securities		-	(6,417)
Net gains on investments	6	(1,432)	-
Net losses on changes in fair value of investments	6, 7	22,937	-
Purchases of investments in securities	6	(889,965)	(56,228)
Sales of investments in securities	6	1,025,012	-
Purchases of investments in leasehold properties	7	(8,012,723)	-
Sales of investments in leasehold properties	7	-	57
Increase in rental and service receivables		(388,222)	(21,728)
Increase in refundable value added tax		(370,503)	-
Increase in prepaid expense		(10,795)	(11,814)
Decrease in other assets		78,332	20,641
Increase in trade accounts payable		62,160	2,334
Decrease in other accounts payable		(245)	(2,245)
Decrease in withholding tax payable		(25,834)	(816)
Increase (decrease) in accrued expenses		12,792	(31,109)
Increase (decrease) in rent received in advance		(11,632)	2,177
Increase in deposits received from lessees		113,068	13,625
Increase in other liabilities		34,215	25,221
Interest income		(5,524)	(1,682)
Interest received		886	1,689
Finance cost		664,044	252,107
<b>Net cash from (used in) operating activities</b>		<b>(6,858,081)</b>	<b>2,087,702</b>

The accompanying notes form an integral part of the interim financial statements.

**CPN Retail Growth Leasehold REIT**  
**Statement of cash flows (Unaudited)**

		Six-month period ended	
		30 June	
	<i>Note</i>	2020	2019
		<i>(in thousand Baht)</i>	
<b><i>Cash flows from financing activities</i></b>			
Proceeds from borrowings	10	8,380,688	-
Repayment of borrowings		-	(4,478,477)
Payment of front-end fee	10	(8,500)	-
Proceeds from issue of debentures		-	4,495,000
Transaction costs from issue of debentures	11	-	(4,593)
Interest paid		(290,202)	(195,533)
Distributions to unitholders	15	(1,497,183)	(1,818,213)
Payment of lease liabilities		<u>(5,960)</u>	<u>-</u>
<b>Net cash from (used in) financing activities</b>		<b><u>6,578,843</u></b>	<b><u>(2,001,816)</u></b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>(279,238)</b>	<b>85,886</b>
Cash and cash equivalents at 1 January		<u>509,938</u>	<u>341,666</u>
<b>Cash and cash equivalents at 30 June</b>		<b>230,700</b>	<b>427,552</b>

The accompanying notes form an integral part of the interim financial statements.

**CPN Retail Growth Leasehold REIT**  
**Notes to the condensed interim financial statements**  
**For the three-month and six-month periods ended 30 June 2020 (Unaudited)**

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**CPN Retail Growth Leasehold REIT**  
**Notes to the condensed interim financial statements**  
**For the three-month and six-month periods ended 30 June 2020 (Unaudited)**

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

These financial statements were approved by management of the REIT manager on 14 August 2020.

**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, at Baht 13.4028 per unit).

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 has dividend payment policy is in accordance with condition and procedures as specified in prospectus.

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

*(a) Statement of compliance*

The condensed interim 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 (“Accounting Guidance”), and announced by AIMC in February 2020. The elected to apply accounting guidance on temporary accounting relief measures for additional accounting options in response to impact from the situation of COVID-19 outbreak which announced by the Federation of Accounting Professions. Notes to the condensed interim financial statements (“interim financial statements”) are prepared in accordance with Thai Accounting Standard (TAS) No. 34 *Interim Financial Reporting*. The application of the Accounting Guidance resulted in changes in accounting policies of the Trust on the financial statements as disclosed in note 3.

The interim financial statements 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 2019.

**CPN Retail Growth Leasehold REIT**  
**Notes to the condensed interim financial statements**  
**For the three-month and six-month periods ended 30 June 2020 (Unaudited)**

*(b) Use of judgements and estimates*

In preparing these interim financial statements, judgements and estimates are made by management in estimating fair value of assets in accordance with the Trust's accounting policy. Actual results may differ from these estimates. The accounting policies, methods of computation and the key sources of estimation uncertainty were the same as those that described in the financial statements for the year ended 31 December 2019 except for the new significant judgements and key sources of estimation uncertainty related to the application of new TFRS and COVID-19 outbreak as disclosed in notes 3 and 4.

**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.

***Impact from change in lease accounting policy***

*(in thousand Baht)*

***At 1 January 2020***

Increase in investments in leasehold properties at fair value	34,225
Increase in lease liabilities	(34,225)

*(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 and 18.

**CPN Retail Growth Leasehold REIT**  
**Notes to the condensed interim financial statements**  
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**4 Impact of COVID-19 Outbreak**

Due to the COVID-19 outbreak at the beginning of 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 six-month period ended 30 June 2020 as follows:

*Six-month period ended 30 June 2020*

*(in thousand Baht)*

***Recognised in profit or loss***

Rental and service income after actual rental	1,735,782
Impact of lease modification under TFRS 16	164,894
Rental and service income after adjustment according to TFRS 16	<u><b>1,900,676</b></u>
Net profit on investments before adjustment for rental discounts	<u><b>701,959</b></u>
Net profit on investments after adjustment for rental discounts according to TFRS 16	<u><b>866,853</b></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, which will begin in April 2020.

At 30 June 2020, the situation of COVID-19 outbreak is still ongoing, resulting in estimation uncertainty on the potential impact, therefore, the Trust elected to apply accounting guidance on temporary accounting relief measures for additional accounting options in response to impact from the situation of COVID-19 outbreak on the fair value measurement under TFRS 13, for Non-financial assets: The Trust can opt to exclude the factor of COVID-19 situation, which may affect future financial forecast, in fair value measurement technique. The Trust elected to measure investments in leasehold in properties at 30 June 2020 using fair values at 31 December 2019. (see note 7)

**CPN Retail Growth Leasehold REIT**  
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**5 Financial risks**

*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 rate.

<b><i>Financial assets and financial liabilities</i></b>	Carrying amount of financial instruments - net			Total
	Floating interest rate	Fixed interest rate	No interest rate	
				<i>(in thousand Baht)</i>
<b><i>At 30 June 2020</i></b>				
Cash and cash equivalents	102,537	-	128,163	230,700
Investments measured at fair value				
to profit or losses	172,887	594,981	-	767,868
Borrowings	7,372,673	1,000,000	-	8,372,673
Debentures	-	14,525,810	-	14,525,810

*Credit risk*

The Trust has credit risk which results from the failure of a counterparty to settle its contractual obligations specified in financial instruments. The Trust has only receivables. However, the related financial assets have short-term maturity, therefore, the Trust does not anticipate material losses from its debt collection.

*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 equity and 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.

*Risk management*

The Trust manages potential risk on investment by setting risk management policy, e.g. investment diversification and analysis of investee's financial position.

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**6 Investments measured at fair value to profit or losses**

Movement of investments measured at fair value to profit or losses during the six-month period ended 30 June 2020 are as follows:

	<i>(in thousand Baht)</i>
At 1 January 2020	901,642
Additions	889,965
Disposal	(1,025,012)
Gain on investments	1,432
Losses on changes in fair value of investments	(159)
<b>At 30 June 2020</b>	<b><u>767,868</u></b>

**7 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:

1. 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.

## **CPN Retail Growth Leasehold REIT**

### **Notes to the condensed interim financial statements**

#### **For the three-month and six-month periods ended 30 June 2020 (Unaudited)**

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 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 trust unit.
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

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**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 for 7,780 million Baht which dividend into The Ninth Towers office building project 5,847 million Baht and Unilever House office building project 1,583 million Baht and repayment on registration fee, value added tax, stamp duty, and related acquisition costs for 350 million Baht, 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.

**CentralPlaza Rama II project (Renewal period)**

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

	<i>Note</i>	2020	2019
		<i>(in thousand Baht)</i>	
At 1 January		44,472,000	44,750,000
Increase in the change of accounting policies	3	34,225	-
Additional investments in leasehold properties		7,780,444	-
Rights-of-use assets		16,787,099	-
Acquisitions		22,778	168,219
Disposals		-	(9,242)
Losses on changes in fair value of investments		(22,778)	(436,977)
<b>At 30 June/ 31 December</b>		<b>69,073,768</b>	<b>44,472,000</b>

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.

# CPN Retail Growth Leasehold REIT

## Notes to the condensed interim financial statements

For the three-month and six-month periods ended 30 June 2020 (Unaudited)

Project	Gain (losses) from revaluation of investments in leasehold properties	
	For the six-month period ended 30 June 2020	For the year ended 31 December 2019
	<i>(in thousand Baht)</i>	
CentralPlaza Rama II	(369)	(627,438)
CentralPlaza Rama III	(6,305)	648,665
CentralPlaza Pinklao	(6,185)	(485,075)
CentralPlaza Chiangmai Airport	(4,106)	(8,094)
Central Festival Pattaya Beach	(67)	(5,035)
Hilton Pattaya Hotel	-	40,000
The Ninth Towers office building	(5,746)	-
<b>Total</b>	<b>(22,778)</b>	<b>(436,977)</b>

Due to the COVID-19 outbreak at the beginning of 2020, This has significantly affected world economy and also the fund's operation. It impacted to rental and service income may impact to fair value of investments in leasehold properties. The Trust's management is closely monitoring the situation. The situation of COVID-19 outbreak is still ongoing, resulting in estimation uncertainty on the potential impact. Therefore, the Trust elected to apply accounting guidance on temporary accounting relief measures for additional accounting options in response to impact from the situation of COVID-19 outbreak. The Trust elected to exclude the factor of COVID-19 situation, which may affect future financial forecast, in fair value measurement technique of investments in leasehold properties, therefore, the Trust used the latest appraised value in December 2019 as fair value for 6 existing projects and used the latest appraised value at the acquiring date that the Trust had the additional investments.

## 8 Cash and cash equivalents

The Trust's details of cash and cash equivalents are as follows:

	30 June 2020	31 December 2019
	<i>(in thousand baht)</i>	
Cash on hand	58	-
Cash at banks	230,642	509,938
<b>Total</b>	<b>230,700</b>	<b>509,938</b>

# CPN Retail Growth Leasehold REIT

## Notes to the condensed interim financial statements

For the three-month and six-month periods ended 30 June 2020 (Unaudited)

	30 June 2020		31 December 2019	
		Interest rate		Interest rate
	(in thousand Baht)	(%)	(in thousand Baht)	(%)
<b>Current Account</b>				
Citibank, N.A.	127,610	-	382,473	-
KASIKORNBANK Public Company Limited	60	-	60	-
Bank of Ayudhya Public Company Limited	435	-	-	-
<b>Savings Accounts</b>				
The Siam Commercial Bank Public Company Limited	28,738	0.100	88,466	0.375
KASIKORNBANK Public Company Limited	14,184	0.050	38,939	0.250
Bank of Ayudhya Public Company Limited	59,615	0.100	-	-
<b>Total</b>	<b>230,642</b>		<b>509,938</b>	

## 9 Rental and service receivables

	30 June 2020	31 December 2019
	(in thousand Baht)	
Within credit terms	21,287	38,749
Overdue:		
Less than 3 months	167,918	64,708
3 - 6 months	107,555	29,914
6 - 12 months	30,610	3,358
Over 12 months	8,131	7,304
	<b>335,501</b>	<b>144,033</b>
Less Allowance for doubtful accounts	(894)	(322)
<b>Net</b>	<b>334,607</b>	<b>143,711</b>
Accrued income base on operating leases	253,839	56,513
<b>Total</b>	<b>588,446</b>	<b>200,224</b>

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

## 10 Borrowings

	30 June 2020	31 December 2019
	(in thousand Baht)	
Borrowings from financial institutions - Group 1		
- unsecured	6,983,571	-
Borrowings from financial institutions - Group 2		
- unsecured	1,389,102	-
<b>Total</b>	<b>8,372,673</b>	<b>-</b>

At 30 June 2020, borrowings from financial institutions had the effective interest rate at 1.78% per annum.

**CPN Retail Growth Leasehold REIT**  
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Movement of borrowings for the six-month period ended 30 June 2020, was as follows:

	<i>(in thousand Baht)</i>
<b>Beginning of the period</b>	-
Add Additional borrowings	8,380,688
Less Payment of front-end fee	(8,500)
	<u>8,372,188</u>
Add Amortised front-end fee	485
<b>End of the period</b>	<u><b>8,372,673</b></u>

On 2 March 2020, the Trust had utilised loan in accordance with loan agreements with financial institutions Group 1 and Group 2 amounting to Baht 6,782 million and Baht 1,389 million, respectively.

On 30 April 2020, the Trust had utilised loan in accordance with loan agreements with financial institutions Group 1 amounting to Baht 209.50 million.

At 30 June 2020, the Trust has unutilised credit facilities amounting to Baht 6,381 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 30 June 2020 and 31 December 2019, were as follows:

	30 June 2020	31 December 2019
	<i>(in thousand Baht)</i>	
Within one year	5,419,449	-
After one year but within five years	974,654	-
Over five years	1,978,570	-
<b>Total</b>	<u><b>8,372,673</b></u>	<u><b>-</b></u>

## **11 Debentures**

	30 June 2020	31 December 2019
	<i>(in thousand Baht)</i>	
Debentures - Series 1 / 2018 - unsecured	2,648,982	2,648,532
Debentures - Series 2 / 2018 - unsecured	7,383,861	7,383,485
Debentures - Series 1 / 2019 - unsecured	2,699,162	2,698,475
Debentures - Series 2 / 2019 - unsecured	1,793,805	1,793,577
<b>Total</b>	<u><b>14,525,810</b></u>	<u><b>14,524,069</b></u>

Movement of debentures for six-month period ended 30 June 2020, was as follows:

	<i>(in thousand Baht)</i>
<b>Beginning of the period</b>	<b>14,524,069</b>
Add Payment of underwriting fee	1,741
<b>End of the period</b>	<u><b>14,525,810</b></u>

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The periods to maturity of debentures, at 30 June 2020 and 31 December 2019 were as follows:

	30 June 2020	31 December 2019
	<i>(in thousand Baht)</i>	
Within one year	2,699,162	-
After one year but within five years	4,442,787	7,140,584
After five years	7,383,861	7,383,485
<b>Total</b>	<b>14,525,810</b>	<b>14,524,069</b>

**12 Retained earnings (deficit)**

Movement of retained earnings (deficit) for the six-month period ended 30 June 2020 was as follows:

	<i>(in thousand Baht)</i>
At 1 January 2020	468,684
Net profit on investments	866,853
Net gain on investments	1,432
Losses on changes in fair value of investments	(22,937)
Distributions to unitholders	(1,497,183)
<b>At 30 June 2020</b>	<b>(183,151)</b>

**13 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.

# CPN Retail Growth Leasehold REIT

## Notes to the condensed interim financial statements

### For the three-month and six-month periods ended 30 June 2020 (Unaudited)

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.

## 14 Related parties

Relationships with related parties were as follows:

Name of Entities	Country of Incorporation/ Nationality	Nature of Relationship	Nature of Transaction
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

# CPN Retail Growth Leasehold REIT

## Notes to the condensed interim financial statements

For the three-month and six-month periods ended 30 June 2020 (Unaudited)

Name of Entities	Country of Incorporation/ Nationality	Nature of Relationship	Nature of Transaction
Central Pattana Rama 2 Company Limited	Thailand	<ul style="list-style-type: none"> <li>- Central Pattana Public Company Limited's subsidiary</li> <li>- Common directors</li> </ul>	<ul style="list-style-type: none"> <li>- Water treatment system rental agreement rendering to the Trust</li> <li>- Rental and service agreement</li> </ul>
Central Pattana Rama 3 Company Limited	Thailand	<ul style="list-style-type: none"> <li>- Central Pattana Public Company Limited's subsidiary</li> <li>- Common directors</li> </ul>	<ul style="list-style-type: none"> <li>- Rental and service agreement</li> </ul>
Central Pattana Chiangmai Company Limited	Thailand	<ul style="list-style-type: none"> <li>- Central Pattana Public Company Limited's subsidiary</li> <li>- Common directors</li> </ul>	<ul style="list-style-type: none"> <li>- Rental and service agreement</li> </ul>
CPN Pattaya Company Limited	Thailand	<ul style="list-style-type: none"> <li>- Central Pattana Public Company Limited's subsidiary</li> <li>- Common directors</li> </ul>	<ul style="list-style-type: none"> <li>- Rental and service agreement</li> <li>- Lessor of assets which the Trust additionally invested</li> </ul>
CPN Pattaya Hotel Company Limited	Thailand	<ul style="list-style-type: none"> <li>- Central Pattana Public Company Limited's subsidiary</li> <li>- Common directors</li> </ul>	<ul style="list-style-type: none"> <li>- Sublease agreement over building and utility systems, and lease agreement over movable assets with the Trust</li> </ul>
Grand Canal Land Public Company Limited	Thailand	<ul style="list-style-type: none"> <li>- Property manager</li> <li>- Central Pattana Public Company Limited's subsidiary</li> <li>- Common directors</li> </ul>	<ul style="list-style-type: none"> <li>- Receive property management fee from the Trust</li> <li>- Rental and service agreement</li> </ul>
Sterling Equity Company Limited	Thailand	<ul style="list-style-type: none"> <li>- Property manager</li> <li>- Central Pattana Public Company Limited's subsidiary</li> <li>- Common directors</li> </ul>	<ul style="list-style-type: none"> <li>- Receive property management fee from the Trust</li> </ul>
GLAND Office Leasehold Real Estate Investment Trust (Under liquidation process)	Thailand	<ul style="list-style-type: none"> <li>- Central Pattana Public Company Limited's associate</li> </ul>	<ul style="list-style-type: none"> <li>- Transferor of investments in leasehold properties</li> </ul>

# CPN Retail Growth Leasehold REIT

## Notes to the condensed interim financial statements

For the three-month and six-month periods ended 30 June 2020 (Unaudited)

Name of Entities	Country of Incorporation/ Nationality	Nature of Relationship	Nature of Transaction
Central Group of Companies	Thailand	- Common directors, common management or common control with Central Pattana Public Company Limited	- 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 three-month and six-month periods ended 30 June 2020 are as follows:

	Three-month period (in thousand Baht)	Six-month period	Pricing policies
<b>Income</b>			
Rental and service income			
Central Pattana Public Company Limited and its subsidiaries	80,124	162,403	
The Siam Commercial Bank Public Company Limited and its subsidiaries	10,499	24,926	Market prices which are subject to location, lease space, lease from, lease period and type of lease
Grand Canal Land Public Company Limited	1,057	2,246	
Central Group of Companies	43,783	178,736	
<b>Total</b>	<b>135,463</b>	<b>368,311</b>	
Interest income			
The Siam Commercial Bank Public Company Limited	<b>47</b>	<b>275</b>	As mutually agreed rate
Other income			
Central Pattana Public Company Limited and its subsidiaries	11	19	The rate being charged by other parties in the business
Central Group of Companies	6	57	
<b>Total</b>	<b>17</b>	<b>76</b>	
<b>Expenses</b>			
Property management fee			
Central Pattana Public Company Limited	63,498	169,918	
Grand Canal Land Public Company Limited	5,854	7,709	
Sterling Equity Company Limited	2,760	3,597	As mutually agreed prices in contract
<b>Total</b>	<b>72,112</b>	<b>181,224</b>	
Management fee			
CPN REIT Management Company Limited	<b>38,687</b>	<b>73,723</b>	As mutually agreed prices in contract

# CPN Retail Growth Leasehold REIT

## Notes to the condensed interim financial statements

For the three-month and six-month periods ended 30 June 2020 (Unaudited)

	Three-month period (in thousand Baht)	Six-month period	Pricing policies
Trustee fee			
SCB Asset Management Company Limited	<u>10,551</u>	<u>20,106</u>	As mutually agreed prices in contract
Cost of rental and services			
Central Pattana Public Company Limited and its subsidiaries	5,593	11,860	
Grand Canal Land Public Company Limited	12,699	19,085	
Sterling Equity Company Limited	721	3,034	
Central Group of Companies	642	1,487	
<b>Total</b>	<u>19,655</u>	<u>35,466</u>	Market price
Administrative expenses			
Central Pattana Public Company Limited and its subsidiaries	1,588	5,196	
Central Group of Companies	24	226	
<b>Total</b>	<u>1,612</u>	<u>5,422</u>	As mutually agreed prices in contract
Finance costs			
The Siam Commercial Bank Public Company Limited	<u>125</u>	<u>250</u>	As mutually agreed prices in contract

Balances as at 30 June 2020 and 31 December 2019 with related parties were as follows:

	30 June 2020	31 December 2019
	(in thousand Baht)	
<b>Investments in leasehold properties at fair value</b>		
GLAND office Leasehold Real Estate Investment Trust (Under liquidation process)	<u>7,780,444</u>	<u>-</u>
<b>Cash equivalents</b>		
The Siam Commercial Bank Public Company Limited	<u>28,738</u>	<u>88,466</u>
<b>Receivables on accrued interest income</b>		
The Siam Commercial Bank Public Company Limited	<u>1</u>	<u>5</u>
<b>Rental and service receivables</b>		
Central Pattana Public Company Limited and its subsidiaries	84,546	87,547
The Siam Commercial Bank Public Company Limited	8,422	69
Grand Canal Land Public Company Limited	396	-
Sterling Equity Company Limited	195	-
Central Group of Companies	90,410	37,936
<b>Total</b>	<u>183,969</u>	<u>125,552</u>

# CPN Retail Growth Leasehold REIT

## Notes to the condensed interim financial statements

For the three-month and six-month periods ended 30 June 2020 (Unaudited)

	30 June 2020	31 December 2019
	<i>(in thousand Baht)</i>	
<b>Trade accounts payable</b>		
Central Pattana Public Company Limited and its subsidiaries	135,411	107,331
CPN REIT Management Company Limited	53,692	23,159
Grand Canal Land Public Company Limited	13,238	-
Sterling Equity Company Limited	4,619	-
Central Group of Companies	159	563
<b>Total</b>	<b>207,119</b>	<b>131,053</b>
<b>Other accounts payable</b>		
SCB Asset Management Company Limited	10,934	6,316
Central Pattana Public Company Limited and its subsidiaries	34	11
The Siam Commercial Bank Public Company Limited	-	62
Central Group of Companies	7,836	5,716
<b>Total</b>	<b>18,804</b>	<b>12,105</b>
<b>Deposits received from lessees</b>		
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	150,582	151,280
<b>Total</b>	<b>198,953</b>	<b>196,409</b>
<b>Lease liabilities</b>		
Central Pattana Rama 2 Company Limited	<b>16,979,717</b>	-
<b>Other liabilities</b>		
Central Pattana Public Company Limited and its subsidiaries	1,441	1,261
The Siam Commercial Bank Public Company Limited and its subsidiaries	1,910	1,924
Grand Canal Land Public Company Limited	94	-
Sterling Equity Company Limited	42	-
Central Group of Companies	15,939	14,137
<b>Total</b>	<b>19,426</b>	<b>17,322</b>

## 15 Distributions to unitholders

During the period, the Trust has distributed dividends to unitholders as follows:

Dividend announcement date	For the period	Amount per unit (Baht per unit)	30 June 2020 (in million Baht)
21 February 2020	1 October 2019 - 31 December 2019	0.4060	898.27
13 May 2020	1 January 2020 - 31 March 2020	0.2707	598.91
<b>Total</b>			<b>1,497.18</b>

## 16 Information on investment purchase and sale transactions

The Trust's purchase and sale transactions during the six-month period ended 30 June 2020, excluding investments in cash at banks, amounted to Baht 9,578 million which was 32.57% of the average net asset values during the period.

**CPN Retail Growth Leasehold REIT**  
**Notes to the condensed interim financial statements**  
**For the three-month and six-month periods ended 30 June 2020 (Unaudited)**

**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.

**18 Information on fair value level and fair value measurement of investments**

*Fair value estimation*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyers and sellers (market participants) at the measurement date. The Trust used quoted prices in active markets in measuring assets and liabilities which required to be measured at fair value under related accounting guidance. In case that there is no active market for identical assets or liabilities or the quoted prices in active markets are not available, the Trust will estimate the fair value using valuation techniques that fit to each circumstance and try to use observable data that is relevant to the assets or liabilities to be measured as much as possible.

Different levels in a fair value hierarchy are as follows:

- *Level 1*: quoted prices (unadjusted) 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 (i.e. as prices) or indirectly (i.e. derived from prices).
- *Level 3*: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table shows fair value categorised by measurement approach:

<i>At 30 June 2020</i>	Level 1	Level 2	Level 3	Total
		<i>(in million Baht)</i>		
Investments measured at fair value to profit or losses	-	768	-	768
Investments in leasehold properties at fair value	-	-	69,074	69,074

Investments of which the amounts were based on market prices obviously quoted in the active market, and were categorised in level 1, comprised trading equity instruments of listed company and derivatives traded in official markets. The Trust does not adjust the reference prices for these instruments.

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 debt instruments and derivatives in direct trading market.

Investments categorised in level 3 have significant unobservable data as they are not actively traded.

Level 3 equity security comprised credit risk data and expected loss on the related base of the investments. The main input for the Trust's assessment form of the investments comprised price-earnings ratio and discounted cash flow.

# CPN Retail Growth Leasehold REIT

## Notes to the condensed interim financial statements

For the three-month and six-month periods ended 30 June 2020 (Unaudited)

### 19 Reclassification of accounts

Certain accounts in the statement of financial position for the year 2019 and statement of comprehensive income for the three-month and six-month periods ended 30 June 2019 have been reclassified to conform to the presentation in the interim financial statements for the three-month and six-month periods ended 30 June 2020. Other significant reclassifications were as follows:

	Before reclassification	2019 Reclassification (in thousand Baht)	After reclassification
<b><i>Statement of financial position</i></b>			
Rental and service receivables	143,711	56,513	200,224
Prepaid expenses	-	25,646	25,646
Other assets	263,141	(82,159)	180,982
		<u>-</u>	
<b><i>Statement of comprehensive income</i></b>			
<b><i>For three-month ended period</i></b>			
<b><i>30 June 2019</i></b>			
Rental and service income	1,228,711	40,141	1,268,852
Other income	45,892	(40,141)	5,751
		<u>-</u>	
<b><i>Statement of comprehensive income</i></b>			
<b><i>For six-month ended period</i></b>			
<b><i>30 June 2019</i></b>			
Rental and service income	2,458,500	118,199	2,576,699
Other income	128,249	(118,199)	10,050
		<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.