

CPN Retail Growth Leasehold REIT

Condensed interim financial statements
for the three-month and six-month periods ended
30 June 2021
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 2021, the statements of comprehensive income for the three-month and six-month periods ended 30 June 2021, 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.

(Vannaporn Jongperadechanon)
Certified Public Accountant
Registration No. 4098

KPMG Phoomchai Audit Ltd.
Bangkok
11 August 2021

CPN Retail Growth Leasehold REIT

Statement of financial position

| | | 30 June | 31 December |
|---|-------------|--------------------|-------------------|
| | <i>Note</i> | 2021 | 2020 |
| | | (Unaudited) | |
| | | (in thousand Baht) | |
| Assets | | | |
| Investments measured at fair value through profit or loss | 4 | 1,072,345 | 1,072,799 |
| Investments in leasehold properties at fair value | 5, 12 | 74,829,433 | 68,269,714 |
| Cash equivalents | 6, 12 | 934,800 | 1,162,097 |
| Accrued rental and service receivables | 7, 12 | 894,381 | 644,432 |
| Refundable value added tax | | 404,134 | 319,033 |
| Prepaid expenses | | 11,144 | 27,766 |
| Other assets | | 27,409 | 81,333 |
| Total assets | | 78,173,646 | 71,577,174 |
| Liabilities | | | |
| Trade accounts payable | 12 | 128,464 | 166,894 |
| Other accounts payable | 12 | 27,178 | 25,875 |
| Withholding tax payable | | 1,398 | 1,562 |
| Accrued expenses | | 682,425 | 631,532 |
| Rent received in advance | | 46,054 | 34,351 |
| Deposits received from tenants | 12 | 1,772,614 | 1,664,026 |
| Borrowings | 8 | 7,307,459 | 8,524,033 |
| Debentures | 9 | 15,325,726 | 14,510,677 |
| Lease liabilities | 12 | 18,501,316 | 17,727,116 |
| Provision for decommissioning and restoration | | 89,269 | - |
| Other liabilities | 12 | 296,260 | 247,127 |
| Total liabilities | | 44,178,163 | 43,533,193 |
| Net assets | | 33,995,483 | 28,043,981 |

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> | 2021 | 2020 |
| | | (Unaudited) | |
| | | (in thousand Baht) | |
| <i>Net assets</i> | | | |
| Capital from unitholders | 10 | 31,954,304 | 28,551,791 |
| Capital surplus | 10 | 2,201,431 | 216,093 |
| Deficit | 10 | (160,252) | (723,903) |
| Net assets | | 33,995,483 | 28,043,981 |
| Net asset value per unit (<i>in Baht</i>) | | 13.2379 | 12.6753 |
| Number of units issued at the end of period/year (<i>units</i>) | | 2,568,034,000 | 2,212,476,700 |

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

CPN Retail Growth Leasehold REIT

Details of investments

Details of investments are presented by investment category.

| Type of investments | Note | Areas held (Rai-Ngan-Sq. Wah) | 30 June 2021 (Unaudited) | | | 31 December 2020 | | |
|--|----------|----------------------------------|--------------------------|-------------------|------------------------------|--------------------|-------------------|------------------------------|
| | | | Cost | Fair value | Percentage of investments | Cost | Fair value | Percentage of investments |
| | | | (in thousand Baht) | | (%) | (in thousand Baht) | | (%) |
| <i>Investments in leasehold properties</i> | 5 | | | | | | | |
| Leasehold and subleasehold rights on land including | | | | | | | | |
| shopping center buildings and utility systems, | | | | | | | | |
| hotel and office buildings under 10 projects | | | | | | | | |
| 1. Central Rama 2 project | | | | | | | | |
| <u>Location</u> Rama 2 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 | | | 577,346 | | | 325,521 | | |
| Rights-of-use assets | | | 16,821,324 | | | 16,821,324 | | |
| | | | 24,584,806 | 24,790,797 | 32.66 | 24,332,981 | 24,220,714 | 34.93 |
| 2. Central Rama 3 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 | | | 528,379 | | | 524,691 | | |
| | | | 9,707,628 | 11,888,000 | 15.66 | 9,703,940 | 11,888,000 | 17.14 |

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

CPN Retail Growth Leasehold REIT

Details of investments

| Type of investments | Note | Areas held (Rai-Ngan-Sq. Wah) | 30 June 2021 (Unaudited) | | | 31 December 2020 | | |
|---|-----------------|---|--------------------------|-------------------|------------------------------|--------------------|-------------------|------------------------------|
| | | | Cost | Fair value | Percentage of investments | Cost | Fair value | Percentage of investments |
| | | | (in thousand Baht) | | (%) | (in thousand Baht) | | (%) |
| <i>Investments in leasehold properties</i> | <i>5</i> | | | | | | | |
| 3. Central 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 | | | 107,015 | | | 105,444 | | |
| | | | 5,650,122 | 4,226,000 | 5.57 | 5,648,551 | 4,226,000 | 6.09 |
| 4. Central 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 | | | 38,756 | | | 37,585 | | |
| | | | 10,532,909 | 10,287,000 | 13.55 | 10,531,738 | 10,287,000 | 14.84 |

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

CPN Retail Growth Leasehold REIT

Details of investments

| Type of investments | Note | 30 June 2021 (Unaudited) | | | 31 December 2020 | | |
|---|----------|--------------------------|------------------|---------------------------|--------------------|------------------|---------------------------|
| | | Cost | Fair value | Percentage of investments | Cost | Fair value | Percentage of investments |
| | | (in thousand Baht) | | (%) | (in thousand Baht) | | (%) |
| Investments in leasehold properties | 5 | | | | | | |
| 5. Central Pattaya 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 | | 12,486 | | | 12,355 | | |
| | | 8,342,967 | 7,145,000 | 9.41 | 8,342,836 | 7,145,000 | 10.30 |
| 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 | | |
| Leasehold improvements | | 226,458 | | | 119,557 | | |
| | | 4,053,457 | 3,546,000 | 4.67 | 3,946,556 | 3,452,000 | 4.98 |

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

CPN Retail Growth Leasehold REIT

Details of investments

| Type of investments | Note | 30 June 2021 (Unaudited) | | | 31 December 2020 | | |
|---|----------|--------------------------|------------------|---------------------------|--------------------|------------------|---------------------------|
| | | Cost | Fair value | Percentage of investments | Cost | Fair value | Percentage of investments |
| | | (in thousand Baht) | | (%) | (in thousand Baht) | | (%) |
| <i>Investments in leasehold properties</i> | 5 | | | | | | |
| 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 | | | 3,385,368 | | |
| Leasehold right on utility systems | | 2,631,134 | | | 2,631,134 | | |
| Related acquisition costs for leasehold right | | 90,575 | | | 90,575 | | |
| Furniture, fixtures and equipment | | 37 | | | 37 | | |
| Leasehold improvements | | 28,364 | | | 6,270 | | |
| | | 6,135,478 | 5,704,000 | 7.52 | 6,113,384 | 5,704,000 | 8.23 |
| 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 | | | 936,458 | | |
| Leasehold right on utility systems | | 712,350 | | | 712,350 | | |
| Related acquisition costs for leasehold right | | 24,522 | | | 24,522 | | |
| | | 1,673,330 | 1,347,000 | 1.78 | 1,673,330 | 1,347,000 | 1.94 |

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

CPN Retail Growth Leasehold REIT

Details of investments

| Type of investments | Note | 30 June 2021 (Unaudited) | | | 31 December 2020 | | |
|---|----------|--------------------------|-------------------|---------------------------|--------------------|-------------------|---------------------------|
| | | Cost | Fair value | Percentage of investments | Cost | Fair value | Percentage of investments |
| | | (in thousand Baht) | | (%) | (in thousand Baht) | | (%) |
| Investments in leasehold properties | 5 | | | | | | |
| 9. CentralMarina project | | | | | | | |
| <u>Location</u> Pattaya 2 road, Nong Prue, Bang La Mung, Chonburi | | | | | | | |
| Leasehold right on shopping center building including parking spaces | | 1,941,067 | | | - | | |
| Leasehold right on utility system | | 639,983 | | | - | | |
| Related acquisition costs for leasehold right | | 39,925 | | | - | | |
| Furniture, fixtures and equipment | | 14,450 | | | - | | |
| | | 2,635,425 | 2,635,425 | 3.47 | - | - | - |
| 10. Central Lampang project | | | | | | | |
| <u>Location</u> Superhighway Lampang-Ngao Road, Suandok, Amphur Muang Lampang, Lampang | | | | | | | |
| Leasehold right on shopping center building including parking spaces | | 2,429,587 | | | - | | |
| Leasehold right on utility systems | | 771,889 | | | - | | |
| Related acquisition costs for leasehold right | | 48,053 | | | - | | |
| Furniture, fixtures and equipment | | 10,682 | | | - | | |
| Leasehold improvements | | 83 | | | - | | |
| | | 3,260,294 | 3,260,211 | 4.30 | - | - | - |
| Total investments in leasehold properties | | 76,576,416 | 74,829,433 | 98.59 | 70,293,316 | 68,269,714 | 98.45 |

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

CPN Retail Growth Leasehold REIT

Details of investments

| | <i>Note</i> | <u>Maturity date</u> | 30 June 2021 (Unaudited) | | | 31 December 2020 | | |
|--|-------------|----------------------|--------------------------|--------------------|---------------|--------------------|--------------------|---------------|
| | | | Principal | Fair value | Percentage of | Principal | Fair value | Percentage of |
| | | | (in thousand Baht) | (in thousand Baht) | (%) | (in thousand Baht) | (in thousand Baht) | (%) |
| Investments in securities | 4 | | | | | | | |
| Unit Trust | | | | | | | | |
| TMB Treasury Money Fund | | | 171,772 | 173,172 | | 171,772 | 173,050 | |
| Fixed deposits | | | | | | | | |
| Government Housing Bank | | April 2021 | - | - | | 300,000 | 300,000* | |
| Government Housing Bank | | April 2022 | 300,000 | 300,000* | | - | - | |
| Bond | | | | | | | | |
| Bank of Thailand | | January 2021 | - | - | | 99,885 | 99,996 | |
| Bank of Thailand | | February 2021 | - | - | | 499,485 | 499,753 | |
| Bank of Thailand | | November 2021 | 598,574 | 599,173 | | - | - | |
| Total investments in securities | | | 1,070,346 | 1,072,345 | 1.41 | 1,071,142 | 1,072,799 | 1.55 |
| Total investments | | | 77,646,762 | 75,901,778 | 100.00 | 71,364,458 | 69,342,513 | 100.00 |

* 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> | 2021 | 2020 |
| | | <i>(in thousand Baht)</i> | |
| <i>Income</i> | | | |
| Rent and service income | | 832,486 | 729,018 |
| Interest income | | 767 | 2,630 |
| Other income | | 7,892 | 6,806 |
| Total income | | 841,145 | 738,454 |
| <i>Expenses</i> | | | |
| Management fee | <i>11</i> | 41,234 | 38,687 |
| Trustee fee | <i>11</i> | 11,140 | 10,551 |
| Registrar fee | <i>11</i> | 1,160 | 1,035 |
| Professional fee | | 348 | 453 |
| Property management fee | <i>11</i> | 95,741 | 72,112 |
| Costs of rental and services | | 68,413 | 29,966 |
| Other expenses | | 20,734 | 2,057 |
| Finance cost | | 551,425 | 531,553 |
| Total expenses | | 790,195 | 686,414 |
| Net profit on investments | | 50,950 | 52,040 |
| Net gain (loss) on investments | | | |
| Net gain (loss) on investments | | (336) | 1,261 |
| Net gain (loss) on change in fair value of investments | | 51,221 | (8,868) |
| Total net gain (loss) on investments | | 50,885 | (7,607) |
| Net increase in net assets resulting from operations | | 101,835 | 44,433 |

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> | 2021 | 2020 |
| | | <i>(in thousand Baht)</i> | |
| <i>Income</i> | | | |
| Rent and service income | 12 | 1,852,974 | 1,900,676 |
| Interest income | 12 | 1,514 | 5,524 |
| Other income | 12 | 11,542 | 12,794 |
| Total income | | 1,866,030 | 1,918,994 |
| <i>Expenses</i> | | | |
| Management fee | 11, 12 | 80,801 | 73,723 |
| Trustee fee | 11, 12 | 21,849 | 20,106 |
| Registrar fee | 11 | 2,307 | 2,070 |
| Professional fee | | 658 | 644 |
| Property management fee | 11, 12 | 214,290 | 181,224 |
| Costs of rental and services | 12 | 123,441 | 74,434 |
| Other expenses | 12 | 44,758 | 35,896 |
| Finance cost | 12 | 1,091,529 | 664,044 |
| Total expenses | | 1,579,633 | 1,052,141 |
| Net profit on investments | | 286,397 | 866,853 |
| Net gain (loss) on investments | | | |
| Net gain on investments | 4, 5 | 294 | 1,432 |
| Net gain (loss) on change in fair value of investments | 5 | 276,960 | (22,937) |
| Total net gain (loss) on investments | | 277,254 | (21,505) |
| Net increase in net assets resulting from operations | | 563,651 | 845,348 |

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> | 2021 | 2020 |
| | | <i>(in thousand Baht)</i> | |
| Increase (decrease) in net assets resulting from operations during the period | | | |
| Net profit on investments | | 286,397 | 866,853 |
| Net gain (loss) on investments | | <u>277,254</u> | <u>(21,505)</u> |
| Increase in net assets during the period | | 563,651 | 845,348 |
| Distribution to trust unitholders | 13 | - | (1,497,183) |
| Capital return to trust unitholders | 10 | (1,093,046) | - |
| Issuing and offering unit trusts | 10 | 6,577,810 | - |
| Expenses related to issuing and offering unit trusts | 10 | <u>(96,913)</u> | <u>-</u> |
| Increase (decrease) in net assets during the period | | 5,951,502 | (651,835) |
| Net assets at 1 January | | <u>28,043,981</u> | <u>29,701,188</u> |
| Net assets at 30 June | | <u>33,995,483</u> | <u>29,049,353</u> |
| Changes in number of Trust unit | | | |
| Trust unit at 1 January (<i>units</i>) | | <u>2,212,476,700</u> | <u>2,212,476,700</u> |
| Trust unit at 30 June (<i>units</i>) | | <u>2,568,034,000</u> | <u>2,212,476,700</u> |

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> | 2021 | 2020 |
| | | <i>(in thousand Baht)</i> | |
| <i>Cash flows from operating activities</i> | | | |
| Net increase in net assets from operations | | 563,651 | 845,348 |
| <i>Adjustments to reconcile net increase (decrease) in net assets from operations to net cash used in operating activities:</i> | | | |
| Net gain on investments | 4, 5 | (294) | (1,432) |
| Net (gain) loss on changes in fair value of investments | 5 | (276,960) | 22,937 |
| Purchases of investments in securities | 4 | (898,574) | (889,965) |
| Proceed from sale of investments in securities | 4 | 900,000 | 1,025,012 |
| Purchases of investments in leasehold properties | 5 | (6,194,994) | (8,012,723) |
| Proceed from sales of investments in leasehold properties | 5 | 3 | - |
| Increase in accrued rental and service receivables | | (249,820) | (388,222) |
| Increase in refundable value added tax | | (85,101) | (370,503) |
| (Increase) decrease in prepaid expense | | 16,622 | (10,795) |
| Decrease in other assets | | 53,924 | 78,332 |
| Increase (decrease) in trade accounts payable | | (38,430) | 62,160 |
| Increase (decrease) in other accounts payable | | 1,303 | (245) |
| Decrease in withholding tax payable | | (164) | (25,834) |
| Increase in accrued expenses | | 66,610 | 12,792 |
| Increase (decrease) in rent received in advance | | 11,703 | (11,632) |
| Increase in deposits received from tenants | | 108,588 | 113,068 |
| Increase in other liabilities | | 49,133 | 34,215 |
| Interest income | | (1,514) | (5,524) |
| Interest received | | 1,385 | 886 |
| Finance cost | | 1,091,529 | 664,044 |
| Net cash used in operating activities | | (4,881,400) | (6,858,081) |

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> | 2021 | 2020 |
| | | <i>(in thousand Baht)</i> | |
| <i>Cash flows from financing activities</i> | | | |
| Proceeds from borrowings | 8 | 7,653,000 | 8,380,688 |
| Repayment of borrowings | 8 | (8,870,398) | - |
| Payment of front-end fee | 8 | (250) | (8,500) |
| Proceeds from issue of debentures | 9 | 3,500,000 | - |
| Repayment of debentures | 9 | (2,700,000) | - |
| Transaction costs from issue of debentures | 9 | (2,895) | - |
| Interest paid | | (307,035) | (290,202) |
| Distributions to trust unitholders | 13 | - | (1,497,183) |
| Capital return to trust unitholders | 10 | (1,093,046) | - |
| Issuing and offering unit trusts | 10 | 6,577,810 | - |
| Expenses related to issuing and offering unit trusts | 10 | (96,913) | - |
| Payment of lease liabilities | | (6,170) | (5,960) |
| Net cash from financing activities | | 4,654,103 | 6,578,843 |
| Net decrease in cash equivalents | | (227,297) | (279,238) |
| Cash equivalents at 1 January | | 1,162,097 | 509,938 |
| Cash equivalents at 30 June | | 934,800 | 230,700 |

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 2021 (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 2021 (Unaudited)

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

The interim financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements and were approved by management of the Trust on 11 August 2021.

1 General information

CPN Retail Growth Leasehold REIT (“the Trust”) was established from the conversion of CPN Retail Growth Leasehold Property Fund (“the Fund”) and received the transfer of assets, liabilities and obligations from the Fund on 1 December 2017. The Trust was a specific closed-end real estate investment trust with an indefinite term. The Trust was registered on 29 November 2017 with registered capital of Baht 29,653.38 million (2,212,476,700 trust units, 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 Central Rama 2 project, Central Rama 3 project, Central Pinklao project, Central Chiangmai Airport project, Central Pattaya project, Hilton Pattaya Hotel project, CentralMarina project and Central Lampang 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 Unilever 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

The condensed interim financial statements are presented in the same format as the annual financial statements together with notes to the interim financial statements on a condensed basis (“interim financial statements”) in accordance with Thai Accounting Standard (TAS) No. 34 *Interim Financial Reporting* and the accounting guidance for Property Fund, Real Estate Investment Trust, Infrastructure Fund and Infrastructure Trust issued by the Association of Investment Management Companies (“AIMC”) as approved by The Securities and Exchange Commission. In case of transactions not covered by this accounting guidance, the Trust applied Thai Financial Reporting Standard (TFRS) as announced by Federation of Accounting Professions (“Accounting Guidance”). The interim financial statements focus on new activities, events and circumstances to avoid repetition of information previously reported in annual financial statements. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Trust for the year ended 31 December 2020.

In preparing these interim financial statements, judgements and estimates are made by a REIT manager in applying the Trust’s accounting policy fair value of assets. 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 2020.

CPN Retail Growth Leasehold REIT

Notes to the condensed interim financial statements

For the three-month and six-month periods ended 30 June 2021 (Unaudited)

3 Impact of COVID-19

In 2021, COVID-19 pandemic is still on going, while vaccines for COVID-19 are being rolled out during 2021, but the situation of COVID-19 outbreak is still ongoing. In April 2021, there was the new infection of COVID-19 outbreak in Thailand. As a result, provincial governments decided to limit on the opening hours of the Trust's shopping centers and temporarily shut down some businesses in each location and during the period specified by the provincial regulations such as cinema businesses and fitness centers, etc.

Subsequently, in July 2021, provincial governments decided to temporarily shut down the Trust's shopping centers in the enforced locations for specific periods of time under each province order. As well as, shut down some additional businesses such as banking business, restaurants and etc. The shopping centers remain to open the supermarket and some businesses according to provincial government orders.

The Trust considered to provide rental discounts to tenants in the shopping centers that has effect. Such transactions were lease modification under TFRS 16 and gradually recognise rental discount throughout the remaining lease terms by straight line method. The Trust recognised rental income from the lease modification for the six-month period ended 30 June 2021 as follows:

For the six-month period ended 30 June 2021

(in million Baht)

Recognised in profit or loss

| | |
|--|---------------------|
| Rental and service income after actual rental | 1,743 |
| Impact of lease modification under TFRS 16 | 110 |
| Rental and service income after adjustment according to TFRS 16 | <u><u>1,853</u></u> |
| Net profit on investments before adjustment according to TFRS 16 | <u>176</u> |
| Net profit on investments after adjustment according to TFRS 16 | <u><u>286</u></u> |

4 Investments measured at fair value through profit or loss

| | 2021 | 2020 |
|---------------------------------|--------------------------|---------------------|
| | <i>(in million Baht)</i> | |
| At 1 January | 1,073 | 902 |
| Additions | 899 | 2,334 |
| Disposal | (900) | (2,165) |
| Gain on investments | - | 2 |
| At 30 June / 31 December | <u><u>1,072</u></u> | <u><u>1,073</u></u> |

CPN Retail Growth Leasehold REIT
Notes to the condensed interim financial statements
For the three-month and six-month periods ended 30 June 2021 (Unaudited)

5 Investments in leasehold properties at fair value

Additional in investments in leasehold properties in 2020

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 spaces and parking spaces
- Leasehold right on utility system
- Purchasing of furniture, fixtures, and equipment
- Remaining lease period 27 years ending 18 April 2047

Unilever House office building project

- Leasehold right on office spaces and parking spaces
- Leasehold right on utility system
- Remaining lease period 14 years ending 14 November 2034

The Trust was repayment on the additional assets' investment totalling Baht 7,780 million which dividend into The Ninth Towers office building project totalling Baht 5,847 million and Unilever House office building project totalling Baht 1,583 million and repayment on registration fee, value added tax, stamp duty, and related acquisition costs totalling Baht 350 million, recorded in investments in leasehold properties.

Central Rama 2 project (Renewal period)

On 31 March 2020, the Trust registered the leasehold rights in Central Rama 2 (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 Central Rama 2, including the shopping center and the indoor parking area
- Leasing the system relevant to the building and structures of Central Rama 2

Additional in investments in leasehold properties in 2021

On 25 February 2021, the Trust has additional investments in CentralMarina project and Central Lampang project. The Trust was registered and transferred leasehold right from Central Pattana Public Company Limited and Central Pattana Development Company Limited, respectively. The details were as follows;

CPN Retail Growth Leasehold REIT
Notes to the condensed interim financial statements
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CentralMarina project

- Leasehold right on partial part of shopping center building, common area and parking spaces
- Leasehold right on utility system
- Purchasing of furniture, fixtures, and equipment
- Remaining lease period 14 years ending 30 April 2035

Central Lampang project

- Leasehold right on partial part of shopping center building, common area and parking spaces
- Leasehold right on utility system
- Purchasing of furniture, fixtures, and equipment
- Remaining lease period 20 years ending 16 December 2041

The Trust was repayment on the additional assets' investment totalling Baht 5,808 million which dividend into CentralMarina project totalling Baht 2,574 million and Central Lampang project totalling Baht 3,098 million and repayment on registration fee, value added tax, stamp duty, and related acquisition costs totalling Baht 136 million. Moreover, the Trust recorded provision for decommissioning and restoration totalling Baht 88 million which recorded in investments in leasehold properties.

| | 2021 | 2020 |
|---|--------------------------|----------------------|
| | <i>(in million Baht)</i> | |
| At 1 January | 68,270 | 44,472 |
| Acquisitions | - | 2 |
| Addition on properties improvement | 387 | 431 |
| Increase in the change of accounting policies | - | 34 |
| Additional investments in leasehold properties | 5,896 | 7,780 |
| Rights-of-use assets | - | 16,787 |
| Disposals | - | (1) |
| Net loss on investment | (1) | (12) |
| Gain (loss) on changes in fair value of investments | 277 | (1,223) |
| At 30 June / 31 December | <u>74,829</u> | <u>68,270</u> |

The fair value of investments in leasehold properties were determined by independent professional valuers, at discounted cash flow using risk-adjusted discount rates, according to the independent professional valuers' report. The fair value of investment properties have been categorised as a Level 3 fair value.

CPN Retail Growth Leasehold REIT

Notes to the condensed interim financial statements

For the three-month and six-month periods ended 30 June 2021 (Unaudited)

| Project | Gain (loss) on changes in fair value of investments | |
|----------------------------------|---|-------------------------------------|
| | For the six-month period ended 30 June 2021 | For the year ended 31 December 2020 |
| | <i>(in million Baht)</i> | |
| Central Rama 2 | 318 | 802 |
| Central Rama 3 | (4) | 417 |
| Central Pinklao | (1) | (999) |
| Central Chiangmai Airport | (1) | (386) |
| Central Pattaya | - | (149) |
| Hilton Pattaya Hotel | (13) | (173) |
| The Ninth Towers office building | (22) | (409) |
| Unilever House office building | - | (326) |
| Total | 277 | (1,223) |

The following table represented the valuation technique which used to evaluate the fair value of investments in leasehold properties and significant unobservable inputs.

| Significant unobservable inputs | Inter-relationship between key unobservable inputs and fair value measurement |
|---|--|
| <ul style="list-style-type: none"> Expected market rental growth (weighted average 3.05% - 5.09%). Occupancy rate (weighted average 79% - 100%). Risk-adjusted discount rates (weighted average 9% - 11%). | <p>The estimated fair value increase (decrease) if:</p> <ul style="list-style-type: none"> Expected market rental growth were higher (lower); The occupancy rates were higher (lower); The risk-adjusted discount rate were lower (higher). |

CPN Retail Growth Leasehold REIT
Notes to the condensed interim financial statements
For the three-month and six-month periods ended 30 June 2021 (Unaudited)

6 Cash equivalents

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

| | 30 June 2021 | | 31 December 2020 | |
|---|-------------------|-------------------|-------------------|-------------------|
| | (in million Baht) | Interest rate (%) | (in million Baht) | Interest rate (%) |
| Current Account | | | | |
| Citibank, N.A. | 282 | - | 500 | - |
| Savings Accounts | | | | |
| The Siam Commercial Bank Public Company Limited | 491 | 0.100 | 581 | 0.125 |
| KASIKORNBANK Public Company Limited | 89 | 0.100 | 12 | 0.050 |
| Bank of Ayudhya Public Company Limited | 73 | 0.100 | 69 | 0.100 |
| Total | 935 | | 1,162 | |

7 Accrued rental and service receivables

| | 30 June 2021 | | 31 December 2020 | |
|---|--|------------------------------------|--|------------------------------------|
| | Accrued rental and service receivables | Allowance for expected credit loss | Accrued rental and service receivables | Allowance for expected credit loss |
| | (in thousand Baht) | | | |
| Within credit terms | 11,877 | - | 31,688 | - |
| Overdue: | | | | |
| 1 - 90 days | 167,777 | 45 | 206,135 | 136 |
| 91 - 180 days | 135,425 | 488 | 57,643 | 52 |
| 181 - 360 days | 140,943 | 52 | 27,211 | 100 |
| More than 360 days | 12,755 | 51 | 25,375 | 171 |
| Total | 468,777 | 636 | 348,052 | 459 |
| Accrued income base on operating leases | 425,756 | | 296,484 | |
| Accrued interest income | 484 | | 355 | |
| Total | 895,017 | | 644,891 | |
| Less allowance for expected credit loss | (636) | | (459) | |
| Net | 894,381 | | 644,432 | |

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

8 Borrowings

| | 30 June 2021 | 31 December 2020 |
|--|-------------------|------------------|
| | (in million Baht) | |
| Borrowings from financial institutions - Group 1 | | |
| - unsecured | 5,758 | 6,985 |
| Borrowings from financial institutions - Group 2 | | |
| - unsecured | 1,549 | 1,539 |
| Total | 7,307 | 8,524 |

CPN Retail Growth Leasehold REIT

Notes to the condensed interim financial statements

For the three-month and six-month periods ended 30 June 2021 (Unaudited)

| | 30 June 2021 | 31 December 2020 | | |
|---|-----------------------------|---------------------|---|--|
| Loan agreements | Amount (in million Baht) | | Interest rate (% per annum) | Term of payment |
| <i>Borrowings from financial institutions - Group 1</i> | | | | |
| Credit facility A | 2,658 | 6,985 | Agreed rate in the agreement | - Repayment of principal commencing from March 2021 and every 6 months - Repayment of interest every quarterly commencing from June 2020 |
| Credit facility B | 3,100 | - | Agreed rate in the agreement | - Full repayment of principal when due within March 2022 - Repayment of interest every quarterly commencing from March 2021 |
| <i>Borrowings from financial institutions - Group 2</i> | | | | |
| Credit facility A1 | - | 1,000 | Agreed rate in the agreement | - Full repayment of principal when due within March 2021 - Repayment of interest every quarterly commencing from June 2020 |
| Credit facility A2 | 940 | - | Agreed rate in the agreement | - Full repayment of principal when due within March 2022 - Repayment of interest every quarterly commencing from March 2021 |
| Credit facility A3 | 296 | 389 | BIBOR plus agreed rate in the agreement | - Repayment of principal commencing within March 2021 and every 6 months - Repayment of interest every quarterly commencing from June 2020 |
| Credit facility B | 313 | 150 | BIBOR plus agreed rate in the agreement | - Full repayment of principal when due within December 2023 - Repayment of interest every quarterly commencing from March 2021 |
| Total | 7,307 | 8,524 | | |

At 30 June 2021, borrowings from financial institutions had the effective interest rate at 1.35 - 1.79% per annum.

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For the three-month and six-month periods ended 30 June 2021 (Unaudited)

Movement of borrowings for the six-month period ended 30 June 2021 and for the year ended 31 December 2020, was as follows:

| | 2021 | 2020 |
|---------------------------------|--------------------------|---------------------|
| | <i>(in million Baht)</i> | |
| At 1 January | 8,524 | - |
| Add Additional borrowings | 7,653 | 8,531 |
| Less Repayment of borrowings | (8,870) | - |
| Less Payment of front-end fee | - | (9) |
| | <u>7,307</u> | <u>8,522</u> |
| Add Amortised front-end fee | - | 2 |
| At 30 June / 31 December | <u>7,307</u> | <u>8,524</u> |

During 2021, the Trust had utilised loan in accordance with loan agreements with financial institutions Group 1 and Group 2 amounting to Baht 3,850 million and Baht 1,103 million, respectively.

In addition, the Trust has entered into a short-term loan agreement of Baht 2,700 million with a financial institution for repayment of the loan due in February. The Trust had fully repayment such loan on 31 March 2021.

At 30 June 2021, the Trust has unutilised credit facilities amounting to Baht 1,287 million. The loan agreements determined for working capital of operation and repayment of renovation assets.

The periods to maturity of borrowings, at 30 June 2021 and 31 December 2020, were as follows:

| | 30 June 2021 | 31 December 2020 |
|--------------------------------------|--------------------------|---------------------|
| | <i>(in million Baht)</i> | |
| Within one year | 4,179 | 5,490 |
| After one year but within five years | 3,128 | 1,078 |
| Over five years | - | 1,956 |
| Total | <u>7,307</u> | <u>8,524</u> |

9 Debentures

| | Interest rate (% per annum) | Maturity date | 30 June 2021 | 31 December 2020 |
|--|--------------------------------------|-----------------|--------------------------|----------------------|
| | | | <i>(in million Baht)</i> | |
| Debentures - Series 1 / 2018 - unsecured | 2.70 | 17 August 2021 | 2,650 | 2,645 |
| Debentures - Series 2 / 2018 - unsecured | 3.80 | 17 August 2028 | 7,384 | 7,379 |
| Debentures - Series 1 / 2019 - unsecured | 2.54 | 8 February 2021 | - | 2,695 |
| Debentures - Series 2 / 2019 - unsecured | 3.30 | 8 February 2023 | 1,794 | 1,792 |
| Debentures - Series 1 / 2021 - unsecured | 1.50 | 31 March 2024 | 1,999 | - |
| Debentures - Series 2 / 2021 - unsecured | 2.13 | 31 March 2026 | 1,499 | - |
| Total | | | <u>15,326</u> | <u>14,511</u> |

The debentures had latest credit rating of “AA” rated by TRIS Rating Company Limited. The debentures were registered with the Thai Bond Market Association.

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For the three-month and six-month periods ended 30 June 2021 (Unaudited)

Movement of debentures for six-month period ended 30 June 2021 and for the year ended 31 December 2020, was as follows:

| | 2021 | 2020 |
|---------------------------------|--------------------------|----------------------|
| | <i>(in million Baht)</i> | |
| At 1 January | 14,511 | 14,524 |
| Add Issue of debentures | 3,500 | - |
| Less Repayment of debentures | (2,700) | - |
| Less Deferred underwriting fee | (3) | (17) |
| | <u>15,308</u> | <u>14,507</u> |
| Add Payment of underwriting fee | 18 | 4 |
| At 30 June / 31 December | <u>15,326</u> | <u>14,511</u> |

The periods to maturity of debentures, at 30 June 2021 and 31 December 2020 were as follows:

| | 30 June 2021 | 31 December 2020 |
|--------------------------------------|--------------------------|----------------------|
| | <i>(in million Baht)</i> | |
| Within one year | 2,650 | 5,340 |
| After one year but within five years | 5,292 | 1,792 |
| After five years | 7,384 | 7,379 |
| Total | <u>15,326</u> | <u>14,511</u> |

10 Capital from trust unitholders and deficit

| | 30 June 2021 | | | 31 December 2020 | | |
|---|----------------------------------|---|----------------------|----------------------------------|---|----------------------|
| | Par value <i>(in Baht)</i> | Number <i>(in million units/ million Baht)</i> | Amount | Par value <i>(in Baht)</i> | Number <i>(in million units/ million Baht)</i> | Amount |
| Trust registered capital and capital received from unitholders | | | | | | |
| Unit trusts at beginning of the year | 12.9049 | 2,212 | 28,552 | 13.1149 | 2,212 | 29,016 |
| Less Capital reduction | (0.4618) | - | (1,093) | (0.2100) | - | (464) |
| Add Capital addition | | <u>356</u> | <u>4,495</u> | | <u>-</u> | <u>-</u> |
| Unit trusts at the end of the period / year | | <u>2,568</u> | <u>31,954</u> | | <u>2,212</u> | <u>28,552</u> |

At the Board of Directors' Meeting of the REIT manager held on 5 February 2021, the Board of Director approved the capital reduction to existing unitholders prior to the capital increase for the operation period from 1 October 2020 to 31 December 2020 at the rate of Baht 0.2612 per unit, amounting to Baht 577.90 million which will be repaid from capital reduction to the unitholder in March 2021. The capital reduction is in accordance with the Trust established agreement.

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In February 2021, the REIT manager issued and offered of the additional trust units of 355,557,300 units trust at offering for sale price of Baht 18.50 per units in totalling Baht 6,577.81 million. The Stock Exchange of Thailand accepted such additional investment units as increased registered securities to be traded in the Stock Exchange of Thailand from 2 March 2021. The Trust has cost relating to the issuance of unit trusts amounting to Baht 96.91 million which was deducted from the capital surplus account. Therefore, the Trust had recognised the addition share premium of investment units totalling Baht 1,985.34 million during the year 2021.

At the Board of Directors' Meeting of the REIT manager held on 12 May 2021, the Board of Director approved the capital reduction period from 1 January 2021 to 31 March 2021 at the rate of Baht 0.2006 per unit, amounting to Baht 515.15 million which will be repaid from capital reduction to the unitholder in June 2021. The capital reduction is in accordance with the Trust established agreement.

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

| | 2021 | 2020 |
|---|--------------------------|--------------|
| | <i>(in million Baht)</i> | |
| At 1 January | (724) | 468 |
| Net profit on investments | 287 | 867 |
| Net gain on investments | - | 2 |
| Gain (loss) on changes in fair value of investments | 277 | (23) |
| Distributions to trust unitholders | - | (1,497) |
| At 30 June | (160) | (183) |

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.

(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.

CPN Retail Growth Leasehold REIT

Notes to the condensed interim financial statements

For the three-month and six-month periods ended 30 June 2021 (Unaudited)

2. Commission for procuring tenants and management of all tenants of the Trust upon entering into lease agreements with new tenants or renewal of lease agreements is calculated from the monthly rental rate of each tenant at the rates not exceeding 0.5 - 1.5 months and not exceeding 3% of the fee for leasehold right received in advance from the tenants, depending on the type and period of lease agreements.
3. Property management fee at the rate not exceeding 0.28% per annum of investment properties value from net asset value report of the Trust that was certified by trustee in each month which was calculated at the last working day of each month. The fee is excluding the value of investment property of hotel and Central Rama 2 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.

12 Related parties

Related parties which the Trust had significant transactions during the period with 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 25.77% of Trust units issued and paid-up (31 December 2020: 26.69%) - Property manager | - Rental and service agreement - Receive property management fee from the Trust - Lessor of assets which the Trust additionally invested |
| CPN Korat Company Limited | Thailand | - Unitholder holding 4.51% of Trust units issued and paid-up | - |
| 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 |

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| Name of Entities | Country of Incorporation/ Nationality | Nature of Relationship | Nature of Transaction |
|---|--|---|--|
| The Siam Commercial Bank Public Company Limited | Thailand | - Parent company of SCB Asset Management Company Limited | - Rental and service agreement - Depository service - Receive underwriting fee from the Trust |
| SCB Securities Company Limited | Thailand | - The Siam Commercial Bank Public Company Limited's subsidiary | - Rental and service agreement |
| Central Pattana Rama 2 Company Limited | Thailand | - Central Pattana Public Company Limited's subsidiary - Common directors | - Water treatment system rental agreement rendering to the Trust - Rental and service Agreement |
| Central Pattana Rama 3 Company Limited | Thailand | - Central Pattana Public Company Limited's subsidiary - Common directors | - Rental and service agreement |
| Central Pattana Chiangmai Company Limited | Thailand | - Central Pattana Public Company Limited's subsidiary - Common directors | - Rental and service agreement |
| 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 |
| Central Pattana Development Company Limited | Thailand | - Central Pattana Public Company Limited's subsidiary - Common directors | - Rental and service agreement - Lessor of assets which the Trust additionally invested |

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Notes to the condensed interim financial statements

For the three-month and six-month periods ended 30 June 2021 (Unaudited)

| Name of Entities | Country of Incorporation/ Nationality | Nature of Relationship | Nature of Transaction |
|--|--|---|--|
| Grand Canal Land Public Company Limited | Thailand | - Property manager - Central Pattana Public Company Limited's subsidiary - Common directors | - Receive property management fee from the Trust - Rental and service agreement |
| Sterling Equity Company Limited | Thailand | - Property manager - Central Pattana Public Company Limited's subsidiary - Common directors | - Receive property management fee from the Trust |
| GLAND Office Leasehold Real Estate Investment Trust (<i>Under liquidation process</i>) | Thailand | - Central Pattana Public Company Limited's associate | - Transferor of investments in leasehold properties |
| Central Group of Companies | Thailand | - Common directors, common management or common control with Central Pattana Public Company Limited | - Rental and service agreement |

Significant transactions with related parties For the period ended 30 June

Six-month period
2021 2020
(in thousand Baht)

Income

Rental and service income

Central Pattana Public Company Limited and its subsidiaries

41,779 162,403

The Siam Commercial Bank Public Company Limited and its subsidiaries

23,951 24,926

Grand Canal Land Public Company Limited

895 2,246

Central Group of Companies

99,935 178,736

Total

166,560 368,311

Interest income

The Siam Commercial Bank Public Company Limited

573 275

Other income

Central Pattana Public Company Limited and its subsidiaries

22 19

Central Group of Companies

63 57

Total

85 76

Expenses

Management fee

CPN REIT Management Company Limited

80,801 73,723

CPN Retail Growth Leasehold REIT

Notes to the condensed interim financial statements

For the three-month and six-month periods ended 30 June 2021 (Unaudited)

Significant transactions with related parties For the period ended 30 June

| | Six-month period 2021 2020 (in thousand Baht) | |
|--|--|---|
| Trustee fee | | |
| SCB Asset Management Company Limited | 21,849 | 20,106 |
| Property management fee | | |
| Central Pattana Public Company Limited and its subsidiaries | 196,757 | 169,918 |
| Grand Canal Land Public Company Limited | 11,299 | 7,709 |
| Sterling Equity Company Limited | 6,234 | 3,597 |
| Total | 214,290 | 181,224 |
| Cost of rental and services | | |
| Central Pattana Public Company Limited and its subsidiaries | 38,600 | 11,860 |
| Grand Canal Land Public Company Limited | 22,312 | 19,085 |
| Sterling Equity Company Limited | 4,520 | 3,034 |
| Central Group of Companies | 37 | 1,487 |
| Total | 65,469 | 35,466 |
| Other expenses | | |
| Central Pattana Public Company Limited and its subsidiaries | 3,123 | 5,196 |
| Central Group of Companies | 192 | 226 |
| Total | 3,315 | 5,422 |
| Finance costs | | |
| The Siam Commercial Bank Public Company Limited | 160 | 250 |
| <i>Balance with related parties as at</i> | 30 June 2021 | 31 December 2020 (in thousand Baht) |
| <i>Investments in leasehold properties at fair value</i> | | |
| GLAND office Leasehold Real Estate Investment Trust (Under liquidation process) | 7,051,000 | 7,051,000 |
| Central Pattana Public Company Limited | 2,635,425 | - |
| Central Pattana Development Company Limited | 3,260,211 | - |
| | 12,946,636 | 7,051,000 |
| <i>Cash equivalents</i> | | |
| The Siam Commercial Bank Public Company Limited | 491,066 | 580,840 |
| <i>Accrued rental and service receivables</i> | | |
| Central Pattana Public Company Limited and its subsidiaries | 184,833 | 222,286 |
| The Siam Commercial Bank Public Company Limited | 8,815 | 5,917 |
| Grand Canal Land Public Company Limited | 4,322 | 443 |
| Sterling Equity Company Limited | 193 | 336 |
| Central Group of Companies | 58,348 | 73,124 |
| Total | 256,511 | 302,106 |

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Notes to the condensed interim financial statements

For the three-month and six-month periods ended 30 June 2021 (Unaudited)

| <i>Balance with related parties as at</i> | 30 June 2021 | 31 December 2020 |
|--|---------------------------|---------------------|
| | <i>(in thousand Baht)</i> | |
| <i>Trade accounts payable</i> | | |
| Central Pattana Public Company Limited and its subsidiaries | 72,879 | 108,715 |
| CPN REIT Management Company Limited | 28,561 | 26,116 |
| Grand Canal Land Public Company Limited | 8,009 | 10,455 |
| Sterling Equity Company Limited | 3,059 | 3,899 |
| Central Group of Companies | 8 | 110 |
| Total | 112,516 | 149,295 |
| <i>Other accounts payable</i> | | |
| SCB Asset Management Company Limited | 7,717 | 7,091 |
| Central Pattana Public Company Limited and its subsidiaries | 11 | 274 |
| The Siam Commercial Bank Public Company Limited | 147 | 130 |
| Central Group of Companies | 7,451 | 7,334 |
| Total | 15,326 | 14,829 |
| <i>Deposits received from tenants</i> | | |
| The Siam Commercial Bank Public Company Limited | 31,493 | 26,866 |
| Central Pattana Public Company Limited and its subsidiaries | 21,568 | 18,456 |
| Grand Canal Land Public Company Limited | - | 3,049 |
| Central Group of Companies | 74,303 | 138,517 |
| Total | 127,364 | 186,888 |
| <i>Lease liabilities</i> | | |
| Central Pattana Rama 2 Company Limited | 18,501,316 | 17,727,116 |
| <i>Other liabilities</i> | | |
| Central Pattana Public Company Limited and its subsidiaries | 7,293 | 6,262 |
| The Siam Commercial Bank Public Company Limited and its subsidiaries | 1,915 | 1,910 |
| Grand Canal Land Public Company Limited | 40 | 77 |
| Sterling Equity Company Limited | 11 | 29 |
| Central Group of Companies | 12,386 | 17,656 |
| Total | 21,645 | 25,934 |

13 Distributions to trust 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 |
| Total | | | 1,497.18 |

CPN Retail Growth Leasehold REIT
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14 Information on investment purchase and sale transactions

The Trust's purchase and sale transactions during the six-month period ended 30 June 2021, excluding investments in cash at banks, amounted to Baht 7,394 million which was 22.37% of the average net asset values during the period. (30 June 2020: Baht 9,578 million which was 32.57% of the average net asset values during the year).

15 Segment information

The Trust's reportable operating segment was only investments in leasehold properties and securities, which operated in only one geographical segment, i.e. Thailand by recognised revenue over the time.

16 Information on fair value level and fair value measurement of investments

The following table shows fair value categorised by measurement approach:

| | Level 1 | Level 2 | Level 3 | Total |
|---|---------|--------------------------|---------|--------|
| | | <i>(in million Baht)</i> | | |
| <i>At 30 June 2021</i> | | | | |
| Investments in leasehold properties at fair value | - | - | 74,829 | 74,829 |
| Investments measured at fair value through profit or losses | - | 1,072 | - | 1,072 |
| <i>At 31 December 2020</i> | | | | |
| Investments in leasehold properties at fair value | - | - | 68,270 | 68,270 |
| Investments measured at fair value through profit or losses | - | 1,073 | - | 1,073 |

The financial instruments traded in non-active markets and measured at obviously quoted market prices, buying and selling prices offered by traders or optional price references with supporting observable data will be categorised as level 2. These financial instruments comprised worth-investing corporate and government debt instruments in direct trading market.

Investments in leasehold properties at fair value categorised in level 3 have significant unobservable data.

17 Event after the reporting period

At the Board of Directors' Meeting of the REIT manager held on 11 August 2021, the Board of Directors approved to capital reduction of the Trust to reduce the rate of Baht 0.1025 per trust unit, amounting to Baht 263.22 million which will be repaid from capital reduction to the unitholder in September 2021. The capital reduction is in accordance with the Trust established agreement.