



CPNREIT

CPN Retail Growth Leasehold REIT

Opportunity Day
28 Nov 2019

central **plaza**
RAMA 2

central **plaza**
RAMA 3

central **plaza**
PINKLAO

central **plaza**
CHIANGMAI AIRPORT

central **festi**
PATTAYA BEACH

Hilton
PATTAYA

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Operation Highlights



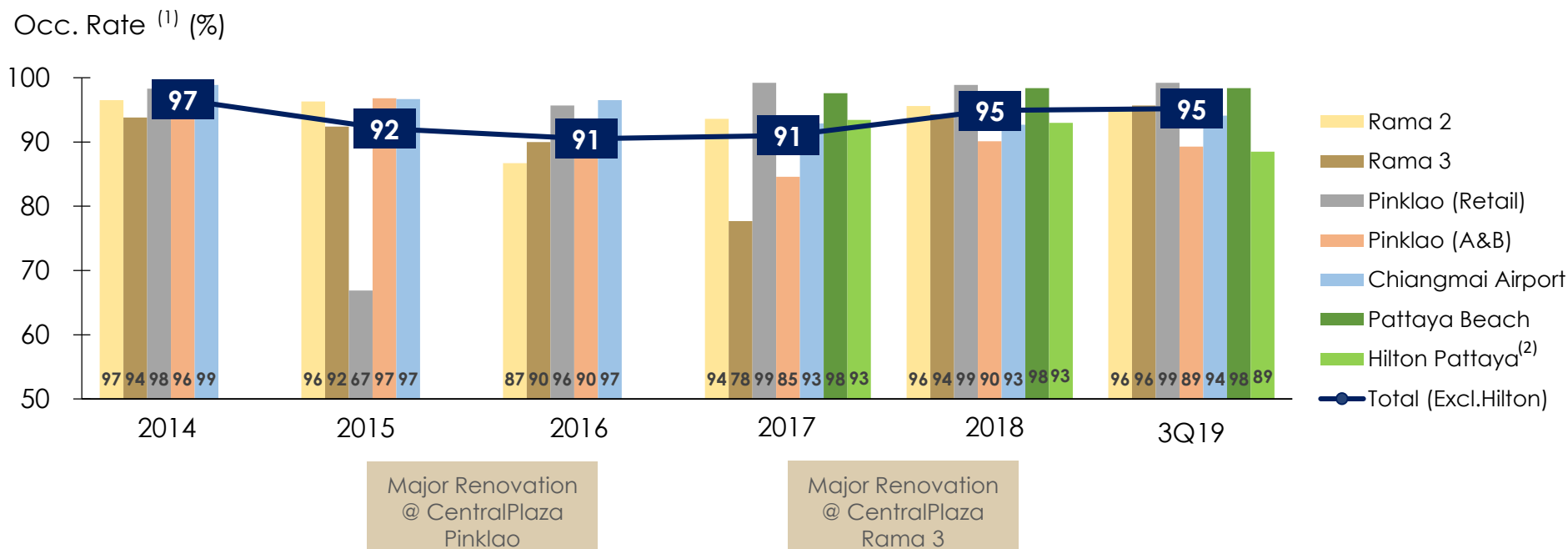
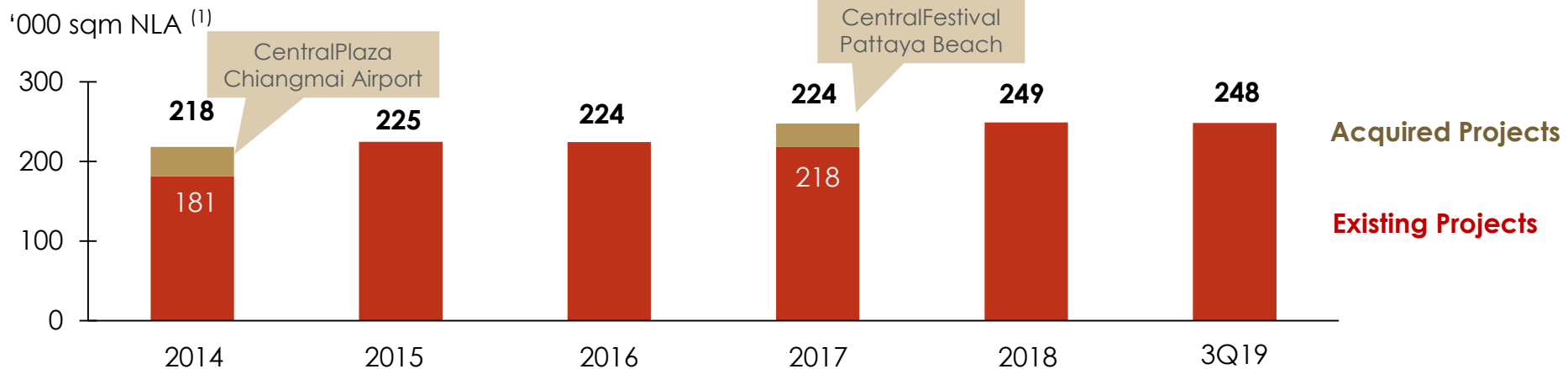
Key Financial Highlights



Acquisition of New Assets



Operation Highlights



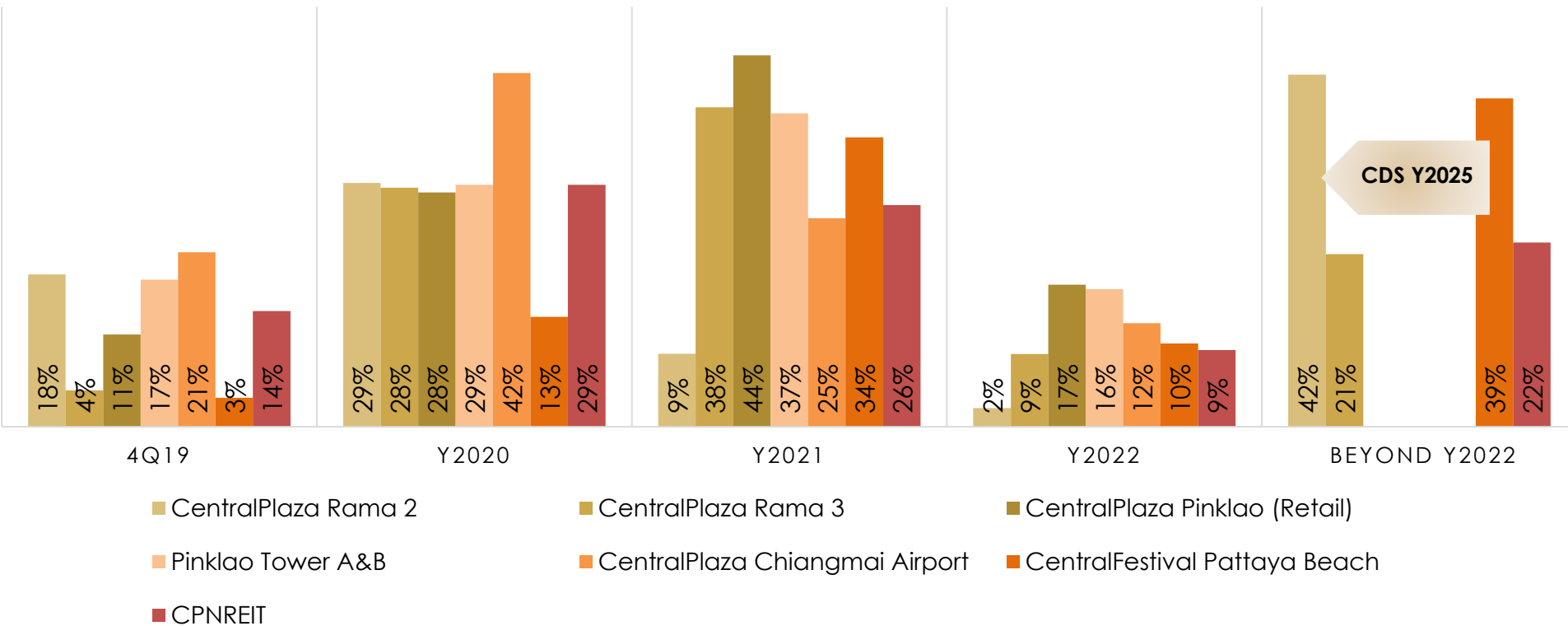
Note: (1) Anchor and in-line tenants only
(2) Average full year occupancy rate

Project	From 1 January to 30 September 2019		
	Renewals and New Leases ^{/1}		
	No. of Leases	Area (sqm)	% of Total ^{/2}
CentralPlaza Rama 2	61	4,058	5%
CentralPlaza Rama 3	19	3,186	9%
CentralPlaza Pinklao (Retail)	20	6,169	22%
Pinklao Tower A and B	36	7,048	23%
CentralPlaza Chiangmai Airport	48	6,818	19%
CentralFestival Pattaya Beach	21	13,019	45%
Total/Average	205	40,298	17%

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

^{/2} Percentage of leasable area as of 30 September 2019

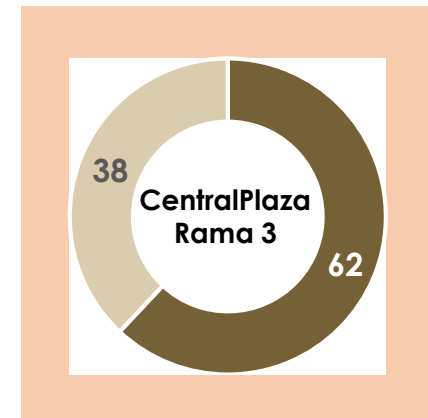
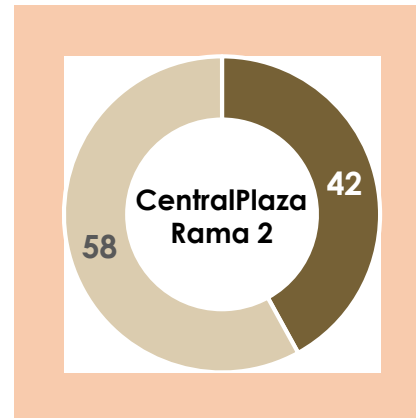
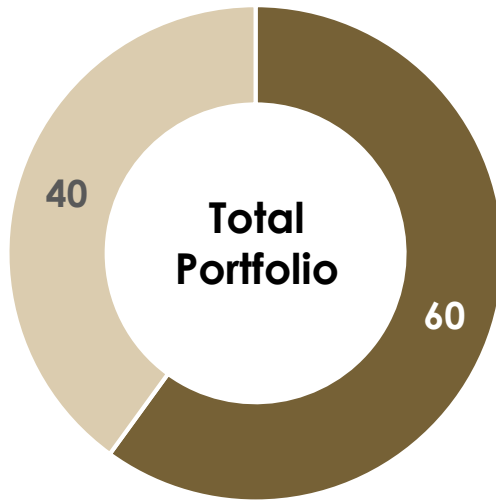
% of occupied area and expiry by year



Note: Information as of 30 September 2019

Lease expiry excludes rental agreements < 1 year

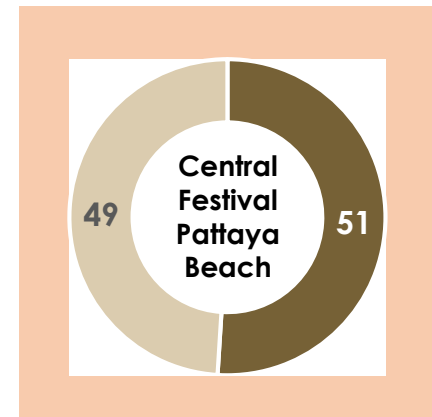
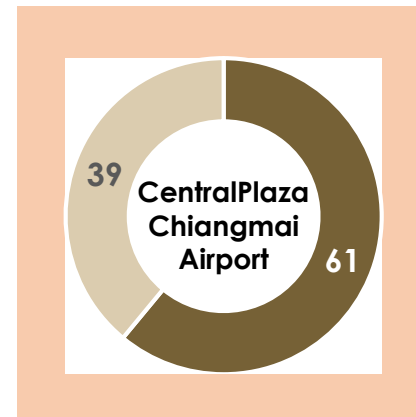
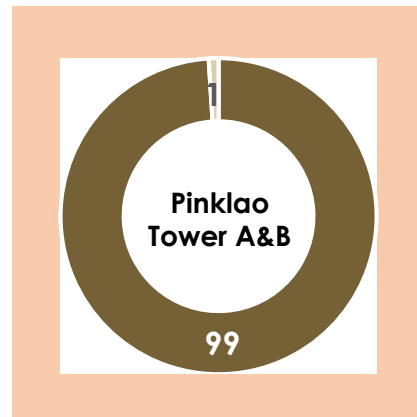
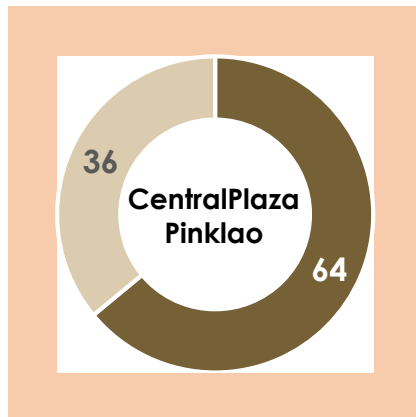
% of occupied area



Fixed Rent



% of Tenant Sales



Note: Information as of 30 June 2019



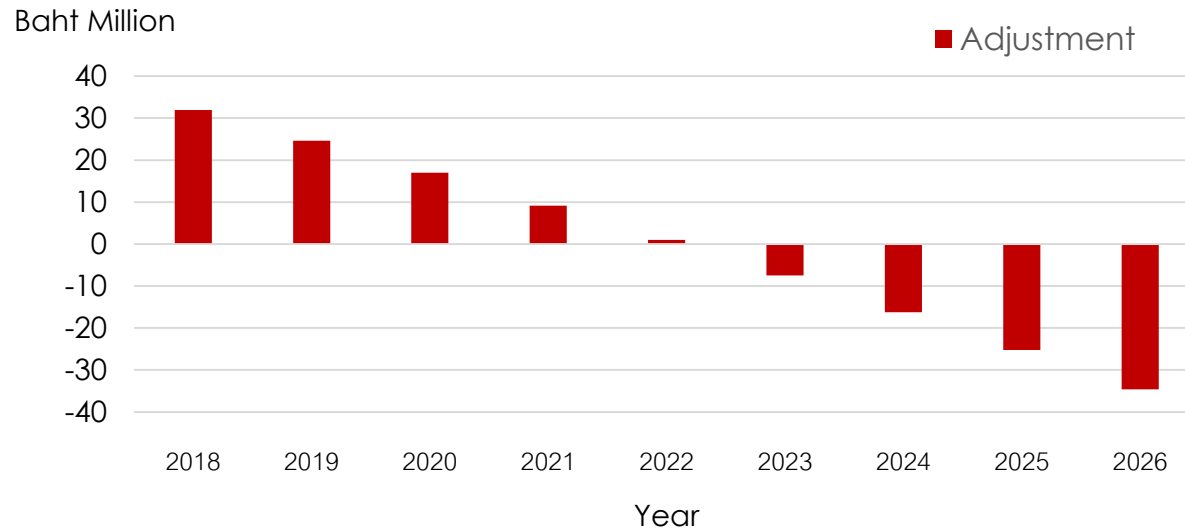
Key Financial Highlights

The Thai Accounting Standard No. 17: Lease, stated that

“lease income from operating leases is recognized by the lessor on a straight-line basis over the lease term”

(Unit : Baht Million)

FY	Fixed Rental	Straight-line	Adjustment	Revenue increase (decrease)
2018	210.00	241.93	31.93	-
2019	217.35	241.93	24.58	56.51
2020	224.96	241.93	16.97	16.97
2021	232.83	241.93	9.10	9.10
2022	240.98	241.93	0.95	0.95
2023	249.41	241.93	(7.48)	(7.48)
2024	258.14	241.93	(16.21)	(16.21)
2025	267.18	241.93	(25.25)	(25.25)
2026	276.53	241.93	(34.60)	(34.60)
	2,177.38	2,177.38	-	

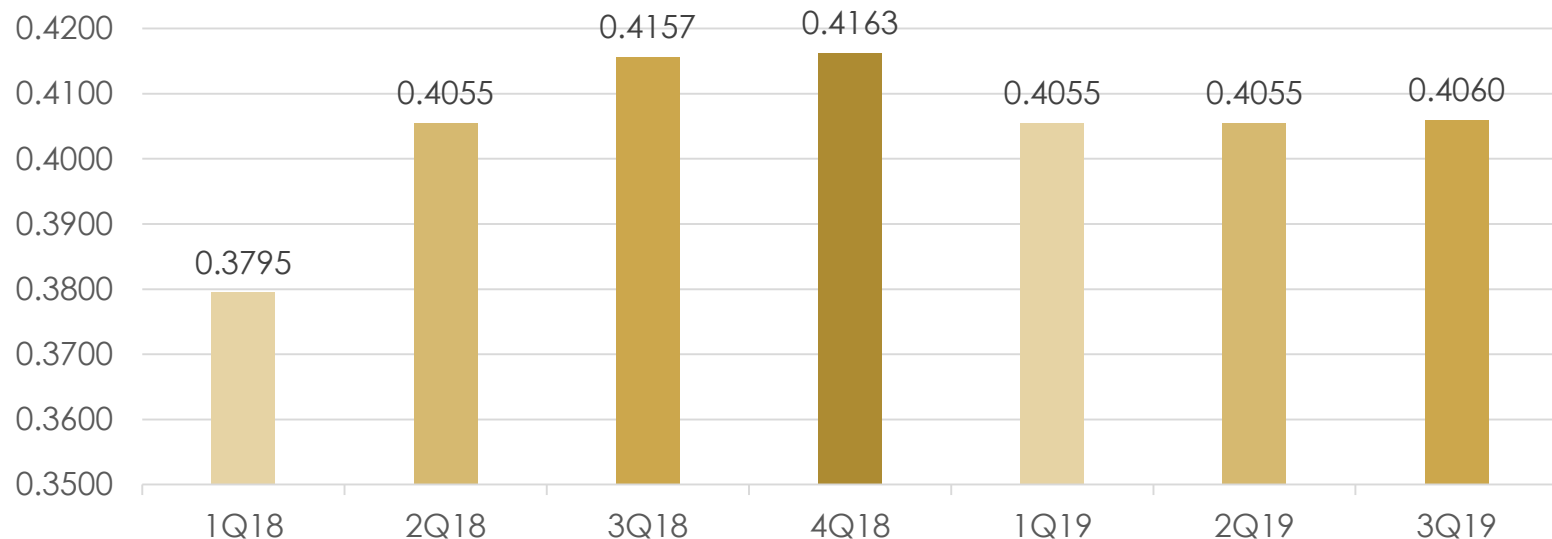


Impact to P&L

Unit: Baht Million	CPNREIT				
	30 Sep 18	31 Dec 18	31 Mar 19	30 Jun 19	30 Sep 19
Investment at fair value					
<i>Central Rama 2</i>	6,900	6,962	6,962	6,962	6,962
<i>Central Rama 3</i>	10,662	10,698	10,698	10,698	10,698
<i>Central Pinklao</i>	5,721	5,678	5,678	5,678	5,678
<i>Chiangmai Airport</i>	10,658	10,658	10,658	10,658	10,658
<i>CentralFestival Pattaya Beach</i>	7,283	7,289	7,289	7,289	7,289
<i>Hilton Pattaya</i>	3,453	3,465	3,465	3,465	3,465
Total investment in properties	44,677	44,750	44,750	44,750	44,750
Investment in securities	997	999	1,002	1,006	1,850
Cash on hand and at banks	610	342	423	428	228
Other assets	750	759	748	771	785
Total assets	47,034	46,850	46,923	46,955	47,613
Deposits received from customers	1,529	1,544	1,545	1,557	1,572
Borrowings	4,466	4,469	-	-	726
Debentures	10,030	10,030	14,521	14,522	14,523
Other liabilities	941	812	850	853	763
Total liabilities	16,966	16,855	16,916	16,932	17,584
Net Asset	30,068	29,995	30,007	30,023	30,029
Capital received from unitholders	29,016	29,016	29,016	29,016	29,016
Equalisation account	216	216	216	216	216
Retained earning (deficit)	835	763	775	790	796
NAV per unit (in Baht)	13.5902	13.5573	13.5627	13.5697	13.5725

Unit: Baht Million	3Q19	3Q18	Change YoY	2Q19	Change QoQ	9M19	9M18	Change YoY
Property income	1,280.8	1,252.9	2.2%	1,274.7	0.5%	3,867.6	3,666.8	5.5%
Rental and service income	1,278.6	1,250.5	2.2%	1,268.9	0.8%	3,855.3	3,660.1	5.3%
Other income	2.2	2.4	(9.3%)	5.8	(61.6%)	12.3	6.7	83.5%
Interest income	4.4	0.9	360.0%	1.0	326.3%	6.0	3.0	99.5%
Total income	1,285.2	1,253.8	2.5%	1,275.7	0.7%	3,873.6	3,669.8	5.6%
Property expenses	166.2	185.5	(10.4%)	173.8	(4.4%)	519.3	568.5	(8.6%)
Cost of rental and service	34.4	35.9	(4.2%)	32.6	5.4%	98.1	103.8	(5.5%)
Selling and administrative expenses	24.4	26.8	(9.2%)	27.2	(10.4%)	76.3	80.3	(4.9%)
Property management fee	107.4	122.8	(12.5%)	114.0	(5.8%)	344.9	384.4	(10.3%)
Interest expense	125.8	104.5	20.4%	122.4	2.8%	377.9	280.1	34.9%
Other management fees and expenses	45.0	44.0	2.2%	44.1	2.1%	132.7	130.1	2.0%
Total expense	337.0	334.0	0.9%	340.3	(1.0%)	1,029.9	978.7	5.2%
Net investment income	948.2	919.8	3.1%	935.4	1.4%	2,843.7	2,691.1	5.7%
Net realised gain (loss) from changes in investment value	7.4	(1.3)	649.5%	(8.2)	190.6%	(0.8)	(3.3)	75.1%
Net unrealised gain (loss) from changes in investment value	(52.3)	(24.9)	(110.4%)	(14.6)	(258.7%)	(93.8)	291.7	(132.2%)
Net increase in net assets from operations	903.3	893.6	1.1%	912.6	(1.0%)	2,749.1	2,979.5	(7.7%)
Income available for distribution	948.2	919.8	3.1%	935.4	1.4%	2,843.7	2,691.1	5.7%
Distribution	898.3	919.7	(2.3%)	897.2	0.1%	2,692.6	2,656.5	1.4%
Distribution per unit (in Baht)	0.4060	0.4157	(2.3%)	0.4055	0.1%	1.2170	1.2007	1.4%
Net property income margin	87.0%	85.2%	1.8%	86.4%	0.6%	86.6%	84.5%	2.1%
Net investment income margin	74.0%	73.4%	0.6%	73.4%	0.6%	73.5%	73.4%	0.1%

Distribution Period	1 July 2019 – 30 September 2019
Distribution Per Unit	THB 0.4060
XD	20 Nov 2019
Book Closing Date	22 Nov 2019
Payment Date	6 Dec 2019





Acquisition of New Assets

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The Largest REIT in Thailand

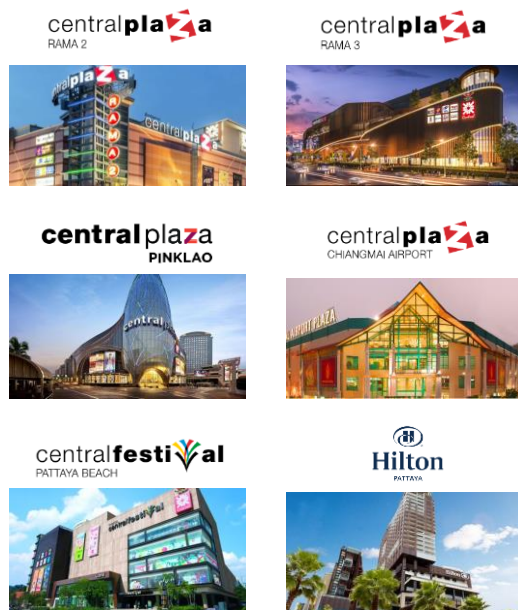
- Market capitalization of THB 79,096 mm^{/1}
- 'AA' company and issuer ratings affirmed by TRIS Rating on 25 June 2019 – the highest rating assigned to a Thailand REIT
- Portfolio comprises of 5 quality shopping malls, 2 office buildings and 1 hotel, and achieved occupancy of 95%^{/2}

Fund Raising Structure

- Debt 35%
- Equity 65%
($<770\text{mm}$ newly issued unit)^{/3}

Existing Assets

GLA^{/4}: 248,300 sq.m. & 302 Hotel Rooms



New Assets

GLA^{/4} 162,648 sq.m. (excl. RM2 Renew) / GLA^{/4} 254,940 sq.m. (incl. RM2 Renew)

1 Group-1 Assets



2 Group-2 Assets









Remarks:

/1 Information as of 1 November 2019

/2 As of 30 Jun 2019, average occupancy rate of shopping malls and office building is 95% and occupancy rate of hotel is 90%

/3 Maximum units issued for capital increase in 2020

/4 As of 30 Jun 2019, GLA of anchor and in-line tenants only

REIT Name	CPN Retail Growth Leasehold REIT ("CPNREIT")	
Additional Assets	<p><u>Year 2020</u></p> <ol style="list-style-type: none"> Acquisition value of ≤ THB 23,166 mm in 4 assets from CPN Group <ul style="list-style-type: none"> CentralMarina (Pattaya) (~15 Years) CentralPlaza Lampang (~22 Years) CentralPlaza Suratthani (30 Years) CentralPlaza Ubonratchathani (30 Years) Acquisition of CentralPlaza Rama 2 (Renewal Period)(30 Years, start year 2025). Rental payment to be paid in 2025 Acquisition value of ≤ THB 7,430 mm in 2 assets from GLANDRT <ul style="list-style-type: none"> The Ninth Towers Office Building (~27 Years) Unilever House Office Building (~15 Years) 	<p><u>Year 2025</u></p> <ul style="list-style-type: none"> Rental Payment of ≤ THB 25,394 mm <ul style="list-style-type: none"> CentralPlaza Rama 2 (Renewal Period)(30 Years, start year 2025)
Capital Structure	<ul style="list-style-type: none"> - 65% equity raising - 35% borrowing 	
Sponsor/ Property Manager	<div>  Central Pattana PCL. </div> <div>  Grand Canal Land PCL. (for The Ninth Towers) </div> <div>  Sterling Equity Co., Ltd (for Unilever House) </div>	
Financial Advisors	<div>  The Siam Commercial Bank PCL. </div> <div>  Maybank Kim Eng Securities (Thailand) PCL. </div>	
Asset Appraisers	<p>S.L. Standard Appraisal Co., Ltd. ("SL")</p> <p>Justice Property and Appraisal Co., Ltd. ("Justice")</p>	
Independent Financial Advisor	<div>  Advisory Plus Co., Ltd. ("IFA") </div>	
Timing	<ul style="list-style-type: none"> - EGM: 22 November 2019 - 1st round capital increase: Q1/2020 - 2nd round capital increase for rental payment of RM2 (Renewal Period): year 2025 	

The #1 REIT in Thailand with ...

- 
- The logo for CPN REIT is positioned on the left side of the slide. It features the text 'CPN' in bold black and 'REIT' in red. To the left of the text is a large red semi-circle. Behind the text and semi-circle are several concentric, semi-transparent grey circles of varying sizes, creating a layered effect.
- 1 Selective High Performing New Assets Across Region**
 - 2 Highly Diversified Best-in-Class Assets**
 - 3 Strong and Proven Track Record – Return & Liquidity**
 - 4 Growing Portfolio Strength through Solid Pipelines From Sponsor Supports**
 - 5 Highly Experienced and Committed REIT Manager & Property Manager**

Projects (Units: mm THB)	Appraised Value by Justice	Appraised Value by SL	Lowest Appraised Value	Investment Value
Group-1 Assets				
CentralMarina (Pattaya)	2,283	2,129	2,129	≤ 2,768
CentralPlaza Lampang	2,567	2,383	2,383	≤ 3,098
CentralPlaza Suratthani	6,979	6,953	6,953	≤ 9,039
CentralPlaza Ubonratchathani	6,431	6,354	6,354	≤ 8,261
CentralPlaza Rama 2 (Renewal Period)	25,541	25,394	25,394	≤ 25,394 ^{/2}
Total	43,801	43,213	43,213	≤ 48,560
% Premium over Lowest Appraised Value				+12.4%
Group-2 Assets				
The Ninth Towers Office Building	4,899	4,744	4,744	≤ 5,847
Unilever House Office Building	1,285	1,284	1,284	≤ 1,583
Total	6,184	6,028	6,028	≤ 7,430
% Premium over Lowest Appraised Value				+23.3%
Grand Total	49,985	49,241	49,241	≤ 55,990
% Premium over Lowest Appraised Value				+13.7%

*Investment value may be ~13.7% higher than
the lowest appraised value of all asset groups combined*

Remarks:

^{/1} Appraised value as of investment date on 1 Apr 2020 (Group-1 Assets) and 1 Jan 2020 (Group-2 Assets)

^{/2} Investment value at rental payment date on 16 Aug 2025

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		Pre Acquisition	New CPN and GLANDRT Assets	Post Acquisition
Retail	Average Life	29.39 years ^{/1}	30.04 years ^{/2}	29.70 years ^{/1/2}
	Occupancy ^{/3}	96.2%	94.1%	95.6%
	Leasable area ^{/4} (sq.m.)	213,980	81,316	295,296
Office	Occupancy ^{/3}	90.2%	99.2%	96.6%
	Leasable area ^{/4} (sq.m.)	34,320	81,332	115,652
Hotel	Occupancy	90.3%		90.3%
	No. of Rooms	302		302
Total	Property Income ^{/5}	Retail & Office: THB 5,028 mm Hotel: THB 354 mm ^{/7} Total: THB 5,382 mm	Retail: THB 1,818 mm Office: THB 730 mm Total : THB 2,548 mm	Total: THB 7,930 mm
	Net Property Income ^{/6}	Retail & Office: THB 4,787 mm Hotel: THB 354 mm ^{/7} Total: THB 5,141 mm	Retail: THB 1,329 mm Office: THB 550 mm Total: THB 1,879 mm	Total: THB 7,020 mm
Appraised Value		44,750 ^{/8}	-49,241 ^{/9}	-93,991
D/TAV		-31%	-35%	-27% ^{/10}
Market Cap		79,096 ^{/11}	-22,000	-101,096

Remarks:

- /1 Average life weighted by appraised value as of 31 Dec 2018 based on Q2/2019 Financial Statement
 /2 Average life weighted by the lowest appraised value as of 1 Apr 2020 (Group-1 Assets) and as of 1 Jan 2020 (Group-2 Assets)
 /3 As of 30 Jun 2019
 /4 Information as of 30 Jun 2019; existing assets from Q2/2019 MD&A, new assets from IM BoD ELCID
 /5 Property income is rental and service income based on Pro-forma statement for the period from 1 Apr 2020 to 31 Mar 2021
 /6 Net property income before PM fee based on Pro-forma statement for the period from 1 Apr 2020 to 31 Mar 2021

- /7 Hotel net property income is rental payment based on Pro-forma statement for the period from 1 Apr 2020 to 31 Mar 2021
 /8 Appraised value as of 31 Dec 2018 based on Q2/2019 Financial Statement
 /9 Lowest appraised value as of investment date 1 Apr 2020, including RM2 (Renewal Period) value as of 2025
 /10 D/A includes asset value of RM2 (Renewal Period), if exclude D/A will be 33%
 /11 Information as of 1 Nov 2019

(Unit in THB mm unless stated otherwise)

	Pre Acquisition ^{/1}	Post Acquisition Group-1 ^{/2} and Group-2 Assets Acquisition ^{/3}
Equity Raised	n.a.	21,395
Debt Raised	n.a.	11,520
Investment Value	n.a.	32,915
Total Asset Value	46,955	79,870
Debt	14,522	26,042
Equity	30,023	51,418
Debt to TAV		27%
Debt to TAV (w/o RM2 renew)	31%	33%
Debt to Equity	0.5x	0.5x

Rationale and Benefits

- To achieve proper capital structure with D/TAV of not exceeding 35%
- To maintain favorable credit rating outlook
- To have cushion to withstand unexpected negative impact

Remarks:

/1 Information as of Q2/2019 Financial Statements

/2 Excluding fund raising for RM2 (Renewal Period)

/3 Information from the Projected Statement of Income and Details of Net Income for the projection period from 1 Apr 2020 to 31 Mar 2021

Proforma Statement (period from 1 Apr 2020 to 31 Mar 2021)^{/1} – DPU

(Unit in THB mm unless stated otherwise)

	Pre Acquisition	Post Acquisition Group-1 and Group-2 Assets Acquisition
Total Revenue	5,401	7,962
Total Expenses	1,411	4,217
Net Income	3,990	3,745
Available for Distribution (THB mm)	3,973	5,264
% Payout	95.0	95.0
Number of Units	2,212	2,825
DPU (THB)	THB 1.7059	THB 1.7703
Incremental DPU from new assets^{/2} (THB)	n.a.	THB 2.0029

Remarks:

^{/1} Information from the Projected Statement of Income and Details of Net Income for the projection period from 1 Apr 2020 to 31 Mar 2021 ("Proforma Statement")

^{/2} Incremental distributions divided by incremental units

October 2019						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

November 2019						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

Key Dates	Transaction
30 – 31 Oct 2019	• XM Announced & SET News
7 Nov 2019	• EGM Package Circulation to Unitholders
22 Nov 2019	• EGM
25 Nov 2019	• Filing Submission
Group-1 Assets and Group-2 Assets	
Feb – Mar 2020	• Loan Drawdown
	• Asset Acquisition
Mid Feb 2020	• Expected SEC Approval ^{/1}
Late Mar 2020	• Expected Subscription Period ^{/1}
Beg Apr 2020	• Expected New Units to be Traded ^{/1}

 **Holiday**

 **Key Date**

Remarks:

^{/1} This timetable is subject to agreement negotiation and finalization, market condition and SEC approval process
May be up to 120 days for count day 1 + up to 45 days for approval

For more information, please contact:

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