

Prospectus in respect of Material Information for Investors

CPN Retail Growth Leasehold Property Fund (CPNRF)



The actual building is currently under designing process. The renovation is scheduled to be implimented in 2010.

"THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE "UNITED STATES SECURITIES ACT"), OR, EXCEPT AS SET OUT IN THE COMPANY'S PROSPECTUS, THE SECURITIES LAWS OF ANY OTHER STATE OR JURISDICTION, AND HAS BEEN INITIALLY PLACED OUTSIDE OF THE UNITED STATES PURSUANT TO AN EXEMPTION FROM THE UNITED STATES SECURITIES ACT FOR CERTAIN OFFSHORE TRANSACTIONS AND MAY NOT BE RE-OFFERED, RE-SOLD, TRANSFERRED, ASSIGNED, PLEDGED OR OTHERWISE DISPOSED IN THE UNITED STATES OR TO US PERSONS EXCEPT IN ACCORDANCE WITH AN EXEMPTION FROM REGISTRATION UNDER SUCH LAWS UNLESS REGISTERED UNDER SUCH LAWS AND EXCEPT FURTHER THAT THIS SECURITY MAY BE RE-OFFERED, RE-SOLD, PLEDGED OR OTHERWISE TRANSFERRED IN AN OFFSHORE TRANSACTION PURSUANT TO REGULATIONS UNDER THE UNITED STATES SECURITIES ACT ("REGULATIONS") TO A PERSON OUTSIDE THE UNITED STATES. THE TERM "OFFSHORE TRANSACTION" AS USED IN THIS PARAGRAPH HAS THE MEANING SET FORTH IN REGULATIONS. THIS SECURITY IS NOT TRANSFERABLE EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS DESCRIBED HEREIN."

This prospectus has been prepared base on the information as of 8 October 2009.

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(Translation)

## DEFINITIONS

Project	means	CPN Retail Growth Leasehold Property Fund Management Project
Fund	means	CPN Retail Growth Leasehold Property Fund
Investment Units	means	investment units of the CPN Retail Growth Property Leasehold Fund
Prospectus	means	a prospectus offering for sale of the Investment Units of CPN Retail Growth Leasehold Property Fund
Management Company	means	a securities company licensed to undertake securities business in the category of mutual fund management.
Trustee	means	a trustee of the Fund.
Investment Unit Registrar	means	an Investment Unit Registrar of the Fund licensed by the Securities and Exchange Commission to provide the service of a securities registrar.
Property Owners	means	the persons who own and/or have rights of possession of the real properties that the Fund will invest in, including their Related Persons.
Type 1 Investors	means	the Property Owners or the Leasehold Owners.
Type 2 Investors	means	general investors other than Type 1 Investors, namely individuals, juristic persons, commercial banks, securities companies, finance companies, insurance companies, life insurance companies etc.
Major Investors	means	the investors whose holding of Investment Units is, in the Management Company's opinion, beneficial to the Fund.
Qualified Persons	means	institutional investors and/or persons, not existing Unitholders, to whom private placements are privately offered under the Notification of the Office of the SEC, and not persons connected with a Property Owner under the relevant Notification of the SEC.
General Subscribers	means	investors subscribing to investment units by means of general process specified in the prospectus, but shall not be:  (1) specific subscribers; or  (2) the Owners, the Lessor, and the leasehold right grantor of the properties in which the Fund will invest.



(Translation)

Specific Subscribers	means	<p>the following investors subscribing to Investment Units, to whom Investment Units will be allotted in preference to the General Subscribers:</p> <ol style="list-style-type: none"><li>(1) provident funds;</li><li>(2) mutual funds under the law on securities and exchange;</li><li>(3) the Government Pension Fund;</li><li>(4) mutual funds under foreign laws which publicly offer Investment Units for sale to investors;</li><li>(5) the Thai Red Cross Society;</li><li>(6) saving cooperatives;</li><li>(7) social security funds;</li><li>(8) insurance companies;</li><li>(9) public benefit foundations;</li><li>(10) government units and state enterprises under the law on budgetary procedures;</li><li>(11) universities; and</li><li>(12) investors as may be approved by the Office of the SEC.</li></ol>
Institutional Investors	means	<ol style="list-style-type: none"><li>(1) commercial banks;</li><li>(2) finance companies;</li><li>(3) securities companies which will invest for own assets, or for managing a private fund, or for managing an investment scheme established under the law on finance business, securities business, and credit foncier business;</li><li>(4) credit foncier companies;</li><li>(5) insurance companies;</li><li>(6) government units and state enterprises under the law on budgetary procedures, or other legal entities established under a specific law;</li><li>(7) the Bank of Thailand;</li><li>(8) international financial institutions;</li><li>(9) the Financial Institutions Development Fund;</li><li>(10) the Government Pension Fund;</li><li>(11) provident funds;</li><li>(12) mutual funds;</li><li>(13) foreign investors which can be categorized as the type of investors under (1) to (12) above, mutatis mutandis;</li></ol>

(Translation)

(14) social security fund

Auditor	means	an auditor of the Fund who is in a list approved by the Office of the SEC according to the notification of the Office of the SEC re: approval of auditors, and the amendments thereto.
Underwriters	means	persons licensed to undertake securities business in the category of securities underwriting, and persons licensed to undertake securities business in the category of underwriting of securities which are investment units.
Agents	means	persons designated by the Management Company to perform the duty to sell Investment Units of the Fund.
Investment Committee	means	a group of individuals who perform the duty of considering the investments in and the management of properties of the Fund by purchasing, letting out, transferring or accepting a transfer in real property.
Property Fund Manager	means	a person having the duty to make decisions with respect to investments in, or disposal of, any real properties or leasehold rights thereto.
Fund Manager	means	a persons having the duty to make decisions with respect to investments in, or disposal of, securities and any properties but not an immovable property or leasehold right thereto, or seeking of benefits.
Property Manager	means	a juristic person designated by the Management Company to have the duty to administer real properties of the Fund on its behalf, and with qualifications and without prohibited characteristics as may be prescribed by the law on securities and/or other laws.
Advisors	means	persons providing professional advice or recommendations to the Management Company with respect to investments in, or disposal of, any real property, or leasehold rights thereto or the seeking of benefits derived from real properties acquired from investments.
Appraisal Firm	means	an appraisal firm of the Fund which appears in a list approved by the Office of the SEC in accordance with the notification of the Office of the SEC re: Approval of Appraisal Firms and Main Appraisers for Public Purpose B.E. 2552 (2009), and the amendments thereto.
Affiliated Company	means	a company which holds 10% or more of the total number of issued shares in the Management Company, Trustee, Appraisal Firm, Consultant, or Property Manager, or a company in which such person holds shares at 10% or more of its total number of shares sold.

(Translation)

Persons in the Same Group	means	<p>persons having a relationship with subscribers, unitholders, or the Property Owners, as the case may be, under the Notification of the Office of the SEC No. Sor Nor. 25/2552 (and the amendments thereto). Such persons include:</p> <ol style="list-style-type: none"><li>(1) parents or <i>non sui juris</i> children;</li><li>(2) spouse;</li><li>(3) any juristic person, and its shareholder or partner, holding shares, or being a partner in the juristic person, of more than 10% of the total issued and sold shares or partnership portion of such person, as the case may be;</li><li>(4) any juristic person, or other juristic person in which such juristic person holds shares or is a partner, of more than 10% of the total issued and sold shares or partnership portion of such other juristic person, as the case may be; or</li><li>(5) any private fund of persons under (1), (2), (3), or (4) above.</li></ol>
Connected Persons	means	<p>persons connected with the Management Fund under the Notification of SEC No. Sor Nor. 25/2552 re: Rules, Conditions and Procedures for Establishing and Managing Property Funds dated 28 July 2009 (and the amendments thereto). Such persons include:</p> <ol style="list-style-type: none"><li>(a) any person, not being a state agency, who holds shares in any of the following manners:<ol style="list-style-type: none"><li>1. a person holding an aggregate number of more than 5% of the total issued and sold shares or the partnership proportion of the Management Company; and</li><li>2. a person holding an aggregate number of more than 30% of the total issued and sold shares or the partnership proportion of the person under (1), except such person under (1) is a foreign company;</li></ol></li><li>(b) a juristic entity whose shares or partnership proportion are held by the Management Company in an aggregate number of more than 10%;</li><li>(c) a juristic entity, more than 50% of whose total issued shares or partnership proportion is held by the person who holds more than 50% of the total issued and sold shares of the Management Company;</li><li>(d) directors, managers, or employees in managerial or higher levels of an asset management company, the</li></ol>

(Translation)

Fund as well as persons holding offices with power and authority comparable to that of such persons;

- (e) a fund manager of such property fund;
- (f) a juristic person whose shares or partnership proportion are held in an aggregate number of more than 30% by such person under (d) or (e) above.

Appraisal	means	the calculation of the value of real properties or leasehold rights to real properties of the Fund for the purpose of disclosing full information to the general public which must include the examination of documents of titles, restrictions on rights of possession of property, statutory conditions and constraints, other limitations on utilization, details of current use and other relevant information, as well as the survey of properties according to their existing condition.
Review of Appraisal	means	the issuance of opinions concerning the value of real properties or leasehold rights in real properties of the Fund without a survey of such properties.
Appraisal Report	means	a report of the Appraisal Firm which provides details concerning the Appraisal or Review of Appraisal and which is signed by a main appraiser in accordance with the Notification of the Office of the SEC re: Approval of Appraisal Firms and Main Appraisers for Public Purpose B.E. 2552 (2009).
The SEC	means	the Securities and Exchange Commission.
The Office of the SEC	means	the Office of the Securities and Exchange Commission.
Securities Law	means	the Securities and Exchange Act B.E. 2535, the notifications of the SEC, the notifications of the Office of the SEC, including circular letters, relaxation letters, clarification letters, approval letters, rules, regulations, requirements, and/or any other documents applicable which are issued by virtue of the Securities and Exchange Act B.E. 2535 and/or any relevant laws currently in force as well as the amendments thereto hereafter.

#### Central Plaza Pinklao Project

- |       |   |
|-------|---|
| means | <ul style="list-style-type: none"><li>(1) leasing part of the shopping complex and the whole of the two office buildings, as well as the relevant parking spaces (in proportion to the utilization of the area of the shopping complex and the office buildings in which the Fund will invest);</li><li>(2) leasing and/or accepting the transfer of ownership in the public utility systems and other assets in connection with Central Plaza Pinklao Project;</li></ul> |
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(Translation)

- (3) subleasing from Central Pattana Public Company Limited the land on which the shopping complex, the office buildings, parking spaces, roads enclosing the project, and the entrances and exits thereto sit.

Central Plaza Rama II Shopping Complex Project

- means
- (1) subleasehold right on the land where Central Plaza Rama II is located
  - (2) leasehold right in parts of Central Plaza Rama II as well as a car park building (“Central Plaza Rama II”)
  - (3) utilities systems, a wastewater treatment system, and the facilities of Central Plaza Rama II.

Central Plaza Rama II Shopping Complex Project

- means
- (1) leasehold rights in the land and
  - (2) leasehold rights in the Central Plaza Ratchada-Rama III Shopping Complex as well as parking space within the building from Central Pattana Rama III Co., Ltd.

**Name of the Management Company:** SCB Asset Management Co., Ltd.

**Address:** Sindhorn Building, Tower 3, 23<sup>rd</sup> – 24<sup>th</sup> Floors,  
130 – 132 Wireless Road, Lumpini, Pathumwan,  
Bangkok 10330  
Tel. 0-2626-2222, Fax. 0-2263-4004

**1. Name, Type and Term of the Property Fund**

- |     |                           |  |
|-----|---------------------------|--|
| 1.1 | Project Name (in Thai)    | โครงการจัดการกองทุนรวมสิทธิการเช่าอสังหาริมทรัพย์ CPN รีเทล โกรท   |
| 1.2 | Project Name (in English) | CPN Retail Growth Leasehold Property Fund  |
| 1.3 | Abbreviation              | CPNRF  |
| 1.4 | Project Type              | Closed-end property fund for which the Management Company will file an application with the Stock Exchange of Thailand for its approval of the Investment Units as listed securities within 60 days from the date of the registration of the Fund in the initial investment. |
| 1.5 | Description               | A specific fund. The real properties that will be purchased or leased are clearly specified in the Project.  |
| 1.6 | Term of the Project       | Indefinite   |

**2. Amount of Capital of the Project; Par Value, Number, Type, and Offering Price of Investment Units Offered for Sale; Minimum Subscription Value**

2.1	Amount of Capital	Up to Baht 15,764,000,000 (fifteen billion seven hundred and sixty four million baht only)
	Amount of capital in the first offer	Baht 10,915,000,000 (ten billion nine hundred and fifteen million baht only)
	Amount of capital in the 1 <sup>st</sup> additional offer <sup>1</sup>	Up to Baht 4,849,000,000 (four billion eight hundred and forty nine million baht only)
2.2	Par value per Unit	Baht 10.00 (Ten Baht)
2.3	Number of Investment Units	Up to 1,638,100,000 units (one billion six hundred thirty eight million and one hundred thousand units)
	Amount of capital in the first offer	1,091,500,000 units (one billion ninety one million and five hundred thousand units)
	Amount of capital in the 1 <sup>st</sup> additional offer	Up to 546,600,000 units (five hundred forty six million and six hundred thousand units)
2.4	Investment certificate	Registered
2.5	Price of Investment units offered for sale	
	Price of Investment Units in the initial offer	Baht 10 (Ten Baht)
	Price of Investment Units in the 1 <sup>st</sup> additional offer	Baht 8.90 (eight Baht ninety Satang)
2.6	Minimum subscription value	
	Initial offer:	Baht 50,000 or 5,000 units (fifty thousand baht or five thousand units), and in multiples of Baht 1,000 or 100 units (one thousand baht or one hundred units)
	1 <sup>st</sup> additional offer:	For existing Unitholders: proportion offered: 1 existing Investment Unit to 0.2505 new Investment Unit.  For qualified persons:

<sup>1</sup> The Meeting of Unitholders of the CPN Retail Growth Property Fund No. 1/2009 held on 17 August 2009 passed Resolution approving an increase of capital of the Fund by not more than Baht 6,706,000,000 from the existing value of the Fund i.e. Baht 10,915,000,000 to a new capital not exceeding Baht 17,621,000,000 by issuing and offering new Investment Units of up to 839,000,000 units for investing in additional real properties and for seeking yields thereof. The Meeting of Investment Committee held on 17 September 2009 passed Resolution approving and increase of capital of the Fund by not more than Baht 4,849,000,000 by issuing and offering new Investment units of up to 546,600,000 units.

(Translation)

not less than 5,000 (five thousand) units, and in multiples of 100 (one hundred) units.

For general investors:  
not less than 5,000 units (five thousand units),  
and in multiples of 100 (one hundred) units.

### **3. Objectives of the Project and Details of Investment Policy**

#### **3.1 Objectives of the Project**

The Project will mobilize funds from both local and foreign individuals and juristic investors, and will use the proceeds of such mobilization for purchasing, leasing and/or subleasing real properties. The Fund will accept transfers of ownership and/or leasehold rights and/or sublease rights in real properties and seek benefits therefrom by way of letting out, subletting, transferring and/or the disposal of real properties invested in or possessed by the Fund, as well as improvement, modification and construction and/or development of those real properties by accepting transfers of construction permits and/or applying for other permits and/or doing any other pertinent or necessary acts for the benefit of the real properties and with the view to generate income and yields for the Fund and the Unitholders. The Project will also invest in other properties and/or other securities and/or seek benefits by other means as prescribed by the Securities Law and/or any other applicable laws.

#### **3.2 Details of Investment Policy**

##### **The First Capital Increase for Investment in Additional Properties**

The Fund will focus to invest in additional properties by leasing and subleasing Central Plaza Pinklao Project and/or to invest in securities or other assets and/or to seek benefits by other means for the purpose of managing property of the Fund. An amount that the Fund will invest in Central Plaza Pinklao Project is determined by increased fund of the Fund derived from the issuance and offer of new Investment Units up to Baht 4,849,000,000.00 (up to 546,600,000 units) and amounts borrowed from local financial institutions in an amount of Baht 1,000,000,000.00<sup>2</sup> or in the amount additionally determined by Investment Committee. However, the amount borrowed will not be exceeding 10% of the Fund's net value after the additional investment (if any) less projected costs or expenses incurred in relation to the capital increase and the additional investment in the property.

The Management Company will determine a price of Investment Units to be issued and offered in a same price which will reflect a value of the property by taking into account trading prices of Investment Units in the Stock Exchange of Thailand during the offering of new Investment Units, appraised value of the property, market condition as a whole, demands of investors. The Management Company will issue, offer, and allot new Investment Units to existing Unitholders and/or Qualified Persons and/or general investors, both retail investors and/or Institution Investors, subject to the conditions set out in the Prospectus.

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<sup>2</sup> The Meeting of Investment Committee held on 17 September 2009 passed the Resolution approving an entering into loan agreement for the purpose of investment in Central Plaza Pinklao Project for the amount of Baht 1,000,000,000

A value of Central Plaza Pinklao Project in which the Fund will make additional investment will be equivalent to Baht 5,680,000,000.00<sup>3</sup> (not greater than the minimum price stated in the appraisal report by 20% of the prices stated in the appraisal report of an independent appraiser, 15 Business Advisory Limited which appraised that the value of Central Plaza Pinklao Project was Baht 5,413,000,000.00). The Fund will invest in the properties when Central Pattana Public Company Limited is appointed as a property manager of the properties that the Fund will make additional investment.

The properties in which the Fund will make additional investment in:

## **Central Plaza Pinklao Project**

### **(1) General Information**

Central Plaza Pinklao Project is a real estate project for commercial purpose. The project is located on Borommaratchachonnani Road, which is the main route of western Bangkok. The project encompasses Central Plaza Pinklao Shopping Complex, Central Pinklao Office Building – Tower A, Central Pinklao Office Building – Tower B, and Central Department Store. Central Plaza Pinklao Shopping Complex and those office buildings are under the management of Central Pattana Public Company Limited. The Central Department Store building is owned by Thai Business Fund 3, to which Central Pinklao sold the building with right of redemption.

The property of Central Plaza Pinklao Project in which the Fund will consider investing is only the Central Plaza Pinklao Shopping Complex building and the office buildings (as detailed in clause 2.1: additional property to be invested in by the Fund), managed by Central Pattana Public Company Limited. The general information of Central Plaza Pinklao Shopping Complex below does not include the department store building.

#### **1.1 The Project Site**

Central Plaza Pinklao Project is located at No. 7/3 – 7/128, 7/129 – 7/221, 7/222 – 7/552 and 7/553 Borommaratchachonnani Road, Arunamarin, Bangkok Noi, Bangkok.

#### **1.2 Constructions and Public Utility Systems**

Central Plaza Pinklao Project houses Central Plaza Pinklao Shopping Complex, which is a seven-storey building with one basement; Central Pinklao Office Building – Tower A, which is a 26-storey building; and Central Office Building – Tower B, which is an 18-storey building, and includes parking spaces within the buildings. Central Plaza Pinklao Project is located on land covering an area of approximately 25 rai. The Project was completely developed and the operation launched in March 1995. The total gross area of the Project covers approximately 293,484 square meters.

##### **Public Utility Systems**

The project public utility systems include electricity systems, air-conditioning systems, sanitary systems, elevators and escalators, fire-fighting systems, etc. Central Plaza Pinklao Project is equipped with twenty passenger elevators, two service elevators, and 36 sets of escalators.

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<sup>3</sup> The Meeting of Investment Committee held on 29 September 2009 passed the Resolution approving an entering into loan agreement for the purpose of investment in Central Plaza Pinklao Shopping Complex in the amount of not exceeding Baht 5,680,000,000



### 1.3 Operation

Central Pattana Public Company Limited, which is the owner of Central Plaza Pinklao Shopping Complex, the office buildings, and parking spaces thereof, has sold said property with a right of redemption of 10 years and has subleased the land on which said property is situated (which Central Pattana Public Company Limited leased from Central Department Store Co., Ltd., the owner of the land) to Thai Business Fund 2 on 21 December 2001. Thai Business Fund 2 leased public utility systems in relation to Central Plaza Pinklao Project for 10 years from Central Realty Service Co., Ltd., a subsidiary of Central Pattana Public Company Limited. The foregoing property is managed by Central Pattana Public Company Limited and Central Realty Service Co., Ltd.

The Fund may invest in the property stated above upon the appointment of Central Pattana Public Company Limited as the Property Manager of the Fund to manage the property in which the Fund will make additional investment, and upon Central Pattana Public Company Limited carrying out any acts to ensure that said property is available for investment in by the Fund, including redeeming the sale with right of redemption of the Shopping Complex building and the office buildings located in Central Plaza Pinklao Project from Thai Business Mutual Fund 2, and canceling any agreements with Thai Business Fund 2, so that Central Pattana Public Company Limited will receive Central Plaza Pinklao Project from Thai Business Mutual Fund 2. After the cancellation of any agreements Central Pattana Public Company Limited had with Thai Business Mutual Fund 2, Central Pattana Public Company Limited shall become the owner of the Central Plaza Pinklao Shopping Complex building, office buildings, and parking spaces, and shall become the holder of leasehold rights in the land on which such Shopping Complex building, office buildings, and parking spaces are located. In addition, Central Pattana Public Company Limited will take the transfer of public utility systems in relation to the Central Plaza Pinklao Project from Central Realty Service Co. Ltd., so that Central Pattana Public Company Limited will be able to lease such public utility systems to the Fund.

### 1.4 Historical Status and Occupancy Rate during the Previous Three Years

#### Central Plaza Pinklao Shopping Complex

	31 December			30 June
	2006	2007	2008	2009
Rental and service income (million baht)	980	988	1,026	516
Total leased area (square meters)	57,843	58,223	59,093	56,87 <sup>(c)</sup>
Occupancy rate as of (%)	97.8	90.9	98.1	98.6
Total tenants as of <sup>(a)</sup>	301	288	277	243
Average rental (baht/square meter/month) <sup>(b)</sup>	1,406	1,491	1,598	1,672
Tenants whose contract expires <sup>(a)</sup> (units)	138	116	60	19
Area of expiring contracts in each year (square meters) <sup>(a)</sup>	12,641	8,946	14,031	2,896

Remarks: <sup>(a)</sup> Only anchor tenants and retail tenants, and excluding Cart, ATM, Kiosk and vending machine

<sup>(b)</sup> 'Rental rate' means rates of rental and services with respect to the lease by retail tenants only, exclusive of the tenants entering into long-term lease agreements and having paid the leasehold right fee in advance, as well as tenants who entered into lease agreements with a lease term of less than one year.

<sup>(c)</sup> Other than the leasable area in the tables above, Central Plaza Pinklao Project is developing an area on Level 5, which will expand the leasable area by approximately 1,000 square meters. It is anticipated that the development will be completed in November 2009.

**Central Pinklao Office Buildings – Tower A and Tower B**

	31 December			30 June 2009		
	2006	2007	2008	Tower A	Tower B	Total
Rental and service income (million baht)	129	147	154	52	23	75
Total leased area as of (square meters)	33,895	33,895	33,762	22,427	11,335	33,762
Occupancy rate as of (%)	81.4	85.7	87.5	84.7	87.5	85.7
Total tenants as of (units) <sup>(a)</sup>	77	79	88	45	38	83
Average rental <sup>(b)</sup> (baht/square meter/month)	272	294	310	323	300	315
Tenants whose contract expires in each year <sup>(a)</sup> (units)	18	25	15	1	10	11
Area of expiring contracts (square meters) <sup>(a)</sup>	7,583	11,441	4,968	503	2,039	2,542

Remarks: <sup>(a)</sup> Only anchor tenants and general tenants.

<sup>(b)</sup> Rental rate means rates of rental and services with respect to the lease by anchor tenants and general tenants only, exclusive of tenants entering into long-term lease agreements and having paid the leasehold right fees in advance.

## (2) Information of Property of Central Plaza Pinklao Project, in which the Fund will Make Additional Investment

### 2.1 Property in which the Fund will make additional investment

The Fund will invest by (1) leasing part of the shopping complex and the whole of the two office buildings, as well as the relevant parking spaces (in proportion to the utilization of the area of the shopping complex and the office buildings in which the Fund will invest); (2) leasing and/or accepting the transfer of ownership in the public utility systems and other assets in connection with Central Plaza Pinklao Project; and (3) subleasing from Central Pattana Public Company Limited the land on which the shopping complex, the office buildings, parking spaces, roads enclosing the project, and the entrances and exits thereto sit. The property in which the Fund will invest under items (1) – (3) above shall be collectively referred to as (“**Central Plaza Pinklao Project**”). The Fund will invest in Central Plaza Pinklao Project for approximately 15 years, in an amount up to Baht 6,495.60 million. The details of Central Plaza Pinklao Project are as follows.

#### (2.1.1) Central Plaza Pinklao Shopping Complex, the office buildings, parking spaces therein, and relevant systems

The Fund will lease from Central Pattana Public Company Limited part of the shopping complex and the whole of the two office buildings, and parking spaces therein, including systems in relation thereto, i.e. electricity systems, telephone systems, elevator and escalator systems, air-conditioning systems, engineering systems, and other relevant property. The lease term will expire on 31 December 2024.

Gross area<sup>(a)</sup> of the parts in which the Fund will make additional investment, compared to the gross area of each building and of the Project.

(Translation)

Building	Description	Approximate Gross Area in Which the Fund will Invest (square meters)	Equivalent to % of Gross Area of Each Building
Central Plaza Pinklao Shopping Complex (in part)	7 storeys and a basement	67,082	61.5
Office Building (in whole) Central Pinklao Office – Tower A	26 storeys	32,174	100.0
Office Building (in whole) Central Pinklao Office – Tower B Pinklao	18 storeys	18,479	100.0
Parking spaces (full capacity: 1,800 cars)	10 storeys and a basement	67,936	50.8
Total Gross Area		185,671	
Gross Area: the Project's Gross Area			63.3

Remarks: <sup>(a)</sup> 'Gross area' means the leasable area, common areas, service areas and parking spaces.

Areas to be invested in Central Plaza Pinklao Project are exclusive of:

- (a) The area leased from Central Plaza Pinklao Co., Ltd. by Central Pattana Public Company Limited (Levels 5 and 6 of the Central Department Store building) covering approximately 14,249 square meters.
- (b) The areas within Central Plaza Pinklao Shopping Complex leased out by Central Pattana Public Company Limited to tenants paying leasehold right fee for long-term leases covering an area of approximately 23,356 square meters, representing approximately 41.1% of total leasable area of Central Plaza Pinklao Shopping Complex. Upon the expiry of the long-term leases, rights of first refusal are granted to the Fund by Central Pattana Public Company Limited with respect to said areas.

The 90% of the leased land area under the long-term leases that are not assets invested by the Fund will end in 2015.

(Translation)

Areas in which the Fund will not invest:

Level	Areas not Invested In (Square Meter)
G	6,954
1	4,168
2	3,510
3	3,628
4	3,104
5	1,997
<b>Total</b>	<b>23,356</b>

- (c) Parking spaces cover approximately 65,744 square meters owned by the department store building and with respect to the area subject to the rights of Central Pattana Public Company Limited, other than areas of which leasehold rights are given to the Fund in proportion to the use of the area of the shopping complex and the office buildings in which the Fund will invest. The Fund will authorize Central Pattana Public Company Limited to manage the parking spaces for common use. Income gained (if any) and expenses incurred in connection with parking spaces will be prorated, based on the ratio of the gross area of the property in which the Fund will make additional investment to the total gross area of the project (excluding the parking spaces).

Central Pattana Public Company, which manages Central Plaza Pinklao Shopping Complex and will become the Property Manager of the Central Plaza Pinklao Project after the Fund invests in the project, plans to renovate an area within the shopping complex to keep up with market trends. It is anticipated that the planned renovation will start in 2010. The Property Manager will design a plan to minimize impact to outlets and customers. To ensure that the Fund generates a steady cash flow from leasing out space in Central Plaza Pinklao Shopping Complex during such renovation, Central Pattana Public Company Limited, in its capacity as the owner of Central Plaza Pinklao Shopping Complex after the redemption, agrees to guarantee Baht 629 million in net property income of the Central Plaza Pinklao Shopping Complex in 2010. 'Net property income' means all incomes received from the property, less all costs and expenses incurred in seeking benefit from the property, excluding fees and expenses incurred by the Fund, such as the Property Manager's fee and management fees.

In the event that the planned renovation period changes from 2010 to 2011, Central Pattana agree to guarantee the net property income of Central Plaza Pinklao Shopping Complex for 2011 in which year the postponed renovation is executed. Details and a guaranteed amount will be further agreed by the parties.

If the net property income derived from Central Plaza Pinklao Shopping Complex is less than the amount guaranteed by Central Pattana Public Company Limited, Central Pattana Public Company Limited will compensate the Fund for such discrepancy ("Compensation") on a quarterly basis (net property income of Central Plaza Pinklao Shopping Complex generated will be verified by the Fund's auditor at end of the quarter). Where the net property income derived from the Central Plaza Pinklao Project, together with the

(Translation)

Compensation paid to the Fund by Central Pattana Public Company Limited over the guarantee period, exceeds the guaranteed net property income derived from Central Plaza Pinklao Shopping Complex, the Fund will refund such discrepancy to Central Pattana Public Company Limited; provided that the discrepancy refunded to Central Pattana Public Company Limited does not exceed the Compensation given to the Fund by Central Pattana Public Company Limited over the guarantee period.

Details of the gross area<sup>(a)</sup> of the project, in which the Fund will make additional investment:

Description	Area (Square Meters)
1. Area of Central Plaza Pinklao Shopping Complex, as of 30 June 2009	
■ Leasable area <sup>(b)</sup>	23,210
■ Common areas <sup>(c)</sup>	33,714
■ Service areas <sup>(d)</sup>	10,158
<b>Total</b>	<b>67,082</b>
2. Area of Central Pinklao Office Building – Tower A, as of 30 June 2009	
■ Leasable area (b)	22,427
■ Common areas (c)	4,207
■ Service areas (d)	5,540
<b>Total</b>	<b>32,174</b>
3. Area of Central Pinklao Office Building – Tower B, as of 30 June 2009	
■ Leasable area (b)	11,335
■ Common areas (c)	5,777
■ Service areas (d)	1,367
<b>Total</b>	<b>18,479</b>
Parking spaces within the buildings (full capacity: 1,800)	67,936
<b>Total Gross Area</b>	<b>185,671</b>

Remarks: <sup>(a)</sup> 'Gross area' means leasable area, common areas, service areas, and parking spaces.

<sup>(b)</sup> 'Leasable area' means the area leased to tenants.

<sup>(c)</sup> Common areas means the areas for common use of tenants and persons using services in the project, including common areas available for lease and/or provision of services.

<sup>(d)</sup> 'Service area' means the areas where systems, such as elevators, escalators, and handling units, are installed.

#### (2.1.2) The Land

The Fund will sublease from Central Pattana Public Company Limited the land owned by Central Department Store Co., Ltd., which is the site of Central Plaza Pinklao Shopping Complex, the office buildings, and the parking spaces, as well as roads surrounding the project, and entrances and exits to the project. The land covers an approximate area of 25 rai. The sublease agreement will expire on 31 December 2024. The details of the land are in the table below:

(Translation)

Title Deed No.	Land No.	Survey Page	Sub-district	District	Province	Approximate Area in which the Fund will Invest (Rai)
1041	463	220	Bang Bamru	Bangplad	Bangkok	22-00-72
1054	460	233	Bang Bamru	Bangplad	Bangkok	02-02-12
<b>Total</b>						<b>24-02-84</b>

The Fund will give Central Pinklao Department Store Co., Ltd., Central Pattana Public Company Limited, and their tenants and customers the right to use roads surrounding the project, and entrances and exits thereto, because those two companies own and have the right to jointly use certain areas in the Central Plaza Pinklao Project.

Prior to the additional investment in the property, Central Pattana Public Company Limited, as the holder of the leasehold right to the land on which Central Plaza Pinklao Project is sited, shall ensure that the Fund will receive the consent of Central Department Store Co., Ltd., which is the owner of the land, to assume the rights under the lease agreement in place of Central Pattana Public Company Limited, upon early termination of the lease agreement entered into by Central Department Store Co., Ltd. and Central Pattana Public Company Limited, provided that the Fund will not pay any additional expense. Central Pattana Public Company Limited, as a lessee, has fully paid the leasing fee in accordance with such lease agreement in advance. In addition, the Fund will not be responsible to any expense in relation to the procedures in assuming such rights.

In the event that Central Pattana Public Company Limited and/or a company under its control obtains an option from and/or renews the land lease agreement with respect to the Central Plaza Pinklao Project with Central Department Store Co., Ltd. upon the expiry of the lease term, Central Pattana Public Company Limited and/or a company under its control agrees to give the right of first refusal to the Fund to purchase and/or to accept transfer of ownership and/or right of possession and/or to lease and/or to sublease the Central Plaza Pinklao Project. The value and conditions for any of the foregoing transactions will depend on future negotiations and arrangement by the Fund and Central Pattana Public Company Limited. Central Pattana Public Company Limited and/or a company under its control shall remain the Property Manager of the Central Plaza Pinklao Project. However, Central Pattana Public Company Limited reserves the right to give a right of first refusal to the Fund if Central Plaza Pinklao is removed from its capacity as Property Manager of the Fund.

## 2.2 Tenant Profile

Tenants in Central Plaza Pinklao Shopping Complex are categorized into two groups: tenants in Central Plaza Pinklao Shopping Complex and tenants in the office buildings:

### a. Central Plaza Pinklao Shopping Complex

a.1 Anchor tenants: shops with space from 1,000 square meters up;

a.2 Shop tenants: shops with space less than 1,000 square meters, which are permanent units, such as goods or service outlets, restaurants, coffee shops, or commercial banks;

(Translation)

- a.3 Other tenants: shops with a space less than 1,000 square meters located in open area, such as carts, kiosks selling goods or providing services, food and beverage stands, ATMs, and coin-operated machines; and
- a.4 Promotional areas: common areas available for trade shows, exhibitions, and promotion activities, such as an event to display automobiles or promotions. This area generates additional income other than that generated by the leasable area.

As of 30 June 2009, the leasable area of Central Plaza Pinklao Shopping Complex in which the Fund will make additional investment covers an approximate area of 23,210 square meters, with an occupancy rate of approximately 98.1%, and approximately 105 tenants (only anchor tenants and shop tenants).

The table below shows details of the tenants in Central Plaza Pinklao Shopping Complex as of 30 June 2009, in the area in which the Fund will make additional investment.

Description	Area (square meters)	Equivalent to % to Total Leasable Area
Anchor tenants	4,635	20.0
Shop tenants	16,077	69.2
Other tenants	2,061	8.9
Vacant	437	1.9
<b>Total Leasable Area<sup>(c)</sup></b>	<b>23,210</b>	<b>100.00</b>
Occupancy rate (%)		98.1
Promotional areas	1,331	
<b>Total</b>	<b>24,541</b>	
Rental rate (baht/sq m./month) <sup>(a)</sup>		1,672
Total tenants (units) <sup>(b)</sup>		105

Remarks: <sup>(a)</sup> Rental rate means rates of rental and services with respect to leases by retail tenants only, exclusive of the tenants entering into long-term lease agreements and having paid the leasehold right fees in advance, and tenants who entered into lease agreements with terms of less than one year.

<sup>(b)</sup> Only anchor tenants and shop tenants.

<sup>(c)</sup> Other than the foregoing leasable area, renovation of Level 5 of Central Plaza Pinklao Shopping Complex is under way. Upon completing the renovation, the leasable area will increase by approximately 1,000 square meters. It is anticipated that the renovation will be completed in November 2009.

(Translation)

The following table provides information on tenants of Central Plaza Pinklao Shopping Complex with respect to the area to be invested in by the Fund, based on their business descriptions as of 30 June 2009.

<b>Description</b>	<b>Equivalent to % of Total Leasable Area</b>
Fashion, health and beauty	33.4
Entertainment products	14.7
Food and beverages	22.7
Electronics and furnishing	12.3
Others	15.0
Vacant	1.9
<b>Total</b>	<b>100.0</b>

The top five major tenants of Central Plaza Pinklao Shopping Complex, as of 30 June 2009, based on size, of the leased area in which the Fund will make additional investment.

<b>Major Tenant</b>	<b>Area (Square Meters)</b>	<b>Equivalent to % of Total Leasable Area</b>
1. Fitness First	2,975	12.8
2. Prae Pittaya Bookstore	749	3.2
3. AIS Service Shop	392	1.7
4 .Fuji Restaurant	387	1.7
5. KFC Outlet	380	1.6
<b>Total Major Tenants</b>	<b>4,883</b>	<b>21.0</b>
<b>Total Leasable Area</b>	<b>23,210</b>	<b>100.0</b>

*Remark: The foregoing major tenants are exclusive of a food center covering 1,660 square meters of the leased area.*

Rental and service income derived from the major tenants listed in the table represent approximately 10% of the total rental and service income derived from the part of Central Plaza Pinklao Shopping Complex with respect to the portfolio in which the Fund will make additional investment, based on information with respect to rental and service income in June 2009.

No tenant occupied a lease area of more than 15% of the total leasable area of Central Plaza Pinklao Shopping Complex with respect to the portfolio in which the Fund will make additional investment. No more than 3% of total rental and service income was derived from any tenant in Central Plaza Pinklao Shopping Complex with respect to the portfolio in which the Fund will make additional investment, based on information with respect to rental and service income in June 2009.



(Translation)

The table below sets out details of lease agreements the terms of which will expire, for the portfolio of Central Plaza Pinklao Shopping Complex to be invested in by the Fund as of 30 June 2009.

Year	Leasable Area to Expire (square meters)	Equivalent to % of Total Leasable Area
July – December 2009	2,696	11.6
2010	5,890	25.4
2011	5,753	24.8
2012	2,658	11.4
After 2012	3,250	14.0
Other leasable area <sup>a)</sup>	2,526	10.9
Vacant	437	1.9
<b>Total</b>	<b>23,210</b>	<b>100.0</b>

Remarks: <sup>(a)</sup> 'Other leasable area' include leased areas under lease agreements with lease terms of less than one year, and other leasable areas for other tenants, where such area is not a permanently rented room and the lease agreements are mostly short-term leases.

b. Office Buildings

b.1 Anchor tenants: shops with space from 1,000 square meters up.

b.2 General tenants: shops with space of less than 1,000 square meters, such as education centers (language centers, art centers, computer centers, etc.), financial institutions, government units, and health and beauty shops.

b.3 Other tenants: ATMs, etc.

As of 30 June 2009, the leasable area of the office buildings covered an area of approximately 33,762 square meters, the occupancy rate was approximately 85.7%, and there were approximately 83 tenants. The leasable area of Central Pinklao Office Building – Tower A was approximately 22,427 square meters, with an occupancy rate of approximately 84.7% and approximately 45 tenants. The leasable area of Central Pinklao Office Building – Tower B was approximately 11,335 square meters, with an occupancy rate of approximately 87.5% and approximately 38 tenants.

Details of tenants in Towers A and B, and the portfolio of the office buildings in which the Fund will make additional investment, based on the description of the tenants, as of 30 June 2009.

Description	Area (Square Meters)			Equivalent to % of Total Leasable Area
	Tower A	Tower B	Total	
Anchor tenants	5,143	1,136	6,279	18.6
General tenants	13,862	8,779	22,641	67.1
Other tenants	1	2	3	0.0
Vacant	3,421	1,418	4,839	14.3

(Translation)

Description	Area (Square Meters)			Equivalent to % of Total Leasable Area
	Tower A	Tower B	Total	
Total Leasable Area	<b>22,427</b>	<b>11,335</b>	<b>33,762</b>	<b>100.0</b>
Occupancy Rate (%)	84.7	87.5	85.7	
Average Rental Rate (baht/square meter/month) <sup>a</sup>	323	300	315	
Total Tenants (Units) <sup>b</sup>	45	38	83	

Remarks: <sup>(a)</sup> 'Rental rate' means rates of rental and services with respect to the lease by anchor and general tenants only, exclusive of the tenants entering into long-term lease agreements and having paid the leasehold right fees in advance.

<sup>(b)</sup> Only anchor and general tenants.

The following table provides information on tenants in Central Pinklao Office Buildings – Tower A and Tower B, based on the description of the tenants' businesses, as of 30 June 2009.

Description	Equivalent to % of Total Leasable Area
Languages, arts and tutoring centers, etc.	33.0
Financial institutions (branches, trading rooms)	14.9
Government units	8.4
Health and beauty shops	8.8
Computers, communication devices, and electronics	6.5
Offices of Central Pattana Public Company Limited	3.4
Other	10.7
Vacant	14.3
<b>Total</b>	<b>100.0</b>

Top five major tenants of Central Pinklao Office Buildings – Tower A and Tower B, as of 30 June 2009, based on size, of the leased area in which the Fund will make additional investment.

Major Tenant	Tower	Area (Square Meters)	Equivalent to % of Total Leasable Area
1. Bangkok Revenue Office, Area 16	A	2,820	8.4
2. Krung Thai Bank Plc.	A	1,302	3.9
3. Central Pattana Plc.	B	1,136	3.4
4. Central Department Store Co., Ltd.	A	1,021	3.0
5. Infinity Melody Co., Ltd.	B	782	2.3
<b>Total Major Tenants</b>		<b>7,061</b>	<b>21.0</b>
<b>Total Leasable Area</b>		<b>33,762</b>	<b>100.0</b>

(Translation)

Rental and service income derived from the major tenants listed in the table represented approximately 20% of the total rental and service income derived from the part of Tower A and Tower B in which the Fund will make additional investment, based on information with respect to rental and service income in June 2009.

No tenant occupied a lease area of more than 10% of the total leasable area of Central Pinklao Office Buildings – Tower A and Tower B with respect to the portfolio in which the Fund will make additional investment. No more than 9% of total rental and service income was derived from any tenant in the part of Tower A and Tower B with respect to the portfolio in which the Fund will make additional investment, based on information of rental and service income in June 2009.

The table below sets out details of lease agreements the terms of which will expire, as of 30 June 2009 for the portfolio of Tower A and Tower B to be invested in by the Fund.

Year	Leasable Area to Expire (Square Meters)	Equivalent to % of Total Leasable Area
July – December 2009	10,311	30.5
2010	7,708	22.8
2011	7,207	21.4
2012	2,262	6.7
After 2012	1,302	3.9
Other leasable area <sup>(a)</sup>	133	0.4
Vacant	4,839	14.3
<b>Total</b>	<b>33,762</b>	<b>100.0</b>

Remarks: <sup>(a)</sup> 'Other leasable area' means leased areas under lease agreements with lease terms of less than one year and other leasable areas for other tenants, where such area is not a permanently rented room and the lease agreements are mostly short-term leases.

The Fund reserves the right to invest in Central Plaza Pinklao Project upon Central Pattana Public Company Limited and/or a company under its control having caused the tenants in Central Plaza Pinklao Shopping Complex, for the portfolio in which the Fund will invest, - who entered into the existing leases with Central Pattana or a company under its control - to enter into the lease agreements with the Fund at least 80% of the area of Central Plaza Pinklao Shopping Complex in which the Fund will invest. Central Pattana Public Company Limited shall carry out any acts to ensure that the process of changing the lease agreements of retail tenants to be the other party to the leases with the Fund is completed within 3 years. Central Pattana Public Company Limited shall deliver to the Fund any benefits derived from retail tenants that have not proceeded to change the lease agreement to be the other party to the leases with the Fund until Central Pattana Public Company Limited is able to make those retail tenants entered into the lease agreements with the Fund.

Information with respect to Central Plaza Pinklao Project is as of 30 June 2009. In the future, the Management Company and/or the Property Manager will keep said information updated on a regular basis.

## **Initial Investment**

The Management Company invested in two shopping complex projects comprising of **the Central Plaza Rama II Shopping Complex Project** and **the Central Plaza Ratchada-Rama III Shopping Complex Project**. The details of which are as described below:

### **Central Plaza Rama II Shopping Complex Project**

#### **(1) General Information**

The project is located on Rama II Road which is a new commercial area and a main route to the southern provinces. The shopping complex is situated amidst a number of large residential communities on the west and south of Bangkok with well planned transportation and public utilities, and will be situated near the Bangkok Rail Transit Network route under the plan for public transportation expansion in Bangkok<sup>4</sup>. The shopping complex houses over 400 retail shops.

##### **1.1 The Project's Site**

Central Plaza Rama II Shopping Complex is situated at No. 128, Moo 6, Rama II Road, Samaedam, Bangkhuntien, Bangkok. Rama II Road is a main route connected to the southern part of Thailand. The area covers residential communities and industrial factories. The target groups can travel to Central Plaza Rama II:

from Prapadaeng – Samutprakarn, via Suksawat Road;

from Petchkasem Road, via an outer ring road;

from Bangkloh, via Express way part 1;

from Samutsakorn - Samutsongkram, via Rama II Road; and

from Ekachai Road, via Bangkhuntien Road.

##### **1.2 Description of the Complex, Engineering System and Public Utility Systems**

Central Plaza Rama II consists of a 5-storey building, one basement and two car park buildings. The complex is located on the land covering an area of 96 rai. Its gross areas consist of the shopping center, a common area, roads surrounding the complex, and a recreation park. The construction of Central Plaza Rama II was completed in 2002 and the operation was launched in December 2002. Central Plaza Rama II is managed by Central Pattana Rama II Co., Ltd.

As at 31 December 2004, the total gross area of the Central Plaza Rama II covers 272,185 square meters. The details of the total gross area are as follows:

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<sup>4</sup> source: website of the Office of Transport and Traffic Policy Planning (OTP)

(Translation)

Details	Area (Square Meters)
1. Shopping center:	
■ leasable area;	98,519
■ common area; and	39,119
■ service area	20,668
2. Parking space	
■ car park building I; and	107,845
■ parking space outside the building (full capacity: 3,119 cars)	6,034
Total Gross area	272,185

### Public Utility Systems

Public Utility Systems include 20 elevators, which are 12 passenger elevators and eight service elevators, 40 escalators, and fire-fighting and sprinkler systems installed in the building.

### 1.3 Operation

As at 28 July 2005, Central Pattana Rama II Co., Ltd., a subsidiary whose 99.99% shares are held by Central Pattana Public Company Limited, owned and managed the shopping complex and food court located therein as well as providing utility systems and general services, including a security service, and a cleaning service in the shopping complex. As at December 2004, Central Pattana Rama II Co., Ltd. employed 152 employees.

### 1.4 Tenant Profile

Types of the tenants in Central Plaza Rama II Shopping Complex include:

- a. Anchor tenants: shops with a space ranging from 1,000 square meters or more, such as the Central Department Store, Homework (a construction tools equipment and home furnishing products retailer), Major Cineplex, Tops Supermarket, Major Bowl and Office Depot.
- b. Retail tenants: shops with a space less than 1,000 square meters, such as merchandise and service shops and outlets in the teen fashion center (XY Arena), outlets in mobile products and accessories center (E-Center), outlets in modern fashion center (Z40), kiosks, carts, restaurants, coffee houses, commercial banks, and coin operated machines.
- c. Multipurpose hall: leasable area for concerts, for filming by a production house, etc.

(Translation)

- d. Promotion area: a common area available for trade shows, exhibitions and promotional activities, such as automobile shows, etc. This area is in addition to the leasable area.

As at 31 December 2004, the average occupancy rate of Central Plaza Rama II Shopping Complex was 99.5% of the leasable area, exclusive of the promotion area, with 420 tenants as detailed below:

Description of the tenants, subject to their types:

Category	Area (square meters)	Equivalent to % of Total Leasable Area
Anchor tenants	49,316	50.1
Retail tenants	45,563	46.2
Multipurpose area	3,185	3.2
Vacant	455	0.5
<b>Total Leasable Area<sup>(a)</sup></b>	<b>98,519</b>	<b>100.0</b>
Occupancy rate (%)	99.5	
Promotion area	1,180	
<b>Total</b>	<b>99,699</b>	

Remark: <sup>(a)</sup> Excluding shop houses and Central Park

As at 31 December 2004, anchor tenants of Central Plaza Rama II Shopping Complex were:

Name	Area (square meters)	Equivalent to % of Total Leasable Area
Central Department Store	27,000	27.4
Homework	7,765	7.9
Major Cineplex	5,652	5.8
Tops Supermarket	4,961	5.0
Major Bowl	2,893	2.9
Office Depot	1,045	1.1
<b>Area leased by the anchor tenants</b>	<b>49,316</b>	<b>50.1</b>
<b>Total leasable area<sup>(a)</sup></b>	<b>98,519</b>	<b>100.0</b>

Remark: <sup>(a)</sup> Excluding shop houses and Central Park

No anchor tenant held more than 30% of the total leasable area.

#### 1.5 Historical Status and Occupancy Rates over the Previous Three Years of Central Plaza Rama II Shopping Complex

## (Translation)

	2002	2003	2004
Rental and service income (million baht)	52.27	684.28	727.34
Total tenants as at 31 December <sup>(a)</sup> (units)	417	420	420
Total leased area as at 31 December	98,117	98,117	98,519
Occupancy rates as at 31 December	97.4%	97.4%	99.5%
Average rental <sup>(b)</sup> (Baht/square meter)	789	814	825
Tenants whose contract expired <sup>(c)</sup>	-	-	-
Area of which contract expired <sup>(c)</sup> (square meters)	-	-	-

Remarks: <sup>(a)</sup> exclusive of tenants of shop houses, Central Park, temporary tenants, kiosks, carts, Z40, food court, multipurpose hall, promotion area, canteen, ATM and coin operated machines.

<sup>(b)</sup> average rental rates of all kinds of retail tenants exclusive of carts, kiosks and long-term tenants.

<sup>(c)</sup> as Central Plaza Rama II was launched in December 2002, no lease valid for three years or more expired in 2003 and 2004.

## 1.6 Competitive Strengths of Central Plaza Rama II Shopping Complex

- Central Plaza Rama II Shopping Complex is one of comprehensive retail shopping and entertainment centers situated in the south of Bangkok which is in a new residential area with rapid growth. The project encompasses the Central Department Store, Tops Supermarket, Major Cineplex, Power Buy, Super Sports, Junction X, Z 40, mobile phones and accessories (E-Center), and over 400 fashion outlets and food shops.
- The shopping complex also houses a recreation area including a 37-rai park for the leisure of its customers and the public living in the south of Bangkok. The recreation area is also a place to hold activities, sports events and festivals. This is a magnet for consumers.

### (2) Details of Central Plaza Rama II to Be Invested in by the Fund

Under the lease entered with Central Pattana Rama II, the Fund invests in the subleasehold right on the land where Central Plaza Rama II is located and the leasehold right in parts of Central Plaza Rama II as well as a car park building ("Central Plaza Rama II") utilities systems, a wastewater treatment system, and the facilities of Central Plaza Rama II for a term of 20 years from the date of the registration of the Fund. The lease is valid until 15 August 2025. The details are as described below:

#### 2.1 The subleasehold right on the land with an area covering approximately 53 rai:

Title Deed No.	Land No.	Survey Page	Tambon	Amphoe	Province	Area (Rai-Ngan-Square Wah)
4313	122	923	Samae Dum (Bangbon)	Bangkhuntien	Bangkok	16-3-90.5
4314	78	920	Samae Dum (Bangbon)	Bangkhuntien	Bangkok	27-1-24.5
85312	53	37871	Samae Dum (Bangbon)	Bangkhuntien	Bangkok	3-0-47.2
49534	125	20872	Samae Dum (Bangbon)	Bangkhuntien	Bangkok	6-0-76.2

- 2.2 the leasehold right in parts of Central Plaza Rama II which is a 5-storey building with a basement of No. 128, Moo 6, Kwaeng Samae Dum (Bangbon), Bangkhuntien, Bangkok and basement, and a car park building, currently utilized as a shopping complex, a parking space, and service area, covering an area of approximately 251,182 square meters, inclusive of public utilities systems, a wastewater treatment system, and facilities installed and operated in Central Plaza Rama II.

The leasehold right in parts of the building and parking space covering an area of 98,800 square meters is in effect as from 1 January 2006. From the date the Fund invested in the leasehold right on the Central Plaza Rama II Shopping Complex up to 31 December 2005, the Property Manager arranged for the Fund to acquire the right to use the parking space to enable the Fund to utilize the space for the use of the customers of Central Plaza Rama II.

The leasehold rights in the Central Rama II Shopping Complex invested in by the Fund are exclusive of:

- (a) the leasehold rights in parts of Central Rama II Shopping Complex which Central Pattana Rama II have been leased out to retail tenants, who have paid leasehold right fee under a long-term lease, covering an area of approximately 5,937 square meters representing 4.32% of an leasable area<sup>5</sup> of the shopping complex.
- (b) a parking space on the ground floor of Central Plaza Rama II, i.e.: Parking Star covering an area of approximately 15,066 square meters.

Tenants in Central Plaza Rama II for the portfolio invested in by the Fund can be categorized as per the details in (1.4) above: Tenant Profile of Central Plaza Rama II.

As at 31 December 2004, the average occupancy rate of Central Plaza Rama II for the portfolio invested in by the Fund was 99.5%. The details of the tenants are in the tables below:

Tenant	Area (Square Meter)	Equivalent to % of Total Leasable Area
Anchor tenants	49,316	53.3
Retail tenants	39,626	42.8
Multipurpose area	3,185	3.4
Vacant	455	0.5
<b>Total leased area</b>	<b>92,582</b>	<b>100.00</b>
Occupancy rate (%)		99.5
Promotion area	1,180	
<b>Total</b>	<b>93,762</b>	
Average rental rate <sup>(a)</sup>		825

<sup>5</sup> Leasable area means leasable area and common area



(Translation)

Tenant	Area (Square Meter)	Equivalent to % of Total Leasable Area
(Baht/square meter/month)		
Total tenants as at 31 December 2004 <sup>(b)</sup> (units)		382

Remarks: <sup>(a)</sup> Average rental rate of retail tenants excluding carts and kiosks.

<sup>(b)</sup> Excluding temporary tenants, kiosks, carts, Z40, multipurpose area, promotion area, ATM and coin operated machines.

The following table shows information regarding tenants in the portfolio to be invested in by the Fund at Central Plaza Rama II, based on the description of their businesses, as at 31 December 2004.

Description	Equivalent to % of Total Leasable Area
Department stores	29.2
Entertainment products	10.4
Food and beverages	15.4
Fashion, health and beauty shops	15.7
Electronics and furnishing	7.6
Others	21.2
Vacant	0.5
<b>Total</b>	<b>100.00</b>

The areas leased by anchor tenants in the portfolio to be invested by the Fund in the leasehold right in Central Plaza Rama II as at 31 December 2004 were as follows:

Name	Area (Square Meters)	Equivalent to % of Total Leasable Area
Central Department Store	27,000	29.2
Homework	7,765	8.4
Major Cineplex	5,652	6.1
Tops Supermarket	4,961	5.4
Major Bowl	2,893	3.1
Office Depot	1,045	1.1
<b>Total Anchor Tenants</b>	<b>49,316</b>	<b>53.3</b>
<b>Total Leasable Area</b>	<b>92,582</b>	<b>100.0</b>

In 2004, rental and service incomes derived from the anchor tenants accounted for 25% of the total rental and service incomes generated by the portfolio of the properties to be invested in by the Fund.

No anchor tenant occupied a leased area of more than 30% of the total leasable area. No rental and service incomes from any anchor tenants exceed 12% of the total rental and service incomes.

(Translation)

The table below signifies details of the leases to expire under the lease term of the properties to be invested by the Fund in Central Plaza Rama II as at 31 December 2004.

Year	Leasable Area under Expiry Lease Term (Square Meters)	Equivalent to % of Total Leasable Area (%)
2005	26,226	28.3
2006	3,737	4.0
2007	4,162	4.5
2008	-	-
After 2008	49,316	53.3
Others <sup>(a)</sup>	8,686	9.4
Vacant	455	0.5
<b>Total</b>	<b>92,582</b>	<b>100.0</b>

Remark: <sup>(a)</sup> Others include temporary tenants, kiosks, carts, Z40, food courts, multipurpose areas, canteens, ATMs and coin operated machines which are not permanent units whereby the lease agreements are mostly on a short-term basis (less than 3 years), such as a daily lease, monthly lease or yearly lease, etc. Previously, the Property Manager was able to continually procure new tenants to replace existing tenants.

## Central Plaza Ratchada-Rama III Shopping Complex Project

### (1) General Information

The project is situated in one of the prime locations on Sathupradit Road which is contiguous with business districts at the heart of Bangkok i.e. Sathorn, Silom. The project is within a residential area and will be situated near a route of the Bangkok Mass Transit System as planned in the study for public transportation expansion in Bangkok<sup>6</sup>.

#### 1.1 The Project's Site

Central Plaza Ratchada – Rama III Shopping Complex is situated at No. 79 Sathupradit Road, Chongnonsi, Yannawa, Bangkok, near the business districts in the heart of the city where transportation is convenient.

#### 1.2 Description of the Complex, Engineering Systems and Public Utility Systems

Central Plaza Ratchada – Rama III Shopping Complex houses an eight-storey building with three basements, and a parking structure. The project is located on land covering an area of approximately 12 rai. The building includes a shopping complex (exclusive of the building owned by Ratchada Nonsi Department Store Co., Ltd.) a common area, parking space and roads enclosing the complex. The shopping complex is run by Central Pattana Rama III Co., Ltd. Construction of Central Plaza Ratchada – Rama III Shopping Complex was completed in October 1997 and was launched that month. The total gross area of the shopping complex covers 187,958 square meters as detailed in the following tables.

<sup>6</sup> source: website of the Office of Transportation and Traffic Policy and Planning (OTP)

(Translation)

Description	Area (Square Meter)
1. Shopping center:	
■ leasable area	56,620
■ common area	27,563
■ service area	13,589
2. Car park building (full capacity: 2,336 cars)	90,186
<b>Total gross area</b>	<b>187,958</b>

### Utility Systems

Utility systems include seven passenger elevators and two service elevators, 42 sets of escalators, fire-fighting and sprinkler systems within the building.

### 1.3 Operation

Central Pattana Rama III Shopping Complex, exclusive of Central Department Store, is run and operated by Central Pattana Rama III Co., Ltd. whose 60.53% shares are held by Central Pattana Public Company Limited. Central Realty Service Rama III Co., Ltd., a subsidiary of Central Pattana Public Company Limited, owns and provides utility systems and facilities installed and operated within Central Plaza Ratchada – Rama III Shopping Complex as well as managing a food center in the complex.

As at 31 May 2005, Central Plaza Ratchada – Rama III Shopping Complex was owned by the Thai Business Fund 1 which is a property fund established by Krung Thai Asset Management Co., Ltd. The investment units held by Central Pattana Public Company Limited and its subsidiaries represent approximately 20.18% of the total investment units sold. Central Pattana Rama III Co., Ltd. has leased the shopping complex with the purpose of gaining profits through the lease of spaces to retail tenants.

### 1.4 Tenant Profile

Tenants in Central Plaza Ratchada – Rama III Shopping Complex include:

- a. Anchor tenants: shops with an area ranging from 1,000 square meters or more, such as Major Cineplex, Major Bowl, Fitness First, Index Furniture and IT City.
- b. Retail tenants: shops with an area less than 1,000 square meters, such as merchandise and service shops and outlets in the teen fashion center (XY Arena), outlets in mobile products and accessories center (E-Center), outlets in the education zone, commercial banks, takeaways, and coin operated machines.
- c. Promotion area: a common area available for trade shows, exhibitions, and promotional activities, such as automobile shows, etc. This area is in addition to the leasable area.

(Translation)

As of 31 December 2004, the average occupancy rate of Central Plaza Ratchada – Rama III Shopping Complex was 97.8%, 442 tenants. The details are as stated in the table below:

Tenant Profile

Tenant	Area (Square Meter)	Equivalent to % of Total Leasable Area
Anchor tenants	14,049	24.8
Retail tenants	41,337	73.0
Vacant	1,233	2.2
<b>Total Leasable Area*</b>	<b>56,619</b>	<b>100.0</b>
Occupancy Rate (%)	97.8	
Promotion area	1,533	
<b>Total</b>	<b>58,152</b>	

Anchor Tenants of Central Plaza Ratchada-Rama III Shopping Complex as at 31 December 2004:

Name	Area (Square Meters)	Equivalent to % of Total Leasable
Major Cineplex	6,530	11.5
Major Bowl	3,399	6.0
Fitness First	1,894	3.4
Index Furniture	1,200	2.1
IT City	1,026	1.8
<b>Total Area of Anchor Tenants</b>	<b>14,049</b>	<b>24.8</b>
<b>Total Leasable Area</b>	<b>56,619</b>	<b>100.0</b>

No single anchor tenant occupied more than 15% of the total leasable area.

1.5 Historical Status and Occupancy Rate During the Previous Three Years of Central Plaza Ratchada-Rama III Shopping Complex

	2002	2003	2004
Rental and service income (million baht)	557.56	578.94	622.30
Total tenants as at 31 December <sup>(a)</sup> (units)	422	428	422
Total leased area as at 31 December	54,971	56,186	56,619
Occupancy rate as at 31 December	92.4%	96.7%	97.8%
Average rental <sup>(b)</sup> (Baht/square meter)	868	857 <sup>(c)</sup>	865
No. of tenants whose contract expired <sup>(d)</sup> (units)	90	161	141
Area of which contract expired <sup>(e)</sup> (square meters)	4,115	12,284	7,743

Remarks: <sup>(a)</sup>, <sup>(d)</sup> and <sup>(e)</sup> excluding temporary tenants, kiosks, carts, promotion area, ATM and coin operated machines.

(Translation)

- (b) average rental rate of all kinds of retail tenants excluding carts, kiosks and long-term tenants.
- (c) average rental rate was reduced due to expansion of leasable area in the new sections of the Shopping Complex such as the upper floors where average rental rates are less than rentals on lower floors.

1.6 Highlights of Central Plaza Ratchada-Rama III Shopping Complex

Central Plaza Ratchada-Rama III Shopping Complex is a comprehensive retail shopping and entertainment center situated amidst residences and condominiums near Sathorn and Silom business districts, and houses Central Department Store and Tops Supermarket (owned by Ratchada Nonsi Department Store Co., Ltd.), Major Cineplex and more than 400 fashion outlets and food shops.

(2) Details of Central Plaza Ratchada-Rama III to be Invested in by the Fund

The Fund will invest in leasehold rights in the land and the Central Plaza Ratchada-Rama III Shopping Complex as well as parking space within the building from Central Pattana Rama III Co., Ltd. for a term of 30 years from the date of registration of the Fund, with an option to renew the Lease Agreement twice for a term of 30 years each time, and the rental and deposits pursuant to the terms of the lease agreement will be paid by the Fund in full in a single payment. In addition, the Fund will purchase and/or accept transfer of ownership from Central Realty Service Rama III Co., Ltd. in the public utility systems and facilities of Central Rama III Shopping Complex. The details are as set out below.

2.1 Details of the land with a total area of approximately 12 rai, on which Central Plaza Rama III Shopping Complex is located, which will be leased by the Fund:

Title Deed No.	Land No.	Survey Page	Tambon	Amphoe	Province	Area Rai-Ngan-Square Wah
53132	379	8534	Chong Nonsi	Yannawa	Bangkok	12-0-83.4
53133	380	8534	Chong Nonsi	Yannawa	Bangkok	0-1-61.2

- Remarks
1. The Central Rama III Shopping Complex to be invested in by the Fund excludes the part of building which is occupied by the Central Department Store owned by Ratchada Nonsi Department Store Co., Ltd. of No. 79/3 Sathupradit Road, Khwaeng Chong Nonsi, Khet Yannawa, Bangkok, and the area which is owned by Ratchada Nonsi Department Store Co., Ltd. and has been leased out to Central Pattana Rama III Co., Ltd.
  2. The Fund agrees to grant a right to Ratchada Nonsi Department Store Co., Ltd. to use the entrances/exits and car park as well as to utilize the parking space jointly with the Fund.

2.2 Details of the Central Rama III Shopping Complex

Parts of the Central Rama III Shopping Complex, an eight-storey building with three basement levels, of Nos. 79, 79/1-79/2, 79/4-79/333, Sathupradit Road, Chong Nonsi, Yannawa, Bangkok, which is currently utilized as a shopping center, parking space and service area, cover an area to be leased by the Fund of approximately 169,700 square meters.

The leasehold rights in the Central Rama III Shopping Complex as stated above do not include the leasehold rights in certain spaces within the Central Rama III Shopping Complex which Central Pattana Rama III Co., Ltd. has leased out to retail tenants who have paid a leasehold right fee under a long-term lease agreement and spaces that Central Pattana Rama III Co., Ltd. has leased from Central Department

(Translation)

Store having the area of approximately 18,217 square meters, representing approximately 21.65% of the leasable area<sup>7</sup> of the Shopping Complex.

- 2.3 Ownership in property (by way of purchase and/or acceptance of transfer from Central Realty Service Rama III Co., Ltd.) comprises ownership in the public utility systems and facilities of the Central Rama III Shopping Complex; namely, a power supply system, public utility systems, telephone systems, elevators, escalators, air-conditioning systems and engineering systems installed and utilized in the Central Rama III Shopping Complex.

Tenants in Central Plaza Ratchada-Rama III Shopping Complex in which will be invested by the Fund can be categorized as per clause 1.4 hereof (*Tenant Profile of Central Plaza Ratchada-Rama III*).

As at 31 December 2004, the average occupancy rate of the part of properties to be invested in by the Fund in Central Plaza Ratchada-Rama III Shopping Complex was 96.8% as detailed below.

Description of the tenants, subject to their types:

<b>Tenant</b>	<b>Area (Square Meter)</b>	<b>Equivalent to % of Total Leasable Area</b>
Anchor tenants	10,649	27.7
Retail tenants	26,520	69.1
Vacant	1,233	3.2
<b>Total Leasable Area</b>	<b>38,402</b>	<b>100.0</b>
Occupancy rate (%)	96.8	
Promotion area	1,533	
<b>Total</b>	<b>39,935</b>	
Average rental <sup>(a)</sup> (Baht/square meter/month)	913	
Total number of tenants as at 31 December 2004 <sup>(b)</sup> (units)	326	

Remarks: <sup>(a)</sup> average rental rate of all retail tenants excluding carts and kiosks.

<sup>(b)</sup> excluding temporary tenants, kiosks, carts, promotion area, ATM and coin operated machines.

The table below shows information regarding tenants of the portfolio to be invested in by the Fund at Central Plaza Ratchada-Rama III Shopping Complex, based on a description of their businesses as at 31 December 2004.

<b>Business Description</b>	<b>Equivalent to % of Total Leasable Area</b>
Entertainment	19.5
Food and beverage	12.6
Fashion, health and beauty	35.3

<sup>7</sup> Leasable area means leasable area and common area.

(Translation)

<b>Business Description</b>	<b>Equivalent to % of Total Leasable Area</b>
Electronics and furnishing	20.5
Others	8.9
Vacant	3.2
<b>Total</b>	<b>100.0</b>

The areas leased by anchor tenants of the portfolio to be invested in by the Fund in Central Plaza Ratchada-Rama III Shopping Complex as at 31 December 2004 are as follows:

<b>Name</b>	<b>Area (Square Meters)</b>	<b>Equivalent to % of Total Leasable Area</b>
Major Cineplex	6,530	17.0
Fitness First	1,894	4.9
Index Furniture	1,200	3.1
IT City	1,025	2.7
<b>Total Area of Anchor Tenants</b>	<b>10,649</b>	<b>27.7</b>
<b>Total Leasable Area</b>	<b>38,402</b>	<b>100.0</b>

The total rental and service incomes derived from anchor tenants accounted for 11% of the total rental and service incomes generated by the properties in Central Plaza Rama III Shopping Complex to be invested in by the Fund.

No anchor tenant occupied a leased area representing more than 20% of the total leasable area and no more than 7% of the total rental and service incomes were derived from any anchor tenant.

The table below sets out the leases to expire under the lease term of the portfolio to be invested in by the Fund at Central Plaza Rama III Shopping Complex as at 31 December 2004.

<b>Year</b>	<b>Leasable Area of Tenancies Expiring (Square Meters)</b>	<b>Equivalent to % of Total Leasable Area</b>
2005	8,077	21.0
2006	12,040	31.4
2007	7,973	20.8
2008	-	-
After 2008	6,530	17.0
Other leasable area <sup>(a)</sup>	2,549	6.6
Vacant	1,233	3.2
<b>Total</b>	<b>38,402</b>	<b>100.0</b>

Remarks: <sup>(a)</sup> Other leasable area includes area leased by temporary tenants, kiosks, carts, ATMs and coin operated machines which are not permanent units whereby the lease agreements are mostly on a short-term basis (less than three years), such as a daily lease, monthly lease or yearly lease, etc. In the past, the Property Manager was able to continually procure new tenants to replace those tenants.

The investment in leasehold rights, sublease rights and/or ownerships in those two shopping complexes enables the Fund to seek benefits from the real properties by means of leasing out spaces which are shops, food courts, department stores, bowling alleys and theaters to tenants. The Fund will enter into short-term and long-term lease agreements with tenants as appropriate.

However, on the date the Fund invests in leasehold, subleasehold and/or ownership rights and registers the leases in both Shopping Complexes, certain retail tenants (with a one-year term or more) are under the process of changing the lease agreements to be the other party to the leases with the Fund i.e. one tenant in Central Plaza Rama II with the leased area of 107.81 square meters, and three tenants in Central Plaza Ratchada-Rama III with an aggregate leased area of 428.76 square meters are under said process. Central Pattana Rama II Co., Ltd. and Central Pattana Rama III Co., Ltd. agree to deliver any benefits derived from such tenants to the Fund until Central Pattana Rama II Co., Ltd. and Central Pattana Rama III Co., Ltd. are able to ensure that those retail tenants have entered into the lease contracts with the Fund.

The table below provides information of the constructions, the Fund's rights in the leased spaces, acquisition price, appraised price and rental income projection.

Details	Central Plaza Rama II	Central Plaza Ratchada-Rama III
<b>Project Site</b>		
Total Land Area (Rai)	96-2-49.3	12-3-13.5
Rights held by the existing owner	Long-term lease expiring 15 August 2025	Ownership
<b>Area Leased/Subleased to the Fund (rai)</b>	<b>53-2-38.4</b>	<b>12-2-44.6</b>
<b>Rights held by the Fund</b>	<b>20 years sublease</b>	<b>30 years lease*</b>
<b>Leasable area**</b>		
Shopping Complex gross area (sq. m.)	272,185	187,958
Leasable area** of the Shopping Complex	137,638	84,183
<b>Gross area of the portfolio leased by the Fund (sq. m.)</b>	<b>251,182</b>	<b>169,740</b>
<b>Leasable area** of the portfolio leased by the Fund (sq. m.)</b>	<b>131,701***</b>	<b>65,965****</b>
<b>Leasable area** of the portfolio leased by the Fund : the leasable area** of the shopping complex</b>	<b>95.68%</b>	<b>78.35 %</b>
<b>Rights held by the Fund in the leased area</b>	<b>20 years lease</b>	<b>30 years lease*</b>



(Translation)

Details	Central Plaza Rama II	Central Plaza Ratchada-Rama III
Occupancy rate of the Shopping Complex	99.5%	97.8%
<b>Occupancy rate of the area leased by the Fund</b>	<b>99.5%</b>	<b>96.8%</b>
Appraised value by AA as at 28 February 2005 (Million Baht)	5,702.0	4,334.0
Appraised Value by CBRE as at 28 February 2005 (Million Baht)	5,991.7	4,848.0
<b>Acquisition Value (Million Baht)</b>	<b>6,030.0</b>	<b>4,583.0</b>

Remarks: \* The Fund has an option to renew the Lease Agreement twice for a term of 30 years each time.  
 \*\* Leasable area means the leasable area including the common area which may be leased out hereafter.  
 \*\*\* Net leasable area - approximately 92,810 square meters.  
 \*\*\*\* Net leasable area - approximately 38,489 square meters.

The value at which the Fund will invest in properties of the two Projects is Baht 10.613 billion in total.

As at 28 February 2005, the total price appraised on an income approach by American Appraisal (Thailand) Co., Ltd. (“AA”) is Baht 10,036 million.

As at 28 February 2005, the total price appraised on an income approach by CB Richard Ellis (Thailand) Co., Ltd. (“CBRE”) is Baht 10,839.7 million.

The initial gross revenue projection for 2005 (August-December 2005) was Baht 466.9 million, and of 2006 (January-December 2006) was Baht 1,191.5 million. The gross revenue projection was the initial gross revenue projection of the Fund during the period of 1 August – 31 December 2005. The first year’s initial gross revenue of the Fund was equal to such initial gross revenue projection pro rata from the registration date of the establishment of the Fund until 31 December 2005. Such initial gross revenue projections are based on gross revenue from rentals and service fees under the lease agreements and public utility service agreements entered with the existing tenants, other income derived from the properties as well as income generated from advertising, other incomes, building tax and insurance premiums reimbursed by tenants. The foregoing income projections are incomes derived from the Fund Net Leasable Area only. However, the current initial gross revenue projections do not guarantee future operating results.

### Summary of the Portfolio of All Properties to be Invested in by the Fund

As at 31 December 2004, the average occupancy rate of the portfolio of all properties to be invested by the Fund was 98.7% as detailed below.

### Tenants

(Translation)

Tenant	Area (Square Meters)	Equivalent to % of Total Leasable Area
Anchor tenants	59,965	45.8
Retail tenants	66,146	50.5
Multipurpose area	3,185	2.4
Vacant	1,688	1.3
<b>Total Leasable Area</b>	<b>130,984</b>	<b>100.0</b>
Occupancy rate (%)	98.7	
Promotion area	2,713	
<b>Total</b>	<b>133,697</b>	
Average rental rate <sup>(a)</sup> (Baht/square meter/month)	851	
Total tenants as at 31 December 2004 <sup>(b)</sup> (units)	708	

Remarks: <sup>(a)</sup> Average rental rate of all retail tenants excluding carts and kiosks.

<sup>(b)</sup> Exclusive of temporary tenants, kiosks, carts, promotion area, ATM and coin operated machines.

The following table provides information of tenants of the portfolio to be invested in by the Fund, based on their business descriptions as of 31 December 2004.

Description	Equivalent to % of Total Leasable Area
Department store	20.6
Entertainment	13.0
Food and beverages	14.6
Fashion, health and beauty	21.4
Electronics and furnishing	11.4
Others	17.7
Vacant	1.3
<b>Total</b>	<b>100.0</b>

As of 31 December 2004, anchor tenants of the portfolio to be invested in by the Fund are:

Name	Area (Square Meters)	Ratio of the Area to Total Leasable Area (%)
Central Department Store	27,000	20.6
Major Cineplex	12,182	9.3
Homework	7,765	5.9
Tops Supermarket	4,961	3.8
Major Bowl	2,893	2.2
Fitness First	1,894	1.5

(Translation)

Name	Area (Square Meters)	Ratio of the Area to Total Leasable Area (%)
Index Furniture	1,200	0.9
Office Depot	1,045	0.8
IT City	1,025	0.8
<b>Total Area of Anchor Tenants</b>	<b>59,965</b>	<b>45.8</b>
<b>Total Leasable Area</b>	<b>130,984</b>	<b>100.0</b>

Rental and service income derived from all anchor tenants accounted for 20% of the total rental and service income derived from the portfolio to be invested in by the Fund.

No anchor tenant occupied a leased area of more than 25% of the total leasable area and no more than 7% of the total rental and service income was derived from any anchor tenant.

The table below shows information of the leases to expire under the lease term of the portfolio to be invested in by the Fund, as of 31 December 2004.

Year	Leasable Area under Expired Lease Term (Square Meters)	Equivalent to % of Total Leasable Area
2005	34,303	26.2
2006	15,777	12.0
2007	12,135	9.3
2008	-	-
After 2008	55,846	42.6
Other leasable area (a)	11,235	8.6
Vacant	1,688	1.3
<b>Total</b>	<b>130,984</b>	<b>100.0</b>

Remarks: <sup>(a)</sup> 'Other leasable area' includes temporary tenants, kiosks, carts, Z40, food courts, multi-function areas, canteens, ATMs, and coin-operated machines that are not permanent units, whereby the lease agreements are mostly on a short-term basis (less than 3 years), such as a daily lease, monthly lease, or yearly lease, etc. Previously, the Property Manager was able to continually procure new tenants to replace existing tenants.

The Fund's investment in or possession of property, which consists of leasehold, sub-leasehold, and ownership rights in real property and/or movable property and/or rights and/or any other property relating to or in connection with that real property, is the investment in or possession of property held and/or owned by the Connected Persons of Central Pattana Public Company Limited, the Property Manager of the Fund, before the date of the investment or acquisition. Those Connected Persons are:

- a) Central Pattana Rama II Co., Ltd., which is the holder of the leasehold right in the land and the owner of the shopping complex and public utility systems, as well as facilities within the Central Rama II Shopping Complex;
- b) Central Pattana Rama III Co., Ltd., which is the owner of the land and the Central Plaza Ratchada-Rama III Shopping Complex; and

- c) Central Realty Service Rama III Co., Ltd., which is the owner of the public utility systems and facilities within the Central Ratchada – Rama III Shopping Complex.

The investment in real property by the Fund as described above is in the form of investment in or possession of sublease rights and leasehold rights in real property. Although the Fund effected the registration of its long-term leasehold rights in respect to its investment in such sublease rights and leasehold rights with competent authorities, the Fund remains exposed to potential risk arising from termination of the relevant sublease agreements and/or lease agreements of that real property. In such event, the Fund may be deprived from the right to receive income derived from that property. This will eventually affect the rates of return of Unitholders. To reduce such potential risk, the Fund has taken steps to evade the risks, as follows:

- a) the Fund has sought the consent of the Property Owner and has prescribed conditions for the sublease from the Property Owners, under the lease agreement entered into by Central Pattana Rama II Co., Ltd. and the Property Owner. The Fund made available protection against risks that may arise from the termination of such land lease agreement, by obtaining the right from the Property Owners to hold the rights under the land lease agreement in place of Central Pattana Rama II Co., Ltd.

As of 31 October 2006, those rights were not received by the Fund from the Property Owners. The Fund has agreed with Central Pattana Public Company Limited and Central Pattana Rama II Co., Ltd. to establish additional measures until the Fund obtains the rights under the land lease agreement. The Fund, Central Pattana Public Company Limited, and Central Pattana Rama II Co., Ltd., completely implemented the measures below on 28 February 2007:

1. Central Pattana Rama II Co., Ltd. authorized to the Fund to pay rental on behalf of Central Pattana Rama II Co., Ltd., in the event that Central Pattana Rama II Co., Ltd. fails to pay such rental to the Property Owner under the land lease agreement;
2. evidence of rental payments will be delivered to the Fund by Central Pattana Rama II Co., Ltd. every month;
3. Central Pattana Public Company Limited and/or Central Pattana Rama II Co., Ltd. will also provide a deposit acceptable to the Fund as security for the rental payment under clause 1 above, in a sum equal to the rental payable to the Property Owner by Central Pattana Rama II Co., Ltd. for two years;
4. Central Pattana Rama II Co., Ltd. will take necessary steps to ensure that its risk exposure is low. Its Memorandum of Association with respect to its objectives will be amended to the extent necessary for its business operations; and
5. Central Pattana Public Company Limited agreed to maintain its financial ratios, i.e. Debt-to-Equity ratio (“D/E ratio”) and Debt Service Coverage Ratio (“DSCR”), at a level acceptable to the Fund, which will be the same ratio to which it has agreed with lenders. In the event that Central Pattana Public Company Limited fails to maintain those ratios and fails to remedy such failure within three months, Central Pattana Rama II Co., Ltd. or Central Pattana Public Company Limited is required to place security deposit or to pledge instruments acceptable to the Fund, in an amount equal to the remaining rental payable by Central Pattana Rama II Co., Ltd. to the Land Owners.

The foregoing measures will end at the time the Fund has obtained the right from the Land Owners to assume the rights under the land lease agreement in place of Central Pattana Rama II, or other approaches acceptable to the Fund are carried out; and

- b) the Fund has caused Central Pattana Rama III Co., Ltd. to mortgage the land and constructions with the Fund. The property to be mortgaged is the site of Central Plaza Ratchada – Rama III Shopping Complex and the buildings thereon. They are mortgaged as security for the performance of the lease agreement and damages that may arise from failure of the Fund to use the property according to the rights available to the Fund by the lease agreement in the event that Central Pattana Rama III breaches any terms and/or conditions set out in the lease agreement, and damages that may arise from the breach of the agreement for lease of the Central Plaza Ratchada-Rama III Shopping Complex Project.

### **Investment and Operating Results of the Property in which the Initial Investment Was Made by the Fund, as of 30 June 2009**

#### **1. Details of the Central Plaza Rama II Shopping Complex Project, in which the Fund invested**

The Fund invested in subleasing from Central Plaza Rama II the land which is the site of Central Plaza Rama II Shopping Complex, part of the leasehold rights therein, parking spaces (the “Central Plaza Rama II Shopping Complex”), as well as public utility systems, wastewater treatment systems, and facilities in connection with Central Plaza Rama II Shopping Complex, for approximately 20 years, commencing 15 August 2005 and ending 15 August 2025. The details are as follows:

1. Leasehold right in the land covering an area of 53 rai, with the following details:

<b>Title Deed No.</b>	<b>Land No.</b>	<b>Survey Page</b>	<b>Sub-district</b>	<b>District</b>	<b>Province</b>	<b>Area (Rai)</b>
4313	122	923	Samaedam (Bangbon)	Bangkuntien	Bangkok	16-3-90.5
4314	78	920	Samaedam (Bangbon)	Bangkuntien	Bangkok	27-1-24.5
85312	53	37871	Samaedam (Bangbon)	Bangkuntien	Bangkok	3-0-47.2
49534	125	20872	Samaedam (Bangbon)	Bangkuntien	Bangkok	6-0-76.2

2. Leasehold rights in part of Central Plaza Rama II Shopping Complex, which is a five-storey building with one basement, of No. 128 Moo 6, Samaedam (Bangbon), Bangkuntien, Bangkok, together with a car park building. The area is currently in use as a shopping complex, parking spaces, and service areas. The area leased to the Fund covers approximately 251,182 square meters, including public utility systems, wastewater treatment systems, and facilities installed and operated within Central Plaza Rama II Shopping Complex.

Leasehold rights in Central Plaza Rama II Shopping Complex are exclusive of:

- (a) leasehold rights in certain parts within Central Plaza Shopping Center, which Central Pattana Rama II Co., Ltd. leased out to retail tenants having paid leasehold right fees for

(Translation)

long-term leases, covering an area of approximately 5,937 square meters and representing 4.32% of the salable area<sup>8</sup> of the shopping complex; and

- (b) parking spaces on Level G of Central Plaza Rama II Shopping Complex (Star Parking), covering an approximate area of 15,066 square meters.

As of 30 June 2009, the occupancy rate of Central Plaza Rama II Shopping Complex in the portfolio in which the Fund invested was approximately 99.2%.

Tenants in Central Plaza Rama II Shopping Complex in the portfolio in which the Fund invested, as of 30 June 2009, are shown in the table below:

Description	Area (Square Meters)	Equivalent to % of Total Leasable Area
Anchor tenants	48,954	52.4
Retail tenants	36,446	39.1
Multi-function areas	3,185	3.4
Other tenants	4,014	4.3
Vacant	739	0.8
<b>Total Leasable Area</b> <sup>(c)</sup>	<b>93,338</b>	100.0
Occupancy Rate (%)		99.2
Promotional areas	1,180	
<b>Total</b>	<b>94,518</b>	
Average rental <sup>(a)</sup> (baht/square meter/month)		1,152
Total Tenants (units) <sup>(b)</sup>		321

Remarks: <sup>(a)</sup> 'Rental rate' means rates of rental and services with respect to the lease by shop tenants only, exclusive of tenants entering into long-term lease agreements and having paid the leasehold right fees in advance, and tenants who entered into lease agreements with lease terms of less than one year.

<sup>(b)</sup> Only anchor tenants and shop tenants.

The following table provides information on tenants in Central Plaza Rama II Shopping Complex with respect to the portfolio invested in by the Fund, based on their business descriptions as of 30 June 2009.

Description	Equivalent to % of Total Leasable Area
Department store	29.0
Fashion, health and beauty shops	16.0
Entertainment	11.2

<sup>8</sup> Leasable area' means the leasable area and common areas.

(Translation)

Description	Equivalent to % of Total Leasable Area
Food and beverages	10.1
Electronics and furnishing	15.0
Other	17.9
Vacant	0.8
<b>Total</b>	<b>100.0</b>

Top five major tenants of Central Plaza Rama II Shopping Complex, as of 30 June 2009, based on size, of the leased area in which the Fund invested.

Major Tenant	Area (Square Meters)	Equivalent to % of Total Leasable Area
Central Department Store	27,000	29.0
Homework	7,765	8.3
Major Cineplex	5,518	5.9
Tops Supermarket	4,961	5.3
Major Bowl	2,665	2.9
<b>Total Major Tenants</b>	<b>47,909</b>	<b>51.4</b>
<b>Total Leasable Area</b>	<b>93,338</b>	<b>100.0</b>

*Remark: The foregoing major tenants do not include a food court covering an area of approximately 1,450 square meters.*

The tables below set out details of lease agreements to expire under their lease term for the portfolio invested in Central Plaza Rama II by the Fund as at 30 June 2552.

Year	Areas under Lease Agreements to Expire (Square Meters)	Equivalent to % of Total Leasable Area
July–December 2009	6,131	6.6
2010	6,986	7.5
2011	20,125	21.6
2012	17,419	18.7
After 2012	33,638	36.0
Other leasable area <sup>(a)</sup>	8,300	8.9
Vacant	739	0.8
<b>Total</b>	<b>93,338</b>	<b>100.0</b>

*Remarks: <sup>(a)</sup> Other leasable area means leased areas under lease agreements with lease terms of less than one year and other leasable areas for other tenants where such areas are not permanent units and the lease agreements are mostly short-term leases.*

## 2. Details of Central Plaza Ratchada – Rama III Shopping Complex in which the Fund Invested

The Fund invested in leasehold rights to the land, Central Plaza Ratchada – Rama III Shopping Complex, and parking space therein from Central Pattana Rama III Co., Ltd. for 30 years commencing 16 August 2005 and ending 15 August 2035 with an option to renew the lease twice for a term of 30 years. The Fund paid the full rental and deposits under the conditions of the lease agreement in a single payment. The Fund purchased and/or accept a transfer of ownership in utility systems and facilities in connection with Central Plaza Ratchada – Rama III Shopping Center from Central Realty Service Rama III Co., Ltd. The details are as set out below.

1. The leasehold right to the land, covering an area of 12 rai. Details of the land:

Title Deed No.	Land No.	Survey Page	Sub-district	District	Province	Area (Rai)
53132	379	8534	Chongnonsi	Yannawa	Bangkok	12-0-83.4
53133	380	8534	Chongnonsi	Yannawa	Bangkok	0-1-61.2

The Fund gives the right to use the roads surrounding the project, entrances and exits thereof to Ratchada Nonsi Department Co., Ltd., Central Pattana Rama III Co., Ltd. and their tenants and customers because those two companies own and have the right to jointly use certain areas in the Central Plaza Rama III Project, including a parking space with the Fund.

2. The leasehold right to certain parts of Central Plaza Ratchada – Rama III Shopping Complex which is an eight-storey building with three basements, of No. 79, 79/1 – 79/2, 79/4 – 79/333, Sathupradith, Chongnonsi, Yannawa, Bangkok, currently in use as a shopping complex, parking space, and service area covering an area of approximately 169,700 square meters.

Leasehold rights to Central Plaza Rama III Shopping Complex are exclusive of the leasehold rights to:

- (a) the building where Central Department Store is located which is owned by Ratchada Nonsi Department Store Co., Ltd. of No. 79/3, Sathupradith, Chongnonsi, Yannawa, Bangkok; and the area owned by Ratchada Nonsi Department Store Co., Ltd. which was leased out to Central Pattana Rama III Co., Ltd.;
- (b) certain areas within Central Plaza Ratchada – Rama III Shopping Complex which Central Pattana Rama III Co., Ltd. leased out to retail tenants having paid a leasehold right fee for long-term leases, and the area which Central Pattana Rama III Co., Ltd. leased from Central Department Store, covering an area of approximately 18,217 square meters, representing 21.65% of the leasable area<sup>9</sup> of the Shopping Complex; and
- (c) titles to assets (by means of purchase and/or acceptance of transfer) including utility systems, facilities of Central Plaza Ratchada – Rama III Shopping Complex i.e. electricity system, utility systems, elevator, telephone systems, escalators, air-conditioning system, engineering system installed and operated in Central Plaza

<sup>9</sup> Leasable area means leasable area and common area



(Translation)

Ratchada – Rama III Shopping Complex from Central Realty Service Rama III Co., Ltd.

As at 30 June 2009, the occupancy rate of Central Plaza Ratchada – Rama III Shopping Complex in the portfolio in which the Fund invested was approximately 95.5%.

Tenants in Central Plaza Ratchada – Rama III Shopping Complex in the portfolio in which the Fund invested as at 30 June 2009 are shown in the tables below:

Description	Area (Square Meters)	Equivalent to % of Total Leasable Area
Anchor tenants	9,888	24.7
Shop tenants	25,878	64.74
Other tenants	2,418	6.05
Vacant	1,791	4.5
<b>Total Leasable Area</b>	<b>39,975</b>	<b>100.0</b>
Occupancy Rate (%)		95.5
Promotion area	1,533	
<b>Total</b>	<b>41,508</b>	
Average rental <sup>(a)</sup> (Baht/square meter/month)		1,129
Total Tenants (units) <sup>(b)</sup>		226

Remarks: <sup>(a)</sup> Rental rate means rates of rental and services with respect to the lease by shop tenants only, but exclusive of the tenants entering into long-term lease agreements and having paid the leasehold right fee in advance, and tenants who entered into the lease agreements with a lease term of less than one year

<sup>(b)</sup> Only anchor tenants and shop tenants.

The following tables provide information of tenants in Central Plaza Ratchada – Rama III Shopping Complex with respect to the portfolio invested in by the Fund based on their business descriptions as at 30 June 2009.

Description	Ratio of the Area to Total Leasable Area (%)
Fashion, health and beauty	26.1
Entertainment	24.9
Food and beverage	16.1
Electronics and furnishing	16.9
Other	11.5
Vacant	4.5
<b>Total</b>	<b>100.0</b>

(Translation)

Top major tenants of Central Plaza Ratchada – Rama III Shopping Complex as at 30 June 2009, based on the size of the portfolio in which the Fund invested.

Major Tenants	Area (Square Meter)	Equivalent to % of Total Leasable Area
1. Major Cineplex	6,530	16.3
2. Fitness First	2,333	5.8
3. IT City	1,025	2.6
4. Index Furniture	932	2.3
5. Siam Kollarn Music School Rama III	511	1.3
Total Major Tenants	11,331	28.3
<b>Total Leasable Area</b>	<b>39,975</b>	<b>100.0</b>

*Remark: The areas leased by the foregoing major tenants do not include a food court area covering approximately 1,592 square meters.*

The table below sets out details of lease agreements to expire under their lease terms for the portfolio to be invested in Central Plaza Ratchada – Rama III Shopping Complex by the Fund as at 30 June 2009.

Year	Leasable Area under Expired Lease Term (Square Meters)	Equivalent to % of Total Leasable Area
July – December 2009	7,290	18.2
2010	9,729	24.3
2011	5,821	14.6
2012	10,719	26.8
After 2012	-	-
Other leasable area <sup>(a)</sup>	4,625	11.6
Vacant	1,791	4.5
<b>Total</b>	<b>39,975</b>	<b>100.0</b>

*Remarks: <sup>(a)</sup> Other leasable areas means leased areas under lease agreements with lease terms of less than one year, and other leasable areas for other tenants where such areas are not permanent units and the lease agreements are mostly short-term leases.*

### (3) Summary of the Draft Agreement with respect to the Property Invested in by the Fund

#### 3.1 Summary of the Draft Lease of Building Agreement– Central Plaza Pinklao Project

<b>The Lessor</b>	Central Pattana Public Company Limited (“Central Pattana”).
<b>The Lessee</b>	CPN Retail Growth Leasehold Property Fund (the “Fund”).
<b>The Leased Properties</b>	Parts of the Central Plaza Pinklao Project of No. 7/3 – 7.128, 7/129 – 7/221, 7/222 – 7/552, and 7/553, Borommaratchachonnani Road, Arunamarin, Bangkok Noi,

	<p>Bangkok, consisting of the Central Plaza Pinklao Shopping Complex which is a seven-storey building with one basement, the 26-storey Central Plaza Pinklao Tower A, the 18-storey Central Plaza Pinklao Tower B as well as a parking space therein. At present the leased properties are in use as a shopping complex, office buildings and parking space therein. The properties are under Title Deeds No. 1041, 1054 located in Kwaeng Bang Bamru, Bangplad, Bangkok representing a leasable area of approximately 185,671 square meters, exclusive of certain areas, such as (1) the area leased by Central Pattana from Central Pinklao Co., Ltd. (Levels 5, 6 of Central Department Store); (2) the area leaded out by Central Pattana to retail tenants having paid leasehold right fee for long-term leases; and (3) the parking space owned by Central Department Store and subject to the right of Central Pattana.</p>
<b>Lease Term</b>	<p>valid from the date of registration of the lease right under this agreement until 31 December 2024.</p>
<b>Option to Renew the Lease upon Expiration thereof</b>	<p>Where Central Pattana and/or a company under its control obtain an option and/or renew the land lease agreement with respect to the Central Plaza Pinklao Project with Central Department Store Co., Ltd. upon an expiry of the lease term, Central Pattana and/or a company under its control agree to give the notice regarding conditions and a value for the renewal of the lease agreement to the Fund within 60 days from the date Central Pattana and/or a company under its control have agreed with the Property Owner on the conditions and a value for the renewal of the lease agreement, or at any time after Central Pattana and/or a company under its control have effected any acts under applicable laws. Central Pattana and/or a company under its control agree to grant the right of first refusal to the Fund to purchase, and/or accept transfer of ownership and/or right of possession, and/or to lease, and/or to sublease the Central Plaza Pinklao Project.</p>

<b>Conditions for Renewal of the Lease upon the Expiration thereof</b>	<p>(1) A value and conditions for the purchase, and/or acceptance of transfer of ownership and/or right of possession, and/or for the lease or sublease of Central Plaza Pinklao Project will depend on future negotiations and arrangements of the Fund and Central Pattana;</p> <p>(2) Central Pattana and/or a company under its control shall remain in the capacity of the Property Manager of real property in Central Plaza Pinklao Project. However, Central Pattana reserves the right to give the right of first refusal to the Fund if Central Pattana is removed from the capacity of the Property Manager of the Fund; and</p> <p>(3) If the Fund wishes to exercise the right to invest in real property in Central Plaza Pinklao Project, the Fund shall give advance notice in writing to Central Pattana within six months from the date the Fund received the foregoing notice from Central Pattana, or at any time as may be agreed by the parties thereto.</p>
<b>Rental</b>	<p>The Fund shall pay on the date of registration of the leasehold right under this Agreement full rentals over the Lease Term in consideration of the leasehold right in the Leased Property.</p>
<b>Obligations of the Fund</b>	<p>(1) The Fund shall at its own cost repair, maintain and renovate the Leased Properties, or carry out any and all acts to ensure that the Leased Properties are in good and serviceable conditions as may be described in the Agreement at all times during the Lease Term.</p> <p>(2) The Fund shall build no construction or component part in the Leased Properties. No alterations that may result in material damage or change to the Leased Properties shall be made to any part of the Leased Properties; unless with the prior written consent of Central Pattana. The consent shall be considered without delay and shall not be unreasonably withheld by Central Pattana. Such structure, alteration, modification, change and constructions shall constitute a component part of the Leased Properties.</p> <p>For the period this Agreement is valid, the Fund agrees that Central Pattana, Central Pinklao Department Store Co., Ltd., as well as customers and counterparties to agreements of Central Pattana, Central Plaza Pinklao Project and the lessees real property in Central Plaza Pinklao Project other than the sub-lessees in the Leased Properties under this Agreement may use a common area, parking space, and relevant area which are the Leased Properties of the Fund. Those areas shall be for common use without consideration. If Central Pattana collects benefits from the use of parking service the parties shall consider the share of such proceeds, based on the possession ratio of the parties.</p>

	<p>(3) At all times over the Lease Term of this Agreement the Fund agrees that Central Pattana may use without consideration the relevant utility systems for provision of services to retail tenants who have paid leasehold right fee for long-term leases and who are not the sub-lessees of the Leased Agreement under this Agreement, as well as customers, counterparties to agreements, and other retail tenants who are the tenants in the area subject to the right of possession of Central Pattana and Central Pinklao Department Store Co., Ltd. for their business operations. Central Pattana Public Company Limited and the Fund will be jointly responsible on the expense incurred as a result of a repair or maintenance of such systems based on the possession ratio of the parties.</p>
<p><b>Central Pattana 's Obligations</b></p>	<p>(1) Central Pattana shall give notice and deliver within 30 days from the date of registration any benefits (excluding security deposits arising from the Leased Properties) i.e.: rentals, utility fees, or other proceeds (if any) to which the Fund is entitled to receive and Central Pattana has received from tenants on or before the date of registration. If Central Pattana further receives such benefits after the date of registration Central Pattana shall deliver the benefits to the Fund by the ninth day of the following month.</p> <p>With respect to security deposits to which the Fund is entitled to receive and Central Pattana has received earlier on or before the date of registration from the tenants, Central Pattana shall deliver such security deposits, in part, which is not less than 80% of the total security deposits arising from the Leased Properties, to the Fund within the date of registration and the balance thereof shall be delivered to the Fund within 45 days from the registration date. In the event that Central Pattana further receives any security deposit with respect to the Leased Properties after the date of registration such security deposit shall be delivered to the Fund by the ninth day of the following month.</p> <p>(2) Central Pattana - which is the Property Manager of Central Plaza Pinklao Project and will act as Property Manager of the Leased Properties after the Fund has invested in the Leased Properties – plans to renovate an area within Central Plaza Pinklao Shopping Complex to keep up with market trends. It is anticipated that the planned renovation will start in 2010. The Property Manager will design a plan to minimize impacts to outlets and customers. To ensure that the Fund may generate and maintain a steady cash flow from leasing out space in Central Plaza Pinklao Shopping Complex during such renovation, Central Pattana</p>

	<p>- in the capacity of owner of real property in Central Plaza Pinklao Project upon the redemption - agrees to guarantee net property income of the Central Plaza Pinklao Shopping Complex for Baht 629 million (Baht 157.25 million/quarter) in 2010. Net property income means all incomes received from the Central Plaza Pinklao Shopping Complex less all costs and expenses incurred in seeking benefits from the Shopping Complex, excluding fees and expenses incurred by the Fund, such as the Property Manager's fee, the management's fee etc.</p> <p>In the event that the planned renovation period changes from 2010 to 2011, Central Pattana agrees to guarantee the net property income of Central Plaza Pinklao Shopping Complex for 2011 in which year the postponed renovation is executed. Details and a guaranteed amount will be further agreed by the parties.</p> <p>If the net property income derived from Central Plaza Pinklao Shopping Complex is less than the amount guaranteed by Central Pattana, the Fund will be compensated by Central Pattana for such discrepancy ("<b>Compensation</b>") on a quarterly basis (net property income of Central Plaza Pinklao Shopping Complex generated will be verified by the Fund's auditor at end of the quarter). Where the net property income derived from the Central Plaza Pinklao Project, together with the Compensation paid to the Fund by Central Pattana over the guarantee period, exceeds the guaranteed net property income derived from Central Plaza Pinklao Shopping Complex, the Fund will refund such discrepancy to Central Pattana; provided that the discrepancy refunded to Central Pattana does not exceed the Compensation given to the Fund by Central Pattana over the guarantee period.</p>
<b>Insurance</b>	<p>The parties agree to take out insurances and to use a sum compensated by an insurance company for building and/or repairing the Leased Properties under this Agreement, as follows:</p> <p>(1) Central Pattana shall ensure that, effective on the date of registration, the Fund is insured and is named as the beneficiary in all insurance policies taken out for the Leased Properties with existing insurers and for the remaining insurance period of insurance policies under the terms and conditions of this Agreement. The Fund shall be responsible for any fees or charges arising from or in relation to the transfer of rights under the insurance policies. It is agreed that the parties to the Agreement shall jointly be responsible <i>pro rata</i> for insurance premiums set out in those insurance policies according to the possession</p>

	<p>of areas in real property in Central Plaza Pinklao Project or income generated (in the event of business interruption insurance) as the case may be. All such cases shall be in proportion to the remaining period of each insurance policy, or according to any rules as may be agreed earlier by the parties.</p> <p>(2) If any damage arises to part of the Leased Properties, the Agreement shall remain in effect only to the Leased Properties which are not damaged and remain in a serviceable condition. Such properties shall remain the Leased Properties under this Agreement.</p>
<b>Damaged or Mutilated Property</b>	<p><b>“Basic Compensation”</b> shall mean compensations under insurances, excluding compensation recompensed by a business interruption insurance and/or any additional insurance taken out by a party to the Agreement at its own cost.</p> <p>(1) Subject to clause (3) below and unless otherwise agreed by the parties to the Agreement, where the Leased Properties suffers total or substantial damage for any reason whatsoever to the extent that the Leased Properties may no longer be used for business activities, the parties to the Agreement agree to build a new building in place of the Leased Properties and shall jointly be liable for any and all expenses incurred. Central Pattana shall cause a construction to be carried out under the drawings, plan and budget as may be agreed by the parties to the Agreement. Such construction shall be completed within three years from the occurrence of such damage. Central Pattana shall jointly with the Fund seek the consent from any person, or apply for permission from the relevant authorities (if any) for the purpose of any act under the Agreement. The Fund and Central Pattana shall be liable for construction fees and expenses arising from the construction <i>pro rata</i> with their possession of areas in real property in the Central Plaza Pinklao Project at the time of the damage. The parties to the Agreement shall use sums compensated as Basic Compensations for the construction. Any and all rights and obligations of the parties to this Agreement shall remain valid until the completion of a new property replacing the Leased Properties under the Agreement. The parties shall immediately execute a new lease agreement, containing the terms and conditions similar to those in the Agreement, upon the completion of the construction of new building which shall be in place of the Leased Properties under this Agreement. However, the Fund shall not be liable for rentals set out in such new agreement.</p> <p>However, if the foregoing damage occurs during the last five years before the expiration of the lease term under the</p>

	<p>Agreement, the Fund shall have the right to terminate the Agreement.</p> <p>(2) Subject to clause (3) below and unless otherwise agreed by the parties, in the event that any part of the Leased Properties suffers damage for any reason whatsoever, leaving the unaffected part thereof for continuing business activities, the Fund and Central Pattana shall, at their own expense, be liable for restoring the damaged part for the area held under possession of the party to the Agreement at the time of the damage; provided that such sum shall not exceed Basic Compensations received by the Fund and/or Central Pattana from the insurance companies, as the case may be.</p> <p>(3) Unless otherwise agreed by the parties to the Agreement or the Fund can seek funds from other sources, where any construction fees or costs arising in relation to or in connection with the construction and/or repair of the Leased Properties exceed the Basic Compensations received by the parties to the Agreement, a party to the Agreement shall be liable for the discrepancy in proportion to their possession of the area at such time (for the event stated in (1) above, or for the event stated in (2) an area in possession of such party at the time it suffers from damage, as the case may be. Central Pattana agrees to make advance payment, on behalf of the Fund, of a sum for which the Fund shall be liable.</p> <p>Where the Leased Properties suffer damage in part under (2) the Fund agrees to reimburse such sum to Central Pattana within six months from the day the repaired area is opened for service, as well as expenses advanced at the rate equal to the cost of borrowing incurred by Central Pattana for the advance, accruing on the date of the advance until the amount is paid in full to Central Pattana by the Fund. The Fund and Central Pattana shall mutually seek financial resource for such advance payments.</p> <p>Where the Leased Properties suffers total or substantial damage under item (1) above and the Fund does not exercise an option to terminate the Lease Agreement as set out in paragraph 2 item (1), the Fund shall have options to reimburse such advance payments by (a) reimbursing such advance within six months from the day the repaired area or a new building in place of the Leased Premises under this Agreement is opened for service, as well as expenses advanced at the rate equal to the rate stated in the foregoing paragraph, or (b) agreeing to reduce its possession ratio, whereby the Fund shall not be liable to reimburse any compensation to Central Pattana. The new possession ratio held by the Fund and Central Pattana shall be based on all</p>
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	<p>construction fees and expenses paid or agreed to be paid by the parties in the construction or restoration.</p> <p>Prior to exercising options in (a) or (b) above, the Fund reserves its right to propose such matter to the meeting of Unitholders of the Fund for adoption within six months from the day an area repaired or built in place of the Leased Properties under the Agreement is opened for service. Upon the expiration of the specified time, the Fund agrees to reduce its possession ratio under (2) above as the Fund may deem fit.</p>
<b>Assignment of Leasehold Right and Sublease</b>	<p>For the purpose of carrying out the lease out shopping complex and office building, throughout the term of the Agreement, the Fund shall not sublease its leasehold right in the Leased Properties, in whole or in part, to any person, or allow any person to occupy or incur any encumbrance entitling any person to use the Leased Properties in its place, nor assign its leasehold right, in whole or in part, to any person. Central Pattana gives consent that the Fund may sublease the Leased Properties, in whole or in part, to any third party (the "Retail Tenants") without obtaining prior approval from Central Pattana., However, for the sublease of the Leased Properties of area of 1,000 Square Meters of more, the Fund must obtain prior consent from Central Pattana, which consent shall be given without delay and shall not be unreasonably withheld.</p>
<b>Events of Default or Termination Events</b>	<p>Where any of the following occurs:</p> <ol style="list-style-type: none"><li>(1) willful breach of or non-compliance with the terms or violation of the representations in the Agreement by Central Pattana for which no remedy is made within 90 days of receipt of notice or acknowledgment of such event, or within any period agreed by the parties, save for failure by Central Pattana to register the leasehold right for the Fund on the date specified by the Fund, shall immediately constitute an event of default of the Agreement;</li><li>(2) non-compliance with the conditions of any loan agreements, non-performance of obligations or liabilities owed to any person with a total value exceeding one-half of the value of shareholders' equity by Central Pattana, that may lead to the insolvency or business rehabilitation of Central Pattana, which Central Pattana fails to rectify within 180 days from the day on which it is or ought to be aware of such event, unless Central Pattana can prove and confirm in writing to the satisfaction of the Fund that such event of default shall not render substantial impact to its financial standing possibly leading to its insolvency or</li></ol>

	<p>business rehabilitation, and that such event of default shall not affect the exercise of rights of the Fund under the Agreement;</p> <p>(3) receivership, bankruptcy, dissolution, liquidation, or business reorganization are instituted by or against Central Pattana, and the Fund deems that such event will affect the ability of Central Pattana with respect to debt repayment or performance under this Agreement;</p> <p>(4) willful breach of or non-compliance with the terms or violation of the representations in the Agreement by the Fund for which no remedy is made within 60 days of receipt of notice or acknowledgment of such event, or within any period as may be agreed by the parties; unless such non-compliance with the terms and conditions of the Agreement results from a willful act or negligence in the performance of duties by Central Pattana, as the Lessor or the Property Manager (or any person or juristic person designated by Central Pattana to act as Property Manager on its behalf) under the Property Manager Appointment Agreement or the Fund Management Project;</p> <p>(5) upon the expiration of the lease term of the Leased Properties under the Agreement;</p> <p>(6) mutual agreement by both parties to terminate the Agreement;</p> <p>(7) (a) dissolution of the Fund as per the details prescribed in the Project, and the Fund has notified Central Pattana of such dissolution in writing;</p> <p>(b) dissolution of the Project by the resolution passed by the Unitholders, in which Central Pattana and Persons in the Same Group also voted for such dissolution, unless such vote of Central Pattana and Persons in the Same Group was made for the general benefit of the Fund and in compliance with the intention of the Management Company;</p> <p>(8) dissolution of the Fund by virtue of any law or order of the Securities and Exchange Commission or the Office of the Securities and Exchange Commission which is not due to a breach of and/or non-compliance with any regulations, law, and/or any other relevant rules on the part of the Fund and/or not attributable to Central Pattana, and the Fund has given the written notice of the dissolution to Central Pattana. The parties have mutual obligations and have jointly exercised their best efforts to an extent that is not contrary to the law or an order of any government agency applicable at such time, to prevent the Agreement from</p>
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	<p>being terminated by any change in any law or the order of any government agency, for example by appointing or procuring any person to take assignment of the rights and obligations of the Fund under the Agreement.</p> <p>(9) all or material parts of the Leased Properties are subject to expropriation, reservation or survey zones for the purpose of expropriation pursuant to any notification or law governing expropriation or any other laws, which materially prevents the Fund from using the Leased Properties.</p>
<b>Results of Events of Default or Termination Events</b>	<p>(1) Where Central Pattana willfully breaches or fails to comply with the terms set out in the Agreement, or violates the presentations in the Agreement and it fails to take remedial action and comply with this Agreement within the specified period, and such event is not attributable to the Fund's failure, omission or negligence in its duties under the Agreement, the Fund shall recover damages against Central Pattana for such event, and this Agreement shall not be terminated, except where such willful breach of or non-compliance with the terms of the Agreement incurs damage which renders adverse effect on the Leased Properties or materially affects the rights of the Fund under this Agreement. In such case, the Fund shall be entitled to immediately terminate the Agreement and Central Pattana shall repay to the Fund the remaining rent on the Leased Properties, as well as any sums or benefits received by Central Pattana on behalf of the Fund in proportion to the remaining lease term and damages for lack of benefits which the Fund might have received from using the Leased Properties for the period specified in the Agreement;</p> <p>(2) Where Central Pattana fails to comply with the conditions of the loan agreements or to perform any obligations or liabilities owed to any person, is subject to a receivership order or is declared bankrupt by court order, or is undergoing a dissolution or liquidation process, or subject to a business rehabilitation order, the Fund shall be entitled to exercise its right to immediately terminate the Agreement. If the Fund exercises such right, Central Pattana shall repay to the Fund the remaining rent on the Leased Properties, as well as any sums or benefits received by Central Pattana on behalf of the Fund in proportion to the remaining lease term or damages for lack of benefits which the Fund might have received from using the Leased Properties for the period specified in the Agreement. This shall not preclude the right of the Fund to recover damages and/or expenses arising from such event of default unless the event of default occurred as a consequence of the Fund's failure or erroneous performance of obligations</p>

	<p>under the Agreement.</p> <p>(3) Where the Fund breaches or fails to comply with the terms of the Agreement or violates the representations given therein, and it fails to take the remedial action and comply with this Agreement within the specified period, Central Pattana shall recover damages arising from such event against the Fund. This shall not terminate the Agreement unless such damage arises from the willful breach of or non-compliance with the terms of the Agreement by the Fund and renders adverse effect on the Leased Properties. In such case, Central Pattana shall be entitled to immediately terminate this Agreement without repaying the remaining rent.</p> <p>(4) Where the lease term expires, the parties agree to terminate the Agreement, or the Fund is dissolved in accordance with the details specified in the Project or by virtue any law or order of the Securities and Exchange Commission or the Office of the Securities and Exchange Commission that the Fund be dissolved without any violation and/or breach of applicable laws, regulations, rules and/or regulations by the Fund, and/or not attributable to Central Pattana, the Agreement shall be deemed terminated. In such case, no party to the Agreement shall be entitled to recover any damages, expenses, rents, sums or other considerations against the other party. Central Pattana shall not be required to repay the remaining rent to the Fund unless otherwise agreed by the parties.</p> <p>(5) Where the Unitholders pass a resolution to dissolve the Project and Central Pattana and Persons in the Same Group jointly vote therefor, the Agreement shall be deemed terminated. In such case, Central Pattana shall pay the Fund the remaining rental with respect to the Leased Properties and sums or benefits received by Pattana on behalf of the Fund in proportion to the remaining lease term, as well as damages for lack of benefits which the Fund might have received from using the Leased Properties for the specified term herein; provided that where such vote of Central Pattana and the Persons in the Same Group is for general benefits of the Fund and is in compliance with the intention of the Management Company, clause (4) shall apply.</p> <p>(6) Where all or any material parts of the Leased Properties are subject to expropriation, reservation or survey zones for the purpose of expropriation, the Fund shall be entitled to terminate the Agreement by taking into account whether or not the extent of the impact thereof is material. Where the Fund finds it fit to terminate the Agreement, Central Pattana shall repay the Fund the remaining rental, and sums or benefits (if any) received by Central Pattana on behalf of</p>
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	<p>the Fund in proportion to the remaining lease term.</p> <p>(7) Upon the termination of the Agreement for any reason whatsoever as described in the Agreement, the Fund shall surrender the Leased Properties in an “as is” condition together with component parts, fixtures, and fittings thereto. The Fund shall deliver to Central Pattana sums or properties (if any) received by the Fund on behalf of Central Pattana, as well as securities deposits received by the Fund from tenants in the Leased Properties to a sub-lessee or Central Pattana (as the case may be).</p> <p>During six months from the date of termination of the Agreement the Fund shall endeavor to deliver rights and benefits (transferrable and/or not infringing the rights of any person, excluding security deposits to be delivered under (10) below) which the Fund has received in advance with respect to the Leased Properties on and before the termination to Central Pattana or the person entitled thereto as soon as practicable. Central Pattana agrees to reimburse the Fund any costs or expenses paid by the Fund with respect to the Leased Properties for the period after the termination of the Agreement within five working days of receipt of the written notice given by the Fund to Central Pattana.</p> <p>(8) During the period to remedy the event of default occurring from Central Pattana ’s willful violation or breach of the terms specified in the Agreement by Central Pattana, or breach of its representations given therein, and Central Pattana fails to take remedial action and to observe the Agreement within the specified time; or from the Fund’s willful violation or breach of the terms specified in the Agreement or breach of its representations given therein, and the Fund fails to take remedial action and to observe the Agreement within the specified time, if any damage arises to the non-defaulting party, such party shall be entitled to recover damages against the defaulting party.</p> <p>(9) Where the Fund has exercised the right to terminate the Agreement under (1) and (2) above, the Fund reserves the right to use the Leased Properties until termination of the Agreement and the damages, the remaining rent with respect to the Leased Property and other sums or benefits have been fully paid to the Fund. The Fund may not recover against Central Pattana any damages, the remaining rent, any sums or benefits during which period unless the Fund can prove that the damage arising to it as a consequence of such event is greater than the benefits received by the Fund during which period. In such case, Central Pattana agrees to be liable for such damage.</p>
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	<p>(10) Where the Fund exercises the right to terminate the Agreement under the conditions for damaged or mutilated property during the last five years of lease prior to the expiration of the lease term in accordance with this Agreement, Central Pattana is not responsible for returning the remaining rental.</p> <p>In addition, the Fund agrees to remit all compensation recovered from the property all-risk insurance, as the insured, to Central Pattana. The parties also agree to jointly exercise the right to claim full compensation against the insurer, including, but not limited to, property all-risk insurance and business interruption insurance, to the extent they, as the insureds, are entitled. The Fund reserves the right to receive compensation from the insurer for business interruption insurance to the extent to which the Fund is entitled, in compensation for its loss of benefits due to the exercise of the right to terminate the Agreement</p> <p>(11) Where the Agreement terminates for any reason, during six months from the termination thereof, the Fund shall give assistance at the reasonable request of Central Pattana to ensure that tenants in the Leased Properties will enter into lease agreements with Central Pattana, and to deliver to Central Pattana security deposits received by the Fund from the tenants before the date of those agreements (less rents, service fees or expenses due and payable by each tenant, if any) subject to the consent of such tenant, or return them to the relevant tenants (if the tenant no longer wishes to lease the area from Central Pattana). The Fund and Central Pattana shall be jointly liable for any and all expenses incurred thereby (unless the termination is attributable to the Fund or by virtue of law or subject to order of the Securities and Exchange Commission or the Office of the Securities and Exchange Commission, but not attributable to Central Pattana.)</p>
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### 3.2 Summary of the Draft Sublease of Land Agreement – Central Plaza Pinklao Project

<b>The Lessor</b>	Central Pattana Public Company Limited (“ <b>Central Pattana</b> ”).
<b>The Lessee</b>	CPN Retail Growth Leasehold Property Fund (the “ <b>Fund</b> ”).
<b>The Leased Property</b>	The land represented under Title Deed No. 1041, Land No. 463, Survey Page 220, and Title Deed No. 1054, Land No. 460, Survey Page 233 located in Kwaeng Bang Bamru, Bangplad, Bangkok covering an area of approximately 25 rai.
<b>Lease Term</b>	valid from the date of registration of the lease right under this

	agreement until 31 December 2024.
<b>Option to Renew the Lease upon Expiration thereof</b>	Where Central Pattana and/or a company under its control obtains an option and/or renews the land lease agreement with respect to the Central Plaza Pinklao Project with Central Department Store Co., Ltd. (the lease agreement) upon the expiry of the lease term, Central Pattana and/or a company under its control agrees to give the notice regarding conditions and the value for the renewal of the lease agreement to the Fund within 60 days from the date Central Pattana and/or a company under its control has agreed with the Property Owner, or at any time after Central Pattana and/or a company under its control has effected any acts under applicable laws. Central Pattana and/or a company under its control agrees to grant the right of first refusal to the Fund to purchase, and/or accept transfer of ownership and/or right of possession, and/or to lease, and/or to sublease real property in Central Plaza Pinklao Project.
<b>Conditions for Renewal of the Lease upon the Expiration thereof</b>	<p>(1) The value and conditions for the purchase, and/or acceptance of transfer of ownership and/or right of possession, and/or for the lease or sublease of Central Plaza Pinklao Project will depend on future negotiations and arrangements of the Fund and Central Pattana;</p> <p>(2) Central Pattana and/or a company under its control shall remain in the capacity of the Property Manager of real property in Central Plaza Pinklao Project. However, Central Pattana reserves the right to give the right of first refusal to the Fund if Central Pattana is removed from the capacity of the Property Manager of the Fund; and</p> <p>(3) If the Fund wishes to exercise the right to invest in real property in Central Plaza Pinklao Project, the Fund shall give advance notice in writing to Central Pattana within six months from the date the Fund received the notice from Central Pattana, or at any times as may be agreed by the parties thereto.</p>
<b>Rental</b>	The Fund shall pay on the date of registration of the Agreement the full rental over the Lease Term.
<b>Obligations of the Fund</b>	<p>(1) The Fund shall provide maintenance to the subleased land or carry out any act to keep the Leased Properties in good and serviceable condition for the purposes as may be described in this Agreement and the Master Lease Agreement.</p> <p>(2) The Fund shall not construct any structures or components on the subleased land, nor alter any part of such land in a manner that causes an adverse effect or material change thereto, unless prior written consent is granted by Central Pattana. Central Pattana shall consider the granting of</p>

	<p>such consent without delay and shall not withhold such consent without reasonable cause.</p> <p>(3) Since Central Pinklao Department Store Ltd. and Central Pattana hold joint title over and/or the right of joint use of certain parts of the real property of the Central Plaza Pinklao Project, the Fund agrees to grant the right to use the road encompassing the real property of the Central Plaza Pinklao Project and the access way thereof to Central Pinklao Department Store Ltd. and Central Pattana, tenants of the leasable area entitled to Central Pinklao Department Store Ltd. and Central Pattana, as well as clients of said tenants, including any person granted consent by Central Pinklao Department Store Ltd. and Central Pattana for the purpose of operating the shopping complex, unless in the event that use by said person incurs damage or expenses to the Fund, in which case, Central Pattana agrees to indemnify the Fund for such damage or expenses.</p>
<b>Representations of Central Pattana</b>	<p>(1) Throughout the term hereof, Central Pattana shall not sublease the subleased land to any person or, by any means, procure benefits therefrom, unless written consent is granted by the Fund, nor act in any manner that constitutes an event of default or breach of the agreement, or may be deemed to be an event of default or breach of the Master Lease Agreement or any condition, or cause the Master Lease Agreement to be terminated or cancelled by the Existing Lessor under the Master Lease Agreement.</p> <p>(2) Throughout the term hereof, Central Pattana shall not amend, add, or cancel any term and condition prescribed in the Master Lease Agreement or any condition in the letter of consent, except in the following cases:</p> <p>(a) to improve the condition of the lease; or</p> <p>(b) written consent is granted by the Fund.</p>
<b>Assignment of Leasehold Right and Sublease</b>	<p>Unless Central Pattana otherwise agrees, during the term hereof, the Fund shall not sublease this subleasehold right, in whole or in part, to any person, or allow any person to occupy or cause any encumbrance entitling third persons to use the subleased land in its place, nor assign the leasehold right, in whole or in part, to any person.</p>
<b>Events of Default or Termination Events</b>	<p>Where any of the following events occurs:</p> <p>(1) willful breach of or non-compliance with the terms or violation of the representations hereof by Central Pattana for which no remedial action and compliance with this Agreement is made within 90 days from the date of receipt of notice or acknowledgement of such event of default, or</p>



	<p>within any period agreed by the parties, except for failure by Central Pattana to register the subleasehold right in favor of the Fund on the date specified by the Fund, which shall immediately constitute an event of default of this Agreement;</p> <p>(2) non-compliance, by Central Pattana, with the conditions of any loan agreement or any obligations or liabilities owed to any person with a total value exceeding one-half of the value of the shareholders' equity of Central Pattana, that may lead to the insolvency or business rehabilitation of Central Pattana, which Central Pattana fails to rectify within 180 days from the day on which it is or ought to be aware of such event, unless Central Pattana can provide written proof and confirmation to the satisfaction of the Fund that such event of default shall not render any significant impact on its financial status possibly leading to its insolvency or business rehabilitation, and that such event of default shall not affect the exercise of rights to which the Fund is entitled hereunder;</p> <p>(3) if Central Pattana is placed in receivership or declared bankrupt by court order or undergoes a dissolution or liquidation process or a rehabilitation process by court order, and the Fund deems that such status will affect the ability of Central Pattana with respect to repayment or performance under this Agreement;</p> <p>(4) breach of or non-compliance with the terms or violation of the representations herein by the Fund, for which no remedial action and compliance with this Agreement is made within 60 days from the date of receipt of notice or acknowledgement of such event of default, or within any period agreed by the parties, unless such non-compliance with the terms or conditions hereof results from a willful act or negligence in the performance of duties by Central Pattana, as the Sub-lessor hereunder or as the Property Manager (or by an individual or juristic person nominated by Central Pattana to act as the Property Manager on its behalf) under the Property Manager Appointment Agreement or the Fund Management Project;</p> <p>(5) expiration of the sublease term hereunder;</p> <p>(6) mutual agreement by both parties to terminate this Agreement in the event of;</p> <p>(a) dissolution of the Fund as per the details prescribed in the Project, and the Fund has notified Central Pattana of such dissolution in writing;</p> <p>(b) dissolution of the Project by a resolution passed by the Unitholders, in which Central Pattana and</p>
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	<p>Persons in the Same Group also voted for such dissolution, unless such vote of Central Pattana and Persons in the Same Group was made for the general benefit of the Fund and in compliance with the intention of the Management Company;</p> <p>(7) dissolution of the Fund by virtue of any law or order of the SEC or the Office of the SEC which is not due to a breach of and/or non-compliance with any regulations, laws, and/or any other relevant rules on the part of the Fund and/or the failure of Central Pattana, as the Property Manager of the Fund, and the Fund has notified Central Pattana of such dissolution in writing.</p> <p>In such event, both parties have mutual obligations and have jointly exercised their best efforts to an extent that is not contrary to the law or an order of any government agency effective at such time, to prevent this Agreement from being terminated by a change in any law or the order of any government agency, for example by appointing or procuring any person to take assignment of the rights and obligations of the Fund hereunder;</p> <p>(8) the entire subleased land or any material part thereof is subject to expropriation zone, reservation zone, or survey zone for the purpose of expropriation pursuant to any notifications or laws governing expropriation or any other laws, which significantly prevents the Fund from using the Leased Property;</p> <p>(9) the Building Lease Agreement becomes invalid due to causes specified therein.</p>
<b>Results of Events of Default or Termination Events</b>	<p>(1) Where Central Pattana willfully breaches or fails to comply with the terms, or violates the representations, herein and it fails to take remedial action and comply with this Agreement within the specified period, and such event is not caused by the Fund's omission of, erroneous performance of, or remissness in its duties hereunder, the Fund shall demand damages from Central Pattana for such event, and this Agreement shall not be terminated, except where such willful breach of or non-compliance with the terms hereof by Central Pattana incurs damage and renders serious adverse effect on the Leased Property hereunder or significantly affects the benefits or right of the Fund to use the Leased Property under this Agreement, causing the Fund to exercise its right to take Central Pattana's place as a direct party to the Master Lease Agreement with the Existing Lessor, but the Fund cannot exercise such right to its full effect under the law effective at that time for a reason that does not derive from a fault of the Fund but an intentional or negligent act of Central Pattana or Central</p>

	<p>Department Store Co. Ltd. which prevents the Fund from exercising said right, or the Fund decides not to exercise such right as it may incur greater obligations than the benefits to be derived by it, the Fund shall be entitled to immediately terminate this Agreement and Central Pattana must repay the Fund the remaining rent on the subleased land, including any other sums or benefits received by Central Pattana in the name of the Fund in proportion to the remaining lease term, and damages for lack of benefits due to the Fund not being able to use the Leased Property for the term specified herein.</p> <p>(2) Where Central Pattana fails to comply with the conditions of any loan agreement or obligations or liabilities owed to any person, and is in receivership or is declared bankrupted by court order, or is undergoing a dissolution or liquidation process, or a rehabilitation process by court order, and the Fund is unable to exercise the right to take Central Pattana's place as a direct party to the Master Lease Agreement with the Existing Lessor to its full effect under the law effective at such time, for a reason that is not the fault of the Fund but derives from an intentional or negligent act of Central Pattana or Central Department Store Co. Ltd. which prevents the Fund from exercising said right, or the Fund decides not to exercise such right as it may incur greater obligations than the benefits to be derived by it, the Fund shall be entitled to immediately terminate this Agreement. In addition, where the Fund exercises the right to terminate this Agreement, Central Pattana must repay the Fund the remaining rent on the subleased land, including any other sums or benefits received by Central Pattana on behalf of the Fund in proportion to the remaining lease term, and damages for lack of benefits which the Fund may receive from using the Leased Property for the period specified herein. However, this shall not prejudice the right of the Fund to make a demand for damages and/or other expenses incurred from such event of default, unless the event of default occurred as a consequence of the nonfeasance of or the erroneous performance of obligations under this Agreement by the Fund.</p> <p>(3) Where the Fund breaches or fails to comply with the terms or violates the representations given herein, and it fails to take the remedial action and comply with this Agreement within the specified period, Central Pattana shall claim from the Fund the damages arising from such event, and, in which case, this Agreement shall not be terminated unless such damage arises from the willful breach of or non-compliance with the terms hereof by the Fund and renders serious effect on the Leased Property hereunder, in which case, Central Pattana shall be entitled to terminate</p>
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	<p>this Agreement immediately without repaying the remaining rent on the subleased land to the Fund</p> <p>(4) Where the lease term hereunder expires, the parties agree to terminate this Agreement, or the Fund is dissolved in accordance with the details specified in the Project or by any law or order of the SEC or the Office of the SEC, which is not due to a breach and/or violation by the Fund of any relevant regulation, law and/or other rule and/or the failure of Central Pattana, as the Property Manager of the Fund, this Agreement shall be deemed terminated and, in which case, neither party will be entitled to claim for damages, expenses, rent on the subleased land, or other sums or benefits from the other party and Central Pattana will not be required to repay the remaining rent on the subleased land to the Fund, unless the parties agree otherwise.</p> <p>(5) Where the Unitholders pass a resolution to dissolve the Project in which Central Pattana and Persons in the Same Group also vote for such dissolution, it shall be deemed that this Agreement is terminated, and Central Pattana must pay the Fund the remaining rent on the subleased land, including other sums or benefits received by it on behalf of the Fund in proportion to the remaining lease term, as well as damages for lack of benefits which the Fund would gain from using the subleased land for the specified term herein. However, where such votes of Central Pattana and Persons in the Same Group is made for the general benefit of the Fund and is in compliance with the intention of the Management Company, clause (4) shall apply.</p> <p>(6) Where the entire subleased land, or a material part thereof, is subject to expropriation or reservation or a survey for the purpose of expropriation, the Fund shall be entitled to decide whether to terminate this Agreement by taking into account the significance of the impact of such expropriation. If the Fund deems it preferable to terminate this Agreement, Central Pattana must repay the Fund the remaining rent on the subleased land, including other sums or benefits received by it on behalf of the Fund (if any), in proportion to the remaining lease term hereunder.</p> <p>(7) Where the Building Lease Agreement becomes invalid for any cause described therein which does not result from the non-performance or a mistake made in the performance or remissness in the performance of obligations by the Fund, this Agreement shall be deemed terminated and, as a result, Central Pattana must repay the Fund the remaining rent on the Leased Property, calculated from the remaining sublease value paid in advance by the Fund, in proportion</p>
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	<p>to the remaining sublease term, including other sums or benefits received by it on behalf of the Fund (if any), in proportion to the remaining sublease term specified herein.</p> <p>(8) Where the Building Lease Agreement becomes invalid for any cause specified therein which does not result from a willful act, negligence or a mistake, or intentional or negligent remissness in the performance of duties by Central Pattana, as the Sublessor or the Property Manager of the Fund (or by any individual or juristic person nominated by Central Pattana to act as the Property Manager on its behalf), Central Pattana may claim for damages from the Fund without repaying the remaining rent on the subleased land to the Fund. However, if such event is not caused by an omission or the erroneous performance or remissness in the performance of obligations hereunder by either party, this Agreement shall be deemed terminated and neither party shall be entitled to claim for damages, expenses, or other sums or benefits from the other party, and Central Pattana will not be required to repay to the Fund the remaining rent on the subleased land, unless the parties agree otherwise.</p> <p>(9) Where this Agreement is terminated for any cause specified herein, the Fund shall deliver to Central Pattana the subleased land as is, together with other sums or properties received by it on behalf of Central Pattana (if any).</p> <p>(10) During the period for remedying an event of default, wherein Central Pattana willfully breaches or fails to comply with the terms or violates its representations given herein and fails to take the remedial action and comply with this Agreement within the specified period, and where the Fund breaches or fails to comply with the terms or violates its representations given herein and fails to take the remedial action and comply with this Agreement within the specified period, if any damage incurs to the non-defaulting party, such party shall be entitled to claim for damages from the defaulting party.</p> <p>(11) Where the Fund has exercised its right to terminate this Agreement in accordance with clause (1) and (2), the Fund reserves the right to use the Leased Property until termination of this Agreement and the full payment of the damages, the remaining rent on the subleased land, including other sums or benefits as aforesaid, is made to the Fund by Central Pattana. However the Fund may not demand damages, the remaining rent on the subleased land, or other sums or benefits from Central Pattana until the termination hereof, unless the Fund can prove that the damage incurred by it due to such event of default is</p>
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	greater than the benefits derived by it for such period, in which case Central Pattana agrees to hold the liability for such excess damage.
<b>Special Condition</b>	Where the Master Lease Agreement may be terminated for any cause specified herein, and which is due to a fault of Central Pattana that is beyond remedy or repair by any means other than those specified in this clause, Central Pattana shall, in accordance with the terms and conditions hereof, cause the Fund to take its place as a direct party to the Master Lease Agreement with the Existing Lessor prior to the date the Master Lease Agreement is terminated. provided that the Fund will not pay any additional expense. Central Pattana Public Company Limited, as a lessee, has fully paid the leasing fee in accordance with such lease agreement in advance. In addition, the Fund will not be responsible to any expense in relation to the procedures in assuming such rights.

### 3.3 Summary of the Draft Agreement to Lease the Utility Systems of Central Plaza Pinklao Project

<b>Lessor</b>	Central Pattana Public Company Limited (“ <b>Central Pattana</b> ”)
<b>Lessee</b>	CPN Retail Growth Leasehold Property Fund (the “ <b>Fund</b> ”)
<b>Leased Property</b>	The electrical system, public utility system, telephone system, elevators, escalators, air conditioning system, as well as the engineering system, wastewater treatment system, and other facilities installed and operating in the real property of the Central Plaza Pinklao Project, including any rights relating to or in connection with such systems (as the case may be) (Central Pattana Public Company Limited will receive a transfer of public utility system in relation to Central Plaza Pinklao Project from Central Realty Service Co., Ltd.)
<b>Lease Term</b>	From the registration date of the land and building lease right under Central Plaza Pinklao Project until 31 December 2024
<b>Rent</b>	The Fund shall pay the rent in full on the date of registration of leasehold as specified in the Lease Agreement.
<b>Delivery of Possession Right</b>	The parties agree that the possession right to the Leased Property under this Agreement shall be deemed to be the complete delivery of possession over the Leased Property on the date of registration of the leasehold as described in the Building Lease Agreement and upon payment of the price as specified herein (the “ <b>Possession Right Delivery Date</b> ”).

<b>Assignment of Rights under the Service Contract and Acceptance of Expenses</b>	<p>(1) Central Pattana shall change the beneficiary under the insurance policy taken out with an insurer in favor of the Leased Property to be the Fund for the remaining insured period of the policy. In such event, the Fund agrees to take responsibility for any expenses or fees arising from or in connection with the assignment of rights under such policy. In addition, the Fund shall be jointly responsible for the premium in proportion to the remaining insured period.</p> <p>(2) So long as Central Pattana or any individual or juristic person whom Central Pattana has nominated to act as the Property Manager on its behalf performs the duties as the Property Manager of the Fund, the Fund agrees to grant Central Pattana the right to collect any and all monies or other considerations with respect to or in connection with provision of the utility system services possessed by the Fund so that Central Pattana or any person authorized by Central Pattana is entitled to collect the benefits derived from providing services to all clients and parties to the service contracts in the shopping complex project, or from providing common services to the parties to the service contracts in the shopping complex project, for example common services air cooling services, smoke extraction services, water and electricity charges (in accordance with the meters of each tenant), and to pay the relevant government agencies or other related persons (if any) any debts or expenses relating to or in connection with use of the public utility systems in the shopping complex project and the provision of such services, for example water and electricity charges, from such benefits on behalf of the Fund. In the event that Central Pattana or any person authorized by Central Pattana no longer performs its duties as the Property Manager of the Fund, the Fund agrees to grant Central Pattana or the person authorized by Central Pattana the right to use the public utility systems related to the department store for the purpose of the provision of services and the collection of benefits derived from the provision of such common services from retail tenants in the area possessed by Central Pattana only. In this case, Central Pattana must deliver said service charges in proportion to its responsibility to the Fund or any person authorized by the Fund so that the Fund is able to pay any debts or expenses with respect to or in connection with the use of the public utility systems in the shopping complex project and the provision of such services to the relevant government agencies or related persons (if any) on behalf of the contractual parties.</p> <p>In collecting service charges, and adjusting the rates thereof, from the clients and/or parties to the service contracts, Central Pattana or any person authorized by Central Pattana must consider, amongst other things, the</p>
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	<p>validity and the benefit of general management of real property of the Central Plaza Pinklao Project, and for the purpose of paying any debts or expenses relating to or in connection with the use of the public utility system in the shopping complex project and the provision of such services to the relevant government agencies or related persons (if any) by Central Pattana and the Fund. In the event of failure by any retail tenant in the area possessed by Central Pattana or the Fund to make payment of any debt within the specified period, Central Pattana or the Fund shall be responsible for the payment of such fees in place of said retail tenant. Where the service fees which Central Pattana receives from said retail tenant is insufficient for the payment of any debts or expenses relating to or in connection with the use of the public utility system in the shopping complex project or the provision of such services to the relevant government agency or related person (if any), Central Pattana and the Fund shall be jointly responsible for the payment of said service fees in proportion to their possession of the area in the Leased Property under the Building Lease Agreement.</p>
<b>Representations of the Fund</b>	<p>During the term hereof the Fund agrees that Central Pattana may use the Leased Property in order to provide services to the tenants of the property of the Central Plaza Pinklao Project who have paid the consideration for a leasehold right under a long term lease agreement (the Upfront Fee), and tenants, other than those under the Building Lease Agreement, who lease an area possessed by Central Pattana that is not a leasable area under the Building Lease Agreement under prior obligations or as the parties have mutually agreed, as well as Central Pinklao Department Store Ltd. for the purpose of its business operation. Central Pattana Public Company Limited and the Fund will be jointly responsible on the expense incurred as a result of a repair or maintenance of such systems based on the possession ratio of the parties.</p>
<b>Events of Default or Termination Events</b>	<p>Prior to the Possession Right Delivery Date, the parties may terminate this Agreement upon the occurrence of the following events:</p> <p>(1) the willful breach of or non-compliance with the terms or a violation of the representations hereof by Central Pattana for which no remedial action is taken and no compliance with this Agreement is made within 90 days from the date of receipt of notice or acknowledgement of such event of default, or within any period agreed by the parties, except for a failure by Central Pattana to register the subleasehold right in favor of the Fund on the date specified by the Fund, which shall immediately constitute an event of default of this Agreement;</p>



	<p>(2) non-compliance, by Central Pattana, with the conditions of any loan agreement or any obligations or liabilities owed to any person with a total value exceeding one-half of the value of the shareholders' equity of Central Pattana that may lead to the insolvency or business rehabilitation of Central Pattana, which Central Pattana fails to rectify within 180 days from the day on which it is or ought to be aware of such event, unless Central Pattana can provide written proof and confirmation to the satisfaction of the Fund that such event of default shall not render any significant impact on its financial status possibly leading to its insolvency or business rehabilitation, and that such event of default shall not affect the exercise of rights entitled to the Fund hereunder;</p> <p>(3) if Central Pattana is placed in receivership or is declared bankrupt by a court order or undergoes a dissolution or liquidation process or a rehabilitation process by court order, and the Fund deems that such status will affect the ability of Central Pattana with respect to repayment or performance under this Agreement;</p> <p>(4) breach of or non-compliance with the terms or a violation of the representations hereof by the Fund, for which no remedial action is taken and no compliance with this Agreement is made within 60 days from the date of receipt of notice or acknowledgement of such event of default, or within any period agreed by the parties, unless such non-compliance with the terms or conditions hereof results from the willful act or negligence in the performance of duties by Central Pattana, as the Property Manager (or by an individual or juristic person nominated by Central Pattana to act as the Property Manager on its behalf) under the Property Manager Appointment Agreement or the Fund Management Project;</p> <p>(5) expiration of the sublease term of the subleased land hereunder;</p> <p>(6) mutual agreement by both parties to terminate this Agreement:</p> <p>(a) dissolution of the Fund as per the details prescribed in the Project, and the Fund has notified Central Pattana of such dissolution in writing;</p> <p>(b) dissolution of the Project by a resolution passed by the Unitholders, in which Central Pattana and Persons in the Same Group also vote for such dissolution, unless such votes of Central Pattana</p>
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	<p>and Persons in the Same Group is made for the general benefit of the Fund and in compliance with the intention of the Management Company;</p> <p>(7) dissolution of the Fund by virtue of any law or order of the SEC or the Office of the SEC which is not due to a breach of and/or non-compliance on the part of the Fund with any regulations, laws, and/or any other relevant rules and/or the failure of Central Pattana, as the Property Manager of the Fund, and the Fund has notified Central Pattana of such dissolution in writing.</p> <p>In such event, both parties have mutual obligations and jointly exercise their best efforts to the extent that is not contrary to the law or an order of any government agency effective at such time which prevents this Agreement from being terminated by a change in any law or an order of any government agency, for example on appointing or procuring any person to take assignment of the rights and obligations of the Fund hereunder;</p> <p>(8) the lease under the Building Lease Agreement is not registered within one (1) year from the date hereof;</p> <p>(9) the Building Lease Agreement becomes invalid due to causes specified therein.</p>
<p><b>Results of Events of Default or Termination Events</b></p>	<p>(1) Where Central Pattana willfully breaches or fails to comply with the terms or violates the representations herein and fails to take remedial action and comply with this Agreement within the specified period, and such event is not caused by the Fund's omission of, erroneous performance of, or remissness in its duties hereunder, the Fund shall demand damages from Central Pattana for such event, and this Agreement shall not be terminated, except where such willful breach of or non-compliance with the terms hereof by Central Pattana incurs damage and renders serious adverse effect on the Leased Property hereunder or significantly affects the benefits or right of the Fund to use the Leased Property under this Agreement, the Fund shall be entitled to immediately terminate this Agreement and Central Pattana must repay the Fund the remaining rent on the subleased land, including any other sums or benefits received by Central Pattana in the name of the Fund in proportion to the remaining lease term, and damages for lack of benefits due to the Fund not being able to use the Leased Property for the term specified herein.</p> <p>(2) Where Central Pattana fails to comply with the conditions of any loan agreement or the obligations or liabilities owed to any person, and is in receivership or is</p>

	<p>declared bankrupt by court order, or is undergoing a dissolution or liquidation process, or a rehabilitation process by court order, the Fund shall be entitled to immediately terminate this Agreement. In addition, where the Fund exercises the right to terminate this Agreement, Central Pattana must repay the Fund the remaining rent on the Leased Property, including any other sums or benefits received by Central Pattana on behalf of the Fund in proportion to the remaining lease term and damages for lack of benefits which the Fund may receive from using the Leased Property for the period specified herein. However, this shall not prejudice the right of the Fund to make a demand for damages and/or other expenses incurred from such event of default, unless the event of default occurred as the consequence of the nonfeasance of or erroneous performance of obligations under this Agreement by the Fund.</p>
	<p>(3) Where the Fund breaches or fails to comply with the terms or violates the representations given herein, and it fails to take the remedial action and comply with this Agreement within the specified period, Central Pattana shall claim from the Fund the damages arising from such event and, in which case, this Agreement shall not be terminated unless such damage arises from a willful breach of or non-compliance with the terms hereof by the Fund and renders serious effect on the Leased Property hereunder, in which case, Central Pattana shall be entitled to terminate this Agreement immediately without repaying the remaining rent on the Leased Property to the Fund.</p>
	<p>(4) Where the lease term hereunder expires, the parties agrees to terminate this Agreement, or the Fund is dissolved in accordance with the details specified in the Project or by any law or order of the SEC or the Office of the SEC, for a breach and/or violation of any relevant regulation, law, and/or other rule by the Fund and/or the failure of Central Pattana, as the Property Manager of the Fund, this Agreement shall be deemed terminated, in which case, neither party will be entitled to claim for damages, expenses, rent on the Leased Property, or other sums or benefits from the other party, and Central Pattana will not be required to repay the remaining rent on the Leased Property to the Fund, unless the parties agree otherwise.</p>
	<p>(5) Where the Unitholders pass a resolution to dissolve the Project in which Central Pattana and Persons in the Same Group also vote for such dissolution, it shall be deemed that this Agreement is terminated, and Central Pattana</p>

	<p>must pay the Fund the remaining rent on the Leased Property, including other sums or benefits received by it on behalf of the Fund in proportion to the remaining lease term, as well as damages for lack of benefits which the Fund would gain from using the Leased Property for the specified term herein. However, where such vote of Central Pattana and Persons in the Same Group is made for the general benefit of the Fund and in compliance with the intention of the Management Company, clause (4) shall apply.</p>
	<p>(6) Where the Building Lease Agreement becomes invalid for any cause described therein, which does not result from non-performance or a mistake made or remissness in the performance of obligations by the Fund, this Agreement shall be deemed terminated and, as a result, Central Pattana must repay to the Fund the remaining rent on the Leased Property, calculated from the remaining lease value paid in advance by the Fund, in proportion to the remaining lease term, including other sums or benefits received by it on behalf of the Fund (if any) in proportion to the remaining lease term specified herein.</p>
	<p>(7) Where the Building Lease Agreement becomes invalid for any cause specified therein, which does not result from a willful act, negligence, or mistake, or intentional or negligent remissness in the performance of duties by Central Pattana, as the Sublessor or the Property Manager of the Fund (or by an individual or juristic person nominated by Central Pattana to act as the Property Manager on its behalf), Central Pattana may claim for damages from the Fund without repaying the remaining rent on the Leased Property to the Fund. However, if such event is not caused by an omission of or a mistake made in the performance of or remissness in the performance of obligations hereunder by either party, this Agreement shall be deemed terminated and neither party shall be entitled to claim for damages, expenses, or other sums or benefits from the other party, and Central Pattana will not be required to repay the remaining rent of the Leased Property to the Fund, unless the parties agree otherwise.</p>
	<p>(8) Where this Agreement is terminated for any cause specified herein, the Fund shall deliver to Central Pattana the subleased land as is, together with other sums or properties received by it on behalf of Central Pattana (if any).</p>
	<p>(9) During the period for remedying an event of default, wherein Central Pattana willfully breaches or fails to</p>

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	<p>comply with the terms or violates its representations given herein and it fails to take the remedial action and comply with this Agreement within the specified period, and wherein the Fund breaches or fails to comply with the terms or violates its representations given herein and it fails to take the remedial action and comply with this Agreement within the specified period, if any damage incurs to the non-defaulting party, such party shall be entitled to claim for damages from the defaulting party.</p> <p>(10) Where the Fund has exercised its right to terminate this Agreement in accordance with clause (1) and (2), the Fund reserves the right to use the Leased Property until termination of this Agreement and the full payment of the damages, the remaining rent on the Leased Property, including other sums or benefits as aforesaid, is made to the Fund by Central Pattana. However the Fund may not demand damages, the remaining rent of Leased Property, or other sums or benefits from Central Pattana until the termination hereof, unless the Fund can prove that the damage incurred to it due to such event of default is greater than the benefits derived by it for such period and, in which case, Central Pattana agrees to hold liability for such excess damage.</p>
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### 3.4 Summary of Draft Sale of Property Agreement

<b>Seller</b>	Central Pattana Public Company Limited (“ <b>Central Pattana</b> ”)
<b>Buyer</b>	CPN Retail Growth Leasehold Property Fund (the “ <b>Fund</b> ”)
<b>Purchased Property</b>	Decorations, whether fixed or movable, including equipment used for the purpose of decoration or the convenience of service users of the building of the Central Plaza Pinklao Project located and/or installed outside or inside the area of such building or on the surface of the building and/or in the leased area of tenants in the building of Central Plaza Pinklao Project, as well as rights in relation to or in connection with said properties (as the case may be), excluding property which is deemed to be a component part of such building.
<b>Purchase Price</b>	The Fund shall pay the Purchase Price in full on the date of registration of the leasehold right of the building of Central Plaza Pinklao Project with the relevant government agency as described in the Building Lease Agreement.
<b>Transfer of Title in the Property</b>	The parties agree that the title to the property under this Agreement shall be completely conveyed on the date of registration as specified in the Building Lease Agreement and

	upon the payment of the Purchase Price in accordance with this Agreement (“ <b>Date of Transfer of Title</b> ”).
<b>Representations of the Fund</b>	The Fund agrees to grant Central Pattana, Central Pinklao Department Store Ltd., clients, contractual parties of Central Pattana and Central Pinklao Department Store Ltd., and other tenants of property of the Central Plaza Pinklao Project who do not lease areas in the real property of Central Plaza Pinklao Project from the Fund, the right to use the property in the ordinary course of business under existing obligations or as agreed by the parties. In addition, the Fund and Central Pattana shall be jointly responsible for any expenses for the common property as to be further agreed.
<b>Events of Default or Termination Events</b>	<p>Prior to the Date of Transfer of Title, this Agreement may be terminated upon the occurrence of the following events:</p> <ol style="list-style-type: none"> <li>(1) mutual agreement by both parties to terminate this Agreement;</li> <li>(2) breach of or non-compliance with the terms hereof or violation of the representations given herein by Central Pattana, wherein the Fund shall be entitled to immediately terminate this Agreement;</li> <li>(3) where Central Pattana is in receivership or is declared bankrupt by the court order or is undergoing a dissolution or liquidation process, or a motion for the rehabilitation of Central Pattana is filed with the court or the relevant government agency, which the Fund deems that such event may affect the ability of Central Pattana with respect to its performance hereunder, the Fund shall be entitled to terminate this Agreement immediately;</li> <li>(4) where the lease under the Building Lease Agreement is not registered within one (1) year from the date hereof;</li> <li>(5) where the Building Lease Agreement is terminated or becomes invalid.</li> </ol>
<b>Results of Events of Default or Termination Events</b>	<p>Upon termination of this Agreement, both parties shall be released from their respective obligations hereunder, excluding any obligations arising prior to the termination hereof. However, such termination shall not prejudice the right to claim for damages in the event that the breach of this Agreement is due to the fault of any party or for damages arising from any party not receiving, possessing, or using the property.</p> <p>In addition, upon termination of the Building Lease Agreement, the Fund agrees to sell the Purchase Property hereunder or any property of a similar use to Central Pattana, and Central Pattana agrees to purchase from the Fund said property as is at the price as specified in the list of said property less the depreciation price</p>

	calculated over five years, or at any other price as agreed by both parties.
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### 3.5 Summary of the Draft Agreement on Accession and Undertakings

<b>Parties</b>	Central Pattana Public Company Limited (“ <b>Central Pattana</b> ”) and CPN Retail Growth Leasehold Property Fund (the “ <b>Fund</b> ”)
<b>Use of Trade Name and/or Trademark</b>	<p>During the period in which Central Pattana, or an individual or juristic person whom Central Pattana nominates to act as the Property Manager on its behalf under the terms of the Property Manager Appointment Agreement, performs the duties as the Property Manager of the Fund in accordance with the Property Manager Appointment Agreement, and so long as the Fund invests in the Project, Central Pattana agrees to allow the Fund to use the trade name and/or trademark and/or logo and/or illustration and/or other marks known by the general public that the property invested in or owned by the Fund belongs to Central Pattana and other companies in the Central Pattana Group, which are relevant to this Project, including the trade name and/or trademark and/or logo and/or illustration and/or other marks pertaining to the shopping complex to be possessed by Central Pattana and other companies in Central Pattana Group in the future.</p> <p>Where Central Pattana, or an individual or juristic person whom Central Pattana nominates to act as the Property Manager on its behalf under the terms of the Property Manager Appointment Agreement, is no longer the Property Manager of the Fund in accordance with such agreement, the Fund shall cease the use of such trade name and/or trademark and/or logo and/or illustration and/or other marks within six (6) months from the date on which Central Pattana, or any individual or juristic person whom Central Pattana nominate to act as the Property Manager on its behalf, is not the Property Manager of the Fund.</p>
<b>Expenses Relating to an Increase of Capital for Investment in Additional Property by the Fund</b>	Central Pattana, as the Sponsor of the Fund, agrees to take responsibility for any expenses relating to an increase in funds for investment in additional property of the Fund, as mutually agreed by both parties.

### 3.6 Summary of Draft Property Manager Appointment Agreement

<b>Parties</b>	Central Pattana Public Company Limited (“ <b>Property Manager</b> ”) and CPN Retail Growth Leasehold Property Fund (the “ <b>Fund</b> ”)
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<b>Term of Agreement</b>	<p>The parties agree that the term of this Agreement shall be 10 years and shall be automatically renewed for a period of 10 years, unless the parties agree otherwise.</p> <p>Throughout the term hereof, the Fund agrees not to appoint any third person to administer the real properties hereunder, except for the person nominated by the Property Manager.</p>
<b>Review of Agreement</b>	<p>The parties agree that upon the expiration of the second accounting period from the effective date hereof, the parties shall jointly review and amend the terms and conditions of the Agreement. The parties also agrees to subsequently review and amend the terms and condition hereof every three years or as mutually agreed by them.</p>
<b>Termination of Agreement</b>	<p>This Agreement may be terminated upon the occurrence of any of the following events:</p> <ol style="list-style-type: none"><li>(1) where the Property Manager is in receivership or declared bankrupt by court order or is undergoing a dissolution or liquidation process, or the rehabilitation process by court order, and the Fund deems that such event may affect the ability of the Property Manager with respect to the debt repayment or performance hereunder, the Fund shall be entitled to terminate this Agreement;</li><li>(2) mutual agreement by both parties to terminate this Agreement;</li><li>(3) where the Occupancy Rate of the real properties which the Fund invest in decreases below 50% for more than three consecutive months, the Management Company may propose that the Unitholders meeting consider and resolve to terminate this Agreement. Upon such resolution by the majority vote representing more than one-half of the total number of the Investment Units of the Fund sold, this Agreement shall be terminated.</li></ol> <p>The Occupancy Rate shall be computed from the actual Leased Area divided by the Net Leasable Area, excluding the Common Area, Convention Centre, and areas which become non-leasable for a certain period, for the reason of Force Majeure, or repairs, decorations therein, based on the monthly report for the calculation of such Occupancy Rate;</p> <ol style="list-style-type: none"><li>(4) where either party lacks any qualification as prescribed by the SEC or the Office of the SEC. The defaulting party shall rectify such event within 90 days from the date on which it receives notice of rectification from the other party.</li></ol> <p>In the event of failure by the defaulting party to rectify</p>



	<p>such event within the specified period, the other party may terminate this Agreement.</p> <p>However, where the Property Manager lacks the qualifications to act as the Property Manager under this Agreement, it shall be entitled to select any person fully qualified in accordance with the requirements of the SEC or the Office of the SEC to act as the Property Manager under the terms and conditions hereof in its place. Such person shall be approved by the resolution of meeting of Unitholders of the Fund. In such event, this Agreement shall not be terminated. If the Property Manager fails to nominate any person to act as the Property Manager in its place within six months, the Management Company reserves the right to select the person fully qualified in accordance with the requirements of the SEC or the Office of the SEC to replace the Property Manager so that the management of real properties which the Fund invest in can be continued. In addition, such person must also be approved by the resolution of meeting of Unitholders of the Fund;</p> <p>(5) dissolution of the Fund in accordance with the “Dissolution of the Fund Management Project” set out in the details of the CPN Retail Growth Leasehold Property Fund Management Project. In the event that such dissolution is due to the fault of the Fund, the Property Manager reserves the right to claim for actual damages incurred by the Fund due to the dissolution hereof;</p> <p>(6) dissolution of the Fund by the order of the SEC and the Fund has notified the Property Manager in writing of such order. If such dissolution is a result of the fault of the Fund, the Property Manager reserves the right to claim for actual damages incurred by the Fund due to the dissolution hereof;</p> <p>(7) non-compliance, violation, or omission of any obligations hereunder, in accordance with the Project or any law, by either party, the defaulting party agrees to rectify such event within 90 days from the day on which it receives notice requesting the rectification from the other party. In the event that the Property Manager fails to deliver income gained from its administration of the real properties in which the Fund invest in to the Fund in accordance with the provisions hereof, the Property Manager agrees to rectify such event within 15 days from the date of its receipt of notice of rectification from the Fund. If the defaulting party fails to take remedial action within the period specified, the other party may terminate this Agreement.</p>
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	<p>Upon the occurrence of any or all events under (1), (3) or (7), wherein the Property Manager willfully breaches or omits to perform any of its obligation hereunder, this Agreement shall be terminated upon the resolution of the Unitholders of the Fund approving such termination by the majority vote representing at least one-half of the total number of the Investment Units sold. Where the Property Manager is in default of this Agreement and fails to take the remedial action within the period specified, and such default significantly affects the administration of the real properties which the Fund invest in and if the Project Manager is the Unitholder of the Fund, the Property Manager shall not be entitled to vote for the resolution on such matter</p>
<b>Results of Termination</b>	<p>From the date of termination this Agreement</p> <ol style="list-style-type: none"> <li>the parties shall be released from their respective obligations hereunder, without prejudice to the right of the Property Manager to receive its remuneration in proportion with the period that it has performed the duties and obligations hereunder until the date on which it is released from the obligations as the Property Manager, and the right of the non-defaulting party to claim for actual damages arising from the breach of this Agreement by the defaulting party; and</li> <li>the Property Manager agrees to completely deliver all properties, documents and evidence pertaining to the performance of duties of the Property Manager to the new Property Manager within 30 days.</li> </ol>
<b>Remuneration of Property Manager</b>	<ol style="list-style-type: none"> <li><b>Fee for collection of rents on behalf of the Fund</b> shall be 3% of the Net Rent of the Fund.  <b>Net Rent</b> means the gross income prior to deduction of expenses, which the Fund gains in accordance with the lease agreements and service contracts, including income generated from the Promotion Area and other income and benefits directly or indirectly relating to the shopping complex operation of the Fund, less the rent reduction, excluding the reimbursement from advance payment, for example, the average house and land tax, the average premiums of the insurance received from the tenants or sub-lessee.</li> <li><b>Commission</b> <ol style="list-style-type: none"> <li>Commissions for procuring tenants and administration of all kinds of tenants of the Fund in the shopping complex for each execution of new lease agreement or renewal of lease agreements are as per the details below.</li> </ol> </li> </ol>

(Translation)

			<b>Commission Computed from the Monthly Rent of Each Tenant</b>	
	1.	Renewal of lease agreements by existing tenants	0.5 months	
	2.	For new tenants, there are three rates according to the lease term.		
	-	Tenants of the lease agreement with the lease term less than one year.	0.5 months	
	-	Tenants of the least agreement with the lease term between one to three years.	1.0 month	
	-	Tenants of the lease agreement with the lease term from three years.	1.5 months	
	2.2 Commissions for procuring tenants and administration of the tenants of the office building are as per the details below.			
			<b>Commission Computed from the Monthly Rent of Each Tenant</b>	
	1.	Renewal of lease agreements by existing tenants	0.5 months	
	2.	For new tenants, there are three rates according to the lease term.		
	-	Tenants of the lease agreement with the lease term less than three years.	0.5 months	
	-	Tenants of the least agreement with the lease term from three years.	1.0 month	
	-	Tenants of the lease agreement with the lease term exceeding three years and	3% of the advance leasehold right fee received from such tenants.	

	<table><tr><td>payment of the advance leasehold right fee (Upfront Fee).</td><td></td></tr></table>	payment of the advance leasehold right fee (Upfront Fee).	
payment of the advance leasehold right fee (Upfront Fee).			
	<p>3. <b>Real Property Administration Fee</b> shall be 0.30% of the net asset value of the Fund ( The net asset value (NAV) means the gross value of assets of the Fund calculated by the Management Company in accordance with the method specified in the Project at the last business day of each month). The Management Company shall notify the Property Manager of the net asset value of the Fund without delay.</p> <p>4. <b>Incentive Fee</b> for the purpose of creating motivation in the administration shall be 2.35% of the Net Property Income.</p> <p><b>Net Property Income</b> means the gross income gained by the Fund from the real properties less all costs and expenses arising from procurement of benefits from such real properties, excluding the remuneration and expenses of the Fund such as the remuneration of the Property Manager in clauses 1 and 2 and the remuneration of the Fund Manager.</p> <p>The above-mentioned fee shall be exclusive of the Value Added Tax.</p> <p>5. Fee for Sale and Purchase of Real Properties of the Fund shall be 1.50% of the value of the real properties which the fund additionally invest in and 0.75% of the value of disposal of the real properties of the Fund.</p> <p>The above-mentioned fee shall be exclusive of the Value Added Tax, the Specific Business Tax and other similar taxes.</p> <p>6. Fee for controlling the improvement and/or development of the real properties of the Fund, which the Fund pays to the Property Manager in exchange for the control of the development of the real properties of the Fund, including giving suggestions with respect to the improvement and/or development of such real properties for the purpose of value enhancement of the real properties of the Fund, shall be 2.00% of the cost of improvement and/or development of the real properties of the Fund. The cost of improvement and/or development shall include the cost in repurchasing the areas to be improve and/or developed from the existing tenants, but exclude the design expenses, advisor fees, and other professional fees. The Property Manager must propose the improvement and/or development project of such properties of the Fund, together with the controlling fees and relevant details to</p>		

(Translation)

	<p>the Management Company for approval from times to times.</p> <p>The above-mentioned fee shall be exclusive of the Value Added Tax, the Specific Business Tax and other similar taxes.</p>
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**(4) Summary of the Lease and Sublease of the Real Property of Central Plaza Pinklao Project, the Appraised Price, and the Maximum Value at which the Fund will Invest in the Real Property<sup>(a)</sup>**

	Central Plaza Pinklao Project
<b>Project Land Details :</b> Total Land Area (Rai-Ngarn-Square Wah) Possession Right of the Original Possessor Land Area Leased or Subleased by the Fund (Rai-Ngarn-Square Wah) Possession Right of the Fund	24-02-84 Long-term Lease between Central Pattana Public Company Limited and Central Department Store Expiring on 31 December 2024 24-02-84 Long-term Lease Expiring on 31 December 2024, totaling 15 years approximately
<b>Area :</b> As of 30 June 2009 The Project's Gross Area <sup>(b)</sup> (Sq. m.) The Project's Saleable Area <sup>(c)</sup> (Sq. m.) The Fund's Gross Area (Sq. m.) The Fund's Saleable Area <sup>(c)</sup> (Sq. M.) The Ratio of the Fund's Saleable Area <sup>(c)</sup> to the Project's Saleable Area (%) Possession Right of the Fund	293,446 142,701 185,671 100,670 70.5 Long-term Lease Expiring on 31 December 2024, totaling 15 years approximately
<b>Occupancy Rate :</b> As of 30 June 2009 The Project's Occupancy Rate (%) The Fund's Occupancy Rate (%)	93.8 90.7

(Translation)

	Central Plaza Pinklao Project
<b>Appraised Value of Real Property in which the Investment by the Fund is to Be Made (Million Baht) :</b> Appraised Value by TPALP <sup>(d)</sup> <ul style="list-style-type: none"> <li>▪ Shopping Complex 4,802.00</li> <li>▪ Office Tower A 683.90</li> <li>▪ Office Tower B 327.80</li> <li><b>Total 5,813.70</b></li> </ul> Appraised Value by 15BIZ <sup>(e)</sup> <ul style="list-style-type: none"> <li>▪ Shopping Complex 4,471.00</li> <li>▪ Office Tower A 646.00</li> <li>▪ Office Tower B 296.00</li> <li><b>Total 5,413.00</b></li> </ul>	
<b>Maximum Value at Which of the Fund will Invest in the Real Property (Million Baht) <sup>(f) (g)</sup></b> <ul style="list-style-type: none"> <li>▪ Shopping Complex 5,365.20</li> <li>▪ Office Tower A 775.20</li> <li>▪ Office Tower B 355.20</li> <li><b>Total 6,495.60</b></li> </ul>	

Remark: (a) The information details including agreements appearing in clauses 1-4 hereof.

(b) Gross Area means leasable areas, common areas, and service areas.

(c) Saleable Area means leasable areas and common areas (including the promotion areas), which may be leased out and/or used for the provision of services.

(d) Appraised Value as of 9 July 2009 by Thai Property Appraisal Lynn Phillips Co., Ltd. (TPALP), evaluated based on the income approach.

(e) Appraised Value as of 25 June 2009 by 15 Business Advisory Limited (15BIZ), evaluated based on the income approach.

(f) Calculated at the rate of 120% of the minimum appraised value, based on the appraisal report of the independent appraiser.

(g) The amount that the Fund has to pay for a purchase of asset as a decoration, both permanently attached and non-attached to properties.

For additional information on the appraisal of the assets of the Fund, any investor can obtain the information on the appraisal report or the appraisal audit report at the Management Company.

**(5) Summary of the Portfolio of the Real Property Originally Invested in by the Fund and the Real Property to be Invested in by the Fund for the 1<sup>st</sup> Additional Investment**

This table compares the real property originally invested in, namely the Central Plaza Rama II Shopping Complex Project and the Central Plaza Ratchada-Rama III Shopping Complex Project, (the “**Properties Originally Invested In**”) with the real property to be invested in by the Fund for the 1<sup>st</sup> additional investment, namely the Central Plaza Pinklao Project (the “**Property to be Invested in for the 1<sup>st</sup> Additional Investment**”), as follows:

(Translation)

Property Value	Property Originally Invested	Property to be Invested in for the 1 <sup>st</sup> Additional Investment	Property to be Invested in for the 1 <sup>st</sup> Additional Investment (Average)
<b>Investment Value (Million Baht)</b> <ul style="list-style-type: none"> <li>Central Plaza Rama II Project</li> <li>Central Plaza Ratchada-Rama III Project</li> <li>Central Plaza Pinklao Project</li> </ul>	<b>10,613.0</b> 6,030.0  4,583.0	5,680.0	
<b>Appraised Value of Real Property Originally Invested in (Million Baht) <sup>(a)</sup></b> <ul style="list-style-type: none"> <li>Central Plaza Rama II Shopping Complex Project</li> <li>Central Plaza Ratchada-Rama III Shopping Complex Project</li> </ul>	<b>10,972.0</b>  5,931.0 5,041.0		
<b>Appraised Value of Real Property to be Invested in for the 1<sup>st</sup> Additional Investment (Million Baht) <sup>(b)</sup></b> <ul style="list-style-type: none"> <li>Central Plaza Pinklao Project</li> </ul>		5,813.7 (TPALP) <sup>(d)</sup>  5,413.0 (15BIZ) <sup>(e)</sup>	5,613.4 <sup>(f)</sup>
<b>Approximate Average Age of the Real Property as of 30 June 2009 (Years) <sup>(c)</sup></b>	<b>48</b>	<b>15</b>	<b>37</b>

**Remark:** (a) Appraised by 15 Business Advisory Limited (15BIZ) on 8 December 2008.

(b) Appraised by Thai Property Appraisal Lynn Phillips Co., Ltd. (TPALP) on 9 July 2009 and 15 Business Advisory Limited (15 BIZ) on 25 June 2009.

(c) Average age of the real property is calculated based on the weighted average of the appraised value of the Property Originally Invested in and the appraised value of the Property to Be Invested in for the 1<sup>st</sup> Additional Investment.

(d) The appraisal was based on the income approach, from the date of the Appraisal Report until the expiration of the land sublease agreement and the agreement to lease the real property of Central Plaza Pinklao Project, a total period of approximately 15 years and six months (July 2009-December 2024).

(e) The appraisal was based on the income approach, from the date of the Appraisal Report until the expiration of the land sublease agreement and the agreement to lease the real property of Central Plaza Pinklao Project, a total period of approximately 15 years and six months (June 2009-December 2024).

(f) The average value between the appraised value of 15 Business Advisory Co. Ltd. and Thai Property Appraisal Lynn Phillips Co. Ltd. However, the actual period in which the Fund shall make an investment is approximately 15 years and two months, starting from the date the Fund makes an investment (November 2009-December 2024).

(Translation)

**Details of the Approximate Gross Area<sup>(a)</sup> of the Real Property as of 30 June 2009**

Area Details	Property Originally Invested in (Square Meters)	Property to be Invested in for the 1 <sup>st</sup> Additional Investment (Square Meters)	Total (Square Meters)
Leasable Area <sup>(b)</sup>	133,313	56,973	190,286
Common Area <sup>(c)</sup>	64,353	43,697	108,050
Service Area <sup>(d)</sup>	34,257	17,065	51,322
Parking Space	188,999	67,936	256,935
<b>Total Gross Area</b>	<b>420,922</b>	<b>185,671</b>	<b>606,593</b>
Occupancy Rate (%)			
▪ Shopping Complex	98.1	98.1	98.1
▪ Office Building	n.a.	85.7	85.7
Tenants (Persons) <sup>(e)</sup>	547	188	735

Remarks: (a) Gross Area means Leasable Areas, Common Areas, Service Areas and Parking Spaces.  
(b) Leasable Area means the areas leased out to tenants.  
(c) Common Area means area provided for the joint enjoyment of tenants and users and which may be leased out and/or used for the provision of services.  
(d) Service Areas means the area for the installation of utility systems, for example elevators, escalators, and engine rooms.  
(e) Reserved for anchor tenants, retail tenants, and general tenants only.

**Details of Tenants by Category as of 30 June 2009**

Tenant Categories	Property Originally Invested in		Property to be Invested in for the 1 <sup>st</sup> Additional Investment		Total	
	(Sq.M)	(%)	(Sq.M)	(%)	(Sq.M)	(%)
Anchor Tenants	60,733	45.6	10,914	19.2	71,647	37.6
Retail Tenants <sup>(a)</sup>	63,619	47.7	38,718	68.0	102,337	53.8
Other Tenants <sup>(b)</sup>	6,431	4.8	2,064	3.5	8,495	4.5
Vacant	2,530	1.9	5,276	9.3	7,806	4.1
<b>Total Leasable Area</b>	<b>133,313</b>	<b>100.0</b>	<b>56,972</b>	<b>100.0</b>	<b>190,285</b>	<b>100.0</b>
Promotion Areas	2,713		1,331		4,044	
<b>Total Area</b>	<b>136,026</b>		<b>58,303</b>		<b>194,329</b>	

Remarks: (a) Includes the general tenants of Central Pinklao Office Tower A and Central Pinklao Office Tower B.  
(b) Includes other tenants of Central Pinklao Office Tower A and Central Pinklao Office Tower B.



**Details of Tenants of Real Property Originally Invested in by the Fund and the Real Property to be Invested in by the Fund for the 1st Additional Investment by Category as of 30 June 2009**

Business Types	Ratio of Area to Total Leasable Area (%)		
	Property Originally Invested in	Property to be Invested in for the 1 <sup>st</sup> Additional Investment	Total
Department Store	20.3	-	14.2
Fashion, Health and Beauty <sup>(a)</sup>	19.0	18.8	19.0
Entertainment	15.3	6.0	12.5
Food and Beverage	11.9	9.2	11.1
Electronics and Furnishing <sup>(b)</sup>	15.6	8.9	13.6
Other <sup>(c)</sup>	16.0	47.8	25.5
Vacant	1.9	9.3	4.1
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Remarks: (a) Includes the tenants of Central Pinklao Office Tower A and Central Pinklao Office Tower B which operate health and beauty salons.

(b) Includes the tenants of Central Pinklao Office Tower A and Central Pinklao Office Tower B which operate businesses and provide services relating to computers, communication devices, and electronics.

(c) Includes the tenants of Central Pinklao Office Tower A and Central Pinklao Office Tower B which are financial institutions (bank branch offices and securities trading rooms), language, art, education, and other institutes, government agencies, and offices of Central Pattana Public Company Limited.

**Top 10 Anchor Tenants of All Real Property after the Completion of the 1<sup>st</sup> Additional Investment as of 30 June 2009**

Name List	Property Originally Invested in		Property to be Invested in for the 1 <sup>st</sup> Additional Investment		Total	
	(Sq.M)	(%)	(Sq.M)	(%)	(Sq.M)	(%)
1. Central Department Store	27,000	20.3	-	-	27,000	14.2
2. Major Cineplex	12,048	9.0	-	-	12,048	6.3
3. Home Work	7,765	5.8	-	-	7,765	4.1
4. Fitness First	2,333	1.7	2,975	5.2	5,308	2.8
5. Tops Supermarket	4,961	3.7	-	-	4,961	2.6
6. Bangkok Area Revenue Office 16	-	-	2,820	4.9	2,820	1.5
7. Major Bowl	2,665	2.0	-	-	2,665	1.4
8. Krung Thai Bank PLC	-	-	1,302	2.3	1,302	0.7
9. Office Depot	1,045	0.8	-	-	1,045	0.5
10. IT City	1,026	0.8	-	-	1,026	0.5
<b>Total Anchor Tenants</b>	<b>58,843</b>	<b>44.1</b>	<b>7,097</b>	<b>12.4</b>	<b>65,940</b>	<b>34.6</b>
<b>Total Leasable Area</b>	<b>133,313</b>	<b>100.0</b>	<b>56,973</b>	<b>100.0</b>	<b>190,286</b>	<b>100.0</b>

(Translation)

The occupancy ratio of each tenant does not exceed 15% of the total Leasable Area of the Real Properties originally invested in and to be additionally invested in by the Fund, and the income generated from rentals and service charges from every tenant does not exceed 4% of the total income generated from rentals and service charges of the real property originally invested in and to be additionally invested in. (This conclusion is based on the rents and service fees in June 2009.)

**Details of the Lease Expiry Profile for the Real Property Originally Invested in by the Fund and to be Invested in by the Fund for the 1<sup>st</sup> Additional Investment (Categorized by the Leased Area of Expiring Leases and the Ratio of the Leased Area of Expiring Leases to the Total Leasable Area) as of 30 June 2009**

Year	Property Originally Invested in		Property to be Invested in for the 1 <sup>st</sup> Additional Investment		Total	
	(Sq.m)	(%)	(Sq.m)	(%)	(Sq.m)	(%)
July - December 2009	13,421	10.1	13,007	22.8	26,428	13.9
2010	16,715	12.5	13,599	23.9	30,314	15.9
2011	25,946	19.5	12,960	22.8	38,906	20.4
2012	28,138	21.1	4,919	8.6	33,057	17.4
After 2012	33,638	25.2	4,552	8.0	38,190	20.1
Other Leasable Area <sup>(a)</sup>	12,925	9.7	2,659	4.6	15,584	8.2
Vacant	2,530	1.9	5,277	9.3	7,807	4.1
<b>Total</b>	<b>133,313</b>	<b>100.0</b>	<b>56,973</b>	<b>100.0</b>	<b>190,286</b>	<b>100.0</b>

Remarks: (a) Other Leasable Area means leased areas under lease agreements with lease term of less than one (1) year and other leasable areas for other tenants where such area is not a permanent rental room and the lease agreements are mostly short-term leases.

**Future Investments**

For future investments, the Management Company will concentrate on investments by way of acceptance of transfers of ownership and/or leasehold rights in commercial property or any other kinds of real property. The Management Company will primarily concentrate on investment in or the acquisition of existing and future real property, being department stores and/or retail property and/or office buildings in which Central Pattana Public Company Limited and/or the Related Persons currently have ownership and/or possession rights and will have ownership and/or possession rights in the future. For a period of seven years after the registration of the Fund, Central Pattana Public Company Limited and/or any company controlled by Central Pattana Public Company Limited will grant the Fund the right of first refusal with respect to the purchase and/or the acceptance of transfers of title and/or the acceptance of assignments of possession rights in real property, being department stores and/or retail property which Central Pattana Public Company Limited and/or any company controlled by Central Pattana Public Company Limited intends to sell to any person, on the condition that Central Pattana Public Company Limited and/or any company controlled by Central Pattana Public Company Limited will still retain the property management right. Nonetheless, Central Pattana Public Company Limited reserves the right to grant the right of first refusal to the Fund in the event that Central Pattana Public Company Limited is no longer the Property Manager of the Fund.

For the purpose of additional investment in real property, the Management Company may cause the Fund to borrow from financial institutions a sum of not exceeding 10% of Net Asset Value of the Fund after this increase of capital of the Fund and any subsequent capital increase. In this respect, the Management Company reserves the right to prescribe any criteria or condition of the loan, as well as any transaction relating to the loan by taking into consideration, inter alia, the benefits of the Unitholders. For instance the criteria or condition on the amount of money, interest rate, payment term, negotiation, engagement, execution, delivery of any document relevant to the loan, as well as appointment and/or removal of a substitute attorney-in-fact authorized to undertake the abovementioned acts.

The Fund will seek benefits from such real property by way of leasing out or disposing of it for the utmost benefit of the Fund and the Unitholders, including investment in projects under construction and/or other securities and/or seeking of benefits by other means, as prescribed in the notifications of the SEC, notifications of the Office of the SEC, and other relevant notifications currently in force, and the amendments thereto.

#### **4. Investment Criteria**

##### **4.1 Investment in Real Property or Leasehold Right to Real Property**

The purchase, lease, disposal, transfer or acceptance of transfer of leasehold rights in real property shall be in accordance with the criteria prescribed by the SEC, as follows:

- 4.1.1 the Management Company shall analyze and study the feasibility and suitability of the purchase or lease of real property.
- 4.1.2 the real property purchased or leased must be situated in Thailand and have proper entrances-exits suitable for its condition.
- 4.1.3 for the purchase or acquisition of any real property under construction, the Management Company may undertake such transaction only when the construction thereof is completed to the extent of not less than 80% of the value of the building structure which has been verified by the appraisal company. Such value is exclusive of the value of land and the value of all engineering systems of the building, such as the electrical system and the air conditioning system.
- 4.1.4 for a lease of real property, the Management Company shall, unless relaxation is granted by the Office of the SEC, neither sublease nor execute a lease agreement with terms and conditions that create obligations beyond the normal obligations which the lessee must perform upon the termination of the lease agreement, and shall lease said property only from the following persons:
  - (1) an owner under a land title deed or a holder of possession right under a certificate of utilization; or
  - (2) a person holding the right in the building, structure, or construction under an agreement executed with the owner under a land title deed or the holder of possession right under a certificate of utilization, provided that a guarantee against the damage which may arise from the termination of the agreement by such person shall be procured

from a financial institution under the law on loan interest for a financial institution or an insurance company, or else the Management Company shall disclose the risk to investors by specifying in the Prospectus any impact on operations of the Fund if the owner under the land title deed or the holder of the possession right under the certificate of utilization terminates the agreement.

4.1.5 the Management Company shall invest for the acquisition and possession of any real property or leasehold right to real property with a total value of not less than 75% of the Net Asset Value of the Fund as at the end of an annual accounting period, unless in the following cases:

- (1) during the last annual accounting period prior to the expiration of the Project; or
- (2) in the event of reasonable necessity, upon which a relaxation is granted by the Office of the SEC.

4.1.6 unless in a reasonable and necessary case in which relaxation is granted by the Office of the SEC, the Management Company shall possess the real property or the leasehold rights in real property which the Fund acquired from the investment for a minimum period of one (1) year.

4.1.7 The Management Company shall take out the insurance as follows:

- (1) an insurance against loss that is sufficient and suitable for the equity of the Fund in the real property invested in or the leasehold right to real property, to cover damage which may be incurred by the Fund due to any loss event occurring to such property, with the name of the Fund as a beneficiary, upon approval from the Trustee;
- (2) public liability insurance against damage which may arise from any defect in the building, structure, or construction. In the event that the lessor of or the person granting the right in the real property to the Fund or the lessee of the real property of the Fund has taken out such insurance, the Fund shall take out the liability insurance only where it may be subject to recourse.

The insurance under paragraph one shall be maintained throughout the period the Fund holds the title or the leasehold right to such real property.

4.1.8 Price of purchase, lease, disposal or transfer of the leasehold right

- (1) The Management Company shall purchase or lease any real property at the price not higher than that disclosed in the details of the Project. If the price of purchase or lease exceed 20% of the lowest price specified in the appraisal report, the Management Company shall explain in the Prospectus the facts and reasons for purchasing or leasing such property at such price.
- (2) If the Management Company disposes of or transfers the leasehold right at a price lower than 20% of the highest price in the appraisal report, the Management Company shall explain the facts and

(Translation)

reasons for disposal or transfer of the leasehold right at such price in accordance with the criteria prescribed by the SEC.

- (3) The appraisal report of the appraisal company under clause 4.1.8 (1) and (2) above shall be prepared no more than six (6) months prior to such purchase, lease, disposal, or transfer of the leasehold right. The Management Company shall cause a new appraisal report to be made if, within such period, the value of the evaluated property significantly changes.

4.1.9 The Management Company shall not purchase or lease any unimproved land, unless for the purpose of promoting the generation of income for any real property of the Fund and approval is granted by the Office of the SEC.

4.1.10 For the purchase or lease of any real property which is owned by or under the real right of the Management Company, Trustee, appraisal company, advisor, Property Manager, or any affiliate of such persons, the Management Company may execute such transaction only when it complies with the Notification of the Office of the SEC No. SorNor. 26/2549 and as amended and other relevant notifications.

4.1.11 The Management Company shall not purchase or lease any real property which is under any dispute, unless such real property is beneficial to the Fund and approval is granted by the Office of the SEC.

4.1.12 The Management Company shall not purchase or lease any real property which is subject to the enforcement of any real right in favor of the third person, unless such real property is beneficial to the Fund and approval is granted by the Office of the SEC.

4.1.13 Procurement of benefits from the real property of the Fund

- (1) The Management Company shall seek benefit from the real property of the Fund only by means of directly leasing out the areas, leasing out the same to other business operators for their benefits, or by other similar acts as prescribed by the Office of the SEC.
- (2) The Management Company shall seek benefits from the real property of the Fund so as to generate regular income of not less than 75% of the gross income of the Fund for each annual accounting period, except in the following cases:
  - (a) during the first and last annual accounting period of the expiry year of the Project;
  - (b) upon a relaxation granted by the Office of the SEC.

4.2 Investment in securities or other properties or the seeking of interest by other means for the purpose of management of the liquidity of the Fund

The Management Company may invest in or acquire one or several of the following properties for the purpose of managing the liquidity of the Fund.

(Translation)

- (1) Government bonds;
- (2) Treasury bills;
- (3) Bonds or debentures issued by a securities finance corporation, a state enterprise, or a juristic person established by a specific law;
- (4) Deposits of banks or the Secondary Mortgage Corporation;
- (5) Certificates of deposit issued by commercial banks or finance companies. In the case of certificates of deposit for which a yield is paid or investment funds are returned in correlation with any product or variation, approval from the Office of the SEC must be obtained prior to the investment therein;
- (6) Bills of exchange or promissory notes issued, accepted or avaled, or endorsed for a transfer of the right of recourse or guaranteed by commercial banks, finance companies, credit fonciers, the Securities Finance Corporation, or the Financial Institutions Development Fund. In the case of bills of exchange or promissory notes for which a yield is paid or investment funds are returned in correlation with any product or variation, approval from the Office of the SEC must be obtained prior to the investment therein;
- (7) Investment units or warrants to purchase investment units of fixed income funds or other mutual funds with a policy of investing in debt instruments or deposits;
- (8) Investment units of the property fund which is not managed by the Management Company;
- (9) Investment units of foreign property funds under the following conditions:
  - (a) investment units of a foreign mutual fund which is under the supervision of a securities and exchange regulatory authority which is a general member of International Organizations of Securities Commission (IOSCO) or investment units of a foreign property fund traded on a stock exchange which is a member of the World Federations of Exchanges (WFE);
  - (b) investment units of a foreign property fund possessing property which the Fund may invest in or acquire; and
  - (c) investment units of a foreign property fund established for general investors;
- (10) Derivatives agreements with a purpose of preventing the risks which may arise from investment. In the case of any derivatives agreement, the product or variation of which is not a securities price, a foreign exchange rate, an interest rate, a financial index, a securities index, or a creditability rank of securities which are debt instruments, approval from the Office of the SEC must be obtained for said derivatives agreement;

- (11) Securities or other property, which is not the real property or leasehold rights, or the seeking of interest by other means as approved by the Office of the SEC.

Investment in or the acquisition of the property under (4), (5), (6), (7), (8), (9), (10), and (11) which is issued, accepted, avaled, endorsed for transfer of the right of recourse, or guaranteed by or deposited at any juristic person shall be worth, in total, not exceeding 20% of the Net Asset Value of the Fund, except in the following periods:

- (a) within 30 days from the date of registration of the Fund;
- (b) during the 60 days prior to the date of the payment of the proceeds from a decrease in the registered capital or the payment of dividends to the Unitholders;
- (c) during the one (1) year prior to the expiration of the Project or the dissolution of the Fund.

Calculation of the investment ratio under paragraph two shall exclude bills of exchange or promissory notes issued, accepted, avaled without condition, endorsed for transfer of the right of recourse, or guaranteed without a guarantee limit for both principal and interest and without condition, by the Financial Institutions Development Fund.

#### 4.3 Loan

The Fund may apply for a loan, whether with security or not, in accordance with the following criteria:

- (1) the loan must be applied for the following purposes:
  - (a) the improvement of real property belonging to or under the leasehold right of the Fund, so that it is in good condition and suitable for benefit procurement;
  - (b) the addition or construction of any additional building on existing land owned by or under the leasehold right of the Fund for the purpose of seeking benefits for the Fund;
  - (c) investment in additional real property or leasehold rights;
- (2) the loan must be applied for upon taking great consideration of the benefits of the Unitholders. In the case of a loan applied for the purpose of the improvement of the real property under a leasehold right of the Fund under (1) (a) or the addition or construction of additional building on the existing land under a leasehold right of the Fund under (1) (b), the Management Company shall take into account the remaining lease term under the lease agreement; and
- (3) the loan amount shall not exceed 10% of the Net Asset Value of the Fund. If, later, the loan amount exceeds such proportion not due to the additional loan, the Management Company may maintain such loan proportion,

provided that it shall not apply for an additional loan until the loan proportion has been reduced to less than 10% of the Net Asset Value of the Fund.

### **Special Conditions**

#### **Investment in or acquisition of property and the procurement of benefits from property**

The criteria for investing in real property and procuring benefits from the property of the Fund are as prescribed in clauses 4.1 and 4.2 and the Notification of the SEC No. SorNor. 25/2552, including other relevant notifications.

In managing and seeking benefits from property which the Fund has invested in or acquired, the Fund may improve, change, develop, or enhance the potential of such property, either by means of directly leasing out the same or leasing it out to business operators who will seek benefits therefrom, including taking any act for the benefit of the property as the Management Company or the Investment Committee deems appropriate, provided that it shall not be contrary to the stipulations, rules, and conditions prescribed by the law governing securities and/or other relevant laws.

In addition, the Fund may invest the lease deposit (bond) collected from the lessees in securities or other property or seek interest therefrom, as prescribed by the Office of the SEC, and may also use such proceeds for the purpose of the business operations of the Fund, such as repairing any real property or making additional investment in leasehold rights, to an extent not exceeding the power of the Investment Committee or the Fund Manager. The Fund shall also maintain a lease deposit management system so that it can return such sum to the lessee upon demand.

### **5. Restrictions on Unitholding**

The restrictions on the unitholding of the Fund are as prescribed by the Office of the SEC, including the amendment thereto. Any person or persons in the same group may hold the Investment Units of the Fund in an amount not exceeding one-third of the total number of Investment Units sold as per the details specified below, except for the case under the Notification of the Office of the SEC No. SorNor. 26/2552 re: Exemption of Operation of the Management Company Upon the Temporary Holding of Investment Units of the Property Fund Exceeding One-Third of the Total Investment Units, as well as the amendment thereto.

- 5.1 Any person or persons in the same group may hold Investment Units not exceeding one-third of the total number of Investment Units sold, except for the following cases:
- (a) the Government Pension Fund, the Social Security Fund, the Provident Fund, or the Retail Fund;
  - (b) a juristic person established under Thai law which is exempted from corporate income tax payment, such as the Government Savings Bank, the Stock Exchange of Thailand, foundations or temples;
  - (c) any person granted relaxation by the Office of the SEC upon reasonable necessity.



- 5.2 Owners, lessors, transferors of leasehold rights, or grantors of rights in real properties in which the Fund will invest, or persons in the same group may hold the Investment Units of the Fund in an aggregate amount not exceeding one-third of the total number of Investment Units sold.
- 5.3 The Management Company shall investigate or cause an investigation to be conducted as to whether there is any person or persons in the same group holding the Investment Unit more than one-third of the total number of Investment Units sold. If it appears, whether from the investigation conducted by the Management Company or any person authorized by the Management Company or from the notification from any securities company, that any person or persons in the same group hold the Investment Units in excess of such proportion, the Management Company shall proceed as follows:
- (1) report to the Office of the SEC within five (5) days from the date on which the Management Company is, or ought to be, aware of such event, unless it falls under the exemption described in clause 5.1;
  - (2) in requesting a resolution with respect to any matter from the Unitholders, the Management Company shall exclude the votes of such person or persons in the same group which represent the portion of the Investment Units in excess of one-third of the total number of the Investment Units sold;
  - (3) not pay such person or persons of the same group the dividend from the portion of the Investment Units in excess of one-third of the total Investment Units sold, unless it falls under the exemption described in clause 5.1;
  - (4) notify such person or persons in the same group to dispose of the portion of the Investment Units which exceed one-third of the total Investment Units sold.
- 5.4 The Management Company shall investigate or cause an investigation to be conducted on the unitholding of the former owners or the transferors of the leasehold rights in real properties, the lessors or the grantors of the rights in real properties, and any person in the same group. If it appears that said persons hold the Investment Units more than one-third of the total number of Investment Units sold, clause 5.3 shall apply, *mutatis mutandis*.
- 5.5 Where it appears that the Management Company takes any act, or any person holds the Investment Units, by colluding or agreeing with other persons in concealment or in order to mislead the true nature of the unitholding of any person or persons in the same group who wish to hold the Investment Units more than one-third of the total number of Investment Units sold, the Office of the SEC may revoke the approval on the establishment and management of the Fund.

## **6. Transfer of Investment Units**

The Fund does not have any restriction on the transfer of Investment Units, provided that the transfer shall be in accordance with clause 5 above and the criteria of the Stock Exchange of Thailand.

- 6.1 Procedures for the Transfer of Investment Units for Unitholders Having Investment Unit Certificates

A Unitholder, who has an Investment Unit certificate and wishes to transfer the Investment Units, shall present the Investment Unit certificate with the signatures of the transferor and the transferee endorsed to the Investment Unit Registrar. The transfer of Investment Units shall become fully effective and enforceable against the third party and shall be deemed certified by the Investment Unit Registrar only when the Investment Unit Registrar records the transferee in the Investment Unit Register. The transferor shall pay the Investment Unit transfer fee (if any) as prescribed by the Investment Unit Registrar.

6.2 Procedures for the Transfer of Investment Units in the Scriptless System

A Unitholder, who wishes to transfer the Investment Units in the scriptless system, shall comply with the criteria specified by the Investment Unit Registrar and/or the Stock Exchange of Thailand and/or Thailand Securities Depository Co. Ltd. The transferor shall pay the Investment Unit transfer fee (if any) as prescribed by the Investment Unit Registrar and/or the Stock Exchange of Thailand and/or Thailand Securities Depository Co. Ltd.

**7. Acceptance of Debt Repayment by Other Assets**

In the event of a default of debt repayment or a circumstance indicating that an issuer of the debt instrument or a claim debtor of the Fund may be unable to make repayment, the Management Company shall accept the repayment of debt by other assets, whether they be collateral or non-collateral assets, for the Fund in accordance with the notification of the SEC regarding the criteria and procedures for the management of mutual funds where a debt instrument issuer or a claim debtor is in default of a debt repayment, specifying as follows:

- 7.1 Where the Management Company fails to record the value of the debt instrument or claim at zero prior to each acceptance of non-collateral asset in exchange for debt repayment, the Management Company must obtain an approval from the Unitholders by the majority vote of the Unitholders holding the aggregate amount of the Investment Units exceeding one-half of the total Investment Units sold, or from the Trustee who must conduct the examination and provide an opinion together with reasons that the acceptance of other assets as repayment of debt at such time shall be more beneficial to the Unitholders than the holding or possession of such debt instrument or claim.

In seeking for approval of the Unitholders or the Trustee under the preceding paragraph, the Management Company must specify details of the asset which the Fund will acquire in exchange for repayment of debt, the value of such asset, estimated expenses, together with reasons and the necessity for acceptance of such form of debt repayment.

- 7.2 Upon acquisition of assets as repayment of debt, the Management Company shall include them in the calculation for the net asset value of the Fund. The value of such assets for the purpose of computation of the net asset value of the Fund shall be determined in accordance with the criteria and procedures prescribed by the Association of Investment Management Companies as approved by the Office of the SEC. In addition, the Management Company shall handle such assets acquired in exchange of debt repayment as follows:

- (1) In the event of assets which the Fund may invest in or possess, the Management Company may continue to possess them as the assets of the

Fund. If such assets are real properties, the Management Company may seek benefits from them in accordance with the criteria prescribed in the notification of the Office of the SEC regarding the criteria, conditions and procedures for the seeking of benefits from real properties of property and claims funds.

- (2) In the event of assets which the Fund cannot invest in or possess, the Management Company shall dispose of them at the first available opportunity by taking into account the interests of the Unitholders. While the Management Company cannot dispose of such assets, the Management Company may seek benefits therefrom.

Where expenses arise from the management of such assets, the Management Company shall pay them out of the assets of the Fund.

## **8. Name, Address, Telephone Number, Conditions for Replacement of Trustee and Place of Custody of Assets of the Fund**

### **8.1 Name, Address and Telephone Number of Trustee**

Name: Kasikorn Bank Public Company Limited

Address: 1 Soi Kasikornthai, Rat Burana Road, Rat Burana Sub-district,  
Rat Burana District, Bangkok 10140

Tel.: 0-2470-3200 Fax: 0-2470-1996-7

or any other person who is qualified and possesses no prohibited characteristics in accordance with the notification of the Office of the SEC regarding qualifications of trustees of property funds.

### **8.2 Conditions for Replacement of Trustee**

The Management Company as the representative of the Fund may, with the approval of the Office of the SEC, replace the Trustee upon occurrence of any of the following events:

- (1) Where either the Management Company or the Trustee wishes to terminate the Agreement for Appointment of Trustee by giving written notice of such termination to the other party not less than ninety (90) days prior to the effective date of termination of the Agreement for Appointment of Trustee.
- (2) Where the Management Company or the Trustee fails to perform the duties or responsibilities as prescribed in the Agreement for Appointment of Trustee. In such event, the Trustee or the Management Company may terminate such Agreement by giving prior written notice of such termination to the other party within a period of not less than thirty (30) days from the date on which it is, or should reasonably be, aware of such non-performance. If the Trustee is in default of or violates any condition prescribed in the Agreement for Appointment of Trustee, whether intentionally or through gross negligence, the Trustee must be responsible for any expenses and damages to the Management Company and/or the Fund, including the expenses incurred by the Management Company in contacting other persons in connection with the replacement of the Trustee.

If the Management Company is in default of or violates any condition prescribed in the Agreement for Appointment of Trustee, whether intentionally or through gross negligence, the Management Company must be responsible for any expenses of and/or damages to the Trustee.

- (3) Where there is a change in any condition of the Project or an amendment to the Securities Law or any other circumstance, causing the Management Company and the Trustee to be unable to agree on the amendment of the Agreement for Appointment of Trustee to comply with such change or amendment because such change or amendment will impose more duties on the Trustee and the Trustee does not want to accept such duties, in such event, the Trustee shall be entitled to terminate the Agreement for Appointment of Trustee by giving written notice thereof to the Management Company not less than ninety (90) days in advance.
- (4) Where the Unitholders of the Fund pass a resolution by a majority vote representing more than one-half of the total number of Investment Units sold to request the replacement of the Trustee and the appointment of a new trustee by the Management Company at any time during the term of the Fund.
- (5) Where the Trustee lacks any qualification under the notifications of the Office of the SEC regarding the qualifications of trustees of mutual funds and the amendments thereto (if any). In such event, the Management Company shall notify the Trustee in writing to make a rectification within fifteen (15) days from the day following the date on which the Management Company is, or should reasonably be, aware of such disqualification or the date on which such disqualification is discovered from the inspection of the Office of the SEC. The Management Company shall also notify such rectification to the Office of the SEC within three (3) business days following the date the Trustee completes the rectification. If the Trustee fails to make the rectification within such prescribed period, the Management Company shall seek permission to replace the Trustee from the Office of the SEC within fifteen (15) days from the day following the expiry date of the rectification period. When permission is obtained from the Office of the SEC, the Management Company shall appoint a new Trustee in place of the former Trustee immediately unless otherwise instructed by the Office of the SEC. The Trustee shall perform its duties as a trustee until a new Trustee is appointed. Pending the appointment of a new Trustee, the former Trustee is still entitled to receive remuneration at the original rate until the new Trustee is appointed and can perform duties.
- (6) Where the Trustee unduly discloses information relating to the management of the Fund or any other information relating to the management of the Fund in a manner that causes or may cause damage to the Fund or the Management Company or obtains any benefit for the Trustee itself, or another person enjoys any benefit as a result of such undue disclosure, the Management Company may terminate the Agreement for Appointment of Trustee by giving written notice of not less than fifteen (15) days in advance to the Trustee. The Trustee must be responsible to the Management Company and/or the Fund for any expenses and/or damages including expenses incurred because the Management Company must contact and/or

procure another person to perform duties as a new Trustee, or any other expenses which are or might be incurred in connection with the replacement of the Trustee.

- (7) Where any person proposes or files a petition to the Court or any other relevant authority in connection with the Trustee (a) for the dissolution of the Trustee's business or any other similar purpose or (b) for the reorganization, composition or relaxation of debt payment, management of properties, liquidation or any other similar request under the current or future laws or under various regulations.
- (8) Where a government authority or agency is of the opinion that the Trustee has committed a mistake or gross negligence and gives a notice thereof to the Management Company or makes an announcement to the public.

In all cases, the replacement of the Trustee shall require prior approval of the Office of the SEC. Since the Securities and Exchange Act B.E. 2535 provides that the Fund must have a trustee, if the Trustee is discharged from its duties under Clause 8.2 Conditions for Replacement of Trustee, the Trustee must fully perform the duties of a trustee until the completion of the transfer and delivery of all assets and documents and evidence of the Fund to the new Trustee or as instructed by the Management Company or the Office of the SEC, including any other necessary arrangements for the proper and complete transfer and delivery of all assets and documents to the new Trustee within a reasonable time to ensure continuous performance of duties.

The Trustee is entitled to receive remuneration which shall be computed at the rate prescribed in the Project and proportionate to the actual period of performance of duties, and/or any damages which are or might be incurred by the Trustee in the performance of those duties.

### **8.3 Place of Custody of Assets of the Fund**

Name: Kasikorn Bank Public Company Limited

Address: 1 Soi Kasikornthai, Rat Burana Road, Rat Burana Sub-district,  
Rat Burana District, Bangkok 10140  
Tel.: 0-2470-3200 Fax: 0-2470-1996-7

and/or Thailand Securities Depository Co., Ltd. and/or any other place as permitted by the Office of the SEC.

In the event that the Trustee is replaced, the Management Company shall keep the assets and important documents of the Fund at the office of the new Trustee.

However, in the event that the assets invested in by the Fund are real properties, the Management Company shall keep the documents of right in the real properties invested in by the Fund, namely land title deeds or certificates of utilization, agreements on sale of real property, lease agreements or agreements for the transfer of leasehold right in real property as well as insurance policies, at the office of the Trustee of the Fund, except for assets which, by their nature, cannot be kept at the office of the Trustee or where the Management Company and the Trustee agree otherwise.

**9. Name, Address and Telephone Number of Auditor**

Name: Mr. Vichien Thamtrakul/ Mr. Winit Silamongkol

Address: KPMG Phoomchai Audit Ltd.  
Empire Tower 50<sup>th</sup> -51<sup>st</sup> Fl., 195 South Sathorn Road, Yan Nawa Sub-district, Sathorn District, Bangkok 10120  
Tel.: 0-2677-2000

or any other person who is approved under the notification of the Office of the SEC regarding granting of approval of auditors to be auditors of mutual funds, and the amendment thereto, including Securities Law and/or other relevant laws. The Management Company shall notify the Office of the SEC of the appointment of such other person.

**10. Name, Address and Telephone Number of Investment Unit Registrar**

Name: Siam Commercial Bank Public Company Limited

Address: Financial Transaction and Securities Operations  
Building 2, 3<sup>rd</sup> Fl., 1060 New Petchburi Road,  
Makkason Sub-district, Rat Dhevi District,  
Bangkok 10400  
Tel.: 0-2256-2331-4

or any other person who is granted a license to perform duties as the securities registrar by the SEC. The Management Company shall notify the Office of the SEC of the appointment of such other person.

**11. Names, Addresses and Telephone Numbers of Financial Advisor and Lead Managers**

**For the Initial Issuance and Offering of the Investment Units:**

Financial Advisor and Lead Manager;

Name: TMB Bank Public Company Limited

Address: 3000 Phahonyothin Road, Chatuchak District, Bangkok 10900  
Tel.: 1558  
Fax.: 0-2299-2568

Name: DBS Vickers Securities (Thailand) Co., Ltd.

Address: Siam Tower 14<sup>th</sup> -15<sup>th</sup> Fl., 989 Rama I Road, Pathum Wan Sub-district  
Pathum Wan District, Bangkok 10330  
Tel.: 0-2657-7000, 0-2657-7900  
Fax: 0-2658-1258

Co- Lead Manager;

Name: Macquarie Securities (Thailand) Limited

Address: Sindhorn Tower 1 8<sup>th</sup> Fl., 130-132 Wireless Road, Lumpini Sub-district  
Pathum Wan District, Bangkok 10330  
Tel.: 0-2263-2888-9  
Fax: 0-2263-2898

**The First Capital Increase for Investment in Additional Properties:**

Underwriter

Name: Siam Commercial Bank Public Company Limited

Address: Principal Office, 9 Ratchadaphisek Road, Chatuchak Sub-district,  
Chatuchak District, Bangkok 10900  
Tel.: 0-2777-7777 and any branches all over the country  
And *Corporate Advisory Department, Corporate Finance and Capital  
Markets Division*  
9<sup>th</sup> Fl., Principal Office, Zone C9  
Tel.: 0-2544-1628  
Fax.: 0-2544-2185

Financial Advisor

Name: Macquarie Securities (Thailand) Limited

Address: 28<sup>th</sup> Fl., CRC Tower, All Seasons Place, 87/2 Wireless Road,  
Lumpini Sub-district, Pathum Wan District, Bangkok 10330  
Tel.: 0-2694-7999  
Fax: 0-2694-7878

Name: Kim Eng Securities (Thailand) Public Company Limited

Address: 20<sup>th</sup> – 21<sup>st</sup> Fl., The Offices at Central World, 999/9 Rama I Road,  
Pathum Wan District, Bangkok 10330  
Tel.: 0-2658-6300  
Fax: 0-2658-6855, 0-2658-6862

**12. Names, Addresses and Telephone Numbers of Underwriters or Agents**

**For the Initial Issuance and Offering of the Investment Units:**

Name: Bualuang Securities Public Company Limited

Address: Silom Complex 29<sup>th</sup> Fl., 191 Silom Road,  
Bang Rak District, Bangkok 10500  
Tel.: 0-2231-3777 ext. 2002  
Fax: 0-2632-0741

Name: Thanachart Securities Public Company Limited

Address: MBK Tower 14<sup>th</sup>, 18<sup>th</sup> and 19<sup>th</sup> Fl., 444 Phaya Thai Road,  
Wang Mai Sub-district, Pathum Wan District, Bangkok 10330  
Tel.: 0-2217-8888  
Fax: 0-2216-9261

Name: Phatra Securities Public Company Limited

Address: Muangthai-Phatra Office Tower 1, 6<sup>th</sup>, 8<sup>th</sup> -11<sup>th</sup> Fl.,  
252/6 Ratchadapisek Road, Huai Khwang Sub-district,  
Huai Khwang District, Bangkok 10310

(Translation)

Tel.: 0-2305-9000  
Fax: 0-2305-9519

Name: Asia Plus Public Company Limited

Address: Sathorn City Building, 11<sup>th</sup> Fl., 175 South Sathorn Road, Bangkok 10120  
Tel.: 0-2680-1111  
Fax: 0-2670-9291

### **The First Capital Increase for Investment in Additional Properties:**

The Management Company may subsequently appoint juristic persons who are qualified and approved by the Office of the SEC to act as Underwriter (“**Underwriter**”) or Agents of the Fund and it shall notify the Office of the SEC of such appointment.

## **13. Investment Committee of the Fund**

The decision to invest or manage the assets of the Fund by means of purchase, lease, let, disposal, transfer, or acceptance of transfer of any real property and/or leasehold right shall be made by the resolutions of the Investment Committee of the Fund. The composition, power, duties and responsibilities of the Investment Committee shall be as described below:

### **13.1 Composition**

The Investment Committee shall comprise:

1. at least one committee member, appointed by the Management Company on behalf of the Fund, who is under an employment of the Management Company approved to act as the Fund Manager, as the representative of the Management Company;
2. one committee member, appointed by the Management Company on behalf of the Fund from the persons nominated by the Unitholders holding the aggregate Investment Units of at least 20% of the total number of the Investment Units sold of the Fund, and being the Property Manager of the Fund.

The number of the representatives of the Management Company, who are approved to act as the Fund Manager, shall not be less than one-half of the total number of the committee members of the Investment Committee. The committee members shall have duties, qualifications and possess no prohibited characteristics as prescribed by the Securities Law and/or other relevant laws. The meeting allowance of the committee members shall be as specified in the Project.

Each committee member of the Investment Committee shall hold the office for three years and may be re-appointed.

During such period, if any committee member vacates his office due to any reason whatsoever, causing the number of the committee members of the Investment Committee to be inconsistent with the provision of the first paragraph, the Management Company shall be entitled to appoint a new committee member to fill in the vacancy in accordance with the criteria prescribed above. The newly appointed committee member shall hold such office only for the remaining period of the member whom he replaces.

In the event that



- (a) a committee member has performed his duties until his term of office expires;
- (b) any committee member is removed,

the Management Company shall convene a unitholders meeting in order to pass a resolution to remove any of committee member by the majority vote of the Investment Units held by the Unitholders attending the meeting, or send a notice to the Unitholders requesting for the resolution by the majority vote of the Unitholders, based on the total number of the Investment Units sold of the Fund. However, the Management Company reserves the right to remove any committee member who is its representative without convening a meeting or requesting a resolution from the Unitholders.

In the event that the term of office of the Investment Committee expires, or the Investment Committee cannot perform its duties for any reason, the Management Company shall perform the duties within the scope of power and duties of the Investment Committee until the appointment of a new Investment Committee.

### **13.2 Forms of Decision Making**

#### **(1) Calling for a Meeting**

Any committee member may call for a meeting of the Investment Committee in order to consider and pass a resolution in accordance with the procedures described in the Project. The Management Company shall send an invitation letter specifying the date, time, place and agenda of the meeting, by mail, facsimile, or electronic mail, as appropriate, to all committee members at least three days prior to the date of meeting, except in an emergency case, for which an invitation letter is not required. In the absence of an invitation letter, the attendance at the meeting by any committee member shall constitute his waiver of the same.

#### **(2) Meeting Schedule**

The Investment Committee shall convene a meeting at least once a year or as decided by it.

#### **(3) Meeting Procedures**

The Investment Committee may transact any business by holding a meeting or by passing a resolution without holding a meeting. Any committee member may propose a resolution in writing and circulate it amongst other members of the Investment Committee for their consideration and agreement by signing either in counterparts on separate copies of the resolution or jointly on the same original copy.

#### **(4) Quorum**

Each meeting of the Investment Committee, if held, requires the attendance of more than one-half of the total number of the committee members and the representative from the Management Company in order to form a quorum. The committee member may attend the meeting in person or via telephone conference.

#### **(5) Resolution of the Meeting**

*If a meeting is held*

The passing of any resolution shall require a majority vote of the number of committee members attending the meeting. In the event of a tie, the chairman of the meeting shall have a casting vote.

*If a meeting is not held*

The Investment Committee may pass a resolution by the committee members placing their signatures on a written resolution, provided that such resolution must be acknowledged and/or approved by more than one-half of the total number of the committee members. The committee members may send the signed resolution to the Management Company by facsimile. The Management Company shall immediately treat such signed copies of the resolution sent to it by facsimile as a valid resolution. The committee members sending their resolutions by facsimile shall subsequently send the originals of such resolutions to the Management Company. The Management Company shall keep the originals so received at its office as evidence of the passing of the resolution. In the event of a tie, the chairman of the Investment Committee shall have a casting vote.

(6) Chairman of the Meeting

The Management Company shall appoint any committee member who is its representative as a chairman of the meeting. The chairman of the meeting shall have the power and duties to conduct the meeting in a proper and correct manner as prescribed in the Project.

(7) Minutes of the Meeting

The Management Company shall cause the minutes of a meeting to be prepared and certified by the chairman of such meeting and kept at the Management Company. A copy of such minutes shall also be available for examination by the committee members at the head office of the Management Company during its business days and hours.

### **13.3 Power and Duties of the Investment Committee**

The Investment Committee shall have the duty to decide, consider and/or rule matters in relation to the management of the Fund as follows:

(1) To consider, decide, invest, purchase, lease, sublease, let, dispose, transfer or accept transfer of any real property or leasehold right, provided that such act shall not be contrary to the notifications of the SEC and notifications of the Office of the SEC.

(2) Every committee member of the Investment Committee shall keep information obtained from the meeting secret and confidential and shall not disclose the same to any person and/or seek any benefit other than the benefit of the Fund from such information, unless a law expressly stipulates that such information be disclosed, or it has been disclosed to general investors.

(3) To carry out any other acts in accordance with the resolution of the Unitholders, provided that such act shall not be contrary to notifications of the SEC, notifications of the Office of the SEC and other relevant present or future laws.

(4) The Investment Committee shall consider or decide any matter in a transparent and bona fide manner and in compliance with the Project and other relevant present or future laws.

With respect to the consideration and actions under clause (1) above, if a meeting of the Investment Committee cannot reach a conclusion, or cannot have an affirmative resolution, or if

such resolution is inconsistent with the management of the Property Manager, the Investment Committee shall propose such matter to the Unitholders for their consideration and resolution.

#### **14. Fund Advisors**

The Management Company, under the suggestion of the Investment Committee, may appoint any person as an advisor, financial advisor, or other advisor of the Fund. The Fund shall be responsible for the fee of said advisors. Upon the appointment of a new advisor, the Management Company shall notify the Office of the SEC and the Trustee of such appointment.

14.1 The Fund's advisors shall have the duty to provide advice or suggestions to the Management Company and the Investment Committee with respect to the purchase, disposal, transfer, acceptance of transfer of title and/or leasehold right or the procurement of benefits from such real properties for the purpose of the management of the Fund.

The Management Company, under the suggestion of the Investment Committee, may appoint one or several individuals or juristic persons who possess knowledge and at least five years experiences with respect to investment in real properties or real property development to perform the duty of an advisor of the Fund.

The advisors shall not participate in the making of investment decisions or the administration of real properties of the Fund.

14.2 The financial advisor shall have the duty to provide advice or suggestions to the Management Company with respect to the establishment of the CPN Retail Growth Leasehold Property Fund.

The Management Company, under the suggestion of the Investment Committee, may appoint any individual or juristic person to be the financial advisor of the Fund. Such person shall have qualifications and possess no prohibited characteristics as prescribed by the securities law and/or other relevant laws.

14.3 Other advisors, such as legal advisors or engineering advisors, shall have the duty to provide advice or suggestions to the Management Company with respect to the establishment or the management of the Fund.

#### **15. Property Manager**

Name: Central Pattana Public Company Limited

Address: The Offices at Central World, 31<sup>st</sup> Fl., 999/9  
Rama I Road, Pathum Wan Sub-district, Pathum Wan District,  
Bangkok 10330  
Tel.: 0-2667-5555 Fax: 0-2264-5593

The Management Company may appoint either one or several juristic persons to perform the duty of administration of real properties of the Fund on its behalf. The Property Manager shall have the capability to administer the real property as assigned to it and retain personnel who possess knowledge and at least three years experience in relation to the administration of real properties or are qualified and possess no prohibited characteristics as may be additionally prescribed by the Office of the SEC. The Fund shall be responsible for the fee and expenses incurred with respect thereto. Upon the appointment of a new Property Manager, the Management Company shall notify the Office of the SEC of such appointment

together with the certification that said person is qualified and possesses no prohibited characteristics as prescribed by the Office of the SEC and Trustee within 15 days from the date of appointment of the Property Manager.

The term of office of the Property Manager under the Property Management Agreement shall be 10 years, and shall be automatically renewed. However, the Management Company may appoint an additional Property Manager or replace the Property Manager upon the resolution of the Unitholders holding the votes of more than one-half of the total number of the Investment Units sold of the Fund. In accordance with the conditions prescribed in the Agreement for Appointment of Property Manager, for example where the Property Manager violates the Agreement for Appointment of Property Manager, or it is declared bankrupted by a court order, or it lacks any qualification to perform the duty of the property manager, or the occupancy rate in the shopping complex and office building is lower than 50% for more than three consecutive months, the Management Company may propose such event to the meeting of the Unitholders for consideration and resolve to terminate the Agreement for Appointment of Property Manager. If the meeting of the Unitholders passes a resolution by the votes representing more than one-half of the total number of the Investment Units sold of the Fund, the Agreement for Appointment of Property Manager shall be terminated for such causes.

If it appears that the Property Manager lacks any qualification, the Management Company shall remove such Property Manager and send the notice of such removal to the Office of the SEC and Trustee within 15 days from the date of removal.

## **16. Appraisal Company**

### **16.1 Appraisal of Properties in the Initial Investment**

The Management Company has appointed two appraisal companies from the list of appraisal companies approved by the Office of the SEC in order to value the value of the properties which the Fund will invest in as follows:

Name: CB Richard Ellis (Thailand) Co. Ltd.

Address: CRC Tower 46<sup>th</sup> Fl., All Seasons Place, 87/2 Wireless Road,  
Lumpini Sub-district, Pathum Wan District, Bangkok 10330

Tel.: 0-2654-1111

Fax: 0-2685-3300-1

Name: American Appraisal (Thailand) Ltd.

Address: Thai CC 31<sup>st</sup> Fl., 889 South Sathorn Road,  
Yannawa Sub-district, Sathorn District, Bangkok 10120

Tel.: 0-2675-8403

Fax: 0-2675-8427-8

### **16.2 Appraisal of Properties in which Additional Investment shall be made by the Fund**

The Management Company shall appoint an appraisal company from the list of appraisal companies approved by the Office of the SEC in accordance with the Notification of the Office of the SEC re: Granting of Approval on Valuation Company and Principal Valuers for the Public Purpose B.E. 2552 in order to

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perform the duty of a valuer or audit the valuation of the appraisal companies of the Fund. The Fund shall be responsible for any fees and expenses incurred.

Upon the appointment of appraisal company as stated above, the Management Company shall notify the Office of the SEC of such appointment, unless in the case of the initial offering of Investment Units of the Fund wherein the appraisal companies were appointed prior to the Trustee, the Management Company shall deliver the copy of the Agreement for Appointment of the Appraisal Company to the Trustee within five days from the date of appointment of the Trustee.

#### The First Capital Increase for Investment in Additional Properties

Name: Thai Property Appraisal Lynn Phillips Co., Ltd.

Address: RS Tower 11<sup>th</sup> Fl., 121/47-48 Ratchadaphisek Road,  
Dindaeng District, Bangkok 10320  
Tel.: 0-2641-2128-32  
Fax: 0-2641-2134

Name: 15 Business Advisory Limited

Address: RS Tower 8<sup>th</sup> Fl., Unit 36, 121 Ratchadaphisek Road,  
Dindaeng District, Bangkok 10400  
Tel.: 0-2641-3800  
Fax: 0-2641-3801

## **17. Offer of Investment Units for Sale**

### Initial Issuance and Offering of Investment Units

#### **17.1 Procedures for Obtaining Prospectus, Subscription Form, Fund Account Opening Application, and Date and Time of the Offering of Investment Units**

##### **17.1.1 Procedures for Obtaining Prospectus, Subscription Form, Fund Account Opening Application**

Any person who is interested in the Investment Units of the Fund may obtain a summary prospectus, a prospectus for offering of Investment Units, a subscription form and a fund account opening application from the Management Company or the Underwriter or the Agent (if any), for receipt within the offering period specified in the prospectus.

##### **17.1.2 Date and Time of Offering of Investment Units**

- For Type 1 Investors, from 1 to 9 August 2005
- For Type 2 Investors, from 1 to 9 August 2005

#### **17.2 Procedures for Subscribing to Investment Units**

##### **17.2.1 Offering Price or Subscription Price of Investment Units**

The Offering Price of the Investment Units shall be Baht 10.00 (ten baht) per unit.

#### 17.2.2 Procedures for Offering or Subscribing to Investment Units

At the initial offering, the Management Company shall offer Investment Units as follows:

- (1) Investment Units not exceeding one-third of the total number offered for sale, to Type 1 Investors. If there are remaining Investment Units after subscription by Type 1 Investors, the Management Company shall offer such remaining Investment Units to Type 2 Investors; and
- (2) Investment Units not exceeding two-thirds of the total number offered for sale, to Type 2 Investors. The Management Company reserves the right to offer the Investment Units remaining after subscription by Type 2 Investors to Type 1 Investors, if the Investment Units subscribed to by Type 1 Investors are less than one-third of the total number of Investment Units offered for sale.

In either case, the Management Company shall offer no more than one-third of the total number of Investment Units offered for sale to the Property Owner if the Fund invests more than one-third of its net asset value in the real property of said Property Owner.

##### *Procedures for Subscribing to Investment Units*

- (1) Each subscriber may subscribe to the Investment Units at the Management Company, the Underwriter (if any), or the Agent (if any) on the date and during the time specified in the prospectus, at a minimum subscription value of Baht 50,000 (fifty thousand baht only). Subsequent subscriptions shall be in multiples of Baht 1,000 (one thousand baht only).
- (2) The subscriber must pay the full subscription price in accordance with the subscription amount to the Management Company, the Underwriter, or the Agent, as well as clearly and fully complete the subscription form. The subscriber must submit complete documents supporting the fund account opening application as specified by the Management Company.
- (3) A subscriber who resides overseas shall be responsible for complying with the requirements, rules, regulations, and taxes in relation to the investment in the Investment Units of the Fund.
- (4) As the Investment Units of the Fund will be listed on the Stock Exchange of Thailand, and the Investment Unit Registrar and/or the Management Company will issue evidence of rights to Investment Units to the Unitholders, when making a subscription, the subscriber must notify the Management Company how to handle the Investment Units allotted to them from the subscription in accordance with one of the following methods:
  - (a) to issue certificates of Investment Units in the name of the Unitholder and deliver them by registered mail to the name and address specified on the subscription form; or

- (b) to deposit them at a securities broker where the subscriber has a securities trading account, so that the securities broker will deposit the allotted Investment Units in the securities trading account of said subscriber at Thailand Securities Depository Co. Ltd.

### **17.3 Receipt of Payment and Keeping of Subscription Payment**

- (1) Subscribers shall make the full subscription payment in accordance with their subscription amount by cash, check, draft, bill of exchange, direct debit order, or any other means acceptable to the Management Company, the Underwriter, or the Agent. In the event of payment by check, the check must be dated the date of subscription and be crossed and payable exclusively to a deposit account opened by the Management Company, the Underwriter, or the Agent for the purpose of receipt of subscription payment. The name, address and telephone number of the subscriber must be specified on the back of the check for convenience in contacting and for the benefit of the subscriber.

In the event of payment of subscription price by any means other than cash, the subscriber shall specify the date for the Management Company to collect such payment prior to the expiry date of the offering period.

- (2) Upon receipt of a subscription form and the subscription payment from the subscribers, the Management Company, the Underwriter, or the Agent shall issue evidence of the receipt of subscription payment to the subscriber.
- (3) In the event that any subscriber pays the subscription price by a check, draft, or bill of exchange that, for any reason whatsoever, is not collectible on the date of subscription, the Management Company will regard the subscription to the Investment Units to have been made on the business day on which the payment thereunder is collected.

In the event that the business day on which the payment is collected falls after the lapse of the offering period, the Management Company reserves the right to refuse the subscription of such subscriber.

In the event that the bank of subscriber refuses the payment as specified in the payment check, draft, or bill of exchange, the Management Company reserves the right to refuse the subscription of such subscriber.

- (4) The subscriber must make the full subscription payment in accordance with the subscription amount, and may not set off said payment against any debts of the Management Company.
- (5) Unless approval is granted by the Management Company on a case-by-case basis, any subscriber who has subscribed to Investment Units and paid subscription price in full may not cancel the subscription and/or request a refund of the subscription price.
- (6) The Management Company shall keep the proceeds received as the subscription payment in a deposit account opened by it for the purpose of receipt of subscription payments, and interest (if any) derived therefrom shall be treated as the benefit of the Fund.

#### **17.4 Refund of Subscription Payment**

The Management Company shall refund the subscription payment to a subscriber in the cases and under the conditions as follows:

- (1) where the subscriber does not receive the allotment of Investment Units, whether in whole or in part, apart from the case in (2) below, the Management Company shall refund the subscription price to such subscriber by means of a funds transfer or issuance of a crossed check to the subscriber, within 1 month from the expiry date of the offering period, in proportion to the subscription price for the Investment Units not allotted. However, the Management Company shall be entitled to include any interest or benefit incurred from the proceeds of the Investment Unit subscription (if any) as the assets of the Fund; and
- (2) where the Management Company is required to cease the Project after the lapse of the offering period due to there being less than 250 subscribers of the Investment Units or the Investment Units being sold to at least 250 subscribers but the total value of sale, based on the par value of the Investment Units, is below Baht 500,000,000 (five hundred million baht) or such total value reaches Baht 500,000,000 (five hundred million baht) but it is insufficient to cover the price of real property to be purchased or leased by the Fund as specified in the Project.

The Management Company shall refund the subscription payment, together with interest derived thereon (if any), by means of a funds transfer or by issuance of crossed check to the subscriber in full, within 1 month from the expiry date of the offering period, in accordance with the subscription amount. If the Management Company fails to refund such payment and the interest within the specified period due to fault on its part, the Management Company shall pay interest at the rate prescribed by the SEC, calculated from the day following the end of the 1-month period, unless the Office of the SEC grants a relaxation or orders otherwise.

#### **17.5 Trading of Investment Units on the Stock Exchange of Thailand**

Upon the registration of a pool of assets, being are proceeds derived from the sale of Investment Units of the Project, as a Fund with the Office of the SEC, the Management Company shall submit an application to the Stock Exchange of Thailand for listing the Investment Units of the Fund as listed securities, within 60 days from the date of registration of the Fund.

Investors may purchase or sell the Investment Units of the Fund on the Stock Exchange of Thailand by complying with the rules, regulations, and procedures prescribed by the Stock Exchange of Thailand.

#### **The First Capital Increase for Investment in Additional Properties**

##### **17.6 Procedures for Obtaining Prospectus, Subscription Form, Fund Account Opening Application, and Date and Time of Offering of Investment Units**

###### **17.6.1 Procedures for Obtaining Prospectus, Subscription Form, Fund Account Opening Application**



***For Existing Unitholders :***

Upon the approval of the Office of the SEC of an increase of the capital of the Fund and the amendment to the Project, the Management Company shall deliver the summary prospectus, notice of the allotment of newly-issued and offered Investment Units, and subscription form to the Unitholders of the Fund whose names appear in the Unitholders Register of the Fund, on the date of closing of the Unitholder Register, as specified by the Management Company.

Unitholders may obtain the prospectus with respect to the Project information from the Management Company or the Underwriter, or the Agent (if any).

***For Qualified Persons and General Investors :***

Qualified persons and general investors who wish to invest in the newly issued and offered Investment Units may obtain a summary prospectus, the prospectus with respect to Project information, a subscription form and a fund account opening application from the Management Company or the Underwriter or the Agent (if any), prior to or during the offering period specified in the prospectus.

**17.6.2 Date and Time of Offering of Investment Units**

***For Existing Unitholders***

- During 16-22 October 2009

***For Qualified Persons and General Investors***

- During 16-27 October 2009

**17.7 Price and Procedures for Subscribing to Investment Units**

**17.7.1 Offering Price or Subscription Price of Investment Units**

The offering price of the Investment Units shall be Baht 8.90 per unit.

**17.7.2 Procedures for the Offering of and Subscription to Investment Units**

For the purpose of increasing capital for the additional investment in property, new Investment Units shall be issued and offered for sale in a number not exceeding 546,600,000 units, in accordance with the details described below:

- (1) no less than 273,300,000 Investment Units shall be offered to the existing Unitholders (Rights Offering) whose names appear on the Unitholder Register, on the date of closing of the Unitholder Register, as specified by the Management Company, at the ratio of 1 existing Investment Units to 0.2505 new Investment Units. (Existing Unitholders may express their intention to purchase new Investment Units in accordance with, in excess of, or less than, their

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rights, or to waive their rights to subscribe to the newly-issued Investment Units in this offering.)

- (2) no more than 273,300,000 Investment Units shall be offered to the qualified persons (Private Placement) and/or general investors (Public Offering).

***Procedures for Subscribing to Investment Units***

***For Existing Unitholders :***

- (1) Existing Unitholders may subscribe to the newly-issued and offered Investment Units in accordance with the notice of allotment of such Investment Units in the number according to, in excess of, or less than their rights, at the Management Company, the Underwriter, or the Agent (if any), on the date and during the time specified in the prospectus.
- (2) The Unitholders shall pay the subscription price for all Investment Units subscribed to in accordance with and in excess of their rights to the Management Company, the Underwriter, or the Agent (if any), on the date of subscription, together with clearly and fully complete the accurate details in the Fund account opening application (for those who have never opened a fund account), subscription form, and supporting documents as per prescribed by the Management Company.

Unless the existing Unitholders are institutional investors or Property Owners and have made their subscription through ***Siam Commercial Bank Public Company Limited, the Principal Office, Corporate Advisory Department, Corporate Finance and Capital Markets Division***, the Unitholders shall pay the subscription price in accordance with the conditions and procedures additionally specified by such department.

- (3) The Management Company and/or the Registrar shall deposit the Investment Units allotted to the Unitholders in accordance with their subscription amount, at the place specified by the Unitholders in the subscription form.

***For Qualified Persons :***

- (1) Each subscriber, which are qualified persons, institutional investors or any other specific investors specified by the Management Company, may subscribe to the Investment Units at the Underwriter (***Siam Commercial Bank Public Company Limited, the Principal Office, Corporate Advisory Department, Corporate Finance and Capital Markets Division***), on the date and during the time specified in the prospectus, at the minimum subscription value of 5,000 units (five thousand units) and subsequent subscriptions shall be in multiples of 100 units (one hundred units), together with fully and clearly complete the accurate details in the subscription form and supporting documents as per prescribed by the Management

Company. The Subscribers must make the subscription payment in accordance with the conditions and procedures specified by such department.

- (2) A subscriber who resides overseas shall be responsible for complying with the requirements, rules, regulations, and taxes in relation to the investment in the Investment Units of the Fund.
- (3) New subscribers who have never purchased the Investment Units of CPN Retail Growth Leasehold Property Fund must, at the time of subscription of the Investment Units, notify the Management Company to handle the Investment Units allotted to them from the subscription, in accordance with one of the following methods:
  - (a) to kept them in Fund account, in which case the subscribers must specify on the subscription form the number under which they would like their Investment Units to be kept.

Unitholders wishing to sell their Investment Units through the Stock Exchange of Thailand must transfer such Investment Units to their securities trading account, opened with a securities broker in advance.
  - (b) to deposit them at the securities broker with whom the subscribers have their securities trading account, so that such securities broker shall deposit the allotted Investment Units at Thailand Securities Depository Co. Ltd., in the securities trading account of said subscribers;
  - (c) to issue the certificates of Investment Units in the names of the Unitholders and deliver them by registered mail; and
  - (d) other means prescribed by the Management Company in the Project details, clause 20.

***For General Investors :***

- (1) Each subscriber may subscribe to the Investment Units at the Management Company, the Underwriter, or the Agent (if any), on the date and during the time specified in the prospectus, at the minimum subscription value of 5,000 units (five thousand units) and subsequent subscriptions shall be in multiples of 100 units (one hundred units).
- (2) The subscribers shall fully pay the subscription price in accordance with their subscription amount to the Management Company, the Underwriter, or the Agent (if any) on the date of subscription, and clearly, accurately, and fully complete the details in the fund account opening application (for those who have never opened a fund account) and the subscription form, as well as duly submit the supporting documents as specified by the Management Company.

In the event that the general investors are institutional investors and have made their subscription through *Siam Commercial Bank Public Company Limited, the Principal Office, Corporate Advisory Department, Corporate Finance and Capital Markets Division*, the subscribers must pay the subscription price in accordance with the conditions and procedures specified by such department.

- (3) An investor who resides overseas shall be responsible for complying with the requirements, rules, regulations, and taxes in relation to the investment in the Investment Units of the Fund.
- (4) New investors who have never purchased the Investment Units of CPN Retail Growth Leasehold Property Fund must, at the time of subscription of the Investment Units, notify the Management Company to handle the Investment Units allotted to them from the subscription, in accordance with one of the following methods:

- (a) to keep them in Fund account, in which case the subscribers must specify on the subscription form the number under which they would like their Investment Units to be kept.

The Unitholders wishing to sell their Investment Units through the Stock Exchange of Thailand must transfer such Investment Units to their securities trading account, opened with a securities broker in advance.

- (b) to deposit them at the securities broker where the investors have the securities trading accounts, so that such securities broker shall deposit the allotted Investment Units at Thailand Securities Depository Co. Ltd., in the securities trading account of said subscribers;
- (c) to issue the certificates of Investment Units in the names of the Unitholders and deliver them by registered mail; and
- (d) other means as prescribed by the Management Company in the Project details, clause 20.

## **17.8 Receipt of Payment and Keeping of Subscription Payment**

- (1) Investors shall pay the subscription price of Investment Units under the conditions specified by the Management Company, by any of the following methods.

### ***For Existing Unitholders***

- (1.1) By check, draft, bill of exchange, or any other means acceptable to the Management Company, the Underwriter, or the Agent (if any). In the event of payment by check, the check must be dated the day of subscription of Investment Units, or any day specified as the subscription of Investment Units payment date and be crossed and

payable exclusively to a deposit account opened by the Management Company, the Underwriter, or the Agent (if any), for the purpose of receiving subscription of Investment Units payments. The name, address and telephone number of the subscriber shall be specified on the back of the check for convenience in contacting and for the benefit of said subscriber.

Unitholders may submit the subscription form, any supporting documents, Fund account opening application (for those who have never opened a fund account), the notice of allotment of newly-issued and offered Investment Units (if any), together with the check, draft, or bill of exchange, at the office of the Management Company, the Underwriter, or the Agent (if any) during 16-20 October 2009 between 8.30 hrs. and 15.30 hrs. and 21 October 2009 between 8.30 hrs. and 12.00 hrs.

- (1.2) By cash or by means of wire transfer or direct debit order or any other means acceptable to the Management Company, the Underwriters or the Agent (if any). In such case, the payment must be dated the date of subscription or any day specified as the subscription of Investment Units payment date, as the case may be, and ordered and payable to a deposit account opened by the Management Company, the Underwriter, or the Agent (if any) for the purpose of receiving subscription payment.

Unitholders may submit the subscription form, any supporting documents, Fund account opening application (for those who have never opened a fund account), the notice of allotment of newly-issued and offered Investment Units (if any), together with evidence of payment, at the office of the Management Company, the Underwriter, or the Agent (if any) during 16-22 October 2009 between 8.30 hrs. and 15.30 hrs.

In the event of payment by any means other than by cash, the subscribers shall specify the date for the Management Company, the Underwriter, or the Agent (if any) to collect such payment prior to the lapse of the offering period.

In the event that the existing Unitholders are institutional investors and/or Property Owners and have made their subscription through Siam Commercial Bank Public Company Limited, the Principal Office, Corporate Advisory Department, Corporate Finance and Capital Markets Division, the subscribers shall pay the subscription price in accordance with the conditions and procedures specified by such department.

#### ***For Qualified Persons***

- (1.1) By check, draft, bill of exchange, or any other means acceptable to the Underwriter (Siam Commercial Bank Public Company Limited, the Principal Office, Corporate Advisory Department, Corporate Finance and Capital Markets Division). In the event of payment by check, the check must be dated the day of subscription of Investment Units or any day specified as the subscription of

Investment Units payment date, as the case may be, and be crossed and payable exclusively to a deposit account opened by the Underwriter (Siam Commercial Bank Public Company Limited, the Principal Office, Corporate Advisory Department, Corporate Finance and Capital Markets Division) for the purpose of receiving subscription payments. The name, address and telephone number of the subscriber shall be specified on the back of the check for convenience in contacting and for the benefit of said subscriber.

Subscribers may submit the subscription form, any supporting documents, Fund account opening application (for those who have never opened a fund account), and the check, draft, or bill of exchange at the office of the Underwriter (Siam Commercial Bank Public Company Limited, the Principal Office, Corporate Advisory Department, Corporate Finance and Capital Markets Division), during 16-22 October 2009 between 8.30 hrs. and 15.30 hrs. and 26 October 2009 between 8.30 hrs. and 12.00 hrs.

- (1.2) By cash or by means of wire transfer or direct debit order or any other means acceptable to the Underwriter (Siam Commercial Bank Public Company Limited, the Principal Office, Corporate Advisory Department, Corporate Finance and Capital Markets Division). In such case, the payment must be dated the date of subscription of investment units or any day specified as the subscription of investment units payment date, as the case may be, and be payable to a deposit account opened by the Underwriter (Siam Commercial Bank Public Company Limited, the Principal Office, Corporate Advisory Department, Corporate Finance and Capital Markets Division) for the purpose of receiving subscription payments.

Subscribers may submit the subscription form and the evidence of payment at the office of the Underwriter during 16-27 October 2009 between 8.30 hrs. and 15.30 hrs.

In the event of payment by any means other than in cash, the subscribers shall specify the date for the Underwriter (Siam Commercial Bank Public Company Limited, the Principal Office, Corporate Advisory Department, Corporate Finance and Capital Markets Division) to collect such payment prior to the lapse of the offering period.

In the event the qualified persons are institutional investors and have made their subscription through Siam Commercial Bank Public Company Limited, the Principal Office, Corporate Advisory Department, Corporate Finance and Capital Markets Division, , the subscribers shall pay the subscription price in accordance with the conditions and procedures specified by such department.

***For General Investors***

- (1.1) By check, draft, bill of exchange, or any other means acceptable to the Management Company, the Underwriter, or the Agent (if any). In the event of payment by check, the check must be dated the day of subscription of Investment Units or any day specified as the

subscription of Investment Units payment date, as the case may be, and be crossed and payable exclusively to a deposit account opened by the Management Company, the Underwriter, or the Agent (if any) for the purpose of receiving subscription payments. The name, address and telephone number of the subscribers shall be specified on the back of the check for the convenience of contacting and for the benefit of said subscribers.

Subscribers may submit the subscription form, any supporting documents, Fund account opening application (for those who have never opened a fund account), and the check, draft, or bill of exchange at the office of the Management Company, the Underwriter, or the Agent (if any), during 16-22 October 2009 between 8.30 hrs. and 15.30 hrs. and 26 October 2009 between 8.30 hrs. and 12.00 hrs.

- (1.2) By cash or by means of wire transfer or direct debit order or any other means acceptable to the Management Company, the Underwriter, or the Agent (if any). The payment must be dated the day of subscription of Investment Units or any day specified as the subscription of Investment Units payment date, as the case may be, and be payable to a deposit account opened by the Management Company, the Underwriter, or the Agent (if any) for the purpose of receiving subscription payments.

Subscribers may submit the subscription form, any supporting documents, Fund account opening application (for those who have never opened a fund account), and the evidence of payment at the office of the Management Company, the Underwriter, or the Agent (if any), during 16-27 October 2009 between 8.30 hrs. and 15.30 hrs.

In the event of payment by any means other than in cash, the subscribers shall specify the day for the Management Company, the Underwriters, or the Agent (if any) to collect such payment prior to the lapse of the offering period.

In the event the general investors are institutional investors and have made their subscription through Siam Commercial Bank Public Company Limited, the Principal Office, Corporate Advisory Department, Corporate Finance and Capital Markets Division, the subscribers shall pay the subscription price in accordance with the conditions and procedures additionally specified by such department.

- (2) Upon receipt of the subscription form, any supporting documents and the subscription payment from the subscribers, the Management Company, the Underwriter, or the Agent (if any) shall issue the evidence of acceptance of subscription to the subscribers.
- (3) In the event any subscriber pays the subscription price by check, draft, or bill of exchange which, for any reason whatsoever, is not collectible on the date of subscription of Investment Units or any day specified as the subscription of Investment Units payment date (as the case may be), the Management

Company shall regard that the subscription is made on the day on which the payment thereunder may be collected.

In the event that the business day on which the payment may be collected falls after the lapse of the offering period or the payment period, the Management Company reserves the right to refuse the subscription of said subscriber.

In the event that the check, draft, or bill of exchange of any subscriber is dishonored by the bank, the Management Company reserves the right to refuse the subscription of said subscriber.

- (4) The subscriber must make the subscription of Investment Units payment in full, in accordance with the subscription amount, and may not set off said payment against any debts of the Management Company.
- (5) Unless approval is granted by the Management Company on a case-by-case basis, any subscriber who has subscribed to the Investment Units and paid the subscription price in full may not cancel the subscription and/or request a refund of the subscription payment.
- (6) The Management Company shall keep the proceeds received as the subscription payment in a deposit account opened by it for the purpose of receiving subscription payments, and interest (if any) derived thereon shall be treated as the benefit of the Fund.

#### **17.9 Refund of Subscription Payment**

The Management Company shall return the subscription payment to the subscribers in the cases and under the conditions as follows:

- (1) where the existing Unitholders do not receive the allotment of Investment Units to which they subscribed in excess of their rights, or the subscribers do not receive the allotment of Investment Units, whether in whole or in part, apart from the case in (2) below, the Management Company shall send to such subscribers a refund of the subscription price for the Investment Units not allotted, in proportion to their subscription price exclusive of any interest or damages, by means of a funds transfer, or by crossed check payable exclusively to the subscribers, or draft, within 14 days from the expiry date of the offering period. The Management Company shall be entitled to include any interest or benefit incurred from the proceeds derived from the subscription to Investment Units (if any) as the assets of the Fund; and
- (2) upon the expiration of the offering of Investment Units for the purpose of the increase of capital of the Fund in order to make investment in additional real property or leasehold rights, if the proceeds derived from such offering of the Investment Units are insufficient for the additional investments in the real property or leasehold rights, the Management Company shall notify the Office of the SEC of such event within 15 days from the lapse of such offering period. In addition, the Management Company shall send the subscribers a refund of the subscription payment, together with benefits accrued on the proceeds derived from the sale of the Investment Units (if



any), by means of a funds transfer or by crossed check payable exclusively to the subscribers, within 14 days from the expiration of the offering period.

If the Management Company fails to refund such payment and interest within the specified period due to fault on its part, the Management Company shall pay interest at the rate prescribed by the SEC, calculated from the day following the expiration of such 14-day period.

#### **17.10 Trade of Investment Units on the Stock Exchange of Thailand**

Upon the registration of additional pool of assets, of a Fund with the Office of the SEC, the Management Company shall submit an application to the Stock Exchange of Thailand for listing the Fund's newly-issued and offered Investment Units as new listed securities, within 30 days from the date of closing of the offering. Investors may purchase or sell the Investment Units of the Fund on the Stock Exchange of Thailand, by complying with the rules, regulations, and procedures prescribed by the Stock Exchange of Thailand.

#### **17.11 Trading of Investment Units through Siam Commercial Bank Public Company Limited**

Siam Commercial Bank Public Company Limited may provide brokerage services for Investment Units in the future, so that the Unitholders shall be able to notify their intention to sell the Investment Units and the intended sales price through the bank, which shall act as the agent in finding persons interested in investing in the Investment Units, in accordance with the conditions prescribed by the Management Company or Siam Commercial Bank Public Company Limited. Such operations shall not be contrary to the Securities and Exchange Act B.E. 2535 and relevant laws. The bank may charge a fee for such service. The Management Company shall notify the Unitholders of the details regarding such service by posting an announcement at the office of the Management Company and the office of Siam Commercial Bank Public Company Limited.

### **18. Procedures for Allotment of Investment Units**

#### **Initial Issuance and Offering of Investment Units**

- (1) Subject to the criteria and conditions set out in this clause, the Management Company shall allot the Investment Units to Type 1 and Type 2 Investors who have subscribed to and paid the subscription price in full for the Investment Units. In the event that the amount of money specified in the subscription form is not the same as the actual amount received by the Management Company, the Management Company shall allot the Investment Units in accordance with the actual amount received.

The Management Company shall allot the Investment Units to Type 1 and Type 2 Investors in accordance with the following criteria and conditions.

##### **(1.1) Allotment of Investment Units to Type 1 Investors**

- (1.1.1) The Investment Units shall be allotted to all Type 1 Investors in accordance with their subscription amount, provided that the

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amount of Investment Units shall not exceed one-third of the total number of Investment Units offered for sale.

(1.2) Allotment of Investment Units to Type 2 Investors

(1.2.1) The Investment Units shall be allotted to each Type 2 Investor at the minimum subscription value set out in the Project. If the subscribers subscribe to more than one account, the Management Company reserves the right to allot the Investment Units under one account only.

(1.2.2) The Investment Units remaining after the allotment under clause (1.2.1) above shall be additionally allotted in multiples of Baht 1,000 (one thousand baht) (or 100 units) or in accordance with the subscription amount, whichever is lower, to each Type 2 Investor. This process shall be repeated until the total amount of the Investment Units offered is allotted.

(1.2.3) In the event that the number of Investment Units is insufficient for allotment to all subscribers under clause (1.2.2) above, the Management Company shall use a computerized random selection to allot the Investment Units to the subscribers who have not received their full allotment.

(1.2.4) In the event that the number of Type 2 Investors is so large that the Management Company cannot allot Investment Units at the minimum subscription value set out in the Project to all of them according to clause (1.2.1), the Management Company reserves the right to use a computerized random selection to allot the Investment Units to subscribers at the minimum subscription value set out in the Project, without giving prior notice.

(1.3) The subscribers represent that they shall purchase Investment Units in the amount subscribed by or allotted to them, without changing or canceling their subscription, and consent to receive a refund of subscription payment in the event of non-allotment.

(2) The Management Company reserves the right to make or refuse to make an allotment of Investment Units, in whole or in part, without giving prior notice to the subscribers, in the following cases:

(2.1) if the Management Company deems that such allotment or refusal is appropriate for the protection of the interests of the Fund or the Unitholders, or for the protection of its reputation or legal liability;

(2.2) if any document or information which the Management Company receives from the subscribers is inaccurate or incomplete; or

(2.3) if the Management Company suspects that the purchase of Investment Units is not transparent, for instance such purchase may be a money-laundering transaction, etc.

- (3) The rights of the Unitholders shall begin immediately after the Investment Unit Registrar records the allotment of the Investment Units to the subscribers in the Unitholder Register. The Management Company and/or the Investment Unit Registrar shall issue and deliver by post, within 15 business days from the date following the completion of the Investment Unit allotment, a notice confirmation of subscription/receipt/tax invoice (if any) to all subscribers to whom the Investment Units are allotted.

#### **The First Capital Increase for Investment in Additional Properties**

The Management Company shall not allot the Investment Units to any person or persons in the same group in an amount exceeding one-third of the total number of Investment Units offered, unless such subscribers are granted exemption under the Notification of the Office of the SEC No. Sor.Nor. 25/2552, including amendments thereto. Said persons are:

- (a) the Government Pension Fund, Social Security Fund, Provident Fund, or Retail Fund;
- (b) juristic persons established under the Thai law, which are not subject to corporate income tax, for example the Government Savings Bank, the Stock Exchange of Thailand, foundations, or temples; or
- (c) any other persons granted relaxation from the Office of the SEC upon reasonable necessity.

The Management Company shall allot the Investment Units in accordance with the following procedures.

- (1) Subject to criteria and conditions specified in this clause, the Management Company shall allot the Investment Units to the subscribers who have subscribed to and paid the subscription price in full, as per their subscription amount. Where the amount of money specified in the subscription form is not the same as the actual amount received by the Management Company, the Management Company shall allot the Investment Units in accordance with the actual amount received.

The newly-issued and offered Investment Units shall be allotted into two portions, as follows:

- (1.1) not less than 273,300,000 units shall be allotted for offering to the existing Unitholders (Rights Offering) whose names appear in the Unitholder Register at the date the Unitholder Register is closed, as specified by the Management Company, at the ratio of 1 existing Investment Units to 0.2505 new Investment Units. The existing Unitholders may express their intention to purchase the Investment Units offered on this occasion in accordance with, in excess of, or less than their rights, or to waive their right to subscribe to such Investment Units.

Where the allotment of Investment Units at the ratio specified results in any existing Unitholder having the right to subscribe for a number of new Investment Units offered for sale with a fraction of an Investment Unit that cannot be allotted as a full Investment Unit, such fraction shall be rounded down to the nearest full number. The Management Company shall combine the Investment Units remaining after such allotment with the Investment

Units remaining after existing Unitholders waive their right or fail to make subscription within the period specified or to make a full subscription or any other reasons, and offer and allot such Investment Units in the following order:

- (1.1.1) in the event that the number of Investment Units remaining after the allotment to the existing Unitholders under the rights offering is sufficient to allot to every existing Unitholder who wishes to subscribe to the Investment Units in excess of their rights, such remaining Investment Units shall be allotted to each of such Unitholders as per their subscription amount; or
- (1.1.2) in the event that the number of Investment Units remaining after the allotment to the existing Unitholders under the rights offering is insufficient to allot to every existing Unitholder who wishes to subscribe to the Investment Units in excess of their right, such Investment Units shall be allotted to each of such Unitholders proportionate to their subscription amount; or
- (1.1.3) in the event Investment Units remain after the allotment to general investors (Public Offering) under clause (1.2) above, such Investment Units shall be allotted to each Unitholder who has expressed its intention to subscribe to the Investment Units in excess of his rights, proportionate to the Investment Units that such Unitholder expressed intention to subscribe but have not been fully allotted to him.

In the event there are Investment Units remaining after the offering under clause (1.1.1) or clause (1.1.2) above, the Management Company shall be entitled to allot the same for offering to qualified persons under private placement, or general investors under public offering, in accordance with the procedures as it deems appropriate.

The existing Unitholders who wish to subscribe to the Investment Units in excess of their rights must express such intention and fully pay the subscription price for the Investment Units subscribed to in accordance with their rights and in excess of their rights, in compliance with the procedures the Management Company deems appropriate. Each type of investors will be treated equally.

The closing date of the Unitholder Register to suspend the transfer of Investment Units for determining the rights of the existing Unitholders to subscribe to the newly-issued and offered Investment Units must be the day after approval of the increase of capital of the Fund is granted by the Office of the SEC. The existing Unitholders shall be granted the right to subscribe to the newly-issued and offered Investment Units after such approval is granted by the Office of the SEC. The Management Company shall notify the Stock Exchange of Thailand of the closing date of the Unitholder Register.

- (1.2) No more than 273,300,000 Investment Units shall be allotted and offered to general investors (Public Offering) and/or qualified persons (Private Placement) who are (1) institutional investors, but not existing Unitholders,

and/or (2) specific investors, but not Unitholders of the Fund under the notification of the Office of the SEC nor related persons of the owner of the real property, under the relevant notifications of the SET's Board of Governors, as per the subscription amount of each type of Unitholders, and to general investors (Public Offering), in accordance with the method first used to allot the Investment Units to those who subscribe to a small number of Investment Units, at the par value, as prescribed by the Investment Board.

In the event the subscription amount under the Private Placement is so large that the Management Company cannot allot the Investment Units to every subscriber as per their subscription amount, the Management Company reserves the right to allot the Investment Units to subscribers under Private Placement in accordance with the procedures it deems appropriate. Each type of investors will be treated equally.

If there are new Investment Units remaining after the Public Offering, the Management Company shall allot them to the existing Unitholders (Rights Offering) who have subscribed to the Investment Units in excess of their rights but have not been fully allotted.

Notwithstanding the foregoing, the Management Company shall not allot the Investment Units to any investor or group of persons who hold in excess of one-third of the total number of the Investment Units of the Fund issued and sold.

The Management Company shall submit an application to the Stock Exchange of Thailand for listing the new Investment Units of the Fund as listed securities, within 30 days from the date of closure of the offering.

Subscribers represent that they shall purchase the Investment Units subscribed by or allotted to them without changing or canceling their subscription, and consent to receive a refund in the case of non-allotment.

## **19. Registered Capital Increase and Capital Decrease of the Fund**

### **19.1 Increase of Capital of the Fund**

The Management Company may increase the Fund's registered capital to purchase or lease additional real property or to maintain the real property of the Fund in a good condition ready to be utilized for the purpose of seeking benefits.

In an increase of capital of the Fund pursuant to the first paragraph, the Management Company shall proceed as follows:

- (1) Seek a resolution from the Unitholders in regard to the objective of the Fund's capital increase, which must be passed by a majority vote representing more than one-half of the Investment Units held by Unitholders eligible to cast a vote.

In counting the votes of all eligible voters under (1), the Management Company shall not include the votes of Unitholders who are owners, lessor, transferors of leasehold rights, or grantors of rights in real property which

the Management Company has obtained from investment or in which it will further invest, and Persons in the Same Group.

Where the registered capital is being increased for the purpose of improving the real property the Fund has obtained from investment so that it is in a good condition and ready for the purpose of seeking benefits, the Management Company shall not count the votes of Unitholders who are lessors or grantors of rights in such real property.

In obtaining a resolution, the Management Company may organize a Unitholders' meeting, or send the Unitholders written notice to obtain a resolution.

- (2) Upon receiving a resolution from Unitholders in accordance with (1), the Management Company shall obtain additional resolutions from Unitholders in regard to the following matters, which must be passed by a majority vote representing more than one-half of the total number of the Investment Units sold:
  - (a) the number of Investment Units and the amount of registered capital to be increased;
  - (b) procedures for determining the price of Investment Units offered for sale;
  - (c) procedures for offering Investment Units for sale; and
  - (d) if the offering for sale of Investment Units for the purpose of increasing the registered capital is successful, the amendment of the Project in respect of the number of Investment Units and the amount of the registered capital of the Fund.
- (3) The Management Company shall provide the minimum information as prescribed by the Office of the SEC to the Unitholders in the invitation letter or the letter sent to the Unitholders to obtain a resolution, as the case may be.
- (4) Upon receiving a resolution from the Unitholders under (1), the Management Company shall proceed as follows:
  - (a) seek approval from the Office of the SEC by specifying the information under (3), including delivering the draft prospectus of the offering for sale of the Investment Units to the Office of the SEC for its consideration;
  - (b) deliver, distribute, or make available the Prospectus; and
  - (c) register the increase of registered capital of the Fund in accordance with the Office of the SEC's notification regarding the criteria and procedures for registering a pool of assets as a property fund.
- (5) If the documents of rights in Investment Units have been issued in the form of investment unit certificates, the Management Company shall issue the

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investment unit certificates to every Unitholder upon request. Such investment unit certificates must contain the particulars as prescribed by the Office of the SEC.

## **19.2 The Offering for Sale of Investment Units for the Purpose of Increasing Registered Capital**

In an offering for sale of Investment Units for the purpose of increasing registered capital, the Management Company shall offer the Investment Units for sale in accordance with the following criteria:

- (1) offer the Investment Units for sale to general investors and/or specific investors who are not unitholders of the Fund, in an aggregate amount not exceeding 50% of the total number of Investment Units being offered; and
- (2) offer the Investment Units remaining from an offering under (1) for sale to the Unitholders of the Fund in proportion to the number of Investment Units held by each Unitholder (rights issue). Where the Unitholders do not exercise their proportional rights, the Management Company shall offer such Investment Units for sale in accordance with the resolution of the Unitholders pursuant to sub-clause 19.1

Upon the expiry of the period for the offering for sale of the Investment Units for the purpose of a registered capital increase for additional investment in real property or leasehold rights in real property, if it appears that the value of the Investment Units sold is not sufficient for the investment in such real property or leasehold rights in real property, the Management Company shall notify the Office of the SEC of such case within 15 days from the expiry date of the period for the offering for sale of such Investment Units for the purpose of the registered capital increase. It shall also refund subscription payments for such Investment Units together with interest derived thereon (if any), by means of funds transfer or by issuance of crossed check to the subscribers within 14 days from such expiry date of the offering period, in the full amount in accordance with the subscription payments. If the Management Company fails to refund such payment and the interest within the specified period due to fault on its part, the Management Company shall pay interest at a rate of not less than 7.5% per annum, calculated from such expiry date until the date the Management Company has made full repayment of subscription payments.

The value of each capital increase of the Fund, and/or the number of the Investment Units to be newly issued and offered each time may be lower than the value of the capital increase of the Fund and the number of the Investment Units to be newly issued and offered, per the resolution passed by Unitholders' meeting. The Management Company shall fix the price of the Investment Units to be issued and offered each time as the offering price which reflects a value of the real property which is acceptable to the owners of the real property, based on various factors such as the trading price of the Investment Units on the Stock Exchange during the time of the additional issuance and offering for sale of Investment Units, the value of the real property appraised by an independent appraiser, the overall market conditions, and the volume of investor interest, etc.

### **19.3 Decrease of the Registered Capital of the Fund**

The Management Company may decrease the registered capital of the Fund if the following events occur:

- (1) when the Fund has excess liquidity due to the sale of the real property or leasehold rights, or the depreciation of the real property from the appraisal value of the property. Where the Fund is investing in the leasehold rights in real property, if it appears that the Fund's excess liquidity is due to a depreciation in the value of the leasehold rights, the Management Company shall reduce the registered capital of the Fund by reducing the par value of the Investment Units, and shall proceed with the following rules:
  - (a) close the register to suspend the transfer of Investment Units and calculate the Net Asset Value of the Fund on the closing day.
  - (b) average the money from the Fund and distribute to Unitholders whose names are listed on the register as at the day on which the register is closed in order to refund the investment fund in proportion to the unit holding of each Unitholder. The Unit Value shall be calculated based on the Net Asset Value of the Fund as at the date of closing the register to suspend the transfer of Investment Units.
  - (c) submit an application to register the decrease of capital of the Fund with the Office of the SEC in the form prescribed by the Office of the SEC within five business days from the date of the distribution of money from the Fund to the Unitholders.
- (2) when the Management Company increases the registered capital for the purpose of additional investment in real property or leasehold rights, but is unable to invest in such property, the Management Company shall decrease the registered capital of the Fund by reducing the number of Investment Units which were offered for sale for the purpose of the registered capital increase, by calculating in proportion to the offering price and the subscription payments for the Investment Units, and shall refund the subscription payments and any benefits to the subscribers as prescribed by the notification of the Office of the SEC, including registration the decrease of registered capital of the Fund in the form prescribed by the Office of the SEC.

If the Management Company has not registered the increase of the registered capital of the Fund, the Management Company shall refund the subscription payment for Investment Units and any benefits to the subscribers as prescribed by the notifications of Office of the SEC and the relevant laws.

## **20. Issuance and Delivery of Documents of Rights in Investment Units**

### **20.1 Form of Documents of Rights in Investment Unit:**



The Management Company shall issue the documents of rights in Investment Units as specified by the subscribers in the subscription forms in any of the following forms:

1. Investment unit certificates;
2. Scripless system;
3. Letter certifying the rights in Investment Units;
4. Passbook evidencing the rights in Investment Units.

## **20.2 Conditions on the Issuance of Documents of Rights in Investment Units and the Delivery Period**

The Investment Unit Registrar shall record in the register of Unitholders the name of each subscriber who has been allotted Investment Units as a unitholder. The information of Unitholders appearing in the register of Unitholders shall be deemed correct evidence of the rights of such Unitholders in the Investment Units of the Fund.

### In the case of Investment Unit Certificates

The Investment Unit Registrar shall, within 30 days from the day following the date of registering a pool of assets as the Fund, deliver investment unit certificates containing the particulars as prescribed by the Office of the SEC to subscribers who have expressed their intention to receive investment unit certificates.

In the case of an increase of capital of the Fund, the Investment Unit Registrar shall, within 30 days from the date of registering the capital increase with the Office of the SEC, deliver investment unit certificates containing the particulars as prescribed by the Office of the SEC to subscribers who have expressed their intention to receive investment unit certificates.

In the case of a decrease of capital of the Fund, the Investment Unit Registrar shall cancel the existing investment unit certificates of the Fund (if any) and require Unitholders who currently have investment unit certificates to return the cancelled investment unit certificates (if any) to the Investment Unit Registrar. The Investment Unit Registrar shall deliver new investment unit certificates to such Unitholders within 30 days from the date on which the Investment Unit Registrar receives the old investment unit certificates from Unitholders.

The Investment Unit Registrar reserves the right to charge a fee for the issuance of investment unit certificates as prescribed in the Project.

### In the case of the Scripless System

Where the Investment Unit Registrar has recorded the names of subscribers in the register of the Unitholders, the Investment Unit Registrar may consider issuing to the subscribers, in any form, documents of rights in Investment Units as evidence of the holding of Investment Units. However, the subscribers will not be able to execute the sale of the Investment Units on the Stock Exchange, unless the Unitholders have notified the Investment Unit Registrar of their intention to transfer

the Investment Units into the subscribers' securities trading accounts, which have been opened with a broker in advance, or as notified by the subscribers in the subscription form, in accordance with the criteria and conditions prescribed by the Management Company.

In addition, where the subscribers have notified the Investment Unit Registrar of their intention to transfer the Investment Units to the subscribers' securities accounts for the purpose of trading securities on the Stock Exchange, the Investment Unit Registrar shall deposit the Investment Units in the securities accounts of the subscribers through brokers, or deposit in the securities account of the person appointed by the Management Company for such subscribers, which has been opened with a member company of the Thailand Securities Depository Co. Ltd., as notified by the subscribers in the subscription form.

The Management Company reserves the right to consider the issuance of the documents of rights in Investment Units to subscribers or Unitholders in any form, as notified by them, as evidence confirming the purchase, redeem, or transfer of Investment Units of the subscribers or Unitholders. Such documents include investment unit certificates and/or a letter certifying the right in the Investment Units and/or a passbook evidencing the rights in the Investment Units, in accordance with the rules, conditions and procedures prescribed by the Management Company. Subscribers or Unitholders can request to change the form of the documents of rights in Investment Units later in accordance with the criteria and conditions prescribed by the Management Company, and the Management Company reserves the right to change or add conditions regarding the issuance of the documents of rights in Investment Units and the delivery period and such shall not be deemed as amending the Fund Management Project and shall not be deemed as proceedings which are different from the details of the existing Project.

## **21. Rights, Duties and Responsibilities of the Management Company, Trustee, Advisors of the Fund (if any), Property Manager, and Claim Administrator**

### **21.1 Rights, Duties, and Responsibilities of the Management Company**

#### **21.1.1 Rights of the Management Company**

- (1) The right to administer and manage the Fund in accordance with the objectives, investment criteria, and restrictions, including the approved Project, as well as the commitments between the Unitholders of the Fund and the Management Company and various agreements which have been made.
- (2) The right to veto any act or decision of the Investment Committee or a resolution of the Unitholders for amendment to the Project or the management procedures which is contrary to the laws, regulations, rules, and/or ethics and/or the Project, or which may have an adverse effect on the reputation of or cause damage to the Management Company or the interest of the Fund.
- (3) The right to manage the Fund, for which it shall be deemed that approval is granted by all Unitholders and the Investment Committee in the following cases:

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- (3.1) The right to proceed in accordance with the stipulations of the Project and/or as announced, prescribed, approved, permitted, relaxed, or instructed by the Office of the SEC, the SEC and/or any other competent authority under law.
- (3.2) The right to amend, supplement, or change the Project in cases where it is otherwise changed, amended, supplemented, announced, prescribed, approved, permitted, relaxed, and/or instructed by the Office of the SEC, the SEC, and/or any other competent authority under the law.
- (3.3) The right to manage the Fund in order to achieve the objectives of the Fund and maintain the benefits of the Unitholders, provided that it is not contrary to the Securities Law and/or any other relevant laws.
- (4) The right to instruct the Trustee and/or Property Manager and/or advisors of the Fund to rectify the qualifications of the Trustee and/or Property Manager and/or advisors of the Fund to be in compliance with the Securities Law.
- (5) The right to receive management fees and any other fees, reimbursements of expenses, and/or any other remuneration as stipulated in the Project.
- (6) The right to do or omit to do any act pursuant to the Securities and Exchange Act, notifications of the SEC, notifications of the Office of the SEC, and/or other relevant laws.

#### 21.1.2 Duties and Responsibilities of the Management Company

In managing the Fund, the Management Company shall have the duty and responsibility to operate and administer the Fund in compliance with the Securities Law, as well as the duties and responsibilities as follows:

- (1) Fund Administration
  - (1.1) To strictly manage the Fund as stipulated in the Project which has been approved by the Office of the SEC, as well as the commitments between the Management Company and the Unitholders.
  - (1.2) To provide the commitments between the Unitholders and the Management Company, the Agreement for Appointment of the Trustee, and the prospectus, all of which shall not be of a different essence from the draft commitments, draft agreement, and draft prospectus approved by the Office of the SEC.
  - (1.3) To deliver, distribute and make available the updated prospectus and details of the Project according to the following criteria and procedures:

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- (a) Prior to the offering the Investment Units of the Fund for sale to the public, the Management Company shall deliver the prospectus to the Office not less than one (1) business day prior to the delivery or distribution of the prospectus to the public.
  - (b) In offering the Investment Units of the Fund for sale, the Management Company shall deliver and cause the Underwriters and Agents to deliver to interested investors a summary of the significant information of the prospectus of which the investors should be aware, together with the subscription form, and make available the part of the prospectus containing the details of the Project at all offices of the Management Company and contact places of the Underwriters and Agents, as the case may be, for distribution to interested investors, at all times during the offering period.
  - (c) Upon the expiry of the offering period, the Management Company shall make available the part of the prospectus containing the details of the Project at all offices of the Management Company for inspection by the public and provide copies of the same upon the request of Unitholders. If the Investment Units of the Fund are listed securities on the Stock Exchange, and if there is an amendment to the Project and/or the part of the prospectus containing the details of the Project, the Management Company shall notify the Stock Exchange and Unitholders of such amendment within ten business days from the day following the date on which the amendment of the Project is approved by the Office of the SEC or the resolution to amend the Project, as the case may be, until the dissolution of the Fund.
  - (d) To provide subscription forms which must contain the warning as prescribed by the Notification of the SEC No. Gor.Nor. 25/2552, including other relevant notifications.
- (1.4) To invest the money of the Fund in real property or other assets and seek benefits from such real property by means of purchase, transfer, lease, disposal, conveyance of leasehold rights, and modification, additions to or improvements of real property or other assets invested according to the policy, objectives, criteria, conditions, and procedures specified in the Project, provided that the stipulations and criteria in the notifications of the SEC and

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the notifications of the Office of the SEC are complied with.

- (1.5) To increase or decrease the capital of the Fund in accordance with the procedures prescribed under clause 19, “Capital Increase and Capital Decrease of the Fund,” and/or proceed as prescribed by the SEC or the Office of the SEC.
  - (1.6) To distribute the profits of the Fund for the purpose of dividend payments to Unitholders in accordance with the criteria and procedures prescribed in the Project and in compliance with the Securities Law.
  - (1.7) To arrange for an Appraisal of assets as required by the Securities Law.
  - (1.8) To procure insurance against loss for the real property of the Fund as required by the Securities Law.
  - (1.9) To conduct inspections of the condition of real property as required by the Securities Law.
  - (1.10) To deliver documents, evidence and various information which relevant to and necessary for the Appraisal and Review of Appraisal as requested by the Appraisal Firm, and to facilitate the Appraisal Firm or the person designated by the Appraisal Firm in the investigation of the real property of the Fund for the purpose of Appraisal and/or to facilitate the Trustee or the person designated by the Trustee in the investigation of the real property of the Fund as stipulated in the Agreement for the Appointment of the Trustee.
  - (1.11) To change or amend the Project or the management procedures in accordance with the terms, conditions, and criteria as specified in the Project.
  - (1.12) To enter into any juristic act and contract on behalf of the Fund within the scope of authority of the Management Company according to law.
  - (1.13) To perform other acts to accomplish the objectives of the Fund and to maintain the benefits of Unitholders under the scope of duties and responsibilities of the Management Company, provided that the such acts are not contrary to the Securities Law and/or any other relevant law.
  - (1.14) To proceed with the dissolution of the Fund as specified in the Project.
- (2) Receipt and Payment of Money of the Fund

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To arrange for the receipt and payment of fees and expenses and/or any other remuneration as stipulated in the Project.

(3) Appointment of Relevant Persons for the Management of the Fund

- (3.1) To establish the Investment Committee.
- (3.2) To appoint a Fund Manager with the qualifications in accordance with the notifications of the Office of the SEC, with the approval of the Office of the SEC, in order to be responsible for decision making in the purchase, lease, disposal, or transfer of leasehold rights in the real property of the Fund. The Management Company shall announce the list of Fund Managers at a visible place at the office of the Management Company.
- (3.3) To appoint a Trustee and replace the Trustee of the Fund by appointing another trustee who has the qualifications and does not possess the prohibited characteristics in accordance with the notification of the Office of the SEC regarding the qualifications of trustees of property funds, and in accordance with the conditions of the replacement of a Trustee as specified in the Project, with permission of the Office of the SEC.
- (3.4) To appoint an Investment Unit Registrar and replace the Investment Unit Registrar of the Fund by appointing another Investment Unit Registrar who has the qualifications and does not possess the prohibited characteristics in accordance with the notification of the Office of the SEC, and to notify the Office of the SEC of such appointment.
- (3.5) To appoint an Appraisal Firm, provided that such Appraisal Firm must be on the list approved by the Office of the SEC.
- (3.6) To appoint a Property Manager (if any), provided that such Property Manager must have the qualifications and not possess the prohibited characteristics in accordance with the notification of the SEC.
- (3.7) To appoint advisors (if any) to perform the duties of advisors of the Management Company and/or the Fund, provided that such advisors must have the qualifications and not possess the prohibited characteristics in accordance with the notification of the SEC.
- (3.8) To appoint an Auditor of the Fund, provided that the Auditor must have the qualifications and not possess prohibited characteristics in accordance with the notification of the Office of the SEC regarding the rules for the approval of auditors, and to replace the Auditor of the Fund and appoint another Auditor who has the full

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qualifications required by the Office of the SEC, and notify the Office of the SEC of such appointment.

(3.9) To appoint a liquidator of the Fund, with the approval of the office of the SEC, in order to aggregate and distribute assets to the Unitholders and perform other duties as necessary for the completion of the liquidation, upon termination or dissolution of the Fund.

(3.10) To appoint any other relevant and necessary persons to perform duties concerning the Fund, such as construction supervisors, experts, estimators, building inspectors, cleaning service providers, construction contractor, etc.

(4) Other Acts

(4.1) To submit an application for the registration of assets which constitute proceeds from the sale of Investment Units of the Project as the Fund with the Office of the SEC within 15 business days from the day following the closure of the offering period of Investment Units.

(4.2) To submit an application to the Stock Exchange of Thailand for approval of the Investment Units of the Fund as listed securities within 60 days from the date of registration of the Fund.

(4.3) To request for a substitute for the evidence of registration of a pool of assets as the Fund from the Office of the SEC by paying a fee at the rate prescribed by the Office of the SEC in the event of loss or destruction of such evidence.

(4.4) To separate accounts and keep assets of the Fund separate from the assets of the Management Company, and to deposit the assets of the Fund with the Trustee and/or the Thailand Securities Depository Co., Ltd. and/or other entity as permitted by the Office of the SEC, except where it is not possible due to the nature of such assets.

(4.5) To cause a register of Unitholders to be prepared in accordance with the rules and procedures prescribed by the Office of the SEC, and to keep such register of Unitholders.

(4.6) To prepare an accurate statement of investment of the Fund and a report on investments of the Fund for the acknowledgment of the Trustee in accordance with the rules and procedures prescribed by the Office of the SEC.

(4.7) To calculate the asset value, net asset value, and unit value of the Fund in accordance with the notification regarding the rules, conditions, and procedures for the establishment and management of property funds.

(4.8) To notify the Unitholders upon the occurrence of any circumstance or change after the date of calculation of the asset value, net asset

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value, and unit value under sub-clause (4.7), which materially affects the assets of the Fund.

- (4.9) To prepare a financial statement of the Fund in accordance with the accounting standards specific to the investment business and the accounting standards prescribed by the Federation of Accounting Professions, and to prepare a report of the Fund which contains the particulars required by the SEC at the end of every financial year, and deliver such report to the Unitholders whose names appear in the register of Unitholders and the Office of the SEC within four months from the end of the financial year.
- (4.10) To deliver a copy of the Appraisal Report Review of Appraisal Report together with the relevant documentary evidence to the Trustee immediately and to the Office of the SEC within 15 days from the date of receipt of the Appraisal Report or the Review of Appraisal Report (as the case maybe).
- (4.11) To deliver the following documents to the Trustee immediately upon the purchase, lease, sublease, disposal, or transfer of leasehold rights in real properties of the Fund:
  - For the purchase of real property  
The land title deed or certificate of utilization, and real property sale and purchase agreement
  - For the disposal of real property  
The real property sale and purchase agreement
  - For a lease, sublease, or transfer of leasehold rights in real property (as the case may be)  
The lease agreement, sublease agreement, or agreement for transfer of leasehold rights

For a purchase or lease of real property, the Management Company shall give written notice of possession of the real property to the Trustee within five (5) business days from the date of possession of such real property.

- (4.12) To deliver a copy of the Agreement for the Appointment of an Appraisal Firm, a copy of the Agreement for the Appointment of a Property Manager (if any), and a copy of the Agreement for the Appointment of Advisors (if any) to the Trustee within five (5) business days from the date of the respective agreements, except that for the initial offering of the Investment Units of the Fund, where an appointment of the Appraisal Firm has been made prior to the appointment of the Trustee, the Management Company shall deliver a copy of the Agreement for the Appointment of an Appraisal Firm to the Trustee within five (5) business days from the date of appointment of the Trustee.



- (4.13) To collect, follow up, proceed, and give instructions to the persons in charge under various appointment agreements such as Property Manager, advisors, construction supervisors, etc., to prepare, deliver, and make reports and/or to perform acts as specified in the appointment agreements and/or as requested by the Investment Committee and/or Unitholders and/or an authorized person under law, provided that the Management Company needs not certify and/or be responsible for the accuracy of the information prepared by those persons, or for the acts of those persons. However, if the Management Company is aware of any error in the reports and/or any failure of those persons, the Management Company shall notify them to rectify the same immediately.
- (4.14) To deliver a summary of significant information concerning the purchase, lease, disposal, or transfer of ownership or leasehold rights in the real property of the Fund to the Unitholders and the Office of the SEC within 15 days from the date of such purchase, lease, disposal, or transfer of ownership or leasehold rights in real property, and to provide such significant information at a visible place at the Management Company and the head office of the Trustee within 15 days from the date of purchase, lease, disposal, or transfer of ownership or leasehold rights in real property. Such summary must be substantially in accordance with the notification of the SEC.
- If the Investment Units of the Fund have been approved to be listed securities on the Stock Exchange of Thailand, the Management Company may deliver a summary of significant information under the preceding paragraph to the Stock Exchange of Thailand instead of distributing to all Unitholders within the business day following the date of purchase, lease, disposal, or transfer of the leasehold rights of real property of the Fund or within such other period prescribed by the Stock Exchange of Thailand.
- (4.15) To perform other duties which are prescribed by the Securities Law as duties of management companies.

#### 21.1.3 Conditions on Changing the Management Company

The Fund may change the Management Company upon the occurrence of any of the following events:

- (1) when the Unitholders of the Fund pass a resolution, by a majority vote representing more than one-half of the total number of Investment Units sold, to change the Management Company, and a new Management Company is appointed at any time during the term of the Fund. It shall be deemed that the date the Unitholders of the Fund pass such resolution shall be the termination date of the duties of the existing Management Company;
- (2) if there is a change and amendment to the management policy as specified in the Project according to a resolution of a Unitholders meeting or an amendment to the Securities and Exchange Act, notifications of the SEC,

notifications of the Office of the SEC, and/or other relevant laws, which causes the Management Company to be unable to comply with those notifications, instructions, regulations, and rules such that the duties of the Management Company increase and the Management Company does not wish to continue performing its duties, the Management Company reserves the right not to continue its duty of managing the Fund. The Management Company must notify the Unitholders in writing no less than 90 days prior to the effective date of the termination of its duties that it does not wish to continue performing its duties. The Unitholders meeting shall then seek a new Management Company, which possesses all of the qualifications prescribed by the Securities Law and is approved by the Office of the SEC, to manage the Fund as set out in the Project in place of the Management Company within 180 days from the date of receipt of the notice from the Management Company.

- (3) if a change has been made to the policy, management procedures, operations, and administration of the Fund, or a change in the structure of Unitholders, or in any other cases, resulting in the Management Company not wishing to continue its duties, the Management Company reserves its right not to continue its duty of managing the Fund. The Management Company must give prior written notification to the Unitholders no less than 90 days prior to the effective date of the termination of its duties that it does not wish to continue performing its duties (resignation). The Unitholders meeting shall then seek a new Management Company, which possesses all of the qualifications in accordance with the Securities Law and is approved by the Office of the SEC, to manage the Fund as set out in the Project in place of the Management Company within a period of not exceeding 180 days from the date of receipt of the notice from the Management Company.

In changing the Management Company, if it is the case where the Securities Law prescribes that it must be approved by the Office of the SEC, such approval must be sought. If it is the change of the Management Company as set out in (1), the Management Company shall continue performing its duties until a new management company has been appointed. However, such performance of duties shall not exceed 180 days from the date on which the Unitholders passed a resolution for the change of the Management Company. Upon the expiration of such period, if the Fund is unable to appoint a new Management Company, the Management Company reserves its right to seek approval from the Office of the SEC for the dissolution of the Fund, in which event it shall be deemed that approval has been obtained from all Unitholders for such dissolution. If the Management Company has given notice of its resignation under (2) and (3) above, the Management Company shall be obliged to seek at least one new Management Company, which possesses all of the qualifications under the Securities Law and is approved by the Office of the SEC, within a period of not exceeding 180 days, for Unitholders to approve and pass a resolution for the appointment of the new Management Company. If the person nominated by the Management Company is not approved by the Unitholders and the Fund is unable to appoint a new Management Company within 180 days from the expiry of the first 180 days, the Management Company reserves its right to seek

approval from the Office of the SEC for the dissolution of the Fund, in which event it shall be deemed that approval has been obtained from all Unitholders for such dissolution.

In the performance of its duties at any time after the Unitholders have passed a resolution to change the Management Company as set out under (1), or after the effective date of termination of its duties as set out under (2) and (3), the Management Company shall be entitled to receive remuneration at the rate specified in the Project. The remuneration shall be calculated in proportion to the period of the actual performance of duties, and/or any damages incurred or which may be incurred due to such performance of its duties.

## **21.2 Rights, Duties and Responsibilities of Trustee**

The Trustee shall have rights, duties and responsibilities in the Project as follows:

- (1) to be entitled to receive remuneration for the performance of duties as a Trustee at the rate specified in the Agreement for the Appointment of a Trustee which has been executed with the Management Company;
- (2) to supervise the Management Company to strictly comply with the provisions of section 125 of the Securities and Exchange Act B.E. 2535, the Securities Law, and the terms of the approved Fund Management Project, as well as the commitments made with the Unitholders;

if the Management Company does any act that causes damage to the Fund or fails to perform its duties under section 125 of the Securities Law, and the terms of the approved Fund Management Project, the Trustee shall make a detailed report thereon and submit it to the Office of the SEC within five (5) days from the date on which the Trustee becomes aware of such circumstance.

- (3) to file a lawsuit against the Management Company to require performance of its duties or to file a lawsuit for compensation for damage from the Management Company, for the interest of all Unitholders or upon receipt of instructions from the Office of the SEC;
- (4) to complete the inspection of real property of the Fund in accordance with the following timeframe:
  - (a) within 30 days from the date of receipt of a notice of possession of real property from the Management Company; and
  - (b) every year after the last inspection by the Trustee. The expenses incurred from the inspection of real property shall be deemed to be the expenses of the Fund;
- (5) to correctly, completely, and truthfully record the condition of any real property inspected by the Trustee within 30 days from the commencement date of the inspection of such real property;

- (6) to notify the Management Company within five (5) business days from the date the Trustee finds that any real property of the Fund has any material defect;
- (7) to notify the Management Company to conduct a new Appraisal immediately when the Trustee is of the view that any circumstance or change has occurred which has a material effect on the value of the real property of the Fund;
- (8) to verify that the purchase, lease, sublease, disposal, or transfer of leasehold rights of the real property of the Fund is in compliance with the Project and the criteria prescribed by the Securities Law.
- (9) to prepare an account of and verify the accuracy of the deposited assets of the Fund, and to prepare an account showing the receipt and payment of the assets of the Fund by separating the account of the deposited assets of the Fund from its own account of assets;
- (10) to certify that the calculation of the asset value, the Net Asset Value, and the Investment Unit Value of the Fund as per the heading “Calculation Method, Schedule of Calculation, and Announcement of Asset Value, Net Asset Value, and Investment Unit Value” of the Fund is correct and in compliance with the criteria prescribed in the Project and by Securities Law. The Trustee may use information obtained from the Management Company, which may be information from the report prepared and certified by the Management Company or information obtained by the Management Company from the Property Manager hired by the Management Company and certified correct by the Property Manager, in support of the calculation of the Net Asset Value;
- (11) to render opinions concerning the operations of the Fund in a report of the Fund;
- (12) to have such other rights, duties and responsibilities as specified in the Agreement for Appointment of Trustee; and
- (13) to perform other duties as prescribed by the SEC or the Office of the SEC as duties of trustees.

### **21.3 Rights, Duties, and Responsibilities of Advisors of the Fund**

None

### **21.4 Rights, Duties and Responsibilities of the Property Manager**

#### **(1) Rights, Duties and Responsibilities of the Property Manager**

##### **(1.1) Rights of Property Manager**

The Property Manager shall be entitled to receive remuneration from the Fund for the performance of duties as the Property Manager in accordance with the Property Management Agreement executed between the Fund and the Property Manager.

(1.2) Duties and Responsibilities of Property Manager

The Property Manager shall have rights, duties and responsibilities in the Project as follows:

- (a) to receive remuneration from the Fund for the performance of duties as Property Manager in accordance with the Property Management Agreement executed between the Fund and the Property Manager;
- (b) to maintain and administer the real property of the Fund on a daily basis to ensure that it is in good condition and ready for the seeking of benefits at all times;
- (c) to collect income and seek benefits from the real property and other relevant assets;
- (d) to comply with or to perform other duties as set out in the Agreement for Hiring a Property Manager; and
- (e) to perform other duties as prescribed by the SEC or the Office of the SEC as the duties of Property Manager.

**22. Fees and Expenses Collected from Subscribers or Unitholders and the Fund**

**22.1 Fees Collected from Subscribers or Unitholders**

- (1) Fee for sale of Investment Units:
  - At the initial offering : none;
  - In the case of an additional offering : none.
- (2) Fee for redemption of Investment Units : none.
- (3) Fee for switching of Investment Units : none.
- (4) Fee for fund transfers: as actually incurred, by deducting from the amount transferred into such account.
- (5) Fee for the transfer of Investment Units: not more than 0.5% of the value of the transferred Investment Units (exclusive of value added tax, specific business tax or any other similar tax).
- (6) Fee for issuance of document of right in Investment Units: not more than Baht 100 per transaction (exclusive of value added tax, specific business tax or any other similar tax).
- (7) Others: none.

**22.2 Fees and Expenses Collected from the Fund**

- (1) Annual management fee

(Translation)

The Management Company is entitled to receive a monthly management fee from the Fund at a rate of not exceeding 1.00% per annum (exclusive of value added tax, specific business tax, or any other similar tax) of the net asset value of the Fund as calculated by the Management Company and verified by the Trustee.

(2) Annual fee for the Trustee

The Trustee is entitled to receive a monthly remuneration at a rate of not exceeding 0.05% per annum (exclusive of value added tax, specific business tax, or any other similar tax) of the net asset value of the Fund, as calculated by the Management Company and verified by the Trustee. The foregoing does not include other expenses as actually incurred, such as the expenses for the inspection of assets of the Fund.

(3) Annual fee for the Investment Unit Registrar

The expenses for the operations of the Investment Unit Registrar shall be at a rate of not exceeding 0.05% per annum (exclusive of value added tax, specific business tax, or any other similar tax) of the net asset value of the Fund, as calculated by the Management Company and verified by the Trustee.

(4) Fees for the advisors of the Fund: none.

(5) Fee for underwriting of the Investment Units: at the rate of not exceeding 3.0% of the underwritten value for the initial offering and the subsequent offerings for capital increase of the Fund.

(6) Advertising, public relations and sales promotion expenses: not exceeding 0.50% per annum of the net asset value as at the end of the preceding accounting year (exclusive of value added tax, specific business tax, or any other similar tax). At the initial issuance and offering of Investment Units, such expenses are fixed at no more than Baht 10,000,000 ( ten million baht).

(7) Others:

(7.1) Fee for establishment of the Fund: Baht 50,000 (exclusive of value added tax, specific business tax, or any other similar tax).

(7.2) Fee and expenses for auditor shall be payable at a rate mutually prescribed by the Management Company and the auditor.

(7.3) Fees of other service providers, including other advisors, such as legal advisors and lawyers, shall be payable at a rate mutually prescribed by the Management Company and such service providers.

(7.4) the Property Manager is entitled to receive remuneration for performing duties of Property Manager from the Fund, by collecting it on a monthly basis in accordance with the Property Management Agreement executed between the Management Company and the Property Manager. The details can be summarized as follows:

1. Fee for rental collection on behalf of the Management Company at the rate of not exceeding 3.00% of Net Rental and Service Income.

(Translation)

Net Rental and Service Income means revenues from lease agreements and public utility service agreements before deducting any expenses, including direct or indirect revenue from promotion areas, returns, or any benefits in relation to shopping complex operations of the Fund, and excluding compensations or reimbursements from leased or subleased tenants, such as property tax expenses and average insurance premiums reimbursed from tenants, deducted by the rental discount rate.

2. Leasing commission for procuring tenants and management of all tenants of the Fund upon entering into new lease agreements with new tenants or renewal of every kind of lease agreement, both short-term and long-term, with the following details:

- Tenants of the shopping complex project;

	<b>Leasing Commission (based on monthly rental rate of particular tenant)</b>
1. For renewal lease with existing tenants	0.5month
2. For entering into new lease agreements, four rates are available, depending on the term of the lease agreements	
• Less than one-year term	0.5month
• 1-3-year term	1.0month
• Over three-year term	1.5months
• Over three-year term and the tenant has paid the up-front lease	3% of the upfront payment received from the tenant

- Tenants of office towers;

	<b>Leasing Commission (based on monthly rental rate of particular tenant)</b>
1. For renewal lease with existing tenants	0.5month
2. For entering into new lease agreements, three rates are available, depending on the term of the lease agreements	
- Less than three-year term	0.5month
- Over three-year term	1.0month
- Over three-year term and the tenant has paid the up-front lease	3% of the upfront payment received from the tenant

(Translation)

If the lease agreements entered into between the Fund and the tenants are in any other forms than the aforementioned cases, the Management Company shall be authorized to fix the conditions on the payment of lease commission as deemed appropriate.

3. Fee for managing real property, at the rate of not exceeding 0.30% of Net Asset Value of the Fund calculated as of the last business day of each month.
4. Incentive fee for the Property Manager at the rate of not exceeding 2.35% of Net Property Income. Net Property Income means net revenue from real properties deducted by property costs and expenses incurred from procuring benefits from the properties, but excluding the Fund's revenues and expenses such as the Property Manager's Remuneration under 1. and Fund Manager's Remuneration under 2.
5. Fee for the purchase and sale of real properties of the Fund shall be received at the rate of 1.50% of the value of the real properties in which the Fund additionally invested, and shall be received at the rate of 0.75% of the value of disposal of the real properties from the Fund.
6. The fees above are exclusive of value added tax, specific business tax, or any other similar taxes.
7. Fees for the supervision of improvements and/or development of the Fund's real properties are remuneration which the Fund pays to the Property Manager for supervising the development work of the real properties of the Fund, which includes providing advice in regard to improvement and/or development of the real properties of the Fund, in order that the Fund shall be efficient and create higher returns for the Fund (value enhancement). Such fees are at the rate of 2% of the total costs of improvement and/or development of the improved and/or developed real properties of the Fund. Such costs of improvement and/or development include the costs of the purchase of areas to be improved and/or developed back from the existing tenants, but excluding the expenses of designing, advisor's fee, or other professional fees. The Property Manager shall propose a project to improve and/or develop such real properties of the fund, together with the fees for work supervision, and relevant details to the Management Company for approval on a case-by-case basis.

The fees above are exclusive of value added tax, specific business tax, or any other similar taxes.

(7.5) Fees of the Appraisal Firms shall be payable at a rate mutually prescribed by the Management Company and such person.

(7.6) Taxes, fees, stamp duty and brokerage fees concerning the trading of securities or real property: as actually paid.



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- (7.7) Insurance premium for insurance against loss (if any) and any other insurance premium pertinent to the Fund.
- (7.8) Fees for registration of a pool of assets as the Fund, fee for listing the Investment Units as listed securities on the Stock Exchange, including lawyer's professional fees in regard to such proceedings.
- (7.9) Annual fees and expenses for maintaining the status of listed securities on the Stock Exchange.
- (7.10) Expenses for preparation of subscription forms, confirmations, receipts, tax invoices and other forms related to the Fund, including the costs for preparation, printing, and translation of the prospectus, application for establishment of the Fund, various documents related to the Fund and expenses for the preparation and delivery of those documents.
- (7.11) Expenses for the preparation, printing and issuance of investment unit certificates.
- (7.12) Expenses for the investment unit register and documents for recording the account of the Fund, as well as other expenses related to preparation of the register of Unitholders of the Fund.
- (7.13) Expenses for the preparation and printing of notices, advertisements or announcements as prescribed by the Office of the SEC.
- (7.14) Expenses for the preparation, translation, and delivery of reports and letters such as annual reports, reports for Unitholders, etc., for the Unitholders of the Fund.
- (7.15) Fees for analysis, feasibility and suitability studies on a purchase, lease or disposal of real properties, transfer or acceptance of transfer of leasehold rights in real properties.
- (7.16) Fees or expenses for the procurement, acquisition, disposal, payment, and transfer of assets or securities of the Fund such as the transfer or acceptance of transfer of leasehold rights in real properties and securities of the Fund.
- (7.17) Expenses for additional construction required to complete the Project (in the case of real property under construction).
- (7.18) Operational expenses for managing the real properties of the Fund, such as the expenses in relation to employees, office expenses, office equipment payment, costs of the preparation of a real property management system, operation fees, maintenance fees, costs of repair,

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improvements, addition, public utilities, expenses for marketing and public relations, and other similar expenses.

- (7.19) Expenses for taking legal action (if any) such as expenses incurred from demand, notice or any lawsuit filed in order to enforce debts or retrieve assets for the Fund, court's fee, lawyer's fees, damages or expenses.
- (7.20) Other expenses and fees duly incurred by the Management Company or the Trustee in carrying out their duties for the benefits of the Unitholders of the Fund upon receiving instructions from the Office of the SEC.
- (7.21) Expenses for the inspection of real properties of the Fund.
- (7.22) Expenses in connection with the receipt of subscription payments for Investment Units, expenses in the payment in the case of capital decrease and/or dividend payment such as bank charge, stamp duties, postage fees, costs of telephone and facsimile, etc.
- (7.23) Expenses or fees in connection with dividend payments, capital increases and/or capital decreases.
- (7.24) Various expenses incurred in connection with the Fund, such as fees for registering the juristic act concerning real property, specific business tax, household tax, stamp duty or any other similar tax, expenses for arranging Unitholders' meetings, Investment Committee meetings and meeting allowances, printing costs for forms, postage fees for correspondence with the Unitholders, fees for the preparation of checks for refunding subscription payment for Investment Units, expenses for advertisements or publication of announcements in newspapers (if any), including various expenses incurred in compliance with laws or as prescribed by the Office of the SEC etc.
- (7.25) Remuneration for the liquidator and the Trustee during the liquidation of the Fund until the registration of dissolution of the Fund with the Office of SEC.
- (7.26) Meeting allowance for the Investment Committee as actually paid. When a meeting is held, the Management Company shall consider paying the meeting allowance only to the committee members appointed by the Management Company, by considering his/her knowledge and capability in real properties, and the committee members appointed from persons nominated by Unitholders as follows:
  - committee members appointed by the Management Company, by considering his/her knowledge and capability in real properties, at not more than Baht 30,000 per person per meeting

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- committee members appointed from persons nominated by Unitholders, at not more than Baht 10,000 per person per meeting

The committee member who is the Management Company's representative shall not receive a meeting allowance.

The Management Company may consider paying a meeting allowance in any other amount in accordance with the resolution of the Unitholders.

The annual management fee and the annual fee of the Investment Unit Registrar shall be collected from the Fund on a monthly basis within the 30<sup>th</sup> day of the following month or within three (3) business days after the Trustee has verified the calculation of the net asset value of the Fund, as the case may be.

The annual fee of the Trustee shall be collected from the Fund on a monthly basis within five business days after the receipt of invoices.

The calculation of the annual management fee, annual fee of the Trustee and the annual fee of the Investment Unit Registrar shall be made by using the net asset value as of the last business day of each month. However, during a month in which the Fund increases or decreases its capital or pays dividends, the Management Company shall calculate the annual management fee, annual fee of the Trustee and annual fee of the Investment Unit Registrar by using the net asset value for periods prior to and after the capital increase or decrease or dividend payment based on the daily weighted average method.

Fees for advisors of the Fund, underwriting fees, advertising, public relations and sales promotion expenses, and other expenses shall be deducted from the assets of the Fund, as actually paid.

However, the Management Company shall be entitled to deduct various fees and expenses in one installments or deduct them equally as monthly expenses of the Fund or in accordance with the period deemed appropriate. The deduction of such expenses shall be in accordance with the generally accepted accounting standards with respect of property funds and accounting standards prescribed by the relevant laws.

*Remarks: The fees collected from the subscribers or Unitholders and the fees and expenses collected from the Fund are subject to change, and any change shall not be deemed an amendment of the Project, provided that the following conditions are met:*

- (1) In the case of an increase of fees and/or expenses,
  - (1.1) the Management Company shall give advance notice to Unitholders of at least 60 days by means of:
    - (a) publication in at least one daily newspaper for three consecutive days; and
    - (b) posting an announcement at an open place at all offices of the Management Company and contact places that the

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supporting agents use for the purchase and sale of Investment Units.

- (1.2) The Management Company shall notify the Office of the SEC within 15 days from the day following the date of change.
- (1.3) Within a period of one year, the Fund may increase any of the fees and/or expenses collected from the Fund not exceeding 25% of the existing rates thereof.
- (2) In the case of a decrease of fees and/or expenses,
  - (2.1) the Management Company shall post an announcement at an open place at all offices of the Management Company and contact places that the Agents use for the purchase and sale of Investment Units.
  - (2.2) The Management Company shall notify the Office of the SEC within 15 days from the day following the date of change.

**23. Calculation Method, Schedule of Calculation and Announcement of Asset Value, Net Asset Value and Unit Value**

- 23.1 The Management Company shall calculate and announce the asset value, net asset value, and unit value of the Fund as of the last day of June and December within 45 days from the last day of June and December, as the case may be, or within a period under relaxation by the Office of the SEC. The Trustee must verify that such value has been calculated in accordance with the criteria prescribed by the Office of the SEC.
- 23.2 In making an announcement of the values obtained from the calculation under 23.1, the Management Company shall make such announcement in at least one daily newspaper and post it at an open place at all offices of the Management Company and the head office of the Trustee, including the disclosure of the name, type, and location of the real properties the Fund obtained from investment, or any other details as prescribed by the Office of the SEC.
- 23.3 If any circumstance or change materially affecting the value of real properties arises after the date of calculation under 23.1, the Management Company shall also disclose such circumstance or change in the announcement under 23.1. If such circumstance or change arises after the date of announcement under 23.1, the Management Company shall immediately make an additional announcement thereof.
- 23.4 In the calculation of the net asset value of the Fund, the Management Company shall calculate by using the following methods:
  - (1) For real properties and utilities system, the Management Company shall use the price obtained from the latest Appraisal Report or Review of Appraisal, as the case may be, (the Fund will not recognize depreciation and amortization of such investment in the balance sheet and income statement of the Fund, which is in accordance with the generally accepted accounting standards of Thailand with respect of investment of mutual funds), except for the first calculation of the net asset value of the Fund, for which the

Management Company shall use the price of purchase or lease of such real properties.

- (2) For other assets, the Management Company shall fix the value in accordance with the rules and procedures prescribed by the Association of Investment Management Companies with approval of the Office of the SEC.

**Additional Conditions:** For the calculation method, schedule of calculation and announcement of the asset value, net asset value and unit value of the Fund, the Management Company shall proceed in accordance with clause 23, unless it is otherwise amended, supplemented, announced, prescribed, instructed, approved and/or relaxed by the SEC, the Office of the SEC and/or any other competent authority under law.

## **24. Preparation of Reports to the Office of the SEC and Unitholders**

### **24.1 Reports of the Fund**

The Management Company shall, within four months from the last day of the financial year, prepare a report of the Fund at the end of every financial year, and send it to the Unitholders, whose names are listed in the register of Unitholders, as well as the Office of the SEC. Such report shall at least consist of the following particulars:

- (1) a list of assets, in which the Fund invested or which the Fund possesses, categorized by type. In the case that they are of the same type, but are materially different financial tools, or have different instrument risks due to different products or variables, such assets shall be shown as separate particulars, such as real properties, leasehold rights in real properties, government bonds, debentures, notes, bills of exchange on which yield is paid or of which investment funds are returned in correlation with products or variables, deposits, general certificates of deposits, and certificates of deposits on which yield is paid or of which investment funds are returned in correlation with products or variables, etc., together with the net asset value, the asset value in accordance with the market price or the fair price, together with the ratio of the net asset value of the Fund to the unit value as of the last business day of the accounting year.
- (2) Details concerning every real property of the Fund, specifying at least the name, location, condition, type of use, size of area, lease term, value obtained from the latest Appraisal Report, annual income and various encumbrances, etc.
- (3) Details concerning the purchase or lease of real properties, and/or leasehold right in each real property during the accounting year, specifying at least the significant information as follows:
  - (3.1) date, price, reason for the purchase or lease, and the seller of real properties or transferor of leasehold rights in real properties;
  - (3.2) details concerning the Appraisals of both Appraisal Firms prior to the purchase or lease, such as the date of Appraisal, the price

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obtained from the Appraisal Report, and the method of Appraisal, etc; and

- (3.3) expenses concerning the purchase or lease.
- (4) Details concerning the disposal of real properties or transfer of leasehold rights in each real property during the accounting year, which shall at least specify the following significant information:
  - (4.1) date, price, reason for disposal of real properties or transfer of leasehold rights, and the purchaser of real properties or transferee of leasehold rights in real properties;
  - (4.2) details concerning the Appraisals of both Appraisal Firms prior to the disposal or transfer of leasehold rights, such as the date of Appraisal, prices obtained from the Appraisal Report, methods of Appraisal, and the name of the Appraisal Firm, etc;
  - (4.3) profit or loss from the disposal of real properties or transfer of leasehold rights and related expenses;
  - (4.4) book value of real properties or leasehold rights in real properties disposed or transferred; and
  - (4.5) a report of the Management Company, which shows the overview of the business of seeking profits from real properties in which the Fund invested and the trends of such business.
- (5) Audited balance sheet and income statements with the opinion of the auditor.
- (6) The ratio of expenses the Management Company collected from the buyers or the Unitholders or the Fund.
- (7) Opinions of the Trustee concerning the operation of the Fund during the preceding one-year period.
- (8) Information on transactions with connected persons (if any).
- (9) The names and addresses of all advisors and the Property Manager of the Fund (if any).
- (10) Any other items as prescribed by the Securities Law.

#### **24.2 Reports of Purchase, Lease, Disposal or Transfer of Leasehold Rights in Real Properties of the Fund**

The Management Company shall deliver the summary of significant information concerning the purchase, lease, disposal, transfer or acceptance of transfer of ownership and/or leasehold rights in real properties of the Fund to the Unitholders and the Office of the SEC within 15 days from the date of such purchase, lease, disposal, transfer or acceptance of transfer of ownership and/or leasehold rights and display such significant information at an open place at all offices of the Management Company and the head office of the Trustee within 30 days from the

date of purchase, lease, disposal or transfer of leasehold rights for inspection of Unitholders. Such summary of information must have significant particulars as prescribed by the SEC.

If the Investment Units of the Fund have been approved to be listed securities on the Stock Exchange of Thailand, the Management Company may deliver the summary of significant information under the preceding paragraph to the Stock Exchange of Thailand in lieu of taking action under the first paragraph, within the next business day from the date of purchase, lease, disposal or transfer of leasehold rights in real properties of the Fund or within such other periods as prescribed by the Stock Exchange of Thailand.

## **25. Appraisal of Assets and Review of Appraisal of Assets**

25.1 The Management Company shall appoint two Appraisal Firms to appraise the assets in the following cases:

- (1) prior to the purchase or lease of real properties.
- (2) prior to the disposal or transfer of leasehold rights in real properties.

25.2 The Management Company shall appoint one Appraisal Firm to appraise the assets in the following cases:

- (1) every two years from the date of the Appraisal for purchase or lease of real properties; and
- (2) when the Trustee is of the view that any circumstance or change materially affecting the value of real properties of the Fund has arisen. Such appraisal shall be made within 30 days from the date the Management Company was informed by the Trustee.

25.3 The Management Company shall appoint one Appraisal Firm to make a Review of the Appraisal every year after the date of the latest Appraisal.

25.4 In appointing an Appraisal Firm to make an Appraisal or a Review of the Appraisal, the Management Company shall not appoint any Appraisal Firm to appraise the same real properties or the leasehold rights in real properties for more than two consecutive times.

When the Investment Units of the Fund have become listed securities on the Stock Exchange, if an Appraisal and a Review of the Appraisal are made under 25.1, 25.2, and 25.3, the Management Company shall notify the Stock Exchange of the information in respect of such cases.

## **26. Annual Accounting Period of the Fund**

The end of the accounting period is 31 December of each year.

The end of the first accounting period is 31 December 2005.

## **27. Terms, Policy and Procedures for Paying Dividends to Unitholders**

### **27.1 Dividend Payment Policy**

The Project has a policy to pay dividends to Unitholders no more than four times annually.

However, the Management Company may consider paying special dividends other than such four dividend payments to the Unitholders as it deems necessary and expedient.

- (1) If the Fund has net profits in each year, the Management Company shall pay not less than 90% of the net profits of the year as dividends to Unitholders.
- (2) If the Fund has accumulated profits, the Management Company may pay dividends to Unitholders out of the accumulated profits.

Such net profits and accumulated profits shall be as actually derived and shall not include the following:

1. profits or losses which have not actually arisen from the Appraisal of real properties, securities and/or assets of the Fund;
2. expenses in relation to the issuance and initial offering of the Investment Units and subsequent offerings (if any), which were booked as deferred expenses and were gradually amortized during the period expected to be benefited from such expenses.

However, the payment of dividends from the aforementioned accumulated profits can be made only when such payment does not incur accumulated losses to the Fund.

The Management Company shall pay such dividends to Unitholders within 30 days from the day following the closing date of the register of Unitholders for dividend payment, except where there is a necessary cause which prevents dividend payment at such time, the Management Company shall notify the Unitholders in writing accordingly.

#### **Additional Condition:**

Considering the payment of dividends, if the value of interim dividends per unit to be paid is lower than or equal to Baht 0.10, the Management Company reserves the right not to pay dividends at that time and to bring such dividends forward for payment together with the next dividend payment.

The Management Company shall proceed in accordance with the dividend payment criteria as specified. However, if such criteria are otherwise amended, supplemented, announced, prescribed, instructed, approved and/or relaxed by the SEC, the Office of the SEC, and/or any other competent authority under law, the Management Company shall proceed accordingly. In such event, it shall be deemed that approval has been obtained from Unitholders and it shall not be deemed as an amendment to the Project.



## **27.2 Procedures for Paying Dividends to Unitholders**

- (1) The Unitholders who are entitled to receive dividends shall be the Unitholders whose names are listed in the register of Unitholders of the Fund on the closing date of the register for dividend payment. Each Unitholder shall be entitled to receive dividends according to the proportion of their respective holdings of Investment Units.
- (2) The Management Company shall declare a dividend payment on the closing date of the register of Unitholders for dividend payment and the rate of the dividend, by;
  - (2.1) giving notice to the Trustee and Unitholders whose names are listed in the register of Unitholders of the Fund on the closing date of the register; and
  - (2.2) posting an announcement at an open place at all offices of the Management Company.
- (3) The Management Company shall pay dividends to each Unitholder within 30 days from the day following the closing date of the register of Unitholders for dividend payment. The Management Company shall withhold tax at the rate of 10% or at such other rate as prescribed by law for the dividends paid to individual Unitholders who have expressed their intention to let the Management Company withhold tax, except where the individual Unitholders have given written notification to the Management Company to do otherwise within five days from the closing date of the register of Unitholders.
- (4) The Management Company shall pay dividends by crossed checks, drafts, or bills of exchange payable in the name of Unitholders, and send them by mail to the addresses specified by the Unitholders in the subscription forms of Investment Units, or by remittance of funds into accounts most recently notified by the Unitholders to the Investment Unit Registrar. The Unitholders shall burden the risks of exchange rate (if any), and the Management Company shall deduct such fees and expenses from the funds to be remitted.

## **28. Rights and Benefits of Unitholders**

### **28.1 Right to Receive Dividends**

The Unitholders and Persons in the Same Group as Unitholders shall have the right to be allotted profits in the form of dividend from the Fund in accordance with the rules and procedures specified in the Project only for Investment Units not exceeding one-third of the total number of the Investment Units sold, except for the cases under exceptions in accordance with the notification of the Office of the SEC.

### **28.2 Right to Transfer Investment Units**

The Unitholders may transfer Investment Units under the part “Transfer of Investment Units”. The Management Company reserves its right not to permit the transfer of Investment Units, if such transfer of Investment Units causes any person

or Persons in the Same Group to hold Investment Units in an aggregate amount exceeding one-third of the total number of the Investment Units sold.

### **28.3 Right to Pass a Resolution to Amend the Project or the Management Procedures**

Each Unitholder has the right to pass a resolution in regard to the following issues. In seeking a resolution from the Unitholders for any issue, the Management Company shall not include the votes of any person or Persons in the Same Group in respect of the portion exceeding one-third of the total number of the Investment Units sold in the number of votes for seeking a resolution.

- (1) Passing a resolution to amend the Project or management procedures

The Unitholders have the right to pass a resolution in regard to the management of the Fund, or for amending the Fund Management Project or the management procedures. The Management Company shall comply with the rules and procedures as prescribed in this Project.

- (2) Passing a resolution in regard to the increase of the Fund's registered capital

The Unitholders have the right to pass a resolution in relation to the increase of registered capital in accordance with the procedures prescribed in clause 19.

### **28.4 Right to Receive a Repayment upon Dissolution of the Project**

Each Unitholder has the right to a proportional repayment upon dissolution of the Fund. The Management Company shall procure a liquidator approved by the Office of the SEC in order to proceed with the disposition of assets of the Fund, payment of debts of the Fund, collection and distribution of money and/or other assets to Unitholders proportionally to the total number of Investment Units sold upon the dissolution of the Fund.

### **28.5 Other Rights and Benefits**

#### **Right to Receive a Repayment upon a Capital Decrease**

The Unitholders of the Fund shall have the right to a repayment upon a registered capital decrease as specified in the Project.

#### **Right to Pledge Investment Units**

The Unitholders of the Fund can pledge the Investment Units under law in accordance with the rules and procedures prescribed by the Management Company and/or the Investment Unit Registrar. The Investment Unit Registrar shall register the pledge only when the pledgee is a financial institution.

#### **Request for Issuance of Investment Unit Certificate for Use in Pledge**

A Unitholder who desires to pledge the Investment Units must personally present the investment unit certificate and complete the application form for the issuance of an investment unit certificate for the purpose of pledge at the Management

Company or the head office or branch offices of the Agents, for submission to the Investment Unit Registrar in order to issue an investment unit certificate for use in a pledge.

The Investment Unit Registrar may suspend the transaction of purchase and sale of the Investment Units until the registration of the pledge with the Investment Unit Registrar has been made.

## **29. Amendment of the Project or the Management Procedures**

### **29.1 Amendment of the Project where Amendments to Laws, Regulations, or Orders have been made**

The Management Company reserves the right to change and amend the Project or the management procedures as it deems appropriate in cases where government agencies, such as the SEC, the Office of the SEC, and/or other competent authorities under law, have changed, amended, prescribed, approved, ordered, or relaxed any matters in relation to the criteria, conditions, and procedures for the establishment and management and/or the management procedures of property funds, whether such matters shall be related to laws, notifications, requirements, regulations, conditions or other details. Any such changes and/or amendments shall be as prescribed by the Office of the SEC.

### **29.2 Amendment of the Project in Other Cases**

If it is necessary to amend the Project or the management procedures of the Fund for the benefits of the Fund and the Unitholders, it shall be at the discretion of the Management Company, for instance, the amendment of the investment policy of the Fund. In this case, the approval of the Office of the SEC is required, unless it is approved by a Unitholders' resolution passed by the majority vote of Unitholders holding more than half of the total number of Investment Units of the Project sold.

If the matter is related to the rights, duties and responsibilities under clause 21: *"Rights, Duties and Responsibilities of the Management Company, Trustee, Advisors of the Fund, and Property Manager"*, or the fees and expenses under clause 22: *"Fees and Expenses Collected from Subscribers or Unitholders and the Fund"* of the Management Company, Trustee, Investment Unit Registrar, Agents, Advisors or other persons providing services to the Fund, such matter must be approved by the Management Company, Trustee, Investment Unit Registrar, Agents, Advisors or other persons providing services to the Fund (as the case may be), and then it must be approved by a majority vote of Unitholders holding more than half of the total number of Investment Units sold, provided that the implementation of the resolution of Unitholders shall not be contrary to laws, regulations, rules, and/or ethics, and/or the Project, or the interests of the Fund.

If an amendment of the Project or the management procedures is made according to the Unitholders' resolution passed by the majority vote of Unitholders holding more than half of the total number of the Investment Units of the Project sold, the Management Company shall notify the Office of the SEC within 15 days from the date of the resolution for such amendment.

The Management Company shall notify all Unitholders or the Stock Exchange (within 10 business days) about the amendment of the Project or the management

procedures of the Fund and announce the same in at least one daily newspaper within 15 days from the date of approval by the Office of the SEC or the date of the resolution for amendment, as the case may be.

The amendment of the Project or the management procedures can be made upon obtaining a resolution, passed by the majority vote of Unitholders holding Investment Units calculated in accordance with the total number of Investment Units of the Project sold, or with approval of the Office of the SEC. The Management Company reserves the right to veto any resolution passed by Unitholders for an amendment of the Project or the management procedures, which is contrary to the laws, rules, regulations and/or ethics, or which causes damage, or which is contrary to the benefits of the Fund, or which may affect the rights, duties and responsibilities of a third party who is a contractual party to the Fund.

### **29.3 Additional Conditions in the Case of Convening Unitholders' Meetings**

The Management Company shall arrange a meeting of Unitholders when the Unitholders, holding an aggregate number of Investment Units of no less than 10% of the total number of Investment Units sold, request that a meeting of Unitholders be held.

In addition, the Management Company shall arrange a meeting or send a notice to Unitholders to request for a resolution for the following matters:

1. Appointment or dismissal of the Management Company, which does not include 21.1.3 (2) and (3), the Management Company shall arrange a Unitholders' meeting to obtain a resolution, which must be passed by a majority vote of the number of the Investment Units of the Unitholders, based on the total number of Investment Units of the Fund sold, or send written notice to Unitholders to seek a resolution, which shall be passed with a majority vote of the Unitholders based on the total number of Investment Units of the Fund sold.

Where any Unitholders and/or their connected persons have special interest in any issue, the Management Company shall not count the number of the Investment Units of such Unitholders and/or their connected persons as (1) the number of Investment Units in passing a resolution, and (2) the base for calculation of a resolution.

2. Consideration and approval of conditions and details in the appointment or dismissal of a Property Manager pursuant to the terms and conditions under the Agreement For Appointment of Property Manager shall require a Unitholder's resolution which shall be passed by the majority vote of Unitholders representing at least one-half of the total number of Investment Units of the Fund sold.

Where any Unitholders and/or their connected persons have special interest in any issue, the Management Company shall not count the number of the Investment Units of such Unitholders and/or their connected persons as (1) the number of Investment Units in passing a resolution, and (2) the base for calculation of a resolution.

3. Consideration of other matters as the Investment Committee or the Management Company deems appropriate.

In a Unitholder's meeting, the Unitholders or their proxy holding an aggregate number of Investment Units of no less than one-fourth of the total number of Investment Units of the Fund sold shall be present in order to constitute a quorum.

### **30. Dissolution of the Project**

The Fund shall be dissolved upon the occurrence of any of the following cases:

- 30.1 when the number of Unitholders is less than 35 Unitholders. The Fund shall be dissolved on the next Business Day from the date of acknowledgement of such event;
- 30.2 when the Registered Capital is less than Baht 500 million, when calculated from the par value of Investment Units. The Fund shall be dissolved on the next business day, except if the Fund is invested only in leasehold rights in real properties;
- 30.3 when the Management Company is unable to invest in real properties or the leasehold rights in real properties specified in the Project, except in the case that the Management Company increases the registered capital in order to make additional investment in real properties or leasehold rights in real properties, but is unable to make such additional investment, and the Management Company has decreased the registered capital of the Fund by decreasing only the number of the Investment Units offered for sale for the purpose of the increase of registered capital, by calculation in accordance with the proportion of the offering price and the subscription payments, and has returned the subscription payments and any benefits to the Subscribers, as well as registered the capital decrease of the Fund;
- 30.4 when the Office of the SEC orders that the Management Company dissolves the Fund, because:
  - (1) the Management Company made amendments to the Project, which are contrary to or inconsistent with the stipulations pursuant to Notification of the Office of the SEC No. Sor Nor 25/2552 (including amendments thereafter), without approval from the Office; or
  - (2) the Management Company has offered, disposed, and allotted Investment Units by violating or failing to comply with the stipulations of the Office in relation to initial offering of Investment Units to general subscribers, or subscribers or owners who are lessors, transferors of the leasehold rights, or grantors of rights in real properties in which the Fund will invest, or Persons in the Same Group, or the stipulations of the Office regarding offering Investment Units for the purpose of increasing registered capital;
  - (3) it appears that the Management Company performs any act, or any person holding Investment Units by conspiring or agreeing with other persons, which is concealing or disguising the true nature of the holding of Investment Units of any person or Persons in the Same Group who wish to hold Investment Units in an amount exceeding one-third of the total number of the Investment Units of the Project sold;

- (4) there is a reason to suspect that the Fund may be established for seeking benefits from investment by any specific person or group of persons, or as a tool in managing assets or businesses of any person or group of persons, about which the Management Company or connected persons cannot clarify, present reasons, facts or evidence, or which has been clarified, but cannot prove or make it believable that the establishment of the Fund is the establishment of a fund which actually offers investment units for sale to the public, or may not be able to make corrections or perform any act within the timeframe prescribed by the Office of the SEC in order that the Fund actually offers Investment Units to the public; and
  - (5) the Management Company acts or omits to act, in a way which causes damage to the Fund.
- 30.5 upon obtaining a resolution passed by a majority vote of the Unitholders, based on the total number of Investment Units of the Project sold; or
- 30.6 when the term of the Project expires (if any).

Additional Conditions for Dissolution of the Project

The Fund may be dissolved upon the occurrence of events which cause the Management Company to take the view that it is appropriate to dissolve the Fund, such as the Fund lacks liquidity and is unable to increase capital in the amount required, the Fund cannot maintain the investment portfolio in real properties or leasehold rights in real properties as prescribed by the Office of SEC, etc.

**31. Procedures of the Management Company upon Dissolution of the Fund Management Project**

Where the term of the Fund is fixed, or where the Management Company considers it necessary and appropriate to dissolve the Fund, the Management Company shall dispose of real properties of the Fund within the period of one year before the term of the Fund expires, by an open procedure and giving an equal opportunity to anyone wishing to accept the transfer of real properties or leasehold rights in real properties. Where the Management Company is unable to dispose of real properties or transfer leasehold rights in real properties by such means six months before the term of the Project expires, or where the Management Company is of the view that the price to be derived from disposal of real properties by such procedure is not appropriate, the Management Company shall seek approval from the Trustee to implement the disposal by other procedures.

Upon dissolution of the Fund, the Management Company shall procure a liquidator approved by the Office of the SEC to dispose of the assets of the Fund, pay the debts of the Fund, collect and distribute money or assets to Unitholders in proportion to their respective unitholding according to the register of Unitholders, as well as to do any other necessary acts to complete the liquidation in accordance with the rules, conditions and procedures prescribed by the SEC. After completion of liquidation, the liquidator shall apply for registration of dissolution of the Fund with the Office of the SEC. The remaining assets, if any, shall be vested in the Office of the SEC.

## **32. Others**

### **32.1 Secondary Market for Trading of Investment Units of the Fund**

At this initial stage, the Management Company will list Investment Units of the Fund on the Stock Exchange of Thailand. If there is another secondary market which can support the trading of Investment Units of this Fund in addition to the trading through the Stock Exchange of Thailand, the Management Company may consider listing Investment Units of the Fund in such secondary market. The listing of Investment Units and the trading of Investment Units through such secondary market shall be in accordance with the Securities Law and/or the relevant regulations, rules, and requirements of such secondary market.

### **32.2 Maintenance of Sufficient Funding of the Fund**

If the Management Company is unable to maintain a sufficiency of funding of the Fund, in accordance with the implication of clause 4 of the Notification of the SEC regarding maintaining sufficient funding of a fund and procuring insurance for the liabilities of a management company, the Management Company will have another management company manage the Fund by requesting approval from the Office of the SEC or requesting a resolution passed by a majority vote of the Unitholders holding an aggregate number of Investment Units which is more than one-half of the total number of the Investment Units of the Fund sold, within 15 days from the date on which the Management Company acknowledges or may acknowledge such inability to maintain sufficient funding. If there is a reasonable and necessary cause, the Management Company may request that the Office of the SEC consider extending such period. Selection of a new management company shall be based on the best interests of the Unitholders. If expenses are incurred from the change of the Management Company, the Management Company shall be responsible for such expenses.

If the Management Company is unable to act within the specified period, the Management Company shall proceed to dissolve the Fund.

### **32.3 Compliance with the Law Pertaining to Prevention and Suppression of Money Laundering**

Unitholders are obliged to be cooperative with the Management Company and/or the person appointed by the Management Company in relation to the compliance with the Know Your Customer (KYC) rule and the Customer Due Diligence (CDD), including but not limited to the provision of information and/or delivery of any documents or evidence to the Management Company and the person appointed by the Management Company, in order to comply with the law regarding the prevention and suppression of money laundering. The Management Company and/or the person appointed by the Management Company has the right to refuse and/or suspend and/or cancel the transaction of the Unitholders as it deems expedient, without having given Unitholders prior notice, upon the occurrence of any or many of the following events:

- (a) the Unitholders fail to give cooperation and/or deliver any document and evidence to the Management Company and/or the person appointed by the Management Company as prescribed by the Management Company, or provide information and/or deliver any document or evidence to the

Management Company and/or person appointed by the Management Company, which is not complete and sufficient for the compliance with the law regarding prevention and suppression of money laundering, as prescribed by the Management Company;

- (b) the Management Company is of the view that the transactions of Unitholders may have the characteristics of an offense under the law regarding prevention and suppression of money laundering, and/or may be used as a channel for money laundering, and/or may be used as a channel to provide financial support to terrorist acts under the law regarding prevention and suppression of money laundering, or may have the characteristics of avoidance of laws or be contrary to laws; or
- (c) the Management Company is of the view that the transactions of Unitholders may affect the investment of the Fund, other Unitholders, or the credibility or of the business of investment management or the reputation of the Management Company.

#### **Additional Information in Relation to Real Properties to be Leased by the Fund**

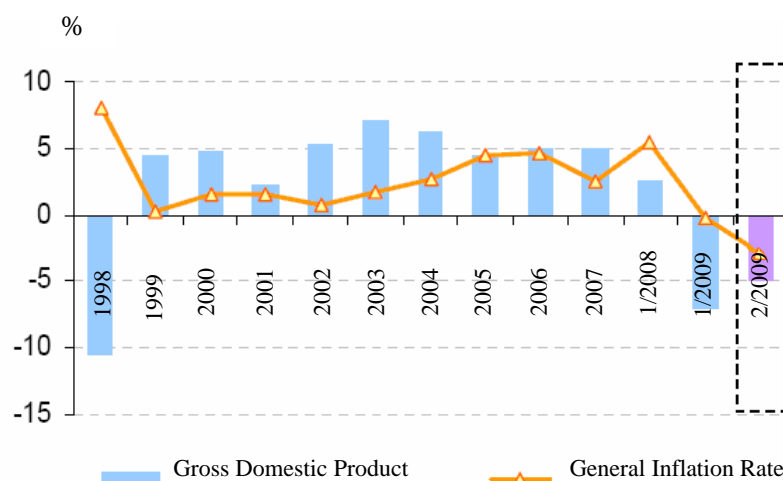
#### **1. Situation of Real Property in the Category of Office Buildings and Retail Businesses**

#### **1. Analysis of Economic Overview**

#### **1.1 Overview of the Thai Economy**



Graph 1: Gross Domestic Product Growth Rate and General Inflation Rate as at Q2/2009



Source: Bank of Thailand and the Office of the National Social and Economic Development Board

Data: as at August 2009

### Gross Domestic Product Growth Rate and General Inflation Rate

In the second quarter of 2009, the Thai economy shrank 4.9%, lower than the decline of 7.1% in the first quarter, since the global economy has started to become more stabilized, which resulted in the recovery of Thailand's export sector. Moreover, supporting factors from the government's economic stimulus measures, especially cost of living measures in several forms, economic stimulus plans, the Strong Thai Program 2555, the price decreases of necessary goods and services in line with the *5 Measures 6 Months* policy, the 'Cheque Chuay Chart' promotion, and the 15-year free education program, have resulted in better consumer confidence.

The general inflation rate in the second quarter of 2009 decreased by 2.8% due to the continuous decrease in oil prices from the previous quarter. Prices of certain goods and services decreased in accordance with the *5 Measures 6 Months* policy and due to the results of the economic stimulus measures helping low-income earners. However, the demand for goods and services is still low, which is due to the continuous unemployment rate from the previous quarter and the political unrest, including the spread of Influenza A (H1N1) 2009, which affected tourism and spending, causing the public to be more cautious about their expenditures.

Graph 2: Lending Interest Rate and Deposit Interest Rate as at Q2/2009



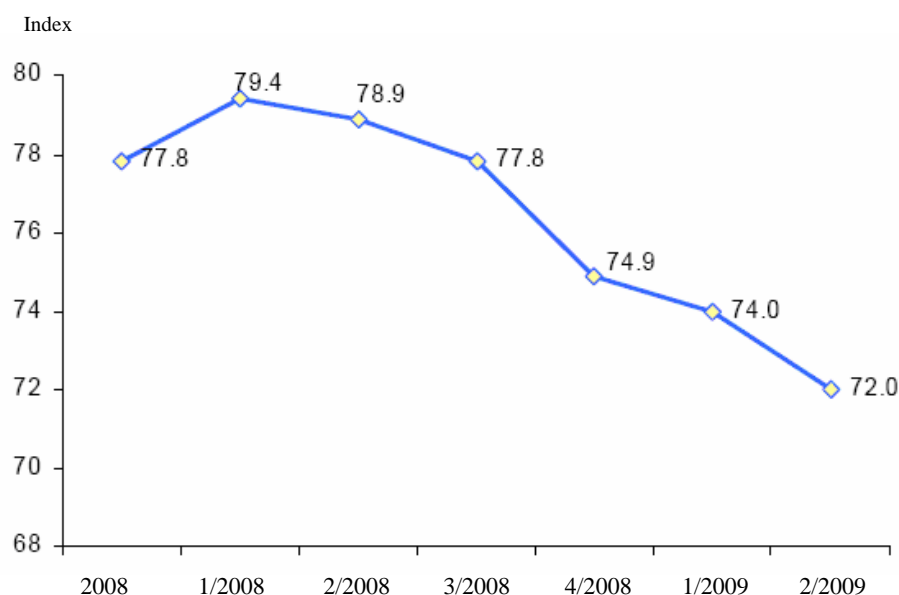
Source: Bank of Thailand  
Data: as at August 2009

### Lending Interest Rate and Deposit Interest Rate

The policy rate continued to decrease from the previous quarter, resulting in a decrease in the interest rate in the money markets. However the real interest rate increased because of higher inflation. As of the end of the second quarter of 2009, the interest rate for 12-month fixed deposits stabilized, compared with the previous quarter, at 1% per annum. Meanwhile, more government bonds were issued for sale to the public as the government needed to raise funds to compensate for budget deficits. The minimum loan rate (MLR) slightly declined from 6.50% per annum to 6.25% per annum.

However, the total loans of all deposit-taking institutions expanded at a slower rate due to caution in loan approvals and the fact that financial institutions are strict when approving loans for the business sector, which is mainly a result of the decline in the industrial sector.

Graph 3: Overall Consumer Confidence Index as at Q2/2009



Source: The Office of the National Social and Economic Development Board  
Data: as at August 2009

### Overall Consumer Confidence Index

The overall consumer confidence index, as of the second quarter of 2009, declined from the previous quarter to 72.0 due to the slowdown in the Thai and global economies, resulting in the business sector reducing production capacity and employment, and the increase in unemployment. Adverse factors contributing to the continuous decline in consumer confidence resulted from the concerns in regard to the weak economic situation, the risk in getting laid off, and domestic political violence, especially during the ASEAN Summit in Pattaya. Based on such factors, the overall consumer confidence index for public spending is still on the decline.

However, the factors supporting public spending are the implementation of the first phase of the economic stimulus measures and the price decreases in line with the *5 Measures 6 Months* policy of the government, which helps prevent a decline in public spending and expedites the implementation of work in line with the measures for taking care of laid off workers to ensure proper welfare, including the implementing a relaxed monetary policy and ensuring a sufficiency of liquidity in the business sector, in order to further stimulate the recovery of the Thai economy .

### 1.2 Future trends of Thai economy

The global economy in 2009 is likely to expand and become more stable. It is forecast that this will result in a better recovery for the Thai economy in the latter half of 2009. However, the support from the improvement in the global economy on the recovery of the Thai economy is expected to be limited to and concentrated on major industries. As a result, the overall improvement of the Thai economy may be delayed, since the expansion of government sector spending focuses on investment in infrastructure, which requires goods in the category of machinery and equipment. In regard to tourism, the number of foreign tourists is likely to increase less than expected due to the domestic political impact and the Influenza A (H1N1) 2009 pandemic, which affect tourism and spending. The trend for the Thai economy as of the second quarter of 2009 is better. The forecast of the Office of National Social and Economic Development Board indicates that the Thai economy is recovering and could be in the positive condition by the last quarter of the year, after it

passed the lowest point in the previous quarter. The factors contributing to the recovery of the Thai economy include the recovery of the global economy, which affects Thai exportation, increased government expenditures and investments under the economic stimulus plan and the Strong Thai Program 2555, the expediting of budget disbursements, and the expediting of specific government financial institutions in expanding loans to small and medium entrepreneurs lacking loans. Other supporting factors stimulating the economy include agricultural product price guarantee programs and controlling the spread of the new flu strain.

In addition, the administration of the economy for the remainder of the year should focus on continuously expediting the disbursement of government budgets. The economic stimulus efforts to achieve effective implementation of economic policy depend primarily upon public confidence and political stability.

## **2. Analysis of an overview of the office building space industry**

### **2.1 Overview of office building space in Bangkok**

As of the second quarter of 2009, office building space in Bangkok totaled approximately 7.86 million square meters. There was a slight increase in space, of approximately 61,000 square meters, in the central business district, which was a result of the relocation of the DTAC office to Chamchuri Square. The expansion rate of office building space outside the central business district remains unchanged from the previous quarter. This includes approximately 27,000 square meters in Central Plaza Chaengwattana and approximately 30,000 square meters in Jasmine International Tower.

In the latter half of 2009, it is expected that there will be more space available, around 119,000 square meters in Energy Complex, which will open for service in the fourth quarter in 2009, and will be totally occupied by PTT and its affiliates.

**Table 1: Space in Office Buildings Categorized by Location as of Q2/2009**

<b>Location</b>	<b>Total Space (sq.m.)</b>	<b>Space Proportion (%)</b>
Central Business District	3,906,015.00	49.67
Outside Central Business District	3,958,420.00	50.33
<b>Total</b>	<b>7,864,435.00</b>	<b>100.00</b>

Source: 15 Business Advisory Limited

(Translation)

Graph 4 : Existing Office Building Space and New Space as at Q2/2009



Source: 15 Business Advisory Limited

Table 2: Office Building Scheduled to Open in 2010-2011

Project	Location	Approximate Space (sq.m.)
Sivatel Building	Wireless Road	5,880
Sathorn Square	Sathorn-Narathiwat Road	73,500
Park Venture Building	Wireless Road	28,000

Source: 15 Business Advisory Limited

Buildings under construction and expected to be open for service in 2010 are Sathorn Square, a large building located on Sathorn-Narathiwat Road, with total space of around 73,500 square meters, and Sivatel, located on Wireless Road, with approximately 5,880 square meters of space. Moreover, Park Venture, located on Wireless Road, expected to be open for service in 2011, will offer around 28,000 square meters of office building space.

## 2.2 Overview of office building space in the Thonburi area

In regard to space in the Thonburi area, the main office buildings are Thanalongkorn Building, Central Pinklao Tower A and Tower B office buildings, and Thai Weerawat Building

- Thanalongkorn Building is a 27-storey office building located on Baromrajchonnane Road, with total space of around 46,197 square meters. Most of the tenants are government agencies. The building has been in use for around 26 years. Currently the occupancy rate is approximately 70%, since such building's condition is quite run-down.

- Central Pinklao Tower A and Tower B office buildings comprise two buildings, namely Tower A (26-storey) and Tower B (18-storey), located on Baromrajchonnane Road, with a total space of around 50,653 square meters. The buildings are around 14 years old, and have a salable area of approximately 33,760 square meters. Currently, the average occupancy rate for both towers is approximately 90%.
- Thai Weerawat Building is a 17-storey office building located on Krung Thonburi Road, with total space of around 10,000 square meters. Most of the tenant are private agencies. The building has been in use for around 12 years. Currently, the occupancy rate is approximately 75%.

### **3. Trends in the office building space industry**

The situation of the office building market in Bangkok is likely to expand at a slower rate, since the domestic economy has not recovered as it should from the global economic crisis, which drastically contracted, which then affected private sector investments. Although the government is expediting the implementation of property stimulus measures and tax reductions to help the real property sector, it has not attracted more investment. However, after the implementation of measures under the emergency economic rehabilitation plan, in accordance with global economy recovery measures, it is expected that there is a possibility for positive expansion in the latter half of 2009, and this should improve the overview in 2010.

After consideration of the supply, it is observed that even though there are new office building spaces in several areas, the demand can continue to absorb the growing supply. This shows that in the office building market there is still a continuous demand from business units, while the rental rate of office buildings remains stable.

The trends for the office building market in Thonburi area during the next one to two years indicate that the supply will not be increased. In the future, office buildings located in Thonburi area will be positively impacted by more convenient transport systems and networks, for instance, the extension of the BTS in Thonburi (from Taksin Bridge to Taksin Road Intersection) which has officially been opened for service, and the Airport Rail Link to Suvarnabhumi Airport, which is scheduled to be finished by the end of 2009. Such transport systems can be connected to the MRT, the route of which passes business areas, which enhances the convenience of transportation.

### **4. Analysis of retail space industry overview**

#### **4.1 Overview of retail space in Bangkok**

As of the second quarter of 2009, the volume of retail space in Bangkok totaled 5,226,306 square meters, an average rise of 7.3% per annum. Most increased spaces resulted from the expansion of space in the city center and suburbs. Increased spaces are in the form of shopping malls. The retail space rental rate is stable as the economy continues to be faced with problems. In addition, there will be more competitors, in the form of shopping malls, in the retail space industry in the near future, which is bucking the trend of spending by consumers who are more cautious about spending.

Based on market data, the total retail space in Bangkok still has a high occupancy rate at 91.1%, a decline from 92.9% the previous year. This is because the increased volume of retail space resulted from the renovation of existing retail space in the city center and suburbs, which is in line with the increased demand for retail space. The implementation of

(Translation)

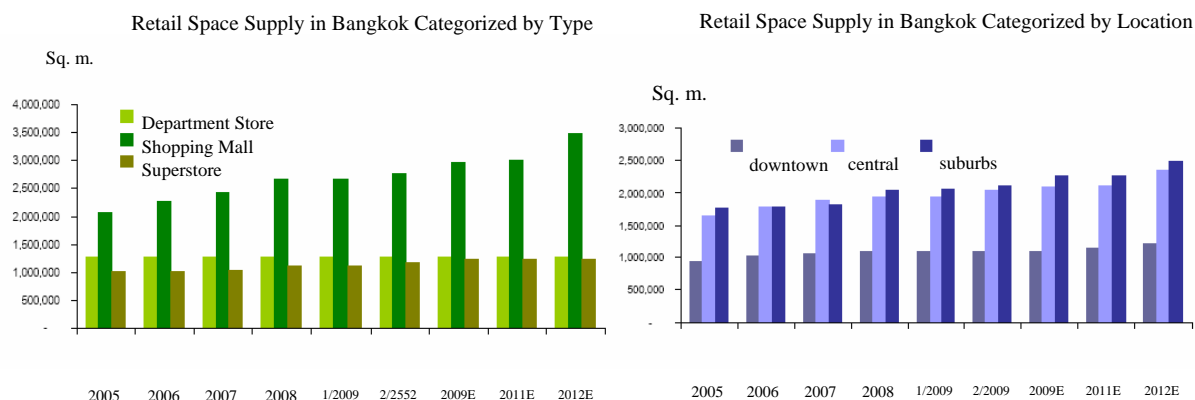
the emergency measures of the government to stimulate the Thai economy and the spending of foreign tourists are important factors to the operating results of retail businesses. However, even though the overall consumer confidence index declined as a result of the concerns regarding the political situation and the Thai economy, it is expected that in the latter half of 2009, the economic situation and consumer confidence will improve in line with measures to rehabilitate the global economy, which is starting to stabilize.

Table 3: Total Retail Space Categorized by Type as of Q2/2009

		Shopping Mall (sq.m.)	Department Store (sq.m.)	Superstore (sq.m.)	Total Space (sq.m.)	Change/Space (y-o-y)
Downtown	A Grade	508,125	195,900			
	B Grade	305,220	43,286			
	<b>Total</b>	<b>813,345</b>	<b>239,186</b>	<b>42,500</b>	<b>1,095,031</b>	<b>3.1%</b>
Central	A Grade	571,581	301,597			
	B Grade	549,755	194,083			
	<b>Total</b>	<b>1,121,336</b>	<b>495,680</b>	<b>415,979</b>	<b>2,032,995</b>	<b>6.3%</b>
Suburbs	A Grade	531,072	274,673			
	B Grade	313,967	263,436			
	<b>Total</b>	<b>847,839</b>	<b>538,109</b>	<b>712,332</b>	<b>2,098,280</b>	<b>10.7%</b>
<b>Grand Total</b>		<b>2,782,520</b>	<b>1,272,975</b>	<b>1,170,811</b>	<b>5,226,306</b>	<b>7.3%</b>
Change Ratio/Category (y-o-y)		<b>10.0%</b>	<b>0.9%</b>	<b>8.4%</b>	<b>7.3%</b>	

Source: CB Richard Ellis (Thailand) Co. Ltd., analyzed by 15 Business Advisory Limited

Graph 5: Total Retail Space Supply in Bangkok



Source: CB Richard Ellis (Thailand) Co. Ltd., analyzed by 15 Business Advisory Limited

(Translation)

Table 4: New Retail Space as at Q2/2009

Project	Location	Approximate Space (sq. m.)
Crystal Design Center	Ekkamai-Ramintra	70,000
Navamin City Avenue	Kaset-Navamin	21,000
CyberWorld Tower	Ratchadapisek	13,600
HomeWork (Rajapreuk)	Rajapreuk	38,000
Makro	Ramintra	7,600
Urban Square	Prachacheun	2,800

Source: 15 Business Advisory Limited



(Translation)

Table 5: Showing Demand and Supply and Vacant Space, Categorized by Location, of Second Quarter of 2009

	Leasable Area Total (Sq.M.)	Leased Area (Sq.M.)	Vacant Area (Sq.M)	Vacancy Rate (%)	Occupancy Rate(%)
<b>Shopping Malls</b>					
Downtown	813,345	752,497	60,848	7.5%	92.5%
Central Bangkok	1,121,336	916,550	204,786	18.3%	81.7%
Bangkok Suburbs	847,839	769,751	78,088	9.2%	90.8%
<b>Total</b>	<b>2,782,520</b>	<b>2,438,798</b>	<b>343,722</b>	<b>12.4%</b>	<b>87.6%</b>
<b>Department Stores</b>					
Downtown	239,186	229,133	10,053	4.2%	95.8%
Central Bangkok	495,680	443,246	52,434	10.6%	89.4%
Bangkok Suburbs	538,109	296,053	42,057	7.8%	92.2%
<b>Total</b>	<b>1,272,975</b>	<b>1,168,432</b>	<b>104,544</b>	<b>8.2%</b>	<b>91.8%</b>
<b>Superstores</b>					
Downtown	42,500	42,185	316	0.7%	99.3%
Central Bangkok	415,979	400,401	15,578	3.7%	96.3%
Bangkok Suburb	712,332	710,405	1,927	0.3%	99.7%
<b>Total</b>	<b>1,170,811</b>	<b>1,152,991</b>	<b>17,821</b>	<b>1.5%</b>	<b>98.5%</b>
<b>Total</b>	<b>5,226,306</b>	<b>4,760,220</b>	<b>446,086</b>		

Source: CB Richard Ellis (Thailand) Co., Ltd., analyzed by 15 Business Advisory Limited

### Supply

The average vacant retail area in the Bangkok area as of the second quarter of 2009 remains unchanged. From an approximate leasable retail area of 5,226,306 square meters, an approximate area of 4,760,220 square meter was leased, resulting in a vacant area of approximately 446,086 square meters. The vacancy rate is therefore 8.9%. However, it is estimated that in the second quarter of 2009, the overall supply should increase because there will be 6 more shopping malls opened, including, for example, a retail area of approximately 153,000 square meters from Crystal Design Center, Nawamin City Avenue, Cyberworld Tower, Homeworks (Rajchapruek), Makro (Ramintra), and Urban Square.

### Demand

In the second quarter of 2009, the demand for retail areas slightly decreased from the occupancy rate of 91.1% in the previous quarter. 92.9% of such decrease resulted from the closure for renovation of certain retail areas in this quarter and the increase of retail areas in the suburb. The household consumption in this quarter is still decreasing, but at the same time it also shows signs of improvement due to support from the economic stimulation measures of the government and the reduction of the price of goods that stimulate the spending of specific people who have fixed income. Nonetheless, there are certain negative factors resulting from a constant decrease in confidence due to anxiety in relation to the weak economic condition, and exposure to termination of employment, including the political unpredictability, all of which affect the confidence of consumers and lead to a reduction of overall consumption.

However, a slight improvement is expected in the second half of 2009, due to stimulation of the Thai economy, including the opening of several shopping malls and superstores with an adjusted size and modern style suitable to the limited area. Such shopping malls and superstores will be situated near residential areas for the convenience of consumers in transportation, resulting in a continuous increase in the retail area expansion rate.

In addition, the BTS projects to be constructed in the suburbs will create additional demand for retail areas in the suburbs. Various retail area projects will be established along the sky train lines to be installed in the future. One of these projects will be a small retail area project called Community Mall. This type of shopping mall will serve the target groups in all areas, creating an alternative that is different, more convenient, and provides various kinds of products, just like a department store or large shopping complex.

#### 4.2 Thonburi Retail Area Overview

The retail area in the Thonburi area comprises 3 department stores and 2 shopping malls, namely Tang Hua Seng, Pata Pinklao, Central Pinklao, Major Cineplex Pinklao, and Tesco Lotus.

Table 6: Overview of the Retail Areas in the Thonburi Area

Project	Form/Type	Location	Approximate Area (Sq.M.)	Target Group	Rental Rate (Baht/Sq. M./Month)
Tang Hua Seng	Department Store	Sirindhorn Road	31,050	office staff, housewives	650-1,300
Pata Pinklao	Department Store	Boromratchachonnani Raod	39,774	office staff, housewives	600-700
Central Plaza Pinklao	Shopping Mall	Boromratchachonnani Raod	109,000	teenagers, office staff, housewives	1,200-2,000
Tesco Lotus	Shopping Mall	Boromratchachonnani Raod	36,120	teenagers, office staff, housewives	1,200-1,400
Major Cineplex Pinklao	Shopping Mall	Boromratchachonnani Raod	51,775	teenagers, office staff	1,000-1,300

Source: 15 Business Advisory Limited

#### 5. Retail Area Industry Tendency

The rising cost of living at the present, which partly resulted from the oil crisis, has an impact on the retail area industry with respect to the adjustment of rent. Since the retail area industry is a business that depends on the reputation, image, and experience of the executives of the department stores, the department stores administered by famous executives will have better potential in relation to rent adjustment than other competitors in the industry. Based on previous information, it is found that the areas in a department store are highly accepted by the consumers. Therefore, owners or executives of the department stores are able to adjust the rent for most areas at a considerable rate and to adjust the rent

for several areas on a yearly basis rather than a 3-year basis. Even though the economic situation, which has decreased since 2007, reduces confidence in the Thai economy to a certain degree, upon consideration of the overall economy, since the 1<sup>st</sup> quarter of 2008 the Thai economy has started to show signs of improving, in terms of politics and inflation supervision by the Bank of Thailand. This heightens consumer confidence in the national economy, in general. Upon taking into account the overall retail industry, it appears that various department stores adapted to the change in behavior of consumers by changing into new forms so as to reach more target groups. It also found that several retail business operators changed their strategy to target specific customers in accordance with their location.

However, the demand for retail area in Bangkok is constant, which may be because consumers in the cities still choose to purchase products and services in department stores rather than small retail shops, due to the convenience of one-stop services provided by department stores, that is various products and services. Therefore, the department stores or retail areas will still be required by consumers in the future.

## **2. Information about the Property Manager**

Central Pattana Public Company Limited was incorporated on 17 June 1980 with the objective to engage in the development of large and comprehensive shopping complexes, and was listed on the Stock Exchange on 1 March 1995. Currently, its total registered capital is Baht 2,178,816,200, with the major stakes held by Central Holding Co., Ltd. and the members of the Chirathivat family having more than 50 years of experience in retail business in Thailand and playing a major role in developing shopping centers, which are closely related to retail businesses. Central Pattana Public Company Limited has focused on the primary business of developing, leasing and providing services for retail space in shopping centers for more than 25 years. The Company has implemented strategies to expand the number of its shopping complexes in order to provide more services for customers, especially during the past two to three years, in response to the continuous growth of tourism and the economy in Thailand. Central Pattana Public Company Limited has developed new shopping complexes and bought shopping centers already in operation. Central Pattana Public Company Limited and its subsidiaries currently operate 10 projects in Bangkok and the provinces as well as other related and supporting businesses, such as office buildings, residential buildings, food courts, water and amusement parks and recreation parks, and provide public utility services within their shopping complexes.

## **3. Factors contributing to the success of the Fund**

### **3.1 Locations**

Both real property projects to be invested in by the Fund are located in prime areas, that support income growth, amidst large communities with access to transportation and public utility systems, with the potential for growth. In addition, there are no direct competitors in the neighboring areas.

### **3.2 Experience and Expertise of the Property Manager**

The Property Manager of the Fund is Central Pattana Public Company Limited, a long-time operator in shopping center business, equipped with knowledge and experience in the development and management of shopping centers. Moreover, as Central Pattana Public Company Limited is the former owner of these two properties to be invested in by the Fund, the Company has the knowledge and

understanding of the specific characteristics of the properties and has a long-term relationship with the tenants, especially retail shops that are famous and well-known domestically and internationally.

### **3.3 Alignment of Interests among Relevant Parties**

Central Pattana Public Company Limited, as the owner of the properties, intends to initially invest in this Fund at the ratio of one-third, which would give confidence in the mutual benefits between minority Unitholders and other Unitholders. Moreover, Central Pattana Public Company Limited, as the Property Manager, will receive a property management fee from the Fund. This would be its motivation to manage the properties for maximum return.

### **3.4 Leading Shops in the Shopping Complexes**

Having quality leading shops is a key success factor of the Shopping Complexes, since they are the key magnet to attract consumers to the Shopping Complexes and attract more retail entrepreneurs to lease spaces. Currently, many leading shops have already been opened in both of the Shopping Complexes to be invested in by the Fund, such as Central Department Store, Tops Supermarket, Major Cineplex etc.

### **3.5 High Occupancy Rates**

The occupancy rates specifically of the parts of both real property projects, invested in by the Fund, are high. As at 30 June 2009, the occupancy rate of Central Plaza Rama II Shopping Complex was high, at 99.2%, and that of Central Plaza Ratchada-Rama III Shopping Complex was 95.5%.

The real properties to be additionally invested in by the Fund also has a high occupancy rate. As at 30 June 2009, Central Plaza Pinklao Shopping Complex (specifically the parts in which the Fund will additionally invest) has an occupancy rate of 98.1%, and the Central Tower A and Tower B Pinklao office buildings have the occupancy rates of 84.7% and 87.5% respectively.

### **3.6 Architecture, Style, and Decoration**

Both Shopping Complexes to be invested in by the Fund have beautiful, unique and modern architecture, style, and decoration, which can well attract both tenants and consumers.

### **3.7 Diversity of Income Sources**

The Fund's sources of income are two real properties in the category of shopping complexes, namely the Central Plaza Rama II and the Central Plaza Ratchada-Rama III projects. After additional investment in the Central Plaza Pinklao project, the Fund will have a more diversified source of income, as the number of real properties invested in by the Fund will become three projects. In addition, investment in office buildings will be made, which will help decentralize the sources of income.

## **4. Property Management Strategies of the Fund**

The key objectives of the Management Company will be to pay dividends to Unitholders on a regular basis, and to achieve a long-term increase in the net asset value per unit of the

Fund. The strategies to be implemented by the Management Company and the Property Manager are as follows:

#### **4.1 Strategy for Developing Real Properties Invested in by the Fund**

##### **4.1.1 Tenant Mix and Zoning Arrangement**

The suitability of the tenant mix and the zoning arrangement will be regularly reviewed, in order to increase rental income. Studies and research on marketing and consumer behavior will be conducted in order to tailor the tenant mix to be consistent with market demand.

##### **4.1.2 Diversity of Tenant Base**

There will be an effort to diversify the tenant base in terms of both types of business and the categories of tenants to spread the Fund's risks in order to avoid excessive impact from the operation of any category of tenant or any particular tenant as well as to prevent heavy competition among tenants with the same products.

##### **4.1.3 Adding Value to Leasable Area**

There will be an effort to increase income from the leasable area by planning leasable space to be appropriate with rental rates and businesses of tenants, including leasable space planning for enhancing shopping opportunities. The space planning must correspond with the lease terms and the size of space; for instance, a large vacant space may be divided into smaller spaces for short-term leases.

##### **4.1.4 Expansion of Leasable Area**

There will be an effort to improve and develop unutilized vacant space or common area into leasable area. However, the development of those spaces shall not be in conflict with the image and the utilization of the properties, and shall not be contrary to relevant laws.

##### **4.1.5 Increase of Traffic Channels and Facilities for Customers of the Shopping Complexes**

There will be an effort to explore opportunities to increase customer traffic in the Shopping Complexes by providing more convenient and more accessible channels and facilities to consumers traveling to the Shopping Complexes. For instance, Central Plaza Rama II Shopping Complex is constructing a pedestrian walkover from Big C Rama II, which will help increase the number of consumers utilizing the services of this Shopping Complex.

##### **4.1.6 Advertising and Public Relations**

The Property Manager will plan and launch advertising and public relations campaigns and regularly and continually organize activities, which will help create a favorable image of the Shopping Complexes and increase the number of customers.

#### **4.2 Organic Growth Strategy**

There will be proactive management to develop strong tenant relationships. This aims to maintain a high tenant retention rate, minimize vacancy and expenses for recruiting new tenants. Moreover, the Management Company and the Property Manager will try to control the operating expenses and improve management efficiency.

#### **4.3 Acquisition Growth Strategy**

The Management Company will seek opportunities to invest in other real properties that can increase return on investment and the asset value for the Fund. For the period of seven years since the registration date of the Fund, Central Pattana Public Company Limited shall grant the Fund the right of first refusal in regard to the purchase, and/or the acceptance of transfer of ownership, and/or the acceptance of the transfer of possessory right from Central Pattana Public Company Limited and/or any company controlled by Central Pattana Public Company Limited, regarding department stores and/or retail properties which Central Pattana Public Company Limited and/or any company controlled by Central Pattana Public Company Limited agrees to sell such real properties to any person whereby Central Pattana Public Company Limited and/or any company controlled by Central Pattana Public Company Limited will still retain property management duties.

However, Central Pattana Public Company Limited reserves the right to grant the right of first refusal to the Fund in the case that Central Pattana Public Company Limited is no longer the Property Manager of the Fund. The Management Company will consider the qualifications of the properties to be invested in, such as yield thresholds, occupancy rates, tenant profiles, locations, value adding opportunities, and condition of the land, buildings, engineering systems, public utility systems and environmental protection systems.

In addition, the Management Company intends to invest in the properties on a long-term basis. In the future, if the Management Company considers that any property invested in by the Fund has restrictions on income generation or growth, the Management Company may consider selling the property or transfer the leasehold right in the property in order to use the proceeds from such sale to invest in new properties with better potential for investment.

### **5. Risk Factors from Investing in the Fund**

As there are risks regarding investment in the Fund's Investment Units, investors should thoroughly study the Prospectus, especially the risk factors specified herein, prior to making an investment decision.

The following contents reflect the risk factors with some significant aspects which may affect the Fund or the price of the Investment Units of the Fund. In addition to the risk factors shown in this Prospectus, there may be other risk factors which the Fund may not realize or consider their materiality. However, such risks may be significant risk factors in the future. All risks listed in this Prospectus and risks which may occur in the future may have significant impact on the business, performance, and the financial status of the Fund.

Clarifications regarding the management guidelines to reduce risks, risk prevention measures, and/or the ability of the Fund in reducing any of the risks, are not deemed the

representations of the Fund that the Fund shall be able to implement all or some of specified risk prevention measures and are not deemed confirmation that the risks specified in this Prospectus will be decreased or eliminated, because the success and/or the ability to reduce risks still depends on various factors beyond the control of the Fund.

Forward-looking statements incorporated in this Prospectus, such as the use of the terms “believe that”, “expect that”, “forecast that”, “plan to”, “intend”, “estimate”, or financial estimations, future projections, business operating result forecasts, business expansion plans, changes in relevant laws regarding the business operations of the Fund, government policy, etc., are forecasts about future events, which are opinions of the Fund at present and are not a guarantee of operating results or such future events. Moreover, the actual operating results and the forecasts or estimations may be significantly different.

Prior to investing in the real property, the Fund Manager thoroughly studied details of such real property, by conducting a due diligence of related documents as well as studied details obtained from the Appraisal Report and engineering report of such real property. However, such action does not warrant that such real property is free of damage or defects that may require expenditure for improvement or repair in an amount greater than the amount disclosed in the Prospectus. The report of the Appraiser and the engineering report of such real property, used by the Fund Manager as the basis for the appraisal and inspection of the real property may contain some inaccuracies because certain defects of the real property may not be easily detected or cannot be discovered due to the restrictions in the inspection, including techniques applied in the inspection, or other factors which are restrictions in the inspection conducted by both the Appraiser and the engineers.

In addition, such real property may violate relevant rules, regulations, and requirements not covered by the study of details and the due diligence of relevant documents by the Property Fund Manager, which may cause the fund to incur expenses or obligations in relation to such violation.

Moreover, the Appraisal Report and engineering report of the real property may contain some inaccuracies, since it may be difficult to inspect or detect the defects of the real property.

The information in this part, which refers to or relates to the government or the economy, may be information gathered from information disclosed or from government publications, or from other sources. The Fund may not be able to verify or certify the accuracy of such information.

Since the return on investment in the Fund’s Investment Units is long-term, investors should not expect a short-term gain. Moreover, since the offering price of Investment Units and the value of Investment Units may decrease or increase in the future, investors may not receive investment capital. Therefore, persons desiring to purchase Investment Units should consult relevant advisors to seek advice in relation to investment in the Fund’s Investment Units prior to making an investment decision.

## **5.1 Risk Relating to Real Properties to be Invested in by the Fund**

### ***5.1.1 Risk of Domestic Economic Volatility or Other Macro Factors***

The Shopping Complexes and the office buildings to be invested in by the Fund are subject to risk from volatility in the domestic economic system and may suffer the impact of a change in the economic system as a whole.

The Shopping Complexes and the office buildings may also suffer the impact of a change in other macro factors, such as city planning, changes in demographic structure, or community relocation, which would affect the purchasing power or spending volumes of consumers in the Shopping Complexes.

#### **5.1.2 *Risk of Necessary Refurbishment and Renovation of the Shopping Complexes***

Each Shopping Complex requires frequent refurbishment and renovation to maintain modernity, to reflect customers' lifestyles, and to attract customers to use its services regularly. Normally, annual refurbishment or maintenance will not affect the operating results of the Fund. However, in the case of major renovations in order to change the internal and external appearance of the Shopping Complexes and to change major systems, which normally take place every 10 years, without closing the business of the Shopping Complexes, such renovation will be carried out on an as-needed basis only. As a result, an impact on the income of the Fund will occur only in relation to the areas under renovation.

Nonetheless, before each major renovation, the management of the Shopping Complexes will set up a plan to minimize the impact on the shops and customers and will study the impact on income and returns. Major renovation is deemed necessary for the operation of the Shopping Complexes in order to maintain a modern appearance and keep pace with continual changes in the market, as well as to develop the attraction of the Shopping Complexes and to satisfy the needs of customers. The consequential increase in the number of customers would mean the maintenance and the growth of income and cash flow of the Fund on a long-term basis.

Since there is a plan to renovate spaces in Central Plaza Pinklao Shopping Complex in 2010 in order to improve the appearance to be more modern and appropriate with the changes in the market, the Property Manager shall supervise such renovation to minimize the impact on shops, office buildings, and customers of Central Plaza Pinklao Shopping Complex. Such space renovation may affect the Fund's income. However, in order to protect the Fund from the impact of such renovation, Central Pattana Public Company Limited agrees to guarantee the Net Property Income of Central Plaza Pinklao Shopping Complex, for the amount of Baht 629 million (Baht 157.25 million per quarter), regarding the renovation of the appearance of Central Plaza Pinklao Shopping Complex in 2010 as planned. If the time for the space renovation is changed from the set plan in 2010 to 2011, Central Pattana agrees to continue the guarantee of the Net Property Income of Central Plaza Pinklao Shopping Complex for the period of 2011 when the postponed space renovation will take place. The Parties shall agree on the details and the sum in regard to the guarantee of the Net Property Income thereafter.

#### **5.1.3 *Risks Arising from Performance of Obligations by Concerned Parties***

During the term of operations of the Fund as prescribed in the Project, including relevant agreements, the Fund has the risk of facing a downturn in the economy and business in general, which includes the inflation rate, interest rate, foreign exchange rate, prices of consumer products, real property prices, and monetary and fiscal policies of the government, the Bank of Thailand, and other government agencies, which influence the operating results, financial status, and the investment of the Fund, as well as a decrease in consumer demand, may adversely materially affect the operating results of the Fund directly. Although the Fund has measures



preventing various risks, such as providing a guarantee of the Net Property Income of Central Plaza Pinklao Complex during the time of its appearance renovation, the Fund is unable to guarantee that the Parties concerned, which the Fund requested to take any action to prevent such risks, will take such actions as prescribed in relevant agreements. Therefore, the Fund has risks from the inability of the Parties concerned to comply with the agreements or the guarantee in all cases.

#### **5.1.4 *Risk Relating to Tenants' Ability to Pay Rental***

The ability of tenants to operate their businesses will affect their rental payment, lease renewal or early termination of their lease. All these factors will have a direct impact on the income of the Fund.

However, since most of the lease agreements have a term of three years, the Property Manager will be able to make adjustments to the shops in the Shopping Complexes. The deposit equivalent to three to six months of the rental rate, which is required in the execution of every lease agreement, can also be used as compensation for income of the Fund in the case that the rental cannot be collected from such tenant.

#### **5.1.5 *Risk of Loss of Anchor Tenants***

The presence of an anchor tenant, such as a department store, movie theater or a bowling alley, is also a factor attracting customers to shop at the Shopping Complexes. The loss of these tenants may diminish the attractiveness of the Shopping Complexes and the number of shoppers, and thus affect the ability to preserve other tenants and maintain the rental income of the Shopping Complexes.

However, most of the lease agreements with tenants will be on a long-term basis or have a term of no less than 10 years.

#### **5.1.6 *Risk from Change of Consumer Lifestyle***

The Shopping Complexes to be invested in by the Fund may be affected by constantly changing consumer lifestyles in relation to the demand for goods or the pattern of selection of merchandise, which may affect the number of customers using the services in the Shopping Complexes if the Shopping Complexes fail to improve or change shop styles or alter their own appearance to keep pace with such lifestyle changes. For a shopping complex to be successful on a long-term basis, its management must be highly conscious of consumer lifestyles and the shifts in the shopping complex business as well as the retail market, and must carry out renovation or refurbishment of the shopping complex to be consistent with constantly changing lifestyles.

#### **5.1.7 *Risk of Natural Disaster, Accident and Terrorism***

The chance of natural disaster, accident and terrorism is small. However, if any of such event occurs at the location of the real property of the Fund, it could cause not only damage to the property of the Fund but also incalculable loss of life and property of tenants and customers. The Property Manager has prepared rigorous measures for preventing natural disasters, accidents and terrorist acts. All relevant staff have also been trained and provided with knowledge, understanding and skills in evacuating people. In addition, the Fund has procured insurance coverage

against damage caused by natural disasters, accidents and terrorist acts of its real properties. Moreover, the reconstruction of leased property or the repair of the damaged part may incur high costs and be time-consuming, which may cause the Fund to materially lose income during such time, and may affect the operating results and the financial status of the Fund. However, the Fund has caused Central Pattana Public Company Limited to procure property risk insurance and business interruption insurance in order to cover such damage, by specifying the Fund as the beneficiary in accordance with the proportion of occupancy of the leased property of the Fund.

Where the leased property is completely or materially damaged such that it can no longer be used for the purpose of business operations, both Parties agree to reconstruct the leased property with joint costs. Central Pattana Public Company Limited shall be responsible for completing the construction within three years from the occurrence of such damage. The costs incurred for such construction shall be divided in accordance to the proportion of space occupancy at the time of the damage, which shall not exceed the amount of base compensation received by the Fund and/or Central Pattana Public Company Limited from the insurer, as the case may be. If the costs in relation to the construction and/or the repair of such leased property exceed the base compensation received by each party, the Fund can choose to (1) be responsible for such excess costs in accordance with the proportion of occupancy, which when the Fund is granted approval from the Unitholders to proceed accordingly, the Fund shall repay the excess costs incurred in the construction, which Central Pattana Public Company Limited advanced, within six months, from the date of opening for service of the space in the reconstructed or repaired property, or (2) consent to decrease the proportion of occupancy in the leased property. In this regard, the Fund shall not have to pay for additional construction costs to Central Pattana Public Company Limited. However, in this regard the Fund reserves the right to propose such proceeding to the meeting of Unitholders for approval prior to the exercise of such right of the Fund.

However, even if the Fund agrees to pay the costs of additional construction under the preceding paragraph in order to maintain the proportion of space occupancy in the leased property, the Fund has the chance to receive more rentals, as the reconstructed leased property is larger and new. Therefore the Fund may collect rental at an increased rate, and will have more leasable area for procuring benefits. However, if the Fund consents to decrease its occupancy by not wanting to pay the costs incurred in the additional construction to Central Pattana Public Company Limited, or in the case that the Fund and Central Pattana Public Company Limited agree to reconstruct the leased property in the same format and with a budget equivalent to the base compensation the Fund and Central Pattana Public Company Limited received from the insurer, by not wanting to pay the costs for the additional construction, the proportion of occupancy by the Fund may be decreased due to the fluctuation of the construction expenses. Therefore the Fund may have a chance to receive less rental since the proportion of space occupied by the Fund decreases. On the other hand, the Fund may receive rentals at a high rate, because, although the proportion of occupancy is decreased, the reconstructed leased property, which may have more leasable space, is attractive among investors and as a result the Fund can collect rentals at a higher rate.

### **5.1.8 General Risks**

A downturn in the economy and business in general, which includes the inflation rate, interest rate, foreign exchange rate, prices of consumer products, real property prices, and monetary and fiscal policies of the government, the Bank of Thailand, and other government agencies, which influence the operating results, financial status, and the investment of the Fund, as well as a decrease in consumer demand, may adversely materially affect the operating results of the Fund directly, which may consequentially cause the trading price of the Investment Units on the Stock Exchange to be higher or lower than the offering price. Moreover, the price of Investment Units traded on the Stock Exchange may be indirectly affected by external factors, which are beyond the control of the Fund, such as movements or changes of international stock markets, domestic and international interest rates, foreign exchange rates, direct or indirect policy or measures with impact on the import or export of foreign currencies, domestic and international economies, as well as the fluctuation of the consumer product market, rules and regulations, tax and duty, other government policies, and continuous political conflicts, etc. Changes in such factors beyond control may not have material impact on the price of Investment Units and operating results of the Fund, but such changes may affect the Thai economy, national image among foreigners, including the domestic stock market, which may cause an indirect impact on the financial status, price of the Investment Units traded on the Stock Exchange and the operating results of the Fund. The Fund then cannot warrant that economic and business changes, a decrease in consumer demand, various external factors, which are beyond the Fund's control, including the change in the government's political policy, will not have an adverse material impact, directly or indirectly, on the price of the Investment Units traded on the Stock Exchange, business operations, financial position, operating results, and growth of the Fund.

### **5.1.9 Risks Relating to Non-Compliance with Sublease Agreement by Sub-Lessor of Land and Lease of Buildings**

The investment in real properties by the Fund as described above will be in the form of investment in or possession of subleasehold rights and leasehold rights in real properties. Although the Fund has registered the long-term leasehold rights for its investment in such sublease rights and leasehold rights with relevant competent officers, there is a potential risk, because the sublease agreements and/or lease agreements of those real properties could be terminated and, as a result, the Fund would lose the right to receive income therefrom and the rate of returns for the Unitholders will eventually be affected. In order to reduce such potential risk, the Fund has taken the following steps:

- a) The Fund has sought the consent and prescribed conditions in the sublease of land with the landowner under the lease agreement between Central Pattana Rama II Co. Ltd. and the landowners, and will procure protection against the risk that may arise from the lapse of such land lease agreement by obtaining the right from the landowners to take assignment of the right under the land lease agreements replacing Central Pattana Rama II Co. Ltd.

As of 31 October 2006, the Fund has not received such right from the landowners. The Fund then agreed with Central Pattana Public Company Limited and Central Pattana Rama II Co. Ltd. in regard to setting up

additional measures until the Fund obtains the right to take assignment of the right under the land lease agreements. The Fund and Central Pattana Public Company Limited and Central Pattana Rama II Co. Ltd. have completely implemented the following measures since 28 February 2007:

1. Central Pattana Rama II Co. Ltd. granted the right to the Fund to pay land rental on behalf of Central Pattana Rama II Co. Ltd. where Central Pattana Rama II Co. Ltd. fails to pay land rental to the landowners under the land lease agreements;
2. Central Pattana Rama II Co. Ltd. shall deliver evidence of payment of rental to the Fund every month;
3. Central Pattana Public Company Limited and/or Central Pattana Rama II Co. Ltd. shall procure security acceptable by the Fund as a guarantee for payment of rentals under item 1 above, with the value equivalent to the land rentals which Central Pattana Rama II Co. Ltd. shall pay to the landowners during the period of two years;
4. Central Pattana Rama II Co. Ltd. shall operate the Company's business only to a necessary extent in order to be a low-risk company. Amendment of the Memorandum of Association in the part related to the Company's objectives shall be amended to be consistent with the Company's operation of business only to a necessary extent.
5. Central Pattana Public Company Limited agrees to maintain financial ratios at the level acceptable by the Fund. Such ratios shall be the same as the ratio Central Pattana Public Company Limited has agreements with creditors, namely the debt to equity ratio and the debt service coverage ratio. If Central Pattana Public Company Limited cannot maintain such ratios and cannot rectify it within the period of three months, Central Pattana Rama II Co. Ltd. or Central Pattana Public Company Limited shall place security money or pledge instruments approved by the Fund, in the value equivalent to the remaining land rentals which Central Pattana Rama II Co. Ltd. is obliged to pay to the landowners.

Such aforementioned additional measures shall be canceled upon the Fund's receipt of rights from the landowners to take assignment of the right under the land lease agreements replacing Central Pattana Rama II Co. Ltd., or when there are other replacements acceptable by the Fund.

- b) The Fund shall cause Central Pattana Rama III Co. Ltd. to mortgage the land and structure comprising of the land where Central Plaza Ratchada-Rama III Shopping Complex is located and Central Plaza Ratchada-Rama III Shopping Complex as security for the performance under the lease agreement and damages that may arise as a result of its breach of the lease agreement of the Central Plaza Ratchada-Rama III Shopping Complex Project.

- c) The Fund shall cause Central Pattana Public Company Limited to amend the lease agreement of the land where Central Plaza Pinklao Shopping Complex is located, entered into between Central Pattana Public Company Limited and Central Department Store Ltd. It is prescribed that the Fund may take assignment of the right under the land lease agreement if Central Pattana Public Company Limited fails to comply to such land lease agreement, which may cause termination, including amendment, of the land lease agreement. Where Central Department Store Ltd. intends to transfer the ownership of the land where Central Plaza Pinklao Shopping Complex is located, Central Department Store Ltd. shall require that the transferee of the ownership in the land accept all rights and duties the lessor has with the lessee as prescribed in the land lease agreement.

However, although the land sublease agreement is terminated by any reason whatsoever, the Fund shall maintain its right to possess the building in the capacity of the lessee of the building from Central Pattana Public Company Limited, and shall be able to continue utilizing the leased property. Where the land sublease agreement is terminated due to the default of Central Pattana Public Company Limited and the Fund does not or is unable to exercise the right to become a party of the land lease agreement in lieu of Central Pattana Public Company Limited in accordance with the conditions stipulated in the land sublease agreement, the Fund shall receive land sublease rentals which have been paid in advance from Central Pattana Public Company Limited, in accordance with the proportion of the remaining term of the land sublease.

***5.1.10 Risk from the Fact that the Fund does not Have the Right over the Space of Central Department Store in Central Plaza Ratchada-Rama III Shopping Complex and Central Plaza Pinklao Shopping Complex***

The Central Department Store located in Central Plaza Ratchada-Rama III Shopping Complex and Central Plaza Pinklao Shopping Complex is not a tenant in the Shopping Complexes and does not grant the subleasehold right to the Fund. Central Department Store may sell or sublease such land and space to any person whereby the Fund will have no right of objection. Such act may affect the management of the Shopping Complexes and the operating results of the Fund.

***5.1.11 Risk Relating to the Possibility of Non-Renewal of Lease Agreement for Central Plaza Ratchada-Rama III Shopping Complex in the 30th and 60th Years***

The lease agreement for Central Plaza Ratchada-Rama III, which shall be entered into by the Fund and Central Pattana Rama III Co. Ltd. will be for a 30-year period with the promise from Central Pattana Rama III Co. Ltd. that the Fund has the right to renew the lease agreement twice for a term of 30 years each upon the expiration of the lease term. Although the Fund has the right as stated, the Fund may not be able to exercise such right in regard to renewing the lease agreement due to several reasons, such as an intentional breach of the lease agreement by Central Pattana Rama III Co. Ltd., or future changes in laws and regulations relating to lease agreements or the third party transferee of the ownership on the leased property may refuse to honor the promise, or where Central Pattana Rama III Co. Ltd. undergoes bankruptcy proceedings or enters into a rehabilitation process.

In order to mitigate the risk stated above, the Fund has included conditions in the lease agreement to require Central Pattana Rama III Co. Ltd. to warrant that it will not sell, dispose, or transfer ownership of the leased property, in order to maintain the status as the lessor under the lease agreement. In addition, Central Pattana Rama III Co. Ltd. will give the Fund the right to purchase the leased property, if Central Pattana Rama III Co. Ltd. is unable to arrange for the Fund to renew the lease agreements as promised. Furthermore, Central Pattana Public Company Limited, as a controlling shareholder of Central Pattana Rama III Co. Ltd., will agree to ensure that Central Pattana Rama III Co. Ltd. will strictly comply with provisions of the lease agreement. Moreover, the Fund has also required Central Pattana Rama III Co. Ltd. to mortgage the leased property with the Fund as collateral to ensure its performance under the lease agreement and to remedy any damages incurred by the Fund as it is unable to utilize the leased property pursuant to the lease agreement. However, the foregoing arrangement may not remedy all of the damages that could be incurred to the Fund.

**5.1.12 *Risk from the Fact that Actual Operating Results and Assets of the Fund May be Different from Specified Estimates***

The projections, such as the income and expense projection of the Fund, may or may not actually occur as they depend on several assumptions that are subject to change and are uncertain and beyond the control of the Fund; for instance, the decrease in occupancy rate and rental rate, the default of rental payment by tenants, etc. These factors may affect the operations of the Fund. Nonetheless, such projections are reviewed by KPMG Poomchai Audit Co. Ltd. (as detailed in Attachment: Revenue and Expense Statement Projection of the Fund and information in relation to sensitivity analysis for emolument projection in the future)

**5.1.13 *Risk from Possible Change in Investment Units Value after the Initial Issuance and Offering***

The Investment Units shall be listed as listed securities and traded on the Stock Exchange of Thailand, and may be traded at a price lower or higher than the initial offering price, depending upon several factors, such as the operating results of the Fund, the fluctuation in the Stock Exchange, the demand to buy or sell the Investment Units of the investors, etc.

**5.1.14 *Risk from the Illiquidity in Trading the Investment Units on the Stock Exchange***

As the Fund is a closed fund listed on the Stock Exchange, the liquidity in trading the Investment Units shall be evaluated from the frequency and volume of trade of such Investment Units on the Stock Exchange, based on the volume of demand of the bid and offer. The volume of demand of the bid and offer depends on several factors which the Fund cannot control, such as the volume of market demand. Therefore, there is a risk that the Investment Unit will lack liquidity in trading in the secondary market.

**5.1.15 *Risk from the Fund's Investment in the Leasehold Rights in Real Properties***

The Fund invests in leasehold rights in real properties, so the value of the leasehold rights may decrease due to the decrease in the remaining lease term, or the value of the leasehold rights may change due to the change in the appraisal of the value of

leasehold rights or the change in space rentals. These factors may affect the Unit Value of the Fund, causing it to increase or decrease.

## **5.2 Risks from Operations of the Fund**

### **5.2.1 *Risk Relating to Conflict of Interest between the Fund and the Property Manager (Central Pattana Public Company Limited) and Central Pattana Group of Companies***

The Property Manager may have conflict of interest in procuring tenants for the office buildings, and the Shopping Complexes of the Fund, or spaces under development by Central Pattana Group of Companies, which could cause a decrease in the occupancy rate of spaces in the office buildings or Shopping Complexes of the Fund, or a decrease in the collectible rentals from office building or shop tenants, or the inability to increase the rentals.

However, the chance for the conflict of interest to arise is small since the lease of spaces depends on the demand of each tenant in regard to selecting leasable areas, which depends on the locations of the office buildings or the Shopping Complexes and the size of the spaces.

### **5.2.2 *Risk from the Change in Accounting Standards***

The financial condition report of the Fund could be affected by the issuance of new accounting standards or amendment to the accounting standards. As the details of an amendment to the accounting standards cannot be predicted, the Fund Manager would not be able to assess the impact from such amendment nor could it guarantee that the amendment would not affect the financial condition report of the Fund or the Fund's operating results.

### **5.2.3 *Risk Arising if Changes are Made to Relevant Laws in the Future***

In the future amendments to laws, notifications, requirements, rules, regulations, provisions, policies, and/or instructions of government agencies or competent authorities under law may be made, which is an unpredictable event. Such amendments will adversely affect the operations of the Fund and the Unit Value.

However, if a law or the SEC or the Office of the SEC orders the dissolution of the Fund and it is not due to the fault of Central Pattana Public Company Limited, the Fund and Central Pattana Public Company Limited agree to jointly and fully endeavor to prevent the property lease agreements from being terminated due to the results of such amendments, only to the extent not contrary to laws or instructions of any government agencies, which are in force at that time, for instance, appointing or procuring any person to accept the assignment of rights and obligations the Fund has under such agreements. If any person is appointed or procured to accept the assignment of rights and obligations of the Fund under such property lease agreements, the Fund may be entitled to receive remuneration in relation to the assignment of rights from the assignee, and may repay the sum to Unitholders, even if the sum is not equal to the amount the Fund expects to receive in the capacity of a lessee under the property lease agreements during the term of the lease. However, if finally the Fund and/or Central Pattana Public Company Limited are unable to appoint or procure any person to take the assignment of rights and obligations of the Fund under such agreements, the property lease

agreements shall terminate and the Fund shall not receive a refund from the property lease agreements.

**5.2.4 *Risk Relating to Ability to Pay Dividends of the Fund***

The dividend payment of the Fund will be determined by its operating results which are dependent upon various factors, such as domestic and international economic conditions, the management ability of the Property Manager, the cost of management of real properties, the operating costs, competition from other shopping complexes and office buildings, change in regulations and laws relating to real properties, etc.

**5.2.5 *Risk from the Fact that Real Property Insurance Proceeds may not Cover Actual Damages***

The Fund may suffer a financial loss because insurance proceeds may not fully cover damages and there are certain risks for which insurance coverage cannot be procured. In the case of non-covered damage or the value of such damage exceeds the insured amount, or in the case that the Fund cannot claim compensation in full according to the insurance policy, the Fund could incur additional expenditures, which could cause the future income of the real property to deviate from the projection.

However, the Fund has procured several kinds of insurance to protect real properties of the Fund, by taking into account the sufficiency and suitability in accordance with the nature of business operations of shopping complexes and office buildings, and the nature of management of property funds in Thailand, which should be made. In addition, the proceeds from the insurance of the real property leased by the Fund shall be utilized for restoring or repairing the properties to the previous condition for delivery to tenants.

**5.2.6 *Risk which may Arise Due to Fund Borrowing***

Where the Fund has taken out loans, the Fund may face the risk arising from such borrowing since the interest rate may rise in accordance with the overall market condition. In addition the Fund must pay dividends to the Unitholders in the annual amount of no less than 90% of the net profit obtained from the operations of the Fund. The Fund may therefore be at risk of not having sufficient liquidity for the operation of the Fund, and this may cause the Fund not to have sufficient cash flow for the repayment of the principal and interest of such loans, which may affect the Fund's operation and its ability to pay dividends to Unitholders. In performing any act for the purpose of repaying the loans and the interest rate such as preparation of prevention of risk from interest rate volatility by the Fund shall proceed by mainly considering the benefits of the Unitholders.

**5.2.7 *Risk from Expropriation***

Property in which the Fund invested may be exposed to expropriation risk under the government policy at any time during the period of investment in such property. Compensation to be received for the damage arising from such expropriation may be less than the net asset value in accordance with the accounts of the Fund. Therefore, the Unitholders may be exposed to the risk of not receiving a return from the property invested in by the Fund as per the projection.



(Translation)

**Attachment:** Fund Income and Expense Projections and Information on the Sensitivity Analysis for the Estimation of Future Return

Attachment 1 : Unaudited Prospective Financial Information and Report of Certified Public Accountant by KPMG Phoomchai Audit Ltd.

Attachment 2 : Projections Information on the Sensitivity Analysis by Kim Eng Securities (Thailand) Plc.

**CPN Retail Growth Leasehold Property Fund**

Unaudited Prospective Financial Information  
and  
Report of Certified Public Accountant

Projection Year 2010

Statements contained in this Prospective Financial Information that are not historical facts may be forward-looking statements. Such statements are based on the assumptions set forth in this section and are subject to certain risks and uncertainties which could cause actual results to differ materially from those forecasted. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty, or prediction with respect to the accuracy of the underlying assumptions by the Management Company, the Sponsor, the Property Manager, the Financial Advisors, the Joint Underwriters or any other person, nor that these results will be achieved or are likely to be achieved. Investors in the Units are cautioned not to place undue reliance on these forward-looking statements.

None of the Management Company, the Sponsor, the Property Manager, the Financial Advisors, the Joint Underwriters or any other person guarantees the performance of CPN Retail Growth Leasehold Property Fund (the “Fund”), the repayment of capital or the payment of any distributions, or any particular return of Units. Distributions or returns will vary accordingly for investors who purchase Units at different prices before or after the capital increase or for investors who do not hold the Units for the whole of the Projection Year 2010, as stated below.

The Fund’s Projected Income and Distribution Statement for the 12-month period from 1 January 2010 to 31 December 2010 (the “Projection Year 2010”) comprises the performance of the Existing Properties (consist of CentralPlaza Rama II Project and CentralPlaza Ratchada-Rama III Project) and the Proposed Acquired Property (consists of CentralPlaza Pinklao Shopping Complex, Central Tower A Pinklao, and Central Tower B Pinklao). The performance of the Proposed Acquired Property is assumed to be included in the Fund’s Projected Income and Distribution Statement when the Fund invests in the Proposed Acquired Property which is initially assumed to be on 1 January 2010.

## **Report of Certified Public Accountant on the Prospective Financial Information**

**To SCB Asset Management Company Limited as the Fund Manager of CPN Retail Growth Leasehold Property Fund (the “Management Company”) and Board of Directors of Central Pattana Public Company Limited (the “Property Manager”)**

This report has been prepared for inclusion in the letter to unitholders and/or the prospectus to be issued in connection with the offering of units in CPN Retail Growth Leasehold Property Fund (the “Fund”).

I have examined the unaudited prospective financial information (the “Prospective Financial Information”) in accordance with Thai Standards on Auditing applicable to the examination of prospective financial information. The Prospective Financial Information includes a statement of income for the 12-month period from 1 January 2010 to 31 December 2010 (the “Projection Year 2010”). The Management Company and Property Manager are responsible for the Prospective Financial Information, including the assumptions set out in Note 3 to the Prospective Financial Information on which it is based.

As the Proposed Acquired Property has yet to be transferred to the Fund and the Fund has no history of its activities, the assumptions used in the preparation of the statement of income for the Projection Year 2010, which include hypothetical assumptions about future events may not necessarily occur.

Based on my examination of the evidence supporting the assumptions set out in Note 3 to the Prospective Financial Information, nothing has come to my attention which causes me to believe that these assumptions do not provide a reasonable basis for the statement of income for the Projection Year 2010. Further, based on my examination, nothing has come to my attention which causes me to believe that the statement of income for the Projection Year 2010 is not properly prepared on the basis of the accounting policies and assumptions set out in Notes 2 and 3 of the Prospective Financial Information.

However, as the Prospective Financial Information does not include a balance sheet, statement of changes in net assets and cash flows or required disclosures for the Projection Year 2010, I do not believe that the Prospective Financial Information for the Projection Year 2010 is presented fairly in accordance with generally accepted accounting principles in Thailand.

Events and circumstances frequently do not occur as expected. Even if the events anticipated under the hypothetical assumptions occur, actual results are still likely to be different from the Prospective Financial Information since other anticipated events frequently do not occur as expected and the variation may be material. The actual results may therefore differ materially from those projected and, therefore, I do not express any opinion as to the possibility of achievement of the results contained within the Prospective Financial Information.

Vichien Thamtrakul  
Certified Public Accountant  
Registration No. 3183

KPMG Phoomchai Audit Ltd.  
Bangkok  
17 September 2009

**CPN Retail Growth Leasehold Property Fund**  
**Unaudited Projected Statement of Income**  
**Projection Year 2010 (1 January 2010 to 31 December 2010)**

In thousand Baht

	Note	Existing Properties	Proposed Acquired Property	Total
Gross revenue	3(a)	1,354,428	801,493	2,155,921
Property expenses	3(b)	(169,594)	(85,445)	(255,039)
<b>Net property income</b>		<b>1,184,834</b>	<b>716,048</b>	<b>1,900,882</b>
Interest income	3(c)	10,571	1,527	12,098
Interest expense	3(d)	-	(41,850)	(41,850)
<b>Fund expenses</b>				
Fund management fee	3(e)	(12,238)	(5,147)	(17,385)
Amortisation of deferred expenses	3(g)	-	(1,599)	(1,599)
Trustee fee	3(e)	(3,671)	(1,544)	(5,215)
Registrar fee	3(e)	(4,895)	(2,059)	(6,954)
Property management fee	3(f)	(111,303)	(59,867)	(171,170)
General and administration expenses		(3,006)	(1,507)	(4,513)
<b>Total fund expenses</b>		<b>(135,113)</b>	<b>(71,723)</b>	<b>(206,836)</b>
<b>Net investment income</b>	3(j),3(k)	<b>1,060,292</b>	<b>604,002</b>	<b>1,664,294</b>

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

**CPN Retail Growth Leasehold Property Fund**  
**Notes to the Unaudited Projected Statement of Income**  
**Projection Year 2010 (1 January 2010 to 31 December 2010)**

<b>Rental and service income</b>	<b>Contribution to rental and service revenue</b>	
	<i>(in thousand Baht)</i>	<i>(%)</i>
<b><i>Existing Properties</i></b>		
CentralPlaza Rama II	731,612	
CentralPlaza Ratchada-Rama III	455,762	
<b><i>Proposed Acquired Property</i></b>		
CentralPlaza Pinklao	506,385	
Central Tower A Pinklao	84,944	
Central Tower B Pinklao	39,473	
<b>Total</b>	<b>1,818,176</b>	<b>100</b>

<b>Net property income</b>	<b>Contribution to net property income</b>	
	<i>(in thousand Baht)</i>	<i>(%)</i>
<b><i>Existing Properties</i></b>		
CentralPlaza Rama II	742,918	
CentralPlaza Ratchada-Rama III	441,916	
<b><i>Proposed Acquired Property</i></b>		
CentralPlaza Pinklao	599,030	
Central Tower A Pinklao	79,844	
Central Tower B Pinklao	37,174	
<b>Total</b>	<b>1,900,882</b>	<b>100</b>

# **CPN Retail Growth Leasehold Property Fund**

## **Notes to the Unaudited Projected Statement of Income**

### **Projection Year 2010 (1 January 2010 to 31 December 2010)**

The Unaudited Prospective Financial Information was authorised to issue by the directors of Central Pattana Public Company Limited (the “Sponsor” and the “Property Manager”) and SCB Asset Management Company Limited (the “Management Company”) on 17 September 2009.

#### **1. General information**

The CPN Retail Growth Leasehold Property Fund (the “Fund”) was registered on 11 August 2005 with an indefinite expiration date. The purpose of the Fund is to raise funds from unitholders to invest in property and equipment. At the present, the Fund has already invested in two projects, CentralPlaza Rama II Project and CentralPlaza Ratchada-Rama III Project (“Existing Properties”).

The Fund proposes to acquire CentralPlaza Pinklao Project, which comprises CentralPlaza Pinklao Shopping Complex, Central Tower A Pinklao, and Central Tower B Pinklao (the “Proposed Acquired Property”) by using funds raised from a proposed capital increase of the Fund (the “Capital Increase”) and/or borrowing.

The unaudited projected statement of income (the “Prospective Financial Information”) has been prepared for inclusion in a circular and prospectus to be distributed to unitholders of the Fund and/or investors in association with the Capital Increase.

The unaudited projected statement of income for the Projection Year 2010 was prepared under the assumption that the acquisition of the Proposed Acquired Property will be partially funded by borrowing in an amount not exceeding Baht 1,000 million.

#### **2. Significant accounting policies**

##### **(a) Basis of preparation and presentation**

The Prospective Financial Information is prepared in the Thai language. This English language translation of the Prospective Financial Information has been prepared for the convenience of readers not conversant with the Thai language. In the event of a conflict or a difference in interpretation between two languages, the Thai language Prospective Financial Information shall prevail.

The Prospective Financial Information is presented in Thai Baht and rounded to the nearest thousand unless otherwise stated.

The Prospective Financial Information is prepared in accordance with Thai Accounting Standards (“TAS”) including related interpretations and guidelines promulgated by the Federation of Accounting Professions (“FAP”) and with generally accepted accounting principles in Thailand. In addition, the Prospective Financial Information has been prepared under the basis and format as required by *TAS No. 42 Accounting for Investment Companies*

As the Prospective Financial Information is limited to the statement of income and related significant accounting policies and assumptions, it is not presented fairly in accordance with generally accepted accounting principles in Thailand as the Prospective Financial Information does not include a complete set of financial statements and the required disclosures.

##### **(b) Investment valuation**

# **CPN Retail Growth Leasehold Property Fund**

## **Notes to the Unaudited Projected Statement of Income**

### **Projection Year 2010 (1 January 2010 to 31 December 2010)**

Investments in properties are stated at fair value with no depreciation charge. The Proposed Acquired Property has been stated at its assumed acquisition price plus associated costs. The fair value is based on the appraisal value determined by independent professional valuers, licensed by the Securities and Exchange Commission in Thailand. The Fund will conduct an appraisal of the properties every two years from the date of the appraisal for purchase or lease of the properties and will update appraisals with a desktop review every year after the date of the latest appraisal as required by the Securities and Exchange Commission in Thailand. However, for the purposes of the Prospective Financial Information, the assumed fair values are described in Note 3(h) below.

#### **(c) *Revenue***

Rental and service income and interest income are recognised in the unaudited projected statement of income as they accrue.

Gains or losses on investment in securities are recognised in the unaudited projected statement of income at the transaction date.

#### **(d) *Expenses***

##### *Issuance costs*

Issuance costs are capitalised and amortised in the unaudited projected statement of income over a period of five years on a straight-line basis.

##### *Other expenses*

Other expenses are recognised in the unaudited projected statement of income in the accounting period in which they are incurred.

#### **(e) *Income tax***

The Fund is exempted from Thailand corporate income tax and therefore no provision for corporate income tax has been recorded in the unaudited projected statement of income.

### **3. Significant assumptions**

The unaudited projected statement of income for the Projection Year 2010 has been prepared based on the assumptions listed below. The Management Company, the Sponsor and the Property Manager consider these assumptions to be appropriate and reasonable. However, investors should consider these assumptions as well as the Prospective Financial Information and make their own assessment of the future performance of the Fund.

#### **(a) *Gross revenue***



**CPN Retail Growth Leasehold Property Fund**  
**Notes to the Unaudited Projected Statement of Income**  
**Projection Year 2010 (1 January 2010 to 31 December 2010)**

Gross revenue comprises the followings:

- **Rental and service income** consists of base rental income, service charges and turnover or contingent income charge payable by tenants after rent rebates or discounts (if any).
- **Non-rental income earned from the properties** includes income from promotions, billboards, advertising and other related property income, excluding interest income.

**Assumptions for gross revenue of the Existing Properties**

1) Rental and service income

- 1.1) The base rental income after rent rebates or discounts (if any) is based primarily on the rents payable by the tenants under lease agreements committed as at 30 June 2009 and the leasing plan assessed by the Property Manager for CentralPlaza Rama II Project and CentralPlaza Ratchada-Rama III Project.
- 1.2) The service charges after rent rebates or discounts (if any) are a contribution paid by tenants toward the property expenses of the properties based on the service charges payable by the tenants under service agreements as at 30 June 2009 and the leasing plan assessed by the Property Manager for CentralPlaza Rama II Project and CentralPlaza Ratchada-Rama III Project. The service charge income excludes utilities income such as electricity, water, gas, air conditioning and common services, which would be service income of the Property Manager who provides such services to tenants.

The rental and service income is calculated based on the occupancy rates under lease agreements as at 30 June 2009 as well as the leasing plan assessed by the Property Manager for CentralPlaza Rama II Project and CentralPlaza Ratchada-Rama III Project. The average occupancy rates in the Projection Year 2010 assessed by the Property Manager are as follows:

<b>Property</b>	<b>Occupancy rate <sup>(1)</sup></b>
CentralPlaza Rama II	99.1%
CentralPlaza Ratchada-Rama III	96.3%

Note: <sup>(1)</sup> Does not account for cyclical vacancy allowances

***The forecast of rental and service income for the period following the expiry of a committed lease***

The new base rents and service charges applicable under new leases and/or renewed leases are assessed taking into account the existing base rental and service rates, assumed tenant retention rates on lease expiry, likely market conditions, inflation levels, tenant demand levels,

## **CPN Retail Growth Leasehold Property Fund**

### **Notes to the Unaudited Projected Statement of Income**

#### **Projection Year 2010 (1 January 2010 to 31 December 2010)**

etc. The new base rents and service charges for each individual leasable area are assessed upon the expiry of each committed lease in the Projection Year 2010.

For the Projection Year 2010, the assumed average growth rate in base rents and service charges payable under new leases and/or renewed leases and service agreements over the contracted base rents and service charges of the leases committed as at 30 June 2009 for CentralPlaza Rama II Project and CentralPlaza Ratchada-Rama III Project is approximately 5% per annum.

- 1.3) For leases with contingent base rents and/or service charges pegged to tenant's turnover, the contingent base rents and/or service charges in the Projection Year 2010 are assumed to grow approximately 5% per annum over such income in the same period of previous year for both CentralPlaza Rama II Project and CentralPlaza Ratchada-Rama III Project.
- 1.4) For the Projection Year 2010, it is assumed that a rental rebate or discount of Baht 34.9 million or 2.9% of rental and service income before rental rebate and discount will be given to tenants in CentralPlaza Rama II Project and CentralPlaza Ratchada-Rama III Project.

The rental rebate or discount is given to tenants at the beginning of the shopping malls' operation or during the renovation period as an incentive for tenants. It is expected to decline over time.

#### ***Renewal rate***

The renewal rate of expired contracts is based on the nature of the property, location, tenant demand levels and market conditions. It has been assumed that the following tenant renewal rates (representing the average percentage of rental income from leases expiring in the Projection Year 2010 which will be renewed, and therefore, which will not incur a vacancy allowance, to total rental income from leases expiring in the Projection Year 2010) apply to leases as shown in the table below.

<b>Property</b>	<b>Renewal rate</b>
CentralPlaza Rama II	80%
CentralPlaza Ratchada-Rama III	75%

#### ***Vacancy allowance***

For leases expiring in the Projection Year 2010 which are assumed not to be renewed, representing 20% and 25% of the rental and service income expiring for CentralPlaza Rama II Project and CentralPlaza Ratchada-Rama III Project, respectively, a vacancy allowance of 1.5 months for both properties is assumed before rent becomes payable under the new lease.

#### **2) Non-rental income earned from the properties**

This non-rental income in the Projection Period 2010 is based on the budget which is assessed by the Property Manager (the "Budget Year 2009") based on historical income collections and the assessment of the likely performance of the properties. It is estimated that non-rental income in the

# CPN Retail Growth Leasehold Property Fund

## Notes to the Unaudited Projected Statement of Income

### Projection Year 2010 (1 January 2010 to 31 December 2010)

Projection Year 2010 would grow 5% per annum over the Budget Year 2009 for both CentralPlaza Rama II Project and CentralPlaza Ratchada-Rama III Project.

Non-rental income earned for the Projection Year 2010 from the properties represents 12.1% and 12.7% of the gross revenue for CentralPlaza Rama II Project and CentralPlaza Ratchada-Rama III Project, respectively.

### Assumptions for gross revenue of the Proposed Acquired Property

#### 1) Rental and service income

- 1.1) The base rental income after rent rebates or discounts (if any) is based primarily on the rents payable by the tenants under lease agreements committed as at 30 June 2009 and the leasing plan assessed by the Property Manager for CentralPlaza Pinklao Shopping Complex, Central Tower A Pinklao and Central Tower B Pinklao (together, the “Office Buildings”).
- 1.2) The service charges after rent rebates or discounts (if any) are a contribution paid by tenants toward the property expenses of the properties based on the service charges payable by the tenants under service agreements as at 30 June 2009 and the leasing plan assessed by the Property Manager. The service charge income excludes utilities income such as electricity, water, gas, air conditioning and common services, which would be service income of the Property Manager who provides such services to tenants.

The rental and service income is calculated based on the occupancy rates under lease agreements as at 30 June 2009 as well as the leasing plan assessed by the Property Manager for CentralPlaza Pinklao Shopping Complex, Central Tower A Pinklao, and Central Tower B Pinklao. The average occupancy rates for the Projection Year 2010 are assessed by the Property Manager as follows:

Property	Occupancy rate <sup>(1)</sup>
CentralPlaza Pinklao Shopping Complex	98.2%
Central Tower A Pinklao	84.7%
Central Tower B Pinklao	87.5%

Note: <sup>(1)</sup> Does not account for cyclical vacancy allowances

### *Forecast of rental and service income for the period following the expiry of a committed lease*

The new base rents and service charges applicable under new leases and/or renewed leases are assessed taking into account the existing rental and service rates, assumed tenant retention rates on lease expiry, likely market conditions, inflation levels and tenant demand levels, etc. The new base rents and service charges for each individual leasable area are assessed upon the expiry of each committed lease in the Projection Year 2010.

# CPN Retail Growth Leasehold Property Fund

## Notes to the Unaudited Projected Statement of Income

### Projection Year 2010 (1 January 2010 to 31 December 2010)

For the Projection Year 2010, the assumed average growth rate in base rents and service charges payable under new and/or renewed leases and service agreements over the contracted base rents and service charges of the leases committed as at 30 June 2009 for CentralPlaza Pinklao Shopping Complex and the Office Buildings is approximately 5% per annum.

- 1.3) For leases with contingent base rents and/or service charges pegged to tenant's turnover of CentralPlaza Pinklao Shopping Complex only (there is no such income for the Office Buildings), the contingent base rent and/or service charge in the Projection Year 2010 are assumed to grow at approximately 5% per annum over such income in the same period of the previous year.
- 1.4) For the Projection Year 2010, it is assumed that a rental rebates or discount of Baht 11.4 million or 1.8% of rental and service income before rental rebate and discount will be given to tenants in CentralPlaza Pinklao Shopping Complex, Central Tower A Pinklao, and Central Tower B Pinklao.

The rental rebate or discount is given to tenants at the beginning of the shopping mall's and the office buildings' operation or during the renovation period as an incentive for tenants. It is expected to decline over time.

Central Pattana Public Company Limited as the owner of the CentralPlaza Pinklao Shopping Complex, has agreed to guarantee the net property income (before leasing commission) generated from the CentralPlaza Pinklao Shopping Complex up to a total amount of Baht 629 million for the year 2010 during which time the refurbishment and renovation of the CentralPlaza Pinklao Shopping Complex will take place in order to ensure a stable and continual level of cash flow to the Fund from the lease of area in CentralPlaza Pinklao Shopping Complex during such period. The net property income shall mean the total income the Fund has gained from the property after deducting the costs and expenses relating to the procuring the benefits from the property excluding the property management fee.

#### ***Renewal rate***

The renewal rate of expired contracts is based on the nature of the property, location, tenant, demand level and market conditions. It has been assumed that the tenant renewal rates (representing the average percentage of rental income from leases expiring in the Projection Year 2010 which will be renewed, and therefore, which will not incur a vacancy allowance, to total rental income from leases expiring in the Projection Year 2010) apply to leases as shown in table below.

<b>Property</b>	<b>Renewal rate</b>	
CentralPlaza Pinklao Shopping Complex	90%	
Central Tower A Pinklao	90%	
Central Tower B Pinklao	90%	<b><i>Vacancy allowance</i></b>

# **CPN Retail Growth Leasehold Property Fund**

## **Notes to the Unaudited Projected Statement of Income**

### **Projection Year 2010 (1 January 2010 to 31 December 2010)**

For leases expiring in the Projection Year 2010 which are assumed not to be renewed, representing 10% of the rental and service income expiring for CentralPlaza Pinklao Shopping Complex, Central Tower A Pinklao and Central Tower B Pinklao, vacancy allowances of 1.5 months for CentralPlaza Pinklao Shopping Complex and 3 months for both Central Tower A Pinklao and Central Tower B Pinklao are assumed before rent becomes payable under a new lease.

#### **2) Non-rental income earned from the properties**

It is estimated that non-rental income in the Projection Year 2010 would grow 5% per annum over the Budget Year 2009 for CentralPlaza Pinklao Shopping Complex, Central Tower A Pinklao and Central Tower B Pinklao.

Non-rental income earned for the Projection Year 2010 from the properties represents 21.3% of the gross revenue for CentralPlaza Pinklao Shopping Complex, Central Tower A Pinklao and Central Tower B Pinklao.

#### **(b) *Property expenses***

Property expenses consist of property tax, personnel expenses, repair and maintenance, insurance, certain professional fees, leasing commissions paid to the Property Manager, bad debt expenses, advertising and other miscellaneous expenses relating to the operation and marketing of the Fund's properties. The assessments of major expenses are as follows:

#### **Assumptions for property expenses of the Existing Properties**

##### **1) *Property tax***

This expense arises from the difference between the property tax to be paid and property tax to be collected from tenants. For the Projection Year 2010, property tax is assumed to be equal to 12.5% of the estimated base rental income and to be substantially recovered from tenants.

##### **2) *Leasing commissions***

For renewal tenants:

- 0.5 months of rental and service income for every type and term of tenant

For new tenants with contract term:

- |   |  |
|---|--|
| - Less than one year                              | 0.5 month of rental and service revenue  |
| - From one year but less than three years         | 1.0 month of rental and service revenue  |
| - Three years or more                             | 1.5 months of rental and service revenue |
| - More than three years with upfront rent payment | 3.0% of upfront rent payment             |

There will be no leasing commission paid for cases where Central Pattana Public Company Limited or its associates are, themselves, the tenants.

##### **3) *Insurance expense***

## **CPN Retail Growth Leasehold Property Fund**

### **Notes to the Unaudited Projected Statement of Income**

#### **Projection Year 2010 (1 January 2010 to 31 December 2010)**

This expense arises from the difference between the insurance expense to be paid and insurance premiums to be collected from tenants. For the Projection Year 2010, insurance expense is assumed to grow by 5% per annum from the insurance expense in the Budget Year 2009 prepared by the Property Manager and to be substantially recovered from tenants.

#### *4) Bad debts expense*

Allowance for bad debts is estimated to be 0.25% of net rental and service income.

#### *5) Advertising and other expenses*

Advertising and other expenses for the Projection Year 2010 is estimated to increase by 5% per annum over the Budget Year 2009.

The Fund, the Property Manager and the Sponsor agree in principle to the allocation of property costs and expenses as follows:

The Property Manager will be responsible for the following expenses:

- Water, electricity, and gas expenses
- Security service expense
- Cleaning expense
- Communication expense
- Pest control expense
- Air-conditioning expense

Central Pattana Rama II Company Limited, as the owner of CentralPlaza Rama II Shopping Mall will be responsible for monthly land rental to be paid to the lessor of land at CentralPlaza Rama II and costs relating to Central Park at CentralPlaza Rama II Shopping Mall which is not leased out to the Fund.

### **Assumptions for property expenses of the Proposed Acquired Property**

#### *1) Property tax*

This expense arises from the difference between the property tax to be paid and property tax to be collected from tenants. For the Projection Year 2010, property tax is assumed to be equal to 12.5% of the estimated base rental income and to be substantially recovered from tenants.

#### *2) Leasing commissions*

*CentralPlaza Pinklao Shopping Complex*

For renewal tenants:

- 0.5 months of rental and service income for every type and term of tenant

## **CPN Retail Growth Leasehold Property Fund**

### **Notes to the Unaudited Projected Statement of Income**

#### **Projection Year 2010 (1 January 2010 to 31 December 2010)**

For new tenants with contract term:

- Less than one year 0.5 month of rental and service revenue
- From one year but less than three years 1.0 month of rental and service revenue
- Three years or more 1.5 months of rental and service revenue
- More than three years with upfront rent payment 3.0% of upfront rent payment

*Central Tower A Pinklao and Central Tower B Pinklao*

For renewal tenants:

- 0.5 months of rental and service income for every type and term of tenant

For new tenants with contract term:

- Less than three years 0.5 month of rental and service revenue
- Three years or more 1.0 month of rental and service revenue
- More than three years with upfront rent payment 3.0% of upfront rent payment

There will be no leasing commission paid for cases where Central Pattana Public Company Limited or its associates are, themselves, the tenants in either shopping malls or office buildings.

#### *3) Insurance expense*

This expense arises from the difference between the insurance expense to be paid and the insurance premiums to be collected from tenants. For the Projection Year 2010, insurance expense is assumed to grow by 5% per annum from the insurance expense in the Budget Year 2009 prepared by the Property Manager and to be substantially recovered from tenants.

#### *4) Bad debts expense*

Allowance for bad debts is estimated to be 0.25% of net rental and service income.

#### *5) Advertising and other expenses*

Advertising and other expenses for the Projection Year 2010, it has been estimated to increase by 5% per annum over the Budget Year 2009.

The Fund, the Property Manager, and the Sponsor agreed in principle to the allocation of property costs and expenses as follows:

The Property Manager will be responsible for the following expenses:

- Water, electric, and gas expenses
- Security service expense
- Cleaning expense
- Communication expense
- Pest control expense
- Air-conditioning expense

#### *(c) Interest income*

# **CPN Retail Growth Leasehold Property Fund**

## **Notes to the Unaudited Projected Statement of Income**

### **Projection Year 2010 (1 January 2010 to 31 December 2010)**

The fund will invest its surplus cash in securities or assets allowed by Securities and Exchange Commission of Thailand. It has been assumed that the amount of interest earned on the Fund's deposited cash will be at a rate of 1.00% per annum and 1.25% per annum for securities income.

#### **(d) *Interest expense***

The acquisition of the Proposed Acquired Property will be partially funded by borrowing in an amount not exceeding Baht 1,000 million. The loan facility is assumed to be drawn down on the date of 1 January 2010 with no repayment of principal made during the period of 2010.

#### **(e) *Fund management fee and expenses related to fund administration***

The Management Company is entitled to receive a monthly management fee from the Fund at the rate not exceeding 1.0% per annum of the net asset value of the Fund.

The Fund's administrative expenses comprise the Fund's recurring operating expenses such as the fund supervisor's fee, registrar fee, annual listing fees, registration fees, audit fee, accounting and tax advisory fees, valuation fees, costs associated with the preparation and distribution of reports to Unitholders, investor communication costs and other miscellaneous expenses.

#### **(f) *Property management fee***

The Property Manager is entitled to property management fees for the Projection Year 2010 as stated in the Fund scheme. The Property Management fees are divided as follows:

1. Fee for rental collection not exceeding 3.00% of net rental and service income;
2. Leasing commission (details as mentioned in Property expenses);
3. Property management base fee at a rate not exceeding 0.30% of Fund's net asset value (NAV);
4. Property management incentive fee at a rate not exceeding 2.35% of net property income;
5. Fee for overseeing the improvement and/or development of real properties of the Fund at the rate of 2.00% of total construction value excluding design fee, advisor fee, and other professional fees.

#### **(g) *Issuance costs***

For the proposed property acquisition, in relation to the capital increase the costs associated with the offering of the Units will be paid for by the Fund. For both the case of no gearing for funding the acquisition or partial funding by debt, the costs are estimated to be Baht 8 million (VAT included). These costs will be capitalised as deferred expenses and expensed in the unaudited projected statement of income over five years on a straight line basis.

#### **(h) *Revaluation of properties***

No depreciation is calculated on the properties in accordance with generally accepted accounting principles in Thailand. An appraisal of the properties every two years from the date of the appraisal for purchase or lease of the properties and will update appraisals with a desktop review every year after the date of the latest appraisal as required by the Securities and Exchange Commission in Thailand. The next valuation will be carried out by December 2009. For the Existing Properties, the values of each property are assumed to be equal to the appraisal value of each asset that is presented in the financial statements of the Fund as at 31 March 2009 plus the capital expenditure. For the Proposed



# CPN Retail Growth Leasehold Property Fund

## Notes to the Unaudited Projected Statement of Income

### Projection Year 2010 (1 January 2010 to 31 December 2010)

Acquired Property, the value of the property as of 1 January 2010 is equal to the assumed purchase price plus related capitalised acquisition costs and the value of the Proposed Acquired Property as at 31 December 2010 will be average appraisal value by independent professional valuers plus the capital expenditure.

Any subsequent unrealised gain or loss from the revaluation of the properties will not affect the forecasted distributions per unit because the Fund's distributions are based on net income before unrealised gain or loss upon revaluation of properties.

#### (i) *Capital expenditure*

The forecasted capital expenditure, which comprises repair and maintenance costs, asset renovation and asset enhancement, is assessed by the Property Manager as follows:

	( in million Baht)
Existing Properties	4.6
Proposed Acquired Property	133.6

#### (j) *Forecasted distribution*

The forecasted distribution is presented for illustrative purposes only.

The forecasted distribution is based on the assumption that the payout ratio will be 95% of distributable income (the Existing Properties and the Proposed Acquired Property), which excludes annual devaluation or revaluation charges on the properties. The forecasted distribution is as follows:

	Existing Properties	Proposed Acquired Property <sup>(a)</sup>	Total
Distributable income (in million Baht)	1,060.29	604.00	<b>1,664.29</b>
Payout ratio (%)	95%	95%	<b>95%</b>
Forecasted distribution (in million Baht)	1,007.28	573.80	<b>1,581.08</b>

Note: <sup>(a)</sup> Reflects the contribution of the Proposed Acquired Property as well as the assumed capital structure

#### (k) *The Fund's capital increase and property acquisition*

The unaudited projected statement of income for the Projection Year 2010 was prepared based on the assumptions that the acquisition of the Proposed Acquired Property will be partially funded by borrowing in an amount not exceeding Baht 1,000 million.

These amounts are used for illustrative purposes only and the number of units will depend on actual acquisition price of the Proposed Acquired Property, actual borrowing amount, and the final offering price. The final offering price will depend on actual acquisition price of the Proposed Acquired Property, actual borrowing amount, market conditions, investor demand and other conditions during the period when the additional investment units are issued and offered for sale. The proceeds from the Capital Increase will be utilised to acquire leasehold rights, sub-leasehold rights and to purchase land, buildings, utilities systems and other assets as described in the circular and prospectus in association with the Capital Increase. Any differences in the amount of capital increase and the number of units to be offered would affect the dividend per unit.

**CPN Retail Growth Leasehold Property Fund**  
**Notes to the Unaudited Projected Statement of Income**  
**Projection Year 2010 (1 January 2010 to 31 December 2010)**

The Fund will incorporate the performance of the Proposed Acquired Property from the date when the acquisitions are completed, which is assumed to be on 1 January 2010. However, the actual acquisition dates may be different from this date.

### **Disclaimer**

“The English translation of this document is prepared solely for reference for non-Thai unitholders of CPN Retail Growth Leasehold Property Fund. It should be neither relied upon as the definitive nor the official document of CPN Retail Growth Leasehold Property Fund. The Thai version is the official document and shall prevail in all respects in the event of any inconsistency with the English translation.”

No. IB 56/2009

September 25, 2009

Subject : Sensitivity Analysis of Projected Distribution Yield for Year 2010 of CPN Retail Growth Leasehold Property Fund

To : SCB Asset Management Company Limited as the Management Company of CPN Retail Growth Leasehold Property Fund

Reference is made to the intention of SCB Asset Management Company Limited (the "Management Company") as the Management Company of CPN Retail Growth Leasehold Property Fund (the "Property Fund") to appoint Kim Eng Securities (Thailand) Public Company Limited ("KIMENG") as the financial advisor to study and prepare a report regarding sensitivity analysis of projected distribution yield for Year 2010 of the Property Fund ("Sensitivity Analysis Report"). Such Sensitivity Analysis Report is prepared on the basis of operating assumptions that was used to develop and prepare prospective financial information of the Property Fund as reviewed by the Certified Public Accountant of KPMG Phoomchai Audit Ltd. This Sensitivity Analysis Report has been prepared for inclusion in the prospectus to be issued in connection with the offering of units in the Property Fund.

In preparing this Sensitivity Analysis Report, KIMENG studied and reviewed data/documents as provided and/or warranted by the Management Company, Macquarie Securities (Thailand) Limited as the Financial Advisor of the Property Fund, Siam Commercial Bank Public Company Limited as the Lead Manager and Central Pattana Public Company Limited (the "Property Manager") as the Property Manager of the Property Fund. Such data/documents include:

1. The Property Fund's Projected Income and Distribution Statement for the 12-month period from January 1, 2010 to December 31, 2010 (the "Projection Year 2010") as reviewed by Mr. Vichien Thamtrakul, Certified Public Accountant Registration No. 3183 of KPMG Phoomchai Audit Ltd. The Projection Year 2010 comprises the performances of the Existing Properties (consisting of CentralPlaza Rama II Project and CentralPlaza Ratchada-Rama III Project) and the Proposed Acquired Property (consisting of CentralPlaza Pinklao Shopping Complex, Central Tower A Pinklao and Central Tower B Pinklao). The performance of the Proposed Acquired Property is assumed to be included in the Property Fund's Projected Income and Distribution Statement when the Property Fund invests in the Proposed Acquired Property that is initially assumed to be on January 1, 2010.
2. Financial projections and financial model of the Property Fund for Year 2010 that includes the performances of the Existing Properties and the Proposed Acquired Property for Year 2010. They are provided by Macquarie Securities (Thailand) Limited.
3. Rent rolls data of CentralPlaza Rama II Project, CentralPlaza Ratchada-Rama III Project, CentralPlaza Pinklao Shopping Complex, Central Tower A Pinklao and Central Tower B Pinklao. They are provided by the Property Manager.
4. Data regarding past operating records of CentralPlaza Rama II Project, CentralPlaza Ratchada-Rama III Project, CentralPlaza Pinklao Shopping Complex, Central Tower A Pinklao and Central Tower B Pinklao. They are provided by the Property Manager.
5. Data regarding renewal rate, rental and service income growth and rental rebate or discount for CentralPlaza Rama II Project, CentralPlaza Ratchada-Rama III Project, CentralPlaza Pinklao Shopping Complex, Central Tower A Pinklao and Central Tower B Pinklao as well as property

management policies as applicable to all such properties. They are provided by the Property Manager.

6. Representation from Siam Commercial Bank Public Company Limited regarding range of Bookbuilding Price. The Bookbuilding Price falls in the range between Baht 8.60-9.00 per unit.
7. Representation from the Management Company regarding no.of newly issued units in each Bookbuilding Price. No. of newly issued units of the Property Fund falls in the range between 538.8 and 546.6 million.
8. Data regarding Asset Price and Net Asset Price of the Proposed Acquired Property (consisting of CentralPlaza Pinklao Shopping Complex, Central Tower A Pinklao and Central Tower B Pinklao) in each Bookbuilding Price. They are provided by the Management Company.
9. Data and assumptions regarding loans to be obtained by the Property Fund and applicable interest rate to be paid by the Property Fund to financial institutions. In accordance with the Projection Year 2010 and data as provided the Management Company, the Property Fund shall borrow in an amount not exceeding Baht 1,000 million. The loan facility is assumed to be drawn down on the date of January 1, 2010 with no prepayment of principal made during the period of 2010. The applicable interest rate for Year 2010 is assumed to be 4.19 % per annum. All such data are provided by the Management Company.
10. Determination of projected distribution yield for Year 2010 of the Property Fund under the Base Case Scenario. Projected performance and distribution yield for Year 2010 of the Property Fund under the Base Case Scenario is in line with those as included in the Projection Year 2010.

In preparing this Sensitivity Analysis Report, KIMENG studied and reviewed data with details as showed earlier, with the assumption that all such data used to conduct sensitivity analysis of projected distribution yield for Year 2010 of the Property Fund is accurate, true and sufficient in conducting a sensitivity analysis. In preparing this Sensitivity Analysis Report, KIMENG has also taken into account relevant economic and industry data prevailing at the time of studying and preparing the report, but without taking into consideration any potential impact to the performance of the Property Fund due to future launch of any new shopping complex project. Should there be any significant future changes in economic and industry conditions, KIMENG may not be able to substantiate the impact of such material changes that may have material impact on projected distribution yield for Year 2010 of the Property Fund. As well, KIMENG does not warrant accuracy and sufficiency of all data and representations as provided by all involved parties for the purpose of conducting sensitivity analysis and preparing the Sensitivity Analysis Report. Thus, in preparing this Sensitivity Analysis Report, KIMENG does not guarantee or warrant completeness or accuracy of any sensitivity analysis results that may materially change should there be any significant future changes.

**1) Projected Distribution Yield for Year 2010 of the Property Fund under the Base Case Scenario**

Based on data regarding range of Bookbuilding Price as provided by Siam Commercial Bank Public Company Limited, no.of units to be offered for sale in each Bookbuilding Price as provided by the Management Company, Asset Price and Net Asset Price of the Proposed Acquired Property in each Bookbuilding Price as provided by the Management Company and the Projection Year 2010 as reviewed by the Certified Public Accountant of KPMG Phoomchai Audit Ltd. that comprises the performances of the Existing Properties (consisting of CentralPlaza Rama II Project and CentralPlaza Ratchada-Rama III Project) and the Proposed Acquired Property (consisting of CentralPlaza Pinklao Shopping Complex, Central Tower A Pinklao and Central Tower B Pinklao), projected distribution yield for Year 2010 of the Property Fund (without taking into account increase/decrease in value of the invested properties) in each Bookbuilding Price under the Base Case Scenario could be showed as below:

**Projected Distribution Yield for Year 2010 of the Property Fund under the Base Case Scenario in Each Bookbuilding Price and No. of Units to Be Offered for Sale in Each Bookbuilding Price**

Case	Bookbuilding Price  (Baht) (1)	No. of Units to Be Offered for Sale  (Millions of Units) (2)	Proceeds from Equity Raising  (Millions of Baht) (1) x (2) (3)	Projected Distribution for Year 2010 of the Property Fund  (Millions of Baht) (3) (4)	Total No. of Units of the Property Fund in Year 2010 after Capital Increase  (Millions of Units) (4) (5)	Maximum Asset Price of the Proposed Acquired Property  (Millions of Baht) (5) (6)	Maximum Net Asset Price of the Proposed Acquired Property  (Millions of Baht) (6) (7)	Projected Distribution Yield for Year 2010  (%) (7)
A	8.60	546.6	4,701	1,581.08	1,638.1	5,536	5,436	11.2 %
B	8.70	546.6	4,755	1,581.08	1,638.1	5,589	5,489	11.1 %
C	8.80	546.6	4,810	1,581.08	1,638.1	5,642	5,541	11.0 %
D	8.90	544.8	4,849	1,581.08	1,636.3	5,680	5,579	10.9 %
E	9.00	538.8	4,849	1,581.08	1,630.3	5,680	5,579	10.8 %

- (1) Data provided by Siam Commercial Bank Public Company Limited
- (2) Data provided by the Management Company. Factors taken into consideration in determining Bookbuilding Price in (1) and no. of units to be offered for sale in (2) include:
  - 1) Appropriate level of DPU accretion in Year 2010 from investment in the Proposed Acquired Property
  - 2) Projected distribution yield for Year 2010 of the Property Fund at the level comparable to those of other listed property funds with assets similar to the Existing Properties and the Proposed Acquired Property
  - 3) Proceeds from equity raising that are sufficient for acquiring the Proposed Acquired Property in accordance with the Asset Price as specified in the resolution of the Meeting of the Investment Committee of the Property Fund held on September 17, 2009. It is assumed that the Property Fund will borrow the total amount of Baht 1,000 million from financial institutions to partially finance acquisition of the Proposed Acquired Property.
- (3) Determined from distributable income for Year 2010 of the Property Fund that is projected to be Baht 1,664.29 million as showed in the Projection Year 2010 multiplied by projected payout ratio of 95 % of the distributable income
- (4) No. of units of the Property Fund prior to capital increase (1,091.50 million units) + no. of units to be offered for sale in each Bookbuilding Price
- (5) Data as provided by the Management Company and Macquarie Securities (Thailand) Limited. Asset Price of the Proposed Acquired Property is determined based on proceeds from equity raising (no. of units to be offered for sale times offering price) plus loans from financial institutions amounting Baht 1,000 million deducted by expenses related to asset investment to be borne by the Property Fund. In accordance with the resolution of the Meeting of the Investment Committee of the Property Fund held on September 17, 2009, the Asset Price of the Proposed Acquired Property shall not exceed Baht 5,680 million.
- (6) Data as provided by the Management Company and Macquarie Securities (Thailand) Limited. The Net Asset Price of the Proposed Acquired Property shall be the Asset Price of the Proposed Acquired Property in (5) deducted by expenses related to capital increase to be borne by Central Pattana Public Company Limited.
- (7) Determined based on the formula: Projected Distribution Yield for Year 2010 = A/B  
where A = Projected distribution per unit for Year 2010 of the Property Fund (after capital increase)  
B = Offering Price

Projected distribution yield does not take into account impact from increase/decrease in value of the properties invested by the Property Fund.

Note that projected distribution of the Property Fund may consist of two portions, namely dividend payment and capital reduction. This is because the Property Fund that is a leasehold property fund may reduce its capital in case it has excess liquidity from disposing the properties or leasehold right it invests in or there is decline in value of such properties. When initial capital is repaid to unitholders, such capital repayment will be separately showed in the form of capital reduction in notification of dividend payment to be sent to unitholders. Thus, unitholders should realize that distribution from investing in a leasehold property fund might consist of not only dividend payment but also initial capital repayment.

- 2) Comparison among 1) Projected Distribution Yield for 2010 of Existing Unitholders in case There is No Investment in the Proposed Acquired Property 2) Projected Distribution Yield for 2010 of Existing Unitholders in case There is Investment in the Proposed Acquired Property Taking into Account Their Original Investment Costs and 3) Projected Distribution Yield for 2010 of Subscribers of Newly Issued Units

When comparing projected distribution yield for Year 2010 of subscribers of newly issued units in case there is investment in the Proposed Acquired Property (in the range between 10.8 %-11.2 % depending upon Bookbuilding Price), it can be seen that such projected distribution yield is higher than that of existing unitholders in case there is no investment in the Proposed Acquired Property (10.2 %) and that of existing unitholders in case there is investment in the Proposed Acquired Property taking into account their original investment costs based on market price of the unit (10.7 %). Comparison is showed in the table below. Note that in determining projected distribution yield for Year 2010 of existing unitholders, their original investment costs is determined based on the weighted average market price of the unit 15 business days prior to the date of unitholders meeting held to approve additional property investment and capital increase. Such unitholders meeting was held on August 17, 2009. It is worth noting that each unitholder should realize that their projected distribution yield for Year 2010 may differ from those of others, depending upon their original investment costs and price to be paid for newly issued units.

**Comparison between Projected Distribution Yield for Year 2010 from the Existing Properties Only and That in case There Is Investment in the Proposed Acquired Property**

Bookbuilding Price (Baht)	Projected Distribution Yield for Year 2010 of Subscribers of Newly Issued Units in case There Is Investment in the Proposed Acquired Property (%)	Original Investment Cost of Existing Unitholders (Based on Weighted Average Market Price of the Unit (Baht)	Projected Distribution Yield for Year 2010 of Existing Unitholders from the Existing Properties Only based on Original Investment Cost in (3) (%)	Projected Distribution Yield for Year 2010 of Existing Unitholders in case There Is Investment in the Proposed Acquired Property based on Original Investment Cost in (3) (%)
(1)	(2)	(3)	(4)	(5)
8.6	11.2 %	9.06	10.2 %	10.7 %
8.7	11.1 %	9.06	10.2 %	10.7 %
8.8	11.0 %	9.06	10.2 %	10.7 %
8.9	10.9 %	9.06	10.2 %	10.7 %
9.0	10.8 %	9.06	10.2 %	10.7 %

- (1) Data as provided by Siam Commercial Bank Public Company Limited  
 (2) Determined from the formula: Projected Distribution Yield for Year 2010 = A/B  
 Where A = Projected distribution per unit for Year 2010 after capital increase as reviewed by the Certified Public Accountant  
 B = Bookbuilding Price  
 (3) Determined based on the assumption that original investment cost of existing unitholders is equal to the weighted average market price of the unit 15 business days prior to the date of unitholders meeting held to approve additional property investment and capital increase. Such unitholder s meeting was held on August 17, 2009.  
 (4) Determined from the formula: Projected Distribution Yield for Year 2010 of Existing Unitholders from the Existing Properties Only = A/B  
 Where A = Projected distribution per unit for Year 2010 from the Existing Properties only as reviewed by the Certified Public Accountant  
 B = Original investment cost of existing unitholders determined based on (3)  
 (5) Determined from the formula: Projected Distribution Yield for Year 2010 of Existing Unitholders in case There Is Investment in the Proposed Acquired Property = A/B  
 Where A = Projected distribution per unit for Year 2010 after capital increase as reviewed by the Certified Public Accountant  
 B = Original investment cost of existing unitholders determined based on (3) without taking into account price to be paid for newly issued units

Projected distribution yield does not take into account impact from increase/decrease in value of the properties invested by the Property Fund.

### 3) Sensitivity Analysis of Projected Distribution Yield for Year 2010 of the Property Fund

To assist existing unitholders and potential unit subscribers in evaluating the impact of deviation of key operating assumptions related to the Existing Properties and the Proposed Acquired Property from those under the Base Case Scenario on projected distribution yield for Year 2010 of the Property Fund, KIMENG conducted a sensitivity analysis taking into account two main categories of factors that may affect distributable income for Year 2010 of the Property Fund. They include:

- A. Factors that may affect projected rental and service income for Year 2010 of the Property Fund; and
- B. Factors that may affect projected property expenses for Year 2010 of the Property Fund

Details of each category of factors is discussed as below:

#### A. Factors that may affect projected rental and service income for Year 2010 of the Property Fund

Review of key assumptions regarding rental and service income of the Property Fund used to develop the Projection Year 2010 indicates factors that may have a material impact on projected rental and service income for Year 2010 of the Property Fund include:

- 1) Renewal rate of rental and service contracts that expire from December 2009 to December 2010
- 2) Average increase in rental and service charges for new rental and service contracts and/or renewed rental and service contracts
- 3) Growth in promotion income
- 4) Rental rebate or discount

#### 1) Renewal rate of rental and service contracts that expire from December 2009 to December 2010

Based on the Projection Year 2010, renewal rate of rental and service contracts that expire from December 2009 to December 2010 for the Existing Properties and the Proposed Acquired Property under the Base Case Scenario (referenced to historical renewal records of each property as obtained from the Property Manager and reviewed by the Certified Public Accountant of KPMG Phoomchai Audit Ltd.) is as below:

Property	Historical Renewal Record for the Period between 2006 and 2008 (%)	Renewal Rate in accordance with the Projection Year 2010 (%)
<b><i>The Existing Properties</i></b>		
CentralPlaza Rama II Project	76 %-90 %	80 %
CentralPlaza Ratchada-Rama III Project	70 %-83 %	75 %
<b><i>The Proposed Acquired Property</i></b>		
CentralPlaza Pinklao Shopping Complex	74 %-95 %	90 %
Central Tower A Pinklao	82 %-99 %	90 %
Central Tower B Pinklao	No historical record as this property was just open for rent in 2006	90 %

Source : Data from the Property Manager and the Projection Year 2010



To evaluate how sensitive projected distribution yield for Year 2010 of the Property Fund is when renewal rate of rental and service contracts that expire from December 2009 to December 2010 deviates from that under the Base Case Scenario, KIMENG employed average renewal rate for the Existing Properties and the Proposed Acquired Property under the Best Case Scenario and the Worst Case Scenario as showed in the table below. Such average renewal rate for the Existing Properties and the Proposed Acquired Property is derived based upon historical renewal record of each property for the period between 2006 and 2008.

Property	Renewal Rate (%)	
	Best Case	Worst Case
The Existing Properties	90 %	70 %
The Proposed Acquired Property	95 %	75 %

**Note:** Under the Base Case Scenario, vacancy allowances of 1.5 months for shopping complexes and 3 months for office buildings are assumed before rent becomes payable under a new lease.

Result of sensitivity analysis when renewal rate of rental and service contracts that expire from December 2009 to December 2010 deviates from that under the Base Case Scenario is showed in the table below:

**Table 1** Result of sensitivity analysis when renewal rate of rental and service contracts that expire from December 2009 to December 2010 deviates from that under the Base Case Scenario

Bookbuilding Price (Baht)	Projected Distribution Yield for Year 2010 (%)				
	8.6	8.7	8.8	8.9	9.0
Best Case	11.3%	11.2%	11.0%	10.9%	10.9%
Base Case	11.2%	11.1%	11.0%	10.9%	10.8%
Worst Case	11.2%	11.0%	10.9%	10.8%	10.7%

**2) Average increase in rental and service charges for new rental and service contracts and/or renewed rental and service contracts**

Based on the Projection Year 2010, average increase in rental and service charges for new rental and service contracts and/or renewed rental and service contracts for the Existing Properties and the Proposed Acquired Property is 5 % under the Base Case Scenario. This is based on the rental & service charges payable by the tenants under rental & service agreements as of June 30, 2009.

In evaluating how sensitive projected distribution yield for Year 2010 of the Property Fund is when average increase in rental and service charges deviates from that under the Base Case Scenario, KIMENG employed the average increase of 15 % and 0 % under the Best Case Scenario and the Worst Case Scenario respectively. Such figures are obtained based upon historical record of increase in rental and service charges for new rental and service contracts and/or renewed rental and service contracts for the Existing Properties and the Proposed Acquired Property for the period between 2006 and 2008, historical record of increase in rental and service charges for other retail property projects managed by the Property Manager, macroeconomic condition, existing competition level in the retail property business as well as waiting list of potential tenants in the Existing Properties and the Proposed Acquired Property.

Result of sensitivity analysis when renewal rate of rental and service contracts deviates from that under the Base Case Scenario is showed in the table below:

**Table 2** Result of sensitivity analysis when average increase in rental and service charges for new rental and service contracts and/or renewed rental and service contracts deviates from that under the Base Case Scenario

Bookbuilding Price (Baht)	Projected Distribution Yield for Year 2010 (%)				
	8.6	8.7	8.8	8.9	9.0
Best Case	11.5%	11.3%	11.2%	11.1%	11.0%
Base Case	11.2%	11.1%	11.0%	10.9%	10.8%
Worst Case	11.1%	10.9%	10.8%	10.7%	10.6%

### 3) Growth in Promotion Income

Based on the Projection Year 2010, average growth in promotion income of the Existing Properties and the Proposed Acquired Property is 5 % per annum under the Base Case Scenario.

In evaluating how sensitive projected distribution yield for Year 2010 of the Property Fund is when growth in promotion income deviates from that under the Base Case Scenario, KIMENG employed the average growth of 7 % and 0 % under the Best Case Scenario and the Worst Case Scenario respectively for the Existing Properties and the Proposed Acquired Property. Such figures are obtained based on historical record of growth in promotion income for the Existing Properties and the Proposed Acquired Property for the period between 2006 and 2008, business plan as provided by the Property Manager as well as outlook of the domestic economy and the retail property business over the next 1-2 years. Result of sensitivity analysis when growth in promotion income deviates from that under the Base Case Scenario is showed in the table below:

**Table 3** Result of sensitivity analysis when growth in promotion income deviates from that under the Base Case Scenario

Bookbuilding Price (Baht)	Projected Distribution Yield for Year 2010 (%)				
	8.6	8.7	8.8	8.9	9.0
Best Case	11.3%	11.1%	11.0%	10.9%	10.8%
Base Case	11.2%	11.1%	11.0%	10.9%	10.8%
Worst Case	11.1%	11.0%	10.9%	10.8%	10.7%

### 4) Rental Rebate or Discount

Based on the Projection Year 2010, it is assumed rental rebate or discount of 2.9 % of rental and service income before rental rebate or discount will be given to tenants in CentralPlaza Rama II Project and CentralPlaza Ratchada-Rama III Project and rental rebate or discount of 1.8 % of rental and service income before rental rebate or discount will be given to tenants in CentralPlaza Pinklao Shopping Complex, Central Tower A Pinklao and Central Tower B Pinklao.

In evaluating how sensitive projected distribution yield for Year 2010 of the Property Fund is when rental rebate or discount deviates from that under the Base Case Scenario, KIMENG employed rental rebate or discount of 2.5 % and 3.5 % of rental and service income before rental rebate or discount under the Best Case Scenario and the Worst Case Scenario respectively for CentralPlaza Rama II Project and CentralPlaza Ratchada-Rama III Project and rental rebate or discount of 1.5 % and 2.0 % of rental and service income before rental rebate or discount under the Best Case Scenario and the Worst Case Scenario respectively for CentralPlaza Pinklao Shopping Complex, Central Tower A Pinklao and Central Tower B Pinklao. This is obtained based on historical record of rental rebate or discount for the Existing Properties and the Proposed Acquired Property for the period between 2006 and 2008. Table below shows a comparison among rental rebate or discount for the Existing Properties and the Proposed Acquired Property under the Base Case Scenario, the Worst Case Scenario and the Best Case Scenario:

Scenario	CentralPlaza Rama II	CentralPlaza Ratchada-Rama III Project	CentralPlaza Pinklao Project
Base Case	2.9 %	2.9 %	1.8 %
Best Case	2.5 %	2.5 %	1.5 %
Worst Case	3.5 %	3.5 %	2.0 %

Result of sensitivity analysis when rental rebate or discount deviates from that under the Base Case Scenario is showed in the table below:

**Table 4** Result of sensitivity analysis when rental rebate or discount deviates from that under the Base Case Scenario

Bookbuilding Price (Baht)	Projected Distribution Yield for Year 2010 (%)				
	8.6	8.7	8.8	8.9	9.0
Best Case	11.3%	11.1%	11.0%	10.9%	10.8%
Base Case	11.2%	11.1%	11.0%	10.9%	10.8%
Worst Case	11.2%	11.0%	10.9%	10.8%	10.7%

## **B. Factors that may affect projected property expenses of the Property Fund**

Review of key assumptions regarding property expenses of the Property Fund used to develop the Projection Year 2010 indicates the factor that has a material impact on projected property expenses of the Property Fund is increase in advertising & promotion expenses. Based on data provided by the Property Manager, advertising & promotion expenses is a major portion of property expenses of the Property Fund, accounting for approximately 35 %-40 % of total property expenses, whereas other expenses, excluding leasing commission, account for not more than 5 % of total property expenses.

Interview with the Property Manager indicates that advertising & promotion expenses have corresponded to rental and service revenue of the properties. Based on past 3 years historical record, advertising & promotion expenses accounted for approximately 3.5 %-7.0 % of rental and service revenue of the Existing Properties and the Proposed Acquired Property. Under the Base Case Scenario, advertising & promotion expenses account for approximately 5.0 % of rental and service revenue of the Existing Properties and the Proposed Acquired Property.

In evaluating how sensitive projected distribution yield for Year 2010 of the Property Fund is when the proportion of advertising & promotion expenses to rental and service revenue of the Existing Properties and the Proposed Acquired Property deviates from that under the Base Case Scenario, KIMENG employed the proportion of 3.0 % and 7.0 % under the Best Case Scenario and the Worst Case Scenario consecutively. This is obtained based upon 3-year historical record of proportion of advertising & promotion expenses to rental and service revenue of the Existing Properties and the Proposed Acquired Property.

Result of sensitivity analysis when proportion of advertising & promotion expenses to rental and service revenue deviates from that under the Base Case Scenario is showed in the Table below:

**Table 5** Result of sensitivity analysis when proportion of advertising & promotion expenses to rental and service revenue deviates from that under the Base Case Scenario

Bookbuilding Price (Baht)	Projected Distribution Yield for Year 2010 (%)				
	8.6	8.7	8.8	8.9	9.0
Best Case	11.4%	11.3%	11.2%	11.1%	11.0%
Base Case	11.2%	11.1%	11.0%	10.9%	10.8%
Worst Case	11.0%	10.9%	10.8%	10.7%	10.6%

Results of sensitivity analysis when factors affecting projected distribution yield for Year 2010 of the Property Fund deviates from those under the Base Case Scenario could be summarized in the Table below:

## Summary of Results of Sensitivity Analysis

Bookbuilding Price (Baht)	Projected Distribution Yield for Year 2010 (%) <sup>*</sup>				
	8.6	8.7	8.8	8.9	9.0
Base Case	11.2%	11.1%	11.0%	10.9%	10.8%
<b>Sensitivity Factor:</b> Renewal Rate of Rental and Service Contracts that Expire from December 2009 to December 2010					
Best Case (Renewal rate is 90 %.)	11.3%	11.2%	11.0%	10.9%	10.9%
Worst Case (Renewal rate is 70 %.)	11.2%	11.0%	10.9%	10.8%	10.7%
<b>Sensitivity Factor:</b> Average Increase in Rental and Service Charges for New Rental and Service Contracts and/or Renewed Rental and Service Contracts					
Best Case (Average increase is 15 %.)	11.5%	11.3%	11.2%	11.1%	11.0%
Worst Case (Average increase is 0 %.)	11.1%	10.9%	10.8%	10.7%	10.6%
<b>Sensitivity Factor:</b> Growth in Promotion Income					
Best Case (Growth of 7.0 %)	11.3%	11.1%	11.0%	10.9%	10.8%
Worst Case (Growth of 0.0 %)	11.1%	11.0%	10.9%	10.8%	10.7%
<b>Sensitivity Factor:</b> Proportion of Advertising and Promotion Expenses to Rental and Service Revenue					
Best Case: 3 %	11.4%	11.3%	11.2%	11.1%	11.0%
Worst Case: 7 %	11.0%	10.9%	10.8%	10.7%	10.6%
<b>Sensitivity Factor:</b> Rental Rebate or Discount					
Best Case The Existing Properties: 2.5 % The Proposed Acquired Property: 1.5 %	11.3%	11.1%	11.0%	10.9%	10.8%
Worst Case The Existing Properties: 3.5 % The Proposed Acquired Property: 2.0 %	11.2%	11.0%	10.9%	10.8%	10.7%

<sup>\*</sup> Projected distribution yield does not take into account impact from increase/decrease in value of the properties invested by the Property Fund.

Result of sensitivity analysis shows that the factor that has the most significant impact on projected distribution yield for Year 2010 of the Property Fund is average increase in rental and service charges for new rental and service contracts and/or renewed rental and service contracts. On the other hand, the factor that has the least significant impact on projected distribution yield for Year 2010 of the Property Fund is rental rebate or discount.

Kim Eng Securities (Thailand) Public Company Limited as the financial advisor hereby certifies that we are in compliance with the professional standards in preparing this Sensitivity Analysis Report. However, all investors should use their own thorough judgment in deciding whether to invest in the newly issued units of the Property Fund.

Sincerely yours,

Mr. Montree Sornpaisarn, CFA  
Executive Director  
Kim Eng Securities (Thailand) Plc.

Mr. Pusit Kaewmongkolsri  
Executive Director  
Kim Eng Securities (Thailand) Plc.

(Translation)

**CPN Retail Growth Leasehold Property Fund (CPNRF)** is a mutual fund investing in leasehold rights in immovable property. The value of the leasehold right may decrease in accordance with the remaining lease term, resulting in a decrease in the value of investment units of the Fund. Upon the expiration of the lease under the leasehold rights in which the Fund invested, the value of investment units shall be reduced to Baht 0 (zero baht), and the Fund will not provide reserves for repayment of investment units to the Unitholders upon dissolution of the Fund. ***Nonetheless, the Management Company may repay the investment funds together with payment of dividends, or return only the investment funds from a reduction of the registered capital prior to the dissolution of the Fund.***

Hence, to ensure that the Unitholders clearly understand the composition of cash flow they gain from the investment in the leasehold property fund, SCB Asset Management Co., Ltd. has provided an example of the projection of investment funds (principal amount) to be gradually repaid by means of the straight-line approach and the net dividend rate (actual return) to be gained in each year, by means of a projection of the repayment of investment funds (principal amount) by using the straight-line approach (the projection of the investment funds (principal amount) which will be gradually repaid by applying the straight-line approach is to divide the value of investment units purchased by the Unitholders by the average lease term as of the date of establishment of the leasehold property fund) as follows:

**Example:** Projection of Investment Funds of the Fund by Means of the Straight-line Approach (Conservative Basis)

**Hypothesis:**

1. The Unitholders purchase investment units at a par value of Baht 10 (ten baht).
2. The Fund makes investment in the leasehold right in Central Plaza Rama II and Central Plaza Ratchada-Rama III.
3. The average lease term as of the date of establishment of CPN Retail Growth Leasehold Property Fund until the expiry dates of the lease agreements with respect to Central Plaza Rama II and Central Plaza Ratchada-Rama III equals 52 years (calculated by means of the weighted average of the value of the immovable property in accordance with the appraised price in December 2008).

Based on the foregoing information, the investment funds (the principal amount) are estimated to be gradually returned at a rate of Baht 0.192 per annum (10/09) throughout the 52 years or 1.92% per annum. Thus, the net dividend (actual return) rate to be gained in each year shall be equivalent to the cash flow less the estimated investment fund (principal amount) to be gradually repaid.

The foregoing example of the projection of investment funds is exclusive of the property of Central Plaza Pinklao Project.

**Warning**

The use of the aforementioned straight-line calculation method is intended to enable general investors to clearly and easily understand the general method of showing the operational results of the Property Fund (Fund 1), which focuses on investments in leasehold rights in real property, by showing how much investment funds (principal) are gradually returned each year, to enable general investors to forecast the rate of net dividends (actual return) to be received each year. However, the application of the straight-line capital reduction method may be different from the accounting standards prescribed by the Federation of Accounting Professions, and the rules, regulations and/or notifications of the Office of the SEC currently in place or to be prescribed in the future.



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