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April 20, 2006

Dear Unitholders,

TMB Asset Management (TMBAM) would like to deliver CPN Retail Growth Property Fund Annual Report 2005 (during August 11, 2005 to December 31, 2005).

In 2005, Thai economic growth rate was 4.5%, reducing from 6.2% in 2004, with an increase in domestic demand of both spending and private investment at the rate of 4.4% and 11.2%, respectively. Nevertheless, the growth of domestic demand during the last two quarters slowed down due to rising in fuel prices, drought, bird flues disease, terrorists in the three Southern provinces and high inflation. As a result of 2005's 4.5% inflation, domestic interest rate of commercial banks and yield of fixed income securities in secondary market rose.

Overall trade overview of 2005, there was a sluggish growth resulting from the rise of domestic retail fuel prices and higher inflation, as stated before, leading to higher cost of production. On demand side, consumers spent less, especially on construction and durable goods (such as household electronic appliance); however, the growth of demand for essential goods did not drop much.

Furthermore, on December 31, 2005, CPN Retail Growth Property Fund had net asset value (NAV) of 11,167,204,424.00 Baht with net asset value per unit of 10.2310 Baht.

Lastly, TMBAM is deeply grateful for all unitholders to trust and invest in CPN Retail Growth Property Fund.

Fund Management Team
TMB Asset Management Co., Ltd.

Analysis of TMB Asset Management Co., Ltd. on behalf of CPN Retail Growth Property Fund

Overall picture of 2005, Thailand's economy grew up 4.5%, which was lower than 6.2% growth in 2004, due to fluctuation of fuel prices and high inflation, resulting in a rise of Bank of Thailand's 14 days Repo Rate and financial institutions' deposit interest rate. Drought, bird flu dispersion and terrorists in three Southern provinces also took great effects on the economy. Considering inflation and fuel price problem, demand started to fall, consequently affecting supply side production, especially on consumption goods industry while export industries were still doing well. Trading had slow down mainly from higher production cost causing by rises in domestic retail fuel price and high inflation rate. On the other hand, demand on constructions and household durable goods gradually increased as demand of essential consumption goods was steady. However, large suppliers tend to be able to adapt and absorb higher cost better than small and medium size suppliers do.

Retail business in 2005 was considered as highly competitive and included high business expansion. New strategies, sales promotion and shopping center renovation have been used to attract and maintain customer base. Many new projects, focusing on marketing strategy in differentiating themselves from competitors and initiating identity, have been launched and are now stealing market shares continuously. Besides, the fact of shopping centers well located in the residential area is still a major competitive aspect. Therefore, shopping centers, themselves, have to increase competent capability to become the leader of the industry and create value added through usage of public relation, locating strategy, and brand position.

CPN Retail Growth Property Fund achieved 298,423,033 Baht of Net Income from business operation during the period of August 11 to December 31, 2005, which is higher than the projected Net Income in the Profit Forecast. The fund's performance is better than expected because of continuous growth of retail business, and the selected shopping centers are well located and well managed by experienced, professional property manager, leading to high occupancy rate and increase in number of customers. In addition, the fund gets the benefit from the dramatic growth of retail industry.

For CPN Retail Growth Property Fund, net asset value as at December 31, 2005 equals 11,167,204,424.00 Baht or 10.2310 Baht of net asset value per unit. The fund paid out dividend to unitholders name list as listed on record at the end of the day of February 28, 2006 (for the investment period of August 11, 2005 until December 31, 2005) at the rate of 0.2908 Baht per unit. The fund had paid out 100 percent of 2005 Net Income together with was 2005 amortization of issuance costs as unitholders' dividends.

Source of economics data : National Economic
and social Development Board and Bank of Thailand

CPN Retail Growth Property Fund
Details of Investments
As at 31 December 2005

Type of investments	Areas leased by the Fund	Cost	Fair value
Investments in property (Note 4)			
Leasehold and subleasehold right on land and buildings and utilities systems under 2 projects			
1. Central Plaza Rama II			
<u>Location</u>	128 Moo 6, Rama II Road, Samaedam, Bangkhunties Bangkok		
-	Subleasehold right on land	53 rai	605,000,000
-	Leasehold right on building including parking and utilities system	251,183 sq.m.	5,411,415,607
-	Related acquisition costs		<u>77,421,082</u>
		<u>6,093,836,689</u>	<u>5,958,000,000</u>
2. Central Plaza Ratchada - Rama 3			
<u>Location</u>	79 Sathupradit Road, Chongnonsi, Yannawa, Bangkok		
-	Leasehold right on land	12 rai	831,000,000
-	Leasehold right on building and parking	170,169 sq.m	3,274,857,199
-	Owned utilities system		498,138,897
-	Related acquisition costs		<u>55,385,824</u>
		<u>4,659,381,920</u>	<u>4,749,000,000</u>
Total investment in property		<u>10,753,218,609</u>	<u>10,707,000,000</u>
Investment in securities		<u>Maturity date</u>	<u>Fair value (Baht)</u>
Promissory note			
MIZUHO CORPORATE BANK, LTD. *			
BANGKOK BRANCH		Jan. 2005	<u>360,000,000</u>
Total			<u>360,000,000</u>
Total investments at fair value			<u>11,067,000,000</u>

Type of investments	Areas leased by the Fund	Cost	Fair value
Cash on hand and at banks			419,053,389
Rental receivables			12,337,910
Accrued interest income			155,683
Deferred expense			126,807,286
Other assets			37,627,728
Total assets			<u>11,662,981,996</u>
LIABILITIES			
Other accounts payable			21,323,226
Deposits received from customers			399,999,218
Accrued expenses			55,086,495
Other liabilities			19,368,633
Total liabilities			<u>495,777,572</u>
Net Assets Value			<u>11,167,204,424</u>
Total Units			1,091,500,000,000
NAV per unit			10.2310
Ratios of total expenses to total asset (%)			1.18%

* Not included accrued interest income

Details on CPN Retail Growth Property Fund

CPN Retail Growth Property Fund (CPNRF) has invested in Central Plaza Rama II shopping center and Central Plaza Ratchada-Rama III shopping center. Details on buildings, land leasehold rights, investment cost, valuation price, and projected rental revenue can be concluded as follows:

Details on Land Leasing/Subleasing and the Fund's Property	Central Plaza Rama II Shopping Center	Central Plaza Ratchada-Rama III Shopping Center
<u>Land Details</u>		
Total area (Rais)	96-2-49.3	12-3-13.5
Total Fund's leasing/subleasing area (Rais)	53-2-38.4	12-2-44.6
Characteristics of Fund's leasehold rights	Long-term leasing contract: 20 years Expires on August 15, 2025	Long-term leasing contract: 30 years Expires on August 15, 2035 (The fund maintains the rights to renew the contract twice, for 30 years each.)
<u>Buildings and Area Details</u>		
Gross Area of the Shopping Centers	<p><u>Total area :</u></p> <ul style="list-style-type: none"> - Department Store 158,306 sq.m. Leasable Area 98,679 sq.m. - Commercial Buildings 3,040 sq.m. Lease out 3,040 sq.m. - Central Park 59,200 sq.m. Lease out 2,854 sq.m. - Parking 113,879 sq.m. - Parking capacity 3,119 cars 	<p><u>Total area :</u></p> <ul style="list-style-type: none"> - Department Store 97,772 sq.m. Leasable Area 57,033 sq.m. - Parking 90,186 sq.m. - Parking capacity 2,336 cars
	<p><u>Total area of Central Pattana Plc.:</u></p> <ul style="list-style-type: none"> - Department Store 5,937 sq.m. Leasable Area 5,937 sq.m. - Commercial Buildings 3,040 sq.m. Lease Area 3,040 sq.m. - Central Park 59,200 sq.m. Lease area 2,854 sq.m. - Parking 15,066 sq.m. - Parking capacity 344 cars 	<p><u>Total area of Central Pattana Plc.:</u></p> <ul style="list-style-type: none"> - Department Store 18,217 sq.m. Leasable Area 18,217 sq.m.
Gross Area of the Fund	<p><u>Total area under CPNRF long-term lease contract * :</u></p> <ul style="list-style-type: none"> - Department Store 152,369 sq.m. Leasable Area 92,742 sq.m. - Parking 98,813 sq.m. 	<p><u>Total area under CPNRF long-term lease contract * :</u></p> <ul style="list-style-type: none"> - Department Store 79,554 sq.m. Leasable Area 38,816 sq.m. - Parking 90,186 sq.m.

Details on Land Leasing/Subleasing and the Fund's Property	Central Plaza Rama II Shopping Center	Central Plaza Ratchada-Rama III Shopping Center
Benefits from Leasing Occupancy Rate	<p><u>Occupied area under CPNRF long-term lease contract :</u></p> <ul style="list-style-type: none"> - Occupied Department Store <li style="padding-left: 20px;">Long-term 555 sq.m. <li style="padding-left: 20px;">Short-term 90,875 sq.m. <li style="padding-left: 20px;">Total 91,430 sq.m. <p>Occupancy Rate approximately 99% of total leasable area</p> <ul style="list-style-type: none"> - Parking capacity 2,775 cars 	<p><u>Occupied area under CPNRF long-term lease contract :</u></p> <ul style="list-style-type: none"> - Occupied Department Store <li style="padding-left: 20px;">Long-term N.A. <li style="padding-left: 20px;">Short-term 38,498 sq.m. <li style="padding-left: 20px;">Total 38,498 sq.m. <p>Occupancy Rate approximately 99% of total leasable area</p> <ul style="list-style-type: none"> - Parking capacity 2,336 cars
Valuation price by CBRE* as of December 31, 2005	5,958 Million Baht	4,749 Million Baht
Revenue from August 15 to December 31, 2005	251.7 Million Baht	176.9 Million Baht
Obligation	None	Mortgage of Land and Construction with CPN Retail Growth Property Fund

Note : *Total valuation price as of December 31, 2005, was appraised by CB Richard Ellis (Thailand) Co., Ltd. (CBRE) based on the Income Approach.

Lease details during August 11, 2005 until December 31, 2005

The Fund has invested in leasehold/subleasehold of two projects as stated in the prospectus, including Central Plaza Rama II and Central Plaza Ratchada-Rama III. The details of investment are shown in part (2). The additional details on fund's investment are as follows:

Details on Leasehold/Subleasehold of the Fund's Investments	Central Plaza Rama II Shopping Center	Central Plaza Ratchada-Rama III Shopping Center
<u>Details of Shopping Center Leasehold</u>		
Contract Date	August 15, 2005	August 16, 2005
Fund's Acquisition Value	6,030 Million Baht	4,583 Million Baht
Reasons of fund's investments	The projects are high quality, located in good location, and capable of generating revenues and providing good return.	
Land and Construction Leaser/Subleaser	Central Pattana Rama II Co., Ltd.	Central Pattana Rama III Co., Ltd.
Appraised Value by AA as at February 28, 2005*	5,702 Million Baht	4,334 Million Baht
Appraised Value by CBRE as at February 28, 2005*	5,992 Million Baht	4,848 Million Baht
Expenses on Fund's Investment in Leasehold		
VAT on Leasehold Investment		34,350,903.58
Fund IPO Expense		145,055,144.48
Fund's Leasehold Registration Fee		102,285,738.12
Long-term Tenant Registration fee		1,088,612.00
Other Tenants Registration Fee		2,695,191.00
Engineering Consultant Fee		1,872,500.00
Appraisal Fee		1,400,750.00
Documentation and Other Expenses		307,662.45
Total Expense		289,056,501.63

Note: * Total valuation price as of December 31, 2005 was appraised by American Appraisal (Thailand) Co., Ltd. (AA) and CB Richard Ellis (Thailand) Co., Ltd. (CBRE) based on the Income Approach.

Details of the selling or transfer of leasehold of the property during August 11, 2005 until December 31, 2005

There are no selling or transfer of the leasehold of the property during the period of August 11, 2005 until December 31, 2005

Company's Report on Retail Industry in 2005 and Fund's Performance

Retail Industry Overview 2005

General Overview

In 2005, Thai economic growth had diminished from the previous year because of higher level of fuel price and high inflation. Natural disasters resulted in agricultural contracted growth rate. Furthermore, the tranquility problem in the Southern part of Thailand and Tsunami incident were followed up by falls in number of foreign tourists. Private investment and private consumption had fallen, comparing to 2004, illustrating spending stability. Nevertheless, Thailand's economic expansion rate in 2005 is less than the same in 2004, there is a tendency of more expansion in 2006 due to investment stimulation, tourism recovery and increase household spending, which is from more public and private support on employment and rise in wages, while pressure on inflation tends to decrease in the second half of year 2006.

For retail, there were high competition and more business expansion. Different strategies have been used, including shopping centers renovation to attract and maintain customer base. New projects have been continuously launched, using marketing strategies to differentiate themselves from competitors and create uniqueness to stimulate market share. Nevertheless, other inbound and outbound factors affecting the industries are listed as follows:

Positive factors

- Raise in Government and State-enterprises wages and minimum wages
- Tourism recovery after Tsunami incident; More foreign tourists attend at the end of the year
- Higher export value
- Government's Mega Project investment leads to more employment

Negative factors:

- Potential of high fuel price creates pressure on production cost and rise in goods price
- Interest rate is in upward trend leading to more saving options, reducing consumption
- Rising inflation leads to less consumers' real income
- Terrorists in the Southern part of Thailand

In shopping center business, it has been discovered that investors have high demand for good location, such as, in city center or highly residential suburb, for their shopping centers. In addition, the area of Siam Square, Raddjaprasong and Sukhumvit are highly focused as they are being promoted to be Shopping Street by Tourism Authority of Thailand. Such areas are highly competitive and can serve every class of customers. Therefore, the shopping centers have to increase their competing capability to be the leader of the market through usage of locating, positioning and public relation to create value added to the shopping centers.

Competition of Shopping Centers

In 2005, each shopping centers applied different marketing strategies to compete with others. The strategies that had been used include modernized interior renovation, restructuring shop types to customize for target group, improving appealing area, and creating new shopping center project. Consumers are attracted to spend more through sales promotion and price reduction activities.

- The Emporium Shopping Center applied Paris - the fashion city- theme to its renovation by turning the center elevator into Vertical Garden and B1 Floor into Shoes & Bags Saloon, and also expanding area of Food Category and Gourmet Market.
- Siam Paragon covers approximately 500,000 square meters with its objective to be World Class Shopping Destination. It does not contain only enormous shopping center, but also the largest and most modern aquarium in Asia.
- Seacon Square renovated 4th Floor Food Court, G Floor Thai Foods and moved Tutor Square from 4th to 3rd Floor to extend the area.
- Siam Center changed its entrance look by using glasses and lighting graphics. The shopping center has been decorated to modernize and new food court under the concept of "Food For Fun" has been introduced to generate different environment from other shopping centers.
- Future Park Rungsit Shopping Center presents Life Style Boutique Service zone, which has been perfectly improved to be the first Branded Service Killer of Thailand, on area of 6,000 square meters on the 2nd floor.

Competition on Retail Business

Currently, there is a high competition on retail business from new shopping center projects, renovation and all year round sales events to increase market share. This results in consumers having more options for shopping. Considering the competition and customers choices, each of them pays a lot of attention on creating brand royalty and customers' binding to make sure that customers will come back in the future.

As Bangkok area is very limited and not enough for any other large branch, there is less retail business expansion, leading to a high competition

Transportation system expansion, like Suvannabhumi Airport and MRT, will encourage the growth of retail business in both the stations or the MRT approachable area in suburb.

Performance of CPN Retail Growth Property Fund

The fund's actual performance from August 11 to December 31, 2005 was inline with Fund Performance Projection as details in the Profit Forecast, stated in the fund's prospectus (Appendix No.4: Profit Forecast). Total revenue of the fund was 436,354,914 Baht: 428,048,317 Baht from rental and services income and 8,306,597 Baht from other income. Total expense was 137,931,881 Baht: 110,998,839 Baht from property related expenses, fund management fee and other expense was 7,905,296 Baht, and 19,027,746 was Amortization of issuance costs. The fund achieved 298,423,033 Baht of Net Income from business operation during the period of August 11 to December 31, 2005, which is higher than the projected Net Income in the Profit Forecast.

The fund's performance is better than expected because of continuous growth of retail business, and the selected shopping centers are well located and well managed by experienced, professional property manager, leading to high occupancy rate and increase in number of customers. In addition, the fund gets the benefit from the dramatic growth of retail industry.

Dividend payment had been announced on February 28, 2006 at 0.2908 Baht per unit. The total dividend payment is 317,450,779 Baht, which 298,423,033 Baht is from Net Income and 19,027,746 Baht from was amortization of issuance costs. The fund had paid out 100 percent of 2005 Net Income together with was 2005 amortization of issuance costs as unitholders' dividends.

Mutual Fund Supervisor Report

To: Unitholders of the CPN Retail Growth property Fund

Whereas Citibank, N.A. Bangkok, the Mutual Fund Supervisor of the CPN Retail Growth property Fund which is managed by TMB Asset Management Co., Ltd. Has performed duties as the Mutual Fund Supervisor for the period of accounting year begin 11 August 2005 to 31 December 2005.

In our opinion, TMB Asset Management Co., Ltd. has performed its duties in managing the Fund correctly and appropriately according to the objectives specified in the Fund management project, which was approved by the Office of the Securities and Exchange Commission and under the Securities exchange Act B.E. 2535

Citibank, N.A. – Bangkok



Mutual Fund Supervisor
Vunvipa Kusakul
Vice President

PricewaterhouseCoopers ABAS Ltd.

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AUDITOR'S REPORT

To the unitholders of CPN Retail Growth Property Fund

I have audited the accompanying statement of assets and liabilities and the details of investments of CPN Retail Growth Property Fund as at 31 December 2005, and the related statements of operations, changes in net assets, cash flows and significant financial information and ratios for the period from 11 August 2005 (registered date of CPN Retail Growth Property Fund) to 31 December 2005. The Fund's management is responsible for the correctness and completeness of information in these financial statements. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position as at 31 December 2005, and the results of operations, changes in net assets, cash flows and significant financial information and ratios for the period from 11 August 2005 (registered date of CPN Retail Growth Property Fund) to 31 December 2005 of CPN Retail Growth Property Fund, in accordance with generally accepted accounting principles.



Boonmee Ngotngamwong
Certified Public Accountant (Thailand) No. 3673
PricewaterhouseCoopers ABAS Limited

Bangkok
6 February 2006

CPN RETAIL GROWTH PROPERTY FUND
Statement of Assets and Liabilities
As at 31 December 2005

	Notes	2005 Baht
ASSETS		
Investments at fair value (at cost Baht 11,113 million)	4	11,067,000,000
Cash on hand and at banks	5	419,053,389
Rental receivables		12,337,910
Accrued interest income		155,683
Deferred expense	6	126,807,286
Other assets		<u>37,627,728</u>
Total assets		<u>11,662,981,996</u>
LIABILITIES		
Other accounts payable		21,323,226
Deposits received from customers		399,999,218
Accrued expenses		55,086,495
Other liabilities		<u>19,368,633</u>
Total liabilities		<u>495,777,572</u>
Net Assets		<u>11,167,204,424</u>
NET ASSETS		
Capital received from unitholders	7	10,915,000,000
Retained earnings		<u>252,204,424</u>
Net asset value (Baht 10.2310 per unit based on 1,091,500,000 units outstanding at the end of the period)		<u>11,167,204,424</u>

The notes to the financial statements on pages 19 to 26 form an integral part of these financial statements.

CPN Retail Growth Property Fund
Details of Investments As at 31 December 2005

Type of investments	Areas leased by the Fund	Cost	Fair value	% of fair value
Investments in property (Note 4)				
Leasehold and subleasehold right on Land and buildings and utilities Systems under 2 projects				
1.	Central Plaza Rama II			
	<u>Location</u> 128 Moo 6, Rama II Road, Samaedam, Bangkhunties, Bangkok			
	- Subleasehold right on land	53 rai	605,000,000	
	- Leasehold right on building including parking and utilities system	251,183 sq.m.	5,411,415,607	
	- Related acquisition costs		77,421,082	
			<u>6,093,836,689</u>	<u>5,958,000,000</u>
				54.00
2.	Central Plaza Ratchada - Rama 3			
	<u>Location</u> 79 Sathupradit Road, Chongnonsi, Yannawa, Bangkok			
	- Leasehold right on land	12 rai	831,000,000	
	- Leasehold right on building and parking	170,169 sq.m	3,274,857,199	
	- Owned utilities system		498,138,897	
	- Related acquisition costs		55,385,824	
			<u>4,659,381,920</u>	<u>4,749,000,000</u>
			<u>10,753,218,609</u>	<u>10,707,000,000</u>
				97.00
	Total investment in property			
			<u>10,753,218,609</u>	<u>10,707,000,000</u>
				97.00
Investment in securities				
	Promissory note			
	MIZUHO CORPORATE BANK, LTD.			
	BANGKOK BRANCH	January 2006	360,000,000	360,000,000
			<u>360,000,000</u>	<u>360,000,000</u>
	Total			3.00
			<u>360,000,000</u>	<u>360,000,000</u>
				3.00
Total investments at fair value			<u>11,113,218,609</u>	<u>11,067,000,000</u>
			<u>100.00</u>	

* Not included accrued interest income

The notes to the financial statements on pages 19 to 26 form an integral part of these financial statements.

CPN Retail Growth Property Fund
Statements of Operations
For the period from 11 August 2005 to 31 December 2005

	<u>Notes</u>	<u>Baht</u>
Investment Income		
Rental and service income		410,876,734
Interest income		8,306,597
Other income		17,171,583
Total Income		<u>436,354,914</u>
Expenses		
Property management fee	8, 9	61,941,709
Management fee	8, 9	4,650,174
Trustee fee	8, 9	1,395,052
Registrar fee	8, 9	1,860,070
Professional fee		470,000
Amortisation of deferred expenses	6	19,027,746
Cost of rental and service		21,548,057
Selling and administrative expenses		24,889,833
Other expenses		2,149,240
Total Expenses		<u>137,931,881</u>
Net Investment Income		<u>298,423,033</u>
Net losses from investments		
Net unrealised losses from changes in investment value		(46,218,609)
Total net losses from investments		<u>(46,218,609)</u>
Net increase in net assets from operations		<u>252,204,424</u>

CPN Retail Growth Property Fund
Statements of Changes in Net Assets
For the period from 11 August 2005 to 31 December 2005

	<u>Note</u>	<u>2005 Baht</u>
Increase in net assets from operations during the period		
Net investment income		298,423,033
Net unrealised losses from changes in investment value		(46,218,609)
Net increase in net assets from operations		252,204,424
Capital contribution from unitholders	7	10,915,000,000
Net increase in net assets during the period		<u>11,167,204,424</u>
Net assets at the beginning of period		-
Net assets at the end of period		<u>11,167,204,424</u>

The notes to the financial statements on pages 19 to 26 form an integral part of these financial statements.

CPN Retail Growth Property Fund
Statements of Cash Flows
For the period from 11 August 2005 to 31 December 2005

	2005
	Baht
Cash flows from operating activities	
Net increase in net assets from operations	252,204,424
Adjustments to reconcile net increase in net assets from operations to net cash used in operating activities:	
Purchases of investments	(11,312,742,485)
Proceeds from sales of investments	200,000,000
Discount on bonds	(476,124)
Increase in rental receivables	(12,337,910)
Increase in accrued interest income	(155,683)
Increase in deferred expenses	(126,807,286)
Increase in other assets	(37,627,728)
Increase in other accounts payable	21,323,226
Increase in deposits received from customers	399,999,218
Increase in accrued expenses	55,086,495
Increase in other liabilities	19,368,633
Unrealised losses from investments	46,218,609
Net cash used in operating activities	<u>(10,495,946,611)</u>
Cash flows from financing activities	
Capital contribution	10,915,000,000
Net cash receipts from financing activities	<u>10,915,000,000</u>
Net increase in cash and cash equivalents	419,053,389
Cash and cash equivalents at the beginning of period	-
Cash and cash equivalents at the end of period	<u><u>419,053,389</u></u>

The notes to the financial statements on pages 19 to 26 form an integral part of these financial statements.

CPN Retail Growth Property Fund
Significant financial information and ratios
For the period from 11 August 2005 to 31 December 2005

	<u>Baht</u>
Information on operating results (per unit)	
Net assets value at the beginning of period	-
Add: Capital from unitholders	10.0000
Income from investing activities:	
Net investment income	0.2733
Net unrealised losses from investments	(0.0423)
Total income from investing activities	<u>0.2310</u>
Net asset value at the end of period	<u><u>10.2310</u></u>
Ratio of net profit to average net assets during the period (%)	2.27
Significant financial ratios and additional significant information	
Net assets at the end of period (Baht)	11,167,204,424
Ratios of total expenses to average net assets during the period (%)	1.24
Ratios of investment income to average net assets during the period (%)	3.94
Ratios of weighted average investment purchases and sales during the period to average net assets during the period (%) [*]	100.58
Weighted average net asset value during the period (Baht)	11,088,379,676

Information

^{*} The value of investment purchases and sales during the period does not include cash at bank, promissory note and investments bought/sold under a resale/repurchase agreement, and is calculated by a weighted average basis.

The notes to the financial statements on pages 19 to 26 form an integral part of these financial statements.

CPN Retail Growth Property Fund
Notes to Financial Statements
For the period from 11 August 2005 to 31 December 2005

1. Business nature of CPN Retail Growth Property Fund

The CPN Retail Growth Property Fund ("the Fund") was registered on 11 August 2005 with indefinite expiration date. The purpose of the Fund is to raise funds from unitholders to invest in property and equipment and leasehold rights with immovable properties as collaterals. As at 31 December 2005, the Fund has invested in 2 specific projects, Central Plaza Rama II and Central Plaza Ratchada-Rama III.

As at 31 December 2005, the major unitholder is Central Pattana Public Company Limited, holding 33% of total outstanding units.

TMB Asset Management Company Limited acts as the Management Company and Citibank N.A. Bangkok has been appointed to be the Trustee. Central Pattana Public Company (CPN) or an entity designated by CPN acts as the Property Manager.

2. Dividend payment policy

The Management Company will consider to pay dividends to unitholders no more than 4 times per year, provided that:

- (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. unrealised gain or losses from the appraisal of properties, securities and/or assets of the Fund;
2. the Fund's establishment and offering expenses (if any), which is booked as deferred expenses and amortised as expenses during the period expected to be benefited from such expenses.

In 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.

3. Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below:

a) Basis of preparation of financial statements

These financial statements are prepared in accordance with Thai Generally Accepted Accounting Principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission. In addition, the financial statements have been prepared under the basis and format as required by the Thai Accounting Standard No. 42 "Accounting for Investment Companies. The primary financial statements (i.e. statement of assets and liabilities, statements of operations, changes in net assets and cash flows) are prepared in the full format as required by the Securities and Exchange Commission.

The accounting principles applied may differ from generally accepted accounting principles adopted in other countries and jurisdictions. The accompanying financial statements are therefore not intended to present the financial position and results of operations and cash flows in accordance with jurisdictions other than Thailand. Consequently, these financial statements are only addressed to those who are informed about Thai generally accepted accounting principles and practices.

The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates.

An English version of the financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

As a result of the Federation of Accounting Profession (FAP) approval of three new accounting standards on 12 May 2005, TAS 52, 'Events After Balance Sheet Date', TAS 53, 'Provisions, Contingent Liabilities, and Contingent Assets' and TAS 54, "Discontinuing Operations", the Fund has adopted these new standards.

These financial statements have been approved by the Fund Manager on 6 February 2006.

b) Cash and cash equivalents

Cash and cash equivalents include savings and fixed account deposits with banks. The Fund defines cash equivalents as deposits with financial institutions with an original maturity of three months or less.

c) Investment valuation

Investments in properties are stated at fair value with no depreciation charge. The fair value is based on appraisal value by independent valuers approved by Securities and Exchange Commission. The Fund will conduct appraisal of properties every two years from the date of the appraisal for purchase or lease of the properties and will conduct a review of appraisal every year after the date of the latest appraisal. The Management Company will not appoint any Appraiser to appraise the property or leased property for more than 2 consecutive times.

Investment in debt securities, with maturity of more than 90 days, which can be freely traded on open market are stated at their fair value, using the latest price quoted on the Thai Bond Dealing Centre as of the date in which the investments are valued. In case the mentioned price is not available, such investments are stated at the price based on the yield rate as quoted by the financial institution (Market Maker). In the case where the debt security matures within 90 days, the estimated market value is computed by using the effective yield of debt securities throughout the remaining period.

Investment in debt securities with maturity within 90 days are stated at their fair value, using the purchasing yield of those debt securities.

Unrealised gains or losses from investment valuation are recognised in the statement of operations.

The cost of debt securities disposed during the year are determined on a weighted average basis.

d) Deferred expenses

Deferred expenses comprise the initial capital unit issuance costs, registration fees and other related expenses as incurred. Deferred expenses are amortised as expense over a period of 3 years on a straight line basis.

e) Revenues and expenses recognition

Rental and service income are recognised on an accrual basis.

Interest income and expenses are recognised on an accrual basis.

Gains or losses on trading securities are dealt with in the statement of operations at the transaction date.

f) Income taxes

The Fund is exempted from Thailand corporate income taxes. No provision for corporate income tax has been made in the accompanying financial statements.

g) Distribution to unitholders

A decrease in retained earnings is recognised at the date a cash dividend is declared. In the case where dividend is paid by a unit dividend, a decrease in retained earnings is recognised equivalent to the net asset value applied to the number of unit dividend declared at the date the dividend is declared.

4. Investment in properties

During the period, the Fund has invested in properties by purchasing and/or leasing and sub leasing land, buildings and utilities systems of Central Plaza Ratchada-Rama III (lease period is 30 years with option to renew for another 2 times, 30 years each) and Central Plaza Rama II (sublease period is 20 years) which are properties of subsidiaries of Central Pattana Public Company Limited. The Fund paid all lease and sublease costs for the entire lease period at the agreement date totalling Baht 10,753 million.

5. Cash on hand and at bank

	2005
	<u>Baht</u>
Cash on hand	19,094,500
Deposits held at call with banks	<u>399,958,889</u>
	419,053,389

The weighted average effective interest rate of deposits held at call with banks was 1.76% per annum.

6. Deferred expense

	2005
	<u>Baht</u>
Addition	145,835,032
Amortisation	<u>(19,027,746)</u>
	<u>126,807,286</u>

7. Unitholders' equity

As of 31 December 2005, there are 1,091,500,000 authorised units of Baht 10 par value.

Transactions in capital account are as follows:

	2005	2005
	<u>Number of units</u>	<u>Baht</u>
Units authorised and paid up	<u>1,091,500,000</u>	<u>1,091,500,000</u>
Beginning balance	-	-
Issue of units	<u>1,091,500,000</u>	<u>1,091,500,000</u>
Ending balance	<u>1,091,500,000</u>	<u>1,091,500,000</u>

Transactions in retained earning are as follows:

	2005
	<u>Baht</u>
Beginning balance	-
<u>Add</u> Net increase in net assets from operation	
During the period	<u>252,204,424</u>
Ending balance	<u>252,204,424</u>

8. Expenses

The property management fee, management fee, trustee fee and registrar fee are calculated by the Management Company as follows:

Annual management fee

The Management Company is entitled to receive a monthly management fee from the Fund at a rate 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.

Annual fee of the Trustee

The Trustee is entitled to receive a monthly remuneration at a rate 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.

Annual fee of the Investment Unit Registrar

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

Property Manager's fees

Fees and expenses of the Property Manager shall be payable to the Property Manager on a monthly basis according to the Property Management Agreement between the Management Company and the Property Manager. The details can be summarized as follows:

- 1 Fee for rental collection on behalf of the Fund at the rate not exceeding 3% of Net Rental and Service Income.
- 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 lease agreements is calculated at the rate of 0.5 - 1.5 months of the rental fees depending on the type and period (terms) of lease agreements.
- 3 Property Management fee is calculated at the rate not exceeding 0.30% of Net Asset Value of the Fund calculated as at the last business day of each month.
- 4 Incentive fee for the Property Manager is calculated at the rate of not exceeding 2.35% of Net Property Income. Net Property Income means net revenue from property deducted by property costs and expenses from procuring benefits from the properties.
- 5 The Property Manager shall receive a fee for each transaction of purchase and sale of property at the rate of 1.50% of the asset's acquisition value and 0.75% of asset's disposal value.

9. Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Fund, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Fund. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Fund that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Fund and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

a) The following significant transactions were carried out with related parties:

For the period from 11 August 2005 to 31 December 2005	<u>Baht</u>
TMB Assets Management Company Limited	
- Management fee	4,650,174
- Registrar fee	1,860,070
 Citibank, N.A.	
- Trustee fee	1,395,052
 Central Pattana Public Company Limited	
- Property management fee	61,941,709

In addition, the Fund has other transaction with the subsidiaries of Central Pattana Public Company Limited as mentioned in note 4.

b) Outstanding balances arising from sales/purchases of services

	31 December 2005
	<u>Baht</u>
Accrued expenses:	-
TMB Asset Management Company Limited	1,421,379
Citibank, N.A.	304,581
Central Pattana Public Company Limited	23,059,093

10. Financial instruments

As at 31 December 2005, the principal financial risks faced by the fund are interest rate risk and credit risk.

Interest rate risk

Interest rate risk is the risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial instruments. The financial assets that potentially subject the Fund to the interest rate risk is interest rate of promissory notes.

Credit risk

Credit risk is the risk that counterparties might not discharge their obligation causing the Fund to incur a financial loss. Credit risk arises from risk in the collectibility of lease fees from counterparties.

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

Fair value

The carrying amounts of the Fund's financial assets and liabilities as at 31 December 2005 as presented in the financial statements approximate to their fair values.

11. Commitments

As at 31 December 2005, the Fund has the future lease payments under pond rental with Central Pattana Rama II, a subsidiary of Central Pattana Public Company Limited. This commitment is a part of leasing building agreement of Central Plaza Rama II for 20 years from 15 August 2005 to 15 August 2025 as follows:

	<u>Baht</u>
Not later than 1 year	5,907,737
Later than 1 year and not later than 5 years	18,490,000
Later than 5 years	<u>89,670,000</u>
	<u><u>114,067,737</u></u>

12. Post balance sheet event

At the Investment Committee meeting no.1/2006 held on 31 January 2006 the Committee approved a dividend payment in respect of operation for the period from 11 August 2005 to 31 December 2005. The payment date and the amount to be paid will be announced at a subsequent date.