

CPN Retail Growth Property Fund

Annual Report 2006



From January 1, 2006
to December 31, 2006

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April 10, 2007

Dear Unitholders,

TMB Asset Management (TMBAM) would like to deliver CPN Retail Growth Property Fund Annual Report 2006 (during January 1, 2006 to December 31, 2006).

In 2006, Thai economy grew by 5.0%, which was higher than 4.5% growth rate in 2005. Export volume of goods and services went up along with world economic expansion, compensated with the slow down of domestic demand. Average inflation rate of 4.7% reflected the stability of on-shore interest rate in the second half of the year. This resulted in reduction of total saving, while crediting became sluggish. Financial liquidity was still high.

Retail business sector was affected negatively by the slow down in Asian economy. Constant high oil prices and high interest rate led to increase in price of goods, affecting household real income. In addition, the instability of politics and domestic economy caused negative confidence of both investors and consumers, resulted in a sale drop of retail business in shopping complex. Therefore, many of retail businesses applied various competitive strategies and sales promotions in order to raise selling revenues.

CPN Retail Growth Fund's net asset value as of December 31, 2006 was 11,107,473,459.14 Baht, which was equal to 10.1763 Bath per unit. As for the performance of the Fund from January 1, 2006 to December 31, 2006, the Fund had revenue of 1,201,067,655 Baht while expenditure was 350,926,332 Baht. The fund made profit of 850,141,323 Baht in total.

Finally, TMBAM is grateful for all unitholders to trusts 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 in 2006, Thailand's economy grew by 5.0%, which is higher than 4.5% in 2005. Export was expanded by 9.0%, according to the expansion of world economy, comparing to 4.3% growth in 2005. On the other hand, import was only 0.8% comparing to 8.8% in 2005, which was due to the decrease in growth of consumption, 3.1%, and the slow down in investment of public sector, 3.9%. As a result of higher oil prices, interest rate went up together with inflation. The concerns of violence in southern Thailand and the uncertainty in politics were reflected in less confidence of investors and people¹.

Year 2006 was a very challenging year for retail business industry due to the negative effect of Asian economic slow down. High oil price and high interest rate led to rise in interest rate and inflation, which affected household real income. Political and economic instability discouraged foreign and domestic investors' confidence. During the time of drop down in sales of retail businesses, the project developer applied different competitive strategies through advertisement and promotional events to recover the sales. Some renovated and modernized their images to attract more customers. Some offered special discount and VAT refund to tourists, while others developed small-sized shopping complex, or community mall, to reach the target community and reduce risks from investing in big projects².

The performance of the Fund from January 1, 2006 to December 31, 2006 was compatible with the Fund's initial revenue projection, which is shown in the Fund's prospectus. The Fund had revenue of 1,201,067,655 Baht, composed of 1,120,427,853 Baht from rental and services, and 51,640,183 Baht from other revenues. Expenditure was 350,926,332 Baht, composed of 280,845,244 Baht from property related fees, 21,513,765

Baht from fund management fee and others, and 48,567,323 Baht from amortization of deferred expenses. The fund made profit of 850,141,323 Baht in total, which was higher than the projected income statement revealed in the prospectus.

As of December 31, 2006, the Fund had net asset value of 11,107,473,459.14 Baht, or 10.1763 Baht per unit. For the past year of 2006, the fund announced four dividend payments with the total of 852,679,800 Baht, or 0.7812 Baht per unit.

¹ NESDB

² Central Pattana Public Company Limited. 2006 Annual Report

Property details of CPN Retail Growth Fund

CPN Retail Growth Fund (CPNRF) has invested in Central Plaza Rama II Shopping Complex and Central Plaza Ratchada-Rama III Shopping Complex. The details on buildings, land leasehold rights, investment cost, valuation price and projected rental revenue of the Fund can be summarized as follows:

Details of Land Leasing/Subleasing and the Fund's Property	Central Plaza Rama II Shopping Complex	Central Plaza Ratchada-Rama III Shopping Complex
<u>Land Details</u> Total Area (Rai)	96-2-49.3	12-3-13.5
Total Fund's leasing/subleasing area (Rais)	53-2-38.4	12-2-44.6
The Fund's leasehold rights type	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 under the Fund	<u>Area under long-term contract with CPNRF*</u> : - Total Shopping Complex Area 152,369 sq.m. Leasing Area 93,441 sq.m. - Parking Area 98,813 sq.m.	<u>Area under long-term contract with CPNRF*</u> : - Total Shopping Complex Area 79,554 sq.m. Leasing Area 38,806 sq.m. - Parking Area 90,186sq.m.
Utilization of vacant area/leasing and occupancy rate	<u>Leased area under the long-term contract with CPNRF :</u> - Shopping Complex leased Long-term 555 sq.m. Short-term 91,959 sq.m.. Total 92,514 sq.m. Counted as 99% of total leased area	<u>Leased area under the long-term contract with CPNRF:</u> - Shopping Complex leased Long-term - None - Short-term 37,022 sq.m. Total 37,022 sq.m. Counted as 95% of total leased area
The Fund's leasehold rights type	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.)
Valuation price by TPA* as of December 31, 2006	6,038.90 Million Baht	4,733.30 Million Baht
Obligations	-None-	Mortgage of Land and Construction with CPN Retail Growth Property Fund

Remarks : *The valuation price as at December 31, 2006 by Thai Appraisal Lynn Phillip Company Limited (TPA) was done by income approach.

*On December 31, 2006, the remaining contract life of Central Plaza Rama II Shopping Complex is around 18.5 years and 28.5 years for Central Plaza Ratchada-Rama III Shopping Complex. (The Fund maintains rights to extend the contract of Central Plaza Ratchada-Rama III Shopping Complex twice with 30-year for each contract.)

Lease details during the period of January 1, 2006 to December 31, 2006

In that period, the Fund did not lease additional asset. Nevertheless, the Fund had renovated areas in Central Plaza Rama II Shopping Complex and Central Plaza Ratchada-Rama III Shopping complex as follows:

- Central Plaza Rama II is on process of turning the 4th floor of parking into rental areas for new leases of approximately 2,700 square meters and 1,400 square meter, and developing additional parking space for 80 cars. Subsequently, there will be 4,100 square meters more for leasing. The development is expected to stimulate the number of customers coming to the shopping complex. This investment costs approximately 70 million baht. Currently, the construction and building renovation has been authorized by both the landowner and related government parties. It is in process of construction and is expected to be completed within the third quarter of 2007.
- Central Plaza Ratchada-Rama III was on process of small renovations. The renovation includes relocation of escalator between 6th and 7th floor, which was done in the previous year, and relocation of food center to new area on 6th floor, which is on the process of interior designing. The food center is expected to be completed within the second quarter of 2007. Total investment on this reformation is approximately 30 million Baht.

Details of the selling or transfer of leasehold of the property during January 1,2006 until December 31, 2006

There are no selling or transfer of the leasehold of the property during the period of January 1, 2006 until December 31, 2006

Report on retail business industry in 2006 and the Fund's performance

Retail business industry overview in 2006

General Overview

2006 was a very challenging year for retail business industry due to the negative effect of Asian economic slow down. High oil price and high interest rate led to rise in interest rate and in inflation, which affected household real income. Political and

economic instability discouraged foreign and domestic investors' confidence. During the time of drop down in sales of retail businesses, the project developer applied different competitive strategies through advertisement and promotional events to recover the sales. Some renovated and modernized their images to attract more customers. Some offered special discount and VAT refund to tourists, while others developed small-sized shopping complex, or community mall, to reach the target community and reduce risks from investing in big projects.

Competition of Shopping complex

In 2006, each shopping complex applied different marketing strategies, such as modernized interior design, customized shops to capture target customers, or renovated and developed new attractions. There were some new project openings. Many decided to use attractive promotional events and new activities or sales promotion to stimulate the purchasing power of consumers.

Important actions in shopping complex business in 2006 were as following:

- The opening of Siam Paragon shopping complex in December 2005 and Central World shopping complex in July 2006 led to a dramatically increase in department store and retail business area.
- The new projects introduced in Bangkok were the Union Mall in March and Esplanade Entertainment Complex in December.
- There was an increase in rental area in Bangkok, including office rental area, from Q-House Lumpini and S.N. Tower.
- Siam Future Development Plc. extended new line of shopping complex businesses, such as Power Center, Lifestyle Shopping Complex, community mall, and convenience center.
- Shopping complex and department stores had renovations and additional constructions to attract leasees and new customers, such as
 - The Mall Group: The Mall Bangkae and The Mall Tah Pra
 - Fashion Island
 - Amarin Plaza
 - MBK Center

- There was a high competition on advertisements to attract more customers.

Performance of CPN Retail Growth Fund

The performance of the Fund from January 1, 2006 to December 31, 2006 was compatible with the Fund's initial revenue projection, which is shown in the Fund's prospectus. The Fund had revenue of 1,201,067,655 Baht, composed of 1,120,427,853 Baht from rental and services, and 51,640,183 Baht from others. Expenditure was 350,926,332 Baht, composed of 280,845,244 Baht from property related fees, 21,513,765 Baht from fund management fee and others, and 48,567,323 Baht from amortization of deferred expenses. The fund made profit of 850,141,323 Baht in total, which was higher than the projected income statement disclosed in the prospectus.

From the growing retail business industry together with the well-located assets, and professional and experienced asset manager, the shopping complexes under the Fund operated well with high occupancy rate and higher number of customers, resulting in the Fund outperforming the projection.

From the Fund's performance for the period of January 1, 2006 to December 31, 2006, the fund had announced four dividend payments, cumulated to 0.7812 Baht per unit or 852,679,800 Baht in total. The Fund's dividend payout ratio was 95% of net income in 2006.

Details of Investments Separate by categories

CPN Retail Growth Property Fund

As at 31 December 2006

Type of investments	Areas leased by the Fund	Cost (in Baht)	Fair value
Investments in property			
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, Bangkhuntien, 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	
Leasehold improvements		562,847	
		<u>6,094,399,536</u>	<u>6,038,900,000</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		55,385,824	
Leasehold improvements		9,623,441	
		<u>4,669,005,361</u>	<u>4,733,300,000</u>
Total investments in property		<u><u>10,763,404,897</u></u>	<u><u>10,772,200,000</u></u>
Investment in securities			
	Maturity	Face value (in Baht)	Fair value*
Bills of exchange			
The Bank of Tokyo - Mitsubishi	January - March 2007	350,000,000	350,000,000
United Overseas Bank (Thai) Public Company Limited	January 2007	100,000,000	100,000,000
TISCO Bank Public Company Limited.	At call	76,000,000	76,000,000
Fixed deposit			
Sumitomo Mitsui Banking Corporation	January 2007	100,000,000	100,000,000
Total investment in securities		<u>626,000,000</u>	<u>626,000,000</u>
Total investments		<u><u>11,389,404,897</u></u>	<u><u>11,398,200,000</u></u>

* Not including accrued interest income

Details of Investments

CPN Retail Growth Property Fund

As at 31 December 2006

	Areas leased by the Fund	Cost (in Baht)	Fair value
Cash on hand and at banks			140,503,619
Rental receivables			19,290,603
Accrued interest income			1,409,313
Deferred expenses			79,601,743
Other assets			42,793,358
Total assets			11,681,798,636
<i>Liabilities</i>			
Other accounts payable			5,842,220
Deposits received from customers			421,327,456
Accrued expenses			76,677,996
Unearned lease income			52,994,314
Other liabilities			17,483,191
Total liabilities			574,325,177
<i>Net assets</i>			11,107,473,459
Total Units			1,091,500,000
Nav per unit			10.1763
Ratios of total expenses to total asset (%)			3.00%

Table: Fees and Expenses Collected from the Fund for 2006 CPN Retail Growth property Fund

(January 1, 2006 to December 31, 2006)

Fees collected from the Fund	From January 1, 2006	From January 1, 2006
	to December 31, 2006	to December 31, 2006
	Amount	% of NAV ¹
	Unit: Thousand Baht	
Management fee	11,894.99	0.11
Trustee fee	3,568.50	0.03
Registrar fee	4,757.99	0.04
Advisory fee	0.00	0.00
Property management fee	152,924.43	1.38
Professional fee	903.48	0.01
Amortisation of deferred expenses	48,567.32	0.44
Cost of rental and service	59,001.34	0.53
Selling and administrative expenses	68,919.47	0.62
Other expenses	388.81	0.00
Total Expenses	350,926.33	3.16

Note 1. Daily average net asset value (NAV) calculated from January 1, 2006 to December 31, 2006 equals 11,092,652,398.24

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 begin 1 January 2006 to 31 August 2006

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



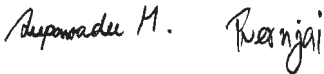
Mutual Fund Supervisor
Vunvipa Kusakul
Vice President

Citibank N.A Bangkok
January 10, 2007

Mutual Fund Supervisor Opinion

Dear The Unitholders of the CPN Retail Growth Property Fund

We, The Kasikornbank Public Company Limited, as the Mutual Fund Supervisor of the CPN Retail Growth Property Fund by the TMBAsset Management Company Limited from September 1, 2006 until December 31, 2006 would like to inform you that the TMB Asset Management Company Limited has well performed and fully completed its duties pursuant to its project and Securities and Exchange B.E.2535



Mutual Fund Supervisor

January 5, 2007

Audit Report of Certified Public Accountant

To the Unitholders of CPN Retail Growth Property Fund

I have audited the balance sheet and the details of investments of CPN Retail Growth Property Fund as at 31 December 2006, and the statements of income, changes in net assets, cash flows and significant financial information for the year then ended. The Funds management is responsible for the correctness and completeness of information presented in these financial statements. My responsibility is to express an opinion on these financial statements based on my audit. The financial statements of CPN Retail Growth Property Fund for the period 11 August 2005 (registered date of CPN Retail Growth Property Fund) through 31 December 2005 were audited by another auditor whose report dated 6 February 2006 expressed an unqualified opinion on those statements.

I conducted my audit 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 statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CPN Retail Growth Property Fund as at 31 December 2006, and the results of its operations, changes in net assets, cash flows and significant financial information for the year then ended in accordance with generally accepted accounting principles.



(Thirdthong Thepmongkorn)
Certified Public Accountant
Registration No. 3787

KPMG Phoomchai Audit Ltd.
Bangkok
9 February 2007

Balance sheets

CPN Retail Growth Property Fund

As at 31 December 2006 and 2005

	Note	2006	2005
(in Baht)			
<i>Assets</i>			
Investments at fair value (at cost Baht 11,389 million in 2006 and Baht 11,113 million in 2005)	5	11,398,200,000	11,067,000,000
Cash on hand and at banks	6	140,503,619	419,053,389
Rental receivables		19,290,603	12,337,910
Accrued interest income		1,409,313	155,683
Deferred expenses	7	79,601,743	126,807,286
Other assets		42,793,358	37,627,728
Total assets		11,681,798,636	11,662,981,996
<i>Liabilities</i>			
Other accounts payable		5,842,220	21,323,226
Deposits received from customers		421,327,456	399,999,218
Accrued expenses	4	76,677,996	55,086,495
Unearned lease income		52,994,314	8,626,757
Other liabilities		17,483,191	10,741,876
Total liabilities		574,325,177	495,777,572
Net assets		11,107,473,459	11,167,204,424
<i>Net assets</i>			
Capital received from unitholders	8	10,915,000,000	10,915,000,000
Retained earnings	8	192,473,459	252,204,424
Net assets (Baht 10.1763 per unit in 2006 and Baht 10.2310 per unit in 2005 based on 1,091,500,000 units outstanding)		11,107,473,459	11,167,204,424

The accompanying notes are an integral part of these financial statements

Details of Investments

CPN Retail Growth Property Fund

As at 31 December 2006

Type of investments	Areas leased by the Fund	Cost	Fair value (in Baht)	fair value % of
<i>Investments in property (Note 5)</i>				
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, Bangkokhunting, 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		
Leasehold improvements		562,847		
		6,094,399,536	6,038,900,000	52.98
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		
Leasehold improvements		9,623,441		
		4,669,005,361	4,733,300,000	41.53
Total investments in property		10,763,404,897	10,772,200,000	94.51
Investment in securities				
	Maturity	Face value	Fair value*	
		(in Baht)		
Bills of exchange				
The Bank of Tokyo - Mitsubishi	January - March 2007	350,000,000	350,000,000	
United Overseas Bank				
(Thai) Public Company Limited	January 2007	100,000,000	100,000,000	
TISCO Bank Public Company Limited.	At call	76,000,000	76,000,000	
Fixed deposit				
Sumitomo Mitsui Banking Corporation	January 2007	100,000,000	100,000,000	
Total investment in securities		626,000,000	626,000,000	5.49
Total investments		11,389,404,897	11,398,200,000	100.00

* Not including accrued interest income

Details of Investments

CPN Retail Growth Property Fund

As at 31 December 2005

Type of investments	Areas leased by the Fund	Cost	Fair value	fair value % of
		(in Baht)		
<i>Investments in property (Note 5)</i>				
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, Bangkhuntien, 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		
		6,093,836,689	5,958,000,000	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		
		4,659,381,920	4,749,000,000	43.00
Total investments in property		10,753,218,609	10,707,000,000	97.00
Investment in securities	Maturity	Face value	Fair value*	
		(in Baht)		
Promissory note				
MIZUHO CORPORATE BANK, LTD.				
BANGKOK BRANCH	January 2006	360,000,000	360,000,000	3.00
Total investment in securities		360,000,000	360,000,000	3.00
Total investments		11,113,218,609	11,067,000,000	100.00

* Not including accrued interest income

Statements of income

CPN Retail Growth Property Fund

For the year ended 31 December 2006 and for the period 11 August 2005 through 31 December 2005

	Note	For the year ended 31 December 2006	For the period 11 August 2005 through 31 December 2005
(in Baht)			
<i>Investment income</i>			
Rental and service income		1,120,427,853	410,876,734
Interest income		28,999,619	8,306,597
Other income		51,640,183	17,171,583
Total income		1,201,067,655	436,354,914
<i>Expenses</i>			
Property management fee	4	152,924,428	61,941,709
Management fee	4	11,894,985	4,650,174
Trustee fee	4	3,568,495	1,395,052
Registrar fee	4	4,757,994	1,860,070
Professional fee		903,481	470,000
Amortisation of deferred expenses		48,567,323	19,027,746
Cost of rental and service		59,001,342	21,548,057
Selling and administrative expenses		68,919,474	24,889,833
Other expenses		388,810	2,149,240
Total expenses		350,926,332	137,931,881
Net investment income		850,141,323	298,423,033
<i>Net gain (loss) from investments</i>			
Net unrealised gain (loss) from changes in investment value		55,013,712	(46,218,609)
Total net gain (loss) from investments		55,013,712	(46,218,609)
Net increase in net assets from operations		905,155,035	252,204,424

The accompanying notes are an integral part of these financial statements

Statements of changes in net assets

CPN Retail Growth Property Fund

For the year ended 31 December 2006 and for the period 11 August 2005 through 31 December 2005

	Note	For the year ended 31 December 2006	For the period 11 August 2005 through 31 December 2005 (in Baht)
Increase in net assets from operations			
during the year/period			
Net investment income		850,141,323	298,423,033
Net unrealised gain (loss) from changes in investment value		55,013,712	(46,218,609)
Net increase in net assets from operations		905,155,035	252,204,424
Capital contribution from unitholders		-	10,915,000,000
Distribution to unitholders	9	(964,886,000)	-
Net increase (decrease) in net assets during the year/period		(59,730,965)	11,167,204,424
Net assets at the beginning of year/period		11,167,204,424	-
Net assets at the end of year/period		11,107,473,459	11,167,204,424

The accompanying notes are an integral part of these financial statements

Statements of cash flows

CPN Retail Growth Property Fund

For the year ended 31 December 2006 and for the period 11 August 2005 through 31 December 2005

	Note	For the year ended 31 December 2006	For the period 11 August 2005 through 31 December 2005 (in Baht)
<i>Cash flows from operating activities</i>			
Net increase in net assets from operations		905,155,035	252,204,424
<i>Adjustments to reconcile net increase in net assets from operations to net cash provided by (used in) operating activities:</i>			
Purchases of investments		(276,186,288)	(11,312,742,485)
Proceeds from sales of investments		-	200,000,000
Discount on investments		-	(476,124)
Increase in rental receivables		(6,952,693)	(12,337,910)
Increase in accrued interest income		(1,253,630)	(155,683)
Decrease (increase) in deferred expenses		47,205,542	(126,807,286)
Increase in other assets		(5,165,630)	(37,627,728)
Increase (decrease) in other accounts payable		(15,481,005)	21,323,226
Increase in deposits received from customers		21,328,238	399,999,218
Increase in accrued expenses		21,591,501	55,086,495
Increase in other liabilities		51,108,872	19,368,633
Net unrealised loss (gain) from investments		(55,013,712)	46,218,609
Net cash provided by (used in) operating activities		686,336,230	(10,495,946,611)
<i>Cash flows from financing activities</i>			
Capital contribution		-	10,915,000,000
Distribution to unitholders		(964,886,000)	-
Net cash provided by (used in) financing activities		(964,886,000)	10,915,000,000
Net increase (decrease) in cash and cash equivalents		(278,549,770)	419,053,389
Cash and cash equivalents at beginning of year/period		419,053,389	-
Cash and cash equivalents at end of year/period		140,503,619	419,053,389

The accompanying notes are an integral part of these financial statements

Significant financial information

CPN Retail Growth Property Fund

For the year ended 31 December 2006 and for the period 11 August 2005 through 31 December 2005

	For the year ended 31 December 2006	For the period 11 August 2005 through 31 December 2005 (in Baht)
<i>Information on operating results (per unit)</i>		
Net assets value at the beginning of year/period	10.2310	-
Add Capital from unitholders	-	10.0000
<i>Income from investing activities:</i>		
Net investment income	0.7789	0.2733
Net unrealised gain (loss) from investments	0.0504	(0.0423)
Less Distribution to unitholders	(0.8840)	-
Net asset value at the end of year/period	10.1763	10.2310
Ratio of net profit to average net assets during the year/period (%)	8.16%	2.27%
<i>Significant financial ratios and additional significant information</i>		
Net assets at the end of year/period	11,107,473,459	11,167,204,424
Ratios of total expenses to average net assets during the year/period (%)	3.16%	1.24%
Ratios of investment income to average net assets during the year/period (%)	10.83%	3.94%
Ratios of weighted average investment purchases and sales during the year/period to average net assets during the year/period (%)*	0.09%	100.58%
Average net asset value during the year/period	11,092,652,398	11,088,379,676

Information

- * The value of investment purchases and sales during the year/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 accompanying notes are an integral part of these financial statements

Notes to the financial statements

CPN Retail Growth Property Fund

For the year ended 31 December 2006 and for the period 11 August 2005 through 31 December 2005

These notes form an integral part of the financial statements.

The financial statements were authorised for issued by the Funds management on 9 February 2007.

1 General information

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 2006, the Fund has invested in 2 specific projects, Central Plaza Rama II and Central Plaza Ratchada-Rama III.

As at 31 December 2006, 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 Limited (CPN) acts as the Property Manager.

In September 2006, the Fund changed the Trustee from Citibank N.A. Bangkok to KASIKORNBANK Public Company Limited.

2 Basis of preparation of the financial statements

The financial statements issued for Thai reporting purposes are prepared in the Thai language. This English translation of the financial statements has been prepared for the convenience of readers.

The financial statements are prepared in accordance with Thai Accounting Standards (“TAS”) including related interpretations and guidelines promulgated by the Federation of Accounting Professions and with generally accepted accounting principles in Thailand. 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 financial statements are presented in Thai Baht, round in the notes to the financial statements to the nearest thousand unless otherwise stated. They are prepared on the historical cost basis except for the following assets and liabilities which are stated at fair value: investment in properties and investment in securities.

The preparation of financial statements in conformity with TAS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets, and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

3 Significant accounting policies

(a) *Investments*

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 income.

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

(b) *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and call deposits.

(c) *Rental receivables*

Rental receivables are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

(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) *Other payable*

Other payable are stated at cost.

(f) *Revenue*

Revenue excludes value added taxes and is arrived at after deduction of trade discounts.

Rental income

Rental income from investment property is recognised in the statement of income on a straight-line basis over the term of the lease. Service income is recognised when services are rendered to customers. Unearned lease income is recognised in the statement of income on a straight-line basis over the term of the lease.

Interest income

Interest income is recognised in the statement of income as it accrues.

(g) *Expenses*

Operating leases

Payments made under operating leases are recognised in the statement of income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the statement of income as an integral part of the total lease payments made. Contingent rentals are charged to the statement of income in the accounting period in which they are incurred.

Finance costs

Interest expenses and similar costs are charged to the statement of income in the period in which they are incurred.

(h) *Income taxes*

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

(i) *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 **Related party transactions and balances**

Related parties are those parties linked to the Fund by common shareholders or directors. Transactions with related parties are conducted at prices based on market prices or, where no market price exists, at contractually agreed prices.

Transactions for the year ended 31 December 2006 and for the period 11 August 2005 through 31 December 2005 with related parties were summarised as follows:

	For the year ended 31 December 2006	For the period 11 August 2005 through 31 December 2005
	(in thousand Baht)	
<i>Expenses</i>		
Property management fee	152,924	61,942
Management fee	11,895	4,650
Registrar fee	4,758	1,860
Trustee fee	3,568	1,395

Balances as at 31 December 2006 and 2005 with related parties were as follows:

	2006	2005
	(in thousand Baht)	
<i>Accrued expenses</i>		
Central Pattana Public Company Limited	15,979	23,059
TMB Asset Management Company Limited	1,414	1,421
KASIKORNBANK Public Company Limited	303	-
Citibank, N.A. Bangkok	-	305
Total	17,696	24,785

Significant agreements with related parties

(a) *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.

(b) *Trustee fee*

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.

(c) *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 asset value of the Fund as calculated by the Management Company and verified by the Trustee.

(d) *Property Management 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 Fund and the Property Manager. The details are 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 not exceeding 2.35% of Net Property Income. Net Property Income means net revenue from property after deducting 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.

5 Investments in property

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.

6 Cash on hand and at banks

	2006	2005
	(in thousand Baht)	
Cash on hand	8	8
Cash at banks	140,496	419,045
Total	140,504	419,053

7 Deferred expenses

	(in thousand Baht)
<i>Cost</i>	
At 11 August 2005	-
Additions	145,835
At 31 December 2005	145,835
Additions	1,362
At 31 December 2006	147,197
<i>Amortisation</i>	
At 11 August 2005	-
Amortisation charge for the period	19,028
At 31 December 2005	19,028
Amortisation charge for the year	48,567
At 31 December 2006	67,595
<i>Net book value</i>	
At 31 December 2005	126,807
At 31 December 2006	79,602

8 Unitholders' equity

	Par Value (in Baht)	2006		2005	
		Number (in thousand unit)	Baht (in thousand Baht)	Number (in thousand Baht)	Baht (in thousand Baht)
<i>Authorised</i>					
At 1 January		1,091,500	10,915,000	-	-
Issued of units		-	-	1,091,500	10,915,000
At 31 December	10	1,091,500	10,915,000	1,091,500	10,915,000
<i>Issued and fully paid</i>					
At 1 January		1,091,500	10,915,000	-	-
Issued of units		-	-	1,091,500	10,915,000
At 31 December	10	1,091,500	10,915,000	1,091,500	10,915,000

		2006	2005
	Note	(in thousand Baht)	
Retained earnings			
At 1 January		252,204	-
Add Net increase in net assets from operations during the year/period		905,155	252,204
Less Distribution to unitholders	9	(964,886)	-
At 31 December		192,473	252,204

9 Distribution to unitholders

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

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. 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 included the following:

- a) *Unrealised gain or losses from the appraisal of properties, securities and/or assets of the Fund;*
- b) *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.

During 2006, the Fund approved dividend to unitholders as follows:

At the Investment Committee meeting No. 1/2006 of the Fund held on 31 January 2006, the shareholders approved the appropriation of dividends of Baht 0.2908 per unit, amounting to Baht 317.4 million, from net profit for the period 11 August 2005 through 31 December 2005. The dividend was paid to unitholders in February 2006.

At the Investment Committee meeting No. 2/2006 of the Fund held on 16 May 2006, the shareholders approved the appropriation of dividends of Baht 0.1886 per unit, amounting to Baht 205.9 million, from net profit for the period 1 January 2006 through 31 March 2006. The dividend was paid to unitholders in June 2006.

At the Investment Committee meeting No. 3/2006 of the Fund held on 10 August 2006, the shareholders approved the appropriation of dividends of Baht 0.2058 per unit, amounting to Baht 224.6 million, from net profit for the period 1 April 2006 through 30 June 2006. The dividend was paid to unitholders in September 2006.

At the Investment Committee meeting No. 5/2006 of the Fund held on 2 November 2006, the shareholders approved the appropriation of dividends of Baht 0.1988 per unit, amounting to Baht 217 million, from net profit for the period 1 July 2006 through 30 September 2006. The dividend was paid to unitholders in December 2006.

10 Financial instruments

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 risks are bills of exchange and promissory notes.

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Fund as and when they fall due.

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 the 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 values

The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. In determining the fair value of its financial assets and liabilities, the Fund takes into account its current circumstances and the costs that would be incurred to exchange or settle the underlying financial instrument. The carrying amounts of the Fund's financial assets and liabilities as at 31 December 2006 and 2005 as presented in the financial statements approximate to their fair values.

11 Commitment

As at 31 December 2006 and 2005, the Fund has commitments for the future lease payments under an agreement for pond rental with Central Pattana Rama II, a subsidiary of Central Pattana Public Company Limited. This commitment is a part of a building lease agreement with Central Plaza Rama II for 20 years from 15 August 2005 to 15 August 2025 as follows

	2006	2005
	(in thousand Baht)	
Non-cancellable operating lease commitments		
Within one year	4,420	5,908
After one year but within five years	19,290	18,490
After five years	82,380	89,670
Total	106,090	114,068

Connected Persons Report of 2006 From January 1, 2006 to December 31, 2006 (Affiliated transaction)

Fund Name	Connected Person
CPN Retail Growth Property Fund	-

Investors can verify connected persons transactions of the Fund either directly at TMB Asset Management, on company’s website (http://www.tmbam/mutual_funds/involved.html), or on the SEC’s website (<http://www.sec.or.th/th/infocenter/stat/asset/mutual/connected/connected.shtml>).

Soft Commission Report of CPN Retail Growth Property Fund

Company name	Received Benefits	Reasons
-	-	-