

# CPNREIT



ANNUAL REPORT 2023



## Central Rama 2







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## Board of directors



Mrs. Auyporn  
Footrakul  
Chairman and  
Independent Director

Mr. Pongsakorn  
Thiengtham  
Independent  
Director

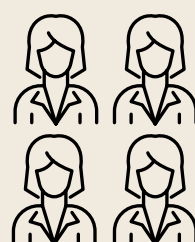
Ms. Wallaya  
Chirathivat  
Director

Ms. Naparat  
Sriwanvit  
Director

Ms. Pirinee  
Pringsulaka  
Director

  
**3**  
Executive Directors

  
**2** Independent  
Directors



**4** Female Directors  
(80%)



Average Tenure of Directors = **4.86** Years  
(starting from the appointment date)





# Message from the Board of Directors

## Dear Trust Unitholders,

In 2023, the Thai economy has substantially recovered especially in the trade sector, the services sector, and in the tourism sector, domestic and international. However, to address the post-COVID-19 pandemic global inflation crisis, the Monetary Policy Committee (“MPC”) has increased the policy rate multiple times throughout 2023. While the rate increases have successfully stabilized domestic inflation, it has exerted pressure on the property development and export sectors. Moreover, the ongoing economic instability in China has continued to exert economic pressure within the region, causing revenues from some sectors to underperform from anticipated levels, in turn affecting domestic consumption. Hence, the Thai economy grew by 1.9% in 2023, a slight contraction from 2.5% growth in 2022.

For the management of CPN Retail Growth Leasehold REIT (“CPNREIT”), the REIT Manager has been focusing on generating revenue alongside managing costs and liquidity maintenance, controlling operational efficiency-expenditure and sufficient cash flow for business management and operations, including continuous growth under the CPNREIT investment policy, as well as creating sustainable returns for trust unitholders by prioritizing trust-investment management as follows:

### Asset Management

The REIT Manager and the property manager have jointly and continuously taken care of and developed the shopping center to increase the number of visitors and attract both Thai and foreign tourists, in alignment with government measures to stimulate tourism, by continuously organizing marketing and sales promotion activities and organizing a grand year-end campaign at shopping centers to promote sales to lessees and partners, coupled with ongoing cost control measures to maintain profitability. CPNREIT still maintained the occupancy rate of shopping centers more than 96% and a lease renewal rate above 90% of the expired lease area. In Hilton Hotel Pattaya, operations have significantly improved from the recovery in tourism. Average occupancy in 2023 was 88%, a 12% increase from the previous year.

The overall market for commercial real estate office remains highly competitive throughout 2023. Demand for office space continued to evolve as organizations strategize for more efficient workspace usage, while a trend of large supply of newly built office space is trended to enter the market. Therefore, the occupancy rate of office buildings in CPNREIT was 86% by the end of 2023, a slight contraction from the previous year.

### Performance and Distribution of Returns to Trust Unitholders

Operating performance notwithstanding the impact from Thai Financial Reporting Standards (TFRS 16) in 2023 reports a total revenue of THB 5,838 million, reflecting a 16% increase from the previous year. This indicates a continuous recovery across all asset types; shopping mall business achieved traffic recovery reaching 87% of pre-COVID-19 level, higher income from promotional areas and rental income from turnover rent, office business reported stabilized occupancy despite high competition from potential new supply, and Hilton Pattaya outperformed pre-COVID-19 level in both occupancy and room rates. Concurrently, total expenses only increased by 8.2%YoY, due to rising electricity cost, advertising and promotion expenses of shopping centers, and higher interest expenses under rising interest rate environment. Altogether, CPNREIT reported net profit on investments of THB 3,936 million and net increase in net assets from operations was THB 4,462 million, increased by 20.1% and 11.7% respectively from the previous year.

Given the improved performance, the REIT Manager considered the distribution payment to trust unitholders in total of THB 1.1260 per unit, divided into distribution of returns of THB 1.051 per trust unit and payment in the form of capital reduction of THB 0.0750 per unit.

At the end of 2023, CPNREIT reported total assets of THB 81,367 million, increased by 1.3%YoY, and total borrowings and debentures of THB 22,096 million, resulting in net assets per unit of THB 13.0289, increased from THB 12.9582 per unit at the end of 2022. CPNREIT was assigned the credit rating at ‘AA’ with a ‘Negative’ outlook by TRIS Rating Co., Ltd., reflecting its high-quality assets as well as predictable cash flow from rental and service income performed under conservative contracts and financial policies.



### Additional Asset Investments

The Extraordinary General Meeting of Unitholders No.1/2023 held on 31 July 2023 resolved to approve the lease renewal of Central Pinklao Project for another 15 year lease period, and for the lease renewal of Central Rama 2 Project to follow the original terms of 30 year lease period, with a 10 years upfront rental fee payment, by total not exceeding THB 25,014 million. Altogether with the approval of the issuance and sale of additional trust units not exceeding 1,100 million units, allotted as a portion of the additional investments to be made at this stage. The remaining portion will be financed by borrowing not exceeding THB 18,000 million. Moreover, the major renovation of Central Pinklao Project is expected to take place during 2024-2025 was also approved, with total budget not exceeding THB 1,100 million.

The investments in both projects are in line with CPNREIT's investment strategy to invest in assets with high potentials. Both assets are exceptionally considered by their locations, customer base, and proven track record to deliver strong performance that CPNREIT had originally invested in. Subsequent to the leases renewal of both projects, CPNREIT portfolio will be optimal in terms of lease maturity as well as well-diversified locations and revenue sources, which will lead to sustainable revenues growth and attractive returns to trust unitholders.

Consequently, towards the end of 2023, the REIT Manager has completed the filing and offering information to the Securities and Exchange Commission ("SEC") for the issuance and sale of additional trust units in 2024.

### Sustainability Development

As the REIT Manager and property managers consider the Environment Social Governance (ESG) essential to its operations, CPNREIT has been recognized for its outstanding sustainability following its sustainability assessments from S&P Global, known worldwide as a standard for analyzing and making investment decisions, and has been recognized as a Member in the S&P Global Sustainability Yearbook 2023 for the third year. CPNREIT has also participated in the Global Real Estate Sustainability Benchmark (GRESB) assessment and rating for the third year running.

The REIT Manager would like to thank all trust unitholders for their continuous trust and support. The REIT Manager is determined to manage CPNREIT for sustainable growth that generates stable returns for the trust unitholders by operating under good and transparent corporate governance principles.

**Mrs. Auyporn Footrakul**

Chairman

CPN REIT Management Company Limited





**Part 1**  
**Summary of**  
**CPNREIT**  
**(Fact Sheet)**



# Summary of CPNREIT

As of 31 Dec 2023

Name of the REIT (Thai)	ทรัสต์เพื่อการลงทุนในสิทธิการเช่าอสังหาริมทรัพย์ CPN รีเทล โกรท		
Name of the REIT (English)	CPN Retail Growth Leasehold REIT		
Abbreviation	CPNREIT		
REIT Establishment Date	29 November 2017		
Approval Date	29 November 2017		
REIT Manager	CPN REIT Management Company Limited		
Property Manager	Central Pattana Public Company Limited (“Central Pattana”) Grand Canal Land Public Company Limited (“GLAND”) Sterling Equity Company Limited. (“Sterling”)		
Trustee	SCB Asset Management Company Limited		
Auditor	KPMG Phoomchai Audit Ltd.		
Market Capitalization	THB 29,019.78 million	Closing price as of 28 Dec 2023	THB 11.30 per unit
		No. of Trust Units	2,568,034,000 units
Net Asset Value (NAV)	THB 33,458.89 million	NAV per Unit	THB 13.0289 per unit
Authorized Capital	THB 30,061.15 million	PAR Value	THB 11.7059 per unit
Price/NAV	0.8673 time	Weighted Average Lease Expiry	32.3 years

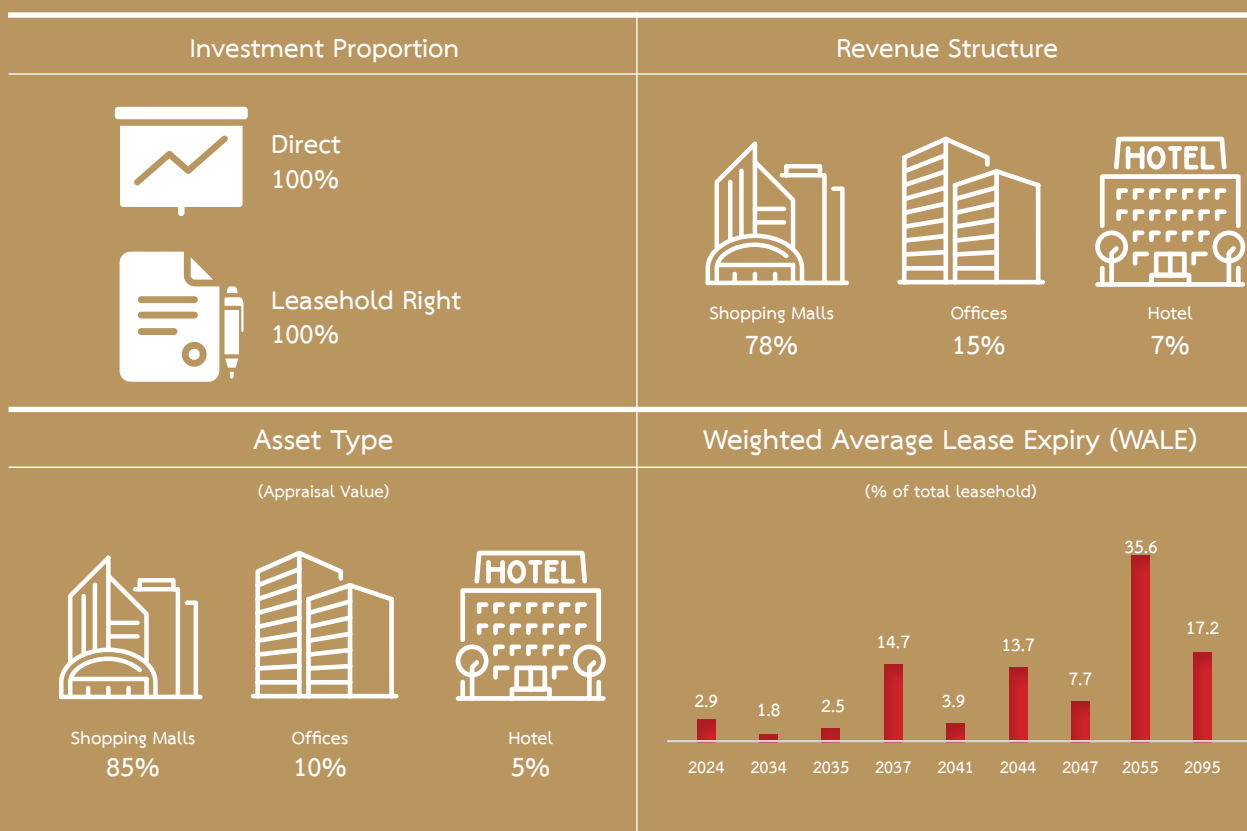
List of Top Major Trust Unitholders as of 28 December 2023	No. of Units	% Units
1. Central Pattana Group <sup>1</sup>	777,590,037	30.3
2. Social Security Office	191,464,600	7.5
3. Government Saving Bank	64,072,393	2.5
4. DEUTSCHE BANK AG SINGAPORE – PWM	62,224,741	2.4
5. TMB Eastspring Property and Infrastructure Income Plus Flexible Fund	57,715,100	2.2
6. K Property Infrastructure Flexible	47,914,010	1.9
7. Muang Thai Life Assurance Public Company Limited	37,170,900	1.4
8. SCB Property and Infrastructure Flexible Fund (Dividend)	29,148,625	1.1
9. Krungthai-AXA Life Insurance Public Company Limited	26,168,066	1.0
10. MFC Property Dividend Fund	25,308,605	1.0
Foreign Limit		100.00
Current Foreign Holding		4.3

Remark: <sup>1</sup>Central Pattana Public Company Limited and Central Pattana Development Company Limited



Assets	Appraisal Value Based on Income Approach Basis (THB million)	Appraisal Company
<b>Leasehold Right</b>		
1. Central Rama 2	28,477	TAP Valuation Co., Ltd.
2. Central Rama 3	13,824	TAP Valuation Co., Ltd.
3. Central Pinklao และ Pinklao Tower A and Tower B	1,050	TAP Valuation Co., Ltd.
4. Central Chiangmai Airport	10,549	TAP Valuation Co., Ltd.
5. Central Pattaya	7,437	TAP Valuation Co., Ltd.
6. Hilton Pattaya Hotel	3,767	TAP Valuation Co., Ltd.
7. The Ninth Towers Office Building	5,920	TAP Valuation Co., Ltd.
8. Unilever House Office Building	1,245	TAP Valuation Co., Ltd.
9. Central Marina	1,703	TAP Valuation Co., Ltd.
10. Central Lampang	2,932	TAP Valuation Co., Ltd.

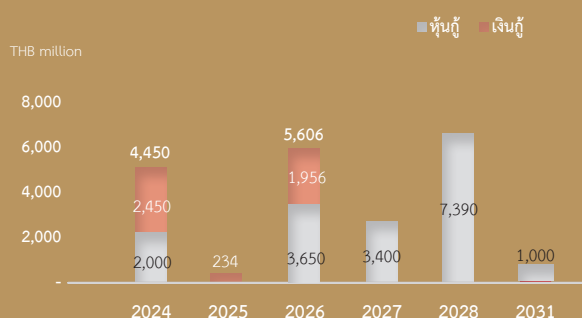
Appraisal Report is available on [www.cpnreit.com](http://www.cpnreit.com)



## Capital Structure

(THB million)	
Total Assets	81,367.04
Total Liabilities	47,908.15
Equity	33,458.89
Retained Earnings (Deficit)	1,196.31
IBD/Total Assets	27.16%
Credit Rating	AA- (Negative Outlook)

## Debt Expiry Profile



## Distribution Payment Policy

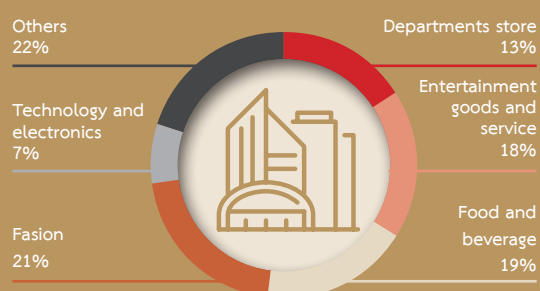
Not less than 90% of the adjusted net profit of such accounting period and not less than 2 times per year.

(THB per unit)

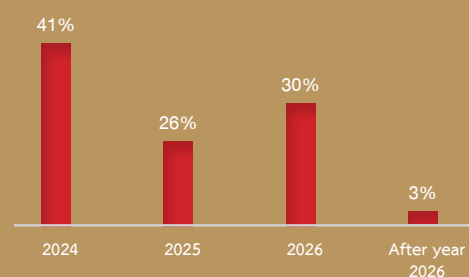
Type of Payment	2017	2018	2019	2020	2021	2022	2023	Total
Distribution of returns	-	1.6170	1.6230	0.2707	0.0552	0.8221	1.0510	5.4390
Capital Reduction	0.2879 <sup>1</sup>	-	-	0.4712	0.5480	0.3148	0.0750	1.6969
Total	0.2879	1.6170	1.6230	0.7419	0.6032	1.1369	1.1260	7.1359

Remark: <sup>1</sup> Payment from the operation period of CPNRF from 1 Oct – 30 Nov 2017 before the conversion to CPNREIT and the operation period of CPNREIT from 29 Nov – 31 Dec 2017.

## Detail of Tenants

%Merchandise Mix  
(% of Occupied area)

## Lease Expiry Profile

Rental Structure  
(% of Occupied Area)

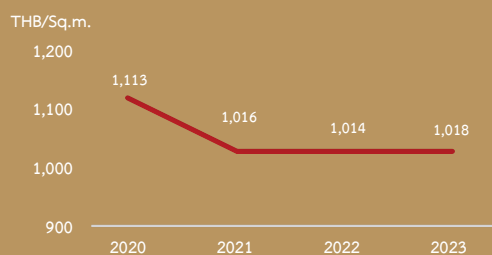
## % Lease Renewals

Year	Existing Assets	Additional Assets
2018	85	-
2019	96	-
2020	98	95
2021	91	100
2022	90	-
2023	98	-

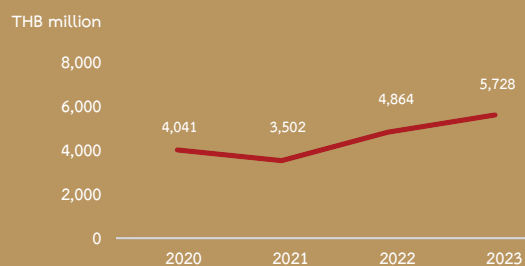


## Performance results

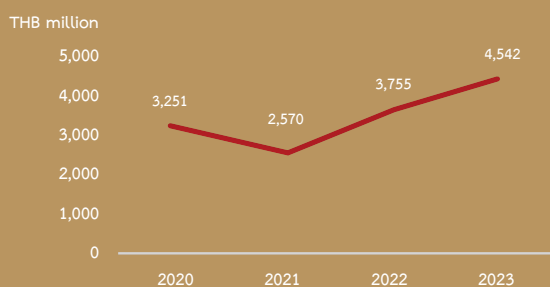
Average Rental Rate  
(Shopping Malls and Offices)



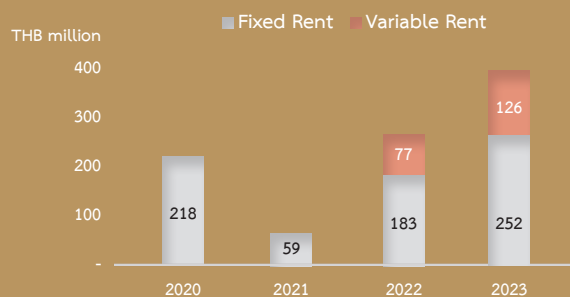
Rental and Service Income



EBITDA



Total Rent from Sub-Lessee



Key Financial Highlight	Unit	2021	2022	2023
Rental and Service Income	Million Baht	3,502	4,864	5,728
Other Income	Million Baht	26	23	49
Adjusted Earnings Before Interest, Tax, Depreciation and Amortization (Adjusted EBITDA)	Million Baht	2,570	3,755	4,542
Net Investment Income	Million Baht	866	2,111	3,235
Earnings Per Unit (EPU)	Baht	0.3372	0.8221	1.2598
Distribution Per Unit (DPU)	Baht	0.6032	1.1369	1.1260
Capital Reduction Per Unit	Baht	0.0552	0.8221	1.0510
Capital Reduction Per Unit	Baht	0.5480	0.3148	0.0750
Interest Bearing Debt to Total Assets	Times	0.28	0.29	0.27
Cost of Debt /1	Percent	2.63	2.74	2.96
Net Cash Provided By (Used In) Operating Activities	Million Baht	(3,818)	3,707	3,557
Net Cash Provided By (Used In) Financing Activities	Million Baht	3,815	(2,824)	(4,636)
Net Increase (Decrease)	Million Baht	(3)	883	(1,079)
In Cash Equivalents	Million Baht	(3)	883	(1,079)
Net Assets Value (NAV)	Million Baht	33,819	33,277	33,459
Net Assets Per Unit	Baht	13.1691	12.9582	13.0289
Price of Trust Unit / NAV/5	Times	1.53	1.50	0.87
Dividend Yield	Percent	0.27	4.22	9.30
Market Capitalization	Million Baht	51,874	50,076	29,020
Closing Price as at the End of Period/6	Baht	20.20	19.50	11.30
Number of Trust Unit as at the End of Period	Million Units	2,568	2,568	2,568

Remark: <sup>/1</sup>Calculated based on average financial cost for the past 12 months (excluded lease liabilities) / average interest-bearing debt.

#### Borrowings and Debentures at the end of 2023

Borrowings			Debentures	Amount (THB million)	Maturity (Years)	Interest Rate (%)	Maturity Date
1	Lender	Financial Institution	CPNREIT288A	7,390	10	3.80	17 Aug 2028
	Amount (THB million)	4,386	CPNREIT243A	2,000	3	1.50	31 Mar 2024
			CPNREIT263A	1,500	5	2.13	31 Mar 2026
2	Lender	Financial Institution	CPNREIT268A	1,650	5	1.65	13 Aug 2026
	Amount (THB million)	254	CPNREIT318A	1,000	10	2.96	13 Aug 2031
			CPNREIT272A	2,000	5	2.40	28 Feb 2027
			CPNREIT262A	500	3	2.77	3 Feb 2026
			CPNREIT272B	1,400	4	2.89	3 Feb 2027
			<b>Total</b>	<b>17,440</b>			



## Fee and Expense collected from CPNREIT

All Fees and Expenses	Expected Rate to be Collected (exclusive of value added tax)	Percentage of Net Investment Income
REIT Manager fee	Not exceeding 1.00 percent per year of total asset value	7.30
Trustee fee and custodian fee	Not exceeding 1.00 percent per year of total asset value	1.05
Trust Unit Registrar fee	As specified by Trust Unit Registrar	0.19
Property Manager Fee		23.76
a) Commission for procuring tenants	Not exceeding 0.5-1.5 month of monthly rental fee of each tenants depending on the term of the lease agreement and not exceeding 3.0% of ad-advanced lump sum rental received from tenants.	
b) Fee for rental collection on behalf of CPNREIT	Not exceeding 3% of Net Rental Income of CPNREIT	
c) Base management fee	Not exceeding 0.28 % of investment property value	
d) Incentive fee	Not exceeding 2.35 percent of Net Property Income	
e) Fee for rental collection on behalf of CPNREIT for The Ninth Towers and Uni-lever House	The Ninth Towers: not exceeding 3.0% and Uni-lever House: not exceeding 4.0% of of Gross Property Operating Revenue	
f) Incentive fee (for The Ninth Towers Of-fice Building Project and Unilever House Office Building Project)	The Ninth Towers: not exceeding 2.0% and Unilever House: not exceeding 3.0% of Property EBITDA	
Expenses related to repair and maintenance of Real Estate	Actual payment as incurred	2.57
Expenses from management of Real Estate of CPNREIT	Actual payment as incurred	3.84
Insurance premium	Actual payment as incurred	1.23
Relevant Tax Expenses	Actual payment as incurred	1.81
Expenses from advertising, public relations and sale promotion	Actual payment as incurred but not exceeding 0.50% of Net Asset Value as at the end of pre-vious fiscal year	6.39
Public utilities fees	Actual payment as incurred	6.51
Annual fee and expenses for being a listed company in SET	At the rate specified by SET	0.14
Other expenses	Actual payment as incurred	1.70

## Summary of Significant Risk Factors (Details are in Risk Factors)

1. Risks associated with CPNREIT or operation of CPNREIT
2. Risks associated with the ability to realize benefits from the properties invested by CPNREIT
3. Risk associated with investment in properties by CPNREIT
4. Other Risks

## Preliminary Information

REIT Manage-ment	CPN REIT Management Company Limited No. 999/9, Rama 1 Road, Pathumwan Sub-district, Pathumwan District, Bangkok 10330 Tel. +662-667-5555 Ext. 1660 URL: <a href="https://www.cpnreit.com/">https://www.cpnreit.com/</a>
Trustee	SCB Asset Management Company Limited SCB Park Plaza 1, 7 - 8th Floors, No. 18, Ratchadapisek Road, Chatuchak Sub-District, Chatuchak District, Bangkok 10900 Tel. +662-949-1500 URL: <a href="http://www.scbam.com/">http://www.scbam.com/</a>



**Part 2**  
**Business**  
**Operation**





# 1. General Information

Name of the REIT (Thai)	ทรัสต์เพื่อการลงทุนในสิทธิการเช่าอสังหาริมทรัพย์ CPN รีเทล โกรท
Name of the REIT (English)	CPN Retail Growth Leasehold REIT
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Property Manager	Central Pattana Public Company Limited (“Central Pattana”) Grand Canal Land Public Company Limited (“GLAND”) Sterling Equity Company Limited. (“Sterling”)
Trustee	SCB Asset Management Company Limited
Auditor	KPMG Phoomchai Audit Ltd.





## 2. Investment Policy, Business Overview, and Nature of Benefit Procurement

### 2.1 Objective and Investment Policy of CPNREIT

#### 2.1.1 Objective of CPNREIT

The objective of CPNREIT is to invest in core assets by means of purchasing and/or leasing and/or sub-leasing and/or accepting transfer of leasehold rights and/or sub-leasehold rights of assets. CPNREIT will seek benefits from such core assets in the form of rental and service fees, or any other income of a similar nature. In addition, CPNREIT will engage in modification, change, enhancement of potential, development and/or disposal of assets for the purpose of generating income and returns for the interests of unitholders in the long run. To constantly grow its income base, CPNREIT also intends to make additional investments in core assets, as well as to invest in other assets and/or securities, and/or seek interests by other means that are in compliance with the Securities Laws and/or any other applicable laws.

#### 2.1.2 Investment Policy

CPNREIT intends to focus on its investments in real property, leasehold rights in real property, and sub-leasehold rights in high-end real property, particularly shopping malls. CPNREIT will also invest in other types of real property that are related to or that complement shopping malls, such as assets for commercial purposes, office buildings, hotels, serviced apartments and the like, as core assets of CPNREIT. CPNREIT will do this by purchasing and/or leasing and/or sub-leasing and/or accepting transfer of leasehold rights and/or sub-leasehold rights in the core assets, and focusing on generating benefits in the form of income from rental fees and service fees, or any other income of a similar nature. In addition, CPNREIT will conduct asset improvement, change, enhancement, development, and/or disposal programs for the purposes of generating income and returns for CPNREIT to safeguard the interests of unitholders in the long-term. Furthermore, CPNREIT intends to make additional investments in its assets in order to achieve continued income growth. CPNREIT also seeks to diversify risk, through investments in real property in different locations, investments in other assets and/or securities, and/or other investments in accordance with the Securities Laws and/or any other relevant laws.



## Significant Change and Development

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### Year 2017

- CPNREIT was established pursuant to the Trust Act on 29 November 2017 from the conversion of CPNRF.
- The trust units of CPNREIT started trading on the SET on 14 December 2017

### Year 2018

- On 25 May 2018, TRIS gave CPNREIT a credit rating of “AA” with a “Stable” outlook.
- On 29 June 2018, TRIS affirmed CPNREIT’s credit rating of “AA” with a “Stable” outlook and extended this rating and outlook to CPNREIT’s senior unsecured debentures.
- On 17 August 2018, CPNREIT issued debentures in accordance with the resolution of the 2018 Annual General Meeting of Trust Unitholders of CPNREIT, which was issued under CPNREIT’s Medium Term Note Program (MTN) with a limit of Baht 16,250 million. CPNREIT issued two tranches of debentures amounting to Baht 10,040 million to institutional investors and/or high-net-worth investors. The proceeds were used for loan repayment, expenses relating to the issuance of debentures and expenses incurred from the repayment of relevant debts. Details of the debentures are as follows:
  - CPNREIT218A, with a value of Baht 2,650 million, 3-year tenor, maturity date in 2021, fixed interest rate at 2.70 percent and semi-annual interest payment throughout the term of the debentures.
  - CPNREIT288A, with a value of Baht 7,390 million, 10-year tenor, maturity date in 2028, fixed interest rate at 3.80 percent and semi-annual interest payment throughout the term of the debentures.

### Year 2019

- On 8 February 2019, CPNREIT issued two tranches of debentures amounting to Baht 4,495 million, which was issued under CPNREIT’s Medium Term Note Program (MTN) with a limit of Baht 16,250 million, to institutional investors and/or high-net-worth investors. The proceeds were used for the repayment of loans or debts, expenses relating to the issuance of debentures and expenses incurred from the repayment of relevant debts. Details of the debentures are as follows:
  - CPNREIT212A, with a value of Baht 2,700 million, two-year tenor, maturity date in 2021, fixed interest rate at 2.54% and semi-annual interest payment throughout the term of the debentures.
  - CPNREIT232A, with a value of Baht 1,795 million, four-year tenor, maturity date in 2023, fixed interest rate at 3.30% and semi-annual interest payment throughout the term of the debentures.
- On 25 June 2019, TRIS affirmed the “AA” credit rating for CPNREIT and its senior unsecured debentures, with a “Stable” outlook.
- On 8 August 2019, the Board of Directors Meeting of the REIT Manager acknowledged the resignation of Mr. Charly Madan as the Company’s Independent Director and the Chairman of the Board of Directors, effective 31 August 2019, and approved the appointment of Mr. Pongsakorn Thiengtham as an Independent Director and as a Director of the Company, effective from 1 September 2019.
- On 22 August 2019, the Extraordinary General Meeting of the Shareholders, No. 1/2562, of the REIT Manager approved the appointment of Mrs. Auyporn Footrakul as the Company’s Independent Director and as a Director of the Company, effective from 1 September 2019.
- On 22 November 2019, the Extraordinary General Meeting of the Unitholders, No. 1/2562, approved the additional investments of CPNREIT in five projects from Central Pattana Group: (1) Central Marina Project; (2) Central Lampang Project; (3) Central Suratthani Project; (4) Central Ubonratchathani Project; and (5) Central Rama 2 Project (Renewal Period), including two office building projects from GLANDRT, namely, (1) The Ninth Towers Office Building Project and (2) Unilever House Office Building Project.



## Year 2020

- CPNREIT invested in The Ninth Towers Office Building Project on 1 March 2020 and in the Unilever House Office Building Project on 2 March 2020. The registration of the transfer of the leasehold rights over the real property of both projects from GLANDRT was made at the competent land office on 2 March 2020.
- CPNREIT registered the leasehold right of Central Rama 2 Project (Renewal Period) at the competent land office on 31 March 2020.
- Shopping malls under CPNREIT's management were temporarily closed from 22 March 2020 to 16 May 2020 pursuant to the government's measures to control the spread of COVID-19. During such period, most businesses were closed, except supermarkets, pharmacies, take-away restaurants and banks which were allowed to operate for part of this period in accordance with subsequent announcements from the relevant government agencies.
- Hilton Pattaya Hotel Project was temporarily closed in April 2020 pursuant to the government's measures to control the spread of COVID-19. Thereafter, the hotel underwent major renovations from April 2020 to December 2020.
- Central Rama 2 Project underwent major renovations starting from July 2020. The renovations were carried out on a phase-by-phase basis.
- On 22 July 2020, TRIS affirmed the "AA" credit rating of CPNREIT and its senior unsecured debentures and revised its outlook to "Negative".

## Year 2021

- On 25 February 2021, CPNREIT issued additional 355,557,300 trust units at the offering price of Baht 18.50 and used the proceeds from which amounting to Baht 6,578 million to invest in Central Marina Project and Central Lampang Project. The total investment value was Baht 5,672 million (excluding registration fees, value added tax, stamp duty and related fees and expenses), and the remaining amount was used to repay a portion of bank loan.

### Details of invested assets

Project	Central Marina	Central Lampang
<b>Leasable Area</b>	14,793 sq.m.	15,863 sq.m.
<b>Term of Leasehold Right</b>	14 years 2 month 6 days ending 30 April 2035	20 years 9 month 22 days ending 16 December 2041
<b>Investment Value</b>	Baht 2,574 million	Baht 3,098 million

- On 31 March 2021, CPNREIT issued two tranches of debentures that raised Baht 3,500 million via a private placement to a maximum of 10 investors (PP10). The proceeds were used for debt repayment. Details of the debentures are as follows:
  - CPNREIT243A, with a value of Baht 2,000 million, three-year tenor, maturity date in 2024, fixed interest rate at 1.50% and semi-annual interest payment throughout the term of the debentures.
  - CPNREIT263A, with a value of Baht 1,500 million, five-year tenor, maturity date in 2026, fixed interest rate at 2.13% and semi-annual interest payment throughout the term of the debentures.
 TRIS Rating assigned the ratings of "AA" to the two tranches of senior unsecured debentures on 21 April 2021
- On 30 July 2021, TRIS Rating affirmed the company rating on CPNREIT and the rating on its senior unsecured debentures at "AA", outlook "negative".
- On 13 August 2021, CPNREIT issued two tranches of debentures that raised Baht 2,650 million from institutional investors and/or high-net-worth investors. The proceeds were used for debt repayment. Details of the debentures are as follows:
  - CPNREIT268A, with a value of Baht 1,650 million, five-year tenor, maturity date in 2026, fixed interest rate at 1.65% and semi-annual interest payment throughout the term of the debentures.
  - CPNREIT318A, with a value of Baht 1,000 million, 10-year tenor, maturity date in 2031, fixed interest rate at 2.96% and semi-annual interest payment throughout the term of the debentures.

## Year 2021

TRIS Rating assigned the ratings of “AA” to the two tranches of senior unsecured debentures on 30 July 2021.

- Shopping malls under CPNREIT’s management in Bangkok and Chonburi were temporarily closed from 12 July 2021 to 31 August 2021, save for supermarkets, pharmacies and take-away restaurants within the malls, pursuant to the government’s measures to control the spread of COVID-19.
- Central Rama 2 Project was under major renovation to be The Largest Regional Mall – Gateway of South Bangkok to push Rama 2 area to become New Urbanized District of Bangkok, which was completed in November 2021. The renovation was undertaken to improve the shopping mall and to create destination concepts e.g., food lifestyle destination and sport destination, etc.

## Year 2022

- On 28 February 2022, CPNREIT issued its CPNREIT272A debentures to institutional investors in the amount of THB 2,000 million, with five-year tenor, maturity date in 2027, fixed interest rate at 2.40% and semi-annual interest payment throughout the term of the debentures. The funds were used for debt repayment. TRIS affirmed the “AA” credit rating of CPNREIT and its senior unsecured debentures, with a “Negative” outlook on 4 February 2022.
- On 22 August 2022 and on 20 December 2022, TRIS affirmed the “AA” credit rating of CPNREIT and its senior unsecured debentures, with a “Negative” outlook.
- In December 2022, CPNREIT approved the renovation plan of Central Pattaya to modernize the shopping center and increase its competitiveness, with the investment cost of THB 181.4 million. The renovation has been taken place in phases and completed by the end of 2023.
- CPNREIT was selectively listed in S&P Global’s Sustainability Yearbook 2023 in Real Estate business category for the two consecutive years. S&P Global assessed and analyzed the sustainability operations in all 3 dimensions, namely the environment, society, economy & governance.

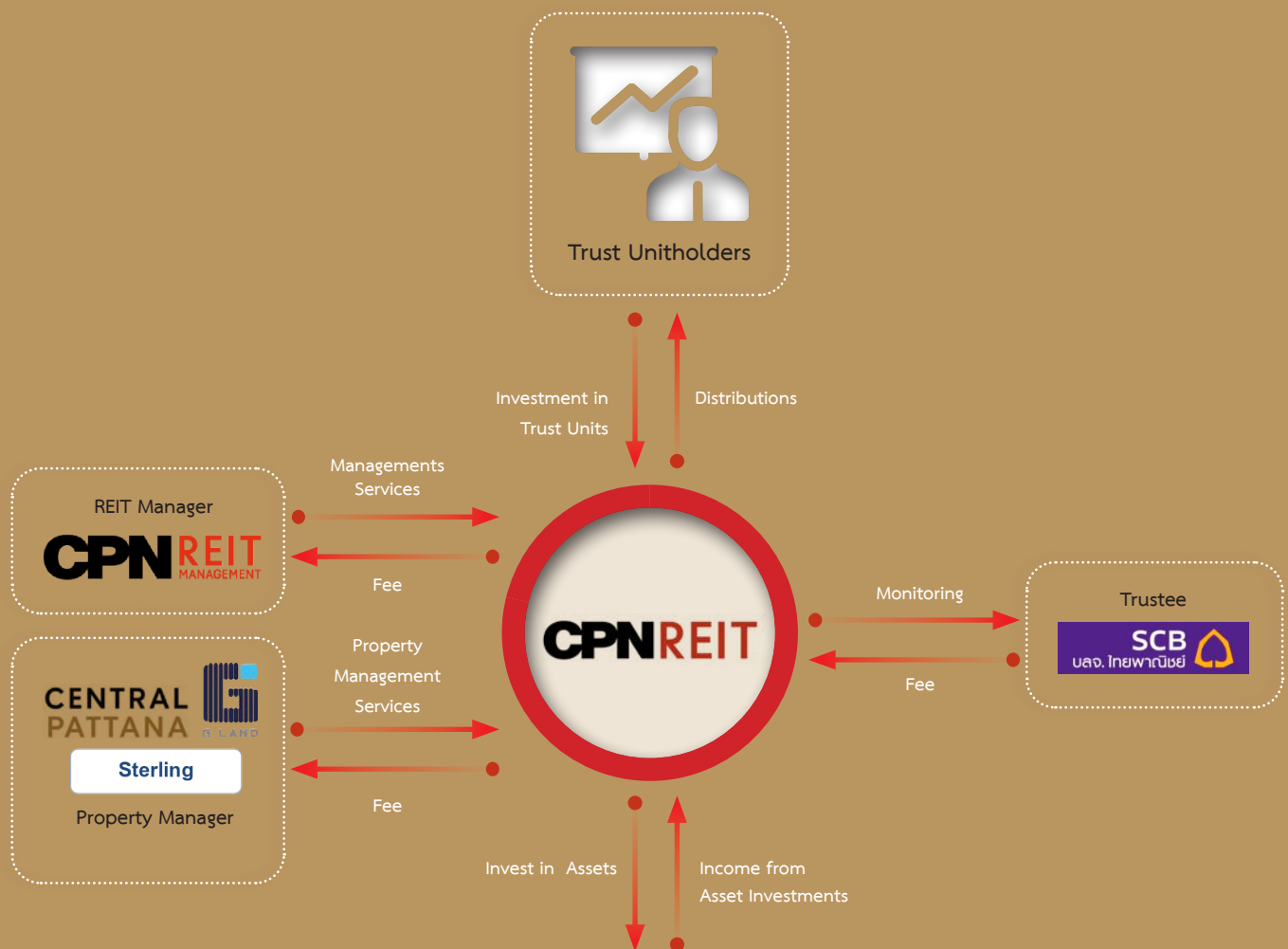
## Year 2023

- On 3 February 2023, CPNREIT issued two tranches of debentures that raised THB 1,900 million from institutional investors and/or high-net-worth investors. The proceeds were used for interest repayment and the payment of expenses relating to the issuance of the debentures, details of which are as follows:
  - CPNREIT262A, with a value of THB 500 million, three-year tenor, maturity date in 2026, fixed interest rate at 2.77% and semi-annual interest payment throughout the term of the debentures.
  - CPNREIT272B, with a value of THB 1,400 million, four-year tenor, maturity date in 2027, fixed interest rate at 2.89% and semi-annual interest payment throughout the term of the debentures.
- On 31 July 2023, the Extraordinary General Meeting of the Unitholders No. 1/2566 approved the additional investments in Central Pinklao Project (Renewal Period) and the amendment to the conditions of the additional investment in Central Rama 2 Project (Renewal Period).
- On 12 September 2023, TRIS gave the credit rating of “AA-” to CPNREIT and its senior unsecured debentures at with “Negative” outlook.
- CPNREIT was selectively listed in the 2024 edition of S&P Global’s Sustainability Yearbook in Real Estate business category for the three consecutive years. S&P Global assessed and analyzed the sustainability operations in all 3 dimensions, namely the environment, society, economy & governance. Additionally, CPNREIT was received GRESB 2-star rating for the 2023 Real Estate Assessment.

การเปลี่ยนแปลงเกี่ยวกับบุคคลที่มีหน้าที่เกี่ยวข้องในการบริหารจัดการกองทรัสต์ รายละเอียดเป็นไปตามข้อมูลในส่วนที่ 3 ข้อ 8.1 ผู้จัดการกองทรัสต์

## 2.3 Structure of CPNREIT

### Structure of CPNREIT



#### Shopping Malls



**CENTRAL  
RAMA 2**



**CENTRAL  
RAMA 3**



**CENTRAL  
PINKLAO**



**CENTRAL  
CHIANGMAI  
AIRPORT**



**CENTRAL  
PATTAYA**



**CENTRAL  
LAMPANG**



**CENTRAL  
MARINA**

#### Offices



**THE  
TOWERS**  
GRAND RAMA 9



**Unilever**



**PINKLAO TOWER A & B**

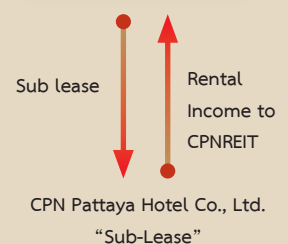
#### Hilton

Hotel Manager

Hotel



**Hilton**  
HOTELS & RESORTS





CPNREIT, by SCB Asset Management Company Limited as the trustee and CPN REIT Management Company Limited as the REIT manager, in which the REIT manager has entered into property manager appointment agreements for the current Assets and will enter a new property manager appointment agreement for the additional assets. Details are as follows:

Project	Property Manager
<b>Current Assets</b>	
Central Rama 2 Project <sup>1</sup>	Central Pattana
Central Rama 3 Project	Central Pattana
Central Pinklao Project and Pinklao Tower A and Tower B office buildings	Central Pattana
Central Chiangmai Airport Project	Central Pattana
Central Pattaya Project	Central Pattana
Hilton Pattaya Hotel	CPNREIT subleased the property (in the form of a charter lease) to CPN Pattaya Hotel Company Limited, which appointed Hilton Group as the hotel manager
<b>Additional Assets in 2021</b>	
The Ninth Towers Office Building Project	GLAND
Unilever House Office Building Project	Sterling
<b>Additional Assets in 2022</b>	
Central Marina Project	Central Pattana
Central Lampang Project	Central Pattana

Remark: <sup>1</sup> Relevant lease agreements will expire on 15 August 2025. On 31 March 2020, CPNREIT registered the leasehold right over the real property in Central Rama 2 Project (Renewal Period). The lease term under the new leasehold right will commence on 16 August 2025.

The REIT Manager, Central Pattana, GLAND, Sterling and CPN Pattaya Hotel are Connected Persons. Central Pattana holds 99.99% of the total shares in the REIT Manager, and Central Pattana holds 100.0% of the total shares in CPN Pattaya Hotel. In addition, Central Pattana holds 67.5% of the total shares in GLAND, and GLAND holds 100.0% of the total shares in Sterling.

## 2.4 Information of Investment in Core Assets

### 2.4.1 Details of Assets as of 31 December 2023

Total Assets (THB)	Net Asset Value (THB)	Net Asset Value per Unit (THB)	Closing Price (THB)
81,367,039,369	33,458,886,379	13.0289	11.30 <sup>1</sup>

Remark: <sup>1</sup>Closing price as of 28 December 2023



Details of Assets As of 31 December 2023	Value (Baht)	% of NAV
Investments measured at fair value through profit or loss	2,757,116,824	8.24
Investments in leasehold properties at fair value	77,018,921,669	230.19
Cash equivalents	962,455,920	2.88
Accrued rental and service receivables	373,918,436	1.12
Receivables from the Revenue Department	85,675,718	0.26
Prepaid expenses	26,423,966	0.08
Other assets	142,526,837	0.42
<b>Total Assets</b>	<b>81,367,039,370</b>	<b>243.19</b>
<b>NAV</b>	<b>33,458,886,379</b>	<b>100.00</b>

#### 2.4.2 Details of Properties invested by CPNREIT

At the end of 2023, CPNREIT had been investing in 12 Projects including 7 shopping malls, 4 office buildings, and one hotel. The details are as follows:



# CENTRAL RAMA 2 PROJECT

 <p><b>286,580</b> SQ. M. GROSS FLOOR AREA</p>	 <p><b>88,346</b> SQ. M. GROSS LEASABLE AREA</p>	 <p><b>96.8%</b> OCCUPANCY RATE</p>
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**General Information of Project**  
The Central Rama 2 Project has been in operation since December 2002. The project consists of a five-story building with one basement level. The last major renovation was carried out from July 2020 to November 2021.



## Location of Project

No. 160 Rama 2 Road, Samae Dam Sub-district, Bangkhunthien District, Bangkok

## Details of Central Rama 2 Project

(As of 31 December 2023)

Characteristics of Investment in Central Rama 2 Project (the agreement expiring on 15 August 2025)	<ol style="list-style-type: none"> <li>1. Sub-leasehold rights over land with a total area of 53-2-38.4 rai.</li> <li>2. Leasehold rights over real property comprising building areas (par-tial), common areas, and parking spaces relating to the project.</li> <li>3. Leasehold rights over the utilities systems related to the project.</li> </ol> <p>The lease agreement will expire on 15 August 2025/1</p> <ol style="list-style-type: none"> <li>4. Ownership of movable assets related to the project.</li> </ol>
Characteristics of Investment in Central Rama 2 Project (Renewal Period) “Additional details are in “Other Material Information”	<ol style="list-style-type: none"> <li>1. Leasehold rights (excluding Land) over immovable properties for approximately 30 years from Central Pattana Rama 2, the agreement start from 16 August 2025 to 15 August 2055. These comprise building areas, common areas, and parking areas which are related to the project. The investment area is approximately 299,929 Sq.m.</li> <li>2. Leasehold rights over utilities systems which are related to the project for approximately 30 years from Central Pattana Rama 2 since 16 August 2025 to 15 August 2055, which will comprise the electrical system, utilities system, telephone system, elevators, escalators, air conditioning system, engineering works system, wastewater treatment system, and various facilities that have been installed and used in the building and structures of the project which will be invested in by CPNREIT</li> <li>3. Ownership of movable assets which are related to the project.</li> </ol> <p>CPNREIT will pay rental fees for the leased properties in installments throughout the lease term, whereby the 1st installment shall cover the first 10 years of the lease term (from 16 August 2025 to 15 August 2035) which will be paid by the lease commencement date. In this regard, CPNREIT has placed collateral of Baht 1,800 million to secure its obligations while the rental fees for the first 10-year lease term are not yet paid.</p>
Property Manager	Central Pattana
Building Area	Gross floor area, including parking, of approximately 286,580 square meters and gross leasable area of approximately 88,346 square meters.
Date of Transfer from CPNRF	1 December 2017
Transfer Value from CPNRF	THB 7,186 million
Cost as of 31 Dec 2023	THB 24,541 million
Fair Value as of 31 Dec 2023	THB 28,592 million

## Remarks

1. CPNREIT registered the leasehold rights over the real property in the Central Rama 2 Project (Renewal Period) on 31 March 2020, with a lease period of 30 years (expiring on 15 August 2055).
2. Details of the appraised value of the Central Rama 2 Project (Renewal Period) can be found in Part 2.1, Item 6 “Other Material Information”.



# CENTRAL RAMA 3 PROJECT



**169,740** SQ. M.  
GROSS FLOOR AREA



**36,040** SQ. M.  
GROSS LEASABLE AREA



**96.3%**  
OCCUPANCY RATE



**General Information of Project**  
The Central Rama 3 Project has been operating since October 1997. The project consists of an eight-storey building with three basement levels. The last major renovation was carried out from June 2017 to the second quarter of 2018.



**Location of Project**  
No. 79, 79/1-79/2, 79/4-79/33  
Sathu Pradit Road, Chong Nonsi  
Sub-district, Yannawa District,  
Bangkok

## Details of Central Rama 3 Project

(As of 31 December 2023)

Central Rama 3 Project	
Characteristics of Investment	<ol style="list-style-type: none"> <li>1. Leasehold rights over land with a total area of 12-2-44.6 rai.</li> <li>2. Leasehold rights over real property comprising building areas (partial), common areas, and parking spaces related to the project.</li> </ol> <p>In the event that CPNREIT exercises its right to renew the lease agreement two more times, for a period of 30 years each, after the expiration of the first agreement on 15 August 2035, for which CPNREIT has already paid the full amount of rental fee and deposit, the lease agreement will expire on 15 August 2095.</p> <ol style="list-style-type: none"> <li>3. Ownership of the utilities systems related to the project.</li> <li>4. Ownership of movable assets related to the project.</li> </ol>
Property Manager	Central Pattana
Building Area	Gross floor area, including parking, of approximately 169,740 square me-ters and gross leasable area of approximately 36,040 square meters.
Date of Transfer from CPNRF	1 December 2017
Transfer Value from CPNRF	THB 9,179 million
Cost as of 31 Dec 2023	THB 9,730 million
Fair Value as of 31 Dec 2023	THB 13,824 million

# CENTRAL PINKLAO PROJECT

## Central Pinklao

 <p><b>137,692</b> SQ. M. GROSS FLOOR AREA</p>	 <p><b>27,711</b> SQ. M. GROSS LEASABLE AREA</p>	 <p><b>98.6%</b> OCCUPANCY RATE</p>
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## Pinklao Tower A and Tower B

 <p><b>50,653</b> SQ. M. GROSS FLOOR AREA</p>	 <p><b>34,096</b> SQ. M. GROSS LEASABLE AREA</p>	 <p><b>83.8%</b> OCCUPANCY RATE</p>
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### General Information of Project

The Central Pinklao Project has been operating since March 1995. The project consists of Central Pinklao shopping mall, the Pinklao Tower A and Tower B office buildings, and Central Department Store. The last major renovation was carried out from April 2015 to June 2016.

### Location of Project

No. 7/3-7/128, 7/129-7/221, 7/222-7/552 and 7/553,  
Borommaratchachonnani Road,  
Arun Ammarin Sub-district, Bangkok  
Noi District, Bangkok

## Details of Central Pinklao Project

(As of 31 December 2023)

Central Pinklao Project	
Characteristics of Investment	<ol style="list-style-type: none"> <li>1. Sub-leasehold rights over the land with a total area of 24-2-84 rai.</li> <li>2. Leasehold rights over real property comprising building areas (partial), common areas, and parking spaces related to the project.</li> <li>3. Leasehold rights over the utilities systems related to the project.</li> </ol> <p>The lease agreement will expire on 31 December 2024.</p> <ol style="list-style-type: none"> <li>4. Ownership of movable assets related to the project.</li> </ol>
Property Manager	Central Pattana
Building Area	Gross floor area, including parking, of approximately 188,345 square me-ters and gross leasable area of approximately 61,807 square meters.
Date of Transfer from CPNRF	1 December 2017
Transfer Value from CPNRF	THB 5,543 million
Cost as of 31 Dec 2023	THB 5,666 million
Fair Value as of 31 Dec 2023	THB1,050 million

# CENTRAL CHIANGMAI AIRPORT PROJECT



**122,991** SQ. M.  
GROSS FLOOR AREA



**39,317** SQ. M.  
GROSS LEASABLE AREA



**96.5%**  
OCCUPANCY RATE



## General Information of Project

The Central Chiangmai Airport Project has been in operation since March 1996. The project consists of a five-storey building with one basement level and a three-storey multipurpose hall. The last major renovation was carried out from September 2016 to April 2017.



## Location of Project

No. 9, 9/1 Moo 3, Suthep Sub-district,  
Muang District, Chiangmai Province  
50100

## Details of Central Chiangmai Airport Project

(As of 31 December 2023)

Central Chiangmai Airport Project	
Characteristics of Investment	<ol style="list-style-type: none"> <li>1. Leasehold rights over land with a total area of 32-3-56.85 rai.</li> <li>2. Leasehold rights over real property comprising building areas (par-tial), common areas, and parking spaces related to the project.</li> <li>3. Leasehold rights over the utilities systems related to the project.</li> </ol> <p>The lease agreement will expire on 22 April 2044.</p> <ol style="list-style-type: none"> <li>4. Ownership of movable assets related to the project.</li> </ol>
Property Manager	Central Pattana
Building Area	Gross floor area, including parking, of approximately 122,991 sq.m. gross leasable area of approximately 39,317 sq.m..
Date of Transfer from CPNRF	1 December 2017
Transfer Value from CPNRF	THB 10,494 million
Cost as of 31 Dec 2023	THB 10,557 million
Fair Value as of 31 Dec 2023	THB 10,549 million






# CENTRAL PATTAYA AND HILTON PATTAYA

## Central Pattaya

 <b>70,095</b> SQ. M. GROSS FLOOR AREA	 <b>29,213</b> SQ. M. GROSS LEASABLE AREA	 <b>93.5%</b> OCCUPANCY RATE
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## Hilton Pattaya Hotel

 <b>49,686</b> SQ. M. GROSS FLOOR AREA	 <b>304</b> ROOMS	 <b>88.1%</b> OCCUPANCY RATE
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### General Information of Project

The Central Pattaya Project has been in operation since January 2009. The project consists of a six-storey building with one basement level floor. The last major renovation was carried out from the fourth quarter of 2022 to the third quarter of 2023.

The Hilton Pattaya Hotel Project has been in operation since November 2010. The project consists of a 21-storey building situated above the Central Pattaya Project. The last major renovation was carried out from April to December 2020.

### Location of Project

The Central Pattaya and Hilton Pattaya Hotel Projects are located at No. 333/101 Moo 9 Pattaya Sai, 1 Nong Prue Sub-district, Bang Lamung District, Chonburi Province.

### Details of Central Pattaya and Hilton Pattaya Hotel Projects (As of 31 December 2023)


Central Pattaya	
Characteristics of Investment	<ol style="list-style-type: none"> <li>1. Leasehold and sub-leasehold rights over real property comprising building areas (partial), common areas, and parking spaces related to the project.</li> <li>2. Leasehold rights over the utilities systems related to the project.</li> </ol> <p>The lease agreement will expire on 31 August 2037.</p> <ol style="list-style-type: none"> <li>3. Ownership of movable assets related to the project.</li> </ol>
Property Manager	Central Pattana
Building Area	Gross floor area, including parking, of approximately 70,095 square meters and gross leasable area of approximately 29,213 square meters.
Investment Date	1 December 2017
Investment Value	THB 8,154 million
Cost as of 31 Dec 2023	THB 8,513 million
Fair Value as of 31 Dec 2023	Baht 7,437 million

Hilton Pattaya Hotel	
Characteristics of Investment	<ol style="list-style-type: none"> <li>1. Leasehold rights over real property comprising a hotel building and parking spaces related to the project.</li> <li>2. Leasehold rights over the utilities systems related to the project.</li> </ol> <p>The lease agreement will expire on 31 August 2037.</p> <ol style="list-style-type: none"> <li>3. Ownership of movable assets related to the project.</li> </ol>
Sub-Lessee	CPN Pattaya Hotel
Property Manager	Hilton Group
Building Area	Gross floor area* including parking, of approximately 49,686 sq.m. meters, and 304 hotel rooms. Remark: *Gross leasable area includes accommodation areas and other areas.
Investment Date	1 December 2017
Investment Value	THB 3,754 million
Cost as of 31 Dec 2023	THB 4,123 million
Fair Value as of 31 Dec 2023	THB Baht 3,767 million


Remark : For investment in Central Pattaya Project and Hilton Pattaya, CPNREIT did not invest in the plots of land where both assets are located; however, CPN Pattaya under the (partial) building lease agreement and the (partial) building sub-lease agreement with CPNREIT, permits customers and counterparty of CPNREIT, tenants in the leased properties under the agreements in which CPNREIT would make investments, the sub-lessee of properties from CPNREIT as well as any other service users of Hilton Pattaya to utilize certain areas where CPNREIT has not invested but related to such leased properties, e.g. common areas, parking lots, roads surrounding the real properties, and entrances and exits of Central Pattaya Project and Hilton Pattaya, which shall be deemed the areas for common use with free of compensation, whereby the interest of the operation of Central Pattaya and Hilton Pattaya are taken into account.




# THE NINTH TOWERS OFFICE BUILDING PROJECT



**95,997** SQ. M.  
GROSS FLOOR AREA



**58,914** SQ. M.  
GROSS LEASABLE AREA



**89.4%**  
OCCUPANCY RATE



**General Information of Project**  
The Ninth Towers Office Building Project has been in operation since February 2014. The project comprises Tower A, a 34-storey building with two basement levels, and Tower B, a 32-storey building with two basement levels. The Ninth Towers Office Building Project is part of The Grand Rama 9 Project, which was developed by the GLAND Group to be an integral part of the new central business district in the area located at the intersection of Rama 9 Road and Ratchadaphisek Road.



## Location of Project

No. 33/4, Rama 9 Road, Huaykwang Sub-district, Huaykwang District, Bangkok

## Details of The Ninth Towers Office Building Project


(As of 31 December 2023)


The Ninth Towers Office Building Project	
Characteristics of Investment	<ol style="list-style-type: none"> <li>Leasehold rights over real property comprising building areas (partial), common areas, and parking spaces related to the project.</li> <li>Leasehold rights over the utilities systems related to the project. The lease agreement will expire on 18 April 2047.</li> <li>Ownership of movable assets related to the project.</li> </ol>
Property Manager	GLAND โดยเซ็นทรัลพัฒนา ถือหุ้นทางอ้อมร้อยละ 67.5 ของจำนวนหุ้นที่จำหน่ายได้ทั้งหมด
Building Area	Gross floor area, including parking, of approximately 95,997 square meters and gross leasable area of approximately 58,914 square me-ters.
Investment Date	1 March 2020
Investment Value	THB 5,847 million
Cost as of 31 Dec 2023	THB 6,146 million
Fair Value as of 31 Dec 2023	THB 5,920 million



# UNILEVER HOUSE OFFICE BUILDING PROJECT

  
**30,176** SQ. M.  
GROSS FLOOR AREA

  
**18,527** SQ. M.  
GROSS LEASABLE AREA

  
**76.4%**  
OCCUPANCY RATE



**General Information of Project**  
The Unilever House Office Building has been in operation since December 2014. The project comprises a 12-storey building with one basement level. The Unilever House Office Building Project is part of The Grand Rama 9 Project being developed by the GLAND Group to be an integral part of the new central business district in the area located at the intersection of Rama 9 Road and Ratchadapisek Road.



## Location of Project

No. 161, Rama 9 Road, Huaykwang, Sub-district, Huaykwang District, Bangkok 10310

## Details of Unilever House Office Building Project

(As of 31 December 2023)

Unilever House Office Building Project	
Characteristics of Investment	<ol style="list-style-type: none"> <li>Leasehold rights over real property comprising building areas (partial), common areas, and parking spaces related to the project.</li> <li>Leasehold rights over the utilities systems related to the project.</li> </ol> <p>The lease agreement will expire on 14 November 2034.</p> <ol style="list-style-type: none"> <li>Ownership of movable assets related to the project.</li> </ol>
Property Manager	Sterling
Building Area	Gross floor area, including parking, of approximately 30,176 square meters and gross leasable area of approximately 18,527 square me-ters.
Investment Date	2 March 2020
Investment Value	THB 1,583 million
Cost as of 31 Dec 2023	THB 1,677 million
Fair Value as of 31 Dec 2023	Baht 1,245 million

# CENTRAL MARINA PROJECT



**45,149** SQ. M.  
GROSS FLOOR AREA



**15,453** SQ. M.  
GROSS LEASABLE AREA



**94.0%**  
OCCUPANCY RATE



**General Information of Project**  
The Central Marina Project has been in operation since July 1995. The project consists of a three-storey building and a two-storey building without any basement levels.



**Location of Project**  
No. 78/54 and 78/12 Moo 9, Pattaya Sai 2 Road, Nong Prue Sub-district, Banglamung District, Chonburi Province

## Details of Central Marina Project

(As of 31 December 2023)

Central Marina Project	
Characteristics of Investment	<ol style="list-style-type: none"> <li>1. Leasehold rights over real property comprising building areas (partial), common areas, and parking spaces related to the project.</li> <li>2. Leasehold rights over the utilities systems related to the project.</li> </ol> <p>The lease agreement will expire on 30 April 2035.</p> <ol style="list-style-type: none"> <li>3. Ownership of the movable assets related to the project.</li> </ol>
Property Manager	Central Pattana
Building Area	Gross floor area, including parking, of approximately 45,149 square meters and gross leasable area of approximately 15,453 square me-ters.
Investment Date	25 February 2021
Investment Value	THB 2,574 million
Cost as of 31 Dec 2023	THB 2,641 million
Fair Value as of 31 Dec 2023	THB 1,703 million

# CENTRAL LAMPANG PROJECT



**45,716** SQ. M.  
GROSS FLOOR AREA



**16,363** SQ. M.  
GROSS LEASABLE AREA



**94.4%**  
OCCUPANCY RATE



**General Information of Project**  
The Central Lampang Project has been in operation since November 2012. The project consists of a three-storey building with one basement level.



## Location of Project

No. 319 Super Highway Road,  
Lampang-Ngao Road, Suan-Dok  
Sub-district, Mueang Lampang  
District, Lampang Province

## Details of Central Lampang Project

(As of 31 December 2023)

Central Lampang Project	
Characteristics of Investment	<ol style="list-style-type: none"> <li>1. Leasehold rights over real property comprising building areas (partial), common areas, and parking spaces related to the project.</li> <li>2. Leasehold rights over the utilities systems related to the project.</li> </ol> <p>The lease agreement will expire on 16 December 2041.</p> <ol style="list-style-type: none"> <li>3. Ownership of the movable assets related to the project.</li> </ol>
Property Manager	Central Pattana
Building Area	Gross floor area, including parking, of approximately 45,716 square me-ters and gross leasable area of approximately 16,363 square meters.
Investment Date	25 February 2521
Investment Value	THB 3,098 million
Cost as of 31 Dec 2023	THB 3,185 million
Fair Value as of 31 Dec 2023	THB 2,932 million



Performance of each project can be summarized as follows:

Projects	Area (Sq.M..)	Average Occupancy Rate Y2023 (%)	Rental and Service Income Y2023 (THB million)
Central Rama 2	88,346	96.8	1,408.3
Central Rama 3	36,040	96.3	638.7
Central Pinklao	27,711	98.6	1,019.0
Pinklao Tower A and B	34,096	83.8	204.0
Central Chiangmai Airport	39,317	96.5	511.6
Central Pattaya	29,213	93.5	475.7
The Ninth Towers	58,914	89.4	507.1
Unilever House	18,527	76.4	178.2
Central Marina	15,453	94.0	133.0
Central Lampang	16,363	94.4	279.7
<b>Total / Average</b>	<b>363,979</b>	<b>92.9</b>	<b>5,355.3</b>
Hilton Pattaya Hotel	304 ห้อง	88.1	372.7

## 2.5 Characteristics of Benefit Procurement from Real Properties of CPNREIT

CPNREIT intends to create good and sustainable returns from investments for unitholders in the long-term. The REIT Manager has duties to procure benefits from the assets of CPNREIT by setting out the suitable policies and strategies for managing CPNREIT's assets, in order to create commercial income to CPNREIT and to maximize benefits to overall unitholders. Accordingly, the REIT Manager has entered into property manager appointment agreements (or will enter into the property manager appointment agreements) with the Property Managers to procure benefits from both the Current Assets and the Additional Assets. Details of which are as follows:

Project	Property Manager
<b>Current Assets</b>	
Central Rama 2 Project	Central Pattana
Central Rama 3 Project	Central Pattana
Central Pinklao Project	Central Pattana
Central Chiangmai Airport Project	Central Pattana
Central Pattaya Project	Central Pattana
Hilton Pattaya Hotel Project	CPNREIT has subleased all of this property to CPN Pattaya Hotel, which has appointed Hilton Group as the hotel manager.
Project	Property Manager
<b>Additional Assets in 2020</b>	
The Ninth Towers Office Building Project	GLAND
Unilever House Office Building Project	Sterling
<b>Additional Assets in 2021</b>	
Central Marina Project	Central Pattana
Central Lampang Project	Central Pattana

The REIT Manager, Central Pattana, GLAND, Sterling and CPN Pattaya Hotel are the subsidiaries of the Central Pattana Group. Central Pattana holds 100.0 percent of shares in REIT Manager and the Central Pattana Group holds 100.0 percent of shares in CPN Pattaya Hotel. Additionally, the Central Pattana Group holds 67.5 percent of shares in GLAND, and GLAND holds 100.0 percent of shares in Sterling.

In order to successfully achieve its objective in managing the assets invested in by CPNREIT in the long-term and to create good returns to unitholders, the REIT Manager has implemented the following strategies of benefit procurement from CPNREIT's assets:

- Monitoring the operating results of CPNREIT on a yearly basis, by comparing these with the annual budget, including operating results of CPNREIT of the previous years. If the operating results of CPNREIT do not achieve the target planned, the REIT Manager will analyze the situation and establish the causes, adjusting and developing working plans as necessary to achieve the goal(s).
- Monitoring the operational results of a single sublessee of an asset type of hotel, by comparing these with the annual budget, including the operating results of the previous year (if any). If the operating results do not achieve planned target, the REIT Manager will analyze the situation and establish the causes, adjusting and developing working plans as necessary to achieve the goal(s).
- Regularly analyzing market and customer information to adjust the mix of shops in the shopping malls to suit the customer demand as well as to search for new shops in both local and overseas stores to enhance and modernize the shopping malls, and give new experiences to the customers. This includes analyzing the market and office tenants' information to improve the services to serve the needs of the customers.
- Having a marketing strategy focused on attractive points to draw targeted customers to use the services, in order to boost store sales volume and creating decent experiences to the customers such as arranging promotional activities that are in line with the strategy, by collaborating in obtaining marketing research information with the department store and Central's affiliates and business alliances, concurrently with hosting signature events. In implementing this strategy, all protocols shall be effectively communicated to the customers throughout various channels.
- Developing personnel of and enhancing service quality to international standards as well as using modern technologies to increase customer's pleasure and to decrease business cost, such as by developing a parking system, public relations center point and restrooms, among others.
- Enhancing the returns from the assets invested in by CPNREIT by developing and modifying real property, such as by adjusting floor plans and modifying stores in order to utilize the spaces efficiently and increase the rent, as well as developing and modifying the shopping malls and office buildings to maintain the good and modern image portrayed to tenants and customers.
- Determining the appropriate rates of the rental and service fees.

In addition, CPNREIT has a policy to procure benefits from its Current Assets and Additional Assets, specific to each type of the assets such as shopping mall, office building or hotel. The characteristics of benefit procurement in each type of the assets are as follows:

### **Benefit Procurement from Shopping Malls and Office Buildings**

#### **Nature of Benefit Procurement**

CPNREIT's policy concerning benefits procurement from shopping malls and office buildings involves leasing out the areas in those assets to tenants, as well as the service provided in relation to the lease. Accordingly, the REIT Manager will appoint the Property Managers who will manage and administer the works in connection with the real property. Through this, benefits from the assets can be obtained, by leasing out areas and service provided in relation to the lease (pursuant to the policy and business plan of the REIT Manager), procuring tenants to lease areas in the assets, contacting, liaising, and facilitating tenants, collecting rental and service fees for remittance to CPNREIT, as well as performing maintenance and repairs of the real property of CPNREIT to ensure that they are in good condition and ready for use. CPNREIT has directly entered into lease agreements with tenants/service receivers. Most of lease agreements entered into by CPNREIT contain standard terms and conditions applicable to every tenant and service receivers.

The lease agreements of shopping malls comprise two main types, which are lease agreements with payment terms in the form of fixed rent and turnover rent. While, the lease agreements of office buildings are in the form of fixed rental rate only.

Each type of the lease agreements provides a different advantage. The fixed rent lease agreements enable CPNREIT to obtain stable income and cash flow in each month from areas leasing and services providing. While the turnover rent lease agreements give CPNREIT the upside potential if the tenants get more income. To decide the type of agreement to be entered into with the tenant, whether it would be a fixed rent or turnover rent agreement, the business type of the tenant, business strategy of the tenant, negotiation between the lessor and the tenant, including creditability of the sales report system of the tenant, are all taken into consideration.

Additionally, leases of the shopping mall and office building areas are leased to multi-tenants (except for Unilever House Office Building Project). The type of tenants in the shopping malls projects are categorized into two main types. Anchor tenants that lease areas larger or equal to 700 square meters and in-line tenants that lease areas less than 700 square meters. The anchor tenants are mainly theatres and specialty stores (such as electrical appliances stores, sport equipment stores, bookstores, fitness center, for example) which add to the shopping mall's attractiveness. Those stores are also the magnets which attract customers to purchase products and use services in the shopping malls. Securing anchor tenants will indirectly increase the number of in-line tenants seeking to lease the areas in the shopping malls.

In regards to the characteristics of the benefit procurement as mentioned above, the main income that CPNREIT derives from investments in the shopping malls and office buildings are from the rental and service fees collected by leasing out the areas and providing related services to the tenants in the shopping malls (who are retailers), service operators, and to the tenants in office buildings who are in business organizations, governmental agencies, financial institutes, educational institutes (such as tutorial schools, language schools, computer training centers, among others). The rent and fee in providing related services which CPNREIT will charge are subject to the size of space, location, type of lease, lease term and business type of tenant by taking into account the price list of rental and service fees of each shopping mall. In addition, CPNREIT obtains other types of income which is related to rental and service fees such as parking fee and billboard fee, among others.

Major tenants of CPNREIT, who were a group of persons associated with the REIT Manager from business related to Central Pattana, a major trust unitholder, included Central Department Store Company Limited, Central restaurants Group Co.,Ltd., Central Trading Co.,Ltd. and Central Food Retail Company Limited accounted for 5.4% of rental and service income. The REIT Manager reviewed and analyzed the rental rate of these related parties and found that their rental rates were close to those of other major tenants operating in the same business and leasing areas in several shopping malls of CPNREIT. However, the rental rate could be different depending on floor, location, and physical characteristics of the rental area.

### **Project with Single Tenant or Having Significant Cluster of Tenants**

The benefit procurement from Unilever House Office Building Project will be sub-leasing to one tenant, Unilever Thai Trading ("Unilever"), the subsidiary of Unilever which is the global group of companies engaging in commodity products business. Unilever group's products have been sold across the world (Source: Unilever Annual Report and Account 2022). As of 31 December 2023, Unilever leased totaling 6,187 sq.m., equivalent to 33.4% of total leasable areas of Unilever House office Building Project and another tenant lease the remaining 33.5% of total leasable areas.

The term of the sub-lease agreement between CPNREIT and Unilever will be the same as the term of the lease agreement of Unilever House Office Building Project to be invested in by CPNREIT (which expires on 14 November 2034). However, although the sublease agreement that CPNREIT entered into with Unilever will be registered the sub-leasehold right, the conditions of the sublease agreement will grant Unilever Thai Trading the right to terminate the agreement by giving CPNREIT an advance notice of not less than 90 days. In this regard, Unilever must indemnify CPNREIT loss by compensating with the rate of 30% of the rental and service fees of the remaining lease and service terms, or CPNREIT may forfeit the deposits giving under the lease and service agreements, whichever is higher.

However, Unilever has requested to gradually reduce its leasing space in February and July 2023 with the remaining leasing area of 6,187 sq.m., equivalent to 33.4% of total leasable area of the Unilever House Office Building, also agreed to pay the additional rental and services fees for the lease area reduction at the rate of 30% of the rental and service fees of the remaining lease and service terms. CPNREIT will record the rent received in advance and recognize as rental income over the remaining lease and service terms. At the same time, Sterling, the property manager, is finding new tenants in replacement for the vacancy.



## Details of Property Manager

### 1. Central Pattana Public Company Limited

- **Related experience in the property management (shopping malls and office buildings)**

Central Pattana was established on 17 June 1980 with the objective of developing and managing integrated large-sized shopping malls. Central Pattana was listed on the SET on 1 March 1995. As of 31 December 2023, the total issued and paid-up capital of Central Pattana was THB 2,244 million.

In 2018, Central Pattana acquired 67.5% shares in Grand Canal Land Plc. (“GLAND”), whose assets consist of 1) The Ninth Tower office building; 2) Unilever House office building, both of which have been transferred to the CPNREIT; 3) G Tower office building; 4) BELLE condominium for sale; and 5) four plots of undeveloped land: two for mixed-use project development and two for residential development.

In 2021, Central Pattana acquired share of Siam Future Development Public Company Limited (“SF”) and held approximately 96.9% of SF’s share. SF’s assets including 1) 1 Shopping center, 2) 17 community malls, 3) 1 regional mall under its Joint-Venture company (Mega Bangna) and 4) Undeveloped landbanks in Bangkok

Central Pattana engages in the business of developing shopping mall projects and other related types of real property in the form of mixed-use real estate projects, consisting of office buildings, hotels and residences, in order to add value to the projects. By the end of 2023, Central Pattana had real property under its management which consisted of (1) 40 shopping malls consisting of 17 shopping malls in Bangkok and vicinity areas, 21 shopping malls in upcountry, one shopping mall in Malaysia, 17 community malls, and one joint-venture shopping mall, (2) 10 office buildings in Bangkok, (3) 9 hotels in upcountry, (4) one residential project for rent in Bangkok and 33 residential projects for sale across the country. Furthermore, Central Pattana invested in CPNREIT and CPN commercial Growth Leasehold Property Fund (“CPNCG”)

Central Pattana continues to develop and expand its shopping mall business by opening new shopping malls in the country and on abroad, renovating the existing ones, and boosting the capacity of space usage in those shopping malls for purposes of obtaining consistent income. Central Pattana has undertaken the shopping mall business under main concepts that the shopping mall is the center of life. As such, each shopping mall of Central Pattana presents a variety of goods and services, while various destination concepts are created inside to respond to all groups of customers at all ages who may have different lifestyles and preferences. Each shopping mall of Central Pattana is also designed and decorated by presenting the outstanding style and identity of each local area, while the interior decoration also attracts and satisfies the shoppers by their unique style, such that Central Pattana continues to be the leader in this shopping mall business.

In addition, shopping mall projects which CPNREIT is presently investing in and/or will be additionally investing in, and to which Central Pattana has been appointed and/or shall be appointed as the Property Manager, include all shopping mall projects developed and managed by the Central Pattana Group. As Central Pattana is appointed as the Property Manager to continue the management of such assets, the asset management will be uninterrupted and run in the same direction.

Regarding the office building business, Central Pattana has managed seven office building projects in total (excluding the assets of GLAND): (1) Ladprao, (2) Pinklao Tower A, (3) Pinklao Tower B, (4) Bangna, (5) CentralwOrld (CentralwOrld Offices), (6) Chaengwattana and (7) Rama 9. All of these projects are located in the shopping mall projects because Central Pattana is of the view that demand on office buildings can support shopping mall business, add value and improve utilization of the same plot of land, and increase the efficiency of parking space usage and management. Most of the businesses operated by tenants in the office buildings benefit from patrons from the shopping malls, such as tutorial schools, language and musical schools and beauty parlors etc

- **Relationship between REIT Manager and Property Manager**

Central Pattana holds 100.0% of shares in the REIT Manager.

- **Other properties managed by Property Manager that may be in competition with properties of CPNREIT and mechanism or measures to prevent conflicts of interest**

There are 40 shopping centers under Central Pattana's management and 17 small shopping centers. More information is available in the annual report of Central Pattana or [www.centralpattana.co.th](http://www.centralpattana.co.th)

While the REIT Manager has used caution in specifying the roles and scope of duties to be performed by Central Pattana as the Property Manager for the management of shopping mall and office building assets invested by CPNREIT, conflicts of interest between CPNREIT and Central Pattana may arise because Central Pattana is also managing other properties in types of shopping mall and office building in several areas other than the assets invested and/or to be invested by CPNREIT.

Nevertheless, due to diverse demands of tenants on shopping malls and office building spaces when selecting the leased areas, such as the location, facilities, budget, traveling convenience, and convenience in business contact, among others, the tenants often determine which shopping mall and/or office building area should be rented. Moreover, CPNREIT has engaged Central Pattana to manage the assets of CPNREIT under a contractual structure which motivates Central Pattana to generate good profit to the assets of CPNREIT continually. This could partially mitigate the risk of conflicts of interest mentioned above.

The REIT Manager also formulates a work performance evaluation guideline for the Property Manager, where the REIT Manager is entitled to change the Property Manager if the following event occurs:

- If the occupancy rate in the assets invested by CPNREIT and managed by Central Pattana drops to less than 50 percent for longer than three consecutive months. In such an event, the REIT Manager may propose in a unitholders' meeting that they consider and resolve to terminate the Property Manager appointment agreement. The termination of such agreement requires the votes from unitholders of CPNREIT holding the aggregate trust units of more than a half of the total votes of the unitholders.

The occupancy rate is calculated from the actual leased areas divided by the total leasable areas. The total leasable area excludes the common area, meeting area, and other areas that may not be leased in any period due to force majeure or space repair and decoration. Such calculation of the occupancy rate shall be based on the information from the monthly report.

- **Fees that Property Manager will receive from CPNREIT**

Central Pattana, which is (or will be) the Property Manager for shopping mall and office building projects (excluding The Ninth Towers Office Building Project and Unilever House Office Building Project), has right to receive fees for performing as the Property Manager from CPNREIT in accordance with the property manager appointment agreement. Details of which can be summarized as follows:

1. **Fee for rental collection on behalf of CPNREIT**, at the rate of not exceeding 3.00 percent of Net Rental Income of CPNREIT. Net Rental Income means total incomes receiving from lease agreements and service agreements before deducting any expenses, including incomes from promotion areas, and direct or indirect incomes from operation of shopping malls, excluding compensations or reimbursements, such as money of property tax or insurance premiums reimbursed from tenants or the sub-lessee, and common area service charges which are charges on the usage of common area, air-conditioning, smoke exhaust, water supply and electricity supply (appeared on the meter of each tenant), and deducting the shop discount to tenant or sub-lessee.
2. **Leasing Commission** for procuring all types of tenants of CPNREIT, applicable for both new lease agreements and renewal lease agreements for all types of lease agreements, for both short-term and long-term leases. Details of which are as follows:

- **For shopping mall tenants**

Leasing Commission Calculated Based on Monthly Rental Fee of Each Tenant	
1. Renewal lease with existing tenants	Not exceeding 0.5 (zero point five) month
2. Entry into lease agreement with the new tenants consisting of 4 (four) rates depending on terms of lease agreements	
- Tenant who enters into lease agreement with less than 1 (one) year term	Not exceeding 0.5 (zero point five) month
- Tenant who enters into lease agreement with 1 (one) year but no more than 3 (three) years term	Not exceeding 1.0 (one point zero) month
- Tenant who enters into lease agreement with 3 (three) years term and above	Not exceeding 1.5 (one point five) months
- Tenant who enters into lease agreement with more than 3 (three) years term and pays lump sum rental fee in advance	Not exceeding 3.0 (three point zero) per-cent of the lump sum rental fee received from the tenant in advance

- **For office buildings tenants**

Leasing Commission Calculated Based on Monthly Rental Fee of Each Tenant	
1. Renewal lease with existing tenants	Not exceeding 0.5 (zero point five) month
2. Entry into lease agreement with the new tenants consisting of 3 (three) rates depending on terms of lease agreements	
- Tenant who enters into lease agreement with less than 3 (three) years term	Not exceeding 0.5 (zero point five) month
- Tenant who enters into lease agreement with 3 (three) years term and above	Not exceeding 1.0 (one point zero) month
- Tenant who enters into lease agreement with more than 3 (three) years term and pays lump sum rental fee in advance	Not exceeding 3.0 (three point zero) per-cent of the lump sum rental fee received from the tenant in advance

Property Manager will charge the Leasing Commission for agreement with lease term of at least one month and above, but not charge the Leasing Commission for service agreements for promotion areas or other agreements relating to media advertisement such as video wall or light box, etc.

Therefore, in the case the lease agreements between CPNREIT and tenants are made in a form different from the above case, the REIT Manager will have a power to determine term of payment for the Leasing Commission as it deems appropriate.

3. **Base Management Fee**, at the rate of not exceeding 0.28 percent per year of the investment properties value according to the net asset value report of CPNREIT monthly approved by the Trustee, calculated on the last business day of each month. This shall exclude the investment properties value in hotel and Central Rama 2 Project (Renewal Period) during the period which is before commencement of the lease term according to the building lease agreement.
4. **Incentive Fee**, at the rate of not exceeding 2.35 percent of Net Property Income. Net Property Income means total revenues from immovable properties received by CPNREIT deducted by total costs and expenses from procuring benefits from the immovable properties, excluding fees and expenses of CPNREIT, such as fees for the Property Manager under Items 1. and 2. and fee for the REIT Manager (the costs and expenses from the lease will be adjusted with the difference between costs and expenses from the lease according to the Thai Accounting Standards No. 17 (or as may be amended or replaced by other Thai Accounting Standards), and costs and expenses according to lease agreements).
5. **Fee in relation to the sale and purchase of immovable properties of CPNREIT**, at the rate of not exceeding 1.50 percent of value of asset additionally invested in by CPNREIT, and the rate of not exceeding 0.75 percent of value of immovable properties disposed from CPNREIT.
6. **Fee in relation to supervision of renovation and/or development of immovable properties of CPNREIT**, being the fee that CPNREIT will pay to the Property Manager due to its supervision of the development of CPNREIT's immovable properties, which includes recommendations of renovation and/or development of the immovable properties of CPNREIT for value enhancement of CPNREIT's immovable properties, at the rate of not exceeding 2.00 percent of total costs of renovation and/or development of the renovated and/ or developed immovable properties of CPNREIT. Such costs of renovation and/or development shall include the costs for compensation paid to tenant due to the early termination

in the event of obtaining the leasable area back for renovation and/or development, but exclude the expenses relating to designing, consulting fee, other professional fee. However, the Property Manager may propose renovation and/or development plans to the REIT Manager, together with the fees in relation to the supervision, as well as related details to the REIT Manager for consideration and approval, from time to time.

The above fees do not include value added tax.

## 2. Grand Canal Land Public Company Limited and Sterling Equity Co., Ltd.

### • Related experience in the property management (office buildings)

GLAND was established on 22 April 1985 and is a listed company on the SET. As of 31 December 2023, its paid-up capital was THB 6,499,829,661. GLAND operates property development business, which includes houses, condominiums commercial and office buildings and retail space for sale or rent, and provides management services. In the fourth quarter of year 2018, Central Pattana holds 67.5% shares in GLAND through CPN Pattaya. As of the date of this prospectus, GLAND manages The Ninth Towers Project, retail spaces for rent at The Shoppes @ the Ninth Project, and provides office building management, sales, marketing, construction work and residential project management.

Sterling was established in 1996. Its paid-up capital is Baht 1,800 million. Sterling has operated property development business for office buildings and retail spaces. GLAND holds 100.0% of shares in Sterling. At present, Sterling manages the office building for rent, namely The Unilever House and retail space for rent namely The Shoppes @ Unilever House, and provides office building management services.

The GLAND Group currently manages the Grand Rama 9 Project, which is a major project having land of 73 rai located on Rama 9 Road near Ratchadapisek intersection which can be connected with several main roads, benefiting from all kinds of travelling. The GLAND Group intends to develop this project to become the central business district in the center of Bangkok. The Grand Rama 9 Project consists of the projects and businesses as follows:

Project	Project Type	Year of Operation
1. Belle Grand Rama 9 Project	Residential Condominium	September 2012
2. The Ninth Towers Grand Rama 9 Project	Office Building	February 2014
3. Unilever House Grand Rama 9 Project	Office Building	December 2014
4. G Tower Grand Rama 9 Office Building Project	Office Building	September 2016
5. Mixed-use Project - Super Tower Project and Convention Center - Arcade Project - Hotel Project	Mixed-use Project - Office Building and Hall - Retail space - Hotel	The project model is under revision (To make use of the space, GLAND has leased some of the space for the «Jod Fair Market» or large night market, which is very popular with both Thais and foreigners.)
6. The Shoppes Grand Rama 9 Project	Retail space, shops, restaurant located at the basement, Floor 1 or Floor 2 of each project in The Grand Rama 9 Project	Belle Grand Rama 9 Project, The Ninth Towers Grand Rama 9 Project, Unilever House Grand Rama 9 Project, and G Tower Grand Rama 9 Project have commenced the operations already

Source : Annual Report of GLAND (Year 2023)

In addition, The Ninth Towers Office Building Project and Unilever House Office Building Project in which CPNREIT has invested in are the office building projects entirely developed and managed by the GLAND Group. Accordingly, CPNREIT appointed GLAND and Sterling as the Property Managers to continue the management of the said assets to ensure that the asset management and direction will not be interrupted.



- **Relationship between REIT Manager and Property Manager**

GLAND and the REIT Manager are subsidiaries of the Central Pattana Group, where the Central Pattana Group holds 67.5% of shares in GLAND, and Central Pattana holds 100.0% of shares in the REIT Manager.

Sterling and the REIT Manager are subsidiaries of the Central Pattana Group, where the Central Pattana Group (by GLAND) holds 100.0% of shares in Sterling, and Central Pattana holds 100.0% of shares in the REIT Manager.

- **Other properties managed by Property Managers that may be competitive with properties of CPNREIT and mechanism or measures to prevent the conflicts of interest**

The Ninth Towers Office Building Project and Unilever House Office Building Project are a part of The Grand Rama 9 Project, which is a major project comprising office buildings, retail spaces, convention hall, hotels, and condominiums developed by the GLAND Group. The GLAND Group also manages the G Tower Grand Rama 9 Project which is part of The Grand Rama 9 Project. As a result, potential conflict of interest in procuring tenants between the additional investment assets and the said projects may occur.

#### Office Building Projects Managed by GLAND Group

Project	Year of Commencement of Operation	Remark
1. The Ninth Towers Office Building Project	February 2014	One of the Current Assets
2. Unilever House Office Building Project	December 2014	One of the Current Assets
3. G Tower Grand Rama 9 Office Building Project	September 2016	-

Source : Annual Report of GLAND (Year 2023)

To prevent potential risks caused by such conflict of interest, the undertaking agreement entered into between CPNREIT, GLAND, and Sterling contains the following requirements:

- (1) GLAND and Sterling as the grantors, agreed that, in undertaking the rental office building business in The Grand Rama 9 Project, the grantors and/or any persons related to the grantors shall not undertake any actions to persuade, invite, or induce the tenants of office spaces in the assets invested by CPNREIT to rent the office spaces in other minor projects in The Grand Rama 9 Project.
- (2) From the date CPNREIT made investments in the leased properties, the grantors agreed that the setting of rental and service rate of office spaces to be leased to the new tenants and service receivers, and existing tenants and service receivers who want to rent some additional spaces of other minor projects in The Grand Rama 9 Project must not compete with the lease of office spaces to the new tenants and service receivers, and existing tenants and service receivers who want to rent some additional spaces of The Ninth Towers Office Building Project and Unilever House Office Building Project. The grantors must neither give any support or compensation to the new tenants and service receivers, and existing tenants and service receivers who want to rent some additional spaces of other minor projects in The Grand Rama 9 Project, which is not based on an arm's length basis, to persuade them to enter into the lease and service agreements.

Further, except with a written consent by CPNREIT, the grantors have agreed that, throughout the lease term, if the occupancy rate of either of the leased assets, The Ninth Towers Office Building Project, or Unilever House Office Building Project, is lower than 92 percent of each project invested by CPNREIT, the grantors and/or any persons related to the grantors shall price the rental and service rate of the office spaces leased to the new tenants and service receivers, and existing tenants and service receivers who want to rent some additional spaces of other minor projects in The Grand Rama 9 Project as follows:

- Higher than 15% of the rental and service rate of office spaces leased to the new tenants and service receivers, and existing tenants and service receivers who want to rent some additional spaces in the leased asset, The Ninth Towers Office Building Project, and/or
- Higher than 10% of the rental and service rate of office spaces leased to the new tenants and service receivers, and existing tenants and service receivers who want to rent some additional spaces in the leased asset, the Unilever House Office Building Project.

Such rental and service rate of office spaces leased to the new tenants and service receivers, and existing tenants and service receivers who want to rent some additional spaces of other minor projects in The Grand Rama 9 Project shall be priced by the REIT Manager when preparing the annual budget in each year. An agreement on setting such rental and service rate shall apply to the leased office spaces where have the zone and the space size equal or close between (a) spaces in other minor projects in The Grand Rama 9 Project; and (b) spaces in The Ninth Towers Office Building Project and/or Unilever House Office Building Project as specified in the Agreement.

Accordingly, the parties agree that the agreement on setting such rental and service rate shall not apply to the leased office spaces of any projects in other minor projects in The Grand Rama 9 Project in the following cases:

- In case the grantors and/or any persons related to the grantors sell, dispose of, transfer, or lease (which is not the lease of spaces in operating the rental office space business to general customers on the arm's length basis) the entire leased office spaces in that project to other persons who are not the related persons of the grantors under the terms and conditions on the right of first refusal.
- In case CPNREIT invests in the leased office spaces in that project.

- **Fees that Property Managers will receive from CPNREIT**

- 1. **GLAND**

GLAND, the Property Manager of CPNREIT for The Ninth Towers Office Building Project, is entitled to the fees for being the Property Manager collected from CPNREIT according to the property manager appointment agreement. Details of which can be summarized as follows:

1. **Fee for rental collection on behalf of CPNREIT**, at the rate of not exceeding three percent per year of Gross Property Operating Revenue.  
**Gross Property Operating Revenue** means income from rental fees, service fees and other incomes from procuring benefits from the investment properties of CPNREIT, approved of net asset value by the REIT Manager and Trustee (The rental income will be adjusted with the difference between rental income according to the Thai Accounting Standards No. 17 (or as may be amended by other Thai Accounting Standards), and rental income according to lease agreements.).
2. **Incentive fee**, at the rate of not exceeding two percent per year of Property EBITDA.  
**Property EBITDA** means Gross Property Operating Revenue deducted by total costs and expenses from procuring benefits from the investment properties of CPNREIT (the costs and expenses from the lease will be adjusted with the difference between costs and expenses according to the Thai Accounting Standards No. 17 (or as may be amended or replaced by other Thai Accounting Standards), and costs and expenses from the lease according to lease agreements.).

The above fees do not include value added tax.

- 2. **Sterling**

Sterling, the Property Manager of CPNREIT for the Unilever House Building Project, is entitled to the fees for being the Property Manager collected from CPNREIT according to the property manager appointment agreement. Details of which can be summarized as follows:

1. **Fee for rental collection on behalf of CPNREIT**, at the rate of not exceeding four percent per year of Gross Property Operating Revenue.  
**Gross Property Operating Revenue** means income from rental fees, service fees and other incomes from procuring benefits from the investment properties of CPNREIT, approved of net asset value by the REIT Manager and Trustee (The rental income will be adjusted with the difference between rental income according to the Thai Accounting Standards No. 17 (or as may be amended by other Thai Accounting Standards), and rental income according to lease agreements.).
2. **Incentive fee**, at the rate of not exceeding three percent per year of Property EBITDA.  
**Property EBITDA** means Gross Property Operating Revenue deducted by total costs and expenses from procuring benefits from the investment properties of CPNREIT (the costs and expenses from the lease will be adjusted with the difference between costs and expenses according to the Thai Accounting Standards No. 17 (or as may be amended or replaced by other Thai Accounting Standards), and costs and expenses from the lease according to lease agreements.).

The above fees do not include value added tax.

For the sake of this clause, if the occupancy rate of The Ninth Towers Office Building Project or Unilever House Office Building Project is lower than 92 percent as required above, the grantors agree to disclose or arrange any persons related to the grantors to disclose the information in writing about the rental and service fee, conditions, and lease term of the leased office spaces of other minor projects in The Grand Rama 9 Project to CPNREIT on the quarterly basis, and to permit CPNREIT to check such information pursuant to the request by CPNREIT and as it deems appropriate.

In addition, the appointment of GLAND and Sterling as the Property Manager of The Ninth Towers Office Building Project and Unilever House Office Building Project respectively under the contractual structure which motivates GLAND and Sterling to generate the good profit to the assets of CPNREIT continually. This could partially mitigate the risk of conflicts of interest mentioned above

## Benefit Procurement from Hotels

### Nature of Benefit Procurement

CPNREIT has invested in the core property in the Hilton Pattaya Hotel by sub-leasing the whole property to CPN Pattaya Hotel for benefit procurement, where in turn CPN Pattaya Hotel has appointed Hilton Group, the international hotel management network, as a hotel manager. The term of the sub-lease agreement is for three-year terms commencing from 1 January 2018 to 31 December 2020. Upon expiration of the sub-lease agreement, both CPNREIT and CPN Pattaya Hotel are entitled to renewal of the agreement for two times for three-year period each. The rental fees are in the form of both fixed rent and variable rent. Previously, CPN Pattaya Hotel and CPNREIT renewed the agreement once on 23 December 2020, from which the sub-lease term was renewed from 1 January 2021 to 31 December 2023. However, the parties have another right to renewal of the agreement for another three-year period. For the lease extension for the next 3 years, CPN Pattaya Hotel has submitted a letter of intent to renew the sublease agreement to CPNREIT on June 1, 2023

### Details of Sub-Lessee

CPN Pattaya Hotel, who is a single sublessee of the Hilton Pattaya Hotel, has its significant corporate information as follows:

Name of Company	CPN Pattaya Hotel Company Limited
Incorporation Date	25 September 2017
Paid-up and Registered Capital	THB 200,000,000 (Baht two hundred million) consisting of 20,000,000 (twenty million shares) shares with the par value of THB 10
Board of Directors	1. Mr. Sudhitham Chirativat 2. Mr. Kobchai Chirativat 3. Ms. Wallaya Chirativat 4. Mr. Suthipak Chirativat 5. Mr. Chanavat Uahwatanasakul 6. Mr. Preecha Ekkunagul
Major Shareholder	Central Pattana holds %100.0 shares
Relationship with REIT Manager	CPN Pattaya Hotel and the REIT Manager are the subsidiaries of Central Pattana, whereby Central Pattana holds 100.0 percent in CPN Pattaya Ho-tel and Central Pattana holds 100.0 percent in the REIT Manager.

Source: BOL database

## Information of Hilton Group

- Related experience in the property management (Hotel)**

The Hilton Group is an international hotel chain from the United States of America established in 1919. Up to now, the Hilton Group has managed over 22 hotel brands with 7,530 hotels under its management in 123 countries, covering approximately 1,182,937 rooms (source: Hilton 2023 Year in Review).

- Relationship between REIT Manager and Property Manager**

None

- Other properties managed by Property Manager that may be competitive with properties of CPNREIT and mechanism or measures to prevent the conflicts of interest**

### Hotel Projects in Thailand under the Management of Hilton Group

From the database of [www.hiltonhotels.com/th\\_TH/](http://www.hiltonhotels.com/th_TH/), the Hilton Group has now managed 16 hotels in Thailand (including Hilton Pattaya Hotel). Other 15 hotels, except Hilton Pattaya Hotel, are located in main tourism provinces of Thailand, e.g. Bangkok, Koh Samui, Koh Phuket, and Hua Hin. The project details are in the table below.

โครงการ	จังหวัด	หมายเหตุ
Project	Province	Note
Hilton Pattaya Hotel	Chonbur	Asset invested by CPNREIT
Conrad Bangkok Hotel	Bangkok	-
DoubleTree by Hilton Bangkok Ploenchit	Bangkok	-
DoubleTree by Hilton Sukhumvit Bangkok	Bangkok	-
Hilton Hotel Sukhumvit Bangkok	Bangkok	-
Millennium Hilton Hotel Bangkok	Bangkok	-
Waldorf Astoria Hotel Bangkok	Bangkok	-
Hilton Bangkok Grand Asoke	Bangkok	-
Conrad Bangkok Residence	Bangkok	-
Hilton Garden Inn Bangkok Silom	Bangkok	-
Hilton Garden Inn Bangkok Riverside	Bangkok	-
Hilton Hua Hin Resort & Spa Hotel	Prachuap Khiri Khan	-
Conrad Koh Samui Hotel	Surat Thani	-
Conrad Koh Samui Residence	Surat Thani	-
DoubleTree by Hilton Phuket Banthai Resort	Phuket	-
Hilton Garden Inn Phuket Bangtao	Phuket	-

The hotels under the management of the Hilton Group in Thailand, except Hilton Pattaya Hotel that is the asset currently invested by CPNREIT, are located in other provinces which do not directly compete with Hilton Pattaya Hotel. Therefore, it is less likely to have the risk caused by the conflicts of interest between CPNREIT and Hilton Group.

Besides, CPN Pattaya Hotel has engaged the Hilton Group to manage Hilton Pattaya Hotel under the contractual structure which motivates the Hilton Group to generate the good profit to Hilton Pattaya Hotel continually. This could partially mitigate the risk of conflicts of interest mentioned above



## Rent to be Received by CPNREIT from Sub-Lease Agreement

Rental to be received by CPNREIT from sub-leasing of Hilton Pattaya is in form of fixed rent and variable rent. Fixed rent shall comprise at least two-thirds of total rental. This helps to partially mitigate risk associated with fluctuation of rental and is in compliance with the SEC Office's regulatory requirement.

With the exception of deferral of rental payment and exemption of rental due to force majeure, or deferral of rental payment due to renovation as specified under the sub-lease agreement, CPN Pattaya Hotel agrees to make payment of the rental to CPNREIT in accordance with the terms and conditions of the sub-lease agreement. Rental under the sub-lease agreement comprises 2 portions, which are fixed rent and variable rent, using the calculation criteria basing on the actual sub-lease period. The method of calculation is as follows.

### 1. Calculation of rental

#### 1.1 Fixed Rent

CPN Pattaya Hotel agrees to pay fixed rent with respect to the buildings, structures, utilities systems and movable properties within 45 days from the end of each quarter, calculated based on the actual period of sub-lease, from 1 January 2018 to 31 December 2020, in accordance with the rate provided in the table below, payable in equal amount for each quarter.

Year	Annual Fixed Rent (THB)
2018	210,000,000
2019	217,350,000
2020	224,957,250

From 1 January 2021 to 31 December 2026, in accordance with the rate per annum as specified in the table below, payable in equal amount for each quarter

Year	Annual Fixed Rent (THB)
2021	232,830,754
2022	242,143,984
2023	252,265,602
2024	263,264,383
2025	275,216,586
2026	288,206,809

**Remark :** CPN Pattaya Hotel and CPNREIT agreed to adjust fixed rent since 2023 onwards due to renovation as stated in the Sub-lease Agreement of Hilton Pattaya

## 1.2 Variable Rent

CPN Pattaya Hotel agrees to pay variable rent with respect to the buildings, structures and utilities systems within 45 days from the end of each quarter, calculated based on the actual period of the sub-lease. The method of calculation shall be the aggregated value criteria, that is, for any accounting year, the variable rent for the current quarter shall be based on aggregated variable rent as at the end of the current quarter, less the accumulated variable rent as at the end of the preceding quarter of the same year. The variable rent shall be calculated as follows:

$$\text{Variable Rent} = 90\% \times (A - B - C - D)$$

- A = The total revenue earned from both direct and indirect operation of Hilton Pattaya Hotel in that accumulated quarter, exclusive of valued added tax, specific business tax, or other similar taxes, service charge collected from hotel guests, revenue or money received from sale of assets, compensation received from insurance (except the compensation received from business interruption insurance), compensation received from expropriation of immovable properties, and interest income.
- B = The total costs and expenses from the operation of Hilton Pattaya Hotel in that accumulated quarter, including costs and expenses of food and beverages, costs of raw materials and operating supplies, costs and expenses of procurement of equipment for operation in replacement of or in addition to the existing equipment, costs of salaries, labors, and other benefits paid to employees and staffs, costs and expenses of employees and staff training, costs and expenses of advertising and public relations, costs and expenses of maintenance, repair and decoration of Hilton Pattaya Hotel to be in a good condition, insurance premium, taxes and fees (except corporate income tax), administrative fees, and expenses that the hotel manager of Hilton Pattaya Hotel charges, and other costs and expenses relevant to the operation of Hilton Pattaya Hotel, exclusive of valued added tax, specific business tax, or other similar taxes, and expenses occurred from repair using the past reserves of CPN Pattaya as the previous asset owner, and interest expenses, fees in relation to loans or financing that are not those incurred from financial transactions in connection with the operation of Hilton Pattaya Hotel
- C = Reserves for repair, improvement, procurement for replacement or additional procurement of furnishings, equipment, and vehicles of Hilton Pattaya Hotel (FF&E Reserve Deduction) as specified in the management agreement of Hilton Pattaya Hotel, entered into by and between CPN Pattaya Hotel and the hotel manager of Hilton Pattaya Hotel
- D = Fixed rental in that accumulated quarter as specified in 1.1 Fixed rent

If the accumulated variable rental as at the end of the current quarter as calculated by the formula above is less than zero, the variable rental shall be deemed as zero. If the accumulated variable rental as at the end of the current quarter as calculated by the formula above exceeds 50 percent of the aggregated fixed rental as at the end of the current quarter, the variable rental shall be reduced to 50 percent of the aggregated fixed rental as at the end of that quarter.

If the amount of accumulated variable rental as at the end of the preceding quarter paid by CPN Pattaya Hotel to CPNREIT exceeds the accumulated variable rental as at the end of the current quarter to be payable by CPN Pattaya Hotel in accordance with the calculation formula based (clause 1.2) on CPN Pattaya Hotel's financial information as appeared in the financial statement prepared by CPN Pattaya Hotel for purpose of the calculation of quarterly variable rental, CPNREIT agrees to set off the excess variable rental paid by CPN Pattaya Hotel with the variable rental of the subsequent quarter to which CPNREIT is entitled to receive from CPN Pattaya Hotel until the excess variable rental is equal to zero. Notwithstanding the foregoing, in the last quarter, CPNREIT agrees to set off the remaining sum of the variable rental it has received with the fixed rental for the last quarter to which CPNREIT is entitled. If, however, the fixed rental of the last quarter is less than the remaining balance of excess variable rental received by CPNREIT, CPNREIT agrees to return the whole balance of excess variable rental to CPN Pattaya Hotel within 15 days from the date on which the auditor has certified the financial statements of the accounting year of CPN Pattaya Hotel.

Moreover, if the amount of variable rental that CPNREIT receives for any accounting year is greater or less than the variable rental of the same accounting year that CPNREIT should receive in accordance with the calculation result from the formula based (clause 1.2) on the CPN Pattaya Hotel's financial information as appeared in financial statement certified by the auditor of CPN Pattaya Hotel for the purpose of adjustment of the variable rental for that accounting year, CPNREIT shall refund the excess rental fee received, or CPN Pattaya Hotel shall pay the different amount (as the case may be) within 15 days from the date the auditor has certified the financial reports for the accounting year of CPN Pattaya Hotel.

Notwithstanding the foregoing if there are amendments or changes to the Securities Laws in relation to the criteria of payment of fixed rental and/or variable rental, CPNREIT and CPN Pattaya Hotel agree to further consider and discuss the terms and conditions regarding the payment of fixed rental and/or variable rental.

If CPN Pattaya Hotel is not capable of paying the rental fee in full when the payment is due, any rental fee not received by CPNREIT shall be deemed the accrued rental revenue, and CPN Pattaya Hotel shall pay CPNREIT the accrued rental revenue within 30 days from the due date. This shall not apply to the circumstance where the payment of the rental fee is deferred, or exempted whether in whole or in part due to force majeure, or deferred due to major renovation in any particular month.

The accrued rental revenue shall be subject to the default interest at the rate of 15 percent per annum calculated according to the amount accrued and from the payment due date until payment is made in full, except for the first default of the rental payment for any year and CPN Pattaya Hotel has paid the accrued amount within 30 days from the due date. In this connection, if CPN Pattaya Hotel makes payment of the first accrued amount for any year later than the specified 30-day period, CPN Pattaya Hotel shall be subject to the default interest incurred from the accrued rental revenue at the rate of 15 percent per annum calculated based on the outstanding amount and from the payment due date until the date on which the payment is made to CPNREIT in full.

### **Opinion of REIT Manager Regarding Ability of Lessee to Comply with Lease Agreement**

The REIT Manager considers that CPN Pattaya Hotel has the ability to comply with the sub-lease agreement conditions including to make the fixed rental payment since Hilton Pattaya Hotel is a hotel that had decent historical operating results. It is also situated in a good location of Pattaya City which is a major tourist attraction in Thailand. These are important factors affecting the upcoming growth in operating results of Hilton Pattaya Hotel. One major of such factors resulting in a constant upside growth in operating results of the hotel is that CPN Pattaya Hotel has appointed the Hilton Group to manage the hotel. The Hilton Group has experience and proficiency in managing international hotels, where the familiarity and experiences gave it successfully managing such hotels over time. Moreover, a major shareholder of CPN Pattaya Hotel, which is Central Pattana, also benefits the operation of the Hilton Pattaya Hotel since central pattana is well familiar with this hotel making Central Pattana to be able to use its high experiences in succeeding the development and management of the shopping malls to support the business operation of Hilton Pattaya Hotel because both types of assets can support each other's business. Pursuant to the undertaking agreement, Central Pattana agrees to control, supervise and take any necessary preventive actions or remedy in order that Central Pattana Pattaya Hotel, which is the subsidiary of Central Pattana, will strictly comply with the terms and conditions of the agreements to which it is a party.

CPN Pattaya Hotel had consistently fulfilled its sublease terms with CPNREIT. However, the Coronavirus outbreak and the social distancing and the international travel ban, prevented tourists from reaching Hilton Pattaya and thus handicapped operations of the hotel. Given the circumstances, CPN Pattaya Hotel could explicitly identify the pandemic and government control measures as an extraordinary event beyond its control and exercise its rights under the force majeure sublease clause to exempt or postpone fixed lease fees. For 2022, CPNREIT waived the fixed rent for the first quarter for CPN Pattaya Hotel, while CPN Pattaya Hotel has completed payment of the fixed rent of the second to the fourth quarter of 2022. Regarding the fixed rent from hotel business postponed due to the major renovation or the force majeure circumstance, CPN Pattaya Hotel already paid to CPNREIT in 2023.

Details of the rents received by CPNREIT from CPN Pattaya Hotel of the previous years are as follows:

(Unit : THB million)	2019	2020	2021	2022	2023
<b>Rent to be Received by Sub-Lease Agreement<sup>/1</sup></b>					
Fixed rent	217	225	233	242	252
Variable rent	109	-	-	77	126
Total rent	326	225	233	319	378
<b>The postponement of the rental income in the event of major renovation or force majeure</b>					
Fixed rent	-	162	59	-	-
Variable rent	-	-	-	-	-
Total rent	-	-	-	-	-
<b>The waived of rental payment due to the force majeure</b>					
Fixed rent	-	7	174	60	-
Variable rent	-	-	-	-	-
Total rent	-	7	174	-	-
<b>Total rental recorded in its financial statement according the related accounting standards</b>					
Fixed rent	274	235	73	187	247
Variable rent	109	-	-	77	126
Total rent	383	235	73	264	373

**Remark :** <sup>/1</sup> Rental by Sub-Lease Agreement before excluding the postponement

### Impact from Change of Property Sub-lessee of Hilton Pattaya Hotel

In the event that CPN Pattaya Hotel, which is the Property Sub-lessee of Hilton Pattaya Hotel does not renew the sub-lease agreement or terminates the agreement prior to the end of the lease term, CPNREIT may need some time to look for another person to act as the Property Sub-lessee in replacement of CPN Pattaya Hotel. Such person may not have the same qualifications or capability as CPN Pattaya Hotel, and CPNREIT might not be able to even find a new Property Sub-lessee at all, or the replacing person might not be able to pay the same rents as CPN Pattaya Hotel, and these will directly impact the revenues of CPNREIT and its capability to distribute the benefits to the unitholders.

In order to mitigate the risk in this event, CPNREIT has entered into a sub-lease agreement of immovable assets and a lease agreement of movable assets, with the lease term of 3 years, under which of the existing agreements commencing from 1 January 2018, and upon the expiry of the lease term, both CPNREIT and CPN Pattaya Hotel may exercise their right to renew the agreements for 2 times, with a 3-year term each. และ CPN Pattaya Hotel already submitted a letter of intent to renew the sublease agreement to CPNREIT on June 1, 2023 for a 3-year extension from January 1, 2024 to December 31, 2026.

In the case that CPNREIT no longer grants the sub-lease of Hilton Pattaya Hotel to CPN Pattaya Hotel, the REIT Manager will follow the protocol in selection of the new sub-lessee by mainly taking into account the benefits of CPNREIT and the unitholders. However, with the asset highlights of Hilton Pattaya Hotel which is situated in a good location of Pattaya City which is a major tourist attraction in Thailand, the seeking of a new sub-lessee in replacement of CPN Pattaya Hotel due to such case should be able proceeded



## 2.6 Borrowing

### 1. Loans

#### Summary of loan agreements

The sources of funds for investment in The Ninth Towers Office Building Project and Unilever House Office Building Project and expenses and fee related to the registrar fee of Central Rama 2 Project (renewal period) was from loan from financial institutions. At present, the preliminary important terms and conditions of the loan transactions that CPNREIT has been offered are as follows

Lender	Financial institution No.1
Borrower	Trustee on behalf of CPNREIT
Credit Facility	<b>Facility A: THB 10,000 million</b> To invest in the Additional Assets, including to pay the relevant expenses and/or to refinance the loans, which will be used for investment in Additional Assets, <b>Facility B: THB 4,170 million</b> For refinancing of credit facility and liabilities which were due under Facility A. <b>Facility C: THB 1,800 million</b> For issuance the bank guarantee to Central Pattana Rama 2 as the collateral for the rental payment of the renewal period for Central Rama 2 Project (Renewal Period)
Interest Rate	Fixed rate and/or Floating rate
Term of Loan	Not exceeding 6 years
Repayment	Repayment by amortizing repayment and/or bullet repayment as specified in the loan agreement
Collateral	None
Loan covenant	<ul style="list-style-type: none"><li>- Debt to total asset ratio must not be greater than 35 percent throughout the contract term as calculated from the yearly financial statements ended on 31 December of each year. If CPNREIT has been given the credit rating at the level of 'Investment Grade', CPNREIT shall maintain its debt to total assets ratio not to exceed 60 percent as calculated from the yearly financial statements ended on 31 December of each year.</li><li>- The borrower agrees to maintain the ratio of its repayment ability at the rate of not less than 1.2 times at the end of every fiscal year as shown in the financial statement.</li></ul>

Lender	Financial institution No.2
Borrower	Trustee on behalf of CPNREIT
Credit Facility	<p><b>Facility A: THB 2,000 million</b> To invest in the Additional Assets, including to pay the relevant expenses and/or to refinance the loans, which will be used for investment in Additional Assets,</p> <p><b>Facility B: THB 1,500 million</b> For expenses incurred from renovation and repair of assets, or for repayment to the Borrower for any expenses for which the Borrower has advanced for modification and repair of assets.</p> <p><b>Facility C: THB 100 million</b> For working capital of CPNREIT's operation expenses</p>
Interest Rate	Fixed rate and/or Floating rate
Term of Loan	Not exceeding 6 years
Repayment	Repayment by amortizing repayment and/or bullet repayment as specified in the loan agreement
Collateral	None
Loan covenant	<ul style="list-style-type: none"> <li>- Debt to total asset ratio must not be greater than 35 percent throughout the contract term as calculated from the yearly financial statements ended on 31 December of each year. If CPNREIT has been given the credit rating at the level of 'Investment Grade', CPNREIT shall maintain its debt to total assets ratio not to exceed 60 percent as calculated from the yearly financial statements ended on 31 December of each year.</li> <li>- The borrower agrees to maintain the ratio of its repayment ability at the rate of not less than 1.2 times at the end of every fiscal year as shown in the financial statement.</li> </ul>

## 2. Debentures

Reference is made to the Thai Bond Market Association (ThaiBMA), as of 31 December 2023, CPNREIT has issued 8 tranches of debentures, details are as follows;

Debenture <sup>1</sup>	Amount (THB Million)	Issue Date	Maturity Date	Tenor (Year)	Coupon (%)	guarantee	Rating <sup>2</sup>
CPNREIT288A	7,390	17 Aug 2018	17 Aug 2028	10 Years	3.80	None	AA-
CPNREIT232A	1,795	8 Feb 2019	8 Feb 2023	4 Years	3.30	None	AA-
CPNREIT243A	2,000	31 Mar 2021	31 Mar 2024	3 Years	1.50	None	AA-
CPNREIT263A	1,500	31 Mar 2021	31 Mar 2026	5 Years	2.13	None	AA-
CPNREIT268A	1,650	13 Aug 2021	13 Aug 2026	5 Years	1.65	None	AA-
CPNREIT318A	1,000	13 Aug 2021	13 Aug 2031	10 Years	2.96	None	AA-
CPNREIT272A	2,000	28 Feb 2022	28 Feb 2027	5 Years	2.40	None	AA-
CPNREIT262A	500	3 Feb 2023	3 Feb. 2026	3 Years	2.77	None	AA-

### Remark:

<sup>1</sup> CPNREIT had registered the debentures with the Thai Bond Market Association (ThaiBMA) within the Issue Date of each series, and will maintain, throughout the term of debentures, the debentures be securities registered with the Thai Bond Market Association, or any other secondary market center which is registered with the SEC Office

<sup>2</sup> Credit rating of bond was from TRIS Rating announcement on 12 September 2023

On 12 September 2023, TRIS announced issuer credit rating and non-subordinated debentures, unsecured debentures of CPNREIT at “AA-” level, with “Negative” outlook.

With the issuance of debentures for loan repayment, the benefit of these newly issued debentures is a fixed interest rate, which is, in the long run, lower than the floating interest rate of the existing bank loans, which be fluctuated over the duration of the loans.

### 3. Status of borrowing

Details of status of CPNREIT borrowings as of 31 December 2023 are as follows:

Loan <sup>/1</sup>	THB 4,664.8 million
Debentures	THB 17,430.9 million
Total Assets	THB 81,367.0 million
Debt to Total Asset Ratio	27.2% <sup>/2</sup>
The ratio of its repayment ability	not less than 1.2 times

**Remark:**

<sup>/1</sup> In March 2020, the sources of funds for investment in The Ninth Towers Office Building Project and Unilever House Office Building Project and expenses and fee related to the registrar fee of Central Rama 2 Project (renewal period) by THB 8,380.7 million was from loan.

<sup>/2</sup> Total asset value of CPNREIT includes the asset value of Central Rama 2 (Renewal Period) which is in accordance with the relevant accounting standards, while the lease liability of Central Rama 2 (Renewal Period) is not considered as borrowings under regulations of the Office of the SEC. Nonetheless, if excluding the asset value of Central Rama 2 (Renewal Period), the proportion of the loan to the total asset value of CPNREIT will be approximately 40.3%

### 4. Provision for debt repayment

The REIT manager has allocated funds to meet CPNREIT debt repayment obligations, mainly from committed loans, that come due each year until the debt is properly repaid in full. In 2023, the REIT manager set aside reserves for the debt repayment in the amount not exceeding THB 140 million

As of 31 December 2023, CPNREIT has accumulated reserves of approximately THB 660 million. The money has been used to repay the debt.



## 3. Economic and Industry Overview

### Thai Economy 2023

Overall Thai economic in 2023 was a slight contraction of GDP compared to the previous year. GDP in 2023 expanded by 1.9%, a decrease from the 2.5% growth in 2022. Data from the National Economic and Social Development Council (NESDC) indicates that the economic expansion was driven primarily by the private consumption sector, which grew by 7.1% from the previous year. In terms of production, sectors such as accommodation and services, wholesale and retail trade, and transportation showed positive adjustments, aligning with the recovery of the tourism sector, driven by both domestic and international tourists, with a total of 28.04 million arrivals. Chinese tourists played a significant role in propelling this growth, including various government support measures, such as visa exemptions, and extending stay periods in the country. However, the number of Chinese tourists remains uncertain, depending on the economic situation in China. In terms of finance, government revenue and expenditure are lower than the previous year, but the public debt to GDP ratio has decreased. The unemployment rate is considered low at 0.98%, with a current account surplus of 1.3% of GDP. The inflation rate is also low at 1.2%, influenced by government support for energy and electricity prices. The policy interest rate remains stable at 2.5%, with upward adjustments by the Monetary Policy Committee (MPC) five times throughout 2023.

### Economic Outlook 2024

NESDC predicts that the Thai economy will expand by approximately 2.2–3.2% in 2024. This projection is supported by the recovery of export sectors following the rebound in international tourist numbers, global trade, expansion of consumption and private investment, and the continuous recovery of the tourism sector. The outlook is expected to return to the pre-COVID-19 levels by mid-2025. Additionally, various government stimulus measures such as reducing the cost of living and the Easy e-receipt project to stimulate spending are contributing factors. Regarding the interest rate trend of 2024, the policy interest rate is expected to remain at 2.5% throughout the year. The MPC deems this rate suitable for aligning with the economic growth potential and managing inflation within the framework. Furthermore, efforts will be made to control household debt levels, which are at a high level, and support targeted measures to address vulnerable groups in terms of debt reduction.

### Retail Industry in 2023 and outlook in 2024

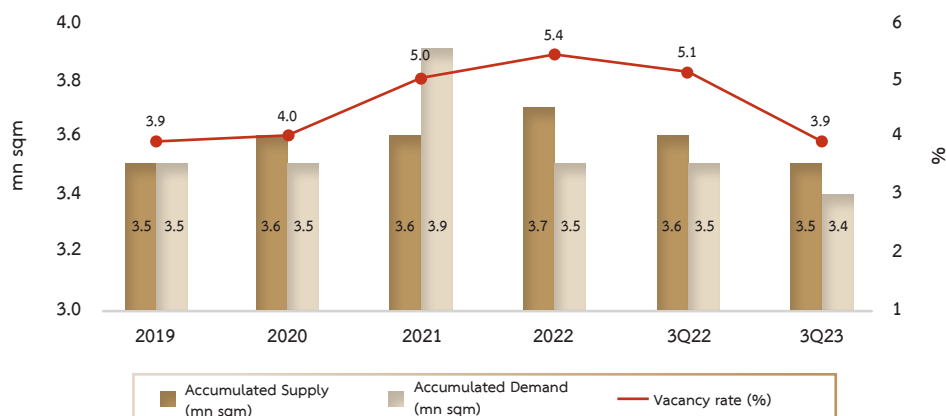
The Retailer Sentiment Index (RSI) recorded an increase in December stood at 57.9 from 48.4 in previous month, driven by the festive season in 4Q23. Expected RSI in Jan-Mar 2024 to slightly increase, regional confidence levels show consistent improvement, remaining above 50 in all regions. This positive trend is partially attributed to government initiatives, including the implementation of the Easy E-Receipt program during January 1 – February 15, 2024, including a recovery observed in the tourism sector in 1Q24. However, the survey results of the Retailer Sentiment Index (RSI) for 2024 highlight that businesses in the retail sector prioritize monitoring three key points: 1) The impact of rising interest rates 2) Obstacles in obtaining credit from financial institutions, and 3) Business flexibility, with 74% of businesses maintaining a flexibility period of more than 6 months.

The retail rental industry in 2024 is expected to experience growth, driven by the continuous increase in new supply anticipated since 2023. Many upcoming projects set to be finished are sizable developments with strong potential to attract tenants. However, the persistently high rate of supply growth continues to lead to a decrease in the occupancy rate compared to the previous year. Rental rates are gradually recovering due to the slow improvement in purchasing power and the rising costs. The recovery of the country's purchasing power and the return of foreign tourists continue to drive high traffic in many projects.

JLL Thailand has provided information on the retail business sector in Bangkok for 3Q23, indicating that the overall supply of Prime Grade remains stable at 3,493,742 sqm, while accumulated demand stands at 3,358,115 sqm, accounting for 96.1% of the total supply. The decrease in the vacancy rate from 5.1% in 3Q22 to 3.9% in the 3Q23 is attributed to the slightly higher demand.



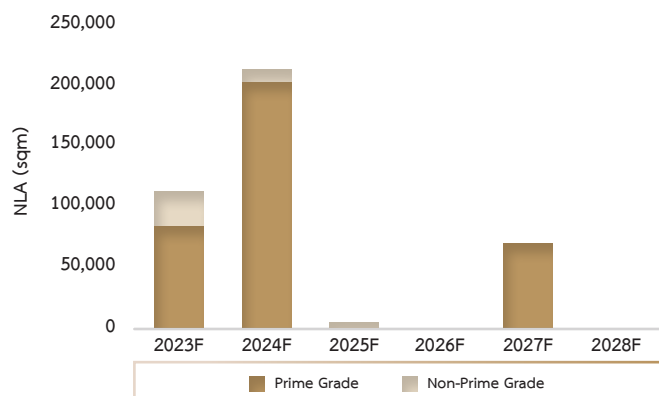
### Prime Supply, Demand, and Vacancy Rate – Prime Grade



Source: JLL Thailand Research

In the next 5 years, new supply is expected to increase by over 1 million sq.m. from the 45 projects that have been announced and projected to launch from 4Q23 to 2028. 33 projects are currently under construction, and another 12 projects are in the design and development stages. However, 2 major projects, One Bangkok and Happitat at The Forestias, have been postponed from 2023 to 2024. In the retail business sector in Bangkok, there are 12 new projects with a total estimated area of approximately 687,187 sqm from 4Q23 to 2028. This includes large-scale projects such as Central Westville (68,000 sqm) and The EmSphere (60,000 sqm). Towards the end of 2023, One Bangkok is expected to launch, followed by Happitat at The Forestias in late 2024, and Bangkok Mall in 2025.

### Future Retail Supply in Central Business Area (CBD) by Grade in 2023–2028



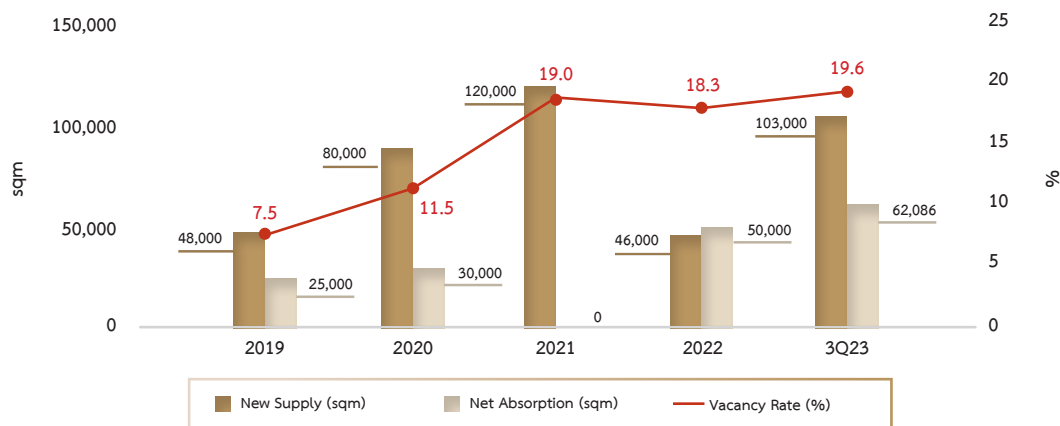
Source: JLL Thailand Research

### Office Building Industry 2023 and outlook in 2024

The office building market of every grade in Bangkok, especially in terms of supply, covers approximately 10.48 mn sqm, signifying an expansion of more than 388,000 sqm compared to 3Q22. Both the Prime grade (Grade A) and Non-prime grade sectors contribute to this growth. In Q3 2023, the Prime grade (Grade A) category maintains a positive net absorption rate of 44,602 sqm. Conversely, the non-prime grade group registers a negative net absorption rate of -9,980 square meters, continuing the trend from the previous quarter and the same period in the preceding year. This downturn is linked to the escalating demand for higher-quality office buildings and considerations for relocating to new projects. Event office in Prime grade (Grade A) had better absorption rate but with higher supply which increased the Vacancy Rates for the Prime grade (Grade A) and Non-prime grade segments compared to the previous year.

The overall business situation for office buildings in Bangkok's Central Business Areas (CBA), particularly concerning the supply side, currently boasts a total stock of approximately 4.95 mn sqm. This represents an increase of around 138,000 sqm from the 3Q22, with the majority of this expansion occurring in non-prime grade office buildings. On the demand side, the prime grade (Grade A) section exhibits positive trends in the net absorption rate, standing at 19.6%, decrease QoQ. Conversely, the non-prime grade continues to experience a consistently negative trend, largely due to tenants opting for office spaces of higher quality than before.

### Net New Supply, Net Absorption, and Vacancy Rate – Prime Grade (Grade A) in Bangkok



Source: JLL Thailand Research

In the 2024 projection for Bangkok's office building industry, there is an expected increase in the vacancy rate due to the growing market supply. Between 2023 and 2028, more than 42 office buildings are in various stages of construction and development, bringing in approximately 1.9 mn sqm - a significant surge from historical averages. This increased supply has a notable impact on market competition, projecting a vacancy rate exceeding 28% by 2024 and placing pressure on the recovery of rental rates in subsequent periods. Despite these challenges, a slight expansion is anticipated in the office rental market, particularly in the CBA Prime grade category. This expansion is driven by the entry of new companies, especially foreign and multinational entities, expected to increase their investments. The CBA Prime grade segment remains attractive for office rentals, influenced by both the country's economic recovery and companies returning for increased investment compared to the previous year. This includes businesses transitioning from other segments to the CBA Prime grade category, coupled with the development of high-quality A+ projects, leading to higher rental rates.

### Hotel Industry in 2023 and outlook in 2024

Based on Ministry of Tourism and Sports data, Thailand welcomed a total of 28,042,131 foreign tourists in 2023, in line with the target range of 25-28 mn and reflecting a remarkable year-over-year growth of +151%. This growth is attributed to government initiatives, notably the visa-free stamp duty exemption, particularly benefiting visitors from China and India. Additionally, there were extended stays for Russian tourists and improved border crossing facilities for tourists from Malaysia. These measures significantly contributed to foreign tourist expenditures, reaching Baht 1.2 tn, slightly below the target revenue of Baht 1.6 tn. The top five countries contributing the most tourists were Malaysia (4,563,020), China (3,519,735), South Korea (1,658,688), India (1,626,720), and Russia (1,481,878).

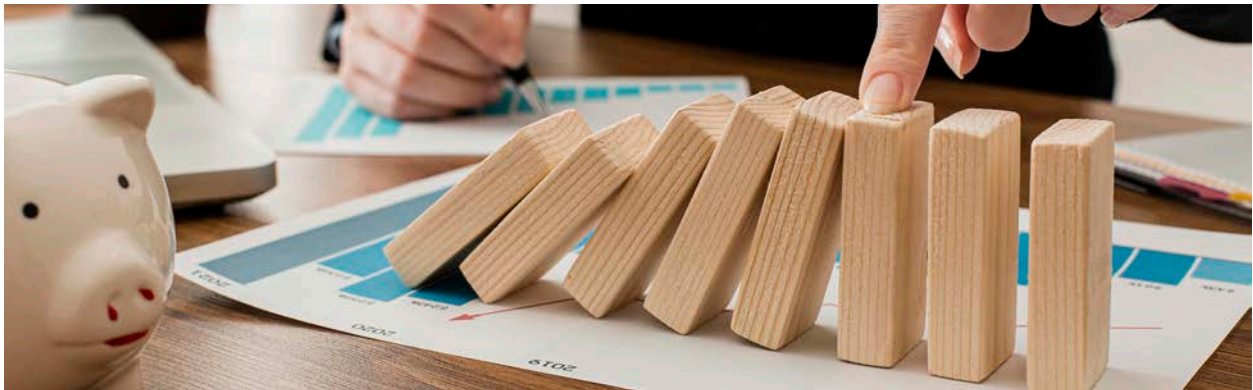
The Tourism Authority of Thailand (TAT) has set an overall foreign tourist numbers target for 30-35 million arrivals and overall revenue target for 2024 in the best-case scenario at 3 trillion baht, comprising 1.92 trillion Baht from international tourism and 1.08 trillion Baht from domestic tourism. This is considered a recovery to the level comparable to the period before COVID-19. However, Thai government has set a higher policy target for tourism revenue at 3.5 trillion Baht, aiming to further increase income from international tourists. The government has implemented stimulus tourism policies, which include 1) Providing exemption (visa-free) for tourists from China, Kazakhstan, India, and Taiwan; 2) Extending the stay period for tourists from 30 to 60 days in special cases; 3) Granting exemption from submitting customs declaration at Sadao Immigration Checkpoint, Songkhla Province; and 4) Extending operating hours for businesses in the tourism sector. In summary, the Tourism Authority of Thailand's (TAT) 2024 plan places a central emphasis on quality, value, and sustainability, as part of a comprehensive development strategy across all sectors. TAT also prioritizes the Value of Experience and Soft Power in their approach.

The Hotel Business Operator Sentiment Index (HSI) for 2023, conducted by the Thai Hotel Association (THA) and the Bank of Thailand (BOT), reveals that the nationwide average hotel occupancy rate stands at 60%. This figure is still below the pre-COVID-19 average of 75% in 2019. Concerning room rates, over 50% of hotels, particularly those rated 4 stars and above, have the flexibility to increase prices compared to the pre-COVID-19 period. Conversely, most hotels with a rating of less than 3 stars have limited room rate adjustments. In the southern region, a higher proportion of hotels can adjust prices compared to other regions. The overall revenue of hotels is approximately 80%, indicating that revenue has not fully recovered to pre-COVID-19 levels. A notable portion of hotel operators expects a return to pre-COVID-19 levels in 1Q23, while another group anticipates recovery starting in the year 2025 and beyond. However, over 60% of hotels are grappling with a labor shortage, representing an increase from the previous month. This shortage primarily impacts service quality but does not significantly affect the ability to accommodate customers.

The tourism sector's current situation suggests that hotels in major tourist destinations such as Bangkok, Pattaya, and Phuket are poised for substantial revenue growth. The average occupancy rate is likely to reach up to 80% per year, driven by a continuous increase in the number of foreign tourists. Concurrently, hotels in crucial tourist provinces and central regional hubs are anticipated to see a gradual revenue improvement, benefiting from the rebound in domestic tourism and government stimulus measures. Conversely, hotels in other provinces exhibit a stable income trend, with average occupancy rates remaining below those in major tourist areas, largely due to their focus on serving travelers passing through to central regional hubs or important tourist destinations.



## 4. Risk Factors



The following statements describe certain material risk factors that may affect CPNREIT. Other than the risk factors listed in this report, there may be other risk factors that are currently unknown to the REIT Manager or those risk factors that have been considered to be immaterial by the REIT Manager, which could be or could become material by the REIT Manager, which could be or could become material risks in the future. All risks listed in this report and the risks which may arise in the future could materially affect the business, the performance and the financial position of CPNREIT.

### **4.1 Risks Associated with CPNREIT or Operation of CPNREIT**

#### **4.1.1 Risks Arising from Economic Volatility That May Affect the Current Assets and/or Additional Assets**

The Current Assets and/or Additional Assets, i.e., shopping malls, office buildings and hotel, are exposed to risks from economic volatility and deflation, on both domestic and international fronts. In addition, such properties may be affected by a variety of other macro factors, such as political changes, city planning, demographic changes, evolving consumer behavior, natural disasters, plagues, domestic and international civil unrest, etc. This may affect the purchasing power, and/or volume of buyers in shopping malls, and/or the demand for office space, and/or the number of tourists and customers in hotel.

In order to reduce risks arising from economic volatility and other macro factors, the REIT Manager will work together with the Property Manager to prepare a plan for the procurement and management of properties in the shopping mall sector by securing diversified groups of tenants. After procuring interested tenants, the REIT Manager and the Property Manager will reach out to various types of customers and propose to them appropriate spaces in line with consumer demands and within the tenant's budget for lease. By so doing, the REIT Manager and the Property Manager hope to keep tenants satisfied and provide a good business value proposition such that tenants will regularly renew their lease agreements. In addition, the REIT Manager will monitor the tenants' retail performance, and come up with measures to support retail tenants during adverse certain economic situations. For example, the Property Manager and tenants will collaborate to formulate marketing plans and conduct promotions to attract customers to purchase goods and use services within the shopping malls. It is also the Property Manager's policy to create and foster a good relationship with retail tenants, be receptive to complaints and suggestions, provide advice, and seek to enhance the performance and potential of the retail shops, thereby enhancing the ability of these shops to compete and thrive in the long-term, alongside the shopping malls.

With respect to office buildings, the REIT Manager will continuously evaluate and follow up on the performance of the property, work with the Property Manager to serve tenants' needs, and work towards maintaining the property's performance to help it achieve its goals, or when the property's performance falls short, work towards improving the performance of the relevant property.

With respect to hotels, the REIT Manager will continuously evaluate and follow up on the performance of such property, work with the Property Sub-lessee, and determine the hotel's annual budget which will be used to maintain the property's performance to help it achieve its goals. When the property's performance falls short, the REIT Manager will also seek to improve the performance of the property.



#### 4.1.2 Risk from Outbreak of Communicable Diseases Around the World That May Lead to Higher Volatility in the Global Capital Markets, Which May Materially and Adversely Affect Benefit Procurement, Financial Condition and Operations Results of CPNREIT

The outbreak of communicable diseases during the past years, such as severe acute respiratory syndrome (SARS), then influenza A virus (H5N1) and, most recently COVID-19 have shown that such outbreaks could cause sporadic volatility in global capital markets. In addition, such outbreaks can result in restrictions on travel, disruptions to public transportation and prolonged closures of recreation areas as well as workplaces. These disruptions have a material adverse effect on the global economy. Any material change in the capital markets regional or global economies as a result of these events or developments may materially and adversely affect the returns from the properties that CPNREIT has invested in as well as the financial condition and operational results of CPNREIT.

In 2023, improvements in the COVID-19 situation and the resumption of foreign tourists resulted in a resumption of people and stores activities to a similar level before COVID-19. This has resulted in the properties that CPNREIT invested in experiencing a consistent recovery, as summarized below:

- **Shopping malls:** The average number of customers increased. In the third quarter of 2023, customer footfall was about 85% of pre-COVID-19 numbers, and the average occupancy rate of shopping malls was high at 95.8%. Marketing activities in shopping malls were held as usual without disruptions. As a result, stores have recorded increased sales and rent discounts extended to stores have generally decreased to pre-COVID-19 levels.
- **Office buildings:** The evolution of working habits to favor a hybrid workplace or remote work arrangements has resulted in changes in demand for office space. Some tenants have requested to decrease the area of their leased space and some tenants have decided to not renew their lease agreement after the end of the lease period. This has in turn affected the occupancy rate of office buildings and CPNREIT's income. However, in 2023, the number of employees returning to work in the office has been increasing and there are new tenants interested in renting office building space.
- **Hotels:** The reopening of Thailand's borders and the lifting of restrictions on tourists, especially Chinese tourists, has caused occupancy rates to recover. In the third quarter of 2023, average occupancy rate hit at 87.8% which was likely the same as the pre-COVID-19 numbers in 2019 at 88.8%. Also, average room rate during the same period was higher than the pre-COVID-19 numbers. These would result in CPNREIT achieving maximum rental revenue from Property Sub-lessee from both fixed rent and variable rent. This is a stark difference from what was experienced during COVID-19 period. During the height of COVID-19, CPNREIT had to waive rental fees, and in certain quarters CPNREIT only received some variable rent.

#### 4.1.3 Risks from Increasing Business Competition and Changes in Lifestyle

CPNREIT's performance may be continuously affected by the real property market and increased competition from either existing operators or new operators who develop new and improve existing shopping malls, office buildings, and hotels. In addition, it is challenging to make adjustments to adapt to current changes in lifestyle and consumer behavior. Also, with technological advancement, various types of goods and services are available for sale via multiple channels, for example, it is commonplace to purchase goods, services and food online, engage in financial transactions through mobile banking, etc. These changes are more responsive to customer lifestyles, which then cause retail business operators and operators of shopping malls to adjust and alter their strategies in order to keep up with the changing business environment.

Therefore, the REIT Manager will work with the Property Manager (for shopping malls and office building) or the Property Sub-lessee (for hotel), whichever is applicable. The REIT Manager will undertake the necessary actions in line REIT Manager's obligations as prescribed in the Trust Deed, the REIT Manager appointment agreement, and other relevant agreements, including relevant Trustee supervision regulations, so as to enhance the competitiveness of the Current Assets and/or Additional Assets. The focus on the development and improvement of the properties will maximize the realization of benefits from the properties, promote the efficient utilization of space, maintain the good image of the properties, and ensure that the properties remain attractive to tenants and customers to the properties. In particular, for shopping malls, the REIT Manager will work with the Property Manager to draw up a strategy to develop and improve shopping malls so as to transform the malls into "Center of Life" which marry the traditional characteristics of shopping malls with novel configurations and utilization of space. CPNREIT believes this will improve the ambience, offer new experiences to various customer groups, and help with the configuration of the shops and services. The strategy will also include activities that the malls will organize for groups of customers with similar interests, the use of digital platforms and technology systems to improve communicate with and provide services to customers in the shopping malls, and mall modernization so as to offer a great customer experience and to enhance successful management of the shopping malls.

CPNREIT works with the Property Manager (for shopping malls and office buildings) and the Property Sub-lessee (for hotels) in the following manner:

- **Shopping malls:** The Property Manager uses technology through Omnichannel marketing such as One call One click (Chat & Shop, Central Eats, Central kitchen) and creates a digital experience by providing services and customer privileges through Central Life on the LINE application platform and Central Life X Android and IOS applications. The Property Manager also supports and assists tenants by providing complete end-to-end solutions, including (1) supporting the growth and expansion of branches with a model co-investment, funding and franchise, (2) supporting various business operations by using SERVE application, and (3) providing them with access to Big Data system from The 1 and The 1 BLZ platforms, to stimulate store sales through direct marketing activities. These activities target consumer groups to help promote and develop the tenants' potential through providing opportunities to (1) exchange experiences, (2) conduct business matching and (3) explore business expansion both domestically and internationally via the start-up market and the Central Pattana Lead and Retail Academy projects.
- **Office buildings:** The Property Manager uses digital technology by creating a website to develop online channels and to facilitate the access to rental space through the 360 VR tour. Potential tenants can readily observe rental conditions, book appointments for viewing, make reservations for spaces, and the development of a B2C (Business-to-Customer) application which aims to provide greater convenience to tenants and building users as well as improve the efficacy of communication.
- **Hotel:** The hotel manager (Hilton Group) has stimulated sales of domestic tourists through (1) promotions that are in line with government measures such as "We travel together" program, (2) the use of social media influencers in advertising, and (3) targeting domestic customers in our marketing and placing an increased focus on corporate customers. The hotel manager is also focusing its marketing efforts to attract foreign tourists from countries such as the United States, the European Union, the Middle East, and South Asia to compensate for the decrease in Chinese tourists.

#### **4.1.4 Risks to Operating Performance of CPNREIT That is Partly Dependent On Management Capability of REIT Manager in Managing and Realizing Benefits from the Current Assets and/or Additional Assets**

The REIT Manager, in line with the Trust Deed and other relevant agreements, will formulate business policies, draw up action plans, conduct marketing, realize benefits, and determine the management strategy of CPNREIT. The actions of the REIT Manager will be supervised by the Trustee and will be governed by the Trust Deed, the REIT Manager appointment agreement, and relevant laws.

The ability of the REIT Manager according to the investment strategy of CPNREIT to achieve returns for CPNREIT, including the ability to manage and procure proper returns from invested properties which must be in accordance with investment principals of CPNREIT is subject to various uncertain factors, including the ability to obtain good financial results. Therefore, there is no certainty that strategic management plans will be properly executed as envisaged or the REIT Manager can properly realize benefits from the invested properties as planned, or that the REIT Manager's plans can be executed in a timely fashion and within budget. If the REIT Manager fails to properly execute its plans according to its strategy, or if the REIT Manager's strategies are ineffective, the core assets of CPNREIT might be adversely affected, which may translate to an adverse effect on CPNREIT's overall performance and ability to pay dividends to unitholders.

To minimize the probability of such a situation occurring, the Trustee will supervise and follow up on the REIT Manager's work to ensure that their work is in line with the Trust Deed, the REIT Manager appointment agreement, and other relevant agreements. The REIT Manager will supervise and follow up on the Property Manager's (for shopping malls and office buildings) and Property Sub-lessee's (for hotel) work to ensure they are working in accordance with the requirements of the agreements. These are the necessary steps taken to help ensure that the management strategy of CPNREIT is successful and that CPNREIT's properties are performing healthily so that CPNREIT can realize benefits from its properties and serve the best interests of the unitholders.

#### **4.1.5 Risks Arising from the Reliance of CPNREIT On the Property Manager's Personnel Who Have Skills and Experience in Managing and Realizing Benefits from Properties**

Directors and chief executives of Central Pattana, GLAND and Sterling, acting in their capacity as Property Manager, for the shopping malls and offices, together with the management team of the Hilton Group who are in charge of the management of the Hilton Pattaya Hotel, have important roles in managing and realizing benefits from the Current Assets and/or Additional Assets. In the event of loss of employees and/or the management team of the Property Manager or of the hotel manager, there will be a loss of personnel who have gained the necessary experience, knowledge, business relationships and the skills required for managing the real property. If Central Pattana and/or the Hilton Group lose experienced personnel and are unable to attract, employ and train new personnel with the necessary experience, knowledge, and qualifications to replace such personnel, it might impact CPNREIT's operations and profitability. This will in turn affect CPNREIT's ability to pay dividends to unitholders.

Nonetheless, CPNREIT believes this risk is manageable because Central Pattana has in place policies and measures to manage human resources. These policies and measures address aspects such as selection and retention of personnel, and training programs to maximize the potential of its human resources, thereby ensuring that there are a sufficient number of competent and committed employees. To mitigate risks from a change of management team of the Hilton Pattaya Hotel, the Hilton Group has its own international hotel management network and is equipped with a good internal working system. In the event of a change in the hotel management team, a new hotel management team can be dispatched to replace the existing team with minimal disruption.

#### **4.1.6 Risk Caused by Refusal to Renew Hotel Management Agreement Upon Its Expiration, or Even If Renewal Is Made, the Terms and Conditions in the Renewal May Differ**

The performance of the Hilton Pattaya Hotel may be affected if the hotel management agreement entered into by the Property Sub-lessee and the current hotel manager (Hilton Group) is not renewed upon its expiration, or is terminated prior to the end of its term. In such circumstances, the Property Sub-lessee has to seek and appoint new hotel manager to replace the existing manager. This may cause a disruption to the operation of the Hilton Pattaya Hotel. Also, even if the hotel management agreement entered into by the Property Sub-lessee and the current hotel manager is renewed, the new agreement or the renewed agreement may contain different and more onerous terms as compared to the previous agreement. This may affect the operation and ability of CPNREIT to pay dividends to unitholders.

However, since there is a period of approximately two years remaining under the current hotel management agreement (which expires on 30 November 2025), and if the Property Sub-lessee continues to comply with the conditions of sub-lease agreement and the hotel management agreement until the expiry of the relevant agreement, the REIT Manager anticipates that there is high possibility of renewing the hotel management agreement upon its expiry with mutually beneficial terms and conditions. However, if the hotel management agreement is not renewed or is terminated before the expiration of the term, the Property Sub-lessee will have to procure and select appropriate new manager to replace the former manager in order to continue complying with the sub-lease agreement.

#### **4.1.7 Risk from a Decrease in the Number of Tourists That Will Affect Hotel Business Operation**

The business of the Hilton Pattaya Hotel may be adversely affected if Thailand's attractiveness as a tourist destination declines. Thailand has always been one of the most popular places in the Asia-Pacific Region, and Chonburi is considered an important tourism province in the eastern part of Thailand. Events which could dampen tourism include adverse changes in the international economic situation, Thailand becoming a less attractive destination in the eyes of foreigners due to riots and strikes, and the uncertain political climate in Thailand. If any such event occurs, macroeconomic conditions and the Thailand tourism industry may thus be adversely affected. This may also cause an adverse effect on CPNREIT's operational performance and its ability to pay dividends.

However, such risk may be mitigated to a certain degree by adjusting the hotel's operating plan to align with the prevailing business environment and attracting a diverse mix of hotel customers. The hotel aims to attract a variety of customers from different regions and nations. Room sales strategies will be adjusted to align with marketing guidelines and will aim to meet the needs of each customer group so that different groups of customers can be targeted according to the relevant tourist season. When there is a decline in the number of customers from a specific region, other groups of customers can be targeted.

#### **4.1.8 Associated with Hotel License and Other Relevant Licenses for Business Operation**

If the hotel's business license and/or any other business licenses related to the Property Sub-lessee is terminated or its renewal is refused, the Property Sub-lessee will be unable to continue operating the hotel. This may constitute a failure on the part of the Property Sub-lessee to comply with the terms and conditions set forth in the sub-lease Agreement.

In any event, the Property Sub-lessee will carry out and comply with relevant procedures and requirements for applying for and the renewal of the hotel license and other business licenses to ensure that any related undertakings are smoothly carried out and in compliance with relevant rules and regulations.

#### **4.1.9 Risks Arising from CPNREIT's Income Derived from Property in Hotel Sector Depending On Financial Condition of Property Sub-lessee and Compliance with Sub-Lease Agreement**

CPNREIT's performance and ability to pay dividends is partially dependent on the income derived from the rent of the Hilton Pattaya Hotel, which CPNREIT had sub-leased to a single sub-lessee, CPN Pattaya Hotel, a subsidiary of Central Pattana. CPNREIT's income from the sublease comprises fixed rent and variable rent (calculated according to the formula prescribed in the sub-lease agreement), which will be paid to CPNREIT by CPN Pattaya Hotel. As a result, CPNREIT is subject to investment risk because if the financial condition of CPN Pattaya Hotel deteriorates at any time due to the unexpected poor performance of the hotel, CPN Pattaya Hotel may delay the rent payments or even default on their rent payments. This may cause the sub-lease agreement to be terminated, resulting in a material adverse effect on the financial condition and operational performance of CPNREIT and its ability to pay dividends.

In any event, according to the terms and conditions set forth in the sub-lease agreement, CPN Pattaya Hotel is not allowed to conduct any actions which may risk the financial condition of CPN Pattaya Hotel. In addition, in order to reduce the risk of the aforementioned situation occurring, the REIT Manager and CPN Pattaya Hotel, as the Property Sub-lessee, will jointly and regularly follow up with and evaluate the performance of the Hilton Pattaya Hotel, and will jointly undertake any actions necessary to modify, improve, and enhance competency levels for optimal hotel operations. The REIT Manager and CPN Pattaya Hotel, as the Property Sub-lessee will also take into consideration the overall strategy for business management and realization of returns of the properties that CPNREIT has invested into. In addition, pursuant to the undertaking agreement, Central Pattana has agreed to control, oversee, and proceed with any actions that are necessary to enable the CPN Pattaya Hotel, which is CPN's subsidiary, to strictly comply with the terms and conditions set forth in the agreements to which CPN Pattaya Hotel is a party, including but not limited to agreements for the realization of returns in the Hilton Pattaya Hotel, as well as other documents and agreements in connection with the realization of benefits of CPNREIT, to which CPN Pattaya Hotel is related or will be a party. In particular, Central Pattana has undertaken to use its best efforts to prevent and mitigate, as well as to provide financial assistance, such as loans to CPN Pattaya Hotel and making additional investments in shares of CPN Pattaya Hotel in the case of a capital increase, etc. Loans extended to the CPN Pattaya Hotel are not aimed at guaranteeing the rent to be paid to CPNREIT; rather, the funds will be used as working capital for the operation of CPN Pattaya Hotel so as to ensure that CPN Pattaya Hotel will not be in default or in breach of any contractual conditions which may be a cause for contract termination. In any case, the management and withdrawal of funds for the operation of the Hilton Pattaya Hotel is operated by the Hilton Group, as hotel manager.

#### **4.1.10 Risk from Postponement of Rental Payment or Waiver of Rental Payment Due to a Force Majeure Event Affecting the Business Operation of Hilton Pattaya**

If the business of the Hilton Pattaya Hotel is affected by a force majeure event, this may result in the postponement or waiver of rental payments in accordance with the terms and conditions set out in the building sub-lease agreement, the utilities sub-lease agreement and movable asset lease agreement. Also, in the event that CPNREIT proceeds with a renovation, CPN Pattaya Hotel, as Property Sub-lessee, is entitled to request for the postponement or waiver of rental payment, either in part or in whole, in any relevant quarter. If rental payments are postponed or waived, the income and working capital of CPNREIT may be materially affected, which may impact the payment of dividends to unitholders.

In order to mitigate any adverse effects arising therefrom, both parties have agreed to recalculate the rent if such a force majeure event occurs. Depending on the outcome of the discussions, CPN Pattaya Hotel may be obligated to continue making a partial rental payment, provided that such rental payment will be determined based on the ability of CPN Pattaya Hotel to pay the rent, and the effect on the Hilton Pattaya Hotel's business of CPN Pattaya Hotel will be taken into consideration. Once such force majeure event has passed, CPN Pattaya Hotel will have to revert to making regular quarterly rental payments in accordance with the contract. In addition, CPN Pattaya Hotel must pay the outstanding postponed rental fee. The postponed and outstanding rental fee will be computed quarterly according to the formula prescribed in the building sub-lease agreement, the utilities sub-lease agreement and movable assets lease agreement in relation to core assets in the Hilton Pattaya Hotel.

#### **4.1.11 Risk Arising from Not Being Able to Procure a Sub-Lessee for Hotel Property in the Future**

If the sub-lease agreement of the Hilton Pattaya Hotel expires and CPN Pattaya Hotel does not renew the agreement or the sub-lease agreement is terminated before its expiry, it may take time for CPNREIT to procure a new sub-lessee for of the Hilton Pattaya Hotel in place of CPN Pattaya Hotel or CPNREIT may fail to procure a new sub-lessee in place of CPN Pattaya Hotel altogether.

In the event that CPNREIT elects not to grant a sub-lease of the Hilton Pattaya Hotel to CPN Pattaya Hotel, the REIT Manager has a ready set of procedures for the selection of a new sub-lessee, which mainly emphasizes the interests of unitholders. Considering the key selling points of the Hilton Pattaya Hotel, i.e., that it is in a prime location of Pattaya City, which is a major tourist destination of Thailand, the REIT Manager believes that it should be able to procure a new sub-lessee in place of CPN Pattaya Hotel.

It is also noted that the sub-lease for the Hilton Pattaya Hotel has been renewed three times before and prior to the expiry of the present sub-lease term on 31 December 2026, the Property Sub-lessee shall inform CPNREIT in writing at least 12 months prior to the expiry date of its intention to renew the sub-lease agreement in order for the parties to negotiate and come to an agreement on the renewal of the sub-lease prior to the expiry date, or provide enough time for CPNREIT to select a new sub-lessee in place of CPN Pattaya Hotel if CPN Pattaya Hotel does not renew the sub-lease agreement.

#### **4.1.12 Risk of Inability to Pay Rental and Service Fees by Tenants in Shopping Malls and Office Buildings**

The business performance of the tenants in the shopping malls and office buildings that CPNREIT had invested into may affect their ability to pay rental and service fees, to renew agreements, and may prompt them to terminate lease agreements before the expiry of their lease. This will directly affect the income and working capital of CPNREIT and CPNREIT's ability to pay dividends to unitholders. It is noted that most of the lease agreements for spaces in shopping malls and office buildings which CPNREIT has invested into have a lease period of about three years. This allows the Property Manager to change the tenant mix in the properties if necessary. In addition, the Property Manager has in place policies to protect the risk of tenants defaulting on their rental payments. Examples of such policies include: (1) for general lease agreements, approximately three - six months rent is requested as a security deposit to compensate CPNREIT for (a) its loss of income in the event that such tenant fails to pay rent, and (b) costs which CPNREIT may incur upon a tenant's request for early termination of the lease agreement; (2) terminating lease agreements when it is observed that tenants have failed to make outstanding rent payment for an extended period, and timely coordinating, negotiating and jointly solving problems with tenants, and (3) closely following up on overdue payments, and if payment default occurs, the Property Manager will continue to cooperate with other departments in order to resolve the problems.

However, the COVID-19 pandemic breaking out in the past year has materially affected the business operation of CPNREIT as a consequence of the subdued domestic purchasing power, the practicing of a new normal, the diminishing number of tourists, and the government's measures to curb the spread of the virus such as the closure of shopping centers. These factors have impacted the tenants' sales and ability to pay rental and service fees, as well as to renew the agreements. Nonetheless, Central Pattana, as the Property Manager, has devised measures to grant a discount on rent to the affected tenants based on type of the tenants and the impact on them in a bid to remedy the tenants and enable them to carry on their business until the crisis eases, which will help retain the tenant base in shopping malls and office buildings in the long term.

#### **4.1.13 Risk of Loss of Anchor Tenants of Shopping Mall Projects**

The existence of anchor tenants, i.e., department stores and cinemas, is a factor that attracts shoppers to visit, shop and use services in shopping malls. Consequently, loss of anchor tenants may reduce the attractiveness of shopping malls and the number of shoppers who visit, shop and use services in shopping malls. In the event that the loss of anchor tenants results in a fall in customer footfall or of the willingness of other tenants to rent at the relevant shopping mall may also be adversely affected. Thereby causing a decline in occupancy rates, as well as rental and service incomes of shopping malls.

However, such risk may be mitigated. If an anchor tenant intends to not renew its lease agreement, such anchor tenant is contractually required to give advance written notice to CPNREIT at least six months prior to the expiry of the lease period. This is to ensure that the Property Manager has a longer lead time to procure a new anchor tenant in place of the exiting anchor tenant. Considering the prime location of the shopping malls that CPNREIT had invested into both the Current Assets and Additional Assets, along with Central Pattana's over 40 years of experience in successfully developing and managing shopping malls, procuring a new tenant in place of an existing one should not prove very challenging. As of 30 September 2023, CPNREIT has not been notified by any anchor tenants that they will not renew their lease agreements.



#### **4.1.14 Risks Associated with Renovation of CPNREIT's Properties**

CPNREIT's properties, namely the shopping malls and office buildings, as well as hotels that CPNREIT has invested into, require repair, renovation and refurbishment for the purposes of safety, aesthetic upkeep, and for serving the needs of shoppers at CPNREIT's shopping malls, tenants (for shopping malls and office buildings) and customers who use hotel services. Normally, the annual renovation or maintenance will have minimal impact on the operation of CPNREIT's properties. However, major renovations to completely revamp facades or interiors, or change crucial utilities system of the properties, require extensive work and is normally conducted every 10 to 15 years. In general, there will be no cessation of such property's operations during the renovation, and the renovation will be conducted only at the selected areas, with the other areas remaining in operation as usual, unless it is evaluated that a total cessation of the property's operations for renovation is more advantageous than a gradual renovation of such parts of the properties. Ceasing the operations of the entire property would have prevented tenants and customers from using CPNREIT's properties, and adversely affect CPNREIT's income.

Currently, Central Pattana as the Property Manager of CPNREIT has proposed a major renovation plan for the Central Pinklao Project which involves renovating, fixing and repair building spaces, utility systems and other equipment that has been damaged by wear and tear and general usage for almost 30 years. This major renovation will involve the creation of a new floorplan and improved ambience so as to help the mall continue to attract customers, as well as to enhance and strengthen mall competitiveness, and uplift the project's image and its positioning. The Property Manager hopes that the major renovation will improve the Central Pinklao Project image as an upscale shopping destinations and attract quality brands and a more diversified tenant mix.

For each major renovation, the REIT Manager and the Property Manager (for shopping malls and office buildings) or the Property Sub-lessee and the hotel manager for the hotel (whichever applicable), will prepare a plan to minimize the effects on tenants and customers visiting the relevant property, by considering the necessary financial outlay and the appropriate timeframe for such renovation. Also, an analysis of the renovation effects on CPNREIT's income and expected benefits to be derived from the renovation must be conducted before undertaking any major renovations. Major renovations are necessary to maintain the image of CPNREIT's properties, to ensure that the properties look up to date, to align with market demands and conditions times, to enhance the attractiveness of the properties, and to respond to the needs of tenants and customers who use CPNREIT's properties. These actions help to maintain and increase opportunities for CPNREIT to realize income and cash flow on a long-term basis.

Furthermore, with respect to maintenance of the core assets in the Hilton Pattaya Hotel, to be in good condition and in a position to realize benefits, the Property Sub-lessee must use its best efforts as that of a general hotel operator in taking care of sub-leased property to be in good condition throughout the lease period and appropriate for use as per its objectives as prescribed in the agreement. The Property Sub-lessee shall be responsible for any and all maintenances, repairs, and actions necessary for maintaining the subleased property as a hotel. Such expenses shall be deemed as part of the operating expenses according to the budget mutually agreed upon and approved by the parties.

#### **4.1.15 Risks Due to the Fact that CPNREIT Has No Right to the Space of Big Retail Super Centers Inside Shopping Malls of the Current Assets and Additional Assets**

Big retail super centers inside shopping malls of the Current Assets and Additional Assets are not tenants of the Central Pattana Group, and CPNREIT's investments in the relevant malls do not include such spaces. The owners of such big retail super centers may engage in the sale and sub-lease of such land and/or such spaces to any person, or may change the nature of their business, and CPNREIT will have no right to object. Such action may affect the management of shopping malls and the operational performance of CPNREIT.

However, good locations and convenient access are important factors for the success of big retail super centers. If the super centers are located in shopping malls of the Current Assets and Additional Assets, given that such shopping malls have good locations and convenient access, these factors will likely promote the continued success of these super centers, and thereby reduce the risks of such big retail super centers relocating out from such shopping malls.

Projects that CPNREIT has invested in that also house big retail super centers in spaces that fall outside CPNREIT's investment are detailed below.

Current Assets and/or Additional Assets	Big Retail Super Center
1. Central Rama 3 Project	Central Department Store
2. Central Pinklao Project	Central Department Store
3. Central Rama 2 Project	Central Department Store
4. Central Pattaya Project	Central Department Store
5. Central Marina Project	Big C Supercenter
6. Central Lampang Project	Robinson Department Store
7. Central Chiangmai Airport Project	Robinson Department Store

#### 4.1.16 Risks Arising from the Impact of Damage in a Space That Is Not Invested in by CPNREIT

Since CPNREIT's investments are in certain spaces of the relevant shopping malls, CPNREIT may not be able to exercise the right to claim for or to be the beneficiary of payment for damages that may arise out of space which is not invested in by CPNREIT. Therefore, if there is any damage in space adjacent to space invested in by CPNREIT, such damage may affect CPNREIT in terms of its ability to realize returns, because CPNREIT's leasing out of space and provision of services might be impacted. In such cases, even though CPNREIT had purchased business interruption insurance, CPNREIT may not be compensated under such insurance policy because such insurance may cover only damages affecting areas which CPNREIT has invested in, in accordance with the conditions set forth in the policy. Therefore, if damage is caused in areas that do not fall under CPNREIT's investment within shopping malls that CPNREIT is invested in, CPNREIT might suffer negative spillover effects but CPNREIT may not be compensated under the business interruption insurance it had purchased.

#### 4.1.17 Risks Associated with Non-Performance by Contractual Parties

Regarding investment and management of real property owned by CPNREIT, CPNREIT has entered into or will enter into lease agreements, sub-lease agreements, sale and purchase of movable asset agreements, undertaking agreements and other agreements in relation to the investment and management of CPNREIT's properties, to realize returns from CPNREIT's properties and to safeguard CPNREIT's interests.

However, parties may breach the agreements, trigger a termination event or an event of default may occur. In such case, even though CPNREIT is entitled to terminate an agreement and claim damages for loss of profits and rent on a pro rata basis for the remaining period, the termination may still cause CPNREIT to be unable to obtain the benefits that CPNREIT as envisaged, for example, certain terms of the relevant agreement might not be enforceable, or the relevant contractual counterparty may be unable to pay for damages that CPNREIT is claiming for. In such circumstances, CPNREIT may have to submit the case to adjudication by suing the relevant contractual counterparty in the relevant court. By proceeding with such action, the REIT Manager cannot anticipate the timelines and effect of such litigation, as well as the amount of compensation recoverable to remedy CPNREIT's damages. Furthermore, the final judgement is dependent on the court's discretion. Even though the court may render judgment in favor of CPNREIT, CPNREIT may also not be able to enforce the court judgment. In the event that CPNREIT suffers losses and are unable to recover the same, it might have a material adverse effect on its financial performance. Unitholders may thus have to accept the risk that dividends may not be paid according to their expectation or within the projected timeframe.

#### 4.1.18 Risks in the Event That the Lease Agreement of Central Rama 3 Project Is Not Renewed in the 30th Year and 60th Year

The lease agreement of the Central Rama 3 Project, entered into between CPNREIT and Central Pattana Rama 3, will expire on 15 August 2035. The lease agreement contains an option to renew clause which states that upon expiry of the initial lease provided under the lease agreement, Central Pattana Rama 3 extends to CPNREIT an option to renew the lease for two more terms, with each term being 30 years. Although CPNREIT has the option to renew such lease agreement, CPNREIT may be unable to exercise its option to renew for multiple reasons, for example, an intentional breach of agreement by Central Pattana Rama 3, or change in laws, or change in practice of the law in relation to lease agreements,

or a transfer of ownership of the leased property from Central Pattana Rama 3 to a third party who fails to extend the option to renew to CPNREIT or if Central Pattana Rama 3 undergoes bankruptcy or rehabilitation proceedings.

In order to mitigate such risk, the lease agreement contains representations by Central Pattana Rama 3 that it will not sell, dispose, or transfer ownership of the leased property in order to safeguard the interests of the lessor under the lease agreement. Also, pursuant to the lease agreement, CPNREIT has the right to purchase the leased property if Central Pattana Rama 3 is unable to grant CPNREIT the option to renew the lease agreement. Further, Central Pattana, as a controlling shareholder of Central Pattana Rama 3, agrees to oversee and ensure that Central Pattana Rama 3 performs its obligations under the lease agreement. Furthermore, CPNREIT has arranged for Central Pattana Rama 3 to mortgage the leased property with CPNREIT as a measure to guarantee of performance under the lease agreement and as security for any damages that CPNREIT may incur from its inability to realize returns from the leased property as per the lease agreement. Nevertheless, such measures may not be enough to compensate CPNREITS for all damages it may incur.

#### 4.1.19 CPNREIT's Investment in Certain Projects That Are Not Investments in Land

CPNREIT's investment in certain projects are not investments in land, thus CPNREIT may not have power to use the land as the land owner or as the land lessee and it does not have control over counterparties of the land lease agreement. However, the property lessor to CPNREIT, as the land owner or the land lease from the land owner on which the Current Assets and Additional Assets are located, will give consent to CPNREIT, its customers, counterparties, tenants, including service users of the projects, to use the land for entrance-exit, and use as a right of way inside the projects. The REIT Manager has determined that not investing in the land will not affect the realization of benefits from the Current Assets and Additional Assets.

In addition, Central Pattana, as the parent company of the land lessee, on which the Current Assets and Additional Assets are situated, will control, oversee, and take all actions so as to ensure that such subsidiary will be able to strictly comply with the terms and conditions set forth in the relevant land lease agreements to which such subsidiary company is a party. Central Pattana is also expected to provide financial support to its subsidiary where necessary in order to prevent any situation that might cause such subsidiary to fail to comply with terms and conditions of the agreements, or provide compensation to CPNREIT if there is a termination of the relevant agreements. The REIT Manager may deem it appropriate to take measures that will help protect the interests of the land lessee and to prevent third parties from causing the termination of the land lease agreements. Furthermore, the lease agreements of CPNREIT's real property set forth obligations of the property lessor, such as that it must not conduct any actions which may cause the eviction of CPNREIT or take any actions that will have the effect of causing CPNREIT to realize returns from the leased properties. If CPNREIT will be unable to realize returns from the leased properties due to default of the said agreements, the property lessor must repay to CPNREIT the rent which was paid in advance by CPNREIT. The amount to be repaid from the property lessor to CPNREIT will be pro rated based on the remaining lease period. In addition, CPNREIT can make a claim against the property lessor for loss of profits from termination of such agreements. The details of real property projects that do not involve investment in land by CPNREIT, and the details of the land owners or the land lessee for the Current Assets and Additional Assets are as follows:

#### Current Assets:

Project	Land Owner	Land Lessee
Central Pattaya Project and Hilton Pattaya Hotel Project	Certain parts of land owned by a third party, and certain parts owned by Central Pattana Rama 2 <sup>1</sup>	Central Pattana Rama 2 <sup>1</sup> sits on the parts of land owned by a third party, and Central Pattana Rama 2 sub-leases out the land to CPN Pattaya <sup>1</sup> .
Central Marina Project	Third party	Central Pattana
Central Lampang Project	Third party	Central Pattana Development <sup>1</sup>
The Ninth Towers Office Building Project	GLAND <sup>1</sup>	-
Unilever House Office Building Project	Sterling <sup>1</sup>	-

Remark:

<sup>1</sup> Subsidiary of CPN Group

#### Additional Assets:

Project	Land Owner	Land Lessee
Central Rama 2 Project (Renewal Period)	Third party	Central Pattana Rama 2 <sup>1</sup>
Central Pinklao Project (Renewal Period)	Harn Central Department Store Limited <sup>2</sup>	Central Pattana

Remark:

<sup>1</sup> Subsidiary of CPN Group

<sup>2</sup> Having co-directors with Central Pattana

#### 4.1.20 Risks Arising from Investment in Sub-Leased Space of Central Pattaya Project and Central Marina Project

Since CPNREIT had sub-leased part of the building space in the Central Pattaya Project, that is approximately 4,827 square meters, and part of the space of the Central Marina Project that is approximately 3,924 square meters. These are sub-leases of space in buildings that are leased by the lessor from the land owner. For the Central Pattaya Project, the property owner is Central Superstore Company Limited (Central Pattaya Branch), which leased the space to CPN Pattaya, and the Central Marina Project's property owner is Big C Retail Holding Company Limited (formerly known as Central Pattaya Company Limited before its merger) which leased the project to Central Pattana. The investment in such sub-lease space resulted in CPNREIT to not have the power to ensure compliance with the lease agreements by the relevant parties. Therefore, CPNREIT is unable to guarantee that such lease agreements will not be terminated, which may affect the realization of benefits in the future.

Also, the said sub-leased spaces in the Central Pattaya Project and Central Marina Project constitute only minor part of the buildings. The relevant investment ratio is low compared to the entire space in the buildings invested in by CPNREIT. Also, Central Pattana, as a parent company of CPN Pattaya, which is the lessor of the building in the Central Pattaya Project, has established standard guidelines to ensure CPN Pattaya's compliance with agreements, and put in place measures to prevent CPN Pattaya from performing any actions that may constitute a default of the lease. The owner of the space of Central Pattaya Project has also granted CPNREIT the right to subrogate CPN Pattaya if CPN Pattaya is unable to perform its obligations under the said agreements.

In addition, if CPNREIT is unable to realize the benefits of the sub-leased spaces of Central Pattaya Project due to a default on CPN Pattaya's part, or CPNREIT is unable to procure the benefits of the sub-leased spaces of Central Marina Project due to a default on Central Pattana's part, CPNREIT shall be entitled to terminate the agreement immediately, provided that CPN Pattaya and Central Pattana (as the case may be) must (1) return to CPNREIT the rent of sub-lease spaces for the remaining sub-lease period, and any money and benefits obtained on behalf of CPNREIT and return to CPNREIT, and (2) compensate CPNREIT for loss of ability to procure benefit from the sub-lease properties.

Therefore, the risk arising from CPNREIT sub-leasing the space of the said projects is regarded as low, and will not materially affect CPNREIT's ability to realize benefits from the investment properties.

#### 4.1.21 Risks Arising from Restrictions in Benefit Procurement of The Ninth Towers Office Building Project

The lease agreements of The Ninth Towers Office Building Project with certain lessees include no compete clauses to restrict the lessor from engaging in or giving consent to any person to engage in a competing business within the spaces of The Ninth Towers Office Building Project throughout the period of lease agreement. Such restrictions may limit CPNREIT's ability to realize returns in The Ninth Towers Office Building Project.

In any case, the REIT Manager and the Property Manager will use their efforts to negotiate reducing the scope of such restrictions when renewing the lease agreements and service agreements. As of 31 December 2023, the ratio of tenants who are subject to the restrictive covenants in their lease agreements occupied about 2.5% of spaces for lease in The Ninth Towers Office Building Project.

#### **4.1.22 Risk from Loans and Debentures Repayment**

CPNREIT's debt-to-total assets ratio was approximately 27.2%. (Calculating based on CPNREIT's borrowings as of 31 December 2023, total asset value of CPNREIT includes fair value of Central Rama 2 (renewal period) which complies with the relevant accounting standards, however, lease liabilities of Central Rama 2 (renewal period) were not considered as borrowings under the rule of REIT (the Notification of the Capital Market Supervisory Board No. Tor Jor. 49/2555 Re: Issuance and Offer for Sale regarding Units of Real Estate Investment Trust (Codified)) (If excluding the asset value of Central Rama 2 (renewal period), debt-to-total asset value of CPNREIT would be approximately 40.8%). Of which CPNREIT may be exposed to borrowings risk due to fluctuating economic conditions, interest rates, and the repayment capacity of relevant counterparties that may affect CPNREIT operating results. Consequently, CPNREIT may not have sufficient liquidity or ability to repay principal, interest, or both.

However, the REIT Manager reserves for repayment of loans and debt instruments each year and discloses in the annual report, which is considered as the adjustment item of net profit in accordance with the SEC rules for considering distribution payment to trust unitholders not less than 90%. In addition, the REIT Manager will issue and offer debentures to repay loans or debt from the issuance of debentures, as well as prepare credit facilities to repay the remaining debts if the debenture issuance and offer for sale could not be made.

Moreover, CPNREIT may be subject to financial risk from refinancing the loan given cash flow depletion from the expiration of the leasehold rights of invested properties, as well as rising interest cost affecting distribution payment to trust unitholders. CPNREIT thus may need to issue and offer additional trust units for debt repayment.

#### **4.1.23 Risks Arising from the Fact that Central Pattana Is the Major Shareholder of and Controlling Person of the REIT Manager**

The major shareholder and controlling person of CPNREIT is Central Pattana. Central Pattana holds 99.99 percent of the total voting rights of the REIT Manager. This gives Central Pattana control over all business policies, operations and finances of the REIT Manager. Furthermore, the fact that Central Pattana is the largest unitholder of CPNREIT enables Central Pattana to have a significant proportion of voting rights in the meeting of the unitholders of CPNREIT for agenda items in which Central Pattana is not a special interested person.

However, the actions of the REIT Manager are under the supervision of the Trustee. In managing and operating CPNREIT, the REIT Manager must comply with the terms set forth in the Trust Deed, the REIT Manager appointment agreement, and other relevant rules. In addition, the REIT Manager appoints independent directors such that its board is made up of at least one-third of such directors. The independent directors are responsible for commenting and opining on matters involving CPNREIT's related persons, or matters that involve a conflict of interest. In this way, a system of checks and balances is built into the structure of board of directors.

In addition, in any acquisition or disposition of important properties and connected transactions, the REIT Manager will consider and approve the transactions in accordance with relevant principles. A unitholder who is a special interested party in any agenda item of a meeting is required to abstain from voting on such agenda item.

#### **4.1.24 Risks arising from Conflict of Interest Which May Occur Between CPNREIT and Central Pattana Group, Which Acts as Property Manager**

Although the REIT Manager has set out the roles and scope of responsibilities of Central Pattana, GLAND and Sterling, which acts as the Property Manager to carefully manage and operate CPNREIT's shopping mall and office buildings, conflicts of interest between CPNREIT and the Central Pattana Group may still occur due to the fact that Central Pattana Group's main business activity is engaging in the business of leasing out and providing services in spaces in shopping malls and office buildings in various locations. In other words, Central Pattana has been tasked with procuring tenants for CPNREIT's properties, but it is also procuring tenants for other properties that CPNREIT is not invested in. Such conflicts may result in a decrease in occupancy rates, a decrease in rent and/or restrictions in the increase of rental prices of CPNREIT's properties.



However, the REIT Manager believes the possibility of such conflicts of interest is not high because ultimately it is the tenants' needs that will determine its selection of rental space. Selection of spaces depends on the location of office buildings or shopping malls, the size of the space, and differences between various projects of the Central Pattana Group, in terms of target customers, services providing, architecture, decoration and location, all of which are important factors for the tenants making decisions. Therefore, in principle, it is the tenants who will consider and make decisions for selection of spaces in shopping mall projects or office building projects according to their needs.

Furthermore, CPNREIT has engaged the Central Pattana Group to manage CPNREIT's shopping malls and office buildings. The contract contains provisions that incentivize the Central Pattana Group to continuously earn a good profit for CPNREIT. The Central Pattana Group will therefore be motivated to manage and operate CPNREIT's shopping malls and office buildings well so as to increase income from rent and service fees, and control the relevant costs and expenses to be at an appropriate level. This will reduce risks arising from the occurrence of conflicts of interest.

Another measure put in place to minimize conflicts of interest for properties managed by Central Pattana as the Property Manager, involves the REIT Manager dictating the requisite performance level of Central Pattana in the property manager appointment agreements. The agreements provide that the REIT Manager is entitled to change the Property Manager in the following circumstances:

- If the occupancy rate of properties invested in by CPNREIT and under Central Pattana's management drops below 50 percent for a continuous period of more than three months, the REIT Manager may convene a meeting of unitholders to discuss and pass a resolution on whether the property manager appointment agreements should be terminated. The threshold required to pass such a resolution is a simple majority.

The said occupancy rate is calculated by dividing the actual leased space by the total available leasable space, excluding common spaces, meeting spaces, and spaces which cannot be leased out at any point in time due to (a) force majeure events or (b) repair and refurbishment activities being carried out at such spaces. Information from monthly reports shall be used for the calculation of the occupancy rate.

Measures put in place to prevent conflicts of interest in the properties for in which GLAND or Sterling act as the Property Manager include the following conditions set forth in undertaking agreements to be entered into between CPNREIT and GLAND and CPNREIT and Sterling:

- (1) GLAND and Sterling as the undertaking parties agree that by operating the office buildings for rent in The Grand Rama 9 Project, the undertaking parties and/or the Associated Persons of the undertaking parties shall not take any actions to convince, invite or induce the tenants in the office spaces that CPNREIT has invested in to lease the office spaces in other sub-projects in The Grand Rama 9 Project.
- (2) From the date on which CPNREIT invests in the leased properties, the undertaking parties agree that the determination of the rental and service fees offered to new and existing tenants, new and existing service users, as well as existing tenants seeking to lease additional space in the other sub-projects within The Grand Rama 9 Project, shall not compete with the lease of office spaces to the new tenants and existing tenants, new and existing service users, as well as existing tenants seeking to lease additional space within The Ninth Towers Office Building Project and Unilever House Office Building Project. GLAND and Sterling further undertook that for new and existing tenants, new and existing service users, as well as existing tenants seeking to lease additional space in the other sub-projects within The Grand Rama 9 Project, GLAND and Sterling would not accord them with privileges above and beyond market terms and conditions in order to induce them to enter into the lease and service agreements.

In this regard, except when prior written consent is granted by CPNREIT, the undertaking parties agree that throughout the lease term, should the occupancy rate of the leased properties in The Ninth Towers Office Building Project or the leased properties in the Unilever House Office Building Project fall below 92 percent of each project, the undertaking parties and/or related persons of the undertaking parties shall adjust the rental and service fees for the new and existing tenants, new and existing service users, as well as existing tenants seeking to lease additional space in The Grand Rama 9 Project. Adjustments will be conducted in the following manner:

- To adjust more than 15% of the rental and service fees that offered to the new and existing tenants, new and existing service users, as well as existing tenants seeking to lease additional space in The Ninth Towers Office Building Project;
- To adjust more than 10% of the rental and service fees that offered to the new and existing tenants, new and existing service users, as well as existing tenants seeking to lease additional space in the Unilever House Office Building Project.

The rental and service fees that offered to the new and existing tenants, new and existing service users, as well as existing tenants seeking to lease additional space shall be determined by the REIT Manager during the preparation of the annual

budget and such rental and service fees shall be applied to the office spaces for rent. The REIT Manager will make reference to the fees charged for spaces with the same or similar zoning and area in (a) the other sub-projects within The Grand Rama 9 Project and (b) the area in The Ninth Towers Office Building Project and/or Unilever House Office Building Project as specified in the agreement.

Nonetheless, the parties agree that the above adjustments on the rental and service fees shall not be applied to the office spaces for rent in other sub-projects within The Grand Rama 9 Project in the following situations:

- In the event that the undertaking parties and/or the related persons of the undertaking parties sell, dispose of, transfer or lease (which is not the lease of office spaces for general tenants in the ordinary course of business) all of the office spaces for rent in such project to other persons who are not the related persons of the undertaking parties, provided that such actions shall be performed under the right of first refusal as specified in the agreement, or
- In the event that CPNREIT invests in the office spaces for rent in such project.

For the benefit of this clause, should the occupancy rate of the office spaces for rent in The Ninth Towers Office Building Project or the Unilever House Office Building Project fall below 92 percent as alluded to above, the undertaking parties agree to disclose or procure the related persons of the undertaking parties to disclose information regarding the rental fees, service fees, market conditions and lease terms of the office spaces available for rent in other sub-projects within The Grand Rama 9 Project to CPNREIT quarterly in writing and to give CPNREIT the right to verify such information as requested and deemed appropriate by CPNREIT.

In addition, from the date when CPNREIT invested in The Ninth Towers Office Building Project and Unilever House Office Building Project until 18 April 2024, if GLAND or Sterling and/or related persons of GLAND or Sterling wish to sell, dispose of, transfer or lease (not being the lease of office spaces as general tenants in the ordinary course of business), either whole or parts, of the properties provided for lease in The Grand Rama 9 Project, GLAND or Sterling agrees that GLAND or Sterling and/or related persons of GLAND or Sterling will grant CPNREIT the right of first refusal for investment in such property.

### **Shopping Malls of Central Pattana Group That May Be in Competition with Shopping Mall Projects Invested In by CPNREIT**

The Central Pattaya Project and Central Marina Project may be subject to risk from competition with the other shopping mall under current management of the Central Pattana Group, which is the Central Chonburi Project. However, the risk of such conflict of interest is small because the location of the Central Chonburi Project is quite far away from the Central Marina Project and from the Central Pattaya Project, about 57 and 58 kilometers away, respectively. The location of the Central Si Racha Project is far away from the Central Marina Project and from the Central Pattaya Project, with a distance of approximately 30 and 32 kilometers, respectively. Therefore, the REIT Manager believes that the various malls attract a different demographic of shoppers and boasts different concepts and highlights.

The Central Chiangmai Airport Project may be subject to risk from competition with the other shopping mall under current management of the Central Pattana Group, which is the Central Chiangmai Project. However, the risk of such conflict of interest is small because the location of the Central Chiangmai Project is far away from the Central Chiangmai Airport Project, approximately 9-13 kilometers, depending on the route taken. These two shopping malls therefore attract different shoppers, and feature different concepts and highlights.

The Central Pinklao Project may be subject to risk from competition with the other shopping mall under current management of the Central Pattana Group, which is the Central Westville Project, which officially opened on 29 November 2023. However, the risk of such conflict of interest is small because the location of the Central Pinklao Project is far away from the Central Westville Project, approximately 9-13 kilometers, depending on the route taken. These two shopping malls therefore attract different shoppers, and feature different concepts and highlights.

The reason why Central Pattana has developed shopping malls in close proximity in certain locations is because Central Pattana took the view that such areas will have sufficient economic and business potential in the long term, since such areas have undergone intensive developments that added substantial value to the area. This has brought about continued growth in the area, resulting in a continued increase of population and purchasing power of the residents living in or working at such areas and adjacent areas. The management team of Central Pattana and its team have studied and evaluated relevant factors, before determining that the development and construction of new shopping malls in close proximity to the existing shopping malls will not affect demand for lease spaces (cannibalization) of the existing project, because the demands for long-term lease spaces are still sufficient for both the existing projects and the additional project that is being developed.

Comparison Chart: Central Pattaya Project, Central Marina Project, Central Chonburi Project and Central Si Racha Project

Items	Central Pattaya Project	Central Marina Project	Central Chonburi Project	Central Si Racha Project
<b>CPNREIT's Investments</b>	Project invested in by CPNREIT	Project invested in by CPNREIT	-	-
<b>Location</b>	No. 333/99 Moo 9, Nong Prue Sub-district, Banglamung Dis-tribt, Chonburi Province 20260	No. 78/54, 78/12 Moo 9, Pattaya Sai 2 Road, Nong Prue Sub-district, Banglamung District, Chonburi Province 20260	No. 55/88-89, 55/91 Moo 1, Samet Sub-district, Muang District, Chonburi Province 20000	No. 8, Sukhumvit Road, Si Racha District, Chonburi Province 20110
<b>Distance from project invested by CPNREIT</b>	-	-	Quite far from Central Marina Project and Central Pattaya Project about 57 and 58 kilometers away, respectively.	Quite far from Central Marina Project and Central Pattaya Project about 30 and 32 kilometers away, respectively.
<b>Concept of project</b>	<ul style="list-style-type: none"> <li>- Mixed-use project comprising of a large and comprehensive shopping center located adjacent to the beach and the hotel.</li> <li>- Being a center for modern lifestyle, and a recreational spot of a tourist town and boasting an iconic balcony with a 360-degree view of Pattaya scenery.</li> <li>- Activities area is situated in front of the shopping mall to host fun activities for Thais and foreigners</li> </ul>	<ul style="list-style-type: none"> <li>- Shopping mall serving the needs of various group of customers, i.e. tourists, local people, MICE group including customer groups looking for outlet products.</li> <li>- The building is decorated with the theme "Fisherman Village".</li> </ul>	<ul style="list-style-type: none"> <li>- Lifestyle shopping mall, large middle class and modern shopping mall in downtown Chonburi.</li> <li>- Prominent architectural design.</li> </ul>	<ul style="list-style-type: none"> <li>- The first green eco-friendly mall in the east with a semi-outdoor and pet-friendly atmosphere.</li> <li>- Energy-saving design, such as using natural light within the shopping mall as much as possible, as high ceilings to reduce heat.</li> <li>- New lifestyle for Sriracha people under the concept of The Innovation Oasis, a perfect model for a happy life.</li> </ul>
<b>Target customers</b>	Thai and foreign tourists, people who have purchasing power, as well as families in Pattaya.	Travelers and middle-class workers, teenagers, and families in Pattaya.	Families, workers, and teen-agers in Muang District, Chonburi	Thai and foreign investors, work-ers, and teenagers in Muang Sriracha.
<b>Highlights</b>	<ul style="list-style-type: none"> <li>- A place with the most popular foreign fashion brands, located in the East.</li> <li>- The center of leading restaurants, international restaurants and food court.</li> <li>- A recreational center, featuring amenities such as a movie theater, an amusement park for children, and a spacious activity area along the beach road, where a variety of activities are continuously being organized.</li> </ul>	<ul style="list-style-type: none"> <li>- A place featuring a variety of modern restaurants serving the needs of families and tourists.</li> <li>- Market zone provides a variety of modern goods.</li> <li>- Leading sport outlet destination in Pattaya with leading brands such as Nike, Adidas, Sketchers, Converse and Havaianas.</li> <li>- Marina Thai crafts sells organic products and handmade goods.</li> </ul>	<ul style="list-style-type: none"> <li>- Housing the most complete range of shops of popular fashion brands, located in Chonburi prov-inc.</li> <li>- Housing the most complete range of famous res-taurants and beverage shops in Chonburi prov-inc.</li> <li>- Housing the most complete range of banks and mobile service providers in Chonburi province.</li> <li>- Housing the most advanced and biggest movie theater in Chonburi province.</li> <li>- Housing the most advanced and biggest fit-ness center in Chonburi province.</li> </ul>	<ul style="list-style-type: none"> <li>- A shopping center of the future, eco-friendly mall.</li> <li>- 'Playhouse' meets every lifestyle of fashion lovers.</li> <li>- 'Design House' is a center for stylish home decoration products.</li> <li>- The best food destination in Sriracha.</li> <li>- Community of animal lovers and pet park.</li> <li>- Landmarks for taking photos throughout the shopping mall.</li> <li>- Co-working space with free wi-fi throughout the shopping mall.</li> </ul>
<b>Department store</b>	Central Department Store	-	Robinson Department Store	-
<b>Supermarket</b>	Central Food Hall	Thai Favorite by Central Food Hall, and Big C Supercenter	Tops Market and Big C Supercenter	Tops Market (Premium) in form of Glasshouse

Comparison Chart between Central Pinklao Project and Central Westville Project

Items	Central Pinklao Project	Central Westville Project
CPNREIT's Investments	A project invested in by CPNREIT	
Location	No. 7/3-7/128, 7/129-7/221, 7/222-7/552 and 7/553, Boromma-ratchachonnani Road, Arun Ammarin Sub-district, Bangkok Noi Dis-trict, Bangkok 10700	No. 999, Ratchapruerk Road, Mahasawad Sub-district, Bangkruey District, Nonthaburi Province 11130
Distance from Project invested in by CPNREIT	-	Far from Central Pinklao Project about eight kilometers away.
Concept of Project	<ul style="list-style-type: none"> <li>- Full service premium shopping mall in the Thonburi area situated near residential area, educational institution and office building is the symbol of premium lifestyle and pride of Thonburi district.</li> <li>- The design of architecture is inspired by Art Nouveau and futuristic by using fractal pattern by reinterpreting the natural shape to be simple and combining with technology from LED lights. The building looks like a tulip. A doom roof and skylight are used inside the building to allow natural light to fully enter the mall.</li> </ul>	<ul style="list-style-type: none"> <li>- The first future nature harmonized shopping mall which have three concepts responding to global trends of people's lifestyle as mindfulness, health consciousness, and sustainability.</li> </ul>
Target customers	Families, workers, and teenagers	Families, high-class workers, and teenagers
Highlights	<ul style="list-style-type: none"> <li>- The pioneer leading shopping mall responding to the premium lifestyle in Thonburi area is convenient for transportation, located next to Borommaratchachonnani Road, has large entrance with car parking building. The car parking buildings are connected and can accommodate more than 4,000 customer cars. There is a shutter bus service station to Siriraj Hospital and is the center of connecting point for people in the Thonburi area.</li> <li>- Shopping mall is comprised of leading fashion store, restaurant and drink, food court, retail shops, Central Department Store, Tops Market, Power Buy, Supersports and B2S, together with movie theaters that serve the need of all age range of customers.</li> </ul>	<ul style="list-style-type: none"> <li>- Indoor and semi-outdoor lifestyle shopping mall located on Ratchapruerk Road easily connecting with outer urban Ratchapruerk-Sathorn area and main roads of Bangkok such as Petchkasem Road, Borommaratchachonnani Road and Rama 5 Road, as well as Ratchapruerk Road which is main road that people use for entrance-exit Bangkok, Nonthaburi and Pathum Thani Provinces.</li> <li>- A project is comprised of anchor tenants and leading retail shops with a full range of lifestyle restaurant and leading family zone, Food Ville food court, fashion lifestyle zone, sport fashion, technology zone, beauty and wellness zone, educational institution zone, pet zone, Pet and Me flagship and pet friendly restaurant, together with recreation zone, such as kid fun park, fitness and big outdoor rooftop.</li> </ul>
Department store	Central Department Store	Central Department Store
Supermarket	Tops Market	Tops Food Hall and world-class premium supermarket

Comparison Chart between Central Chiangmai Airport Project and Central Chiangmai Project

Items	Central Chiangmai Airport Project	Central Chiangmai Project
<b>CPNREIT's Invest-ments</b>	A project invested in by CPNREIT	
<b>Location</b>	No. 2 Mahidol Road, 252-252/1 Wualai Road, Haiya Sub-district, Muang District, Chiangmai Province 50100	No. 99, 99/1 and 99/2 Super Highway Chiangmai-Lampang Road, Fa Ham Sub-district, Muang District, Chiangmai Province 50000
<b>Distance from Project invested in by CPNREIT</b>	-	Between 9 and 13 kilometers from Central Chiangmai Airport Project, depending on the route taken.
<b>Concept of Project</b>	Shopping malls and recreation center for families.	Best shopping malls for tourists and trendy people.
<b>Target customers</b>	Main Target Group: Families Secondary Target Group: Workers and Tourists	Main Target Group: Workers Secondary Target Group: Families and Tourists
<b>Highlights</b>	<ul style="list-style-type: none"> <li>- Conveniently located, with the Chiangmai International Airport in close proximity.</li> <li>- Shopping mall with a good tenant mix and high occupancy rate in Chiangmai province.</li> <li>- Housing strong anchor tenants, for example, Robinson Department Store, Tops Market, and Major Cineplex theater.</li> <li>- Housing a collection of shops targeted at tourists, with a full range of goods for their selection and convenience, e.g., Northern Village, which sells souvenirs, well-known northern handicrafts, and Kad Luang Airport, which sells local food and souvenirs.</li> <li>- Featuring a large multi-purpose building for meetings and other activities.</li> <li>- Being regarded as one of the most comprehensive banking complexes in Chiangmai province</li> </ul>	<ul style="list-style-type: none"> <li>- A shopping mall located near Super Highway Road, and road connecting the surrounding provinces.</li> <li>- A shopping mall comprising Thai and foreign brands, including a number of restaurants.</li> <li>- Having strong anchor tenants, for example, Central Department Store, Krungsri, Imax, Major Cineplex.</li> <li>- Outdoor area of more than 4,500 square meters.</li> </ul>
<b>Department store</b>	Robinson Department Store	Central Department Store
<b>Supermarket</b>	Tops Market	Central Food Hall



## **Office Buildings of the GLAND Group (Including Sterling) That May Be in Competition with Office Building Projects Invested In by CPNREIT**

The GLAND Group has plans to develop other sub-projects within The Grand Rama 9 Project, including office buildings that will not be invested in by CPNREIT. Currently, the GLAND Group already has one office building project, namely the G Tower Project, that has been completely developed and has not been invested in by CPNREIT. The G Tower Project opened for operations in September 2016 and there are plans to develop another office building on vacant land. Currently, the plan for the development of the new project is at the review stage. According to the GLAND Group's plans, each office building in the Grand Rama 9 Project is configured differently to serve different needs. The Ninth Towers Office Building Project is a grade B office building and the Unilever House Office Building Project is a grade B office building for specific tenants, while the G Tower project is grade A office building that commands higher rental and service fees than The Ninth Towers Office Building Project and Unilever House Office Building Project. This way, the target of each minor project in The Grand Rama 9 Project is different in terms of target tenant groups and rental fee.

### **4.1.25 Risk in Central Marina Project, Central Lampang Project and Central Rama 2 Project Due to the Fact that the Landlord May Not Want to Assume the Transfer of Buildings and Structures**

The land lease agreement of the Central Lampang Project states that the land lessee who is the property lessor to CPNREIT must remove buildings and structures upon expiry of the land lease agreement. The demolition must be complete within 180 days from the expiry date of the land lease agreement at the expense of the land lessee, who is a property lessor to CPNREIT. The land lease agreements of the Central Marina Project and the Central Rama 2 Project specify that the landlord has an option to assume ownership of the buildings and structures upon expiry of the rental period. If the landlord chooses not to assume ownership of the buildings and structures, the landlord must give an advance written notice to the land lessee of at least six months prior to the expiry of the rental period. The land lessee, who is the property lessor to CPNREIT, must demolish the buildings and structures and must be responsible for demolition expenses.

However, the agreements for the lease of buildings and structures for the said projects specify that CPNREIT is obligated to demolish the buildings and structures for the land lessee, who is the property lessor to CPNREIT. In such case, for the Central Lampang Project, CPNREIT must be responsible for demolishing the buildings and structures and CPNREIT may be responsible for demolishing the buildings and structures of the Central Marina Project and the Central Rama 2 Project if the landlord chooses not to assume ownership of the buildings and structures upon cessation of the lease agreements, and CPNREIT will be responsible for demolition expenses.

With respect to consideration of investment value, the REIT Manager has conducted an evaluation of the necessary expenses and timeframe in relation to the demolition, if it is to occur, which may affect income during such period.

## **4.2 Risk Associated with the Ability to Realize Benefits from the Properties Invested by CPNREIT**

### **4.2.1 Risks to The Ninth Towers Office Building Project and Unilever House Office Building Project Regarding the Right to Use the Entrance-Exit to the Public Way**

At present, there are two entrance-exit pathways leading to the public roads at The Ninth Towers Office Building Project and Unilever House Office Building Project, namely the entrance-exit pathway on the side of Rama 9 Road and the entrance-exit pathway on the side of Ratchadapisek Road. There are risks associated with the use of the said entrance-exit pathways of the two projects, as follows:

#### **(1) The Grand Rama 9 Project: Entrance-Exit way on the side of Rama 9 Road**

GLAND has been granted by the Department of Public Works, Bangkok Metropolitan, to cut the concrete curb of the walkway connecting the entrance-exit of The Grand Rama 9 Project to Rama 9 Road. In this regard, the Department of Public Works, Bangkok Metropolitan sets a condition that the public must be allowed to use the road inside such projects as a shortcut between Ratchadapisek Road and Rama 9 Road, without any obstruction. Thus, if GLAND does not comply with the said condition, Bangkok Metropolitan may further consider terminating such permit.

#### **(2) The Grand Rama 9 Project: Entrance-Exit way on side of Ratchapisek Road**

The Mass Rapid Transit Authority of Thailand ("MRT") issued a letter granting GLAND to use a certain land area as the entrance-exit pathway to Ratchadapisek Road in the Grand Rama 9 Project. However, if it is necessary for the MRT to conduct maintenance for safety of the electric train system, and for the safety of people within in the area of the electric train system, including for any public use, the MRT may order relocation of the entrance-exit pathway away from the land area which the MRT had previously granted over, or order the reduction in size of the land area which the MRT had previously granted over. Also, no prior notice is required if the permit is cancelled, and GLAND cannot request for any consideration or damages. Therefore, if GLAND fails to comply with the conditions set forth in such permit and/or MRT makes such order, the entrance-exit pathway on the side of Ratchadapisek Road of The Ninth Towers Office Building Project and Unilever House Office Building Project might be closed off.

With respect to the road inside The Grand Rama 9 Project, and the road in front of The Ninth Towers Office Building Project and Unilever House Office Building Project, GLAND had registered a right of servitude on such roads such that the route ways can be used for the benefit of tenants and service receivers, including the users of The Ninth Towers Office Building Project and Unilever House Office Building Project.

CPNREIT, tenants and service users must share the use of the entrance-exit pathways and road within The Grand Rama 9 Project with the public within The Grand Rama 9 Project. Therefore, CPNREIT, tenants and service users may face difficulty in using the entrance-exit pathway and the road within The Grand Rama 9 Project if third parties infringe on the rights of CPNREIT and cause damage to the entrance-exit pathways.

However, the office space lease agreement, parking, utilities systems, and/or the undertaking agreement sets forth the duties for GLAND and Sterling to comply with the conditions and principles in accordance with the permission, permit letter and other relevant documents, and/or to perform any act to enhance the ability of CPNREIT, tenants and service receivers, and their followers, to be able to use the entrance-exit pathway and passageway inside The Grand Rama 9 Project access to the public route way. Also, they state that GLAND and Sterling have the duty to maintain and repair the road in the project and entrance-exit pathways to be in good condition and appropriate for the use of CPNREIT throughout the lease period. If GLAND and Sterling fail to comply with the obligation to maintain and repair the road in the project and entrance-exit pathways in good condition, CPNREIT is entitled to conduct such actions by itself or hire other person to do so at the sole expense of GLAND and Sterling.

#### **4.2.2 Risks Due to the Fact That The Ninth Towers Office Building Project and Unilever House Office Building Project are Minor Projects Inside The Grand Rama 9 Project**

The Ninth Towers Office Building Project and Unilever House Office Building Project are minor projects inside The Grand Rama 9 Project, which is a large project being developed by GLAND Group, with the goal of being part of the new central business district in the Rama 9 road area. It comprises shopping mall projects, condominium projects, office building projects, hotel projects, and other projects. Therefore, if there is any change in the economic conditions, situation, politics, or technology, GLAND Group may (1) not be able to develop other minor projects inside The Grand Rama 9 Project in accordance with the determined configuration and concepts, or (2) not be able to develop The Grand Rama 9 Project which may not be completed as expected, or (3) amend the configuration of The Grand Rama 9 Project without CPNREIT's consent. Therefore, CPNREIT may be subject to risks arising from the fact that the overall environment of The Grand Rama 9 Project be subject to change and may turn out different from expectations. This may affect the image of The Ninth Towers Office Building Project and Unilever House Office Building Project, that CPNREIT had invested in, and may affect tenants' decision to lease space or renew lease agreements in the property that CPNREIT had invested into. This may make it difficult to procure tenants to lease space in the two projects.

#### **4.2.3 Risk Arising from Expropriation**

CPNREIT may be subject to the risk that the land related to the Current Assets and/or Additional Assets may be expropriated according to state policy at any point during the period of CPNREIT's investment in such properties. Any compensation to be obtained by CPNREIT for damages arising from such expropriation may be lower than the asset value under CPNREIT's account. Therefore, unitholders may be subject to the risk that they will not receive dividends from CPNREIT's properties in accordance with projections.

#### **4.2.4 Current Assets and Additional Assets Are Subject to Environmental Laws, whereby Compliance with Them May Incur Expenses and Liabilities to CPNREIT**

The Current Assets and Additional Assets are subject to environmental laws and regulations, for example, sanitary law, laws relating to air pollution, water pollution, waste disposal, and noise pollution control. According to the laws, owners of properties and those in charge of operating property and realizing returns from property may be liable under such laws and regulations, and subject to fines, punishment or even imprisonment in the case of violation of such laws. Furthermore, CPNREIT may be burdened with expenses necessary for complying with such law and regulations. If there is a contamination or pollution occurs, or such contamination or pollution is not resolved, it may result in liability for CPNREIT or materially adverse impact the attractiveness of CPNREIT's real property.

In addition, properties that are compliant with environmental laws or regulations at any given time may not be compliant with or stay in line with laws or regulations relating to the environment at another period of time, especially if such law or regulation relating to the environment is amended. Therefore, there is a risk that may occur upon the amendment or addition of law and regulations relating to the environment. Actions taken to ensure properties remain compliant or continue to be in line with the law and criteria relating to the environment may increase the expense burden of and affect the financial condition and operational performance of CPNREIT.

#### **4.2.5 Risks Associated with Natural Disasters, Accidents, and Acts of Terrorism**

The effect of global warming is causing the present climate conditions to change very quickly and severely. This may cause various areas of Thailand to suffer from the effects of natural disasters, for example, rainstorms, floods, earthquakes, etc. These natural disasters may cause damage to CPNREIT's properties, and affect services provided to customers. The REIT Manager, together with the Property Managers have established procedures to cope with risks from natural disasters on all projects by ensuring that measures to mitigate such risks have been established, e.g. conducting regular spot checks, conducting regular maintenance works to strengthen building structure, preparing requisite tools and equipment to alleviate any fallout from natural disasters which may occur, conducting drills from time to time in order to prepare staff to cope with events of crisis. In addition, the REIT Manager will follow up and compile information on natural disasters and preventive solutions to evaluate and analyze if further measures need to be taken to mitigate the risk of natural disasters. The REIT Manager will also seek to develop efficient operations to better respond to natural disasters.

Additionally, presently the threat of terrorism is an international risk that many countries face. REIT managers and property managers are aware of this risk issue by providing guidance measures to strictly manage risks

In this regard, the relevant parties have prepared tightened measures to deal with natural disasters, accidents, and acts of terrorism, as well as training relevant staff to equip them with the necessary knowledge, understanding, and skills to conduct evacuations. Furthermore, CPNREIT has procured insurance to cover damage caused to CPNREIT's properties incurred by accidents and other force majeure events. However, reconstruction of new lease properties or repair of major damage may incur hefty expenses and are highly time consuming. This may cause a material loss of income for CPNREIT for the entire reconstruction or major repair phase and may affect the operation and financial condition of CPNREIT.

However, the REIT Manager has procured or will procure all risk insurance, business interruption insurance and machinery insurance. CPNREIT is listed as a co-beneficiary of such policies and insured up to the proportion of leased areas of CPNREIT, in the Current Assets and the Additional Assets to cover the damage that may be incurred. Public liability insurance has been purchased to address risks which may give rise to the third party liabilities. The REIT Manager considers that procurement of such insurance policies as appropriate and sufficient because all risk insurance provides sufficient compensation to cover all replacement costs, excluding the land value. Also, business interruption insurance provides insurance for the entire period required to construct a new project in the case of damage affecting the whole project, and such policy generally runs for a term of between 12 and 36 months.

If the Current Assets and Additional Assets suffer from damage in whole or in material part rendering such property unusable for business, CPNREIT and the lessor agree to construct a new lease property and share the costs thereof. The lessor will be responsible for completion of construction within the timeframe to be set forth in an agreement commencing from the occurrence of damage. Expenses incurred for such construction will be shared proportionately according to the leased areas of CPNREIT at the time when the damage occurred, but must not exceed the amount of basic compensation CPNREIT and/or the lessor (as the case may be) obtained from the insurance company. If expenses related to construction and/or repair of the said leased property exceeds the basic compensation received by each party, CPNREIT can choose between (1) paying for the amount exceeding its proportion of the leased areas, provided that once CPNREIT obtained approval from unitholders to perform such action, CPNREIT will repay such excess amount to lessor, whom would have paid for the entire construction cost in advance, within six months from the opening date of newly constructed or repaired spaces; or (2) agreeing to reduce the proportion of its lease areas. For option (2), CPNREIT will not make payment to the lessor for any additional expenses used for the construction. In any event, CPNREIT reserves the right to convene a meeting of unitholders of CPNREIT to consider the necessary approval prior to taking any above actions.

However, even if CPNREIT agrees to pay the costs incurred for additional construction as mentioned in the preceding paragraph in order to maintain its proportion of the leased areas in the leased property, CPNREIT may have to accept an increase in rent because the new construction will be newer. CPNREIT may be able to collect rent at increased rates, and may have more lease spaces for realizing returns. However, if CPNREIT agrees to reduce its proportion of the leased areas by choosing non-payment to the lessor for additional construction (i.e. option 2), or if CPNREIT and the lessor agree to construct the lease property with the existing configuration and with the budget that is equivalent to the basic compensation paid out by the insurance company to CPNREIT and the lessor without incurring any further expense for additional construction, this may cause spaces of leased property to be reduced due to the fluctuation of construction expenses. This may affect the proportion of the leased areas of CPNREIT negatively. As a result, CPNREIT may receive less rent due to the reduction of ratio of occupied space of CPNREIT. In such a circumstance, although the ratio of occupied space is reduced, CPNREIT may receive higher rent fee since newly constructed lease properties will generally attract tenants' interest, resulting in CPNREIT being able to collect higher rent.

#### **4.2.6 Risks Arising from Insurance**

CPNREIT's business may be subject to risk associated with the operation of and realizing returns from the Current Assets and/or the Additional Assets. Even though CPNREIT may procure appropriate insurance for the Current Assets and the Additional Assets according to relevant laws, CPNREIT may not be able to procure insurance to cover certain risks that may arise. Even though CPNREIT can procure insurance, the premiums may not be worth the economic benefit to CPNREIT, or CPNREIT may be unable to make a claim on its insurance according to the terms set forth in such insurance, either in whole or in part. The compensation payments may also be delayed according to the terms of such insurance, through no fault of CPNREIT. Further, CPNREIT may risk incurring financial losses if adverse material events occur, for which CPNREIT may not be appropriately compensated in damages, or there might be no insurance policies that could be procured to cover such event. This may directly affect the dividends that are anticipated to be received by unitholders.

#### **4.2.7 Risk Arising from Increase in Expenses Relating to the Properties That Are in Possession of CPNREIT, as well as an Increase in Operating Expenses**

The ability of CPNREIT to pay dividends to unitholders may be adversely affected if expenses relating to the properties and operation costs increase while income does not increase or increases at a lower rate.

Factors which may affect expenses relating to properties and cause operation costs to increase are:

- Increase in maintenance expenses;
- Increase of relevant taxes on real property and other fees according to law;
- Changes in law, regulations, rules including state policy, which may increase compliance expenses;
- Increase of expenses for public utilities;
- Increase of service fees for sub-contractors (if any);
- Increase in the rate of inflation;
- Increase in interest rate;
- Increase of insurance premiums;
- Increased expenses due to damage or defects detected in properties that require repair and for which such expenses cannot be estimated; and
- Increased expenses in relation to property operations and realization of returns.

## **4.3 Risks Associated with Investment in Properties by CPNREIT**

### **4.3.1 Investments in Properties is Exposed to Various Risks**

Investment in properties exposes to various risks, including but not limited to (1) adverse changes in political or economic conditions, (2) adverse changes to market situations, (3) financial condition of tenants, buyers and sellers of property, (4) sources for supporting funds, i.e. loans, debt securities, or equity securities, which may change from time to time, and which would then impact CPNREIT's ability to acquire more properties or maintain and repair properties, (5) change in interest rates, cost of funds, and other operating expenses, (6) change in environmental law, law on zoning and other regulations of governments, and financial policies, (7) claims on environmental impacts from properties, (8) change of market rent, (9) change in electricity prices, (10) competition amongst owners of properties or lessors of properties, seeking to attract the same pool of tenants and users of space, which may affect vacancy rates, or result in CPNREIT struggling to lease space on advantageous terms, (11) risk of not being able to renew lease agreements, (12) inability to promptly collect rent from service users and/or tenants or the non-recovery of debt due to bankruptcy of service users and/or tenants, (13) inability to procure sufficient insurance or inability of the purchased insurance to adequately cover damages, or an increase in insurance premiums, (14) increase in the rate of inflation, (15) property defects requiring repair which give rise to unforeseeable expenses, (16) failure of tenants to comply with terms and conditions set in the lease agreements, (17) dependency on cash flow for the repair and improvement of property, (18) increase in operating costs, including property-related taxes, (19) any rights or encumbrances which were not discovered during the due diligence examination or review at the Land Department, and (20) force majeure events causing damage that cannot be insured against.

These factors may affect occupancy rates, rental rates, considerations for use of space, or operating expenses. These factors may cause adverse effects on property values and income to be derived from properties. The value of CPNREIT's properties may also materially decrease if there is a rapid downturn in Thailand's real property market and Thailand's economy.

### **4.3.2 Risks Arising from Due Diligence of Prospect Investments**

The REIT Manager has studied the information and details of the Additional Assets by conducting a due diligence examination before making any investment decision, and the REIT Manager has studied the reports issued by the Appraisal Companies, the engineering audit report of the properties, the legal due diligence report on the properties, and considered information and agreements relating to the Additional Assets. However, there is no assurance that the Additional Assets have no damages or defects other than those disclosed in this Registration Statement/ draft prospectus that may require significant expenditure to repair, because the reports of the Appraisal Company, the engineer and the legal advisor may be inaccurate or deficient, as it may be difficult to examine or discover certain defects of the Additional Assets.

In addition, the reports of the Appraisal Companies, the engineering audit report, and legal due diligence report on the Additional Assets may have certain deficiencies or may be inaccurate in whole or in part because it may be difficult to examine or discover certain defects of the Additional Assets. In addition, the Additional Assets may have certain characteristics or may be used in a manner that is against or violates relevant laws (which they were not aware of) which may cause CPNREIT to incur expenses or take on additional liabilities.

### **4.3.3 Risk That Value of Properties Invested In by CPNREIT According to the Valuation of the Appraisal Companies Does Not Reflect Their Actual Value and There Is No Guarantee That the Selling Price of Real Property Will Be In Line with the Appraised Value, whether at Present or in the Future**

In general, property appraisals are based on various factors, including certain factors that are regarded as abstract factors, such as market conditions, financial strength, competitive ability and the nature of the assets. Certain events may cause such factors to change in the future, since certain events or all events that are based on predictions which may not occur as anticipated, or certain unexpected events or unexpected situations may occur. Therefore, the REIT Manager cannot guarantee that all their assumptions will occur as anticipated or continue to hold true. The sale value of the core assets of CPNREIT in the future may be lower than the value set by the Appraisal Companies or lower than the initial



investment value by CPNREIT in such property. This may cause CPNREIT to suffer losses from the sale of property and may affect the ability of CPNREIT to pay dividends to unitholders.

Regardless, the REIT Manager and the Trustee will jointly investigate the main assumptions that Appraisal Companies use to calculate the appraisal value of properties that CPNREIT had invested into. The REIT Manager and Trustee have not found any indication that the main assumptions applied in the said valuation were unreasonable when compared to the average historical performance of the assets as well as the trends of the real property market in Thailand.

#### **4.3.4 Risks Arising from CPNREIT Investment in Leasehold Rights of Real Properties**

CPNREIT's investment strategy is to invest in leasehold rights over real properties. The value of such leasehold rights may be reduced due to the reduction of the remaining lease period or the value of leasehold rights may change following a revised appraisal conducted on the leasehold rights. These factors may affect the value of the trust units and may cause the value of trust units to increase or decrease.

### **4.4 Other Risks Associated with Current Assets and/or Additional Assets**

#### **4.4.1 Risks Arising from Changes in Accounting Standards or Relevant Laws**

The performance and payment of dividends by CPNREIT may be affected by changes to accounting standards or revision of accounting standards, which is a factor that cannot be controlled or anticipated by the REIT Manager. The amendment of laws, regulations, rules, legal provisions, policies and/or orders of any governmental authority or any other competent authority, are also regarded as unanticipated events. Therefore, the REIT Manager is unable to evaluate the effects of such changes and is unable to guarantee that such changes will not affect CPNREIT's performance and payment of dividends.

#### **4.4.2 That Net Asset Value of CPNREIT May Not be Actual Value That CPNREIT Will Obtain Upon Disposal of All Properties or Upon the Dissolution of CPNREIT**

The net asset value of CPNREIT is calculated based on the information derived from the asset appraisal report and/or the review of the appraisal value of investment properties. If CPNREIT has to dispose of properties in order to adjust its investment structure or to dissolve CPNREIT, negotiations of the sale and purchase price between seller and purchaser must take place. Such value may not be the actual value that can be obtained by CPNREIT in the case of the disposal of properties in whole or in part, or upon dissolution of CPNREIT.

#### **4.4.3 Risks from Liquidity of Trust Units Trading in Secondary Market**

The trust units of CPNREIT are listed on the SET. Trading liquidity of trust units depends on the frequency and quantity of trust units trading on the SET, which fluctuates based on the level of demand of sellers and purchasers via bid-offer. The volume available for sale and the demand for trust units depends on various factors, which cannot be controlled by the REIT Manager. Therefore, trust units may be subject to the risk of lack of liquidity of trading on the secondary market.

#### **4.4.4 Risks in relation to Aspects of Taxes and Fees**

The purchase, sale, transfer, or obtaining the transfer of real property, or the purchase, sale, transfer, or obtaining of leasehold rights (in case of CPNREIT investment in lease of real property), or the realization of returns from CPNREIT properties in the future may incur tax burdens and fees on the purchase, sale, transfer, obtaining ownership, or the transfer or obtaining the transfer of leasehold rights of real property. CPNREIT may have to assume such tax burdens in part or in whole. The tax rates and fees to be paid by CPNREIT tax incentives may differ from current levels.

In addition, in the future, the tax burden of CPNREIT and/or the tax burden of unitholders, as it relates to the investment in and/or sale and purchase of trust units, and/or the operation of the CPNREIT properties and obtaining benefits from CPNREIT, may change and differ from present rates if there is a change in law or tax regulations or other aspects relevant to such matters.

#### 4.4.5 Risks Associated with Ability of CPNREIT to Pay Returns

Payment of returns to the unitholders, by CPNREIT will be considered based on CPNREIT's performance, and such performance depends on various factors, i.e., economic situation in country and abroad, ability of tenants and sub-tenants to pay rent, costs of real property management, other operational costs, competition between operators, occupancy rate of CPNREIT investment projects, changes in law and regulations relating to the properties, natural disasters, and political situation. Therefore, investors may be subject to the risk that payment of dividends will not be made as anticipated, or CPNREIT may be unable to pay dividends or to increase the dividend rate.

#### 4.4.6 Risks Arising from Sale & Purchase Price of Trust Units May Not Reflect Net Asset Value of CPNREIT

The net asset value of CPNREIT which is calculated based on information from the asset appraisal report or the review of the appraisal of the investment asset value, may not be the same as the trading value of trust units on the SET, because the trading value on the SET depends on other factors, i.e. supply and demand of the securities, etc.

#### 4.4.7 Risk That Repayment of Capital from Dissolution of CPNREIT May Be Less Than Amount of Investment Made by Unitholders

In the case of dissolution of CPNREIT, the REIT Manager cannot guarantee that unitholders will obtain their investment sum in whole or in part, because this depends on the reasons and method in which CPNREIT was dissolved, the principles for disposition of CPNREIT's properties, and the remaining period of leasehold rights.

#### 4.4.8 Risk from CPNREIT's failure to mobilize funds completely as planned for investment in the properties to be additionally invested in

The Extraordinary General Meeting of Unitholders of CPNREIT No. 1/2023 on 31 July 2023 passed the resolutions approving as follows:

- a) an additional investment in the Central Pinklao Project by Central Pattana Public Company Limited ("CPN") by renewal of the lease term for a period of 15 years (from 1 January 2025 to 31 December 2039) with the investment value of not exceeding Baht 12,161 million (excluding registration fees, VAT, stamp duty, any other related fees and expenses), along with the right to renew the lease agreement for another 7 years and 5 months (or no later than 31 May 2047). The conditions of the renewal agreement are subject to those agreed upon by the parties.

Furthermore, the Meeting approved the renovation of the Central Pinklao Project. The major renovation is expected to take place during 2024 and 2025, which will be during the period of renewal of the project due to the lease terms expiring on 31 December 2024. The total major renovation budget is estimated to be no more than Baht 1,100 million, which will be the responsibility of CPNREIT. However, CPN will make an advance payment of such major renovation cost on behalf of CPNREIT during the period that the lease is not yet renewed, and upon completion of the extension of the lease, CPNREIT will repay such amount to CPN together with the interest to be agreed upon, taking into consideration the financial cost.

- b) the change of conditions in additional investment in the Central Rama 2 Project by changing the payment conditions of the rental fees in the lease agreement between CPNREIT and Central Pattana Rama 2 Co., Ltd. ("Central Pattana Rama 2") which has a lease period of 30 years (from 16 August 2025 to 15 August 2055). However, the rental fees have not been paid since the lease term has not yet commenced to be installments throughout the lease term, provided that the first payment will be equal to the rental fee for the first 10-year lease period (from 16 August 2025 to 15 August 2035) of Baht 12,853 million (excluding registration fees, VAT, stamp duty, any other related fees and expenses), which will be paid by the lease commencement date. The rental fees for the lease period from the 11th year until the expiration of the lease term will be agreed upon by CPNREIT and the lessor in the future. The change in payment conditions does not affect the lease term, registration of leasehold rights, nature of usage of the investment assets, or other rights and liabilities of the parties. The change is to amend the payment conditions in order to correspond to situations when the rental payments have to be made.
- c) cancellation of the resolution of Extraordinary General Meeting of Unitholders No. 1/2019, held on 22 November 2019, which approved the capital increase for payment of rental fees for Central Rama 2 Project (Renewal Period),
- d) capital increase for investment in Central Pinklao Project and/or Central Rama 2 Project. The offering of the Additional Trust Units in the maximum number of not exceeding 1,100 million units and the estimated loan amount to be utilized for this transaction of not exceeding Baht 18,000 million are the highest funding size for investment in the Additional Assets.

*(For more detail, please see SET News: No. CPNREIT 2023/07004 on 31 July 2023)*

The REIT Manager has filed a registration statement and draft prospectus of CPNREIT with the Securities and Exchange Commission (SEC) for the second capital increase (“Filing”) on 24 November 2023 to invest in Central Pinklao (Renewal Period) within 2024 and the SEC has approved and counted 1 filing on 16 March 2024.

#### 4.4.9 Impacts from CPNREIT’s issue and offering of additional trust units to fund the rental payment of Central Pinklao (Renewal Period) and/or Central Rama 2 Project (Renewal Period)

According to the CPNREIT Extraordinary General Meeting of Shareholders No.1/2023, the issuance and offering of additional trust units of not exceeding 1,100 million units for investment in the Additional Assets will be issued to existing unitholders whose names appear in the unitholders register book according to the proportion of trust units they hold, excluding unitholders who may cause CPNREIT to have obligations under foreign laws (Preferential Public Offering), in an amount of not less than 50 percent of all additional trust units. The issuance of additional trust units will have an impact on the existing unitholders due to a dilution of control of the existing unitholders since not all additional trust units will be issued to all existing unitholders. Furthermore, not all existing unitholders will exercise their right to subscribe for the additional trust units offered to them. In this regard, the REIT Manager and Financial Advisors have set out below illustrations of the effect of such situations on the proportion of control dilution. The following illustration will only apply in the case of allocating additional trust units to the existing unitholders at the rate of 50 percent of all additional trust units (which is the minimum proportion that must be issued and offered to existing unitholders):

	Control Dilution (%)
Case 1: All existing unitholders exercise their right to subscribe for all additional trust units being issued and offered to existing unitholders.	14.99
Case 2: All existing unitholders exercise their right to subscribe for additional trust units at the rate of 50 percent of all additional trust units being issued and offered to existing unitholders.	22.49
Case 3: All existing unitholders do not exercise their right to subscribe for any additional trust units being issued and offered to existing unitholders	29.99

Proportion of allocation of additional trust units to the existing unitholders may increase as compared to the above illustration (as the above example is calculated based on the minimum proportion that must be issued to existing unitholders) which will result in lower control dilution than the percentage shown in the table above. In the event that all existing unitholders do not exercise their right to subscribe for the additional trust units offered to them, the control of existing unitholders will be diluted by 29.99 percent at maximum.

#### 4.4.10 Risks from Loans and Debentures Repayment for the Rental Fees of Central Pinklao Project (Renewal) and Central Rama 2 Project (Renewal)

The REIT Manager anticipates that CPNREIT will use the money from the loans to invest up to Baht 18,000 million in the Additional Assets. Presenting the investment amount as the proportion of the loans, it should not exceed 49 percent of the total asset value of CPNREIT after its additional investment in the two projects/1,2. The investment may cause CPNREIT to be subject to risks from such loans. Risks from loans include changes in economic conditions, and interest rate fluctuations. CPNREIT may not have sufficient liquidity for repayment of principal and/or interest. Moreover, CPNREIT may be subject to risks arising from its inability to repay principal and/or reduced interest.

In order to determine the loan amount and the proportion of the loans, the REIT Manager will consider the ability of CPNREIT to repay its debt in the future, a potential increase in interest rates and the risks that may increase due to the increased proportion of the loans and the interest payable to unitholders after the borrowings. In addition, the REIT Manager has in place a plan to manage the repayment of the principal in line with the CPNREIT cash flow situation, so as to prevent any effect on the ability of CPNREIT to pay dividends to the unitholders. The REIT Manager will also draw up a repayment plan for the repayment of the principal within the investment period of the Additional Assets. The REIT Manager anticipates that in the long term, the proportion of the loans to the total asset value (TAV) of CPNREIT will gradually decrease after the principal repayment.

In any case, it is noted that, the loans for the investment into the Additional Assets will benefit to the unitholders as the loans will help CPNREIT to have a more efficient capital management structure and lower investment costs compared to if it solely offers additional trust units. The loans will provide better interest to unitholders as the REIT Manager will ensure there are some reserves for repayment of loans and debentures each year and for disclosure in the annual report which reflects the adjustment of net profit according to the SEC Office's criteria. The payment of dividends to unitholders will be at a rate of not less than 90 percent of the adjusted net profit in each fiscal year. Moreover, the REIT Manager may consider issuing and offering debentures to repay loans or debts incurred from issuing of previous debentures, including reserving funds for debt repayment in the event that debentures cannot be issued.

The CPNREIT's borrowings shall comply with the Notification of the Capital Market Supervisory Board No. TorJor. 49/2555 Re: Issuance and Offer for Sale regarding Units of Real Estate Investment Trust (including any amendments thereto) which prescribes that CPNREIT may procure a loan in an amount of not exceeding 35 percent of the total asset value or not exceeding 60 percent of the total asset value of CPNREIT, provided that CPNREIT's latest credit rating is investment grade. CPNREIT, as of 12 September 2023, has been obtained a credit rating of "AA-" from TRIS with a "negative" outlook (considered as National Scale Rating), which is investment grade.

Remarks

1. Such total asset value is the total asset value according to the financial statements deducted by the amount of the lease liabilities.
2. The proportion of loans to the total asset value of CPNREIT after the investment in the Additional Assets does not include loans for property development, improvements, and/or repairs.

#### **4.4.11 Risk from investment in Central Rama 2 Project (Renewal Period)**

##### **CPNREIT having to record lease liabilities in its financial statements for the investment in Central Rama 2 Project (Renewal Period)**

For the investment in Central Rama 2 Project (Renewal Period), there will be rental fee payable in 2025 in the amount of not exceeding THB 25,394 million (excluding registration fee, value added tax, stamp duty, and other related fees and expenses). The leasehold right for Central Rama 2 Project (Renewal Period) was registered on 31 March 2020. According to the regulations under the relevant accounting standards, CPNREIT must record lease liabilities together with Central Rama 2 Project (Renewal Period) properties in its financial statements as from the date of investment, which was the same date as the leasehold right registration.

However, such lease liabilities are not incorporated into borrowing in the calculation of loan proportion pursuant to the Notification No. TorChor. 49/2555. Moreover, interest expenses incurred from such lease liabilities are non-cash expenses and, hence, will not affect CPNREIT's ability to pay distribution to its unitholders.

#### **4.4.12 Debt Instrument Investment Risks**

##### **1. Credit Risks**

Bondholders face default risks of issuers defaulting interest or principal payments due to poor operating performance or insufficient assets to support business operations or meet debts obligations that fall due. Investors should exercise prudence in considering the issuer's financial position and debt serviceability based on the information provided in the issuer's prospectus before making investment decisions. In assessing the credit risks of a bond issuer, investors can look at credit ratings provided by credit rating agencies to simplify the investment decision. If the credit rating is low, the bond's credit risk is high, and so should be the expected return on the bond to offset higher uncertainties. The bond issuer will provide a credit rating approved by the Securities and Exchange Commission (SEC) throughout the bond term. It is advisable investors keep abreast of credit rating news and updates via official websites of the SEC, credit rating agencies, or the Thai Bond Market Association.

##### **2. Price Risks**

The market price of debentures fluctuates with several factors, such as interest rates in the financial market, Bank of Thailand policies, overall economic conditions, inflation-deflation, bonds maturity, or surplus-deficit shifts in bond demand. Bondholders thus may be affected by the volatility of bond prices if their instruments are traded before maturity.

### 3. Liquidity Risks

Bondholders may not be able to promptly sell their bonds before maturity at a preferred price in the secondary market with few trading instruments. Nonetheless, holders can sell debentures at commercial banks, securities companies, or other licensed bond trading jurists as bond issuers do not trade debentures in the secondary market

### 4. Risk of Cyber Attack

The rapidly changing technology is a major driving force in changing consumer behaviors and competitive environment in the industry that the Company currently performs its business operations. The REIT manager and property manager has increasingly used digital technology for setting goals and performance, providing customer service, and collecting data for analysis to help make decisions and appropriate strategy. Moreover, cyber-attacks have been on the rise over the past several years, especially for ransom demands and the theft of sensitive corporate data. Due to the relying more on technology and digital systems, The REIT manager and property manager has a risk for information security and cyber-attack from hackers. Since 2022, the personal data protection law has been fully enforced and may also increase the motivation for cyber-attack. If the REIT manager's and property manager's data and information are attacked, this is more likely to affect its continual business operations or reputation in case that the incident is not managed effectively. The REIT manager and property manager has developed and improved its information security management system, with ISO 27001:2013 and NIST SP800-53 as frameworks for implementation to cover the security of data and information systems, such as hardware, software, and network systems

The REIT manager focuses on educating and raising awareness among personnel across the organization through regular press releases on threats and impacts, including proper responses when an incident occurs by improving and practicing its Business Continuity Plan (BCP) to suit current environments and systems. In addition, the Company also provides a cyber insurance to mitigate risks and reduce potential impacts in cases of any incidents.





## 5. Legal Disputes

In managing CPNREIT, the REIT Manager complies fully with relevant laws, namely Securities and Exchange Act B.E. 2535 (including its subsequent amendments), Trust for Transactions in the Capital Market Act B.E. 2550 (including its subsequent amendments) regulations from regulatory bodies and Trust Deed.

As of 31 December 2023, CPNREIT is not facing any material legal actions, either as a petitioner or a party in a lawsuit, or any significant disputes in arbitration proceedings or other significant legal disputes which directly relates to CPNREIT's business that the REIT Manager believes will have a material adverse effect on the financial position, operating result and future operation plans worth more than five percent of the net asset value of CPNREIT. Moreover, CPNREIT is not facing any legal disputes that would significantly impact the procurement of benefits from the real property that CPNREIT manages.





## 6. Other Material Information

### 6.1 Investment in additional assets in accordance with the resolution of the Extraordinary General Meeting of Trust Unitholders of CPNREIT No. 1/2023

The Extraordinary General Meeting of Trust Unitholders No. 1/2023 of CPNREIT (“EGM No. 1/2023”) held on 31 July 2023, approved the leases renewal of Central Pinklao and Central Rama 2 with a total investment of no more than THB 25,014 million; a capital increase of no more than 1,100 million units, as part of the investment in these two projects, through a preferential public offering, of which 50% or more will be the rights offering to existing unitholders and the remaining units will be offered to new investors. In addition, the REIT Manager plans to borrow no more than THB 18,000 million to finance the leases renewal. Moreover, the other resolution is the renovation of Central Pinklao during the year 2024-2025 with a total investment of not exceeding THB 1,100 million to level up the asset and its capability to generate sustainable returns.

*(For more details, please see the SET News No. CPNREIT 2023/07004 dated 31 July 2023 Re: Notification of the Resolutions of the Extraordinary General Meeting of Trust Unitholders No. 1/2023 via electronic media)*

The investment in both projects is in line with CPNREIT’s strategy to invest in assets with high potentials. Central Pinklao and Central Rama 2 fit the investment criteria when considering their locations, customer base, and have proven to deliver strong performance and returns to CPNREIT in the past. The property manager, CPN, also has a strong track record and experience as a market leader in retail development and management. Subsequent to the leases renewal of both projects, CPNREIT portfolio will be optimal in terms of lease maturity as well as well-diversified locations and revenues sources, which will lead to sustainable revenues growth and attractive returns to trust unitholders.

The REIT Manager filed a registration statement and draft prospectus with the Securities and Exchange Commission (SEC) in late 2023 for the offering of new unit trust within 2024 to renew the lease of Central Pinklao in 2024.



**Part 3**  
**Management**  
**and Corporate**  
**Governance**





## 7. Information of Trust Units and Unitholders

### 7.1 Trust Units

#### 7.1.1 Information of Trust Unit as of 31 December 2023

Investment Capital	30,061,149,190	THB
PAR Value	11.7059	THB per Unit
Number of Units	2,568,034,000	Unit

#### 7.1.2 Information of Unit Prices

Closing Value as of 28 December 2023	11.30	THB per Unit
Highest Price	21.30	THB per Unit
Lowest Price	9.40	THB per Unit
Average Price	12.65	THB per Unit
Market Capitalization as of 28 December 2023	29,018.78	THB Million
Trading Value per Year	8,265.75	THB Million
Trading Volume per Year	654,850.24	Thousand Units
<b>Net asset Value</b>		
as of 31 December 2022	33,277,166,951	THB
as of 31 December 2023	33,458,886,379	THB



### 7.1.3 Capital Reduction

Since establishment, CPNREIT has reduced its paid-up capital 9 times and made payment to unitholders due to the excess amount of liquidity. The details are as follows:

No.	Operation Period	Capital Reduction (THB)	THB per Unit	Book Closed Date	Payment Date
1/2018	29 Nov – 31 Dec 2017	636,972,041.9	0.2879	9 Mar 2018*	22 Mar 2018
2/2020	1 Apr. – 30 Sep 2020	464,620,107.0	0.2100	25 Nov 2020	8 Dec 2020
3/2020	1 Oct – 31 Dec 2020	577,898,914.0	0.2612	23 Feb 2021	5 Mar 2021
4/2021	1 Jan – 31 Mar 2021	515,147,620.8	0.2006	27 May 2021	10 Jun 2021
5/2021	1 Apr – 30 Jun 2021	263,223,487.3	0.1025	26 Aug 2021	10 Sep 2021
6/2021	1 Jul – 30 Sep 2021	215,714,855.3	0.0840	26 Aug 2021	2 Dec 2021
7/2021	1 Oct – 31 Dec 2021	413,196,670.6	0.1609	3 Mar 2022	17 Mar 2022
8/2022	1 Jan – 31 Mar 2022	142,525,889.4	0.0555	20 May 2022	6 Jun 2022
9/2022	1 Oct – 31 Dec 2022	665,891,216.2	0.2593	2 Mar 2023	16 Mar 2023
10/2023	1 Jan – 31 Mar 2023	192,602,550.0	0.0750	25 May 2023	8 Jun. 2023

Remark: \*Record date

#### Caused of paid-up capital reduction

No.	Causes of paid-up capital reduction
1/2018	<ul style="list-style-type: none"> <li>CPNREIT has cash remaining from the operation before the conversion, including the remaining cash due to unearned transactions before the conversion, and the adjusted net profit that exceeds the net accounting profit</li> <li>Value of immovable properties or leasehold rights over the immovable properties decrease due to valuation or review of the valuation of assets</li> </ul>
2/2020	Value of immovable properties or leasehold rights over the immovable properties decrease due to valuation or review of the valuation of assets
3/2020	Value of immovable properties or leasehold rights over the immovable properties decrease due to valuation or review of the valuation of assets.
4/2021	1 CPNREIT has excess liquidity from non-cash items recorded in accordance with the financial reporting standards.
5/2021	CPNREIT has excess liquidity from non-cash items recorded in accordance with the financial reporting standards.
6/2021	Value of immovable properties or leasehold rights over the immovable properties decrease due to valuation or review of the valuation of assets.
7/2021	CPNREIT has excess liquidity from non-cash items recorded in accordance with the financial reporting standards.
8/2022	CPNREIT has excess liquidity from non-cash items recorded in accordance with the financial reporting standards.
9/2022	CPNREIT has excess liquidity from non-cash items recorded in accordance with the financial reporting standards and value of immovable properties or leasehold rights over the immovable properties decrease due to valuation or review of the valuation of assets
10/2023	CPNREIT has excess liquidity from non-cash items recorded in accordance with the financial reporting standards.



## 7.2 Instruments Issued by CPNREIT

CPNREIT has issued debentures for debt repayment since August 2018. As of 31 December 2023, CPNREIT had 8 tranches of debentures, details are as follows:

Item <sup>1</sup>	Value (Million Baht)	Issue Date	Maturity Date	Tenor	Interest Rate (Percent)	Security	Credit Rating <sup>2</sup>
CPNREIT288A	7,390	17 Aug 2018	17 Aug 2028	10 years	3.80	None	AA-
CPNREIT243A	2,000	31 Mar 2021	31 Mar 2024	3 years	1.50	None	AA-
CPNREIT263A	1,500	31 Mar 2021	31 Mar 2026	5 years	2.13	None	AA-
CPNREIT268A	1,650	13 Aug 2021	13 Aug 2026	5 years	1.65	None	AA-
CPNREIT318A	1,000	13 Aug 2021	13 Aug 2031	10 years	2.96	None	AA-
CPNREIT272A	2,000	28 Feb 2022	28 Feb 2027	5years	2.40	None	AA-
CPNREIT272B	1,400	3 Feb 2023	3 Feb 2027	4years	2.89	None	AA-
CPNREIT262A	500	3 Feb 2023	3 Feb 2026	3years	2.77	None	AA-

### Remarks

<sup>1</sup> CPNREIT registered its debentures with the Thai Bond Market Association (ThaiBMA) on the issue date of each tranche of the debentures, and will maintain the debentures as registered securities with the ThaiBMA, or with other securities trading centers licensed and registered with the Office of the SEC, throughout the terms of the debentures.

<sup>2</sup> Credit ratings of the above debentures are referred to those made by TRIS as of 12 September 2023.

## 7.3 Structure of Unitholders

As of 28 December 2023, the top 10 unitholders holding the highest number of trust units are as follows:

No.	Names	Number of Trust Units Held (Units)	Proportion (%)
1	Central Pattana Group <sup>1</sup>	777,590,037	30.3
2	Social Security Office	191,464,600	7.5
3	Government Saving Bank	64,072,393	2.5
4	DEUTSCHE BANK AG SINGAPORE – PWM	62,224,741	2.4
5	TMB Eastspring Property and Infrastructure Income Plus Flexible Fund	57,715,100	2.2
6	K Property Infrastructure Flexible	47,914,010	1.9
7	Muang Thai Life Assurance Public Company Limited	37,170,900	1.4
8	SCB Property and Infrastructure Flexible Fund (Dividend)	29,148,625	1.1
9	Krungthai-AXA Life Insurance Public Company Limited	26,168,066	1.0
10	MFC Property Dividend Fund	25,308,605	1.0
	<b>Total Top 10 unitholders</b>	<b>1,318,777,077</b>	<b>51.4</b>
	Other unitholders	1,249,256,923	48.6
	<b>Total</b>	<b>2,568,034,000</b>	<b>100.0</b>

### Remarks

<sup>1</sup> Central Pattana Group includes Central Pattana Public Company Limited holding 661,697,175 units or 25.8% and Central Pattana Development Co., Ltd. holding 115,892,862 units or 4.5%

## 7.4 Distribution Payment

### 7.4.1 Distribution Payment Policy

The REIT Manager will pay distributions to the unitholders for a sum of not less than 90 percent of the adjusted net profit of each fiscal year. Payment will be made by not less than two times per year and within 90 days from the end of the fiscal year or the relevant accounting period of such distribution payment, as the case may be.

The adjusted net profit refers to the profits adjusted for the deduction of reserve funds for the following purposes:

- 1) Repairing, maintaining, or renovating the real properties of CPNREIT in accordance with the plan explicitly set out in the registration statement and prospectus, annual registration statement, annual report, or in accordance with the prior notice given by the REIT Manager to the unitholders.
- 2) Repaying loans that CPNREIT had taken up, in accordance with the amount explicitly set out in the registration statement and prospectus, annual registration statement, annual report, or in accordance with the prior notice given by the REIT Manager to the unitholders.
- 3) Paying distributions to unitholders who have preferential right to receive the distributions or capital returns (if any).

### 7.4.2 Distribution Payment Conditions and Restrictions

- 1) If CPNREIT holds retained earnings in any accounting period, the REIT Manager may pay distribution to the unitholders from such retained earnings.
- 2) In the event that CPNREIT is unable to pay distribution to the unitholders, the REIT Manager will notify the Office of the SEC of the reasons and provide such other necessary information in compliance with the guidelines stipulated by the Office of the SEC and will disclose to the unitholders in accordance with the criteria in the Notification No. TorJor. 20/2561.
- 3) In the case where CPNREIT has incurred accumulated losses, the REIT Manager shall not make any distribution of returns to the trust unitholders
- 4) In considering the distribution of returns, in the case where the distribution to be made per trust unit during any accounting year or accounting period is less than or equal to THB 0.10, the REIT Manager reserves the rights not to make such distribution, provided that the distribution shall be carried forward to the following distribution of returns.
- 5) The REIT Manager will comply with the policy on distribution payment, with the exception of the case where the SEC, the SEC Office and/or any competent authorities amends, changes, adds, announces, determines, instructs, approves and/or otherwise grants a waiver, in relation to the said policy. In such an event, the REIT Manager shall comply with such actions.
- 6) The REIT Manager will pay distribution to the unitholders in accordance with the unitholding proportion of each unitholder. The REIT Manager reserves the right not to pay distribution to the unitholder whose unitholding proportion exceeds the limit or does not comply with the relevant criteria in the Notification No. TorJor. 49/2555 for the portion exceeding the limit or not in compliance with the criteria. Any distributions which are not paid out will be distributed to other unitholders in accordance with their unitholding proportion.
- 7) The REIT Manager will announce payment of distribution, book closing date, and rate of distribution, by notifying to unitholders whose names appear in registration book of the unitholders on the closing date through the information system of the SET, and will also provide the Trustee with written notice.
- 8) The REIT Manager will make distribution payments by wire transfer to unitholders' accounts, or by issuing a crossed cheque payable to the unitholders bearing the names and addresses as shown in the registration book of the unitholders.
- 9) If a unitholder does not exercise its right to obtain payment of distribution of any amount within the prescription period for claims as per the Civil and Commercial Code, the REIT Manager will not utilize such distribution for any purposes, except for CPNREIT's benefits.
- 10) When considering paying the distribution to the unitholders, the REIT Manager will consider the appropriate retention of CPNREIT's cash, provided always that the REIT Manager shall act in compliance with the guidelines stipulated by the Office of the SEC.
- 11) The REIT Manager will not borrow money in order to make the distribution payments to the unitholders.

In 2024, REIT managers reserve funds for repairing, maintaining and/or renovating the real properties in an amount not exceeding THB 196 million. These reserved funds were taken into account as to determine the adjusted net profit, which in turn determined the amount of distribution payments due to the unitholders according to the notifications of the Office of the SEC.

### 7.4.3 Distribution Payments and Capital Reduction History in the Past 5 Years

CPNREIL Historical distribution of returns as follow :

Operating Period	Distribution Payment / Distribution Payment by Capital Reduction	Book Closing Date / Date of Determining List of Unitholders	Payment Date of Distribution / Payment Date of Distribution by Capital Reduction	Rate of Distribution / Rate of Distribution by Capital Reduction (Baht)
1 January 2018 to 31 March 2018	Distribution payment	24 May 2018	6 June 2018	0.3795
1 April 2018 to 30 June 2018	Distribution payment	23 August 2018	6 September 2018	0.4055
1 July 2018 to 30 September 2018	Distribution payment	21 November 2018	4 December 2018	0.4157
1 October 2018 to 31 December 2018	Distribution payment	12 March 2019	25 March 2019	0.4163
1 January 2019 to 31 March 2019	Distribution payment	28 May 2019	11 June 2019	0.4055
1 April 2019 to 30 June 2019	Distribution payment	23 August 2019	6 September 2019	0.4055
1 July 2019 to 30 September 2019	Distribution payment	22 November 2019	6 December 2019	0.4060
1 October 2019 to 31 December 2019	Distribution payment	6 March 2020	20 March 2020	0.4060
1 January 2020 to 31 March 2020	Distribution payment	27 May 2020	10 June 2020	0.2707
1 April 2020 to 30 June 2020 <sup>1/2</sup>	Payment by capital reduction	25 November 2020	8 December 2020	0.2100
1 July 2020 to 30 September 2020 <sup>2</sup>				
1 October 2020 to 31 December 2020 <sup>3</sup>	Payment by capital reduction	23 February 2021	5 March 2021	0.2612
1 January 2021 to 31 March 2021 <sup>4</sup>	Payment by capital reduction	27 May 2021	10 June 2021	0.2006
1 April 2021 to 30 June 2021 <sup>5</sup>	Payment by capital reduction	26 August 2021	10 September 2021	0.1025
1 July 2021 to 30 September 2021 <sup>6</sup>	Payment by capital reduction	19 November 2021	2 December 2021	0.0840
1 October 2021 to 31 December 2021 <sup>7</sup>	Distribution payment	3 March 2022	17 March 2022	0.0552
	Payment by capital reduction			0.1609
1 January 2022 to 31 March 2022 <sup>8</sup>	Distribution payment	20 May 2022	6 June 2022	0.1814
	Payment by capital reduction			0.0555

Operating Period	Distribution Payment / Distribution Payment by Capital Reduction	Book Closing Date / Date of Determining List of Unitholders	Payment Date of Distribution / Payment Date of Distribution by Capital Reduction	Rate of Distribution / Rate of Distribution by Capital Reduction (Baht)
1 April 2022 to 30 June 2022	Distribution payment	19 August 2022	2 September 2022	0.2800
1 July 2022 to 30 September 2022	Distribution payment	18 November 2022	2 December 2022	0.3000
1 October 2022 to 31 December 2022 <sup>9</sup>	Distribution payment	2 March 2023	16 March 2023	0.0607
	Payment by capital reduction			0.2593
1 January 2023 to 31 March 2023 <sup>10</sup>	Distribution payment	25 May 2023	8 June 2023	0.2470
	Payment by capital reduction			0.0750
1 April 2023 to 30 June 2023	Distribution payment	25 August 2023	8 September 2023	0.2900
1 July 2023 to 30 September 2023	Distribution payment	23 November 2023	7 December 2023	0.2570
1 October 2023 to 31 December 2023	Distribution payment	1 March 2024	15 March 2024	0.2570

#### Remarks

<sup>9</sup> This reflects CPNRF's operating period from 1 October 2017 to 30 November 2017, and CPNREIT's operating period from 29 November 2017 to 31 December 2017. During this time, distribution payment was made in the form of capital reduction at the rate of Baht 0.2879 per unit, and the reduced capital was Baht 636.97 million. The capital reduction, which resulted from the conversion of CPNRF to CPNREIT, comprised of retained earnings from CPNRF's operation during the period from 1 October 2017 to 30 November 2017, since CPNRF paid the last dividend in the third quarter of 2017 before its conversion into CPNREIT on 1 December 2017. As a result, the retained earnings for the same period were not distributed to CPNRF's unitholders. Upon the conversion, the retained earnings were recorded as capital from unitholders in CPNREIT's financial statements, which caused the change in the capital in the financial statements according to the accounting principles. Therefore, the distribution payment paid to the unitholders during the same period was made in the form of capital reduction; and comprised of net income from investment during the period from 29 November 2017 (date of CPNREIT's establishment) to 31 December 2017, totaling Baht 223.7 million. However, due to the conversion and transfer of assets from CPNRF to CPNREIT, the value of investment properties was then recorded in line with the latest appraisal value before the conversion, which was higher than the value of CPNRF's investment properties. In addition, the appraisal value of the Central Rama 3 Project as at 30 September 2017, which was the latest appraisal date, was not reflected a value increased after a major renovation since the shopping mall re-opened approximately 10 days prior to the end of the accounting period. Further, CPNREIT's expenses included registration fees and stamp duty, fees and expenses incurred from its investment in the Central Pattaya and Hilton Pattaya Hotel Projects in December which accounted for both realized and unrealized net losses recognized by CPNREIT in the amount of Baht 631.1 million. These two transactions were non-cash items. Therefore, CPNREIT recorded excessive liquidity that could be distributed to the unitholders.

<sup>10</sup> On 14 August 2020, the board of directors of the REIT Manager approved the deferment of the payment of distribution and/or the payment of distribution in the form of capital reduction of CPNREIT for the operating period from 1 April 2020 to 30 June 2020, since the distribution rate was lower than Baht 0.10 per unit. Accordingly, the REIT Manager reserved the right not to make the distribution payment in that period, provided that the distribution was carried forward to be paid out together with the following distribution payment according to the imposed distribution payment policy.

<sup>11</sup> On 10 November 2020, the board of directors of the REIT Manager approved the distribution payment to the unitholders in the form of capital reduction of CPNREIT for the operating period from 1 April 2020 to 30 September 2020. This distribution was made in accordance with the trust deed, since CPNREIT had incurred losses from the change in the fair value of the investment funds. Accordingly, the distribution payment was made in the form of capital reduction at the rate of Baht 0.2100 per unit, of which the distribution in the form of capital reduction was Baht 464.62 million.

<sup>12</sup> On 5 February 2021, the board of directors of the REIT Manager approved the distribution payment to the existing unitholders listed prior to the capital increase in the form of capital reduction [for]the operating period from 1 October 2020 to 31 December 2020. This distribution was made in accordance with the trust deed, since CPNREIT still incurred losses from the change in the fair value of the investment funds. Nevertheless, CPNREIT still recorded excessive liquidity from the cash receipts generated during the same operating period. Accordingly, the distribution payment was made in the form of capital reduction at the rate of Baht 0.2612 per unit, of which the distribution in the form of capital reduction was Baht 577.90 million.

- <sup>/5</sup> On 12 May 2021, the board of directors of the REIT Manager approved the distribution payment to the unitholders in the form of capital reduction of CPNREIT for the operating period from 1 January 2021 to 31 March 2021. This distribution was made in accordance with the trust deed, since CPNREIT had excessive liquidity from the record of expenses excluding cash. Accordingly, the distribution payment was made in the form of capital reduction at the rate of Baht 0.2006 per unit, of which the distribution in the form of capital reduction was Baht 515.15 million.
- <sup>/6</sup> On 11 August 2021, the board of directors of the REIT Manager approved the distribution payment to the unitholders in the form of capital reduction of CPNREIT for the operating period from 1 April 2021 to 30 June 2021. This distribution was made in accordance with the trust deed, since CPNREIT had excessive liquidity from the record of expenses excluding cash, the record of which was in compliance with the financial reporting standards. Accordingly, the distribution payment was made in the form of capital reduction in the rate of Baht 0.1025 per unit, of which the distribution in the form of capital reduction was Baht 263.22 million.
- <sup>/7</sup> On 4 November 2021, the board of directors of the REIT Manager approved the distribution payment to the unitholders in the form of capital reduction of CPNREIT for the operating period from 1 July 2021 to 30 September 2021. This distribution was made in accordance with the trust deed, since CPNREIT had recorded a loss from the change in fair value of the investment funds. Accordingly, the distribution payment was made in form of capital reduction at the rate of Baht 0.0840 per unit, of which the distribution in the form of capital reduction was Baht 215.71 million.
- <sup>/8</sup> On 16 February 2022, the board of directors of the REIT Manager approved the distribution payment to the unitholders in the form of capital reduction of CPNREIT for the operating period from 1 October 2021 to 31 December 2021. This distribution was made in accordance with the trust deed, since CPNREIT had excessive liquidity from the record of expenses excluding cash, the record of which was in compliance with the financial reporting standards. Accordingly, the distribution payment was made in the form of capital reduction at the rate of Baht 0.1609 per unit, of which the distribution in the form of capital reduction was Baht 413.20 million.
- <sup>/9</sup> On 6 May 2022, the board of directors of the REIT Manager approved the distribution payment to the unitholders in the form of capital reduction of CPNREIT for the operating period from 1 January 2022 to 31 March 2022. The distribution was made in accordance with the trust deed, since CPNREIT had excessive liquidity from the record of expenses excluding cash, the record of which was in compliance with the financial reporting standards. Accordingly, the distribution payment was made in form of capital reduction at the rate of Baht 0.0555 per unit, of which distribution in the form of capital reduction was Baht 142.53 million.
- <sup>/10</sup> On 16 February 2023, the board of directors of the REIT Manager approved the distribution payment to the unitholders in the form of capital reduction of CPNREIT for the operating period from 1 October 2022 to 31 December 2022. This distribution was in accordance with the trust deed, since CPNREIT had excessive liquidity from the record of expenses excluding cash, the record of which was in compliance with the financial reporting standards, and loss incurred from the change in the fair value of the investment fund. Accordingly, the distribution payment was made in the form of capital reduction at the rate of Baht 0.2593 per unit, [of] which the distribution in the form of capital reduction was Baht 665.89 million.
- <sup>/11</sup> On 11 May 2023, the board of directors of the REIT Manager approved the distribution payment to the unitholders in the form of capital reduction of CPNREIT for the operating period from 1 January 2023 to 31 March 2023. This distribution was in accordance with the trust deed, since CPNREIT had excessive liquidity from the record of expenses excluding cash, the record of which was in compliance with the financial reporting standards. Accordingly, the distribution payment was made in the form of capital reduction in the rate of Baht 0.0750 per unit, of which the distribution in the form of capital reduction was Baht 192.60 million





## 8. Management Structure

### 8.1 REIT Manager

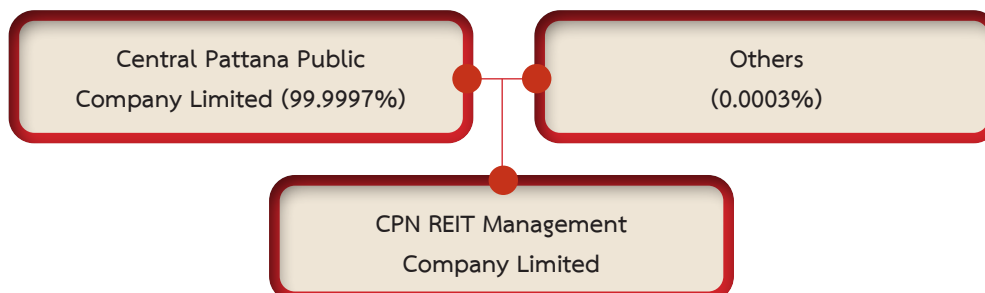
#### 8.1.1 General Information

CPN REIT Management Company Limited which acts as the REIT Manager of CPNREIT, is a limited company incorporated in Thailand on 27 June 2017 with a paid-up capital of THB 10 million, divided into 1,000,000 ordinary shares at par value of THB 10 each, with Central Pattana Public Company Limited as its major shareholder, holding 99.9997% of the total issued shares. CPN REIT Management Company Limited's main objective is to manage the real estate investment trust. Key information of the REIT Manager is presented in the table below.

Name of the REIT Manager	CPN REIT Management Company Limited
Head Office Address	No. 999/9, Rama I Road, Pathumwan Sub-district, Pathumwan District, Bangkok
Company Registration Number	0105560104638
Telephone Number	+662-667-5555 Ext. 1660
Website	<a href="http://www.cpnreit.com/th/management/reit-manager/company-information">www.cpnreit.com/th/management/reit-manager/company-information</a>
Registered Capital	THB 10 million
Paid-Up Capital	THB 10 million
Nature and Scope of Business Operation	Acting as a manager of real estate investment trusts
Major Shareholder (Shareholding Percentage)	Central Pattana Public Company Limited (holding 99.9997%)
Names of Directors	<ol style="list-style-type: none"> <li>1. Mrs. Auyporn Footrakul</li> <li>2. Mr. Pongsakorn Thienngtham</li> <li>3. Ms. Wallaya Chirathivat</li> <li>4. Ms. Napat Sriwanvit</li> <li>5. Ms. Pirinee Pringsulaka</li> </ol>
Authorized Directors	Ms. Wallaya Chirathivat and Ms. Napat Sriwanvit jointly sign with the company seal affixed.
Accounting Period	1 January – 31 December

#### 8.1.2 Shareholders' structure

- Shareholders' structure



- Shareholders of the REIT Manager as of 31 December 2023 are as follows:

Names	Number of Shares Held (shares)	Shareholding (%)
1. Central Pattana Public Company Limited	999,997	99.9997
2. Mr. Kobchai Chirathivat	1	0.0001
3. Ms. Wallaya Chirathivat	1	0.0001
4. Mr. Chanavat Uahwatanasakul	1	0.0001
<b>Total</b>	<b>1,000,000</b>	<b>100.0000</b>

- The major shareholder, which by virtue of its shareholding, has significant power over the determination of the management policy or operation of the REIT Manager:

The major shareholder and controller of the REIT Manager is Central Pattana Public Company Limited which holds 99.9997 percent of the total paid-up shares of the REIT Manager. Central Pattana Public Company Limited is a listed company on the SET in the property development sector, which conducts main businesses in developing and managing large shopping centers for rent, and conducts other related businesses to support the mixed-used shopping centers projects, i.e. residential buildings, office buildings and hotels. It also conducts other related and supporting businesses such as food courts, conference halls, water theme parks and resting areas in some of the shopping center projects. The details of the shareholding structure of Central Pattana Public Company Limited as of 31 December 2022 and 31 December 2023 are presented in the table below.

Name of Entity	Type of Business	Country of Incorporation	Central Pattana Shareholding Percentage	
				31-Dec-23
Direct subsidiaries				
Central Pattana Rama 2 Company Limited	(1) (4)	Thailand	100.0	100.0
Central Pattana Chiangmai Company Limited	(1) (2) (4)	Thailand	100.0	100.0
Central Pattana Realty Company Limited	(2) (6) (7)	Thailand	100.0	100.0
Central Pattana Rattana Thibet Company Limited	(1) (2) (4)	Thailand	100.0	100.0
Central Food Avenue Company Limited	(4)	Thailand	100.0	100.0
Central World Company Limited	(1) (2) (4) (7)	Thailand	100.0	100.0
Central Pattana Rama 3 Company Limited	(1) (4)	Thailand	100.0	100.0
Central Pattana Residence Company Limited (former name CPN Residence Company Limited)	(10)	Thailand	100.0	100.0
Central Pattana Development Company Limited	(1) (2) (4)	Thailand	100.0	100.0
CPN Global Company Limited	(6)	Thailand	100.0	100.0
Central Pattana Nine Square Company Limited	(1) (2)	Thailand	93.3	93.3
Central Pattana Khon Kaen Company Limited	(1) (2) (4) (10)	Thailand	78.1	78.1
CPN Pattaya Company Limited	(1) (2) (4) (7)	Thailand	100.0	100.0
CPN Rayong Company Limited	(1) (2) (4)	Thailand	100.0	100.0
CPN Korat Company Limited	(1) (2) (4)	Thailand	100.0	100.0
CPN Estate Co., Ltd.	(7)	Thailand	100.0	100.0
CPN Residence Khon Kaen Co., Ltd.	(6)	Thailand	100.0	100.0
Suanlum Property Company Limited	(1)	Thailand	85.0	85.0

Name of Entity	Type of Business	Country of Incorporation	Central Pattana Shareholding Percentage	
				31-Dec-23
Phraram 4 Development Company Limited	(6)	Thailand	90.0	90.0
Saladang Property Management Company Limited	(1)	Thailand	100.0	100.0
CPN REIT Management Company Limited	(11)	Thailand	100.0	100.0
Dara Harbour Company Limited	(6)	Thailand	65.0	65.0
CPN Pattaya Hotel Company Limited	(7)	Thailand	100.0	100.0
Chanakun Development Company Limited	(1)	Thailand	100.0	100.0
CPN Village Company Limited	(1)	Thailand	70.0	70.0
Bayswater Company Limited	(1)	Thailand	50.0	50.0
Central Pattana Life Company Limited	(2)	Thailand	100.0	100.0
<b>Indirect subsidiaries</b>				
Central Pattana Nine Square Company Limited	(1) (2)	Thailand	4.4	4.4
Bangna Central Property Company Limited	(1) to (5)	Thailand	99.9	99.9
Global Retail Development & Investment Limited	(6)	Hongkong	100.0	100.0
CPN Complex Company Limited	(6)	Thailand	99.9	99.9
CPN City Company Limited	(6)	Thailand	99.9	99.9
C.S. City Company Limited	(1)	Thailand	100.0	100.0
CPN Residence Management Company Limited	(12)	Thailand	100.0	100.0
CPN Ventures Sdn. Bhd.	(8)	Malaysia	100.0	100.0
Central Plaza i-City Real Estate Sdn. Bhd.	(6)	Malaysia	60.0	60.0
Grand Canal Land Public Company Limited	(1) (2) (3) (4) (8)	Thailand	67.5	67.5
Belle Development Company Limited	(1) (10)	Thailand	79.6	79.6
Belle Assets Company Limited	(6)	Thailand	100.0	100.0
Sterling Equity Company Limited	(1)	Thailand	100.0	100.0
G Land Property Management Company Limited	(1)	Thailand	100.0	100.0
Pharam 9 Square Limited	(1)	Thailand	93.1	93.1
Pharam 9 Square Hotel Company Limited	(7)	Thailand	99.9	99.9
GLAND REIT Management Company Limited (registered the completion of liquidation)	(11)	Thailand	100.0	-
Ratchada Assets Holding Company Limited	(6)	Thailand	100.0	100.0
Chipper Global Limited	(6)	British Virgin Islands	100.0	100.0
Bayswater Company Limited	(1)	Thailand	50.0	50.0
Siam Future Development Public Company Limited	(1) (2)	Thailand	99.7	99.7
Petchkasem Power Center Company Limited	(1) (2)	Thailand	74.0	74.0

Name of Entity	Type of Business	Country of Incorporation	Central Pattana Shareholding Percentage	
				31-Dec-23
Ekkamai Lifestyle Center Company Limited	(1) (2)	Thailand	51.0	51.0
Siam Future Property Company Limited	(1) (2)	Thailand	100.0	100.0
Ratchayothin Avenue Company Limited	(1)	Thailand	50.0	50.0
Ratchayothin Avenue Management Company Limited	(2)	Thailand	50.0	50.0
Pruksachat Property Company Limited	(1)	Thailand	-	100.0
CPN Global Vietnam Co.,Ltd.	(6)	Vietnam	-	100.0

**Source:** Financial Statements of Central Pattana, for the year ended 31 December 2023

### Type of Business

- Construction of shopping malls and office buildings for rent;
- Providing utility services in shopping malls;
- Construction of residential and shop houses for rent;
- Providing services in food center;
- Operator of amusement park and water theme park on shopping centers;
- Investment into real property;
- Hotel business;
- Corporate management and property management consulting services;
- Training and personnel development service;
- Real estate business for sales of land and houses and condominium units;
- Management of a real estate investment trust;
- Management of condominium juristic person and housing estate juristic person;

As of 15 March 2024, which was the latest closing date of share register book, Central Pattana has the list of top 10 major shareholders as follows\*

No.	Name	No. of Shares Held (shares)	Proportion (%)
1	CENTRAL HOLDING CO., LTD**	1,176,343,960	26.21
2	THAI NVDR CO., LTD.	362,760,073	8.08
3	SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED***	120,976,051	2.70
4	STATE STREET EUROPE LIMITED***	88,021,030	1.96
5	MR. NITI OSATHANUGRAH	83,234,500	1.85
6	UBS AG SINGAPORE BRANCH***	76,086,582	1.70
7	SOCIAL SECURITY OFFICE	74,449,700	1.66
8	BANK OF SINGAPORE LIMITED-THB SEG AC***	53,968,648	1.20
9	BANK OF SINGAPORE LIMITED-SEG***	53,490,020	1.19
10	THE BANK OF NEW YORK MELLON***	51,870,860	1.16

**Source:** The Stock Exchange of Thailand

**Remarks :** \* The top ten shareholders are ranked by Thailand Securities Depository Co., Ltd.

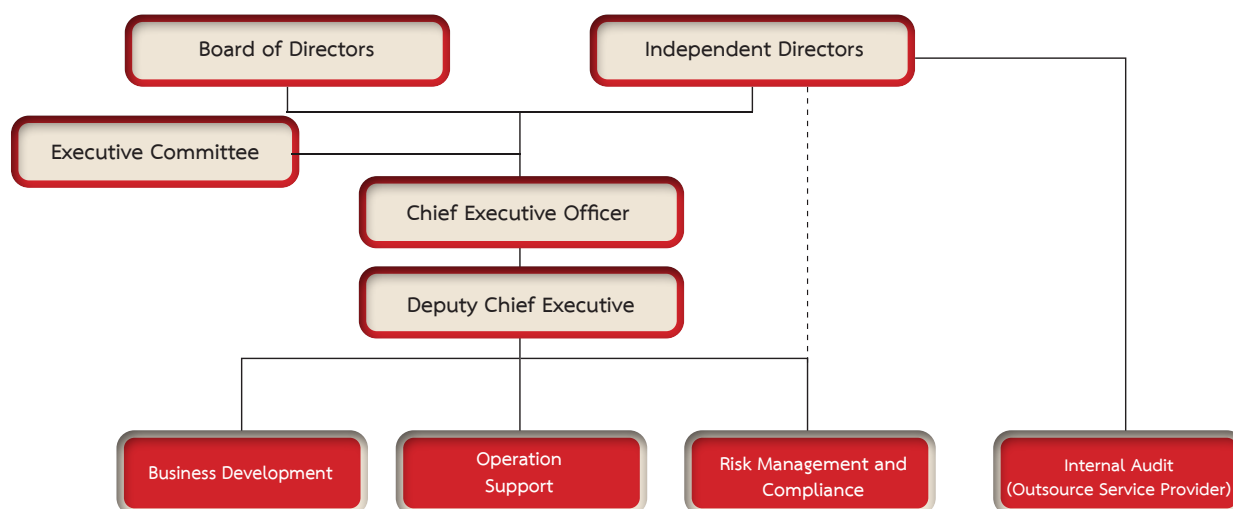
\*\* Shareholding of Chirathivat family.

\*\*\* The Share Registrar is not able to give details of the names of Shareholders; however these nominee accounts do not have any influence over the Company's strategies or operational management.

### 8.1.3 Management Structure

#### 1) Management Structure of the REIT Manager

The management structure of CPN REIT Management Company Limited which acts as the REIT Manager of CPNREIT consists of the Board of Directors, the Chief Executive Officer and employees, which is as follows:



The management structure of the REIT Manager follows the principle of the clear separation of duties and responsibilities of each department, where each department shall be independent with its own system. This structure takes into account risk control and potential conflict of interest which may arise, such that the REIT Manager will be able to manage the investment for the investors with honesty, integrity and carefulness and take into account the interests of the investors before the interest of the REIT Manager.

The management structure of CPN REIT Management Company Limited comprises the Board of Directors, the Chief Executive Officer and departments, i.e. Business Development, Operation Support, Risk Management and Compliance (which are internal departments) and Internal Audit (which is outsourced to an appointed third party) as per the structure presented above.

The REIT Manager has duty and responsibility to manage CPNREIT and supervise the Property Manager and sub-lessee of the core assets of CPNREIT, i.e. Hilton Pattaya Hotel and to manage CPNREIT in accordance with the policy of the REIT Manager, Trust Deed, REIT Manager appointment agreement, registration statement, prospectus, rules and related laws.

#### 2) Board of Directors

The Board of Directors consists of 5 directors as follows:

##### 1 Mrs. Auyporn Footrakul

Chairman and Independent Director

**Appointed on** 1 September 2019

##### Education

- Master of Management and Human Relations, Abilene Christian University, USA
- Bachelor of Business Administration, Ramkhamhaeng University
- Bachelor of Business Administration, Dhurakij Pundit University

##### Work experience

- 2016 – 2018 Bangkok Area Revenue Office 7, Revenue Department
- 2015 – 2016 Bangkok Area Revenue Office 14, Revenue Department
- 2014 – 2015 Bangkok Area Revenue Office 6, Revenue Department
- 2013 – 2014 Bangkok Area Revenue Office 28, Revenue Department
- 2013 Revenue Technical Officer, Expert Level, E-Revenue Department, Revenue Department



2	<p><b>Mr. Pongsakorn Thiengtham</b> Independent Director <b>Appointed on 1 September 2019</b> <b>Education</b></p> <ul style="list-style-type: none"> <li>- Master of Business Administration, Sasin Graduate Institute of Business Administration, Chulalongkorn University</li> <li>- Bachelor of Science, Electrical Engineering, New Jersey Institute of Technology, USA</li> </ul> <p><b>Work experience</b></p> <ul style="list-style-type: none"> <li>- 2022 – Present Director, Haad Thip Public Company Limited</li> <li>- 2017 – Present Partner, Castle Partners Company Limited</li> <li>- 2012 – Present Partner, PPK Partners Limited</li> <li>- 2017 – 2019 Advisor to the Board of Directors, CPN REIT Management Company Limited</li> <li>- 2004 – 2008 President, Corporate Finance &amp; Capital Market, Syrus Securities PCL)</li> <li>- 2001 – 2004 Managing Director, SICCO Advisory Company Limited</li> <li>- 1996 – 2000 Chief Representative, HSBC Investment Bank Asia, Bangkok</li> </ul>
3	<p><b>Ms. Wallaya Chirathivat</b> Director and Executive Director <b>Appointed on 29 November 2017</b> <b>Education</b></p> <ul style="list-style-type: none"> <li>- Advanced Management Program, Executive Course, Harvard Business School, USA</li> <li>- Master of Business Administration, University of Hartford, USA</li> <li>- Bachelor of Business Administration, University of California, Los Angeles, USA</li> </ul> <p><b>Work experience</b></p> <ul style="list-style-type: none"> <li>- 2022 – Present President and Chief Executive Officer, Central Pattana Public Company Limited</li> <li>- 2021 – Present Director and Chief Executive Officer, Siam Future Development Public Company Limited</li> <li>- 2018 – 2021 Deputy Chief Executive Officer, Central Pattana Public Company Limited</li> <li>- 2011 – 2018 Senior Executive Vice President, Business Development and Project Construction, Central Pattana Public Company Limited</li> <li>- 2005 – 2011 Executive Vice President, Business Development and Project Construction, Central Pattana Public Company Limited</li> <li>- 1998– 2004 Executive Vice President, Central Retail Corporation Company Limited</li> </ul>
4	<p><b>Ms. Naparat Sriwanvit</b> Director and Executive Director <b>Appointed on 29 November 2017</b> <b>Education</b></p> <ul style="list-style-type: none"> <li>- Certified Public Accountant (CPA), Federation of Accounting Professions Under the Royal Patronage of His Majesty the King</li> <li>- Master of Commerce and Accountancy, Thammasat University</li> <li>- Bachelor of Commerce and Accountancy, Chulalongkorn University</li> </ul> <p><b>Work experience</b></p> <ul style="list-style-type: none"> <li>- 2023 – Present Chairman of the Management Accounting Profession Committee, Federation of Accounting Professions Under the Royal Patronage of His Majesty the King</li> <li>- 2021 – Present Director, Siam Future Development Public Company Limited</li> <li>- 2020 – Present Board of Director, Federation of Accounting Professions Under the Royal Patronage of His Majesty the King</li> <li>- 2018 – Present Acting Chief Executive Officer and Executive Director, Risk Management and Management Committee, Grand Canal Land Public Company Limited</li> <li>- 2015 – Present Senior Executive Vice President, Finance, Accounting and Risk Management, Central Pattana Public Company Limited</li> <li>- 2013 – 2014 Executive Vice President, Finance, Accounting and Risk Management, Central Pattana Public Company Limited</li> <li>- 2012 – 2015 Company Secretary, Central Pattana Public Company Limited</li> </ul>

## 5 Ms. Pirinee Pringsulaka

Director

Appointed on 1 June 2021

### Education

- Master of Science in Finance, University of Illinois at Urbana - Champaign, U.S.A
- Master of Arts in International Economics and Finance, Chulalongkorn University
- Bachelor of Business Administration in International Business Management, Chulalongkorn University

### Work experience

- 2022 – Present Executive Vice President, Head of Corporate Finance, Central Pattana Public Company Limited  
Executive Director, Siam Future Development Public Company Limited
- 2017 – 2021 Chief Executive Officer, CPN REIT Management Company Limited
- 2016 Senior Vice President, Corporate Finance, Central Pattana Public Company Limited
- 2014 – 2015 Vice President, Corporate Finance, Central Pattana Public Company Limited
- 2006 – 2013 Assistant Vice President, Corporate Finance, Central Pattana Public Company Limited
- 2005 – 2006 Manager, Investment Banking, Equity Capital Markets,  
DBS Vickers Securities (Thailand) Company Limited

### 3) Roles, Duties, and Responsibilities of the Board of Directors

The REIT Manager shall have a board of directors comprising not less than three qualified directors (directors with the qualifications in accordance with the criteria specified in the Notification of the Capital Market Supervisory Board regarding Application for and Approval of Offer for Sale of Newly Issued Shares). At least one-third of the total qualified directors of the Company shall be the independent directors. In addition, the directors and the authorized management person shall not possess any prohibited characteristics according to the Notification of Capital Market Supervisory Board relating to the Prohibited Characteristics of Personnel in the Capital Market Business, mutatis mutandis, by virtue of Clause 12(4) of the Notification No. SorChor. 29/2555, or according to other regulations prescribed by the SEC Office which may be amended in the future.

The authorized director in replacement of the REIT Manager shall comprise two directors (not being the independent director) who may jointly sign and affix company's seal. The Board of Directors of the REIT Manager may delegate one director or several directors or the other person to take an action on behalf of the Board, but such delegation excludes any delegation or sub-delegation that shall enable the director or the person authorized by such director to approve the transaction in which he or she may have the conflict of interest, or benefit in other manner that contradicts the benefit of CPNREIT.

The Company stipulates that the independent director shall be the chairman of the Board of Directors to oversee and ensure that the composition and the operation of the Board of Directors, and shall facilitate decision making by use of their discretion. The chairman of the Board of Directors has a duty to:

- Oversee, follow up and ensure that the Board of Directors performs its duties effectively and achieves the objective and goals;
- Mutually determine the Board of Directors' meeting agenda by mutually discussing with the Chief Executive Officer and put in place the measures to ensure that significant matters have been listed as meeting agenda;
- Oversee and ensure that there is sufficient allocation of time for the management to propose the matter and for the directors to thoroughly discuss significant matters and to encourage directors to exercise its discretion thoroughly and to express their opinion independently.

#### 3.1) Duties and Responsibilities of the Board of Directors to the Company

- To perform the duties in accordance with laws, objectives and Company's articles of association, as well as the resolutions of the Board of Directors and shareholders' meetings with good faith, prudence, safeguarding the benefit and fairness to the shareholders of the Company and unitholders of CPNREIT, whereas such performance of duties shall not contradict the duties of the Company as the REIT Manager.
- To define the operating policy of the Company, oversee, and supervise the executives of the Company to act in conformity with the policy and regulations under the principles of good corporate governance.

- To approve the financial statements of the REIT Manager, and to report the operating performance of the Company to the shareholders.
- To oversee and control every department of the Company such that they operate with providing fair and equitable treatment to the stakeholders.
- To consider and propose crucial meeting agenda items which should be considered by the Board of Directors but had not yet been included in the agenda items of the meeting of the Board of Directors.
- To consider, select, and appoint the directors of the Company to replace those are vacated from office, as well as to select and propose the appointment of additional directors to the shareholders of the Company.
- dividend payment to the shareholders, arrangement of the shareholders' meeting as required by law, annual audit plan, selection, appointment, and remuneration of the auditors of the Company, etc.
- To provide information about the business operation of the Company, as well as relevant laws, notifications, criteria, and regulations to new directors of the Company.
- To convene at least four meetings of the Board of Directors in each year, and the attendance by more than half of the total directors shall constitute a quorum. The resolution of the board meeting shall be passed by the majority votes of the directors present at the meeting. A director with conflict of interest in that particular matter is not eligible to vote.
- To cause the Company Secretary with the duty proposing the meeting agenda items presented by each department, and of preparing the minutes of meeting of the Board of Directors and other related supporting documents.
- To evaluate the performance of the Chief Executive Officer. If the Chief Executive Officer is also a director, the director who holds the position of the Chief Executive Officer shall not be involved in considering and making a decision on such evaluation.

### **3.2) Duties and Responsibilities of the Board of Directors to CPNREIT**

- To consider and approve the crucial policies for the management of CPNREIT, e.g. policy of management of CPNREIT, the management of CPNREIT's capital structure, investment policy of real property, and policy of procurement of benefits from real property, etc., which shall be implemented by the relevant departments.
- To consider and approve initial investments in or the acquisition of real property or leasehold rights in real property, and additional investments in order to procure the benefits from those real property or from the leasehold rights of such real property as well as to supervise to ensure that those matters are in accordance with the policies of the REIT Manager, Trust Deed, REIT Manager appointment agreement, registration statement, prospectus, regulations, relevant laws, and notifications, which may be amended, and to approve the capital increase of CPNREIT as well as to file for any related permissions.
- To consider and approve the disposal of the core assets and equipment of CPNREIT to be in line with the policy of the REIT Manager, Trust Deed, REIT Manager appointment agreement, registration statement, prospectus, regulations, relevant laws, and notifications, which may be amended.
- To consider and approve the risk management and control policy related to the management of CPNREIT which shall be implemented by the relevant departments.
- To consider and approve the policies, code of conduct, and procedures to manage any related conflicts of interest, especially between CPNREIT and the REIT Manager and Connected Person of the REIT Manager. This includes the measures or guidelines to sustain the maximum interest of CPNREIT or the unitholders as a whole upon the occurrence of a conflict of interest.
- To consider and approve the transactions to be entered into between CPNREIT and the Connected Person to ensure that it complies with the criteria stipulated and notifications, which may be amended.
- To consider and select the Chief Executive Officer to manage CPNREIT.
- To consider and approve the appointment of the Property Manager to be further approved by the Trustee.
- To consider and approve the work performance of the Property Manager, for acknowledgement by the Trustee.
- To consider, select, and pre-approve the lease of the core assets to the sub-lessee that shall be further submitted to the Trustee for approval.
- To consider and approve the work systems to be outsourced to the service providers under the relevant regulations, as well as to select such outsourced service providers, for acknowledgement by the Trustee.
- To consider and approve the engagement of advisors related to the management of CPNREIT, for acknowledgement by the Trustee.
- To monitor and supervise the performance of the REIT Manager and its delegated persons to ensure that their performance is in line with the policy of the REIT Manager, Trust Deed, REIT Manager appointment agreement, registration statement, prospectus, regulations, relevant laws, and notifications, which may be amended, as well as the reporting of important matters to the Board of Directors on every quarter or when it deems appropriate, and the performance evaluation of the Chief Executive Officer.

- To consider and approve the annual budget.
- To consider and approve the special expenses and/or capital expenditure budget beyond the annual budget.
- To supervise the reporting of internal audit outcome (if any) in accordance with the defined plan and criteria.
- To consider and approve the operating performance and the distribution payment to the unitholders.
- To consider and approve the arrangement of the meeting of unitholders as deemed appropriate, which is beneficial to the management of CPNREIT, or when the unitholders jointly holding not less than 10 percent of the total issued units sign to submit a notice calling the unitholders' meeting in which the rationale of such meeting call is specified clearly.
- To consider and approve the guideline of settling the significant disputes and complaints related to the operation of CPNREIT as it deems necessary and appropriate to ensure that the complaints and disputes related to the operation of CPNREIT filed by the third persons or unitholders are solved or undertaken in other ways in accordance with the relevant laws, requirements, resolutions of the unitholders' meeting, Trust Deed, REIT Manager appointment agreement, registration statement, and prospectus.
- The Board of Directors of the REIT Manager may delegate one director or several directors or the other person to take an action on behalf of the Board, but such delegation excludes the delegation or the sub-delegation that shall enable the director or the person authorized by such director to approve the transaction in which he or she may have the conflict of interest, or benefit in other manner that contradicts the benefit of CPNREIT.
- To consider and approve the legal proceedings for the disputes occurred.

### 3.3) Duties and Responsibilities of the Independent Directors

The REIT Manager is required to have the independent director(s) as an integral part of the Board of Directors. An independent director shall have knowledge and skills beneficial to the business of the Company. He or she shall have the duties of monitoring, supervising, and examining the performance of the executives and departments of the REIT Manager to ensure that it conforms to the principle of good corporate governance, of giving opinion and support to the policy beneficial to CPNREIT and/or unitholders, or of raising an objection when it appears that the REIT Manager may make decision that may cause adverse effect to CPNREIT and/or unitholders. The independent director must be neither under control of the executives or major shareholders of the Company, nor involved or have the interest with the decision on operation of the REIT Manager and CPNREIT. The roles, duties, and responsibilities of the independent director are as follows:

- To review and provide input on the transactions made with the Connected Person of CPNREIT, or those with potential conflicts of interest, as well as the acquisition or disposal of material assets for benefits of the unitholders.
- To provide input on important matters, e.g. capital structure, policy of the REIT Manager, operation control policy, etc.
- To provide input on risk management and control policy, as well as the risk control or mitigation criteria and methods.
- To recommend or advise in the board meeting of the REIT Manager on important matters that should be considered, e.g. investment in the core assets, consideration of complaints, consideration of legal disputes, change of the sub-lessees of the core assets of CPNREIT or the Property Manager (if any), as well as to provide advice or opinion on the matters in which the independent director has the special expertise or experience and related to the management of CPNREIT.
- To consider, supervise, and advise the REIT Manager on the preparation of the financial statements of the REIT Manager and CPNREIT to ensure that they are complete and accurate.
- To recommend the important matters that should be considered in the board meeting of the REIT Manager.
- To appoint, monitor, examine, and give advice or opinion about the operation plan, evaluate the work performance, and give advice or opinion about the work performance of the internal auditor (if any), as well as to propose and provide opinion about the internal audit report in the board meeting of the REIT Manager.
- To consider the arrangement of an internal audit as deemed appropriate.
- To ensure that the advisor(s) to the Board of Directors of the REIT Manager shall not attend the meeting where the issues in which the advisor may have the conflict of interest are considered.
- To perform other actions assigned by the Board of Directors of the REIT Manager and those beneficial to CPNREIT.

According to the roles, duties, and responsibilities of the independent directors specified above, the relevant departments shall regularly submit their reports to the independent directors for consideration and acknowledgement. They shall also give advice on the connected transactions or transaction that may have the conflict of interest with CPNREIT, weakness of the internal control, improvement of the internal control, performance of duties as the REIT Manager, and progress of improvement.

To select the independent director, the REIT Manager determines that the independent director shall hold at least the following qualifications:

- Holding shares no more than one percent of the total voting right of the REIT Manager, parent company, subsidiaries, affiliates, major shareholders, or controlling persons of the REIT Manager or its Connected Person, which shall be inclusive of the shares held by persons related to such independent director under Section 258 of the SEC Act;

- Not being or having been a director participating in management, or not being an employee, a staff member, an advisor who receives a regular salary, or a controlling person of the REIT Manager, parent company, subsidiaries, affiliates, same-level subsidiaries, major shareholder, controlling person of the REIT Manager, or Connected Person unless the foregoing status has ended for at least two years prior to taking the independent directorship;
- Not having relationship by blood or legal registration in a way that makes the independent director being a parent, spouse, sibling, and children, including spouse of the children of other directors, executives, major shareholders, controlling persons, or nominated persons to be directors, executives, or controlling persons of the REIT Manager or subsidiaries;
- Neither having nor having had business relationship with the REIT Manager, parent company, subsidiaries, affiliates, major shareholders, controlling persons of the REIT Manager, or juristic persons with conflict of interest in a way which may obstruct his independent judgment, or not being significant shareholders, non-independent directors, or management having business relationship with the REIT Manager, parent company, subsidiaries, affiliates, major shareholders, or juristic persons who may be the Connected Person unless the foregoing status has ended for at least two years prior to taking the independent directorship;
- Neither being nor having been the auditor of the REIT Manager, parent company, subsidiaries, affiliates, major shareholders, or controlling persons of the REIT Manager or juristic persons who may be the Connected Person, and nor being a significant shareholder, a controlling person of the REIT Manager, a non-independent director, management, or a partner of the audit firm which employs the auditor of the REIT Manager, parent company, subsidiaries, affiliates, major shareholders, or controlling persons of the REIT Manager or juristic persons who may be the Connected Person unless the foregoing status has ended for at least two years prior to taking the independent directorship;
- Neither being nor having been any professional service provider including legal or financial advisor who receives the annual service fee in the amount of more than Baht two million from the REIT Manager, parent company, subsidiaries, affiliates, major shareholders, or controlling persons of the REIT Manager or juristic persons who may be the Connected Person, and nor being a significant shareholder, a controlling person, a non-independent director, management, or partner of such professional service provider unless the foregoing status has ended for at least two years prior to taking the independent directorship ;
- Not representing a director of the REIT Manager, major shareholders, or shareholders connecting to the major shareholders;
- Not operating business with the same nature and in competition with the REIT Manager, or its subsidiaries, nor being a significant partner in a partnership or a director involved in administration or an employee, officer, salaried advisor or holding shares more than one percent of the total shares with voting rights of other company with the same nature and in competition with the REIT Manager or its subsidiaries;
- Not being a person in the list made by the SET stating that such person shall not be an executive or management in accordance with the requirement of the SET and/or not having prohibited characteristics as specified in the Notification of the Capital Market Supervisory Board concerning the Prohibited Characteristics of Personnel in Capital Market Industry, mutatis mutandis under Clause 12(4) of the Notification No. SorChor. 29/2555 or under other regulations to be further changed by the SEC Office;
- Having never been under court ruling that he or she has breached or violated the Securities Laws, including any laws related to fund management business, securities and credit fancier business, banking, insurance, money laundering, and/or any other financial business in the same nature prescribed by relevant authorities in any jurisdictions, either Thailand or others; provided that such breach or violation be unfair trade practices in connection with securities trading, or fraud, bad faith in managing the Company; and
- Having no other things restricting him or her from giving opinions independently in connection with the operation of the REIT Manager.

In this respect, the terms “parent company”, “subsidiary”, “same-level subsidiary”, “affiliate”, “Connected Person”, “management”, “major shareholder”, “controlling person”, and “person with conflict of interest” shall have the same definitions to such terms as defined in the Notification of the Capital Market Supervisory Board regarding Application for and Approval of Offer for Sale of Newly Issued Shares.

The Board of Directors of the REIT Manager and the independent directors shall have the duties of supervising and providing necessary advice to the REIT Manager; meanwhile, the Chief Executive Officer shall have the authorities, duties, and responsibilities in controlling, monitoring, and overseeing the management of the REIT Manager to ensure that the performance of duties as the REIT Manager conforms to its policy, Trust Deed, REIT Manager appointment agreement, registration statement, prospectus, regulations, and relevant laws regarding management of CPNREIT.



### 3.4) Duties and Responsibilities of the Executive Committee

The Company set up the Executive Committee to provide flexibility in the asset management of CPNREIT, which is consistently developing and enhancing to remain competitive, and effectively responding to rapidly change of consumer behaviour as well as to maintain and repair the core assets to ensure that they are always in good condition and in position to procure the benefits. The roles, duties, and responsibilities of the Executive Committee are as follows:

- To consider and approve asset acquisition or disposition and/or expenses related to the management of CPNREIT's asset for the transaction of not exceeding Baht 100 million;
- To consider the renovation, maintenance and repairment plan of CPNREIT's assets to ensure that CPNREIT's assets are always in good condition and in position to procure the benefits prior to propose to the Board of Directors.

This includes an appointment of consultants to study, design, survey and conduct other activities related to renovation, maintenance and repairment of CPNREIT's assets.

### 3.5) Duties and Responsibilities of the Chief Executive Officer

The Chief Executive Officer has the duties and responsibilities to supervise, follow up and oversee the operation of the REIT Manager as described below.

- To formulate the operation plan in the management of CPNREIT, management of the capital structure, decision-making on investment, establishment of the strategy and policy for selection and procurement of benefits from real property under the policy of the REIT Manager;
- To consider and approve the audit plan, and to review the annual operation;
- To consider, select, and approve the employment, and approve the termination of employment, as well as other matters related to the employment of personnel by the REIT Manager;
- To oversee the operation and/or daily management as the REIT Manager, as well as to supervise the overall operation of the REIT Manager, and evaluate the work performance of the personnel of the REIT Manager to ensure that it conforms to the corporate governance policy defined by the REIT Manager, resolutions of the Board of Directors of the REIT Manager, Trust Deed, REIT Manager appointment agreement, registration statement, prospectus, regulations, resolutions of the unitholders' meeting, and laws related to the operation of the REIT Manager;
- To consider and approve the disclosure of information connected to the REIT Manager and the operation of CPNREIT;
- To consider and approve the legal proceedings suitable to the disputes occurred which are significant and under the authority of the Chief Executive Officer;
- To represent the REIT Manager, and to have the authority to assign other persons to contact with the relevant government agencies and supervisory authorities;
- To have the authority to issue, amend, add, or revise the rules, orders, and regulations in connection with the working of the REIT Manager under the policy given by the Board of Directors;
- To have any authorities, duties, and responsibilities in accordance with the assignment or policy given by the Board of Directors of the REIT Manager; and
- To have the authority in granting the sub-delegation and/or to assign other persons to perform any particular work on behalf of him/her. Such sub-delegation and/or assignment shall be under the scope of delegation as stated in the power of attorney and/or in accordance with rules, regulations, or orders stipulated by the Board of Directors of the REIT Manager. In this regard, the authorization of the duties and responsibilities by the Chief Executive Officer must not be in the manner of granting the delegation or the sub-delegation which enables the Chief Executive Officer or such person delegated by the Chief Executive Officer to approve the transactions in which he/she or the person who may have conflict of interest, or receive the benefits in any way or may have other conflicts of interest with CPNREIT.

### 3.6) Duties and Responsibilities of the Deputy Chief Executive Officer

- To organize the operation and/or day-to-day operations and administration as the REIT Manager, including supervision of overall operations of the Company in order to comply with corporate governance policy, resolutions of the Board of Directors, Trust Deed, REIT Manager appointment agreement, registration statement and prospectus, regulations, resolutions of the unitholders' meeting, and laws related to the operation of the REIT Manager, and
- To have any authorities, duties, and responsibilities in accordance with the assignment as assigned by the Chief Executive Officer.

### 3.7) Duties and Responsibilities of the Outsourced Service Provider who has been Assigned to Perform the Work

The REIT Manager may appoint an external third party to perform the duties of some departments, provided that the REIT Manager shall oversee that the performance of duties of the third person is in accordance with the policy of the REIT Manager, Trust Deed, REIT Manager appointment agreement, registration statement, prospectus, regulations, and relevant laws regarding management of CPNREIT. The duties and responsibilities of the outsourced service provider are as follows:

- The REIT Manager may assign other person to perform the internal audit work reporting directly to the independent directors who are independent and separated from other departments. The main duties are to audit and evaluate the internal operational system of the REIT Manager and to report the examination to the independent directors so as to maintain the good internal control system. The following matters shall be audited:
  - The efficiency of the internal control, the good corporate governance and the risk management;
  - The accuracy and reliable of the financial information and the non-financial information relating to the management of CPNREIT;
  - The internal control audit to prevent the conflict of interest and the transaction which may have the conflict of interest;
  - The sufficiency and efficiency of the risk management.
- The REIT Manager may assign other person to perform the duty relating to the REIT Manager business in the part of information technology, law, human resources excluding the duty to select the personnel of the REIT Manager, provided that such person shall comply with the same regulation as that of the internal staffs of the REIT Manager, such as the access to the internal information of CPNREIT, including to acknowledge the policies of the REIT Manager, relevant work performance regulations and notification.

#### Management team

1	<p><b>Ms. Pattamika Pongsurayamas</b> Chief Executive Officer <b>Appointed on 1 June 2021</b> <b>Education</b></p> <ul style="list-style-type: none"><li>- Master of Science in Investment Management, City University, London, UK</li><li>- Master of Arts in International Financial Analysis, University of Newcastle upon Tyne, UK</li><li>- Bachelor of Accountancy, Accounting Information System, Chulalongkorn University</li></ul> <p><b>Work Experience</b></p> <ul style="list-style-type: none"><li>- 2021 – Present Chief Executive Officer, CPN REIT Management Co., Ltd.</li><li>- 2019 – 2021 Deputy Chief Executive Officer, CPN REIT Management Co., Ltd.</li><li>- 2015 – 2019 Vice President, Corporate Finance, Central Pattana Public Company Limited</li><li>- 2013 – 2014 Senior Manager, Investor Relations, Thoresen Thai Agencies Public Company Limited</li><li>- 2008 – 2013 Vice President, Investor Relations, Kiatnakin Bank Public Company Limited</li><li>- 2005 – 2008 Vice President, Investor Relations, TISCO Bank Public Company Limited</li></ul>
2	<p><b>Ms. Ploypailin Tianchawalit</b> Vice President of Operation Support <b>Appointed on 17 February 2023</b> <b>Education</b></p> <ul style="list-style-type: none"><li>- Bachelor of Accounting, Thammasat University</li></ul> <p><b>Work Experience</b></p> <ul style="list-style-type: none"><li>- 2023 – Present Vice President, CPN REIT Management Company Limited</li><li>- 2020 – 2023 Deputy Vice President, CPN REIT Management Company Limited</li><li>- 2018 – 2022 Audit Assistant, KPMG Phoomchai Audit Company Limited</li></ul>

### 3 Ms. Chombongkoj Tungvirul

Acting Vice President of Risk Management and Compliance

Appointed on 10 November 2023

#### Education

- LLM, Corporate Law, The University of Edinburgh, UK
- Master of Laws, The University of Edinburgh, UK

#### Work Experience

- 2023 – Present Acting Present Vice President of Risk Management and Compliance, CPN REIT Management Company Limited
- 2023 Senior Analyst, Bangkok Bank Public Company Limited
- 2017 – 2023 Legal Officer, Legal Department, Security and Exchange Commission, Thailand

### 8.1.4 Personnel of the REIT Manager

The REIT Manager comprises 4 staff members in total as listed below.

Department	Key Responsible Persons	Work Experience
Business Development	Ms. Pattamika Pongsurayamas Chief Executive Officer and acting Head of Department	<ul style="list-style-type: none"><li>• Vice President, Corporate Finance, Central Pattana Public Company Limited (2015– 2019)</li></ul>
Operation Support	Ms. Ploypailin Tianchawalit Vice President	<ul style="list-style-type: none"><li>• Audit Assistant KPMG Phoomchai Audit Ltd. (2018 – 2020)</li></ul>
	Ms. Untika Godard Assistant Vice President	<ul style="list-style-type: none"><li>• Assistant Manager, Fund Account Ticon Industrial Connection Public Company Limited (2013 - 2017)</li><li>• Senior Accountant Golden Land Property Development Public Company Limited (2006 – 2013)</li></ul>
Risk Management and Compliance	Ms. Chombongkoj Tungvirul Vice President	<ul style="list-style-type: none"><li>• Legal Officer Security and Exchange Commission, Thailand ( 2017-2021)</li></ul>

### 8.1.5 Duties of the REIT Manager

The REIT Manager is entrusted by the Trustee with the primary duty and responsibility to manage CPNREIT, as well as to invest in the properties of CPNREIT. The REIT Manager shall perform its functions under supervision of the Trustee with the following scope of authority, duties, and responsibilities:

#### 1) Duties to CPNREIT

1.1) The REIT Manager shall conform to the principle of business conduct as follows:

- To perform its duties with knowledge and skills that may reasonably be expected as a professional, and with care and integrity. In this regard, the REIT Manager shall treat the unitholders fairly for the best interest of the unitholders as a whole. Additionally, the REIT Manager shall comply with the Trust Deed, REIT Manager appointment agreement, objectives of establishing CPNREIT, resolutions of the unitholders, and relevant laws.
- To have sufficient capital to operate the business, and to compensate for any detriment which may occur from performing the duties as the REIT Manager.
- To disclose, give opinion, or provide important and relevant information which is sufficient for making investment decision by the investors. In this regard, such information must be clearly communicated, not distorted, and not misleading.
- Not to exploit any information gained from performing the duties of the REIT Manager for its own interest, or in manner of damage or impact to the interests of CPNREIT.
- To perform its duties with prudence to avoid conflicts of interest. In the event of conflicts, the REIT Manager shall perform the actions to ensure that the investors shall be treated fairly and appropriately.
- To comply with the Securities Laws and other relevant laws on the operation of CPNREIT, code of ethics, and standards of professional conduct as defined by associations related to securities business or by

- organizations in connection with securities business recognized by the SEC Office, mutatis mutandis. In addition, the REIT Manager shall not conspire, employ, or collaborate with anyone to violate such laws or regulations.
- To cooperate with the Trustee or the SEC Office in performing their duties, and to disclose information which may significantly affect the management of CPNREIT or other information they should be notified.
  - To comply with the criteria regarding maintenance of capital as following:
    - (1) The REIT manager who receives a license to operate a securities business of a mutual fund management and commenced its business operation shall comply with the notification regarding maintenance of capital of mutual fund management company, mutatis mutandis;
    - (2) The REIT manager which is a company incorporated under Thai law other than the REIT Manager in Clause 8.1 shall comply with the notification regarding maintenance of capital of mutual fund management company, mutatis mutandis, and shall maintain capital of at least Baht 10,000,000;
    - (3) Submit the maintenance of a capital report as set out in the notification regarding maintenance of capital of mutual fund management company (excluding the attachment) to the Trustee within the same period of that required to be submitted to the SEC Office.

Provisions regarding the violation of the maintenance of capital and authorities of the SEC Office under the notification regarding maintenance of capital of mutual fund management company shall be applied the REIT manager under Clause 8.1 and Clause 8.2, mutatis mutandis.
  - (2) The REIT manager which is a company incorporated under Thai law other than the REIT Manager in Clause 8.1 shall comply with the notification regarding maintenance of capital of mutual fund management company, mutatis mutandis, and shall maintain capital of at least Baht 10,000,000;
- 1.2) The REIT Manager shall arrange to have proper operation procedures, including having an efficient check and balance system, in place, to support the work under its responsibility entirely. To ensure proper and efficient management of CPNREIT entrusted by the Trustee, the operation procedures shall at least cover the following items:
- The determination of the management policy of CPNREIT, structuring of the investment capital of CPNREIT, and formation of policy and strategy relating to the procurement of benefits from the core assets in order that the management of investment entrusted by the Trustee is under prudence, care, and in conformation to the investment policy stipulated in the Trust Deed, and in compliance with Securities Laws and relevant laws on the operation of CPNREIT, as well as to protect the interest of CPNREIT and the unitholders as a whole.
  - A system to manage the risks associated with the management of CPNREIT as assigned so as to prevent and mitigate the risks effectively.
  - To prevent the conflicts of interest, especially between CPNREIT and the REIT Manager and Connected Person with the REIT Manager, including measures or guidelines of keeping the best interest of CPNREIT or the unitholders as a whole, when a conflict of interest has arisen.
  - Selection of personnel of the REIT Manager and service providers for functions related to the operation of CPNREIT (if any) to ensure that the knowledgeable and skilled personnel with appropriate qualifications are suitable to the nature of work allocated to them.
  - Supervision of performance of the REIT Manager and related personnel including the service providers of outsourced functions related to the management of CPNREIT to ensure the compliance with the Securities Laws, relevant laws, and Trust Deed.
  - Disclosure of complete, accurate, and adequate information of CPNREIT in compliance with the provisions stipulated in the Trust Deed and Securities Laws.
  - A back-office system.
  - An internal audit and control system.
  - Investor relation, and handling of investors' complaints.
  - Handling of legal disputes.
- The REIT Manager may assign other persons to proceed with the issues related to management as the REIT Manager, provided that such assignment is in accordance with the criteria in Clause 1.3 below.
- 1.3) The REIT Manager may assign other persons to proceed with the issues related to management and operation of the REIT Manager as it deems necessary in order to enhance the effectiveness of the REIT Manager's operation according to the criteria as specified in REIT Manager appointment agreement.
- 1.4) The REIT Manager shall prepare financial statements of CPNREIT in accordance with general accounting practice as stipulated by the association which has obtained the approval from the SEC Office (association means an association relating to a securities business which obtained an approval to establish from the SEC Office, provided that the association shall have an objectives to promote and develop securities business) and submit such financial statements to the SEC Office within time specified by the SEC Office.

- 1.5) The REIT Manager shall not undertake any actions that may restrain the Trustee from performing its duties independently; for instance, investing in real property owned or possessed by the Connected Person of the Trustee.
- 1.6) The REIT Manager shall procure liability insurance possibly occurred from the business operation or performance of its functions as the REIT Manager, as well as the performance of its directors, executives, and personnel, throughout the terms of the REIT Manager appointment agreement, which is in accordance with the operating procedures of the REIT Manager.
- 1.7) The REIT Manager shall convene the unitholders' meetings to consider and vote as specified in the Trust Deed, such as amendment to the Trust Deed, capital increase of CPNREIT, change of the Trustee, etc.
- 1.8) In the event an advisor is appointed to provide advice or recommendations related to investment and management in real property, the REIT Manager shall act in accordance with the following regulations:
- To arrange for the advisor to declare his/her conflicts of interest in issues under consideration; and
  - To not allow the advisor with direct or indirect conflicts of interest in issues under consideration to get involved in the decision making on such issues.
- 1.9) For transactions related to real property for CPNREIT, the REIT Manager shall comply with the following criteria:
- To proceed to ensure that the sales, disposal of, transfer of real property, or entering into an agreement relating to real property for CPNREIT is done appropriately and is enforceable by law; and
  - To proceed to ensure that the investment in real property of CPNREIT is done appropriately, and to perform at least the following actions:
    - (a) To conduct self-assessment on preparedness to manage the investment in that property before accepting the assignment as the REIT Manager or before making any additional investment in such real property for CPNREIT, as the case may be.
    - (b) To carry out an analysis and feasibility study, and to undertake due diligence for real property, including the assessment of various risks that may arise from the investment in those real property together with the risk management guideline. Such risk exposures shall include the risk associated with the development or construction of real property (if any), such as the risk from the delayed construction and the inability to procure benefits from real property, etc.
- 1.10) To arrange for the core assets invested by CPNREIT to be appraised by Appraisal Company in accordance with the relevant laws, under the regulations stipulated in the Trust Deed and relevant laws. For example, appraisals prior to an acquisition or disposal of the core assets of CPNREIT, review of the appraised value of the core assets of CPNREIT, periodical appraisal of the value of the core assets in compliance with the relevant laws, etc.
- 1.11) To arrange for real property to be invested by CPNREIT to be professionally examined and reviewed in accordance with the relevant laws, including the condition of the real property, capability of the counterparty of agreement, financial and legal information, appropriateness of other aspects, etc., which shall be used to support decision-making on investment and information disclosure of CPNREIT. Under any circumstance where the REIT Manager is unable to perform its duty, the Trustee shall manage CPNREIT as deemed necessary in order to prevent, refrain, or limit any severe damage to the interest of CPNREIT or the entire unitholders. In this regard, the Trustee may appoint other person to manage CPNREIT instead during such period.
- 1.12) To perform any actions to acquire the core assets or real property to be additionally invested by means of the capital increase by CPNREIT within 60 days from the complete establishment of CPNREIT in the event of an initial public offering, or from the closing date of the offering of trust units in the event of an offering of trust units for capital increase of CPNREIT.
- 1.13) The real property investment shall apply to the acquisition of ownership or possession right of the real property only. For possession rights, it shall be the acquisition of the title for which certificates of utilization in the category of Nor.Sor.3 Kor, or the acquisition of leasehold rights that is only subject to the certificates of utilization by means of possession right in the form of Nor.Sor. 3 Kor.
- 1.14) The real property acquired shall not be under the enforcement of real rights, or have any disputes, unless the REIT Manager and the Trustee have provided the opinion in writing that such enforcement of real right or disputes do not have any significant impact on the provision for benefits from such properties and the conditions for the acquisition of such properties are still beneficial to the unitholders as a whole.



- 1.15) The agreement pertaining to the acquisition of real property shall not have any provision or obligation that may obstruct CPNREIT to sell such real property at a fair price at the time of selling, such as the agreement granting the right of first refusal to the counterparty in purchasing real property from CPNREIT with the purchasing price fixed in advance; or may cause CPNREIT to bear more responsibility than what should be under normal situation when the lease agreement expires.
- 1.16) To arrange for CPNREIT to maintain non-life insurance or insurance covering benefits of the unitholders similar to or replacing the non-life insurance against damage caused by the core assets as mutually agreed by the counterparty and not contrary to the relevant laws, third party liability insurance against damage caused by the core assets or operations related to the core assets. Such insurance shall be procured from an acceptable insurer with an insured sum at least sufficient and appropriate for the provision for benefits from the core assets.
- 1.17) To provide opinion on transactions related to the acquisition of the core assets together with rationale and related supporting information in the document seeking approval from the unitholders or the invitation letter calling the unitholders' meeting to consider capital increase for additional investment in the core assets by CPNREIT.
- 1.18) Upon disposal of the core assets, to arrange for an Appraisal Company to appraise the value of the core assets, call the unitholders' meeting for approval resolution, obtain consent from the Trustee, and disclose the information according to the regulations specified in the Trust Deed and the relevant laws.
- 1.19) In the event of a change in the REIT Manager, to arrange the new REIT manager to agree to perform the duties in accordance with the Trust Deed and relevant laws, except in the case where the unitholders' meeting passes the resolution of appointing a new REIT manager as nominated by the Trustee since the REIT Manager is unable to seek for any person to replace it within the specified period. Meanwhile, the former REIT Manager shall provide necessary cooperation to ensure successful handover of the works.
- 1.20) In the event of a modification or an amendment of the Trust Deed, the REIT Manager shall oversee to ensure that the modification or amendment is in line with the conditions and methods specified in the Trust Deed and relevant laws. Following the completion of the modification or amendment, the REIT Manager shall submit a copy of the new Trust Deed to the SEC Office within 15 days from the signing date or the date on which the Trust Deed is modified or amended (as the case may be).
- 1.21) In the event of a change in Trustee, the REIT Manager shall notify the unitholders and the SEC Office of such change within the time frame specified in the Trust Deed.
- 1.22) To apply for approval to offer the units of CPNREIT in the event of a capital increase by filing related documents and evidence, and duly certifying correctness and completeness of the information regarding the performance of its functions in the filings.
- 1.23) To give opinion on the ability of the revenue guarantor in honoring the obligations under the guarantee of revenue agreement (if any).
- 1.24) To proceed to list the sold units or newly issued units (in the event of a capital increase) on the SET within 45 days from the closing date of unit offering.
- 1.25) To proceed to allocate the units to any person or Associated Persons in accordance with the ratio and rules stipulated by the relevant laws and regulations.

## 2) Duties in the Management of CPNREIT and Properties of CPNREIT

- 2.1) To give opinion to the relevant competent officers regarding the qualifications and characteristics of real property invested by CPNREIT upon request from the relevant authorities.
- 2.2) To supervise and monitor the core assets sub-lessee to manage, renovate, improve, and maintain the core assets to ensure that they are always in good conditions and ready for use to procure the benefits as specified in the annual actions plan, Trust Deed, and relevant laws.
- 2.3) To arrange for the core assets to be renovated, restored, and modified as deemed necessary and appropriate without violating or contradicting the Trust Deed and relevant laws including the land lease agreement made with the owner of the land where the core assets are located and its amendments, and the real property sublease agreement, and other related movable property lease agreement with the sub-lessee of the core assets. In this regard, prior notice to the Trustee is required.
- 2.4) To oversee and manage the core assets including the procurement of benefits from such core assets, emergency management, and renovation of real property as deemed necessary. In the event of a major renovation, prior notice to the Trustee is required.
- 2.5) To manage and procure the benefits from other properties of CPNREIT apart from the core assets, and undertake any necessary actions to ensure that the management of other properties of CPNREIT is in compliance with the annual action plan, Trust Deed, and relevant laws.
- 2.6) To supervise and monitor the sub-lessee, including taking any actions to enable the Trustee and/or the sub-lessee to obtain a license, waiver, or other required documents to procure benefits from the core assets.

- 2.7) To facilitate the examination of the core assets by CPNREIT or other persons designated by the Trustee within the working dates and hours of the REIT Manager. In this regard, the REIT Manager shall also give information and testimony and/or deliver any documents (except for information and testimony and/or any documents related to the intellectual property rights of the REIT Manager or its subsidiaries) upon request of the Trustee as deemed necessary and appropriate.
- 2.8) To facilitate the survey of properties of CPNREIT for value appraisal by the Appraisal Company or other persons designated by such Appraisal Company. The REIT Manager shall also give information and testimony and/or deliver any documents (except for the information and testimony and/or any documents related to the intellectual property rights of the REIT Manager or its subsidiaries) upon request of the Appraisal Company as deemed necessary and appropriate.
- 2.9) To arrange to have any documents related or relevant to the core assets possessed by the REIT Manager and/or possessed by CPNREIT, including any accounting documents and evidence related or relevant to CPNREIT for the Trustee or the persons designated by the Trustee and/or the auditors to examine within the working dates and hours of the REIT Manager. The REIT Manager shall also deliver any documents related or relevant to CPNREIT requested by the Trustee or the persons designated by the Trustee and/or the auditors (as the case may be) within 15 business days from the date on which such request is acknowledged or should be acknowledged, except on reasonable ground or otherwise agreed by the counterparty of the agreement.
- 2.10) To control, supervise, and monitor the sub-lessee of the core assets, and to cooperate with the Trustee and/or the sub-lessee of such core assets to enable the Trustee and/or the sub-lessee of the core assets to pay fees and property tax (or any other similar taxes) arising from the core assets; and to contact, coordinate, provide information, submit documents, and pay withholding taxes deducted by the Trustee and/or any other taxes related to the management of the REIT Manager to relevant competent officers of the relevant authorities.
- 2.11) To control, supervise, and monitor the sub-lessee of the core assets to perform its duties as specified in the relevant real property subleasing agreements, movable property lease agreements, Trust Deed, and relevant laws.
- 2.12) To notify the Trustee of the following issues in due time: (a) existence of any damage or defect of the core assets including other equipment and facilities or upon occurrence of the event that will result in the reduction in the value of the core assets significantly; and (b) a material breach of agreement by the sub-lessee of the core assets.
- 2.13) To undertake any other actions as CPNREIT deems necessary and appropriate to ensure that the core assets are in good condition and ready for procuring the benefits or exactly in line with the objectives of the REIT Manager appointment agreement. In addition, the REIT Manager shall also provide advice on the market situation in the event that CPNREIT wishes to sell or assign the leasehold right, or sublease the core assets.

### **3) Duties in the Preparation of the Accounting and Reports, and Documents relating to Management and Internal Audits**

- 3.1) To prepare and disclose the information of CPNREIT to the SEC Office, the SET, the Trustee, and unitholders with the provisions stipulated in the Trust Deed and Securities Laws; and to submit the annual report of CPNREIT to the Trustee and unitholders together with the invitation letter to the unitholder's meeting.
- 3.2) To arrange to have the accounting and various financial reports related to the management of CPNREIT and its core assets as assigned by the Trustee or as deemed necessary and appropriate, in place; and to submit such accounting reports and documents to the SEC Office, the SET, and unitholders within the time frame specified by the Trustee to be in conformity with the Securities Laws, relevant laws, and orders of relevant competent officers.

In this regard, the REIT Manager shall prepare such accounting reports in accordance with the Securities Laws and relevant laws by segregating the properties and/or any interests arising from the core assets invested by CPNREIT and/or any other properties that had been accepted and/or should be accepted by the REIT Manager on behalf of CPNREIT from its own properties. With this respect, the REIT Manager shall maintain the documents and evidence supporting the accounting process and accounting records for at least 5 (five) years according to the relevant laws (Accounting Act and Revenue Code), provided that it shall be kept in the complete condition and ready for examination by the Trustee for at least 1 (one) year pursuant to REIT Manager appointment agreement.

- 3.3) To prepare and deliver the following documents to the Trustee within the time frame assigned by the Trustee in order to comply with the Notification No. TorJor. 20/2561 and other relevant notifications, including Securities Laws and other relevant laws, including an order of relevant government officer:

- Reports indicating financial status and operating results, for example, financial statements, interim management discussion and analysis, annual report, and annual registration statement. Those shall be delivered to the Trustee in advance not less than 3 (three) days prior to the due date of the submission of such reports to the SEC Office according to the Notification No. TorJor. 20/2561 and other relevant notifications.
- The REIT Manager shall disclose the information via SET portal and arrange for a communication channel to convey the information according to the criteria specified in the Notification No. TorJor. 20/2561 and other relevant notifications.
- Report of total asset value, net asset value and value of trust units of CPNREIT as at the last business day of each quarter, including the calculation of net asset value of principle asset as at the last business day of each quarter to the Trustee to be used with the calculation of net asset value of CPNREIT and such value of trust units. The report shall be delivered to the Trustee to consider and approve within 30 (thirty) days from the last day of each quarter, and the REIT Manager shall disclose such approved information from the Trustee via SET portal or other appropriate channels, such as announcement on newspaper or website, etc., within 45 (forty-five) days from the last day of each quarter.
- The total asset value, net asset value and value of trust units appeared in such report shall be in accordance with the criteria as specified in the Notification No. TorJor. 20/2561 and other relevant notifications.
- A progress report of development of principle asset in case where CPNREIT invests in the under-construction principle asset, which shall be done every 6 (six) months from the date of investment in principle asset and delivered to the Trustee in advance not less than 3 (three) days prior to the due date of the disclosure of such report according to the Notification No. TorJor. 20/2561 and other relevant notifications.
- The REIT Manager shall disclose such approved information by the Trustee via SET portal or other appropriate channels, such as announcement on newspaper or website, etc., within due date of the disclosure of such report according to the Notification No. TorJor. 20/2561 and other relevant notifications.
- The latest full report of real estate appraisal which shall be delivered to the Trustee not less than 7 (seven) days prior to the due date of the announcement of the net asset value of CPNREIT to the unitholders, and the REIT Manager shall disclose such latest report for investors information by any means via appropriate channels, such as announcement on newspaper or website, etc., within the due date of the disclosure of such report according to the Notification No. TorJor. 20/2561 and other relevant notifications.
- Information regarding management of CPNREIT in significant matters and guidelines for the management of CPNREIT in the future, and REIT Manager shall disclose the information via SET portal and arrange for a communication channel to convey the information according to the criteria specified in the Notification No. TorJor. 20/2561 and other relevant notifications.
- Information regarding an appointment of CPNREIT's auditors and audit expenses, and the REIT Manager shall disclose via SET portal and arrange for a communication channel to convey the information according to the criteria specified in the Notification No. TorJor. 20/2561 and other relevant notifications.
- Present information regarding loan and transaction creating encumbrance of CPNREIT which shall be delivered to the Trustee prior to the date of transaction together with the loan agreement;
- Information regarding transaction which Trustee views that it has significant impact to the assets of CPNREIT and is requested by the Trustee which shall be delivered to the Trustee in advance not less than 14 (fourteen) days prior to the date of execution of the transaction.

The aforesaid reports are just formats and samples of primary requirement. Trustee and REIT Manager may modify, increase or reduce the number and type of reports, or change the reporting format in the future as mutually determined by the counterparties to comply with the Securities Laws and relevant laws, and orders of relevant competent officers.

#### 4) Duties in the Execution of Agreements relating to the Procurement of Benefits from Real Property of CPNREIT

- 4.1) To procure benefits from the core assets by the way of leasing and/or subleasing of real property only, whereby the aggregate value shall not be less than 75 percent of the total issued units, including loan amounts (if any).
- 4.2) To control, supervise, implement the measures to control and undertake any other actions as deemed necessary and appropriate as the REIT Manager to ensure that the sub-lessee and/or the third persons related to the management of the core assets perform their functions in accordance with the duties, conditions and/or agreements specified in the sublease agreements and/or any other agreements related to the core assets, as well as the rules, criteria, regulations, and any provisions of the core assets or policy related to the core assets.
- 4.3) To prepare the lease agreement, the service agreement, the public utilities service agreement, the outsourcing service agreement, and any other agreements related to the core assets (if any).
- 4.4) To proceed and/or arrange for the cash reserve maintained from the rental deposit collected from the tenants of the shopping malls being the core assets of CPNREIT to be sufficient to the projected contract terms and the deposits to be returned in each period.

## 5) Management

The REIT Manager has separated all affairs in the Company into three departments to ensure that the performance of duties is in line with the Company's policy, Trust Deed, REIT Manager appointment agreement, registration statement, prospectus, rules, and laws related to the management of CPNREIT. The duties and responsibilities of each department are summarized below.

### 5.1) Business Development Department

Business Development Department has the following main duties: preparing the work plan and strategy to procure the benefits from the core assets of CPNREIT; setting up the marketing plan, sales promotion, public relation, and competition strategy to ensure that the core assets of CPNREIT is able to generate the compensation as expected; examining and reviewing the real property to be invested by CPNREIT; preparing the investment plan and proposing the capital structure and appropriate fund sources for investment in the core assets by CPNREIT; seeking for and selecting a new Property Manager and/or sub-lessee of the core assets when it is changed; monitoring and evaluating the performance of the Property Manager and sub-lessee of the core assets; and managing and maintaining the core assets of CPNREIT in the appropriate and ready condition for benefit procurement.

### 5.2) Operation Support Department

Operation Support Department has the following main duties: preparing the budget of CPNREIT; preparing and disclosing the material information of CPNREIT, including but not limited to, the quarterly and yearly financial statements, total asset value, net asset value, unit value, and other information about the core assets to ensure that they comply with the relevant requirements; monitoring and supervising the provision of insurance relating to the operation of the core assets of CPNREIT in accordance with the relevant requirements; and proposing the engagement of the outsourced service providers for both CPNREIT and the REIT Manager to the Chief Executive Officer for approval.

### 5.3) Risk Management and Compliance Department

Risk Management and Compliance Department has the following main duties: examining and monitoring the risks associated with the operation and investment of CPNREIT; setting up the appropriate measures to mitigate such risks; supervising and monitoring the operation of CPNREIT to ensure that it complies with relevant regulations and the operating manual; overseeing and monitoring the personnel connected to the operation of CPNREIT to have the appropriate qualifications in accordance with their job characteristics and relevant requirements; overseeing and preventing the occurrence of conflicts of interest between CPNREIT and Connected Person; setting up the appropriate measures to manage the conflicts of interest; and ensuring the preparation of reports and disclosure of information about CPNREIT are in accordance with the relevant criteria.

## 8.1.6 Method and Conditions for Replacement of REIT Manager

### 1) Grounds for Replacement of REIT Manager

- 1.1) The REIT Manager has informed the SEC Office in writing expressing its intention to terminate the performance as the REIT Manager who has been approved by the SEC Office and the SEC Office has granted the approval thereof;
- 1.2) The SEC Office revokes the approval for being REIT Manager or orders a suspension of operation as REIT Manager for the remaining period of the approval;
- 1.3) The validity of the approval is expired, and the REIT Manager does not apply for renewal;
- 1.4) The REIT Manager has been ordered by the Court for the control of the property, the Court has ordered for the rehabilitation or the REIT Manager ceases to be the juristic person;
- 1.5) Resolution of unitholders to remove the REIT Manager since the REIT Manager has violated or does not comply with its duties or does not have the qualification in accordance with relevant laws prescribed in the REIT Manager appointment agreement and the Trustee has already provide written termination letter for the REIT Manager appointment agreement to the REIT Manager;
- 1.6) The REIT Manager has informed its intention to resign from being the REIT Manager as specified in the REIT Manager appointment agreement;
- 1.7) The REIT Manager has exercised its right to terminate the agreement as stipulated in the REIT Manager appointment agreement in the event the Trustee has intentionally breached or does not comply with its duties, agreement of the significant nature or has breached the material representation as prescribed in the REIT Manager appointment agreement; or
- 1.8) The REIT Manager cannot comply with criteria regarding maintenance of fund capital according to the relevant notifications.

## 2) Resignation of REIT Manager

In the event the REIT Manager wishes to resign, it shall inform the resignation in writing to the unitholders by disclosing through the information system of the SET and shall provide written notice to the Trustee not less than 90 days in advance prior to the effective resignation date. In this regard, it shall not cause damage to the beneficiary and the Trustee. During the period that the Trustee is not able to appoint the new trustee, the former trustee shall perform its duties until the new trustee can fully perform its duties replacing the former trustee in accordance with the REIT Manager appointment agreement. The period for such former trustee to perform its duties shall not be more than 90 days from the termination date of the REIT Manager appointment agreement.

## 3) Procedure in case REIT Manager cannot Perform its Duties

In any circumstances, in the event the REIT Manager cannot perform its duties, the Trustee shall manage CPNREIT as necessary to protect, prevent or restrict severe damage to the benefit of CPNREIT or unitholders as a whole. The Trustee can delegate other person to manage CPNREIT during such period in accordance with the Trust Deed.

## 4) REIT Manager's Duties after the Resignation

After resignation, the REIT Manager is required to, as follows:

- 4.1) To deliver the work, work system, list of customers, accounting, documents and any information relating to its duties as the REIT Manager whether the trade secret information to the Trustee and/or the new REIT manager, as well as perform any act as reasonably requested by the Trustee so that the new REIT manager can perform its duties consistently for the maximum benefit of CPNREIT and unitholders as a whole.
- 4.2) To keep the trade secret information confidential by not disclosing the information, draft of drawing, list of customers and other documents that have the nature of trade secret information of CPNREIT to third person without obtaining the written consent from CPNREIT.
- 4.3) To perform any other acts as deem appropriate so that the new REIT manager can perform its duties consistently according to the REIT Manager appointment agreement which shall include certify the accuracy of the items delivered to the Trustee or the new REIT manager.

## 5) Method for Appointment of New REIT Manager

The Trustee shall request for unitholders' resolution to appoint a new REIT manager within 60 days from the occurrence date of the grounds for the replacement of the REIT Manager and shall appoint the person approved by unitholders within 30 days from the resolution date or any other period according to the notification of the SEC Office. In the event of the request for the resolution but does not obtain the approval, the Trustee is entitled to appoint the new REIT manager by itself taking into the consideration of the maximum benefit of unitholders as a whole.

In the event the Trustee cannot appoint the new REIT manager since there is no person with the appropriate qualification or no person interests in being the REIT Manager, the Trustee has the duty to perform the duty in replacement of the REIT Manager as prescribed in Trust Deed and under the regulations prescribed in the Securities Laws and other relevant laws.

### 8.1.7 Other Trust Management by CPNREIT

At present, CPN REIT Management Co., Ltd. (who is the REIT Manager) does not manage other real estate investment trusts. In performing the duty of the Trustee and the REIT Manager in accordance with Trust Deed and other relevant agreements, the Trustee and the REIT Manager have to exercise in due care to prevent the conflict of interest between CPNREIT and the Trustee or the REIT Manager in accordance with the following protocols:

- 1) The Trustee and the REIT Manager shall not have any other interest which may be conflict with the best interest of CPNREIT and should there be the case of the conflict of interest, they might be able to demonstrate that there is the mechanism to management CPNREIT for the best interest of CPNREIT and unitholders as a whole;
- 2) In the event the REIT Manager also manages other real estate investment trusts, the core assets of CPNREIT that have been applied for the sale of the trust units shall not be the same type as that of the core assets of other real estate investment trusts;



- 3) CPNREIT shall not enter into any transaction which may cause the Trustee not being able to perform its duty independently, such as the acquisition of real property from Connected Person of the Trustee which may resulting in the Trustee not being able to provide the opinion regarding to the performance of the REIT Manager independently.

## 8.2 Property Manager

### 8.2.1 Central Pattana Public Company Limited

- Details of Property Manager

Name	Central Pattana Public Company Limited
Address	999/9, Rama 1 Road, Pathumwan Sub-district, Pathumwan District, Bangkok
Company Registration Number	0107537002443
Registered Capital	THB 2,244,000,000
Paid-up Capital	THB 2,244,000,000
Telephone	+662-667-5555
Website	www.centralpattana.co.th

- Shareholders' structure

As of 15 March 2024 which was the latest closing date of share register book, Central Pattana Public Company Limited's top 10 major shareholders are as follows\*:

No.	Names	Number of Shares Held (shares)	Proportion (%)
1	CENTRAL HOLDING COMPANY LIMITED**	1,176,343,960	26.21
2	THAI NVDR COMPANY LIMITED	362,760,073	8.08
3	SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED***	120,976,051	2.70
4	STATE STREET EUROPE LIMITED***	88,021,030	1.96
5	MR. NITI OSATHANUGRAH	83,234,500	1.85
6	UBS AG SINGAPORE BRANCH***	76,086,582	1.70
7	SOCIAL SECURITY OFFICE	74,449,700	1.66
8	BANK OF SINGAPORE LIMITED-THB SEG AC***	53,968,648	1.20
9	BANK OF SINGAPORE LIMITED-SEG***	53,490,020	1.19
10	THE BANK OF NEW YORK MELLON***	51,870,860	1.16

Source: The Stock Exchange of Thailand

Remarks : \* The top ten shareholders are ranked by Thailand Securities Depository Co., Ltd.

\*\* Shareholding of Chirathivat family

\*\*\* The registrar is unable to provide details of the names of shareholders. However, these nominee accounts do not have any influence over the determination of policies or management of CPN REIT Management Company Limited.

The details of organization structure and the annual report of Central Pattana are disclosed at [www.centralpattana.co.th](http://www.centralpattana.co.th).

## 8.2.2 Grand Canal Land Public Company Limited

- Details of Property Manager

Name	Grand Canal Land Public Company Limited (“GLAND”)
Address	33/4, Rama 9 Road, Huay Kwang Sub-district, Huay Kwang District, Bangkok
Company Registration Number	0107538000118
Registered Capital	THB 6,535,484,202
Paid-up Capital	THB 6,499,829,661
Telephone	0-2246-2323
Website	<a href="http://www.grandcanalland.com">www.grandcanalland.com</a>

- Shareholder Structure

As of 29 February 2024, which was the latest closing date of share register book, Grand Canal Land Public Company Limited’s top 10 major shareholders are as follows:

No.	Names	Number of Shares Held (shares)	Proportion (%)
1	CPN Pattaya Company Limited	4,389,418,545	67.53
2	Bangkok Broadcasting & Television Company Limited	1,191,604,274	18.33
3	Great Fortune Equity Company Limited	306,299,005	4.71
4	GL Assets Company Limited	281,501,347	4.33
5	BBTV Asset Management Company Limited	153,837,243	2.37
6	Mrs. Kanthong Udommahuntisuk	16,068,457	0.25
7	BBTV Satelvision Company Limited	10,486,593	0.16
8	Mr. Samon Suwannarat	8,720,300	0.13
9	Mr. Phahol Pao-in	6,709,500	0.10
10	Thai NVDR Co.,Ltd	4,785,961	0.07

Source: Grand Canal Land Public Company Limited

The details of organization structure and the annual report of GLAND are disclosed at [www.grandcanalland.com](http://www.grandcanalland.com)

### 8.2.3 Sterling Equity Company Limited

- Details of Property Manager

Name	Sterling Equity Company Limited (“Sterling”)
Address	33/4, Rama 9 Road, Huay Kwang Sub-district, Huay Kwang District, Bangkok
Company Registration Number	0105539047078
Registered Capital	THB 1,800,000,000
Paid-up Capital	THB 1,800,000,000
Telephone	0-2354-2301-4
Website	-

### 8.2.4 Duties and Responsibilities of the Property Manager

The Property Manager has the following duties and responsibilities:

- 1) To maintain and manage the day-to-day operation of CPNREIT’ real property to be in good condition and in position to procure the benefits;
- 2) To collect revenues and procure benefits from real property and other related assets;
- 3) To comply with agreements or other duties as specified in the Property Manager appointment agreement;
- 4) To perform other duties as stipulated by the SEC, the Capital Market Supervisory Board or the SEC Office or other duties that assigned by the Company.

## 8.3 Sub-Lessee

- General Information

CPN Pattaya Hotel, in which Central Pattana hold 100.0% of the total issued shares and is a limited company registered in Thailand on 25 September 2017, acts as the sub-lessee of the hotel building of CPNREIT. Details of the company are as follows;

Name	CPN Pattaya Hotel Co., Ltd.
Objectives	To be the sub-lessee and to operate Hilton Pattaya business under CPNREIT
Registered Capital	THB 200,000,000
Major Shareholder	Central Pattana Public Company Limited (Holding 100.0%)

#### Duties and Responsibilities of the Sub-Lessee

- 1) To select and engage a person to manage hotel business or to perform in any function or duty under the sub-lease objectives as specified in the Sub-Lease Agreement;
- 2) To maintain and manage CPNREIT’s properties to ensure they are always be in good condition and primed for benefit procurement;
- 3) To comply with agreements, rules, conditions or other duties as specified in the Sub-Lease Agreement;
- 4) To perform other duties as stipulated by the SEC, the Capital Market Supervisory Board or the Office of the SEC to be duties of the property manager or other duties that the REIT management company assigned.

## 8.4 Trustee

### • General Information

Name	SCB Asset Management Company Limited
Address	No. 18, SCB Park Plaza 1, 7 - 8th Floors, Ratchadapisek Road, Chatuchak Sub-district, Chatuchak District, Bangkok 10900
Company Registration Number	0105535048398
Registered Capital	THB 200,000,000
Paid-up Capital	THB 100,000,000
Telephone	0-2949-1500
Website	www.scbam.com

### • Shareholding Structure

As of 3 July 2023, the Trustee's shareholders are as follows:

Lists of Name	Number of Shares (Share)	Shareholding Percentage (%)
1. The Siam Commercial Bank Public Company Limited	19,999,998	99.999990
2. Miss Achara Sattarasar	1	0.000005
3. Mr. Donnutt Panpiemras	1	0.000005
Total	20,000,000	100.000000

### • Relevant Licenses

The Trustee has obtained a license to operate trustee business since 18 September 2013.

#### Duties and Responsibilities of the Trustee

- The Trustee has the duty to manage CPNREIT with integrity and prudence for the best interest of the unitholders, in accordance with the Trust Deed and the relevant laws as well as the additional obligations specified in the statement to the unitholders (if any), provided that there is no limitation on the Trustee's liability in the event of failure.
- The Trustee has the duty to monitor the REIT Manager or any other assignee (if any) to perform its duties under the Trust Deed and relevant agreements.
- The Trustee has the duty to attend every unitholders' meeting. If there is a request for a resolution of the unitholders' meeting to undertake any action, the Trustee shall perform the following acts:
  - (3.1) to respond to questions, and provide opinions on such action, particularly whether it complies with the Trust Deed or the relevant laws; or
  - (3.2) to make an objection and inform the unitholders that such action is impracticable if the proposed action would be in conflict with the Trust Deed or the relevant laws.
- The Trustee has the duty to enforce debt repayment or oversee the enforcement of debt repayment to ensure compliance with the agreements between CPNREIT and third persons.
- The Trustee has the duty to take over the management of CPNREIT in the event of the absence of the REIT Manager or in the event whereby the REIT Manager cannot perform its duties, subject to the criteria prescribed in the Notification No. KorRor. 14/2555 any relevant laws.
- The Trustee shall have other rights, duties, and responsibilities in managing CPNREIT as prescribed in terms and conditions of the Notification No. KorRor. 14/2555 and other relevant laws.
- In addition to the management of CPNREIT's core assets, the Trustee is responsible for the management and procurement of benefits from non-core assets and taking any other necessary actions to ensure that the management thereof is in accordance with the Trust Deed and relevant laws. The Trustee may assign the REIT Manager to manage investments in relation to non-core assets on its behalf.

8. The Trustee is responsible for amending the Trust Deed to comply with the SEC Office orders.
9. The Trustee shall be prohibited from setting off the obligations arising beyond the performance of the trusteeship duties owed by the Trustee to a third person against the obligations arising from the management of CPNREIT owed to the Trustee by the third person. Any set-off of obligations in conflict with this provision shall be void.
10. In entering into a juristic act or a transaction with a third person for benefits of CPNREIT, the Trustee shall notify the third person in writing that it acts in the capacity of a trustee.
11. The Trustee shall prepare the accounts of the assets of CPNREIT separately from any other accounts under its responsibility. If the Trustee manages several REITs, the Trustee shall prepare the accounts of the assets of each REIT separately. In doing so, the Trustee shall keep such accounts correct and up-to-date.  
In managing CPNREIT, the Trustee shall separate the assets of CPNREIT from the assets which it holds in its own capacity and any other assets in its possession. If the Trustee manages several REITs, the Trustee shall separate the assets of each REIT.
12. If the Trustee fails to perform its duty under Clause 11, which causes the assets of CPNREIT to be mixed with the assets held in its own capacity to the extent that it is unable to distinguish CPNREIT's assets from that which the Trustee holds in its own capacity, it shall be presumed that:
  - (12.1) The mixing assets are assets of CPNREIT;
  - (12.2) The damage and liability arising from mixing the management of the assets shall be borne by the Trustee in its own capacity; and
  - (12.3) The benefits arising from the management of the mixing assets belong to CPNREIT.

The mixing assets as mentioned in paragraph one shall include the assets that are transformed into a different form or status.
13. If the Trustee fails to perform its duty under Clause 11, which causes the assets of several REIT to be commingled to the extent that it is unable to distinguish to which REIT the assets belong, it shall be presumed that the commingled assets, including those that are transformed into a different form or state, and any benefits or obligations arising from the management thereof shall belong to each REIT proportionate to the amount each REIT contributed to the commingled assets.
14. The management of CPNREIT is the Trustee's personal duty. The Trustee shall not delegate its duty to other persons except for in the following cases:
  - (14.1) It is otherwise specified in the Trust Deed;
  - (14.2) The transaction is not personal in nature and does not require the professional capability of a trustee;
  - (14.3) The transaction that a reasonable and prudent owner of the assets of the same characteristics as those of CPNREIT, who manages such assets with similar objectives as those of CPNREIT, may delegate a third person to manage such assets;
  - (14.4) The safekeeping of assets, preparation of the unitholders registration book as well as monitoring, allocation of distributions or provision of support operation services may be delegated to an affiliated company of the Trustee or the REIT Manager or another registrar approved by the SET; and
  - (14.5) Any other cases being under responsibility of and actions by the REIT Manager specified in the Trust Deed or the criteria prescribed in the Notification No. TorJor. 49/2555, Notification No. KorRor. 14/2555, and Notification No. SorShor. 29/2555 or other relevant notifications or requirements and their amendments.

If the Trustee acts in violation of the above, any act taken shall bind the Trustee personally and shall not bind CPNREIT.
15. If the Trustee lawfully delegates the management of CPNREIT to the other person in accordance with Clause 14, the Trustee shall exercise prudence and care in selecting such assigned person as well as adequately and thoroughly supervise and review the delegated management in a careful manner. The Trustee shall establish the operational measures in relation to work delegation in compliance with the criteria prescribed in the SEC Notification No. KorKhor. 1/2553 Re: Work System, Contact with Investors, and General Business Operation of Trustee as follows:
  - (15.1) Selection of appropriate persons for delegation of duties which takes into account the readiness of the work system and of the delegated persons, as well as any possible conflict of interest between the delegated persons and CPNREIT;
  - (15.2) Supervision and evaluation of the performance of the delegated persons; and
  - (15.3) Actions to be taken by the Trustee when it appears that the delegated persons are no longer appropriate for further delegation of duties.

The SEC may prescribe and notify the details of the actions to be taken by the Trustee in such event.
16. In the event of a change of the Trustee, if the new trustee finds that the previous management of CPNREIT is not in compliance with the Trust Deed or the Trust Act, and causes damage to CPNREIT, the new trustee shall take the following actions:
  - (16.1) Claiming for damages from the liable Trustee; and
  - (16.2) Deriving the assets from the third persons, regardless whether such assets have been directly acquired by the former Trustee and regardless whether the assets had been transformed into a different form or state, except in the event that the third persons had acquired those assets in good faith, in exchange for payment of consideration, and did not know or there were no reasonable grounds that the third persons should have known that those assets had been acquired as a result of unlawful management of CPNREIT.



17. For management of CPNREIT and delegation to the third persons to manage CPNREIT in accordance with Clause 14, if there are expenses or if the Trustee is required to make payments to or surrender other assets to the third persons out of the monies or assets held in its own capacity due to necessity and appropriateness, the Trustee shall be entitled to obtain reimbursement from CPNREIT, unless the Trust Deed specified that the Trustee has an obligation to make payments or surrender other assets.  
The right to obtain reimbursement for monies or assets under the paragraph above shall have priority the Trustee has over the claim of unitholders and third persons with property or other rights over CPNREIT and may be immediately exercised and at any time prior to the dissolution of CPNREIT. If it is necessary to change the form or state of the assets of CPNREIT in order to obtain monies or assets for reimbursing the Trustee, the Trustee shall be entitled to do so, provided that such act is taken in good faith.  
To protect assets of CPNREIT, the SEC Office may impose the requirements or measures for the Trustee to advance its personal fund or assets to the third party under the first paragraph or exercise the Trustee's right to reimbursement under the second paragraph.
18. The Trustee shall be prohibited from exercising the right under Clause 17 unless it has performed all of its obligations in favor of CPNREIT, except if those obligations can be set off in accordance with the Civil and Commercial Code.
19. If the Trustee fails to manage CPNREIT in compliance with the Trust Deed or the Trust Act, the Trustee shall be liable for the damage sustained by CPNREIT.  
However, the Trustee may, in the case of necessity and where there are reasonable grounds in the interest of CPNREIT, apply for the approval of the SEC Office prior to undertaking any action in the management of CPNREIT in a manner that is inconsistent with the provisions under the Trust Deed. The Trustee shall not be liable under the paragraph above if it manages CPNREIT in accordance with the approval of the SEC Office in good faith and in the best interest of CPNREIT.
20. The Trustee has the duty to ensure that the material details of the Trust Deed are in compliance with the relevant laws. If the Trust Deed is amended, the Trustee shall act in accordance with the following criteria:
  - (20.1) Ensuring that any amendment to the Trust Deed complies with the procedures and conditions prescribed in the Trust Deed and the criteria prescribed in the relevant laws;
  - (20.2) If an amendment of the Trust Deed does not comply with Clause (20.1), the Trustee shall proceed in accordance with the scope of authorities and duties as specified in the Trust Deed and the Trust Act in order to safeguard the rights and benefits of the unitholders as a whole; and
  - (20.3) In the case of any subsequent amendment to the criteria relating to the offering for sale of the trust units or management of CPNREIT promulgated under the SEC Act and the Trust Act, and the existing provisions of the Trust Deed are not in compliance therewith, the Trustee shall amend the Trust Deed to be in line with the amended criteria by following the procedures specified in the Trust Deed or as in accordance with the orders of the SEC Office.
21. The Trustee has the duty to monitor, supervise, and review the performance of duties of the REIT Manager or any other delegated person (if any) to ensure that it shall comply with the Trust Deed, the relevant laws, and any other relevant notifications prescribed by the SEC or the SEC Office. The aforementioned duties shall also include the following:
  - (21.1) Ensuring that the management of CPNREIT by the REIT Manager has obtained the approval of the SEC Office for the entire period of existence of CPNREIT, except for the event in Clause 23;
  - (21.2) Monitoring, supervising, and undertaking actions as necessary to ensure that the delegated person is fully qualified and complies with the criteria prescribed in the Trust Deed and the relevant laws, including dismissing the current delegated person and appointing another person to replace such person;
  - (21.3) Overseeing the investment of CPNREIT to be in line with the Trust Deed and the relevant laws as well as the prospectus;
  - (21.4) Overseeing the complete information of CPNREIT is accurately disclosed as prescribed in the Trust Deed and the relevant laws; and
  - (21.5) Giving opinions relating to undertaking actions or entering into transactions for CPNREIT by the REIT Manager and other delegated persons (if any) in support of the request for a resolution at a unitholders' meeting or disclosing information about CPNREIT to the unitholders or at the request of the SEC Office.
22. If the REIT Manager acts or omits an act causing damage to CPNREIT, or fails to perform its duties in accordance with the Trust Deed or the relevant laws, the Trustee shall have the following duties:
  - (22.1) Reporting the matter to the SEC Office within five business days from the date on which the Trustee becomes aware of or should have been aware of such fact;
  - (22.2) Rectifying, preventing, or mitigating such damage to CPNREIT as it deems appropriate.
23. In the case where the REIT Manager is incapable of performing their duties, the Trustee has the authority as specified in the Trust Deed and the Trust Act to manage CPNREIT as necessary to prevent, inhibit or limit serious damage and preserve the benefits of CPNREIT or unitholders as a whole and to arrange for the new REIT manager.  
The Trustee may manage CPNREIT under the first paragraph or appoint any person to manage CPNREIT during that time provided that such person shall manage CPNREIT according to the scope, regulation and conditions as specified in the Trust Deed.

24. If the Trustee is also a unitholder of CPNREIT, the Trustee shall, in casting votes or taking any act as a unitholder, take into account the best interest of the unitholders as a whole by adhering to the principles of good faith and due care, including avoidance of any conflict or impact on the performance of its duties as the Trustee of CPNREIT.
25. The Trustee shall arrange for the preparation of the unitholders registration book and may assign the trust unit registrar to prepare such register on its behalf.  
The unitholders registration book under paragraph one shall contain at least the following details:
  - (25.1) General Details
    - (a) Names of the REIT manager and trustee;
    - (b) Number of trust units, par value, paid-up capital, and date of issuance; and
    - (c) Restrictions on transfers (if any).
  - (25.2) Details of Unitholder:
    - (a) Name, nationality, and address of the unitholder;
    - (b) Trust unit number (if any) and the number of trust units held;
    - (c) Date, month, and year of unitholder registration or termination;
    - (d) Date, month, and year of issuing or canceling the trust unit certificate (if any); and
    - (e) The registered request number to record or change the registered item (if any).
26. The Trustee shall provide evidence representing the rights in the trust units for delivery to the unitholders in accordance with the following minimum criteria, except in the case where such evidence is prepared in accordance with TSD system, in which case the particulars of the said evidence shall be as determined by TSD.
  - (26.1) The necessary and sufficient information for unitholders to use as evidence of their rights as a unitholder in claiming their rights against the Trustee, the REIT Manager, and third persons;
  - (26.2) Contact information of persons related to the management of CPNREIT, such as the trustee, the REIT manager, and the trust unit registrar, etc;
  - (26.3) Information showing that unitholders are unable to sell trust units back to CPNREIT or redeem the trust units, and if there are other restrictions on the rights of unitholders, such restrictions shall be clearly specified.
27. Subject to Clause 26, if the unitholders request the Trustee or the trust unit registrar to issue evidence representing their rights in the trust units or trust unit certificates in order to replace those which have been lost, faded, or materially damaged, the Trustee shall issue such evidence or ensure that the same is issued to the unitholders within a reasonable time period.

The unitholders may study details about the scope of authorities, duties, and responsibilities of the Trustee in the Trust Deed.

## 8.5 Information of Other Persons relating to CPNREIT

### 8.5.1 Auditor

Name : KPMG Phoomchai Audit Ltd.  
Address : 50th Floor, Empire Tower, 1 South Sathon Road, Yannawa Sub-district, Sathorn District, Bangkok  
Tel. : +662-677-2000

### 8.5.2 Trust Unit Registrar

Name : The Thailand Securities Depository Company Limited  
Address : 93, 14th Floor, Ratchadaphisek Road, Dindaeng Sub-district, Dindaeng District, Bangkok  
Tel. : +662-009-9999

### 8.5.3 Appraisal Companies

- (1) Name : Quality Appraisal Company Limited  
Address : Head Office No. 110/52, Anyamanee Village, Soi Lardprao 18, Yaek 8, Lardprao Road, Chompol Sub-district, Chatuchak District, Bangkokjk  
Tel. : +662-513-1674-5
- (2) Name : TAP Valuation Company Limited  
Address : No. 74, Soi Nakniwas 6, Nakniwas Road, Lardprao Sub-district, Lardprao District, Bangkok  
Tel. : +662-105-4781
- (3) Name : Siam City Appraisal Company Limited  
Address : No. 731, PM Tower, 4th Floor, Asoke-Dindaeng Road, Dindaeng Sub-district, Dindaeng District, Bangkok  
Tel. : +662-247-4715-6, +662-248-0116-7

### 8.5.4 Advisors

#### Legal Advisor

- 1) Name : LS Horizon Limited  
Address : No. 93/1 Wireless Road, Lumpini Sub-district, Pathumwan District, Bangkok  
Tel. : 0-2627-3443
- 2) Name : Chandler MHM Limited  
Address : 17th and 36th Floors, Sathorn Square Office Tower, 98 North Sathorn Road, Silom, Bangrak Bangkok  
Tel. : 0-2009-5000

#### Financial Advisors

- 1) Name : KASIKORNBANK Public Company Limited  
Address : 400/22 PhahonYothin Road, Sam Sen Nai Sub-district, Phaya Thai District, Bangkok 10400  
Tel. : 02-888-8888
- 2) Name : Maybank Securities (Thailand) Public Company Limited  
Address : The Office at Central World Building  
No. 999/9, 20th -21st and 25th Floors, Rama One Road, Pathumwan Sub-district, Pathumwan District, Bangkok  
Tel. : 02-658-6300



## 9. Corporate Governance



### 9.1 Corporate Governance Policy

The REIT Manager recognizes the importance of corporate governance that it is crucial for the management of CPNREIT and the trust unitholders' trust. Corporate governance also enables the trust unitholders, investors, and the public to know and examine the management of the REIT Manager. All this, the REIT Manager shall manage CPNREIT in accordance with the relevant laws, Trust Deed, and other related regulations as well as the principle of good corporate governance in order that the said policy is tangibly implemented.

The REIT Manager has disclosed the Code of Business Conduct for directors, executives and employees, as well as policies and implementing guidelines on [www.cpnreit.com](http://www.cpnreit.com).

### 9.2 Sub Committee

The Structure of directors of the REIT Manager consists of: The Board of Directors and the Executive Committee with details as shown in the topic "Management Structure"

### 9.3 The Meeting of REIT Manager

#### 9.3.1 Board of Directors Meeting

The REIT Manager imposes that the Board of Directors shall have at least one meeting in each quarter to consider the general affairs of the REIT Manager and CPNREIT. The meeting procedures of the Board of Directors are as follows:

1. The REIT Manager shall deliver the notice to the meeting, meeting agenda items together with other supporting documents with adequate and necessary information to be considered by each director prior to the meeting date in order that he or she has sufficient time to study all information in advance.
2. The agenda items of the board meetings shall be proposed for acknowledgement or approval such as operating performance of the REIT Manager and CPNREIT, annual budget of CPNREIT, distribution of return to the trust unitholders, arrangement of the trust unitholders' meeting, investment in additional assets, entering into connected transactions, preparation of business plan and investment, and progress of business plan implementation, etc.
3. At least over a half of the total number of directors attending each meeting shall constitute a quorum. Each director is eligible to vote. A resolution of the Board of Directors shall depend on the majority votes by the directors present at the meeting. A director with conflict of interest in any matter shall be ineligible to vote on such particular matter.
4. In every meeting, the Chairman shall allocate sufficient time for the management to present documents and information for discussion, and for the Board of Directors to discuss the critical issues. Each director is free to express his or her opinion, and to propose any agenda.
5. The REIT Manager shall record the minutes of each meeting, collect all meeting documents accurately and completely so that the document can be audited, and get the meeting minutes approved by the board meeting for further evidence.

### 9.3.2 Noteworthy transactions proposed to the Board of Directors in the past year

For the year ended 31 December 2023, CPNREIT had proposed the following noteworthy transactions for the Board of Directors to consider:

No.	Date	Agenda	Resolution	Rationale
1/2023	16 Feb 2023	<ul style="list-style-type: none"> <li>Distribution of Returns from operation period 1 Oct – 31 Dec 2022</li> <li>The 2023 Annual General Meeting of Trust Unitholders via Electronic Media (E-AGM)</li> </ul>	<ul style="list-style-type: none"> <li>To pay distribution of returns to trust unitholders at THB 0.3200 per unit comprising of distribution of return of THB 0.0607 per unit and payment in form of capital reduction of THB 0.2593 per unit on 16 Mar 2023</li> <li>To convene the 2022 Annual General Meeting of trust unitholders via Electronic Media (E-AGM)</li> </ul>	<p>To comply with CPNREIT distribution payment policy and relevant regulations</p> <p>To comply with the Trust Deed and relevant regulations</p>
2/2023	11 May 2023	Distribution of Returns from operation period 1 Jan – 31 Mar 2023	To pay distribution of returns to trust unitholders at THB 0.3220 per unit, comprising of distribution of return of THB 0.2470 per unit and payment in form of capital reduction of THB 0.0750 per unit on 8 Jun 2023	To comply with CPNREIT distribution payment policy and relevant regulations
3/2023	26 Jun 2023	The 2023 Extraordinary General Meeting of Trust Unitholders via Electronic Media (E-AGM)	To convene the Extraordinary General Meeting of trust unitholders No. 1/2023 via Electronic Media (E-AGM)	To comply with the Trust Deed and relevant regulations
4/2023	10 Aug 2023	Distribution of Returns from operation period 1 Apr – 30 Jun 2023	To pay distribution of returns to trust unitholders at THB 0.2900 per unit on 8 Sep 2023	To comply with CPNREIT distribution payment policy and relevant regulations
5/2023	9 Nov 2023	Distribution of Returns from operation period 1 Jul – 30 Sep 2023	To pay distribution of returns to trust unitholders at THB 0.2570 per unit on 7 Dec 2023	To comply with CPNREIT distribution payment policy and relevant regulations

## 9.4 Control on the Use of Inside Information

### 9.4.1 Corporate Governance Policy

The REIT Manager's policy is to stringently comply with all and any laws, notifications, regulations, orders, or circular letters as amended or issued by the SEC Office and the SET. The REIT Manager has formulated a policy requiring every director and executive to report his or her conflict of interest and trading of trust units to the Risk Management and Compliance Department. Further, such securities holding report shall be submitted to the SEC Office.



#### 9.4.2 Control on the Use of Inside Information

The Risk Management and Compliance Department shall set up the measures and guideline of preventing the conflicts of interest between CPNREIT and persons who may have conflict of interest in order to sustain the best benefits of CPNREIT and the unitholders as a whole. The said measures include:

##### 1. Disclosure of matters in which directors and management may have an interest

- 1) The Risk Management and Compliance Department has the duty of submitting the Disclosure of Interests Form to all directors and executives in order that they disclose their interests prior to taking up office and whenever there is a change of any director or the executive to be aware of all Connected Persons with CPNREIT, and reporting the securities held by them and their spouse as well as their minor children who hold the trust units for which the Company acts as the REIT Manager; and reporting any change of such holding of securities.
- 2) The directors and executives of the Company have the duty of promptly reporting to the Risk Management and Compliance Department on the interests they and the related persons have as resulted by their management of CPNREIT when they obtain the Disclosure of Interests Form or they become aware of such interest. The Risk Management and Compliance Department requires that the directors and executives report their trading of trust units to the Risk Management and Compliance Department within three business days after the purchase, sales, or transfer of trust units.
- 3) Upon the receipt of the aforesaid information, the Risk Management and Compliance Department has the duty of examining the information disclosed by the directors and executives, and any change in such interests. The examination shall include the inquiry and checking with websites of the relevant agencies or other reliable public information sources in order to verify completeness and accuracy of information disclosed by the directors and executives in the Disclosure of Interests Form.
- 4) After checking with the reliable public information sources, the Risk Management and Compliance Department shall record or print out the examination results, which shall be kept as evidence together with the Disclosure of Interests Form disclosed by the directors and executives for further examination.

##### 2. Guideline on protection and use of inside information

The REIT Manager has set up a guideline on the protection and use of inside information, summarized as follows:

1. To define in writing, the code of conduct and best practice for the employees of the Company, particularly, the exploitation of inside information, which shall be communicated to its new personnel who must read and sign for acknowledgement on the first date of working in the Company, and re-sign after any change.
2. To limit the receipt and use of inside information. In this regard, the Company operates under the need-to-know basis. The information received by the personnel or department shall be kept confidential and not be disclosed to other unrelated persons.
3. To set up an efficient control system to prevent any unrelated persons to know inside information by:
  - a. arranging for the use of password to access into the electronic data in the computer system, and the said password shall be changed regularly;
  - b. setting up the access control matrix which specifies to which data files can be accessed by each officer. In this regard, the Risk Management and Compliance Department shall review and update the access right if any officer resigns or is reshuffled;
  - c. keeping the documents in a safe place or in a cabinet or a locked room; and destroying all unused documents; and
  - d. setting up a security system in the workplace to prevent the third persons; for instance, rooms can be locked, or room access shall be permitted by an officer card or finger print scan.
4. The officers of the Company permitted to receive inside information as well as the directors and executives shall report their purchase or sales of trust units to the Risk Management and Compliance Department whenever their holding of trust units is changed within three business days. In this regard, the Risk Management and Compliance Department may randomly examine the completeness and accuracy of the said report with any public information sources.
5. The Risk Management and Compliance Department shall perform the following actions to ensure that the executives and officers who have been aware of inside information shall not exploit it by making a transaction, which can possibly affect the price of trust units or other securities, e.g. purchase and sales of properties of CPNREIT:
  - a. To list the securities of which the related transactions must be monitored (i.e., placing them on a watch list);
  - b. To send e-mail messages to all related executives and officers regarding such securities;

- c. When such list is disclosed to the public, the Risk Management and Compliance Department shall move such list of securities to the account of the restricted list, and send the e-mail message to all related executives and officers under Clause b above, as well as the officers who may have chance to exploit inside information (if any); and
  - d. When the personnel who have received inside information of the Company have no chance to exploit such inside information for their purchase and sales of securities, the Risk Management and Compliance Department shall notify the executives and officers under Clause c) above of revoking those securities from the restricted list.
6. Prior to perform works that may affect the price of trust units or securities, the Company has the policy for an external service provider to sign the non-disclosure agreement by prohibiting the assignees including the executives and employees of the assignees to use the information for the specified period of time. However, if the service is to produce media, publications, or advertising in which information has already been disclosed to the public such as an annual report, invitation letter to a meeting of unitholders, in such cases, the non-disclosure agreement will not be required.
  7. The Company provided the channel for employees to report the behavior that is in suspected of the violation of law or the code of conduct without revealing the employees' identification. The reporting results will be directly sent to independent directors, and the independent directors will arrange for an investigation.

## 9.5 Procedures and Factors for Decision Making on Investment and Management of CPNREIT

In making decision on investment in real property, the REIT Manager shall select and conduct due diligence on the properties to be invested by CPNREIT with prudence and care and in conformity with the investment policy as stated in the Trust Deed, registration statement, prospectus, objectives of establishing CPNREIT, as well as the relevant rules and laws. All information about the selection, examination, and decision whether to invest in any properties shall be recorded and kept for reference under the following working procedures:

### 9.5.1 Working Procedures

1. The REIT Manager shall select the core assets to be invested by taking into account the prospect and feasibility of investment and business operation, risks associated with investment or acquisition of such core assets, as well as preliminary details about the location and type of assets, and capital structure management of CPNREIT in investing in those assets, which shall be in accordance with the following criteria and procedures:
  - (1) It is the investment in the property to acquire ownership or possession right. Acquisition of possession right shall be one of the followings:
    - (a) Acquisition of real property for which certificates of utilization in the category of Nor.Sor.3 Gor. have been issued; or
    - (b) Acquisition of leasehold right in real property for which certificates of utilization in the category of Nor. Sor.3 Kor. have been issued. In the case where CPNREIT invests in the leasehold rights of real property that demonstrate the nature of subleasing, the REIT Manager shall put in place risk mitigation or remedy of damage which may occur due to the breach of the lease agreement or the failure to exercise the rights under the lease agreement.
  - (2) The real property to be acquired are not subject to any enforcement of property rights or any dispute unless the REIT Manager and the Trustee, after consideration, have expressed their opinions in writing that such property right or dispute does not significantly affect the procurement of benefits from such property, and the conditions on acquisition of such properties remain beneficial to the unitholders as a whole.
  - (3) The agreement to be entered into for acquisition of the properties shall not contain any arrangements or obligations which may deprive CPNREIT to dispose of the properties at a fair price (when the disposal is made), for instance, an agreement granting the right of first refusal to the counterparty in purchasing property from CPNREIT with the purchasing price fixed in advance, or may cause CPNREIT to bear more responsibility than what should be for the lease under normal situation when the lease agreement expires.
  - (4) The real property acquired together with real property that CPNREIT has previously owned shall be ready to procure the benefits not less than 75 percent of the total value of the trust units offered plus the amount of loans (if any). CPNREIT may invest in a construction project; however, the value of the investment to be acquired and to be utilized for development in order to complete the project, including for further procurement of benefits shall not be greater than 10 percent of the total asset value of CPNREIT (after offering for sale of the trust units), and it is shown that there is sufficient working capital for such development without any impact to the continuity of CPNREIT.

2. The REIT Manager may engage advisors in various expertise, e.g. financial advisor, auditor, legal advisor, or engineering consultant, etc. to study the issues relating to decision on investment, and examination or due diligence on the real property in accordance with the criteria stipulated in Clause 9.4.6 (b) below. The REIT Manager shall assess possible risks deriving from investment in such real property, and provide the guideline of mitigating them. Such risks shall include those relating to the property development or construction (if any) to ensure that the REIT Manager has studied and considered all information and important factors associated with its decision on property investment thoroughly, accurately, and adequately.
3. After taking into account the study result under Examination and Due Diligence on the Real Property to be Invested by CPNREIT and the REIT Manager is of opinion that such real property are qualified under the determined criteria, the REIT Manager shall undertake the actions in accordance with the procedures for the acquisition of additional core assets under Acquisition of the Core Assets, and also take the actions to obtain consent from the Trustee that the investment and/or acquisition of such property complies with the provisions stipulated in the Trust Deed, relevant agreements, and relevant laws, and to ask for approval in conformity with the criteria stipulated in the Trust Deed and relevant laws.
4. In considering the disposal of the core assets, the REIT Manager shall assess those to be disposed of by considering the strength, weakness, and opportunities of making profit, as well as risks from disposing of such core assets. In this regard, the REIT Manager shall follow the procedures for the disposal of the core assets under Clause 9.4.6 (d), which includes the actions to obtain consent from the Trustee that the investment and/or acquisition of such real property complies with the provisions stipulated in the Trust Deed, relevant agreements, and relevant laws, and to ask for approval in conformity with the criteria stipulated in the Trust Deed and relevant laws.

### 9.5.2 Examination and Due Diligence on the Real Property to be Invested by CPNREIT

When the REIT Manager selects the core assets in accordance with the determined procedures, it shall, prior to each acquisition of the core assets and equipment (if any), examine or conduct due diligence on all information and agreements related to the core assets and equipment (if any) such as financial and legal information, etc. to ensure the right decision and disclosure of true information. For the said examination and due diligence, the REIT Manager shall examine and conduct due diligence on the following matters:

1. Examination on real property and counterparty
  - (1) To study the counterparty's capability to perform a juristic act, as well as completeness, accuracy, and enforceability of the documents of entitled rights or relevant documents. In the event the real property to be invested is located in other country, the REIT Manager shall examine and review the capability of CPNREIT in acquiring and possessing real property under the relevant laws of that country. The opinion of the legal advisor specializing in laws of such country is also required to be enclosed with the examination and review to ensure that the purchase, sales, transfer, or entering into the agreements relating to the real property for CPNREIT is lawful and valid
  - (2) To study the status of the real property to be invested by CPNREIT that should involve at least the following issues:
    - (2.1) To consider the location, economic status, and previous competition of that type of real property, as well as tendency, continuity, and consistency of income from such type of real property in the future. For example:
      - (a) To consider the occupancy rate at least for the past three years (and where the real property has been operated for less than three years, to consider the information from the commencement of its operation) in order to compare its competitiveness with other competitors.
      - (b) To compare the past rental rate or rental price of such property with other competitors in order to assess the probabilities of income generating, and of adding returns in the future.
      - (c) To analyze other information related to the market condition of such property, e.g. economic growth affecting both demand and supply in the market.
    - (2.2) To consider the property value, which should be high enough to provide benefits from economies of scale in the management of CPNREIT.
    - (2.3) To analyze the track record on financial status, operating performance, and net benefit at least for the past three years, and consider, during the last two years, the operating performance in each month to assess the seasonal effect to the revenue (and where the real property has been operated for less than three years, to consider the information from the commencement of its operation). For example:
      - (a) To analyze the expenses and profit from the previous lease whether they are higher or lower or close to other properties in the same or similar type in order to formulate a plan to control and revise the expenses to make the good return to CPNREIT.

- (b) To consider the operating performance of other similar properties located nearby, as well as the demand and supply of that type of real property in order to assess the risks, income fluctuation, and appropriateness of long-term investment where the real property that has been newly constructed and has no track record or it has been operated for less than three years.
  - (c) If the real property is situated on the location with potential of obtaining more rental than the track record whereas the building is still in good condition and ready for use to procure benefits without adding much investment, if CPNREIT wishes to invest in it, the REIT Manager shall provide a clear plan regarding the improvement of the management or marketing plan to enable such property to procure more benefits in the future.
- (2.4) To analyze and assess previous information about the tenants, e.g. records of rental payment, renewal of the lease agreement by the existing tenants, rental increase, tenants' types of business and nationalities, proportion of major tenants, etc. in order to identify possible risks from the lease; and to set up the risk prevention measures, and disclose the risk factors in the registration statement and the prospectus of CPNREIT to the investors.
- (2.5) To arrange the inspection on the condition of building and construction, and state of assets in the building and construction to ensure that they are in good condition such that benefits can be procured promptly, to check the records of repair or renovation, and whether it has been done under appropriate engineering principles, to check the record of inspection and maintenance for infrastructure and facilities in the building and construction to ensure that they are under taken in the appropriate period for their long life.
- (2.6) To examine the compliance with laws on building and construction control as follows:
- (a) To examine the documents indicating that the construction is in line with the generally accepted safety standards.
  - (b) To examine whether the previous repair and renovation of construction are in line with the generally accepted safety standards required by the government authorities.
  - (c) If there was the earthquake in such area or the fire in such building and construction, the REIT Manager shall proceed with the special examination on strength of the building and construction, facilities systems in the building (e.g. fire prevention system, fire exit, lift, escalator, air-conditioning system in the building, etc.) whether they have been checked and maintained on the appropriate period.
- After purchase of the real property, the REIT Manager shall arrange the annual examination to ensure that the real property that CPNREIT had invested into complies with all requirements prescribed in laws on building and construction control.
- (2.7) To examine the compliance with laws on environment, for example, whether the buildings and construction to be invested are required by law to prepare the environmental impact assessment report to be submitted to the relevant government authorities before construction, and whether it has been complied with at present.
- (2.8) To examine ownership and/or the possession right in any real property, construction, or assets thereon whether the person who sells such property to CPNREIT holds the lawful ownership, and other documents used in registering the transfer or accepting the assignment of right, or the documents giving consent in the purchase and sales of such property are prepared properly as required by law.
- (2.9) To examine the scope of land whether the cadastral survey has been done to make the boundary mark clearly, which shall prevent the problems of land intrusion receiving the entire land as indicated in the title deed, for investments in ownership and/or possessory rights in the property.
- (2.10) To examine to ensure that the real property is free from encumbrance under any laws or agreements, or to examine if there is any dispute which shall restrict further procurement of benefits. For example:
- (a) If a government authority denies renewing the lease agreement for the owner of leasehold right in real property to be sold to CPNREIT, which makes the procurement of benefits on leasehold right of such property terminate, or the model of benefit procurement must be changed.
  - (b) There are complaints from the tenants or occupants surrounding such property, which shall take effect to further lease of area by CPNREIT, etc.
- (2.11) To examine whether the real property has the entrance and exit. If not and in the case that the entrance and exit belongs to the other person, the REIT Manager shall arrange for CPNREIT the registration of servitude, encumbrance, or any other rights enabling such property to use the entrance and exit of the other person. If the REIT Manager obtains the information that such entrance and exit are the public place, the REIT Manager shall examine whether they are actually the public place as informed.

(2.12) To consider appropriateness of the purchase price of the real property or the price of leasehold right whereas such price must give the worthwhile returns for long-term investment and be relevant to the conditions on benefit procurement as agreed with the sponsor. In this regard, the REIT Manager shall take into account any expenses to be borne by CPNREIT after such purchase (e.g. expenses for repair and renovation of buildings as they have fallen into much dilapidation that the procurement of benefits after purchase is affected, or expenses in demolishing the constructions after the expiration of the lease agreement), and also determine the discount rate from the present value of the future net income so that it is suitable to the risk from the fluctuating rental income in the future.

(2.13) To examine whether taxes or other expenses on the real property have been paid to the relevant authorities completely and accurately.

- (3) In the event that CPNREIT has leased out the core assets to the sub-lessee, the REIT Manager shall analyze the status of such sub-lessee, as well as readiness to manage real property of CPNREIT such as the counterparty's ability in entering into the transactions, readiness of working system, readiness of personnel and related experience, etc.

## 2. Examination on considerations in executing agreements

- (1) In the event CPNREIT makes investments in leasehold rights, the terms and conditions for the benefits of CPNREIT shall be considered; for example:
- (a) The lease agreement has no provision that impose the extra obligations to CPNREIT more than a normal lessee should receive.
  - (b) There is no condition permitting the lessor to terminate the lease agreement made with CPNREIT immediately although CPNREIT has not breached any conditions set forth therein.
  - (c) There is the condition granting the right to CPNREIT to terminate the lease agreement with the lessor immediately if the lessor breaches any condition set forth therein.
  - (d) The details, conditions, and rights of CPNREIT are clearly specified in the renewed leased agreement.
  - (e) The conditions and the right of first refusal to CPNREIT for the purchase of such leased property at a price not higher than that proposed by other person are specified provided that the lessor wishes to sell that property.
  - (f) There are the conditions and the right of CPNREIT for sale of leasehold right (if, later, the price of such property becomes higher and CPNREIT earns more profit from selling than from leasing the property, CPNREIT may decide to sell such property, etc.).
- (2) To examine taxes or other expenses on such property by stating clearly that they shall be borne by CPNREIT or the sponsor.
- (3) To apply the measures for prevention of potential conflicts of interest, for example, the sponsor undertakes any business of which the nature is in competition with the business of CPNREIT in the nearby area, etc.
- (4) In the event CPNREIT wishes to acquire the leasehold right of the real property in the form of sublease, the REIT Manager shall apply the relevant measures for risk prevention or indemnity against any losses that CPNREIT may suffer as a result of the breach of the lease agreement or failure to enforce obligations under such lease agreement.
- (5) Prior to the payment by CPNREIT to purchase or lease the real property, the REIT Manager shall examine to ensure that the ownership in the real property has been transferred to CPNREIT (in the event of investments in freehold property), or the registration of leasehold right has been completed (in the event of investments in leasehold rights), and/or the acquisition of any other rights in the real property invested, and has been delivered the assets placed as the collateral to CPNREIT, bank guarantee, and/or guarantee agreement, as well as the registration of any servitude on the real property for the procurement of benefits by CPNREIT completely as required by laws, and relevantly to the information disclosed to the investors. If the real property accepted by CPNREIT includes the buildings, constructions, furniture and/or equipment, the REIT Manager shall have the fixed assets register maintained in order that completion, accuracy, and existence of each asset to be accepted by CPNREIT can be checked. Such asset register shall be submitted to the Trustee for its review of work performance of the REIT Manager.

The REIT Manager shall record and keep the information as well as other evidence relating to the selection, examination, and decision on investing or not investing in any asset of CPNREIT.



### 9.5.3 Acquisition of the Core Assets

When the REIT Manager selects the core assets, and finalizes its real property examination whereas it deems appropriate to invest in such property, the actions undertaken to acquire the core assets shall be in accordance with the following criteria:

1. For investment in or acquisition of real property or leasehold rights to procure the benefits from such real property or leasehold rights, the REIT Manager shall:
  - (1) Arrange for the appraisal of real property by the Appraisal Company; and perform other acts in compliance with the criteria of investment in assets as stipulated in the notification of the SEC Office. In this regard, the REIT Manager shall submit the list of real property preliminarily selected to the Appraisal Company to appraise the real property value to be invested by CPNREIT. The appraisal criteria shall be as follows:
    - (1.1) The Appraisal Company shall be an independent appraiser approved by the SEC Office in accordance with the Notification of the SEC Office regarding Granting of Approval of Valuation Companies and Principle Valuers for Public Use; and
    - (1.2) It shall be a full appraisal with evidence of verification of entitled rights, and for the purpose of public use for the disclosure of the relevant information to the investors. Such appraisal shall be performed by at least two appraisers.
  - (2) Consider the capital structure in the investment in or acquisition of the real property or leasehold right.
  - (3) Consider the substance of the transaction as follows:
    - (3.1) In accordance with the Trust Deed and relevant laws;
    - (3.2) For the best interest of CPNREIT;
    - (3.3) Reasonability and fair prices;
    - (3.4) Person having conflict of interest in the transaction shall not be involved in the decision making of such transaction; and
    - (3.5) Transaction expenses collected from CPNREIT (if any) are at the fair and suitable rate.
  - (4) Perform other acts in order to comply with the criteria of investment in the real property as stipulated in the notifications of the SEC Office, including any amendments thereto.
2. For ongoing investment in and acquisition of real property or leasehold right, the REIT Manager shall:
  - (1) In respect with substance of the transaction, ensure that the nature of the transaction be as follows:
    - (1.1) In accordance with the Trust Deed and relevant laws;
    - (1.2) For the best interest of CPNREIT;
    - (1.3) Reasonability and fair prices;
    - (1.4) Transaction expenses collected from CPNREIT (if any) are at the fair and suitable rate; and
    - (1.5) Person having conflict of interest in the transaction shall not be involved in the decision making of such transaction.
  - (2) With respect to the approval system, ensure that the approvals required are obtained:
    - (2.1) In the event that the owner, the lessor, or the transferor of the leasehold right of the real property is not the REIT Manager or the Connect Person to the REIT Manager:
      - (a) It is approved by the Trustee that the transaction is in accordance with the Trust Deed and the relevant laws; and
      - (b) For acquisition of the core assets which is the significant transaction, the criteria relating to entering into the significant transaction must be complied with.
    - (2.2) In the event that the owner, the lessor, or the transferor of the leasehold right of the property is the REIT Manager or the Connect Person to the REIT Manager, the REIT Manager shall undertake the actions to make the transaction obtain approval from the Trustee, and in conformity with the Trust Deed and relevant laws. The consideration and approval procedure before entering into the transaction has to undergo the following protocols:
      - (a) Having been approved by the Trustee that the transaction is in compliance with the Trust Deed and relevant laws;
      - (b) In the event the value of the transaction exceeds Baht one million or from 0.03 percent of the total net asset value of CPNREIT, whichever is higher, or in accordance with the criteria stipulated in the notification to be amended in the future, the approval of the Board of Directors of CPNREIT is required or it shall be in accordance with the approval limit as stipulated in the relevant notifications; and
      - (c) In the event the value of the transaction is from Baht 20 million, or exceeds three percent of the total net asset value of CPNREIT, whichever is higher, or in accordance with the criteria stipulated in the notification to be amended in the future, the resolution of approval of the unitholders' meeting passed by at least three-fourths of the total votes of the unitholders attending the meeting and having the right to vote, or it shall be in accordance with the approval limit as stipulated in the relevant notifications. In addition, the REIT Manager shall arrange to obtain the opinion of the financial advisor about the analysis of data on the aforesaid property for the purpose for decision making and disclosure of accurate information.

3. In the event that the resolution of the meeting of unitholders is required, the invitation letter for such meeting must include the financial advisor's opinion for the purpose of passing such resolution. The invitation letter shall be delivered to the unitholders prior to the meeting date in accordance with the Notification No. BorJor/Ror 29-00 regarding Listing, Disclosure of Information and Delisting of Investment Trust Units B.E. 2558, and the Notification No. SorRor. 26/2555 regarding Provisions relating to Particulars, Terms and Conditions in a Trust Instrument of Real Estate Investment Trust including any amendments thereto.

#### **9.5.4 Disposal of the Core Assets**

Where the REIT Manager finalizes the selection of the core assets to be disposed of and it deems appropriate to dispose of them, the disposal of such core assets shall be in compliance with the following protocols:

1. The REIT Manager shall arrange for an evaluation of the core assets in accordance with the relevant provisions.
2. The REIT Manager shall arrange for an open disposal, which includes disclosure of the substance of the transaction under Acquisition of the Core Assets 2.(1) regarding an acquisition of additional core assets, and the approval process under Clause Acquisition of the Core Assets 2.(2) regarding an acquisition of additional core assets, mutatis mutandis.
3. The disposal of the core assets in the following manners shall comply with the provision under Clause 9.4.6 (d) and be a necessary and appropriate case which is approved by the Board of Directors of the REIT Manager as well:
  - (1) Any disposal of the core assets prior to one year as from the date of the acquisition of such core assets by CPNREIT; and
  - (2) Any disposal of acquired core assets back to its former owner.

#### **9.6 Selection of Property Manager and/or Sub-Lessee of Core Assets**

The REIT Manager shall evaluate and select a Property Manager and/or a sub-lessee of core assets. When considering entering into a contractual agreement with a Property Manager and/or a sub-lessee, the REIT Manager:

1. Shall assess and evaluate the qualifications of each Property Manager and/or sub-lessee according to the criteria specified in the REIT Manager operating procedures.
2. Shall select the Property Manager and/or sub-lessee who have/has the highest weighted-average score and summarize the selection result as well as rationale for such selection to propose to the Board of Directors for approval. In the event that the score of the Property Manager with the highest weighted-average score does not reach a specified threshold or the scores for capabilities and past experiences, and effective internal control/maintenance of assets are less than half, the Property Manager will not be considered as pass and the REIT Manager will have to re-run the selection procedure for a Property Manager. A sub-lessee of the core assets whose score is less than half of the total score will not be considered as pass.

Nevertheless, the selection procedure for the Property Manager mentioned above will not be applied for the first investment in the core assets.
3. Shall, when entering into an agreement with a Property Manager and/or a sub-lessee of the core assets, arrange for the appointment agreements with a Property Manager and/or sub-lessee of the core assets to have, as a minimum, the following terms which:
  - 3.1 Allow CPNREIT to terminate the agreement and change the Property Manager and/or the sub-lessee of the core assets if the Property Manager and/or the sub-lessee of the core assets do/ does not comply with the terms, or take(s) certain actions or fail(s) to take certain actions that results in lack of credibility to perform duties in accordance with the agreement, or neglect to maintain the assets in good condition, or the sub-lessee of the core assets causes damages to CPNREIT's properties or neglect to maintain the assets to be in good condition and appropriate for use according to objectives stated in the agreement;
  - 3.2 Specify that the Property Manager and/or the sub-lessee of the core assets have/has duty to maintain and repair CPNREIT's assets to ensure long-term procurement of benefit;
  - 3.3 Specify that if the REIT Manager finds that the Property Manager and/or the sub-lessee of the core assets take(s) certain actions or fail(s) to take certain actions which causes the breach of either the property manager appointment agreement or, the core assets sub-lease agreement, or the sub-lessee of the core assets does not maintain the sub-leased assets to be in good condition and appropriate for use as specified in the agreement, the REIT Manager shall proceed to terminate the property manager appointment agreement and/or the sub-lease agreement of the core assets (as the case may be), in order for the REIT Manager to be able to step in to operate, or to re-select a Property Manager and/or a sub-lessee to replace the former one;

3.4 Specify that the Property Manager and/or the sub-lessee of the core assets must be able to demonstrate to the REIT Manager that the Property Manager and/or the sub-lessee of the core assets have/has, at a minimum, the following internal control processes:

- 1) There are manual and standard operating procedures in place. Trainings are provided to employees to ensure that they understand the procedures and can appropriately perform their duties.
- 2) There is clear division between personnel who manages CPNREIT's assets such as sales department, from other departments and personnel of a Property Manager and/or a sub-lessee of the core assets and/or a hotel manager (if any) who manage assets in the same business sector as CPNREIT. Alternatively, there must be other policies or operating procedures to prevent conflict of interest, and access and exploitation of CPNREIT information.
- 3) There is division of duties to prevent a single individual to carry out critical tasks from start to finish. Critical tasks that need to be divided are, for example: procurement, acceptance of goods or service, accounting, properties control and taking stock of properties, etc. For these critical tasks, one person should be designated as a maker and another as a checker. Moreover, there should be another party to randomly review the work of makers and checkers, creating a checks and balance system so that the risk of mistakes or fraud can be mitigated.
- 4) There is a monitoring and auditing system on employees operating results to prevent erroneous operation or operations that do not comply with the designed controls.
- 5) All transactions are recorded and all supporting document are kept for subsequent audit and prevention of potential fraud or errors.
- 6) There is a secure cash receipt and payment system in place that can effectively prevent leakage or fraud attempts.
- 7) The Property Manager must have in place a revenue collection system to ensure completeness of tenant revenue collection and have in place a system to prevent duplicate and fraudulent expense reimbursement as well as to ensure that the supporting documents and rationales for expense reimbursement comply with Trust Deed, registration statement, prospectus, relevant contracts.
- 8) Documents are pre-numbered for transactions related to assets or payments and receipts such as purchase orders, receipts, debt invoices, invoices for goods or services etc. to prevent the avoidance of auditing and transactions control check points (i.e. receive of cash without issuing receipt or issuing fictitious receipt to customers).
- 9) Controls and security system are in place for CPNREIT's revenue and expense data that are stored in a computerized system to enable retrospective audit of the persons who had accessed the system.
- 10) High value assets must be stored in a secured location with restricted access to the area. Access to the area must be approved by management and closed-circuit cameras may be deployed to guard the assets.
- 11) Controls over assets are in place. An asset register must be maintained and updated when investment in additional assets takes place. The updated register must be submitted to the REIT Manager for reconciliation with cash payment, regular physical count of assets and preparation of asset count report. The REIT Manager shall maintain another set of assets register.

Nevertheless, the REIT Manager may have the Property Manager and/or the sub-lessee of the core assets be liable for any damages which may occur to the benefit of CPNREIT due to the negligence of the Property Manager and/or the sub-lessee in the internal control systems that are prone to fraud.

3.5 In entering into an agreement with the sub-lessee of the core assets, the REIT Manager and Trustee may arrange to have the following additional conditions (as the case may be) to alleviate or mitigate risks to CPNREIT:

- 1) Specify that CPNREIT can terminate the sub-lease agreement with the sub-lessee of the core assets if the sub-lessee of the core assets does not strictly comply with the terms of the core assets sub-lease agreement, particularly in paying rent according to the core assets sub-lease agreement;
- 2) Specify the sub-lessee's undertaking, such as incurring of commitment, change in company's objective, etc.

3.6 Specify that the REIT Manager has a right to audit the performance of duties of the Property Manager and/or the sub-lessee of the core assets to ensure compliance with this operating manual, property manager appointment agreement, core assets sub-lease agreement, undertaking agreement and other relevant agreements.

3.7 Specify that the Property Manager and/or the sub-lessee of the core assets must have a control system to monitor as well as randomly check to ensure that the Property Manager and/or the sub-lessee of the core assets collect(s) and submit(s) revenues to CPNREIT in full, and do/does not charge from CPNREIT more than necessary expenses which must be within the framework that the Trust Deed, registration statement, prospectus, and relevant agreements allow.

4. In appointing the Property Manager and/or sub-lessee of the core assets, the REIT Manager will arrange a mechanism to control, oversee, audit and evaluate their performances as indicated in the REIT Manager operating procedure manual to ensure that the Property Manager and/or the sub-lessee of the core assets have/has accurately and thoroughly collected and submitted rental revenues to CPNREIT according to the terms in property manager appointment agreement/ the core assets sub-lease agreement, and that internal control systems operate effectively and are able to prevent fraud, or instantly detect fraud and non-compliance operations.

## **9.7 Evaluation of Work Performance of the Property Manager**

### **9.7.1 System for Control, Supervision, and Evaluation of Work Performance of the Property Manager**

The main objective of the Company as the REIT Manager is to provide stable returns to the unitholders by taking into account the benefit to be acquired from the properties invested by CPNREIT. Therefore, the Company establishes a system for control, supervision, and evaluation of work performance of the Property Manager. The Company and the Property Manager shall work closely to enhance potential of the properties invested by CPNREIT. The Business Development Department shall be in charge of controlling, supervising, and evaluating the work performance of the Property Manager whether it conforms to the terms and conditions specified in the property manager appointment agreement. The actions on this matter include:

- 1) The Business Development Department and the Property Manager shall mutually prepare the annual budget plan of CPNREIT, which specifies the revenues and expenses in details, determines the target of income procurement, and supervises and monitors all revenues and expenses of CPNREIT to be in line with the target or projection.
- 2) The Business Development Department and the Property Manager shall mutually consider or review the strategic plan of the Property Manager to ensure that more income would be earned while the risk associated with the fluctuating rental income of CPNREIT would be mitigated, as well as to monitor the performance of the Property Manager to ensure that it is in line with the plan and strategy.
- 3) The Company together with the Property Manager and the Trustee shall mutually examine the assets to ensure that the core assets of CPNREIT are complete, in normal condition, ready for use, not modified or lost beyond the REIT Manager's approval.
- 4) The Business Development Department and the Property Manager shall mutually monitor the repair and maintenance of real property of CPNREIT, utilities system, and essential equipment in the said properties to ensure that they are in good condition and can be used to procure the benefits consistently, and that they shall have the characteristics or qualification prescribed by laws, e.g. safety system, care for environmental quality, energy saving, etc., as well as all other related contracts under the determined budget, joint consideration between the REIT Manager and the Property Manager, and approval of the Trustee.
- 5) Every department of the REIT Manager shall regularly have a joint meeting with the Property Manager to evaluate the operating performance of CPNREIT, and to find out the appropriate measures to prevent the operating problems of CPNREIT.
- 6) The Business Development Department shall prepare the performance evaluation form for the Property Manager. The evaluation criteria consist of two sections:
  1. Section relating to duties of the Property Manager in accordance with the property manager appointment agreement; and
  2. Section relating to work performance of the Property Manager in respect with property management.
- 7) The Business Development Department shall control and supervise the operation as described below.
  1. To review the relationship between monthly revenues and expenses whether there are any irregular matters;
  2. To choose at random the supporting evidence of transaction to examine the transaction existence, accuracy, and completeness in recording payments to the account of CPNREIT with the rental report to be paid by customers in each month;
  3. To review the aging of accounts receivable to ensure that it is in normal condition with no significant increase;
  4. To review an increase or decrease of fixed assets that the approval procedure is appropriate;
  5. To review any transactions that are special, rarely occur, or involve the high value to ensure that they are undertaken for a maximum benefit of the unitholders;
  6. To review the list of expenses charged by the Property Manager to CPNREIT to ensure that no unnecessary or duplicated expenses are charged to CPNREIT, and that they are under the scope mutually agreed;
  7. To regularly arrange for the evaluation of the internal control system of the Property Manager. In this regard, the Company may require the auditor of the Property Manager or the external advisory company to regularly report the weakness or defect of the internal control system of the Company, as well as remedy and improvement measures.

### 9.7.2 Property Manager Performance Evaluation

The REIT Manager has evaluated the performance of the Property Manager for the period ended 31 December 2022. Based on its evaluation, the REIT Manager is of the view that the Property Manager has unerringly and thoroughly performed their duties according to the Property Manager appointment agreement, the budget plans and goals. No mistakes that would significantly affect CPNREIT's operation were noted.

## 9.8 System for Monitoring the Benefits of CPNREIT

The REIT Manager has the main objectives to make the unitholders earn the benefits from investment in CPNREIT consistently and continuously in the long term with consideration on benefits generated from the development and enhancement of quality of the core assets invested by CPNREIT. The REIT Manager has the measures and systems to monitor and look after the benefits from the core assets to be invested by CPNREIT as follows:

1. For the core assets which are shopping malls and office buildings, CPNREIT has a policy of procuring the benefits from such type of property by leasing certain areas of such properties, and providing other services relating to the leased area to tenants who are business operators. For the core asset which is a hotel, CPNREIT shall procure the benefits by subleasing such real property, and leasing other related movable properties to a sub-lessee.
2. The REIT Manager and the Trustee shall monitor the performance of CPNREIT each year in comparison with the annual budget of CPNREIT, including the operating results of CPNREIT in the previous year. If the performance of the properties invested by CPNREIT has not reached the target, the REIT Manager, the Trustee, and the Property Manager (for the property in part of shopping malls and office buildings) or the sub-lessee (for the property in part of Hilton Pattaya Hotel) shall work together to analyze the causes, and to closely work with the Property Manager or the sub-lessee (as the case may be) to develop an operating plan to improve the performance of the properties invested by CPNREIT to achieve the target or as forecasted.
3. The REIT Manager shall jointly work with the Property Manager to drive the business growth and build good relationship with tenants, together with management of occupancy rate and rental charge at the level that CPNREIT obtains the maximum benefits while the REIT Manager shall jointly work with the Property Manager to supervise and manage the operating cost as well as risks and negative factors to the management of the shopping mall and office buildings by CPNREIT.
4. The REIT Manager shall cooperate with the Property Manager to enhance efficiency in property management and procurement of benefits from the properties invested by CPNREIT in part of shopping mall and office building by determining the targeted customers of the property, the leased areas and appropriate service, the pricing of the rental charge and space service charge suitable to the needs of targeted customers, together with the supervision and management of the operating expenses without any impact on quality of the leased areas and services. In addition, the REIT Manager shall care for and maintain the areas of the properties invested by CPNREIT such as improvement of the common area and specific areas suitable for their functioning, and improvement of the property image, and property maintenance up to the standard and their appropriate function to satisfy the customers.
5. The REIT Manager shall work together with the sub-lessee to enhance the business growth and good relationship with customers who use the hotel service, and manage the occupancy rate and accommodation room rate of the core assets in part of Hilton Pattaya Hotel at the level that provides CPNREIT with maximum benefits.
6. The REIT Manager shall work together with the sub-lessee to enhance the potential of the core assets in part of Hilton Pattaya Hotel. Such management shall include care and maintenance of the core assets up to the standard and their appropriate function, as well as the image of the core assets to satisfy the customers.
7. The REIT Manager shall procure insurance for the properties of CPNREIT in conformity with the business practice and the provisions of relevant laws as follows:
  - (7.1) Insurance is sufficient and suitable to the interest of CPNREIT in the real property invested to cover the damage possibly incurred to CPNREIT by determining that CPNREIT is the beneficiary or co-beneficiary with approval from the Trustee;
  - (7.2) Insurance against the third party possibly damaged by the defect of the building, premise or construction. If the lessor or the person granting the right in the properties to CPNREIT or the sub-lessee of the properties has made insurance already, CPNREIT is required to arrange the insurance only for the case that CPNREIT may be claimed for liability; and
  - (7.3) Insurance procured by CPNREIT is required to cover the period that CPNREIT has invested in such property.

8. Transactions with Connected Person to be entered are required to be in accordance with the following criteria:
- (8.1) To enter into a transaction with the REIT Manager and/or the Connected Person to the REIT Manager, the REIT Manager is required to undertake the work in accordance with the Trust Deed and related laws and for the best interest of CPNREIT;
  - (8.2) The transaction with Connected Person is made at the fair and reasonable price;
  - (8.3) The person with conflict of interest, whether directly or indirectly, is not allowed to participate in decision whether to enter into the transaction; and
  - (8.4) Expenses incurred from the transaction entered into with the Connected Person shall be based on the fair and reasonable price and rate.

## 9.9 Remuneration of the REIT Manager

The REIT shall pay the fee and expenses to the REIT Manager for the duties performed as the REIT Manager in accordance with terms and conditions set forth in the agreement, which shall be calculated on a monthly basis. Such remunerations exclude the value added tax, specific tax, or other taxes in similarity as follows:

1. Fee for the duties performed as the REIT Manager in accordance with terms and conditions set forth in the agreement shall not be over 1.00 (one point zero) percent per annum of the total asset value.  
If the fee as calculated under this Clause in each year (excluding other fees deriving from the acquisition or disposal of the properties of CPNREIT incurred on that year (if any) in Clause 2) below) is less than THB 15 million (fifteen million baht) on the last month of any fiscal year, the Trustee shall pay the REIT Manager at the minimum of THB 15 million (fifteen million baht) per annum. The REIT Manager shall revise such amount of fee on the last month of that fiscal year to make the fee calculated by CPNREIT in each year be equal to 15 million baht (fifteen million baht) per annum.  
In case that the REIT Manager has not performed its duties for the whole fiscal year of CPNREIT, which makes the calculation of the fee on that fiscal year impossible, the REIT Manager shall calculate the management fee on that fiscal year based on the actual time it has performed the duties (Pro Rata Basis) by fixing the minimum management fee at 15 million baht (fifteen million baht) per annum and a period of 1 (one) year shall be equal to 365 (three hundred and sixty-five) days.
2. Fee for an acquisition of the properties of CPNREIT shall be 1.50 percent of the value of the property acquired by CPNREIT. Fee for a disposal of the property of the REIT shall be 0.75 percent of the value of the properties disposed by CPNREIT. However, such fee shall be paid to the REIT Manager only for the acquisition or disposal of the property of CPNREIT that has been undertaken by the REIT Manager, or has been proposed by the REIT Manager to CPNREIT for consideration only. These remunerations shall be paid when the acquisition or disposal of the properties of CPNREIT is completed.
3. The REIT Manager may claim other expenses incurred in the examination of the properties of CPNREIT, e.g. traveling cost, accommodation cost, and other expenses actually incurred during the property examination as appropriate, but not exceeding THB 30,000 (thirty thousand Baht) per time. If the actual expenses exceed the limit specified, the parties shall have the mutual agreement on a case-by-case basis.

For the accounting period ended on 31 December 2023, the remuneration paid to the REIT Manager, according to the terms and conditions, was Baht 159.40 million.



## 9.10 Disclosure of Information to the Unitholders

The REIT Manager recognizes the importance of the adequate, accurate, complete, precise, timely, and transparent disclosure of information to the unitholders. Every unitholder has the equitable rights to receive the information. The REIT Manager assigned the Business Development Department to disclose the information provided that such information must be in conformity with the criteria and requirements on disclosure of information prescribed by SEC Office and the SET.

<b>Immediate disclosure</b>	<ul style="list-style-type: none"> <li>Information taking material effects to the value of trust units, decision-making on investment, benefits of unitholders.</li> <li>Information about operating performance, e.g. distribution payments.</li> <li>Report upon occurrence of any events causing dissolution of CPNREIT.</li> <li>Report upon occurrence of any events specified in the Trust Deed as grounds of the dissolution of CPNREIT or other events enabling to foresee the dissolution of CPNREIT.</li> <li>Prompt report upon an acquisition or disposal of real property or a case where unitholders holding trust units more than limit portion.</li> </ul>
<b>Within three business days</b>	<ul style="list-style-type: none"> <li>Information not taking direct effect, but should be disclosed to investors, e.g. change of director(s), change of auditor, etc.</li> </ul>
<b>Within 14 days</b>	<ul style="list-style-type: none"> <li>Information to be compiled by the SET for their reference, e.g. copy of minutes of unitholders' meeting, report on allocation of capital-increase trust units.</li> </ul>
<b>Within 15 days</b>	<ul style="list-style-type: none"> <li>Report on reduction of paid-up capital of CPNREIT.</li> <li>Report on an acquisition or disposal of real property.</li> </ul>
<b>Within 30 days</b>	<ul style="list-style-type: none"> <li>Progress report on investment in construction properties.</li> <li>Report on an acquisition or disposal of real property.</li> </ul>
<b>Disclosure by specified periods</b>	<ul style="list-style-type: none"> <li>Quarterly financial statements within 45 days after the end of accounting period.</li> <li>Yearly financial statements within two months after the end of accounting period (in the event the fourth quarterly financial statements are not prepared.).</li> <li>Management Discussion and Analysis.</li> <li>Annual registration statement within three months after the end of accounting period.</li> <li>Annual report together with a notice to the meeting of unitholders within four months after the end of accounting period.</li> <li>Report on total asset value, net asset value and trust unit value within 45 days after the end of each quarter.</li> </ul>

## 9.11 Unitholders' Meeting

The REIT Manager shall arrange the unitholders' meeting as prescribed in Trust Deed.

- The REIT Manager can obtain resolutions from Unitholders only by means of holding a Unitholders' meeting.
- Causes for obtaining resolutions and calling Unitholders' meetings have to comply with the followings and the REIT Manager has to convene Unitholders' meeting in the following circumstances:
  - Apart from the circumstances specified in Clause 8 (8.2), causes for obtaining unitholders' resolutions shall include the following circumstances:
    - The REIT Manager is desirous to proceed difference from commitments given in an application for offering of trust units or the registration statement as well as the Trust Deed;
    - Any other circumstances whereby the Trustee and the REIT Manager deem necessary and appropriate to propose to a unitholders' meeting to consider and approve such matters.
  - The REIT Manager shall convene a unitholders' meeting in the following circumstances:
    - When the REIT Manager deems appropriate to call a unitholders' meeting for the benefit of managing the business affairs of CPNREIT;
    - When one or many unitholders whose collective holding are at least 10 (ten) percent of issued trust units, request in writing to the REIT Manager a call for a unitholders' meeting by clearly specifying the ground for calling a unitholders' meeting, the REIT Manager has a duty to call a unitholders' meeting within 45 (forty five) days since receiving the written request from unitholders.

3. Calling trust unitholders' meetings

With regard to the calling of the unitholders' meetings, the REIT Manager shall proceed as follows:

3.1 The REIT Manager shall prepare an invitation letter by specifying at least the meeting method, voting procedures, agenda and matters to be proposed to the meeting with sufficient details for the unitholders to make decisions. Each matter shall be clearly specified whether it is matter for information, matter for approval or matter for consideration, as the case may be, and furnished by the REIT Manager's opinion as well as impact that might affect the unitholders from voting in that particular matter.

3.2 The period for the distribution of an invitation letter to unitholders shall be as follows:

(1) 14 days prior to the meeting where the agenda requires the approval of unitholders with the votes of not less than three-fourths of the total votes of the unitholders attending the meeting and having the right to vote; or

(2) seven days prior to the meeting, for the cases other than those in Clause (1).

3.3 In all circumstances, an invitation letter shall be publicized in at least one local newspaper not less than three days prior to the meeting date.

4. Proxies

4.1 For the trust unitholders' meeting, a trust unitholder may appoint another individual as his/her proxy to attend a meeting and cast votes on his/her behalf. The proxy form must be dated and signed by trust unitholders who wish to appoint as proxy for another individual.

4.2 The proxy forms shall be deposited to the REIT Manager or a designated person by the REIT Manager at the meeting venue before the proxies attend the meeting.

5. Quorum and Meeting Procedures

5.1 To constitute a quorum in the trust unitholders' meetings, there must be at least 25 attendees, both eligible and authorized trust unitholders; or not less than half of total trust unitholders holding no less than one third of the issued units.

5.2 In any trust unitholders' meeting, if within an hour from the time appointed for the meeting, a quorum is not present as specified in section 5.1 and if the trust unitholders' meeting is called due to the trust unitholders' request according to section 2) 2. (2), the meeting shall be cancelled. However, if the meeting is not called according to the trust unitholders' request according to section 2) 2. (2), the REIT Manager shall call another meeting and disseminate meeting notice to trust unitholders before the meeting by at least not less than the time allowed for the last meeting. The adjourned meeting is not required to be in full quorum.

5.3 Meeting Procedures shall be as follows:

(1) The meeting shall be conducted in accordance with the agendas and matters as specified in the invitation letter, unless the meeting has decided to change the order of the meeting agendas by the votes of not less than two-thirds of the total number of the unitholders attending the meeting;

(2) After the meeting considers all agendas under Clause (1), the unitholders who hold the trust units of not less than one-third of the total issued units may request the meeting to consider other matter(s) which are not specified in the invitation letter; and

(3) In the event the meeting cannot consider and resolve all agendas under Clause (1) or any agenda(s) which are presented by unitholders under Clause (2), as the case may be, the meeting shall specify place, date and time for the next meeting, and the REIT Manager shall send the invitation letter specified the place, date and time and agendas to the unitholders at least seven days prior to the meeting date. In this regard, the invitation letter shall be publicized in the newspapers at least one local newspaper not less than three days prior to the meeting date.

6. Meeting chairperson

The REIT Manager shall appoint one of the directors who is a representative of the REIT Manager to be a meeting chairperson. The meeting chairperson has power and duty to ensure that a meeting is conducted smoothly and accurately as specified in section 15.5 However, if the REIT Manager has interest in the matter being considered, trustee or representative of trustee shall appoint another person to be a chairperson in that matter

7. Vote count

A trust unitholder has one vote for each trust unit holds and a trust unitholder who is entitled to vote must not have special interest in any matter being considered.

8. Trust unitholders' resolution

8.1 An ordinary resolution may be passed by a simple majority of the total votes of the unitholders attending the meeting and having the right to vote.

8.2 In the following circumstances, a resolution may only be passed by not less than three-fourths of the total votes of the unitholders attending the meeting and having the right to vote, except for the agenda and voting of the unitholders whose trust units are divided into different classes according to Clause 9 below.

- (1) In the event of an acquisition or disposal of the core assets with the total transaction value of at least 30 percent of total asset value of CPNREIT;
- (2) In the event of the increase of the paid-up capital or reduction that is not pre-specified in the Trust Deed;
- (3) In the event of the capital increase through general mandate;
- (4) In the event of an entering into a connected transaction of the REIT Manager with the total transaction value from Baht 20,000,000, or exceeding three percent of net asset value of CPNREIT, whichever is higher;
- (5) In the event of a change in the distributions and returns of the unitholders' capital;
- (6) In the event of a dismissal or appointment of the Trustee according to the clauses regarding the change in the Trustee as specified in the Trust Deed;
- (7) In the event of a dismissal or appointment of the REIT Manager according to the clauses regarding the change of the REIT Manager as specified in the Trust Deed and REIT Manager appointment agreement.
- (8) In the event of an amendment of the Trust Deed in the matters that significantly impact the right of the unitholders;
- (9) In the event of a termination of CPNREIT;
- (10) The REIT Manager is desirous to proceed difference from commitments given in an application for offering of trust units or the registration statement as well as the Trust Deed, provided that there must be no objection of the unitholders aggregately hold the trust units more than 10 (ten) percent of the total voting rights of the unitholders attending the meeting and are entitled to vote against such matter.

8.3 The trust unitholders' resolution shall not be taken into effect if the consequences of the resolution cause CPNREIT or the management of CPNREIT to be in conflict or not in compliance with the Trust Deed or other regulations according to the Securities and Exchange Act or Trust Act.

8.4 In the circumstances that there are specific guidelines regarding obtaining resolutions and trust unitholders' meetings, the practice shall follow those guidelines.

9. Obtaining resolution and voting of trust unitholders in the circumstances that trust units are divided into several classes

9.1 When obtaining a resolution in the matters that affect the right of all classes of trust unitholders such as termination of CPNREIT, the resolution has to be passed with more than half of the votes in each class of trust unitholders present and eligible to vote.

9.2 In obtaining a resolution in the matters that affect the right of certain classes of trust unitholders such as an increase in fees and expenses of each class of trust units, the REIT Manager shall obtain resolutions only from that class of trust unitholders.

10. The REIT Manager may conduct the unitholders' meetings by electronic means pursuant to the Emergency Decree on Electronic Meetings and proceed with any actions for the unitholders' meetings in accordance with the Public Limited Company Act, including to allow the meetings to be conducted by any other forms according to laws, notifications, rules, guidelines of the relevant authorities.

In 2023, the REIT Manager has convened the 202- Annual General Meeting of Trust Unitholders on 26 April 2023 at 2.00 p.m. via Electronic Media ("E-AGM") pursuant to the criteria specified in the law related to the meeting via electronics means.

## 9.12 Selection and Appointment of Directors and Executives

The REIT Manager has 1 (one) Board of Directors, which comprises of at least 3 (three) qualified directors, at least one third of whom must be independent directors. The independent directors must possess qualifications according to the criteria as specified in the Notifications of the Capital Market Supervisory Board concerning the Application for and an Approval of Offer for Sale of Newly Issued Shares. Moreover, the Board of Directors and executives who are authorized to manage the REIT Manager must not possess characteristics which are prohibited under the Notification of the Capital Market Supervisory Board concerning Prohibited Characteristics of Personnel in Capital Market Industry according to clause 12(4) of Notification of the Office of the Securities and Exchange Commission No. SorChor. 29/2555, Re: Rules, Conditions and Procedures for the Approval of REIT Manager and Standard Conduct and its subsequent amendments or other relevant regulations that the Office of the SEC may subsequently amend.

Two directors (not independent directors) are authorized to bind the REIT Manager through joint-authorization with company's seal affixed. The Board of Directors may assign one or many directors or other persons to act on the Board's behalf in any matter. Nevertheless, delegation of authority shall not include the delegation or sub-delegation that enables directors or assigned persons by directors to approve transactions that they or other people might have conflict or interests or other benefits in any forms that conflicts with the benefit of CPNREIT.

The REIT Manager has appointed an independent director to be Chairman of the Board to oversee and ensure that the composition and operation of the Board foster deliberation in decision making. The Chairman of the Board has duties to:

- 1) Oversee, monitor and ensure that the Board functions effective and achieves objectives and goals;
- 2) Jointly propose meeting agenda through discussion with the Chief Executive Officer and have measures to ensure that noteworthy matters are included in the agenda;
- 3) Ensure that the time allotted is sufficient for the management to propose the agenda and for the Board to thoroughly discuss noteworthy matters, and promote thorough deliberation and freely express of opinion.

The Board of Directors may appoint a professional with knowledge and skills to be an advisor to the Board through approval of two out of three directors and provide remuneration as approved in the shareholders' meeting. The Advisor to the Board has duties to attend meetings, provide advice, suggestion or opinion that is beneficial to the decision making of the Board of Directors, and can request the management to ensure that matters are thoroughly examined. Nevertheless, the Advisor to the Board shall not be involved in the decision-making, and in the circumstances that the matters being considered may involve conflict of interests, the Advisor to the Board shall abstain from attending the meeting for that particular matters. The Risk Management and Compliance Department together with the Independent Director shall evaluate matters with conflicts of interests and inform the Advisor to the Board.

## 9.13 Remuneration for Auditors

The auditor's remuneration for the operation period ended 31 December 2023, details as follows;

1. Remuneration for Auditors THB 1.23 million
2. Other non-audit fee to be paid in the future arising from incomplete services in the fiscal year 2023, including the Projected Statement of Income and Details of Net Profit on Investment (Pro Forma) and the Comfort Letter totaling THB 9.5 million



**Sustainable  
Development**



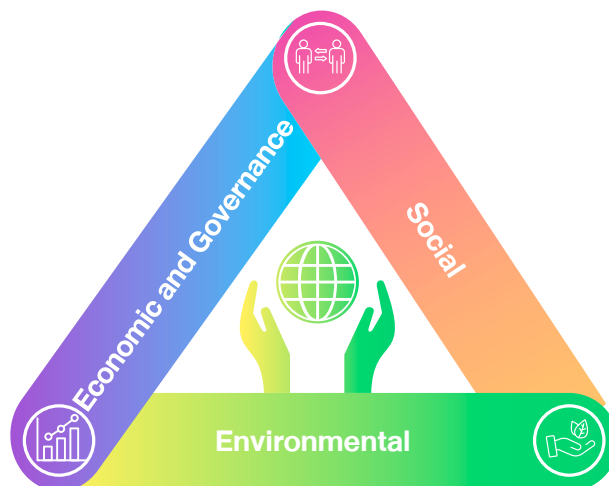
## 10. Sustainable Development

### 10.1 Sustainability Policy and Goals

CPNREIT primarily invests in real estate and real estate leasehold rights including sub-leasehold rights of high quality real estate. We operate our business with a commitment to corporate governance principles, transparency, accountability and Environmental, Social, and Governance (ESG) principles, while complying with securities and relevant laws, to drive steady and sustainable growth.

This commitment extends to our investments in shopping centers and retail-related or complimentary properties, real estate that generate benefits through rents, fees or similar revenue streams including commercial properties, office buildings, hotels and serviced apartments, and the enhancement or disposal of assets, to deliver consistent, superior returns for unitholders over the long term.

The REIT Manager takes into consideration corporate social responsibility, both directly and indirectly associated with the REIT, by adopting a broad view of social responsibility with a focus on fair business practices, anti-corruption, respect for human rights, fair labor, quality of life maintenance for people, employees, organizations across sectors and society at large and sharing and dissemination of corporate social, environmental and stakeholder responsibility innovation.





## Aligning Sustainability Strategies with the UN Sustainable Development Goals (SDGs)



### Corporate Strategies

#### Value Chain : Investment and Distributions

- SDG 8** Promote sustainable economic growth by providing full and productive employment and decent work within society.
- SDG 9** Promote investment in resource-efficient, hygienic and eco-friendly real estate development projects through design and infrastructure upgrades, fostering innovation and supporting access to information and communications technology and the Internet to enhance convenience for tenants, customers and communities.
- SDG 11** Promote real estate that support community prosperity and ensure access to adequate, safe and sustainable basic services for all including vulnerable groups, to enhance capacity for participatory, integrated partnership with the community, by paying special attention to air pollution and waste management and creating green spaces to contribute to the wellbeing of society.
- SDG 12** Promote sustainable real estate development, operations and consumption by ensuring efficient management and use of natural resources and reducing waste generation and release of hazardous chemicals, with a focus on reuse, reduce and recycle (3R) and sustainable procurement practices, and fostering awareness for sustainable development.
- SDG 16** Promote peaceful and sustainable societies by conducting business with a commitment to good corporate governance ethics, transparency and justice across the value chain and people at all levels to be a truly effective organization.

#### Material Topics

- Portfolio diversification
- Investing in sustainable products & services
- Remuneration setting for property managers that drives efficiency in benefit procurement
- Stable returns to the trust unitholders
- Internal control
- Risk & crisis management
- Corporate governance & business ethics





## Business Strategies

### Value Chain : REIT Management

- SDG 4** Support inclusive and equitable quality learning for our workforce while responsibly disseminating investment information that benefits society and mitigates investment risks.
- SDG 5** Support gender equality and fair treatment of all stakeholders and promote the empowerment of women.
- SDG 10** Promote the reduction of inequalities within the country by empowering and promoting the economic, social and political inclusion of all and implementing a human rights policy prohibiting discrimination of any kind.

### Material Topics

- Talent attraction & retention through recruiting experienced individuals with expertise for REIT management and supporting relevant knowledge development for revenue generation
- Policy influence
- Cyber security
- Alignment with stakeholders
- Human rights





## Supporting Strategies

### Value Chain : Property Management

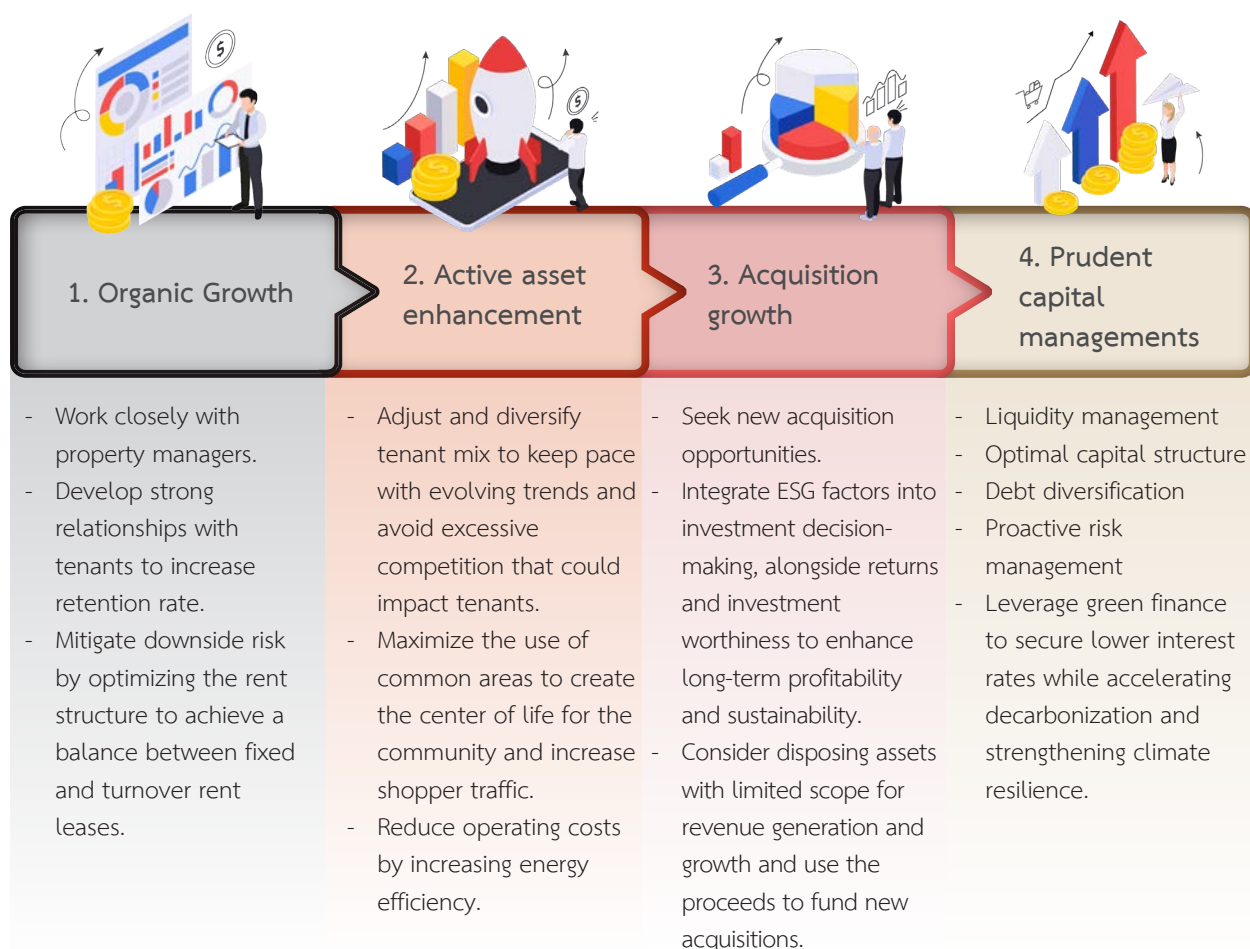
SDG 3	Ensure healthy lives and promote well-being for all at all ages and promote policies that support access to health care services and financial risk protection.
SDG 6	Encourage property managers to embrace sustainable water management practices and adopt measures to reduce water use and increase wastewater treatment and recycling to promote integrated prevention of water scarcity within and among countries.
SDG 7	Encourage property managers to commit to increasing the share of renewable energy and improving energy efficiency.
SDG 13	Promote urgent action to combat climate change and its impact by encouraging property managers to implement measures to reduce energy and resource use, advance eco-friendly developments and ensure proper management of waste.
SDG 15	Support biodiversity conservation policies by refusing to support real estate involved in illegal encroachment and promoting reforestation policies.
SDG 17	Enhance the partnership for sustainable development.

### Material Topics

- Sustainable supply chain management & work performance of the property managers
- Customer relationship management & tenant retention
- Management system & innovation management
- Environmental Concern & climate change
- Resource efficiency & circularity
- Community impact & development
- Product / Service quality
- Safety and hygiene



## CPNREIT's Framework for Delivering Sustainability across Our Value Chain



## 10.2 Managing the Impact on Stakeholders in the Value Chain

### Stakeholder Engagement Framework

#### 1. Stakeholder identification and analysis

Divide stakeholders into primary and secondary groups to assess risks and direct and indirect impacts, and determine appropriate engagement platforms for the identification of material topics.

#### 2. Listening and participation

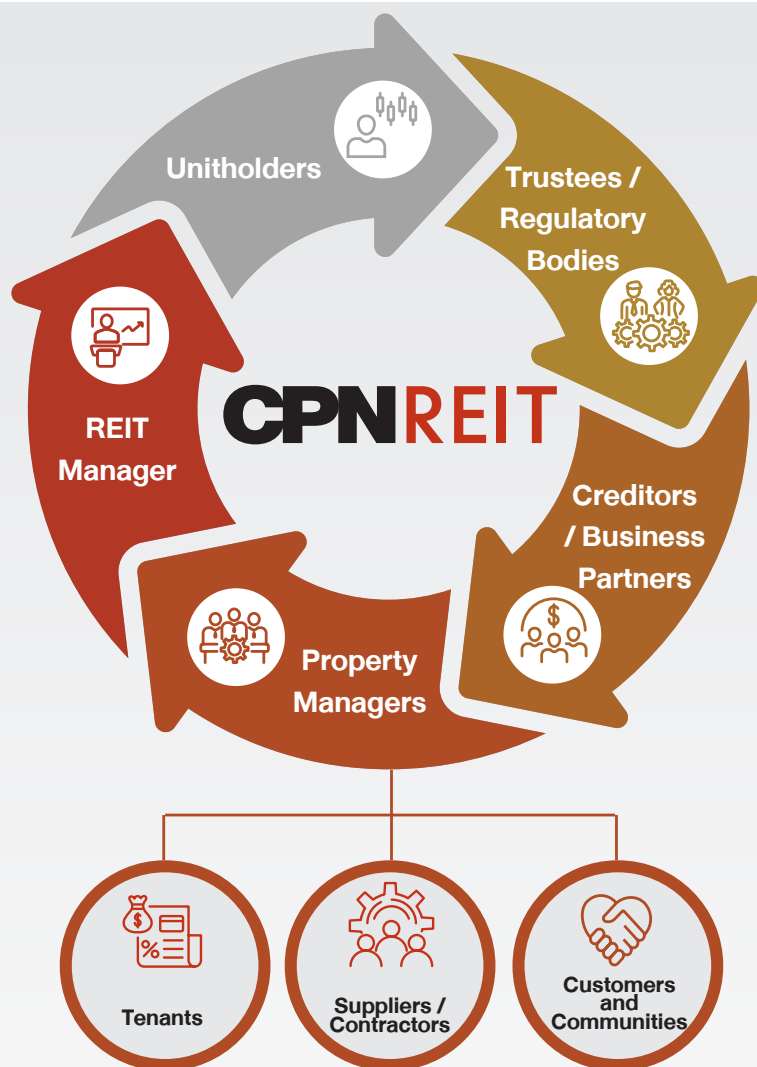
Provide avenues for stakeholder communication through both online platforms and in-person meetings, with dedicated employees responsible for carrying out this process to ensure engagement is conducted in accordance with the established procedures and on a regular basis. This includes maintaining mechanisms for receiving and responding to stakeholder suggestions and complaints, and conducting satisfaction surveys to guide improvement.

#### 3. Alignment

Establish strategy and process for responding to stakeholder needs and suggestions in a balanced way, based on risk management plans, to drive internal process development and improvement and ensure accuracy and transparency in disclosures.

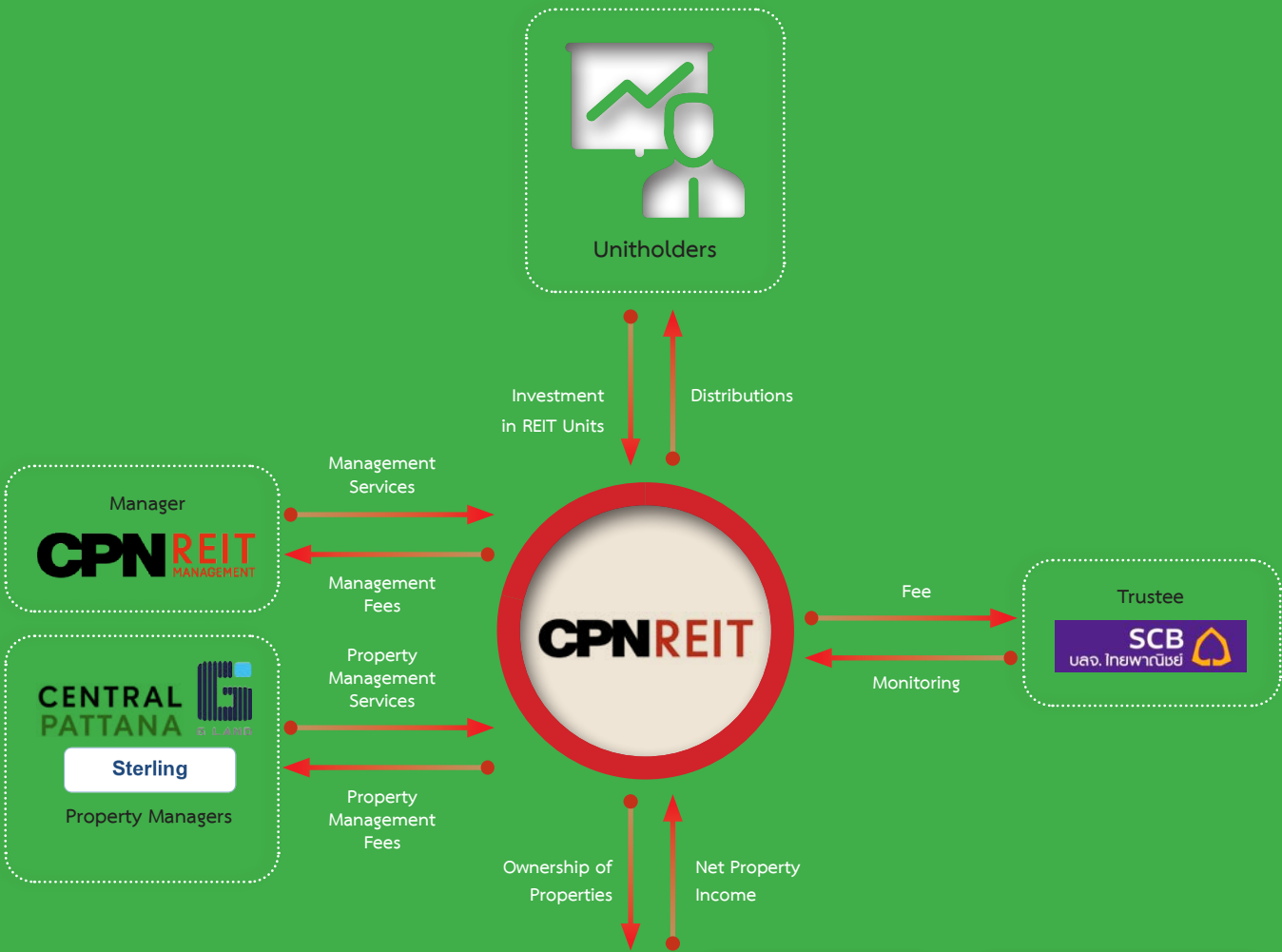
## Analysis of Stakeholders in the Value Chain

We divide our primary stakeholders into five groups: 1) unitholders (investors), 2) trustees / regulatory bodies, 3) property managers, 4) REIT manager / employees and 5) business partners; and secondary stakeholders into three groups: 1) tenants, 2) suppliers / contractors, and 3) customers and communities. Our stakeholder engagement policies and practices are put in place to uphold fair business activities and ensure that due consideration is given to all stakeholders to deliver sustainable mutual benefits, as detailed in “Section 3: The Role of Stakeholders.”





# CPNREIT's Value Chain



## Shopping Centers



CENTRAL  
RAMA 2



CENTRAL  
RAMA 3



CENTRAL  
PINKLAO



CENTRAL  
CHIANGMAI  
AIRPORT



CENTRAL  
PATTAYA



CENTRAL  
LAMPANG



CENTRAL  
MARINA

## Office Buildings



THE  
TOWERS



Unilever



PINKLAO TOWER A & B

## Hilton

Hotel Manager

Hotel



Hilton  
HOTELS & RESORTS

Sub-lease

Rental  
Income to  
CPNREIT

CPN Pattaya Hotel Co Ltd  
"Subleasee"

We engage all stakeholder groups by listening to their opinions, views, expectations and issues of material significance to the business to inform our operations as well as respond to their feedback and input in a balanced way to sustainably reduce and mitigate negative impacts while creating positive impacts for stakeholders.

## Alignment with Stakeholders

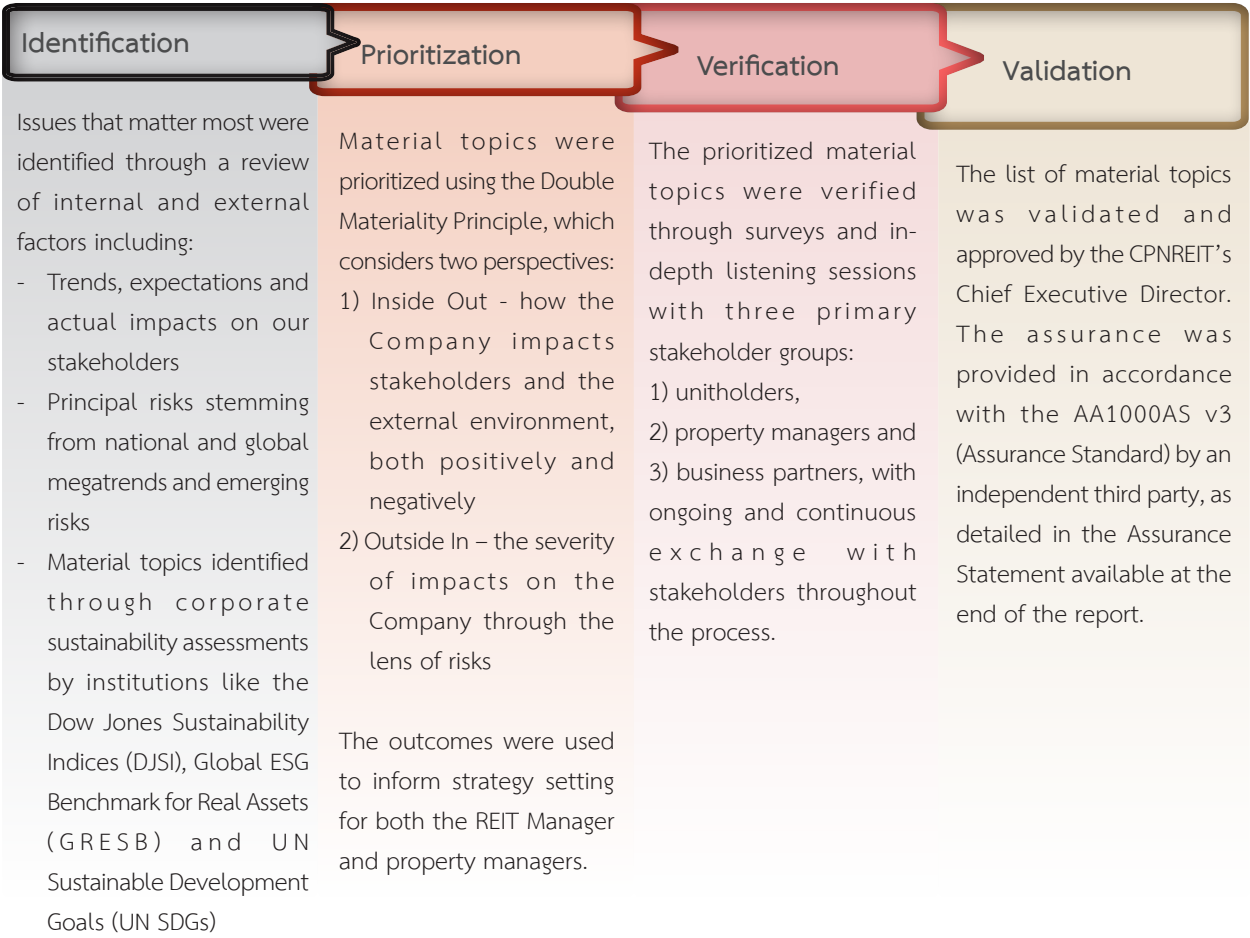
Primary Stakeholder Group	Engagement Platforms	Expectations and Material Topics	Response
 Unitholders (Investors)	<ul style="list-style-type: none"> <li>Annual General Meeting of Unitholders</li> <li>Opportunity Day</li> <li>Surveys</li> <li>Email / Company website</li> <li>Trustee: Fund management company</li> </ul>	<ul style="list-style-type: none"> <li>Returns / Dividends</li> <li>Sustainable investing / Investment growth</li> <li>ESG practices</li> <li>Climate risk assessment and management</li> <li>Leasehold rights over utility systems and related assets</li> </ul>	<ul style="list-style-type: none"> <li>Dividend payment in line with the Company policy</li> <li>Diversification</li> <li>Accurate, transparent and verifiable performance reporting</li> <li>Comprehensive risk management</li> <li>ESG integration in investment decision-making</li> </ul>
 Trustees / Regulatory Bodies	<ul style="list-style-type: none"> <li>Annual General Meeting of Unitholders</li> <li>Periodic monitoring</li> <li>Capital increase, change in model, condition, and/or method of investment</li> </ul>	<ul style="list-style-type: none"> <li>Corporate governance and business ethics</li> <li>Transparency and accountability</li> <li>Investing in sustainable real estate</li> <li>Financial stability and working capital</li> <li>Capital raising in compliance with the law</li> <li>Responsibility to unitholders</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with conditions as well as applicable legal and regulatory requirements</li> <li>Provide support and cooperation in activities</li> <li>Develop ways to mitigate social and environmental impacts</li> </ul>
 Property Managers	<ul style="list-style-type: none"> <li>Annual Strategy and Budget Meeting</li> <li>Meetings where relevant items are discussed</li> <li>Reporting and performance review</li> </ul>	<ul style="list-style-type: none"> <li>Resource efficiency and circularity</li> <li>Energy management</li> <li>Water and wastewater management</li> <li>Climate change mitigation</li> <li>Cost efficiency</li> <li>Property safety and hygiene</li> <li>Memorable service</li> <li>CRM and tenant retention</li> <li>Integrated community impact &amp; development</li> </ul>	<ul style="list-style-type: none"> <li>Track performance against the policies of Central Pattana, a major shareholder in the REIT Manager, holding 100% of the total shares issued. Further details are available in Central Pattana's Annual Reports or at: <a href="http://www.centralpattana.co.th">www.centralpattana.co.th</a>.</li> <li>Remuneration setting for property managers that drives performance</li> </ul>

Primary Stakeholder Group	Engagement Platforms	Expectations and Material Topics	Response
 <b>RIET Manager / Employees</b>	<ul style="list-style-type: none"> <li>• CG Individual Assessment</li> <li>• Human Right Impact Assessment</li> <li>• Organization-wide 360 degree manager reviews</li> <li>• People Voice surveys</li> <li>• Annual meetings (at least twice/year)</li> <li>• Management Information Meeting</li> <li>• Quarterly Town Hall meetings</li> <li>• Individual Development Plans (IDPs)</li> <li>• Communication via Workplace</li> </ul>	<ul style="list-style-type: none"> <li>• Investment direction and reasonable and stable returns</li> <li>• Risk &amp; crisis management; responsible policies and action plans</li> <li>• Sustainable supply chain management and work performance of the property managers</li> <li>• Cost reduction and energy efficiency</li> <li>• Climate change mitigation and decarbonization</li> <li>• Social integration and alignment with society's expectations</li> </ul>	<ul style="list-style-type: none"> <li>• Remuneration setting, annual performance review and promotions in accordance with the established metrics</li> <li>• Compliance with Central Pattana's Treatment of Employees Policy</li> <li>• Provision of employee welfare schemes such as provident fund and insurance</li> <li>• Create essential and appropriate employee training programs</li> <li>• Employee care and engagement</li> </ul>
 <b>Creditors / Business Partners</b>	<ul style="list-style-type: none"> <li>• Opportunity Day</li> <li>• Quarterly/Annually disclosures</li> <li>• Meetings / Consultations on collective engagement where relevant matters are discussed</li> </ul>	<ul style="list-style-type: none"> <li>• Economic, social and environmental performance</li> <li>• Development of investment units that are socially and environmentally responsible</li> </ul>	<ul style="list-style-type: none"> <li>• Accurate, transparent and verifiable performance reporting</li> <li>• Develop guidelines for issuing green bonds</li> </ul>
 <b>Tenants</b>	<ul style="list-style-type: none"> <li>• Quarterly tenant satisfaction surveys</li> <li>• Annual Tenant Meeting and Feedback and branch-level meetings</li> <li>• Training such as the annual fire evacuation drill</li> <li>• Communication and incident reporting via the SERVE application</li> </ul>	<ul style="list-style-type: none"> <li>• Product / Service Quality</li> <li>• Economic performance</li> <li>• Security systems</li> <li>• Innovation and technology</li> <li>• Energy and carbon emissions reporting</li> <li>• Access to renewable energy</li> <li>• Human rights and equality</li> <li>• Employee retention</li> </ul>	<ul style="list-style-type: none"> <li>• Marketing activities and seminars</li> <li>• Application development to increase convenience and support systematic operations</li> <li>• Communication through available channels</li> <li>• Infrastructure development and information management to support systematic work such as energy and waste management platforms</li> </ul>

Primary Stakeholder Group	Engagement Platforms	Expectations and Material Topics	Response
 Suppliers / Contractors	<ul style="list-style-type: none"> <li>• Meetings and consultations</li> <li>• Quality inspection and evaluation after receipt of products/services</li> <li>• Supplier ESG assessment</li> <li>• Whistleblowing and complaints through the 'Whistleblowing System' on Central Pattana's website: Whistleblowing Channel   Central Pattana (CPN)</li> </ul>	<ul style="list-style-type: none"> <li>• Product / Service quality</li> <li>• Fair procurement / price competition</li> <li>• Compliance with conditions and terms</li> <li>• Eco-friendly materials</li> <li>• Technology / Innovation</li> <li>• Labor practices</li> <li>• Occupational health and safety</li> <li>• Waste disposal after construction</li> </ul>	<ul style="list-style-type: none"> <li>• Have a clear procurement policy that prohibits discrimination</li> <li>• Have an anti-corruption policy and promote compliance</li> <li>• Have an internal control and internal audit policy</li> <li>• Procure to Pay (P2P) exploration and development to reduce workload and increase efficiency</li> </ul>
 Customers and communities	<ul style="list-style-type: none"> <li>• Call Centers of the properties</li> <li>• Surveys</li> <li>• Via email telephone/ website/complaints channel of the properties</li> <li>• Events / Seminars</li> <li>• News published via media / social media</li> <li>• Contact independent directors and Risk Management and Internal Control and Compliance directly at: idcpnreit@centralpattana.co.th and Compliancecpnreit@centralpattana.co.th, respectively</li> </ul>	<ul style="list-style-type: none"> <li>• Promotion of health and wellbeing</li> <li>• Occupational health and safety</li> <li>• Community engagement</li> <li>• Good corporate governance</li> <li>• Respect for human rights</li> <li>• Accessible communications</li> <li>• Fast and convenient travel</li> <li>• Access to public transport</li> </ul>	<ul style="list-style-type: none"> <li>• Cooperate with the public and private sectors to support social responsibility projects</li> <li>• Organize activities to facilitate community participation</li> <li>• Have a human rights policy and promote compliance</li> <li>• Good corporate governance practices</li> </ul>

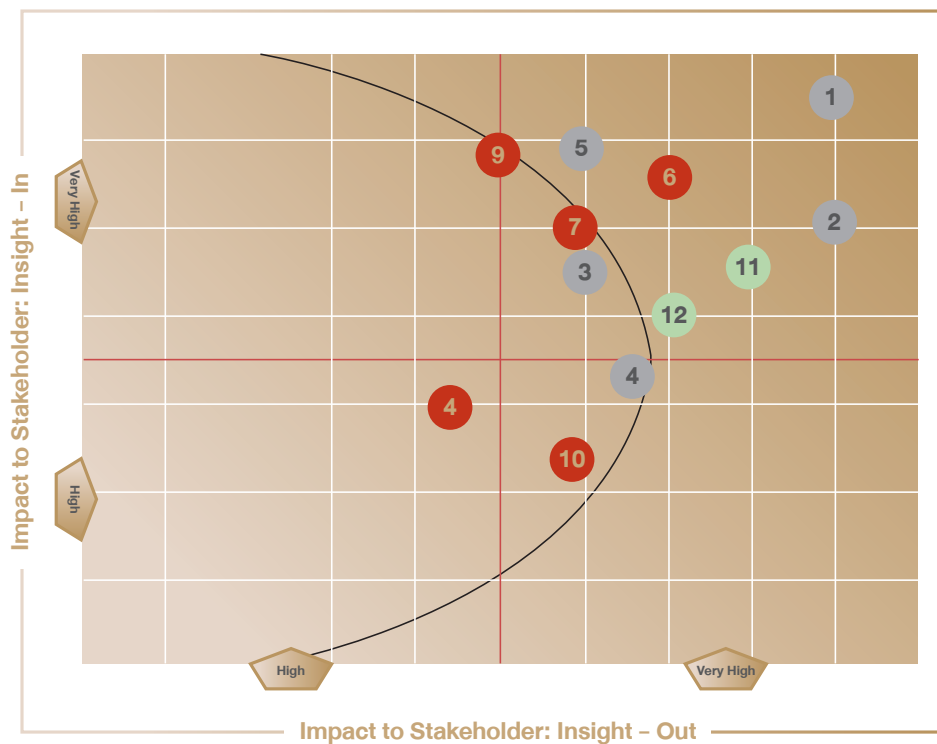
Materiality Assessment




At CPNREIT, we analyze our material topics annually alongside enterprise risk management to inform and shape our annual strategy. In 2023, our material topics were evaluated and prioritized based on input from all stakeholder groups through the materiality assessment process outlined in the table below:





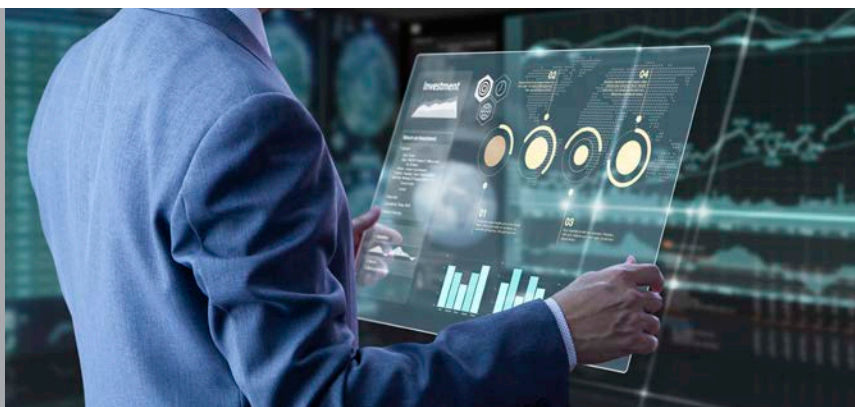
## Materiality Matrix



 Economic	 Social	 Environmental
1 Investing in Sustainable Products & Services	6 Alignment with Stakeholder	11 Resource Efficiency & Circularity
2 Corporate Governance & Business Ethics	7 Safety and Hygiene	12 Environmental Concern & Climate Change
3 Sustainable Supply Chain Management & Work Performance of the Property Managers	8 Human Rights	
4 Risk & Crisis Management	9 Community Impact & Development	
5 CRM & Tenant Retention	10 Talent Attraction & Retention	



### 10.3 Economic Sustainability Management



Fair business practices are at the heart of our business and REIT management. The REIT Manager ensure its compliance with relevant laws including the Securities and Exchange Act B.E. 2535 (1992) and its amendments, Trust for Transactions in Capital Market Act, B.E. 2550 (2007) and its amendments, along with applicable rules and regulations set by governing bodies and the Trust Deed. We maintain a high standard of business ethics, avoid any activity that may give rise to a conflict of interest, promote free and fair competition, ensure equal treatment of tenants and do not engage in misleading or false advertising that may cause confusion and harm to unitholders and investors.

In our investment decisions, we prioritize companies that demonstrate a commitment to social and environmental responsibility to ensure fairness for all stakeholders while closely monitoring the work performance of property managers for compliance with trade conditions and terms to promote fair and equal competition, as outlined below:

#### 1. Investing in Sustainable Products & Services

##### Real Estate criteria or characteristics used by CPNREIT in investment decision-making

1. All types of real estate including office buildings, shopping centers and hotels that have valid and legally enforceable contracts and documents and are not subject to any ongoing disputes that could significantly affect benefit generation domestically or abroad.
2. Real estate offering economies of scale in REIT management.
3. Properties that are strong, durable and safe, with renovations (if any) carried out in accordance with engineering principles and practices, periodic maintenance of utility systems and equipment and ongoing compliance with laws governing building and structure control, occupational health and environmental standards.
4. Properties operating businesses that engage in ethical, moral and legal activities as per ESG.
5. Properties built with social responsibility and no grievances from nearby communities and have entrances and exits as required by law to ensure convenience and safety for building users.
6. Real estate already generating benefits of over or equivalent to 75% of the total value of units offered, with a strong financial position, consistent financial performance and a track record of continuously delivering steady income for the past three years.
7. Greenfield projects requiring no more than 10% of the net asset value (NAV) to develop and complete to maintain sufficient working capital and stability.
8. Properties acquired must have an aggregate value of not less than Baht 500 mn.

#### Performance

CPNREIT conducted thorough due diligence on potential real estate investments in accordance with the investment policy outlined in its Trust Deed, registration statement, prospectus and objectives of establishing CPNREIT. This includes performance monitoring to ensure compliance with relevant regulations and laws including those related to ESG.

We also monitored our investments in eco-friendly property developments, which Central Pattana has been progressing under the Green-finance-framework to accelerate the transition to net zero. In addition, we have incorporated ESG metrics into executive and employee performance evaluations, linking them to salary increases, bonuses and promotions, to foster awareness and active participation in advancing the Company's sustainability journey.

At present, CPNREIT's portfolio of long-term leasehold rights comprises:

- Seven shopping centers - Central Rama 2, Central Rama 3, Central Pinklao, Central Chiangmai Airport, Central Pattaya, Central Lampang and Central Marina
- Four office buildings - Pinklao Tower A, Pinklao Tower B, The Ninth Towers Grand Rama 9 and Unilever House Grand Rama 9
- One hotel - Hilton Pattaya

## 2. Corporate Governance & Business Ethics

We uphold corporate governance principles and ethical standards in managing CPNREIT and maintain a well-balanced stakeholder governance structure as outlined in the "Corporate Governance Policy" section. We recognize that good corporate governance is instrumental in driving sustainable returns for CPNREIT and its unitholders as well as fostering their confidence and attracting increased investment. Conversely, poor corporate governance can erode the Company's credibility and investor trust, potentially resulting in a significant decline in financial performance.

The 'trustee' of CPNREIT, 'SCB Asset Management Co Ltd,' operating independently of the REIT manager and the REIT, has the duty to manage the Trust with integrity and prudence as a professional with expertise. This encompasses overseeing the activities of the REIT Manager to ensure compliance with the Trust Deed and securities law and holding the assets of the REIT in trust, as further described in the "Duties and Responsibilities of the Trustee" section. External actors are engaged in corporate governance and two independent directors are appointed to monitor and review the performance of the executives and management of CPNREIT to ensure adherence to good corporate governance principles, as detailed in the "External Actors" and the "Duties and Responsibilities of the Independent Director" sections, respectively, to maintain effective checks and balances, prevent undue advantage or conflicts of interest among stakeholders and safeguard the best interests of the unitholders.

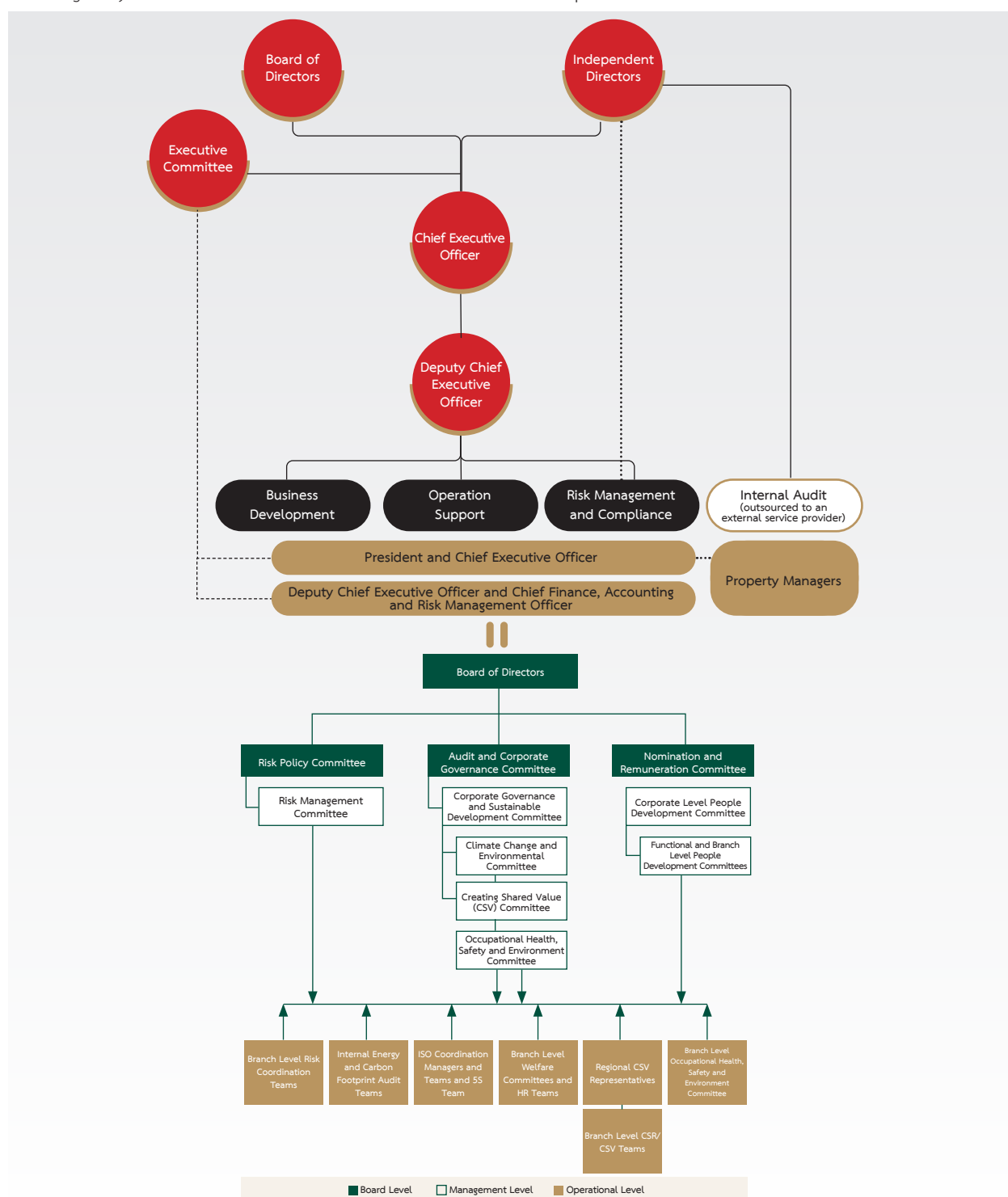
Through this approach, confidence in the ongoing transparency, integrity and accountability in the management of CPNREIT under its corporate governance structure is ensured. CPNREIT shares the sub-committees with 'Central Pattana,' its primary 'Property Manager' to deliberate on important matters and the operating structure for sustainability. These sub-committees include three standing committees - the Risk Policy Committee, the Audit and Corporate Governance Committee, and the Nomination and Remuneration Committee, further described in Sub-committee | (CPN). In addition, board members of CPNREIT concurrently serve as the 'President and Chief Executive Officer' and 'Deputy Chief Executive Officer and Chief Finance, Accounting and Risk Management Officer' of Central Pattana Plc and 'Acting Chief Executive Officer and Chairperson of Executive Committee of Grand Canal Land Plc,' which manage our office and retail properties. This structure facilitates close collaboration with property managers to set key policies, targets and strategies and to monitor and supervise their performance, both monetarily and non-monetarily, through the lens of ESG at quarterly committee meetings as well as careful deliberation and monitoring of the REIT manager's performance on specific topics, to drive effective execution and delivery of our strategy and policy framework, while enhancing our competitiveness.

In addition, we have put in place measures to mitigate conflicts of interest in transactions between CPNREIT and related parties including:

- Market-based benchmark
- Clear written contracts and policies
- Fair transaction conditions
- Trustee acting on the behalf of the Trust
- Monitoring of all transactions
- Regular review of mitigation measures

The REIT Manager has the authority and duty to oversee that CPNREIT is performing in line with the established work plan, act with integrity to safeguard the interests of the Company and unitholders to the best of their ability as well as ensure that the Trust operates in compliance with the Trust Deed, relevant laws and regulations and good corporate governance principles, which provide guidelines for the implementation of the above policy, as detailed in the Corporate Governance | CPN Retail Growth Leasehold REIT (CPNREIT), while also upholding the Investment Governance Code outlined below:

- 1) Adopt a clear written Investment Governance Code.
- 2) Properly prevent and manage conflicts of interest and prioritize advancing the best interest of clients.
- 3) Make informed investment decisions and engage in active ongoing monitoring of investee companies.
- 4) Apply enhanced monitoring of and engagement with the investee companies in extraordinary cases, negative or positive, to assess risks and opportunities for revenue generation.
- 5) Have a clear policy on exercising voting rights and disclosure of voting results.
- 6) Act collectively with other investors and stakeholders as appropriate
- 7) Regularly disclose the Investment Governance Code and compliance to stakeholders.



## Whistleblowing and Complaints

We have put in place audit and anti-corruption policies, in which Risk Management and Internal Control have the primary responsibility for carrying out audits and monitoring risks related to CPNREIT's operations and investments. The Internal Audit function is outsourced to an independent audit firm. The Board of Directors, acting as the Property Manager, oversees the maintenance of grievance, complaints and whistleblower mechanisms for both internal and external stakeholders, ensuring their fair participation in corporate governance and remediation through the Whistle-blowing and Complaints | Central Pattana (CPN) portal as well as via direct reporting to our office and email at: Contact Us | CPN Retail Growth Leasehold REIT (CPNREIT).

**Target** Ensure comprehensive and effective oversight of corporate governance and business ethics in the operations, with a target of zero complaints.

**Performance** There were no disputes/convictions or lawsuits related to governance, environmental or social issues.

## 3. Sustainable Supply Chain Management & Work Performance of the Property Managers

Our property managers have applied the UN Global Compact's Supply Chain Sustainability framework, which includes six steps as follows:



1. Establish clear commitments and policies for sustainable supply chain management by developing the Code of Conduct for Supplier that cover social and environmental issues to set out the standards and guidelines for suppliers to operate in a socially responsible and ethical manner.
2. Determine the scope of efforts by dividing supply chain management into:
  - 1) Suppliers in business development and construction of shopping centers and other buildings
  - 2) Shopping center management and marketing
  - 3) Organization management
 Please refer to Supplier | Central Pattana (CPN) for further details.
3. Define significant suppliers based on:
  - 1) Spend
  - 2) Strategic value to the business
  - 3) Dependency due to limited alternative suppliers
4. Establish roles and responsibilities for supply chain management within the organization from the Board of Directors to relevant units including procurement, manufacturing, quality control, warehouse and delivery.



Put in place processes/steps/methods/practices for identifying potential economic risks (e.g., concentration risks and product/service quality risks), social risks (e.g., human rights and labor practices) and environmental risks (e.g., compliance with environmental laws, regulations and standards) from suppliers.

Foster engagement with suppliers to communicate our expectations and intentions regarding sustainability management and seek ways to enhance the capacity and capability to remain competitive and strengthen partnerships within the supply chain.

## Customer Relationship Management & Tenant Retention

CPNREIT's primary source of revenue comes from the rental income from retail and office tenants. To maintain income stability, it is crucial not only to develop high-quality real estate with superior standards but also to elevate service standards to provide tenants and customers with exceptional experience and satisfaction. Therefore, effective processes should be put in place by property managers to actively listen to customers' voices and monitor their satisfaction to drive continuous development and improvement and ensure the needs of every customer group are being met, while making the shopping centers the 'destination' for business operators and customers as well as the 'center life' that generates revenue and happiness for all stakeholders.

To provide motivation for customer relationship management and tenant retention, CPNREIT sets and manages the remuneration of property managers as follows:

- 1) Fee for rent collection from retail and office tenants to provide motivation for long-term maintenance of customer and tenant satisfaction
- 2) Commission for securing tenants, both for entering into lease agreements with new tenants and for lease renewals, to provide motivation for acquiring new tenants when space becomes available to ensure income stability.
- 3) Incentive fee tied to the net property income after deducting total costs and expenses incurred by the property to provide motivation for effective cost management such as implementing water and fuel and energy savings initiatives.
- 4) Management fee based on the net investment property value.
- 5) Fee for the supervision of property enhancements to provide motivation for property development aimed at reducing and mitigating negative social and environmental impacts, while also creating opportunities to deliver positive impacts such as installing solar PV rooftops.



Further details can be found in the "Remuneration of the Property Manager" section.

The property managers' management approach to tenant satisfaction management is outlined below:

1. Create a welcoming atmosphere with stunning design and modern aesthetics;
2. Ensure service convenience, with easy access and readily available assistance from juristic persons;
3. Create marketing activities and promotions for tenants;
4. Develop service-minded staff equipped with knowledge, capabilities and ability to problem solve;
5. Regularly maintain amenities and systems like lifts, escalators, restrooms and lighting to ensure they are in optimal conditions;
6. Manage building safety through measures such as evacuation drills, fire prevention and elevator stoppage response;
7. Ensure effective traffic management in the projects and facilitate convenience.
8. Carry out cleaning/pest control for infection prevention;
9. Develop applications, technologies and communications channels;
10. Allocate common areas such as green spaces, rest areas and exercise spaces to support and promote healthy living and the wellbeing of tenants and users;

and carry out targeted initiatives aimed at enhancing tenant satisfaction to create satisfying and memorable experiences that drive positive word of mouth among operators and business people.

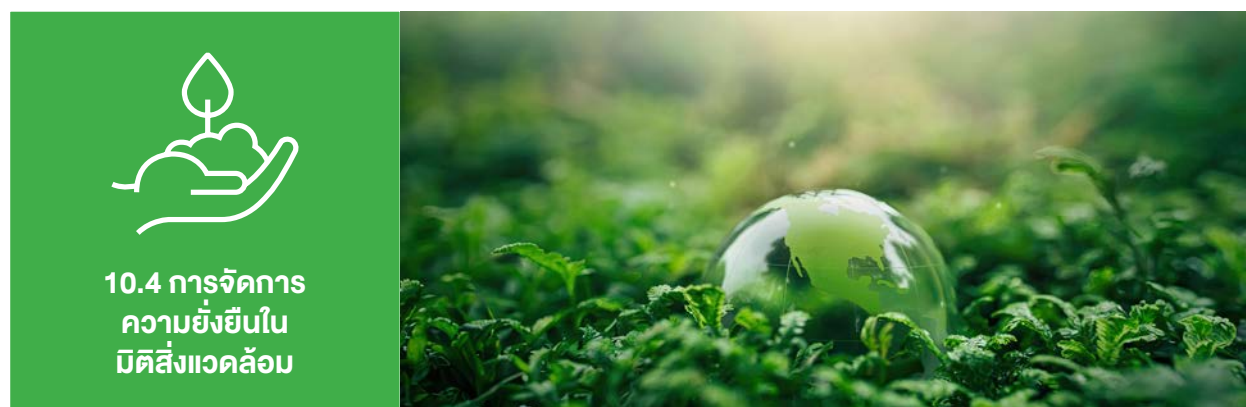


## Customer Satisfaction Survey Results

Since 2022, property managers in our shopping center portfolio have adopted the Net Promoter Score (NPS) as a new metric to measure where they stand with the customers. This calculation subtracts the percentage of detractors (scores of 0-6), excluding passives (scores of 7-8) - to prioritize the feedback from promoters and detractors. This approach ensures that positive aspects are maintained and enhanced while areas for improvement are effectively addressed. In addition, we use the NSP rating scale below to evaluate the Sustainability Performance of our property managers:

0	Needs improvement	-100	0	Fair	30	Good 70	Excellent 100
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Over the past two years, the property managers have consistently maintained a “Good” satisfaction rating. Nonetheless, in cases where a project is rated as “Needs improvement,” we will closely monitor their operations.



### 10.4.1 Environmental Policy

CPNREIT places a significant importance on environmental performance, natural resource conservation and mitigation of environmental impacts within the shopping centers and their surroundings. This means advancing energy-efficient and low-maintenance solutions such as expanding the use renewable energy, particularly solar power, promoting recycling and energy savings practices like water reuse and ensuring compliance with environmental legislation, to help accelerate Central Pattana’s net zero transition, as its subsidiary.

As a priority, we focus on investing in properties that have in place environmental management systems that are in line with our management approach to mitigating the impacts of climate change and the environment. The Board of Directors is responsible for monitoring the environmental management policy, which covers the performance and management of natural resources, energy and utilities as well as climate, environment, biodiversity and waste to deliver maximum efficiency and widest possible benefits in a systematic and sustainable manner. This includes prioritizing properties that are certified to environmental standards such as ISO 14001 Environmental Management Systems, ISO 14064-1 Greenhouse gases — Part 1, ISO 50001 — Energy management or global green building standards. We have also set environmental performance targets to encourage property managers to enhance resource efficiency and increase circular use of resources such as harnessing solar power electricity, utilization of recycled water and implementing waste segregation programs for recycling to minimize the demand for new resources at the source and divert waste from landfill, aligning with our decarbonization targets outlined in Corporate Governance | 19. Society, Communities, and the Environment Policy.

### Resource Efficiency & Circularity

CPNREIT is committed to promoting resource efficiency and circularity. Our property managers are required to regularly review and update their environmental management measures to ensure effectiveness, particularly in areas such as fuel and electricity efficiency, adoption of renewable energy, water savings and resource conservation. These efforts are planned and developed in line with the circular economy principles, with the aim of closing the loop - by extracting the maximum value from the limited resources in use and keeping materials in circulation for as long as possible to minimize waste sent to landfill and reduce waste generation, while ensuring proper disposal of waste and hazardous substances to mitigate broader environmental and social impacts.

## Our Management Approach to Energy and Resource Management

1. Operate with concern for energy conservation, natural resources, climate and the environment and comply with energy conservation legislation and other relevant legal and regulatory requirements.
2. Ensure management systems in place are sufficiently aligned with national and global standards such as energy management system, carbon emissions management system and environmental management system, with a focus on reducing and preventing pollution.
3. Continuously advance technologies and enhance the performance of energy management system and utility systems including water, LPG and oil while establishing climate and environmental care as part of the operations.
4. Set appropriate targets for energy and utility consumption reductions and climate and environmental care while consistently tracking and reporting progress towards these goals.
5. Review policies and operational plans annually.
6. Communicate these policies to employees and relevant stakeholders to ensure their understanding and adherence, recognizing this as a collective responsibility across all units and promote collaboration to carry out the established measures.
7. Allocate appropriate resources including personnel and budgets for training, employee engagement and collaboration with public and private entities, communities and society.

## Environmental Concern & Climate Change

Across the globe, climate change is making its presence felt. As greenhouse gas emissions continue to drive global warming and erratic shifts in the climate including El Nino events, these changes, from floods and droughts to negative impacts on living things on earth such as the spread of diseases to extinction of plant and animal species, have affected the agricultural and business sectors, particularly in Thailand, a country ranked among the ten most impacted by climate change. This highlights the need for all sectors to work together to address and mitigate these impacts.

























As part of the financial corporations sector, CPNREIT has a policy to invest in properties that have in place measures to conserve the environment and natural resources including climate adaptation. We are committed to decarbonizing our operations and have set the goals to become carbon neutral by 2050 and reach net zero emissions by 2608, in line with Thailand's targets. We monitor and collect data on the sources of our emissions and emissions-generating activities to calculate our Carbon Footprint for Organization (CFO) and continue to evolve our measures to reduce greenhouse gas emissions, with the Board of Directors overseeing and acknowledging reports from the Climate Change and Environment Committee (CEC), to accelerate progress towards Central Pattana's goals.

In addition, we recognize the need to manage transition risk. Thailand, which is a signatory to the United Nations Framework Convention on Climate Change (UNFCCC) and the Paris Agreement, has been pushing the business sector to work together to reduce its carbon emissions by introducing new measures, regulations or legislation such as the Climate Change Act, Thailand Taxonomy, and International Financial Reporting Standards (IFRS). Failure to adapt to these changes could have repercussions for our business impacting factors such as income, expenses, reputation, brand, competitiveness and unitholder confidence.

At CPNREIT, we review our Climate Change and Environment Policy annually and develop measures to manage and mitigate associated risks. These are communicated to employees at all levels along with relevant service providers for consistent decision-making and actions as follows:

Physical Risks/Opportunities	Management Approach
<ul style="list-style-type: none"> <li>- Damages from off-season storms triggered by intensifying climate change</li> <li>- Flash floods caused by heavy rainfall and rising sea levels</li> <li>+ Rainwater harvesting</li> </ul>	<ul style="list-style-type: none"> <li>• Conduct inspections and monitoring to ensure ongoing physical improvements to properties to increase durability and resilience.</li> <li>• Property managers make preparations, develop plans and acquire equipment and devices to mitigate potential incidents.</li> <li>• Design technologies and buildings to collect and store rainwater for uses such as irrigation.</li> </ul>
<ul style="list-style-type: none"> <li>+ Harnessing rising heat</li> <li>- Damages from heat waves, droughts and health impacts</li> </ul>	<ul style="list-style-type: none"> <li>• Install solar panels on rooftops to leverage renewable energy.</li> <li>• Assess the use of building materials that keep heat out or reflect solar radiation.</li> <li>• Implement measures to lower electricity consumption to mitigate the impact of rising electricity costs.</li> <li>• Design buildings in line with energy-efficient principles, focusing on open and airy design with good air circulation and adding refreshing green spaces.</li> </ul>
Extinction of plant and animal species	<ul style="list-style-type: none"> <li>• We have a policy prohibiting deforestation in all developments and ensuring the conservation of ecosystems and biodiversity to prevent the extinction of all living organisms across our business operations.</li> </ul>
Transition Risks/ Opportunities	Management Approach
Policy and legal	<ul style="list-style-type: none"> <li>• Carefully monitor and prepare for environmental and carbon legislation, ready to adjust business plans accordingly.</li> </ul>
Technology	<ul style="list-style-type: none"> <li>• Explore and budget for green technologies while assessing the costs and benefits associated with adoption.</li> </ul>
Market	<ul style="list-style-type: none"> <li>• Develop buildings to meet green building standards to gain a competitive edge in marketing, as tenants are becoming more aware of policies/ measures that promote energy savings and low-carbon organization.</li> </ul>
Reputation	<ul style="list-style-type: none"> <li>• Foster a positive brand image to attract younger demographics with modern buildings that align with global trends.</li> </ul>

## Sustainable Building Certifications

No.	Shopping Center	Management Standards							Utilities			Awards					
		ISO14001	ISO20121	ISO45001	ISO50001	ISO27001	TMVS	AMVS	Solar Energy	Recycled Water	Groundwater/Rainwater	Thailand Energy Award	Asean Energy Award	ASEAN Most Honored	MEA Energy Saving Building Award	Building Energy Award	Energy Efficient Building Mark
1	Central Pinklao																
2	Central Chiangmai Airport																
3	Central Rama 3																
4	Central Rama 2																
5	Central Pattaya																
6	Central Marina																
7	Central Lampang																



In 2023, solar rooftop installations were completed at Central Pinklao, Central Chiangmai Airport and Central Rama 3, with further expansion planned for Central Pattaya and Unilever House Grand Rama 9 in 2024.

### Examples of energy efficiency measures

1. Optimize HVAC systems to regulate temperature, humidity, hygiene and ventilation appropriately, maintaining indoor air quality in shopping centers that is safe and comfortable for tenants and shoppers.
2. Upgrade from fixed-speed compressors to Variable Speed Drives (VSDs), which automatically adjust the speed of the air compressor motors (RPM) to match real-time demand.
3. Enhance the Chiller Plant Management System (CPMS).
4. Set up the Environmental Dashboard system to optimize energy management and reduce costs related to hiring energy auditors for semi-annual energy audits.

### Examples of water-savings measures

Follow the 3R approach - Reduce, Reuse and Recycle and progress onsite wastewater treatment and recycling to alleviate water scarcity issues in Thailand, which is an agricultural country with high water stress.

- Reduce** : Install high-efficiency toilets and deployment of zero water floor cleaning technologies.
- Reuse** : A study has been undertaken to explore onsite water reuse solutions for irrigation and ornamental fountains.  
Additionally, Hilton Pattaya has installed a separate water piping system to collect leftover bottled water from guest rooms to irrigate the hotel's gardens.
- Recycle** : Install onsite wastewater treatment and recycling systems to utilize the treated water in chiller systems.



### Examples of waste management measures

1. Provide waste segregation bins for tenants at waste storage areas and within the shopping centers for recyclables at designated stations, PET bottles, food scraps and hazardous waste to ensure proper waste management.
2. Partner with the startup "Recycle Day" by providing the space within CPNREIT's properties for recycling stations where tenants, employees and customers can conveniently sell their recyclables and earn points that they can redeem for prizes. This partnership underscores our commitment to promoting waste segregation among tenants and employees, delivering safe services and maximum returns, while also receiving advice on how to manage leftover materials.
3. Participate in "Mai Tay Rum," a project run by the Bangkok Metropolitan Administration (BMA) to segregate food scraps and organics at source, which are turned into animal feed and fertilizers.





### Examples of climate mitigation measures

Our property managers have adopted internal carbon pricing (ICP) and are in the process of setting the shadow price on carbon emissions in line with the TCFD recommendations, to evaluate the financial implications of TCFD-aligned emissions management and put a monetary value on emitted carbon. This fosters awareness among working groups of the importance of managing emissions at source to drive maximum value in business operations through sustainable carbon emission management.



### Key Environmental Targets and Performance

 Target	 2023 Performance
1. Reduce Scope 1 and 2 emissions by 30% by 2030 from the 2019 baseline.	Xx reduction in emissions
2. Increase the share of renewable energy to 20% by 2030.	Xx renewable energy
3. Reduce water use by 12% by 2024.	xx reduction in water use
4. Increase the use of recycled water to 30% by 2024.	xx recycled water use
5. Increase the proportion of segregated recyclables to raise the diversion rate to 50% by 2025.	Xx diversion rate

Further details on performance outcomes are available in Sustainability Performance | CPN Retail Growth Leasehold REIT (CPNREIT). The carbon emissions data of Central Pattana, a property manager, are collected and reported based on CPNREIT's equity share of properties in its portfolio.



### 10.5.1 Social Policy

CPNREIT is committed to human rights, equitable treatment for all stakeholder groups, diversity, equality as well as promoting the freedom of association and collective bargaining agreements in recognition that the basic rights of individuals are important and fundamental to human development. We have established the Codes of Conduct for the Board of Directors and executives and employees along with corresponding policies and implementing guidelines for suppliers and stakeholders to promote good practices and guide all personnel to conduct themselves in accordance with the Company's ethics and regulations, ensuring smooth operations. Further details can be found in Corporate Governance | CPN Retail Growth Leasehold REIT (CPNREIT).

We uphold fair employment practices with consideration of the right to work in accordance with the law and do not discriminate based on gender, ethnicity, religion or cultural differences. We establish remuneration and welfare packages that align with health and social welfare standards to foster wellbeing and ensure a safe and hygienic working environment for employees, suppliers and contractors. We also support the development of employee knowledge, skills and capabilities to support their career advancement and retain quality talent.

In addition, we promote local employment and community impact development by continually enhancing our business processes to reduce environmental and climate impacts while fostering sustainable economic growth.

Under our anti-corruption and tax policies, we ensure that our performance disclosures are transparent and verifiable and do not provide monetary or any support for political parties, organizations or individuals associated with politics.

However, we provide support to business institutions and associations beneficial to shareholders such as the Thai Shopping Center Association (TSCA) and Thailand Management Association (TMA), and, where appropriate, to activities for the public benefit through the activities of property managers that relate to good corporate governance and best practices in the real estate sector. We also support anti-corruption organizations to foster partnerships and networks within the business sector to deliver on our commitment to collective social responsibility. Further details can be found in Sustainability Report | Central Pattana (CPN).

### Respect for Human Rights and Fair Labor Practices

#### Management Approach

1. We conduct a fair recruitment process, welcoming candidates from all backgrounds irrespective of ethnicity, age, residence, gender or culture. Our selection process focuses on capabilities, skills, and qualifications to create a workforce that contributes effectively to risk management, investment decision-making and operations management. At present, our Board of Directors has a 20:80 male-to-female ratio, while our management team consists entirely of women. We are committed to creating a gender balance workforce with a 50:50 gender mix, which we have consistently maintained each year without significant difference each year, as reported in [Sustainability Performance | CPN Retail Growth Leasehold REIT \(CPNREIT\)](#).
2. We ensure fair and competitive remuneration, regardless of gender, by considering market rates and individual capabilities, experience, expertise and performance to attract and retain quality talent over the long term. This approach aligns with the direction and criteria established by our Board of Directors under the policy framework set out by Central Pattana.
3. We promote and uphold respect for the human rights of our employees and stakeholders. Our property managers conduct audits of contractors to prevent human rights abuses such as forced labor, child labor or illegal employment. They also undertake Human Right Due Diligence (HRDD) and Human Right Impact Assessments (HRIAs) with internal



employees to investigate, address and penalize individuals engaged in threatening behavior or sexual harassment, whether physical, verbal or emotional with remedies provided to affected employees.

4. We treat all tenants fairly and responsibly, both in regards to property standards and service excellence, focusing on quality, health and safety and hygiene for tenants, employees and users, with a target of zero complaints.

## Safety and Hygiene

We have set ourselves a goal of achieving “zero” fatalities and total and permanent disability (TPD) of employees and contractors as well as maintaining a frequency of lost time accidents (LTA) among employees and contractors at “zero.”

To mitigate the impact on external stakeholders from unsafe social events and the rising frequency of incidents reported in the news over the past year, even if they might not have occurred within Central Pattana and properties under CPNREIT, the shopping center management has not been complacent. They have distilled lessons learned from these events into case studies to carry out exercises and drills to test the prevention plans for these risk events.

Five Unsafe Event Response Exercises in 2023

1. Falls from height
2. Suspicious substance
3. Gas leak
4. Chemical spill
5. ACTIVE SHOOTER Response

## Approach to Risk and Hazard Reduction

1. Make clear the procedures and protocols to store decorating contractors including requirements for wearing and using Personal Protective Equipment (PPE) and completion of contractor pre-start checklist prior to commencing works on-site.
2. Manage common areas by providing proper signage, conducting equipment checks (including PPE and fire protection equipment in the shopping centers) and installing Automated External Defibrillators (AEDs).
3. Provide fire extinguisher basic training to tenants’ workers.
4. Conduct fire evacuation drills.
5. Perform inspections at stores with hot kitchens that utilize gas canisters.
6. Carry out Troop Marketing to promote tenant safety.

Central Rama 3, managed under CPNREIT, has been one of the flagship shopping center in the Thailand Institute of Occupational Safety and Health’s 2023 Occupational Safety and Health Management System Standards program, achieving a platinum rating.



## Community Impact & Development

We are committed to creating positive social impacts by integrating them into our business operations as follows:

1. Create equal opportunities for all individuals including people with disabilities, the elderly, pregnant women and individuals of various religious beliefs in addition to Buddhism, the official religion of Thailand, by providing facilities and amenities such as wheelchairs, ramps, accessible restrooms, nursing rooms, Muslim prayer rooms and strollers.
2. Organize activities that promote diversity and foster understanding, such as Pride Month, while also offering free space for farmers, OTOP products and student musical performances as well as retail space at special rates to support SMEs.
3. Ensure travel convenience. The majority of Central Pattana’s properties are located near transit stations, both MRT and BTS, with easy access to the shopping centers through coordination with these service providers to build connected walkways. In areas where train networks are not available, the shopping centers provide convenience by allocating space for transport hubs and providing shuttle bus services for customers.

4. Provide dedicated parking spaces for electric vehicles (EVs), bicycles and families to encourage eco-friendly commuting practices and carpooling.
5. Offer internship opportunities to students to gain real-world experience and income while studying, which also provide us with a pool of potential future employees

## Talent Attraction and Retention

### Management Approach

#### 1. People Development

We set an average target for employee training hours to no less than 10 hours/person/year. Despite CPNREIT's relatively small workforce, as a subsidiary of Central Pattana, we utilize its human resource management system "CNEXT" to ensure all employees have access to the same standardized training courses to foster alignment in knowledge and organizational culture. Through the system, our employees can access work manuals, facility systems, and relevant training courses tailored to their positions and development plans, enabling them to advance along their career paths. They can also maintain records of their training history and certificates, fostering a sense of accomplishment that enhances employee satisfaction and engagement.

#### 2. Management and Performance Evaluation

We use the goal-setting framework Objectives and Key Results (OKRs) to create alignment around the organization's objectives and strategy, following this six-step structured process:



#### 3. Remuneration and Welfare

We use OKR reviews to determine pay increases and annual bonuses and develop Individual Development Plans (IDPs) to foster skill enhancement in line with the organization's functional competency frameworks, support employee career growth and guide promotional decisions based on individual capabilities as well as use them for succession planning and overall people development to increase the organization's competitiveness and adaptability to stay ahead in an age of disruption.

In 2023, we introduced a "salary advance (during) the month" scheme, currently in a pilot phase for employees at operational and team manager levels, allowing payroll advance three times per year to alleviate stress and increase liquidity for those in need. This service was developed based on employee feedback to enhance employee well-being.

#### 4. Satisfaction and Engagement Survey

Central Pattana and its subsidiaries conduct employee satisfaction and engagement surveys or "People Voice," every six months, along with continuously soliciting opinions and suggestions from employees on various topics. We also provide channels for employees to communicate with human resources. The insights from these survey and suggestions are then used to improve our processes and working environment to boost the wellbeing of our employees.

บริษัทฯ ในฐานะผู้จัดการกองทรัสต์ ร่วมกับผู้บริหารอสังหาริมทรัพย์ ได้คำนึงถึงแนวทางความรับผิดชอบต่อสังคมทั้งที่เกี่ยวข้องโดยตรงและโดยอ้อมกับกองทรัสต์ CPNREIT และได้พิจารณาถึงความรับผิดชอบต่อสังคมในภาพกว้าง โดยมุ่งเน้นการประกอบกิจการด้วยความเป็นธรรม การต่อต้านการทุจริตคอร์รัปชัน การเคารพสิทธิมนุษยชน การปฏิบัติต่อผู้ใช้แรงงานอย่างเป็นธรรม การรักษาไว้ซึ่งมาตรฐานคุณภาพชีวิตให้กับบุคคล พนักงาน หน่วยงานทุกภาคส่วนหรือสังคมโดยรวม ความรับผิดชอบต่อผู้บริโภค การดูแลรักษาสิ่งแวดล้อม การร่วมพัฒนาชุมชนหรือสังคม การเผยแพร่วัฒนธรรมซึ่งได้จากการดำเนินงานที่มีความรับผิดชอบต่อสังคม สิ่งแวดล้อม และผู้มีส่วนได้เสีย



## 11. Internal Control and Risk Management

### 11.1 Internal Control

For the operation of the Company as a REIT Manager to run effectively and achieve its objectives, the REIT Manager has implemented key audit and internal control systems to check and ensure that the operations of each department comply with the REIT Manager rules and applicable laws, and arranged for a mechanism to be regularly monitored, audit and evaluate internal control systems of the property manager and/or the sub-lessee to ensure that the internal control systems are effective, and able to prevent fraud or instantly detect fraud and non-compliant operations. For example, specify that the internal auditor must assess the internal control systems of the property manager and/or sub-lessee at least once a year and report internal control weaknesses or deficiencies to the REIT Manager. The REIT Manager shall oversee the following key systems:

#### 1. Annual budgeting system

CPNREIT is managed through an annual operating plan to achieve the set objectives. The annual operating plan shall align with the strategic trust management plan.

#### 2. Special expenditure approval system and/or capital expenditure not included in annual operating budget

When the REIT Manager sees that it is necessary for CPNREIT to incur special expenditures and/or expenditures exceeding the annual operating budget and/or other essential capital expenditures exceeding annual operating budget approved by the trustee, the REIT Manager has an evaluation and approval of special expenditure system that can be audited.

#### 3. Rental collection monitoring system

The REIT Manager shall arrange for a rent collection monitoring system to ensure that the rent collected by the property manager is completely ceded to CPNREIT, accounts receivable are regularly followed up, and the write-off of accounts receivable complies with the

In the case that the REIT Manager leases the core properties to the sub-lessee, the REIT Manager shall oversee that the sub-lessee pays rent according to the payment schedule specified in the lease agreement by following up with the sub-lessee before due dates in the lease agreement to prevent payment overdue or breach of lease agreement.

#### 4. Procurement system

The REIT Manager maintains sound procurement procedures and processes as well as the audit of procurement procedure of the REIT Manager to ensure that the procurement procedure is compliant with best practices and regulations, transparent, fair and for the benefit of the CPNREIT.

The REIT Manager shall assess the effectiveness of internal controls over procurement system of the property manager by auditing the validity of assets or services by tracing back to the acquisition procedures of tools, appliance, equipment and the procurement of services, and cross-checking with approved annual operating budget to ensure that goods or services that the property manager procures comply with the policy, have been authorized according to the regulations concerning compliance of contracts, the evaluation and selection of appropriate seller/contractor so that CPNREIT receives goods or services that commensurate with the money paid. The REIT Manager shall randomly audit the procurement system of CPNREIT together with the audit of CPNREIT expenses.

#### 5. Payment control system

The REIT Manager has established a procedure for payment control system so that operators can be informed of the payment procedure that is standardized, compliant with regulations, transparent and fair. The workflow is divided into:

- 1) The expense payment system of CPNREIT;

2) The audit of the expense payment system of the property manager.

Apart from this, the REIT Manager shall audit the allocation of expenses between the asset owner and CPNREIT to ensure compliance with Property Manager Appointment Agreement and that no extra expenses are charged beyond the benefits that CPNREIT receives.

#### **6. Monitoring and evaluating system of expenses charged from CPNREIT by the property manager**

Expenses that the property manager can reimburse from CPNREIT comprises of administrative and property management expenses or operating account, property management fee and liability compensation from disputes. For each type of expenses charged from CPNREIT, the REIT Manager maintains sound monitoring and evaluating mechanism to ensure that expenses are incurred for CPNREIT and within reasonable amount in the following expense categories:

- 1) Administrative and property management expense or operating account
- 2) Property management fee
- 3) Liability compensation from disputes

#### **7. Safekeeping of CPNREIT's documents and evidences**

The REIT Manager arranges to have a document filing system that is effective, convenient, efficient and accurate. The safekeeping system must be easy to classify, file and search for documentation efficiently.

#### **8. Internal audit system**

In the circumstances that the independent director deems fit, the independent director shall consider and select an external party to be an internal auditor by following the REIT Manager's criteria in selection of CPNREIT personnel and external service provider, and the procedures in evaluating and selecting consultants that are relevant to REIT management business. The internal audit must audit and review the REIT Manager's internal controls and assess risks that may impact to CPNREIT. The REIT Manager shall retain the internal audit result report and remediation progress report to accommodate the audit from regulatory bodies.

### **11.2 Risk Management**

The REIT Manager pays attention to risk management to safeguard trust unitholders' interest and CPNREIT's assets. The Board of Directors has duties to establish risk management policy that encompasses all CPNREIT's operations and oversee to ensure that the risk management procedures can effectively prevent and mitigate risks. The REIT Manager, through Risk Management and Compliance Department, adopts an Enterprise Risk Management Framework to identify potential events or risks that may happen as well as mitigating measures that can manage risks to tolerable levels to enable the REIT Manager to achieve its REIT management objectives.

The REIT Manager's risk management comprises the following steps:

1. Objective setting
2. Event identification
3. Risk assessment and risk response
4. Control activities
5. Monitoring
6. Reporting

The REIT Manager adopts the following criteria in assessing the priority of each risk and its impact:

- 1) Likelihood
- 2) Impact



## 12. Related Party Transaction and Prevention of Conflict of Interest

### 12.1 Connected transactions

The main duties and responsibilities of the REIT Manager are to supervise and manage CPNREIT and the asset investment of CPNREIT, including to look after CPNREIT's benefits. Although CPNREIT has a policy to avoid entering into connected transactions which may cause conflicts of interest, CPNREIT has entered into such connected transactions in certain instances. In such cases, the REIT Manager will take into account reasons and necessities for CPNREIT to enter into such transactions and will proceed to take action in compliance with the REIT Manager's policies, Trust Deed, REIT Manager appointment agreement, Registration Statement, prospectus, regulations and laws relating to the supervision and management of CPNREIT.

In this regard, for the investment in the Additional Assets, there shall be transactions between CPNREIT and Central Pattana, including its subsidiaries. Those are Connected Persons of the REIT Manager as Central Pattana is a major shareholder and has controlling power over the REIT Manager and subsidiaries of Central Pattana. Details of the transactions between CPNREIT with the REIT Manager, including its Connected Persons as well as transactions between CPNREIT with the Trustee, including its Connected Persons are as follows:

#### 1. Connected (Juristic) Persons of CPNREIT

Connected (Juristic) Persons of CPNREIT	Relationship with CPNREIT
Central Pattana	<ul style="list-style-type: none"> <li>is a major shareholder of the REIT Manager, whereby 100.0 percent of issued and paid-up shares of the REIT Manager are held by Central Pattana.</li> <li>is a controlling person of the REIT Manager.</li> <li>is a major unitholder of CPNREIT, whereby 25.8/1 percent of the total number of units of CPNREIT are held by Central Pattana.</li> <li>is the owner of and has a leasehold right over certain part of buildings in Central Marina Project and will be the lessor and sub-lessor of immovable properties and utilities systems and the seller of movable assets for CPNREIT.</li> <li>Central Pattana was appointed as the Property Manager of the assets that CPNREIT invested.</li> </ul>
CPN REIT Management	<ul style="list-style-type: none"> <li>is the REIT Manager of CPNREIT.</li> <li>is a subsidiary of Central Pattana, whereby 100.0 percent of issued and paid-up shares of Central Pattana REIT Management are held by Central Pattana.</li> </ul>
Central Pattana Rama 2	<ul style="list-style-type: none"> <li>is a subsidiary of Central Pattana, whereby 100.0 percent of issued and paid-up shares of Central Pattana Rama 2 are held by Central Pattana.</li> <li>is the owner of Central Rama 2 Project (Renewal Period) and will be the lessor of immovable properties and utilities systems for CPNREIT.</li> </ul>
Central Pattana Rama 3	<ul style="list-style-type: none"> <li>is a subsidiary of Central Pattana, whereby 100.0 percent of issued and paid-up shares of Central Pattana Rama 3 are held by Central Pattana.</li> <li>is the owner of Central Rama3 Project and the lessor of immovable properties and utilities systems for CPNREIT</li> </ul>

Connected (Juristic) Persons of CPNREIT	Relationship with CPNREIT
Central Pattana Chiangmai	<ul style="list-style-type: none"> <li>is a subsidiary of Central Pattana, whereby 100.0 percent of issued and paid-up shares of Central Pattana Chiangmai are held by Central Pattana.</li> <li>is the owner of Central Chiangmai Airport Project and the lessor of immovable properties and utilities systems for CPNREIT.</li> </ul>
CPN Pattaya	<ul style="list-style-type: none"> <li>is a subsidiary of Central Pattana, whereby 100.0 percent of issued and paid-up shares of CPN Pattaya are held by Central Pattana.</li> <li>is the owner of Central Pattaya Project and Hilton Pattaya Hotel and the lessor of immovable properties and utilities systems for CPNREIT.</li> </ul>
CPN Pattaya Hotel	<ul style="list-style-type: none"> <li>is a subsidiary of Central Pattana, whereby 100.0 percent of issued and paid-up shares of CPN Pattaya Hotel are held by Central Pattana.</li> </ul>
Central Pattana Development	<ul style="list-style-type: none"> <li>is a subsidiary of Central Pattana, whereby 100.0 percent of issued and paid-up shares of Central Pattana Development are held by Central Pattana.</li> <li>is a major shareholder of CPNREIT, whereby 4.5/1 percent of the total number of units of CPNREIT are held by Central Pattana Development.</li> <li>is the owner of buildings in Central Lampang Project and the lessor of immovable properties and utilities systems and the seller of movable assets for CPNREIT.</li> </ul>
Central Group	<ul style="list-style-type: none"> <li>consists of juristic persons, of which certain directors, executives or controlling persons are also the directors, executives or controlling persons of Central Pattana, whereby such juristic persons are the lessees of spaces of the properties invested in by CPNREIT for business purposes.</li> </ul>
GLAND	<ul style="list-style-type: none"> <li>is a subsidiary of Central Pattana Group, whereby 67.5/2 percent of issued and paid-up shares of GLAND are held by Central Pattana Group.</li> <li>is the owner of The Ninth Towers Office Building Project and the lessor of immovable properties and utilities systems for CPNREIT.</li> <li>as the Property Manager of The Ninth Towers Office Building Project.</li> </ul>
Sterling	<ul style="list-style-type: none"> <li>is a subsidiary of Central Pattana Group, whereby 100.0 percent of issued and paid-up shares of Sterling are held by Central Pattana Group (by GLAND).</li> <li>is the owner of Unilever House Office Building Project and will be the lessor of immovable properties and utilities systems for CPNREIT.</li> <li>as the Property Manager of Unilever House Office Building Project.</li> </ul>
Siam Commercial Bank Public Company Limited (“SCB”)	<ul style="list-style-type: none"> <li>is a major shareholder of the Trustee, whereby 100.0 percent of issued and paid-up shares of the Trustee are held by SCB.</li> </ul>
SCB Asset Management Company Limited (“SCBAM”)	<ul style="list-style-type: none"> <li>is the Trustee of CPNREIT.</li> <li>is a subsidiary of SCB, whereby 100.0 percent of issued and paid-up shares of SCBAM are held by SCB.</li> </ul>

Remark:

<sup>/1</sup> Disclosure on SET as at 22 March 2024

<sup>/2</sup> Disclosure on SET as at 10 March 2024



## 2. Transactions of CPNREIT with REIT Manager and its Connected Persons

Connected (Juristic) Persons of CPNREIT	Characteristics of Connected Transaction	Necessity and Rationality of Transaction
Central Pattana and its subsidiaries, including Central Pattana Rama 2, Central Pattana Rama 3, Central Pattana Chiangmai, Central Pattana Development and CPN Pattaya	Central Pattana and its subsidiaries has taken leases of spaces and services from CPNREIT whereby the rental and service fees are at market prices, which are subject to location, area, lease form, lease term and type of lease.	Such transactions have been conducted for the purpose of benefit procurement from CPNREIT's properties whereby the rental and service fees are set according to market prices, which are subject to location, area, lease form, lease term and type of lease.
CPN Pattaya Hotel	CPNREIT has procured benefits from Hilton Pattaya Hotel by granting a sublease of such properties (i.e., sublease of buildings and utilities systems, and lease of immovable properties) to CPN Pattaya Hotel whereby the benefits received by CPNREIT from the sublease of the properties are in the form of fixed rent and variable rent) from CPN Pattaya Hotel in accordance with the conditions specified in the agreements. Details regarding fixed rent and variable rent are shown in Benefit Procurement from Hotels.	As CPNREIT is unable to manage the properties in the type of hotels in accordance with the Notification No. TorJor. 49/2555. Therefore, it had to grant a sublease of Hilton Pattaya Hotel to CPN Pattaya Hotel, thereby benefiting CPNREIT as CPNREIT could gain additional sources of income (apart from rental/service income derived from leases of spaces of the properties in the types of shopping malls and office buildings) in the forms of fixed rent and variable rent derived from the properties in the type of hotels, located in Pattaya City, which is one of the top tourist destinations of Thailand.
Central Group	Central Group has leased spaces and received services from CPNREIT whereby the rental and service fees are at market prices, which are subject to location, area, lease form, lease term and type of lease.	Such transactions have been conducted for the purpose of benefit procurement from CPNREIT's properties whereby the rental and service fees are set according to market prices, which are subject to location, area, lease form, lease term and type of lease.

Connected (Juristic) Persons of CPNREIT	Characteristics of Connected Transaction	Necessity and Rationality of Transaction
Central Pattana Rama 2	Central Pattana Rama 2 has granted a lease of wastewater treatment system to CPNREIT whereby such lease is part of the lease of Central Rama 2. The lease term is 20 years from 15 August 2005 to 15 August 2025.	Such transaction has been conducted in support of the utilization of and benefit procurement from CPNREIT's properties.
	On 31 March 2020, CPNREIT registered the leasehold right of properties in Central Rama 2 Project (Renewal Period) from Central Pattana Rama 2.	<p>The transaction is considered reasonable because:</p> <ol style="list-style-type: none"> <li>1) CPNREIT will uninterruptedly acquire the leasehold right of Central Rama 2 Project (Renewal Period) after expiry of the current lease agreement. Central Rama 2 Project (Renewal Period) is the core asset in the type of shopping center situated in a prime area with commercial potential which will help create added value to CPNREIT and the unitholders.</li> <li>2) The transaction will help diversify risk in the operation of CPNREIT by enhancing its longterm income stability through diversification of risk involved with benefit procurement from properties. It will also contribute to asset diversification since the existing properties of CPNREIT and Central Rama 2 Project (Renewal Period) are in different locations.</li> <li>3) The investment in Central Rama 2 Project (Renewal Period) will help cushion against impacts from the fluctuation in revenue stream of CPNREIT in case of expiration of the leasehold/sub-leasehold rights of some properties</li> </ol>
CPN REIT Management	CPN REIT Management is the REIT Manager of CPNREIT.	<p>The directors and executives of CPN REIT Management have experiences in investment management and benefit procurement from immovable properties and have knowledge and understanding of core assets of CPNREIT. Therefore, it is appropriate for CPN REIT Management to perform the duties as the REIT Manager of CPNREIT.</p> <p>CPN REIT Management is a subsidiary, whereby 100.0 percent of shares are held by Central Pattana whereby Central Pattana has experiences and expertise in development and management of shopping malls and office buildings for more than 40 years, thereby supporting the performance of duties by CPN REIT Management as the REIT Manager of CPNREIT.</p>

Connected (Juristic) Persons of CPNREIT	Characteristics of Connected Transaction	Necessity and Rationality of Transaction
Central Pattana	Central Pattana is the Property Manager of CPNREIT for the properties which are all shopping malls of CPNREIT in the present and Pinklo tower A and B whereby Central Pattana shall collect property management fee from CPNREIT at the rates and in accordance with the conditions stipulated in the property manager appointment agreement.	Central Pattana has the experience and expertise in development and management of shopping malls and office buildings in Thailand for more than 40 years. Besides, Central Pattana has performed the duties as the Property Manager of CPNREIT's properties which are shopping malls and office buildings whereby Central Pattana has managed such properties since the CPNREIT was established in 2005. Moreover, Central Pattana has played a major role in the development and management of the Additional Assets, which are shopping mall projects since the development of such projects commenced. As a result, Central Pattana has knowledge, understanding and experience in managing each of such assets.
GLAND	GLAND acts as the property manager of The Ninth Towers Office Building Project and collects the property management fee from CPNREIT at the rate and under the conditions as set out in the property manager appointment Agreement.	GLAND was formerly the developer and has been the property manager of The Ninth Towers Office Building Project and, therefore, has considerable knowledge, understanding and experience in management of The Ninth Towers Office Building Project.
Sterling	Sterling acts as the property manager of Unilever House Office Building Project and collects the property management fee from CPNREIT at the rate and under the conditions as set out in the property manager appointment Agreement.	Sterling has been the property manager of Unilever House Office Building Project and, therefore, has considerable knowledge, understanding and experience in management of Unilever House Office Building Project.

**Value of Connected Transactions of CPNREIT with REIT Manager and its Connected Persons over the Past Period**

Item (Unit: THB Thousand)	For the Year Ended 31 December 2021	For the Year Ended 31 December 2022	For the Year Ended 3 1 December 2023
<b>Income</b>			
<b>Rental and service income</b>			
Central Pattana and its subsid-aries	142,632	341,471	449,785
GLAND	1,618	1,318	1,437
Central Group	220,045	303,871	351,209
<b>Other income</b>			
Central Pattana and its subsid-aries	1,258	4,648	5,322
GLAND	5	7	-
Central Group	134	697	987
<b>Expenses</b>			
<b>Cost of rental and services</b>			
Central Pattana and its subsid-aries	75,199	128,495	147,922
GLAND	41,940	54,705	64,372
Sterling	8,671	13,909	12,901
Central Group	288	1,032	1,162
<b>Management fee</b>			
CPN REIT Management	162,465	162,448	159,395
<b>Property management fee</b>			
Central Pattana and its subsid-aries	378,326	460,000	484,935
GLAND	22,006	22,257	24,170
สเตอร์ลิง	12,463	12,419	9,730
<b>Other expenses</b>			
Central Pattana and its subsid-aries	7,897	9,956	9,817
Central Group	338	500	497

## Outstanding Balance of CPNREIT with REIT Manager or its Connected Persons

Item (Unit: THB Thousand)	As of 31 December 2021	As of 31 December 2022	As of 31 December 2023
<b>Rental and service receivables</b>			
Central Pattana and its subsidiaries	190,751	260,168	16,391
GLAND	472	507	341
Sterling	181	478	91
Central Group	94,228	14,738	23,895
<b>Trade accounts payable</b>			
Central Pattana and its subsidiaries	95,615	120,614	112,525
CPN REIT Management	27,940	27,926	27,272
GLAND	9,975	14,265	11,249
Sterling	3,019	3,400	4,355
Central Group	56	210	4
<b>Other accounts payable</b>			
Central Pattana and its subsidiaries	11	11	11
Central Group	5,501	3,222	3,178
<b>Deposits received from tenants</b>			
Central Pattana and its subsidiaries	21,568	21,955	23,503
Central Group	78,030	72,051	70,998
<b>Lease Liabilities</b>			
Central Pattana Rama 2	19,314,708	21,044,941	22,205,051
<b>Other liabilities</b>			
Central Pattana and its subsidiaries	7,789	10,321	782
GLAND	28	46	21
Sterling	11	36	5
Central Group	12,068	12,800	14,411

## 2. Transactions of CPNREIT with the Trustee and its Connected Persons

Connected (Juris-tic) Persons of CPNREIT	Characteristics of Connected Trans-action	Necessity and Rationality of Transac-tion
SCB and its subsidi-aries	SCB and its subsidiaries have taken leases of spaces and services from CPNREIT whereby the rental and service fees are at market prices, which are subject to location, area, lease form, lease term and type of lease.	Such transactions have been con-ducted for the purpose of benefit procurement from CPNREIT's prop-erties whereby the rental and ser-vice fees are set according to market prices, which are subject to loca-tion, area, lease form, lease term and type of lease.
SCBAM	SCBAM is the Trustee of CPNREIT.	SCBAM has experience in acting as the trustee of real estate investment trusts as well as in managing property funds for several types of businesses and has knowledge and understanding in management of mutual funds and real estate investment trusts includ-ing relevant rules. Therefore, SCBAM is suitable for acting as the Trustee.
SCB	CPNREIT has opened deposit ac-counts with SCB B	It is in the ordinary course of busi-ness of CPNREIT.

### Value of Connected Transactions of CPNREIT with the Trustee and its Connected Persons over the Past Period

Item (Unit: THB Thou-sand)	For the Year Ended 31 December 2021	For the Year Ended 31 December 2022	For the Year Ended 31 December 2023
<b>Income</b>			
<b>Rental and service in-come</b>			
SCB และบริษัทย่อย	46,625	44,625	41,210
<b>Interest Income</b>			
SCB	918	1,677	7,089
<b>Expenses</b>			
<b>Trustee fee</b>			
SCBAM	43,940	28,501	22,903
<b>Financial cost</b>			
SCB	258	166	99



## Outstanding Balance of CPNREIT with the Trustee and its Connected Persons

Item (Unit: THB Thou-sand)	As of 31 December 2021	As of 31 December 2022	As of 31 December 2023
<b>Cash at bank</b>			
SCB	682,950	1,368,592	407,894
<b>Rent and service receivables</b>			
SCB	121	68	70
<b>Other accounts payable</b>			
SCBAM	7,559	4,026	3,910
SCB	57	55	55
<b>Deposits received from tenants</b>			
SCB	31,493	28,091	21,065
<b>Other liabilities</b>			
SCB และบริษัทย่อย	1,500	1,085	367

## 12.2 Policy on Transactions between CPNREIT and REIT Manager or its Connected Persons

In the case of potential transactions of CPNREIT with the REIT Manager or its Connected Persons (apart from those as shown above), the REIT Manager shall comply with the Securities Laws as follows:

### 1. Connected Persons of the REIT Manager

Connected Persons of the REIT Manager shall have the meaning as defined in the notifications relating to the criterion for conducting connected transactions.

### 2. General conditions and rules of CPNREIT for conducting transactions with the REIT Manager or its Connected are as follows:

transactions shall be conducted in accordance with the Trust Deed and relevant laws for the benefit of CPNREIT.

- The transactions conducted by CPNREIT with the REIT Manager or its Connected Persons must be reasonable and at fair prices. Also, expenses for entering into the transactions collected from CPNREIT (if any) must be fair and reasonable.
- Interested persons of the transactions, whether direct or indirect, must not take part in decision making.
- In the case that the law stipulates that for entering into any transaction by CPNREIT, approval must be obtained by the meeting of the board of directors of the REIT Manager and/or the meeting of unitholders before entering into such transaction. The REIT Manager shall have independent directors give their opinions on such transaction. The independent directors' opinions shall be presented to the meeting of the board of directors of the REIT Manager and/ or the meeting of unitholders to ensure that the entering into the transaction as proposed shall be for the benefit of CPNREIT and the unitholders. If the independent directors do not have expertise in the connected transaction to be conducted, the REIT Manager shall provide independent experts such as independent financial advisors, property appraisers and auditors to give opinions regarding such connected transaction for use in support of the consideration and decision making by the board of directors of the REIT Manager or the unitholders, as the case may be. Any person who has a special interest, shall not be entitled to vote for such transaction, in which he/she has a special interest. In this regard, in considering and approving the entering into the transaction of CPNREIT, whether by the meeting of the board of directors of the REIT Manager and/or the meeting of unitholders, relevant rules shall be complied with. Besides, the connected transactions shall be disclosed in the notes to the financial statements audited or reviewed by the auditor of CPNREIT in accordance with relevant rules.

**3. Approval required for entering into any transaction between CPNREIT and the REIT Manager or its Connected Persons shall follow the following steps:**

- Approval from the Trustee must be requested to ensure that such transaction is in accordance with the Trust Deed and relevant laws;
- In the case of a transaction with a value exceeding Baht 1,000,000 or from 0.03 percent of CPNREIT's net asset value, whichever is higher, approval from the board of directors of the REIT Manager must be obtained;
- In the case of the value of the transaction is from Baht 20,000,000 or exceeds 3.0 percent of the net asset value of CPNREIT, whichever is higher, it requires the approval of unitholders with the votes of not less than three-fourths of the total voting right of the unitholders attending the meeting and having the right to vote.
- In case that the transaction under this Item 3 is an acquisition or disposition of core assets, the calculation of the transaction value will be based on the value of the acquisition or disposition of all assets of each project that is ready to generate income, including related assets of such projects.

**12.3 Policy on Transactions of CPNREIT with the Trustee or its Connected Persons**

In the case that it is necessary for CPNREIT to enter into a transaction with the Trustee or its Connected Persons, the REIT Manager shall consider the necessity and rationality for the entering into the transaction whereby the independent directors shall give opinions on the necessity and benefits to be received by CPNREIT from the entering into the transaction. In this regard, the disclosure of information in accordance with the following steps shall be deemed sufficient disclosure to the unitholders or investors before the entering into the transaction which is contrary to CPNREIT's interest:

1. The information is disclosed via the SET in accordance with the regulations of the SET regarding such matter or via any other channel, by which the unitholders are able to gain access to the information on the entering into such transaction;
2. The period of time for disclosure of information shall be reasonable whereby it must be not less than 14 days;
3. Channels, procedures and period of time for raising objection shall be clearly disclosed whereby such period of time must be not less than 14 days, except for the case that the unitholders' resolution for the entering into such transaction is requested, the objection shall be made during the request for the unitholders' resolution

The consideration and approval for the entering into such transaction shall be in accordance with relevant rules whereby any person who has special interest in any matter, shall not be entitled to vote for approval for the transaction, in which he/she has special interest. In the case that the unitholders holding more than one fourth of the total number of units sold evidently object to the entering into such transaction in accordance with the procedures stated in Item 3), the Trustee shall not permit or allow the entering into such transaction which is contrary to CPNREIT's interest

In this regard, for a transaction which causes a conflict of interest between CPNREIT and the Trustee, if the SEC, the SEC Office and/or any other agency with legal authority amends, adds, announces, stipulates, instructs, approves and/or grants relaxation otherwise, CPNREIT shall comply therewith.



**Part 4**  
**Financial Status**  
**and Performance**



## 13. Key Financial Information

### Summary of Financial Statements

**Table 1: Statement of Financial Position**

ทรัสต์เพื่อการลงทุนในสิทธิการเช่าอสังหาริมทรัพย์ CPN รีเทล โกรท

Statement of Financial Position (THB million)	31 December 2021	31 December 2022	31 December 2023
<b>Assets</b>			
Investments measured at fair value through profit or loss	1,073.10	873.91	2,757.12
Investments in leasehold properties at fair value	75,370.65	76,303.52	77,018.92
Cash equivalents	1,159.17	2,041.83	962.46
Accrued rental and service receivables	893.11	671.48	373.92
Receivable from the Revenue Department	367.50	256.18	85.68
Prepaid expenses	9.84	18.04	26.42
Other assets	98.09	151.85	142.53
<b>Total assets</b>	<b>78,971.45</b>	<b>80,316.81</b>	<b>81,367.04</b>
<b>Liabilities</b>			
Trade accounts payable	157.90	200.32	199.20
Other accounts payable	29.97	26.72	27.29
Withholding tax payable	0.62	35.74	32.23
Accrued expenses	971.52	555.78	694.44
Rent received in advance	22.64	24.27	538.36
Deposits received from tenants	1,730.22	1,772.28	1,810.47
Borrowings	7,237.20	5,676.48	4,664.80
Debentures	15,324.26	17,324.92	17,430.86
Lease liabilities	19,314.71	21,044.94	22,205.05
Other liabilities	273.19	285.28	293.95
Provision for decommissioning and restoration	90.46	92.91	11.50
<b>Total liabilities</b>	<b>45,152.67</b>	<b>47,039.65</b>	<b>47,908.15</b>
<b>Net assets</b>	<b>33,818.78</b>	<b>33,277.17</b>	<b>33,458.89</b>
Net asset value per unit (in THB)	13.1691	12.9582	13.0289
Number of units issued at the end of year (units)	2,568,034,000	2,568,034,000	2,568,034,000

**Table 2: Statement of Comprehensive Income**

Statement of Comprehensive Income (THB million)	For the year ended 31 December 2021	For the year ended 31 December 2022	For the year ended 31 December 2023
<b>Income</b>			
Rent and service income	3,501.59	4,863.57	5,728.02
Interest income	2.96	6.09	24.05
Other income	22.61	17.06	24.71
<b>Total income</b>	<b>3,527.16</b>	<b>4,886.72</b>	<b>5,776.78</b>
<b>Expenses</b>			
Management fee	162.46	162.45	159.40
Trustee fee	43.94	28.50	22.90
Registrar fee	3.95	3.73	4.13
Professional fee	1.28	1.29	1.29
Property management fee	412.80	494.68	518.83
Costs of rental and services	249.20	327.59	366.98
Other expenses	83.56	113.84	160.95
Finance cost	2,193.14	2,361.37	2,499.71
Adjust financial costs according to the lease agreement	-	-	(140.94)
<b>Total expenses</b>	<b>3,150.34</b>	<b>3,493.45</b>	<b>3,593.25</b>
<b>Net profit on investments</b>	<b>376.82</b>	<b>1,393.27</b>	<b>2,183.53</b>
<b>Net gain (loss) on investments</b>			
Net gain (loss) on investments	-4.44	-3.06	-0.70
Net gain (loss) on change in fair value of investments	493.51	720.96	526.97
Adjusted net gain on change in fair value of investments in accordance with lease agreements	-	-	525.31
<b>Total net gain (loss) on investments</b>	<b>489.07</b>	<b>717.89</b>	<b>1,051.58</b>
<b>Net increase in net assets resulting from operations</b>	<b>865.89</b>	<b>2,111.16</b>	<b>3,235.11</b>

Source: Financial Statements for the year ended 31 December 2021, 31 December 2022, and 31 December 2023

**Table 3: Statement of Cash Flows**

Statement of Cash Flows (THB million)	For the year ended 31 December 2021	For the year ended 31 December 2022	For the year ended 31 December 2023
<b>Cash flows from operating activities</b>			
Net increase in net assets from operations	865.89	2,111.16	3,235.11
Adjustments to reconcile net increase (decrease) in net assets from operations to net cash used in operating activities:			
Net loss on investments	4.44	3.06	0.70
Net gain on changes in fair value of investments	(493.51)	(720.96)	(1,052.28)
Purchases of investments in securities	(1,497.85)	(1,646.99)	(3,873.96)
Proceed from sale of investments in securities	1,500.00	1,848.00	2,000.00
Purchases of investments in leasehold properties	(6,527.71)	(217.54)	(277.02)
Proceed from sale of investments in leasehold properties	1.84	0.73	0.92
(Increase) decrease in accrued rental and service receivables	(247.49)	223.86	308.02
(Increase) decrease in receivable from the Revenue Department	(48.47)	111.32	170.50
(Increase) decrease in prepaid expense	17.93	(8.20)	(8.39)
(Increase) decrease in other assets	(16.75)	(53.77)	9.33
Increase (decrease) in trade accounts payable	(8.99)	42.42	(1.12)
Increase (decrease) in other accounts payable	4.09	(3.25)	0.58
Increase (decrease) in withholding tax payable	(0.94)	35.13	(3.51)
Increase (decrease) in accrued expenses	356.79	(432.47)	138.98
Increase (decrease) in rent received in advance	(11.71)	1.63	514.09
Increase in deposits received from tenants	66.20	42.06	38.18
Increase in other liabilities	26.06	12.09	8.67
Interest income	(2.96)	(6.09)	(24.05)
Interest received	1.77	3.86	13.60
Finance cost	2,193.14	2,361.37	2,358.77
<b>Net cash from (used in) operating activities</b>	<b>(3,818.24)</b>	<b>3,707.44</b>	<b>3,557.11</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings	7,653.00	499.00	0.00
Repayment of borrowings	(8,940.60)	(2,080.40)	(1,021.98)
Payment of front-end fee	(0.25)	(1.05)	(1.05)
Proceeds from issue of debentures	6,150.00	2,000.00	1,900.00
Repayment of debentures	(5,350.00)	0.00	(1,795.00)
Transaction costs from issue of debentures	(5.64)	(2.07)	(1.96)
Interest paid	(593.94)	(581.27)	(656.83)
Distributions to trust unitholders	0.00	(2,097.06)	(2,194.90)
Capital return to trust unitholders	(1,571.98)	(555.72)	(858.49)



Statement of Cash Flows (THB million)	For the year ended 31 December 2021	For the year ended 31 December 2022	For the year ended 31 December 2023
Issuing and offering unit trusts	6,577.81	0.00	0.00
Expenses related to issuing and offering unit trusts	(96.91)	0.00	0.00
Payment of lease liabilities	(6.17)	(6.22)	(6.27)
<b>Net cash from (used in) financing activities</b>	<b>3,815.32</b>	<b>(2,824.78)</b>	<b>(4,636.48)</b>
<b>Net increase (decrease) in cash equivalents</b>	<b>(2.92)</b>	<b>882.66</b>	<b>(1,079.38)</b>
Cash equivalents at 1 January	1,162.10	1,159.17	2,041.83
<b>Cash equivalents at 31 December</b>	<b>1,159.17</b>	<b>2,041.83</b>	<b>962.46</b>

**Table 4: Key Financial Ratios**

	31 December 2021	31 December 2022	31 December 2023
Net Asset Value at year end (THB thousand)	33,818,784	33,277,167	33,458,886
Debt to Total Assets/ <sup>1</sup> (%)	28.6%	28.6%	27.2%
Debt to Net Assets <sup>/2</sup> (times)	1.3	1.4	1.4
Interest Bearing Debt to Net Assets Ratio (times)	1.2	1.3	1.3
Interest Bearing Debt (excluding Lease Liabilities) to Net Assets Ratio <sup>/3</sup> (times)	0.7	0.7	0.7
Total Liabilities to Total Assets (%)	57.2%	58.6%	58.9%
Net Debt to EBITDA Ratio (times) <sup>*/**</sup>	8.3	5.6	4.7
Interest-Bearing Debt to EBITDA Ratio <sup>/4</sup> (times) <sup>**</sup>	8.8	6.1	4.9
Interest Coverage Ratio <sup>/5</sup> (times) <sup>***</sup>	4.3	6.0	6.8
Debt Service Coverage Ratio <sup>/6</sup> (times) <sup>**</sup>	0.6	0.8	1.0
Current Ratio (times)	1.2	1.5	1.3
Interest-Bearing Debt due within 1 year to Total Interest-Bearing Debt (%)	18.5%	21.4%	20.1%
Borrowings to Total Liabilities (%)	16.0%	12.1%	9.7%
Borrowings to Interest-Bearing Debt (%)	32.1%	24.7%	21.1%

Source: Financial Statements for the year ended 31 December 2021, 31 December 2022, and 31 December 2023

Remark:

<sup>/1</sup> It is calculated according to the definition in the terms and conditions for the debentures of CPN Retail Growth Leasehold REIT, the details are as follows:

“Borrowings” includes borrowing whether by issuing instruments or securities or entering into contracts in any form with the intention or substance of the loan nature.

“Total Asset Value” means the total asset value of CPNREIT at the end of the fiscal accounting period as shown in the Bond Issuer’s Annual Financial Statements that have been audited by the latest auditor.

The bond issuer shall maintain the ratio of the value of the loan at the rate not exceeding 60% (sixty) of the total asset value of the Issuer at the end of the annual accounting period throughout the life of the Debentures, except that such excess is not caused by additional borrowings.

<sup>/2</sup> Total debt to net asset ratio calculated by Total liabilities/ Net assets

<sup>/3</sup> Ratio of interest-bearing liabilities to net assets calculated by total interest-bearing liabilities (excluding lease liabilities) / Net Assets

<sup>/4</sup> Ratio of interest-bearing debt to earnings before interest expense Income tax, depreciation and amortization are calculated based on all interest-bearing liabilities (excluding lease liabilities) / Earnings before interest, taxes, depreciation and amortization

<sup>/5</sup> Interest coverage ratio calculated by earnings before interest, taxes, depreciation and amortization/ interest expense\*\*\*

<sup>/6</sup> Debt service coverage ratio calculated by earnings before interest, taxes, depreciation and amortization/ (interest-bearing short-term liabilities + interest-bearing long-term liabilities maturing within 1 year).

\* Net liabilities refer to all liabilities with interest obligations less cash equivalents

\*\* Earnings before interest, income tax, depreciation and amortization (EBITDA) annualized using the past 12 months.

\*\*\* Interest expense calculated excludes interest payments from lease liabilities (interest expenses from lease liabilities for the year 2021 amounted to THB 1,593.8 million). In 2022, the amount was THB 1,736.5 million. (2023 amounted to THB 1,691.7 million)

**Table 5: Leasable Area and Occupancy**

	Area (sqm)		Average Occupancy Rate				
	GFA	NLA <sup>/1</sup>	4Q22	1Q23	2Q23	3Q23	4Q23
Central Rama 2	286,580	88,346	95.8%	95.3%	96.2%	97.6%	98.2%
Central Rama 3	169,740	36,040	94.5%	95.8%	96.3%	96.0%	96.9%
Central Pinklao	137,692	27,711	97.4%	97.9%	99.5%	98.6%	98.4%
Pinklao Tower A & Tower B	50,653	34,096	84.7%	83.0%	84.3%	84.5%	83.6%
Central Chiangmai Airport	122,991	39,317	96.4%	95.7%	97.1%	97.0%	96.3%
Central Pattaya	70,095	29,213	91.6%	91.6%	93.0%	93.7%	95.7%
The Ninth Towers/2	95,997	58,914	85.9%	86.8%	85.8%	92.3%	92.7%
Unilever House	30,176	18,527	100.0%	88.8%	83.2%	66.9%	66.9%
Central Marina	45,149	15,453	87.1%	88.9%	93.1%	96.7%	97.5%
Central Lampang	45,716	16,363	92.4%	94.2%	94.9%	93.3%	94.6%
<b>Total/Average</b>	<b>1,054,789</b>	<b>363,979</b>	<b>92.5%</b>	<b>92.1%</b>	<b>92.6%</b>	<b>93.3%</b>	<b>93.6%</b>
Hilton Pattaya	49,686	304 ห้อง	84.8%	87.6%	87.1%	88.8%	89.1%

Note:

<sup>/1</sup> Anchor and in-line tenants only

<sup>/2</sup> excluding meeting room area of 3,068 sq.m.

As of December 31, 2026, CPNREIT had an outstanding debentures to interest-bearing debts of 78.9% and borrowings from financial institutions to interest-bearing liabilities of 21.1%, and no additional interest bearing debts obligations.



## 14. Management Discussion and Analysis

### Summary of Operating Performance

In 2023, the average shopper traffic was 84% of normal level, improved from 69% in the previous year. The average occupancy rate of shopping malls and office buildings was at 92.9%, slightly increased from 91.5% in the previous year, mainly from the increase of occupancy rate of all shopping malls and office buildings except the Unilever House which had the decrease of average occupancy rate due to the office space downsizing of Unilever Thai Trading Co., Ltd. Hilton Pattaya achieved the average occupancy rate at 88.1%, increased from 75.7% in 2022.

### Financial Reporting Standards affecting to CPNREIT Financial Statements

From 1 January 2020 onwards, CPNREIT has adopted Thai Financial Reporting Standards (TFRS 16) which requires lessee to recognize rights-of-use assets and lease liabilities for all lease agreement over 1 year period, and the lease liabilities were discounted using interest rate implicit in the lease or lessee's incremental borrowing rate if the interest rate implicit in the lease was not available, recorded in the Statement of financial position. Also, interest expense from lease liabilities were included in the finance cost in the Statement of comprehensive income. These accounting transactions are non-cash items. In this regard, CPNREIT recognized the rights-of-use assets and lease liabilities for the two lease agreements as follows:

1. the lease agreement of the wastewater treatment of Central Rama 2, ended August 15, 2025, which was recognized on 1 January 2020
2. the lease agreement of Central Rama 2 (Renewal), 30 years lease period starting from 16 August 2025 – 15 August 2055, which was recognized on 31 March 2020.

On 30 September 2023, CPNREIT has recorded the one-time accounting adjustment for right-of-use assets and lease liabilities of Central Rama 2 (Renewal) to be in line with the period specified in the lease agreement, also presented the adjustment in the Statement of comprehensive income which are non-cash items i.e. interest on lease liabilities decreased by THB 140.9 million, and gain on change in fair value of investment properties totaled THB 525.3 million.



## 2023 Financial Performance

In compliance with TFRS 16, the operating results reported in the financial statements are different from the actual business performance. Therefore, the REIT Manager would like to clarify the financial information excluding the impact of TFRS 16, which reflects the actual performance of CPNREIT, to clearly compare the operating results. The details are as follows:

Statement of Comprehensive Income Unit: THB million	2023	2022	Change YoY (%)
<b>Property income</b>	<b>4,880.6</b>	<b>5,752.7</b>	<b>17.9</b>
Rental and service income	4,863.6	5,728.0	17.8
<b>Rental and service income (excluded TFRS16 impact)</b>	<b>5,009.8</b>	<b>5,788.8</b>	<b>15.5</b>
Other income	17.1	24.7	44.4
Interest income	6.1	24.1	295.2
<b>Total income</b>			<b>18.2</b>
<b>Total income (excluded TFRS16 impact)</b>	<b>5,032.9</b>	<b>5,837.5</b>	<b>16.0</b>
<b>Property expenses</b>	<b>936.1</b>	<b>1,046.8</b>	<b>11.8</b>
Cost of rental and service	327.6	367.0	12.0
Other expenses	113.8	160.9	41.4
Property management fee	494.7	518.8	4.9
Interest expense	624.9	667.1	6.7
Interest on lease liability	1,736.5	1,832.6	5.5
Adjusted finance cost in accordance with lease agreements	-	(140.9)	(100.0)
Management fee	162.4	159.4	(1.9)
Trustee fee	28.5	22.9	(19.6)
Registrar fee	3.7	4.1	10.7
Professional fee	1.3	1.3	(0.0)
<b>Total expense</b>	<b>3,493.4</b>	<b>3,593.3</b>	<b>2.9</b>
<b>Total expense (excluded TFRS16 impact)</b>	<b>1,757.0</b>	<b>1,901.6</b>	<b>8.2</b>
<b>Net profit on investments</b>	<b>1,393.3</b>	<b>2,183.5</b>	<b>56.7</b>
<b>Net profit on investments (excluded TFRS16 impact)</b>	<b>3,275.9</b>	<b>3,936.0</b>	<b>20.1</b>
Net gain (loss) on investments	(3.1)	(0.7)	77.2
Net gain (loss) on change in fair value of investments	721.0	527.0	(26.9)
Adjusted net gain on change in fair value of investments in accordance with lease agreements	-	525.3	100.0
<b>Net increase (decrease) in net assets from operations</b>	<b>2,111.2</b>	<b>3,235.1</b>	<b>53.2</b>
<b>Net increase (decrease) in net assets from operations (excluded TFRS16 impact)</b>	<b>3,993.8</b>	<b>4,462.2</b>	<b>11.7</b>
Distribution			27.8
Distribution per unit (in THB)		1.0510	27.8
Capital reduction		192.6	76.2
Capital reduction per unit (in THB)		0.0750	76.2
Net property income margin (excluded TFRS16 impact)	81.3	81.9	0.6
Net profit on investments margin (excluded TFRS16 impact)	65.4	68.0	2.6

## Income

In 2023, CPNREIT reported total income of THB 5,837.5 million, an increase of THB 804.6 million or 16.0%yoy, this was attributable to:

Rental and service income totaled THB 5,788.8 million, an increase of THB 779.0 million or 15.5%yoy, the details are as follows:

รายได้ค่าเช่าและบริการจำนวน 4,863.6 ล้านบาท เพิ่มขึ้นร้อยละ 38.9 โดย CPNREIT รับรู้รายได้ค่าเช่าและส่วนลดค่าเช่าตามวิธีเส้นตรงตลอดอายุสัญญาเช่าตาม TFRS 16 ส่งผลให้รายได้ค่าเช่าและส่วนลดค่าเช่าตามบัญชีที่ปรากฏในงบการเงินแตกต่างจากรายได้ค่าเช่าและส่วนลดค่าเช่าที่เกิดขึ้นจริง โดยมีรายละเอียดดังนี้

- Rental and service income from shopping centers totaled THB 4,521.1 million, increased by 16.0%yoy, mainly due to rental discounts already normalized since the beginning of the year and the increase of income from common areas and rental income from turnover rent.
- Rental and service income from 4 office buildings, namely Pinklao Tower A & Tower B, The Ninth Towers and Unilever House, totaled THB 889.3 million, increased by 4.4%yoy resulting from higher occupancy rate of the Ninth Towers and normalize level of rental discount of Pinklao Tower A and Tower B.
- Rental income from hotel totaled THB 378.4 million, divided into the fixed rent of THB 252.3 million and the variable rent of THB 126.1 million, an increase of 45.7%yoy as CPNREIT received the full rental income comparing to the previous year then CPNREIT waived the fixed rent in 1Q22 to the sublessee due to the COVID-19 pandemic and CPNREIT received some variable rent only.

Other income was THB 24.7 million, increased by 44.8%yoy mainly resulting from sponsorship for marketing events. Interest income was THB 24.1 million, increased by 295.2%yoy resulting from rising interest rate and higher portion of fixed deposits at banks.

## Expense

In 2023, CPNREIT reported total expense of THB 1,901.6 million, increased by THB 144.6 million or 8.2%yoy, comprising of:

The cost of rental and service totaling THB 367.0 million, increased by 12.0%yoy, mainly from higher electricity cost from the increase of the fuel tariff (FT) rate and units used as well as the increase of personnel expense in relation to business recovery.

Other expenses were THB 160.9 million, increased by 41.4%yoy, mainly from the advertising and promotion expense of shopping malls.

Property management fee was THB 518.8 million, increased by 4.9%yoy, from the increase of rental collection fee from higher rental and service income as well as the increase of incentive fee from higher net property income.

Management fee was THB 159.4 million, same level as last year and Trustee fee was THB 22.9 million, decreased by 19.6%yoy resulting from the decrease of fair value of investment in leasehold properties (excluding value of Central Rama 2-renewal period).

Interest expense was THB 667.1 million, increased by 6.7%yoy due to higher interest rate following the rising interest rate environment.

## Net profit on investments

In 2023, CPNREIT reported net profit on investments of THB 3,936.0 million, increased by THB 660.1 million or 20.1%yoy, driven mainly from the decrease of rental discount, the increase of rental income from hotel business, and the increase of income from common areas and rental income from turnover rent.

## Profitability

Net property income margin for 2023 stood at 81.9%, increased by 0.6%yoy. Net profit on investments margin stood at 68.0%, increased by 2.6%yoy, due to lower rental discounts and higher rental income from hotel and common areas.

## Statement of Financial Position

Unit: THB million	31 Dec 22	31 Dec 23	(%)
<i>Investment in leasehold properties</i>			
Central Rama 2	27,168.5	28,591.9	5.2
Central Rama 3	13,099.0	13,824.0	5.5
Central Pinklao and Offices	2,184.0	1,050.0	(51.9)
Central Chiangmai Airport	10,439.0	10,549.0	1.1
Central Pattaya	7,474.0	7,437.0	(0.5)
Hilton Pattaya	3,790.0	3,767.0	(0.6)
The Ninth Towers	5,921.0	5,920.0	(0.0)
Unilever House	1,361.0	1,245.0	(8.5)
Central Marina	1,904.0	1,703.0	(10.6)
Central Lampang	2,963.0	2,932.0	(1.0)
<b>Total Investment in leasehold properties</b>	<b>76,303.5</b>	<b>77,018.9</b>	<b>0.9</b>
Investment in securities	873.9	2,757.1	215.5
Cash equivalents	2,041.8	962.5	(52.9)
Accrued rental and service receivables	671.5	373.9	(44.3)
Receivable from the Revenue Department	256.2	85.7	(66.6)
Other assets	169.9	169.0	(0.6)
<b>Total assets</b>	<b>80,316.8</b>	<b>81,367.0</b>	<b>1.3</b>
Deposits received from customers	1,772.3	1,810.5	2.2
Lease liability	21,044.9	22,205.1	5.5
Borrowings	5,676.5	4,664.8	(17.8)
Debentures	17,324.9	17,430.9	0.6
Accrued expenses	555.8	694.4	24.9
Rent received in advance	24.3	538.4	2,118.4
Provision for decommissioning	92.9	11.5	(87.6)
Other liabilities	548.1	552.7	0.8
<b>Total liabilities</b>	<b>47,039.6</b>	<b>47,908.2</b>	<b>1.8</b>
<b>Net Assets</b>	<b>33,277.2</b>	<b>33,458.9</b>	<b>0.5</b>
Capital received from unitholders	30,919.6	30,061.1	(2.8)
Capital surplus	2,201.4	2,201.4	0.0
Retained earning (deficit)	156.1	1,196.3	666.4
<b>NAV per unit (in THB)</b>	<b>12.9582</b>	<b>13.0289</b>	<b>0.5</b>



As of 31 December 2023, CPNREIT reported total assets of THB 81,367.0 million, increased by THB 1,050.2 million or 1.3% from total assets as at the end of 2022. This is mainly attributable to:

- 1) Investment in leasehold properties at fair value amounting to THB 77,018.9 million, increased by THB 715.4 million or 0.9% from the increase of valuation of leasehold investment in Central Rama 2 and Central Rama 3 from remaining leasehold period, while the valuation of leasehold investment in Central Pinklao and Central Marina decreased from the remaining leasehold period and the performance respectively
- 2) Investment in securities totaled THB 2,757.1 million, increased by 1,883.2 million or 215.5%, and cash equivalents totaled THB 962.5 million, decreased by THB 1,079.3 million, or 52.9%, resulting from liquidity management by investing cash in fixed deposit account.
- 3) Rental and service receivables totaling THB 373.9 million, decreased by 44.3%, comprising of the accounting record on a straight-line basis of THB 206.6 million and the receivables from the delay of rental payment of THB 167.3 million, decreased by 58.6% from the payment of the postponed rental income from hotel totaling THB 228.3 million.
- 4) Receivable from the Revenue Department totaling THB 85.7 million, decreased by THB 170.5 million or 66.6% from VAT credit to be used in the following months.

Total liabilities were THB 47,908.2 million, increased by THB 868.6 million or 1.8% from the end of 2022. This is mainly attributable to:

- 1) Lease liability of Central Rama 2 totaling THB 22,205.1 million, increased by THB 1,160.1 million due to the growth of interest expense of lease liabilities recorded under TFRS 16, which was non-cash item.
- 2) Borrowing totaled THB 4,664.8 million, decreased by 1,011.7 million or 17.8% from loan repayment.
- 3) Debentures totaled THB 17,430.9 million, increased by 0.6% due to the issuance of debenture amounting THB 1,900 million for loan and bond repayment.
- 4) Accrued expenses totaled THB 694.4 million, increased by THB 138.6 million or 24.9%, from accrued expense for renovation of Central Pattaya.
- 5) Rental received in advance totaled THB 538.4 million, increased by THB 514.1 million, from the rental income from Unilever Thai Trading Co., Ltd. due to the office space reduction.
- 6) Provision for decommissioning of Central Lampang project declined by THB 81.4 million, or 87.6%, due to the change of conditions in the land lease agreement.

As at 31 December 2023, Net Asset Value (“NAV”) was recorded at THB 33,458.9 million or THB 13.0289 per unit, increased from THB 12.9582 per unit as of 31 December 2022.

Interest bearing debt (excluding lease liabilities) to total assets equaled to 27.2%.

### **The Distribution of Returns to Trust Unitholder**

In consideration of the distribution of return to trust unitholders from the 4Q23 operating results, the REIT Manager has gradually set aside additional reserve for the renovation of Central Pinklao Project during 2024-2025, approved by the EGM No. 1/2023 in the amount of not exceeding THB 480 million in addition to the reserve for loan payment in the future as well as the reserve for the renovation and repair and maintenance of the assets, which are for calculation of the adjusted net profit pursuant to the regulations of the Office of the Securities and Exchange Commission.

Therefore, the REIT Manager considered the distribution payment to trust unitholders from the 4Q23 performance at THB0.2570 per unit, which was in line with the operational plan and the projection for 2023. The XD posted date will be on 28 February 2024, the closing of trust unitholder’s registration book on 1 March 2024, and the payment will be on 15 March 2024

Therefore, CPNREIT announced the distribution of return and/or capital reduction from the 2023 operation performance as follows:

Type of Payment	Operation Period	THB per Unit	Payment Date
Distribution of return	1 Jan – 31 Mar 2023	0.2470	8 Jun 2023
Capital reduction		0.0750	
Distribution of return	1 Apr – 30 Jun 2023	0.2900	8 Sep 2023
Distribution of return	1 Jul – 30 Sep 2023	0.2570	7 Dec 2023
Distribution of return	1 Oct – 31 Dec 2023	0.2570	15 Mar 2024
<b>Total</b>		<b>1.1260</b>	

The distribution payment in the form of capital reduction to trust unitholders is in accordance with the Causes of Reduction of Paid-up Capital stated in the Trust Deed. As CPNREIT has excess liquidity from non-cash income and/or expense items recorded in accordance with the financial reporting standards, as CPNREIT registered the 30-year leasehold right of Central Rama 2 (renewal period) in 2020 with a lease payment in 2025, incurring non-cash items, i.e., in interest expenses on lease liabilities, under comprehensive income.

## Operation Summary

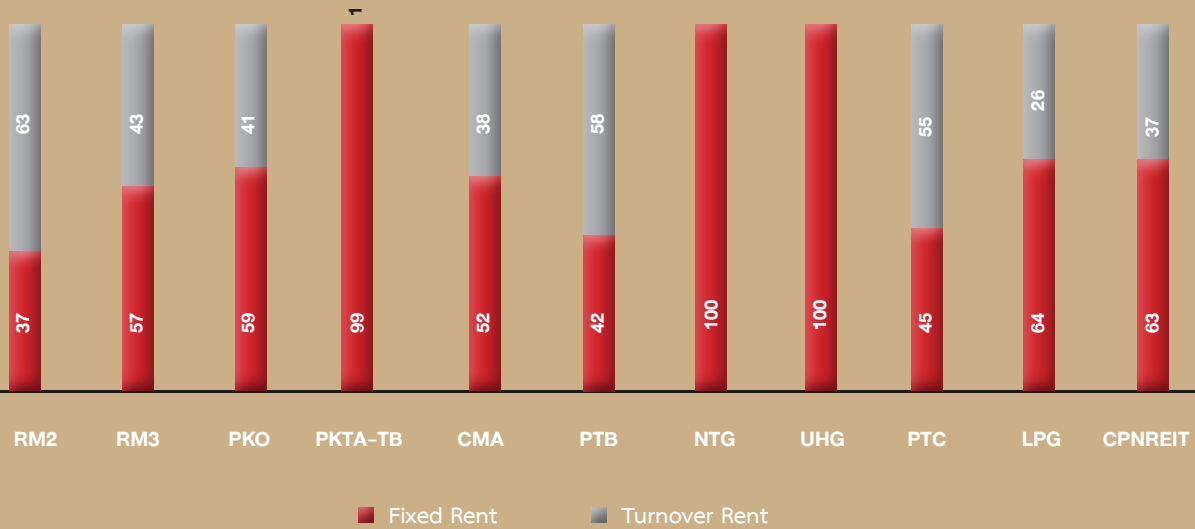
**Table 6: Renewals and New Leases**

Project	From 1 January to 31 December 2023		
	Renewals and New Leases <sup>/1</sup>		
	No. of Leases	Area (sqm)	% of Total <sup>/2</sup>
Central Rama 2	144	16,567	39.1
Central Rama 3	56	8,694	38.8
Central Pinklao	38	6,473	33.1
Pinklao Tower A & Tower B	42	13,237	38.8
Central Chiangmai Airport	50	7,837	31.4
Central Pattaya	43	6,743	36.4
The Ninth Towers	44	21,837	37.1
Central Marina	13	2,034	11.0
Central Lampang	37	4,483	51.1
<b>Total</b>	<b>466</b>	<b>88,005</b>	<b>35.4</b>

Remark: <sup>/1</sup> Exclude rental agreements < 1 year and Anchor tenants

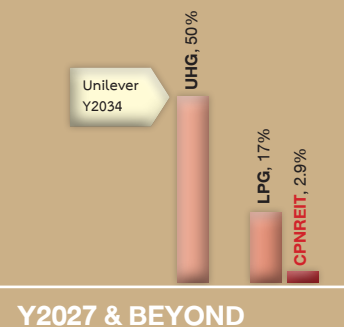
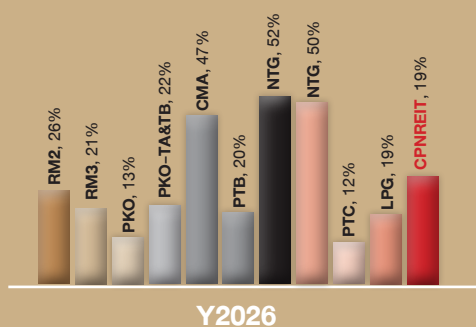
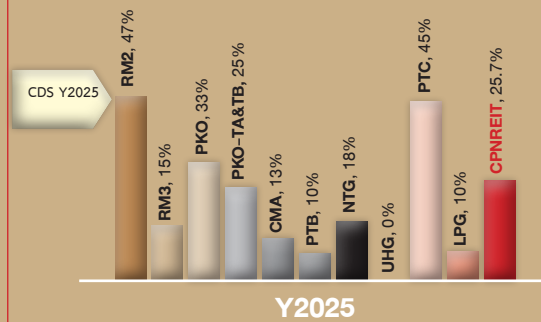
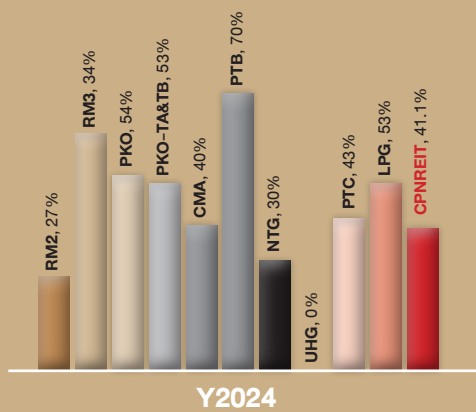
<sup>/2</sup> Percentage of leasable area at 31 December 2023

## Rental Structure As at 31 December 2023 (%)



Remark: As at 31 December 2023

## Lease Expiry Profile As at 31 December 2023 (%)



## 14.2 Factors or Incidents which May Impact Financial Status or Future Operation

- 1) Financial reporting standards to be in effect in the future, which more information is available in the Notes to the Financial Statements for the year ended 31 December 2023
- 2) the outlook for the industry and economy which may change, as well as the spread of infectious diseases as the assets invested/ to be invested in by CPNREIT, such as shopping malls, office buildings and hotels, will be at risk from economic fluctuations and slowdown both nationally and globally. In addition, those assets might be impacted by changes in other macro factors, for example, political factors, city planning, changes in structures and behaviors of population, higher number of competitors, impacts of natural disasters, pandemics as well as unrest locally and/ or internationally. Those factors might affect purchasing power and/ or number of customers in shopping malls and/ or demand for spaces in office buildings and/ or number of tourists and hotel guests.
- 3) Borrowing and issuance of debentures of CPNREIT due to changes in economic conditions, interest rates, financing costs, and solvency of relevant counterparties that may affect the performance of CPNREIT





## TRUSTEE REPORT

February 8<sup>th</sup>, 2024

To: Trust Unitholders

CPN Retail Growth Leasehold REIT

SCB Asset Management Company Limited (the “Trustee”), as the Trustee of CPN Retail Growth Leasehold REIT (the “REIT”) which managed by CPN REIT Management Co., Ltd. (the “REIT Manager”), would like to inform you that for the period of January 1<sup>st</sup>, 2023 to December 31<sup>st</sup>, 2023, the REIT Manager had managed the REIT properly and efficiently as well as in compliance with applicable laws, regulations and the trust deeds in a way that protects interests of the REIT and Trust unitholders as a whole.

Yours faithfully,

SCB Asset Management Company Limited

(Mrs. Tipaphan Puttarawigorm) (Mr. Paeree Ichayapreug)

Trustee

บริษัทหลักทรัพย์จัดการกองทุน ไทยพาณิชย์ จำกัด (สำนักงานใหญ่)

ชั้น 7-8 อาคาร 1 ไทยพาณิชย์ปาร์ค พลาซ่า เลขที่ 18 ถนนรัชดาภิเษก แขวงจตุจักร เขตจตุจักร กรุงเทพฯ 10900

โทรศัพท์ 0 2949 1500 โทรสาร 0 2949 1501

SCB Asset Management Co.,Ltd. (Head Office)

7<sup>th</sup>- 8<sup>th</sup> SCB Park Plaza 1 No. 18 Ratchadapisek Rd., Chatuchak, Bangkok 10900 Thailand Tel. 0 2949 1500 Fax. 0 2949 1501

WWW.SCBAM.COM

A circular graphic with a blue border containing a collage of financial imagery: a city skyline at night, a large stack of silver coins, and a line graph with an upward-pointing arrow. In the background, there are faint, semi-transparent numbers: 12.2, 71.18, 99.12, and 1.0. To the right of the circle, there are four red, stacked chevron arrows pointing upwards.

# Financial Statements





## 16. Independent Auditor's Report



KPMG Phoomchai Audit Ltd.  
50<sup>th</sup> Floor, Empire Tower  
1 South Sathorn Road, Yannawa  
Sathorn, Bangkok 10120, Thailand  
Tel +66 2677 2000  
Fax +66 2677 2222  
Website [home.kpmg/th](http://home.kpmg/th)

บริษัท เคพีเอ็มจี ภูมิไชย สอบบัญชี จำกัด  
ชั้น 50 เอ็มไพร์ทาวเวอร์  
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โทร +66 2677 2000  
แฟกซ์ +66 2677 2222  
เว็บไซต์ [home.kpmg/th](http://home.kpmg/th)

### To the Unitholders of CPN Retail Growth Leasehold REIT

#### *Opinion*

I have audited the financial statements of CPN Retail Growth Leasehold REIT (the Trust), which comprise the statement of financial position and details of investments as at 31 December 2023, the statements of comprehensive income, changes in net assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as at 31 December 2023 and its financial performance, changes in net assets and cash flows for the year then ended in accordance with the accounting guidance for Property Funds, Real Estate Investment Trusts, Infrastructure Funds and Infrastructure Trusts issued by the Association of Investment Management Companies as approved by The Securities and Exchange Commission.

#### *Basis for Opinion*

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Trust in accordance with *Code of Ethics for Professional Accountants including Independence Standards* issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that is relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### *Key Audit Matters*

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Valuation of investments in leasehold properties at fair value	
Referred to Notes 3 (b) and 6 to the financial statements	
The key audit matter	How the matter was addressed in the audit
Investments in leasehold properties are measured at fair value and material to the financial statements of the Trust. The fair value of investments in leasehold properties are estimated by income approach using discounted cash flows. The Trust engaged independent external valuer to assist in valuing the fair value of these investments. Identification and assessment of the fair value require significant judgment in determining the key assumptions. Therefore, such matter is an area that my audit is particularly concentrated on.	<p>My audit procedures included:</p> <ul style="list-style-type: none"> <li>• Understanding and evaluating the basis upon which the Trust identified and assessed the fair value of assets.</li> <li>• Evaluating the independence, qualification and competence of the valuer of the Trust and read the terms of engagement letter between the valuer and the Trust.</li> <li>• Using the work of external expert engaged by KPMG in considering the reasonableness of measurement basis and key assumptions used for estimating fair value of assets.</li> <li>• Considering the key assumptions by comparing assumptions in appraisal report with actual occurrence and testing calculation.</li> <li>• Considering the adequacy of the disclosures in accordance with Thai Financial Reporting Standards.</li> </ul>

#### *Other Information*

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to management and request that the correction be made.





### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting guidance for Property Funds, Real Estate Investment Trusts, Infrastructure Funds and Infrastructure Trusts issued by the Association of Investment Management Companies as approved by The Securities and Exchange Commission, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

### *Auditor's Responsibilities for the Audit of the Financial Statements*

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



I communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with management, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

(Vannaporn Jongperadechanon)  
Certified Public Accountant  
Registration No. 4098

KPMG Phoomchai Audit Ltd.  
Bangkok  
19 February 2024



## 17. Statement of financial position

CPN Retail Growth Leasehold REIT

		31 December	
	Note	2023	2022
(in Baht)			
<b>Assets</b>			
Investments measured at fair value through profit or loss	5	2,757,116,824	873,909,750
Investments in leasehold properties at fair value	6	77,018,921,669	76,303,517,769
Cash equivalents	7, 11	962,455,920	2,041,833,116
Accrued rental and service receivables	4, 11	373,918,436	671,483,655
Receivable from the Revenue Department		85,675,718	256,178,296
Prepaid expenses		26,423,966	18,038,194
Other assets		142,526,837	151,853,311
<b>Total assets</b>		<b>81,367,039,370</b>	<b>80,316,814,091</b>
<b>Liabilities</b>			
Trade accounts payable	11	199,199,984	200,318,563
Other accounts payable	11	27,293,732	26,715,759
Withholding tax payable		32,231,611	35,743,693
Accrued expenses		694,441,726	555,782,045
Rent received in advance		538,355,565	24,267,797
Deposits received from tenants	11	1,810,466,727	1,772,284,444
Borrowings	8	4,664,798,343	5,676,476,619
Debentures	9	17,430,857,676	17,324,923,844
Lease liabilities	11	22,205,050,517	21,044,940,904
Provision for decommissioning and restoration		11,504,910	92,912,241
Other liabilities	11	293,952,200	285,281,231
<b>Total liabilities</b>		<b>47,908,152,991</b>	<b>47,039,647,140</b>
<b>Net assets</b>		<b>33,458,886,379</b>	<b>33,277,166,951</b>

The accompanying notes are an integral part of these financial statements.



# Statement of financial position

CPN Retail Growth Leasehold REIT

		31 December	
	<i>Note</i>	2023	2022
<i>(in Baht)</i>			
<i>Net assets</i>			
Capital from unitholders	12	30,061,149,190	30,919,642,962
Capital surplus	12	2,201,430,985	2,201,430,985
Retained earnings	12	1,196,306,204	156,093,004
Net assets		33,458,886,379	33,277,166,951
Net asset value per unit <i>(in Baht)</i>		13.0289	12.9582
Number of units issued at the end of year <i>(units)</i>		2,568,034,000	2,568,034,000

The accompanying notes are an integral part of these financial statements.





## Details of investments

CPN Retail Growth Leasehold REIT

Details of investments are presented by investment category.

Details of investments are presented by investment category.				31 December 2023		31 December 2022	
Type of investments	Note	Areas held พื้นที่	Cost	Fair value (in Baht)	Cost	Fair value (in Baht)	Percentage of investments (%)
<b>Investments in leasehold properties</b>							
Leasehold and subleasehold rights on land including shopping center buildings and utility systems, hotel and office buildings under 10 projects							
1. Central Rama 2 project							
Location	Rama 2 Road, Bangkhuntien, Bangkok						
Subleasehold right on land, leasehold right on shopping center building including parking building, utility systems, furniture, fixtures and equipment							
Related acquisition costs for leasehold right		53-2-38.4	7,186,000,000		7,186,000,000		
Leasehold improvements			136,411		136,411		
			1,058,583,932		987,687,677		
			16,296,013,241		16,821,323,962		
Rights-of-use assets			24,540,733,584	28,591,921,668	24,995,148,050	27,168,517,769	35.20
2. Central Rama 3 project							
Location	Ratchadapisek Road, Yannawa, Bangkok						
Leasehold right on land, leasehold right on shopping center building including parking spaces, utility systems, furniture, fixtures and equipment							
Related acquisition costs for leasehold right		12-2-44.6	9,179,000,000		9,179,000,000		
Leasehold improvements			248,541		248,541		
			550,977,303		543,935,354		
			9,730,225,844	13,824,000,000	9,723,183,895	13,099,000,000	16.97

The accompanying notes are an integral part of these financial statements.



## Details of investments

CPN Retail Growth Leasehold REIT

Type of investments	Note	Areas held (Rai-Ngan-Sq. Wah)	31 December 2023			31 December 2022		
			Cost	Fair value (in Baht)	Percentage of investments (%)	Cost (in Baht)	Fair value	Percentage of investments (%)
Investments in leasehold properties								
3. Central Pinklao project								
Location	Boromratchachonnanee Road, Bangkok noi, Bangkok							
Subleasehold right on land, leasehold right on shopping center building including parking building, office building, utility systems, furniture, fixtures and equipment								
		24-2-84	5,542,995,247			5,542,995,247		
			111,861			111,861		
Related acquisition costs for leasehold right			123,386,479			115,501,988		
Leasehold improvements			5,666,493,587	1,050,000,000	1.32	5,658,609,096	2,184,000,000	2.83
4. Central Chiangmai Airport project								
Location	Mahidol Road and Waulai Road, Haiya, Amphur Muang Chiangmai, Chiangmai							
Leasehold right on land, leasehold right on shopping center building including parking building, multipurpose building, utility systems, furniture, fixtures and equipment								
		32-3-56.85	10,494,000,000			10,494,000,000		
			152,780			152,780		
Related acquisition costs for leasehold right			63,279,775			52,050,182		
Leasehold improvements			10,557,432,555	10,549,000,000	13.22	10,546,202,962	10,439,000,000	13.53

The accompanying notes are an integral part of these financial statements.

## Details of investments

CPN Retail Growth Leasehold REIT

Type of investments	Note	31 December 2023			31 December 2022		
		Cost <i>(in Baht)</i>	Fair value <i>(in Baht)</i>	Percentage of investments <i>(%)</i>	Cost <i>(in Baht)</i>	Fair value	Percentage of investments <i>(%)</i>
<i>Investments in leasehold properties</i>							
5. Central Pattaya project							
<u>Location</u>	Pattaya 1 road, Nong Prue, Bang La Mung, Chonburi						
Leasehold right on shopping center building including parking spaces		4,892,299,492			4,892,299,492		
Leasehold right on utility systems		3,246,532,994			3,246,532,994		
Related acquisition costs for leasehold right		176,123,198			176,123,198		
Furniture, fixtures and equipment		15,525,000			15,525,000		
Leasehold improvements		182,660,377			20,415,081		
		<b>8,513,141,061</b>	<b>7,437,000,000</b>	<b>9.32</b>	<b>8,350,895,765</b>	<b>7,474,000,000</b>	
						<b>9.69</b>	
6. Hilton Pattaya Hotel project							
<u>Location</u>	Pattaya 1 road, Nong Prue, Bang La Mung, Chonburi						
Leasehold right on hotel building including parking building		1,501,667,006			1,501,667,006		
Leasehold right on utility systems		2,192,500,508			2,192,500,508		
Related acquisition costs for leasehold right		72,830,971			72,830,971		
Furniture, fixtures and equipment		60,000,000			60,000,000		
Leasehold improvements		295,678,987			295,418,788		
		<b>4,122,677,472</b>	<b>3,767,000,000</b>	<b>4.72</b>	<b>4,122,417,273</b>	<b>3,790,000,000</b>	
						<b>4.91</b>	

The accompanying notes are an integral part of these financial statements.



## Details of investments

CPN Retail Growth Leasehold REIT

Type of investments	Note	31 December 2023			31 December 2022		
		Cost	Fair value (in Baht)	Percentage of investments (%)	Cost	Fair value (in Baht)	Percentage of investments (%)
Investments in leasehold properties							
7. The Ninth Towers office building project							
Location	Rama 9 road, Huai Khwang, Huai Khwang, Bangkok						
Leasehold right on office spaces and parking spaces		3,385,367,523			3,385,367,523		
Leasehold right on utility systems		2,631,134,500			2,631,134,500		
Related acquisition costs for leasehold right		90,574,708			90,574,708		
Furniture, fixtures and equipment		37,694			37,694		
Leasehold improvements		38,705,014			30,876,485		
		6,145,819,439	5,920,000,000	7.42	6,137,990,910	5,921,000,000	7.67
8. Unilever House office building project							
Location	Rama 9 road, Huai Khwang, Huai Khwang, Bangkok						
Leasehold right on office spaces and parking spaces		936,457,563			936,457,563		
Leasehold right on utility systems		712,350,000			712,350,000		
Related acquisition costs for leasehold right		24,521,936			24,521,936		
Leasehold improvements		4,080,748			2,539,500		
		1,677,410,247	1,245,000,000	1.56	1,675,868,999	1,361,000,000	1.76

The accompanying notes are an integral part of these financial statements.

Type of investments	Note	31 December 2023		31 December 2022		Percentage of investments (%)
		Cost (in Baht)	Fair value (in Baht)	Cost (in Baht)	Fair value (in Baht)	
<i>Investments in leasehold properties</i>						
9. CentralMarina project						
Location	Pattaya 2 road, Nong Prue, Bang La Mung, Chonburi					
Leasehold right on shopping center building including parking spaces		1,941,067,634		1,941,067,634		
Leasehold right on utility system		639,982,717		639,982,717		
Related acquisition costs for leasehold right		39,925,057		39,925,057		
Furniture, fixtures and equipment		14,450,024		14,450,024		
Leasehold improvements		5,189,196		4,927,951		
		2,640,614,628	1,703,000,000	2,640,353,383	1,904,000,000	2.47
10. Central Lampang project						
Location	Superhighway Lampang-Ngao Road, Suandok, Amphur Muang Lampang, Lampang					
Leasehold right on shopping center building including parking spaces		2,429,586,438		2,429,586,438		
Leasehold right on utility systems		771,889,339		771,889,339		
Related acquisition costs for leasehold right		48,052,768		48,052,768		
Furniture, fixtures and equipment		10,681,963		10,681,963		
Leasehold improvements		(75,292,639)		2,256,344		
		3,184,917,869	2,932,000,000	3,262,466,852	2,963,000,000	3.84
Total investments in leasehold properties		76,779,466,286	77,018,921,668	77,113,137,185	76,303,517,769	98.87

The accompanying notes are an integral part of these financial statements.



# Details of investments

CPN Retail Growth Leasehold REIT

Note	Maturity date	31 December 2023			31 December 2022		
		Principle	Fair value	Percentage of investments (%)	Principle	Fair value	Percentage of investments (%)
		(in Baht)			(in Baht)		
Investments in securities							
Unit Trust							
		371,772,133	377,116,824		171,772,133	173,909,750	
Fixed deposits							
	April 2023	-	-		300,000,000	300,000,000*	
	June 2023	-	-		400,000,000	400,000,000*	
	January 2024	2,380,000,000	2,380,000,000*		-	-	
Total investments in securities							
		2,751,772,133	2,757,116,824		871,772,133	873,909,750	1.13
Total investments							
		79,531,238,419	79,776,038,492		77,984,909,318	77,177,427,519	100.00

\* Excluding accrued interest income

The accompanying notes are an integral part of these financial statements.





# Statement of comprehensive income

CPN Retail Growth Leasehold REIT

		For the year ended 31 December	
	Note	2023	2022
		(in Baht)	
<b>Income</b>			
Rent and service income	11	5,728,017,884	4,863,567,081
Interest income	11	24,051,736	6,085,729
Other income	11	24,711,039	17,063,552
<b>Total income</b>		<b>5,776,780,659</b>	<b>4,886,716,362</b>
<b>Expenses</b>			
Management fee	10, 11	159,395,256	162,448,058
Trustee fee	10, 11	22,902,826	28,501,171
Registrar fee	10	4,134,480	3,734,480
Professional fee		1,286,975	1,287,275
Property management fee	10, 11	518,834,810	494,675,747
Costs of rental and services	11	366,984,964	327,585,296
Other expenses	11	160,947,310	113,844,042
Finance cost	11	2,499,705,228	2,361,371,614
Adjust financial costs according to the lease agreement	6	(140,939,159)	-
<b>Total expenses</b>		<b>3,593,252,690</b>	<b>3,493,447,683</b>
<b>Net profit on investments</b>		<b>2,183,527,969</b>	<b>1,393,268,679</b>
<b>Net gain (loss) on investments</b>			
Net loss on investments	5, 6	(697,978)	(3,062,673)
Net gain on change in fair value of investments	5, 6	526,971,150	720,955,974
Adjusted net gain on change in fair value of investments in accordance with lease agreements	6	525,310,721	-
<b>Total net gain on investments</b>		<b>1,051,583,893</b>	<b>717,893,301</b>
<b>Net increase in net assets resulting from operations</b>		<b>3,235,111,862</b>	<b>2,111,161,980</b>

The accompanying notes are an integral part of these financial statements.



# Statement of changes in net assets

CPN Retail Growth Leasehold REIT

		For the year ended	
		31 December	
	<i>Note</i>	2023	2022
		<i>(in Baht)</i>	
<b>Increase (decrease) in net assets resulting from operations during the year</b>			
Net profit on investments		2,183,527,969	1,393,268,679
Net gain on investments		1,051,583,893	717,893,301
<b>Increase in net assets during the year</b>		<b>3,235,111,862</b>	<b>2,111,161,980</b>
Distribution to trust unitholders	13	(2,194,898,662)	(2,097,056,565)
Capital return to trust unitholders	12	(858,493,772)	(555,722,560)
<b>Increase (decrease) in net assets during the year</b>		<b>181,719,428</b>	<b>(541,617,145)</b>
Net assets at 1 January		33,277,166,951	33,818,784,096
<b>Net assets at 31 December</b>		<b>33,458,886,379</b>	<b>33,277,166,951</b>
<b>Changes in number of Trust unit</b>			
Trust unit at 1 January <i>(units)</i>		2,568,034,000	2,568,034,000
<b>Trust unit at 31 December (units)</b>		<b>2,568,034,000</b>	<b>2,568,034,000</b>

The accompanying notes are an integral part of these financial statements.



# Statement of cash flows

CPN Retail Growth Leasehold REIT

		For the year ended	
		31 December	
	Note	2023	2022
(in Baht)			
<b>Cash flows from operating activities</b>			
Net increase in net assets from operations		3,235,111,862	2,111,161,980
<i>Adjustments to reconcile net increase (decrease) in net assets from operations to net cash from operating activities:</i>			
Net loss on investments	5, 6	697,978	3,062,673
Net gain on changes in fair value of investments	5, 6	(1,052,281,871)	(720,955,974)
Purchases of investments in securities	5	(3,873,963,515)	(1,646,986,630)
Proceed from sale of investments in securities	5	2,000,000,000	1,848,000,000
Purchases of investments in leasehold properties	6	(277,015,723)	(217,535,304)
Proceed from sale of investments in leasehold properties	6	916,045	732,480
Decrease in accrued rental and service receivables		308,020,311	223,859,195
Decrease in receivable from the Revenue Department		170,502,578	111,321,542
Increase in prepaid expense		(8,385,772)	(8,200,901)
(Increase) decrease in other assets		9,326,474	(53,768,109)
Increase (decrease) in trade accounts payable		(1,118,579)	42,419,990
Increase (decrease) in other accounts payable		577,973	(3,250,255)
Increase (decrease) in withholding tax payable		(3,512,082)	35,125,568
Increase (decrease) in accrued expenses		138,978,953	(432,470,336)
Increase in rent received in advance		514,087,768	1,631,267
Increase in deposits received from tenants		38,182,283	42,063,392
Increase in other liabilities		8,670,969	12,090,376
Interest income		(24,051,736)	(6,085,729)
Interest received		13,596,644	3,855,964
Finance cost		2,358,766,069	2,361,371,614
<b>Net cash from operating activities</b>		<b>3,557,106,629</b>	<b>3,707,442,803</b>

The accompanying notes are an integral part of these financial statements.



# Statement of cash flows

CPN Retail Growth Leasehold REIT

		For the year ended	
		31 December	
	<i>Note</i>	2023	2022
<i>(in Baht)</i>			
<b><i>Cash flows from financing activities</i></b>			
Proceeds from borrowings	8	-	499,000,000
Repayment of borrowings	8	(1,021,978,886)	(2,080,400,966)
Payment of front-end fee	8	(1,050,000)	(1,050,000)
Proceeds from issue of debentures	9	1,900,000,000	2,000,000,000
Repayment of debentures	9	(1,795,000,000)	-
Transaction costs from issue of debentures	9	(1,963,859)	(2,067,240)
Payment of lease liabilities		(6,270,000)	(6,220,000)
Interest paid		(656,828,645)	(581,266,063)
Distributions to trust unitholders	13	(2,194,898,663)	(2,097,056,565)
Capital return to trust unitholders	12	(858,493,772)	(555,722,560)
<b>Net cash used in financing activities</b>		<b>(4,636,483,825)</b>	<b>(2,824,783,394)</b>
<b>Net increase (decrease) in cash equivalents</b>		<b>(1,079,377,196)</b>	<b>882,659,409</b>
Cash equivalents at 1 January		2,041,833,116	1,159,173,707
<b>Cash equivalents at 31 December</b>		<b>962,455,920</b>	<b>2,041,833,116</b>

The accompanying notes are an integral part of these financial statements.



# Notes to the financial statements

CPN Retail Growth Leasehold REIT

For the year ended 31 December 2023

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These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by management of the Trust on 19 February 2024.

## **1 General information**

CPN Retail Growth Leasehold REIT (“the Trust”) was established from the conversion of CPN Retail Growth Leasehold Property Fund (“the Fund”) and received the transfer of assets, liabilities and obligations from the Fund on 1 December 2017. The Trust was a specific closed-end real estate investment trust with an indefinite term. The Trust was registered on 29 November 2017 with registered capital of Baht 29,653.38 million (2,212,476,700 trust units’ trust, at Baht 13.4028 per unit).

The Trust’s major trust during the financial year was Central Pattana Public Company Limited holding 25.77% of the trust unitholding which issued and paid-up. The Trust was incorporated in Thailand.

CPN REIT Management Company Limited (“the REIT manager”) performs monitoring and managing of the assets of the Trust. SCB Asset Management Company Limited acts as the Trustee and Central Pattana Public Company Limited acts as the Property manager for Central Rama 2 project, Central Rama 3 project, Central Pinklao project, Central Chiangmai Airport project, Central Pattaya project, Central Marina project and Central Lampang project. Grand Canal Land Public Company Limited acts as the Property manager for The Ninth Towers office building project and Sterling Equity Company Limited acts as the Property manager for Unilever House office building project.

The Trust’s objectives are to raise funds and mainly use funds to invest in properties or leasehold properties and seek benefits from such properties.

The Trust has distribution payment policy is in accordance with condition and procedures as specified in prospectus.

## **2 Basis of preparation of the financial statements**

The financial statements are prepared in accordance with the accounting guidance for Property Funds, Real Estate Investment Trusts, Infrastructure Funds and Infrastructure Trusts issued by the Association of Investment Management Companies (“AIMC”) as approved by The Securities and Exchange Commission. In case this accounting guidance does not specifically state the practical guidance for a transaction, the Trust shall apply Thai Financial Reporting Standard (TFRS) as announced by Federation of Accounting Professions (“Accounting Guidance”). The financial statements are presented in Thai Baht, which is the Trust’s functional currency.

The preparation of financial statements in conformity with an accounting guidance requires Trust’s manager to make judgements, estimates and assumptions that affect the application of the Trust’s accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions that described in each note are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.



### 3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

#### (a) *Investments measured at fair value through profit or loss*

Investment are initially recognised at fair value through profit or loss when the Trust becomes a party to the contractual provisions of the instrument. Transaction costs that are directly attributable to acquire investments are recognised in profit or loss.

Gains and losses on measurement, including any interest or dividend income, are recognised in profit or loss.

The Trust derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Trust neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Trust currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

#### (b) *Investments in leasehold properties at fair value*

Investments in leasehold properties are measured at cost, including transaction costs, on initial recognition and subsequently at fair value, with any change recognised in profit or loss and presented as “gain (loss) from changes in fair value of investment”.

Cost includes expenditure that is directly attributable to the acquisition of the investments in leasehold properties. The fair value is based on appraisal value assessed by independent valuers approved pursuant to the notification of the Securities and Exchange Commission. The Trust will conduct appraisal of properties at least every 2 years, commencing from the date of appraisal the acquired properties or the latest date of appraisal properties or the date of disposal properties or there is any indication of impairment and conduct a review of appraisal at least every year after the date of the latest appraisal. The Trust will not appoint any valuers to appraise the properties for more than 2 consecutive times.

Differences between the proceeds from disposal and the carrying amount of investments in leasehold properties are recognised in profit or loss and presented as “net gain (loss) on investments”.

#### (c) *Cash equivalents*

Cash equivalents comprise call deposits.

**(d) *Accrued rental and service receivables***

Accrued rental and service receivables are measured at transaction price less allowance for expected credit loss.

The Trust estimates lifetime expected credit losses (ECLs), using a provision matrix to find ECLs rate. This method groups the rent receivable based on shared credit risk characteristics and past due status, taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the reporting date.

Accrued rental income is presented as part of accrued rental and service receivables.

**(e) *Leases***

At inception of a contract, the Trust assesses whether a contract is, or contains, a lease. when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

*As a lessee*

At commencement of a contract, the Trust allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices of each component. For the leases of property, the Trust has elected not to separate non-lease components and accounted for the lease and non-lease components wholly as a single lease component.

The Trust recognises a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which is recognised as an expense on a straight-line basis over the lease term.

Right-of-use assets are initial measured at cost and classify as investment in leasehold properties as described in note 3(b). The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any prepaid lease payments, plus any initial direct costs incurred an estimate of restoration costs, and less any lease incentives received.

The lease liability is initially measured at the present value of all lease payments that shall be paid under the lease. The Trust uses the Trust's interest rate implicit in the lease to discount the lease payments to the present value.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a lease modification, or a change in the assessment of options specified in the lease. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

*As a lessor*

The accounting policy for lessor is described in note 3(i).

**(f) *Interest-bearing liabilities***

Interest-bearing liabilities are measured at amortised cost.



**(g) Fair value measurement**

‘Fair value’ is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Trust has access at that date. The fair value of a liability reflects its non-performance risk.

When measuring the fair value of an asset or a liability, the Trust uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- *Level 1*: quoted prices in active markets for identical assets or liabilities.
- *Level 2*: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- *Level 3*: inputs for the asset or liability that are based on unobservable input.

The Trust recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Trust measures assets and assets positions at a bid price and liabilities and liabilities positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Trust determines that the fair value on initial recognition differs from the transaction price, the financial instrument is initially measured at fair value adjusted for the difference between the fair value on initial recognition and the transaction price and the difference is recognised in profit or loss immediately. However, for the fair value categorised as level 3, such difference is deferred and will be recognised in profit or loss on an appropriate basis over the life of the instrument or until the fair value level is transferred or the transaction is closed out.

**(h) Trade accounts payable and other accounts payable**

Trade accounts payable and other accounts payable are stated at amortised cost.

**(i) Rental income**

At inception or on modification of a contract, the Trust allocates the consideration in the contract to each component on the basis of their relative standalone selling prices.

At lease inception, the Trust considers to classify a lease that transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to lessees as a finance lease. A lease that does not meet this criteria is classified as an operating lease.

When the Trust is an intermediate lessor, the Trust classifies the sub-lease either as a finance lease or an operating lease with reference to the right-of-use asset arising from the head lease. In case of a head lease is a short-term lease, the sub-lease is classified as an operating lease. Those right-of-use assets are presented as investments in properties.

The Trust recognises lease payments received under operating leases in profit or loss on a straight-line basis over the lease term as part of ‘rental income’. Initial direct costs incurred in arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as income in the accounting period in which they are earned. Rental income is presented as part of accrued rental and service receivables.

**(j) Service income**

Revenue is recognised when a customer obtains control of the services in an amount that reflects the consideration to which the Trust expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts.

Revenue for rendering of services is recognised over time as the services are provided. The related costs are recognised in profit or loss when they are incurred.

**(k) Interest**

Interest income and expense is recognised in profit or loss using the effective interest method. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

**(l) Expenses**

Other expenses are recognised on accrual basis.

**(m) Income tax**

The Trust is exempt from corporate income tax in Thailand so that corporate income tax is not recorded in the financial statements.

**(n) Distribution to unitholders**

The Trust recognises a reduction in retained earnings at the date a distribution is declared.

**(o) Capital surplus**

Share subscription price of investment units in excess of the par value of investment units on the date of transactions of the amounts of unit sold, is recognised in “Capital surplus”.

**4 Financial risks**

*Credit risk*

The Trust has credit risk which results from the failure of a counterparty to settle its contractual obligations specified in financial instruments. The Trust has only receivables. However, the related financial assets collected in advance the rental deposits from customers as collateral in case of default. Therefore, the Trust does not anticipate material losses from its debt collection, including the Trust considered to provide rental discounts to tenant in the shopping centers.

Credit risk is the risk of financial loss to the Trust if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Trust’s receivables from customers and investments in debt securities. However, the related financial assets have short-term maturity, therefore, the Trust does not anticipate material losses from its debt collection.



Property manager has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

#### *Accrued rental and service receivables*

The Trust's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, Property manager also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

Property manager has established a credit policy under which each new customer is analysed individually for creditworthiness before the Trust's commercial terms and conditions are offered.

The Trust limits its exposure to credit risk from receivables by establishing a payment period and outstanding trade receivables are regularly monitored by the Trust. An impairment analysis is performed by the Trust at each reporting date. The provision rates of expected credit loss are based on days past due for individual trade receivables/groupings of various customer segments with similar credit risks to reflect differences between economic conditions in the past, current conditions and the Trust's view of economic conditions over the expected lives of the receivables.

The following table provides information about the exposure to credit risk and ECLs for accrued rental and service income receivables.

<i>Rent and service receivables at 31 December</i>	2023	2022
	<i>(in thousand Baht)</i>	
Within credit terms	42,034	64,217
Overdue:		
1 - 90 days	66,560	81,016
91 - 180 days	17,419	17,678
181 - 360 days	22,456	77,546
More than 360 days	6,336	160,342
<b>Total</b>	<b>154,805</b>	<b>400,799</b>
Accrued income base on operating leases	206,597	267,329
Accrued interest income	14,232	3,777
<b>Total</b>	<b>375,634</b>	<b>671,905</b>
Less allowance for expected credit loss	(1,716)	(421)
<b>Net</b>	<b>373,918</b>	<b>671,484</b>
<i>Allowance for expected credit loss</i>	2023	2022
	<i>(in thousand Baht)</i>	
At 1 January	421	978
Addition	1,716	421
Reverse	(421)	(978)
<b>At 31 December</b>	<b>1,716</b>	<b>421</b>

#### *Currency risk*

The Trust has no financial assets or financial liabilities denominated in foreign currency, therefore, there is no exposure to currency risk.

### *Market risk*

The Trust is exposed to market risk due to the holding of investment in debt security for which return on the investment are subject to volatility of economic, political, money market and capital market conditions. Such conditions could have either positive or negative impact on the operation of the Company that issues securities, depending on the extent to which the issuers' business type correlates with the market volatility, which could push the security's price up or down.

### *Interest rate risk*

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Trust's operations and its cash flows because debt securities and loan interest rates (see notes 8 and 9) are mainly fixed. So the Trust has low interest rate risk. The sensitivity impact to the increase or decrease in interest expenses from borrowings, as a result of changes in interest rates is immaterial on financial statements of the Trust.

### *Financial risk management policies*

The Trust manages potential risk on investment by setting risk management policy, e.g. investment diversification and analysis of investee's financial position.

## **5 Investments measured at fair value through profit or loss**

Movement of investments measured at fair value through profit or loss for the year ended 31 December was as follows:

	2023	2022
	<i>(in million Baht)</i>	
At 1 January	874	1,073
Additions	3,874	1,647
Disposal	(2,000)	(1,848)
Gain on investments	6	2
Gains on changes in the fair value of investments	3	-
<b>At 31 December</b>	<b>2,757</b>	<b>874</b>

## **6 Investments in leasehold properties at fair value**

### *Central Rama 2 project (Renewal period)*

On 31 March 2020, the Trust registered the leasehold rights in Central Rama 2 (Renewal period) project under conditions as specified in the sublease agreement with Central Pattana Rama 2 Company Limited. The lease agreement period of 30 years from 16 August 2025 to 15 August 2055. The Trust will payment the rental throughout the lease agreement period totalling Baht 25,394 million in 2025. The Trust guaranteed for rental payment to Central Pattana Rama 2 Company Limited of Baht 1,800 million within the period that specified in the contract. Lease agreement can renew according to the agreed conditions by written notice at least 12 months before ending the lease period. The asset details have as follows:

- Leasing building and structures of Central Rama 2, including the shopping center and the indoor parking area
- Leasing the system relevant to the building and structures of Central Rama 2



On 31 July 2023, At the Extraordinary General Meeting of Unitholders' of the Trust approved the change of conditions in additional investment in the Central Rama 2 Project by changing the payment conditions of the rental fees in the lease agreement between the Trust and Central Pattana Rama 2 Co., Ltd. ("Central Pattana Rama 2") which has a lease period of 30 years. Installments throughout the lease term, provided that the first payment will be equal to the rental fee for the first 10-year lease period (from 16 August 2025 to 15 August 2035) of Baht 12,853 million, which will be paid by the lease commencement date. The rental fees for the lease period from the 11th year until the expiration of the lease term will be agreed upon by the Trust and the lessor in the future. And the Meeting approved an additional investment in the Central Pinklao Project by Central Pattana Public Company Limited ("CPN") by renewal of the lease term for a period of 15 years (from 1 January 2025 to 31 December 2039) with the investment value of not exceeding Baht 12,161 million, along with the right to renew the lease agreement for another 7 years and 5 months (or no later than 31 May 2047). The conditions of the renewal agreement are subject to those agreed upon by the parties. Furthermore, the Meeting approved the renovation of the Central Pinklao Project. The major renovation is expected to take place during 2024 and 2025. The total major renovation budget is estimated to be no more than Baht 1,100 million, which will be the responsibility of the Trust. However, CPN will make an advance payment of such major renovation cost on behalf of the Trust during the period that the lease is not yet renewed, and upon completion of the extension of the lease, the Trust will repay such amount to CPN together with the interest to be agreed upon.

	2023	2022
	<i>(in million Baht)</i>	
At 1 January	76,304	75,371
Acquisitions	23	3
Addition on properties improvement	254	214
Disposals / Write off	(79)	(1)
Adjusted on change in value of investments in accordance with lease agreements	(525)	-
Net loss on investment	(7)	(4)
Gain on changes in fair value of investments	524	721
Adjusted net gain on change in fair value of investments in accordance with lease agreements	525	-
<b>At 31 December</b>	<b>77,019</b>	<b>76,304</b>
 <i>Year ended 31 December</i>	 2023	 2022
	<i>(in million Baht)</i>	
<b><i>Amounts recognised in profit or loss</i></b>		
Rental income	5,533	4,676
Direct operating expense:		
Property that generated rental income	367	328

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

Project	Gain (loss) from revaluation of investments in leasehold properties For the year ended 31 December	
	2023	2022
	<i>(in million Baht)</i>	
Central Rama 2	1,878	1,316
Central Rama 3	718	332
Central Pinklao	(1,142)	(1,027)
Central Chiangmai Airport	99	-
Central Pattaya	(199)	189
Hilton Pattaya Hotel	(23)	103
The Ninth Towers office building	(9)	61
Unilever House office building	(118)	4
Central Marina	(201)	(285)
Central Lampang	46	28
<b>Total</b>	<b>1,049</b>	<b>721</b>

As at 31 December 2023, the fair value of investments in leasehold property of Central Rama 2 project were determined by independent professional valuers by discounted cash flow method using risk-adjusted discount rates. According to the report on 22 January 2024, the fair value was at Baht 28,477 million. As a result net gain on changes on fair value of investments is Baht 1,353 million. In addition, the Trust adjusted the right-of-use asset and lease liability in accordance with lease agreements, resulting in gain on change in the fair value of investments in the leasehold rights totalling Baht 525 million and a decrease in financial costs totalling Baht 141 million.

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

Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Average occupancy rate	The estimated fair value increase (decrease) if:
- Shopping center: 94% - 99% (2022: 88% - 99%)	- Occupancy rate were higher (lower);
- Office building: 83% - 94% (2022: 75% - 90%)	- Average rental rate were higher (lower);
- Hotel: 92% (2022: 84%)	- Discount interest rate were lower (higher).
Average rental rate	
- Shopping center: 508 - 1,991 Baht per square meters (2022: 722 - 2,048 Baht per square meters)	
- Office building: 637 - 752 Baht per square meters (2022: 623 - 941 Baht per square meters)	
Average room rate	
- Hotel: 7,474 Baht per room (2022: 7,273 Baht per room)	
Discounted interest rate	
- Shopping center: 9% - 11% (2022: 9% - 10.5%)	
- Office building: 9% - 11% (2022: 9% - 10.5%)	
- Hotel: 9% (2022: 9%)	



## *Leases*

### *As a lessee*

The Trust leased water treatment system with Central Pattana Rama 2 Company Limited, a subsidiary of Central Pattana Public Company Limited. The lease agreement is part of shopping center building lease agreement with Central Rama 2 with ending 15 August 2025.

On 31 March 2020, the Trust registered the leasehold rights in Central Rama 2 (Renewal period) project under conditions as specified in the sublease agreement with Central Pattana Rama 2 Company Limited. The lease agreement period of 30 years from 16 August 2025 to 15 August 2055. The Trust will payment the rental throughout the lease agreement period totalling Baht 25,394 million in 2025. The Trust guaranteed for rental payment to Central Pattana Rama 2 Company Limited of Baht 1,800 million within the period that specified in the contract. Lease agreement can renew according to the agreed conditions by written notice at least 12 months before ending the lease period. The asset details have as follows:

- Leasing building and structures of Central Rama 2, including the shopping center and the indoor parking area
- Leasing the system relevant to the building and structures of Central Rama 2

### *Extension options*

The Trust has extension options on property leases exercisable up to one year before the end of the contract period. The Trust assesses at lease commencement date whether it is reasonably certain to exercise the extension options and will regularly reassess so.

<i>Year ended 31 December</i>	2023	2022
	<i>(in million Baht)</i>	
<i>Amounts recognised in profit or loss</i>		
Interest on lease liabilities	1,832	1,736

In 2023, total cash outflow for leases of the Trust was Baht 6 million (2022: Baht 6 million).

### *As a lessor*

The leases of investment properties comprise a number of commercial properties that are leased to third parties under operating leases. Each of the leases contains an initial non-cancellable period of 3 years. Subsequent renewals are negotiated with the lessee. For all investment property leases, the rental income is fixed and variable under the contracts.

On 29 November 2017, the Trust ("the Sublessor") entered into Hilton Pattaya Hotel building sublease agreement, system sublease agreement and movable assets lease agreement with CPN Pattaya Hotel Company Limited ("the Sublessee"), a subsidiary of Central Pattana Public Company Limited, for using in the operation of hotel business for a period of 1 month ending in 31 December 2017. Counterparties can renew the agreements for 3 times at 3 years each ending in December 2026. Under the conditions of the agreement, the Sublessee had to pay the annual rental throughout the lease agreement period. Subsequently on 23 December 2020, counterparties considered to revise fixed rental for the year 2021 - 2026 result in the Sublessee had to pay fixed rental totalling Baht 2,233 million and variable rental which is calculated from profit before tax deducting reserve for furniture, fixtures and equipment of the hotel.

On 1 June 2023 the Sublessee filed the letters of intent for the extension period of building, system sublease agreement and movable assets lease agreement for the period from 1 January 2024 to 31 December 2026.

***Lease payments to be received from operating leases  
at 31 December***

	2023	2022
	<i>(in million Baht)</i>	
1 <sup>st</sup> year	3,734	3,413
2 <sup>nd</sup> year	1,929	1,731
3 <sup>rd</sup> year	952	821
4 <sup>th</sup> year	137	138
5 <sup>th</sup> year	77	79
After 5 <sup>th</sup> year	523	618
<b>Total</b>	<b>7,352</b>	<b>6,800</b>

## 7 Cash equivalents

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

	2023	Interest rate	2022	Interest rate
	<i>(in million Baht)</i>	<i>(%)</i>	<i>(in million Baht)</i>	<i>(%)</i>
<b>Current Account</b>				
Citibank, N.A.	293	-	513	-
KASIKORNBANK Public Company Limited	1	-	-	-
<b>Savings Accounts</b>				
The Siam Commercial Bank Public Company Limited	408	0.55	1,369	0.30
KASIKORNBANK Public Company Limited	187	0.55	99	0.30
Bank of Ayudhya Public Company Limited	73	0.50	61	0.20
<b>Total</b>	<b>962</b>		<b>2,042</b>	

## 8 Borrowings

	2023	2022
	<i>(in million Baht)</i>	
Borrowings from financial institutions - Group 1		
- unsecured	4,407	4,585
Borrowings from financial institutions - Group 2		
- unsecured	258	1,091
<b>Total</b>	<b>4,665</b>	<b>5,676</b>

Loan agreements	2023	2022	Interest rate (% per annum)	Term of payment
<i>Borrowings from financial institutions - Group 1</i>				
Credit facility A	2,306	2,483	Agreed rate in the agreement	<ul style="list-style-type: none"> <li>- Repayment of principal commencing from March 2021 and every 6 months</li> <li>- Repayment of interest every quarterly commencing from June 2020</li> </ul>
Credit facility B	2,101	2,102	Agreed rate in the agreement	<ul style="list-style-type: none"> <li>- Full repayment of principal when due within February 2022. Subsequently in 2022, request to renew full repayment of principal within February 2023. Subsequently in 2023, request to renew full repayment of principal within February 2024</li> <li>- Repayment of interest every quarterly commencing from March 2021. Subsequently in 2022, repayment of interest every month commencing from March 2022.</li> </ul>
<i>Borrowings from financial institutions - Group 2</i>				
Credit facility A3	258	277	BIBOR plus agreed rate in the agreement	<ul style="list-style-type: none"> <li>- Repayment of principal commencing within March 2021 and every 6 months</li> <li>- Repayment of interest every quarterly commencing from June 2020</li> </ul>
Credit facility B	-	814	BIBOR plus agreed rate in the agreement	<ul style="list-style-type: none"> <li>- Full repayment of principal when due within December 2023</li> <li>- Repayment of interest every quarterly commencing from March 2021</li> </ul>
<b>Total</b>	<b>4,665</b>	<b>5,676</b>		

At 31 December 2023, borrowings from financial institutions had the effective interest rate at 1.83 - 3.68 per annum.



Movement of borrowings for the year period ended 31 December were as follows:

	2023	2022
	<i>(in million Baht)</i>	
At 1 January	5,676	7,237
Add Additional borrowings	-	499
Less Repayment of borrowings	(1,022)	(2,080)
Less Payment of front-end fee	(1)	(1)
	<u>4,653</u>	<u>5,655</u>
Add Amortised front-end fee	12	21
<b>At 31 December</b>	<b><u>4,665</u></b>	<b><u>5,676</u></b>

At 31 December 2023, the Trust has unutilised credit facilities amounting to Baht 100 million. The loan agreements determined for working capital of operation and repayment of renovation assets. The periods to maturity of borrowings, at 31 December were as follows:

	2023	2022
	<i>(in million Baht)</i>	
Within one year	2,449	3,125
After one year but within five years	2,216	2,551
<b>Total</b>	<b><u>4,665</u></b>	<b><u>5,676</u></b>

## 9 Debentures

	Interest rate (% per annum)	Maturity date	2023	2022
			<i>(in million Baht)</i>	
Debentures - Series 1/2018 - unsecured (No.2)	3.80	17 August 2028	7,386	7,386
Debentures - Series 1/2019 - unsecured (No.2)	3.30	8 February 2023	-	1,795
Debentures - Series 1/2021 - unsecured (No.1)	1.50	31 March 2024	2,000	1,999
Debentures - Series 1/2021 - unsecured (No.2)	2.13	31 March 2026	1,499	1,499
Debentures - Series 2/2021 - unsecured (No.1)	1.65	13 August 2026	1,649	1,649
Debentures - Series 2/2021 - unsecured (No.2)	2.96	13 August 2031	999	999
Debentures - Series 1/2022 - unsecured	2.40	28 February 2027	1,999	1,998
Debentures - Series 1/2023 - unsecured (No.1)	2.77	3 February 2026	500	-
Debentures - Series 1/2023 - unsecured (No.2)	2.89	3 February 2027	1,399	-
<b>Total</b>			<b><u>17,431</u></b>	<b><u>17,325</u></b>

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

Movement of debentures for year ended 31 December, were as follows:

	2023	2022
	<i>(in million Baht)</i>	
At 1 January	17,325	15,324
Add Issue of debentures	1,900	2,000
Less Repayment of debentures	(1,795)	-
Less Deferred underwriting fee	(2)	(2)
	<u>17,428</u>	<u>17,322</u>
Add Payment of underwriting fee	3	3
<b>At 31 December</b>	<b><u>17,431</u></b>	<b><u>17,325</u></b>

The periods to maturity of debentures, at 31 December were as follows:

	2023	2022
	<i>(in million Baht)</i>	
Within one year	2,000	1,795
After one year but within five years	14,432	7,145
After five years	999	8,385
<b>Total</b>	<b>17,431</b>	<b>17,325</b>

## 10 Expenses

### (a) *Management fee*

The REIT manager will receive a monthly management fee from the Trust at the rate not exceeding 1% per annum of total assets value (excluding value added tax, specific business tax or any other similar tax), but not less than Baht 15 million per year. Such fee had increasing rate of 3% per year.

### (b) *Trustee fee*

The Trustee will receive a monthly trustee fee from the Trust at a rate not exceeding 1% per annum of total asset value (excluding value added tax, specific business tax or any other similar tax), but not less than Baht 20 million per year.

### (c) *Registrar fee*

The registrar fee is calculated from a progressive rate at a rate of 0.010% to 0.035% per annum of the Trust's registered capital, but not exceeding Baht 4 million per year. (In 2022, the registrar fee rate was 0.023% per annum of the Trust's registered capital, but not exceeding Baht 5 million per year.)

### (d) *Property management fee*

The Property manager will receive remuneration for acting as the Property manager from the Trust, which shall be payable monthly according to the Property Management Appointment Agreement between the Trust and the Property manager which are summarised as follows:

1. Fee for rental and service collection on behalf of the Trust at the rate not exceeding 4% of net rental and service income of the Trust.
2. Commission for procuring tenants and management of all tenants of the Trust upon entering into lease agreements with new tenants or renewal of lease agreements is calculated from the monthly rental rate of each tenant at the rates not exceeding 0.5 - 1.5 months and not exceeding 3% of the fee for leasehold right received in advance from the tenants, depending on the type and period of lease agreements.
3. Property management fee at the rate not exceeding 0.28% per annum of investment properties value from net asset value report of the Trust that was certified by trustee in each month which was calculated at the last working day of each month. The fee is excluding the value of investment property of hotel and Central Rama 2 project (Renewal period).
4. Incentive fee at the rate not exceeding 3% of net properties income. Net properties income means total revenue that the Trust derived from properties deducting with total costs and expenses incurred from procuring benefits from the properties.

5. Fee for purchase and sale of properties of the Trust at the rate not exceeding 1.5% of the properties' value that the Trust additionally invested and at the rate not exceeding 0.75% of the properties' sales value from the Trust.
6. Fees for the supervision of improvements and/or development of the Trust's properties at the rate not exceeding 2% of the total costs of improvement and/or development of properties of the Trust. Such costs of improvement and/or development including the costs of the purchase of areas to be improved and/or developed back from the existing tenants, but excluding the designing fee, advisor fee, or other professional fees.

## 11 Related parties

A related party is a person or entity that has direct or indirect control or joint control, or has significant influence over the financial and managerial decision-making of the Trust; a person or entity that are under common control or under the same significant influence as the Trust; or the Trust has direct or indirect control or joint control or has significant influence over the financial and managerial decision-making of a person or entity.

Related parties which have material changes in relationships and that the Trust had significant transactions during the year with were as follows:

Name of Entities	Country of Incorporation/ Nationality	Nature of Relationship	Nature of Transaction
Central Pattana Public Company Limited	Thailand	<ul style="list-style-type: none"> <li>- Major unitholder holding 25.77% of Trust units issued and paid-up (2022: 25.77%)</li> <li>- Property manager</li> </ul>	<ul style="list-style-type: none"> <li>- Rental and service agreement</li> <li>- Receive property management fee from the Trust</li> <li>- Lessor of assets which the Trust additionally invested</li> </ul>
Central Pattana Development Company Limited	Thailand	<ul style="list-style-type: none"> <li>- Unitholder holding 4.51% of Trust units issued and paid-up (2022: 4.51%)</li> <li>- Central Pattana Public Company Limited's subsidiary</li> <li>- Common directors</li> </ul>	<ul style="list-style-type: none"> <li>- Rental and service agreement</li> <li>- Lessor of assets which the Trust additionally invested</li> </ul>
CPN REIT Management Company Limited	Thailand	<ul style="list-style-type: none"> <li>- REIT manager</li> <li>- Central Pattaya Public Company Limited's subsidiary</li> </ul>	<ul style="list-style-type: none"> <li>- Receive management fee from the Trust</li> </ul>
SCB Asset Management Company Limited	Thailand	<ul style="list-style-type: none"> <li>- Trustee of the Trust</li> </ul>	<ul style="list-style-type: none"> <li>- Receive trustee fee from the Trust</li> </ul>



Name of Entities	Country of Incorporation/ Nationality	Nature of Relationship	Nature of Transaction
The Siam Commercial Bank Public Company Limited	Thailand	- Parent company of SCB Asset Management Company Limited	- Rental and service agreement - Depository service - Receive underwriting fee from the Trust
SCB Securities Company Limited	Thailand	- The Siam Commercial Bank Public Company Limited's subsidiary	- Rental and service agreement
Central Pattana Rama 2 Company Limited	Thailand	- Central Pattana Public Company Limited's subsidiary - Common directors	- Water treatment system rental agreement rendering to the Trust - Rental and service agreement
Central Pattana Rama 3 Company Limited	Thailand	- Central Pattana Public Company Limited's subsidiary - Common directors	- Rental and service agreement
Central Pattana Chiangmai Company Limited	Thailand	- Central Pattana Public Company Limited's subsidiary - Common directors	- Rental and service agreement
CPN Pattaya Company Limited	Thailand	- Central Pattana Public Company Limited's subsidiary - Common directors	- Rental and service agreement
CPN Pattaya Hotel Company Limited	Thailand	- Central Pattana Public Company Limited's subsidiary - Common directors	- Sublease agreement over building and utility systems, and lease agreement over movable assets with the Trust
Grand Canal Land Public Company Limited	Thailand	- Property manager - Central Pattana Public Company Limited's subsidiary - Common directors	- Receive property management fee from the Trust - Rental and service agreement

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

During the year, the Trust has significant transactions with management company and other entities with common shareholders and/or common directors with the management company and trust manager and the Trust. The significant transactions for the year ended 31 December are as follows:

***Significant transactions with related parties***

***Year ended 31 December***

	2023 (in thousand Baht)	2022	Pricing policies
<b><i>Income</i></b>			
Rental and service income			
Central Pattana Public Company Limited and its subsidiaries	449,785	341,471	
The Siam Commercial Bank Public Company Limited and its subsidiaries	41,210	44,625	Market prices which are subject to location, lease space, lease from, lease period and type of lease
Grand Canal Land Public Company Limited	1,437	1,318	
Central Group of Companies	351,209	303,871	
<b>Total</b>	<b>843,641</b>	<b>691,285</b>	
Interest income			
The Siam Commercial Bank Public Company Limited	7,089	1,677	As mutually agreed rate
Other income			
Central Pattana Public Company Limited and its subsidiaries	5,322	4,648	
Grand Canal Land Public Company Limited	-	7	The rate being charged by other parties in the business
Central Group of Companies	987	697	
<b>Total</b>	<b>6,309</b>	<b>5,352</b>	



**Significant transactions with related parties**

**Year ended 31 December**

	2023 (in thousand Baht)	2022	Pricing policies
<b>Expenses</b>			
Management fee			
CPN REIT Management Company Limited	<u>159,395</u>	<u>162,448</u>	As mutually agreed prices in contract
Trustee fee			
SCB Asset Management Company Limited	<u>22,903</u>	<u>28,501</u>	As mutually agreed prices in contract
Property management fee			
Central Pattana Public Company Limited	484,935	460,000	
Grand Canal Land Public Company Limited	24,170	22,257	
Sterling Equity Company Limited	<u>9,730</u>	<u>12,419</u>	As mutually agreed prices in contract
<b>Total</b>	<u><b>518,835</b></u>	<u><b>494,676</b></u>	
Cost of rental and services			
Central Pattana Public Company Limited and its subsidiaries	147,922	128,495	
Grand Canal Land Public Company Limited	64,372	54,705	
Cost of rental and service			
Sterling Equity Company Limited	12,901	13,909	
Central Group of Companies	<u>1,162</u>	<u>1,032</u>	
<b>Total</b>	<u><b>226,357</b></u>	<u><b>198,141</b></u>	Market price
Other expenses			
Central Pattana Public Company Limited and its subsidiaries	9,817	9,956	
Central Group of Companies	<u>497</u>	<u>500</u>	Market price
<b>Total</b>	<u><b>10,314</b></u>	<u><b>10,456</b></u>	
Finance costs			
The Siam Commercial Bank Public Company Limited	<u>99</u>	<u>166</u>	As mutually agreed prices in contract

**Balance with related parties as at 31 December**

	2023 (in thousand Baht)	2022
<b>Cash equivalents</b>		
The Siam Commercial Bank Public Company Limited	<u>407,894</u>	<u>1,368,592</u>
<b>Accrued rental and service receivables</b>		
Central Pattana Public Company Limited and its subsidiaries	16,391	260,168
The Siam Commercial Bank Public Company Limited	70	68
Grand Canal Land Public Company Limited	341	507
Sterling Equity Company Limited	91	478
Central Group of Companies	<u>23,895</u>	<u>14,738</u>
<b>Total</b>	<u><b>40,788</b></u>	<u><b>275,959</b></u>

**Balance with related parties as at 31 December**

2023                      2022  
(in thousand Baht)

**Trade accounts payable**

Central Pattana Public Company Limited and its subsidiaries	112,525	120,614
CPN REIT Management Company Limited	27,272	27,926
Grand Canal Land Public Company Limited	11,249	14,265
Sterling Equity Company Limited	4,355	3,400
Central Group of Companies	4	210
<b>Total</b>	<b>155,405</b>	<b>166,415</b>

**Other accounts payable**

SCB Asset Management Company Limited	3,910	4,026
Central Pattana Public Company Limited and its subsidiaries	11	11
The Siam Commercial Bank Public Company Limited	55	55
Central Group of Companies	3,178	3,222
<b>Total</b>	<b>7,154</b>	<b>7,314</b>

**Deposits received from tenants**

The Siam Commercial Bank Public Company Limited	21,065	28,091
Central Pattana Public Company Limited and its subsidiaries	23,503	21,955
Central Group of Companies	70,998	72,051
<b>Total</b>	<b>115,566</b>	<b>122,097</b>

**Lease liabilities**

Central Pattana Rama 2 Company Limited	<b>22,205,051</b>	<b>21,044,941</b>
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**Other liabilities**

Central Pattana Public Company Limited and its subsidiaries	782	10,321
The Siam Commercial Bank Public Company Limited and its subsidiaries	367	1,085
Grand Canal Land Public Company Limited	21	46
Sterling Equity Company Limited	5	36
Central Group of Companies	14,411	12,800
<b>Total</b>	<b>15,586</b>	<b>24,288</b>

**12 Capital from unitholders and retained earnings**

On 29 November 2017, CPN REIT Management Company Limited, as a Trust settlor and REIT manager, established CPN Retail Growth Leasehold REIT from the conversion of CPN Retail Growth Leasehold Property Fund (“the Fund”). The Trust had registered capital of Baht 28,653.38 million consisting of 2,212,476,700 trust units at the par value of Baht 13.4028 per unit. The REIT manager had registered such unit trusts to the Stock Exchange of Thailand on 14 December 2017.

On 1 December 2017, the Trust received the transfer of assets, liabilities and obligations of the Fund which was in accordance with the Rights and Duties Transferred Agreement between the Fund and the Trust dated 29 November 2017 and the Trust gave compensation as unit trusts of the Trust to the Fund totalling 2,212,476,700 units at 13.5004 Baht per unit, totalling Baht 29,869.47 million. Subsequently, on 4 December 2017, the Fund had transferred such unit trusts to the unitholders of the Fund at a ratio of 1:1 resulting in the unitholders of the Fund became the unitholders of the Trust and the Trust had recognised the share premium of investment units totalling Baht 216.09 million in the capital surplus account.

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

During 2023, the Board of Directors' Meeting of the REIT manager approved the capital reduction as follows:

Date of capital reduction	For the period			Amount per unit (Baht per unit)	Total amount (in million Baht)		
16 February 2023	1 October 2022 - 31 December 2022			0.2593	666		
11 May 2023	1 January 2023 - 31 March 2023			0.0750	193		
<b>Total</b>					<b>859</b>		

	2023			2022		
	Par value	Number	Amount	Par value	Number	Amount
	(in Baht)	(in million units/ million Baht)		(in Baht)	(in million units/ million Baht)	
<b>Trust registered capital and capital received from unitholders</b>						
Unit trusts at beginning of the year	12.0402	2,568	30,920	12.2566	2,568	31,475
Less Capital reduction	(0.3343)	-	(859)	(0.2164)	-	(555)
<b>Unit trusts at the end of the year</b>		<b>2,568</b>	<b>30,061</b>		<b>2,568</b>	<b>30,920</b>

Movement of retained earnings for the year ended 31 December was as follows:

	2023	2022
	(in million Baht)	
At 1 January	156	142
Net profit on investments	2,184	1,393
Net loss on investments	(1)	(3)
Gain on changes in fair value of investments	527	721
Adjusted on change in value of investments in accordance with lease agreements	525	-
Distributions to unitholders	(2,195)	(2,097)
<b>At 31 December</b>	<b>1,196</b>	<b>156</b>



### 13 Distributions to unitholders

During the year 2023, the Trust approved the distribution to unitholders of the Trust as follows:

Distribution announcement date	For the period	Amount per unit (Baht per unit)	Total amount (in million Baht)
16 February 2023	1 October 2022 - 31 December 2022	0.0607	156
11 May 2023	1 January 2023 - 31 March 2023	0.2470	634
10 August 2023	1 April 2023 - 30 June 2023	0.2900	745
9 November 2023	1 July 2023 - 30 Sep 2023	0.2570	660
<b>Total</b>			<b>2,195</b>

### 14 Information on investment purchase and sale transactions

The Trust's purchase and sale transactions for the year ended 31 December 2023, excluding investments in cash at banks, amounted to Baht 3,156 million which was 9.52 of the average net asset values during the year (2022: Baht 2,718 million which was 8.06 of the average net asset values during the year).

### 15 Segment information

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

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

The following table shows fair value categorised by measurement approach:

<i>Fair value categorised by measurement approach</i>	Level 2 (in million Baht)	Level 3
<b>At 31 December 2023</b>		
Investments in leasehold properties at fair value	-	77,019
Investments measured at fair value through profit or losses	2,757	-
<b>At 31 December 2022</b>		
Investments in leasehold properties at fair value	-	76,304
Investments measured at fair value through profit or losses	874	-

The financial instruments traded in non-active markets and measured at obviously quoted market prices, buying and selling prices offered by traders or optional price references with supporting observable data will be categorised as level 2. These financial instruments comprised fix income fund.

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

### 17 Event after the reporting period

At the Board of Directors' Meeting of the REIT manager held on 16 February 2024, the Board of Directors approved the distribution to unitholders of the Trust from the operation period from 1 October 2023 to 31 December 2023 at the rate of Baht 0.2570 per unit, amounting to Baht 659.98 million. The distribution will be paid to the unitholders in March 2024.



# LRQA INDEPENDENT ASSURANCE STATEMENT

## Relating to CPN Retail Growth Leasehold REIT's performance data and information for the calendar year 2023

This Assurance Statement has been prepared for CPN Retail Growth Leasehold REIT (CPN REIT) in accordance with our contract but is intended for the readers of this Report.

### Terms of engagement

LRQA (Thailand) Limited (LRQA) was commissioned by CPN Retail Growth Leasehold REIT's (CPN REIT) to provide independent assurance on its performance data and information in 2023 "the data" against the assurance criteria below to a limited level of assurance and at the materiality of the professional judgement of the verifier using LRQA's verification approach. LRQA's verification procedure is based on current best practice, is in accordance with ISAE 30001 and uses the following principles of – inclusivity, materiality, responsiveness and reliability of performance data.

Our assurance engagement covered CPN REIT's activities in Thailand under its financial control only and specifically the following requirements:

- Evaluating the accuracy and reliability of data and information for only the selected indicators listed below:
  - Environmental: (GRI 302-1) Energy consumption, (GRI 302-3) Energy intensity, (GRI 303-3 to 5) Water withdrawal /discharge and consumption, (GRI 305-1) Direct (Scope 1), (GRI 305-2) Energy indirect (Scope 2), (GRI 305-3) Other indirect (Scope 3) – Cat 1. Purchased goods and services, Cat 5. Waste generated in operations, Cat 6. Business travel, Cat 9. Downstream transportation and distribution and Cat 13. Downstream leased assets only, GHG emissions, (GRI 305-4) GHG emissions intensity and (GRI 306- 3 to 5) Waste generated/diverted from disposal and direct to disposal.
  - Social: (GRI 403-9 and 10) Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities for all employees.

Our assurance engagement excluded the data and information of CPN REIT's subsidiaries and all its activities outside of Thailand. Our assurance engagement also excluded the data and information of its suppliers and any third-parties mentioned in the report.

LRQA's responsibility is only to CPN REIT. LRQA disclaims any liability or responsibility to others as explained in the end footnote. CPN's responsibility is for collecting, aggregating, analysing and presenting all the data and information within the report and for maintaining effective internal controls over the systems from which the report is derived. Ultimately, the report has been approved by, and remains the responsibility of CPN REIT.

### LRQA's Opinion

Based on LRQA's approach nothing has come to our attention that would cause us to believe that CPN REIT has not, in all material respects:

- Met the requirements above
- Disclosed accurate and reliable performance data and information as no errors or omissions were detected

The opinion expressed is formed on the basis of a limited level of assurance and at the materiality of the professional judgement of the verifier.

**Note:** The extent of evidence-gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically checking source data at sites. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.





## LRQA's approach

LRQA's assurance engagements are carried out in accordance with our verification procedure. The following tasks though were undertaken as part of the evidence gathering process for this assurance engagement:

- Auditing CPN REIT's data management systems to confirm that there were no significant errors, omissions or mis-statements in the report. We did this by reviewing the effectiveness of data handling process, and systems, including those for internal verification. We also spoke with key people in various departments responsible for compiling the data and drafting the report.
- Sampling of evidences presented at CPN REIT's office to confirm the reliability of the selected topic specific standards.

## Observations

Further observations and findings, made during the assurance engagement, is:

- Reliability:  
CPN REIT has a well-defined data management system to consolidate data and information associated with the selected specific topic standards. Maintaining internal verification processes will continually improve the reliability of its reported data and information.

## LRQA's standards, competence and independence

LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

Dated: 15 March 2024

Opart Charuratana  
LRQA Lead Verifier

On behalf of LRQA (Thailand) Ltd.

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LRQA reference: BGK00000964/A

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The English version of this Assurance Statement is the only valid version. LRQA Group Limited assumes no responsibility for versions translated into other languages.

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