



- Translation -

No. 051/2017/040

21 July 2017

Subject: Information Memorandum regarding the Conversion of CPN Retail Growth Leasehold Property Fund into CPN Retail Growth Leasehold REIT and the Lease of Assets to CPN Retail Growth Leasehold REIT

To: The President,  
The Stock Exchange of Thailand

Enclosure: Information Concerning the Acquisition Disposition of Assets

With reference to the Board of Directors of Central Pattana Public Company Limited ("CPN") in meeting No. 4/2017 held on 31 May 2017, the Board has passed the resolution to approve with the condition for disclosure of information when the Investment Committee of CPN Retail Growth Leasehold Property Fund has conclusion regarding the transaction detailed as follows:

1. The conversion of CPN Retail Growth Leasehold Property Fund ("CPNRF") into CPN Retail Growth Leasehold REIT ("CPNREIT") for the overall interests of all CPNRF unitholders (CPN is the unitholder in CPNRF holding 590,521,686 units or equivalent to 26.69% of the total number of investment units issued and sold of CPNRF). In addition, the tax incentive of CPNRF unitholders for the personal income tax exemption and the tax incentives of a property fund for exemption of the value added tax, the specific business tax, and the stamp duty due to the conversion of a property fund into a real estate investment trust, as well as the benefits relating to the fee for registration of the conversion of a property fund into a real estate investment trust will be expired on 31 December 2017.
2. The lease of CentralFestival Pattaya Beach shopping mall (certain parts) and Hilton Pattaya to CPNREIT has a net asset price of Baht 11,908,000,000 (details are shown in enclosure). Based on the value of the consideration given or received basis according to the regulation of

the Stock Exchange of Thailand concerning the Acquisition and Disposition of Assets, the total value of consideration paid and received compared to CPN's assets is 11.32%. Including this transaction, the total size of transactions during the past 6 months does not exceed 15% of CPN's assets.

3. Concerning the establishment of CPN's subsidiary as the REIT Manager after the conversion from CPNRF to CPNREIT, at present, such subsidiary has been established namely CPN REIT Management Company Limited. Details were shown in the information disclosed to the Stock Exchange of Thailand on 27 June 2017.

However, the mention processes are depended on the conclusion from the unitholders meeting of CPNRF and the Securities and Exchange Commissions respectively.

Your acknowledgment of this matter would be appreciated.

Sincerely,

*-Ampawee Chompoopongkasem-*  
(Ms. *Ampawee Chompoopongkasem*)  
Company Secretary

**Information Concerning the Acquisition Disposition of Assets**  
**Central Pattana Public Company Limited**

The Board of Directors' meeting of Central Pattana Public Company Limited No.4/2017, held on 31 May 2017, has approved the leasing of the CentralFestival Pattaya Beach shopping mall (certain parts) and Hilton Pattaya to CPN Retail Growth Leasehold REIT, detailed as follows:

1. Transaction date

- The registration of the asset lease is expected to be completed within the 4<sup>th</sup> quarter of 2017.

2. Contract parties and relationship

- Lessor: CPN Pattaya Company Limited (“CPN Pattaya”)
- Lessee: CPN Retail Growth Leasehold REIT (“CPNREIT”)
- Relationship: CPN is a unitholder of CPNREIT which is to be established and CPN REIT Management Company Limited, in which CPN is holding 99.99 percent of shares, will be the REIT Manager.

3. The general characteristic of the transaction

- 1) Type of transaction: The transaction is categorized as the disposal of CPN assets according to the regulation of the Stock Exchange of Thailand concerning the Acquisition and Disposition of Assets, the total value of consideration paid and received compared to CPN's assets is 11.32 percent. Including this transaction, the total size of transactions during the past 6 months does not exceed 15 percent of CPN's assets.
- 2) Characteristic of transaction: Lease the CentralFestival Pattaya Beach shopping mall (certain parts) and Hilton Pattaya to CPNREIT for the period of 20 years. The leasing rights will end on 31 August 2037 with the total asset value totaling Baht 11,908,000,000.

4. Details of assets

4.1 Rights owner of assets to lease: CPN Pattaya

4.2 Assets to lease:

CentralFestival Pattaya Beach Shopping Mall

- (1) Leasehold rights over the immovable properties which are certain parts of the buildings and structures in the CentralFestival Pattaya Beach shopping mall comprising shopping complex building ( partial) and indoor parking spaces ( partial, being an area for investment of approximately 70,095 square meters.

- In addition, the leased properties are exclusive of (1) the area in CentralFestival Pattaya Beach shopping mall that CPN Pattaya has leased to the tenants for a rental fee in the form of long-term lease agreements and the area which is currently being renovated or under the renovation plan, and (2) the parking spaces to which CPN Pattaya is entitled proportionately according to its rights.
- (2) Leasehold rights over the utilities systems, i. e. , 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 buildings and structures of CentralFestival Pattaya Beach shopping mall, along with other rights relating to or in connection with the aforementioned systems.
  - (3) Ownership of movable properties, i. e. , equipment for décor, tools, instruments, whether fixed or not permanently fixed, including other equipment used for the purpose of installing décor or facilitating users of the buildings and structures of CentralFestival Pattaya Beach shopping mall. These are located on and/or fixed on the exterior or in the interior of the area of the buildings and structures of CentralFestival Pattaya Beach shopping mall or on the surface of the buildings and structures of CentralFestival Pattaya Beach shopping mall, and/or the area being a part of the leased area occupied by tenants in CentralFestival Pattaya Beach shopping mall; over which CPN Pattaya has ownership including any other rights relating to or in connection with the aforementioned properties (as the case may be), excluding properties that are component parts of the buildings and structures of CentralFestival Pattaya Beach shopping mall.

#### Hilton Pattaya

- (1) Leasehold rights over the immovable properties, i. e. , certain parts of the buildings and structures in Hilton Pattaya comprising all hotel buildings and certain parts of indoor parking spaces, being an area for investment of approximately 49,686 square meters, CPNREIT will sublease the immovable properties and lease out the movable properties to a subsidiary company of CPN which shall be further established in the future;
- (2) Leasehold rights over the utilities systems, i. e. , 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 buildings and structures of Hilton Pattaya, as well as any rights relating to or in connection with the aforementioned systems; and
- (3) Ownership of movable properties, i. e. , equipment for décor, tools, instruments, whether fixed or not permanently fixed, including other equipment used for the purpose of installing décor or facilitating hotel guests and users of the buildings and structures of Hilton Pattaya. These are located on and/or fixed on the exterior or in the interior of the area of the buildings and structures

of Hilton Pattaya or on the surface of the buildings and structures of Hilton Pattaya; over which CPN Pattaya has ownership, including any other rights relating to or in connection with the aforementioned properties, excluding properties that are component parts of the buildings and structures of Hilton Pattaya.

5. The investment value

- Total asset price is amounted to Baht 11,908,000,000.

6. Criteria for determining the investment value

- Determined by using the discounted cash flow approach.

7. Expected benefits

- CPN expects to have adequate working capital for future developments in accordance to CPN's expansion plan and stronger financial position with higher liquidity as well as lower interest payment.

8. The opinion of the Board of Directors

- The Board of Directors has an opinion that to lease of the assets to CPNREIT will be beneficial to CPN as described in 7.