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## **Minutes of Annual General Meeting of Unitholders of the Year 2018**

# **CPN Retail Growth Real Estate Investment Trust**

The meeting was held on April 24, 2018 at 14.00 hrs. at World Ballroom, 23<sup>rd</sup> Floor, Centara Grand and Bangkok Convention Center At CentralWorld, No. 999/99, Rama 1 Road, Pathumwan, Bangkok 10330.

Preliminary Proceeding

The meeting conductor welcomed the unitholders and the board of directors and executives of CPN REIT Management Co., Ltd. (“**Company**” or “**REIT Manager**”) as manager of CPN Retail Growth Real Estate Investment Trust (“**CPNREIT**”), the Trustee of CPNREIT and the auditors present at the meeting, as follows:

## **Directors present at the meeting**

- 1) Mr. Charly Madan Chairman of the Board of Directors and Independent Director

- 2) Miss Naparat Sriwannawit Director

## **Trustee of CPNREIT present at the meeting**

- 1) Mrs. Tipaphan Puttarawigorm Representative from SCB Asset Management Co., Ltd.

### **Executive of the Company present at the meeting**

- 1) Miss Pirinee Pringsulaka CEO and Development Director

**Auditors present at the meeting**

- |                                    |   |
|------------------------------------|---|
| 1) Miss Bongkot Amsageam           | Auditor from KPMG Phoomchai Audit Limited |
|                                    |   |
| 2) Miss Vannaporn Jongperadechanon | Auditor from KPMG Phoomchai Audit Limited |
|                                    |   |
| 3) Miss Nittaya Ngarmprasertsuk    | Auditor from KPMG Phoomchai Audit Limited |

For the meeting to comply with corporate governance guidelines, the meeting conductor invited Khun Nithisak Krittikakul from KPMG Phoomchai Audit Limited to witness the meeting and check the vote count and Khun Akkarachai Kittrackool, a proxy of a unitholder, to voluntarily witness the vote count jointly with a representative of the auditors.

The unitholders who were present at the meeting by themselves and proxies were 634 persons in number, representing total units of 1,227,234,847, accounting for 55.47 percent of all CPNREIT units of 2,212,476,700 sold, constituting a quorum prescribed in the Trust Deed. Mr. Charly Madan, Chairman of the Board of Directors (“**Chairman**”) opened the Annual General Meeting of Unitholders of the Year 2018.

Before the meeting agenda, the Chairman requested the meeting conductor to explain the meeting proceeding and the vote count procedure, as follows:

- In a vote count, each unitholder has the votes equal to the number of units held, i.e. 1 unit to 1 vote;
- All the votes available can be cast only for any of Yes, No or Abstention, unless a foreign unitholder who appoints a custodian in Thailand to keep the units in custody is able to vote on a separate-opinion basis, provided that all the votes so cast must not be more than the voting right available.

However, if the proxy who is a custodian incompletely casts the votes eligible, the incompleteness will be deemed an abstention.

- For a convenient and quick vote count, the Company will keep the ballots indicating No or Abstention. Therefore, if any unitholder votes Yes, he/she is not required to hand the ballot because the vote Yes was already counted by the system.
- For a unitholder who appoints a proxy, specifying his/her opinion in each agenda at the registration step, the system will count the vote according to the vote specified by the unitholder in the proxy form in all respects.
- For a unitholder or proxy who already registered but has not yet cast a vote and is unable to be present at the meeting until completion, the Company requests the unitholder or proxy to exercise the right by handing the ballots so cast in advance for the remaining agenda to the meeting staff for recording the vote in each agendum.

However, if a unitholder or proxy does not return the ballots specifying therein No or Abstention to the meeting staff, the Chairman concludes the vote in each relevant agendum, thereby the unitholder or proxy will be deemed to have voted Yes in the proceeding of such relevant agendum.

- An invalid ballot includes a ballot in which a vote is cast for more than one choice of opinion, except for a vote of a person appointed by a foreign investor as custodian in Thailand to keep the units in custody, which can be cast on a separate-opinion basis, a ballot in which the opinion is amended or deleted without signature of the unitholder or proxy, a ballot which is thoroughly crossed-out and a ballot which is damaged in a condition the result of the vote is illegible.
- A unitholder who wants to comment or inquire about his/her doubts with the meeting is requested to raise a hand. Upon permitted by the Chairman, the unitholder is required to notify his/her name-surname record in minutes of the meeting.
- In comment or inquiry, the unitholder is required to make concisely and directly to the issue of the agenda for the efficient meeting. However, if the unitholder wishes to comment or question on other matter, he/she is requested to make in the last agenda.

No unitholder opposes or disagrees with the meeting and the vote-count procedure above. The meeting is deemed to agree therewith.

**Agenda 1**      **Acknowledgement of CPNREIT's performance outcomes for the period from 29 November 2017 (Incorporation Date) to 31 December 2017**

The Chairman requested Khun Pirinee Pringsulaka, Chief Executive Officer, to present details of this Agenda to the meeting.

Khun Pirinee presented the summary of performance outcomes for the period from 29 November 2017 (Incorporation Date) to 31 December 2017 to the meeting, as follows:

CPNREIT was converted from a property fund CPN Retail Growth (“CPNRF”) in 2017. After the conversion, CPNREIT invests in new properties, namely Central Festival Pattaya Beach, a shopping mall project, and Hilton Pattaya Hotel, with a loan from financial institutions as a whole. An additional investment in new properties with this loan results in the more efficient capital structure of CPNREIT because finance cost of the loan is cheaper. The ratio of total liabilities bearing interest rates to the total assets as ended 2017 was approximately 30.7 percent, which falls within the rate fixed by Office of the Securities and Exchange Commission.

Regarding an overview of CPNREIT’s investment, CPNREIT currently manages 5 shopping malls, comprising CentralPlaza Rama 2 Shopping Mall Project, CentralPlaza Rama 3 Shopping Mall Project, CentralPlaza Pinklao Shopping Mall Project, CentralPlaza Chiangmai Airport Shopping Mall Project and CentralFestival Pattaya Beach Shopping Mall Project, 1 office building comprising Pinklao Tower A and Tower B and Hilton Pattaya Hotel, details of which are as follows:

- Shopping Malls and Office Building

<b>Invested Properties</b>	<b>Spaces for Lease (Sq.m.)</b>	<b>Approximately Rental Rates</b>
CentralPlaza Rama 2	82,746	94%
CentralPlaza Rama 3	36,285	78%
CentralPlaza Pinklao	27,611	99%
Pinklao Tower A&B	34,031	85%

CentralPlaza Chiangmai Airport	37,490	93%
CentralFestival Pattaya Beach	29,404	98%

- Hilton Pattaya Hotel

CPNREIT subleases Hilton Pattaya Hotel to CPN Pattaya Hotel Co., Ltd., an affiliate of Central Pattana Public Company Limited in December 2017, with an occupancy rate of approximately 93 percent, where the sub-lessee is able to persistently pays the rent as prescribed in the contract, and pays the variable rent at the maximum prescribed in the contract. The sub-lessee has, during the budgeting before investment by CPNREIT, renovated the property by increasing the number of occupancy rooms from 302 to 303, resulting in the Hotel having more rooms to generate more income and reducing the unitholders' risk for the sub-lessees inability to pay the rent under the contract.

- The progress of Renovation of Shopping Mall

CentralPlaza Rama 3 was renovated in June 2017, with a total investment of Baht 675 million. In December 2017, the phase 1 renovation was completed, and the phase 2 renovation will be completed in quarter 1 of 2018. The common area was decorated to have a modern and nice look, and the façade was newly designed. The types of lessees and shops were improved to meet demands of current customers. The zone-connections were renovated by increasing benches and green areas. The parking lots and the surrounding area were also renovated to reduce the traffic problem. Regarding CentralPlaza Rama 2, the renovation was completed in 2017, where the spaces unoccupied due to the expiration of the lease contracts had been converted to be a Bank Zone and a Fashion Plus and more space for the food court, to meet demands of current customers. Regarding CentralPlaza Chiang Mai Airport, the Kard Luang (Main Food Market) and Fashion Plus zones had been renovated.

The Chairman provided the opportunity for the unitholders present at the meeting to question and comment on this Agenda. One unitholder asked a question.

Khun Direk Kunawutthivanich, a unitholder present at the meeting by himself, inquired as follows: (1) Based on the conversion from a property fund CPNRF to CPNREIT for a period of 1 month, if the CentralFastival Pattaya Beach and Hilton Hotel Pattaya are excluded, what are the compared performances of CPNRF and CPNREIT? and (2) Regarding CentralPlaza Rama

3, the unitholder suggested that the signs clearly indicating the direction be prepared for service users.

Khun Pirinee explained that respecting the operational figures excluding the properties additionally invested in Pattaya, at the stage the conversion and additional investment were submitted to the unitholders for approval, an estimate of profit and loss was prepared, details of which can be viewed in the Invitation to Meeting on Conversion. Existing properties of CPRF, excluding the Pattaya portion, had been compared with the additionally-invested properties at the time of the conversion. From a comparison, the estimated payment to the unitholders increases from the conversion because investment in properties is made through the loan without using money from unitholders, namely issuance of additional units is not needed, causing an increase in estimated remuneration. Details thereof can be viewed from the Invitation to Meeting on Conversion.

In addition, the Chairman appreciated the suggestions made and accepted and forwarded the recommendations to the Operation Department of the Malls for further action.

Upon no inquiry and/or additional comment by any unitholder, the resolution was not adopted because the agenda was only for acknowledgement.

**Agenda 2 Acknowledgement of the audited financial statements for the period from 29 November 2017 (REIT Incorporation Date) to 31 December 2017**

The Chairman requested Khun Pirinee Pringsulaka, Chief Executive Officer, to present details of this Agenda to the meeting.

Khun Pirinee stated to the meeting that the Company prepared the financial statements for the period from November 29, 2017 (REIT Incorporation Date) to December 31, 2017, per the Annual Report 2017, pages 124-166, audited and unconditionally opined by the certified public accountant, the material contents of which can be summarized as follows:

<b>Balance Sheet (Unit: Baht)</b>	<b>As of 31 December 2017</b>
Investments in leasehold properties at fair value	44,310,000,000
Total assets	47,055,553,577
Total liabilities	17,593,405,422
Net assets	29,462,148,155

As of December 31, 2017, CPNREIT had an investment in leasehold properties at a fair value of Baht 44,310 million, an increase of approximately Baht 11,908 million from the balance of the property fund CPNRF, due to an additional investment in CentralFestival Pattaya Beach and Hilton Pattaya Hotel. The approximately assessed value of each property can be summarized as follows:

Properties	Approximately Fair Value
CentralPlaza Rama 2 Shopping Mall Project	7,186
CentralPlaza Rama 3 Shopping Mall Project	9,179
CentralPlaza Pinklao Shopping Mall Project	5,543
CentralPlaza Chiangmai Airport Shopping Mall Project	10,494
CentralFestival Pattaya Beach Shopping Mall Project	8,154
Hilton Pattaya Hotel	3,754

The total liabilities were approximately Baht 17,593 million, an increase of Baht 12,536 million from the loan for investment in new properties.

#### Statement of Income (Unit: Baht)

As of 31 December 2017

Total income	378,353,036
Total expenses	154,611,975
Net investment income	223,741,061
Total net losses from investment	(631,068,610)
Increase in net assets from operations	(407,327,549)

Income for the 1-month period was equivalent to approximately Baht 378 million, comprising rental income and service charge of approximately Baht 369 million, approximately Baht 344 million of which was derived from shopping malls and office buildings and approximately Baht 25 million from sublease of Hilton Pattaya Hotel, and other income of approximately Baht 8.8 million. The total expense was equivalent to approximately Baht 155 million, the important expense of which includes fee for management of properties of approximately Baht 69 million, administrative fee of approximately Baht 23 million, finance cost of approximately Baht 30 million, lease and service cost of approximately Baht 17 million, management fee of approximately Baht 12.1 million and Trustee fee of approximately Baht 3.1 million.

By 2018, this cost of administration it includes advertising costs, public relations, Investor Relations and the promotion and marketing to provide investors with information about the trust in the budget of approximately Baht 3 million per year, after the conversion of the trust was more interested in foreign investors. Trust Managers are invited to attend meetings and

roadshows to provide trust information to investors, such as investment patterns and the provision of trust assets. The trust managers are committed to conducting investor relations activities to publicize their understanding and provide more trust to investors. This is expected to improve the liquidity of the unit. Trusts traded on the Stock Exchange of Thailand. Such expenses do not conflict with the fees and expenses stated in the attachment of the Trust Establishment Agreement. Public relations and promotion cost as it paid not exceeding 0.50% per annum of net asset value at the end of the previous fiscal year.

Net loss from investment includes:

- Net loss realized was in the amount of approximately Baht 25 million from the sale of movable properties and equipment of CentralPlaza Rama 3 so greatly renovated. The existing equipment whose useful life expired was replaced. However, as the value of assets of CPNREIT had not been depreciated and the assets were valued at fair value, the sale thereof resulted in a loss.
- Net loss unrealized caused by two reasons:
  - 1) In the major renovation of CentralPlaza Rama 3, the additional cost of renovation of the leasehold properties was recorded, but the assessed value of the properties did not reflect fair value increasing after the renovation.
  - 2) An additional investment in CentralFestival Pattaya Beach and Hilton Pattaya Hotel incurred the fee for registration and the fee for the acquisition of the properties. At the date of the transaction, CPNREIT recorded as cost of acquisition, and the properties were adjusted and expressed in fair value at the end of the period.

All such particulars caused CPNREIT to have income from the net investment of approximately Baht 224 million, and a net reduction in assets from the operation of approximately Baht 407 million.

The Chairman provided the opportunity for unitholders present at the meeting to inquire and opine on this Agenda. A unitholder inquired as follows:

Khun Direk Kunawutthivanich, a unitholder who was present at the meeting, inquired that after conversion to REIT, the performance in one previous month was in the amount of approximately Baht 378 million inclusive of Baht 25 million respecting the Hotel. If the Baht 25 million is subtracted from the Baht 378 million, the remainder is Baht 353 million, the

question is “Is the income from the performance of CPNREIT of the previous 1-month period, excluding the new Pattaya properties, less than, or more than, or equivalent to, Baht 353 million compared to when it was the property fund CPNRF?”

Khun Pirinee explained that the income originally estimated for the year 2018, excluding new properties, was approximately Baht 340 million per month. However, the income for this year, excluding new properties, is expected to be lower than originally estimated because CentralPlaza Rama 3 had been renovated during the year. However, in actual comparison, the performance of this year inclusive of those of all properties to fully open for service in all areas altogether should be taken into consideration.

Upon no inquiry and/or additional comment by any unitholder, the resolution was not adopted because the agenda was only for acknowledgement.

**Agenda 3 Acknowledgement of the payment in form of capital reduction to unitholders of CPNREIT for the period ended 2017**

The Chairman requested Khun Pirinee Pringsulaka, Chief Executive Officer, to present details of this Agenda to the meeting.

Khun Pirinee stated to the meeting that, in quarter 4/2017, CPNREIT made payment in form of capital reduction from the following performances:

1. From the performance of the previous one-month period of CPNREIT for the period from November 29, 2017, to December 31, 2017, CPNREIT's net income from investment was Baht 223,741,061. However, reduction in net assets from operation was Baht 407,327,549 from net loss realized from investment as mentioned in Agenda 2 above.
2. From cash balance of CPNRF, which paid the last dividend from the performance of quarter 3/2017 before the conversion on December 1, 2017, causing cash flow from the performance of the two remaining months, i.e. October and November, of CPNRF to be transferred to CPNREIT in exchange for REIT units. Cash from the performance of the two remaining months of CPNRF was in the amount of Baht 438,622,569.

Payment in this period was in the form of a capital reduction in accordance with the causes for capital reduction under the Trust Deed, as follows:

1. Value of immovable properties or leasehold rights over the immovable properties decreases due to valuation or review of the valuation of assets. As in the first period, CPNREIT has recognized unrealized losses from investment in leasehold properties, therefore, the payment to the unitholders for the performance of 1 month of CPNREIT was made in form of capital reduction.
2. CPNREIT has cash remaining from the operation before the conversion into trust, including the remaining cash due to unearned transactions before the conversion into trust, and the adjusted net profit that exceeds the net accounting profit.

The remuneration from the performance of the 2 months of CPNRF transferred to CPNREIT complies with the cause for the capital reduction here in this Clause.

The Board of Directors of the REIT Manager, having considered, resolved to pay remuneration in the form of capital reduction at the rate of Baht 0.2879 per unit to unitholders in the amount of 2,212,476,700 units, totalling Baht 636,972,042.

In payment of remuneration, the REIT Manager made a date record for the right to receive payment from the capital reduction on March 9, 2018, and the capital reduction was paid on March 22, 2018.

The Chairman provided the opportunity for unitholders present at the meeting to inquire and comment on this Agenda.

Upon no inquiry and/or additional comment by any unitholder, the resolution was not adopted because the agenda was only for acknowledgement.

**Agenda 4 Acknowledgement of the appointment of the external auditors and determination of the audit fee**

The Chairman requested Khun Pririnee Pringsulaka, Chief Executive Officer, to present details of the agenda to the meeting.

Khun Pririnee stated to the meeting that the REIT Manager appointed the auditors and determined the audit fee of the auditors for the year 2018, with details as follows:

1. Appointing any of the auditors from KPMG Phoomchai Audit Limited to serve as the external auditors and express opinion on the financial statements of CPNREIT for the year 2018

1) Ms. Bongkot Amsageam	Certified Public Accountant No. 3684
2) Ms. Vannaporn Jongperadechanon	Certified Public Accountant No. 4098
3) Ms. Vilaivan Pholprasert	Certified Public Accountant No. 8420
4) Mrs. Sasithorn Pongadisak	Certified Public Accountant No. 8802

2. The fee for audit by KPMG Phoomchai Audit Limited for the year 2018 is not more than Baht 760,000.

The Chairman gave an opportunity for the unitholders to inquire and comment on this Agenda. A unitholder inquired as follows:

Khun Direk Kunawutthivanich, a unitholder who was present at the meeting in person, inquired (1) whether selection of the auditors of REIT is similar to that of registered companies where a resolution is adopted by the unitholders' meeting, and whether the price inquiry was made in the selection (2) Why was the audit fee of Baht 280,000 for the 1-month period of 2017 higher than the audit fee of Baht 760,000 for the one-year period of this year? (3) How much is the value if the audit fee so paid during the 11-month previous period before conversion to CPNREIT is combined with Baht 280,000?

Khun Pririnee explained that REIT is different from registered companies regarding appointing of auditors. The Board of Directors of REIT Manager has the power to approve the appointment of auditors and determination of the audit fee, and submit the same to the unitholders for acknowledgement (without approval) in compliance with relevant rules and the Trust Deed. In selecting the auditors, the REIT Manager is required to inquire about the price and experience, using CPNREIT's rules for inquiry and qualifications. In addition, KPMG Phoomchai Audit Limited, as having been the auditor of CPNRF, has knowledge and understanding of CPNREIT, which benefits CPNREIT. As for the audit fee of the 1-month period of last year, because of the conversion which had more particulars than normal in such 1-month period, the audit fee amounted to Baht 280,000. The audit fee for the previous year when it was the property fund CPNRF was Baht 610,000. However, the audit fee for the year 2018 of Baht 760,000 was less than the audit fee of the 11-month period and the 1-month period in 2017 in combination.

Upon no inquiry and/or additional comment by any unitholder, the resolution was not adopted because the agenda was only for acknowledgement.

**Agenda 5 Approval of the issuance and offering of debentures for the amount not exceeding Baht 16,250 million for the main purpose of the refinancing of loans of the REIT**

The Chairman requested Khun Pririnee Pringsulaka to present details of this agenda to the meeting.

Khun Pririnee stated to the meeting that the REIT Manager has formulated guidelines for issuing and offering debentures to refinance loans of CPNREIT and to reduce its finance cost. Under the Trust Deed, CPNREIT is able to create a loan or an obligation to repay loans or existing obligation(s) or to refinance – any one or several methods altogether, which include issuance of instruments, debt instruments whether short term or long term, for sale to private and institutional investors under the Notifications of the Securities and Exchange Commission or Notifications of Office of the Securities and Exchange Commission concerned.

CPNREIT currently has 2 loan agreements with financial institutions. Details thereof are as follows:

Loan Agreement	Amount (Million Baht)			Purpose
	Credit Facilities	Utilized - Net	Unutilized	
<b>1. Loan Agreement with Siam Commercial Bank Public Company Limited</b>				
Credit facility 1	1,918	1,918	-	For refinancing existing loan
Credit facility 2	1,918	-	1,918	For refinancing existing loan
<b>2. Credit Facilities Agreement with syndicated banks comprising Krung Thai Bank Public Company Limited, Government Saving Bank and Kiatnakin Bank Public Company Limited</b>				
Credit facility A1	12,700	12,536	-	For acquisition of new assets
Credit facility A2	1,550	-	1,550	For repair and renovation of immovable properties
Credit facility B	7,125	-	7,125	For refinancing existing loan

As coupon rates of the debenture market are likely to be lower than those under the loan agreements, and to reduce finance cost of CPNREIT, the REIT Manager deems it appropriate to propose that CPNREIT issue and offer for sale of debentures under the Notification of the Capital Market Supervisory Board No.TorJor.82/2558 Re: Application for and Approval of Offer for Sale of Newly Issued Debentures of CPN Real Estate Investment Trust (and as amended), and the proceeds therefrom will be used to repay debts under the Loan Agreements or any debts and expenses in the issuance and offer for sale of said debentures. Details thereof are as follows:

Summarized terms and conditions for issuance of debentures:

<b>Use of Proceeds</b>	To repay loans under the loan agreements or any debts, and as costs and expenses relating to the offering of debentures, repayment of said debts.
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## **Offering**

<b>Type</b>	Debentures may be offered onshore and/or offshore to the public and/or institutional investors and/or high net worth investors and/or by private placement in one or several tranches and occasions. Debentures may be offered to the existing unitholders whose debentures will soon become mature or redeemable before the maturity date. However, each offering must comply with applicable laws, rules, notifications and requirements imposed by the relevant government agencies and authorities, including the requirements to acquire permits, approvals and consents
<b>Amount</b>	At any time, not exceeding THB 16,250 million (on a revolving basis)
<b>Currency</b>	Baht-denominated
<b>Tenor</b>	Depending on appropriate finance costs and repayment profile
<b>Coupon Rate</b>	Fixed rate throughout the term of debentures, depending on the suitability and market condition at the time of such offering

In this connection, the unitholders' meeting was requested to grant an approval for the REIT Manager to have the powers and authorities to do the following:

- (1) determine details and other conditions relating to the issuance and offering of debentures, e.g. name of debenture, offering methodology, number of debentures to be issued at each offering, type of debentures, security, offering price per unit, tenor, maturity date, early redemption, coupon rate, payment terms in respect of the outstanding principal and accrued interest, allocation procedure and offering details and etc.; and
  
- (2) negotiate, agree, sign and execute any or all documents and agreements relating to the offering of debentures, with powers to take all steps as necessary and relevant to this issuance and offering of debentures, including preparing, and filing all applications and other documents with the Office of the Securities and

Exchange Commission of Thailand and other related authorities, registering the debentures with the Stock Exchange of Thailand and/or the Thai Bond Market Association or any other secondary market, and doing all acts and things necessary or in connection with the issuance and offering of debentures until its completion and in compliance with applicable laws.

As for the rules for issuance of each offering of debentures, the REIT Manager has established key principles for each offering of CPNREIT debentures as follows:

- (1) The coupon rate must be appropriate.
- (2) The finance costs of CPNREIT must be reduced when compared with the interest payable under the existing loan agreements or other long-term debts which will be repaid by the proceeds received from the offering of debentures, taking into account all other costs incurred by CPNREIT in relation to such offering of debentures.
- (3) The timing for the offering of debentures must be appropriate.

The REIT Manager then considered it appropriate to propose to the Meeting to consider and approve the issuance and offering of debentures in the amount not exceeding Baht 16,250 million for the main purpose of refinancing of loans in order to reduce finance costs of CPN REIT since the market coupon rate on debentures tends to be lower than the interest rates under the loan agreements.

In subsequent time, Khun Tipaphan Puttarawigorm, a representative from SCB Asset Management Co., Ltd. as Trustee present at the meeting, explained to the meeting that the Trustee considered that the said operation, as having complied with the Trust Deed of CPNREIT, can be undertaken.

The Chairman requested the unitholders present at the meeting to inquire and comment on this agenda before the vote is cast and counted.

Khun Direk Kunawutthivanich, a unitholder present at the meeting in person, inquired that (1) What is the current loan interest rate on the average? (2) Do the Loan Agreements with

KrungThai Plc, Government Savings Bank and Kiatnakin Bank Plc contain any conditions relating to the charge on prepayment of the loans, and how? Does the debenture coupon rate expected to be lower than the loan interest include such costs in the issuance of the debentures as credit rating cost or underwriter fee, and how?

Khun Pirinee explained that the average interest rate of the previous one month was approximately 2.4 percent. In the loan facilities to purchase new assets or to repay existing loans or to refinance existing debts, CPNREIT has a short-term loan to reduce the interest burden and a long-term loan as a reserve with a condition with the existing lending banks, namely CPNREIT has to pay the prepayment fee if the loans are prepaid. However, if these syndicated lending banks are an underwriter or take part in the distribution of debentures, CPNREIT will be exempted from the fee for this prepayment. However, in comparing the cost of issuing debentures plus coupon rate to the current loan cost, all costs and expenses, i.e. the coupon rates on debentures, the credit rating fee, the underwriter fee and all other relevant costs must be included to make sure that the said costs and expenses are not higher than the existing loan facilities, in compliance with the principles for each offering of CPNREIT debentures as mentioned above.

Upon no inquiry and/or additional comment by any unitholder, the Chairman requested the meeting to cast the vote on this agenda.

### **Resolution of the Meeting**

The meeting, having considered, resolved that debentures be issued and offered for sale in the amount not exceeding Baht 16,250 million for the purpose of repayment of loans of CPNREIT as proposed, with the votes cast as follows:

Resolution	Number of votes	Percentage of unitholders present at the meeting and having the right to vote
Yes	1,326,716,234	99.9813
No	16,900	0.0013
Abstention	231,800	0.0175
Invalid ballots	0	0
<b>Total</b>	<b>1,326,964,934</b>	<b>100.00</b>

Note: The resolution on this Agenda must be approved by the unitholders' meeting with a majority vote of all votes of the unitholders present at the meeting and having the right to vote.

### **Agenda 6 Other businesses (if any)**

The Chairman provided the opportunity for the unitholders to present at the meeting to inquire and comment about businesses. The unitholders who asked questions included:

Khun Tienchai Termvanich, a unitholder present at the meeting by himself inquired about the future plan within 1-2 years ahead whether CPNREIT plans to renovate the properties or plans to purchase additional new properties.

Khun Pirinee explained that regarding the renovation plan, as the shopping mall is the core business of CPNREIT, space renovation is needed on a continuous basis because the behavior of consumers constantly changes. A small renovation plan includes, among others, a change in certain zones on a continuous basis. Regarding investment in new properties, a study of additional properties of both Central Pattana Public Company Limited ("CPN") and other non-CPN operators are underway. The REIT Manager is seeking the opportunity for an additional investment and considering the return thereon. If the property is considered to yield benefits and increase the return, it will be submitted to the unitholders for approval of the additional investment.

Khun Chin Limpuangsap, a unitholder present at the meeting in person, inquired that CPN currently holds a property portfolio in CPNREIT and also in CPN Commercial Growth Leasehold Property Fund ("CPNCG") which is separated from CPNREIT. In connection with CPNCG, what is its management policy?

Khun Pirinee explained that the meeting held today is the meeting of CPNREIT Unitholders. In connection with CPN and CPNCG, an inquiry may be made directly with CPN and CPNCG because CPNREIT cannot give an answer in place.

Khun Prayad Anuchirachiva, a unitholder present at the meeting in person, inquired as to which of the current lease agreements are going to expire or what different terms of those lease agreements are and details thereof, as well as the guidelines for renewal of the term or for finding a new property, and the effects if the property cannot be found.

Khun Pirinee explained that, of all the lease agreements of CPNREIT investing in the leasehold of all properties, the remaining leasehold term at CentralPlaza Rama 2 is approximately 7 years. The remaining leasehold term at CentralPlaza Rama 3 is approximately 77 years inclusive of two renewals, each with 30 years. The remaining leasehold term at CentralPlaza Pinklao is approximately 7 years and approximately 26 years at CentralPlaza Chiang Mai Airport. In addition, the remaining leasehold term at the recently new investment- CentralFestival Pattaya Beach and Hilton Pattaya Hotel- is approximately 20 years. In renewal thereof, the minimum of the remaining leasehold term is 7 years. CPN which leases out the properties has the right of first refusal with CPNREIT. CPN does not own the land plots of those two shopping malls. However, if CPN is granted a renewal of the agreements with the landlord, CPN will propose it to CPNREIT for renewal of the lease, with terms and conditions to be discussed in the future.

Khun Pirinee explained further that if the lease agreements have not been renewed, the investment so made is to naturally seek benefits for the leasehold term so fixed because it is an investment in the leasehold. In term of assessment of the assets at fair value method used by CPNREIT, when the remaining leasehold term is reduced, the remaining value is accordingly reduced. However, in term of payment to unitholders, namely if the operational result at the shopping malls remains unchanged or is almost the same, whether it be an occupancy rate or a rental rate even in the remaining late years of the leasehold term, the operational result remains unchanged, only the value of assets is reduced. In term of payment to unitholders, the amount of payment is almost unchanged but in the form of capital reduction, not in the form of a dividend. However, if the lease agreement expires, the operational result terminates accordingly because CPNREIT makes an investment in leasehold form. Looking at a current return on asset ratio, the profit figure is approximately 27 percent at CentralPlaza Rama 2, approximately 26 percent at CentralPlaza Pinklao, and approximately 53 percent in total when the profit figures of those two shopping malls whose remaining leasehold term is 7 years are combined.

Khun Naparat Sriwannawit, the Company's director, reiterated that as explained by Khun Pirinee, it is an investment in leasehold, whereby payment for the units made by unitholders and initially invested by CPNRF is consistent to the leasehold term fixed. As disclosed in the prospectus, it is an investment according to the leasehold term, and it is disclosed that there is a risk for future negotiation on the contract renewal. However, as notified by Khun Pirinee, CPNREIT is seeking an additional investment, whether it is a property of CPN or another person. During the course of seeking until the expiration of the leasehold agreement of those two properties, there are chances that CPNREIT will acquire new properties, which is likely to help reduce risks for or concerns about the potential reduction of cash flow. In term of the REIT's ability to take more loans than the property fund, it is flexible for CPNREIT to make more and easier investment. It could not be directly viewed that 50 percent of the properties will be missing in the next 7 years, depending on the potential increase in cash flow or new

properties to be added continuously during the course. The unitholders may view the REIT in a form similar to a company or by analogy to CPN. CPN invests in the properties in the leasehold form. When the leasehold expires, CPN renews it or makes an additional investment. However, there are chances that the term of those two properties will be renewed. The land plot where CentralPlaza Pinklao is situated is owned by a company in Central Group, where negotiation is likely to be successful. However, prior approval of the value must be obtained from the unitholders. Regarding CentralPlaza Rama 2, CPNREIT has discussed with CPN, and CPN itself tries to negotiate with the landlord on the contract renewal under the conditions existing in the contract.

Khun Uthai Benjarit, a unitholder present at the meeting in person, inquired about the 5-10 year perspective on the online business trend, which may affect the retail sale business. What opinion or perspective does the REIT Manager have on this matter?

Khun Naparat explained that the online business trend is not just happening. It has been related to for 2-3 years and grows continuously. However, the performance of the shopping mall business CPNREIT has in is continuously increasing in term of service users. It could not be related that the market trend is an online business or a shopping mall in any of the physical stores. The trend now is likely to be an integration. CPNREIT and its executives have discussed with CPN about the risks and the opportunity for future business as to how it will be, and consider that CPN would have an adjustment plan to answer the question of online business, whether it is an adjustment of the shopping malls, such as CentralPlaza Rama 3 which had just been renovated, to meet a new lifestyle of consumers. The shopping mall is not only a centre but also gives an experience in life, i.e. all is available to service users, whether it is food, service, co-working space or family centre with a more common area for use by service users, which cannot be replaced by the online sale. It is also CPN's policy, under which most of the shopping malls and the property portfolio in CPNREIT will be managed. It can be seen that rentals at CentralPlaza Pinklao after completion of renovation increases. CentralPlaza Chiang Mai Airport will be hereafter renovated as well to meet this need. Therefore, nature of the market in the future is indefinitely an offline or online business, but an integration. The online business operators are seen to purchase or invest in the retail business, whether such purchase or investment is made in supermarket business. The world trend itself is likely to go like this, namely the integration.

Khun Prayad Anuchirachiva, a unitholder present at the meeting in person, additionally inquired that the profit portion of two shopping malls (CentralPlaza Rama 2 and CentralPlaza Pinklao) was huge at approximately 50 percent of all property portfolio held while CPNREIT has a portfolio of shopping malls, does it mean that other shopping malls have less profit?

Khun Pirinee explained that since the investment space at CentralPlaza Rama 2 is large and the averaged rental rate at CentralPlaza Pinklao is high in the early order of rank of CPN, the portion of income is rather high when compared to that of other properties.

Khun Apichai Chokchuleekorn, a unitholder present at the meeting in person, inquired that (1) as the remaining term of the agreements of 2 centers, CentralPlaza Rama 2 and CentralPlaza Pinklao is only 7 years, whether CPNREIT has an action plan or whether the landlord is likely to continue to lease out the property or whether CPN has negotiated. (2) What does it mean in connection with Central Rama 3 whose remaining term of the agreement is 77 years? What is the actual valid remaining term? Why is the lease renewed twice equivalent to 77 years? What is the extent of its certainty?

Khun Pirinee explained that, in connection with CentralPlaza Rama 2 and CentralPlaza Pinklao, as explained earlier by Khun Naparat, it was disclosed initially that it was an investment in the leasehold for a definite leasehold term, and the money invested by CPNREIT has a term according to the leasehold term. In connection with negotiation with the landlord, as explained earlier by Khun Naparat that CPN has negotiated. In connection with CentralPlaza Pinklao, since the land is owned by a company in Central Group, it is most likely that the lease will be renewed. However, further discussion and negotiation on the conditions and the price are needed. In connection with CentralPlaza Rama 2, a negotiation between CPN and the landlord on the renewal of the lease is underway. The progress thereof and the opportunity to renew the contract, if any, will be submitted to the unitholders for approval. In connection with CentralPlaza Rama 3, the information was disclosed at initial investment in CPNRF that the land is owned by CPN, which accordingly is able to lease it out to CPNRF on a long-term basis. Originally, it was intended to make a 90-year term contract, which, in term of registration of the lease on the land and building, can be made for only 30 years. The first 30-year lease was then registered with a promise to renew it twice, each with 30 years, totalling 90 years. It is already 13 years until now, and the remaining term of the contract is 77 years.

Khun Thongmee Pichetlermanwongse, a unitholder present at the meeting in person, inquired about the dividend payment policy whether it is still similar to that of CPNRF.

Khun Pirinee explained that the dividend payment policy, like that of CPNRF, remains unchanged. In addition, it is more flexible for CPNREIT to find financing than being a property fund because more loans can be taken. In addition, according to the rules of the REIT, the dividend payment must not be less than 90 percent. As for the reserve for investment in renovations, as it is flexible for CPNREIT to take loans, a reserve needed may be lesser. It is

more flexible for CPNREIT to pay a dividend than being CPNRF, namely CPNREIT's policy to pay a dividend on a growth and continuous basis remains unchanged.

After giving an opportunity for the unitholders to additionally comment and inquire, and no unitholder inquiring or proposing other business to the meeting for consideration, the Chairman appreciated the unitholders who were present at the meeting, and closed the Annual General Meeting of Unitholders 2018.

The meeting was adjourned at 15.20 hrs.

Signed \_\_\_\_\_

(Mr. Charly Madan)

Chairman of the Meeting