

# CPN REIT

## Invitation to the 2024 Two-way Communication of CPN RETAIL GROWTH LEASEHOLD REIT

On 22 April 2024 at 2.00 pm

via electronics means (E-Meeting)

**Remark:**

1. For trust unitholders who wish to attend the Two-way Communication, please follow [the Guidelines for Attending Two-way Communication via electronic means \(Enclosure 1\)](#).
2. The system shall be available on 22 April 2024 from 1.00 p.m. onward
3. The Meeting only be conducted through electronics means. No physical meeting is provided.

No. CPNREIT 2024/04002

5 April 2024

Re: Invitation to the 2024 Two-way communication via electronics means (E-Meeting)

To: Trust Unitholders  
CPN Retail Growth Leasehold REIT

Enclosure 1) CPNREIT Operation Report for the year 2023  
2) Request Form for the hard copy of CPNREIT Annual Report 2023  
3) Guidelines for Attending Two-way communication via Electronic Means by Inventech Connect  
4) Privacy Notice

CPN REIT Management Company Limited (the “REIT Manager”) as the REIT Manager of CPN Retail Growth Leasehold REIT (“CPNREIT”), disclosed the letter No. CPNREIT 2024/02001 on 16 February 2024 regarding the invitation to the 2024 Two-way Communication via Electronic Meeting on 22 April 2024 at 2.00 p.m. instead of holding the Annual General Meeting (AGM) in accordance with the Notification of the Office of the Securities and Exchange Commission No. Sor Ror. 20/2566 and the Notification of the Capital Market Supervisory Board No. Tor Jor. 33/2566. The date for the determination of the Trust Unitholders entitled to attend the 2024 Two-way communication was on 22 March 2024 (Record Date) to acknowledge the following report topics as follows:

**Report topic 1** To acknowledge CPNREIT Operation Report for the year 2023

Facts and Rationales: The REIT Manager has summarized CPNREIT operating performance and major events in 2023 (the details as set out in Enclosure 1). Any trust unitholders would like to receive the hard copy of the Annual Report 2023, please submit the Request Form for the hard copy of the Annual Report 2023 (the details as set out in Enclosure 2). The REIT Manager will provide the hard copy of the Annual Report 2023 to the trust unitholder accordingly.

Opinion of the REIT Manager: The REIT Manager has deemed it appropriate to notify the Trust Unitholders to acknowledge CPNREIT operation report for the year 2023.

**Report topic 2** To acknowledge CPNREIT’s financial statements for the year ended 31 December 2023

Facts and Rationales: To comply with the Trust Deed and the relevant rules and regulations, the REIT Manager has prepared the audited and certified financial statements for the year ended 31 December 2023 which are available for download at [www.set.or.th](http://www.set.or.th) or Financial Statements

Opinion of the REIT Manager: The REIT Manager has deemed it appropriate to notify the Trust Unitholders to acknowledge the financial statements for the year ended 31 December 2023. The details of the key financial information are as follows:

CPNREIT's Financial Statements for the year ended 31 December 2023

Statement of financial position (Unit : Baht)	As at 31 Dec 2023	As at 31 Dec 2022	Change (%)
<b>Assets</b>			
Investments measured at fair value through profit or loss	2,757,116,824	873,909,750	215.5
Investments in leasehold properties at fair value	77,018,921,668	76,303,517,769	0.9
Cash equivalents	962,455,920	2,041,833,116	(52.9)
Accrued rental and service receivables	373,918,436	671,483,655	(44.3)
Receivable from the Revenue Department	85,675,718	256,178,296	(66.6)
Prepaid expenses	26,423,966	18,038,194	46.5
Other assets	142,526,837	151,853,311	(6.1)
<b>Total assets</b>	<b>81,367,039,370</b>	<b>80,316,814,091</b>	<b>1.3</b>
<b>Liabilities</b>			
Trade accounts payable	199,199,984	200,318,563	(0.6)
Other accounts payable	27,293,732	26,715,759	2.2
Withholding tax payable	32,231,611	35,743,693	(9.8)
Accrued expenses	694,441,726	555,782,045	24.9
Rent received in advance	538,355,565	24,267,797	2,118.4
Deposits received from tenants	1,810,466,727	1,772,284,444	2.2
Borrowings	4,664,798,343	5,676,476,619	(17.8)
Debentures	17,430,857,676	17,324,923,844	0.6
Lease liabilities	22,205,050,517	21,044,940,904	5.5
Provision for decommissioning and restoration	11,504,910	92,912,241	(87.6)
Other liabilities	293,952,200	285,281,231	3.0
<b>Total liabilities</b>	<b>47,908,152,991</b>	<b>47,039,647,140</b>	<b>1.8</b>
<b>Net assets</b>	<b>33,458,886,379</b>	<b>33,277,166,951</b>	<b>0.5</b>
Capital from unitholders	30,061,149,190	30,919,642,962	(2.8)
Capital surplus	2,201,430,985	2,201,430,985	-
Retained earnings	1,196,306,204	156,093,004	666.4
<b>Net assets</b>	<b>33,458,886,379</b>	<b>33,277,166,951</b>	<b>0.5</b>
Net asset value per unit (in Baht)	13.0289	12.9582	0.5
Number of units issued at the end of year (units)	2,568,034,000	2,568,034,000	-

Statement of comprehensive income (Unit : Baht)	For the year ended 31 Dec 2023	For the year ended 31 Dec 2022	Change (%)
<b>Income</b>			
Rent and service income	5,728,017,884	4,863,567,081	17.8
Interest income	24,051,737	6,085,729	295.2
Other income	24,711,039	17,063,552	44.8
<b>Total income</b>	<b>5,776,780,659</b>	<b>4,886,716,362</b>	<b>18.2</b>
<b>Expenses</b>			
Management fee	159,395,256	162,448,058	(1.9)
Trustee fee	22,902,826	28,501,171	(19.6)
Registrar fee	4,134,480	3,734,480	10.7
Professional fee	1,286,975	1,287,275	0.0
Property management fee	518,834,810	494,675,747	4.9
Costs of rental and services	366,984,964	327,585,296	12.0
Other expenses <sup>1</sup>	160,947,310	113,844,042	41.4
Finance cost	2,499,705,228	2,361,371,614	5.9
Adjust financial costs according to the lease agreement	(140,939,159)	-	(100.0)
<b>Total expenses</b>	<b>3,593,252,690</b>	<b>3,493,447,683</b>	<b>2.9</b>
<b>Net profit on investments</b>	<b>2,183,527,969</b>	<b>1,393,268,679</b>	<b>56.7</b>
<b>Net gain (loss) on investments</b>			
Net loss on investments	(697,978)	(3,062,673)	77.2
Net gain on change in fair value of investments	526,971,150	720,955,974	26.9
Adjusted net gain on change in fair value of Investments in accordance with lease agreements	525,310,721	-	100.0
<b>Total net gain on investments</b>	<b>1,051,583,893</b>	<b>717,893,301</b>	<b>46.5</b>
<b>Net increase in net assets from operations</b>	<b>3,235,111,862</b>	<b>2,111,161,980</b>	<b>53.2</b>

**Note:** <sup>1</sup> Other expenses include advertising expenses, public relations, Investor Relations, and promotion and marketing expenses for the purpose of providing information about CPNREIT to all investors. The REIT Manager intends to carry out investor relations activities to promote better understanding and recognition of CPNREIT to wider group of investors which is expected to have a positive impact on the liquidity of the trust unit traded on the Stock Exchange of Thailand. For the year 2023, CPNREIT has expenses for investor relations activities totaling Baht 348,000 most of which are expenses arising from GRESB's assessments on ESG performance and sustainability and Investor Roadshow. For the year 2024, CPNREIT has set up a budget for investor relations activities totaling of Baht 18,250,000. It is to be noted that these expenses are not contrary with the fees and expenses specified in the Trust Deed which states that advertising, public relations, and promotional expenses shall be paid at the actual amount but not exceeding 0.5 percent per annum of Net Asset Value at the end of the preceding fiscal year.

**Report topic 3 To acknowledge the Distribution Payment for the year 2023**

Facts and Rationales: According to the Trust Deed, the REIT Manager shall make at least 2 (two) distributions of returns to trust unitholders at the rate of not less than 90 (ninety) percent of the adjusted net profit of the fiscal year with in 90 (ninety) days from the end of the fiscal year or the relevant accounting period. CPNREIT notified the distribution payment to trust unitholders from the operating performance outcome of 2023 as shown in the table below.

Operation Period	Payment Form	Payment date	Distribution (Baht per unit)
1 January - 31 March 2023	Distribution of Returns	8 Jun 2022	0.2470
	Capital Reduction		0.0750
1 April - 30 June 2023	Distribution of Returns	8 Sep 2023	0.2900
1 July - 30 September 2023	Distribution of Returns	7 Dec 2023	0.2570
1 October - 31 December 2023	Distribution of Returns	15 Mar 2024	0.2570
<b>Total</b>			<b>1.1260</b>

For the financial performance in 2023, CPNREIT has paid to the trust unitholders the distribution of returns of Baht 1.0510 per unit and the distribution payment in the form of capital reduction of Baht 0.0750 per unit, provided that CPNREIT has excess liquidity from non-cash income and/or expense items recorded under financial reporting standards, causing the difference between the accounting and the actual cash status. Nonetheless, the fact that the REIT does not have retained earnings must be presented.

Opinion of the REIT Manager: The REIT Manager has deemed it appropriate to notify the trust unitholders to acknowledge of the distribution payment for the year 2023, in compliance with the distribution payment policy stated in the Trust Deed and the relevant practices of the Securities and Exchange Commission (“SEC”).

**Report topic 4 To acknowledge of the appointment of the external auditors and determination of the audit fee for the year 2024**

Facts and Rationales: The REIT Manager has appointed the external auditors and determined the audit fee for the year 2024. The details of external auditors are as follows:

Name	Certified Public Account No.	No. of Year as the Auditor
1) Ms. Vannaporn Jongperadechanon	4098	6 years (2018 - 2023)
2) Ms. Bongkot Amsageam	3684	1 year (2017)
3) Ms. Vilaivan Pholprasert	8420	-
4) Mrs.Sasithorn Pongadisak	8802	-

In the name of KPMG Phoomchai Audit Limited, any of which should serve as the external auditor and express opinions on the financial statements of CPNREIT for the year 2024 including the quarterly financial statements for

the year 2024, with the proposed audit fee totaling of Baht 1,230,000 (excluding out of pocket i.e. travelling expenses, copying expenses, and others), which is the same rate as the year 2023. Additionally, the REIT Manager delegates the approval authority to the management to appoint the external auditor and determine incidental review fees of CPNREIT incurred in 2024.

CPNREIT has 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 Baht 9,500,000.

Opinion of the REIT Manager: The REIT Manager has deemed it appropriate to notify the trust unitholders to consider and acknowledge of the appointment of 1) Ms. Vannaporn Jongperadechanon, 2) Ms. Bongkot Amsageam, 3) Ms. Vilaivan Pholprasert, 4) Mrs. Sasithorn Pongadisak that any of the aforementioned auditors from KPMG Phoomchai Audit Ltd. to serve as the external auditor of the CPNREIT and express opinion on the financial statements for 2024, with the audit fee for the year 2024 of Baht 1,230,000 (excluding out of pocket i.e. travelling expenses, copying expenses, and others) as well as the delegation of the approval authority to the management to appoint the external auditor and determine incidental review fees of CPNREIT incurred during 2024.

KPMG Phoomchai Audit Limited is the company endorsed by the Securities and Exchange Commission (“SEC”), and the auditors are knowledgeable and experienced in auditing, are not trust unitholders of CPNREIT, and have no vested interests in CPNREIT, the REIT Manager, major trust unitholders of CPNREIT or connected parties that could compromise their independence.

All trust unitholders are cordially invited to attend the 2024 Two-way communication on the date, at the time specified above. The Two-way communication will be conducted by electronic means only, as well as the registration method.

For trust unitholders who would like to attend the Two-way communication, please thoroughly study the “Guidelines for Attending Two-way communication via electronic means by Inventech Connect” as appear on Enclosure 3.

Should the Trust Unitholders have any questions, please send them in advance to [ir\\_cpnreit@centralpattana.co.th](mailto:ir_cpnreit@centralpattana.co.th), including your name, surname and contact number so that the REIT Manager may compile and clarify such relevant questions or issues or queries on the Two-way communication panel.

Sincerely yours,

*-Pattamika Pongsurayamas-*

(Ms. Pattamika Pongsurayamas)

Chief Executive Officer

CPN REIT Management Company Limited