



Net investment income for 2Q16 increased 13.7% from 2Q15. CPNRF reported net investment income Baht 700.5 million, increased from Baht 616.2 million in 2Q15, resulting mainly from the completion of CentralPlaza Pinklao renovation on 31 May 2016. Occupancy rate increased to 89.6% resulting to the rental and service income increased 14.2%yoy.

Total income increased by 14.1%yoy. In 2Q16, CPNRF had total income Baht 876.0 million, increased from Baht 767.50 million in 2Q15. Also, total expense was recorded at Baht 182.0 million, increased by 20.3%yoy driven by property management fee mainly from CentralPlaza Pinklao project after the completion of renovation.

Distribution per unit from 2Q16 performance increased 8.4%yoy. CPNRF announced 2Q16 distribution of Baht 599.6 million or 0.2710 Baht per unit, equivalent to annualized distribution yield of 5.5%, at the price of Baht 19.90 per unit as at 30 June 2016.

SHARE INFO: As of 11 August 2016

Unit Price (Bt)	20.00
Shares Outstanding (mln)	2,212.5
Market Capital (Bt mln)	44,249.5
NAV (Bt mln) ^{/1}	29,714.7
NAV per Unit (Bt) ^{/1}	13.4427
Premium/ (Discount) ^{/1}	48.9%

Note:
^{/1} NAV as of 30 June 2016

CONTENTS

MD&A	2
Financial Summary	4
Operations Summary	5
Fund Information	6

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Customer Relations – Fund Manager

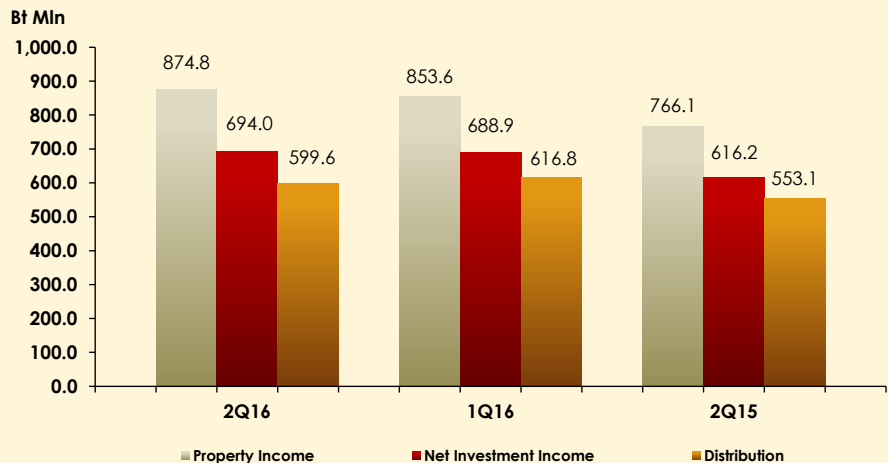
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Source: CPNRF. Based on (reviewed/audited) financial statements and reports of Certified Public Accountant for 2Q15, 1Q16, and 2Q16

MANAGEMENT DISCUSSION AND ANALYSIS

Statement of Income

2Q16 total income was Baht 876 million, increased from Baht 767.5 million or 14.1% from 2Q15.

Total Income

CPNRF reported total income for 2Q16 of Baht 876.0 million, increased from Baht 767.5 million or 14.1%yoy. This was attributable to an increase of Baht 105.2 million or 14.2%yoy in rental and service income. The main contributing factor was the occupancy rate of CentralPlaza Pinklao at 89.6% at the end of June 2016 after phase 2 renovation was finished in May 2016 and shops gradually opened in June 2016.

In comparison to 1Q16, total income increased by 2.5%qoq from higher occupancy rate at CentralPlaza Pinklao to 89.6% in 2Q16 from 74.9% in 1Q16, after phase 1 and 2 renovations were finished and gradually delivered renovated area to tenants.

Total Expense

Total expense in 2Q16 increased by 16.0%yoy to Baht 175.5 million, mainly from property management fee, cost of rental and services, and selling and administrative expenses.

Total expense for 2Q16 was Baht 182.0 million, an increase of Baht 30.7 million or 20.3%yoy. This resulted mainly from all expenses i.e. property management fee was Baht 101.2 million, increased by Baht 16.3 million or 19.2%yoy. Also, cost of rental and services increased and administrative selling expense increased by 7.7%yoy and 128.7%yoy respectively, driven by management fee and expenses related to rental and service income and commissions from renewals and new leases.

Comparing to 1Q16, total expense increased by 9.6%qoq, which was attributable mainly to all expenses, resulting mainly from CentralPlaza Pinklao project after the completion renovation phase 1, which gradually delivered areas to tenants since October 2015, and the completion of phase 2 renovation in May 2016 caused higher leasing commission. Additionally, the re-launch of CentralPlaza Pinklao was organized in early June 2016.

Net Investment Income and Distribution

A distribution from 2Q16 operation period was Baht 0.2710 per unit.

Net investment income for 2Q16 totaled Baht 694.0 million, increased Baht 77.8 million or 12.67%yoy. The Fund announced the distribution for 2Q16 performance of Baht 0.2710 per unit, equivalent to annualized yield of 5.5% of Baht 19.90 per unit as at 30 June 2016. The XD Date was on 4 August 2016, followed by the book closing date on 9 August 2016, and distribution payment will be made on 23 August 2016.

Comparing to 1Q16, net investment income increased by 0.7%qoq, while total expenses increased by 9.6%qoq. This is attributable to increase property expenses resulting from leasing commission, cost of rental and services, and selling and administrative expenses. Meanwhile, total income increased by 2.5%qoq.

Profitability

Net property income margin decreased by 1.5%yoy, and net investment income margin rose by 0.4%yoy.

Net property income margin for 2Q16 decreased by 1.5%yoy to 82.5%. Net investment income margin also decreased by 1.1%yoy to 79.3%, resulting from an increase of property expense was higher than that of property income.

In comparison to 1Q16, both net property income margin and net investment income margin decreased by 1.4%, resulting from the increase in property income of 2.5%qoq after the completion of the renovation of CentralPlaza Pinklao. Meanwhile, property expense increased by 9.6%qoq.

Statement of Financial Position Movement

NAV increased to Baht 13.4427 per unit. Borrowing stood at Baht 1,917.9 million.

As of 30 June 2016, CPNRF reported total investment in properties of Baht 32,799.8 million. Net Asset Value ("NAV") was recorded at Baht 29,741.7 million or Baht 13.4427 per unit, a rise from Baht 13.3414 per unit at the end of 1Q16. Total borrowings amount was Baht 1,917.9 million, reduced from Baht 1,927.2 million at the end of 1Q16.

CPNRF had the net increase in net assets from operations of Baht 840.9 million, increased by 15.2%yoy. It was a result of an increase in net unrealized gain from investment.

FINANCIAL SUMMARY

Income Statement

Unit: Baht Million	2Q16	1Q16	Change QoQ	2Q15	Change YoY
<i>Property income</i>	874.8	853.6	2.5%	766.1	14.2%
Rental and service income	847.7	828.1	2.4%	742.4	14.2%
Other income	27.1	25.5	6.3%	23.7	14.4%
Interest income	1.2	1.4	(13.9%)	1.4	(10.4%)
Total income	876.0	855.0	2.5%	767.5	14.1%
<i>Property expenses</i>	153.2	137.2	11.7%	122.4	25.2%
Cost of rental and service	30.0	28.1	6.9%	27.9	7.7%
Selling and administrative expenses	22.0	14.6	50.6%	9.6	128.7%
Property management fee	101.2	94.5	7.1%	84.9	19.2%
Other expenses	0.0	0.0	(73.3%)	0.0	0.0%
Interest expense	17.9	18.2	(1.4%)	18.4	(2.5%)
Other management fees and expenses	10.9	10.8	0.9%	10.5	248.5%
Total expense	182.0	166.1	9.6%	151.2	20.3%
Net investment income	694.0	688.9	0.7%	616.2	12.6%
Net realised gain (loss) from changes in investment value	2.8	(3.5)	(179.1%)	(0.2)	(1297.4%)
Net unrealised gain (loss) from changes in investment value	144.1	100.0	44.1%	113.8	26.6%
Net increase in net assets from operations	840.9	785.4	7.1%	729.8	15.2%
Income available for distribution	694.0	688.9	0.7%	616.2	12.6%
Distribution	599.6	616.8	(2.8%)	553.1	8.4%
Distribution per unit (in Baht)	0.2710	0.2788	(2.8%)	0.2500	8.4%
Net property income margin	82.5%	83.9%	(1.4%)	84.0%	(1.5%)
Net investment income margin	79.3%	80.7%	(1.4%)	80.4%	(1.1%)

Source: Source: CPNRF. Based on (reviewed/audited) financial statements and reports of Certified Public Accountant for 2Q15, 1Q16, and 2Q16

Statement of Financial Position

Unit: Baht Million	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16
<i>Investment at fair value</i>	31,253.3	31,502.3	31,951.0	32,175.5	32,391.8	32,799.8
Central Rama II	6,530.0	6,532.0	6,541.0	6,571.0	6,591.0	6,622.0
Central Rama III	8,117.0	8,216.0	8,475.0	8,568.0	8,798.0	8,835.0
Central Pinklao	5,507.0	5,439.0	5,254.0	5,359.0	5,520.0	5,546.0
Chiangmai Airport	10,746.0	10,856.0	11,166.0	11,292.0	11,005.0	11,075.0
<i>Total investment in properties</i>	<i>30,900.0</i>	<i>31,043.0</i>	<i>31,436.0</i>	<i>31,790.0</i>	<i>31,914.0</i>	<i>32,078.0</i>
Investment in securities	353.3	459.3	515.0	385.5	477.8	721.8
Cash on hand and at banks	413.1	235.7	197.7	431.2	526.6	259.2
Other assets	235.0	199.9	149.0	177.2	170.3	198.2
Total assets	31,901.4	31,938.0	32,297.7	32,783.9	33,088.7	33,257.1
Deposits received from customers	992.5	974.6	969.5	1,033.6	1,089.4	1,100.6
Borrowing	1,955.0	1,955.0	1,945.7	1,936.4	1,927.2	1,917.9
Other liabilities	338.2	331.0	371.0	571.7	554.5	496.9
Total liabilities	3,285.6	3,260.5	3,286.3	3,541.7	3,571.0	3,515.4
Net Asset	28,615.8	28,677.4	29,011.4	29,242.2	29,517.6	29,741.7
Capital received from unitholders	24,406.2	24,406.2	24,406.2	24,406.2	24,406.2	24,406.2
Retained earnings	4,209.6	4,271.2	4,605.1	4,836.0	5,111.4	5,335.5
NAV per unit (in Baht)	12.9338	12.9617	13.1126	13.2169	13.3414	13.4427

Source: CPNRF. Based on interim financial statements and review reports of Certified Public Accountant for 1Q15, 2Q15, 3Q15, 1Q16, and 2Q16 and annual financial statements and audit reports of Certified Public Accountant for 4Q15.

OPERATIONS SUMMARY

I. Leasable Area and Occupancy

	Area (sqm)		Occupancy Rate ^{/1}				
	Gross Area	Leasable	30 Jun 15	30 Sep 15	31 Dec 15	31 Mar 16	30 Jun 16
Rama II	251,182	88,068	96.0%	96.4%	96.3%	86.9%	86.6%
Rama III	169,740	37,346	90.7%	89.3%	92.4%	91.2%	91.1%
Pinklao (Plaza)	135,018	27,772	50.2%	41.4%	66.9%	74.9%	89.6%
Chiangmai Airport	78,849	37,880	96.7%	96.7%	96.7%	96.7%	94.8%
Pinklao Tower A & B	50,653	33,760	97.5%	96.7%	96.8%	96.8%	92.9%
CPNRF Portfolio	685,442	224,826	90.9%	89.8%	92.1%	89.3%	90.0%

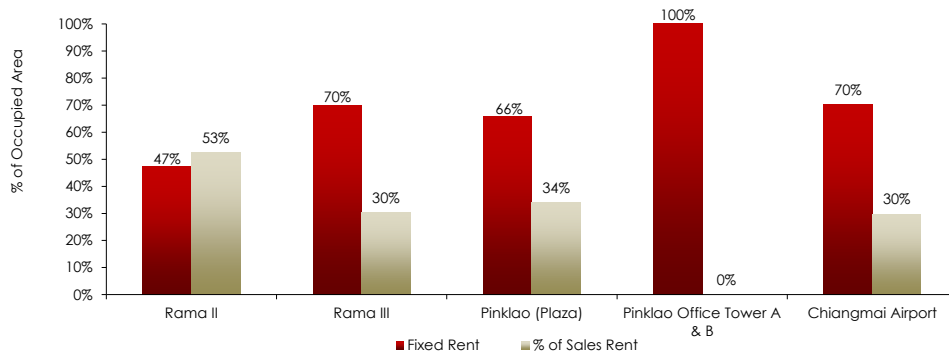
Note: /1 Anchor and shop tenants only
Source: CPN

II. Renewals and New Leases

	From 1 April to 30 June 2016 ^{/1}		
	Renewals and New Leases		
	No. of Leases	Area (sqm)	% of Total ^{/2}
Rama II	12	1,210	1.4%
Rama III	4	668	1.8%
Pinklao (Plaza)	-	-	-
Chiangmai Airport	29	2,052	5.4%
Pinklao Tower A & B	7	1,717	5.1%
CPNRF Portfolio	52	5,647	2.5%

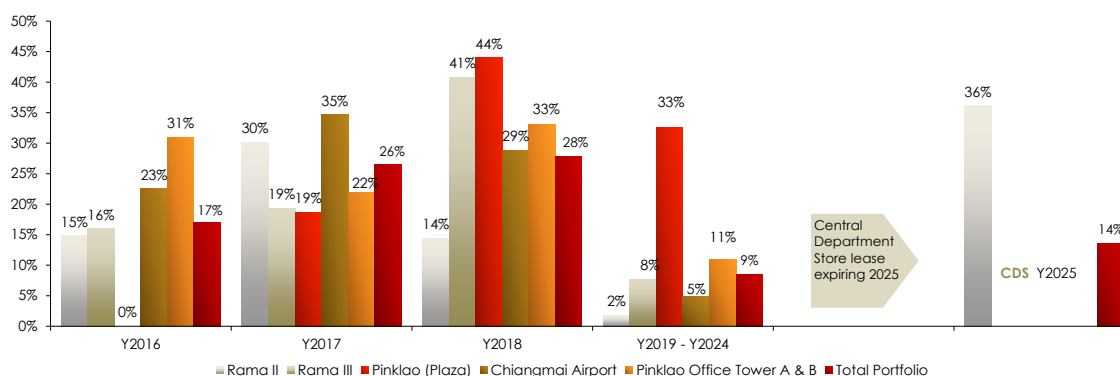
Note: /1 Exclude rental agreements < 1 year
/2 Percentage of leasable area as at 30 June 2016
/3 Exclude rental agreements with revenue sharing clause
Source: CPN

III. Rental Structure



Source: CPN

IV. Lease Expiry Profile



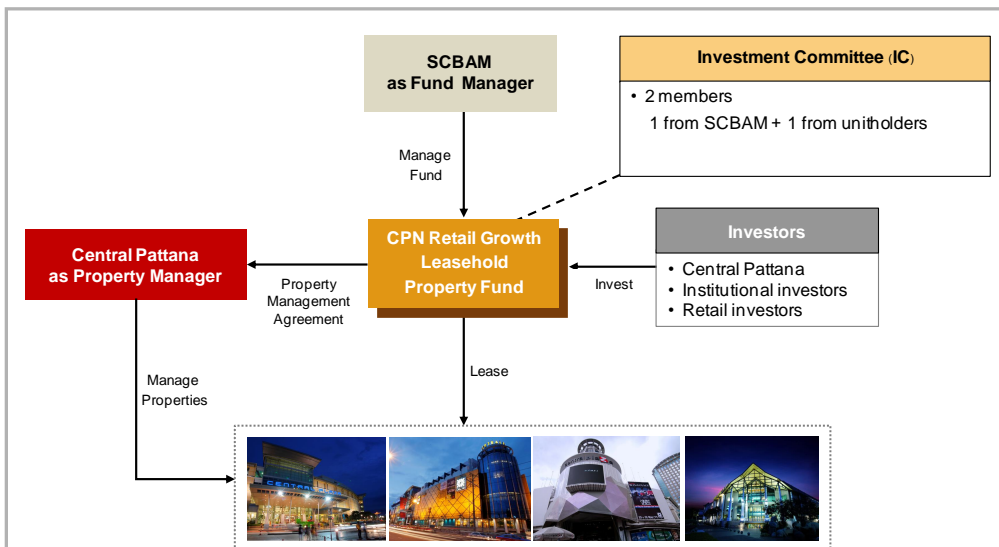
Note:
1. Percentage of total occupied area as at 30 June 2016
2. Exclude rental agreements < 1 year
Source: CPN

ABOUT CPNRF

I. Fund Information

Name	CPN Retail Growth Leasehold Property Fund ("CPNRF")
Property Manager	Central Pattana Public Company Limited ("CPN")
Fund Manager	SCB Asset Management Company Limited
Trustee	Kasikorn Bank Public Company Limited
Registrar	Siam Commercial Bank Public Company Limited
Assets	CentralPlaza Rama II, CentralPlaza Ratchada-Rama III, CentralPlaza Pinklao, CentralPlaza Chiangmai Airport
Type	Property Fund Type I (Indefinite Life)
Total Fund Size	Baht 24,406.2 million
Fund Registered Date	11 August 2005
Fund Investing Date	15 August 2005 for CentralPlaza Rama II 16 August 2005 for CentralPlaza Ratchada-Rama III 4 November 2009 for CentralPlaza Pinklao 23 April 2014 for CentralPlaza Chiangmai Airport
Fund Listed Date	23 August 2005
Secondary Market	The Stock Exchange of Thailand ("SET")

II. Fund Structure



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