



Net investment income for 2016 increased 16.9% from 2015. Net investment income was Baht 2,830.8 million, increased from Baht 2,426.3 million in 2015. This was mainly from the completion of CentralPlaza Pinklao renovation in May 2016 with occupancy rate increased to 95.7% resulting to fund's rental and service income increased 12.8% from 2015.

Total income increased by 12.6% from 2015. In 2016, total income was Baht 3,530.7 million, increased from Baht 3,135.6 million in 2015. Also, total expense was Baht 699.9 million, decreased by 1.3% from 2015, driven by 3.5% decreased of cost of rental and service, and 6.1% decreased of property management fee.

Distribution per unit from 2016 performance increased 14.4% from 2015. CPNRF announced 2016 distribution of Baht 2,550.5 million or 1.1528 Baht per unit, equivalent to annualized distribution yield of 6.0%, at the price of Baht 19.50 per unit as at 30 December 2016.

SHARE INFO: As of 27 February 2017

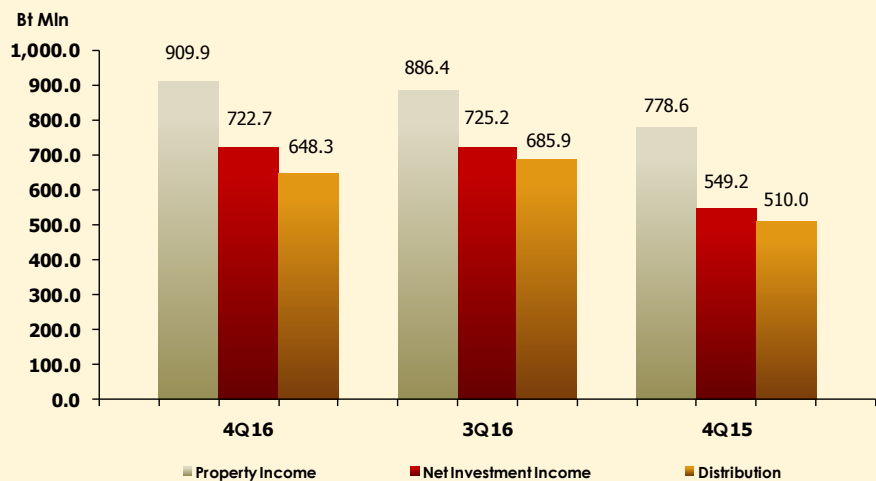
| | |
|-----------------------------------|----------|
| Unit Price (Bt) | 19.60 |
| Shares Outstanding (mln) | 2,212.5 |
| Market Capital (Bt mln) | 43,364.5 |
| NAV (Bt mln) ^{/1} | 29,992.6 |
| NAV per Unit (Bt) ^{/1} | 13.5561 |
| Premium/ (Discount) ^{/1} | 44.6% |

Note:
^{/1} NAV as of 31 December 2016

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Source: CPNRF. Based on (reviewed/audited) financial statements and reports of Certified Public Accountant for each quarter

MANAGEMENT DISCUSSION AND ANALYSIS

Statement of Income

2016 total income was Baht 3,530.7 million, increased from Baht 3,135.6 million or 12.6% from 2015.

Total Income

CPNRF reported total income for 2016 of Baht 3,530.7 million, increased from Baht 3,135.6 million or 12.6% from 2015. This was attributable to an increase of Baht 387.6 million or 12.8% in rental and service income, mainly from CentralPlaza Pinklao - after closing for renovation in early 2015 and re-opened in June 2016. CPNRF's occupancy rate in December 2016 was 90.5%

In 4Q16, total income increased 16.8%yoy from higher occupancy rate at CentralPlaza Pinklao, from 66.9% in 4Q15 to 95.7% in 4Q16 with higher rental rate after renovation. However, CPNRF's occupancy rate decreased from 92.1% in 4Q15 to 90.5% in 4Q16, resulted from minor renovation in CentralPlaza Chiangmai Airport and CentralPlaza Rama 2.

In comparison to 3Q16, total income increased by 2.6%qoq from higher occupancy rate at CentralPlaza Pinklao from 91.1% in 3Q16 to 95.7% in 4Q16, after renovation was finished and gradually delivered renovated area to tenants.

Total Expense

Total expense in 2016 was decreased by 1.3%yoy from 2015 to Baht 699.9 million, mainly from cost of rental and service, and property management fee.

Total expense for 2016 was Baht 699.9 million, a decrease of Baht 9.4 million or 1.3%yoy. This resulted mainly from property expenses i.e. cost of rental and service was Baht 119.6 million, decreased Baht 4.3 million or 3.5%yoy, and property management fee was Baht 399.4 million, increased by Baht 25.7 million or 6.1%yoy driven by declining in leasing commission. Meanwhile, selling and administrative expenses increased by 31.0%yoy, mainly from advertising expenses.

In 4Q16, total expense was Baht 188.7 million decreased 18.3%yoy, mainly from property expenses i.e. cost of rental and service and property management fee.

Comparing to 3Q16, total expense was increased by 15.6%qoq, which was attributable mainly to 19.2%qoq increase of property expenses including 8.7% of cost of rental and service from repair and maintenance expense, 266.8% of selling and administrative expenses from advertising expenses, and 7.1% of property management fee from increasing in rental and service income.

Net Investment Income and Distribution

A distribution from 2016 operation period was Baht 1.1528 per unit.

Net investment income for 2016 totaled Baht 2,830.8 million, increased Baht 404.5 million or 16.7% from 2015. The Fund announced the distribution for 2016 performance of Baht 2,830.8 million, increased 16.7%, which was Baht 1.1528 per unit. This was equivalent to 6.0% annualized yield at the price of Baht 19.50 per unit as at 30 December 2016. The XD Date was on 2 February 2017, followed by the book closing date on 7 February 2017, and distribution payment was 23 February 2017.

In 4Q16, net investment income was Baht 722.7 million, decreased 5.3%yoy. Fund announced the distribution for 4Q16 at Baht 0.2930 per unit.

Comparing to 3Q16, net investment income was decreased by 18.6%qoq. This was resulted from total expenses increased by 15.6%qoq, attributable to 266.8%qoq increasing of selling and administrative expenses, while total revenue was increased by 2.6%qoq.

Profitability

2016, Net property income margin increased by 3.2%, and net investment income margin rose by 3.6%.

Net property income margin for 2016 was 83.4%, increased by 2.6% from 2015. Net investment income margin was 80.3%, increased by 2.9% from 2015. These were resulting from an increase of property income was higher than that of property expense.

In 4Q16, net property income margin and net investment income margin increased 8.4% and 8.9%yoy respectively.

In comparison to 3Q16, both net property income margin and net investment income margin decreased by 2.4%qoq, resulting from the increasing in property expense was higher than increasing in property income.

Statement of Financial Position Movement

NAV increased to Baht 13.5561 per unit. Borrowing stood at Baht 1,874.6 million.

As of 30 December 2016, total investment in properties was Baht 32,309.0 million. Net Asset Value ("NAV") was recorded at Baht 29,992.6 million or Baht 13.5561 per unit, a rise from Baht 13.5545 per unit in 3Q16. Total borrowings amount was Baht 1,874.6 million, decrease from Baht 1,936.4 million in 3Q16.

FINANCIAL SUMMARY

Income Statement

| Unit: Baht Million | FY2016 | FY2015 | Change YoY | 4Q16 | 3Q16 | Change QoQ | 4Q15 | Change YoY |
|---|----------------|----------------|----------------|---------------|---------------|----------------|---------------|----------------|
| Property income | 3,524.6 | 3,128.8 | 12.6% | 909.9 | 886.4 | 2.7% | 778.6 | 16.9% |
| Rental and service income | 3,425.2 | 3,037.6 | 12.8% | 887.5 | 861.9 | 3.0% | 754.8 | 17.6% |
| Other income | 99.5 | 91.3 | 9.0% | 22.4 | 24.4 | (8.1%) | 23.8 | (5.8%) |
| Interest income | 6.1 | 6.8 | (9.7%) | 1.5 | 2.0 | (29.0%) | 1.5 | (5.9%) |
| Total income | 3,530.7 | 3,135.6 | 12.6% | 911.4 | 888.4 | 2.6% | 780.2 | 16.8% |
| Property expenses | 583.8 | 598.5 | (2.5%) | 159.6 | 133.9 | 19.2% | 201.7 | (20.9%) |
| Cost of rental and service | 119.6 | 123.9 | (3.5%) | 32.0 | 29.5 | 8.7% | 39.5 | (19.0%) |
| Selling and administrative expenses | 64.8 | 49.5 | 31.0% | 22.2 | 6.1 | 266.8% | 18.3 | 21.4% |
| Property management fee | 399.4 | 425.1 | (6.1%) | 105.4 | 98.4 | 7.1% | 144.0 | (26.8%) |
| Other expenses | 0.0 | 0.0 | 5.1% | 0.0 | 0.0 | (49.1%) | 0.0 | 149.0% |
| Interest expense | 72.4 | 73.3 | (1.2%) | 18.0 | 18.2 | (1.1%) | 18.5 | (2.2%) |
| Other management fees and expenses | 43.8 | 42.1 | 4.1% | 11.1 | 11.1 | 0.3% | 10.8 | 290.0% |
| Total expense | 699.9 | 713.8 | (1.9%) | 188.7 | 163.2 | 15.6% | 231.0 | (18.3%) |
| Net investment income | 2,830.8 | 2,421.8 | 16.9% | 722.7 | 725.2 | (0.3%) | 549.2 | 31.6% |
| Net realised gain (loss) from changes in investment value | (3.7) | (4.8) | (23.3%) | (0.6) | (2.4) | (74.8%) | (0.4) | 49.7% |
| Net unrealised gain (loss) from changes in investment value | 335.6 | 1,563.5 | (78.5%) | (32.8) | 124.2 | (126.4%) | 178.8 | (118.3%) |
| Net increase in net assets from operations | 3,162.7 | 3,980.4 | (20.5%) | 689.3 | 847.1 | (18.6%) | 727.6 | (5.3%) |
| Income available for distribution | 2,830.8 | 2,421.8 | 16.9% | 722.7 | 725.2 | (0.3%) | 549.2 | 31.6% |
| Distribution | 2,550.5 | 2,230.4 | 14.4% | 648.3 | 685.9 | (5.5%) | 510.0 | 27.1% |
| Distribution per unit (in Baht) | 1.1528 | 1.0081 | 14.4% | 0.2930 | 0.2710 | 8.1% | 0.2305 | 27.1% |
| Net property income margin | 83.4% | 80.9% | 2.6% | 82.5% | 84.9% | (2.4%) | 74.1% | 8.4% |
| Net investment income margin | 80.3% | 77.4% | 2.9% | 79.4% | 81.8% | (2.4%) | 70.5% | 8.9% |

Source: CPNRF. Based on (reviewed/audited) financial statements and reports of Certified Public Accountant for each quarter and year.

Statement of Financial Position

| Unit: Baht Million | 1Q15 | 2Q15 | 3Q15 | 4Q15 | 1Q16 | 2Q16 | 3Q16 | 4Q16 |
|-----------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Investment at fair value | 31,253.3 | 31,502.3 | 31,951.0 | 32,175.5 | 32,391.8 | 32,799.8 | 33,053.0 | 32,971.9 |
| Central Rama II | 6,530.0 | 6,532.0 | 6,541.0 | 6,571.0 | 6,591.0 | 6,622.0 | 6,711.0 | 6,705.0 |
| Central Rama III | 8,117.0 | 8,216.0 | 8,475.0 | 8,568.0 | 8,798.0 | 8,835.0 | 8,917.0 | 9,156.0 |
| Central Pinklao | 5,507.0 | 5,439.0 | 5,254.0 | 5,359.0 | 5,520.0 | 5,546.0 | 5,593.0 | 5,495.0 |
| Chiangmai Airport | 10,746.0 | 10,856.0 | 11,166.0 | 11,292.0 | 11,005.0 | 11,075.0 | 10,992.0 | 10,953.0 |
| Total investment in properties | 30,900.0 | 31,043.0 | 31,436.0 | 31,790.0 | 31,914.0 | 32,078.0 | 32,213.0 | 32,309.0 |
| Investment in securities | 353.3 | 459.3 | 515.0 | 385.5 | 477.8 | 721.8 | 840.0 | 662.9 |
| Cash on hand and at banks | 413.1 | 235.7 | 197.7 | 431.2 | 526.6 | 259.2 | 287.6 | 464.6 |
| Other assets | 235.0 | 199.9 | 149.0 | 177.2 | 170.3 | 198.2 | 156.2 | 167.3 |
| Total assets | 31,901.4 | 31,938.0 | 32,297.7 | 32,783.9 | 33,088.7 | 33,257.1 | 33,496.8 | 33,603.8 |
| Deposits received from customers | 992.5 | 974.6 | 969.5 | 1,033.6 | 1,089.4 | 1,100.6 | 1,114.8 | 1,138.0 |
| Borrowing | 1,955.0 | 1,955.0 | 1,945.7 | 1,936.4 | 1,927.2 | 1,917.9 | 1,896.2 | 1,874.6 |
| Other liabilities | 338.2 | 331.0 | 371.0 | 571.7 | 554.5 | 496.9 | 496.6 | 598.6 |
| Total liabilities | 3,285.6 | 3,260.5 | 3,286.3 | 3,541.7 | 3,571.0 | 3,515.4 | 3,507.6 | 3,611.2 |
| Net Asset | 28,615.8 | 28,677.4 | 29,011.4 | 29,242.2 | 29,517.6 | 29,741.7 | 29,989.2 | 29,992.6 |
| Capital received from unitholders | 24,406.2 | 24,406.2 | 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 | 5,583.0 | 5,586.4 |
| NAV per unit (in Baht) | 12.9338 | 12.9617 | 13.1126 | 13.2169 | 13.3414 | 13.4427 | 13.5545 | 13.5561 |

Source: CPNRF. Based on interim financial statements and review reports of Certified Public Accountant for each quarter and year.

OPERATIONS SUMMARY

I. Leasable Area and Occupancy

| | Area (sqm) | | Occupancy Rate ^{/1} | | | | |
|------------------------|----------------|----------------|------------------------------|--------------|--------------|--------------|--------------|
| | Gross Area | Leasable | 31 Dec 15 | 31 Mar 16 | 30 Jun 16 | 30 Sep 16 | 31 Dec 16 |
| Rama II | 251,182 | 87,665 | 96.3% | 86.9% | 86.6% | 87.2% | 86.7% |
| Rama III | 169,740 | 37,346 | 92.4% | 91.2% | 91.1% | 89.9% | 90.0% |
| Pinklao (Plaza) | 135,018 | 27,811 | 66.9% | 74.9% | 89.6% | 91.1% | 95.7% |
| Chiangmai Airport | 122,991 | 37,929 | 96.7% | 96.7% | 94.8% | 94.0% | 96.5% |
| Pinklao Tower A & B | 50,653 | 33,760 | 96.8% | 96.8% | 92.9% | 91.5% | 90.0% |
| CPNRF Portfolio | 729,584 | 224,512 | 92.1% | 89.3% | 90.0% | 89.9% | 90.5% |

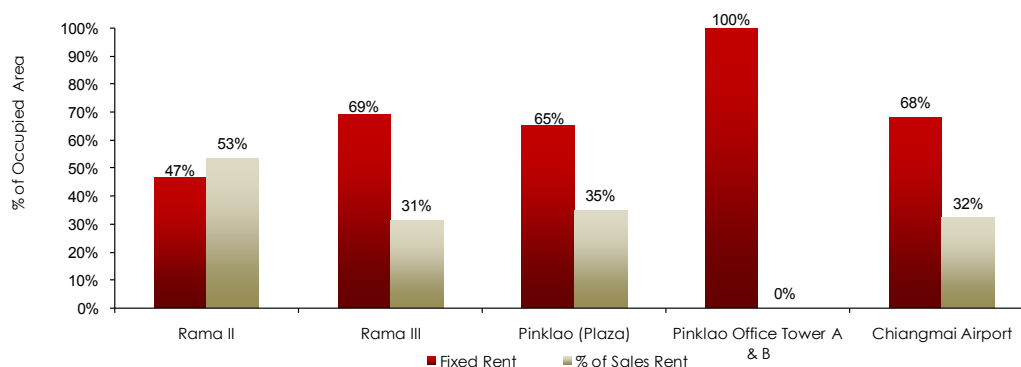
Note: /1 Anchor and shop tenants only
Source: CPN

II. Renewals and New Leases

| | From 1 September to 31 December 2016 ^{/1} | | |
|------------------------|--|---------------|--------------------------|
| | Renewals and New Leases | | |
| | No. of Leases | Area (sqm) | % of Total ^{/2} |
| Rama II | 25 | 3,637 | 4.1% |
| Rama III | 33 | 2,651 | 7.14% |
| Pinklao (Plaza) | - | - | - |
| Chiangmai Airport | 17 | 2,562 | 6.8% |
| Pinklao Tower A & B | 18 | 6,989 | 20.76% |
| CPNRF Portfolio | 93 | 15,839 | 7.1% |

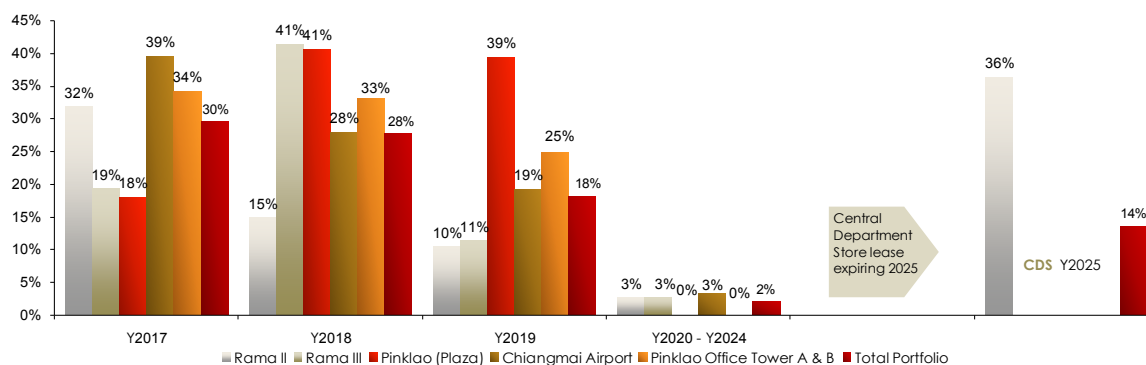
Note: /1 Exclude rental agreements < 1 year
/2 Percentage of leasable area as at 31 December 2016
/3 Exclude rental agreements with revenue sharing clause
Source: CPN

III. Rental Structure



Source: CPN

IV. Lease Expiry Profile



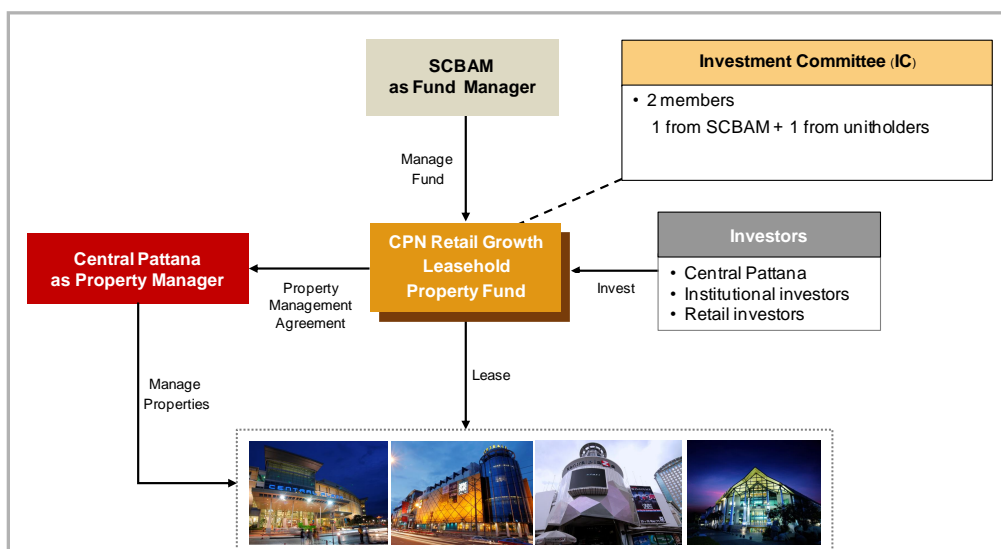
Note:
1. Percentage of total occupied area as at 31 December 2016
2. Exclude rental agreements < 1 year
Source: CPN

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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