



Net investment income for 2Q17 decreased 3.2% yoy. Net investment income was Baht 671.5 million, decreased from Baht 697.0 million. Occupancy rate dropped to 86% at the end of 2Q17. This was mainly due to a major renovation at CentralPlaza Rama3 starting from June to December 2017, and minor renovations at CentralPlaza Rama 2 and CentralPlaza Pinklao, leading to 2.6% yoy lower rental and service income while stable expense.

Total income decreased by 2.6%yoy. In 2Q17, total income was Baht 853.4 million, decreased from Baht 876.0 million in 2Q16, due to shopping malls renovation. Total expense was Baht 182.0 million, unchanged from 2Q16, mainly from stable property expense.

Distribution per unit from 2Q17 performance increased 5.1%yoy. CPNRF announced 1Q17 distribution of Baht 593.6 million or 0.2683 Baht per unit, equivalent to annualized distribution yield of 5.9%, at the price of Baht 18.20 per unit as at 30 June 2017.

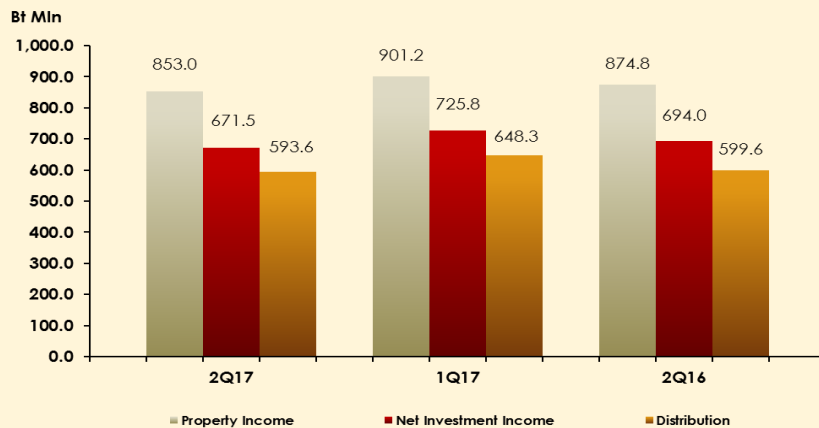
SHARE INFO: As of 11 August 2017

Unit Price (Bt)	18.60
Shares Outstanding (mln)	2,212.5
Market Capital (Bt mln)	40,930.8
NAV (Bt mln) ^{/1}	30,104.4
NAV per Unit (Bt) ^{/1}	13.6066
Premium/ (Discount) ^{/1}	36.0%

Note:
^{/1} NAV as of 30 June 2017

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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

2Q17 total income was Baht 853.43 million, decreased from Baht 876.0 million or 2.6%yoy.

Total Income

CPNRF reported total income for 2Q17 of Baht 853.4 million, decreased by 2.6%yoy from Baht 876.0 mn in 2Q16. This was attributable to a decrease of 2.6% in rental and service income to Baht 847.7 million, mainly from lower rental and service income due to a major renovation at CentralPlaza Rama 3, and minor renovation at CentralPlaza Pinklao, and CentralPlaza Rama 2, therefore CPNRF's occupancy rate in June 2017 was at 86.0%

The renovation project of CentralPlaza Rama 2 is approximately 25% of shopping complex, divided into 2 phase; phase 1 (an area of approximately 47% of the renovated project) is to prepare and apportion areas to accommodate retail tenants in the future, for approximately 6 months ended June 2017, and phase 2 (53% of the renovated area) is to improve common areas and facilities within and surrounding shopping center approximately 5 months from March to August 2017.

The renovation project of CentralPlaza Chiangmai Airport is approximately 10% of shopping complex to rotate shops zoning, prepare area for new anchor tenant, to decorate leasable area, to improve common area, as well as to improve façade. The renovation plan divided into 3 phases starting from September 2016 – April 2017.

The major renovation project of CentralPlaza Rama 3 has been gradually implemented comprising of improvement of common area, façade, parking area, landscape, and building badge, re-merchandising mix, leasable area expansion, increasing rest area, play land and promotion area. The renovation plan started from June to December 2017, approximately 6 months.

Total Expense

Total expense was Baht 182.0 million, similar to 2Q16

Total expense for 2Q17 was Baht 182.0 million, similar to 2Q16. Property expenses were unchanged from 2Q16 i.e. selling and administrative expenses decreased by 24.4%yoy, mainly from advertising expenses, and property management fee decreased by 4.5%yoy following rental and service income and leasing commission. Meanwhile, cost of rental and service increased by 34.6%yoy, because of higher repair and maintenance expense and property tax.

Net Investment Income and Distribution

A distribution from 2Q17 operation period was Baht 0.2683 per unit.

Net investment income for 2Q17 totaled Baht 671.5 million, decreased by 3.2%yoy. The Fund announced the distribution for 2Q17 performance of Baht 0.2930 per unit. This was equivalent to 5.9% annualized yield at the price of Baht 18.20 per unit as at 30 June 2017. The XD Date was on 10 August 2017, followed by the book closing date on 16 August 2017, and distribution payment was 30 August 2017.

Profitability

2Q17, Net property income margin and net investment income margin were 82.0% and 78.75%, respectively.

Net property income margin for 2Q17 was 82.0%, decreased by 0.5%yoy. Net investment income margin was 78.7%, decreased by 0.6%yoy. These were resulting from a decrease of income.

Statement of Financial Position Movement

NAV decreased to Baht 13.6066 per unit. Borrowing stood at Baht 1,831.3 million.

As of 30 June 2017, total investment in properties was Baht 32,402.0 million, increased from Baht 32,309 million from asset revaluation. Net Asset Value ("NAV") was recorded at Baht 30,104.4 million or Baht 13.6066 per unit, increase from Baht 13.5561 per unit at the end of 2016. Total borrowings amount was Baht 1,831.3 million, decrease from Baht 1,874.6 million at the end of 2016.

The Conversion of CPNRF into CPNREIT

SCB Asset Management Co., Ltd. (the "Management Company") would like to inform you that the Management Company and Central Pattana Public Company Limited ("CPN"), as a unitholder of CPNRF, recognize the overall interests of all CPNRF unitholders, and thus are desirous of converting CPNRF into CPN Retail Growth Leasehold REIT ("CPNREIT"), as well as the additional investment in the CentralFestival Pattaya Beach Project (partial) and Hilton Pattaya Hotel with total net asset value of Baht 11,908 million.

The conversion of CPNRF into CPNREIT shall require the resolution of the unitholders' meeting of CPNRF approving the conversion. The Management Company has set the CPNRF's Unitholders' Meeting No. 1/2017 on 28 August 2017 from 14.00 pm, to approve the conversion, the additional investment, and other related issues.

Upon the approval, CPNREIT Management Co., Ltd. (a subsidiary of CPN shall act as the REIT Manager when CPNREIT is completely established and SCB Asset Management Co., Ltd., will be the trustee of CPNREIT. The conversion is expected to complete by the end of 2017.

FINANCIAL SUMMARY

Income Statement

Unit: Baht Million	2Q17	1Q17	Change QoQ	2Q16	Change YoY
<i>Property income</i>	853.0	901.2	(5.4%)	874.8	(2.5%)
Rental and service income	826.0	870.4	(5.1%)	847.7	(2.6%)
Other income	27.0	30.8	(12.2%)	27.1	(0.4%)
Interest income	0.5	1.1	(55.0%)	1.2	(59.9%)
Total income	853.4	902.3	(5.4%)	876.0	(2.6%)
<i>Property expenses</i>	153.7	148.2	3.7%	153.2	0.3%
Cost of rental and service	40.4	25.8	56.5%	30.0	34.6%
Selling and administrative expenses	16.6	17.9	(7.0%)	22.0	(24.4%)
Property management fee	96.7	104.5	(7.5%)	101.2	(4.5%)
Other expenses	0.0	0.0	(75.0%)	0.0	0.0%
Interest expense	17.7	17.4	1.6%	17.9	(1.0%)
Other management fees and expenses	10.5	10.8	(2.4%)	10.9	(3.0%)
Total expense	182.0	176.5	3.1%	182.0	(0.0%)
Net investment income	671.5	725.8	(7.5%)	694.0	(3.2%)
Net realised gain (loss) from changes in investment value	0.5	0.1	492.0%	2.8	(81.2%)
Net unrealised gain (loss) from changes in investment value	559.4	(548.9)	201.9%	144.1	288.2%
Net increase in net assets from operations	1,231.4	176.9	596.0%	840.9	46.4%
Income available for distribution	671.5	725.8	(7.5%)	694.0	(3.2%)
Distribution	593.6	648.3	(8.4%)	599.6	(1.0%)
Distribution per unit (in Baht)	0.2683	0.2930	(8.4%)	0.2710	(1.0%)
Net property income margin	82.0%	83.6%	(1.6%)	82.5%	(0.5%)
Net investment income margin	78.7%	80.5%	(1.8%)	79.3%	(0.6%)

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	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17
<i>Investment at fair value</i>	32,391.8	32,799.8	33,053.0	32,971.9	32,616.8	33,299.0
Central Rama II	6,591.0	6,622.0	6,711.0	6,705.0	6,520.0	7,184.0
Central Rama III	8,798.0	8,835.0	8,917.0	9,156.0	9,540.0	9,192.0
Central Pinklao	5,520.0	5,546.0	5,593.0	5,495.0	5,180.0	5,495.0
Chiangmai Airport	11,005.0	11,075.0	10,992.0	10,953.0	10,580.0	10,531.0
<i>Total investment in properties</i>	<i>31,914.0</i>	<i>32,078.0</i>	<i>32,213.0</i>	<i>32,309.0</i>	<i>31,820.0</i>	<i>32,402.0</i>
Investment in securities	477.8	721.8	840.0	662.9	796.8	897.0
Cash on hand and at banks	526.6	259.2	287.6	464.6	339.7	236.5
Other assets	170.3	198.2	156.2	167.3	153.8	162.2
Total assets	33,088.7	33,257.1	33,496.8	33,603.8	33,110.2	33,697.6
Deposits received from customers	1,089.4	1,100.6	1,114.8	1,138.0	1,130.9	1,142.4
Borrowing	1,927.2	1,917.9	1,896.2	1,874.6	1,852.9	1,831.3
Other liabilities	554.5	496.9	496.6	598.6	605.1	619.6
Total liabilities	3,571.0	3,515.4	3,507.6	3,611.2	3,588.9	3,593.2
Net Asset	29,517.6	29,741.7	29,989.2	29,992.6	29,521.3	30,104.4
Capital received from unitholders	24,406.2	24,406.2	24,406.2	24,406.2	24,406.2	24,406.2
Retained earnings	5,111.4	5,335.5	5,583.0	5,586.4	5,115.1	5,698.2
NAV per unit (in Baht)	13.3414	13.4427	13.5545	13.5561	13.3431	13.6066

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	30 Jun 16	30 Sep 16	31 Dec 16	31 Mar 17	30 Jun 17
Rama II	251,182	82,427	86.7%	87.2%	86.7%	84.8%	89.9%
Rama III	169,740	37,143	91.1%	89.9%	90.0%	86.9%	62.6%
Pinklao (Plaza)	135,018	27,772	90.0%	91.1%	95.7%	95.7%	89.7%
Chiangmai Airport	122,991	37,553	94.8%	94.0%	96.5%	94.0%	94.1%
Pinklao Tower A & B	50,653	33,938	93.3%	91.5%	90.0%	90.0%	90.0%
CPNRF Portfolio	729,584	218,833	90.2%	89.9%	90.5%	88.9%	86.0%

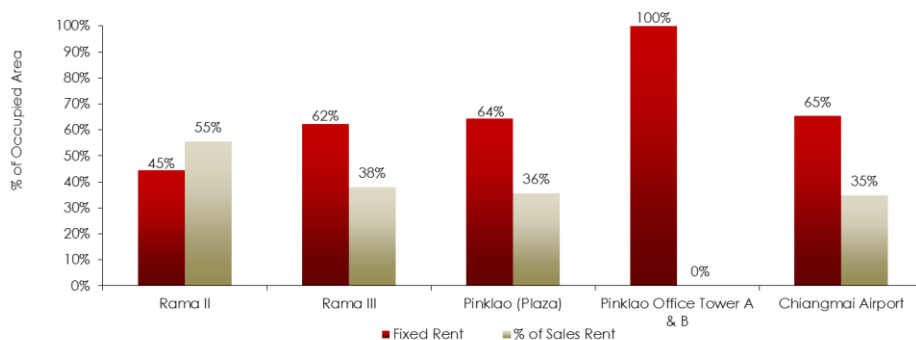
Note: /1 Anchor and shop tenants only
Source: CPN

II. Renewals and New Leases

	From 1 April to 30 June 2017 ^{/1}		
	Renewals and New Leases		
	No. of Leases	Area (sqm)	% of Total ^{/2}
Rama II	8	1,566	1.9%
Rama III	1	216	0.6%
Pinklao (Plaza)	-	-	-
Chiangmai Airport	2	322	0.9%
Pinklao Tower A & B	12	3,858	11.4%
CPNRF Portfolio	23	5,962	2.7%

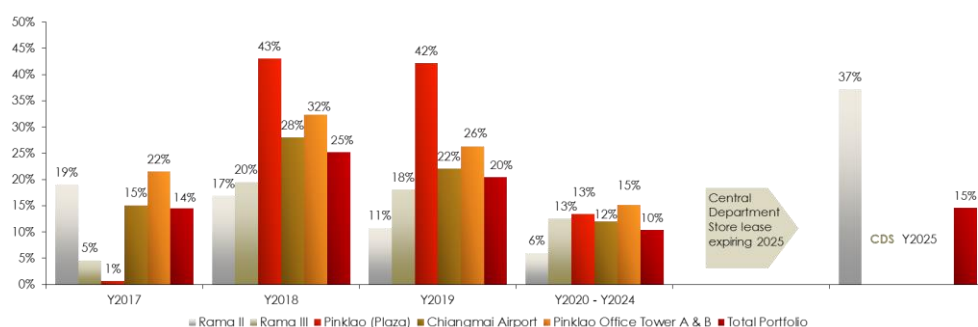
Note: /1 Exclude rental agreements < 1 year
/2 Percentage of leasable area as at 30 June 2017
/3 Exclude rental agreements with revenue sharing clause
Source: CPN

III. Rental Structure



Source: CPN

IV. Lease Expiry Profile



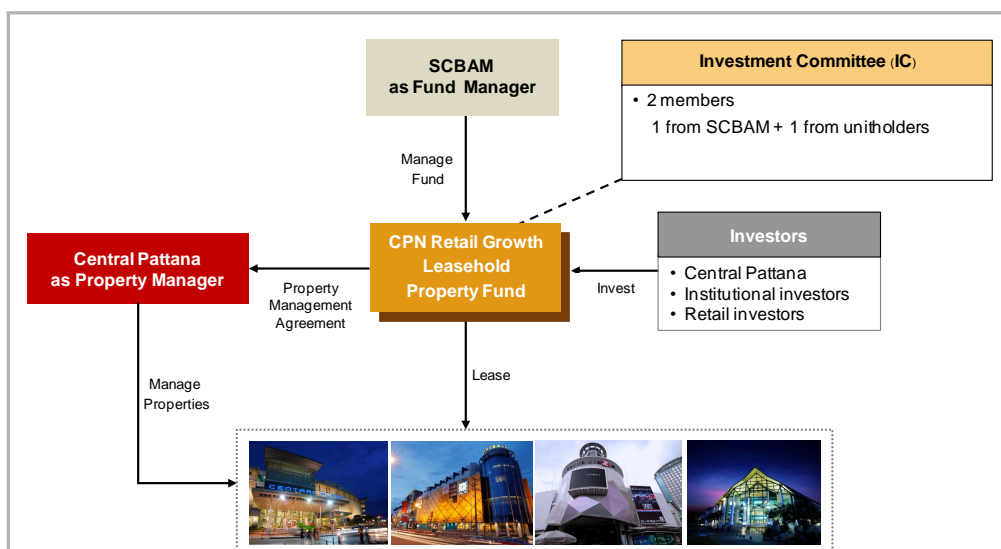
Note:
1. Percentage of total occupied area as at 30 June 2016
2. Exclude rental agreements < 1 year
Source: CPN

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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