

C.P. Tower Leasehold Real Estate Investment Trust

Financial statements for the period from
21 October 2024 (the registration date) to 31 December 2024
and
Independent Auditor's report



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Independent Auditor's Report

To the Trust Unitholders of C.P. Tower Leasehold Real Estate Investment Trust

Opinion

I have audited the financial statements of C.P. Tower Leasehold Real Estate Investment Trust (“the Trust”), which comprise the statement of financial position and details of investments as at 31 December 2024, the statements of comprehensive income, changes in net assets and cash flows for the period from 21 October 2024 (the registration date) to 31 December 2024, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as at 31 December 2024 and its financial performance, changes in net assets and cash flows for the period from 21 October 2024 (the registration date) to 31 December 2024 in accordance with the accounting guidance for Property Funds, Real Estate Investment Trusts, Infrastructure Funds and Infrastructure Trusts issued by the Association of Investment Management Companies as approved by The Securities and Exchange Commission.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Trust in accordance with the *Code of Ethics for Professional Accountants including Independence Standards* issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that is relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion. ↙



Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Valuation of investments in leasehold rights to properties at fair value	
Refer to Notes 4 (b) and 7 to the financial statements.	
The key audit matter	How the matter was addressed in the audit
<p>Investments in leasehold properties are measured at fair value and are material to the Trust’s financial statements. The fair value of investments in leasehold properties is assessed by an independent appraiser using the income approach which had to exercise significant judgment in forecasting future performance, including determining of key assumptions.</p> <p>I considered this as the key audit matter because the determining of key assumptions in the fair value of investments require significant judgement.</p>	<p>My audit procedures include</p> <ul style="list-style-type: none"> • Understanding and evaluating the basis upon which the Trust determined the fair value of assets. • Evaluating the independence, qualifications, and competence of valuers of the Trust. • Evaluating the appropriateness of the key assumptions used in the valuation, sampling checked the relevant documents, and testing calculation of the valuation based on the discounted cash flows, including use the work of specialist engaged by KPMG in evaluating methodologies and key assumptions of the valuation. • Considering the adequacy of the disclosures in accordance with Thai Financial Reporting Standards.

Other Information

The REIT manager is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and my auditor’s report thereon. The annual report is expected to be made available to me after the date of this auditor’s report.

My opinion on the financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the REIT manager and request that the correction be made.



The REIT manager's responsibility for the Financial Statements

The REIT manager is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting guidance for Property Funds, Real Estate Investment Trusts, Infrastructure Funds and Infrastructure Trusts issued by the Association of Investment Management Companies as approved by The Securities and Exchange Commission, and for such internal control as REIT manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, REIT manager is responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless REIT manager either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by REIT manager.
- Conclude on the appropriateness of REIT manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. *S.*



I communicate with REIT manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide REIT manager with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with REIT manager, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matter. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

A handwritten signature in blue ink, appearing to be 'Sawitree Ongksirimemongkol', written in a cursive style.

(Sawitree Ongksirimemongkol)
Certified Public Accountant
Registration No. 10449

KPMG Phoomchai Audit Ltd.
Bangkok
14 February 2025

C.P. Tower Leasehold Real Estate Investment Trust

Statement of financial position

	<i>Note</i>	31 December 2024 <i>(in Baht)</i>
<i>Assets</i>		
Investments measured at fair value through profit or loss	<i>6, 14</i>	550,000,000
Investments in leasehold rights to properties at fair value	<i>7, 14</i>	8,679,800,000
Cash and cash equivalents	<i>9</i>	195,594,217
Rent and service receivables	<i>8</i>	106,454,454
Other receivable	<i>8</i>	240,972,055
Prepaid expense	<i>12</i>	26,777,184
Other assets		18,694,783
Total assets		<u>9,818,292,693</u>
<i>Liabilities</i>		
Other payables		72,762,902
Accrued expenses		60,615,458
Unearned rent and service income		19,995,414
Guarantee deposits received from tenants		264,313,051
Total liabilities		<u>417,686,825</u>
Net assets		<u><u>9,400,605,868</u></u>

The accompanying notes form an integral part of the financial statements.

C.P. Tower Leasehold Real Estate Investment Trust

Statement of financial position

	<i>Note</i>	31 December 2024 <i>(in Baht)</i>
<i>Net assets</i>		
Trust registered capital		
<i>(31 December 2024: 967,000,000 units of Baht 9.6550 each)</i>	<i>3, 10</i>	<u>9,336,385,000</u>
Capital from trust unitholders	<i>3, 10</i>	9,336,385,000
<i>(31 December 2024: 967,000,000 units of Baht 9.6550 each)</i>		
Retained earnings	<i>11</i>	<u>64,220,868</u>
Net assets		<u><u>9,400,605,868</u></u>
Net asset value per unit		9.7214
Number of trust units issued at the end of year <i>(thousand units)</i>		967,000

The accompanying notes form an integral part of the financial statements.

C.P. Tower Leasehold Real Estate Investment Trust

Details of investments

Details of investments are presented by investment category.

Type of investments	Areas held	Note	Cost <i>(in Baht)</i>	31 December 2024	
				Fair value	Percentage of investments <i>(%)</i>
Investments in leasehold rights to properties					
C.P. Tower 1 (Silom)		7, 14			
<u>Location</u> Silom Road, Kwang Silom, Khet Bangrak,	3-1-3.0 rai or				
Bangkok 10500	91,714 sq.m.		3,826,000,000	3,780,700,000	40.96
C.P. Tower 2 (Fortune Town)					
<u>Location</u> Ratchadaphisek Road, Kwang Dindaeng,	15-3-3.8 rai or				
Khet Dindaeng, Bangkok 10400	172,925 sq.m.		4,305,270,000	4,325,400,000	46.86
C.P. Tower 3 (Phayathai)					
<u>Location</u> Phayathai Road and Si Ayutthaya Road,	4-0-0 rai or				
Kwang Thung Phaya Thai, Khet Ratchathewi,	29,656 sq.m.		569,000,000	573,700,000	6.22
Bangkok 10400					
Total investments in leasehold rights to properties			8,700,270,000	8,679,800,000	94.04

The accompanying notes form an integral part of the financial statements.

C.P. Tower Leasehold Real Estate Investment Trust

Details of investments

Details of investments are presented by investment category (continued).

Type of investments	Maturity date	Interate rate (% per annum)	Note	Cost (in Baht)	Fair value	31 December 2024
						Percentage of investments (%)
Investments in securities			6, 14			
Fixed accounts						
Bangkok Bank Public Company Limited	April 2025	1.80		550,000,000	550,000,000	5.96
Total investments in securities				550,000,000	550,000,000	5.96
Total investments				9,250,270,000	9,229,800,000	100.00

The accompanying notes form an integral part of the financial statements.

C.P. Tower Leasehold Real Estate Investment Trust

Statement of comprehensive income

		For the period from 21 October 2024 (the registration date) to 31 December 2024 (in Baht)
Income		
Rent and service income		157,000,925
Interest income		334,116
Other income		204,052
Total income		157,539,093
Expenses		
Costs of rental and service		49,251,016
Management fee	8, 12	2,314,378
Trustee fee	8, 12	1,902,936
Registrar fee	12	396,638
Property management fee	8, 12	14,789,789
Professional fees		590,000
Administrative expenses		3,603,468
Total expenses		72,848,225
Net profit on investments		84,690,868
Net loss on investments		
Net loss on changes in fair value of investments in leasehold rights to properties	7, 11	(20,470,000)
Total net loss on investments		(20,470,000)
Net increase in net assets resulting from operations		64,220,868

The accompanying notes form an integral part of the financial statements.

C.P. Tower Leasehold Real Estate Investment Trust

Statement of changes in net assets

		For the period from 21 October 2024 (the registration date) to 31 December 2024 <i>(in Baht)</i>
Increase in net assets resulting from operations during the period		
Net profit on investments	<i>11</i>	84,690,868
Net loss on changes in fair value of investments in leasehold rights to properties	<i>7, 11</i>	<u>(20,470,000)</u>
Increase in net assets resulting from operations during the period		64,220,868
Increase in capital from trust unitholders	<i>3</i>	<u>9,336,385,000</u>
Increase in net assets during the period		9,400,605,868
Net assets at 21 October (the registration date)		<u>-</u>
Net assets at 31 December		<u>9,400,605,868</u>
Changes in number of trust unit		
Trust unit at 21 October (the registration date) (<i>units</i>)		<u>-</u>
Trust unit at 31 December (<i>units</i>)		<u>967,000,000</u>

The accompanying notes form an integral part of the financial statements.

C.P. Tower Leasehold Real Estate Investment Trust

Statement of cash flows

		For the period from 21 October 2024 (the registration date) to 31 December 2024 (in Baht)
Cash flows from operating activities		
Net increase in net assets from operations		64,220,868
<i>Adjustments to reconcile increase (decrease) in net assets from operations to net cash from operating activities</i>		
Net loss on changes in fair value of investments in leasehold rights to properties	7, 11	20,470,000
Increase in investments in leasehold rights to properties	7	(270,000)
Purchases of investments in securities	6	(550,000,000)
Increase in rent and service receivables		(52,230,311)
Decrease in other receivable		692,229,957
Decrease in prepaid expense		342,564
Increase in other assets		(17,011,584)
Increase in other payables		33,821,902
Increase in accrued expenses		7,477,690
Decrease in unearned rent and service income		(5,729,149)
Decrease in guarantee deposits from tenants		(212,268)
Amortisation of prepaid expense		2,413,728
Net cash from operating activities		195,523,397

The accompanying notes form an integral part of the financial statements.

C.P. Tower Leasehold Real Estate Investment Trust

Statement of cash flows

		For the period from 21 October 2024 (the registration date) Note to 31 December 2024 (in Baht)
<i>Cash flows from financing activities</i>		
Cash received from C.P. Tower Growth Leasehold Property Fund as a result of conversion	3	70,820
Net cash from financing activities		70,820
Net increase in cash and cash equivalents		195,594,217
Cash and cash equivalents at 21 October (the registration date)		-
Cash and cash equivalents at 31 December	9	195,594,217

Non cash items

During the period, the Trust received net assets as a result of conversion of C.P. Tower Growth Leasehold Property Fund (see the details in note 3).

The accompanying notes form an integral part of the financial statements.

C.P. Tower Leasehold Real Estate Investment Trust

Notes to the financial statements

For the period from 21 October 2024 (the registration date) to 31 December 2024

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C.P. Tower Leasehold Real Estate Investment Trust

Notes to the financial statements

For the period from 21 October 2024 (the registration date) to 31 December 2024

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were authorised for issue by the authorised director of the REIT manager on 14 February 2025.

1 General information

C.P. Tower Leasehold Real Estate Investment Trust (“the Trust”) was established a specific closed-end Real Estate Investment Trust with an indefinite term, in accordance with the Trust Deed signed on 21 October 2024. The Trust was established from the conversion of C.P. Tower Growth Leasehold Property Fund (“the Fund”) and received the assets and obligations from the Property Fund on 13 November 2024, according to the Rights and Duties Transfer agreement under the Undertaking agreements, covering three projects; CP Tower 1 (Silom), CP Tower 2 (Fortune Town), and CP Tower 3 (Phayathai).

CP Land REIT Growth Co., Ltd. (“the REIT Manager”) acts as the REIT manager. Krung Thai Asset Management Public Company Limited acts as the Trustee, and C.P. Land Public Company Limited (“C.P. Land”) acts as the Property Manager.

As at 31 December 2024, C.P. Land Public Company Limited, Social Security Office, and Krung Thai Bank Public Company Limited are the major unitholders, holding 31.16%, 10.31%, and 9.77%, respectively, of the Trust.

The Trust’s dividend payment policy is in accordance with condition and procedures as specified in prospectus.

2 Basis of preparation of the financial statements

The financial statements are prepared in accordance with the accounting guidance for Property Fund, Real Estate Investment Trust, Infrastructure Fund and Infrastructure Trust, issued by the Association of Investment Management Companies (“AIMC”) as approved by The Securities and Exchange Commission. In case this accounting guidance does not specifically state the practical guidance for a transaction, the Trust shall apply Thai Financial Reporting Standard (“TFRS”) as announced by Federation of Accounting Professions (“Accounting Guidance”). The financial statements are presented in Thai Baht, which is the Trust’s functional currency.

The preparation of financial statements in conformity with an accounting guidance requires REIT manager to make judgements, estimates and assumptions that affect the application of the Trust’s accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions that are described in each note are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

C.P. Tower Leasehold Real Estate Investment Trust

Notes to the financial statements

For the period from 21 October 2024 (the registration date) to 31 December 2024

3 The transfer of assets and liabilities from the Fund

On 13 November 2024, the Fund transferred the assets and liabilities to the Trust in exchange for issued trust units of the Trust 967 million units. The details are as follows:

	<i>Note</i>	Fair value <i>(in thousand Baht)</i>
Investments in leasehold rights to properties at fair value	7	8,700,000
Cash and cash equivalents		71
Rent and service receivables		54,224
Other receivable		933,202
Prepaid expense		29,534
Other assets		1,683
Other payables		(38,941)
Accrued expenses		(53,138)
Unearned rent and service income		(25,725)
Guarantee deposits received from tenants		(264,525)
Total net assets received	10	<u>9,336,385</u>

4 Significant accounting policies

(a) *Investments measured at fair value through profit or loss*

Investment are initially recognised at fair value through profit or loss when the Trust becomes a party to the contractual provisions of the instrument. Transaction costs that are directly attributable to acquire investments are recognised in profit or loss.

Gains and losses on measurement, including any interest or dividend income, are recognised in profit or loss.

The Trust derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Trust neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Trust currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

C.P. Tower Leasehold Real Estate Investment Trust

Notes to the financial statements

For the period from 21 October 2024 (the registration date) to 31 December 2024

(b) *Investments in leasehold rights to properties at fair value*

Investments in leasehold rights to properties at fair value are measured at cost, including transaction costs, on initial recognition and subsequently at fair value, with any change recognised in profit or loss and presented as “gain (loss) on changes in fair value of investments in leasehold rights to properties”

Cost includes expenditure that is directly attributable to the acquisition of the investments in properties. The fair value is based on appraisal value assessed by independent valuers approved pursuant to the notification of the SEC. The Trust will conduct appraisal of properties at least every 2 years, commencing from the date of appraisal the acquired properties or the latest date of appraisal properties or the date of disposal properties or there is any indication of impairment and conduct a review of appraisal at least every year after the date of the latest appraisal.

(c) *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and call deposits.

(d) *Fair value measurement*

‘Fair value’ is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Trust has access at that date. The fair value of a liability reflects its non-performance risk.

When measuring the fair value of an asset or a liability, the Trust uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are based on unobservable input.

The Trust recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Trust measures assets and assets positions at a bid price and liabilities and liabilities positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Trust determines that the fair value on initial recognition differs from the transaction price, the financial instrument is initially measured at fair value adjusted for the difference between the fair value on initial recognition and the transaction price and the difference is recognised in profit or loss immediately. However, for the fair value categorised as level 3, such difference is deferred and will be recognised in profit or loss on an appropriate basis over the life of the instrument or until the fair value level is transferred or the transaction is closed out.

(e) *Rental income*

At inception or on modification of a contract, the Trust allocates the consideration in the contract to each component on the basis of their relative standalone selling prices.

C.P. Tower Leasehold Real Estate Investment Trust

Notes to the financial statements

For the period from 21 October 2024 (the registration date) to 31 December 2024

The Trust recognises lease payments received under operating leases in profit or loss on a straight-line basis over the lease term as part of ‘rental income’. Initial direct costs incurred in arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as income in the accounting period in which they are earned. Accrued rental income is presented as part of rent and service receivables.

(f) *Service income*

Revenue is recognised when a customer obtains control of the services in an amount that reflects the consideration to which the Trust expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax other sales taxes and is after deduction of any trade discounts.

Revenue for rendering of services is recognised over time as the services are provided. The related costs are recognised in profit or loss when they are incurred.

(g) *Interest*

Interest income and expense is recognised in profit or loss on an accrual basis based on the effective interest rate.

(h) *Expenses*

Other expenses are recognised on accrual basis.

(i) *Income tax*

The Trust is exempt from corporate income tax in Thailand so that corporate income tax is not recorded in the financial statements.

(j) *Distribution to unitholders*

The Trust recognises a reduction in retained earnings at the date a distribution is declared.

5 Financial risks

Credit risk

Credit risk is the risk of financial loss to the Trust if a customer or counterparty to a financial instrument fails to meet its contractual obligations. However, the related financial assets have short-term maturity, therefore, the Trust does not anticipate material losses from its debt collection.

Rent and service receivables

The Trust’s exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, Trust Manager also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. The Trust limits its exposure to credit risk from receivables by establishing a payment period and outstanding trade receivables are regularly monitored by the Trust.

C.P. Tower Leasehold Real Estate Investment Trust

Notes to the financial statements

For the period from 21 October 2024 (the registration date) to 31 December 2024

The following table provides information about the exposure to credit risk and ECLs for rent and service receivables.

	31 December 2024 (in thousand Baht)
Not yet due	8,568
Past due	
Up to 3 months	94,732
3 - 6 months	1,561
6 - 9 months	900
Over 12 months	1,320
Total	107,081
Less: allowance for expected credit losses	(627)
Net	106,454

Currency risk

The Trust has no financial assets or financial liabilities denominated in foreign currency, therefore, there is no exposure to currency risk.

6 Investments measured at fair value through profit or loss

	Note	31 December 2024 (in thousand Baht)
At 21 October (the registration date)		-
Acquisitions		550,000
At 31 December	14	550,000

7 Investments in leasehold rights to properties at fair value

	Note	31 December 2024 (in thousand Baht)
At 21 October (the registration date)		-
Transfer from the Fund as a result of conversion	3	8,700,000
Acquisition		270
Net loss on changes in fair value	11	(20,470)
At 31 December	14	8,679,800

The Trust presented investments in leasehold rights to properties at fair value have been categorised as a Level 3, which were determined based on valuations performed by an independent appraiser, using the income approach. The main assumptions used in valuation are rental and service rates, occupancy rates, discount rates, and growth rate.

Significant unobservable inputs

- Rental and service rates (461- 1,050 Baht per sq.m.)
- Occupancy rates (73% - 95%)
- Discount rates (9.5%)
- Growth rate (3%)

Inter-relationship between key unobservable inputs and fair value measurement

The estimated fair value increase (decrease) if:

- Rental and service rates were increase (decrease); or
- The occupancy rates were higher (lower); or
- The discount rates were lower (higher); or
- Expected market rental growth were higher (lower).

C.P. Tower Leasehold Real Estate Investment Trust

Notes to the financial statements

For the period from 21 October 2024 (the registration date) to 31 December 2024

8 Related parties

The Trust has significant transactions with related parties for the period from 21 October 2024 (the registration date) to 31 December 2024 as follows:

	For the period from 21 October 2024 (the registration date) to 31 December 2024 <i>(in thousand Baht)</i>
Krung Thai Asset Management Public Company Limited	
Trustee fee	1,903
C.P. Land Public Company Limited	
Rental and service income	2,082
Property management fee	14,790
Other related parties	
Rental and service income	99,765
Krung Thai Bank Public Company Limited	
Rental and service income	218
Interest income	316
CP Land REIT Growth Co., Ltd.	
Rental and service income	24
Management fee	2,314

As at 31 December 2024, the Trust has significant outstanding transactions with related parties as follows:

<i>Balances with related parties as at</i>	31 December 2024 <i>(in thousand Baht)</i>
Krung Thai Asset Management Public Company Limited	
Accrued expense	1,903
C.P. Land Public Company Limited	
Rent and service receivables	2,194
Other payable	8,610
Accrued expense	9,199
Guarantee deposits received from tenants	2,857
Other related parties	
Rent and service receivables	66,142
Other payables	752
Unearned rent and service income	17,739
Guarantee deposits received from tenants	121,108
Krung Thai Bank Public Company Limited	
Rent and service receivables	8
Guarantee deposits received from tenants	379

C.P. Tower Leasehold Real Estate Investment Trust

Notes to the financial statements

For the period from 21 October 2024 (the registration date) to 31 December 2024

<i>Balances with related parties as at</i>	31 December 2024 (in thousand Baht)
CP Land REIT Growth Co., Ltd.	
Guarantee deposits received from tenants	45
Accrued expense	2,314
C.P. Tower Growth Leasehold Property Fund	
Other receivable	240,972

Significant agreements with related parties

As at 31 December 2024, the Trust has significant agreements with related parties as follows:

Transfer of rights and duties agreement with Lease agreement and Property management agreement

On 13 November 2024, the Trust entered into an agreement to transfer the rights and duties under the Lease agreement and Property management agreement with C.P. Land and Krung Thai Asset Management Public Company Limited acts as the Trustee. The Trust has been transferred all rights, benefits, duties, responsibilities, and obligations of the Fund as follows:

- 1) The Lease agreements with C.P. Land to lease land and building comprise C.P. Tower 1 (Silom) Building, C.P. Tower 2 (Fortune Town) Building and C.P. Tower 3 (Phayathai) Building. The Trust was transferred the assignment of lease according to the lease agreement commencing, ending on 3 December 2043. In the event that C.P. Land intends to extend the lease, C.P. Land will notify the Trust of the terms and price for the lease extension before the lease term expires.
- 2) The Property management agreement with C.P. Land. The Trust appointed C.P. Land to manage its properties including C.P. Tower 1 (Silom) Building, C.P. Tower 2 (Fortune Town) Building and C.P. Tower 3 (Phayathai) Building ending on 3 December 2033 and will automatically be renewed 10 years, unless either party give notice to terminate the agreement. Under the term of the agreement, the Trust is committed to pay the service fee as specified in the agreement.

9 Cash and cash equivalents

	31 December 2024	
	Interest rate (% per annum)	Principal (in thousand Baht)
Petty cash	-	83
Savings accounts		
Bank of Ayudhaya Public Company Limited	0.40	59,951
Bangkok Bank Public Company Limited	0.40	38,945
Krung Thai Bank Public Company Limited	0.40	93,500
Current accounts		
Bank of Ayudhaya Public Company Limited	-	3,115
Total		<u>195,594</u>

C.P. Tower Leasehold Real Estate Investment Trust

Notes to the financial statements

For the period from 21 October 2024 (the registration date) to 31 December 2024

10 Capital from trust unitholders

	<i>Note</i>	Par value <i>(in Baht)</i>	Number <i>(in thousand units)</i>	Amount <i>(in thousand Baht)</i>
Capital from trust unitholders				
At 21 October (the registration date)		-	-	-
Transfer from the Fund as a result of conversion				
	<i>1, 3</i>	<u>9.6550</u>	<u>967,000</u>	<u>9,336,385</u>
At 31 December		<u>9.6550</u>	<u>967,000</u>	<u>9,336,385</u>

11 Retained earnings

	<i>Note</i>	31 December 2024 <i>(in thousand Baht)</i>
At 21 October (the registration date)		-
Net profit on investments		84,691
Net loss on changes in fair value of investments in leasehold rights to properties	<i>6</i>	<u>(20,470)</u>
At 31 December		<u>64,221</u>

12 Expenses

Management fee

The Trust manager is entitled to receive a monthly management fee from the Trust at the rate not exceeding 0.25% per annum of the Trust's net asset value (exclusive of value added tax, specific business tax or any other similar taxes). The minimum fee is not less than 18,000,000 Baht per year.

Trustee fee

The trustee is entitled to receive a monthly remuneration at the rate not exceeding 0.18% per annum of the Trust's net asset value (exclusive of value added tax, specific business tax or any other similar taxes). The minimum fee is not less than 5,000,000 Baht per year.

Registrar fee

The registrar fee for the work of the Trust Unit Registrar will be compensated on a monthly basis according to the rate determined by the Trust Unit Registrar.

C.P. Tower Leasehold Real Estate Investment Trust

Notes to the financial statements

For the period from 21 October 2024 (the registration date) to 31 December 2024

Property management fee

Fees and expenses of the Property Manager shall be payable to the Property Manager on a monthly basis according to the Property Management Agreement between the Trust and the Property Manager. The details are summarised as follows (the rate excludes value added tax, specific business tax or any other similar taxes):

- (1) Fee for rental collection on behalf of the Trust at the rate of 3.50% per annum of the monthly total property income. Total property income includes income from parking services, income from sales promotion, income from kiosk, and income from gas, and excludes interest income, land and building tax income received from customers, and utilities income. This is calculated and charged on a monthly basis.
- (2) Fee for utilities management is calculated at the rate of 0.50% per annum of the monthly income from utilities services. This is calculated and charged on a monthly basis.
- (3) Property management fee is calculated at the rate of 0.30% per annum of the Trust's net asset value calculated as at the last day of previous month. This is calculated and charged on a monthly basis.
- (4) Incentive fee for the Property Manager is calculated and charged on a monthly basis at the rate of 2.35% per annum of the net property income. Net property income means all revenues derived from properties (exclusive of interest income, revenue from land and building tax collected from lessee, revenue from electricity and water supply provision) deducted by cost and all expenses incurred from procuring benefits from the property. Such expenses do not include the fees stated in (1), (2), (3) and land and building tax.
- (5) Leasing commission for procuring tenants and management of all tenants of the Trust upon entering into new lease agreements with new tenants or renewal of lease agreement is calculated at the rate of 0.5 to 1.0 times of the monthly rental fees, depending on the type and terms of lease agreements.
- (6) Overseeing work, fee is charged at a rate of 2.00% of renovation cost approved by the Trust based on the actual cost. The fee does not include the building maintenance and costs of assets purchased under normal course of operation.

13 Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The one main reportable operating segment of the Trust is lease of property investments and the single geographical area of its operations is Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment and geographical area.

C.P. Tower Leasehold Real Estate Investment Trust

Notes to the financial statements

For the period from 21 October 2024 (the registration date) to 31 December 2024

14 Information on fair value level and fair value measurement of investment

As at 31 December 2024, the Trust had assets that were measured at fair value using different levels of inputs as follows:

Assets measured at fair value	Note	Level 1	Level 2 (in thousand Baht)	Level 3	Total
<i>At 31 December 2024</i>					
Investments at fair value through profit or loss	6	-	550,000	-	550,000
Investments in leasehold rights to properties at fair value	7	-	-	8,679,800	8,679,800

The financial instruments traded in non-active markets and measured at obviously quoted market prices, buying and selling prices offered by traders or optional price references with supporting observable data will be categorised as level 2. These financial instruments comprised fixed deposits.

The fair value of investment in leasehold rights is measured as described in Note 7 to the financial statements.

During the current period, there was no transfer within the fair value hierarchy.

15 Commitments

Capital commitments

As at 31 December 2024, the Trust has commitments in respect of property renovation agreements amounted to Baht 3 million.

Service agreement commitments

The Trust was committed to pay fees to counterparties under the terms and conditions as specified in Note 12 to the financial statements.

16 Events after the reporting period

16.1 At the Board of Directors Meeting of the REIT Manager held on 14 February 2025, the Board of Directors approved the appropriation of distribution for the operation of the Trust for the period from 21 October 2024 (the registration date) to 31 December 2024 of Baht 0.0598 per unit, amounting to Baht 57.83 million, which will be paid to its trust unitholders in March 2025.

16.2 At the Board of Directors Meeting of the REIT Manager held on 14 February 2025, the Board of Directors approved the paid-in capital reduction of the Trust of par value at the rate of Baht 0.0211 per unit, amounting to Baht 20.40 million, which will be paid to its trust unitholders in March 2025 which was to comply with the Trust deed.