

No. CPLRG 038/2025

May 13, 2025

Re Summary of questions from unitholders on performance reports for the fiscal year 2024 (two-way communication) of C.P. Tower Leasehold Real Estate Investment Trust (CPTREIT)

To The President  
The Stock Exchange of Thailand

Regarding CP Land REIT Growth Co., Ltd. (“REIT Manager”), acting as the REIT Manager of C.P. Tower Leasehold Real Estate Investment Trust (CPTREIT), REIT Manager has been a schedule of two-way communication in the form of delivering the performance reports for the fiscal year 2024 to trust unitholders and provide communications channels for trust unitholders to submit additional question and inquiries from April 16, 2025 to April 30, 2025.

In this regard, the REIT Manager would like to inform the trust unitholders that the REIT Manager has collected questions from the trust unitholders from the two-way communication and the answers of the REIT Manager and related persons and prepared a summary of significant matters in the form of questions and answers are as follows.

1. To acknowledge the significant matter of the REIT’s management and future direction outlook.

**Question** How do you expect 2025E occupancy rate?

**Answer** The target for year-over-year growth is set, with the occupancy rate baseline not to fall below the previous year’s level or below the average of 90% across the three buildings. The monitoring of the assets will be conducted quarterly throughout the year, covering both the Office and Retail sections of all three buildings.

**Question** How is the expiry schedule for each building?

**Answer** Lease expiry schedule (Calculated by contract value)

Building/Year	2025	2026	2027
C.P. Tower 1	75%	15%	10%
C.P. Tower 2	9%	37%	54%
C.P. Tower 3	15%	55%	30%

**Question** **Trend of rental growth, Trend of rent renewal, retention rate, expected trend of growing and declining sectors.**

**Answer** The majority of tenant leases across the three buildings have a duration of three years. Typically, there is a tendency for rental rates to be increased upon contract renewal.

Based on lease renewal data over the past five years, as shown in the table, A tenant renewal rate is no less than 90%.

Year	Percentage
2020	91.97%
2021	90.00%
2022	92.00%
2023	93.00%
2024	90.57%

Trend of growing and declining sectors are as follows:

**C.P. Tower 1** The beauty and health-related business segment, such as aesthetic clinics and fitness centers, have a trend of continued expansion.

**C.P. Tower 2** The beauty and health-related business segment, such as aesthetic clinics, fitness centers, and spa massage services, have a trend of expansion. In contrast, declining sectors include IT and accessories businesses.

**C.P. Tower 3** The aesthetic clinic business segment has a trend of expansion, while declining sectors include tutorial schools and office spaces.

**Question** **Any top 10 major tenants leaving, why do tenants decide to move? Are the reasons alike among the buildings?**

**Answer** There're no top 10 major tenants leave.

**Question** **How are CPTREIT's assets affected by oversupply office situation in Bangkok?**

**Answer** The Trust commissioned market research on the growth trends of the retail and office sectors. The findings indicate that bargaining power has shifted in favor of tenants rather than landlords, due to a persistent oversupply in the market for over four years, a trend expected to continue for at least another two years (2026–2027). This has led to increased competition among buildings located in the same areas. In 2025, Grade A office buildings are not expected to compete directly with Grade B buildings. As a result, Grade B buildings in similar locations have begun offering promotions and upgrading their properties in an effort to retain existing tenants and prevent downsizing or relocation. For CPTREIT, the impact has been minimal, and the Trust continues to manage its portfolio effectively.

**Question**                      **Currently, how much portion of NLA of each building occupied by CP Group?**

**Answer**                              **C.P. Tower 1** is occupied by CP Group around 88% of NLA  
**C.P. Tower 2** is occupied by CP Group around 49% of NLA  
**C.P. Tower 3** is occupied by CP Group around 15% of NLA

**Question**                      **CAPEX plan for 2025.**

**Answer**                              In 2025, the planned CAPEX amounts to approximately THB 56 million, primarily allocated for standard building operation requirements, such as air conditioning systems and security systems. However, due to the earthquake that occurred on March 28, 2025, additional expenditures will be required for property repairs. Currently, the building management team and the insurance company are in the process of assessing the impact.

**Question**                      **Retail traffic and tenant sales level vs. pre-covid?**

**Answer**                              Since the COVID-19 situation subsided in 2023, the number of visitors to the shopping center has shown a growth trend and has remained stable without any significant fluctuations. However, the current visitor numbers have yet to return to pre-pandemic levels. This may be attributed to shifts in consumer behavior, such as the adoption of hybrid work models by office workers in the Rama 9 area, the downsizing of office spaces, and office relocations.

**Question**                      **The current MD&A information presented to investors remains insufficient. It lacks key details such as rental rates per square meter, revenue breakdown from facilities and services by building, market conditions and competitive landscape, future operational plans, and other relevant data. The disclosed information is neither comprehensive nor timely. Therefore, it is recommended that the REIT manager publish a quarterly performance presentation on the website and organize an Opportunity Day for unitholders every quarter.**

**Answer**                              The REIT Manager will update the MD&A information starting from Q1 2025 onwards and will consider further developments in the disclosure of information in the future.

**2. To acknowledge the REIT's Financial Statement for the fiscal year 2024 ended December 31, 2024 and REIT's performance of the year 2024.**

**Question**                      **Please add clarification in the table that the item "Net loss from investments" indicates whether it is a profit or a loss.**

**Answer**                              The net loss on change in fair value of investment in leasehold rights to properties totaling THB 20.47 million was due to the net loss from changes in the fair value of leasehold property investments. CPTREIT conducts a quarterly fair value assessment of its leasehold properties, carried out by an independent appraiser certified by the SEC (Securities and Exchange Commission of Thailand). Unitholders can find more details regarding the property valuation on the website: [www.cptreit.com](http://www.cptreit.com).

**3. To acknowledge the distribution payment from operating results of the year 2024.**

-No question-

**4. To acknowledge the appointment of the auditors and the determination of their remuneration for the year 2025.**

**Question**                    **The auditor's fee for 2025 amounts to THB 1,200,000, which represents a significant increase compared to 2024. Please provide further explanation regarding the reasons for this substantial increase.**

**Answer**                      In 2024, the auditor's fee of THB 420,000 covered the audit of the annual financial statements for the period from October 21, 2024, to December 31, 2024.

For 2025, the total auditor's fee of THB 1,200,000 includes the following:

- Review of Q1 financial statements (for the accounting period January 1, 2025 – March 31, 2025)
- Review of Q2 financial statements (April 1, 2025 – June 30, 2025)
- Review of Q3 financial statements (July 1, 2025 – September 30, 2025)
- Audit of the annual financial statements for 2025 (January 1, 2025 – December 31, 2025)

The increase in audit fees is due to the broader audit scope and full-year service coverage compared to the previous period, which covered only a partial year.

**5. Others.**

**Question**                    **Currently, the market price of CPTREIT has declined significantly. As the REIT Manager, what is your view on this?**

**Answer**                      The rise or fall of a stock price is influenced by various factors, including both domestic and global economic conditions, as well as external events. These may include developments such as the U.S. imposing tax increases on other countries, the ongoing war between Russia and Ukraine, or natural disasters like the recent earthquake in Myanmar. Such factors can affect economic fundamentals and investor sentiment, all of which have a negative impact and place downward pressure on the stock market index.

According to data from the Stock Exchange of Thailand, the SET Index declined from approximately 1,400 points at the end of 2024 to around 1,150 points by April 2025.

**Question**                    **How should we expect the acquisition plan of CPTREIT in 2025?**

**Answer**                      The matter is currently under study. Once there is clarity, the information will be disclosed through the appropriate channels of the Stock Exchange of Thailand.

**Question**                    **In case of acquisition, what is your target % leverage?**

**Answer**                      The matter is currently under study. Once there is clarity, the information will be disclosed through the appropriate channels of the Stock Exchange of Thailand

**Question** For the ROFR, will you target the assets in Bangkok or upcountry as the acquisition priority?

**Answer** The matter is currently under study. Once there is clarity, the information will be disclosed through the appropriate channels of the Stock Exchange of Thailand

**Question** Will you be able to acquire the office portion of Forestias by MQDC?

**Answer** Currently, the REIT Manager has no plans to acquire assets from the Forestias project by MQDC.

**Question** What was the total return of CPTREIT, including both before and after conversion in 2024 and what is the expected trend of the return distribution in 2025, and approximately how much in THB and what percentage is expected?

**Answer** Based on the performance in 2024, distribution payment were paid to unitholders under the C.P. Tower Growth Leasehold Property Fund (CPTGF) as a property fund. According to data from the Stock Exchange of Thailand and the returns after the conversion to CPTREIT, the details are as follows:

	Distribution payment (Baht per share)	Operating result
CPTGF	0.0295	January 1, 2024 – March 31, 2024
CPTGF	0.1555	April 1, 2024 – June 30, 2024
CPTGF	0.1400	July 1, 2024 – September 30, 2024
CPTREIT	0.0598	October 21, 2024 – December 31, 2024

Note: CPTREIT acquired assets from the C.P. Tower Growth Leasehold Property Fund (CPTGF) on November 13, 2024. Therefore, CPTREIT began recognizing performance from that date onwards.

CPTREIT has a policy to pay benefits to unitholders of no less than 90% of the adjusted net profit for the fiscal year. The benefits to be paid to unitholders will be divided into two parts: Year-End Distribution and Interim Distribution (if any).

**Question** Is the following statement true or false?

1. The conversion from a mutual fund to REIT, from CPTGF (C.P. Tower Growth Leasehold Property Fund) to CPTREIT (C.P. Tower Leasehold Real Estate Investment Trust), results in increased flexibility in asset management. However, it may also lead to additional costs, such as management fees and other operational expenses, which could impact the returns received by investors.
2. Decline in rental income, CPTREIT invests in office buildings such as CP Tower Silom, Fortune, and Phayathai, with the primary income derived from office space rentals. Changes in work behavior, such as the increase in remote working (Work from Home), may result in decreased demand for office space leasing, leading to a reduction in rental income, which in turn could impact the returns for investors.
3. Economic conditions and interest rates, a slowdown in economic conditions and changes in market interest rates may impact CPTREIT's ability to generate income, as well as increase financial costs, which could reduce the returns received by investors.

Answer

1. CPTREIT has increased in expenses, such as higher fees compared to when it was a CPTGF, including management fees and trustee fees. However, the fund faces limitations in investing in additional real estate to expand its size and income. Therefore, converting to a Trust structure will open up opportunities for additional investments to increase income and returns for the trust unitholders.
2. Working from home had a broad impact during the COVID-19 period. However, currently, research on the growth of the retail and office market shows that companies are now requiring more in-office workdays. The feedback from this change has been positive
3. Currently, CPTREIT has no interest-bearing liabilities or financial costs.

Sincerely yours,

(Mr. Chaiwat Amwong)

Managing Director

CP Land REIT Growth Company Limited