|  |  |  |
| --- | --- | --- |
| Note |  | Contents |
|  |  |  |
| 1 |  | General information |
| 2 |  | Basis of preparation of the interim financial statements |
| 3 |  | Financial risks |
| 4 |  | Investments measured at fair value through profit or loss |
| 5 |  | Investments in leasehold rights to properties |
| 6 |  | Related parties |
| 7 |  | Cash and cash equivalents |
| 8 |  | Capital from trust unitholders |
| 9 |  | Retained earnings |
| 10 |  | Distributions to trust unitholders |
| 11 |  | Expenses |
| 12 |  | Segment information |
| 13 |  | Information on fair value level and fair value measurement of investments |
| 14 |  | Commitments with non-related parties |
| 15 |  | Other |
| 16 |  | Events after the reporting period |

These notes form an integral part of the interim financial statements.

The interim financial statements issued for Thai 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 approved by authorised person of the Management Company on 14 May 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 March 2025, C.P. Land, Social Security Office, and Krung Thai Bank Public Company Limited are the major trust 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.

1. **Basis of preparation of the interim financial statements**

The condensed interim financial statements are presented in the same format as the annual financial statements together with notes to the interim financial statements on a condensed basis (“interim financial statements”) in accordance with Thai Accounting Standard (TAS) No. 34 Interim Financial Reporting and the accounting guidance for Property Funds, Real Estate Investment Trusts, Infrastructure Funds and Infrastructure Trusts issued by the Association of Investment Management Companies (“AIMC”) as approved by The Securities and Exchange Commission, the Fund must comply with financial reporting standards issued by the Federation of Accounting Professions in matters not specified in this accounting guidance (“Accounting Guidance”). The interim financial statements do not include all of the financial information required for annual financial statements but focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Trust for the period from 21 October 2024 (the registration date) to 31 December 2024.

In preparing these interim financial statements, judgements and estimates are made by the REIT Manager in estimating fair value of assets in accordance with the Fund’s accounting policy. Actual results may differ from these estimates. The accounting policies, methods of computation and the key sources of estimation uncertainty were the same as those that described in the financial statements for the period from 21 October 2024 (the registration date) to 31 December 2024.

1. **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, the REIT 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.

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

|  |  |  |  |
| --- | --- | --- | --- |
|  | 31 March |  | 31 December |
|  | 2025 |  | 2024 |
|  | *(in thousand Baht)* | | |
| Not yet due | 1,662 |  | 8,568 |
| Past due |  |  |  |
| Up to 3 months | 58,238 |  | 94,732 |
| 3 - 6 months | 5,134 |  | 1,561 |
| 6 - 9 months | 1,145 |  | 900 |
| Over 12 months | 1,611 |  | 1,320 |
| **Total** | **67,790** |  | **107,081** |
| *Less*: allowance for expected credit losses | (627) |  | (627) |
| **Net** | **67,163** |  | **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.

1. **Investments measured at fair value through profit or loss**

|  |  |  | 2025 |  | 2024 |
| --- | --- | --- | --- | --- | --- |
|  |  |  | *(in thousand Baht)* | | |
| At 21 October (the registration date) / 1 January |  |  | 550,000 |  | - |
| Acquisitions |  |  | 200,000 |  | 550,000 |
| **At 31 March / 31 December** |  |  | **750,000** |  | **550,000** |

1. **Investments in leasehold rights to properties**

|  | *Note* | 2025 |  | 2024 |
| --- | --- | --- | --- | --- |
|  |  | *(in thousand Baht)* | | |
| At 21 October (the registration date) / 1 January |  | 8,679,800 |  | - |
| Transfer from the Fund as a result of conversion |  | - |  | 8,700,000 |
| Acquisitions |  | 5,468 |  | 270 |
| Net loss on changes in fair value | *9* | (125,168) |  | (20,470) |
| **At 31 March / 31 December** |  | **8,560,100** |  | **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** |  | **Inter-relationship between key unobservable inputs and**  **fair value measurement** |
| --- | --- | --- |
| * Rental and service rates   (457 - 963 Baht per sq.m.)   * Occupancy rates (80% - 95%) * Discount rates (9.5%) * Growth rate (3%) |  | The estimated fair value increase (decrease) if:   * Rental and service rates were higher (lower); or * The occupancy rates were higher (lower); or * The discount rates were lower (higher); or * Expected market rental growth were higher (lower). |

1. **Related parties**

| ***Significant transactions with related parties*** |  |
| --- | --- |
| ***For the three-month periods ended 31 March*** | 2025 |
|  | *(in thousand Baht)* |
| Krung Thai Asset Management Public Company Limited |  |
| Trustee fee | 3,657 |
|  |  |
| C.P. Land Public Company Limited |  |
| Rental and service income | 3,661 |
| Property management fee | 26,564 |
|  |  |
| Other related parties |  |
| Rental and service income | 158,163 |
|  |  |
| Krung Thai Bank Public Company Limited |  |
| Rental and service income | 406 |
| Interest income | 696 |
|  |  |
| CP Land REIT Growth Co., Ltd. |  |
| Rental and service income | 45 |
| Management fee | 4,452 |

As at 31 March 2025 and 31 December 2024, the Trust has significant outstanding transactions with related parties as follows:

| ***Balances with related parties as at*** | 31 March |  | 31 December |
| --- | --- | --- | --- |
|  | 2025 |  | 2024 |
|  | *(in thousand Baht)* | | |
| Krung Thai Asset Management Public Company Limited |  |  |  |
| Accrued expense | 2,438 |  | 1,903 |
|  |  |  |  |
| C.P. Land Public Company Limited |  |  |  |
| Rent and service receivables | 286 |  | 2,194 |
| Other payable | 4,045 |  | 8,610 |
| Accrued expense | 8,382 |  | 9,199 |
| Guarantee deposits received from tenants | 2,920 |  | 2,857 |
|  |  |  |  |
| Other related parties |  |  |  |
| Rent and service receivables | 33,091 |  | 66,142 |
| Other payables | 371 |  | 752 |
| Unearned rent and service income | 8,826 |  | 17,739 |
| Guarantee deposits received from tenants | 106,215 |  | 121,108 |
|  |  |  |  |
| Krung Thai Bank Public Company Limited |  |  |  |
| Rent and service receivables | 7 |  | 8 |
| Guarantee deposits received from tenants | 379 |  | 379 |
|  |  |  |  |
| CP Land REIT Growth Co., Ltd. |  |  |  |
| Other payables | 1,589 |  | - |
| Accrued expense | 2,968 |  | 2,314 |
| Guarantee deposits received from tenants | 45 |  | 45 |
|  |  |  |  |
| C.P. Tower Growth Leasehold Property Fund |  |  |  |
| Other receivable | - |  | 240,972 |

***Significant agreements with related parties***

During the current period, there was no new or amended significant agreements with related parties.

1. **Cash and cash equivalents**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | 31 March |  | 31 December |  | 31 March |  | 31 December |
|  | 2025 |  | 2024 |  | 2025 |  | 2024 |
|  | Interest rate | | |  | Principal | | |
|  | *(% per annum)* | | |  | *(in thousand Baht)* | | |
| **Petty cash** | - |  | - |  | 104 |  | 83 |
| **Savings accounts** |  |  |  |  |  |  |  |
| Bank of Ayudhaya Public  Company Limited | 0.40 |  | 0.40 |  | 48,899 |  | 59,951 |
| Bangkok Bank Public  Company Limited | 0.40 |  | 0.40 |  | 67,142 |  | 38,945 |
| Krung Thai Bank Public  Company Limited | 0.40 |  | 0.40 |  | 278,560 |  | 93,500 |
|  |  |  |  |  |  |  |  |
| **Current accounts** |  |  |  |  |  |  |  |
| Bank of Ayudhaya Public  Company Limited | - |  | - |  | 3 |  | 3,115 |
| **Total** |  |  |  |  | **394,708** |  | **195,594** |

1. **Capital from trust unitholders**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Par value |  | Number |  | Amount |
|  | *(in Baht)* |  | *(in thousand units)* |  | *(in thousand Baht)* |
| ***Trust registered and capital from*** |  |  |  |  |  |
| ***trust unitholders*** |  |  |  |  |  |
| At 1 January 2025 | 9.6550 |  | 967,000 |  | 9,336,385 |
| Reduction of Trust unit value | (0.0211) |  | - |  | (20,404) |
| **At 31 March 2025** | **9.6339** |  | **967,000** |  | **9,315,981** |

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 paid to its trust unitholders in March 2025.

1. **Retained earnings**

|  | *Note* | 2025 |  | 2024 |
| --- | --- | --- | --- | --- |
|  |  | *(in thousand Baht)* | | |
| At 21 October (the registration date) / 1 January |  | 64,221 |  | - |
| Net profit on investments |  | 193,931 |  | 84,691 |
| Net loss on changes in fair value of investments |  |  |  |  |
| in leasehold rights to properties | *5* | (125,168) |  | (20,470) |
| Distributions to trust unitholders | *10* | (57,826) |  | - |
| **At 31 March / 31 December** |  | **75,158** |  | **64,221** |

1. **Distributions to unitholders**

Detail of dividend for the three-month period ended 31 March 2024 was as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| For the period | Dividend announcement date | Per unit  *(Baht)* | Total  *(in thousand Baht)* |
| 21 October - 31 December 2024 | 14 February 2025 | 0.0598 | 57,826 |
|  |  |  | **57,826** |

1. **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.

***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.
7. **Segment information**

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.

1. **Information on fair value level and fair value measurement of investments**

As at 31 March 2025 and 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 |  | Level 3 |  | Total |
|  |  | *(in thousand Baht)* | | | | | | |
| ***At 31 March 2024*** |  |  | | | | | | |
| Investments at fair value through  profit or loss | *4* | - |  | 750,000 |  | - |  | 750,000 |
| Investments in leasehold rights to properties at fair value | *5* | - |  | - |  | 8,560,100 |  | 8,560,100 |
|  |  |  |  |  |  |  |  |  |
| ***At 31 December 2023*** |  |  |  |  |  |  |  |  |
| Investments at fair value through  profit or loss | *4* | - |  | 550,000 |  | - |  | 550,000 |
| Investments in leasehold rights to properties at fair value | *5* | - |  | - |  | 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 5 to the interim financial statements.

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

1. **Commitments with non-related parties**

***Capital commitments***

As at 31 March 2025, the Trust had commitments of Baht 3 million in respect of property renovation agreements *(31 December 2024: Baht 3 million)*.

***Service agreement commitments***

As at 31 March 2025 and 31 December 2024, the Trust was committed to pay fees to counterparties under the terms and conditions as specified in Note 11 to the interim financial statements.

1. **Other**

The Trust operates a business in Bangkok, which was affected by an earthquake on 28 March 2025, hence requiring certain repairs to the properties. As of the date of approval of these interim financial statements, management and the insurers have not finalised their assessments. Management believes that any losses arising from the incident will be recovered by insurance.

1. **Events after the reporting period**

16.1 At the Board of Directors Meeting of the REIT Manager held on 14 May 2025, the Board of Directors approved the appropriation of interim distribution of Baht 0.0662 per unit, amounting to Baht 64.02 million, which will be paid to its trust unitholders in June 2025.

16.2 At the Board of Directors Meeting of the REIT Manager held on 14 May 2025, the Board of Directors approved the paid-in capital reduction of the Trust of par value at the rate of Baht 0.1294 per unit, amounting to Baht 125.13 million, which will be paid to its trust unitholders in June 2025.