

# **INDEPENDENT AUDITOR’S REPORT ON REVIEW OF THE INTERIM FINANCIAL INFORMATION**

## **To the Unitholders of AIM Commercial Growth Freehold and Leasehold Real Estate Investment Trust**

I have reviewed the financial statements of AIM Commercial Growth Freehold and Leasehold Real Estate Investment Trust (“the Trust”), which comprise the statement of financial position and detail of investments as at 30 June 2023, the statements of comprehensive income for the three-month and six-month periods the ended 30 June 2023, statement of changes in net assets and cash flows for the six-month period then ended, and condensed notes to the interim financial statements (collectively “the interim financial information”). Management is responsible for the preparation and presentation of this interim financial information in accordance with the guidance of accounting practices for Property Fund, Real Estate Investment Trust, Infrastructure Fund, Infrastructure Investment Trust, which is determined by Association of Investment Management Companies and approved by the Securities and Exchange Commission. My responsibility is to express a conclusion on this interim financial information based on my review.

### **Scope of Review**

I conducted my review in accordance with Thai Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion on the interim financial information.

## **Conclusion**

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with the guidance of accounting practices for Property Fund, Real Estate Investment Trust, Infrastructure Fund, Infrastructure Investment Trust, which is determined by Association of Investment Management Companies and approved by the Securities and Exchange Commission.

## **Other Matter**

The statement of financial position of AIM Commercial Growth Freehold and Leasehold Real Estate Investment Trust as at 31 December 2022, presented as comparative information, were audited by another auditor who used to be in the same office as mine who expressed an unmodified opinion on this statement according to the report dated 27 February 2023.

The related statements of comprehensive income, the statements of changes in net assets and cash flows for the three-month period then ended, presented as comparative information, were reviewed by the aforementioned auditor who concluded that nothing has come to her attention that caused her to believe that the interim financial information was not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim financial reporting" according to the report dated 10 August 2022.

**Luxsamee Deetrakulwattanapol**

Certified Public Accountant

Registration No. 9056

Grant Thornton Limited

Bangkok

11 August 2023

**AIM COMMERCIAL GROWTH FREEHOLD AND LEASEHOLD REAL ESTATE INVESTMENT TRUST**  
**STATEMENT OF FINANCIAL POSITION**

	Notes	Baht	
		30 June 2023 (Unaudited but Reviewed)	31 December 2022 (Audited)
<b>ASSETS</b>			
Investment in properties at fair value	7, 18	2,844,923,910	2,844,923,910
Cash and cash equivalents	8	195,355,643	186,441,751
Receivables			
From rental and services	9	301,564,571	268,481,023
From interest		45,379	69,777
From revenue department		228,247	2,692,513
Deferred expenses	10	8,962,017	13,283,394
Unearned revenue		907,852	-
Other assets		3,981,976	2,996,206
<b>TOTAL ASSETS</b>		<b>3,355,969,595</b>	<b>3,318,888,574</b>
<b>LIABILITIES</b>			
Short-term loan from financial institution	11	40,000,000	40,000,000
Payables			
From interest		782,764	908,493
Others		42,326,322	37,643,408
Accrued expenses		16,871,598	16,289,001
Deposits and rental guarantee		71,925,848	71,465,929
Liabilities under lease	12	65,502,095	63,923,910
Long-term loan from financial institution	13	171,387,258	182,915,715
<b>TOTAL LIABILITIES</b>		<b>408,795,885</b>	<b>413,146,456</b>
<b>NET ASSETS</b>		<b>2,947,173,710</b>	<b>2,905,742,118</b>
<b>NET ASSETS :</b>			
Capital from unitholders			
288,000,000 units of Baht 9.80 each	14	2,822,400,000	2,822,400,000
Retained earnings	15	124,773,710	83,342,118
<b>NET ASSETS</b>		<b>2,947,173,710</b>	<b>2,905,742,118</b>
Net asset value per unit (Baht)		10.2332	10.0893
Number of units issued at the end of period/year (Units)	14	288,000,000	288,000,000

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 ( ) Director

**AIM COMMERCIAL GROWTH FREEHOLD AND LEASEHOLD REAL ESTATE INVESTMENT TRUST**  
**DETAILS OF INVESTMENTS**

Details of investments classified by asset type

Type of investments/ Land title deed	Area (Rai-Ngan-Sq. Wah)	Location	Building no.	30 June 2023 (Unaudited but Reviewed)			31 December 2022 (Audited)		
				Cost (Baht)	Fair value (Baht)	Percentage of investments (%)	Cost (Baht)	Fair value (Baht)	Percentage of investments (%)
<b>Investments in properties</b>									
<b>Land Sub-Lease Agreement and/or Building and Movable Assets Sub-Lease Agreement - UD Town Project</b>									
907490226	23-1-69.9	Pho Si Road, Mak Khaeng Subdistrict,	45/5	1,527,363,033	1,443,923,910	50.75	1,527,363,033	1,443,923,910	50.75
901608085	0-3-81.7	Mueang Udon Thani District, Udon Thani Province							
907608086									
<b>Leasehold Rights of Lands, Building and Movable assets - Porto Chino Project</b>									
120935	10-2-19.3	Rama 2 Road, Na Di Subdistrict, Mueang Samut	99/120-124	947,425,164	787,000,000	27.66	947,425,164	787,000,000	27.66
117043	3-1-55.8	Sakhon District Samut Sakhon Province							
117042	0-0-84.9								
<b>Leasehold Rights for Buildings and Movable assets - 72 Courtyard Project</b>									
-	-	Soi Sukhumvit 55 (Soi Thong Lor), Sukhumvit Road, Khlong Tan Nuea, Watthana, Bangkok	72	458,532,338	374,000,000	13.15	458,532,338	374,000,000	13.15
<b>Ownership of Condominium for Commercial use</b>									
988/1, 988/2, 988/3		Noble Solo Condominium	1	225,982,674	240,000,000	8.44	225,982,674	240,000,000	8.44
988/4, 988/5, 988/6		Soi Sukhumvit 55 (Soi Thong Lor), Sukhumvit Road, Khlong Tan Nuea, Watthana, Bangkok							
<b>Total investments in properties</b>				<b>3,159,303,209</b>	<b>2,844,923,910</b>	<b>100.00</b>	<b>3,159,303,209</b>	<b>2,844,923,910</b>	<b>100.00</b>

The accompanying notes form an integral part of these interim financial statements.

(Unaudited but Reviewed)

**AIM COMMERCIAL GROWTH FREEHOLD AND LEASEHOLD REAL ESTATE INVESTMENT TRUST**

**STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE THREE-MONTH PERIOD ENDED 30 JUNE**

		<b>Baht</b>	
	<b>Note</b>	<b>2023</b>	<b>2022</b>
<b>INVESTMENT INCOME</b>			
Rental and services income		88,404,343	84,173,822
Interest income		1,404,464	866,261
Other income		1,015,306	-
<b>Total investment income</b>		<b>90,824,113</b>	<b>85,040,083</b>
<b>EXPENSES</b>			
Operating expenses		10,623,362	10,320,482
REIT Manager fee	6	4,443,410	4,276,023
Trust's property management fee	6	4,025,652	732,091
Amortization of deferred expenses		2,172,626	2,172,626
Trustee fee	6	1,886,637	1,831,291
Professional fee		553,968	310,785
Registrar fee		220,027	203,052
Other expenses		808,281	710,209
Finanace cost		3,902,406	3,389,545
Loss (reversal of loss) from expected credit loss		(544,318)	1,787,014
<b>Total expenses</b>		<b>28,092,051</b>	<b>25,733,118</b>
<b>Net investment income</b>		<b>62,732,062</b>	<b>59,306,965</b>
<b>Increase in net assets from operations</b>		<b>62,732,062</b>	<b>59,306,965</b>

The accompanying notes form an integral part of these interim financial statements.

(Unaudited but Reviewed)

**AIM COMMERCIAL GROWTH FREEHOLD AND LEASEHOLD REAL ESTATE INVESTMENT TRUST**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE SIX-MONTH PERIOD ENDED 30 JUNE**

		<b>Baht</b>	
	<b>Notes</b>	<b>2023</b>	<b>2022</b>
<b>INVESTMENT INCOME</b>			
Rental and services income		177,175,019	156,931,978
Interest income		2,668,534	923,030
Other income		1,237,786	40,587
<b>Total investment income</b>		<b>181,081,339</b>	<b>157,895,595</b>
<b>EXPENSES</b>			
Operating expenses		21,148,345	20,565,415
REIT Manager fee	6	8,809,305	8,581,638
Trust's property management fee	6	7,527,746	4,100,646
Amortization of deferred expenses	10	4,321,377	4,321,377
Trustee fee	6	3,743,936	3,665,430
Professional fee		882,209	692,369
Registrar fee		437,636	419,075
Other expenses		1,155,112	867,988
Finanace cost		7,673,937	6,773,263
Loss from expected credit loss	9	433,044	62,341,298
<b>Total expenses</b>		<b>56,132,647</b>	<b>112,328,499</b>
<b>Net investment income</b>		<b>124,948,692</b>	<b>45,567,096</b>
<b>Increase in net assets from operations</b>		<b>124,948,692</b>	<b>45,567,096</b>

The accompanying notes form an integral part of these interim financial statements.

(Unaudited but Reviewed)

**AIM COMMERCIAL GROWTH FREEHOLD AND LEASEHOLD REAL ESTATE INVESTMENT TRUST**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**FOR THE SIX-MONTH PERIOD ENDED 30 JUNE**

	<b>Note</b>	<b>Baht</b>	
		<b>2023</b>	<b>2022</b>
<b>Increase in net assets from operations for the period</b>			
Net investment income		124,948,692	45,567,096
<b>Increase in net assets from operations</b>		<u>124,948,692</u>	<u>45,567,096</u>
Capital return on unitholders		-	(48,960,000)
Distributions to unitholders	16	(83,517,100)	-
<b>Increase (decrease) in net assets during period</b>		<u>41,431,592</u>	<u>(3,392,904)</u>
<b>Net assets at the beginning of period</b>		<u>2,905,742,118</u>	<u>2,862,144,443</u>
<b>Net assets at the end of period</b>		<u>2,947,173,710</u>	<u>2,858,751,539</u>

The accompanying notes form an integral part of these interim financial statements.

(Unaudited but Reviewed)

**AIM COMMERCIAL GROWTH FREEHOLD AND LEASEHOLD REAL ESTATE INVESTMENT TRUST**

**STATEMENT OF CASH FLOWS**

**FOR THE SIX-MONTH PERIOD ENDED 30 JUNE**

	<b>Baht</b>	
	<b>2023</b>	<b>2022</b>
<b>Cash flows from operating activities</b>		
Increase in net assets from operations	124,948,692	45,567,096
<b>Adjustments to reconcile increase in net assets from operations to net cash provided by (used in) operating activities :</b>		
Finance cost	7,673,937	6,773,263
Decrease (increase) in receivables from rental and services	(31,318,833)	23,875,191
Decrease in receivables from interest	24,398	809
Decrease (increase) in receivables from Revenue Department	2,464,266	(1,595,427)
Decrease in deferred expenses	4,321,377	4,321,377
Increase in unearned revenue	(907,852)	-
Decrease (increase) in other assets	(985,770)	613,101
Increase (decrease) in other payables	4,682,913	(31,335,636)
Increase in deferred revenue	-	338,722
Increase (decrease) in accrued expenses	582,597	(29,901,635)
Increase (decrease) in deposits and rental guarantee	459,919	(128,081)
Repayment of liabilities under lease	-	(1,670,212)
Loss from expected credit losses	433,044	62,341,298
Interest income	(2,197,759)	804,586
<b>Net cash flows provided from operating activities</b>	<b>110,180,929</b>	<b>80,004,452</b>
<b>Cash flows from financing activities</b>		
Distribution to unitholders	(83,517,100)	-
Capital return on unitholders	-	(48,960,000)
Interest paid	(5,749,937)	(4,823,468)
Repayment for long-term loan form financial institution	(12,000,000)	(3,427,200)
<b>Net cash flows used in financing activities</b>	<b>(101,267,037)</b>	<b>(57,210,668)</b>
<b>Net increase in cash and cash at banks for the period</b>	<b>8,913,892</b>	<b>22,793,784</b>
<b>Cash and cash at banks at the beginning of period</b>	<b>186,441,751</b>	<b>174,724,513</b>
<b>Cash and cash at banks at the end of period</b>	<b>195,355,643</b>	<b>197,518,297</b>

The accompanying notes form an integral part of these interim financial statements.



**AIM COMMERCIAL GROWTH FREEHOLD AND LEASEHOLD REAL ESTATE INVESTMENT TRUST  
CONDENSEN NOTES TO INTERIM FINANCAL STATEMENTS  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2023 (Unaudited but Reviewed)**

**1. NATURE OF BUSINESS**

AIM Commercial Growth Freehold and Leasehold Real Estate Investment Trust (“the Trust”) is a real estate investment trust established under the Trust for Transaction in Capital Market Act, B.E. 2550 in accordance with the Trust Deed signed on 3 July 2019 between AIM Real Estate Management Company Limited as the Trust Settlor and SCB Asset Management Company Limited as the Trustee. The Trust was established as a specific closed-end real estate investment trust with an indefinite term. The Trust’s objectives are to mobilize funds raised from investors and loans from financial institutions to invest in the freehold or leasehold right of the immovable assets (including sub-leasehold right of immovable assets) and movable assets which are component parts and equipment of aforesaid immovable assets.

The Stock Exchange of Thailand (“SET”) approved the listing of the Trust’s investment trusts and permitted their trading from 12 July 2019 onwards.

AIM Real Estate Management Company Limited acts as REIT Manager, SCB Asset Management Company Limited acts as Trustee and there are Property Managers of each project as follows :

- |                                       |                          |
|---------------------------------------|--------------------------|
| A) Udon Plaza Co., Ltd.               | For UD Town Project      |
| B) Chetchot Co., Ltd.                 | For 72 Courtyard Project |
| C) D-Land Property Co., Ltd.          | For Porto Chino Project  |
| D) Noble Development Public Co., Ltd. | For Noble Solo Project   |

**2. DISTRIBUTION POLICY**

The Trust has a policy to pay distributions to unitholders as follows:

REIT Manager shall distribute to the Trust’s unitholders at least 90% of the adjusted net profit for the accounting period, comprising the year-end distribution and the interim distribution (if any). REIT Manager shall pay distributions to the Trust’s unitholders not more than 4 times in each accounting period, except in the event of a capital increase, when the Trust may pay more than 4 distributions in an accounting period in the best interests of the unitholders holding trust units prior to the capital increase (the distribution shall be begun to make in the first accounting period that the Trust has sufficient profits).

The adjusted net profit means the net profit adjusted by the following items:

- (1) The repair, maintenance or improvement of the Trust's real estate in accordance with the clearly defined plans in the registration statement and prospectus, annual registration statement, annual report, or as the REIT Manager notice to unitholder knows in advance.
- (2) Payment for debt from borrowing or obligation arising from borrowing of the Trust under the limit stated in the registration statement and prospectus, annual registration statement, annual report, or REIT manager notice to unitholder knows in advance.
- (3) The distribution payment to unitholders firstly entitled to receive benefit or refunds. (if have)

### **3. BASIS OF INTERIM FINANCIAL STATEMENTS PREPARATION**

The interim financial statements are for the three-month and six-month periods ended 30 June 2023. They have been prepared in accordance with the guidance of accounting practices for Property Fund, Real Estate Investment Trust, Infrastructure Fund, Infrastructure Investment Trust, which is determined by Association of Investment Management Companies and approved by the Securities and Exchange Commission (“Accounting Guidelines”). For the areas not covered by the accounting guidelines, the Trust applies the requirements in the accordance with Thai Financial Reporting Standards issued by the Federation of Accounting Professions which effective on the financial reporting period of the interim financial information and are presented in Thai Baht, which do not include all of the information required in annual financial statements in accordance with Thai Financial Reporting Standards, and should be read in conjunction with the financial statements for the year ended 31 December 2022.

The interim financial statements are prepared in Thai language. The translation of these financial statements into other language should conform to the Thai financial report.

### **4. SIGNIFICANT ACCOUNTING POLICIES**

These interim financial statements have been prepared using the same accounting policies used in the preparation of the financial statements of the Trust for the year ended 31 December 2022, except for the adoption of the new and revised Thai Financial Reporting Standards, interpretations and guidance that become effective for the preparation financial statements for the period beginning on or after 1 January 2023.

The Trust has initially applied revised TFRS that are effective for annual periods beginning on or after 1 January 2023 and has not early adopted TFRS which are not yet effective. The application has no material impact on the Trust's financial statements.

## 5. ESTIMATES

When preparing the interim financial statements, management undertake judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results. The judgments, estimates and assumptions applied in the interim financial statements, are the same as those applied in the annual financial statements for the year ended 31 December 2022.

## 6. TRANSACTIONS WITH RELATED COMPANIES

Related parties of the Trust comprise individuals or enterprises that own voting interest of at least 10% in the Trust, control, or are controlled by, the Trust, whether directly or indirectly, or which are under common control with the Trust.

They also include REIT Manager, Trustee and their related parties and included associated companies and individuals or enterprises which directly or indirectly own a voting interest in the Trust that gives them significant influence over the Trust, key management personnel and directors of REIT Manager with authority in planning and directing the Trust's operations.

The relationships of related parties are as follows:

<b>Related parties</b>	<b>Relationship</b>
AIM Real Estate Management Company Limited	REIT Manager
D-Land Property Co., Ltd.	Property Manager of Porto Chino Project
Chetchot Co., Ltd.	Property Manager of 72 Courtyard Project
Udon Plaza Co., Ltd.	Property Manager of UD Town Project
Noble Development Public Co., Ltd.	Property Manager of Noble Solo Project
SCB Asset Management Company Limited	Trustee
The Siam Commercial Bank Public Company Limited	Parent company of Trustee
Bar Toro (Thailand) Company Limited	Related Company of Property Manager
Membership Company Limited	Related Company of Property Manager
Tanatip 456 Co., Ltd.	Related Company of Property Manager

Significant transactions with related companies for the three-month and six-month periods ended 30 June 2023 and 2022 consist of:

		Baht	
		For the three-month period	
		Ended 30 June	
Transfer Pricing Policy		2023	2022
Rental and services income	Contract price	62,250,763	57,923,208
Interest income	Market rate	1,281,910	823,347
Other income	Contract price	632,533	-
REIT Manager fee	As detailed in Note 17	4,443,410	4,276,023
Trust's property management fee	As detailed in Note 17	4,025,652	732,091
Trustee fee	As detailed in Note 17	1,886,637	1,831,291
Operating expenses	As detailed in Note 17	10,179,902	9,942,641
Loss from expected credit loss		-	1,607,134

		Baht	
		For the six-month period	
		Ended 30 June	
Transfer Pricing Policy		2023	2022
Rental and services income	Contract price	124,785,097	102,969,012
Interest income	Market rate	2,435,137	840,767
Other income	Contract price	632,533	-
REIT Manager fee	As detailed in Note 17	8,809,305	8,581,638
Trust's property management fee	As detailed in Note 17	7,527,746	4,100,646
Trustee fee	As detailed in Note 17	3,743,936	3,665,430
Operating expenses	As detailed in Note 17	20,359,878	19,885,283
Loss from expected credit loss		-	61,971,209

As at 30 June 2023 and 31 December 2022, the Trust has the following significant outstanding balances with its related parties as follows:

	Baht	
	30 June 2023	31 December 2022
<u>Transactions with related parties</u>		
Cash and cash equivalents	144,168,612	110,927,982
Receivables from rental and services	281,145,933	235,549,155
Receivables from interest	21,642	5,293
Other payables	36,737,984	30,479,118
Accrued expenses	18,847,427	17,671,748
Deposit and rental guarantee	33,357,877	32,401,535

## 7. INVESTMENT IN PROPERTIES

The outstanding balances of investment in properties as at 30 June 2023 and 31 December 2022 are as follows:

	Baht			
	30 June 2023		31 December 2022	
	Cost	Fair value	Cost	Fair value
UD Town Project	1,527,363,033	1,443,923,910	1,527,363,033	1,443,923,910
Porto Chino Project	947,425,164	787,000,000	947,425,164	787,000,000
72 Courtyard Project	458,532,338	374,000,000	458,532,338	374,000,000
Noble Solo Project	225,982,674	240,000,000	225,982,674	240,000,000
Total	<u>3,159,303,209</u>	<u>2,844,923,910</u>	<u>3,159,303,209</u>	<u>2,844,923,910</u>

### Information of investment in properties

As at 30 June 2023, the Trust lease and/or sublease agreements acquired investment in properties which consists of

a) UD Town Project

Located on Mak Khaeng Sub-district Mueang Udon Thani District Udon Thani Province, the total areas of land is approximately 45,313 square meters, total usable area approximately 48,765 square meters. The REIT invested in (i) land sublease and leasehold right to building and system for a period of 20 years and 10 months since 5 July 2019 (ii) leasehold right to land and sublease building and system for a period of 4 years since 5 July 2019 with a total land area of 45,271 square meters and total usable area approximately 45,279 square meters.

However, leasehold right to land and sublease building and system for a period of 4 years was expired as at 31 December 2022 with a total land area of 7,791 square meters and total usable area approximately 5,048 square meters.

b) Porto Chino Project

Located on Rama 2 road Na Di Sub-district Mueang Samut Sakhon District Samut Sakhon Province, the total area 15 rai 1 ngan 60 square wah, total usable area of approximately 43,814 square meters. The REIT invested leasehold right to land building and other asset as part of the land building and utilities system for a period approximately 30 years since 5 July 2019 and total area 14 rai 0 ngan 60 square wah usable area approximately 33,694 square meters.

However, during the 3<sup>rd</sup> quarter of 2022, the Trust extended the land and building rental agreement for the period of 5 years since 5 July 2049 in order to the partial payment of outstanding debt of this project (Note 9).

c) 72 Courtyard Project

Located on Sukhumvit 55 road (Soi Thong Lor) Sukhumvit road, Klong Tan Nuea Sub-district, Wattana District, Bangkok, total area is approximately 1 rai 0 ngan 53 square wah total usable area is approximately 5,019 square meters. The REIT invested leasehold right to building system of 72 Courtyard Project including facilities and parts of the land and building is period of 13 years since 5 July 2019 with total usable area approximately 5,019 square meters.

d) Noble Solo Project

The Trust has ownership of the condominium of Noble Solo project for commercial purpose located on Klong Tan Nuea Sub-district, Wattana District, Bangkok, total area is approximately 1,424 square meters.

The Trust has mortgaged its land and/or buildings and the conditional assignment of proceed claims under the rental agreement with the term of longer than 3 years (only Noble Solo Project and Porto Chino Project) as collateral against credit facilities received from financial institution as described in Notes 11 and 13.

## 8. CASH AND CASH EQUIVALENTS

As at 30 June 2023 and 31 December 2022, the Trust has the details of cash and cash equivalents as follows:

	30 June 2023		31 December 2022	
	Interest rate (%)	Baht	Interest rate (%)	Baht
Cash at Banks				
Savings accounts	0.25 - 0.375	150,273,779	0.15 - 0.30	141,289,614
Fixed deposit account 3 months	0.65 - 0.90	45,081,864	0.80 - 0.92	45,152,137
Total		<u>195,355,643</u>		<u>186,441,751</u>

As at 30 June 2023 and 31 December 2022, the Trust's deposit of Baht 10 million. The restricted for usage from the pledge as collaterals for loan from a commercial bank as described in Note 13.

## 9. RECEIVABLES FROM RENTAL AND SERVICES

The outstanding balances of receivables from rental and services are aged on the basis of due dates, as follows:

	Baht	
	30 June 2023	31 December 2022
<u>Aged on the basis of due dates</u>		
Not yet due	261,975,163	230,231,048
Overdue:		
Less than 3 months	32,721,339	33,775,165
3 - 6 months	1,676,969	3,048,852
6 - 12 months	4,353,452	2,309,279
More than 12 months	61,777,088	59,623,075
Total	<u>362,504,011</u>	<u>328,987,419</u>
<u>Less</u> Allowance for expected credit losses	<u>(60,939,440)</u>	<u>(60,506,396)</u>
Net	<u>301,564,571</u>	<u>268,481,023</u>

Movement of allowance for expected credit losses for the six-month period ended 30 June 2023 as follows:

	Baht
Balance as at 1 January 2023	60,506,396
<u>Add</u> Allowance for expected credit losses	433,044
Balance as at 30 June 2023	60,939,440

As a result, the World Health Organization declared the outbreak of novel coronavirus (COVID-19) as a pandemic, which continues to spread globally. The consequence of the COVID-19 has adversely affected the Trust's operating results. The Trust has entered into memorandum with some lessees about the conditions of discount on outstanding debt and rental payment instalments as follows:

- 1) The discount on outstanding debt and rental payment for the Porto Chino Project for outstanding debt as at 31 December 2021 in the amount of Baht 46.67 million has settlement memorandum as follow,
  - The repayment by allowing the Trust to expand lease the Lands and buildings of the Porto Chino Project for a period of 5 years since 5 July 2049, in this case it is considered to be the partial payment of outstanding debt, amounting to Baht 32.00 million (Note 7).
  - For the remaining outstanding debt amount of Baht 14.67 million, the Trust will give a discount on these amount after the lessees performed in accordance with the memorandum about the outstanding debt since 1 January 2022. The Trust made term of repayment in 36 installments, the first payment in the first quarter of 2023. However, if the lessees did not comply with the memorandum, the Trust can immediately collect the outstanding balance without call.
  
- 2) The discount on outstanding debt and rental payment for the UD Town Project for outstanding debt as at 31 December 2021 in the amount of Baht 78.96 million. The Trust give discount on outstanding debt amounting to Baht 44.92 million after the lessees performed in accordance with the memorandum about the outstanding debt amounting to Baht 34.04 million. It will be first payment in 2<sup>nd</sup> quarter of 2022 and finished within 2<sup>nd</sup> quarter of 2025. In addition, the outstanding debt since 1 January 2022 the Trust made agreement of repayment in 36 installments, the first payment in the first quarter of 2023. However, if the lessees did not comply with the memorandum, the Trust can immediately collect the outstanding balance without call.
  
- 3) The rental payment for the 72 Courtyard Project for outstanding debt as at 31 January 2022 in the amount of Baht 95.69 million. The Trust prepare a memorandum of agreement by the first payment will be on 1 March 2022 and finished within 31 January 2024.



As at 30 June 2023, receivables balance under all installment plan are as follows:

	Baht
Due within 1 year	119,921,448
Over 1 year but not more than 5 years	128,291,771
Total	<u>248,213,219</u>

#### 10. DEFERRED EXPENSE

	Baht	
	30 June 2023	31 December 2022
Deferred expenses – beginning of period/year	13,283,394	21,997,773
<u>Less</u> Amortised during the period/year	<u>(4,321,377)</u>	<u>(8,714,379)</u>
Deferred expenses – end of period/year	<u>8,962,017</u>	<u>13,283,394</u>

#### 11. SHORT-TERM LOAN FROM FINANCIAL INSTITUTION

	Baht	
	30 June 2023	31 December 2022
Short-term loan – beginning of period/year	40,000,000	40,000,000
<u>Add</u> Increase during the period/year	40,000,000	80,000,000
<u>Less</u> Repayment in during period/year	<u>(40,000,000)</u>	<u>(80,000,000)</u>
Short-term loan – ending of period/year	<u>40,000,000</u>	<u>40,000,000</u>

During the year 2022, the Trust has issued promissory note to financial institution of Baht 80 million. The loan is repayable with 4<sup>th</sup> quarter of 2022 and 2<sup>nd</sup> quarter of 2023 which it has an interest rate of MLR minus certain rates per annum.

During the year 2023, the Trust has issued promissory note to financial institution of Baht 40 million. The loan is repayable with 4<sup>th</sup> quarter of 2023 which it has an interest rate of MLR minus certain rates per annum.

The Trust has used the same secured assets as long-term loan as described in Note 13.

## 12. LIABILITIES UNDER LEASES

Movement of liabilities under financial lease for the six-month period ended 30 June 2023 and for the year ended 31 December 2022 are as follows:

	Baht	
	30 June 2023	31 December 2022
Liabilities under leases – beginning of period/year	63,923,910	66,086,780
<u>Less</u> Repayment during period/year	-	(5,351,837)
<u>Add</u> Deferred interest expense during period/year	1,578,185	3,188,967
Liabilities under leases – end of period/year	<u>65,502,095</u>	<u>63,923,910</u>

## 13. LONG-TERM LOAN FROM FINANCIAL INSTITUTION

	Baht	
	30 June 2023	31 December 2022
Due within 1 year	24,000,000	24,000,000
Due over than 1 year	150,742,400	162,742,400
Total	174,742,400	186,742,400
<u>Less</u> Deferred loan contract fees for period/year	(3,355,142)	(3,826,685)
Total Long-term loans from financial institution	<u>171,387,258</u>	<u>182,915,715</u>

Movement of long-term loan from financial institution for the six-month period ended 30 June 2023 and for the year ended 31 December 2022 are as follows:

	Baht	
	30 June 2023	31 December 2022
Long-term loans from financial institution – beginning of period/year	186,742,400	204,588,800
<u>Less</u> Repayment during period/year	(12,000,000)	(17,846,400)
<u>Less</u> Deferred loan contract fees period/year	(3,355,142)	(3,826,685)
Long-term loans from financial institution – end of period/year	<u>171,387,258</u>	<u>182,915,715</u>

On 28 November 2019, the Trust has drawn down long-term loans from a financial institution, amounting to Baht 210 million for investment in property. The loan principal will be paid within 9 years and interest will be paid every month, with interest rate at MLR minus certain rates per annum and the principal will be started repayment within 3<sup>rd</sup> quarter of 2020. The loans are secured by the followings:

- 1) Secured by mortgaging of condominiums for commercial purpose in Noble Solo Project (Note 7).
- 2) Registration of business security agreement over bank account (Note 8) and Registration of business security agreement over the rental agreements with the term of longer than three (3) years (only Noble Solo Project and Porto Chino Project).
- 3) Endorsement of insurance for lender to be co-beneficiary and co-insurer (only Noble Solo Project and Porto Chino Project).

The loan agreements contain several covenants which, among other things, require the Trust to maintain interest bearing debt to total assets ratio (Debt to Total Assets Ratio) and interest bearing debt to profit from operations before interest expense and finance cost, tax, depreciation, amortisation and non-cash expenses ratio (Debt to EBITDA Ratio) at the rate prescribed in the agreement.

During the year 2021, the Trust entered the additional memorandum with the financial institution to receive the repayment between 3<sup>rd</sup> quarter of 2021 to 2<sup>nd</sup> quarter of 2022 and finished within 3<sup>rd</sup> quarter of 2029. The interest rate is during MLR-0.50% - MLR-3.25%.

#### 14. CAPITAL RETURN ON UNITHOLDERS

Movements of the trust units and capital from trust unitholders for the year ended 31 December 2022 are as follows:

	Unit	Value per unit	(Unit: Baht) Capital amount
Capital at the beginning of year	288,000,000	10.00	2,880,000,000
Reduction of trust unit value	-	(0.20)	(57,600,000)
Capital at the end of year	288,000,000	9.80	2,822,400,000

On 28 February 2022, At the Board of Directors Meeting of REIT Manager No. 2/2022, the Board of Directors approved the capital reduction at the rate of Baht 0.07 per unit, amounting to Baht 20.16 million, without any change in the number of units which paid from capital reduction to the unitholder on 28 March 2022. The capital reduction is in accordance with the Trust established agreement.

On 13 May 2022, At the Board of Directors Meeting of REIT Manager No. 4/2022, the Board of Directors approved the capital reduction at the rate of Baht 0.10 per unit, amounting to Baht 28.80 million, without any change in the number of units which paid from capital reduction to the unitholder on 10 June 2022. The capital reduction is in accordance with the Trust established agreement.

On 10 August 2022, At the Board of Directors Meeting of REIT Manager No. 5/2022, the Board of Directors approved the capital reduction at the rate of Baht 0.03 per unit, amounting to Baht 8.64 million, without any change in the number of units which paid from capital reduction to the unitholder on 7 September 2022. The capital reduction is in accordance with the Trust established agreement.

## 15. RETAINED EARNINGS

	Baht	
	For the six-month	
	period ended 30 June 2023	For the year ended 31 December 2022
Retained earnings (deficit) at the beginning of period/year	83,342,118	(17,855,557)
<u>Add</u> Increase in net assets resulting from operations	124,948,692	172,207,367
Loss from change in fair value of investments in properties	-	(10,533,221)
<u>Less</u> Distribution to unitholders	(83,517,100)	(60,476,471)
Retained earnings at the end of period/year	<u>124,773,710</u>	<u>83,342,118</u>

## 16. DISTRIBUTIONS TO UNITHOLDERS

Distribution paid during the six-month period ended 30 June 2023, as follows:

Approved	The operation for the period	Per unit	(Unit:Baht)
			Total
27 February 2023	Retained earnings from 1 October 2022 to 31 December 2022	0.1400	40,318,600
15 May 2023	Retained earnings from 1 January 2023 to 31 March 2023	0.1500	43,198,500
			<u>83,517,100</u>

## 17. EXPENSES

### 1) REIT Manager fee

REIT Manager is entitled to REIT Manager's fee (exclusive of value added tax or any other similar taxes) from the Trust, as detailed below:

- (1) A base fee, paid monthly and calculated at a rate not exceeding 0.75% per annum on the Trust's total asset value, as specified in the agreement.
- (2) An acquisition fee which is calculated at a rate not exceeding 3.00% on the total asset value acquired by the Trust in each period and a disposal fee which is calculated at a rate not exceeding 3.00% on lower of the total asset value disposed by the Trust in each period and the appraisal value assessed by an independent appraiser approved by the Securities and Exchange Commission.

### 2) Trustee's fee

The Trustee is entitled to monthly remuneration at a rate not exceeding 1.00% per annum (exclusive of value added tax or any other similar taxes) of the Trust's total asset value, as calculated by the REIT Manager and verified by the Trustee.

### 3) Registrar's fee

Operating expenses of the Trust Unit Registrar is monthly charged based on actual cost incurred.

### 4) Trust's property management fee

REIT Manager is entitled to Trust's property management fee (exclusive of value added tax or any other similar taxes) from the Trust, as detailed below:

- (1) A property management fee, paid monthly and calculated at a rate not exceeding 3.00% per annum on the Trust's net revenue from rental and service.
- (2) An incentive fee, paid monthly and calculated at a rate not exceeding 3.00% per annum on profit from operation of core assets of the Trust.
- (3) A commission fee from renewal of the rental and service agreement by retail tenants and provision of new retail tenants for vacant units, calculated not exceeding 1 month rental and service fee as specified in the rental and services agreement receivable from retail tenants.

### 5) Operating expenses

Operating expenses of the Trust include common area fee, insurance expense and property tax.

## 18. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement as follows:

- Level 1 quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 unobservable inputs for the asset or liability.

There was no transfer between such levels during the period.

The following table present assets that are measured at fair value as at 30 June 2023 are as follows:

	Baht
	Level 3
<u>Assets</u>	
Investment in properties	<u>2,844,923,910</u>

## 19. COMMITMENTS

As at 30 June 2023, the Trust has the following commitments:

19.1 Commitment for fees payment to counterparties under the terms and conditions as described in Note 17.

19.2 Commitments under three service and property management agreement of Baht 37 million for the period of 1 year and that service rate will increase by 1.50% per annum on July of the next year.

## **20. EVENTS AFTER THE REPORTING PERIOD**

At the Board of Directors Meeting of REIT Manager No. 4/2023 held on 11 August 2023, the Board of Directors passed resolutions to approve the appropriation of distribution from operating income for the period from 1 April 2023 to 30 June 2023 of Baht 0.13 per unit, amounting to Baht 37.44 million. The distribution will be paid on 6 September 2023.

## **21. APPROVAL OF FINANCIAL STATEMENTS**

These interim financial statements were authorized for issue by REIT Manager's Board of Directors on 11 August 2023.