

Attachment 2

Independent auditor's report for the fiscal year 2023

KTBST MIXED FREEHOLD AND LEASEHOLD REAL ESTATE INVESTMENT TRUST

FINANCIAL STATEMENTS AND AUDITOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023


**SP AUDIT CO.,LTD.**
**บริษัท เอส พี ออดิท จำกัด**

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 เลขที่ 475 อาคารสิริปิณโฑ ชั้น 16 ยูนิท 1601 ถนนศรีอยุธยา แขวงถนนพญาไท เขตราชเทวี กรุงเทพมหานคร 10400 โทร. +66 2 354-2192-4

**INDEPENDENT AUDITOR'S REPORT**

To the Unitholders of KTBST Mixed Freehold and Leasehold Real Estate Investment Trust

**Opinion**

I have audited the financial statements of KTBST Mixed Freehold and Leasehold Real Estate Investment Trust (“the Trust”), which comprise the statement of financial position and the details of investments as at 31 December 2023, and the statement of comprehensive income, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as at 31 December 2023, and its financial performance, changes in its net assets and cash flows for the year then ended in accordance with accounting guidance for Property Fund, Real Estate Investment Trust, Infrastructure Fund and Infrastructure Trust for investment companies as stipulated by Association of Investment Management Companies and endorsed by the Securities and Exchange Commission.

**Basis for Opinion**

I conducted my audit in accordance with Thai Standards on Auditing. 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 are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with 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.

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**Measurement of Investments in Properties**

As discussed in Note 5 to the financial statements, as at 31 December 2023, the Trust had the investments in freehold and leasehold properties in the amount of Baht 4,222.63 million. The fair value of such investments was a key audit matter, due to the REIT manager therefore determined the fair value of these investments based on the value appraised by an independent appraiser. As the REIT manager is required to exercise significant judgement with respect to the estimation of future operating results and the determination of a discount rate and key assumptions, there is therefore significant risk with respect to the measurement of such investments.

**Key audit procedures**

I gained an understanding and evaluating the basis upon which the Trust identified and assessed the fair value of investments in freehold and leasehold properties. I also assessed the competence and independence of the independent appraiser. In addition, I reviewed the data and key assumptions used in the measurement of fair value, by comparing them against historical data, considering the reasonableness of significant movement in property valuation from the prior year, checked them to the lease agreements, and recalculation of the fair value models.

And I engaged my external expert to consideration on the measurement basis and key assumptions underlying the estimate of the fair values.

And I reviewed disclosure the disclosure of information related to the measurement of the fair value of investments in freehold and leasehold properties, its adequacy and conformity to the requirements of accounting guidance for property fund, real estate investment trust, infrastructure fund and infrastructure trust for investment companies as stipulated by Association of Investment Management Companies with approval from the Thai Securities and Exchange Commission.

**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.



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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 for correction of the misstatement.

**Responsibilities of the REIT manager for the Financial Statements**

The REIT manager is responsible for the preparation and fair presentation of the financial statements in accounting guidance for property fund, real estate investment trust, infrastructure fund and infrastructure trust for investment companies as stipulated by Association of Investment Management Companies with approval from the Thai Securities and Exchange Commission., and for such internal control as the 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, the 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 Thai Standards on Auditing 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 Standards on Auditing, 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 the REIT manager. *h*

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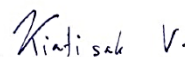
- Conclude on the appropriateness of the REIT manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. 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.

I communicate with the 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 the 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, related safeguards.

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 matters. 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.

SP Audit Company Limited



( Mr. Kiatisak Vanithanont )

Certified Public Accountant (Thailand) No. 9922

Bangkok

21 February 2024

**KTBST MIXED FREEHOLD AND LEASEHOLD REAL ESTATE INVESTMENT TRUST**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2023**

		(Unit : Baht)	
	Note	2023	2022
<b>Assets</b>			
Investments in freehold and leasehold properties at fair value	5	4,222,629,062.01	4,212,138,346.36
Investments in securities at fair value through profit or loss	6, 15	136,224,079.38	129,875,671.81
Cash and cash equivalents	7	69,153,205.26	81,663,127.41
Accounts receivable			
From rental and services	8, 15	29,949,921.81	13,414,839.47
From interest		94,689.23	25,296.67
Prepaid expenses		5,766,328.57	3,945,216.56
Other assets	15	3,972,182.70	6,170,829.51
<b>Total Assets</b>		<b>4,467,789,468.96</b>	<b>4,447,233,327.79</b>
<b>Liabilities</b>			
Accrued expenses	15	17,210,640.48	19,140,822.72
Rental and service received in advance		8,363,001.75	8,984,828.28
Deposits received from tenants		100,064,812.76	97,334,890.86
Borrowing from financial institution	9	744,279,889.37	744,693,291.63
Lease liability	10	476,267,729.93	460,206,813.57
Other liabilities	15	21,084,090.79	20,966,751.52
<b>Total Liabilities</b>		<b>1,367,270,165.08</b>	<b>1,351,327,398.58</b>
<b>Net Assets</b>		<b>3,100,519,303.88</b>	<b>3,095,905,929.21</b>
<b>Net Assets :</b>			
Trust capital from the unitholders		3,015,000,000.00	3,015,000,000.00
Retained earnings	11	85,519,303.88	80,905,929.21
<b>Net Assets</b>		<b>3,100,519,303.88</b>	<b>3,095,905,929.21</b>
Net asset value per unit (Baht)		10.2836	10.2683
Unit trust outstanding at the end of the year (Units)		301,500,000	301,500,000

The accompanying notes are an integral part of these financial statements.

**KTBST MIXED FREEHOLD AND LEASEHOLD REAL ESTATE INVESTMENT TRUST**  
**THE DETAILS OF INVESTMENTS**  
**AS AT 31 DECEMBER 2023**

Details of investments are classified by type of investment.

Type of investments	Cost (Baht)	Fair Value (Baht)	Percent of investment
<b>Investments in leasehold properties at fair value</b>			
Rich Asset Project			
Location: Bang Phli District, Samut Prakarn province			
Leasehold rights on land, leasehold rights on warehouse building and factories and offices 41 units	685,500,000.00		
	685,500,000.00	678,817,229.94	15.57
ST Bang-Bo Project			
Location: Bang Bo district, Samut Prakarn province			
Leasehold rights on land, leasehold rights on warehouse building and factories 9 units	558,000,000.00		
	558,000,000.00	554,476,545.86	12.72
ST Bang Pa-in Project			
Location: Bang Pa-in district, Ayutthaya province			
Leasehold rights on land, leasehold rights on warehouse building 3 units and cold storage 1 unit	699,000,000.00		
	699,000,000.00	722,000,000.00	16.56
Summer Hub Project			
Location: Sukhumvit Road, Khlong Toei, Bangkok			
Subleasehold right on land, leasehold right on office buildings including utility system 1 unit	416,970,000.00		
Rights-of-use land	155,649,920.35		
Furniture, fixtures and equipment	649,698.04		
	573,269,618.39	575,210,155.23	13.20
Summer Hill Project			
Location: Sukhumvit Road, Khlong Toei, Bangkok			
Subleasehold right on land, leasehold right on community mall buildings including utility system 1 unit	650,770,000.00		
Rights-of-use land	292,483,186.67		
Furniture, fixtures and equipment	464,149.87		
	943,717,336.54	937,241,561.12	21.50
<b>Total investments in leasehold properties at fair value</b>	<b>3,459,486,954.93</b>	<b>3,467,745,492.15</b>	<b>79.55</b>

The accompanying notes are an integral part of these financial statements.

**KTBST MIXED FREEHOLD AND LEASEHOLD REAL ESTATE INVESTMENT TRUST**  
**THE DETAILS OF INVESTMENTS**  
**AS AT 31 DECEMBER 2023**

Details of investments are classified by type of investment.

Type of investments	Cost (Baht)	Fair Value (Baht)	Percent of investment	
<b>Investments in freehold properties at fair value</b>				
Interlink Data Center Project				
Location: Sukhumvit Road, Khlong Toei, Bangkok				
Freehold on land and data center building including utility system	675,000,000.00			
Furniture, fixtures and equipment	70,093,457.94			
	745,093,457.94	754,883,569.86	17.32	
<b>Total investments in freehold properties at fair value</b>	<b>4,204,580,412.87</b>	<b>4,222,629,062.01</b>	<b>96.87</b>	
<b>Investments in freehold and leasehold properties at fair value</b>				
Type of Investments	Maturity date	Cost (Baht)	Fair Value (Baht)	Percent of investment
<b>Investments in securities</b>				
Investment in unit trust				
DAOL MONEY MARKET FUND				
- DAOL-MONEY-R		5,000,000.00	5,087,493.52	0.12
KKP FIXED INCOME PLUS FUND				
- KKP PLUS		30,000,000.00	30,610,642.46	0.70
Fixed deposits				
Kasikornbank Public Company Limited	13 Mar 2024	27,261,017.16	27,261,017.16	0.63
Kasikornbank Public Company Limited	9 Jun 2024	15,143,038.75	15,143,038.75	0.35
Kiatnakin Phatra Bank Public Company Limited	3 Jan 2024	13,083,057.31	13,083,057.31	0.30
Kiatnakin Phatra Bank Public Company Limited	2 Apr 2024	4,645,283.46	4,645,283.46	0.11
Fixed deposits Receipt				
Government Housing Bank	4 Jan 2024	10,078,140.83	10,078,140.83	0.23
Government Housing Bank	22 Feb 2024	10,079,356.57	10,079,356.57	0.23
Government Housing Bank	28 Mar 2024	20,236,049.32	20,236,049.32	0.46
<b>Total investments in securities</b>		<b>135,525,943.40</b>	<b>136,224,079.38</b>	<b>3.13</b>
<b>Total investments</b>		<b>4,340,106,356.27</b>	<b>4,358,853,141.39</b>	<b>100.00</b>

The accompanying notes are an integral part of these financial statements.



KTBST MIXED FREEHOLD AND LEASEHOLD REAL ESTATE INVESTMENT TRUST

THE DETAILS OF INVESTMENTS

AS AT 31 DECEMBER 2022

Details of investments are classified by type of investment.

Type of Investments	Cost (Baht)	Fair Value (Baht)	Percent of Investment
<b>Investments in leasehold properties at fair value</b>			
Rich Asset Project			
Location: Bang Phli District, Samut Prakarn province			
Leasehold rights on land, leasehold rights on warehouse building and factories and offices 41 units	685,500,000.00		
	685,500,000.00	653,948,166.58	15.06
ST Bang-Bo Project			
Location: Bang Bo district, Samut Prakarn province			
Leasehold rights on land, leasehold rights on warehouse building and factories 9 units	558,000,000.00		
	558,000,000.00	558,000,000.00	12.85
ST Bang Pa-in Project			
Location: Bang Pa-in district, Ayutthaya province			
Leasehold rights on land, leasehold rights on warehouse building 3 units and cold storage 1 unit	699,000,000.00		
	699,000,000.00	717,812,934.10	16.53
Summer Hub Project			
Location: Sukhumvit Road, Khlong Toei, Bangkok			
Subleasehold right on land, leasehold right on office buildings including utility system 1 unit	416,970,000.00		
Rights-of-use land	155,649,920.35		
Furniture, fixtures and equipment	28,037.38		
	572,647,957.73	595,582,467.41	13.72
Summer Hill Project			
Location: Sukhumvit Road, Khlong Toei, Bangkok			
Subleasehold right on land, leasehold right on community mall buildings including utility system 1 unit	650,770,000.00		
Rights-of-use land	292,483,186.67		
Furniture, fixtures and equipment	214,953.27		
	943,468,139.94	927,606,113.70	21.36
<b>Total investments in leasehold properties at fair value</b>	<b>3,458,616,097.67</b>	<b>3,452,949,681.79</b>	<b>79.52</b>

The accompanying notes are an integral part of these financial statements.

KTBST MIXED FREEHOLD AND LEASEHOLD REAL ESTATE INVESTMENT TRUST

THE DETAILS OF INVESTMENTS

AS AT 31 DECEMBER 2022

Details of investments are classified by type of investment.

Type of investments	Cost (Baht)	Fair Value (Baht)	Percent of investment	
<b>Investments in freehold properties at fair value</b>				
Interlink Data Center Project				
Location: Sukhumvit Road, Khlong Toei, Bangkok				
Freehold on land and data center building including utility system	675,000,000.00			
Furniture, fixtures and equipment	70,093,457.94			
	745,093,457.94	759,188,664.57	17.48	
<b>Total investments in freehold properties at fair value</b>	<b>4,203,709,555.61</b>	<b>4,212,138,346.36</b>	<b>97.00</b>	
<b>Investments in freehold and leasehold properties at fair value</b>				
Type of investments	Maturity date	Cost (Baht)	Fair Value (Baht)	Percent of investment
<b>Investments in securities</b>				
Investment in unit trust				
DAOL MONEY MARKET FUND				
- DAOL-MONEY-R		5,000,000.00	5,017,273.61	0.12
KKP FIXED INCOME PLUS FUND				
- KKP PLUS		30,000,000.00	30,055,485.00	0.69
Fixed deposits				
Kasikornbank Public Company Limited	13 Mar 2023	27,067,563.31	27,067,563.31	0.62
Kasikornbank Public Company Limited	9 June 2023	15,045,033.75	15,045,033.75	0.35
Kiatnakin Phatra Bank Public Company Limited	30 Mar 2023	17,654,404.60	17,654,404.60	0.41
CIMB Thai Bank Public Company Limited	3 Jan 2023	5,010,142.12	5,010,142.12	0.12
Fixed deposits Receipt				
Government Housing Bank	28 Jan 2023	10,008,317.37	10,008,317.37	0.23
Government Housing Bank	28 Mar 2023	20,017,452.05	20,017,452.05	0.46
<b>Total investments in securities</b>		<b>129,802,913.20</b>	<b>129,875,671.81</b>	<b>3.00</b>
<b>Total investments</b>		<b>4,333,512,468.81</b>	<b>4,342,014,018.17</b>	<b>100.00</b>

The accompanying notes are an integral part of these financial statements.

**KTBST MIXED FREEHOLD AND LEASEHOLD REAL ESTATE INVESTMENT TRUST**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

		(Unit : Baht)	
	Note	2023	2022
<b>Income</b>			
Rental and service income		363,240,061.47	336,794,474.35
Compensation income under the undertaking agreement	15	2,673,815.13	19,591,011.77
Interest income		1,311,005.49	541,673.71
Other income		1,124,142.52	258,540.32
Total Income		368,349,024.61	357,185,700.15
<b>Expenses</b>			
REIT Manager fee	12, 15	20,922,203.92	12,811,958.08
Trustee fee	12, 15	10,464,874.53	9,943,860.06
Registrar fee	12	943,941.10	954,786.05
Property management fee	13, 15	21,202,296.32	19,169,948.02
Professional fee		600,000.00	600,000.00
Operating expenses	14	41,827,422.23	30,182,818.69
Other expenses		2,535,157.85	2,918,659.98
Finance costs		63,893,015.94	47,274,183.08
Total Expenses		162,388,911.89	123,856,213.96
Net Gain From Investment		205,960,112.72	233,329,486.19
<b>Net Gain from Investments</b>			
Net realized gain on investments		10,245,235.76	8,501,549.36
Total Net Gain from Investments		10,245,235.76	8,501,549.36
Increase in Net Assets from Operations		216,205,348.48	241,831,035.55

The accompanying notes are an integral part of these financial statements.

**KTBST MIXED FREEHOLD AND LEASEHOLD REAL ESTATE INVESTMENT TRUST**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	2023	2022
<b>(Unit : Baht)</b>			
<b>Increase in Net Assets from Operations during the Year</b>			
Net investment gain		205,960,112.72	233,329,486.19
Net gain from investments		10,245,235.76	8,501,549.36
Net Increase in Net Assets from Operations		<u>216,205,348.48</u>	<u>241,831,035.55</u>
Distribution to unitholders	16	<u>(211,591,973.81)</u>	<u>(193,097,022.32)</u>
Net Increase in Net Assets during the Year		4,613,374.67	48,734,013.23
Net Assets at Beginning of the Year		<u>3,095,905,929.21</u>	<u>3,047,171,915.98</u>
Net Assets at End of the Year		<u><u>3,100,519,303.88</u></u>	<u><u>3,095,905,929.21</u></u>
<b>(Unit : Units)</b>			
<b><u>Changes in number of investment units</u></b>			
<b>(Baht 10.00 per unit)</b>			
Trust Units at Beginning of the Year		<u>301,500,000.00</u>	<u>301,500,000.00</u>
Trust Units at End of the Year		<u><u>301,500,000.00</u></u>	<u><u>301,500,000.00</u></u>

The accompanying notes are an integral part of these financial statements.

**KTBST MIXED FREEHOLD AND LEASEHOLD REAL ESTATE INVESTMENT TRUST**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

	(Unit : Baht)	
	2023	2022
<b>Cash Flows from Operating Activities</b>		
Increase in net assets from operations	216,205,348.48	241,831,035.55
Adjustments to reconcile net increase in net assets from operations to net cash provided by (used in) operating activities		
Purchases of investments in freehold and leasehold properties	(870,857.26)	(745,093,457.94)
Purchases of investments in securities	(10,733,172.32)	(87,735,349.89)
Sales of investments in securities	5,010,142.12	81,998,436.69
Increase in accrued rental and service receivables	(16,535,082.34)	(8,201,560.79)
(Increase) decrease in accounts receivable from interests	(69,392.56)	11,268.43
Increase in prepaid expenses	(1,821,112.01)	(3,221,968.53)
(Increase) decrease in other assets	2,198,646.81	(773,114.16)
Increase (decrease) in accrued expenses	(2,112,167.09)	9,179,824.05
Increase (decrease) in rent received in advance	(621,826.53)	3,372,714.26
Increase in deposits received from tenants	2,729,921.90	16,423,400.21
Increase (decrease) in other liabilities	117,339.27	(5,226,733.48)
Net realized gain on investments	(10,245,235.76)	(8,501,549.36)
Finance costs	63,893,015.94	47,274,183.08
Net Cash Provided by (Used in) Operating Activities	<u>247,145,568.65</u>	<u>(458,662,871.88)</u>
<b>Cash Flows from Financing Activities</b>		
Cash received from borrowing from financial institution	-	750,000,000.00
Payment of front-end fee	-	(5,625,000.00)
Payment of long-term loan	(825,000.00)	-
Payment of lease liabilities	(8,738,700.00)	(15,556,182.07)
Distribution to unitholders	(211,591,973.81)	(193,097,022.32)
Interest paid	(38,499,816.99)	(22,819,910.62)
Net Cash Provided by (Used in) Financing Activities	<u>(259,655,490.80)</u>	<u>512,901,884.99</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(12,509,922.15)	54,239,013.11
Cash and Cash Equivalents at Beginning of the Year	81,663,127.41	27,424,114.30
Cash and Cash Equivalents at End of the Year	<u>69,153,205.26</u>	<u>81,663,127.41</u>

The accompanying notes are an integral part of these financial statements.

**KTBST MIXED FREEHOLD AND LEASEHOLD REAL ESTATE INVESTMENT TRUST**  
**NOTES TO THE FINANCIAL STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

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1. NATURE OF KTBST MIXED FREEHOLD AND LEASEHOLD REAL ESTATE INVESTMENT TRUST

KTBST Mixed 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 (“Trust Act”) in accordance with the Trust Deed signed on 2 November 2021. The Trust is a closed-ended trust with no maturity date. The Trust has registered capital of Baht 3,015 million (Allotted to 301.50 million trust units 10 Baht each).

The Trust’s objective is to raise funds from investor which use the proceeds from the offering of trust units and loan from the financial institution (if any) to invest in main assets. The Trust will seek benefit from such assets by rental, the use of properties areas for rent or compensation is charged, and/or services related to the rental or use areas including any other related actions and necessary for the benefit of such property estate to generate income and returns to the Trust and trust unitholders.

The Stock Exchange of Thailand approved the listing of the Trust’s investment trusts and permitted their trading from 15 November 2021 onwards.

DAOL REIT Management (Thailand) Company Limited acts as the REIT Manager, Kasikorn Asset Management Company Limited acts as the Trustee and Thailand Securities Depository Company Limited acts as the Trust Registrar. Rich Asset Center Company Limited acts as the Property manager for Rich Asset Project. ST Property & Logistics Company Limited acts as the Property manager for ST Bang-Bo Project, ST Bang Pa-In Project, Summer Hub Project and Summer Hill Project.

As at 31 December 2023, the Trust’s major unitholder is STPI Group, which holds 29.27% of the investment units of the Trust (31 December 2022: 29.27%).

2. DISTRIBUTION POLICY

The Trust has policies to pay distributions to the Trust's unitholders as follows:

2.1 The REIT Manager shall pay distributions to the Trust's unitholders that, in aggregate, amount to not less than 90% of adjusted net profit for the accounting period, with such distributions to be divided into a year-end distribution and an interim distribution (if any). The REIT Manager shall pay distributions to the Trust's unitholders not more than 4 distributions in an accounting period, unless the Trust increases capital.

The adjusted net profit means the net profit of the Trust determined on a cash basis which includes the repayment of the principal as specified in the loan agreement (if any).

2.2 In case the Trust has retained earnings in any accounting period, the REIT Manager may pay the distributions to the Trust's unitholders from the retained earnings.

2.3 In case the Trust has accumulated losses remaining, the REIT Manager will not pay distributions to the Trust's unitholders.

2.4 In case that the Trust has excess liquidity, trust manager may make payment to the Trust's unitholders by capital reduction.

In considering the payment of interim distribution, if the value of interim distribution per unit to be paid is lower than or equal to Baht 0.10, the REIT Manager reserves the right not to pay distribution at that time and to bring such distribution forward for payment together with the next distribution payment.

3. BASIS OF PREPARATION OF THE FINANCIAL STATEMENT

The financial statement has been prepared in accordance with accounting guidelines for the Property Fund, Real Estate Investment Trust, Infrastructure Fund and Infrastructure Trust established by the Association of Investment Management Companies and endorsed by the Securities and Exchange Commission, Thailand ("Accounting Guidelines"), while for those matters not covered by the Accounting Guidance, the entity is to follow the financial reporting standards issued by the Federation of Accounting Professions Under the Royal Patronage of His Majesty the King ("TFAC") that are effective in that financial reporting period.

An English version of the financial Statement has been prepared from the statutory financial statements that are in Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

#### 4. SIGNIFICANT ACCOUNTING POLICIES

##### 4.1 Investments in freehold and leasehold properties

Investments in freehold and leasehold properties are measured at cost on initial recognition. Cost includes expenditure that is directly attributable to the acquisition of the investments in leasehold properties.

Subsequent to initial recognition, investments in freehold and leasehold properties are measured at fair value.

Gains or losses arising from changes in fair values of the investments in freehold and leasehold properties are recognized in the statement of comprehensive income in the period in which they arise.

The Trust is determined Fair value at each reporting date, using the appraisal value assessed by an independent appraiser approved by Thai Valuer Association and The Valuers Association of Thailand (Pursuant to the Notification of the Office of the Securities and Exchange Commission concerning the granting of approval of valuation companies and principal valuers for public use). Valuation will be made when economic conditions change, but at least every two years, commencing from the date of the appraisal made for the purposes of investing or leasing the properties. In addition, the valuation will be reviewed within one year after the latest valuation date.

The Trust derecognises the investments in freehold and leasehold properties when it has been disposed of or permanently withdrawn from use and no future economic benefit is expected from its disposal.

On derecognition of the investments in freehold and leasehold properties, the difference between the carrying amount of the asset and the sum of the consideration received are recognised in the statement of comprehensive income in the year of retirement or disposal.

##### 4.2 Financial instruments

Financial assets and financial liabilities

###### *Recognition and initial investment*

The Trust initially recognise in financial assets and financial liabilities on the trade date - the date on which the Trust commits to purchase or sell the investment.

Financial assets and financial liabilities at fair value are initially recognised at fair value. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value recognised immediately in profit or loss as expense.



*Classification and subsequent measurement*

All financial assets are classified financial assets are subsequently measured at fair value.

All financial liabilities are classified financial liabilities are subsequently measured at amortize cost except derivative liabilities are subsequently measured at fair value.

Gains and losses arising from changes in the fair value of the financial assets or financial liabilities are subsequently measured at fair value are recognised in the statement of comprehensive income.

*Derecognition*

The Trust derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset, the difference between the carrying amount of the asset and the sum of the consideration received and receivable are recognised in the statement of comprehensive income.

The Trust derecognises a financial liability when its contractual obligations are discharge or cancelled, or expire.

On derecognition of a financial liability, the difference between the carrying amount of the financial liability derecognised and the consideration paid and payable are recognised in the statement of comprehensive income.

**4.3 Accounts Receivable from Rental and Service**

Accounts receivable from rental and service are stated at their invoice value less allowance for expected credit losses.

The Trust applies a simplified approach in calculating expected credit loss to consider impairment of accounts receivable from rental and service.

**4.4 Borrowing**

Borrowing is recognised initially at the fair value, net of transaction costs incurred. Borrowing is subsequently stated at amortised cost using the effective yield method.

**4.5 Lease**

At inception of a contract, the Trust assesses whether a contract is, or contains, a lease.

*As a lessee*

*Recognition and initial investment*

The Trust recognises a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which is recognised as an expense on a straight-line basis over the lease term.

Right-of-use assets are initially measured at cost and classified as investment in leasehold properties.

The cost of right-of-use assets comprises the initial amount of the lease liability adjusted for rental payments which were paid before or on the commencement date of contract, plus initial direct costs and an estimate of restoration costs.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or the incremental borrowing rate.

*Subsequent measurement*

After the commencement date of contract, right-of-use assets are subsequently measured at fair value.

After the commencement date of contract, the lease liability is remeasured when there is a modification, change in lease term, change in lease payments, change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the assessment of purchase, extension or termination options. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

*As a lessor*

Leases of assets that do not transfer a significant portion of risks and rewards of ownership to the lessee are classified as operating leases. The Trust, as the lessor, receives money under operating leases which is charged to the income statement on a straight-line basis over the year of the lease.

**4.6 Revenues and Expenses Recognition**

Rental and service incomes are recognized as revenues on a straight-line basis over the lease term.

Compensation income under the undertaking is recognized over the agreement term.

Interest income is recognized as revenue on an accrual basis based on the effective interest rate.

Expenses are recognized on an accrual basis.

4.7 Related Party Transactions

Related parties of the Trust comprise enterprises and individual which directly or indirectly own a voting interest of at least 10 percent in the Trust or individual management personnel who are responsible for the management of the Trust, determining its policies or making decisions as to how to achieve the Trust's objectives.

In addition, related parties include enterprises and individual that control or are controlled by the Trust or have the significant influence over the Trust or the Trust have significant influence over them.

4.8 Use of Judgements and Estimates

The preparation of financial statements in conformity with Accounting Guidelines requires management to make adjustment and estimates that affect the reported amounts of assets, liabilities, revenues, expenses and disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

4.9 Distributions to the Trust's Unitholders

The Trust records decreases in retained earnings are recognised as at the date a distribution is declared.

5. INVESTMENTS IN FREEHOLD AND LEASEHOLD PROPERTIES AT FAIR

Movement of investments in freehold and leasehold properties at fair value for the year ended 31 December 2023 and 2022 were as follows:

	(Unit : Baht)	
	<u>2023</u>	<u>2022</u>
Beginning of the year	4,212,138,346.36	3,458,616,097.67
<u>Add</u> Acquisitions during the year	870,857.26	745,093,457.94
<u>Add</u> Net profit from revaluation during the year	10,029,142.74	6,423,551.41
<u>Add</u> Net gain on right-of-use assets remeasurement during the year	13,341,540.34	7,506,159.57
<u>Less</u> Changes in accrued income under operating lease during the year	<u>(13,750,824.69)</u>	<u>(5,500,920.23)</u>
End of the year	<u>4,222,629,062.01</u>	<u>4,212,138,346.36</u>

The fair value of the investments in freehold and leasehold properties was determined by independent professional valuers, using the income approach by using discounted future cash flows, according to the independent professional valuers' report dated 30 July 2023.

The Trust has mortgaged all of freehold and leasehold properties as collateral against loan agreements with the financial institutions.

Amounts recognised in profit and loss that are related to investments in freehold and leasehold properties for the year ended 31 December 2023 and 2022 are as follows:

	(Unit : Baht)	
	<u>2023</u>	<u>2022</u>
Rental and services income	363,240,061.47	336,794,474.35
Direct operating expense that generated rental income during the year	41,827,422.23	30,182,818.69

As at 31 December 2023 and 2022, future minimum lease income expected to be received under non-cancellable operating leases were as follows.

	(Unit : Million Baht)	
	<u>2023</u>	<u>2022</u>
1 <sup>st</sup> year	294.05	303.15
2 <sup>nd</sup> year	211.81	246.39
3 <sup>rd</sup> year	146.41	161.73
4 <sup>th</sup> year	129.53	128.72
5 <sup>th</sup> year	112.50	129.53
After 5 <sup>th</sup> year	1,653.19	1,765.47
Total	<u>2,547.49</u>	<u>2,734.99</u>

Details of investments are summarised as follows:

Project	Asset Type	Land Area (Rai-Ngan- Sq. wah)	Utilisable area (Sq.m.)	Type of Ownership	Investment period ending	Lease out period ending
<i>Investments in leasehold properties</i>						
Rich Asset Project	Warehouse/ factory buildings	30-1-35.4	40,385.67	Leasehold rights on land and building	7 November 2051	-
ST Bang-Bo Project	Warehouse/ factory buildings	41-1-94.3	37,656.00	Leasehold rights on land and building	7 November 2051	-
ST Bang Pa-in Project	Warehouse	40-3-9	43,578.00	Leasehold rights on land and building	7 November 2051	-
Summer Hub Project	Office buildings	1-1-31	5,147.36	Sub-leasehold rights on land, leasehold rights on building and purchase equipment and renewal commitment	7 November 2051	-
Summer Hill Project	Community mall	2-1-98	5,138.45	Sub-leasehold rights on land, leasehold rights on building and purchase equipment and renewal commitment	7 November 2051	-
<i>Investments in freehold properties</i>						
Interlink Data Center Project	Data center	1-0-30.2	2,004.00	Freehold rights on land, building and immovable properties and equipment	-	29 March 2052

6. INVESTMENTS IN SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

Movement of investment in properties at fair value fair value through profit and loss for the year ended 31 December 2023 and 2022 were as follows:

	(Unit : Baht)	
	<u>2023</u>	<u>2022</u>
Beginning of the year	129,875,671.81	124,066,000.00
Add Purchase	10,733,172.32	87,735,349.89
Less Sales	(5,010,142.12)	(81,998,436.69)
Add Gain from change in fair value of investments	<u>625,377.37</u>	<u>72,758.61</u>
End of the year	<u>136,224,079.38</u>	<u>129,875,671.81</u>

7. CASH AND CASH EQUIVALENTS

As at 31 December 2023 and 2022, Cash and cash equivalents consisted of:

Bank	Principle (Baht)		Interest rate (%)	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Kasikornbank Public Company Limited				
Saving account	20,070,030.87	26,389,746.78	0.50	0.20
Current account	2,329,686.45	3,159,889.42	-	-
Kiatnakin Phatra Bank Public Company Limited				
Saving account	9,662,793.09	1,449,357.72	0.10	0.10
CIMB Thai Bank Public Company Limited				
Saving account	16,998,749.65	50,664,133.49	1.40	0.40
United Overseas Bank (Thai) Public Company Limited				
Saving account	<u>20,091,945.20</u>	-	1.10	-
Total	<u>69,153,205.26</u>	<u>81,663,127.41</u>		

8. ACCOUNTS RECEIVABLE FROM RENTAL AND SERVICE

As at 31 December 2023 and 2022, accounts receivable from rental and service as follows.

	(Unit : Baht)	
	<u>2023</u>	<u>2022</u>
Within credit terms	1,111,679.37	1,361,004.99
Overdue:		
Less than 3 months	4,580,870.54	632,462.90
3 - 6 months	-	-
Over 6 - 12 months	-	-
Over 12 months	-	-
Total	<u>5,692,549.91</u>	<u>1,993,467.89</u>
<u>Add</u> Accrued income under operating lease	<u>24,257,371.90</u>	<u>11,421,371.58</u>
Grand total	<u>29,949,921.81</u>	<u>13,414,839.47</u>

9. BORROWING FROM FINANCIAL INSTITUTION

As at 31 December 2023 and 2022 borrowing from financial institution is as follows.

	(Unit : Baht)	
	<u>2023</u>	<u>2022</u>
Borrowing from financial institution	749,175,000.00	750,000,000.00
<u>Less</u> Deferred upfront fee from borrowing	<u>(4,895,110.63)</u>	<u>(5,306,708.37)</u>
Borrowing from financial institution - net	<u>744,279,889.37</u>	<u>744,693,291.63</u>

Movement of borrowing from financial institution for the year ended 31 December 2023 and 2022 were as follows:

	(Unit : Baht)	
	<u>2023</u>	<u>2022</u>
Beginning of the year	744,693,291.63	-
Add: Additional borrowings	-	750,000,000.00
Less: Front-end fee	-	(5,625,000.00)
Less: Payment during the year	(825,000.00)	-
Add: Amortised front-end fee	411,597.74	318,291.63
End of the year	<u>744,279,889.37</u>	<u>744,693,291.63</u>

Maturity of borrowing from financial institution as follows.

	(Unit : Baht)	
	<u>2023</u>	<u>2022</u>
Less than 1 year	2,550,000.00	825,000.00
Between 1 year and 5 years	58,875,000.00	38,925,000.00
More than 5 years	687,750,000.00	710,250,000.00
End of the period	<u>749,175,000.00</u>	<u>750,000,000.00</u>

The Trust received long-term loan from a financial institution in an amount of Baht 750 million for the first additional investment and related expense in that investment, which offers a 12 years loan repayment period and 1 year grace period and quarterly repayment for principal and monthly interest with interest rate at MLR minus certain rates per annum.

Collateral for borrowings with a total guarantee amount of not more than 750 million baht are as follows:

- 1) Mortgaging lands and buildings
- 2) Registered as the business collateral agreement in leasehold rights, rights to receive rentals, ownership over movable properties, and bank accounts
- 3) Other securities in favor of the loan as the Trust and the lender may mutually determine under the loan agreement

In addition, the Trust is under the debt covenant that requires the Trust to maintain the financial ratio and other requirements as stipulate in the borrowing agreement.



10. LEASE LIABILITIES

Movement of lease liabilities for the year ended 31 December 2023 and 2022 were as follows:

	(Unit : Baht)	
	<u>2023</u>	<u>2022</u>
Beginning of the year	460,206,813.57	451,627,014.81
<u>Less:</u> Payment during the year	(8,738,700.00)	(15,556,182.07)
<u>Add:</u> Increase from interest during the year	24,799,616.36	24,135,980.83
End of the year	<u>476,267,729.93</u>	<u>460,206,813.57</u>

The maturity analysis of lease liabilities as at 31 December 2023 and 2022 are as follows: -

	(Unit : Baht)		
	As at 31 December 2023		
	More than 1 year		
	<u>Less than 1 year</u>	<u>but less than 5 years</u>	<u>More than 5 years</u>
Future minimum lease payments	12,447,000.00	61,558,500.00	1,048,218,480.00
<u>Less:</u> Deferred interest expenses	(25,445,895.85)	(108,448,538.88)	(512,061,815.34)
Lease liabilities	<u>(12,998,895.85)</u>	<u>(46,890,038.88)</u>	<u>536,156,664.66</u>

	(Unit : Baht)		
	As at 31 December 2022		
	More than 1 year		
	<u>Less than 1 year</u>	<u>but less than 5 years</u>	<u>More than 5 years</u>
Future minimum lease payments	8,789,625.00	56,628,000.00	1,067,839,270.02
<u>Less:</u> Deferred interest expenses	(24,837,231.90)	(106,258,673.92)	(541,954,175.63)
Lease liabilities	<u>(16,047,606.90)</u>	<u>(49,630,673.92)</u>	<u>525,885,094.39</u>

Expenses relating to leases for the year ended 31 December 2023 and 2022 were as follows:

	(Unit : Baht)	
	<u>2023</u>	<u>2022</u>
Interest expense on lease liabilities	24,799,616.36	24,135,980.83

11. RETAINED EARNINGS

Movement of retained earnings for the year ended 31 December 2023 and 2022 were as follows:

	(Unit : Baht)	
	<u>2023</u>	<u>2022</u>
Beginning of the year	80,905,929.21	32,171,915.98
Net investment gain	205,960,112.72	233,329,486.19
Net gain on investments	10,245,235.76	8,501,549.36
Distributions to unitholders	<u>(211,591,973.81)</u>	<u>(193,097,022.32)</u>
End of the year	<u>85,519,303.88</u>	<u>80,905,929.21</u>

12. EXPENSES

The REIT Manager fee, trustee fee and registrar fee are summarised as follows:

<u>Expenses</u>	<u>Percentage</u>
REIT Manager fee	Not over 1.07 percent per annum of the Trust's total asset value (Minimum fee of Baht 10.00 million)
Trustee fee	Not over 1.07 percent per annum of the Trust's total asset value (Minimum fee of Baht 5.00 million)
Registrar fee	Rate is specified by Thailand Securities Depository Company Limited

The above fees include value added taxes.

13. PROPERTY MANAGEMENT FEE

The Property manager will receive property manager fee. This agreement covers a period of three years which is summarised as follows:

- (1) Property management fee is charged not more than 5.00 percent operation income.
- (2) Incentive fee is charged not more than 10.00 percent net operation income.
- (3) Commission fees are divided into 2 categories.
  - For new lessees with rental contracts, commission fees are charged not more than 2 months of rental and service rates which is calculated in proportion to the actual rental period from the rental period of 3 years.
  - For current lessees with renewed rental contracts, commission fees are charged not more than 1 month of rental and service rates.

14. OPERATING EXPENSES

Operating expenses comprising repair and maintenance, utilities, insurance premium, land and property tax, postage and other expenses which are incurred legally and in accordance with regulations. Such expenses are charged to the Trust as they are actually paid.

15. RELATED PARTY TRANSACTIONS

The Trust had significant business transactions with its related parties which comprise the REIT Manager, trustee, the companies which related to the REIT Manager or trustee, and by way of common shareholders or unitholders and/or directors and other funds which are managed by the same trustee. Below is a summary of those transactions for the year ended 31 December 2023 and 2022 were as follows:

	<u>2023</u>	<u>2022</u>	<u>Pricing Policy</u>
(Unit : Baht)			
KTBST REIT Management Company Limited			
REIT manager fee	20,922,203.92	12,811,958.08	As specified in the agreement
Kasikorn Asset Management Company Limited			
Trustee fee	10,464,874.53	9,943,860.06	As specified in the agreement

	<u>2023</u>	<u>2022</u>	<u>Pricing Policy</u>
<b>ST Property &amp; Logistics Company Limited</b>			
Compensation income under the undertaking agreement	-	6,837,895.85	As specified in the agreement
Property management fee	16,335,657.29	14,380,252.29	As specified in the agreement
Commission fees	2,453,664.97	2,870,724.03	As specified in the agreement
<b>ST Hill Company Limited</b>			
Compensation income under the undertaking agreement	310,992.86	7,629,806.29	As specified in the agreement
Signage income	1,373,326.08	1,383,563.24	As specified in the agreement
<b>ST Hub Company Limited</b>			
Compensation income under the undertaking agreement	2,362,822.27	3,231,168.97	As specified in the agreement
Signage income	1,373,326.08	1,383,563.24	As specified in the agreement
<b>STP&amp;I Public Company Limited</b>			
Rental and service income	1,768,756.80	-	ตามที่ระบุในสัญญา

As at 31 December 2023 and 2022, the Trust had the significant outstanding balances with the related companies as follows:

	(Unit : Baht)	
	<u>2023</u>	<u>2022</u>
<b>KTBST REIT Management Company Limited</b>		
Accrued REIT manager fee	3,588,235.64	3,559,338.62
<b>Kasikorn Asset Management Company Limited</b>		
Accrued trustee fee	1,794,117.82	1,788,939.35
<b>ST Property &amp; Logistics Company Limited</b>		
Guarantee under the undertaking agreement	15,000,000.00	15,000,000.00
Accrued property management fee	4,160,401.23	4,043,288.20
Accrued commission fees	715,733.83	384,953.90

	(Unit : Baht)	
	<u>2023</u>	<u>2022</u>
<b>ST Hill Company Limited</b>		
Receivable from compensation income under the undertaking agreement	-	2,075,282.82
Receivable from signage income	86,670.00	86,670.00
Accrued expense	-	1,500.00
Other payable	1,140,200.38	1,471,703.27
<b>ST Hub Company Limited</b>		
Receivable from compensation income under the undertaking agreement	1,609,796.43	541,771.04
Receivable from signage income	86,670.00	86,670.00
Receivable from rental and services	600.00	40.00
Other payable	448,612.62	361,091.91
<b>Unit trusts of other funds managed by DAOL Investment Management Company Limited</b>		
Investments	5,087,493.52	5,017,175.75

16. DISTRIBUTION TO UNITHOLDERS

During the year 2023, the Trust declared distribution to its unitholders as follows.

(Unit : Baht)			
<u>Announced Date</u>	<u>For the period</u>	<u>Per unit (Baht)</u>	<u>Total</u>
22 February 2023	1 October 2022 through 31 December 2022	0.1777	53,576,194.67
26 May 2023	1 January 2023 through 31 March 2023	0.1731	52,189,649.94
9 August 2023	1 April 2023 to 30 June 2023	0.1745	52,611,749.94
8 November 2023	1 July 2023 to 30 September 2023	0.1765	53,214,379.26
	Total	0.7018	211,591,973.81

During the year 2022, the Trust declared distribution to its unitholders as follows.

			(Unit : Baht)
<u>Announced Date</u>	<u>For the period</u>	<u>Per unit (Baht)</u>	<u>Total</u>
23 February 2022	2 November 2021 through 31 December 2021	0.1039	31,320,831.61
11 May 2022	1 January 2022 through 31 March 2022	0.1733	52,241,614.23
10 August 2022	1 April 2022 to 30 June 2022	0.1779	53,636,476.48
9 November 2022	1 July 2022 to 30 September 2022	0.1854	55,898,100.00
	Total	0.6405	193,097,022.32

17. INVESTMENT TRADING INFORMATION

The Trust had investment trading transactions for the year ended 31 December 2023 excluding investments in promissory notes and certificates of deposit amounted of Baht 16.61 million which is 0.54 percent of the average net asset value during the year.

The Trust had investment trading transactions for the year ended 31 December 2022 excluding investments in promissory notes and certificates of deposit amounted of Baht 914.83 million which is 29.66 percent of the average net asset value during the year.

18. COMMITMENTS

As at 31 December 2023, the Trust had commitments to pay as follows:

- Committed to pay the REIT manager fee, trustee fee and registrar fee under the terms and conditions specified in Note 11.
- Committed to pay the property manager fee under the terms and conditions specified in Note 12.
- Committed to pay common area fee as specified in the agreement.
- Commitment to pay for a security service agreement and cleaning service with a monthly of Baht 0.75 million

19. SEGMENT INFORMATION

Operating segment information is reported in a manner consistent with the Trust's 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 purchase and lease on property in which the Trust has invested 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 to the aforementioned reportable operating segment and geographical area.

20. FAIR VALUE HIERARCHY AND 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, except there is no active market or when a quoted market price is not available. The Trust endeavors to use relevant observable inputs as much as possible. The Trust measure fair values using the following fair value hierarchy, which are observable and the significance of the inputs to the fair value measurement as follow:

- Level 1 Use of quoted market prices in an observable active market for such assets or liabilities.
- Level 2 Use of other observable inputs for such assets or liabilities, whether directly or indirectly.
- Level 3 Use of unobservable inputs such as estimates of future cash flows.

As at 31 December 2023 and 2022, the Trust had the assets that were measured at fair value using different levels of inputs as follows:

	(Unit : Baht)			
	<u>31 December 2023</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Assets measured at fair value</u>				
Investment in in freehold and leasehold properties	-	-	4,222,629,062.01	4,222,629,062.01
Fixed deposit	-	100,525,943.40	-	100,525,943.40
Mutual fund	-	35,698,135.98	-	35,698,135.98

(Unit : Baht)

	31 December 2022			Total
	Level 1	Level 2	Level 3	
<u>Assets measured at fair value</u>				
Investment in in freehold and leasehold properties	-	-	4,212,138,346.36	4,212,138,346.36
Fixed deposit	-	94,802,913.20	-	94,802,913.20
Mutual fund	-	35,072,758.61	-	35,072,758.61

The Trust estimated the fair value of financial instruments as follow:

- Investment in properties are estimated their fair value as the appraisal value assessed by an independent appraiser using the income approach.
- Fixed deposits are estimated their fair value by using amortised cost, which approximates fair value.
- Investment in mutual fund is estimated their fair value by using the latest net asset value per unit on the date of measurement.

Reconciliation of Level 3 fair values

	(Unit : Baht)	
	2023	2022
As at 1 January	4,212,138,346.36	3,458,616,097.67
<u>Add</u> Acquisitions during the year	870,857.26	745,093,457.94
<u>Add</u> Net gain from revaluation during the year	9,619,858.39	8,428,790.75
As at 31 December	<u>4,222,629,062.01</u>	<u>4,212,138,346.36</u>

During the current year, there were no transfers within the fair value hierarchy.

21. DISCLOSURE OF FINANCIAL INSTRUMENTS

Interest Rate Risk

The Trust's exposure to interest rate risk relates primarily to its investments in marketable debt securities, cash at bank and long-term loan. However, since most of the Trust's financial assets bear fixed interest rates which are close to the market rate or floating interest rates, the interest rate risk is expected to be minimal.



As at 31 December 2023, significant financial assets and liabilities classified by type of interest rates are summarized as follows:

	(Unit : Baht)		
	<u>Fixed</u> <u>interest rate</u>	<u>Floating</u> <u>interest rate</u>	<u>Non- interest</u> <u>bearing</u>
<b><u>Financial assets</u></b>			
Investments in securities	100,525,943.40	-	35,698,135.98
Cash at cash equivalents	-	66,823,518.81	2,329,686.45
Accounts receivable from rental and service	-	-	29,949,921.81
Accounts receivable from interest	-	-	94,689.23
<b><u>Financial liabilities</u></b>			
Accrued expenses	-	-	17,210,640.48
Rent and service received in advance	-	-	8,363,001.75
Deposits received from tenants	-	-	100,064,812.76
Borrowing from financial institution	-	744,279,889.37	-

As at 31 December 2022, significant financial assets and liabilities classified by type of interest rates are summarized as follows:

	(Unit : Baht)		
	<u>Fixed</u> <u>interest rate</u>	<u>Floating</u> <u>interest rate</u>	<u>Non- interest</u> <u>bearing</u>
<b><u>Financial assets</u></b>			
Investments in securities	94,802,913.20	-	35,072,758.61
Cash at cash equivalents	-	78,503,237.99	3,159,889.42
Accounts receivable from rental and service	-	-	13,414,839.47
Accounts receivable from interest	-	-	25,296.67
<b><u>Financial liabilities</u></b>			
Accrued expenses	-	-	19,140,822.72
Rent and service received in advance	-	-	8,984,828.28
Deposits received from tenants	-	-	97,334,890.86
Borrowing from financial institution	-	744,693,291.63	-

Credit risk

The Trust has credit risk which results from the failure of a counterparty to settle its contractual obligations specified in financial instruments. The Trust has only receivables. However, the related financial assets have short-term maturity, therefore, the Trust does not anticipate material losses from its debt collection.

The Trust has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. The Trust has no concentrations of credit risk due to the fact that the Trust has a large number of tenants in various businesses. Additionally, the Trust has a policy to collect rent and service received in advance and deposits from tenant as collateral in case of default. The carrying amount of financial assets as recorded in the statement of financial position represents the Trust's maximum exposure to credit risk.

Currency risk

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

**22. EVENTS AFTER THE REPORTING PERIOD**

On 21 February 2024, the meeting of the Board of Directors of DAOL REIT Management (Thailand) Company Limited approved the payment of a distribution payment of Baht 0.1765 per unit to the Trust's unitholders from the operating results for the period as from 1 October 2023 to 31 December 2023 and retained earnings.

**23. APPROVAL OF THE FINANCIAL STATEMENTS**

This financial statement has been approved for issue by the authorized persons of the Trust on 21 February 2024.

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