

Thailand Prime Property Freehold and Leasehold  
Real Estate Investment Trust and its subsidiaries  
Report and interim financial statements  
For the three-month period ended 31 March 2017

## **Independent Auditor's Report on Review of Interim Financial Information**

To the Unitholders of Thailand Prime Property Freehold and Leasehold Real Estate Investment Trust

I have reviewed the accompanying consolidated balance sheet and consolidated detail of investments as at 31 March 2017, the related consolidated statements of income, comprehensive income, changes in net assets, cash flows and significant financial information for the three-month period ended 31 March 2017, as well as the condensed notes to the consolidated financial statements of Thailand Prime Property Freehold and Leasehold Real Estate Investment Trust and its subsidiaries. I have also reviewed the separate financial information of Thailand Prime Property Freehold and Leasehold Real Estate Investment Trust for the same period. The REIT Manager is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 Interim Financial Reporting. 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.

### **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 Thai Accounting Standard 34 Interim Financial Reporting.

Ratana Jala

Certified Public Accountant (Thailand) No. 3734

EY Office Limited

Bangkok: 5 May 2017

**Thailand Prime Property Freehold and Leasehold Real Estate Investment Trust and its subsidiaries**

**Balance sheet**

**As at 31 March 2017**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2017	31 December 2016	31 March 2017	31 December 2016
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Assets</b>					
Investments in properties and leasehold rights					
over properties at fair value	7	7,229,360	7,229,360	2,441,064	2,441,064
(Consolidated financial statements: At cost: Baht 7,229 million, Separate financial statements: At cost: Baht 2,441 million)					
Investments in subsidiaries at fair value	8, 17	-	-	4,321,783	4,321,783
(Separate financial statements: At cost: Baht 4,322 million)					
Cash and cash at banks	9, 17	478,194	550,498	225,932	292,179
Receivables					
From rental and services	10, 17	20,921	26,869	13,997	15,615
From dividend	17	-	-	-	33,700
From interest		643	46	3,462	7,133
Others		574	1,439	368	203
Loan to subsidiary	17	-	-	455,378	480,378
Deferred expenses	11	173,669	183,119	173,669	183,119
Intangible assets		45,442	46,332	230	240
Other assets	17	63,986	68,429	50,567	52,154
<b>Total assets</b>		<b>8,012,789</b>	<b>8,106,092</b>	<b>7,686,450</b>	<b>7,827,568</b>

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

**Thailand Prime Property Freehold and Leasehold Real Estate Investment Trust and its subsidiaries**

**Balance sheet (continued)**

**As at 31 March 2017**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2017	31 December 2016	31 March 2017	31 December 2016
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Liabilities</b>					
Payables	17				
From interest		5,901	2,868	5,901	2,868
Others		18,721	38,490	8,451	27,799
Accrued expenses	17	110,725	215,933	56,382	171,485
Income tax payable		26,233	18,183	-	-
Unearned income		35,465	38,524	1,720	2,098
Deposit received from customers	17	229,821	221,104	84,332	80,082
Long-term loans	12, 17	2,024,908	2,023,676	2,024,908	2,023,676
Deferred tax liabilities		392	423	-	-
Other liabilities		9,646	7,086	5,509	3,003
<b>Total liabilities</b>		<b>2,461,812</b>	<b>2,566,287</b>	<b>2,187,203</b>	<b>2,311,011</b>
<b>Net assets</b>		<b>5,550,977</b>	<b>5,539,805</b>	<b>5,499,247</b>	<b>5,516,557</b>
<b>Net assets:</b>					
Trust registered					
547,500,000 units of Baht 9.9387 each					
		(31 December 2016: 547,500,000 units of Baht 10.0000 each)			
		5,441,438	5,475,000	5,441,438	5,475,000
Capital from unitholders	13				
547,500,000 units of Baht 9.9387 each					
		(31 December 2016: 547,500,000 units of Baht 10.0000 each)			
		5,441,438	5,475,000	5,441,438	5,475,000
Retained earnings	14	109,539	64,805	57,809	41,557
<b>Net assets</b>		<b>5,550,977</b>	<b>5,539,805</b>	<b>5,499,247</b>	<b>5,516,557</b>
		-	-	-	-
Net asset value per unit (Baht)		10.1387	10.1183	10.0442	10.0759
Number of units issued at the end of period (Thousand Units)		547,500	547,500	547,500	547,500

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

Directors

(Unaudited but reviewed)

**Thailand Prime Property Freehold and Leasehold Real Estate Investment Trust and its subsidiaries**

**Statement of income**

**For the three-month period ended 31 March 2017**

		(Unit: Thousand Baht)	
		Consolidated	Separate
		financial statement	financial statement
		For the three-month	For the three-month
		period ended	period ended
	Note	31 March 2017	31 March 2017
<b>Investment income</b>			
Rental and services income	17	205,807	76,259
Dividend income	17	-	45,670
Interest income	17	1,028	9,250
Other income		19	19
<b>Total income</b>		<b>206,854</b>	<b>131,198</b>
<b>Expenses</b>			
Costs of rental and services		54,116	26,036
REIT Manager's fee	16, 17	7,399	7,399
Trustee's fee	16, 17	4,862	4,862
Registrar's fee	16	485	485
Property management fee	16, 17	6,502	3,625
Professional fees		566	251
Amortisation of deferred expenses		9,450	9,450
Other expenses	17	5,300	1,877
Finance cost	17	19,406	19,406
Income tax expenses		12,479	-
<b>Total expenses</b>		<b>120,565</b>	<b>73,391</b>
<b>Net investment income</b>		<b>86,289</b>	<b>57,807</b>
<b>Increase in net assets from operations</b>		<b>86,289</b>	<b>57,807</b>

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

(Unaudited but reviewed)

**Thailand Prime Property Freehold and Leasehold Real Estate Investment Trust and its subsidiaries**

**Statement of comprehensive income**

**For the three-month period ended 31 March 2017**

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statement	financial statement
	For the three-month	For the three-month
	period ended	period ended
	31 March 2017	31 March 2017
Increase in net assets from operations	86,289	57,807
Other comprehensive income	-	-
Total comprehensive increase in net assets from operations	<u>86,289</u>	<u>57,807</u>

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

(Unaudited but reviewed)

**Thailand Prime Property Freehold and Leasehold Real Estate Investment Trust and its subsidiaries**

**Statement of changes in net assets**

**For the three-month period ended 31 March 2017**

		(Unit: Thousand Baht)	
		Consolidated	Separate
		financial statement	financial statement
		For the three-month	For the three-month
		period ended	period ended
	Note	31 March 2017	31 March 2017
<b>Increase in net assets from operations</b>			
Net investment income		86,289	57,807
<b>Increase in net assets from operations</b>		86,289	57,807
Capital reduction to unitholders	13	(33,562)	(33,562)
Distribution to unitholders	15	(41,555)	(41,555)
<b>Increase in net assets during period</b>		11,172	(17,310)
Net assets at the beginning of period		5,539,805	5,516,557
<b>Net assets at the end of period</b>		5,550,977	5,499,247
		-	-

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

(Unaudited but reviewed)

**Thailand Prime Property Freehold and Leasehold Real Estate Investment Trust and its subsidiaries**

**Statement of cash flows**

**For the three-month period ended 31 March 2017**

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statement	financial statement
	For the three-month	For the three-month
	period ended	period ended
	31 March 2017	31 March 2017
<b>Cash flows from operating activities</b>		
Increase in net assets from operations	86,289	57,807
Adjustments to reconcile increase in net assets from operations to net cash provided by (used in) operating activities:		
Income tax expenses	12,479	-
Amortisation	10,340	9,460
Provision for employee benefit	41	-
Finance cost	19,406	19,406
Decrease in receivables from rental and services	5,948	1,618
Decrease in receivables from dividend	-	33,700
Decrease (increase) in receivables from interest	(597)	3,671
Decrease (increase) in other receivables	865	(165)
Decrease in loan to subsidiary	-	25,000
Decrease in other assets	4,443	1,587
Decrease in other payables	(19,769)	(19,348)
Decrease in accrued expenses	(105,208)	(115,103)
Decrease in unearned income	(3,059)	(378)
Increase in deposit received from customers	8,717	4,250
Increase in other liabilities	2,519	2,506
Cash paid for income tax	(4,460)	-
<b>Net cash flows from operating activities</b>	<b>17,954</b>	<b>24,011</b>

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



(Unaudited but reviewed)

**Thailand Prime Property Freehold and Leasehold Real Estate Investment Trust and its subsidiaries**

**Statement of cash flows (continued)**

**For the three-month period ended 31 March 2017**

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statement	financial statement
	For the three-month	For the three-month
	period ended	period ended
	31 March 2017	31 March 2017
<b>Cash flows from financing activities</b>		
Capital reduction to unitholders	(33,562)	(33,562)
Distribution to unitholders	(41,555)	(41,555)
Cash paid for Interest expenses	(15,141)	(15,141)
<b>Net cash used in financing activities</b>	<u>(90,258)</u>	<u>(90,258)</u>
<b>Net decrease in cash and cash at banks</b>	(72,304)	(66,247)
Cash and cash at banks at the beginning of period	550,498	292,179
<b>Cash and cash at banks at the end of period (Note 9)</b>	<u>478,194</u>	<u>225,932</u>
	-	-

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

**Thailand Prime Property Freehold and Leasehold Real Estate Investment Trust and its subsidiaries**

**Detail of investments**

**As at 31 March 2017**

**Detail of investments classified by asset classes**

Type of investments	Consolidated financial statements						Separate financial statements					
	31 March 2017			31 December 2016			31 March 2017			31 December 2016		
	(Unaudited but reviewed)			(Audited)			(Unaudited but reviewed)			(Audited)		
	Cost	Fair value	Percentage of investments	Cost	Fair value	Percentage of investments	Cost	Fair value	Percentage of investments	Cost	Fair value	Percentage of investments
(Thousand Baht)	(Thousand Baht)		(Thousand Baht)	(Thousand Baht)		(Thousand Baht)	(Thousand Baht)		(Thousand Baht)	(Thousand Baht)		
Investments in properties and leasehold rights over properties (Note 7)												
Leasehold rights over land and building - Mercury Tower	2,441,064	2,441,064	34%	2,441,064	2,441,064	34%	2,441,064	2,441,064	36%	2,441,064	2,441,064	36%
Land and building - Exchange Tower	4,788,296	4,788,296	66%	4,788,296	4,788,296	66%	-	-	-	-	-	-
Total investments in properties and leasehold rights over properties	7,229,360	7,229,360	100%	7,229,360	7,229,360	100%	2,441,064	2,441,064	36%	2,441,064	2,441,064	36%
Investment in subsidiaries (Note 8)	-	-	-	-	-	-	4,321,783	4,321,783	64%	4,321,783	4,321,783	64%
Total investments	7,229,360	7,229,360	100%	7,229,360	7,229,360	100%	6,762,847	6,762,847	100%	6,762,847	6,762,847	100%

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

(Unaudited but reviewed)

**Thailand Prime Property Freehold and Leasehold Real Estate Investment Trust and its subsidiaries**

**Significant financial information**

**For the three-month period ended 31 March 2017**

	(Unit: Baht)	
	Consolidated	Separate
	financial statement	financial statement
	For the three-month	For the three-month
	period ended	period ended
	31 March 2017	31 March 2017
<b>Operating performance information (per unit)</b>		
Net asset value at the beginning of period	10.1183	10.0759
Income from investing activities		
Net investment income	0.1576	0.1055
Total income from investing activities	0.1576	0.1055
Less: Capital reduction to unitholders	(0.0613)	(0.0613)
Less: Distribution to unitholders	(0.0759)	(0.0759)
Net asset value at the end of period	<u>10.1387</u>	<u>10.0442</u>
<b>Ratio of net increase in net assets from operations to</b>		
<b>    average net assets during the period (%)</b>	1.56	1.05
<b>Significant financial ratios and additional significant information</b>		
Net assets at the end of period (Thousand Baht)	5,550,977	5,499,247
Ratio of total expenses to average net assets during the period (%)	2.17	1.34
Ratio of total investment income to average net assets during the period (%)	3.73	2.39
Ratio of weighted average investment purchases and sales during the period to average net assets during the period (%)*	-	-
Average net assets during the period (Thousand Baht)	5,547,698	5,491,177

\* The value of investment purchases and sales during the period does not include cash at bank, and is calculated by a weighted average basis over the accounting period.

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

**Thailand Prime Property Freehold and Leasehold Real Estate Investment Trust  
and its subsidiaries**

**Notes to interim financial statements**

**For the three-month period ended 31 March 2017**

**1. Description of Thailand Prime Property Freehold and Leasehold Real Estate  
Investment Trust**

Thailand Prime Property 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 11 October 2016 between SCCP REIT Company Limited as the Trust Settlor and Kasikorn Asset Management Company Limited as the Trustee. On 11 October 2016, the Trust was established as a specific closed-end real estate investment trust with an indefinite term. The Trust’s objectives are to mobilise funds raised from investors and loans from financial institutions to invest in leasehold rights to land and Mercury Tower and invest in 99.99% of the shares of Exchange Tower Limited, which owns land and Exchange Tower.

The Stock Exchange of Thailand approved the listing of the Trust’s investment trusts and permitted their trading from 31 October 2016 onwards.

SCCP REIT Company Limited acts as the REIT Manager, Kasikorn Asset Management Company Limited acts as the Trustee, Jones Lang LaSalle Management Limited acts as the Property Manager of Mercury Tower and CBM Facilities management (Thailand) Company Limited acts as the Property Manager of Exchange Tower.

As at 31 March 2017 and 31 December 2016, the Trust’s major unitholder is Muang Thai Life Assurance Public Company Limited, which holds 21% and 21% of the issued and paid-up units of the Trust, respectively.

**2. Distribution policy**

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

- (1) The REIT Manager shall distribute to the Trust’s unitholders at least 90% of adjusted net profit for the accounting period, comprising the year-end distribution and the interim distribution (if any). The 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, 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 adjusted net profit means the net profit adjusted by the following items;

- (1) Deduction of unrealised gain from appraisal or appraisal review of assets of the Trust including adjustment of other items as prescribed by the Securities and Exchange Commission to reflect the cash position of the Trust.
- (2) Deduction of the reserve provision for payment for debt from borrowing or obligation arising from borrowing of the Trust under the limit stated in the registration statement and prospectus or annual report, as the case may be.
- (2) Indirect investments of the Trust is made through holding of shares, the REIT Manager will arrange for the company in which the Trust has invested to pay dividend to the Trust at least 90% of the net profit of the accounting period of such company, in the case where the Trust invests in a company not in its full fiscal year, the net profit incurred during the period in which is owned by the Trust, pursuant to the provisions of law under the Civil and Commercial Code. The REIT Manager may also consider arranging for such company to pay an interim dividend to enable the Trust to pay distributions, if appropriate.
- (3) In that event that the Trust has accumulated losses, management will not make any distributions to the Trust's unitholders.

With respect to interim distribution, the distribution amount is subject to discretion of the REIT Manager. If the amount of the interim distribution per unit to be paid is Baht 0.10 or less in each quarter, The REIT Manager reserves the right not to pay a distribution at that time and to carry such distribution forward to be paid together with the following distribution.

### **3. Basis of preparation of financial statements**

#### **3.1 Basis of preparation of interim financial statements**

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2016) "Interim Financial Reporting", with the Trust choosing to present condensed interim financial statements. However, the Trust has presented the balance sheet, the detail of investments, the statements of income, the statements of comprehensive income, changes in net assets, and cash flows and significant financial information in the same format as that used for the financial statements for the period as from 11 October 2016 (date of incorporation) to 31 December 2016.

The interim financial statements are intended to provide additional information to that included in the latest financial statements for the period as from 11 October 2016 (date of incorporation) to 31 December 2016. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the financial statements for the period as from 11 October 2016 (date of incorporation) to 31 December 2016.

The interim financial statements in Thai language are the official statutory financial statements of the Trust. The interim financial statements in English language have been translated from the Thai language interim financial statements.

### **3.2 Basis of consolidation**

These interim consolidated financial statements include the financial statements of Thailand and have been prepared on the same basis as that applied for the consolidated financial statements for the period as from 11 October 2016 (date of incorporation) to 31 December 2016, with no structural changes in the subsidiary occurring during the period.

### **4. New financial reporting standards**

During the period, the Trust and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which are effective for fiscal years beginning on or after 1 January 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Trust and its subsidiaries' financial statements.

### **5. Significant accounting policies**

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the period as from 11 October 2016 (date of incorporation) to 31 December 2016.

### **6. Investments trading information**

During the three-month period ended 31 March 2017, the Trust and its subsidiaries had no investment purchase and sale transactions.

During the period as from 11 October 2016 (date of incorporation) to 31 December 2016, the Trust had made payment for the acquisition cost and related expenses totaling Baht 6,763 million. The investments are 123% of the average net asset value of consolidated financial statement.

**7. Investments in properties and leasehold rights over properties**

On 13 October 2016, the Trust had entered into the sale and purchase agreement acquiring leasehold right over land and building of the Mercury Tower project and entered into sale and purchase agreement acquiring preferred shares and common shares of the Exchange Tower Ltd, the owner over freehold land and building including public utilities in relation to Exchange Tower project. The Trust had made payment for the acquisition cost and related expenses totaling Baht 6,763 million and had transferred rights over those assets on 21 October 2016.

Investments in properties and leasehold rights as at 31 March 2017 and 31 December 2016 are as follow:

(Unit: Million Baht)

	31 March 2017			
	Consolidated financial statement		Separated financial statement	
	Cost	Fair value	Cost	Fair value
Mercury Tower project	2,441	2,441	2,441	2,441
Exchange Tower project	4,788	4,788	-	-
	<u>7,229</u>	<u>7,229</u>	<u>2,441</u>	<u>2,441</u>

(Unit: Million Baht)

	31 December 2016			
	Consolidated financial statement		Separated financial statement	
	Cost	Fair value	Cost	Fair value
Mercury Tower project	2,441	2,441	2,441	2,441
Exchange Tower project	4,788	4,788	-	-
	<u>7,229</u>	<u>7,229</u>	<u>2,441</u>	<u>2,441</u>

The land and building of the Exchange Tower has been mortgaged to secure borrowing facilities from banks as mentioned in Note 12.

## 8. Investments in subsidiaries

On 13 October 2016, the Trust has entered into the Share Sale Agreement relating to preferred and ordinary shares purchasing of Exchange Tower Limited which owns freehold rights over land, building and public utilities relating to Exchange Tower, amounting to Baht 4,322 million (value of share amounting to Baht 4,320 million and duty stamp fee amounting to Baht 2 million), representing 99.99% of voting right. In addition, Exchange Tower Limited is the shareholder of Exchange Connection Limited holding 99.99% interest of voting right.

According to such investment, the Trust obtains control over Exchange Tower Limited and Exchange Connection Limited. Such companies are subsidiaries of the Trust since the date of share transfer and payment which is 21 October 2016.

## 9. Cash and cash at banks

As at 31 March 2017 and 31 December 2016, the Trust and its subsidiaries have the details of cash and cash at banks as follows:

	Consolidated financial statements				Separate financial statements			
	31 March 2017		31 December 2016		31 March 2017		31 December 2016	
	Balance	Interest rate per annum	Balance	Interest rate per annum	Balance	Interest rate per annum	Balance	Interest rate per annum
	(Thousand Baht)	(%)	(Thousand Baht)	(%)	(Thousand Baht)	(%)	(Thousand Baht)	(%)
Cash	170	-	140	-	90	-	70	-
Cash at Banks								
Savings accounts								
Kasikorn Bank Plc.	218,578	0.37	285,462	0.37	218,578	0.37	285,462	0.37
United Overseas Bank (Thai) plc.	237,523	0.25	230,109	0.25	-	-	-	-
Current accounts								
Kasikorn Bank Plc.	7,264	-	18,397	-	7,264	-	6,647	-
United Overseas Bank (Thai) plc.	14,659	-	16,390	-	-	-	-	-
Total cash at banks	<u>478,024</u>		<u>550,358</u>		<u>225,842</u>		<u>292,109</u>	
Total cash and cash at banks	<u>478,194</u>		<u>550,498</u>		<u>225,932</u>		<u>292,179</u>	



**10. Receivables from rental and services**

The outstanding balances of receivables from rental and services as at 31 March 2017 and 31 December 2016 are aged on the basis of due dates as follows:

(Unit: Thousand Baht)

Age of receivables	Consolidated financial statements		Separate financial statements	
	31 March	31 December	31 March	31 December
	2017	2016	2017	2016
Not yet due	8,620	10,029	3,175	3,221
Past due				
Up to 3 months	12,157	16,157	10,678	11,711
3 - 6 months	144	683	144	683
Total	20,921	26,869	13,997	15,615

**11. Deferred expenses**

(Unit: Thousand Baht)

	Consolidated and separated financial statements	
	For the three-month period ended	For the period as from 11 October 2016 to 31 December 2016
	31 March 2017	
Deferred expenses at beginning of period	183,119	-
Add: Increase	-	191,729
Less: Amortisation for the period	(9,450)	(8,610)
Deferred expenses at end of period	173,669	183,119

**12. Long-term loans**

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	31 March 2017	31 December 2016
Long-term loans from financial institutions	2,050,000	2,050,000
Less: Deferred amortisation on front end fee	(25,092)	(26,324)
Total	2,024,908	2,023,676

On 13 October 2016, the Trust borrowed Baht 2,050 million from two financial institutions. The loans carry interest at MLR minus fixed rate per annum with monthly interest payment. The principal repayment of loan is due at the maturity date in 5 years (20 October 2021).

The loans are secured by the mortgage of land and building of the subsidiary, as described in Note 7 to financial statement.

The loan agreements contain covenants, which, among other things, require the Trust to maintain financial ratios such as Financial Indebtedness to Total Asset ratio and Interest Bearing Debt to EBITDA ratio.

### 13. Capital from unitholders

Movements in capital account are as follows:

	Number of units	Per unit	Total
	(Thousand Units)	(Baht)	(Thousand Baht)
Ending balance as of 31 December 2016	547,500	10.0000	5,475,000
Capital reduction as of 27 March 2017	-	(0.0613)	(33,562)
Ending balance as of 31 March 2017	547,500	9.9387	5,441,438

### 14. Retained earnings

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	For the three-month period ended 31 March 2017	For the period as from 11 October 2016 to 31 December 2016	For the three-month period ended 31 March 2017	For the period as from 11 October 2016 to 31 December 2016
Accumulated net investment income	64,805	-	41,557	-
Retained earnings at the beginning of period	64,805	-	41,557	-
Add: Increase in net assets				
resulting from operations	86,289	64,694	57,807	41,557
Other comprehensive income	-	111	-	-
Less: Distribution to unitholders	(41,555)	-	(41,555)	-
Retained earnings at the end of period	109,539	64,805	57,809	41,557

**15. Distribution to unitholders**

Distribution paid during the three-month period ended 31 March 2017 consists, as follows:

Approved date	The operation for the period	Per unit	Total
		(Baht)	(Thousand Baht)
27 February 2017	21 October 2016 to 31 December 2016	0.0759	41,555
			<u>41,555</u>

**16. Expenses****16.1 REIT Manager's fee**

The REIT Manager is entitled to a monthly REIT Manager's fee (exclusive of value added tax, specific business tax or any other similar taxes) from the Trust, broken down as follows:

- (1) A base fee, paid monthly and calculated at a rate not exceeding 0.45% per annum on the total asset value of the Trust, as specified on the agreement.
- (2) An incentive fee, paid monthly and calculated at a rate not exceeding 2.50% per annum on the Trust's net revenue before administrative expenses, as specified on the agreement.

**16.2 Trustee's fee**

The Trustee is entitled to monthly remuneration at a rate not exceeding 0.40% per annum (exclusive of value added tax, specific business tax or any other similar taxes) of the Trust's total asset value, as calculated by the REIT Manager and verified by the Trustee, as specified on the agreement.

**16.3 Registrar's fee**

The expenses for the work of the Trust Unit Registrar is monthly charged as actual cost.

**16.4 Property management fee**

Fees are payable to the Property Managers on a monthly basis under the Property Management Agreement between the REIT Manager and the Property Managers.

**17. Related party transactions**

During the period, the Trust and its subsidiaries had significant business transactions with its related parties, which have been agreed upon in the ordinary course of business between the Trust, its subsidiaries and its related parties. The pricing policies and amount for particular type of transactions are as follows:

(Unit: Thousand Baht)

	Consolidated financial statement	Separate financial statement	
	For the three-month period ended	For the three-month period ended	
	31 March 2017	31 March 2017	Transfer Pricing Policy
<b>Transactions with subsidiaries</b>			
(eliminated from the consolidated financial statement)			
Dividend income	-	45,670	As declared
Interest income	-	8,796	7.50% per annum
<b>Transactions with related companies</b>			
Rental and services income	2,610	449	Contract price
Interest income	444	444	0.37% per annum
REIT Manager's fee	7,399	7,399	As detailed in Note 16.1
Trustee's fee	4,862	4,862	As detailed in Note 16.2
Property management fee	6,502	3,625	As detailed in Note 16.4
Administration expenses	49	49	Actual paid
Finance cost	9,087	9,087	As detailed in Note 12

(Unaudited but reviewed)

As at 31 March 2017 and 31 December 2016, the Trust and its subsidiaries have the following significant outstanding balances with its related parties as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March	31 December	31 March	31 December
	2017	2016	2017	2016
<b>Investment in subsidiaries</b>				
Subsidiary			4273	4273
<b>Cash at banks</b>				
Related companies	292	309	292	299
<b>Receivables from rental and services</b>				
Related companies	1	€	1	€
<b>Receivable from dividend</b>				
Subsidiary				3
<b>Receivables from interest</b>				
Subsidiaries			2	3
Related companies	2		2	
<b>Loan to subsidiary <sup>(1)</sup></b>				
Subsidiary			455	480
<b>Other assets</b>				
Related companies	1	1	1	1
<b>Payables from interest</b>				
Related companies	3	3	3	3
<b>Other payables</b>				
Related companies	3	3	3	3
<b>Accrued expenses</b>				
Related companies	3	34	3	34
<b>Deposits received from customers</b>				
Related companies	3	3	3	3
<b>Long-term loan</b>				
Related companies	12500	12500	12500	12500

<sup>(1)</sup> **Loan to subsidiary**

As at 31 March 2017 the Trust has unsecured loan to Exchange Tower Limited totally Baht 455 million (31 December 2016: Baht 480 million). The loans carry interest at 7.50% per annum or any other rate to be determined by the Trust.

**18. Commitments**

18.1 The Trust and its subsidiaries are committed to pay fees to counterparties under the terms and conditions as described in Note 16 to the financial statements.

18.2 As at 31 March 2017 and 31 December 2016, the Trust and its subsidiaries have a commitment in respect of payments in accordance with the service agreement as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 March	31 December	31 March	31 December
	2017	2016	2017	2016
Payable				
In up to 1 year	56	48	32	33
In over 1 and up to 5 years	38	28	30	22
In over 5 years	19	10	9	-

18.3 As at 31 March 2017 and 31 December 2016, the Trust has outstanding bank guarantees of approximately Baht 11 million issued by banks on behalf of the Trust as required in the normal course of business. These included letters of guarantee of approximately Baht 4 million to guarantee the Trust's electricity use and approximately Baht 7 million to guarantee the subsidiary's electricity use.

**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 and its subsidiaries is to provide the service on the properties in which the Trust and its subsidiaries have 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.

For the period, the Trust and its subsidiaries have no major customer with revenue of 10 percent or more of an entity's revenue.

**20. Events after the reporting period**

At the Board of Directors Meeting of REIT Manager held on 5 May 2017, the Board of Directors has passed resolutions as follows:

- 1) Approved the capital reduction at the rate of Baht 0.0705 per unit trust. The distribution date will be paid on 5 June 2017.
- 2) Approved the appropriation of distribution of Baht 0.1055 per unit which will be paid from operation period as of 1 January 2017 to 31 March 2017. The distribution date will be paid on 5 June 2017.

**21. Approval of interim financial statements**

These interim financial statements were authorised for issue by REIT Manager's Board of Directors on 5 May 2017.