

Thailand Prime Property Freehold and Leasehold
Real Estate Investment Trust and its subsidiaries
Report and consolidated interim financial statements
30 September 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 30 September 2017, the related consolidated statements of income and comprehensive income for the three-month and nine-month periods ended 30 September 2017, the statements of changes in net assets, cash flows and significant financial information for the nine-month period then ended 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: 9 November 2017

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

Balance sheet

As at 30 September 2017

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2017	31 December 2016	30 September 2017	31 December 2016
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Investments in properties and leasehold rights					
over properties at fair value	7	7,456,156	7,229,360	2,162,000	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	-	-	4,888,778	4,321,783
(Separate financial statements: At cost: Baht 4,322 million)					
Cash and cash at banks	9, 17	454,282	550,498	172,614	292,179
Receivables					
From rental and services	10, 17	17,925	26,869	6,070	15,615
From dividend	17	-	-	40,000	33,700
From interest	17	374	46	2,728	7,133
Others		368	1,439	329	203
Loan to subsidiary	17	-	-	405,378	480,378
Deferred expenses	11	154,454	183,119	154,454	183,119
Intangible assets		43,641	46,332	218	240
Other assets	17	55,798	68,429	45,075	52,154
Total assets		8,182,998	8,106,092	7,877,644	7,827,568

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 30 September 2017

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2017	31 December 2016	30 September 2017	31 December 2016
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities					
Payables					
From interest	17	12,647	2,868	12,647	2,868
Others	17	13,467	38,490	8,052	27,799
Accrued expenses	17	84,463	215,933	31,662	171,485
Income tax payable		8,049	18,183	-	-
Unearned income		38,526	38,524	2,108	2,098
Deposit received from customers	17	251,256	221,104	89,330	80,082
Long-term loans	12, 17	2,027,460	2,023,676	2,027,460	2,023,676
Deferred tax liabilities		29	423	-	-
Other liabilities		9,972	7,086	5,452	3,003
Total liabilities		2,445,869	2,566,287	2,176,711	2,311,011
Net assets		5,737,129	5,539,805	5,700,933	5,516,557
Net assets:					
Trust registered					
547,500,000 units of Baht 9.7970 each					
(31 December 2016: 547,500,000 units of Baht 10.0000 each)					
		5,363,857	5,475,000	5,363,857	5,475,000
Capital from unitholders					
	13				
547,500,000 units of Baht 9.7970 each					
(31 December 2016: 547,500,000 units of Baht 10.0000 each)					
		5,363,857	5,475,000	5,363,857	5,475,000
Retained earnings	14	373,272	64,805	337,076	41,557
Net assets		5,737,129	5,539,805	5,700,933	5,516,557
		-	-	-	-
Net asset value per unit (Baht)		10.4787	10.1183	10.4126	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 30 September 2017

		(Unit: Thousand Baht)	
		Consolidated	Separate
		financial statement	financial statement
		For the three-month	For the three-month
		period ended	period ended
	Note	30 September 2017	30 September 2017
Investment income			
Rental and services income	17	202,558	79,450
Dividend income	17	-	40,000
Interest income	17	405	8,228
Other income		14	14
Total income		202,977	127,692
Expenses			
Costs of rental and services		66,424	31,187
REIT Manager's fee	16, 17	7,355	7,355
Trustee's fee	16, 17	4,834	4,834
Registrar's fee	16	496	496
Property management fee	16, 17	6,792	3,894
Professional fees		655	306
Amortisation of deferred expenses		9,660	9,660
Other expenses	17	4,757	1,299
Finance cost	17	19,600	19,600
Income tax expenses		10,459	-
Total expenses		131,032	78,631
Net investment income		71,945	49,061
Unrealised gain on investments			
Net unrealised gain (loss) on investments in properties	7	226,796	(279,064)
Net unrealised gain on investment in subsidiaries	8	-	566,995
Total gains on investments		226,796	287,931
Increase in net assets from operations		298,741	336,992

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 income

For the nine-month period ended 30 September 2017

		(Unit: Thousand Baht)	
		Consolidated	Separate
		financial statement	financial statement
		For the nine-month	For the nine-month
		period ended	period ended
	Note	30 September 2017	30 September 2017
Investment income			
Rental and services income	17	622,131	234,003
Dividend income	17	-	125,140
Interest income	17	1,657	25,804
Other income		48	48
Total income		623,836	384,995
Expenses			
Costs of rental and services		196,348	84,501
REIT Manager's fee	16, 17	21,763	21,763
Trustee's fee	16, 17	14,302	14,302
Registrar's fee	16	1,471	1,471
Property management fee	16, 17	20,272	11,368
Professional fees		1,963	872
Amortisation of deferred expenses		28,665	28,665
Other expenses	17	15,532	4,959
Finance cost	17	58,561	58,561
Income tax expenses		32,343	-
Total expenses		391,220	226,462
Net investment income		232,616	158,533
Unrealised gain on investments			
Net unrealised gain (loss) on investments in properties	7	226,796	(279,064)
Net unrealised gain on investment in subsidiaries	8	-	566,995
Total gains on investments		226,796	287,931
Increase in net assets from operations		459,412	446,464

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 nine-month period ended 30 September 2017

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statement	financial statement
	For the nine-month	For the nine-month
	period ended	period ended
	30 September 2017	30 September 2017
	<hr/>	<hr/>
Increase in net assets from operations	459,412	446,464
Other comprehensive income	-	-
Total comprehensive increase in net assets from operations	<hr/> <u>459,412</u>	<hr/> <u>446,464</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 nine-month period ended 30 September 2017

		(Unit: Thousand Baht)	
		Consolidated	Separate
		financial statement	financial statement
		For the nine-month	For the nine-month
		period ended	period ended
	Note	30 September 2017	30 September 2017
Increase in net assets from operations			
Net investment income		232,616	158,533
Net unrealised gain (loss) on investments in properties	7	226,796	(279,064)
Net unrealised gain on investment in subsidiaries	8	-	566,995
Increase in net assets from operations		459,412	446,464
Capital reduction to unitholders	13	(111,143)	(111,143)
Distribution to unitholders	15	(150,945)	(150,945)
Decrease in net assets during period		197,324	184,376
Net assets at the beginning of period		5,539,805	5,516,557
Net assets at the end of period		5,737,129	5,700,933
		-	-

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 nine-month period ended 30 September 2017

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statement	financial statement
	For the nine-month	For the nine-month
	period ended	period ended
	30 September 2017	30 September 2017
Cash flows from operating activities		
Increase in net assets from operations	459,412	446,464
Adjustments to reconcile (increase) decrease in net assets from operations to net cash provided by (used in) operating activities:		
Income tax expenses	32,343	-
Amortisation	31,356	28,687
Provision for long-term employee benefit	123	-
Finance cost	58,561	58,561
Decrease in receivables from rental and services	8,944	9,545
Increase in receivables from dividend	-	(6,300)
(Increase) decrease in receivables from interest	(328)	4,405
(Increase) decrease in other receivables	1,071	(126)
Decrease in loan to subsidiary	-	75,000
Increase in other assets	12,632	7,079
Decrease in other payables	(25,023)	(19,747)
Decrease in accrued expenses	(131,470)	(139,823)
Increase in unearned income	2	10
Increase in deposit received from customers	30,152	9,248
Increase in other liabilities	2,763	2,449
Net unrealised (gain) loss on investments in properties	(226,796)	279,064
Net unrealised gain on investment in subsidiaries	-	(566,995)
Cash paid for income tax	(42,872)	-
Net cash flows from operating activities	210,870	187,521

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 nine-month period ended 30 September 2017

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statement	financial statement
	For the nine-month	For the nine-month
	period ended	period ended
	30 September 2017	30 September 2017
Cash flows from financing activities		
Capital reduction to unitholders	(111,143)	(111,143)
Distribution to unitholders	(150,945)	(150,945)
Cash paid for interest expenses	(44,998)	(44,998)
Net cash used in financing activities	(307,086)	(307,086)
Net decrease in cash and cash at banks	(96,216)	(119,565)
Cash and cash at banks at the beginning of period	550,498	292,179
Cash and cash at banks at the end of period (Note 9)	454,282	172,614
	-	-

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 30 September 2017

Detail of investments classified by asset classes

Type of investments	Consolidated financial statements						Separate financial statements					
	30 September 2017			31 December 2016			30 September 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	2,162,000	29%	2,441,064	2,441,064	34%	2,441,064	2,162,000	31%	2,441,064	2,441,064	36%
Land and building - Exchange Tower	4,788,296	5,294,156	71%	4,788,296	4,788,296	66%	-	-	-	-	-	-
Total investments in properties and leasehold rights over properties	7,229,360	7,456,156	100%	7,229,360	7,229,360	100%	2,441,064	2,162,000	31%	2,441,064	2,441,064	36%
Investment in subsidiaries (Note 8)	-	-	-	-	-	-	4,321,783	4,888,788	69%	4,321,783	4,321,783	64%
Total investments	7,229,360	7,456,156	100%	7,229,360	7,229,360	100%	6,762,847	7,050,788	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 nine-month period ended 30 September 2017

(Unit: Baht)

	Consolidated financial statement	Separate financial statement
	For the nine-month period ended 30 September 2017	For the nine-month period ended 30 September 2017
Operating performance information (per unit)		
Net asset value at the beginning of period	10.1183	10.0759
Income from investing activities		
Net investment income	0.4249	0.2895
Net unrealised gain (loss) on investments in properties	0.4142	(0.5097)
Net unrealised gain on investment in subsidiaries	-	1.0356
Total income from investing activities	0.8391	0.8154
Less: Capital reduction to unitholders	(0.2030)	(0.2030)
Less: Distribution to unitholders	(0.2757)	(0.2757)
Net asset value at the end of period	10.4787	10.4126

Ratio of net increase in net assets from operations to

average net assets during the period (%) 8.26 8.14

Significant financial ratios and additional significant information

Net assets at the end of period (Thousand Baht)	5,737,129	5,700,933
Ratio of total expenses to average net assets during the period (%)	7.04	4.13
Ratio of total investment income to average net assets during the period (%)	11.22	7.02
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)	5,559,220	5,485,356

* 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 consolidated financial statements

For the three-month and nine-month periods ended 30 September 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 30 September 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 arrangement 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, 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 and nine-month periods ended 30 September 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 has entered into the sale and purchase agreement acquiring leasehold right over land and building of the Mercury Tower project and entered into Share Sale Agreement relating to preferred and ordinary shares purchasing of the Exchange Tower Limited which owns freehold rights over land, building and public utilities in relation to Exchange Tower. 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.

During the periods, the movement of the investments in properties and leasehold rights over properties are as follow:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	For the period		For the period	
	For the nine-month period ended 30 September 2017	as from 11 October 2016 to 31 December 2016	For the nine- month period ended 30 September 2017	as from 11 October 2016 to 31 December 2016
Investments in properties and leasehold rights over properties at beginning of the period	7,229,360	-	2,441,064	-
Add: Purchase of investment in properties	-	7,229,360	-	2,441,064
Net unrealised gain (loss) on investments	226,796	-	(279,064)	-
Investments in properties and leasehold rights over properties at end of the period	<u>7,456,156</u>	<u>7,229,360</u>	<u>2,162,000</u>	<u>2,441,064</u>

During the period, the Trust hired an independent appraiser to appraise the fair value of the investments in properties and leasehold rights using the income approach. The main assumptions used in the valuation are rental rate, service rate, occupancy rate and discount rate, net of tax obligations and other related expenses.

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

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 in relation 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% 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.

During the periods, movement of investment in subsidiaries are as follow:

	(Unit: Thousand Baht)	
	Separate financial statements	
	For the nine-month period ended	For the period as from
	30 September 2017	11 October 2016 to 31 December 2016
Investments in subsidiaries at beginning of the period	4,321,783	-
Add: Purchase of investment in subsidiaries	-	4,321,783
Net unrealised gains on investments in subsidiaries	566,995	-
Investments in subsidiaries at end of the period	<u>4,888,778</u>	<u>4,321,783</u>

During the period, the REIT Manager appraised the fair value of investments in subsidiaries using discounted cash flow method. The main assumptions used in the valuation is based on the independent appraiser as mentioned in Note 7.

9. Cash and cash at banks

As at 30 September 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			
	30 September 2017		31 December 2016		30 September 2017		31 December 2016	
	Balance	Interest rate	Balance	Interest rate	Balance	Interest rate	Balance	Interest rate
	(Thousand Baht)	per annum (%)	(Thousand Baht)	per annum (%)	(Thousand Baht)	per annum (%)	(Thousand Baht)	per annum (%)
Cash	170	-	140	-	90	-	70	-
Cash at Banks								
Current accounts								
Kasikorn Bank Plc.	2,758	-	18,397	-	2,758	-	6,647	-
United Overseas Bank (Thai) plc.	16,992	-	16,390	-	-	-	-	-
Savings accounts								
Kasikorn Bank Plc.	109,766	0.37	285,462	0.37	109,766	0.37	285,462	0.37
United Overseas Bank (Thai) plc.	264,596	0.25	230,109	0.25	-	-	-	-
Fixed deposits accounts								
Kasikorn Bank Plc.	60,000	0.90	-	-	60,000	0.90	-	-
Total cash at banks	454,112		550,358		172,524		292,109	
Total cash and cash at banks	454,282		550,498		172,614		292,179	

10. Receivables from rental and services

The outstanding balances of receivables from rental and services as at 30 September 2017 and 31 December 2016 are aged on the basis of due dates as follows:

Age of receivables	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	30 June	31 December	30 June	31 December
	2017	2016	2017	2016
Not yet due	7,120	10,029	3,724	3,221
Past due				
Up to 3 months	2,333	16,157	2,171	11,711
3 - 6 months	8,371	683	174	683
6 - 9 months	101	-	1	-
Total	17,925	26,869	6,070	15,615

11. Deferred expenses

(Unit: Thousand Baht)

	Consolidated and separated financial statements	
	For the nine-month period ended 30 September 2017	For the period as from 11 October 2016 to 31 December 2016
Deferred expenses at beginning of period	183,119	-
Add: Increase	-	191,729
Less: Amortisation for the period	(28,665)	(8,610)
Deferred expenses at end of period	154,454	183,119

12. Long-term loans

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	30 September 2017	31 December 2016
Long-term loans from financial institutions	2,050,000	2,050,000
Less: Deferred amortisation on front end fee	(22,540)	(26,324)
Total	2,027,460	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 the interim financial statements.

The loan agreements contain covenants which 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 (Thousand Units)	Per unit (Baht)	Total (Thousand Baht)
31 December 2016	547,500	10.0000	5,475,000
Capital reduction No. 1/2017	-	(0.0613)	(33,562)
Capital reduction No. 2/2017	-	(0.0705)	(38,599)
Capital reduction No. 3/2017	-	(0.0712)	(38,982)
30 September 2017	547,500	9.7970	5,363,857

14. Retained earnings

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the nine-month period ended 30 September 2017	For the period as from 11 October 2016 to 31 December 2016	For the nine-month period ended 30 September 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	232,616	64,694	158,533	41,557
Other comprehensive income	-	111	-	-
Net unrealised gain (loss) on investments in properties	226,796	-	(279,064)	-
Net unrealised gain on investment in subsidiaries	-	-	566,995	-
Less: Distribution to unitholders	(150,945)	-	(150,945)	-
Retained earnings at the end of period	373,272	64,805	337,076	41,557

15. Distribution to unitholders

Distribution paid during the nine-month period ended 30 September 2017 consists, as follows:

Approved date	The operation for the period	Per unit (Baht)	Total (Thousand Baht)
27 February 2017	21 October 2016 to 31 December 2016	0.0759	41,555
5 May 2017	1 January 2017 to 31 March 2017	0.1055	57,761
4 August 2017	1 April 2017 to 30 June 2017	0.0943	51,629
			150,945

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 the following related parties.

Name of related parties	Relationship
Exchange Tower Ltd.	Subsidiary
Exchange Connection Ltd.	Subsidiary
SCCP REIT Company Limited	REIT Manager
Jones Lang LaSalle Management Limited	Property Manager
CBM Facilities management (Thailand) Company Limited	Property Manager
Kasikorn Asset Management Company Limited	Trustee
Kasikorn Bank Public Company Limited	Parent company of Trustee
Haadsabai Company Limited	Having common director the REIT Manager
SC Capital Partners (Thailand) Company Limited	Having common director the REIT Manager
Phuket Square Company Limited	Having common director the REIT Manager

(Unaudited but reviewed)

Such related parties transactions 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 30 September 2017	For the three-month period ended 30 September 2017	Transfer Pricing Policy
Transactions with subsidiaries			
(eliminated from the consolidated financial statement)			
Dividend income	-	40,000	As declared
Interest income	-	7,982	7.50% per annum
Transactions with related companies			
Rental and services income	2,619	437	Contract price
Interest income	204	204	0.37% per annum
REIT Manager's fee	7,355	7,355	As detailed in Note 16.1
Trustee's fee	4,834	4,834	As detailed in Note 16.2
Property management fee	6,793	3,893	As detailed in Note 16.4
Other expenses	51	51	Actual paid
Finance cost	9,155	9,155	As detailed in Note 12

(Unit: Thousand Baht)

	Consolidated financial statement	Separate financial statement	
	For the nine-month period ended 30 September 2017	For the nine-month period ended 30 September 2017	Transfer Pricing Policy
Transactions with subsidiaries			
(eliminated from the consolidated financial statement)			
Dividend income	-	125,140	As declared
Interest income	-	25,139	7.50% per annum
Transactions with related companies			
Rental and services income	7,639	1,326	Contract price
Interest income	589	589	0.37% per annum
REIT Manager's fee	21,763	21,763	As detailed in Note 16.1
Trustee's fee	14,302	14,302	As detailed in Note 16.2
Property management fee	20,273	11,368	As detailed in Note 16.4
Other expenses	150	150	Actual paid
Finance cost	27,389	27,389	As detailed in Note 12

(Unaudited but reviewed)

As at 30 September 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	
	30 September	31 December	30 September	31 December
	2017	2016	2017	2016
Investment in subsidiaries				
Subsidiary	-	-	4,888,778	4,321,783
Cash at banks				
Related companies	172,524	303,859	172,524	292,109
Receivables from rental and services				
Related companies	11	643	4	616
Receivable from dividend				
Subsidiary	-	-	40,000	33,700
Receivables from interest				
Subsidiaries	-	-	2,499	7,088
Related companies	230	46	230	46
Loan to subsidiary ⁽¹⁾				
Subsidiary	-	-	405,378	480,378
Other assets				
Related companies	118	164	118	164
Payables from interest				
Related companies	6,323	1,434	6,323	1,434
Other payables				
Related companies	1,723	18,123	1,426	18,123
Accrued expenses				
Related companies	10,767	133,214	10,061	133,214
Deposits received from customers				
Related companies	3,266	2,892	394	383
Long-term loan				
Related companies	1,025,000	1,025,000	1,025,000	1,025,000

⁽¹⁾ **Loan to subsidiary**

As at 30 September 2017, the Trust has unsecured loan to Exchange Tower Limited totally Baht 405 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 interim financial statements.

18.2 As at 30 September 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	
	30 September	31 December	30 September	31 December
	2017	2016	2017	2016
Payable				
In up to 1 year	41	48	25	33
In over 1 and up to 5 years	43	28	21	22
In over 5 years	18	10	9	-

18.3 As at 30 September 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 lease of 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 9 November 2017 the Board of Directors has passed resolutions as follows:

- 1) Approved the capital reduction at the rate of Baht 0.0719 per unit trust. The distribution date will be paid on 14 December 2017.
- 2) Approved the appropriation of distribution of Baht 0.0896 per unit which will be paid from operation period as of 1 July 2017 to 30 September 2017 The distribution date will be paid on 14 December 2017.

21. Approval of interim financial statements

These interim financial statements were authorised for issue by REIT Manager's Board of Directors on 9 November 2017.