

FUTURE PARK LEASEHOLD PROPERTY FUND

**INTERIM FINANCIAL INFORMATION
(UNAUDITED)**

30 SEPTEMBER 2021

AUDITOR'S REPORT ON THE REVIEW OF THE INTERIM FINANCIAL INFORMATION

To the Unitholders of Future Park Leasehold Property Fund

I have reviewed the interim financial information of Future Park Leasehold Property Fund (Fund), which comprises the statement of financial position and the statement of details of investments as at 30 September 2021, the related statements of comprehensive income for the three-month and nine-month period then ended, changes in net assets, and cash flows for the nine-month period then ended, and the condensed notes to the interim financial information. The Fund's Management is responsible for the preparation and presentation of this interim financial information in accordance with the accounting guideline 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. 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 the accounting guideline 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.

PricewaterhouseCoopers ABAS Ltd.

Sanicha Akarakittilap

Certified Public Accountant (Thailand) No. 8470

Bangkok

15 November 2021

Future Park Leasehold Property Fund
Statement of Financial Position
As at 30 September 2021

		Unaudited 30 September 2021	Audited 31 December 2020
	Notes	Baht'000	Baht'000
Assets			
Investments in properties at fair value	7, 15	10,765,840	11,344,528
Investments measured at fair value through profit or loss	6, 15	-	149,923
Cash and cash equivalents	8	355,356	243,942
Rental receivables, net		59,908	53,586
Other accounts receivable		473	547
Other assets		1,988	6,749
Total assets		11,183,565	11,799,275
Liabilities			
Accrued expenses		5,923	6,657
Other accounts payable		7,223	24,464
Deposits received from tenants		367,267	353,903
Lease liabilities		5,104,840	4,926,527
Other liabilities		8,145	12,619
Total liabilities		5,493,398	5,324,170
Net assets		5,690,167	6,475,105
Net assets :			
Capital received from unitholders		5,633,161	5,633,161
Retained earnings	9	57,006	841,944
Net assets		5,690,167	6,475,105
Net asset value per unit (Baht)		10.7449	12.2271
Number of units outstanding at the end of the period/year (units)		529,566,100	529,566,100

(Mr. Winai Hirunpinyopard)
Managing director

The accompanying notes to interim financial information are an integral part of this interim financial information.

Future Park Leasehold Property Fund
Statement of Details of Investments (Unaudited)
As at 30 September 2021

Details of investments are presented by type of investments.

Type of investments	As at 30 September 2021 (Unaudited)			
	Leased areas by the Fund	Cost Baht'000	Fair value Baht'000	% of investments
Investments in properties (Note 7)				
Leasehold on buildings				
Future Park Rangsit Shopping Mall				
<u>Location</u> 94 Phaholyothin Road,				
Tambon Prachatipat, Thanyaburi				
Pathumthanee				
- Leasehold right on buildings	56,822.26 sq.m.	4,990,080		
- Right for using areas to generate benefits	48,791.00 sq.m.	1,046,363		
- Related acquisition costs		42,695		
- Renovation costs		422,472		
- Initial direct costs		17,757		
- Right-of-use assets		4,698,429		
Total investments in properties		11,217,796	10,978,840	100.00
Investments in securities (Note 6)				
Treasury bill				
Ministry of Finance: (DM)7/182/64	18 August 2021	-	-	0.00
Total treasury bill		-	-	0.00
Total investments in securities		-	-	0.00
Total investments		11,217,796	10,978,840	100.00

The accompanying notes to interim financial information are an integral part of this interim financial information.

Future Park Leasehold Property Fund
Statement of Details of Investments (Unaudited) (Cont'd)
As at 30 September 2021

Details of investments are presented by type of investments. (Cont'd)

Type of investments	As at 31 December 2020 (Audited)			
	Leased areas by the Fund	Cost Baht'000	Fair value Baht'000	% of investments
Investments in properties (Note 7)				
Leasehold on buildings				
Future Park Rangsit Shopping Mall				
<u>Location</u> 94 Phaholyothin Road,				
Tambon Prachatipat, Thanyaburi				
Pathumthanee				
- Leasehold right on buildings	56,822.26 sq.m.	4,990,080		
- Right for using areas to generate benefits	48,791.00 sq.m.	1,046,363		
- Related acquisition costs		42,695		
- Renovation costs		421,743		
- Initial direct costs		18,025		
- Right-of-use assets		4,698,429		
Total investments in properties		11,217,335	11,344,528	98.70
Investments in securities (Note 6)				
	Maturity	Cost Baht'000	Fair value Baht'000	% of investments
Bond				
Bank of Thailand: BOT 3/364/63	4 March 2021	149,875	149,923	1.30
Total bond		149,875	149,923	1.30
Total investments in securities		149,875	149,923	1.30
Total investments		11,367,210	11,494,451	100.00

The accompanying notes to interim financial information are an integral part of this interim financial information.

Future Park Leasehold Property Fund
Statement of Comprehensive Income (Unaudited)
For the three-month and nine-month periods ended 30 September 2021

		For the three-month period ended 30 September		For the nine-month period ended 30 September	
		2021	2020	2021	2020
	Notes	Baht'000	Baht'000	Baht'000	Baht'000
Investment income					
Rental and service income		54,451	148,381	337,175	408,744
Interest income		128	387	626	2,389
Other income		29	271	98	351
Total income		54,608	149,039	337,899	411,484
Expenses					
Management fee	10, 11	2,077	2,306	6,464	6,940
Trustee fee	10	384	427	1,197	1,285
Registrar fee	10	450	403	1,336	1,201
Property management fees	10, 11	11,367	17,140	45,077	44,129
Professional fee		301	300	1,022	1,011
Land building and signboard tax expenses		523	(30,442)	924	(24,758)
Marketing and administrative expenses		1,112	3,059	6,340	12,705
Insurance expenses		1,714	1,742	5,087	5,187
Tax expenses from investments		13	4	25	18
Other expenses		511	490	1,339	1,249
Finance costs		60,143	57,358	178,312	170,056
Total expenses		78,595	52,787	247,123	219,023
Net investment (loss) profit		(23,987)	96,252	90,776	192,461
Net (loss) gain from investment					
Net (loss) gain from change in fair value of investments		(154,083)	29,133	(579,157)	(129,833)
Total net (loss) gain from investment		(154,083)	29,133	(579,157)	(129,833)
Net (decrease) increase in net assets from operations		(178,070)	125,385	(488,381)	62,628

The accompanying notes to interim financial information are an integral part of this interim financial information.

Future Park Leasehold Property Fund
Statements of Changes in Net Assets (Unaudited)
For the nine-month period ended 30 September 2021

		30 September 2021	30 September 2020
	Note	Baht'000	Baht'000
(Decrease) increase in net assets from operations during the period			
Net investment profit		90,776	192,461
Net loss from change in fair value of investments		(579,157)	(129,833)
Net (decrease) increase in net assets from operations		(488,381)	62,628
Distribution to unitholders	12	(296,557)	(376,839)
Decrease in net assets during the period		(784,938)	(314,211)
Net assets at the beginning of the period		6,475,105	6,829,391
Net assets at the end of the period		<u>5,690,167</u>	<u>6,515,180</u>
		Units	Units
Change in the number of units			
(Baht 10.7449 per unit as at 30 September 2021 and Baht 12.2271 per unit in as at 31 December 2020)			
Unit at the beginning of the period/year		529,566,100	529,566,100
Unit at the end of the period/year		<u>529,566,100</u>	<u>529,566,100</u>

The accompanying notes to interim financial information are an integral part of this interim financial information.

Future Park Leasehold Property Fund
Statements of Cash Flows (Unaudited)
For the nine-month period ended 30 September 2021

		30 September 2021	30 September 2020
	Notes	Baht'000	Baht'000
Cash flows from operating activities			
(Decrease) increase in net assets from operations during the period		(488,381)	62,628
Adjustments to reconcile net increase in net assets from operations to net cash provided by operating activities			
Net loss from change in fair value of investments	6, 7	579,157	129,833
Interest income		(198)	(119)
Interest expense		178,312	170,056
Discount on investments measured at fair through profit or loss	6	(429)	(2,269)
Renovation cost	7	(729)	(1,149)
Purchases of investments measured at fair through profit or loss	6	(299,655)	(748,129)
Sales of investments measured at fair through profit or loss	6	450,000	880,000
Decrease (Increase) in initial direct costs	7	267	(17,729)
Increase in rental receivables		(6,322)	(22,738)
Decrease in other accounts receivable		74	315
Decrease in other assets		4,848	20,184
Decrease in accrued expenses		(734)	(28,385)
Decrease in other accounts payable		(17,241)	(7,824)
Increase (decrease) in deposits received from customers		13,364	(7,004)
Decrease in other liabilities		(4,474)	(10,310)
Cash flows from operating activities		407,859	417,360
Interest received		112	94
Net cash provided by operating activities		407,971	417,454
Cash flows from financing activities			
Distribution to unitholders	12	(296,557)	(376,839)
Net cash used in financing activities		(296,557)	(376,839)
Net increase in cash and cash equivalents		111,414	40,615
Cash and cash equivalents at the beginning of the period		243,942	65,213
Cash and cash equivalents at the end of the period		355,356	105,828

The accompanying notes to interim financial information are an integral part of this interim financial information.

1 Business nature of Future Park Leasehold Property Fund

Future Park Leasehold Property Fund (“the Fund”) is a closed-end property fund, set up for specific purpose with no project life stipulated. The Fund was established and registered as a fund on 23 November 2006 with registered capital of Baht 5,295,661,000 (529,566,100 units with a par value of Baht 10 per unit). The Fund is managed by BBL Asset Management Company Limited (“the Management Company”). The Krung Thai Bank Public Company Limited has been appointed to be the Trustee and Rangsit Plaza Company Limited acts as the Property Manager.

The Fund’s stated objective is being to seek funds from investors, invest mostly in property or property leasehold rights and generate benefit from such property.

The Fund has a dividend payment policy in accordance with the rules and procedures specified in the prospectus.

This interim financial information has been reviewed, not audited.

2 Significant events during the current period

The outbreak of Coronavirus Disease 2019 (“COVID-19”) in early 2021 has adverse effects on operating results for the nine-month period ended 30 September 2021.

During January to September 2021, Future Park Rangsit Shopping Mall of the Fund granted rent discounts to its tenants. This waiver is treated as a lease contract modification, which results in a reduction in the Fund’s rental income. In addition, this may lead to early termination, breach or renewal of certain existing lease contracts as well as affect new contract signing, and rental income in the coming periods. The Fund is now paying close attention to the development of the COVID-19 situation and its impact on the leasing market, performing relevant assessments and taking proactive measures for remediation.

3 Basis of preparation

The interim financial information 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). For the areas not covered by the accounting guidelines, the Fund applies the requirements in accordance with Thai Financial Reporting Standards issued by the Federation of Accounting Professions which effective on financial reporting period of the interim financial information.

The interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2020.

An English version of the interim financial information has been prepared from the interim financial information that is in the Thai language in accordance with accounting guidelines. In the event of a conflict or a difference in interpretation between the two languages, the Thai language interim financial information shall prevail.

4 Accounting policies

The accounting policies used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 31 December 2020

5 Financial risks

As at 30 September 2021, the principal financial risks faced by the Fund are interest rate risk and credit risk.

5.1 Interest rate risk

Interest rate risk is the risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial instruments. The financial assets and liabilities that potentially subject the Fund to the interest rate risk is deposit with banks and lease liabilities.

5.2 Credit risk

Credit risk is the risk that counterparties might not discharge their obligation causing the Fund to incur a financial loss. Credit risk arises from risk in the collectability of lease rental from counterparties.

The Fund has no significant concentrations of credit risk due to the Fund has a large number of tenants in various businesses. Additionally, the Fund has a policy to collect in advance rental deposits from customers as a collateral in case of default. The Management Company is of opinion that the Fund does not have credit risk other than that provided in the allowance for expected credit loss as presented in the financial statements. The estimate for allowance for expected credit loss encompasses consideration of past collection experiences, customers' deposits and other factors such as the local economic conditions.

6 Investments measured at fair value through profit or loss

The movements in the investments measured at fair value through profit or loss for the nine-month period ended 30 September 2021 can be analysed as follows:

	Unaudited 30 September 2021 Baht'000
Beginning balance of the period	149,923
Additions during the period	299,655
Discount amortisation	429
Maturity	(450,000)
Net loss from change in fair value of investments	(7)
Ending balance of the period	-

Future Park Leasehold Property Fund
Condensed Notes to Interim Financial Information (Unaudited)
For the nine-month period ended 30 September 2021

7 Investments in properties at fair value

The movements in the fair value of the investment in properties for the nine-month period ended 30 September 2021 can be analysed as follows:

	Unaudited 30 September 2021 Baht'000
Beginning balance of the period	11,344,528
Additions during the period	729
Initial direct costs	(267)
Net loss from change in fair value of investments	(579,150)
Ending balance of the period	<u>10,765,840</u>

During the period ended 30 September 2021, the Fund conducted an independent valuer to revalue the Fund's investments in properties by using the income approach. As a result, the fair value of the investment in properties as at 30 September 2021 amounted to Baht 5,661 million (31 December 2020: Baht 6,418 million). In accordance with accounting guidelines, the fair value of investments property is added back any recognised lease liability to arrive at the carrying amount of the investment property using the fair value model. As a result, the fair value of the investments in properties as at 30 September 2021 amounted to Baht 10,766 million (31 December 2020: Baht 11,345 million) with a net loss from change in fair value of investments of Baht 579.15 million (30 September 2020: Baht 129.82 million) recognised in the statement of comprehensive income.

The sensitivity analysis for significant assumptions used in investments in properties valuation can be analysed as follow:

	Change in assumption	Change in fair value increase (decrease) Baht'000
Discount rate	Increase 1%	(332,000)
Discount rate	Decrease 1%	368,000
Rental growth rate	Increase 1%	620,000
Rental growth rate	Decrease 1%	(561,000)

8 Cash and cash equivalents

As at 30 September 2021 and 31 December 2020, the Fund has the details of cash and cash equivalents as follows:

Details	Unaudited 30 September 2021		Audited 31 December 2020	
	Baht'000	Interest rate %	Baht'000	Interest rate %
Cash on hand	30	-	32	-
Current accounts	3,925	-	3,826	-
Saving accounts	351,401	0.125	240,084	0.050 - 0.125
Total	<u>355,356</u>		<u>243,942</u>	

9 Retained earnings

Movements in retained earnings for the nine-month period ended 30 September 2021 are as follows:

	Unaudited 30 September 2021 Baht'000
Accumulated net investment income	9,032,602
Accumulated net gains on changes in fair value of investments	127,150
Accumulated net gains from investments	40
<u>Less</u> Accumulated distribution to unitholders	<u>(8,317,848)</u>
Beginning balance of the period	841,944
<u>Add</u> Net investment income	90,776
<u>Less</u> Net loss from change in fair value of investments	(579,157)
Distribution to unitholders	<u>(296,557)</u>
Ending balance of the period	<u>57,006</u>

10 Expenses

The management fee, trustee fee, registrar fee and property management fee, are calculated by the Management Company as follows:

Management fee

The Management Company is entitled to receive a monthly management fee from the Fund at a rate not exceeding 0.135% per annum (exclusive of value added tax, specific business tax or any other similar tax) of the net asset value of the Fund as calculated by the Management Company and verified by the Trustee.

Trustee fee

The Trustee is entitled to receive a monthly remuneration at a rate not exceeding 0.025% per annum (exclusive of value added tax, specific business tax or any other similar tax) of the net asset value of the Fund as calculated by the Management Company and verified by the Trustee. The foregoing does not include other expenses as actually incurred such as the expenses for the inspection of assets of the Fund.

Registrar fee

The fee for the Investment unit registrar shall be at a rate not exceeding 0.032% per annum (exclusive of value added tax, specific business tax or any other similar tax) of the registered value of investment unit of the Fund as calculated by the Management Company and verified by the Trustee.

10 Expenses (Cont'd)

Property Management fees

Fees and expenses of the Property Manager shall be payable to the Property Manager on a monthly basis according to the Property Management Agreement between the Fund and the Property Manager. The details can be summarised as follows:

- 1) Fee for rental collection on behalf of the Fund at the rate not exceeding 3% of net rental and service income.
- 2) Leasing Commission for procuring tenants and management of all tenants of the Fund upon entering into new lease agreements with new tenants or renewal of lease agreements is calculated at the rate of 0.5 - 1.5 times of the monthly rental fees and 4% of the daily rental fees depending on the type and period (terms) of lease agreements.
- 3) Property Management fee is calculated at the rate not exceeding 0.15% of net asset value of the Fund calculated as at the last business day of previous month.
- 4) Incentive fee for the Property Manager is calculated at the rate of not exceeding 2.35% of net property income. Net property income means net revenue from property deducted by property costs and expenses from procuring benefits from the properties.

11 Related party transactions

During the period, The Fund had significant related party transactions with the Fund's Management Company and other entities which have the same shareholders or directors as the Management company and the Fund. The transactions for the three-month and nine-month periods ended 30 September 2021 and 2020 are as follows:

	Unaudited		Pricing policy
	For the three-month period ended 30 September 2021 Baht'000	For the three-month period ended 30 September 2020 Baht'000	
Rangsit Plaza Company Limited			
Rental and services income	503	1,222	Market rate
Property management fees	11,367	17,140	In accordance with the prospectus
Marketing and administrative expenses	30	638	Market rate
BBL Asset Management Company Limited			
Management fee	2,077	2,306	In accordance with the prospectus
	Unaudited		Pricing policy
	For the nine-month period ended 30 September 2021 Baht'000	For the nine-month period ended 30 September 2020 Baht'000	
Rangsit Plaza Company Limited			
Rental and services income	3,158	3,110	Market rate
Property management fees	45,077	44,129	In accordance with the prospectus
Marketing and administrative expenses	679	1,439	Market rate
BBL Asset Management Company Limited			
Management fee	6,464	6,940	In accordance with the prospectus

Future Park Leasehold Property Fund
Condensed Notes to Interim Financial Information (Unaudited)
For the nine-month period ended 30 September 2021

11 Related party transactions (Cont'd)

As at 30 September 2021 and 31 December 2020, the fund had outstanding significant related party balance as follows:

	Unaudited 30 September 2021 Baht'000	Audited 31 December 2020 Baht'000
Rangsit Plaza Company Limited		
Rental receivables	101	-
Other accounts receivable	69	142
Accrued expenses	4,699	5,218
Other accounts payable	2,556	8,791
BBL Asset Management Company Limited		
Accrued expenses	676	792

12 Distribution to unitholders

During the period, the Fund paid dividends to the unitholders as follows:

Declaration date	The operation for the period	Per unit Baht	2021 Million Baht	2020 Million Baht
14 February 2020	1 October 2019 to 31 December 2019	0.3616	-	191.49
15 May 2020	1 January 2020 to 31 March 2020	0.2000	-	105.91
17 August 2020	1 April 2020 to 30 June 2020	0.1500	-	79.43
15 February 2021	1 October 2020 to 31 December 2020	0.2100	111.21	-
14 May 2021	1 January 2021 to 31 March 2021	0.2000	105.91	-
16 August 2021	1 April 2021 to 30 June 2021	0.1500	79.44	-
			<u>296.56</u>	<u>376.83</u>

13 Information regarding sale and purchase of investment

The Fund has sold and purchased investments for the nine-month period ended 30 September 2021 and 30 September 2020 excluding cash at bank amounting to Baht 749.66 million and Baht 1,628.13 million representing 12.24% and 24.77% of the weighted average net asset value during the period, respectively.

14 Segment information

The Fund operates in only one business segment which is the investment in property and the business is only operated in Thailand. Therefore, the presentation of segment information is as same as presentation in financial information.

15 Fair value

Fair value estimation

Fair value is the price received to sell an asset or paid to transfer a liability in an orderly transaction between market participants under current market conditions. At the measurement date, the Fund uses quoted prices in active markets to measure its assets and liabilities that are required to be measured at fair value by accounting guidelines, except that there is no active market for identical assets and liabilities or when a quoted market price is not available. The Fund endeavors to estimate fair value by using appropriate valuation techniques and use relevant observable inputs as much as possible.

The following table presents the financial instruments that are measured at fair value categorised into hierarchy based on inputs used.

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
 Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)
 Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

Unaudited				
30 September 2021				
	Level 1	Level 2	Level 3	Total
	Baht'000	Baht'000	Baht'000	Baht'000
Investments in properties at fair value	-	-	10,765,840	10,765,840
Investments measured at fair value through profit or loss	-	-	-	-
Total	-	-	10,765,840	10,765,840

Audited				
31 December 2020				
	Level 1	Level 2	Level 3	Total
	Baht'000	Baht'000	Baht'000	Baht'000
Investments in properties at fair value	-	-	11,344,528	11,344,528
Investments measured at fair value through profit or loss	-	149,923	-	149,923
Total	-	149,923	11,344,528	11,494,451

There were no transfers between fair value hierarchies during the period/year.

16 Authorisation of the interim financial information

The interim financial information was authorised for issue by the authorised management of the Management Company on 15 November 2021.