

FUTURE PARK LEASEHOLD PROPERTY FUND

**INTERIM FINANCIAL INFORMATION
(UNAUDITED)**

30 JUNE 2023

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 June 2023, the related statements of comprehensive income for the three-month and six-month period then ended, changes in net assets, and cash flows for the six-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

11 August 2023

Future Park Leasehold Property Fund
Statement of Financial Position
As at 30 June 2023

		(Unaudited) 30 June 2023 Baht'000	(Audited) 31 December 2022 Baht'000
	Notes		
Assets			
Investments in properties at fair value	6, 15	10,981,405	11,030,484
Investments measured at fair value through profit or loss	7, 15	318,069	349,585
Cash and cash equivalents	8	317,242	250,824
Rental receivables, net		47,061	47,768
Other accounts receivable		1,236	528
Other assets		8,022	10,274
Accrued rental income	2	22,943	42,422
Total assets		<u>11,695,978</u>	<u>11,731,885</u>
Liabilities			
Accrued expenses		11,980	8,708
Other accounts payable		14,875	32,026
Deposits received from tenants		344,353	354,534
Lease liabilities		5,546,405	5,416,484
Other liabilities		<u>36,706</u>	<u>27,407</u>
Total liabilities		<u>5,954,319</u>	<u>5,839,159</u>
Net assets		<u><u>5,741,659</u></u>	<u><u>5,892,726</u></u>
Net assets :			
Capital received from unitholders		5,633,161	5,633,161
Retained earnings	9	<u>108,498</u>	<u>259,565</u>
Net assets		<u><u>5,741,659</u></u>	<u><u>5,892,726</u></u>
Net asset value per unit (Baht)		10.8421	11.1274
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 June 2023

Details of investments are presented by type of investments.

Type of investments	As at 30 June 2023 (Unaudited)			
	Leased areas by the Fund	Cost Baht'000	Fair value Baht'000	% of investments
Investments in properties (Note 6)				
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		429,694		
- Initial direct costs		17,661		
- Right-of-use assets		4,698,429		
Total investments in properties		11,224,922	10,981,405	97.18
Investments in securities (Note 7)				
Bond				
Bank of Thailand: BOT 14/90/66	6 July 2023	18,946	18,996	0.17
Bank of Thailand: BOT 21/91/66	31 August 2023	298,619	299,073	2.65
Total bond		317,565	318,069	2.82
Total investments in securities		317,565	318,069	2.82
Total investments		11,542,487	11,299,474	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 (Cont'd)
As at 30 June 2023

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

Type of investments	As at 31 December 2022 (Audited)			
	Leased areas by the Fund	Cost Baht'000	Fair value Baht'000	% of investments
Investments in properties (Note 6)				
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		427,168		
- Initial direct costs		18,761		
- Right-of-use assets		4,698,429		
Total investments in properties		11,223,496	11,030,484	96.93
	Maturity	Cost Baht'000	Fair value Baht'000	% of investments
Investments in securities (Note 7)				
Bonds				
Bank of Thailand: BOT 1/364/65	5 January 2023	54,941	54,996	0.48
Bank of Thailand: BOT 45/91/65	9 February 2023	144,679	144,862	1.27
Bank of Thailand: BOT 50/91/65	16 March 2023	149,669	149,727	1.32
Total bonds		349,289	349,585	3.07
Total investments in securities		349,289	349,585	3.07
Total investments		11,572,785	11,380,069	100.00

The notes to the financial statements form an integral part of these financial statements.

Future Park Leasehold Property Fund
Statement of Comprehensive Income (Unaudited)
For the three-month ended 30 June 2023

		30 June 2023 Baht'000	30 June 2022 Baht'000
	Notes		
Income			
Rental and service income		235,231	174,052
Interest income		1,688	507
Other income		2,346	349
Total income		239,265	174,908
Expenses			
Management fee	10, 11	2,043	2,094
Trustee fee	10	381	388
Registrar fee	10	424	396
Property management fees	10, 11	23,259	20,357
Professional fee		341	334
Land, building and banner tax expenses		1,833	1,869
Marketing and administrative expenses		10,009	6,245
Insurance expenses		1,632	1,663
Tax expenses from investments		56	23
Other expenses		697	646
Finance costs		65,345	62,320
Total expenses		106,020	96,335
Net investment income		133,245	78,573
Net gain (loss) from investments			
Net (loss) gain from change in fair value of investments		(77,130)	119,621
Total net (loss) gain from investments		(77,130)	119,621
Increase in net assets from operations		56,115	198,194

The notes to the financial statements form an integral part of these financial statements.

Future Park Leasehold Property Fund
Statement of Comprehensive Income (Unaudited)
For the six-month ended 30 June 2023

		30 June 2023 Baht'000	30 June 2022 Baht'000
	Notes		
Income			
Rental and service income		467,118	347,177
Interest income		2,945	630
Other income		3,393	1,434
Total income		473,456	349,241
Expenses			
Management fee	10, 11	4,081	4,136
Trustee fee	10	767	766
Registrar fee	10	842	788
Property management fees	10, 11	45,819	40,261
Professional fee		671	632
Land, building and banner tax expenses		3,666	3,737
Marketing and administrative expenses		18,466	10,308
Insurance expenses		3,246	3,309
Tax expenses from investments		75	30
Other expenses		1,068	1,135
Finance costs		129,921	123,906
Total expenses		208,622	189,008
Net investment income		264,834	160,233
Net gain (loss) from investments			
Net (loss) gain from change in fair value of investments		(50,501)	228,873
Total net (loss) gain from investments		(50,501)	228,873
Increase in net assets from operations		214,333	389,106

The notes to the financial statements form an integral part of these financial statements.

Future Park Leasehold Property Fund
Statement of Changes in Net Assets (Unaudited)
For the six-month ended 30 June 2023

		30 June 2023 Baht'000	30 June 2022 Baht'000
	Note		
Increase in net assets from operations during the period			
Net investment income		264,834	160,233
Net (loss) gain from investments		(50,501)	228,873
Increase in net assets from operations		214,333	389,106
Distribution to unitholders	12	(365,400)	(254,192)
(Decrease) increase in net assets during the period		(151,067)	134,914
Net assets at the beginning of the period		5,892,726	5,950,280
Net assets at the end of the period		5,741,659	6,085,194
		Units	Units
Change in the number of units			
(Baht 10.8421 per unit as at 30 June 2023 and Baht 11.1274 per unit in as at 31 December 2022)			
Unit at the beginning of the period/year		529,566,100	529,566,100
Unit at the end of the period/year		529,566,100	529,566,100

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

Future Park Leasehold Property Fund
Statement of Cash Flows (Unaudited)
For the six-month ended 30 June 2023

		30 June 2023	30 June 2022
	Notes	Baht'000	Baht'000
Cash flows from operating activities			
Increase in net assets from operations during the period		214,333	389,106
Adjustments to reconcile net increase (decrease) in net assets from operations to net cash provided by (used in) operating activities			
Net loss (gain) from change in fair value of investments	6,7	50,501	(228,873)
Interest income		(501)	(197)
Finance costs		129,921	123,906
Amortisation on discount of investments measured at fair through profit or loss	7	(2,444)	(433)
Renovation cost	6	(2,526)	(2,254)
Purchases of investments measured at fair value through profit or loss	7	(847,036)	(699,287)
Sales of investments measured at fair value through profit or loss	7	881,000	300,000
Decrease (increase) in initial direct costs	6	1,100	(782)
Decrease in rental receivables		707	18,979
(Increase) decrease in other accounts receivable		(708)	94
Decrease in other assets		2,252	2,092
Decrease in accrued rental income		19,479	33,481
Increase in accrued expenses		3,272	3,467
(Decrease) increase in other accounts payable		(17,151)	1,089
Decrease in deposits received from tenants		(10,181)	(24,452)
Increase in other liabilities		9,299	17,378
Cash flows provided by (used in) operating activities		431,317	(66,686)
Interest received		501	197
Net cash provided by (used in) operating activities		431,818	(66,489)
Cash flows from financing activities			
Distribution to unitholders	12	(365,400)	(254,192)
Net cash used in financing activities		(365,400)	(254,192)
Net increase (decrease) in cash and cash equivalents		66,418	(320,681)
Cash and cash equivalents at the beginning of the period		250,824	453,507
Cash and cash equivalents at the end of the period		317,242	132,826

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

1 General information

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

Since the beginning of 2020, the outbreak of the Coronavirus Disease 2019 (“COVID-19”) continues to perpetuate adverse effects on operating results from the period starting from 1 January 2020.

The Fund has applied TFRS 16 Lease which requires that the Fund recognised rental revenue on straight-line basis over the lease term. This resulted in rental and service income present in the statement of comprehensive income lower than the actual cash received during the six-month period ended 30 June 2023. Had the Fund not spreading rental discount on straight-line method over the remaining lease term, the rental and service income and net investment gain would be Baht 486.60 million and Baht 284.31 million respectively. The accrued rental income amounting to Baht 22.94 million resulting from the discount of the rental and service income which the Fund has given to the lessee and calculated based on the straight-line basis according to this financial reporting standard.

	For the six-month period ended 30 June 2023 Million Baht
Recognised in comprehensive income	
Actual rental and service income	486.60
Impact from rental discount according to TFRS 16	(19.48)
Rental and service income after adjustment according to TFRS 16	<u>467.12</u>
Net investment profit before adjustment according to TFRS 16	284.31
Net investment profit after adjustment according to TFRS 16	264.83

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 2022.

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 2022.

5 Financial risks

As at 30 June 2023, 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, investment in bond, 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.

5.3 Risk management

To manage risk arising from investments, the Fund has risk management policy such as portfolio diversification and performance analysis of invested entity.

6 Investments in properties at fair value

The movements in the fair value of the investment in properties for the six-month period ended 30 June 2023 can be analysed as follows:

	(Unaudited) 30 June 2023 Baht'000
Beginning balance of the period	11,030,484
Additions during the period	2,526
Initial direct costs	(1,100)
Net loss from change in fair value of investments	(50,505)
Ending balance of the period	<u>10,981,405</u>

During the period ended 30 June 2023, 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 June 2023 amounted to Baht 5,435 million (31 December 2022: Baht 5,614 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 June 2023 amounted to Baht 10,981 million (31 December 2022: Baht 11,030 million) with a net loss from change in fair value of investments of Baht 50.51 million (30 June 2022: net gain from change in fair value of investments of Baht 228.87 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 fair value increase (decrease) Baht'000
Change in assumption	
Discount rate	Increase 1% (301,000)
Discount rate	Decrease 1% 333,000
Rental growth rate	Increase 1% 116,000
Rental growth rate	Decrease 1% (107,000)

7 Investments measured at fair value through profit or loss

The movements in the investments measured at fair value through profit or loss for the six-month period ended 30 June 2023 can be analysed as follows:

	(Unaudited) 30 June 2023 Baht'000
Beginning balance of the period	349,585
Additions during the period	847,036
Discount amortisation	2,444
Maturity	(881,000)
Net gain from change in fair value of investments	<u>4</u>
Ending balance of the period	<u>318,069</u>

Future Park Leasehold Property Fund
Condensed Notes to Interim Financial Information (Unaudited)
For the six-month period ended 30 June 2023

8 Cash and cash equivalents

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

Details	(Unaudited) 30 June 2023		(Audited) 31 December 2022	
	Baht'000	Interest rate %	Baht'000	Interest rate %
Cash on hand	30	-	30	-
Current accounts	3,015	-	2,007	-
Saving accounts	314,197	0.45 - 0.50	248,787	0.325 - 0.350
Total	<u>317,242</u>		<u>250,824</u>	

9 Retained earnings

Movements in retained earnings for the six-month period ended 30 June 2023 are as follows:

	(Unaudited) 30 June 2023 Baht'000
Accumulated net investment income	9,697,180
Accumulated net loss on changes in fair value of investments	(193,066)
Accumulated net gains from investments	40
<u>Less</u> Accumulated distribution to unitholders	<u>(9,244,589)</u>
Beginning balance of the period	259,565
<u>Add</u> Net investment income	264,834
<u>Less</u> Net loss from change in fair value of investments	(50,501)
<u>Less</u> Distribution to unitholders	<u>(365,400)</u>
Ending balance of the period	<u>108,498</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.

10 Expenses (Cont'd)

Registrar fee

The fee for the Investment unit registrar shall be at a rate not exceeding 0.025% - 0.035% 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.

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 six-month period ended 30 June 2023 and 2022 are as follows:

	Unaudited		Pricing policy
	For the three-month period ended 30 June 2023 Baht'000	For the three-month period ended 30 June 2022 Baht'000	
Rangsit Plaza Company Limited			
Rental and services income	5,380	3,076	Market rate
Property management fees	23,259	20,357	In accordance with the prospectus
Marketing and administrative expenses	1,425	1,145	Market rate
BBL Asset Management Company Limited			
Management fee	2,043	2,094	In accordance with the prospectus

Future Park Leasehold Property Fund
Condensed Notes to Interim Financial Information (Unaudited)
For the six-month period ended 30 June 2023

11 Related party transactions (Cont'd)

	Unaudited		Pricing policy
	For the six-month period ended 30 June 2023 Baht'000	For the six-month period ended 30 June 2022 Baht'000	
Rangsit Plaza Company Limited			
Rental and services income	10,635	4,944	Market rate
Property management fees	45,819	40,261	In accordance with the prospectus
Marketing and administrative expenses	1,790	1,441	Market rate
BBL Asset Management Company Limited			In accordance with the prospectus
Management fee	4,081	4,136	

As at 30 June 2023 and 31 December 2022, the fund had outstanding significant related party balance as follows:

	(Unaudited) 30 June 2023 Baht'000	(Audited) 31 December 2022 Baht'000
Rangsit Plaza Company Limited Rental receivables	284	1,628
Other accounts receivable	574	133
Accrued expenses	7,161	7,371
Other accounts payable	7,961	20,720
BBL Asset Management Company Limited		
Accrued expenses	679	718

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	2023 Million Baht	2022 Million Baht
14 February 2022	1 October 2021 to 31 December 2021	0.2200	-	116.50
17 May 2022	1 January 2022 to 31 March 2022	0.2600	-	137.69
21 February 2023	1 October 2022 to 31 December 2022	0.3400	180.05	-
15 May 2023	1 January 2023 to 31 March 2023	0.3500	185.35	-
			<u>365.40</u>	<u>254.19</u>

13 Information regarding sale and purchase of investment

The Fund has sold and purchased investments for the six-month period ended 30 June 2023 and 30 June 2022 excluding cash at bank amounting to Baht 1,731 million and Baht 999.29 million representing 29.53% and 16.64% 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 June 2023			
	Level 1 Baht'000	Level 2 Baht'000	Level 3 Baht'000
			Total Baht'000
Investments in properties at fair value	-	-	10,981,405
Investments measured at fair value through profit or loss	-	318,069	-
Total	-	318,069	10,981,405

(Audited) 31 December 2022			
	Level 1 Baht'000	Level 2 Baht'000	Level 3 Baht'000
			Total Baht'000
Investments in properties at fair value	-	-	11,030,484
Investments measured at fair value through profit or loss	-	349,585	-
Total	-	349,585	11,030,484

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 11 August 2023.