

FUTURE PARK LEASEHOLD PROPERTY FUND

**INTERIM FINANCIAL INFORMATION
(UNAUDITED)**

31 MARCH 2024

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 31 March 2024, the related statements of comprehensive income, changes in net assets, and cash flows for the three-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
13 May 2024

Future Park Leasehold Property Fund
Statement of Financial Position
As at 31 March 2024

		(Unaudited) 31 March 2024 Baht'000	(Audited) 31 December 2023 Baht'000
	Notes		
Assets			
Investments in properties at fair value	6, 16	10,898,153	10,962,443
Investments measured at fair value through profit or loss	7, 16	99,805	597,102
Cash and cash equivalents	8	610,146	86,614
Rental receivables, net		41,157	46,982
Other accounts receivable		1,985	2,510
Other assets		10,056	10,377
Accrued rental income	2	4,977	8,462
Total assets		<u>11,666,279</u>	<u>11,714,490</u>
Liabilities			
Accrued expenses		11,077	8,615
Other accounts payable		15,874	24,691
Deposits received from tenants		349,726	344,709
Lease liabilities		5,747,153	5,679,443
Other liabilities		26,472	21,572
Total liabilities		<u>6,150,302</u>	<u>6,079,030</u>
Net assets		<u>5,515,977</u>	<u>5,635,460</u>
Net assets :			
Capital received from unitholders	9	5,444,847	5,476,621
Retained earnings	10	71,130	158,839
Net assets		<u>5,515,977</u>	<u>5,635,460</u>
Net asset value per unit (Baht)		10.4160	10.6416
Number of units outstanding at the end of the period/year (Units)		529,566,100	529,566,100

(Mr. Winai Hirunpinoyard)
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 (Cont'd)
As at 31 March 2024

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

As at 31 December 2023 (Audited)				
Type of investments	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.	1,036,043		
- Related acquisition costs		42,695		
- Renovation costs		431,478		
- Initial direct costs		20,204		
- Right-of-use assets		4,698,429		
Total investments in properties		11,218,929	10,962,443	94.83
	Maturity	Cost Baht'000	Fair value Baht'000	% of investments
Investments in securities (Note 7)				
Bonds				
Bank of Thailand: BOT 50/91/66	Thursday, March 14, 2024	198,983	199,179	1.72
Bank of Thailand: BOT 52/91/66	Thursday, March 28, 2024	397,787	397,923	3.45
Total bonds		596,770	597,102	5.17
Total investments in securities		596,770	597,102	5.17
Total investments		11,815,699	11,559,545	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 ended 31 March 2024

		31 March 2024	31 March 2023
	Notes	Baht'000	Baht'000
Income			
Rental and service income	2	243,453	231,887
Interest income		3,395	1,257
Other income		354	1,047
Total income		247,202	234,191
Expenses			
Management fee	11, 12	1,968	2,038
Trustee fee	11	377	386
Registrar fee	11	412	418
Property management fees	11, 12	23,429	22,560
Professional fee		6,039	330
Land, building and banner tax expenses		1,850	1,833
Marketing and administrative expenses		4,781	8,457
Insurance expenses		1,668	1,614
Tax expenses from investments		15	19
Other expenses		1,159	371
Finance costs		67,711	64,576
Total expenses		109,409	102,602
Net investment income		137,793	131,589
Net gain (loss) from investments			
Net (loss) gain from change in fair value of investments	6,7	(66,664)	26,629
Total net (loss) gain from investments		(66,664)	26,629
Increase in net assets from operations		71,129	158,218

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

Future Park Leasehold Property Fund
Statement of Changes in Net Assets (Unaudited)
For the three-month ended 31 March 2024

	Notes	31 March 2024 Baht'000	31 March 2023 Baht'000
Increase (decrease) in net assets from operations during the period			
Net investment income		137,793	131,589
Net (loss) gain from change in fair value of investments		<u>(66,664)</u>	<u>26,629</u>
Increase in net assets from operations			
Distribution to unitholders	13	71,129	158,218
Payments of investment unit value from capital reduction	9	<u>(158,838)</u>	<u>(180,052)</u>
		<u>(31,774)</u>	<u>-</u>
(Decrease) increase in net assets during the period			
Net assets at the beginning of the period		(119,483)	(21,834)
		<u>5,635,460</u>	<u>5,892,726</u>
Net assets at the end of the period		<u><u>5,515,977</u></u>	<u><u>5,870,892</u></u>
		<u>Units</u>	<u>Units</u>
Change in the number of units (Baht 10.4160 per unit as at 31 March 2024 and Baht 10.6416 per unit in as at 31 December 2023)			
Unit at the beginning of the period/year		<u>529,566,100</u>	<u>529,566,100</u>
Unit at the end of the period/year		<u><u>529,566,100</u></u>	<u><u>529,566,100</u></u>

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 three-month ended 31 March 2024

		31 March	31 March
		2024	2023
	Notes	Baht'000	Baht'000
Cash flows from operating activities			
Increase in net assets from operations during the period		71,129	158,218
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	66,664	(26,629)
Interest income		(101)	(126)
Finance costs		67,711	64,576
Amortisation on discount of investments measured at fair through profit or loss	7	(3,294)	(1,132)
Renovation cost	6	(2,731)	(1,521)
Purchases of investments measured at fair through profit or loss	7	(99,448)	(398,805)
Sales of investments measured at fair through profit or loss	7	600,000	350,000
Decrease (increase) in initial direct costs	6	396	(431)
Decrease in rental receivables		5,825	5,682
Decrease (Increase) in other accounts receivable		525	(766)
Decrease in other assets		421	494
Decrease in accrued rental income		3,485	11,266
Increase in accrued expenses		2,462	2,074
Decrease in other accounts payable		(8,817)	(14,819)
Increase (decrease) in deposits received from tenants		5,017	(1,907)
Increase (decrease) in other liabilities		4,900	(169)
Cash flows provided by operating activities		<u>714,144</u>	<u>146,005</u>
Net cash provided by operating activities		<u>714,144</u>	<u>146,005</u>
Cash flows from financing activities			
Distribution to unitholders	13	(158,838)	(180,052)
Payments of investment unit value from capital reduction	9	(31,774)	-
Net cash used in financing activities		<u>(190,612)</u>	<u>(180,052)</u>
Net increase (decrease) in cash and cash equivalents		523,532	(34,047)
Cash and cash equivalents at the beginning of the period		<u>86,614</u>	<u>250,824</u>
Cash and cash equivalents at the end of the period		<u><u>610,146</u></u>	<u><u>216,777</u></u>

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

Future Park Leasehold Property Fund
Condensed Notes to Interim Financial Information (Unaudited)
For the three-month period ended 31 March 2024

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). On 10 April 2024, The Fund announced a capital reduction of Baht 31,773,966.00 (529,566,100 units with a par value of Baht 0.0600 per unit). The fund currently has a total registered capital of Baht 5,444,847,294.27 (529,566,100 units with a par value of Baht 9.8549) (Note 9). 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

At the Extraordinary General Meeting of Unitholders No. 1/2024 on 14 February 2024, the unitholders approved the conversion of Future Park Leasehold Property Fund to Future City Leasehold Real Estate Investment Trust among other resolution. Currently, the Fund is going through the submission process to the Office of the Securities and Exchange Commission for an approval.

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 three-month period ended 31 March 2024. 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 246.93 million and Baht 141.27 million respectively. The accrued rental income amounting to Baht 4.98 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 three-month period ended 31 March 2024 Million Baht
Recognised in comprehensive income	
Actual rental and service income	246.93
Impact from rental discount according to TFRS 16	(3.48)
	<u>243.45</u>
Net investment profit before adjustment according to TFRS 16	141.27
Net investment profit after adjustment according to TFRS 16	137.79

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 2023.

Conversion of Fund

At the Extraordinary General Meeting of Unitholders No. 1/2024 on 14 February 2024, the meeting approved the conversion of Future Park Leasehold Property Fund to Future City Leasehold Real Estate Investment Trust and the meeting approved the plan to transfer of assets and liabilities of Leasehold Property Fund to Leasehold Real Estate Investment Trust. Consequently, the management company will submit the application to the Office of the Securities and Exchange Commission for approval of the conversion. The financial statements of Future Park Leasehold Property Fund as at 31 December 2023 have been prepared under going concerns basis.

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 2023.

5 Financial risks

As at 31 March 2024, 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 Financial risks (Cont'd)

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 three-month period ended 31 March 2024 can be analysed as follows:

	(Unaudited) 31 March 2024 Baht'000
Beginning balance of the period	10,962,443
Additions during the period	2,731
Initial direct costs	(396)
Net loss from change in fair value of investments	<u>(66,625)</u>
Ending balance of the period	<u><u>10,898,153</u></u>

During the period ended 31 March 2024, 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 31 March 2024 amounted to Baht 5,151 million (31 December 2023: Baht 5,283 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 31 March 2024 amounted to Baht 10,898 million (31 December 2023: Baht 10,962 million) with a net loss from change in fair value of investments of Baht 66.62 million (31 March 2023: net gain from change in fair value of investments of Baht 26.62 million) recognised in the statement of comprehensive income.

Future Park Leasehold Property Fund
Condensed Notes to Interim Financial Information (Unaudited)
For the three-month period ended 31 March 2024

6 Investments in properties at fair value (Cont'd)

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

	<u>Change in assumption</u>	<u>Change in fair value increase (decrease) Baht'000</u>
Discount rate	Increase 1%	(282,000)
Discount rate	Decrease 1%	313,000
Rental growth rate	Increase 1%	120,000
Rental growth rate	Decrease 1%	(109,000)

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 three-month period ended 31 March 2024 can be analysed as follows:

	<u>(Unaudited) 31 March 2024 Baht'000</u>
Beginning balance of the period	597,102
Additions during the period	99,448
Discount amortisation	3,294
Maturity	(600,000)
Net loss from change in fair value of investments	(39)
Ending balance of the period	<u>99,805</u>

8 Cash and cash equivalents

As at 31 March 2024 and 31 December 2023, the Fund has the details of cash and cash equivalents as follows:

<u>Details</u>	<u>(Unaudited) 31 March 2024</u>		<u>(Audited) 31 December 2023</u>	
	<u>Baht'000</u>	<u>Interest rate %</u>	<u>Baht'000</u>	<u>Interest rate %</u>
Cash on hand	136	-	30	-
Current accounts	4,034	-	2,656	-
Saving accounts	<u>605,976</u>	0.55 - 0.60	<u>83,928</u>	0.55 - 0.60
Total	<u>610,146</u>		<u>86,614</u>	

Future Park Leasehold Property Fund
Condensed Notes to Interim Financial Information (Unaudited)
For the three-month period ended 31 March 2024

9 Capital received from unitholders

The movements of capital received from unitholders for the three-month period ended 31 March 2024 are as follows:

	Capital received from unitholders	
	Units	Amount Baht'000
Opening balance	529,566	5,476,621
<u>Less</u> Capital reduction	-	(31,774)
Closing balance	<u>529,566</u>	<u>5,444,847</u>

The Fund announced its first capital return payment on 15 August 2023, its second capital return payment on 13 November 2023, and its third capital return payment on 21 March 2024. The first capital return was paid at Baht 0.1451 per unit, totaling Baht 76.84 million while the second was paid at Baht 0.1505 totaling Baht 79.70 million and the third capital return was paid at Baht 0.0600 per unit, totaling Baht 31.77 million. The Fund submitted the registration for the first, second and third capital reduction to the Securities and Exchange Commission (SEC) on 15 September 2023, 15 December 2023 and 21 March 2024, respectively. The SEC acknowledged the capital reduction on 26 October 2023, 11 January 2024 and 10 April 2024, respectively.

10 Retained earnings

Movements in retained earnings for the three-month period ended 31 March 2024 are as follows:

	(Unaudited) 31 March 2024 Baht'000
Accumulated net investment income	10,243,062
Accumulated net loss on changes in fair value of investments	(256,501)
Accumulated net gains from investments	1,720
<u>Less</u> Accumulated distribution to unitholders	<u>(9,829,442)</u>
Beginning balance of the period	158,839
<u>Add</u> Net investment income	137,793
<u>Less</u> Net loss from change in fair value of investments	(66,664)
<u>Less</u> Distribution to unitholders	<u>(158,838)</u>
Ending balance of the period	<u>71,130</u>

11 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 0.025% - 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.

Future Park Leasehold Property Fund
Condensed Notes to Interim Financial Information (Unaudited)
For the three-month period ended 31 March 2024

12 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 period ended 31 March 2024 and 2023 are as follows:

	Unaudited		Pricing policy
	For the three-month period ended 31 March		
	2024	2023	
	Baht'000	Baht'000	
Rangsit Plaza Company Limited			
Rental and services income	6,762	5,255	Market rate
Property management fees	23,429	22,560	In accordance with the prospectus
Marketing and administrative expenses	377	365	Market rate
BBL Asset Management Company Limited			
Management fee	1,968	2,038	In accordance with the prospectus

As at 31 March 2024 and 31 December 2023, the fund had outstanding significant related party balance as follows:

	(Unaudited)	(Audited)
	31 March 2024	31 December 2023
	Baht'000	Baht'000
Rangsit Plaza Company Limited		
Rental receivables	463	985
Other accounts receivable	44	570
Accrued expenses	7,850	7,296
Other accounts payable	4,766	20,404
BBL Asset Management Company Limited		
Accrued expenses	674	690

13 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	2024 Million Baht	2023 Million Baht
21 February 2023	1 October 2022 to 31 December 2022	0.34000	-	180.05
22 February 2024	1 October 2023 to 31 December 2023	0.29994	158.84	-
			<u>158.84</u>	<u>180.05</u>

Future Park Leasehold Property Fund
Condensed Notes to Interim Financial Information (Unaudited)
For the three-month period ended 31 March 2024

14 Information regarding sale and purchase of investment

The Fund has sold and purchased investments for the three-month period ended 31 March 2024 and 31 March 2023 excluding cash at bank amounting to Baht 702 million and Baht 750 million representing 12.51 % and 12.74% of the weighted average net asset value during the period, respectively.

15 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.

16 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) 31 March 2024			
	Level 1 Baht'000	Level 2 Baht'000	Level 3 Baht'000	Total Baht'000
Investments in properties at fair value	-	-	10,898,153	10,898,153
Investments measured at fair value through profit or loss	-	99,805	-	99,805
Total	-	99,805	10,898,153	10,997,958

	(Audited) 31 December 2023			
	Level 1 Baht'000	Level 2 Baht'000	Level 3 Baht'000	Total Baht'000
Investments in properties at fair value	-	-	10,962,443	10,962,443
Investments measured at fair value through profit or loss	-	597,102	-	597,102
Total	-	597,102	10,962,443	11,559,545

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

17 Authorisation of the interim financial information

The interim financial information was authorised for issue by the authorised management of the Management Company on 13 May 2024.