

DTP Hospitality Freehold and Leasehold Real Estate
Investment Trust with Buy-Back Condition
Review report and interim financial statements
For the three-month period ended 31 March 2024

Independent Auditor's Report on Review of Interim Financial Information

To the Unitholders of DTP Hospitality Freehold and Leasehold Real Estate Investment Trust with Buy-Back Condition

I have reviewed the accompanying statement of financial position, including the details of investments as at 31 March 2024, and the related statements of comprehensive income, changes in net assets, and cash flows for the three-month period then ended, as well as the condensed notes to the interim financial statements of DTP Hospitality Freehold and Leasehold Real Estate Investment Trust with Buy-Back Condition (collectively "interim financial information"). The trust management is responsible for the preparation and presentation of this interim financial information in accordance with the Accounting Guidance for Property Funds, Real Estate Investment Trusts, Infrastructure Funds and Infrastructure Trusts issued by the Association of Investment Management Companies and approved by the Securities and Exchange Commission of 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 Guidance for Property Funds, Real Estate Investment Trusts, Infrastructure Funds and Infrastructure Trusts issued by the Association of Investment Management Companies and approved by the Securities and Exchange Commission of Thailand.

Suchada Tantioran

Certified Public Accountant (Thailand) No. 7138

EY Office Limited

Bangkok: 13 May 2024

DTP Hospitality Freehold and Leasehold Real Estate Investment Trust with Buy-Back Condition

Statement of financial position

As at 31 March 2024

		(Unit: Thousand Baht)	
	<u>Note</u>	<u>31 March 2024</u>	<u>31 December 2023</u>
		(Unaudited but reviewed)	(Audited)
Assets			
Investments in properties with buy-back condition	6	4,109,000	4,109,000
Cash at bank	7	7,701	7,724
Accrued income from investments in properties		320	320
Accrued other income and other receivables		13,921	14,182
Receivables from the Revenue Department			
- value added tax		-	15,566
Total assets		<u>4,130,942</u>	<u>4,146,792</u>
Liabilities			
Accrued expenses and other payables	8	21,519	37,383
Long-term loan from financial institution	9	1,000,000	1,000,000
Total liabilities		<u>1,021,519</u>	<u>1,037,383</u>
Net assets		<u>3,109,423</u>	<u>3,109,409</u>
Net assets			
Capital from unitholders		3,107,000	3,107,000
Retained earnings	10	2,423	2,409
Net assets		<u>3,109,423</u>	<u>3,109,409</u>
		-	-
Net asset value per unit (Baht)		10.0078	10.0077
Number of units issued at the end of period (units)		310,700,000	310,700,000

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

Director

DTP Hospitality Freehold and Leasehold Real Estate Investment Trust with Buy-Back Condition

Details of investments

As at 31 March 2024

Details of investments classified by investment category

	31 March 2024			31 December 2023		
	(Unaudited but reviewed)			(Audited)		
	Amortised cost	Fair value	Percentage	Amortised cost	Fair value	Percentage
	(Thousand Baht)	(Thousand Baht)	(%)	(Thousand Baht)	(Thousand Baht)	(%)
Investments in properties with buy-back condition (Note 8)						
Investment in leasehold properties						
Waldorf Astoria Bangkok and MRB Serviced Apartment, with buy-back condition	3,797,000	3,799,000	92.46	3,797,000	3,799,000	92.46
Investment in freehold properties						
U Kaoyai Hotel, with buy-back condition	310,000	310,000	7.54	310,000	310,000	7.54
Total investments in properties with buy-back condition	4,107,000	4,109,000	100.00	4,107,000	4,109,000	100.00

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

(Unaudited but reviewed)

DTP Hospitality Freehold and Leasehold Real Estate Investment Trust with Buy-Back Condition

Statement of comprehensive income

For the three-month period ended 31 March 2024

(Unit: Thousand Baht)

	<u>2024</u>	<u>2023</u>
Investment income		
Income from investments in properties	54,373	54,373
Interest income	14	9
Other income	24,274	22,114
Total income	<u>78,661</u>	<u>76,496</u>
Expenses		
Trust management's fee	5,524	5,540
Trustee's fee	2,189	2,189
Professional fees	225	150
Other expenses	6	2
Finance costs	16,330	14,233
Total expenses	<u>24,274</u>	<u>22,114</u>
Net investment income	<u>54,387</u>	<u>54,382</u>
Increase in net assets from operations	<u><u>54,387</u></u>	<u><u>54,382</u></u>

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

(Unaudited but reviewed)

DTP Hospitality Freehold and Leasehold Real Estate Investment Trust with Buy-Back Condition

Statement of changes in net assets

For the three-month period ended 31 March 2024

(Unit: Thousand Baht)

	<u>Note</u>	<u>2024</u>	<u>2023</u>
Increase in net assets from operations during the period			
Net investment income		54,387	54,382
Increase in net assets from operations		<u>54,387</u>	<u>54,382</u>
Distributions to unitholders	11	(54,373)	(54,373)
Increase in net assets during period		14	9
Net assets at the beginning of period		3,109,409	3,107,366
Net assets at the end of period		<u><u>3,109,423</u></u>	<u><u>3,107,375</u></u>

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

(Unaudited but reviewed)

DTP Hospitality Freehold and Leasehold Real Estate Investment Trust with Buy-Back Condition

Statement of cash flows

For the three-month period ended 31 March 2024

(Unit: Thousand Baht)

	<u>Note</u>	<u>2024</u>	<u>2023</u>
Cash flows from operating activities			
Increase in net assets from operations		54,387	54,382
Adjustments to reconcile increase in net assets from operations to net cash flows from operating activities:			
Decrease (increase) in accrued other income and other receivables		261	(2,635)
Decrease in receivables from the Revenue Department			
- value added tax		15,566	25
Decrease in accrued expenses and other payables		(15,685)	(886)
Interest expense		16,330	14,233
Net cash flows from operating activities		<u>70,859</u>	<u>65,119</u>
Cash flows from financing activities			
Distributions to unitholders	11	(54,373)	(54,373)
Cash paid for interest expense		(16,509)	(14,361)
Net cash flows used in financing activities		<u>(70,882)</u>	<u>(68,734)</u>
Net decrease in cash at bank		(23)	(3,615)
Cash at bank at the beginning of period		7,724	11,570
Cash at bank at the end of period		<u>7,701</u>	<u>7,955</u>

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

DTP Hospitality Freehold and Leasehold Real Estate Investment Trust with Buy-Back Condition
Notes to interim financial statements
For the three-month period ended 31 March 2024

1. Description of DTP Hospitality Freehold and Leasehold Real Estate Investment Trust with Buy-Back Condition

DTP Hospitality Freehold and Leasehold Real Estate Investment Trust with Buy-Back Condition (“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 executed on 27 September 2022 by DTP Global REITs Management Co., Ltd. as the trust settlor and Krungthai Asset Management Public Company Limited as the trustee. On 27 September 2022, 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 from loan from financial institution for investments in the following properties.

- (1) Leasehold properties (moveable and immoveable) of Waldorf Astoria Bangkok Hotel and Magnolias Ratchadamri Boulevard Serviced Apartment (MRB Serviced Apartment), including the infrastructure, plant and equipment located within the Magnolias Ratchadamri Boulevard from Magnolia Finest Corporation Limited.
- (2) Freehold properties, including plant and equipment of U Kaoyai Hotel from Magnolia Hotel and resort Company Limited.

The Trust has a policy to seek benefits from the properties invested through long-term lease agreements. In addition to letting out of properties, the Trust may perform any other acts for the interests of the Trust with an aim of generating income and returns for the Trust and its unitholders. The Trust may invest in other relevant assets as prescribed in the trust deed.

The Trust is managed by DTP Global REITs Management Co., Ltd. (“the trust manager”) and Krungthai Asset Management Public Company Limited is the trustee.

2. Distribution policy

The Trust has policies to pay distributions to unitholders as follows:

- (1) The trust manager shall pay distributions to unitholders, in aggregate, not less than 90% of adjusted net profits for the year. The benefits to be paid to the trust unitholders are divided into the benefit for the fiscal year (year-end distribution) and the benefit for the interim period (interim distribution) (if any). In this regard, payment of distributions is to be made to the trust unitholders not less than four times per annum, beginning in the first accounting period of the Trust if sufficient profits are available in such accounting period and the distribution will be made within 90 days from the Trust's accounting end period.

- (2) If the Trust has accumulated losses, the trust manager will not pay the distributions to the unitholders.

In considering the payment of distribution, if the value of interim distribution or year-end distribution per unit to be paid is lower than or equal to Baht 0.10, the trust manager reserves the right not to pay distribution at that time and to bring such distribution forward for payment together with the next distribution payment.

3. Basis of preparation of interim financial information

This interim financial information is prepared in accordance with the Accounting Guidance for Property Funds, Real Estate Investment Trusts, Infrastructure Funds and Infrastructure Trusts issued by the Association of Investment Management Companies and approved by the Securities and Exchange Commission of Thailand. The Trust has chosen to present condensed interim financial information in accordance with TAS 34, Interim Financial Reporting. However, the Trust has presented the statement of financial position, including details of investments, statement of comprehensive income, changes in net assets, and cash flows in the same format as that is used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. 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 latest annual financial statements.

The interim financial information in Thai language is the official financial information of the Trust. The interim financial information in English language has been translated from the interim financial information in Thai language.

4. Significant accounting policies

The interim financial statements are prepared by using the same accounting policies and methods of computation as were used for the financial statement for the year ended 31 December 2023.

5. Segment information

Currently, the Trust only operates in one business segment which is the investment in hospitality properties and only in Thailand. 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.

6. Investment in properties with buy-back condition

The investments in properties with buy-back conditions comprises of the assets as follows:

(1) Waldorf Astoria Hotel Bangkok and MRB Serviced Apartment

(2) U Kaoyai Hotel

The trust manager engaged an independent appraiser to assess the fair value of the investments as of 28 September 2023, using the income approach method. This assessment involves discounting the estimated future cash flows that the Trust will receive based on the lease agreements until the third anniversary of the lease and assuming that the counterparties will buy back the properties at the prices and the conditions specified in the buy-back agreements when the three-year period ends on 27 September 2025. The appraiser has determined the discount rate to be 5.30% per annum. The trust manager estimated the fair value of the investments in properties as of 31 March 2024 based on the fair value of the investments stated in the valuation report of the independent appraiser and believed that there are no significant differences.

The Trust has mortgaged properties above mentioned as collateral against credit facilities from a financial institution as described in Note 9.

Under the lease agreements of Waldorf Astoria Bangkok Hotel and MRB Serviced Apartment and U Kaoyai Hotel, the lessees of the properties of the Trust have agreed to place deposits of Baht 50.27 million and Baht 4.10 million, respectively, as the securities for the lease agreements. The Trustee, on behalf of the Trust, will take custody of the deposits throughout the lease periods. However, the management has considered that the Trust has no control over the lease deposits, therefore, the lease deposits are not to be regarded as assets of the Trust. As at 31 March 2024, the balance of the cash at banks pertaining to the lease deposits, including interests (if any) amounted to Baht 54.51 million.

7. Cash at bank

	31 March 2024		31 December 2023	
	Principal (Thousand Baht)	Interest rate (% per annum)	Principal (Thousand Baht)	Interest rate (% per annum)
Krung Thai Bank Public Company Limited				(Audited)
Saving account	7,701	0.550	7,724	0.550
Total cash at bank	<u>7,701</u>		<u>7,724</u>	

8. Accrued expenses and other payables

	(Unit: Thousand Baht)	
	31 March 2024	31 December 2023
		(Audited)
Accrued expenses	5,310	5,423
Other payable – acquisition of the properties	-	15,566
Advance received	10,000	10,000
Withholding tax payables	5,465	5,470
Value added tax payables	206	206
Accrued interest expenses	538	718
Total accrued expenses and other payables	<u>21,519</u>	<u>37,383</u>

9. Long-term loan from financial institution

The long-term loan from financial institution of Baht 1 billion bears interests at MLR less a fixed rate as stipulated in the loan agreement. The interest is payable every month starting from the drawdown of the loan (28 September 2022). The loan will become due on the earlier of the last working day of commercial bank in the third year after the drawdown of the loan or the date that the Trust received the proceeds from the buyback of assets of Waldorf Astoria Bangkok Hotel and MRB Serviced Apartment, and U Kaoyai Hotel. There was no movement of the long-term loan from financial institution during this current period.

The long-term loans are secured by the mortgage of the land and building that owned by the Trust and business collateral agreements which include the registrations of the sub-lease and leasehold right as collateral, the transfer of the sub-lease and leasehold right over Waldorf Astoria Bangkok Hotel and MRB Serviced Apartment, the lease deposits and the transfer agreement of the deposits upon conditions. In addition, under the long-term loan agreement, the Trust is required to comply with various conditions, including maintaining certain financial ratios.

10. Retained earnings

	(Unit: Thousand Baht)
Retained earnings as at 1 January 2024	2,409
Add: Net investment income	54,387
Less: Distributions to unitholders (Note 11)	(54,373)
Retained earnings as at 31 March 2024	<u>2,423</u>

11. Distribution to unitholders

The Trust announced the payment of distribution during the three-month periods ended 31 March 2024 and 2023 consisted of the follows:

<u>Announcement date</u>	<u>Period</u>	<u>Per unit</u>	<u>Amount</u>
		(Baht)	(Thousand Baht)
27 February 2024	1 January 2024 to 31 March 2024	0.1750	54,372.50
Total for the three-month period ended 31 March 2024		<u>0.1750</u>	<u>54,372.50</u>
2 March 2023	1 January 2023 to 31 March 2023	0.1750	54,372.50
Total for the three-month period ended 31 March 2023		<u>0.1750</u>	<u>54,372.50</u>

12. Related party transactions

During the period, the Trust had significant business transactions with related parties, which have been concluded on the commercial terms and bases agreed upon in the ordinary course of business between the Trust and related parties. There were no significant changes in the transfer pricing policy of transactions with related parties during the current period. Below is a summary of those transactions for the three-month periods ended 31 March 2024 and 2023.

	(Unit: Thousand Baht)	
	<u>2024</u>	<u>2023</u>
<u>Trust manager</u>		
Trust management's fee	5,524	5,540
<u>Trustee</u>		
Trustee's fee	2,189	2,189
<u>Major shareholder of the trustee</u>		
Interest expenses	16,330	14,233
<u>Related to trust manager by having common shareholders</u>		
Income from investments in properties	54,373	54,373
Other income	24,274	22,114

(Unaudited but reviewed)

The balances of the accounts between the Trust and those related parties are as follows:

	31 March 2024	31 December 2023
		(Audited)
<u>Trust manager</u>		
Accrued trust management's fee	3,640	3,719
<u>Trustee</u>		
Accrued trustee's fee	1,443	1,473
Major shareholder of the trustee		
Cash at bank	7,701	7,724
Long-term loan	1,000,000	1,000,000
Accrued interest expenses	538	718
<u>Related to trust manager by having common shareholders</u>		
Investments in properties with buy-back condition	4,109,000	4,109,000
Accrued other income	13,906	14,182
Advance received	10,000	10,000
Other payable - acquisition of properties	-	15,566

13. Commitments

The Trust is committed to pay fees to counterparties under the terms as described in Note 15 to the financial statements for the year ended 31 December 2023 of the Trust.

14. Approval of interim financial statements

These interim financial statements were authorised for issue by the authorised directors of the trust manager on 13 May 2024.