

DTP Hospitality Freehold and Leasehold Real Estate
Investment Trust with Buy-Back Condition
Review report and interim financial information
For the three-month and nine-month periods ended
30 September 2023

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, of DTP Hospitality Freehold and Leasehold Real Estate Investment Trust with Buy-Back Condition as at 30 September 2023, the related statements of comprehensive income for the three-month and nine-month periods then ended, and the related statements of changes in net assets and cash flows for the nine-month period then ended, as well as the condensed notes to the interim financial statements (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.

Emphasis of Matter

I draw attention to Note 4 to the interim financial statements, which describes the adjustments made to the financial statements for the prior periods. These adjustments pertain to recording other income which was not previously recorded, reversing other income related to the value-added tax, and removing bank deposits that are not regarded as assets on the statement of financial position of the Trust. The Trust has restated the prior period financials statements, including the statement of financial position as at 31 December 2022, the statements of comprehensive income, changes in net assets and cash flows for the period from 27 September 2022 (trust establishment date) to 30 September 2022, presented herein as comparative information, to reflect the effect of the adjustments. My conclusion from my review is not modified in respect of this matter.

Other matter

The statements of financial position (prior to the restatements as described in Note 4 to the interim financial statements) and the details of investments of DTP Hospitality Freehold and Leasehold Real Estate Investment Trust with Buy-Back Condition as at 31 December 2022 were audited by other auditor who expressed an unqualified opinion on those statements, under his report dated 16 February 2023. The statements of comprehensive income, changes in net assets and cash flows for the period from 27 September 2022 (trust establishment date) to 30 September 2022 (before restatement) were also reviewed by the aforementioned auditor who concluded, under his report dated 11 November 2022, that nothing had come to his attention that caused him to believe that the interim financial information was 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: 14 November 2023

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

Statement of financial position

As at 30 September 2023

(Unit: Thousand Baht)

	<u>Note</u>	<u>30 September 2023</u>	<u>31 December 2022</u>
		(Unaudited but reviewed)	(As restated) (Audited)
Assets			
Investments in properties with buy-back condition	7	4,109,000	4,107,000
Cash at bank	8	7,750	11,570
Accrued income from investments in properties		320	320
Accrued other income and other receivables		16,331	13,150
Receivables from the Revenue Department			
- value added tax		15,566	15,594
Total assets		<u>4,148,967</u>	<u>4,147,634</u>
Liabilities			
Accrued expenses and other payables	9	39,571	40,268
Long-term loan from financial institution	10	1,000,000	1,000,000
Total liabilities		<u>1,039,571</u>	<u>1,040,268</u>
Net assets		<u>3,109,396</u>	<u>3,107,366</u>
Net assets			
Capital from unitholders		3,107,000	3,107,000
Retained earnings	11	2,396	366
Net assets		<u>3,109,396</u>	<u>3,107,366</u>
		-	-
Net asset value per unit (Baht)		10.0077	10.0011
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.

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

Details of investments

As at 30 September 2023

Details of investments classified by investment category

	30 September 2023			31 December 2022		
	(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 7)						
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	3,797,000	92.45
Investment in freehold properties						
U Kaoyai Hotel, with buy-back condition	310,000	310,000	7.54	310,000	310,000	7.55
Total investments in properties with buy-back condition	4,107,000	4,109,000	100.00	4,107,000	4,107,000	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 and nine-month periods ended 30 September 2023

(Unit: Thousand Baht)

		For the three-month period ended 30 September 2023	For the nine-month period ended 30 September 2023	For the period from 27 September 2022 (trust establishment date to 30 September 2022 (As restated)
	Note			
Investment income				
Income from investments in properties		54,373	163,119	1,791
Interest income		9	30	24
Other income		23,994	69,615	8,487
Total income		78,376	232,764	10,302
Expenses				
Trust management's fee		5,610	16,697	256
Trustee's fee		2,222	6,611	100
Professional fees		151	581	30
Other expenses		132	351	7,711
Finance costs		15,879	45,375	390
Total expenses		23,994	69,615	8,487
Net investment income		54,382	163,149	1,815
Net gain on investments				
Gain on change in fair value of investments	7	2,000	2,000	-
Total net gain on investments		2,000	2,000	-
Increase in net assets from operations		56,382	165,149	1,815

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 nine-month period ended 30 September 2023

		(Unit: Thousand Baht)
		For the period from
		27 September 2022
		(trust establishment date
		to 30 September 2022
		(As restated)
Note	For the nine-month period ended 30 September 2023	
Increase in net assets from operations during the period		
	163,149	1,815
Net investment income		
	2,000	-
Net gain on investments		
Increase in net assets from operations		
	165,149	1,815
Capital from unitholders	-	3,107,000
	(163,119)	-
Distributions to unitholders	12	
Increase in net assets during period		
	2,030	3,108,815
Net assets at the beginning of period (As restated)	4	-
	3,107,366	-
Net assets at the end of period		
	3,109,396	3,108,815
	-	-

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 nine-month period ended 30 September 2023

	(Unit: Thousand Baht)
	For the period from
	27 September 2022
	(trust establishment date
	to 30 September 2022
	(As restated)
For the nine-month period ended 30 September 2023	For the nine-month period ended 30 September 2023
Cash flows from operating activities	
Increase in net assets from operations	165,149
Adjustments to reconcile increase in net assets from operations to net cash flows from operating activities:	
Purchases of Investments in properties with buy-back condition	-
Gain on change in fair value of investments in properties with buy-back condition	(2,000)
Increase in accrued income from investments in properties	-
Increase in accrued other income and other receivables	(3,181)
Decrease (increase) in receivables from the Revenue Department - value added tax	28
Increase (decrease) in accrued expenses and other payables	(754)
Interest expense	45,375
Net cash flows from (used in) operating activities	204,617
Cash flows from financing activities	
Cash received from issuance of trust units	-
Distributions to unitholders	(163,119)
Cash received from long-term loan from financial institution	-
Cash paid for interest expense	(45,318)
Net cash flows from (used in) financing activities	(208,437)
Net increase (decrease) in cash at bank	(3,820)
Cash at bank at the beginning of period	11,570
Cash at bank at the end of period	7,750
	-

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 and nine-month periods ended 30 September 2023

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 Magnolia Ratchadamri Boulevard Serviced Apartment (MRB Serviced Apartment), including the infrastructure, plant and equipment located within the Magnolia 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. 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 (i.e., the financial statements for the period ended 31 December 2022). 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.

3. 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

4. Restatement of prior period financial statements

In the current period, the Trust has adjusted the financial statements for the period from 27 September 2022 (trust establishment date) to 31 December 2022 in order to record the followings:

- 1) Previously the Trust did not record the other income of Baht 2.6 million in relation to the reimbursement of the Trust's expenses with Magnolia Finest Corporation Limited under the sub-lease and the lease agreement of Waldorf Astoria Bangkok Hotel and MRB Serviced Apartment properties. The adjustments of Baht 2.6 million were made to increase the other income for the period from 27 September 2022 (trust establishment date) to 31 December 2022 and the accrued other income as of 31 December 2022 (For the period from 27 September 2022 (trust establishment date) to 30 September 2022: Baht 0.8 million).

- 2) During the period from 27 September 2022 (trust establishment date) to 30 September 2022, the Trust recorded other income and corresponding receivables from the Revenue Department (value added tax) of Baht 15.6 million in relation to the refundable value-added tax arising from the acquisitions of the investments in properties (lease and purchase agreement of the properties as described in Note 1). The refundable value-added tax is not other income for the period. As a result, the Trust made an adjustment to decrease the other income of Baht 15.6 million for the period from 27 September 2022 to 30 September 2022.
- 3) The management has reconsidered that the Trust has no control over the lease deposits that placed in the designated bank account which was placed for the securities under the long-term leases that the Trust received from the lessees. Under the respective lease agreements, any benefits arising from the designated bank deposit shall remain as the property of the lessees and the Trust is entitled to only enforce the securities in accordance with the conditions and circumstances as stipulated in the lease agreements. Therefore, the balance of the bank account pertaining to these lease deposits is not to be recorded as assets on the statement of financial position of the Trust. As a result, the balance of the cash at banks pertaining to the lease deposits and the lease deposits received (liabilities) are removed from the statement of financial position as at 31 December 2022, with no effects on the profit or loss for the period ended 31 December 2022.

The effects of the adjustments affecting the statement of financial position as at 31 December 2022 are as follow:

	(Unit: Thousand Baht)			
	As previously reported		Adjustment	As restated
Assets				
Cash at bank	65,977	3)	(54,407)	11,570
Accrued other income	10,516	1)	2,634	13,150
Liabilities				
Accrued expenses and other payables	40,302	3)	(34)	40,268
Deposits received for long-term leases	54,373	3)	(54,373)	-
Net assets				
Retained earnings (deficits)	(2,268)	1)	2,634	366
Net assets	3,104,732	1)	2,634	3,107,366
Net assets per unit (Baht)	9.9927		0.0084	10.0011

(Unaudited but reviewed)

The effects of the adjustments affecting the statements of comprehensive income for the period from 27 September 2022 (trust establishment date) to 30 September 2022 are as follow:

(Unit: Thousand Baht)

	As previously reported		Adjustment	As restated
Other income	23,276	1) 2)	(14,789)	8,487
Increase in net assets from operations	16,604	1) 2)	(14,789)	1,815

5. 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 period ended 31 December 2022.

6. 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.

7. 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

Movements of the investments in properties with buy-back condition for the nine-month period ended 30 September 2023 are summarised below.

(Unit: Thousand Baht)

	30 September 2023
Balance at the beginning of the period	4,107,000
Gain on change in fair value of investments	2,000
Balance at the end of the period	4,109,000

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 30 September 2023 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.

In addition, 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 deposits and does not receive the transfer of the risks and rewards of the bank accounts pertaining to the lease deposits from the lessees. Under the respective lease agreements, any benefits arising from the bank deposits shall remain as the properties of the lessees and the Trust is entitled to only enforce the securities in accordance with the conditions and circumstances as stipulated in the lease agreements. Therefore, the balances of the bank account pertaining to these lease deposits and the lease deposits received are not to be regarded as assets and liabilities on the statement of financial position of the Trust. As at 30 September 2023, the balance of the cash at banks pertaining to the lease deposits, including interests (if any) amounted to Baht 54.51 million.

8. Cash at bank

	30 September 2023		31 December 2022	
	Principal (Thousand Baht)	Interest rate (%per annum)	Principal (Thousand Baht)	Interest rate (%per annum)
				(As restated) (Audited)
Krung Thai Public Company Limited				
Saving account	7,750	0.450	11,570	0.125
Total cash at bank	<u>7,750</u>		<u>11,570</u>	

9. Accrued expenses and other payables

	(Unit: Thousand Baht)	
	30 September 2023	31 December 2022
		(As restated)
		(Audited)
Accrued expenses	7,988	8,637
Other payable – acquisition of the properties	15,566	15,566
Advance received	10,000	10,000
Withholding tax payables	5,465	5,777
Value added tax payables	207	-
Accrued interest expenses	345	288
Total accrued expenses and other payables	<u>39,571</u>	<u>40,268</u>

10. 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, such as, among others, maintaining financial ratios in accordance with the rates stipulated in the agreement.

11. Retained earnings

	(Unit: Thousand Baht)
Deficits as at 1 January 2023, as previously reported	(2,268)
Adjustment (Note 4)	2,634
Retained earnings - as restated	<u>366</u>
Add: Net investment income	163,149
Net gain on investments	2,000
Less: Distributions to unitholders (Note 12)	<u>(163,119)</u>
Retained earnings as at 30 September 2023	<u><u>2,396</u></u>

12. Distributions to unitholders

The Trust announced the payments of distributions during the nine-month period ended 30 September 2023 as follow:

Announcement date	Period	Per unit	Amount
		(Baht)	(Thousand Baht)
2 March 2023	1 January 2023 to 31 March 2023	0.1750	54,373
1 June 2023	1 April 2023 to 30 June 2023	0.1750	54,373
31 August 2023	1 July 2023 to 30 September 2023	0.1750	54,373
Total		<u>0.5250</u>	<u>163,119</u>

13. 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.

(Unaudited but reviewed)

	For the three-month period ended 30 September 2023	For the nine-month period ended 30 September 2023	(Unit: Thousand Baht) For the period from 27 September 2022 (trust establishment date) to 30 September 2022 (As restated)
<u>Trust manager</u>			
Trust management's fee	5,610	16,697	256
<u>Trustee</u>			
Trustee's fee	2,222	6,611	100
<u>Major shareholder of the trustee</u>			
Drawdown of long-term loan	-	-	1,000,000
Interest income	9	30	24
Interest expenses	15,879	45,375	390
Other expenses	-	-	7,510
<u>Related to trust manager by having common shareholders</u>			
Income from investments			
in properties	54,373	163,119	1,791
Other income	23,994	69,615	8,487

The Trust has the following significant outstanding balances with its related parties.

	30 September 2023	31 December 2022 (As restated) (Audited)	
(Unit: Thousand Baht)			
<u>Trust manager</u>			
Accrued trust management's fee	5,610	5,931	
<u>Trustee</u>			
Accrued trustee's fee	2,222	2,242	
<u>Major shareholder of the trustee</u>			
Cash at bank	7,750	11,570	
Long-term loan	1,000,000	1,000,000	
Accrued interest expenses	345	288	
<u>Related to trust manager by having common shareholders</u>			
Investments in properties with buy-back condition	4,109,000	4,107,000	
Accrued other income	16,184	13,150	
Advance received	10,000	10,000	
Other payable - acquisition of properties	15,566	15,566	

14. Commitments

The Trust is committed to pay fees to counterparties under the terms as described in Note 12 to the financial statements for the period ended 31 December 2022 of the Trust.

15. Approval of interim financial statements

These interim financial statements were authorised for issue by the authorised directors of the trust manager on 14 November 2023.