

DTP Hospitality Freehold and Leasehold Real Estate  
Investment Trust with Buy-Back Condition  
Review report and financial information  
For the three-month and nine-month periods ended  
30 September 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 financial information of DTP Hospitality Freehold and Leasehold Real Estate Investment Trust with Buy-Back Condition (the Trust), which comprises the statement of financial position, including the details of investments as at 30 September 2024, 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, the 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 6 to the interim financial information which pertains to investments in properties with buy-back condition. It describes the nature of the buy-back agreements, the assumptions related to the valuation of the Trust's investments in properties with buy-back conditions, and the uncertainty of future events concerning the exercise of the buy-back rights by the former property owners. My conclusion is not modified in respect of this matter.

Suchada Tantioran

Certified Public Accountant (Thailand) No. 7138

EY Office Limited

Bangkok: 13 November 2024

**DTP Hospitality Freehold and Leasehold Real Estate Investment Trust with Buy-Back Condition****Statement of financial position****As at 30 September 2024**

(Unit: Thousand Baht)

	<u>Note</u>	<u>30 September 2024</u>	<u>31 December 2023</u>
		(Unaudited but reviewed)	(Audited)
<b>Assets</b>			
Investments in properties with buy-back condition	6	4,111,000	4,109,000
Cash at bank	7	7,226	7,724
Accrued income from investments in properties		320	320
Accrued other income and other receivables		14,284	14,182
Receivables from the Revenue Department - value added tax		-	15,566
<b>Total assets</b>		<u>4,132,830</u>	<u>4,146,792</u>
<b>Liabilities</b>			
Accrued expenses and other payables	8	21,392	37,383
Long-term loan from financial institution	9	1,000,000	1,000,000
<b>Total liabilities</b>		<u>1,021,392</u>	<u>1,037,383</u>
<b>Net assets</b>		<u>3,111,438</u>	<u>3,109,409</u>
<b>Net assets</b>			
Capital from unitholders		3,107,000	3,107,000
Retained earnings	10	4,438	2,409
<b>Net assets</b>		<u>3,111,438</u>	<u>3,109,409</u>
Net asset value per unit (Baht)		10.0142	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 30 September 2024**

**Details of investments classified by investment category**

	30 September 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)	(%)
<b>Investments in properties with buy-back condition (Note 6)</b>						
Investment in leasehold properties						
Waldorf Astoria Bangkok and MRB Serviced Apartment, with buy-back condition	3,799,000	3,800,700	92.45	3,797,000	3,799,000	92.46
Investment in freehold properties						
U Kaoyai Hotel, with buy-back condition	310,000	310,300	7.55	310,000	310,000	7.54
<b>Total investments in properties with buy-back condition</b>	<b>4,109,000</b>	<b>4,111,000</b>	<b>100.00</b>	<b>4,107,000</b>	<b>4,109,000</b>	<b>100.00</b>

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 30 September 2024**

		(Unit: Thousand Baht)	
	<u>Note</u>	<u>2024</u>	<u>2023</u>
<b>Investment income</b>			
Income from investments in properties		54,373	54,373
Interest income		6	9
Other income		24,756	23,994
<b>Total income</b>		<u>79,135</u>	<u>78,376</u>
<b>Expenses</b>			
Trust management's fee		5,573	5,610
Trustee's fee		2,210	2,222
Professional fees		225	151
Other expenses		238	132
Finance costs		16,510	15,879
<b>Total expenses</b>		<u>24,756</u>	<u>23,994</u>
<b>Net investment income</b>		<u>54,379</u>	<u>54,382</u>
<b>Net gain on investments</b>			
Gain on change in fair value of investment	6	2,000	2,000
<b>Total net gain on investments</b>		<u>2,000</u>	<u>2,000</u>
<b>Increase in net asset from operation</b>		<u>56,379</u>	<u>56,382</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 comprehensive income**

**For the nine-month period ended 30 September 2024**

(Unit: Thousand Baht)

	<u>Note</u>	<u>2024</u>	<u>2023</u>
<b>Investment income</b>			
Income from investments in properties		163,118	163,118
Interest income		29	30
Other income		73,405	69,615
<b>Total income</b>		<u>236,552</u>	<u>232,763</u>
<b>Expenses</b>			
Trust management's fee		16,610	16,697
Trustee's fee		6,585	6,611
Professional fees		702	581
Other expenses		338	351
Finance costs		49,170	45,375
<b>Total expenses</b>		<u>73,405</u>	<u>69,615</u>
<b>Net investment income</b>		<u>163,147</u>	<u>163,148</u>
<b>Net gain on investments</b>			
Gain on change in fair value of investment	6	2,000	2,000
<b>Total net gain on investments</b>		<u>2,000</u>	<u>2,000</u>
<b>Increase in net asset from operation</b>		<u><u>165,147</u></u>	<u><u>165,148</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 nine-month period ended 30 September 2024**

(Unit: Thousand Baht)

	<u>Note</u>	<u>2024</u>	<u>2023</u>
<b>Increase in net assets from operations during the period</b>			
Net investment income		163,147	163,148
Net gain on investments		2,000	2,000
<b>Increase in net assets from operations</b>		<u>165,147</u>	<u>165,148</u>
Distributions to unitholders	11	(163,118)	(163,118)
<b>Increase in net assets during period</b>		<u>2,029</u>	<u>2,030</u>
Net assets at the beginning of period		<u>3,109,409</u>	<u>3,107,366</u>
<b>Net assets at the end of period</b>		<u><u>3,111,438</u></u>	<u><u>3,109,396</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 nine-month period ended 30 September 2024**

(Unit: Thousand Baht)

	<u>Note</u>	<u>2024</u>	<u>2023</u>
<b>Cash flows from operating activities</b>			
Increase in net assets from operations		165,147	165,148
Adjustments to reconcile increase in net assets			
from operations to net cash flows from operating activities:			
Gain on change in fair value of investments in properties			
with buy-back condition		(2,000)	(2,000)
Increase in accrued other income and other receivables		(102)	(3,181)
Decrease in receivables from the Revenue Department - value added tax		15,566	28
Decrease in accrued expenses and other payables		(15,452)	(754)
Interest expense		49,170	45,375
<b>Net cash flows from operating activities</b>		<u>212,329</u>	<u>204,616</u>
<b>Cash flows from financing activities</b>			
Distributions to unitholders	11	(163,118)	(163,118)
Cash paid for interest expense		(49,709)	(45,318)
<b>Net cash flows used in financing activities</b>		<u>(212,827)</u>	<u>(208,436)</u>
<b>Net decrease in cash at bank</b>		(498)	(3,820)
Cash at bank at the beginning of period		7,724	11,570
<b>Cash at bank at the end of period</b>		<u><u>7,226</u></u>	<u><u>7,750</u></u>

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**  
**Condensed notes to interim financial statements**

**For the three-month and nine-month periods ended 30 September 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 immovable) 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 presented condensed interim financial information in accordance with TAS 34, Interim Financial Reporting. 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 and notes to the interim financial statements on a condensed basis.

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. 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. Investments 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

For the investments in properties with buy-back condition above mentioned, the former owners have agreed to buy back the assets at the end of the three-year lease period. To exercise their right to prematurely terminate the long-term lease agreement (leasehold rights) for the Waldorf Astoria Hotel Bangkok and MRB Serviced Apartment, the former owner must adequately demonstrate to the Trustee that they have the necessary funding to cover the early termination fees, premiums, and any other associated costs. For U Kaoyai Hotel, under to buy and sell assets back agreement, the former owner has agreed to repurchase the properties (both immovable and movable) at the end of the lease term unless the Trust determines otherwise whereby the Trust can notify the former owner to buy back the properties any day after the end of the third year from the day the Trust invested. In addition, in the case that the former property owners do not exercise their buy-back rights, if the Trust sells the property to another party for less than the predetermined buy-back price, the former property owners agree to fully compensate for the shortfalls.

Movements of the investments in properties with buy-back condition for the nine-month period ended 30 September 2024 are summarised below.

	(Unit: Thousand Baht)
	<u>30 September 2024</u>
Balance at the beginning of the period	4,109,000
Gain on change in fair value of investments	<u>2,000</u>
Balance at the end of the period	<u><u>4,111,000</u></u>

The trust manager engaged an independent appraiser to assess the fair value of the investments as of 28 September 2024, 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 5.20% per annum. The trust manager estimated the fair value of the investments in properties as of 30 September 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.

However, the exercise of the buy-back rights by the former owners is a future event and therefore has an uncertain nature, which may affect the assumptions used to measure the fair value of the investments in the properties and the value of the investments. In addition, if the former owners of such assets do not buy back such assets when the buy-back period is due, the Trust may need to take other necessary actions, such as assessing investment strategies or procuring alternatives to the loans from a financial institution. Nevertheless, the Trust's management has monitored the status of the former property owners and assessed that using the assumptions that the former property owners will buy back the properties at the end of the third year period is currently appropriate.

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 30 September 2024, the balance of the cash at banks pertaining to the lease deposits, including interests (if any) amounted to Baht 54.37 million.

## 7. Cash at bank

	30 September 2024		31 December 2023	
	Principal (Thousand Baht)	Interest rate (% per annum)	Principal (Thousand Baht)	Interest rate (% per annum)
Krung Thai Bank Public Company Limited				
Saving account	7,226	0.550	7,724	0.550
Total cash at bank	<u>7,226</u>		<u>7,724</u>	

(Unaudited but reviewed)

## 8. Accrued expenses and other payables

	(Unit: Thousand Baht)	
	30 September 2024	31 December 2023
		(Audited)
Accrued expenses	5,538	5,423
Other payable - acquisition of the properties	-	15,566
Advance received	10,000	10,000
Withholding tax payables	5,469	5,470
Value added tax payables	206	206
Accrued interest expenses	179	718
Total accrued expenses and other payables	<u>21,392</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	165,147
Less: Distributions to unitholders (Note 11)	<u>(163,118)</u>
Retained earnings as at 30 September 2024	<u>4,438</u>

**11. Distribution to unitholders**

The Trust announced the payment of distributions during the nine-month periods ended 30 September 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
30 May 2024	1 April 2024 to 30 June 2024	0.1750	54,372.50
30 August 2024	1 July 2024 to 30 September 2024	0.1750	54,372.50
Total for the nine-month period ended 30 September 2024		<u>0.5250</u>	<u>163,117.50</u>

<u>Announcement date</u>	<u>Period</u>	<u>Per unit</u>	<u>Amount</u>
		(Baht)	(Thousand Baht)
2 March 2023	1 January 2023 to 31 March 2023	0.1750	54,372.50
1 June 2023	1 April 2023 to 30 June 2023	0.1750	54,372.50
31 August 2023	1 July 2023 to 30 September 2023	0.1750	54,372.50
Total for the nine-month period ended 30 September 2023		<u>0.5250</u>	<u>163,117.50</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 and nine-month periods ended 30 June 2024 and 2023.

	(Unit: Thousand Baht)			
	For the three-month period ended 30 June		For the nine-month period ended 30 June	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
<b><u>Trust manager</u></b>				
Trust management's fee	5,573	5,610	16,610	16,697
<b><u>Trustee</u></b>				
Trustee's fee	2,210	2,222	6,585	6,611
<b><u>Major shareholder of the trustee</u></b>				
Interest income	6	9	29	30
Interest expenses	16,510	15,879	49,170	45,375

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the three-month period ended 30 June		For the nine-month period ended 30 June	
<b><u>Related to trust manager by having common shareholders</u></b>				
Income from investments in				
properties	54,373	54,373	163,118	163,118
Other income	24,756	23,994	73,405	69,615

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

(Unit: Thousand Baht)

	30 September 2024	31 December 2023
		(Audited)
<b><u>Trust manager</u></b>		
Accrued trust management's fee	3,696	3,719
<b><u>Trustee</u></b>		
Accrued trustee's fee	1,465	1,473
<b><u>Major shareholder of the trustee</u></b>		
Cash at bank	7,226	7,724
Long-term loan	1,000,000	1,000,000
Accrued interest expenses	179	718
<b><u>Related to trust manager by having common shareholders</u></b>		
Investments in properties with buy-back condition	4,111,000	4,109,000
Accrued other income	14,284	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 November 2024.