

# Annual Report

for Fiscal Year Ended 29 February 2024

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## Lotus's Retail Growth Freehold and Leasehold Property Fund

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-Translated Version-

Krungthai Asset Management Public Company Limited

“KTAM Happy Life Happy Investment”

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หลักทรัพย์จัดการกองทุนกรุงไทย  
KRUNGTHAI ASSET MANAGEMENT

Attention The Unitholders

Lotus's Retail Growth Freehold and Leasehold Property Fund

The Company has submitted Annual Report of 2023/24 from 1 March 2023 to 29 February 2024 of Lotus's Retail Growth Freehold and Leasehold Property Fund ("LPF") for reporting the LPF operating performance to the unitholders for acknowledgement.

The Company would like to deliver our gratitude to the unitholders for your consistent trust and confidence on the Company to manage your investment fund.

Sincerely yours,

Krungthai Asset Management Public Company Limited

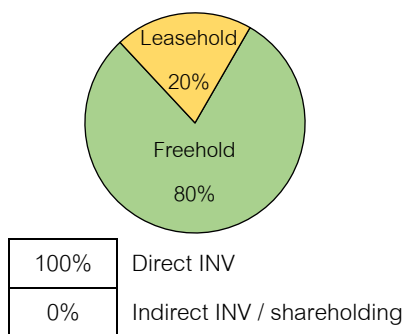
(As of Feb 29, 2024)

Part 1  
Fact Sheet

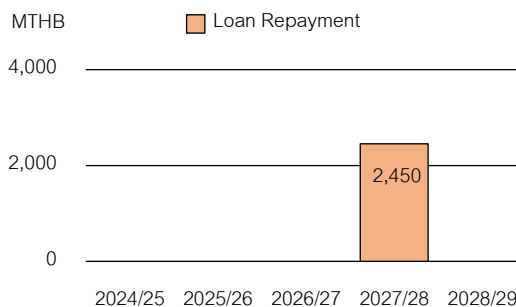
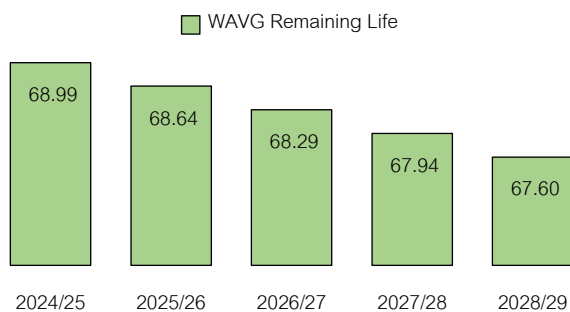
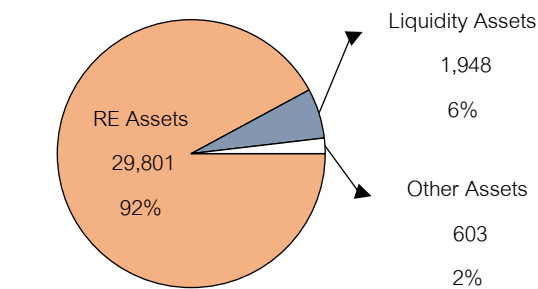
The Fund Name (in Thai) กองทุนรวมอสังหาริมทรัพย์และสิทธิการเช่าโลตัสรีเทล โกรท  
The Fund Name (in English) LOTUS'S RETAIL GROWTH FREEHOLD AND LEASEHOLD PROPERTY FUND  
Symbol LPF Fund Manager Krungthai Asset Management Public Company Limited  
Fund Supervisor The Hongkong and Shanghai Banking Corporation Limited, Bangkok Branch  
Auditor PricewaterhouseCoopers ABAS Ltd.  
Fund establishment date 13 March, 2012

Market Cap (MB)	30,618.41	Closing price at year end (THB)	13.10	NO. of units	2,337,282,928
NAV (MB)	28,475.94	NAV / unit (THB)	12.1833	Capital (MB)	25,493.67
		Par / Unit (THB)	10.1948		
Establishment date	13 Mar 2012	Price / NAV	1.08 times	WAVG Remaining Life	68.99 Y

Proportion of investment in main assets



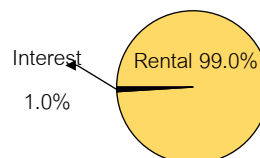
Asset type as of 29 February, 2024 (million baht)



LPF Capital Structure (Million Baht)

Total assets	32,352.24	Retained Earnings	2,982.26
Total Liabilities	3,876.30	Gearing Ratio	7.57% of TAV
Capital	25,493.67	Credit Rating	-None-

Revenue Structure



Major unitholders (latest book closing on January 31, 2023)

Name list	Number of investment units	Percentage
Ek-Chai Distribution System Company Limited	584,321,250	25.00
Social Security Office	230,354,410	9.86
Government Pension Fund	201,156,639	8.61
Bangkok Life Assurance Public Company Limited	132,077,100	5.65
TMB East Spring Fund Property and Infrastructure	97,172,600	4.16
Foreign Limit 49.00%	Current Foreign Holding 4.50%	



Invested Real Estate Assets	Valuation (THB)	Independent Valuer
Lotus, Mahachai Branch (Freehold)	415,000,000	15 Business Advisory Limited
Lotus, Phitsanulok Branch (Freehold)	1,087,000,000	15 Business Advisory Limited
Lotus, Srinakarin Branch (Freehold)	3,596,300,000	SIMS PROPERTY CONSULTANTS
Lotus, Prachachuen Branch (Freehold)	1,724,000,000	15 Business Advisory Limited
Lotus, Samui Branch (Leasehold)	722,000,000	15 Business Advisory Limited
Lotus, Rama 1 Branch (Leasehold)	721,000,000	15 Business Advisory Limited
Lotus, Lamlukka Klong 6 Branch (Leasehold)	516,000,000	15 Business Advisory Limited
Lotus, Rangsit Klong 7 Branch (Freehold)	1,410,000,000	15 Business Advisory Limited
Lotus, Krabi Branch (Freehold)	2,020,000,000	15 Business Advisory Limited
Lotus, Phetchabun Branch (Leasehold)	735,000,000	15 Business Advisory Limited
Lotus, Singburi Branch (Freehold)	624,000,000	15 Business Advisory Limited
Lotus, Ranong Branch (Freehold)	720,000,000	15 Business Advisory Limited
Lotus, Thung Song Branch (Freehold)	733,000,000	15 Business Advisory Limited
Lotus, Pranburi Branch (Freehold)	948,000,000	15 Business Advisory Limited
Lotus, Amata Nakorn Branch (Leasehold)	1,647,000,000	15 Business Advisory Limited
Lotus, Mae Sai Branch (Freehold)	921,000,000	15 Business Advisory Limited
Lotus, Sena Branch (Leasehold)	349,000,000	15 Business Advisory Limited
Lotus, Nakhon Si Thammarat Branch (Freehold)	1,432,100,000	SIMS PROPERTY CONSULTANTS
Lotus, Phuket Branch (Freehold)	3,113,100,000	SIMS PROPERTY CONSULTANTS
Lotus, Rangsit-Nakhon Nayok Branch (Leasehold)	535,100,000	SIMS PROPERTY CONSULTANTS
Lotus, Bang Pu Branch (Leasehold)	711,100,000	SIMS PROPERTY CONSULTANTS
Lotus, Salaya Branch (Freehold)	2,014,200,000	SIMS PROPERTY CONSULTANTS
Lotus, Navanakorn Branch (Freehold)	2,595,100,000	SIMS PROPERTY CONSULTANTS
<b>Total</b>	<b>29,289,000,000</b>	
DOWNLOAD report	<a href="http://www.ktam.co.th">www.ktam.co.th</a> and <a href="http://www.lpf-fund.com">www.lpf-fund.com</a>	

**Dividend policy and Historical of benefits for the past 5 fiscal years and accumulation**

Paying dividends no more than 4 times a year in case there is sufficient RE, not less than 90% of adjusted NI	Baht/unit	2019/20	2020/21	2021/22	2022/23	2023/24	Accumulate
	Dividend	0.9346	0.6995	0.6774	0.8282	0.8749	9.5720
	Cap returns	0.0000	0.0000	0.0000	0.0000	0.0000	0.2052
	Total	0.9346	0.6995	0.6774	0.8282	0.8749	9.7772

Estimates of LPF short-term returns for the year from

-None-

to

-None-

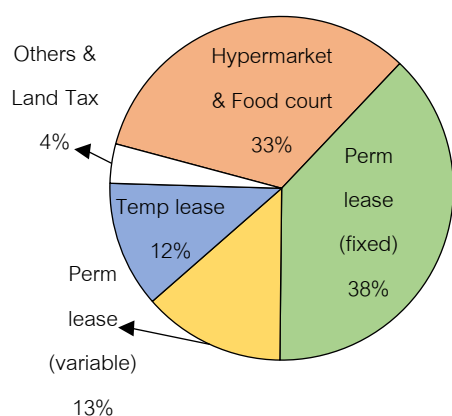
If the fund raises fund for not more than -None- MTHB	Based on estimates reviewed by the auditor
Dividends from normal operations	-None-
Capital returns	-None-
Total payment rate to the unitholders	-None-

**Estimates of LPF long-term returns**

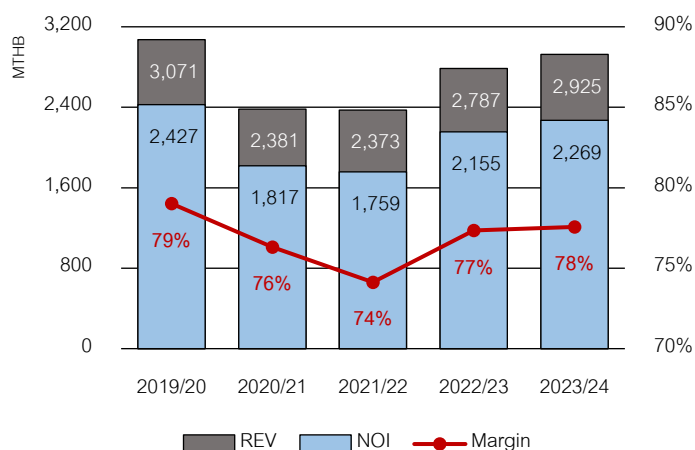
Key assumptions of IRR at the investment price	-None-
CF based on valuation report at	-None-
Fund-level expenses per year	-None-
Borrowing ratio (if any)	-None-
Loan interest rate assumption (if any)	-None-

Expected IRR	
EXCL returns contribution	-None-

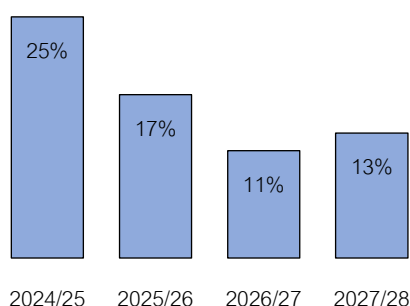
Proportion of tenants (classified by income)



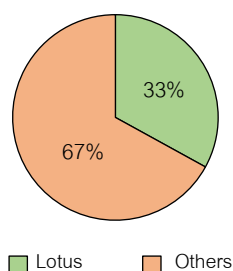
Financial Performance



■ Proportion of expiring tenants (classified by income)



REV Proportion



OCR / Renewal Rate	
Fiscal Year	%
2021/22	97
2022/23	96
2023/24	97

Significant Financial Positions and Performance	2019/20	2020/21	2021/22	2022/23	2023/24
Total income (million baht)	3,071.44	2,380.91	2,372.87	2,786.67	2,924.60
Other Exceptional income (million baht)	-	-	-	-	-
Net investment income (million baht)	2,426.90	1,816.95	1,758.95	2,155.09	2,268.55
Net profit (loss) (million Baht)	2,701.42	1,389.87	1,426.19	707.13	2,230.29
Net profit (loss) per unit (EPU) (baht)	1.1558	0.5947	0.6102	0.3025	0.9542
Net Dividend per Unit (DPU) (Baht)	0.9346	0.6995	0.6774	0.8282	0.8749
Capital returns to unitholders per unit (baht)	-	-	-	-	-
Total liabilities / net assets (NAV) (times)	0.11	0.12	0.13	0.14	0.14
Interest cost rate (%)	2.83%	2.54%	2.56%	2.91%	4.24%
Net cash from operating activities (million baht)	2,366.01	1,815.45	1,885.66	1,484.19	2,150.74
Net cash from financing activities (million baht)	(2,184.12)	(1,886.70)	(1,626.61)	(1,978.48)	(2,167.47)
Net increase (decrease) in cash (million baht)	181.89	(71.24)	259.05	(494.29)	(16.73)
Net assets per unit (baht)	12.8335	12.6608	12.5931	12.0970	12.1833
Market price per unit / net assets per unit (times) *	1.57	1.08	1.12	1.16	1.08
Dividend Yield (%) *	4.65%	5.11%	4.80%	5.92%	6.68%
Market Cap (million baht) *	46,979.39	32,020.78	32,955.69	32,721.96	30,618.41
Closing Price (baht)	20.10	13.70	14.10	14.00	13.10

\* Annualized Pro Rata based on Closing Price

Analysis and explanation of operations and financial position		Loan Summary	
<p>In the fiscal year of 2023/24 (ending on 29 Feb 24), the Fund has net investment income of approximately 2,268.55 million baht, increased from the fiscal year 2022/23 at approximately 113.46 million baht or 5.26%. Resulting in the fiscal year of 2023/24, the Fund can distribute the unitholders' returns (dividends) at the rate of 0.8749 baht / unit, increased from the fiscal year 2022/23 at the rate of 0.0467 baht / unit or 5.64%.</p>		<p>(1) Lender: CIMBT  (2) Amount: 2,450 million baht  (3) Interest: <b>Average MLR from 4 Main Banks in Thailand minus 3.5% per annum</b>  (4) Due Date: <b>20 DEC 2027</b>  (5) Payment terms: <b>Quarterly basis</b>  (6) Collateral: <b>None</b></p>	
Recent types of auditor reports	Clean Report		

Table of fee collection collected from the Fund for the year 2023/24 (ended 29 February 2024)

All fees and expenses	Actual Rate	% of net investment income in 2023/24
Management fee (million baht)	15.22	0.67%
Fund Supervisor fee (million baht)	2.91	0.13%
Registrar fee (million baht)	4.37	0.19%
Auditor fee (million baht)	1.71	0.08%
Property management fee (million baht)	239.45	10.56%
Property management fee (million baht) <sup>/1</sup>	278.78	12.29%
Interest payable (million baht)	103.91	4.58%
Any other expenses greater than 0.01% of the NAV (million baht)	9.71	0.43%
Financial advisor fee (million baht)	-No charge-	-No charge-
Investment unit underwriting fee (million baht)	-No charge-	-No charge-
Other expenses (million baht)	-No charge-	-No charge-
<sup>/1</sup> Including property valuation, insurance premium, related taxes, advertising costs, public relations, sales promotion and depreciation of right-of-use assets.		

## Risk Factors

1. The management company may not be able to successfully execute the Fund strategy.
2. Dependency of the Fund's success on the ability of the Management Company and the Property Manager to operate and manage immovable properties and leasehold rights in immovable properties invested by the Fund. In case of failure to effectively and efficiently operate or manage, it may significantly cause negative effect toward value of immovable properties and leasehold rights in immovable properties, the Fund's operating performance and dividend payment ability.
3. Risk of immovable properties and leasehold rights in immovable properties invested by the Fund from failure of the tenants to renew lease agreement
4. In the future, the Fund may need to acquire external funding such as borrowing, for example, where conditions may not be acceptable or the Fund may not be able to find such funding sources.
5. General risks from the operation of the retail space rental business and the increase in operating costs, capital expenditures and other expenses of the assets invested by the Fund will have negative impact on the financial position and the performance of the Fund.

6. The Fund will have to rely on the main tenant, Lotus, to use the names "", "Lotus" and " Lotus" and to invest in additional assets in the future under the Right of First Refusal
7. The Fund and tenants in some shopping centers encounter the competition from shopping malls, hypermarkets and other retailers located in the same target audience and competition from other retail channels.
8. Real estate and leasehold assets invested by the Fund are subject to the risk of the tenant's failure to renew the lease and the risk of losing the Anchor Tenants.
9. Damage or loss that may occur if immovable properties and leasehold properties invested by the Fund are not covered under the insurance policy.
10. Defect property and leasehold properties that the fund invests in or there may be illegal practices and regulations or there may be another defect
11. Construction of the Infrastructure Infrastructure System that is currently underway or planned to be undertaken and improvement projects close to the property or the leasehold of the property invested by the Fund may hinder access to the property or the leasehold of the property invested by the Fund or may not complete the construction and the government may reclaim the public land use rights, such as immovable property entrances and leaseholds.
12. Natural disasters and other force majeure, terrorism and war can have a negative impact on the Funds' income.
13. Real estate or leasehold properties invested by the Fund may need major repairs and renovations. This may cause some areas of the shopping center to be temporarily closed and adversely affect the Fund's financial position and performance.
14. Value of immovable and leasehold properties invested by the Fund as appraised by the Property Appraisal Company does not represent the true value of real estate and leasehold properties. It cannot be guaranteed that the selling price of the real estate or the leasehold property will be as appraised whether in the present or in the future.
15. A decrease in the fair value of properties and leasehold properties invested by the Fund will have a negative impact on profit and loss, net asset value, and the ability to pay dividends of the Fund.
16. The Fund may have a conflict of interest with Lotus regarding the purchase and lease of the property.
17. Leasehold on real estate that some investment funds are leaseholds are made up of multiple lease agreements for land and certain properties that the Fund has invested in, where the Fund has partial ownership of land and partial leasehold rights of land consisting of a single or multiple lease agreements uncertainly.
18. Investing in real estate is generally risky and the Fund does not diversify into other businesses.
19. The Fund may be adversely affected by the lack of liquidity to invest in the property they invest in and the lack of alternative leverage in the properties that the mutual fund invests in.
20. The Fund's strategy to invest in real estate or leasehold property used in retail business may present a higher risk compared to other mutual funds with more diversified portfolio.
21. Real estate and leasehold properties that the Fund invests or will invest in may be expropriated.
22. The purchase price of the unit trusts in the secondary market may drop below the offering price.
23. The Fund may not be able to pay dividends on unit trusts or they may not be able to maintain their dividends.
24. Unitholders cannot redeem their investment units to the Management Company.
25. Selling of investment units in the future could have negative impact on the market price of investment units.

In this regard, the unitholders should study all relevant risk factors according to the Fund's prospectus as follows.

**General Information of the Fund Management Company / Fund Supervisor**

Management Company : Krungthai Asset Management Public Company Limited

company registration number 010754000373

No. 1 Empire Tower, 32nd Floor, South Sathorn Road,

Yannawa, Sathorn, Bangkok 10120

Tel. 0-2686-6100, Fax. 0-2670-0430

Website: [www.ktam.co.th](http://www.ktam.co.th)

Fund Supervisor : The Hongkong and Shanghai Banking Corporation Limited, Bangkok Branch

HSBC Building, No. 968 Rama IV Road

Silom, Bangrak, Bangkok 10500

Tel. 0-2614-4000, Fax. 0-2632-4818

Website : <https://www.hsbc.co.th/>

## Part 2 Fund Operation

### 1) General Information

#### 1.1 Fund Name, Type, Capital, and Fund Term

The Fund Name (in Thai) : กองทุนรวมอสังหาริมทรัพย์และสิทธิการเช่าโลตัสส์รีเทล โกรท

The Fund Name (in English) : Lotus's Retail Growth Freehold and Leasehold Property Fund

Symbol : LPF

Project Type : Closed-end property fund

Project Life : Indefinite

Nature of the Project : Definite

Capital Amount of the Project : 25,952,862,942.40 Baht

(1) Capital amount of the Project in initial offering of investment units : 18,408,000,000.00 Baht

(2) Capital amount of the Project in the first registered capital increase : 7,544,862,942.40 Baht

Remark : After the first – the fourteenth capital reduction, capital balance has been

25,493,674,664.91 Baht.

Offer of Investment Unit :

- Initial Offering of Investment Units : 18,408,000,000.00 Baht
- Number of Offered Investment Units : 1,770,000,000.0000 Units
- Offer of Investment Unit : 10.40 Baht
- Offering for Sale of Investment Units for the First Registered Capital Increase : 7,544,862,942.40 Baht
- Number of Offered Investment Units : 567,282,928.0000 Units
- Offer of Investment Unit : 13.30 Baht

Number of Investment Units : 2,337,282,928.0000 Units

(1) Number of investment units before the first registered capital : 1,770,000,000.0000 Units  
increase

(2) Number of additional investment units to be offered for the first : 567,282,928.0000 Units  
registered capital increase

Type of Investment Unit : The name of the unitholder is specified.

## 1.2 General Information of the Fund Management Company / Fund Supervisor

Management Company : Krungthai Asset Management Public Company Limited

company registration number 010754000373

No. 1 Empire Tower, 32nd Floor, South Sathorn Road,

Yannawa, Sathorn, Bangkok 10120

Tel. 0-2686-6100, Fax. 0-2670-0430

Website: [www.ktam.co.th](http://www.ktam.co.th)

Fund Supervisor : The Hongkong and Shanghai Banking Corporation Limited, Bangkok Branch

HSBC Building, No. 968 Rama IV Road

Silom, Bangrak, Bangkok 10500

Tel. 0-2614-4000, Fax. 0-2632-4818

Website : <https://www.hsbc.co.th/>

## 2) Policy, Overview of Business Operation and Benefits Procurement

### 2.1 Objective, Target, or Strategy of the Fund

To mobilize capital from both general domestic and foreign investors and invest proceeds obtained from capital mobilization in properties, leasehold of properties, and seek for benefit from properties and/or leasehold of such properties by leasing out, sub-leasing out, transferring and/or disposing of, and modifying, developing potential of properties and/or leasehold of properties through acceptance of construction license transfer, and/or application for other licenses, and/or taking any other actions for benefit of assets invested by the Fund, focus on generation of income and return to the Fund and its unitholders, and investment in other assets and/or other securities, and/or seeking for other profits by any other means as required by law.

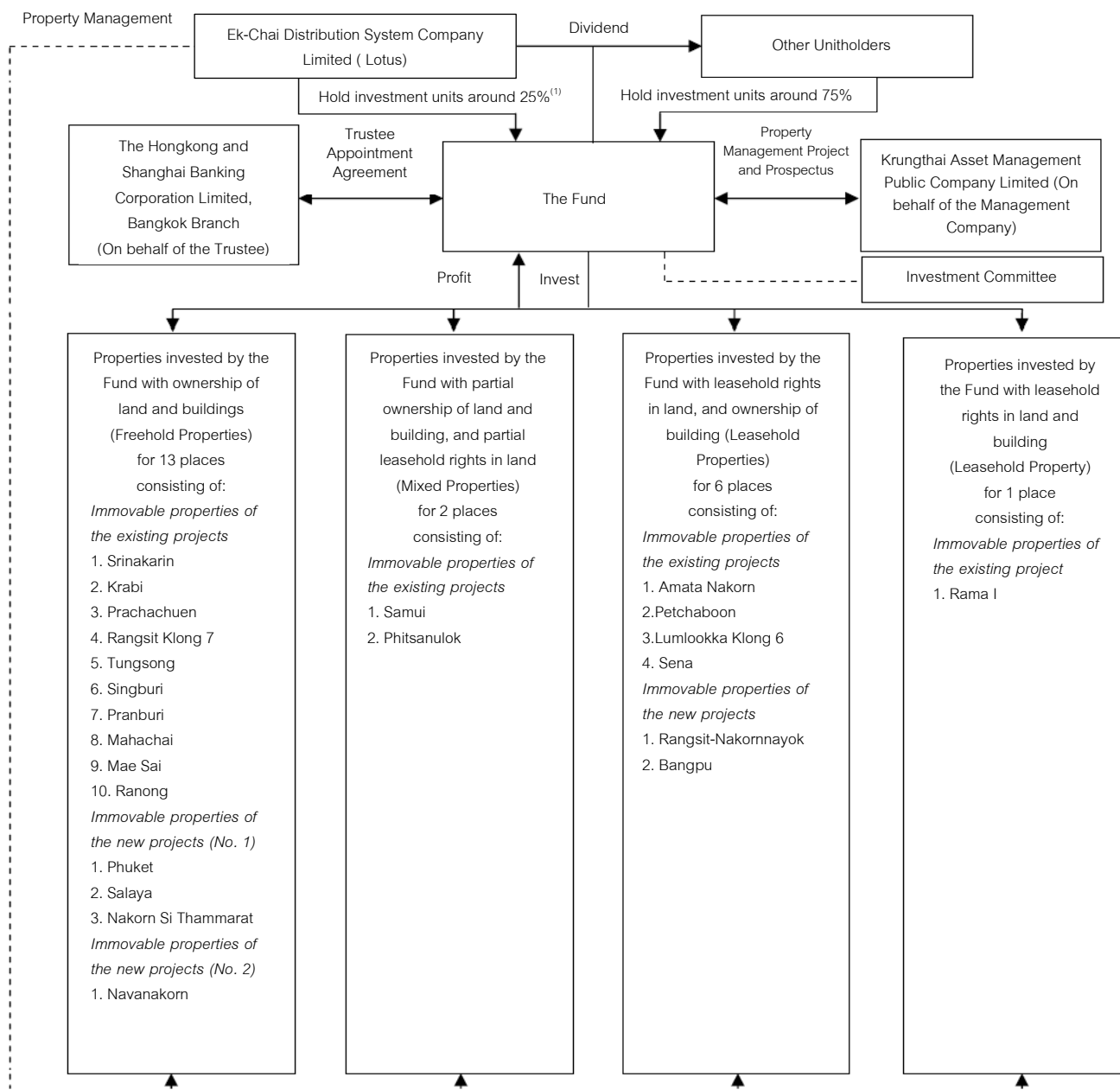
### 2.2 Important Change and Development

History of Change Management Company / Fund Supervisor / Property Manager

-None-

### 2.3 Fund Management Structure

(1) Fund Management Structure Diagram



<sup>(1)</sup> Lotus and the owner of other assets, including the same group of parties of the said party can hold total investment units in the number of not more than the proportion as prescribed by related laws, notifications, and rules (not more than one-third of number of sold investment units of the Fund).

### Property Management and relationships with property manager

Core assets invested by the Fund are acquired from freehold or leasehold of properties owned or leased by Ek-Chai Distribution System Company Limited before the investment date of the Fund. After completion of the Fund's investment in core assets, the Fund has appointed Ek-Chai to perform duty as Property Manager under property management agreement by the related fee and remuneration are paid to Ek-Chai in proper rate based on at arm's length basis with other general property manager.

After Ek-Chai transferred such core assets to the Fund, Ek-Chai entered into the main lease agreement and service agreement with the Fund at the proper rate of rental fee and service fee at arm's length transaction with the long-term anchor tenant that leases significant space and is not an affiliated party. Moreover, Ek-Chai is the major unitholder of the Fund by holding investment units in proportion of 25% of total number of sold investment units.

(2) The Fund management is governed by the Fund's scheme. The unitholders can view at <https://www.lpf-fund.com/>



## 2.4 Information on assets of the Fund

### 2.4.1 Details of assets by categories

#### Lotus's Retail Growth Freehold and Leasehold Property Fund

#### List of assets by investment categories

On 29 February 2024

List of assets	Fair Value (Baht)	Percentage of NAV
1. Cash and cash equivalents	443,288,303	1.56%
2. Investment in bonds and debentures		
Promissory notes from financial institutions	-	-
Bill of exchange and promissory notes that are accepted or aval by financial institutions	-	-
Government bonds	1,504,757,710	5.28%
Total	1,504,757,710	5.28%
3. Investment in securities		
Stock listed on the stock exchange	-	0.00%
Total	-	0.00%
4. Investment in properties		
Immovable properties and leasehold rights in immovable properties	29,801,323,805	104.65%
Total	29,801,323,805	104.65%
5. Other assets		
Rental receivables, net	320,843,801	1.13%
Deferred expenses	27,504,134	0.10%
Assets on the usage right	252,103,523	0.89%
Other assets	2,415,230	0.01%
Total	602,866,688	2.12%
Total assets	32,352,236,506	113.61%
6. Other liabilities		
Other account payables	(94,834,563)	-0.33%
Rental income received in advance	(66,831,894)	-0.23%
Deposits received from customers	(345,028,675)	-1.21%
Accrued expenses	(133,411,727)	-0.47%
Withholding tax payables	(1,539,431)	-0.005%
Borrowing	(2,450,000,000)	-8.60%
Liabilities following the lease agreements – Assets on usage right	(260,171,251)	-0.91%
Liabilities following the lease agreements	(524,481,503)	-1.84%
Total liabilities	(3,876,299,044)	-13.61%
Net assets	28,475,937,462	100.00%
Number of outstanding units	2,337,282,928	Units
Net assets value per unit	12.1833	Baht
Closing price at year end	13.1000	Baht

## 2.4.2 Details of assets by categories

### Lotus's Retail Growth Freehold and Leasehold Property Fund

#### Details of assets

On 29 February 2024

#### The Initial Properties (17 Stores)

No.	Property Name	Freehold/Leasehold	Location	Class of title held by the fund			Asset Detail*	Total Lettable Area (sq.m.)	Appraised Values** / Appraisers (MB)		
				Freehold (Rai)	Leasehold (Rai)	Total (Rai)			SIMS PROPERTY CONSULTANTS CO., LTD. as of 20 November 2023	Capitalization Rate	Discount Rate
1	Srinakarin	Freehold	9 Moo 6, Bangmueangmai Sub-district, Mueang District, Samutprakan Province	48-1-74.3	-	48-1-74.3	The building comprise (1) a two-storey shopping mall building (2) 2 car service and maintenance building (4) 4 mini plaza building (5) plaza building 6 elevators, 8 escalators, 2 travelators	35,325	3,596	7.00%	10.00%
No.	Property Name	Freehold/Leasehold	Location	Class of title held by the fund			Asset Detail*	Total Lettable Area (sq.m.)	Appraised Values** / Appraisers (MB)		
				Freehold (Rai)	Leasehold (Rai)	Total (Rai)			Sallmanns (Far East) Limited as of 25 November 2023	Capitalization Rate	Discount Rate
2	Krabi	Freehold	191 Moo 12, Krabi Noi Sub-district, Mueang District, Krabi Province	30-1-51.8	-	30-1-51.8	There are two buildings located at the Krabi site. The building comprise (1) a two-storey shopping mall (2) car service and maintenance building 3 elevators, 3 escalators, 2 travelators	23,297	2,020	7.00%	10.00%
3	Prachachuen	Freehold	829 Prachant 2 rd, Bangsue Sub District, Bangsue District, Bangkok	14-3-93.4	-	14-3-93.4	The building comprise (1) a two-storey shopping mall 3 elevators, 2 escalators, 2 travelators	21,190	1,724	7.00%	10.00%
4	Rangsit Klong 7	Freehold	41/2 Moo 2, Lumpakkood Sub-district, Thunayaburi District, Prathumthani Province	144-1-71	-	144-1-71	There are two buildings located at the Rangsit Klong 7 site. The building comprise (1) a one-storey shopping mall (2) car service and maintenance building	18,240	1,410	7.00%	10.00%
5	Tung Song	Freehold	144 Moo 2, Nong Hong Sub-district, Tung Song District, Nakomsrihammarat Province	30-2-85.7	-	30-2-85.7	There are two buildings located at the Tung Song site. The building (1) a two-storey shopping mall (2) one machinery building 3 elevators, 2 escalators, 2 travelators	16,035	733	7.00%	10.00%
6	Singburi	Freehold	189 Moo 7, Bang Nga Sub-district, Tha Vong District, Lopburi Province	24-2-09	-	24-2-09	The building comprise (1) a two-storey shopping mall 3 elevators, 2 escalators, 2 travelators	17,323	624	7.00%	10.00%
7	Pranburi	Freehold	706 Moo 7, Koa Noi Sub-district,  Pranburi District, Prachubkireekan Province	22-3-58.6	-	22-3-58.6	There are two buildings located at the Tung Song site. The building comprise (1) a one-storey shopping mall (2) car service and maintenance building	12,469	948	7.00%	10.00%
8	Mahachai	Freehold	119 Moo 7, Thasai Sub-district, Mueang District, Samutprakorn Province	20-3-71	-	20-3-71	There are six buildings located at the Tung Song site. The building comprise (1) a one-storey shopping mall (2) one car park (3) one machinery (4) one warehouse (5) one chiller (6) car service and maintenance building 1 elevator	13,708	415	7.00%	10.00%
9	Maesai	Freehold	156 Moo 6, Viengpangkam Sub-district, Maesai District, Chiangrai Province	32-3-0	-	32-3-0	There are two buildings located at the Maesai site. The building comprise (1) a one-storey shopping mall (2) car service and maintenance building	12,599	921	7.00%	10.00%
10	Ranong	Freehold	25/15 Moo 1 Petchakasem Road, Bangrin Sub-district, Muang District, Ranong Province	26-0-50.8	-	26-0-50.8	The building comprise (1) a one-storey shopping mall	11,766	720	7.00%	10.00%
11	Samui	Freehold+Leasehold	1/7 Moo 6 Bohlhut Sub-district, Koh Samui District, Sarathani Province	22-1-52	24-3-78	47-1-30	There are three buildings located at the Samui site. The building comprise (1) a one-storey shopping mall (2) four building owned by Sponsor and leased out to the tenants (3) garbage building	25,659	722	-	11.00%
Lease Terms (year) : 6.75											
12	Pitsanulok	Freehold+Leasehold	909 Moo 3 Aranyik Sub-district, Muang Pitsanulok District, Pitsanulok Province.	31-2-71.4	0-2-59.5	32-1-30.9	There are four buildings located at the Amatanakorn site. The building comprise (1) a two-storey shopping mall (2) a one-storey mini plaza (3) two car service and maintenance building 3 elevators, 3 escalators, 2 travelators	22,582	1,087	7.00%	10.00%
Lease Terms (year) : 14.093 in the total 0-2-59.5 Rai for car park purpose											
13	Amatanakorn	Leasehold	700/75 Moo 5 Klongtunru Sub-district, Muang Chonburi District, Chonburi Province	-	45-1-35.6	45-1-35.6	There are four buildings located at the Amatanakorn site. The building comprise (1) a two-storey shopping mall (2) a one-storey mini plaza (3) two car service and maintenance building 3 elevators, 3 escalators, 2 travelators	27,283	1,647	-	11.00%
Lease Terms (year) : 15.90											
14	Petchaboon	Leasehold	929 Moo 2 Sa Diang Sub-district, Muang Petchaboon District, Petchaboon Province.	-	43-2-5.4	43-2-5.4	There are three buildings located at the Petchaboon site. The building comprise (1) a one-storey shopping mall (2) one fire pump building (3) one car service and maintenance building	18,255	735	-	11.00%
Lease Terms (year) : 16.205											

No.	Property Name	Freehold/Leasehold	Location	Class of title held by the fund			Asset Detail*	Total Lettable Area (sq.m.)	Appraised Values** / Appraisers (MB)		
				Freehold (Rai)	Leasehold (Rai)	Total (Rai)			SIMS PROPERTY CONSULTANTS CO., LTD. as of 20 November 2023	Capitalization Rate	Discount Rate
15	Lamhukka Klong 6	Leasehold	75 Moo 5 Bangkumpoey Sub-district, Lamhukka District, Patumthani Province.	-	33-1-0	33-1-0	There are three buildings located at the Lamhukka Klong 6 site The building comprise (1) a one-storey shopping mall (2) one air handling unit building (AHU) (3) one car service and maintenance building	17,223	516	-	11.00%
Lease Terms (year) : 13.47											
16	Sena	Leasehold	49 Moo 1 at Bangnonko Sub-district, Sena District, Ayudhya Province.	-	24-2-96	24-2-96	There are two buildings located at the Sena site. The building comprise (1) a one-storey shopping mall (2) one machinery building	12,431	349	-	11.00%
Lease Terms (year) : 14.36											
17	Rama 1	Leasehold	831 Param 1 Rd. Wang Mai Sub-district, Pathumwan District, Bangkok	-	12-3-03.25	12-3-03.25	The building comprise (1) three-storey shopping mall 3 elevators (1 lift + 2 cart lift), 4 escalators, 4 travelers	22,909	721	-	11.00%
Lease Terms (year) : 13.044											

### Additional Investment No. 1 Funded by Capital Increase (5 Stores)

No.	Property Name	Freehold/Leasehold	Location	Class of title held by the fund			Asset Detail*	Total Lettable Area (sq.m.)	Appraised Values** / Appraisers (MB)		
				Freehold (Rai)	Leasehold (Rai)	Total (Rai)			SIMS PROPERTY CONSULTANTS CO., LTD. as of 20 November 2023	Capitalization Rate	Discount Rate
1	Phuket	Freehold	104 Moo 5 Chaloem Phrakiat rd. Mueang Phuket , Phuket Province	44-2-0	-	44-2-0	The building comprise (1) two-storey shopping mall (2) car service and maintenance building 2 elevators, 4 escalators	26,768	3,113	7.00%	10.00%
2	Salaya	Freehold	99/14 Moo 1 Bangtoey Sub-District Sampran District Nakhon Pathom Province	38-3-99	-	38-3-99	There are two buildings located at the Salaya site. The building comprise (1) Two-storey shopping mall (2) Energy Saving Building (3) car service and maintenance building (4) Storage building 3 elevators, 2 escalators, 2 travelers	21,816	2,014	7.00%	10.00%
3	Nakorn Sri	Freehold	15 Pathanakan-Kukhwang rd Nai Mueang Sub-District , Mueang Nakorn Sri Thammarat Nakorn Sri Thammarat Province	26-0-33.6	-	26-0-33.6	There are two buildings located at the Nakornsri Thammarat site The building comprise (1) a two-storey shopping mall (2) 2 car service and maintenance building (3) mini plaza building (4) Storage building 4 escalators	18,677	1,432	7.00%	10.00%
4	Rangsit-Nakorn	Leasehold	90 Moo 2 Rangsit-Nakorn nayok rd. Thanyaburi District Patumthani Province	-	33-2-0	33-2-0	The building comprise (1) two-storey shopping mall (2) mini plaza building (3) 2 car service and maintenance building 3 elevators, 1 escalators, 1 traveler	15,063	535	-	11.00%
Lease Terms (year) : 12.6											
5	Bang Pu	Leasehold	2502 Moo 3 Sukumvit rd. Bang Pu mai Sub-District Mueang Samutprakarn Province	-	55-0-80	55-0-80	The building comprise (1) a one-storey shopping mall 3 elevators, 4 escalators, 2 traveler	15,940	711	-	11.00%
Lease Terms (year) : 14.7											

### Additional Investment No. 2 Funded by Loan (1 Store)

No.	Property Name	Freehold/Leasehold	Location	Class of title held by the fund			Asset Detail*	Total Lettable Area (sq.m.)	Appraised Values** / Appraisers (MB)		
				Freehold (Rai)	Leasehold (Rai)	Total (Rai)			15 Business Advisory Limited as of 27 January 2023	Capitalization Rate	Discount Rate
1	Navanakorn	Freehold	98/103 Moo 13 Klong Neung, Klong Luang, Patumthani Province	31-0-5	-	31-0-5	The building comprise (1) two-storey shopping mall 3 elevators, 4 escalators, 2 traveler	24,042	2,595	7.00%	10.00%

Investment Date of Assets

: Initial investment on 14-15 March 2012

Investment in the first capital increase on 4 December 2012

Investment in the second capital increase on 29 January 2014

Investment price

: Approximately 27,085.58 million baht

Latest Valuation Date of Assets

: 20 and 25 November 2023

Latest Valuation

: 29,289 million Baht

Valuation Company

: 15 Business Advisory Co., Ltd.  
SIMS PROPERTY CONSULTANTS

Type of Usability

: Shopping Mall

Type of Asset

: Retail Business

Income in Accounting Period

: The Fund's total income for the period from 1 March 2023 to 29 February 2024 has been 2,924,597,505 Baht.

In case of investment of the Fund/Trust in assets which are uncompleted projects, the progress of the Project shall be reported specifying reason of incompleteness.

-None-

#### 2.4.3 Details of investments in properties or leasehold of properties in each transaction in the accounting period (if any)

- (1) Date, price and reason of investment in properties or leasehold of properties, and the seller, lessor, assignor of leasehold or grantor of property right as the case may be.

-None-

- (2) Details relating to the asset valuation company's valuation before investment in properties or leasehold of properties such as valuation date for valuated price, valuation method, name of asset valuation company

-None-

- (3) Expenses relating to investment in properties or leasehold of properties, and expenses relating to investment

-None-

- (4) In case of additional investment in assets without pass of approval from the unitholders, and additional investment in assets without pass of approval from the unitholders

(4.1) The Management Company/ Trust Manager should explain benefit received by the Fund from supplementary explanation of investment reason and source of capital used in purchase of assets

- None of additional investment

(4.2) The condition shall be clearly specified and in case of entry into transactions, it must be executed subject to conditions or consent given by the Office of the SEC, unitholders or SET.

- None of conditions requiring consent from the Office of the SEC, unitholders or SET.

#### 2.4.4 In the event that the Fund is unable to indirectly invest in the Company through its shareholding and voting rights

-None-

#### 2.4.5 Detail of investment in the main properties additionally in accounting period.

-None-

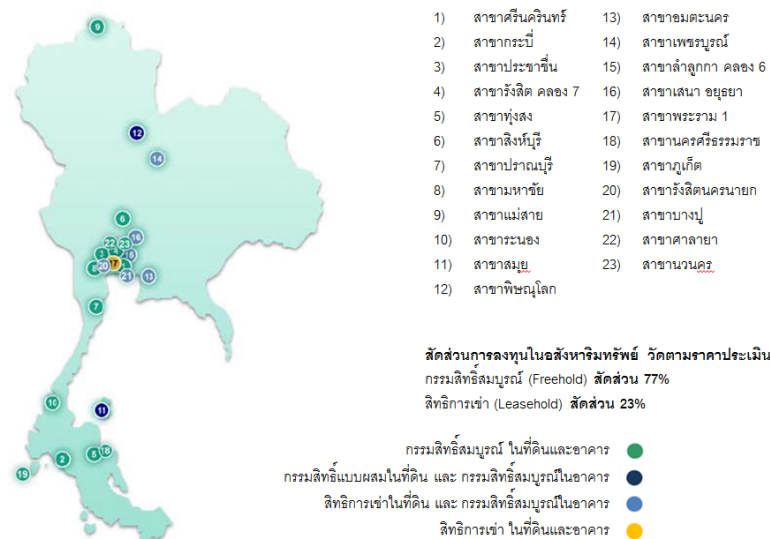
#### 2.4.6 Detail of disposal or transfer of properties in accounting period.

-None-

### 2.5 Benefits Procurement from invested RE Assets

#### 2.5.1 Explanation of Benefits Procurement from invested RE Assets

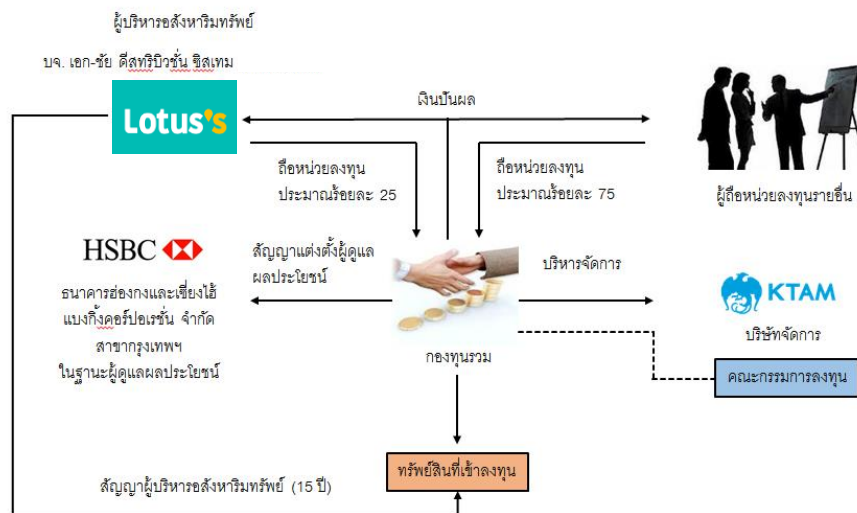
The Fund invested in the freehold and leasehold property which are 23 branches of Lotus Superstore as follows:



The Fund has the policy of operation in procuring the benefits from the assets invested by the Fund by bringing the leased areas of the mentioned 23 branches of Lotus Superstore to rent out to tenants for various businesses. Most of which have the period of 3 years. The tenants are required to deposit in which the lessor has the right to terminate the contract in the event that the tenants breach the contract.

In managing the assets invested by the Fund, the Fund has appointed Ek-Chai Distribution System Co., Ltd. (Lotus) to have the rights in managing the assets invested by the Fund as the property manager with the conditions as specified in the related contract.

#### Structure of LPF



*Please consider Part 1, Fact Sheet for more details on real estate benefits procurement*

#### 2.5.2 In case of leasing all immovable properties to any tenant or significant concentration of the tenants

-None-

#### 2.5.3 In case where the key tenant is the same group of related parties of the Management Company/Trust Manager

-None-

#### 2.5.4 In case where the Property Manager is engaged

Property Manager : Ek-Chai Distribution System Company Limited  
No. 629/1 Village No. 10, Nawamin Road  
Nuan Chan, Bueng Kum, Bangkok 10120  
Tel. 0-2797-9000 Fax. 0-2797-9829  
Website : [www.lotuss.com](http://www.lotuss.com)

#### Property Manager experience

Experience in managing Lotus in Thailand

#### Remuneration for the Property Manager received from the Fund

For accounting period from 1 March 2022 to 28 February 2023, the remuneration was 245,548,715 Baht.

#### Relationship in term of shareholding or business connection with the Trust Manager

-None-

2.5.5 In case of the Fund/Trust's investment in immovable properties in type that business is unable to be solely operated and immovable properties of the whole project are leased out to the entrepreneurs.

-None-

2.5.6 In case of income guarantee on immovable properties. The following information shall be at least disclosed.

- (1) Condition and essence of income guarantee agreement and income guarantor-related information

-None-

- (2) Operating performance of immovable properties compared with guaranteed rental income

-None-

- (3) Compliance with income guarantee agreement in previous years

-None-

- (4) In case where the guarantor provides letter of guarantee of commercial bank or equivalent security covering guarantee duration, credit rating of the commercial bank that issues latest letter of guarantee for 1 (one) year shall be disclosed. Credit rating shall be performed by credit rating institution accepted by the Office.

-None-

- (5) In case where the guarantor provides none of letter of guarantee under (4), the Management Company/Trust Manager shall disclose the information.

-None-

## 2.6 Borrowing of Lotus's Retail Growth Freehold and Leasehold Property Fund

Pursuant to the resolution of the PIF Investment Committee No. 12/2022 on 31 October 2022, to approve of refinancing loan agreement with CIMB Thai Bank Public Company Limited ("CIMBT") which is dated on 14 December 2022 under total loan amount of 2,450 million baht which is not exceeded 10 (ten) percent of net asset value of the Fund.

As of Feb 29, 2024, the Fund has drawn total loan amount of 2,450 million baht as per brief information below:

Lender	CIMB Thai Bank Public Company Limited
Borrower	Lotus's Retail Growth Freehold and Leasehold Property Fund
Amount (MTHB)	2,450 MTHB which as of February 29, 2024 has been fully disbursed
Interest Rate	Average MLR from 4 Main Banks in Thailand minus 3.5% per annum
Principal Due Date	As at 20 December 2027
Repayment Terms	Quarterly Basis
Collateral	None
Gearing Ratio	7.57% of TAV
Current Conditions	Normality, and the Fund has fully complied with the terms of the loan agreement

### 3) Industry outlook of Benefits Procurement from invested RE Assets

#### 3.1 Industry outlook of benefit procurement from invested RE assets, marketing policies and competitiveness

Industry outlook and business trend of shopping malls in Thailand

##### Thailand overview

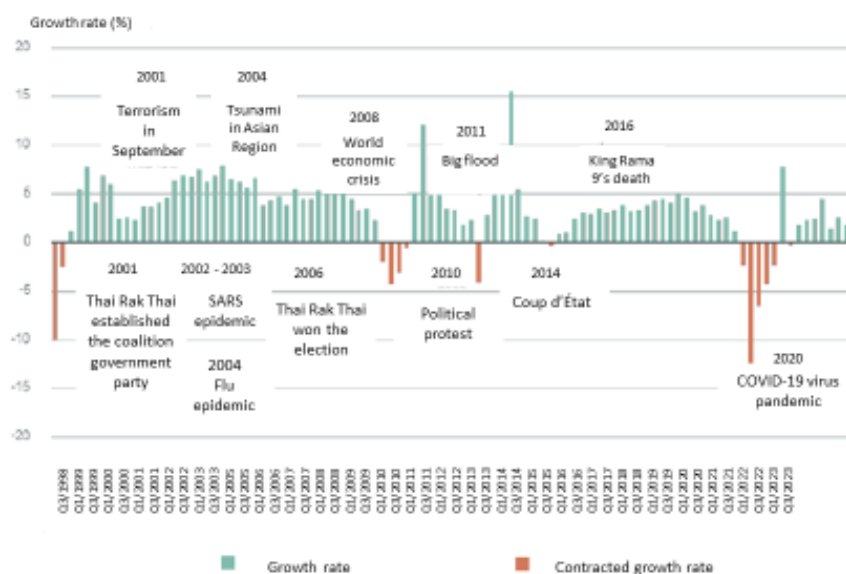
The GDP of Thailand in the Q3 of 2023 has been expanded by 1.5% compared to the same period last year. The main supporting factors are private sector consumption and the number of tourists that have improved.

In terms of production, in the Q3 of 2023, the agricultural sector expanded by 0.9% YOY. In the Q2 of 2023, the agricultural sector improved by 1.2% YOY, however, the non-agricultural sector expanded by 1.5% compared to the same period last year. And in the Q2 of 2023, it improved by 1.8% YOY, non-agricultural expansion mainly benefited from an increase in the service sector. This represents an increase of 4.0% from the same period last year, supported by increased use of services by residences and restaurant businesses.

In the Q3 of 2023, private final consumption spending expanded by 8.1% YOY and expanded by 7.8% compared to the previous quarter. Meanwhile, government final consumption spending shrank 4.9% compared to the same period last year. Exports of goods and services expanded 0.2% compared to the same period last year. However, the imports of goods and services contracted 10.2% compared to the same period last year.

From the Monetary Policy Committee meeting in November, the Bank of Thailand forecasts that Thailand's GDP in 2023 which will expand at 2.4% down from the previous estimate at the Monetary Policy Committee meeting in September 2023 reported at 2.8% due to weaker demand. However, the Bank of Thailand has adjusted its forecast for the growth of Thailand's GDP in 2024 to 3.2%. The Bank of Thailand expects that in 2024 Thailand's GDP will recover. The main supporting factors come from domestic demand, the recovery of the tourism sector, private sector consumption, and merchandise exports.

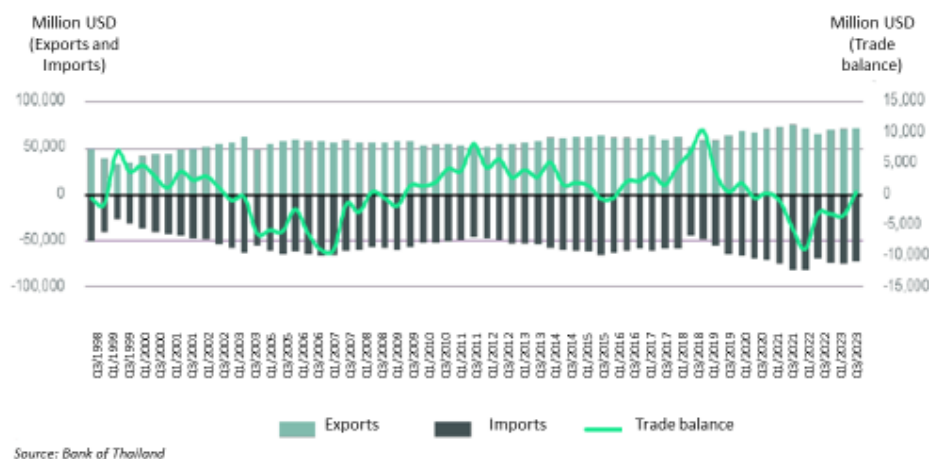
Chart 1: Gross Thai Product between 3<sup>rd</sup> Quarter of 1998 - 3<sup>rd</sup> Quarter of 2023



Source: Bank of Thailand and Office of the National Economics and Social Development Council

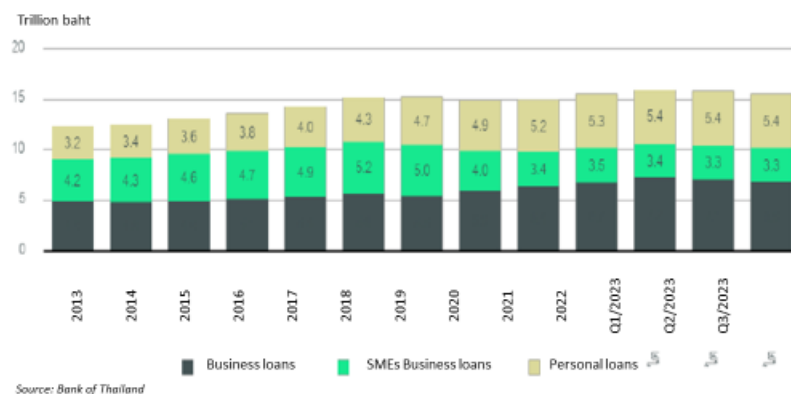
As of the third quarter of 2023, Thai exports expanded by 1.4% compared to the previous quarter. The contraction was 0.4% compared to the same period last year at 71,899 million US dollars. Industrial products and agricultural products accounted for 78.91% and 9.38% of total exports, respectively. The value of Thai imports in the third quarter of 2023 was 71,424 million US dollars. There was a significant contraction of 11.7% from the same period last year. This resulted in a positive trade balance of US\$475 million.

Chart 2: Trade Balance between 3<sup>rd</sup> Quarter 2008 - 3<sup>rd</sup> Quarter 2023



In the third quarter of 2023, the total amount of credit in the country was 15.6 trillion baht, an increase of 0.77% from the same period last year. This includes business loans of 6.9 trillion baht, personal loans of 5.4 trillion baht, and SME business loans of 3.3 trillion baht. Meanwhile, the non-performing debt decreased during the same period for 1.6% compared to the third quarter of 2022. The decrease was from 503 billion baht to 495 billion baht, accounting for 2.70% of total loans.

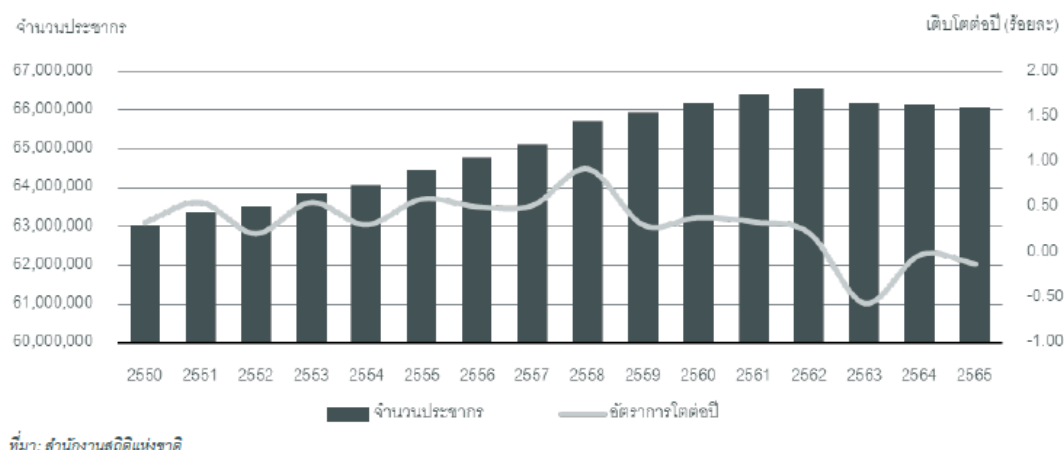
Chart 3: Amount of commercial bank loans classified by between 2013 - 3<sup>rd</sup> Quarter 2023



In 2022 (latest information), the number of people in Thailand totaled 66,090,475 people, which decreased by 0.12% compared to the year 2022. The average annual growth rate since 2007 was at 0.32%.



Chart 4: Thai population from 2007 – 2022 (latest information)



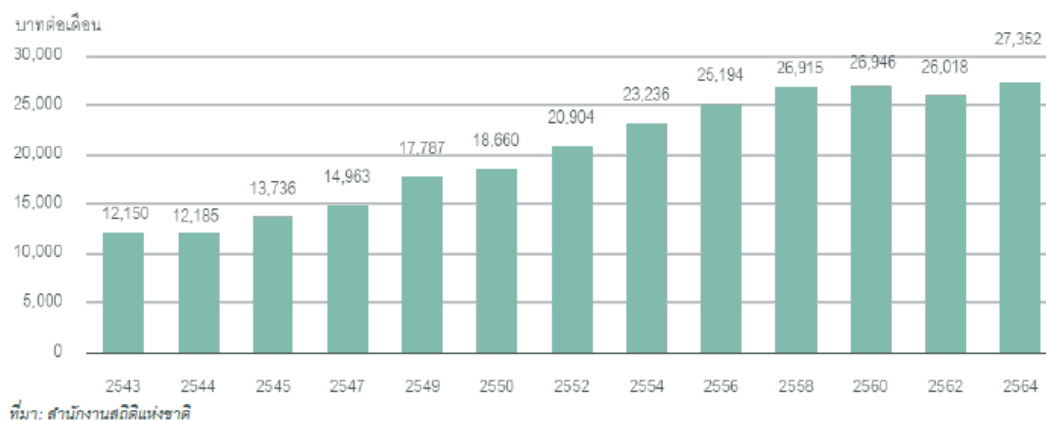
The unemployment rate as of Q3 2023 decreased to 0.99% from 1.23% in the previous quarter. The highest unemployment rate occurred in 2021 at 1.94%. The national average unemployment rate from 2005 to Q3 2023 was 1.32%. The increase has continued since 2019. The unemployment peaked during the severe outbreak of the COVID-19 virus and then the unemployment rate has dropped again.

Chart 5: Unemployment rate in Thailand 2008 - 3<sup>rd</sup> quarter 2023



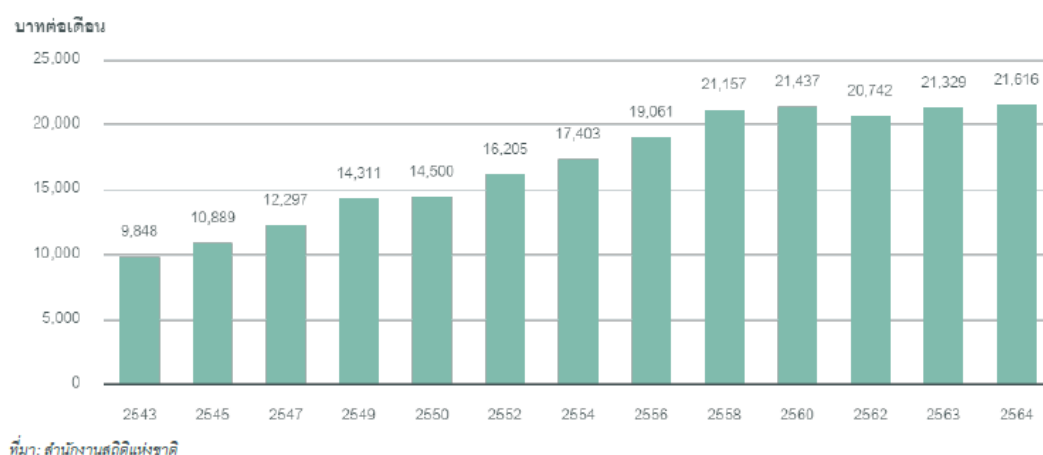
Since 2000, the household income has continued to increase each year, with the average household income being 27,352 baht per month. In 2021, the standard income has increased from 2000 at 12,150 baht per month. The household income in Thailand has changed a little between 2015 and 2021.

Chart 6: Average income per household in Thailand 2000 – 2021 (latest information)



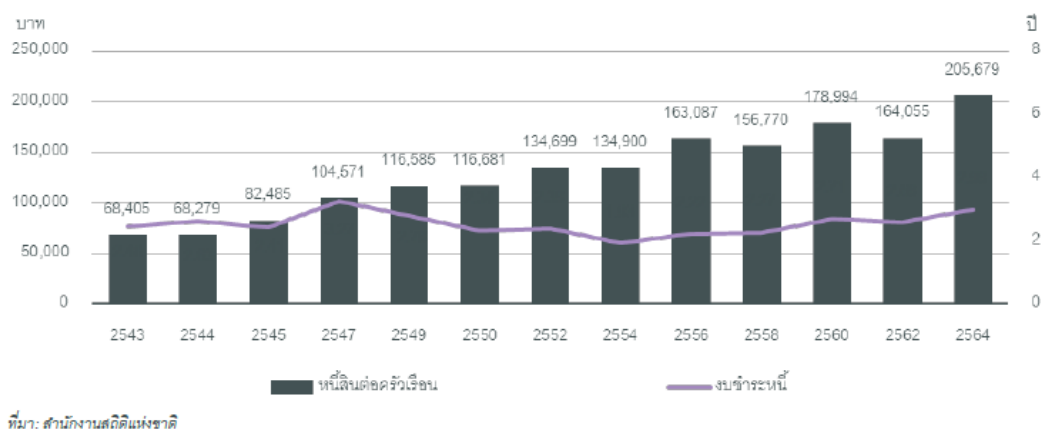
At the same time, the average household expenditure has continued to increase each year, increasing from 20,742 baht per month in 2019 to 21,616 baht per month in 2021, which increased by 4.2%.

Chart 7: Average expenditure per household in Thailand between 2000 – 2021 (latest information)



The average household debt across the country has increased continuously every year since 2000. The average household debt in 2021 was at 205,679 baht per year per household. Meanwhile, the average sector household debt in 2019 was at 164,055 baht per year

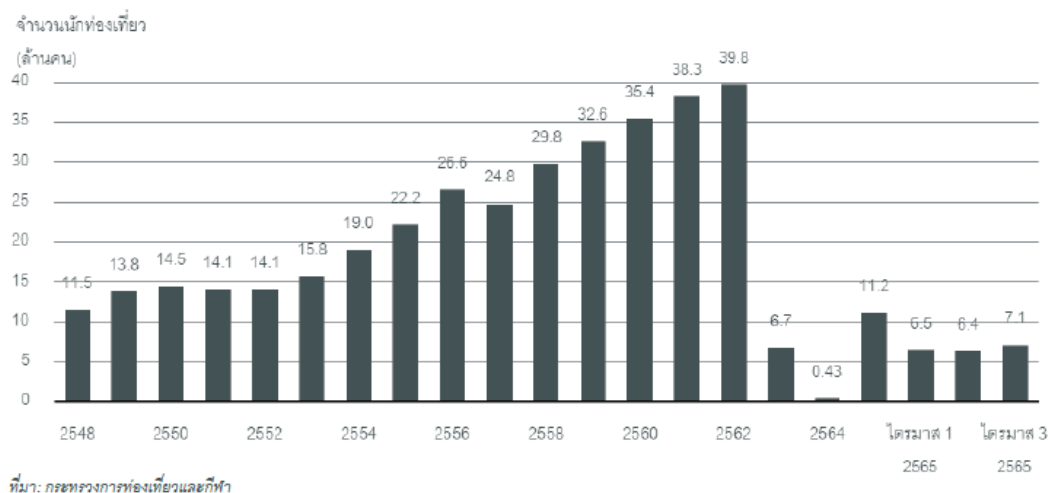
Chart 8: Debt per household and debt repayment budget from 2000 - 2021 (latest information)



In the 3<sup>rd</sup> quarter of 2023, the number of foreign tourists traveling to Thailand totaled 7,089,281 people, an increase from 6,437,153 people in the 2<sup>nd</sup> quarter of 2023, which was an increase of 10.1%.

The number of tourists continues to increase each quarter and expects to achieve the goal of Tourism Authority of Thailand projected at 25-30 million people by the end of 2023. The number of foreign tourists in the first 9 months of 2023 totaled 20,003,972 people, which is approximately twice the number of foreign tourists traveling to Thailand in 2022.

Chart 9: Number of foreign tourists from 2005 - 3<sup>rd</sup> quarter 2023



The Bank of Thailand estimates the retail sales index for September 2023 to be at 289.75, decreasing from 277.63 in the previous quarter but expanding at 2.8% from 281.87 in the third quarter of 2022. Meanwhile, the overall consumer confidence index in September 2023 was 58.7, up from 55.6 in July. The increase in the consumer confidence index indicates improved confidence in the private sector. However, the consumer confidence index in September 2023 is still at a relatively low level.

Chart 10: Thai Retail Index from January 2013 - September 2023

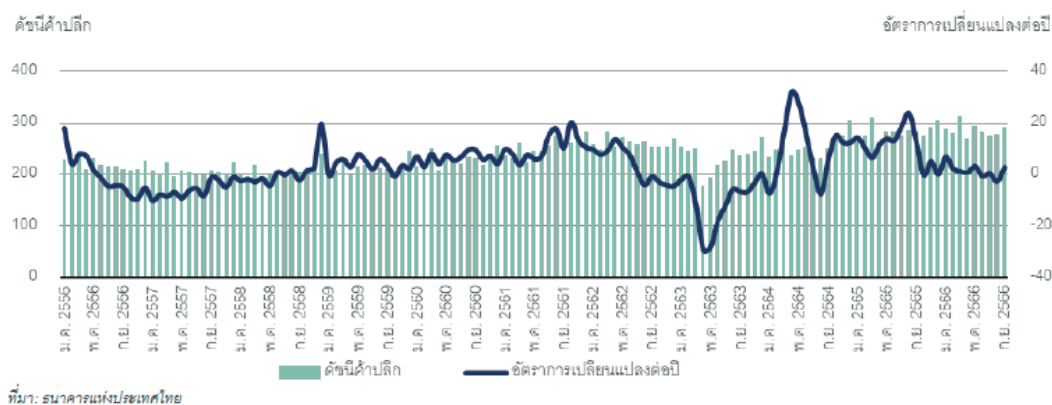
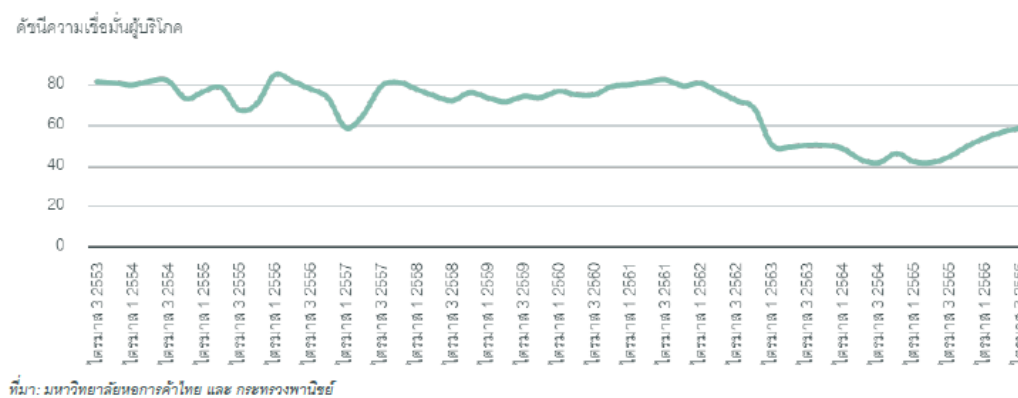


Chart 11: Consumer Confidence Index from 3<sup>rd</sup> Quarter 2010 - 3<sup>rd</sup> Quarter 2023



### Retail business sector in Thailand

From the report summarizing the condition of the retail market in Thailand prepared by CBRE, for more than 60 years, the world's population growth has continued to increase. As a result, the economy expanded at a rapid pace. Especially in Southeast Asia, Thailand has emerged as an attractive new market for foreign investors looking for real estate development opportunities.

Thai entrepreneurs, especially retail groups, all saw the potential of the market. They began to develop retail projects to meet the needs of the growing extended family. CBRE found information that both residences low-rise and high-rise areas spread out into the suburbs. Retail operators, both large and small, are therefore looking for opportunities to expand branches to these areas to support consumer demand.

However, the transportation infrastructure in Thailand has not developed in time for urban expansion. Consumers are increasingly looking for stores that meet diverse and complex needs. Traditional grocery stores and wet markets are no longer sufficient to meet demand. This space therefore provides an opportunity for the group. The superstore has expanded to become a new type of modern trade that collects both fresh and all consumer products in one place.

Not only the superstore group, CBRE found the information that small, modern shops also received benefits from the expansion of the economy and cities. CBRE notes that among markets, superstores and convenience stores in Bangkok, there is very much competition. Developers of retail projects in the form of shopping centers are trying to create distinctiveness by expanding the size of the area, increasing rental space, and collecting products and services that meet the needs of all customer groups.

CBRE therefore concluded that the expansion of retail projects in Thailand reflect the truly changing economy, society and consumer behavior. The entrepreneurs who want to succeed must be able to adapt to these changes and create strategies that meet the needs of customers exactly at the point.

Before the outbreak of COVID-19, the Thai retail market is developing into a "Mixed use project" that combines living, working and relaxing together. There is also a premium outlet model that is flourishing due to the increasing number of foreign tourists. However, everything changed when the COVID-19 outbreak occurred.

In 2020, the Thai retail industry was heavily affected. Project developers are delaying the launch of new projects. Only large retail projects under construction are gradually being completed. Between 2020 and 2021, the supply of

retail space in Bangkok increased only slightly. Most of them are retail shops in office projects and community malls in the suburbs near the BTS.

Situation of the outbreak of the COVID-19 virus does not just reduce consumer confidence and create concern for entrepreneurs it but also permanently change the way of life and purchasing behavior of consumers. These changes create a “new norm” in living life affecting the way of life of Thai people and the way of retail business operation.

In 2021, CBRE sees it as a year of adjustment for the retail industry and reliance on online channel. Despite the challenges posed by COVID-19 Omicron species, the Thai retail business continues to show the resilience, with small-medium project developers such as supermarkets and convenience stores still adapting well at the same time. Brands and retailers are working hard to develop online sales systems. They try to reach more customers through online channel reflecting the importance of online marketing to the long-term business sustainability.

In 2022, CBRE views that it is a year of recovery and intensifying competition, namely the COVID-19 situation. Improvement during this period has led to the recovery of the retail business. Developers of large- and medium-sized projects are accelerating the launch of new projects that were previously delayed. The result is an increased supply of new retail space in the 1<sup>st</sup> - 3<sup>rd</sup> quarters of 2022, although the majority will be in office building projects, premium project, extension outlet and community mall project.

CBRE also believes that Thailand's retail industry is headed towards diversification and innovation. The digital technology advances support an increasingly popular online lifestyle since the country is in the midst of the COVID-19 outbreak crisis.

Growth of the e-commerce market has been driven by the COVID-19 outbreak situation. As international travel is restricted, Thai consumers spend more time at home. As a result, consumer behavior has changed and e-commerce has become a part of daily life. Even though the COVID-19 outbreak situation has eased and people can shop normally in offline stores, the need to buy online shopping remains strong as consumers are familiar with and comfortable using various online platforms.

CBRE is of the same opinion that the business-to-consumer e-commerce market will continue to expand but at a slower pace due to the uncertain economic recovery. Moreover, the rising cost of living drags down purchasing power from the private sector. The rising value of e-commerce is changing the way people spend from traditional or offline channels to online channels rather than from increased purchasing power. However, Thai consumers will continue to use e-commerce platforms to purchase products because the products are cheaper and more worthwhile with convenient and diverse shops.

The advent of digital technology has continuously stimulated the e-commerce market to grow exponentially and made consumers more alert to spend and buy products and services through both offline and online channels. Crisis of the COVID-19 virus outbreak is considered to be a spark for retail project developers to develop trade channels other than their main channels to increase profits and reach new customers instead of being driven by competition through providing offline services alone.

In summary, CBRE sees that the retail market vision in Thailand will evolve and continuously change due to important factors arising from technological advancements combined with behavior and changing consumer preferences throughout the COVID-19 outbreak. After the outbreak of the COVID-19 virus, CBRE therefore believes that

the adjustment of both large and small retailers to the growth of the e-commerce market and changing consumer behavior is therefore extremely important both in terms of enhancing the shopping experience in the store, creating new activities and adding value to one's project in order to attract more tenants and visitors to use the services of the shopping center.

#### **Retail market in Bangkok**

There was a better recovery in the retail industry in Bangkok in the 3<sup>rd</sup> quarter of 2022 compared to the market situation during the 3<sup>rd</sup> quarter of 2021. It was due to the fact that more tourists began to return to travel in the country together with public health safety measures combined with service standards of establishments giving confidence to tourists.

The supply of retail markets in Bangkok as of the third quarter of 2022 totaled 7,998,944 square meters, an increase from the third quarter of 2021 with the supply of retail markets in Bangkok at 7,910,403 square meters, representing a 1.1% increase compared to the same period last year and representing a 0.6% increase compared to the previous quarter.

As of Q3 2022, the overall occupancy rate of retail space in Bangkok was at 95.2%, an increase of 0.2 points from the previous quarter and 0.4 points compared to the same quarter last year. When comparing retail spaces in each format, superstore is the form of retail space with the highest occupancy rate of 98.5%, followed by shopping centers with the occupancy rate of 94.9%. The last rank is mall with an occupancy rate of 84.7%. When comparing the occupancy rate of each area in Bangkok, the area with the highest occupancy rate is the suburban area at 97.1%, followed by the metropolitan area at 93.9% and the city center at 92.2%.

As of Q3 2021, there was 862,053 square meters of net retail space under construction. Retail space supply is expected to increase by approximately 217,268 square meters in Q4 2022. CBRE foresees that in the future, major retail developers will increasingly focus on developing large-scale projects outside the city center. As a result, this puts pressure on older, unrenovated retail centers in the periphery to accelerate their renovation and facelift plans in order to compete with the new supply coming in the future.

In the future, CBRE still believes that the retail industry in Bangkok will clearly improve. Especially in late 2022 until the first half of 2023, CBRE has seen this positive market recovery direction since the second quarter of 2022. The positive impact of promoting the tourism sector after reopening the country combined with the upcoming festivals and long holidays in Thailand should increase the amount of traffic and access to services in various retail projects across the country. This will play an important role in making the retail market in Bangkok continue to recover.

#### **Retail market in the Northern region of Thailand**

For the study of the retail market trends in the northern region of Thailand, CBRE has selected Chiang Rai Province as a representative of the region. Chiang Rai is located at the border junction of three countries; Thailand, Myanmar, and Laos. The scope of the study in Chiang Rai by CBRE is not limited to just the central city area or along the Phahonyothin Road, which is the main road. It also includes the Mae Sai District, which is an important cross-border hub.

As of December 2022, Chiang Rai has a total of 23 modern retail centers, covering a combined retail space of 166,502 square meters. When categorized by retail formats, there are 2 closed malls, 6 superstores, 14 specialty stores, and 1 community mall.

As of December 2023, there is 1 new project opening for service in 2023, Do Home Chiang Rai, which is a retail project in the type of specialized store (14,500 square meters). There is also an existing retail project at another project closed during the year, Hongfah Plaza, which was a retail project in the type of closed shopping center (4,715 square meters).

As of December 2023, future retail projects in Chiang Rai province are still being delayed. Two projects, namely Lotus Chiang Rai, are currently being planned and designed in addition to new projects opening. There are also some specialty stores that have been renovated, including Saha Paiboon, which has completely renovated its store structure and changed its name to “Sabaidee Home”. There is also the Phromnimit Furniture Complex project which changed its name to “Mega Furniture Market”, which this renovation shows awareness of the fierce competition. It also reflects the better recovery of the retail market in Chiang Rai province.

As of December 2023, the net occupancy rate of retail centers in Chiang Rai was 99%, a slight increase of 0.7% from 98.3% in December 2022.

Space occupancy rates have increased continuously over the past 2-3 years, partly due to the closure of the Hongfa Plaza project, which was previously a project with a relatively high vacancy rate. This results in the overall rental rates to be improved. When looking at retail formats, it was found that the space occupancy rate improved in every form except in the form of a superstore that decreased only slightly, at 0.2%, from the same period last year.

Rental offering prices of retail stores in Chiang Rai Province is approximately 147 - 2,700 baht per square meter per month. This is still close to the original rental price of 156-2,500 baht per square meter per month during the same period last year, with the V-Park Community Mall project still being a project with the least rental rate. Meanwhile, Big C Supercenter Chiang Rai 1 is the project with the highest rental rate, at 2,000 - 2,700 baht per square meter per month.

Overall, CBRE views that the modern retail market in Chiang Rai province has improved compared to the same period last year. This is a result of increased domestic flights and support from the government sector in supporting tourism in secondary cities.

In summary, CBRE expects that the retail market in Chiang Rai province will grow gradually because there is still demand from both local people, Thai and foreign tourists traveling in Chiang Rai province, and demand from neighboring countries located mainly along the border to support retail projects in the province to grow continuously.

#### **Retail market in the Northeastern region of Thailand**

The study on the retail market trend in the northeastern region of Thailand mainly focuses on Khon Kaen Province, which is the largest province in the region and serves as a center for education and government agencies at the regional level. Most retail businesses in Khon Kaen are located on main roads, such as Mitrapap Road, Maliwan Road, and Srichan Road, which are the main routes connecting Khon Kaen city with other provinces in the northeastern region.

In December 2023, there were a total of 31 retail projects in Khon Kaen. As of December 2023, the retail supply in Khon Kaen Province has a total of 31 locations, with a total of 251,835 square meters of retail space, consisting of

various forms of retail space. There are 3 closed shopping centers, 5 projects of community malls, 2 department stores, 6 superstores and 15 specialty stores. The new project opening in 2023 is Preeda Park Khon Kaen, which is a community mall of 1,430 square meters, located on Mittraphap Road. In addition, the size of retail space in Khon Kaen province is increasing. It comes from the expansion of Lotus Extra, a superstore located on Mittraphap Road. With an additional size of approximately 16,541 square meters.

As of December 2023, Khon Kaen Province has one future retail project currently under construction, namely Makro Food Service Khon Kaen 3 Non Muang, located on Mittraphap Road. There are also two future projects that are currently being planned, namely 1) Jazz Green Village, a Community Mall and 2) Go! Wholesale Superstore. Meanwhile, the Terminal 21 project, located on Mittraphap Road, is still being delayed for development as of the date of the survey.

CBRE views that the retail market in Khon Kaen Province has undergone significant changes due to development continued infrastructure and facilities of the province. This has resulted in the development of new retail projects as well as changes to projects that are already open for service whether it be a facelift, rebranding, expansion of rental space, or changing unused space for more diverse uses. CBRE views that these developments will result in the retail market in Khon Kaen province growing in the future.

As of December 2023, the overall occupancy rate of retail businesses in Khon Kaen Province was 97.4%, an increase of 1.4% from 96.0% of the previous year, with occupancy rates increasing in retail stores. All types, especially Community Mall, have a growth rate of 13% from the previous year. At the same time, the rental price offered by retail stores is approximately 285 - 1,750 baht per square meter per month, which is relatively stable from the offered price previously rented at 245 - 2,000 baht per square meter per month compared to the same period last year.

CBRE sees that Khon Kaen will continue to be one of the provinces with higher growth potential than other provinces in the Northeast due to the infrastructure connected to many provinces. It is also center of this region. The retail market in Khon Kaen province has a bright direction. The obvious factors supporting the growth of the retail market in Khon Kaen Province include the development and improvement of current retail stores. There is also a construction plan for the project in the future including the progress of construction of infrastructure and mass transit systems in the province that are becoming more apparent. However, as the demand for the retail market in Khon Kaen must be driven by local people rather than tourists, the economic condition of the province itself remains another important factor in driving consumer spending.

#### **Retail market in the Southern region of Thailand**

Retail centers in the southern region of Thailand vary from province to province. In this report, we have discussed Phuket Province as an indicator of the retail market trend that emphasizes the tourism industry, and Nakhon Si Thammarat Province as an indicator of the retail market trend in the local area.

#### **Phuket Province**

From a survey of the retail market in Phuket province, CBRE found that Phuket's retail vision at the end of 2023 and early 2024 looks quite promising compared to the same period last year both from increased supply of specialty retailers such as new enclosed retail stores being launched and the continuous expansion of the community mall project.



The increased supply is correspondent with the province's booming housing market to accommodate the demand of new residents and tourists, which has increased significantly compared to last year, driven by the combined driving force of residential growth and a strong tourism sector. The purchasing power can be promoted among local people and for Phuket Province itself as an economy driven by tourism and services. This has shaped the retail landscape in different ways to become livelier in the future.

According to a survey conducted in December 2023, there are a total of 51 retail projects in Phuket Province. These include 6 closed shopping centers, 3 department stores, 21 community malls, 10 supermarkets, and 11 specialty shops.

Total retail supply in Phuket as of December 2023 had net leasable retail space of 684,336 square meters, a decrease of 1.9% from the same period last year (or approximately 13,600 square meters). This change is mainly caused by the opening of 5 new shopping centers (resulting in an increase in supply of 45,800 square meters) at the same time. There was the closure of 3 existing projects (resulting in a decrease in supply of 59,400 square meters).

From the total retail rental space in Phuket as of December 2023, it was found that 39.5% of the total retail space was closed shopping center type, followed by Superstores 19.1%, specialty stores 17.3%. The department stores were 14.0% and community mall was 10.1%.

As of December 2023, the overall occupancy rate of retail space in Phuket as of December 2023 was 96.8%, representing an increase of 1.3% compared to the same period last year.

From a survey in December 2023, it was found that there are 3 retail center development projects (both currently in progress under construction and under planning), which consists of 1 new project, Blue Pearl, 1 extension project, Porto de Phuket (Extension Phase 2), and a project that is about to be developed and renovated on the original project area of 1 project, namely the Lucky Complex Phuket project (currently there is no official name for the new project).

CBRE predicts that Phuket's retail market will fully recover within the first half of 2024. This recovery will come with more intense competition, divided into 3 main groups as follows: 1) Existing retail projects that have not been renovated. This group is at high risk of losing important customers and tenants. It is necessary to improve and develop the project to increase its attractiveness. 2) Existing retail projects with renovation plans: This group has a good opportunity to maintain its customer base and attract new tenants, but it is necessary to plan to improve the proportion of the store group to provide services in line with the current situation and meet customer needs. 3) New retail projects: This group has high growth potential if it is in an area with low competition. There is an opportunity to grow if there are clear strengths to attract customers and tenants.

CBRE views that a key strategy for the success of retail projects in the Phuket market is to adapt to with the changing situation of the market to increase the attractiveness of products and services within the project in order to meet the needs of customers, offer a modern shopping experience that meets needs of customers in each area. These will become the key factors that significantly reflect the long-term success of each project.

#### **Nakhon Si Thammarat Province**

Nakhon Si Thammarat is the second largest province in the southern region by area and has the largest population in the southern region of Thailand. In terms of tourism, Nakhon Si Thammarat Province is considered a

secondary city which will primarily attract Thai tourists. As a result, retail projects in this province primarily offer products and services to local people.

As of December 2023, there are no new retail stores completed. There is an announcement of a retail store project that will occur in the future. However, there is one superstore retail project that has permanently closed: Go! Tha Sala, which is a superstore located in Tha Sala District. There is a retail area of 4,500 square meters, resulting in Nakhon Si Thammarat having a total of 22 retail projects with a total area of 185,321 square meters, classified as 9 specialty store projects, 6 superstore projects, 3 closed shopping centers, 3 community malls and 1 department store project.

CBRE found that the retail market in Nakhon Si Thammarat Province has had relatively little movement compared to other provinces during the past year. There are no new projects entering the market and the newest project, Go!, was closed down. CBRE found that the Go! Chandee project and Go! Ronphibun project located outside the study area were all closed down in all branches.

CBRE found that in Nakhon Si Thammarat Province, specialty stores that sell furniture and electronics and household goods are the most popular form of retail sales. The second most popular format is a superstore that offers consumer products including household and household items. Popular superstore projects include Lotus, Big C Supercenter, and Makro.

As of December 2023, the net occupancy rate of retail stores in Nakhon Si Thammarat Province was 97.2%, an increase of 2.1% from 95.1% in December 2022. The occupancy rate improved well. They are mainly found in the form of superstores and closed shopping centers. However, the rental rate of community malls decreased significantly, accounting for 8.8%, when compared to the same period last year. The reason is that Lucky Ploen Plaza has a decreased number of tenants while other projects have increased their occupancy rates by approximately 2% to 9%. Most projects are still able to maintain their occupancy rates at 100%.

CBRE views that the overall improved occupancy rates show a positive sign for the retail market in Nakhon Si Thammarat Province. However, small entrepreneurs still have to adapt to the needs of local people as well as increased competition. This is especially true for superstores, most of which have been in operation for a long time and has stronger brands such as Lotus, Big C and Thai Somboon. The opening of branch of Go! Nakhon Si Thammarat Province is therefore considered one of the examples of challenges under competition in this market.

As for the rental price offered by retail stores in Nakhon Si Thammarat Province as of the survey date in December 2023, it was approximately 120 - 1,000 baht per square meter per month. This decreased from the rental price offered on the survey date in December 2022, which was approximately 150 - 1,200 baht per square meter per month. Lotus Nakhon Si Thammarat receive the highest rent at 800-1,000 baht per square meter per month. Meanwhile, Lucky Ploen Plaza has the lowest rental rate, averaging 199 baht per square meter per month. Despite having the lowest rental rate, Lucky Ploen Plaza also has a low occupancy rate of 50%.

In the future, CBRE sees that the retail market in Nakhon Si Thammarat province will remain stable and gradually grow due to limited current and future supply. The retail market demand also depends heavily on the needs of local people and domestic tourists. CBRE expects that the expansion of Nakhon Si Thammarat Airport will increase demand. The number of both Thai and foreign tourists has increased and contributes to the growth of the retail market. However,

competition among retailers can be a challenge for new retailers. This is because existing small entrepreneurs have already established strong brands in the market, especially for superstores such as Lotus, Big C and Thai Somboon which are local operators.

### **Trade-related government policies**

In 2023, the government issued various policies to stimulate household spending as follows:

#### **Rao Tiew Duay Kan project**

The “Rao Tiew Duay Kan” project is a government initiative aimed at stimulating domestic spending through domestic tourism. This is in response to the significant impact of the COVID-19 pandemic on the tourism industry, with a drastic reduction in international tourists. The “Rao Tiew Duay Kan” project provides assistance through hotel and flight discounts, as well as coupons for tourist activities.

The second phase of the “Rao Tiew Duay Kan” project started in the year 2020 and extended until April 30, 2021. In this phase, the government supported hotel costs at a rate of 40% of the room price per night, up to a maximum of 3,000 baht per night and not exceeding 15 nights. Additionally, food and beverage coupons worth 600 to 900 baht were provided (600 baht for weekends and 900 baht for weekdays). The government also supported flight tickets at a rate of 40% of the ticket price, up to a maximum of 2,000 baht per seat. Participants in the project would receive cashback through G-Wallet in February 2021. All 6 million hotel room rights have been fully utilized, while there are still 1.35 million flight ticket rights available.

The third phase of the “Rao Tiew Duay Kan” project was launched in September 2021, under the same conditions as the second phase. The usage period for this phase is from October 8, 2021, to January 31, 2022. In this third phase, 2 million hotel room rights have been fully utilized as of December 14, 2021, while flight ticket rights are still available, exceeding 1 million rights.

On December 21, 2021, the Cabinet approved an additional 2 million rights for the “Rao Tiew Duay Kan” project. Participants must book rooms at least 7 days in advance, starting from January 31 to April 30, 2022, the period of the project. In this phase, eligible individuals would receive a 40% government subsidy for accommodation costs and a 40% subsidy for flight tickets, similar to the second phase.

The fourth phase of the “Rao Tiew Duay Kan” project started from February 1 to May 31, 2022. In this phase, 2 million hotel room rights were provided and all rights have been fully utilized. Due to high public interest, the government increased the rights by an additional 1.5 million, starting from July 1 to October 31, 2022. All rights have been utilized in this phase as well.

In December 2022, the fifth phase of the “Rao Tiew Duay Kan” project was proposed to the Cabinet, which includes an additional 2 million hotel room rights. It is expected that the fifth phase of the project will start from January 2023 to June 2023.

#### **“Ying Chai Ying Dai” project**

The “Ying Chai Ying Dai” project is an economic stimulus program aimed at mitigating the impact of the COVID-19 pandemic on the economy through the expenditure on goods and services. It involves distributing e-

vouchers connected to the G-Wallet, an electronic wallet, with a focus on individuals in the middle to high-income groups to stimulate domestic spending during the economic downturn.

On June 1, 2021, the government approved the “Ying Chai Ying Dai” project. Under this project, eligible individuals were required to make expenditures between July 1 and September 30, 2021, with businesses registered for value-added tax and participating in the “Thung Ngern” application. They would receive support in the form of e-vouchers. The government set a maximum daily spending limit of 5,000 baht, and the total spending amount for calculating the e-voucher entitlement was capped at 60,000 baht per person. Participants would receive e-vouchers through the G-Wallet, with a maximum value of 7,000 baht per person for the duration of the project. The e-vouchers could be used at participating stores until December 31, 2021. However, participants were not eligible to join the third phase of the “Khon La Khrueng” project.

On July 20, 2021, the government decided to extend the expenditure period until November 30, 2021, and increased the daily spending limit to 10,000 baht. The maximum value of the e-vouchers was also raised to 10,000 baht. These changes were made due to the low interest and registration of only 490,000 people out of a total of 4 million eligible individuals.

The government reported that only 91,952 people participated in the “Ying Chai Ying Dai” project, generating a revenue of 3.8 billion baht. This amount was relatively low compared to the “Khon La Khrueng” project, which generated nearly 224 billion baht in revenue. The limited participation in the “Ying Chai Ying Dai” project led to its exclusion from the expansion consideration.

#### **“Shop Dee Mee Kuen” project**

The “Shop Dee Mee Kuen” project is a project aimed at stimulating domestic retail spending, particularly during the year-end period. The program was initially approved in the year 2020. It allows individual taxpayers, specifically those registered for value-added tax (VAT) and predominantly medium to large retailers (subject to certain conditions), to deduct actual expenses incurred from purchasing goods and services up to a maximum of 30,000 Baht from their personal income tax liability for the 2022 tax year.

On December 21, 2023, the government approved the “Shop Dee Mee Kuen” project, allowing individual taxpayers to deduct expenses of up to 30,000 Baht for the purchase of various goods, books, and One Tambon One Product (OTOP) items excluding alcoholic beverages, tobacco, lottery tickets, fuel, accommodation, and airfare. The project starts from January 1 to February 15, 2024. Individuals who meet the eligibility criteria can participate in the program without any exceptions.

The Cabinet approved the “Shop Dee Mee Kuen” project for the year 2023, where the project will start from January 1, 2023 until February 15, 2023, which has a different clause from the year 2022 where taxpayers can get a tax deduction based on the amount actually paid. but not more than 40,000 baht by submitting a paper tax invoice total value not exceeding 30,000 baht and electronic tax invoices totaling not exceeding 10,000 baht for tax deduction purposes for the year 2023, with the condition that the tax invoice used for the reduction must come from the purchase of goods and services. From entrepreneurs who have a physical store or an online store that is registered for value added tax (VAT), OTOP includes books both printed or electronic (E-Book) of all types.

### Easy E-Receipt Project

"Easy E-Receipt" is a measure to stimulate the economy and encourage the use of the government's electronic tax system. The taxpayer can deduct the purchase of goods or services from 1<sup>st</sup> Jan, 2024, to 15<sup>th</sup> Feb, 2024, according to the amount actually paid but not exceeding 50,000 baht. The evidence in the form of e-Tax Invoice or e-Receipt can be requested from the shops registered in the Value Added Tax system to be used for tax deduction in the tax year of 2024. Paper tax invoices will not be available. This project will start from 1<sup>st</sup> Jan, 2024, to 15<sup>th</sup> Feb, 2024.

Products and services that are exempt from tax refunds include the purchase of alcoholic beverages, tobacco, automobiles, motorcycles, gasoline boats, utility vehicles, tap water, electricity, telephones, internet services, long-term service fees, and casualty insurance.

### Digital wallet project

The digital wallet project is a project to stimulate and create economic stability by giving away 10,000 baht via digital wallet. It is given to all Thai people aged 16 years and over who earn less than 70,000 baht per month and have bank deposits of less than 500,000 baht. This project is planned to come into effect in 2024. However, the project remains on hold and is not being considered. It is expected that this project will use the government's budget of 500 billion baht.

## 3.2 Target customers and Distribution Channel

Target customers of the Fund are divided into 2 groups as follows:

1. The Anchor Tenants are mostly customers who do business in the Hyper/Supermarket and Category Killer.  
The customer group of tenants in this main area will be Magnet to other co-tenants to rent other parts of the project within the Fund's project.
2. The Co-Tenants consist of shops such as restaurants, drug stores, video rental shops, laundry shops, bookstores, flower shops, banks and other retail stores, etc.

### Distribution Channel of the Fund

The Fund has appointed Ek-Chai Distribution System Company Limited to act as the Property Manager which will be the distributor and deliver the leased space directly to the tenants.

## 4) Risk Factors

Risk is exposed in unit investment. The investors should, other than other information in this document, prudently exercise their discretion and consider risk factors mentioned below in investment in investment units prior to decision making in unit investment. This document contains forward-looking statements. There are risk, uncertainty and determined assumption. The actual and future forecasted turnover of the Fund may be significantly different as the result from various factors, including risk factors mentioned below and other factors as specified in this document. If the said risks actually occur, the operation, business opportunity, financial position, operating performance, and ability to pay

dividend of the Fund may be negatively affected, and trading price of investment units may decrease. The investor may be damaged from investment fund in part or in whole.

Unless specified in risk factors relating to this document, the Fund or the Management Company may not be in position that can calculate financial impact or impact in other areas of risk factors shown in this part. Moreover, risk factors specified in this document may not be all risk factors. Other risk factors may be currently unknown by the Fund or are risk factors that may be currently considered insignificant but may become significant risk factors in the future that may have significant negative impact toward operation, business opportunity, financial position, and dividend payment ability or trading price of the Fund's investment units.

The investor should realize that trading price of investment units may be fluctuated. The investor should acknowledge that the investor may not be able to refund investment fund either in whole or in part.

#### **1 Possible failure of the Management Company to successfully operate under the Fund's strategy**

The ability of the Management Company to manage under strategy of the Fund for success depends on various factors, and ability to seek for appropriate investment opportunity in consistency with investment criteria of the Fund, and acquire good financial condition. Therefore, the Management Company is unable to guarantee that it can successfully operate in accordance with the Fund's strategy or can execute the aforesaid within reasonable time and expense. In addition, the decision by the Management Company may cause the Fund's loss or failure to successfully use business opportunity.

The Management Company is responsible for day-to-day management or control the Fund's business operation under supervision of the Supervisor. The unitholder may have no opportunity to assess the decision of the Management Company about strategy applied by the Management Company or investment of the Fund, as well as condition of the said investment. The failure of the Management Company to operate in accordance with the Fund's strategy for success may significantly have negative effect toward the Fund's operation, financial position, operating performance and ability to pay dividend, and price of investment unit that may be decreased.

**2 Dependency of the Fund's success on the ability of the Management Company and the Property Manager to operate and manage immovable properties and leasehold rights in immovable properties invested by the Fund. In case of failure to effectively and efficiently operate or manage, it may significantly cause negative effect toward value of immovable properties and leasehold rights in immovable properties, the Fund's operating performance and dividend payment ability.**

The Management Company is the Fund Manager whereas the Management Company has entered into Property Management Engagement Agreement with the Property Manager to perform duty in management of immovable properties and leasehold rights in immovable properties invested by the Fund under day-to-day management. Thus, the Management Company must rely on the Property Manager in management of immovable properties and leasehold rights in immovable properties invested by the Fund in accordance with Property Management Engagement Agreement. The Property Manager is responsible for various areas under supervision of the Management Company, and the part relating to immovable properties and leasehold rights in immovable properties invested by the Fund, such as lease management, rental area marketing, maintenance, security and safety of the building, and financial management. However, if the Property Manager is unable to appropriately manage immovable properties and leasehold rights in immovable properties

invested by the Fund, it may negatively affect value of immovable properties and leasehold rights in immovable properties invested by the Fund, and/or rental income that should be earned by the Fund. In addition, the failure of the Management Company to efficiently and effectively execute or manage immovable properties and leasehold rights in immovable properties will affect operating performance and ability to pay dividend to the unitholders, as well as settlement of mature debts, including debt under loan contract (if any). In addition, any negative changes affecting the relationship of the Management Company and the Property Manager may obstruct and impeded capability of the Management Company and Property Manager in management of the Fund and immovable properties, and leasehold rights in immovable properties invested by the Fund. In addition, if Lotus fails to perform duty on behalf of the Property Manager under Property Management Engagement Agreement, the Fund may fail to appoint other person to efficiently manage immovable properties and leasehold rights in immovable properties invested by the Fund like Lotus or may fail to appoint other person to appoint other person. This may cause negative effect toward operation, financial position, operating performance, and dividend payment ability of the Fund.

### **3 Income of the Fund depending on the tenant's economic condition**

The Fund's financial position depends on acquisition of tenants to continuously lease immovable properties and leasehold rights in immovable properties invested by the Fund on good trade condition. As income of the Fund consists of rent and service income mainly earned from customers in the group of retail business, the Fund will fall under common risk factors relating to investment in this business group, and risk from possible decrease in rental rate and rental rate from the group of retail business customers. Thus, the inferior financial position of one or several key tenants or lot of sub-tenants in certain period of time, may significantly have negative effect toward financial position, operating performance, and dividend payment ability of the Fund.

In addition, cancellation or non-renewal of the term of lease agreement of long-term tenants that are one or several key tenants, including Lotus, Major Cineplex Group Public Company Limited, MK Restaurants Company Limited, Yum Restaurants International (Thailand) Company Limited, that engage business under the name of KFC, Bangkok Bank Public Company Limited, or Kasikornbank Public Company Limited, may negatively affect attractiveness of immovable properties and leasehold rights in immovable properties invested by the Fund in the perception of other tenants or of customers.

### **4 Future possibility of the Fund to finance external source of capital that may have unacceptable condition or the Fund's possible failure to finance such source of capital**

It may be necessary for the Fund to periodically incur expense for investment in decoration and/or repair to retain competitive potential, and maintain the ability to generate income of immovable properties and leasehold rights in immovable properties invested by the Fund. Moreover, the Fund may require a lot of investment funds for use in investment in immovable properties or leasehold rights in immovable properties additionally invested by the Fund as prescribed in the project and securities law. If the Fund earns net profit in any year, the Fund must pay annual dividend

to the unitholders at least in the rate of 90% (or in any percentage rate periodically permitted by securities law for execution) of net profit that can be shared for profit in such year. In case where the Fund earns retained earnings, dividend can be paid to the unitholders from such retained earnings whereas net profit and retained earnings exclude unrealized gain from valuation or review on valuation of immovable properties and leasehold rights in immovable properties invested by the Fund. However, such dividend payment can be performed only if it will not cause the Fund's increase in total accumulated deficit in accounting period of the said dividend payment. Kindly consider additional information in Clause 7 "Requirement, Policy, and Procedure of Dividend Payment to Unitholders" due to the condition of the aforesaid dividend payment. In accompany with policy of dividend payment prescribed by the Fund that it shall pay not less than 90% of net profit that can be shared for profit. Thus, the Fund may fail to use operating cash flow for use as future capital or for use in investment in immovable properties or leasehold rights in immovable properties.

The Fund may be unable to incur additional debts or raise fund in the required period or under condition acceptable by the Fund. The Fund can incur debt no less than 10% of net asset value as specified in the project and securities law. If debt incurs, the Fund shall have duty to settle debt. The debt settlement duty may increase due to future increase in interest rate as the Fund must pay dividend in the rate of no less than 90% of net profit that can be charged for profit in each year. Thus, the Fund may not have adequate cash for debt settlement. In case of the Fund's insolvency, or failure to comply with its warranty, agreement or obligation under credit contract, this results in possible cancellation of credit limit in part or in whole, or may be regarded as cross default with other contract, that may have to pay fine, or may be called for debt settlement before maturity. If the said circumstance occurs either in part or in whole, it may negatively affect the Fund's operation, financial position, and ability to pay dividend to the unitholders.

#### **5 Negative effect toward financial position and operating performance of the Fund from common risk from operation of leasing business for retail space and increase in operating cost, investment expense and other expenses of assets invested by the Fund**

The Fund's ability to pay dividend to the unitholders may be affected in case of increase in operating expenses and other expenses not in consistency with increasing income. Other than other factors mentioned in this document, factors that may cause increase in operating cost and other expenses of immovable properties and leasehold rights in immovable properties invested by the Fund, including but not limited to the following matters.

- Revision of laws, rules and regulations or policies of the government that causes extra expense in compliance with the said revised laws, rules or policies
- Cancellation and exemption of corporate income tax collection of the Fund whereas the said tax is estimated from income of immovable properties and leasehold rights in immovable properties invested by the Fund
- Increase in property management fee payable to the Property Manager, and management fee of the Fund payable to the Management Company (that must not exceed the annual rate of 0.30% and 0.16% of net asset value, respectively), and



- Increase in removal, repair and maintenance expenses

In addition, investment expense and other irregular expense may incur with the Fund due to continuous repair and maintenance, causing expensive expenses and possibly incurrence of unpredicted expenses. Thus, incurred expenses and payable period of such expenses will affect cash flows of the Fund. If the immovable properties and leasehold rights in immovable properties invested by the Fund generate inadequate income for operating expenses, debt settlement and investment expenses, or for increase in operating expenses and other expenses that are uncollectible from the tenants of immovable properties and leasehold rights in immovable properties invested by the Fund, income and dividend payment ability of the Fund may significantly have negative effect.

These factors may cause negative effect on value of immovable properties and leasehold rights in immovable properties invested by the Fund, as well as net rental and service income gained from immovable properties and leasehold rights in immovable properties invested by the Fund. The valuation of immovable properties and leasehold rights in immovable properties invested by the Fund reflects such factors. Therefore, value acquired from such valuation may be significantly and negatively fluctuated.

#### **6 Dependency of the Fund on Lotus in use of the designation of "", "Lotus", and " Lotus", and future investment in additional assets under Right of First Refusal**

The Fund intends to utilize long acceptable experiences and turnover of Lotus in property management and development, and designation of "", "Lotus", and " Lotus" to attract the famous tenants, retain the tenant relationship, attract customers to visit the shopping malls, as well as maintain and manage immovable properties and leasehold rights in immovable properties invested by the Fund, and seek for investment opportunity. The Fund may select for additional investment in the future in immovable properties and leasehold rights in immovable properties from Lotus under right of first refusal under agreement of Lotus with the Fund. Therefore, the Fund will depend on the right to use designation of "", "Lotus", and " Lotus" that are well-known designation in retail business under continuous retention of Lotus. In addition, as the result of audits on over 15 companies from 2007, the competent agency audited Lotus whether its nature of business operation violates the requirement under Foreign Business Act B.E. 2542 (1999) ("Foreign Business Act") in the matter of shareholding in replacement of foreigner. However, Lotus believed that Lotus has complied with and has still complied with Foreign Business Act. Moreover, as far as Lotus is concerned, none of any supervising agencies (including Ministry of Commerce) have announced to prescribe the guideline for considering the circumstance being regarded as shareholding in replacement of foreigners under Foreign Business Act.

However, if in the future, the said matter will be raised into consideration of the court and if Lotus is considered by the court's judgment that Foreign Business Act is violated by the business operation, it may affect Lotus on behalf of the major tenant and the Property Manager of the Fund, and may affect the Fund not to gain benefits including right of

first refusal, and right to use designation of "", "Lotus", and " Lotus". If the Fund fails to use designation of "", "Lotus", and " Lotus", or if Lotus fails to support matters required by the Fund in the future, the operating performance, and future growth opportunity of the Fund may significantly have negative effect. Due to the aforesaid reason, Lotus deemed that it is not much likely for the opportunity of occurrence of such effect.

#### **7 Encounter of the Fund and the tenants in some department stores with completion from shopping malls, hypermarkets and other retail stores located in the area where is the location of the same target group, and competition from other retail channels**

The shopping malls and hypermarkets are highly competitive for customer attraction. Other types of retail centers have been competitive with the tenants of the Fund to seize customers. This will affect cash flows of the Fund's tenants and affect ability of the tenant to pay rent. The Fund may significantly have negative effect if the competitors better develop, renovate, and decorate their retail space or succeed in attraction of the buyers than immovable properties and leasehold rights in immovable properties invested by the Fund. Moreover, the entrepreneurs that lease the space of the Fund must confront with the continuous changing customer needs and higher competition from other form of retailing such as warehouse sale, purchase and sale via internet, purchase via television. In addition, the tenant's solvency of partial rent depends on income from sales of the tenants. If income from sales of the tenants decreases due to the encounter of these tenants with competition condition, the paid rental rate may be reduced and cash flows of the Fund will be reduced accordingly.

In addition, income and market price of immovable properties and leasehold rights in immovable properties invested by the Fund depend on competitiveness of the said immovable properties compared with other leasing immovable properties.

#### **8 Risk of immovable properties and leasehold rights in immovable properties invested by the Fund from failure of the tenants to renew lease agreement and the risks from losing the Anchor Tenants**

Immovable properties and leasehold rights in immovable properties invested by the Fund in some places may encounter with circumstance of expiration of many lease agreements in the same period of time. Number of the renewed lease agreements and calculation of rent are factors affecting income of the Fund. In the period of declining market, the expiration of many lease agreements may lead to rental rate and reducing rental rate, resulting in decrease in rental income, and affecting decrease in income of the Fund. In addition, due to market situation, the tenants may renew lease agreement under the condition of which the Fund gains inferior benefit than the one which has ever been gained from the current existing lease agreement. If new rental rate upon renewal or upon new leasing is significantly below the rate expected to be received, it will negatively affect operating performance and financial position of the Fund. In addition, in case of any tenant's cancellation of lease agreement or non-renewal of lease term, the Management Company is unable to guarantee that new vacant space is re-leasable by the Fund at the former rental rate. Please consider additional

information in Clause 4.2.6 “Expiry Date of Lease Term” in this document for additional information relating to detail of expiring lease agreement of the Fund.

In addition, the termination or non-renewal of the lease of a long-term tenant who is one or more of the main tenants including Lotus, Major Cineplex Group Plc., MK Restaurant Co., Ltd, Yum Restaurants International (Thailand) Co., Ltd performing the business under the name of KFC, Bangkok Bank Public Company Limited or Kasikorn Bank Public Company Limited may adversely affect the attractiveness of real estate and leasehold properties that the Fund invests in the eyes of other tenants or those customers.

#### **9 Contingent damage or loss in case of non-coverage of immovable properties and leasehold rights in immovable properties invested by the Fund under insurance policy**

The Fund provides insurance policy covering both immovable properties and leasehold rights in immovable properties, and liabilities relating to immovable properties and leasehold rights in immovable properties invested by the Fund. The Management Company believes that the coverage condition and sum insured of the Fund are in line with general practice of real estate business in Thailand in accordance with securities law and insurance condition beyond control of the Fund may restrict scope of coverage subject to insurance policy of which the Fund can provide or have acquisition capability under condition of the appropriate rate of insurance premium, defect in design and construction or invisible defect of immovable properties and leasehold rights in immovable properties, or equipment or fault of immovable properties and leasehold rights in immovable properties or equipment or fault of immovable properties and leasehold rights in immovable properties invested by the Fund may cause additional investment of the Fund, have special repair and maintenance expenses, or must reimburse damage or other obligations to the third party, and may not be covered from insurance policy. Moreover, the Fund is exposed to potential risk from legal proceedings or claim by customers, contractors, or service users in immovable properties and leasehold rights in immovable properties invested by the Fund due to various causes such as possible occurrence of accident or injury while being in immovable properties or leasehold rights of immovable properties invested by the Fund, failure of the tenant to utilize immovable properties or leasehold rights in immovable properties invested by the Fund under lease condition, failure of the Fund to perform its duties under lease agreement, construction agreement or other agreements entered with contractor, tenant, or third party. Furthermore, some losses or damages such as natural disaster, terrorism, disease outbreak, or any loss as the result of such matter, may not be insured or insurance premium may be too high for insuring reasonableness, resulting in possible insurance of the Fund by paying extra insurance premium or reducing coverage. In addition, upon occurrence of gross damage, the coverage under insurance policy available by the Fund may be inadequate for reimbursement of damage as claimed or complete based on market value or in full value of replacement cost to be equal to investment funds of the Fund or paid by the tenants. Moreover, some losses may not be entirely insured. Therefore, the Fund may lose capital in part or in whole invested by immovable properties and leasehold rights in immovable properties invested by the Fund, including future realizable income from immovable properties and leasehold rights in immovable properties invested by the Fund. However, the Fund may have duty to comply with debt obligation or other financial obligations relating to immovable properties and leasehold rights in immovable properties invested by the Fund.

In addition, insurance policy of the Fund and coverage condition shall be subject to future renewal and negotiation. Therefore, the Management Company is unable to guarantee that the Fund will be protected subject to proper business condition in the future. The significant extra insurance premium or reducing coverage will negatively

affect operating performance, financial position, and ability to pay dividend to the unitholders. Please consider detail of insurance policy relating to immovable properties and leasehold rights in immovable properties additionally invested by the Fund in Clause 4.6 "Insurance".

**10 Possible defect of immovable properties and leasehold rights in immovable properties invested by the Fund, or possible breach of laws and regulations, or other possible faults**

Other than being disclosed in this document, breakdown or defect requiring repair or maintenance (including the matters of design, construction or other invisible breakdown or defect of immovable properties and leasehold rights in immovable properties, or equipment of immovable properties or leasehold rights in immovable properties invested by the Fund that may require additional investment expense, or require special repair or maintenance expense) of immovable properties and leasehold rights in immovable properties that are invested by the Fund or will be invested in this time was not found by the Management Company. However, the Management Company is unable to guarantee on none of breach of laws and regulations or none of other defects relating to immovable properties and leasehold rights in immovable properties invested by the Fund. According to the execution in breach of laws and regulations or the said unknown breakdown or defect, it may result in the Fund's obligation and liability, including duty in compliance with order of the supervising agencies, significant requirement for additional investment or obligation toward third party that incurs expense in not forecasted nature and amount that may significantly have negative affect on income, cash flows, and management of immovable properties and leasehold rights in immovable properties of the Fund.

The report of the specialist employed by the Management Company in valuation of immovable properties and leasehold rights in immovable properties invested by the Fund, including the report of technical consultant and the report of valuation of immovable properties and leasehold rights in immovable properties, are limited in scope of working. Such reports may be in error and faulty possibly due to difficulty or impossibility to exactly inspect some breakdowns or defects of the building subject to limitation of scope of inspection, technology or technique applied, and other factors that expense or liability as the result of the said event may incur with the Fund. Warranty, assurance, and agreement of liability and reimbursement entered by Lotus and the owner of asset that is not the related party of Lotus to the Fund shall be subject to limitation relating to scope, amount, and duration of claim that can be performed. Thus, the Management Company is unable to guarantee that the Fund is entitled to be reimbursed for damage under the said warranty, assurance and agreement of any liability and reimbursement for damage occurred with the Fund as the result of investment in immovable properties and leasehold rights in immovable properties.

**11 Possible obstruction of traveling to immovable properties or leasehold rights in immovable properties invested by the Fund due to construction of basic public utility system in transportation under implementation or under implementation planning, and renovation projects adjacent to immovable properties or leasehold rights in immovable properties invested by the Fund, or possible incompleteness of construction and possible recall of the Government on right to utilize the government land such as entrance of immovable properties and leasehold rights in immovable properties**

Basic public utility in transportation adjacent to immovable properties or leasehold rights in immovable properties invested by the Fund such as BTS stations and MRT stations, bus interchange point, expressway, and access road of some immovable properties or leasehold rights in immovable properties invested by the Fund, create convenience to access the said immovable properties or leasehold rights in immovable properties. In addition, assets used as gateway of immovable properties invested by the Fund in some projects which are located on the government lands, whereas the

Fund is entitled to exercise the right to utilize the said government land in indefinite period, the Management Company is unable to guarantee that the said facilities and basic public utilities will be closed, relocated or the construction and improvement will not delay or completed based on plan, or not obstruct traffic in the said area, or the government shall not recall the right to utilize the government land. However, closure, relocation, delay, incompleteness of execution, obstruction or right to utilize the recalled government land may affect travelling into immovable properties or leasehold rights in immovable properties invested by the Fund, or may result in inability to improve or must arrange gateway of immovable properties or leasehold rights in immovable properties invested by the Fund that may negatively affect customer travelling, attractiveness, and selling point of immovable properties or leasehold rights in immovable properties invested by the Fund in the perception of the tenants, as well as travelling to access the project, and may have negative effect toward financial position and operating performance of the Fund, resulting in the reducing ability of the Fund to pay dividend to the unitholders.

In addition, the Management Company is unable to guarantee that the building located in the area adjacent to immovable properties or leasehold rights in immovable properties invested by the Fund will not be removed, newly developed or improved for utilization in other means; and is unable to guarantee that there will not be new building construction or land development adjacent to immovable properties or leasehold rights in immovable properties invested by the Fund. This may periodically affect immovable properties or leasehold rights in immovable properties invested by the Fund. Any area development, improvement, construction or land development (possibly requiring temporary closure of passage or road) may reduce number of possessors, tenants or service users in the affected area of immovable properties or leasehold rights in immovable properties invested by the Fund, resulting in reduction of rental income from immovable properties or leasehold rights in immovable properties invested by the Fund in the said affected part. For this reason, newly development, improvement, construction or development of the said land may significantly have negative effect on financial position and operating performance of the Fund.

## **12 Possible negative effect on income of the Fund from natural disaster and other force majeure, terrorism, and war**

Several risks such as natural disaster or other force majeure in the area of immovable properties and leasehold rights in immovable properties invested by the Fund and areas with large number of customers, may result in reduction of spending and tourism, and decrease in requirement for renting space for commercial business operation, for instance, big flood in Thailand occurred during September to November 2011, that negatively affected immovable properties of the existing projects and immovable properties of some new projects, and nearby area surrounding to the area of such immovable properties, as well as created damage to dwellings. This resulted in interruption of goods transportation and overdue rental payment. In addition, war, terrorism, political unrest, civilian strike, and other political uncertainties that actually occur or are threatened. The similar effect may be caused and any or several circumstances may reduce demand in immovable properties and leasehold rights in immovable properties invested by the Fund or income of the Fund earned by immovable properties and leasehold rights in immovable properties invested by the Fund, possibly and significantly having negative effect on the Fund's operation, financial position, and dividend payment ability.

**13 Possible major repair and renovation of immovable properties or leasehold rights in immovable properties invested by the Fund, resulting in requirement for temporary closure of some areas of shopping malls and negatively affecting financial position and operating performance of the Fund**

The major repair and renovation of immovable properties or leasehold rights in immovable properties invested by the Fund must be periodically performed for modernity in consistency with customer need style, and for attraction of customers to regularly use services of immovable properties and leasehold rights in immovable properties invested by the Fund. The general regular repair or maintenance should not affect operating performance of the Fund. However, it may be necessary for the major repair or renovation (particularly non-ordinary course of business operation) to change both internal and external appearance of immovable properties or leasehold rights in immovable properties invested by the Fund, as well as significant change in work system. Some areas of such major repair or renovation may be temporarily closed. The said area closure may affect the loss of rental income in affected area or cause the tenant's cancellation of lease agreement or non-renewal of lease agreement. Thus, if it is necessary for major repair or renovation of immovable properties or leasehold rights in immovable properties invested by the Fund, it may have negative effect on financial position and operating performance of the Fund.

**14 Value of immovable properties and leasehold rights in immovable properties invested by the Fund based on valuation of the asset valuation company is not an indication of intrinsic value of immovable properties and leasehold rights in immovable properties and it is unable to guarantee that selling price of immovable properties or leasehold rights in immovable properties will be in line with valuation either at present or in the future.**

In general valuation of immovable properties and leasehold rights in immovable properties, factors and some intangible factors relating to assets such as market situation, financial strength, competitiveness, and asset condition, shall be considered. Event causing future change in such factors may occur due to some event or all events which are the assumptions may not occur as forecasted or unpredicted event or situation may occur. Thus, the Management Company is unable to guarantee that the setting assumption will occur as forecasted. The selling price of the Fund for immovable properties or leasehold rights in immovable properties invested by the Fund in the future may be below the value determined by the asset valuation company or below the price invested by the Fund in such immovable properties or leasehold rights in immovable properties.

**15 Negative effect on the Fund's profit and loss, net asset value and ability to pay dividend from reduction of fair value of immovable properties and leasehold rights in immovable properties invested by the Fund**

The financial reporting standard prescribes that fair value must be used in bookkeeping of assets both of immovable properties and leasehold rights in immovable properties possessed by the Fund. Any change in fair value must be recorded in profit and loss of the Fund. Therefore, decreasing fair value of immovable properties and leasehold rights in immovable properties invested by the Fund will cause negative effect on the Fund's profit and loss, net asset value, and ability to pay dividend.

**16 Possible conflict of interests of the Fund with Lotus on purchase and lease of immovable properties**

Lotus, Lotus' subsidiaries and associates, engage the business of investment and development, management and leasing retail space in Thailand and other places. Due to such reason, the event causing conflict of interests between

the Fund, Lotus (or Lotus' subsidiaries or associates) relating to purchase or lease of immovable properties may occur. However, even though Lotus agrees not to construct shopping malls for competition with shopping malls of the Fund in accordance with the condition prescribed in contract and agreement mutually entered. In the future, Lotus may invest in other property funds or invest in other immovable properties that may cause conflict of interests between the Fund and Lotus. Therefore, the Management Company is unable to guarantee that the Fund's benefit will not be in conflict with or inferior to Lotus' benefit in such situation.

**17 Uncertainty of leasehold rights in immovable properties invested by the Fund in some places that are leasehold rights consisting of land lease agreements, and immovable properties in some places invested by the Fund under partial land ownership of the Fund and partial leasehold right in land for one or more land lease agreements**

Leasehold rights in immovable properties invested by the Fund in some places consist of land lease agreements or immovable properties in some places invested by the Fund, that are immovable properties under partial land ownership of the Fund and partial leasehold right in land for one or more land lease agreements by several tenants. In case of expiration of one or several lease agreements or cancellation of the agreement, it will affect the right to operate the Fund's shopping mall business, and operating performance, financial position, and ability to pay dividend may be negatively affected.

**18 Risk exposure of general investment in immovable properties**

Investment in immovable properties exposes to various fields of risks includes (1) negative change in politics and economic condition, (2) negative situation of domestic real estate market, (3) financial position of the purchaser and seller of immovable properties, (4) change of source of loan or capital that may result in failure to finance source of capital for use in investment in immovable properties under good condition, or failure to finance any source of capital, (5) change in interest rate and other operating expenses, (6) alteration of laws or regulations in environment, city planning law, and other regulations of the government, as well as fiscal policy, (7) claim for environmental responsibility relating to immovable properties, (8) change in market price of rental rate, (9) change in price of oil and other fuels, (10) change in preference in type of immovable properties and location leading to availability of excess rental space over need, or possible decrease in need of the tenants in any market for some types of immovable properties, (11) competition of the immovable property owner in acquisition of tenants, possibly leading to space vacancy or space which is unable to be leasable under good condition, (12) act of the tenant that may affect business and reputation of the tenants, (13) failure to renew the term of lease agreement or leasing out space upon expiration of the term of lease agreement, (14) failure to collect rent from the tenant within the specified period or failure to collect due to the tenant's bankruptcy or insolvency or in other cases, (15) inadequacy of coverage under the existing insurance policy or increase in insurance premium, (16) failure of the Property Manager to adequately provide service or procure service provision relating to maintenance and other service provision, (17) breakdown of immovable properties requiring remedy or repair and maintenance of immovable properties that generate unpredicted investment expense, (18) liquidity of investment in immovable properties, (19) huge dependency of cash flows in maintenance and renovation of the existing immovable properties, (20) increase in operating expenses and tax, (21) gain and loss or commitments that are unable to be detected or

disclosed from land inspection at the related Land Office at the time of inspection, (22) force majeure, damage that is unable to be insured, and other factors, and (23) change in laws and rules in tax and other fields.

The aforesaid various factors may cause fluctuation of occupancy rates, rental rate or operating expenses that will negatively affect value of immovable properties and income received from immovable properties.

Annual valuation of immovable properties and leasehold rights in immovable properties invested by the Fund will reflect the said factors, and result in increase or decrease in value of immovable properties and leasehold rights in immovable properties. Value of immovable properties and leasehold rights in immovable properties invested by the Fund may significantly reduce in case of sudden bear crisis of immovable property price or of economy in Bangkok, and cities or provinces in Thailand where are the current and future locations of immovable properties and leasehold rights in immovable properties invested by the Fund.

#### **19 The Fund's possible negative effect on illiquidity of investment in invested immovable properties and lack of other alternative in utilization of immovable properties invested by the Fund**

The Fund has mainly invested and will invest in immovable properties and leasehold rights in immovable properties, and related assets of immovable properties. Generally, the investment in immovable properties or leasehold rights in immovable properties particularly investment in immovable properties with high value, that are invested by the Fund under investment intention, will rarely be liquid. Such illiquidity may affect the ability of the Fund to adjust investment portfolio or ability to change some part of immovable properties or leasehold rights in immovable properties into cash to support change of economic situation, real estate market, and other factors. For instance, the Fund may be unable to sell immovable properties and leasehold rights in immovable properties invested by the Fund within short period of time or may be pressured for huge discount of price for salability in rapid period. Moreover, the Fund may encounter with problem in financing source of loan in immediate period and subject to good commercial condition in case where it is borrowing of money that uses immovable properties to be collateral due to illiquidity of asset in type of immovable property. In addition, immovable properties and leasehold rights in immovable properties invested by the Fund may be unable to quickly change the nature of utilization. If those immovable properties or leasehold rights in immovable properties invested by the Fund are unable to generally generate profit due to competition situation, age, declining need volume, or other factors, the change in nature of utilization of immovable properties and leasehold rights in immovable properties invested by the Fund must be additionally invested. These factors may affect the Fund's financial position and operating performance, and negatively affect ability of the Fund to pay dividend to the unitholders.

#### **20 Strategy of the Fund in investment in immovable properties or leasehold rights in immovable properties used for retail business operation leading to higher risk compared with other types of the mutual fund with more variety of investment modes**



The core strategy of investment in immovable properties or leasehold rights in investment properties used in retail business operation will cause risk exposure of the Fund from focus on investment in immovable properties. The level of risk may be higher compared with other types of mutual fund with more variety of investment modes than other fields of businesses.

The focus on investment in immovable properties or leasehold rights in investment properties used for retail business operation cause risk exposure of the Fund in case of bear crisis or adverse event of Thailand retail business. The said bear crisis may lead to reduction of occupancy rates of immovable properties and leasehold rights in immovable properties invested by the Fund or assets relating to immovable properties available by the Fund. This will affect income of the Fund received from immovable properties and leasehold rights in immovable properties invested by the Fund, and/or result in decrease in net asset value, negatively effect on amount of dividend that will be paid to the unitholders and/or operating performance and financial position of the Fund.

#### **21 Possible expropriation of immovable properties and leasehold rights in investment properties that are invested by the Fund or will be invested**

The immovable properties and leasehold rights in immovable properties that are invested by the Fund or will be invested by the Fund expose to risk, and may be expropriated under government policy. Compensation that may be received due to damage from expropriation may be lesser than net asset value based on the account of the Fund. Therefore, such expropriation may negatively affect the Fund's financial position and operating performance, and negatively affect the Fund's ability to pay dividend to the unitholders.

#### **22 Possible reduction of trading price of investment units in secondary market below offer of investment units**

Trading price of investment units in secondary market after offering for sale of investment units may be traded in very low price in comparison with offer of investment units.

Trading price of investment units depends on various factors, including the following factors.

- Viewpoint of operating potential and investment of the Fund, and real estate market in Thailand
- Difference between actual financial position and operating performance of the Fund and forecast by investors and analysts
- Change in advice or estimate of the analyst
- Change in general economic condition or market situation
- Market price of immovable properties and leasehold rights in immovable properties invested by the Fund
- Attractiveness of investment units compared with other equity securities including other investment units which are not in real estate business
- Balance between demand and supply in investment units
- Sale or intention to sell large number of investment units by the unitholder
- Size and future liquidity of the property fund market in Thailand

- Future change in structure, criteria, and tax burden both in general and specific case in case of the property fund in Thailand, and domestic and foreign investment
- Operating failure of the Fund in accordance with investment strategy and business expansion
- Market fluctuation including sluggishness of capital market and increase in interest rate

According to the aforesaid factors, investment units may be traded in secondary market in higher or lower price than offer of investment units. In addition, in case where the Fund collects some profit as capital for objective of additional investment, for reservation as working capital, or for other objectives. Even though net asset value of the Fund is more than net asset value of the Fund in case of non-retention of profit to be capital reserve, it may not cause increase in market price of investment units accordingly. The Fund's failure to execute in accordance with expectation of market in term of profit and dividend, it may cause negative effect on market price of investment units.

The Management Company is unable to guarantee investment unit which is not financial product with principal protection that the unitholder will be refunded for the whole amount of investment fund. In case of cancellation of the Fund or liquidation of the Fund, it is possible that the investors may lose their investment funds in investment units in part or in whole. In addition, the unitholders may have tax burden relating to investment or trading of investment units in case of revision on laws and rules on tax or other related areas.

### **23 Possible failure of the Fund to pay dividend for investment units or failure to maintain level of dividend payment**

Income received from investment in immovable properties and leasehold rights in immovable properties depend on various factors including rental amount received, operating expenses and other incurred expenses. In case of failure to generate adequate income from immovable properties and leasehold rights in immovable properties invested by the Fund and other assets that may be subsequently acquired or possessed by the Fund, and failure of the Fund to finance source of loan within the time at reasonable financial cost, these will cause negative effect on income, cash flows, and ability of the Fund to pay dividend.

Thus, the Management Company is unable to guarantee that the Fund is able to pay dividend or maintain the level of dividend payout ratio in accordance with the established dividend payment policy, and unable to guarantee that the level of dividend will be subsequently increased or rent from leasing immovable properties or leasehold rights in immovable properties invested by the Fund will be increased, or immovable properties and leasehold rights in unoccupied immovable properties are leasable, or rental income in part of expanded immovable properties or leasehold rights in immovable properties or immovable properties or leasehold rights in immovable properties that will be acquired in the future, will increase income for the Fund and may be paid as dividend to the unitholders accordingly.

### **24 Failure of the unitholders to redeem investment units for the Management Company**

As the Fund is closed-end property fund and the unitholders are unable to redeem their investment units to the Management Company. Therefore, it is not guaranteed that the unitholders can sell their unitholders in purchasing price

of investment unit, or sell in any price, and it is not guaranteed that investment units can be sold. However, the unitholders can purchase and sell investment units via Stock Exchange only.

**25 Possible negative effect of future sale of investment units on market price of investment units**

Market price effect (if any) of investment units from future sale of investment units or future availability of investment units for sale is unpredictable. After this offering for sale of investment units, Lotus shall hold investment units around 25% of total sold investment units (whereas Lotus and the asset owners that are not related parties of Lotus, and the group of the same parties of such parties can hold total investment units in proportion of no more than one-third of total sold investment units of the Fund). Even though Purchase and Sale Agreement of Investment Units, and Underwriting Agreement contains the agreement on prohibition to sell investment units of Lotus but it is not guaranteed that investment units will not be sold by other parties in significant number or Lotus (or subsidiary of Lotus) will not sell investment units upon termination of the agreement on prohibition to sell such investment units.

It is understood by Lotus or any other unitholders that the sale of investment units in significant number after this offering for sale of investment units will occur, and may have negative effect on market price of investment units.

However, the unitholders should study all related risk factors in accordance with Prospectus of the Fund altogether.

**26 Risk from indirect investment through holding less than 99 percent of the Company**

-None-

**5) Legal Dispute and Restrictions on the Use of Real Estate Assets**

-None-

**6) Other Significant Information**

-None-

## Part 3 Management and Corporate Governance

### 7) Investment Units and Unitholders Information

#### 7.1 Information of investment units, securities, and instruments issued by the Fund

7.1.1 Detail of capital for the project, par value, number, type and price of units offered for sale, first day offer, present registered capital amount (if any)  
present unit value

(1) Project capital	:	25,952,862,942.40 Baht
(2) Par value	:	10.1948 Baht
(3) Type of Investment Units	:	Specifying unitholder's name
(4) Number of Investment Units	:	2,337,282,928.0000 Units
NO. of Units before the 1st Capital Increase	:	1,770,000,000.0000 Units
Increasing of Investment Units in the 1st Capital Increase	:	567,282,928.0000 Units
(5) Offer Price of Units before the 1st Capital Increase	:	10.40 Baht
Offer Price of Units in the 1st Capital Increase	:	13.30 Baht
(6) Registered Capital as at 28 FEB 2023	:	25,493,674,665 Baht
(7) NAV as at 29 FEB 2024	:	12.1833 Baht / Unit

7.1.2 Information of securities price such as closing price (at year-end or opening date of accounting period), maximum price, minimum price, Market Capitalization, Average Annual Trade Volume, NAV of the Fund as at the beginning date of the year and the ending date of the year, etc.

Closing Price at Feb 29, 2024	:	13.10 Baht / Unit
Market Capitalization	:	30,618,406,357 Baht
Trade Volume	:	11,840,851 Baht
NAV of the Fund as at 28 FEB 2023	:	12.0970 Baht / Unit
NAV of the Fund as at 29 FEB 2024	:	12.1833 Baht / Unit

7.1.3 In case where the Fund classifies investment units into various share classes, the detail of each share class with different right and return benefit shall be specified.

-None-

7.1.4 In case where the Fund reduces registered capital or reduces investment unit value, the detail of each reduction of registered capital shall be specified at least as per the following details.

(a) Reason of Registered Capital Reduction

The Management Company shall pay excess liquidity from transaction of deferred expenses which are amortized for payment caused from issuing and offering expense of investment units and land rent deducted with rental and service income in unrealized part as cash flow.

(b) Registered capital amount and registered capital amount per investment unit in each reduction (in accordance with Table of Historical Record of Capital Reduction under Topic 7.4.2 Historical Record of Dividend Payment, Capital Increase and Capital Reduction).

(c) Book Closing Date and Unitholder Refund Distribution Date (in accordance with Table of Historical Record of Capital Reduction under Topic 7.4.2 Historical Record of Dividend Payment, Capital Increase, and Capital Reduction).

7.2 In case where the Fund issues securities which are debt instruments (such as debentures or REIT BOND), the significant nature of such securities shall be described, such as type, non-redeeming value, maturity date, guarantee, other essential conditions at the end of the accounting year and last credit rating of REIT bond or guarantor of debt settlement in accordance with instrument (if any) as the case may be.

- None -

7.3 Information of the unitholders

7.3.1 The group of top ten unitholders specifies number of units and percentage compared with invested units.

Name List of Top Ten Unitholders

Book Closing Date on Jan 29, 2024

No	Unit Holder Name	Balance Unit	%
1	EK CHAI DISTRIBUTION SYSTEM CO. LTD.	584,321,250	25.00
2	SOCIAL SECURITIES OFFICE	230,354,410	9.86
3	THE GOVERNMENT PENSION FUND	201,156,639	8.61
4	BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED	132,077,100	5.65
5	TMB East Spring Property and Infrastructure Income Plus Flexible Fund	97,172,600	4.16
6	K Property Infra Flexible Fund	64,989,600	2.78
7	PRINCIPAL PROPERTY INCOME FUND	46,484,584	1.99
8	SCB PROPERTY AND INFRASTRUCTURE FLEXIBLE FUND	40,731,600	1.74
9	MAHIDOL UNIVERSITY	35,996,583	1.54
10	MFC PROPERTY DIVIDEND FUND	28,303,828	1.21
	<b>Total Units</b>	<b>1,461,588,194</b>	<b>62.54</b>

7.3.2 Major Unitholders (holding investment units from 10% and more by grouping of the same parties)

- Ek-Chai Distribution System Company Limited holds investment units for 25%.

7.3.3 Group of Major Unitholders of the Fund/Trust whereas the circumstance significantly influences determination of management or operation policy of the Management Company/Trust Manager such as delivery of personnel to be the director with management power.

-None-

#### 7.4 Return payment of the Fund

7.4.1 Specify policy of return payment of the Fund/Trust paid to the unitholders both in form of dividend and reduction of registered capital.

##### Dividend Payment Policy :

Requirement, policy and procedure of dividend payment to the unitholders

The unitholders that are entitled to receive dividend shall be unitholders whose names are in Book of the Unitholders' Registration in Book Closing Date for dividend payment. Each unitholder is entitled to receive dividend in the holding proportion of his/her/it investment unit.

The fund has a policy to pay dividends to unitholders no more than 4 times a year, which will be paid on quarterly basis, as specified in the fund scheme and related regulations as follows:

(1) Pay dividends to unitholders of not less than 90% of the adjusted net profit of each fiscal year within 90 days from the end of the fiscal year or the end of the accounting period in which dividends are paid, as the case may be. Adjusted net profit shall mean net profit less reserve items specifically for the following purposes:

(a) Repair, maintenance or improvement of the fund's properties in accordance with the plan clearly specified in the fund scheme and prospectus, annual information disclosure form annual report or any document that the management company has notified the unitholders in advance.

(b) Repayment of loans or obligations of the fund in accordance with the borrowing policy clearly stated in the fund scheme and prospectus, annual information disclosure form annual report or any document that the management company has notified the unitholders in advance.

(c) Dividend payment to unitholders that entitles them to receive returns or the first return of capital (if any).

(2) In consideration of dividend payment to unitholders, the management company shall consider the necessity of maintaining the fund's cash appropriately in accordance with the related regulations prescribed by the SEC.

(3) The management company is prohibited from borrowing to pay dividends to unitholders.

(4) In case the fund still has accumulated losses, the management company is prohibited from paying dividends.

In the case where the management company is unable to pay dividends to the unitholders of the fund under (1), the fund supervisor and the management company shall explain to the SEC for the necessary reasons in accordance with the related regulations prescribed by the SEC as well as disclose to the unitholders of the fund at the two-way communication channel.

In dividend payment, the Management Company shall pay such dividend to the unitholders within 90 (ninety) days from the ending date of the accounting period, or in case of interim dividend payment within 90 (ninety) days from Closing Date of Book of the Unitholders' Registration for dividend payment in case of the Management Company's failure to pay dividend in such period of time. The Management Company shall notify the unitholders and the Office of the SEC for written acknowledgement.

Supplementary conditions:

In considering dividend payment, if value of dividend declared for payment to investment units during accounting year is below or equal to 0.10 Baht, the Management Company reserves its right not to pay dividend in that time, and carry forward to simultaneously pay dividend in the ending period of the accounting year as prescribed by procedure and rule.

In respect to rule of dividend payment, the Management Company shall execute in accordance with the specified rule unless otherwise revised, added, announced, prescribed, ordered, consented, and/or respite by the SEC, Capital Supervisory Board, Office of the SEC, and/or any other agencies that have legal power. The Management Company shall take action accordingly and after the Management Company has taken action accordingly, it shall be deemed that the unitholders have given consent.

Reduction of registered capital :

The fund has a history of reducing its registered capital from excess liquidity, consequently to the fund has deferred expenses which are gradually written off. In addition, the fund scheme has specified that the management company can use its discretion to consider reducing the registered capital from such a case.

7.4.2 Historical record of dividend payment, and capital refund for at least five retroactive years.

**Historical record of dividend distribution,**

**Capital increase and capital reduction**

**Historical record of dividend payment**

No.	Operating period	Dividend (Baht)		Book closing	Payment Date
		Amount	Per unit		
1	13 MAR 2012 - 31 MAY 2012	238,241,999.98	0.1346	31 JUL 2012	15 AUG 2012
2	1 JUN 2012 - 31 AUG 2012	291,341,999.90	0.1646	6 NOV 2012	21 NOV 2012
3	1 SEP 2012 - 30 NOV 2012	283,200,000.00	0.1600	30 NOV 2012	15 JAN 2013
4	1 DEC 2012 - 28 FEB 2013	410,954,449.69	0.1801	30 APR 2013	20 MAY 2013
5	1 MAR 2013 - 31 MAY 2013	403,885,088.61	0.1778	31 JUL 2013	15 AUG 2013
6	1 JUN 2013 - 31 AUG 2013	389,841,489.78	0.1708	6 NOV 2013	21 NOV 2013
7	1 SEP 2013 - 30 NOV 2013	371,827,488.14	0.1630	31 JAN 2014	17 FEB 2014
8	1 DEC 2013 - 28 FEB 2014	422,173,877.76	0.1851	30 APR 2014	19 MAY 2014
9	1 MAR 2014 - 31 MAY 2014	423,282,869.60	0.1856	29 JUL 2014	14 AUG 2014
10	1 JUN 2014 - 31 AUG 2014	433,564,172.48	0.1900	31 OCT 2014	17 NOV 2014
11	1 SEP 2014 - 30 NOV 2014	437,071,912.23	0.1870	30 JAN 2015	16 FEB 2015

No.	Operating period	Dividend (Baht)		Book closing	Payment Date
		Amount	Per unit		
12	1 DEC 2014 - 28 FEB 2015	423,281,938.90	0.1811	30 APR 2015	18 MAY 2015
13	1 MAR 2015 - 31 MAY 2015	481,480,283.87	0.2060	31 JUL 2015	17 AUG 2015
14	1 JUN 2015 - 31 AUG 2015	488,492,136.09	0.2090	30 OCT 2015	16 NOV 2015
15	1 SEP 2015 - 30 NOV 2015	508,592,766.54	0.2176	29 JAN 2016	15 FEB 2016
16	1 DEC 2015 - 28 FEB 2016	511,864,965.21	0.2190	29 APR 2016	18 MAY 2016
17	1 MAR 2016 - 31 MAY 2016	508,592,765.13	0.2176	29 JUL 2016	15 AUG 2016
18	1 JUN 2016 - 31 AUG 2016	504,151,927.57	0.2157	31 OCT 2016	14 NOV 2016
19	1 SEP 2016 - 30 NOV 2016	492,932,969.52	0.2109	31 JAN 2017	16 FEB 2017
20	1 DEC 2016 - 28 FEB 2017	502,048,372.93	0.2148	28 APR 2017	17 MAY 2017
21	1 MAR 2017 - 31 MAY 2017	497,607,535.37	0.2129	31 JUL 2017	16 AUG 2017
22	1 JUN 2017 - 31 AUG 2017	502,515,829.52	0.2150	31 OCT 2017	15 NOV 2017
23	1 SEP 2017 - 30 NOV 2017	501,347,188.06	0.2145	31 JAN 2018	15 FEB 2018
24	1 DEC 2017 - 28 FEB 2018	525,187,473.92	0.2247	30 APR 2018	15 MAY 2018
25	1 มี.ค 2018 - 31 MAY 2018	538,276,258.32	0.2303	31 JUL 2018	15 AUG 2018
26	1 JUN 2018 - 31 AUG 2018	525,421,202.21	0.2248	31 OCT 2018	15 NOV 2018
27	1 SEP 2018 - 30 NOV 2018	514,202,244.16	0.2200	31 JAN 2019	15 FEB 2019
28	1 DEC 2018 - 28 FEB 2019	525,654,930.51	0.2249	30 APR 2019	15 MAY 2019
29	1 MAR 2019 - 31 MAY 2019	539,678,628.00	0.2309	31 JUL 2019	15 AUG 2019
30	1 JUN 2019 - 31 AUG 2019	528,693,398.00	0.2262	30 OCT 2019	13 NOV 2019
31	1 SEP 2019 - 30 NOV 2019	518,643,082.00	0.2219	29 JAN 2020	14 FEB 2020
32	1 DEC 2019 - 29 FEB 2020	597,409,516.00	0.2556	28 APR 2020	18 MAY 2020
33	1 MAR 2020 - 31 MAY 2020	296,367,475.27	0.1268	29 JUL 2020	14 AUG 2020
34	1 JUN 2020 - 31 AUG 2020	442,681,386.56	0.1894	26 OCT 2020	12 NOV 2020
35	1 SEP 2020 - 30 NOV 2020	456,868,691.94	0.1955	29 JAN 2021	15 FEB 2021
36	1 DEC 2020 - 28 FEB 2021	438,941,733.88	0.1878	28 APR 2021	19 MAY 2021
37	1 MAR 2021 - 31 MAY 2021	419,074,828.99	0.1793	29 JUL 2021	16 AUG 2021
38	1 JUN 2021 - 31 AUG 2021	324,648,598.70	0.1389	28 OCT 2021	16 NOV 2021
39	1 SEP 2021 - 30 NOV 2021	401,778,935.32	0.1719	1 FEB 2022	15 FEB 2022
40	1 DEC 2021 - 28 FEB 2022	437,773,092.41	0.1873	29 APR 2022	20 MAY 2022
41	1 MAR 2022 - 31 MAY 2022	477,273,172.67	0.2042	2 AUG 2022	16 AUG 2022
42	1 JUN 2022 - 31 AUG 2022	475,403,348.72	0.2034	31 OCT 2022	15 NOV 2022
43	1 SEP 2022 - 30 NOV 2022	476,338,262.62	0.2038	31 JAN 2023	14 FEB 2023
44	1 DEC 2022 - 28 FEB 2023	506,722,938.79	0.2168	8 MAY 2023	22 MAY 2023
45	1 MAR 2023 - 31 MAY 2023	512,568,548.11	0.2193	7 AUG 2023	21 AUG 2023



No.	Operating period	Dividend (Baht)		Book closing	Payment Date
		Amount	Per unit		
46	1 JUN 2023 - 31 AUG 2023	493,636,654.58	0.2112	3 NOV 2023	17 NOV 2023
47	1 SEP 2023 - 30 NOV 2023	515,607,113.58	0.2206	29 JAN 2024	12 FEB 2024
48	1 DEC 2023 - 29 FEB 2024	523,086,521.13	0.2238	2 MAY 2024	17 MAY 2024

#### Historical record of capital increase

No.	Capital increase date	Before capital increase		Increased registered capital amount		Registered capital amount after capital increase	
		Amount	Number of units	Amount	Number of units	Amount	Number of units
1	3 DEC 2012	18,344,280,000	1,770,000,000	7,544,862,942.40	567,282,928	25,889,142,942.40	2,337,282,928

#### Historical record of capital reduction

No.	Operating performance period	Registered capital amount before capital reduction		Decreased registered capital amount		Registered capital amount after capital reduction		Book closing date	Payment date
		Amount	Per Unit	Amount	Per Unit	Amount	Per Unit		
1	13 MAR 2012- 31 MAY 2012	18,408,000,000.00	10.4000	28,320,000.00	0.0160	18,379,680,000.00	10.3840	31 JUL 2012	16 AUG 2012
2	1 JUN 2012 - 31 AUG 2012	18,379,680,000.00	10.3840	35,400,000.00	0.0200	18,344,280,000.00	10.3640	6 NOV 2012	22 NOV 2012
3	1 DEC2012 - 28 FEB2013	25,889,142,942.40	10.3640	48,849,213.20	0.0209	25,840,293,729.20	10.3431	30 APR 2013	21 MAY 2013
4	1 MAR2013 - 31 MAY2013	25,840,293,729.20	10.3431	39,032,625.55	0.0167	25,801,261,103.65	10.3264	31 JUL 2013	16 AUG 2013
5	1 JUN2013 - 31 AUG2013	25,801,261,103.65	10.3264	39,733,815.10	0.0170	25,761,527,288.55	10.3094	6 NOV 2013	22 NOV2013
6	1 SEP2013 - 30 NOV2013	25,761,527,288.55	10.3094	38,565,171.47	0.0165	25,722,962,117.08	10.2929	31 JAN 2014	18 FEB 2014
7	1 DEC2013 - 28 FEB2014	25,722,962,117.08	10.2929	37,396,527.36	0.0160	25,685,565,589.72	10.2769	30 APR 2014	20 MAY2014
8	1 MAR2014 - 31 MAY2014	25,685,565,589.72	10.2769	38,331,438.75	0.0164	25,647,234,150.97	10.2605	29 JUL 2014	15 AUG2014
9	1 JUN 2014 - 31 AUG 2014	25,647,234,150.97	10.2605	38,331,438.79	0.0164	25,608,902,712.18	10.2441	31 OCT 2014	18 NOV2014
10	1 SEP 2014 - 30 NOV 2014	25,608,902,712.18	10.2441	37,863,981.53	0.0162	25,571,038,730.65	10.2279	30 JAN 2015	17 FEB 2015
11	1 DEC2014 - 28 FEB2015	25,571,038,730.65	10.2279	40,201,267.71	0.0172	25,530,837,462.94	10.2107	30 APR 2015	19 MAY2015
12	1 MAR 2015 - 31 MAY 2015	25,530,837,462.94	10.2107	14,491,152.35	0.0062	25,516,346,310.59	10.2045	31 JUL 2015	18 AUG 2015
13	1 JUN 2015 - 31 AUG 2015	25,516,346,310.59	10.2045	19,165,718.99	0.0082	25,497,180,591.60	10.1963	30 OCT 2015	17 NOV 2015
14	1 SEP 2015 - 30 NOV 2015	25,497,180,591.60	10.1963	3,505,926.69	0.0015	25,493,674,664.91	10.1948	29 JAN 2016	16 FEB 2016

Reason of registered capital reduction : Excess liquidity from transaction of deferred expense

## 8) Managerial structure

### 8.1 Management Company

8.1.1 Name and Address : Krung Thai Assets Management Public Company Limited  
Registration number 010754000373  
1 Empire Tower Building, 32 Floor, South Sathorn Road,  
Yannawa, Sathorn,Bangkok, 10120  
Tel. 02686-6100 Fax 02670-0430  
Website: [www.ktam.co.th](http://www.ktam.co.th)

### 8.1.2 Shareholding structure

◦ Name of shareholders as of 29 February 2024

Krung Thai Bank Public Company Limited 99.99%

Krung Thai Bank (Public Company Limited)

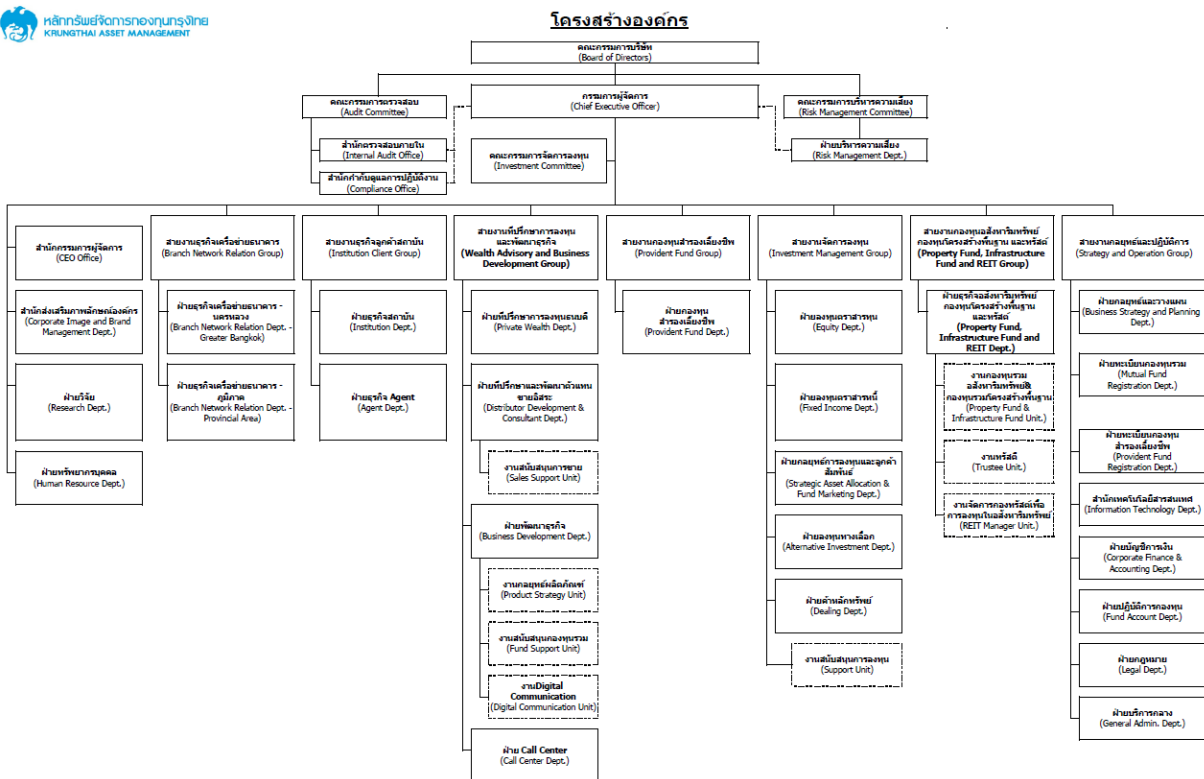
100% Krung Thai Asset Management  
(Public Company Limited)

รายชื่อผู้ถือหุ้น

ข้อมูล ณ วันที่: 8 มิถุนายน 2565 ราคาหุ้นละ (บาท): 10.00

ลำดับ	รายชื่อผู้ถือหุ้น	มูลค่าหุ้น (บาท)	จำนวนหุ้นที่ถือ (หุ้น)	สัญชาติ	สัดส่วน
1	บริษัท ธนาคารกรุงไทย จำกัด (มหาชน)	199,999,860.00	19,999,986	ไทย	99.9999%
2	นางสาว กิตติพร สีนุประภา	10.00	1	ไทย	0.0000%
3	นาย เอกชัย คูสว่างศรี	10.00	1	ไทย	0.0000%
4	นาย กันตภณ นีญจประการ	10.00	1	ไทย	0.0000%
5	นางสาว รุ่งลาวัลย์ สวัสดิ์ภิรมย์	10.00	1	ไทย	0.0000%
6	นาย ศุภสิทธิ์ จาวโกนันท	10.00	1	ไทย	0.0000%
7	นางสาว สุจิตราพร พากเพียร	10.00	1	ไทย	0.0000%
8	นางสาว ภริดา พรภาศิลป์	10.00	1	ไทย	0.0000%
9	นาง ญาณิน ดันดีพิมพ์พันธ์	10.00	1	ไทย	0.0000%
10	นางสาว จงกล ทองมีประเสริฐ	10.00	1	ไทย	0.0000%
11	นางสาว อธิภา หนูนาง	10.00	1	ไทย	0.0000%
12	นาง แอนน์ เมฆเทญชาวงศ์	10.00	1	ไทย	0.0000%
13	นางสาว กนกวรรณ ธรรมแสง	10.00	1	ไทย	0.0000%
14	นาย ภูมิพัฒน์ ภูมิไวยอนันต์	10.00	1	ไทย	0.0000%
15	นางสาว ณัชชา จำรูญจันทร์	10.00	1	ไทย	0.0000%
	<b>รวม</b>	<b>200,000,000.00</b>	<b>20,000,000</b>		<b>99.9999%</b>

8.1.3 Organization Chart



◦ Board of Directors

1. Mr. Surapol Opassatain

position

Chairman of the Board of Directors and acting  
Chairman of the Risk Management Committee

2.	Associate Prof. Dr. Anamai Damnet	position	Director and Member of the Audit Committee
3.	Mr. Teeralak Sangsnit	position	Director and Chairman of the Audit Committee
4.	Mr. Prapatpong Weeramon	position	Director and Member of the Risk Management Committee
5.	Mrs. Chavinda Hanratanakool	position	Chief Executive Officer

• The Executives

1.	Mrs. Chavinda Hanratanakool	position	Managing Director and CEO
2.	Mr. Veera Vutthikongsirigool	position	First Senior Executive Vice President, Investment Management Group
3.	Mr. Wirote Tangcharoen	position	First Senior Executive Vice President, Branch Network Relation Group
4.	Ms.Hasawara Sangruji	position	Senior Executive Vice President, Provident Fund Management
5.	Ms.Voravanee Tangsirikusolwong	position	Senior Executive Vice President, Strategy and Operation Group
6.	Mr.Yuttapon Wittayapanitchagorn	position	Senior Executive Vice President, Institution Client Group

Property Fund Manager

• Chavinda Hanratanakool, CFP

*Chief Executive Officer*

*Krung Thai Assets Management Public Company Limited*

*Nationality Thai*

**Number of years in this field / at this company**      35 years / 14 years

**Relevant license held**      Thai Certified Financial Planner and Property Fund Manager

**Main qualifications**

- make policies, control and be responsible for the operation of Property Fund and REIT Department, Infrastructure Fund and Private Fund Groups to be in accordance with the policies of Krung Thai Bank and the criteria of the Securities and Exchange Commission and the Stock Market of Thailand.
- Study the feasibility for the establishment of the Fund and create appropriate returns for the investors, and submit an application to establish the Fund to the Securities and Exchange Commission and the Stock Market of Thailand, as well as manage the Fund to be in accordance with the relevant announcement and regulations.

**Experience**

2014 – present	Chief Executive Officer, Krung Thai Assets Management Public Company Limited
2010 – 2014	Senior Executive Vice President, Private Fund & Property Fund Department, Krung Thai Asset Management Plc.
2000 - 2009	Senior Executive Vice President, Private Fund & Property Fund Department, ING Funds (Thailand) Co., Ltd.
1999 - 2000	Senior Vice President, Private Client Group, Merrill Lynch Phatra Securities Co., Ltd.,
1995 - 1999	Senior Vice President-Fund Manager, Private Fund Department, Ayudhya Investment and Trust Plc.
1990 - 1995	Assistant Vice President-Fund Manager, Portfolio Management Department, Citibank Private Banking

#### Education

1986	Master's Degree: Business administration (Major : economics), University of Missouri Columbia, USA
1983	Bachelor Degree: Bachelor of Arts (psychology), Thammasart University

#### Present position

Chief Executive Officer, property Fund and private Fund Manager, Krung Thai Assets Management

#### Mr. Piraj Migasena

*Executive Vice President*

Krung Thai Assets Management Limited (Plc)

*Nationality Thai*

**Number of years in this field / at this company**      26 years / 14 years

**Relevant license held**      Property Fund Manager

**Main qualifications**      - be responsible for the management of the property Fund as well as presenting the customers with guidelines to establish infrastructure Fund and REIT, study the feasibility for the establishment of the Fund and create appropriate returns for the investors, and submit an application to establish the Fund to the Securities and Exchange Commission and the Stock Market of Thailand, as well as manage the Fund to be in accordance with the project and the relevant announcement and regulations.

#### Experience

2014 – present	Executive Vice President, property fund and infrastructure fund Department, Krung Thai Assets Management
2010 – 2014	Senior Vice President, Fund Manager, property fund and infrastructure fund Department, Krung Thai Assets Management
2004 - 2010	Assistant Vice President, property fund, ING Assets Management
2003 – 2004	Director of business development, Tanachart Bank Limited (Plc)

1999 – 2003      Loan officer, Bangkok Bank Limited (Plc)

**Education**

1997              Master's degree: MS. Finance (Finance), University of Colorado at Denver,  
1996              Master's Degree: Business Administration (major: finance), University of Denver  
1993              Bachelor Degree: Business Administration (major: banking), Chulalongkorn University

**Present position**

Executive Vice President, Fund Manager, property fund and infrastructure fund Department, Krung Thai Assets Management Public Company Limited

**Anuchit Katetrakul, CISA**

*Vice President*

Krung Thai Assets Management Limited (Plc)

*Nationality Thai*

**Number of years in this field / at this company**      19 years / 7 years

**Relevant license held**      Property Fund Manager

**Experience**

2017 – present      Vice President, property fund and infrastructure fund Department, Krung Thai Assets Management, infrastructure fund manager  
2016 – 2017      Assistant Vice President, Business Development and Investor Relations Department, G Land REIT Management Company Limited  
2012 – 2016      Assistant Vice President, Accounting and Finance Department, TCC Land Company Limited  
2010 – 2012      Senior Financial Analyst, Sri Krung Wattana Company Limited  
2008 – 2010      Senior Business Development Officer, Interfac Development Company Limited  
2005– 2008      Credit Analyst, Siam City Bank Plc.

**Education**

2007              Master's Degree : Master of Economics Kasetsart University  
2005              Bachelor's Degree : Bachelor of Business Administration in Finance, Kasetsart University

**Present position**

Vice President, Property Fund Manager

**Nidawan Sukpradit**

*Senior Assistant Vice President*

*Krung Thai Assets Management Limited (Plc)*

*Nationality Thai*

**Number of years in this field / at this company**      26 years / 10 years

**Relevant license held**      Property Fund Manager

**Experience**

2017 – present Vice President, property fund and infrastructure fund Department, Krung Thai Assets Management, Manager

2011 – 2013 Manager, Accounting System Analysis and Development Department

2000 – 2005 Fixed Income Fund Manager, Investment Management Division, Krung Thai Asset Management PCL.

1998 - 1999 Fund Manager, Investment Department, CIMB Asset Management - Principal

1997 – 1998 Deputy Director Investment Banking Department Ekapat Securities Public Company Limited

1992 – 1997 Marketing Officer, Investment Division, Thanachart Bank Public Company Limited

1989 – 1990 Marketing Officer, Investment Division, Thanachart Bank Public Company Limited

## Education

2007 Master's Degree : MBA Corporate Finance, The University of Dallas USA

2005 Bachelor's Degree : Business Administration Graduate Chulalongkorn University

## Present position

Vice President, Property Fund Manager

### 8.1.4 Duties and responsibilities of the Management Company

For the management of the Fund, the Management Company has duties and responsibilities to operate and manage the Fund to be in accordance with securities law, including the following duties and responsibilities:

#### (1) Fund Management

(a) Manage the Fund as specified in the project approved by the Securities and Exchange Commission and the commitment between the Management Company and the unitholders, including various contracts that the Fund is a party to, as well as strictly perform duties under the provision of section 125 of the Securities Act.

(b) Create commitments between the unitholders and Management Company, contracts appointing Supervisor and prospectus with the same substantial details as the draft commitments, draft contract and draft prospectus that have been approved by the Securities and Exchange Commission.

(c) Send, distribute and create prospectus and the project's details in accordance with the following criteria and procedure:

- Before the Fund's investment units are offered for sale, the Management Company shall send the prospectus to the Securities and Exchange Commission, no less than 1 working day prior to the sending or distribution of the prospectus to investors and shall send such documents via the Fund Report and Prospectus (MRAP) receiving and distribution system of the Securities and Exchange Commission.
- For the offering for sale of the investment units, the Management Company must send, or provide for the selling agent and sale support to send, the important summary part of the prospectus as well as the investment units' reservation form to those interested in investing and arrange for there to be the project information part of the prospectus at every offices of the Management Company, selling agent or sale support during the period of time that the investment units are on offered.

- From the time the investment unit sale offered period has ended until before the full closures of the Fund, the Management Company shall arrange for there to be the details of the Fund's management project at every offices of the Management Company so that the general public may examine it. Copies shall also be sent to the unitholders upon request. If there is an amendment to the project, the Management Company shall proceed to notify such amendment to the Stock Market and the unitholders without delays and no more than 15 days from the day after the date of receipt of the approval from the Securities and Exchange Commission for the amendment to the project, or on the date of the resolution to amend the project as the case may be.

(d) Where the Management Company appoints a third party distributor to be responsible for the distribution of the investment units of the Fund, the third party distributor must not be the same group of persons as the owner, the landlord, the leasehold right transferor and the person awarding the right in the investment property of the Fund.

(e) Invest the money of the Fund in property or leasehold right of property or any other assets including the procurement of benefit from property or leasehold right of property that the Fund invests in, by buying, renting, transferring, distributing, transferring of rights and changing as well as improving the assets that the Fund invests in or any other invested assets in accordance with the policies, objectives, criteria, condition and procedure specified in the project, under the rules and regulations of the announcement by the Securities and Exchange Commission, the Securities and Exchange Commission Board, Capital Market Supervisory Board and the Stock Market.

(f) In a case where it becomes factually apparent to the Management Company that an person or a group of the same persons holds more than one third of the Fund issued units, the Management Company shall proceed in accordance with the announcement of the Securities and Exchange Commission.

(g) Increase or reduce the Fund's registered capital in accordance with the criteria and procedure specified in the project and/or proceed in accordance with the announcement by the Securities and Exchange Commission, the Securities and Exchange Commission Board or Capital Market Supervisory Board.

(h) Allocate the Fund's profit for the payment of dividend to the unitholders in accordance with the criteria and procedure specified in the project as prescribed by securities law;

(i) Provide for an appraisal of assets as prescribed by securities law;

(j) Provide for the Fund's insurance as prescribed by securities law;

(k) Provide for the inspection of the property conditions as prescribed by securities law;

(l) Send various relevant and necessary documents and information for the appraisal or revaluation of assets as requested by an Appraiser, as well as provide facilitation to the following persons:

- Asset Appraiser or a person assigned by the Appraiser for the evaluating inspection of property acquired by the Fund through its investment

- Supervisor or a person assigned by the Supervisor for the inspection of property acquired by the Fund through its investment as specified in the contract appointing the Supervisor

(m) Hold unitholders meeting if the unitholders who collectively hold no less than 10 per cent of the issued units request for there to be a unitholders' meeting

(n) Change or amend the project or the management of the Fund in accordance with the provisions, conditions and criteria specified in the project

(o) Conduct any legal activities on behalf of the Fund which the Management Company is authorised to do so within the boundary of law;

(p) Take action or any other procedures for the achievement of the Fund's objectives and maintain the benefit of the unitholders within the duties and responsibilities of the Management Company while in accordance with the securities law and/or other relevant law;

(q) Proceed to full closures of the Fund as specified in the project.

(2) The Fund's receipt and payment of money

Arrange for there to be receipt and payment of various fees and expenses and or any other remunerations as specified in the project.

(3) Appoint the following related persons for the management of the Fund:

(a) the investment committee (if any);

(b) persons approved by the Securities and Exchange Committee to carry out responsibilities in accordance with the criteria announced by the Securities and Exchange Committee as follows:

- Property Fund Manager to make decision to invest in or distribute the property and the leasehold right of the property

- Fund Manager to make decision to invest in or distribute the assets under 6.2 for the management of the Fund's liquidity

The Management Company shall post a notice of the list of names of the company's property Fund Managers in an open area at the company's office.

(c) The Supervisor of the Fund who has the qualifications in accordance with announcement of the Securities and Exchange Committee on the qualifications of property Fund Supervisor, including the replacement of the Fund's Supervisor and other Supervisors in accordance with the criteria for the changing of the Supervisor specified in the project as permitted by the Securities and Exchange Committee.

(d) Investment unit registrar, including the replacement of the Fund's investment unit registrar and other investment unit registrar who has the qualifications in accordance with the Securities and Exchange Committee's announcement and notify such appointment to the Securities and Exchange Committee

The investment unit registrar that the company shall appoint must be able to control the holding of investment units by foreign unitholders at any given time after the initial sale of the Fund's investment units, to be in accordance with the criteria prescribed by securities law.

(e) Appraiser– such Appraiser must be on the list of companies approved by the Securities and Exchange Committee

(f) Property Manager (if any) – such Property Manager must have the characteristics and none of the prohibited qualities as prescribed in the Securities and Exchange Committee's announcement

(g) Consultant (if any) to be responsible as the Management Company's and/or the Fund's consultant



(h) The Fund's auditor – such auditor must have the characteristics and none of the prohibited qualities as prescribed in Securities and Exchange Committee's announcement regarding the criteria on the approval of the auditor, including the replacement of the Fund's auditor and any other auditor who has all of the characteristics prescribed by the Securities and Exchange Committee and notify such replacement to the Securities and Exchange Committee.

(i) The Fund's liquidator to be responsible for the collection and distribution of assets to the unitholders and to carry out any other responsibilities necessary for the liquidation process at full closures of the Fund.

(j) Any other persons to be responsible for various conducts relevant to the Fund such as the construction supervisors, various experts, estimators, building inspectors, cleaners and building contractors.

(4) Any other actions:

(a) Submit an application for the registration of assets, which are income derived from the distribution of the project's investment units, as Fund to the Securities and Exchange Committee within 15 working days from the closing date of the investment unit being offered for distribution.

(b) Submit an application to the Stock Market to consider accepting the investment units of the Fund as registered securities within 30 days from the date of registration of the Fund.

(c) Request for a replacement evidence of registration of the assets as Fund from the Securities and Exchange Committee for a fee at the rate prescribed by the Securities and Exchange Committee where such evidence has been lost or destroyed.

(d) Separate the assets of the Fund from those of the Management Company and entrust the assets of the Fund in the care of the Supervisor and/or Thailand Securities Depository Co., Ltd, and/or other person as approved by the Securities and Exchange Committee, except where this cannot be done due to the condition or type of assets.

(e) Arrange for unitholder registrations in accordance with the criteria and procedure announced by the Securities and Exchange Committee, and hold them for safekeeping.

(f) Create an account showing the correct Fund's investment and write investment reports of the Fund to be given to the Fund Supervisor in accordance with the criteria and procedure announced by the Securities and Exchange Committee.

(g) Calculate the value of the assets, net assets value and the value of the investment units in the Fund to be in accordance with the criteria, conditions and procedure for the establishment and management of property Fund or the criteria and procedure prescribed by the Securities and Exchange Committee.

(h) Notify the unitholders of any event or change, which shall significantly affect the Fund, that occurs after the date of calculation of the asset value, net assets value and the investment unit value under (g) above.

(i) Provide the financial statement of the Fund to be in accordance with the standard of financial report, including the report of the Fund for the end of every fiscal year and send such report to the unitholders whose names are on the unitholder registrations and the Securities and Exchange Committee within 4 months from the date at the end of the fiscal year.

(j) Send a copy of the appraisal or revaluation report with copies of relevant documents to the Supervisor without delays and to the Securities and Exchange Committee within 15 days from the date of receipt of such report.

(k) Send the following documents to the Supervisor without delay when there is an investment in or distribution of property or the leasehold rights of property:

- Where property is purchased, the documents showing the ownership or possessory rights in the property and the sale agreement of the property
- Where property is distributed, the sale agreement of the property
- Where the property is let, sub-let or the leasehold right of the property is transferred (as the case may be), the rental contract, sub-letting contract or contract showing the transfer of the leasehold right.

The Management Company shall notify the possession of the property to the Supervisor in writing within 5 working days from the date of possession of the assets invested by the Fund.

(l) Send a copy of the following contracts to the Supervisor

- Contract appointing the Appraiser within 5 working days from the date of contract or from the date of appointment of the Supervisor where the Appraiser is appointed prior to the appointment of the Supervisor, as the case may be
- Contract appointing the Property Manager (if any) and contract appointing a consultant (if any) within 5 working days from the date of such contract

(m) Collect, follow, proceed, order those with various responsibilities in accordance with the appointment contract, such as Property Manager, consultant, construction supervisor, to prepare, send and write various reports and/or proceed in accordance with the appointment contracts and/or as requested by the unitholders and/or those authorised by law. The Management Company does not need to guarantee and/or be responsible for the accuracy of the information prepared by or for any actions carried out by such persons. However, where the Management Company knows or should know the mistakes in the report and/or the behaviour of such person, the company shall notify such person to correct the mistakes in the information or the action immediately.

(n) Send documents summarising the important information regarding the investment or the distribution of assets and leasehold right of the property invested by the Fund to the unitholders and the Securities and Exchange Committee within 15 days from the date of investment or distribution of the property and the leasehold right of the property, as well as provide for the important information to be available in an open area at every office or the company and the head office of the Supervisor within 15 days from the date of investment or distribution of the property and the leasehold right of the property for the inspection of the investors. The summary documents shall have the important information as prescribed by the Securities and Exchange Committee.

When the investment units of the Fund have been approved as registered securities in the Stock Market, the Management Company shall send the documents summarising important information under paragraph one to the Stock Market, in place of the unitholders, within the working day after the date of purchasing, renting,

distribution or transferring of the leasehold rights of the Fund or within any other period of time as prescribed by the Stock Market.

(o) Proceed, as appropriate, with the selling, distribution, disposal and transfer of the property and the leasehold right of the property or other assets wholly or partly invested by the Fund

(p) Carry out any other responsibilities as provided by securities law as the responsibilities of the Management Company

#### 8.1.5 Methods and conditions for changing the management company

The fund may change the management company in any of the following cases: and/or upon approval from the Office of the SEC

(1) When the unitholders of the mutual fund pass a resolution in the aggregate of more than half of the total number of investment units sold, they shall change the management company before the expiration of 5 years from the date of registration of the mutual fund establishment. The reason for changing the management company not caused by an offense or serious impaired performance caused by the management company directly The fund shall pay management fees compensation to the management company based on the number of days calculated from the remaining period before the completion of 5 years, using the calculated net asset value of the latest month as the basis for calculation, except that the management company And the Fund will agree that it will not pay compensation for such management fees.

In this regard, the unitholders must give a written notice to the Management Company not less than 90 days in advance unless the Management Company agrees in writing to shorten the period of such advance notice.

(2) in the event that there is a change in the project management policy in accordance with the resolution of the unitholders' meeting or the amendment of the Securities and Exchange Act; Notifications of the SEC, Notifications of the Office of the SEC and/or other relevant laws which will result in the management company being unable to comply with the said notifications, orders, rules and regulations. Because the aforementioned changes resulted in an increase in obligations to the management company. and the management company does not wish to take on further duties The management company reserves the right not to assume any responsibility. in the next mutual fund management However, the management company must notify the unitholders. in advance in writing that he does not wish to continue his duties The management company will present the management company with full qualifications according to securities law. and has been approved by the Office of the SEC for unitholders Unless the unitholders express their intention to procure a new management company. In this regard, unitholders must complete the appointment of a new management company within 90 days from the date of being notified by the management company.

(3) In the case that the unitholders wish to or has a resolution to change the policy Management methods, operations, fund management or any other case that will result The Management Company does not wish to continue performing duties. The management company reserves the right not to assume any responsibility for the management of the mutual fund. In this regard, the management company must notify the unitholders in advance in writing that it does not wish to undertake further duties by The Management Company will present a new Management Company with full qualifications under the Securities Law. and has been approved by the Office of the SEC for unitholders Unless the unitholders express

their intention to procure a new management company. In this regard, unitholders must appoint The new management company must be completed within 90 days from the date of notification from the management company.

(4) in the case where the management company is revoked its license to undertake securities business in the category of mutual fund management which resulted in being unable to continue performing duties of the Management Company. The Management Company will still receive a management fee at the stated rate. in the project until the last day of duty as a management company

To change the management company If it is a case where the law requires approval from the SEC Office, such approval must be sought first. The management company will continue to perform its duties until a new management company is appointed. However, if it is the case where the management company has given notice of resignation from being the management company under (2) or (3) but the mutual fund and/or the unitholders cannot appoint Any other mutual fund management company can assume its duty within 90 days from the date the management company gives notice. The management company reserves the right to cancel the project. It is deemed that the aforementioned operation has been approved by the unitholders.

#### 8.1.6 Property funds under management

As of Feb 29, 2024 KTAM has 2 other property funds as follows:

Property Fund	Asset Class	Responsibility
1. CPTGF	Office	Fund Manager
2. TTLPF	Retails	Fund Manager

#### 8.2 Property Manager:

8.2.1 Name and Address : Ek-Chai Distribution System Co., Ltd.  
629/1 Navamintr Road, Nuanchan, Buengkoom  
Bangkok 10120, Tel 0-2797-9000 Fax 0-2797-9829

#### 8.2.2 Shareholding structure

No.	Name	No. of Shares	Proportion
1	CP AXTRA PUBLIC COMPANY LIMITED	513,750,003	100.0000%
2	Mr. Narong Chearavanont	1	0.0000%
3	Mr. Suphachai Chearavanont	1	0.0000%
Sum		513,750,005	100.0000%

#### 8.2.3 Duties and responsibilities of the Property Manager

The Management Company and the Property Manager shall enter into the Property Management Engagement Agreement (“**Property Management Engagement Agreement**”) after registration of the Fund's establishment with the Office of the SEC. Under such Agreement, the Property Manager shall perform the duties in various areas including but not limited to the following duties.

- Management on lease and leasing out, and permission of the service usage of the area relating to the Fund's immovable properties to the temporary area users.

- Management of the Fund's immovable properties
- Preparation of financial report and operating performance report
- Marketing tasks

Throughout the term of such Property Manager Engagement Agreement for Lotus, the following executions are agreed.

- (a) Efficiently manage immovable properties and leasehold rights in immovable properties invested by the Fund on behalf of the Property Manager in accordance with the principle of good management both in part of management of rental area, management of lease agreement, licensing agreement, and service agreement. Lotus shall adhere to organization chart and reporting procedure based on line of power agreed with the Fund and comply with the Fund's reasonable orders that may be periodically issued.
- (b) Comply with related laws, and give counsel to the Fund regarding laws required for compliance by the Fund in part relating to this Property Management Engagement Agreement or immovable properties and leasehold right of properties invested by the Fund other than operating duties under above (a) and (b), authority of the Property Manager as required by laws or commercial practice for operating agency in management of rental area, management of tenants, and management of immovable properties. Lotus on behalf of the Property Manager shall have power and duties in the following matters: management of lease agreements and service agreements, management relating to assessment by preparation of budget, business forecasting and planning, delivery and acceptance of delivery of rental space, entry to decorate the tenant's area, tenant relationship management, repair management, parking lot management, agreement management, general affairs management, building security-related execution, expense management, financial and marketing management, preparation of business plan and annual budget, collection of rental fee and service fee, bank account management, other additional duties that may be periodically determined by the Fund under reasonable ground.

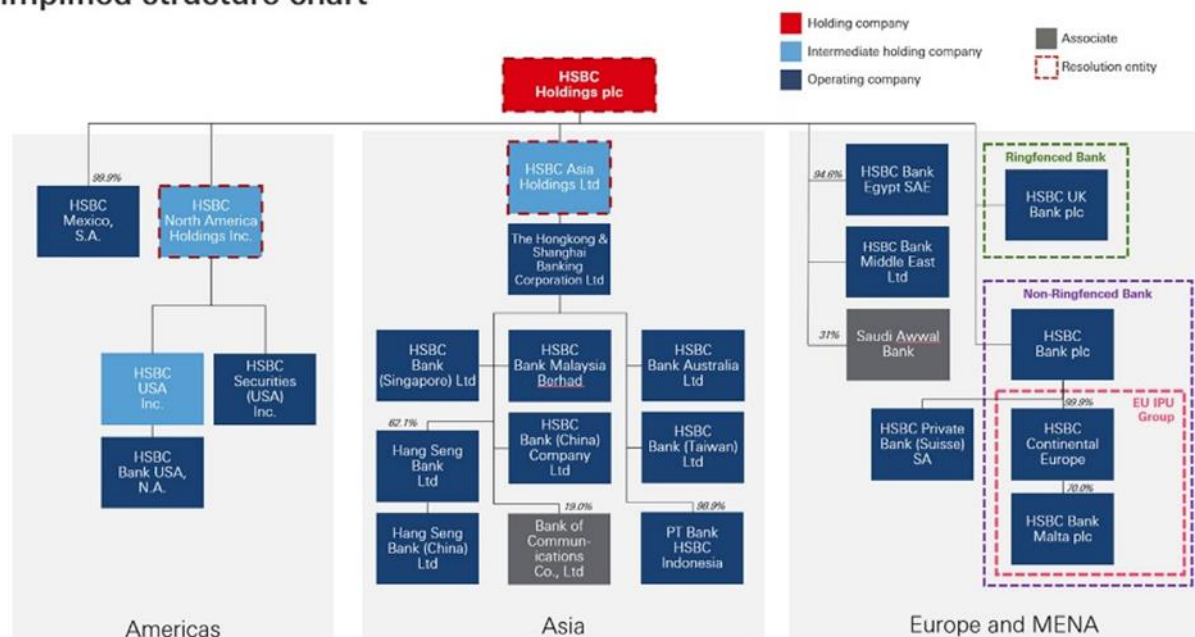
The term of such Property Management Engagement Agreement is 15 years. The term shall be automatically renewed for additional 15 years unless in case where the party cancels the Agreement before the expiry date or otherwise agreed by the party of the said Agreement.

### 8.3 Fund Supervisor / Property Storage

8.3.1 Name and Address of Fund Sup : The Hongkong and Shanghai Banking Corporation Limited,  
Bangkok Branch  
No. 986 U Chu Liang Building  
Rama IV Road, Sathon, Bangrak  
Bangkok 10500  
Tel. 0-2614-4000 Fax. 0-2632-4818  
Website : <https://www.hsbc.co.th/>

### 8.3.2 Shareholding Structure

#### Simplified structure chart



### 8.3.3 Duties and responsibilities of the Fund's Supervisor

The Supervisor has rights, duties and responsibilities in the Project as follows.

- (1) Strictly supervise the Management Company to discharge under securities law and approved requirements of the mutual fund management project, and commitment entered with the unitholders. If the Management Company fails to comply with, the Management Company shall be immediately notified.

In case where the Management Company performs any act until causing damage to the Fund or fails to comply with duties under securities law, the Supervisor shall prepare the report relating to such matter in detail, and submit to the Office of the SEC within 5 (five) days from the date of the Supervisor's realization, or having reasonable ground for realization of such event.

- (2) Sue and execute the Management Company to comply with its own duties or sue to claim for indemnity for damage from the Management Company for interest of all unitholders or upon receiving the order of the Office of the SEC.
- (3) Complete inspection of immovable properties on schedule as follows.
  - (a) Within 30 (thirty) days from the notified date of taking possession of immovable properties from the Management Company
  - (b) Every one year from the completion date of the previous inspection by the Supervisor whereas the expenses incurred from inspection of the immovable properties shall be deemed as expense of the Fund.

- (4) Complete proper and complete recording of the actual condition of the immovable properties inspected by the Supervisor within 30 (thirty) days from the commencement date of the inspection of the said immovable property condition.
- (5) Notify the Management Company for acknowledgement within 5 (five) working days from the finding date of the Supervisor that the immovable properties of the Fund are significantly defective.
- (6) Notify the Management Company to immediately re-value when the Supervisor deems that any occurrence of event or change significantly affects value of immovable property.
- (7) Verify the investment, purchase, lease, disposal or transfer of the invested assets of the Fund in accordance with the project and rule stipulated by the SEC.
- (8) Consider giving consent on disposal method for asset or procedure of leasehold right assignment as stipulated by securities law for consent of the Supervisor.
- (9) Prepare account and certify accuracy of the depositary invested assets of the Fund, and prepare inventory account of the assets of the Fund.
- (10) Certify that the calculation of asset value, net asset value, and investment unit value of the Fund is correct in accordance with the rule prescribed in the Notification of the Office of the SEC. The Supervisor can use information received from the Management Company. Such information may be from the report solely prepared and certified by the Management Company, or received by the Management Company from the Property Manager engaged by the Management Company under true certification of the Property Manager on the accuracy of such report for use as support of calculation of net asset value.
- (11) Carry out receiving and paying money from the account of the Fund within schedule and in accordance with the order of the Management Company.
- (12) Remark opinion on the operation of the Fund in Report of the Fund.
- (13) Have other right, duty and responsibility prescribed in Supervisor Appointment Agreement.
- (14) Separately store assets of the Fund from the assets of the Supervisor or assets of other parties maintained by the Supervisor; and
- (15) Perform other duties as prescribed in Notifications of the SEC as duty of the Supervisor.

Asset Storage : The Hongkong and Shanghai Banking Corporation Limited, Bangkok Branch  
HSBC Building, No. 968 Rama IV Road  
Silom, Bangrak, Bangkok 10500  
Tel. 0-2614-4000 Fax. 0-2353-7333

#### Conditions for change of the Fund Supervisor

The Management Company may change the Supervisor upon event occurrence of any of the following cases.

- (1) Upon the intention either of the Management Company or the Supervisor to cancel Supervisor Appointment Agreement, the cancelling party of the Agreement shall notify the other party for acknowledgement in writing at least 90 (ninety) days in advance.
- (2) In case where the Management Company or the Supervisor fails to comply with the agreed duties or responsibilities, the Supervisor or the Management Company may cancel Supervisor Appointment Agreement upon written notice to the other party for acknowledgement at least 30 (thirty) days in advance
- (3) In case of alteration in material conditions in mutual fund management project due to alteration of securities law or any other cases, this shall cause the Management Company and the Supervisor unable to agree on altering Supervisor Appointment Agreement to be consistent with such securities law. Due to the effect of such alteration on increase in obligation to the Supervisor, and the Supervisor desires not to further assume such duty, the Supervisor is entitled to cancel Supervisor Appointment Agreement upon written notice to the Management Company for acknowledgement at least 90 days in advance.
- (4) In case where the unitholders with resolution by majority vote which is estimated based on total investment units and more than half of total sold investment units of the Fund, request for change of the Supervisor
- (5) In case where the Supervisor is disqualified in any clauses under the Notification of the Office of the SEC on Qualification of the Supervisor of the Property Fund, the Management Company shall take action to assign the Supervisor to correct to be proper within 15 (fifteen) days from the following day of detection date of the Management Company or it is evident from the audit of the Office of the SEC; and the Management Company shall notify such correction for acknowledgement of the Office of the SEC within 3 (three) working days from the following day of the corrective completion date.

In case where the Supervisor fails to correct properly within the said specified period, the Management Company shall request the Office of the SEC the permission of change of the Supervisor within 15 (fifteen) days from the following day of the expiration date of correction. Upon permission of the Office of the SEC, the Management Company shall appoint the new Supervisor in replacement of the old Supervisor unless otherwise directed by the Office of the SEC.

- (6) If the Supervisor wrongfully discloses the information relating to the mutual fund management or any other information relating to mutual fund management, the Management Company can immediately cancel Supervisor Appointment Agreement.



- (7) Upon any person's proposing or filing a petition to the court or related government agencies in part relating to the Supervisor of the Fund (a) for dissolution or for any other similar activities, or (b) for rehabilitation, composition, or relaxation of debt settlement, asset management, liquidation for dissolution, or request for any similar matters under current or future laws or under regulations.
- (8) Upon comment of the government agencies or organizations on performance of duties of the Supervisor that it is seriously guilty or negligent, the Management Company shall be notified or general announcement shall be performed; and
- (9) Upon the liquidator's registration for dissolution of the Fund with the Office of the SEC

The change of the Supervisor in every case must be firstly permitted by the Office of the SEC as securities law stipulates that there must be the Supervisor of the mutual fund. Thus, in case where the Supervisor is off the duty under Clause 132 . – Conditions of Change of the Supervisor, the Supervisor must further perform the duties of the Supervisor of the Fund to be complete until handling the transfer of all assets and documentary evidence of the Fund to the new Supervisor or under order of the Management Company or the Office of the SEC, including any other necessary actions for orderliness in transfer of all assets and documents to the new Supervisor until completion within a reasonable time that work can be continuously performed.

#### 8.4 Investment Committee (the information as at 28 February 2023)

1. Mr. Sunthorn Arunanondchai
2. Mr. Anusorn Sirikijpanichkul
3. Mrs. Piangpis Chatwiriychai
4. Mrs. Chavinda Hanratanakool
5. Mr. Piraj Migasena
6. Mr. Anuchit Katetrakul, CISA

#### Duties and responsibilities of the Investment Committee (in brief)

1. Consider making decision on investment, purchase, lease, sub-lease, leasing out, sub-leasing out, disposal, transfer or acceptance of transfer of immovable properties or leasehold rights to immovable properties.
2. Take any other actions under resolution of the unitholders.
3. Keep the meeting information as secret and not disclose to any person for acknowledgement unless explicitly required by laws for disclosure.
4. Transparently and honestly consider making decision on any matters.

#### 8.5 Name, address and telephone number of the following persons

8.5.1 Auditor : PricewaterhouseCoopers ABAS Limited

No. 179/74-80 Bangkok City Tower, 15th Floor  
South Sathorn Road, Thungmahamek, Sathorn, Bangkok 10120  
Tel. 0-2844-1000 Fax. 0-2286-5050

8.5.2 Registrar : Krungthai Asset Management Public Company Limited  
No. 1 Empire Tower, 32nd Fl.  
South Sathorn Road, Yannawa, Sathorn, Bangkok 10120  
Tel. 0-2686-6100 Fax. 0-2670-0430  
Website: [www.ktam.co.th](http://www.ktam.co.th)

8.5.3 Valuer : 15 Business Advisory Limited  
Suite 39, 9th Fl., RS Tower  
121 Ratchadapisek Rd., Dindang, Bangkok 10400  
Tel. 0-2641 3800 Fax. 0-2641 3801

SIMS PROPERTY CONSULTANTS CO., LTD.  
Lumpini Tower Vibhavadee-Chatuchack (Tower B), 17<sup>th</sup> Floor  
No. 6/92 and 6/97, Chom Phon, Bangkok 10900  
Tel. 02-5304333 Fax. 02-5304050

8.5.4 Fund/Trust Advisor (if any)  
-None-

## 9) Corporate Governance

Krungthai Asset Management Public Company Limited is under supervision of the Office of the SEC pursuant to Securities and Exchange Act B.E. 2535 (1992) in part of the Company's corporate governance. The Company consists of the Board of Directors and Sub-Committees such as Audit Committee and Risk Management Committee, to supervise the Company's overall business. The Fund is supervised and managed by the Fund's Supervisor in accordance with the Fund Project. In addition, Compliance Office of the Company performs supervision of the compliance in accordance with laws. The Chief Executive Officer has appointed the PIF Investment Committee to perform the consideration on the management of the Property Fund in significant matter, enter to act as the Fund Manager and manage fund management fee, investment in the project assets, liquid asset management of the Fund, potential risk factors of the Fund, etc.

### 9.1 Corporate governance policy of the Fund

The Company gives precedence to governance of the fund business for business operation and performance of duties in accordance with related laws and rules such as Securities and Exchange Act B.E. 2535 (1992), Notification of the Securities and Exchange Commission Regulations of the Stock Exchange of Thailand Articles of Association of Investment Management Companies including the policy of operating the fund

management business within the company and the code of conduct for the fund management business. The Company has set up an Audit Committee, Risk Management Committee being the supervisor of the Company's overall business as well as the Infrastructure Fund. There will be a Supervisor of the Fund to supervise the Fund's management in accordance with the Scheme. In addition, the Company has the Office of Compliance and the Office of Internal Audit to supervise and monitor operations in accordance with the law and as specified by the project. The Company has also appointed the PIF Investment Management Committee to consider and screen the management of real estate funds in important matters to make the management more prudent.

## 9.2 Sub-Committees

The management company will set be an investment management committee. There will be a meeting at least once a quarter with the scope and duties as follows:

The scope and duties in the case of a fund manager are as follows:

- (1) Consider the entry into duty Fund Manager and management fees for setting up the fund
  - (1.1) In case of meeting the minimum eligibility criteria, consider the approval by the Investment Committee-PIF before being presented to the Product Development Committee (PDC) for approval.
  - (1.2) In the event that the minimum qualifications are not met, consider giving opinions before submitting to the Board of Directors for approval according to the specified procedure.
- (2) Consider investments in project assets such as real estate investments or the right to lease real estate or infrastructure business including giving opinions on the guidelines for consideration, decision making, investment, purchase, lease, rent, sell, transfer or accept transfer of immovable property or leasehold right of immovable property.
- (3) Consider the management of liquid assets of the Fund / any other assets that the Fund can invest
- (4) Consider the possible risk factors of the fund as follows:
  - (4.1) Risks related to real estate funds or infrastructure funds such as business risks, natural disaster risks, risks from changes in SEC rules/related laws, risks from operating results that differ significantly from estimates, etc.
  - (4.2) Risks related to investment in income rights
  - (4.3) Risk from conflict of interest
  - (4.4) Fund Management risk as presented by the fund manager
- (5) Consider the fund management as proposed by the fund manager, as follows:
  - (5.1) Loan
  - (5.2) Dividend payment / return of investment from capital reduction to unitholders
  - (5.3) Changes in project funding, including an increase in registered capital, reduction of registered capital
  - (5.4) Buying or selling of the Fund's core assets

(5.5) Amendments to the fund project

(5.6) Dissolution of the Fund

(5.7) Consideration of the Fund's significant expenses

(5.8) Appointment / change of persons related to the fund such as investment advisory committee, real estate manager, Supervisor, fund registrar, liquidator, advisors such as financial advisors, legal advisor as presented by the fund manager

(5.9) Consider giving opinions as a fund manager according to the announcement of the SEC Office

(5.10) Give opinions on actions that may cause conflicts of interest

(5.11) Acknowledgment of the Fund Performance Report quarterly

(5.12) Acknowledgment of any events or changes that may affect the value of the assets, infrastructure at the Fund invested or held significantly according to the criteria set out in relevant notifications.

### 9.3 Meeting of Investment Management Committee / Fund Manager

The structure of Investment Management Committee – PIF consists of:

1	Managing Director	Chairman
2	Chief Investment Officer	Vice Chairman
3	Chief Operating Officer	Director
4	Chief Executive Officer of the Office of Compliance	Director
5	Chief Research Officer	Director
6	Chief Executive Officer of Legal Department	Director
7	Chief Executive Officer, Property Fund and Infrastructure Fund Department	Director
8	Chief Executive Officer of Trust Management Business Development Department	Director
9	Mr. Eakamol Na Ranong	Director and Secretary

#### Meeting conditions

The Investment Management Committee - PIF will meet at least once a quarter. There must be directors attending the meeting not less than three-fourths of all directors and there must be a chairman or a vice chairman to preside over every meeting. There is a fund manager who is responsible for the property fund, Infrastructure Fund or REIT Manager responsible for the REIT and/or the top executive of the Trust Management Business Development Department presented in that agenda, attended every meeting. Therefore, it will be considered a quorum of the meeting.

In summoning a meeting of the Investment Management Committee – PIF, the chairman or the person assigned by the chairman sends a meeting invitation to the directors to attend the meeting at the same place. Except in case of urgency and the directors are unable to attend the meeting in the same place, the meeting can be organized by means of video conference and/or conference telephone call.

#### **9.4 The Fund invest indirectly through shareholding**

-None-

#### **9.5 Supervision of companies in which the Fund invest indirectly through shareholding**

The Fund is not directly or indirectly invested by shareholding.

#### **9.6 Supervision of the use of internal information**

The Board of Directors has established a policy to prevent and exploit information within the Fund by prohibiting the trading of securities based on inside information that has not been disclosed to the general public and known to them due to their position or performance of duties. The directors, advisors, executives, and employees have a duty to strictly comply with the policy. At the same time, the Company has established regulations to prevent the exploitation of insider trading as follows:

- The Company has established a Chinese wall system and a system to prevent internal information leakage of the Fund in the access person's operating room area.
- Supervise to have a system to record access control and store such information for at least 6 months for use as information for review.
- Maintain the security of internal data of the Fund located in the central computer system to comply with information technology security regulations.
- Maintain the security of internal information of the Fund stored in printed form.
- The Company requires that access person communication is recorded and stored in the operating room.
- Arrange for regular review, follow up, and audit compliance with policies, codes of conduct and regulations.

In this regard, the management company has penalties in the event that the executives or employees disclose inside information to the public or use it for personal benefits.

#### **9.7 Investment Decision Making and fund / trust management**

##### **(1) Investment decision making process**

- Considered by the Investment Committee. and in accordance with the rules prescribed by the Office of the SEC
- Analyze and study the feasibility and suitability of buying or renting real estate.
- Investment in securities or finding fruit by other methods by Fund Manager, Capital Management Department
- Appoint real estate managers in procuring tenants for mutual fund benefits

##### **(2) Policy for recruiting real estate tenants and the process of supervising real estate managers**

The Fund has a policy to recruit tenants by defining the target tenants into 2 groups as follows:

1. Customers who rent the main area (Anchor Tenant), which are mostly customers who do business in the Hyper/Supermarket And a specific shop (Category Killer) where the customer group of tenants in this main area will attract (Magnet) other co-tenants to rent other parts of the project within the fund's project.

2. Co-Tenant customers, which will consist of shops such as restaurants, drugstores, video rental shops, laundry shops, bookstores. Flower shops, banks and other retail stores, etc.

In this regard, the Fund has appointed Ek-Chai Distribution System Company Limited to act as a property manager. Under the supervision of the management company, in accordance with the conditions specified in the fund management scheme. and require real estate managers to recruit tenants in accordance with the aforementioned policy

#### **9.8 Selection of Property Manager (policy for selection factor and process)**

The Fund has considered selecting Ek-Chai to be the Property Manager as it is experienced and expert in area management of shopping mall, marketing, tenant relationship management, and rental area management on continuous basis. In this regard, the fees and related compensation paid to Ek-chai Distribution System Co., Ltd. are at reasonable rates under normal commercial customs as if they were transactions with other real estate managers (at arm's length transaction).

#### **9.9 Monitoring the performance of duties of the Property Manager**

The Management Company shall monitor the performance of duties of the Property Manager. In each year, the Management Company shall consider approving budget and work plan proposed by the Property Manager. The Fund Manager shall control and monitor the function of the Property Manager in accordance with work plan approved by the Fund, call for the meeting for hearing operating performance and operating guideline of the Property Manager, and solve each occurred problem. The Property Manager shall execute the following.

- Prepare annual budget and propose to the Investment Committee of the Fund for approval request and consent request from the Fund.
- Property Manager shall report operating performance to the Fund Manager by submission of Monthly Report.
- Execute as prescribed under Property Manager Appointment Agreement between the Fund and Ek-Chai dated 13 March 2012, and Memorandum of Agreement on Revision of Related Agreements (if any)

In the past fiscal year, the Property Manager has performed the duties in accordance with the planned budget completely.

#### **9.10 Monitoring the Fund/Trust's benefit**

9.9.1 Prepare annual budget under consent approval of the Investment Committee

9.9.2 The Property Manager must annually report operating performance to the Investment Committee.

9.9.3 Execute under Property Manager Appointment Agreement between the Fund and Ek-Chai.

### 9.11 Remuneration of the Management Company

- Management fee in annual rate of no more than 0.16% of net asset value of the Fund which is calculated by the Management Company and certified by the Supervisor.
- For accounting period from 1 March 2023 to 29 February 2024, management fee was 15,216,254 Baht.
- Investment unit registrar fee in annual rate of no more than 0.02% of asset value of the Fund for 4,366,814 Baht.

### 9.12 Disclosure of data/information to the unitholders

The Company gives precedence to proper disclosure of data/information to the unitholders and formulates information disclosure measure both for financial information and non-financial information as required by laws, under internal review process prior to disclosure of data. The data and information shall be disclosed via SET Community Portal of the SET and the Company's website.

### 9.13 The Unitholders' meeting and TWO-WAY communication with the unitholders

#### Process and duration

(a) The Management Company shall disclose the information in accordance with the fund management via the channel of two-way communication with the unitholders, by considering for the opportunity of the unitholders to receive such information by equally and fairly basis, in the following manner:

1) In the form of two-way communication whether the physical meeting or any other way, to encourage the unitholders in order to ask and/or find out for more information, therefore, within 4 (four) months from the ending date of the fiscal year of the Fund.

2) In case of the unitholders have inquiries on the relevant information, the management company shall summarize as well as disclose the material questions and answers, in order to facilitate for other unitholders acknowledgment, therefore, within 14 (fourteen) days from the date of 1) is completed.

In case of the Fund is a listed entity, shall disclose the information as the first paragraph via the information disclosure system of the stock exchange of Thailand.

The information in accordance with the fund management are as follows:

- (1) The Fund's significant matters and future direction in management.
- (2) Appointment of the auditors and audit fee.
- (3) Financial position and operating result of the Fund in the last fiscal year along with at least financial statements that have been audited and given an opinion by an auditor.

(b) Unitholders' meeting in any of the following cases:

- (1) At the time that the Management Company deems appropriate to call the Unitholders' meeting for fund management benefits.
- (2) At the time that the unitholders holding total investment units of no less than 10% of total sold investment units of the Fund submit a joint letter to request the Management Company to call for the Unitholders' meeting.

## Privilege of the Unitholders

### 1. Right to receive dividend

The unitholder whose name is listed in Book of Unitholders' Registration in Book Closing Date for dividend payment is entitled to receive the appropriation of profit in form of dividend from the Fund under rule and procedure specified in the Project.

### 2. Right to resolve for revision of Fund Management Project or alteration of the management method

Each unitholder is entitled to resolve for revision of the Fund Management Project or alteration of management procedure in accordance with condition and rule prescribed in the Project.

However, the revision of the Project or management procedure shall be in accordance with Clause 34 "Revision of the Project or Alteration of the Management Procedure"

### 3. Right to receive the fund upon dissolution of the Project

The unitholder is entitled to receive the fund based on unitholding proportion upon dissolution of the Project. The Management Company shall arrange the liquidator approved by the Office of the SEC as liquidator to dispose assets and settle debts of the Fund, dispose fund and/or other assets to the unitholders based on unitholding proportion by execution in accordance with rule and procedure specified in this Project.

### 4. Right to transfer investment units

The unitholder can transfer investment units but must observe and not be in conflict with condition and rule specified in this Project.

### 5. Other privileges

#### (1) Right to pledge investment units

The unitholder of the Fund can pledge investment units in accordance with laws, rule and procedure prescribed by the Management Company and/or investment unit registrar.

The unitholder that intends to pledge investment unit shall declare investment unit certificate and submit the application for issuance of investment unit certificate for pledge purpose at the Management Company or investment unit registrar for issuance of investment unit certificate used for pledging.

The investment unit registrar may suspend trading of investment units until pledge has been registered.

#### (2) Right to vote for resolving business operation of the Fund

The unitholder is entitled to resolve the fund management as prescribed in the Project in accordance with condition and rule prescribed in the Project. The count of such resolution shall be in accordance with rule and procedure prescribed in this Project.

The unitholder is entitled to resolve the following matters.

- Revision of the Project or alteration of the management procedure
- Increase of registered capital of the Fund under procedure specified in "*Increase of Registered Capital of the Fund*"
- Appointment or removal of the Property Manager, Management Company or Supervisor
- Merger with other property fund in accordance with Notification of the Office of the SEC
- Dissolution of the Fund



- Other matters relating to operation or management of the Fund

Upon request of the unitholders holding total investment units of no less than 10 (ten) % of total sold investment units to hold Unitholders' Meeting, the Management Company shall hold the Unitholders' Meeting. In addition, the Management Company shall hold the Unitholders' Meeting or issue written notice to the unitholders to request for approval on the following matters (unless otherwise specified under this Project or securities law) under majority vote of the unitholders which is estimated based on total number of investment units in excess half of total sold investment units of the Fund.

- Appointment or removal of the Property Fund or Management Company
- Consideration on other matters as deemed appropriate by the Investment Committee of the Fund or the Management Company.

If the unitholder or the same group of the persons of the unitholder has special gain and loss in any matter, the Management Company shall not count number of investment units of the unitholder or the same group of persons of the said unitholder (1) in counting vote for resolution request, and (2) as base of vote counting in resolution request.

In the Unitholders' Meeting, the unitholders or proxies shall attend the meeting for no less than 25 (twenty-five) persons or no less than half of total unitholders, and the number of unitholders or proxies that attend the meeting shall hold total investment units of no less than 1/3 (one-third) of total sold investment units of the Fund, for constituted quorum.

- (3) Right to receive refund upon reduction of registered capital

The unitholder is entitled to receive refund upon reduction of registered capital under rule and procedure specified in the Project.

**Transactions with the Management Company, persons related to the management company and related persons, the Management Company shall perform the following actions:**

(1) Investment in or disposition of immovable properties or leasehold rights of immovable properties for mutual funds with related persons after the initial investment. If the value of such transaction made by the Fund with a related person who is the same group of persons within any six-month period has an aggregate value of 100 million baht or from 3 % of the net asset value of the Fund mutual funds or more whichever is lower, the management company must obtain a resolution from the unitholders in accordance with the following rules before entering into such a transaction.

(a) In the case where a resolution request is made by sending a letter requesting a resolution to the unitholders, a resolution of more than half of the total number of sold investment units with voting rights of the fund management project must be obtained such total capital

(b) In the case where the request for a resolution is made by summoning a meeting of unitholders, the resolution must be not less than three-fourths of the total number of investment units of the unitholders attending the meeting and having the right to vote. In the meeting of unitholders to request such resolutions, there must be at least 25 unitholders or not less than half of the total number of unitholders. However, the number of unitholders attending the

said meeting must include investment units of not less than one-third of the total number of investment units sold in the said mutual fund project will be a quorum

Counting the resolutions under paragraph one, the management company is prohibited from counting the number of investment units of the unitholders having interests in Investment in real estate or leasehold real estate included in the resolution.

In the case where the person concerned under the first paragraph is a person related to the management company, the management company shall attach documents of examination and certification of the mutual fund supervisor under (2) shall be accompanied by a letter requesting a resolution or a notice calling for a meeting under paragraph one too.

The consideration of the group of persons under the first paragraph shall be in accordance with the Notification of the Office of the SEC on the establishment of a mutual fund and entering into a private fund management contract.

(2) Investing in or disposing of immovable property or leasehold right after the initial investment with a person related to the management company, the Management Company shall arrange for the Supervisor to examine and certify written that such investments are transactions in a normal commercial manner as if they were transactions with non-specialized customers (at arm's length transactions).

**The request for a resolution of the unitholders in the following matters shall be based on the total number of investment units not less than three-fourths of the unitholders attending the meeting and having the right to vote.**

(1) Acquisition or disposition of immovable property of significance

(2) Transactions between the Fund and related persons

(3) Increasing the registered capital of the Fund

(4) Reduction of the registered capital of the Fund, which is a case requiring a resolution from the unitholders

#### **9.14 Nomination and appointment of director and topmost executive**

-None-

#### **9.15 Remuneration of the auditor**

(1) Audit fee

For accounting period from 1 March 2023 and ended 29 February 2024, audit fee was 1,709,643 Baht.

(2) Non-audit fee

-None-

#### **9.16 In case of compliance with Corporate Governance Code in other matters (if any)**

- None-

## **10) Social Responsibilities**

### **10.1 Overview policy**

In overview of LPF, no policy of corporate social responsibility has been concretely and clearly established. However, in the past, LPF has currently executed social and community care by Ek-Chai on behalf of the Property Manager.

The Management Company and the Fund must adhere to social responsibility guidelines as follows:

1. Promote good corporate governance by establishing a good internal control system in accordance with relevant laws, having internal audits and regularly reporting to the Board of Directors with risk management and publicizing the good corporate governance of the Fund in the annual report and on the website of the management company

2. Operate business with fairness by treating business partners and businesses related to business with fairness by stipulating criteria for selecting business partners or procurement and respecting property rights by auditing. It must be appropriate to ensure that the fund manager operates in a legally licensed manner to use the assets.

3. Against all forms of corruption, do not cooperate or support any person who does illegal business or is a threat to society and national security.

4. Be careful in doing business without violating human rights.

5. Provide fair employment conditions with suitable and safe working conditions.

6. Be responsible to the consumers by following the standard of practice in contacting and providing services to customers.

7. Promote any operation that are beneficial to the community and society as a whole by not doing anything that will damage the country's reputation, natural resources and the environment. Cultivate a sense of responsibility towards the community and society as a whole in fund managers and related parties at all levels continuously.

### **10.2 Additional practical guideline for prevention of corruption involvement**

#### **Policy**

The Management Company encourages the Fund to adhere to business conduct under ethical principles and good corporate governance, along with social and environmental responsibility leading to sustainable business development. It places great importance on protecting the environment seriously and continuously including supporting activities to promote the quality of society in various fields with the local community especially to increase opportunities for education and development of youth's potential including continual donations for the public benefit.

The management company has a policy against all forms of corruption not paying bribes for business interests, not cooperating or supporting any person who breaks the law or a threat to society and the security of the country. The management company has joined the signing of intent in the Collective Action Coalition Against Corruption (CAC) project and has been approved to be a has been a member of the Collective Action Coalition Against Corruption. The Anit-

corruption progress indicator is in the “CAC accredited” level because the management company demonstrates its implementation with a review of the completeness of all processes by the Audit Committee.

#### **Operation**

To promote compliance with all forms of anti-corruption policies, the management company has notified the partners and agents by asking for cooperation to comply with the anti-corruption policy and refrain from giving gifts to the Company's executives and employees as well as publishing to the general public on the website of the management company under the anti-corruption policy announcement.

#### **11) Internal control and risk management**

The Company has internal control processes related to the investment management of real estate funds. The details are as follows:

- (1) In the property fund division and the basic infrastructure division, there shall be a separation of duties between the Fund Manager, whose responsibility shall be to manage the Fund, and the Fund's assistant manager whose main duties are in operations. The assistant manager shall be inspected by the manager and the manager must receive approval or agreement from another level of supervisor.;
- (2) Moreover, the management of the Fund, in the property fund division and the basic infrastructure division, shall be inspected by the compliance office and internal audit office which shall be in accordance with the annual work plan. Management issues covered are such as the inspection of assets, the appraisal of assets, income collection, payment of expenses, insurance, report. The compliance office and the audit office shall report their findings/observations to the inspection committee for further consideration.
- (3) Further, for the management of the property fund to be carried out with care, strictness and effectiveness, the Management Company appoints PIF investment management committee whose duties are to consider the Fund Manager's assumption of duties and the decision to invest in the project's assets, the management of the Fund such as loan, dividend payment, assets purchase and distribution etc.

#### **12) Prevention of conflict of interests**

Persons or businesses related to the Fund means the following persons:

1. Fund Management Company and persons holding shares in the management company in any manner as prescribed by the Notification of the Office of the SEC.
2. Person performing duties related to management company and fund management
3. Funds related to the management company
4. Persons who are related to or connected with the fund management companies or real estate funds such as fund advisors Supervisor of the Fund real estate managers, etc.
5. Persons with controlling power

**Transactions possibly causing conflicts of interest:**

1. Transactions which are the acquisition or disposition of immovable properties or the leasehold rights of immovable properties that the Property Fund performs with related persons having specific characteristics as prescribed by the Notification of the SEC Office.
2. Transactions between the Fund and the Supervisor and Persons Related/Connected to the Supervisor/Supervisor or any other person who may have a conflict of interest
3. Transactions with the same group of persons

**12.1 Transactions between the Fund and the Management Company and persons related to/connected with the Management Company**

**12.1.1 Person or business related to the Fund** means a person or business that has control over the Fund or is controlled by the Fund whether directly or indirectly or under the same control as the Fund, including holding companies, subsidiaries, and businesses that are subsidiary companies in the same group. In addition, related persons or businesses include joint ventures and persons holding investment units with voting rights, directly or indirectly, and having significant influence on the Fund key executive director or employee of the Fund throughout the family members who are close to the said person and activities related to those persons.

The relationships of important related companies can be summarized as follows:

- Ek-Chai Company Distribution System Co., Ltd. is a property manager of the mutual fund and a major unit holder of the fund.

- Krung Thai Asset Management Public Company Limited is the fund manager.

**12.1.2 Necessity and reasonableness of the transaction**

Because the main assets that the Fund has invested, it is the purchase of real estate or leasehold right of immovable property that Ek-chai Distribution System Co., Ltd. is the owner or lessee prior to the investment date of the Fund. After the Fund has completed investing in the main assets, the Fund has appointed Ek-Chai Distribution System Company Limited to act as a property manager under the property management contract (This includes an agreement regarding the granting of the Fund the right to provide utility services to Ek-Chai Distribution System Co., Ltd. as a property manager). For fees and compensation related payments to Ek-Chai Distribution System Co., Ltd. at an appropriate rate, it is in the normal course of business as a transaction with other real estate managers (at arm's length transaction).

After Ek-chai Distribution System Co., Ltd. transferred the said core assets to the mutual fund, Ek-chai Distribution System Co., Ltd. entered into Master lease and service contracts with the Fund. The rental and service fees are at an appropriate rate. In normal trade practice, it is like a transaction with a long-term tenant who leases a large area that is not a connected person (at arm's length transaction). Tempe Co., Ltd. is also a major unitholder of the mutual fund. by holding approximately 25% of the total investment units sold.

In this regard, throughout the period that Ek-Chai Distribution System Company Limited is a property manager and/or unitholders of more than 10 % of the total number of sold investment units of the Fund Transactions related to the acquisition or disposition of assets between the Fund and Ek-chai Distribution System Co., Ltd. can be

made only in the case of normal trading practices as if doing transactions with general partners who are not related to each other (at arm's length transaction) and proceed according to the Notification of the Office of the SEC No. SorThor. 14/2558.

Therefore, the management company and the Supervisor is of the opinion that the transaction between the mutual fund and the property manager is a good transaction and has been undertaken with due regard to the necessity and appropriateness of the mutual fund's business operations. It is based on normal trading conditions as if it were a transaction with a general counterparty that is not related to each other (at arm's length transaction) and is for the benefit of the unitholders of the mutual fund.

12.2 Explain the transaction policy between the Fund/REIT and the connected person in the future and the trend of connected transactions in the future and guidelines for preventing conflicts of interest

For Transaction Policy with Management Company, persons related to the management company and related persons, the Management Company will do the following:

- (1) In transactions with related persons relating to real estate assets, the management company will comply with the regulations of the SEC Notification No. SorThor. 14/2558 regarding the detailed requirements on the prevention and management of conflicts of interest and the Notification of the Market Supervisory Board Capital No. Tor. 36/2562 on the Property Fund Management.
- (2) In a transaction with a related person that meets both of the following elements:
  - (1) It is a transaction of acquiring or disposing of immovable property or leasehold right of immovable property.
  - (2) It is a transaction with a value of 100 million baht or more or from 3% of the Fund's net asset value. However, the calculation of such transaction value shall include the value of transactions occurring in a period of 6 months, which is a transaction that the Property Fund has made with related persons who are related in the manner of a group of people.

The management company will act only after receiving the unitholder's resolution to approve the transaction. according to the rules prescribed by the SEC Office.

However, in the case of a transaction with a person related to the management company The management company will arrange for the Supervisor to check. and certified in writing that the transaction with the person concerned It is a transaction that is customary, as if it were a transaction with a non-specialized customer (at arm's length transactions) and attached to the Supervisor's audit and certification documents. of the mutual fund together with a letter requesting a resolution or an invitation letter for a meeting of unitholders, as the case may be.

(2) Lists of related persons

Report on list of related persons of the Krung Thai Assets Management Public Company Limited,  
Lotus's Retail Growth Freehold and Leasehold Property Fund  
(ending 29 February 2024)

No.	Names of related persons	No.	Names of related persons
1	Financial Institutions Development Fund	32	Miss.Tippawan Pattarakitnitikul
2	Krungthai Bank	33	Miss.Nongluck Tungjaiphat
3	KTB COMPUTER SERVICES	34	Mr.Peerapong Kitjakarn
4	Krungthai Law	35	Mr.Therdsak Saengwimol
5	Krungthai General Services and Security	36	Mr.Somkiat Rueng-Udom
6	Krungthai Asset Management	37	Mr.Yernyong Thepjunmong
7	KTB ADVISORY CO.,LTD	38	Mr.Sarawut Iranoppaiboon
8	Mr. Surapol Opassatain	39	Mr.Sakchai Wimolchaijit
9	Mr. Teeralak Sangsnit	40	Miss.Wilasinee Assawangkoon
10	Associate Professor Dr. Anamai Damnet	41	Miss.Siwaporn Wudanuphan
11	Mr. Prapatpong Weeramon	42	Mr.Montree Thaweewityakul
12	Mrs.Chavinda Hanratanakool	43	Mrs.Pornpim Chokriansukchai
13	Mr.Veera Vutthikongsirigool	44	Miss.Koonnatta Aphiaphalikitthchai
14	Mr.Wirote Tangcharoen	45	Mr.Eakamol Na-Ranong
15	Miss.Hasawara Sangruji	46	Miss.Tiwarin Wacharintranon
16	Miss.Voravanee Tangsirikusolwong	47	Mr.Sornrith Triamworakul
17	Mr.Yuttapon Wittayapanitchagorn	48	Miss.Chanida Ophanurak
18	Miss.Philaiwan Ongthumgul	49	Miss.Atijit Manuchai
19	Mrs.Saengchan Lee	50	Mr.Ekkarin Plong-Oun
20	Mr.Seri Rabintosaporn	51	Mr.Chanawit Lertlum-Ampai
21	Mr.Chatchaphol Srivaleepan	52	Miss.Peerapa Sukrojratt
22	Mr.Somchai Amornthum	53	Mrs.Buathip Chantarakarn
23	Mr.Piraj Migasena	54	Miss.Anutama Bumrungsiri
24	Mr.Karn Latchitakul	55	Mrs.Jutamas Nusprayoon
25	Miss.Asama Lertladasak	56	Miss.Asara Chalermmuk
26	Mr.Thoetyot Phachongsinwiwat	57	Mrs.Sumalee Meethaem
27	Mr.Natphawin Mapaisansin	58	Miss.Ranida Satapunpong
28	Mr.Sornchai Triamworakul	59	Mrs.Jirapa Kumpusiri
29	Mr.Amornsak Wongseng	60	Mr.Pakorn Tammakul
30	Mr.Kittisak Boonrasri	61	Mrs.Natchanan Wungtanagorn
31	Mr.Nutta Mahattana	62	Mr.Vischupong Charoeniam

No.	Names of related persons	No.	Names of related persons
63	Miss.Warunee Thongphew	80	Miss.Warangkana Apichartbutr
64	Mr.Dechanan Thanapob	81	Miss.Natthapraiya Dangdee
65	Mr.Kittichet Surachetpanich	82	Mrs.Kobkarn Iumchitkusol
66	Mrs.Janphen Malayasuwan	83	Mr.Chinrath Sungkakhun
67	Miss.Nisawas Kritpraypa	84	Mr.Chanat Kongpattanasiri
68	Miss.Orawan Kiatphisansakun	85	Mr.Ratchawut Chaisubanan
69	Miss.Phonphan Manotkun	86	Miss.Duangporn Jongsrisawat
70	Miss.Maneeporn Duangmanee	87	Miss.Ratirut Thanyavanich
71	Miss.Nongnuch Thongsin	88	Miss.Chatchanok Sripramoch
72	Miss.Pattaramon Vorasahavat	89	Miss.Wangamon Leewanich
73	Mrs.Vorapreya Chamnongharn	90	Miss.Napassorn Neungjamnong
74	Mr. Anuchit Katetrakul	91	Mr.Nuttapong Kajornkitapirug
75	Miss.Rungthip Tangjitkongpittaya	92	Mr.Khemarat Songyoo
76	Miss.Rattawan Chuechurtsupong	93	Mr.Khonthaphong Khunsattayanon
77	Mr.Chokchai Tiratsakorn	94	Mr.Yudhavee Chuenbunluesook
78	Mr.Nutthapoom Ponganunchok	95	Ek-Chai Distribution System Co., Ltd.
79	Miss.Kongkaew Kumpai	96	HSBC

#### Transactions with related parties

The Fund has established Ek-Chai Distribution System Company Limited, which is a major unitholder of the Fund, in the proportion of approximately 25% of the total number of investment units sold acting as asset manager of the Fund.



## Part 4 Financial Position and Operating Performance

### 13) Significant financial information

Statement of Financial Position (million baht)	For the year ended, as of FEB 28 (29)		
	2023/24	2022/23	2021/22
<b>Assets</b>			
Investments in properties	29,801.32	29,747.69	31,065.90
Investments in debt securities	1,504.76	1,505.51	909.66
Cash and cash equivalents	443.29	460.02	954.32
Rental receivables, net	320.84	209.28	148.23
Deferred expenses	27.50	26.86	28.11
Right of use asset	252.10	171.45	180.85
Other assets	2.42	1.60	7.23
<b>Total assets</b>	<b>32,352.24</b>	<b>32,122.41</b>	<b>33,294.29</b>
<b>Liabilities</b>			
Other accounts payable	94.83	81.23	73.60
Rental income received in advance	66.83	74.72	61.50
Deposits received from customers	345.03	362.45	363.60
Accrued expenses	133.41	145.34	131.00
Withholding tax payable	1.54	1.41	1.35
Borrowing	2,450.00	2,450.00	2,450.00
Lease Liabilities - Right of use asset	260.17	176.41	192.41
Lease Liabilities	524.48	556.68	587.00
<b>Total liabilities</b>	<b>3,876.30</b>	<b>3,848.23</b>	<b>3,860.46</b>
<b>Net assets</b>	<b>28,475.94</b>	<b>28,274.17</b>	<b>29,433.83</b>
<b>Net assets consist of</b>			
Capital from unitholders	25,493.67	25,493.67	25,493.67
Retained earnings	2,982.26	2,780.50	3,940.16
<b>Net assets</b>	<b>28,475.94</b>	<b>28,274.17</b>	<b>29,433.83</b>
Net assets value per unit (baht)	12.1833	12.0970	12.5931
Number of units outstanding at the year ended (in million)	2,337.28	2,337.28	2,337.28

Statement of Comprehensive income	For the year ended, as of FEB 28 (29)		
(million baht)	2023/24	2022/23	2021/22
<b>Investment income</b>			
Rental and service income	2,815.43	2,687.10	2,304.70
Interest income	28.47	8.27	5.14
Other income	80.70	91.31	63.03
<b>Total income</b>	<b>2,924.60</b>	<b>2,786.67</b>	<b>2,372.87</b>
<b>Expenses</b>			
Management fee	15.22	15.39	15.32
Fund supervisor fee	2.91	3.01	3.04
Registrar fee	4.37	4.51	4.55
Property management fee	239.45	245.55	236.19
Professional fee	1.71	1.71	1.71
Operating expenses	268.39	274.69	276.62
Depreciation expense of right of use asset	10.39	9.39	7.15
Other expenses	9.71	6.07	6.73
Interest expenses	103.91	71.27	62.61
<b>Total expenses</b>	<b>656.05</b>	<b>631.59</b>	<b>613.92</b>
<b>Net investment income</b>	<b>2,268.55</b>	<b>2,155.09</b>	<b>1,758.95</b>
<b>Net gain (loss) from investments</b>			
Net unrealised gain (loss) from investments valuation	(38.26)	(1,447.96)	(332.76)
<b>Total net gain (loss) from investments</b>	<b>(38.26)</b>	<b>(1,447.96)</b>	<b>(332.76)</b>
<b>Increase (decrease) in net assets from operations</b>	<b>2,230.29</b>	<b>707.13</b>	<b>1,426.19</b>
<b>Statement of Changes in Net Assets</b>	<b>2023/24</b>	<b>2022/23</b>	<b>2021/22</b>
<b>Increase in net assets from operation during the year</b>			
Increase (decrease) in net assets from operations	2,230.29	707.13	1,426.19
Dividend payment	(2,028.53)	(1,866.79)	(1,584.44)
<b>Net increase (decrease) in net assets during the year</b>	<b>201.76</b>	<b>(1,159.66)</b>	<b>(158.25)</b>
Net assets at the beginning of the year	28,274.17	29,433.83	29,592.09
Retrospective adjustments	-	-	-
<b>Net assets at the end of the year</b>	<b>28,475.94</b>	<b>28,274.17</b>	<b>29,433.83</b>

Statement of Cash Flows	For the year ended, as of FEB 28 (29)		
(million baht)	2023/24	2022/23	2021/22
<b>Cash flows from operating activities</b>			
Increase (decrease) in net assets from operations	2,230.29	707.13	1,426.19
Adjustments to reconcile net increase in net assets from operations to net cash provided by operating activities	(79.55)	777.06	459.47
<b>Net cash provided by operating activities</b>	<b>2,150.74</b>	<b>1,484.19</b>	<b>1,885.66</b>
<b>Cash flows from financing activities</b>			
Payment for lease liabilities	(60.08)	(67.22)	-
Dividend payment	(2,028.53)	(1,866.79)	(1,584.44)
Interest paid	(78.87)	(44.47)	(42.17)
<b>Net cash used in financing activities</b>	<b>(2,167.47)</b>	<b>(1,978.48)</b>	<b>(1,626.61)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(16.73)</b>	<b>(494.29)</b>	<b>259.05</b>
Cash and cash equivalents at the beginning of the year	460.02	954.32	695.27
<b>Cash and cash equivalents at the end of the year</b>	<b>443.29</b>	<b>460.02</b>	<b>954.32</b>

## 14) Management Discussion and Analysis

### 14.1) Significant operations in the past fiscal year compared with the previous fiscal year

#### (1) Operational performance of benefiting from real estate assets and from marketable securities

In the fiscal year 2023/24 (ended Feb 29, 2024), the Fund has total income of approximately 2,924.60 million baht, increase from the fiscal year 2022/23 (ended Feb 28, 2023) at approximately 137.92 million baht or 4.95%. While in the fiscal year 2023/24, the Fund has total expenses of approximately 656.05 million baht, increase from the fiscal year 2022/23 at approximately 24.46 million baht or 3.87%. As a result, in the fiscal year 2023/24, the Fund has net investment income of approximately 2,268.55 million baht, increase from the fiscal year 2022/23 at approximately 113.46 million baht or 5.26%, with details as follows:

(million baht)	For the year ended, as of FEB 28 (29)							
	Fiscal Year		Up (Down)		Fiscal Year		Up (Down)	
	2023/24	2022/23	Amount	%	2022/23	2021/22	Amount	%
<b>Investment income</b>								
Income from investment properties	2,896.13	2,778.41	117.72	4.24	2,778.41	2,367.73	410.68	17.34
Income from liquidity assets	28.47	8.27	20.20	244.42	8.27	5.14	3.13	60.88
<b>Total income</b>	<b>2,924.60</b>	<b>2,786.67</b>	<b>137.92</b>	<b>4.95</b>	<b>2,786.67</b>	<b>2,372.87</b>	<b>413.80</b>	<b>17.44</b>
<b>Expenses</b>								
Property management expenses	527.94	535.70	(7.76)	(1.45)	535.70	526.69	9.02	1.71
Management fee	15.22	15.39	(0.17)	(1.10)	15.39	15.32	0.06	0.40
Fund supervisor fee	2.91	3.01	(0.10)	(3.16)	3.01	3.04	(0.03)	(0.96)
Registrar fee	4.37	4.51	(0.14)	(3.16)	4.51	4.55	(0.04)	(0.96)
Professional fee	1.71	1.71	(0.00)	(0.09)	1.71	1.71	(0.00)	(0.11)
Interest expenses	103.91	71.27	32.63	45.78	71.27	62.61	8.66	13.84
<b>Total expenses</b>	<b>656.05</b>	<b>631.59</b>	<b>24.46</b>	<b>3.87</b>	<b>631.59</b>	<b>613.92</b>	<b>17.67</b>	<b>2.88</b>
<b>Net investment income</b>	<b>2,268.55</b>	<b>2,155.09</b>	<b>113.46</b>	<b>5.26</b>	<b>2,155.09</b>	<b>1,758.95</b>	<b>396.14</b>	<b>22.52</b>

#### (2) Sharing of benefits to unitholders

From the operating result in obtaining benefits from property assets and from marketable securities in the fiscal year 2023/24 above, the Fund can pay benefits to unitholders (dividends) equal to 0.8749 baht/unit, increase from the fiscal year 2022/23 at 0.0467 baht/unit or 5.64%, with the following details:

(million baht)	For the year ended, as of FEB 28 (29)							
	Fiscal Year		Up (Down)		Fiscal Year		Up (Down)	
	2023/24	2022/23	Amount	%	2022/23	2021/22	Amount	%
Net investment income	2,268.55	2,155.09	113.46	5.26	2,155.09	1,758.95	396.14	22.52
Total net gain (loss) from investments	(38.26)	(1,447.96)	1,409.70	(97.36)	(1,447.96)	(427.08)	(1,020.87)	239.03
<b>Adjusted net income</b>	<b>2,230.29</b>	<b>707.13</b>	<b>1,523.16</b>	<b>215.40</b>	<b>707.13</b>	<b>1,331.87</b>	<b>(624.74)</b>	<b>(46.91)</b>
Adjusted net income per unit (baht)	0.9542	0.3025	0.6517	215.40	0.3025	0.5698	(0.2673)	(46.91)
Dividend payment per unit (baht)	0.8749	0.8282	0.0467	5.64	0.8282	0.6774	0.1508	22.26
DIV payout ratio, compared to ADJ NI	92%	274%			274%	119%		

### (3) Liquidity and sources of proceeds of the Fund

At fiscal year 2023/24 ended, the Fund has a net proceeds of approximately 443.29 million baht, details are as follows:

(million baht)	For the year ended, as of FEB 28 (29)			
	Fiscal Year		Fiscal Year	
	2023/24	2022/23	2022/23	2021/22
<b>Source of proceeds</b>				
Operating proceeds, net	2,150.74	1,484.19	1,484.19	1,885.66
<b>Use of proceeds</b>				
Payment for lease liabilities	(60.08)	(67.22)	(67.22)	-
Dividend payment	(2,028.53)	(1,866.79)	(1,866.79)	(1,584.44)
Interest paid	(78.87)	(44.47)	(44.47)	(42.17)
<b>Sum use of proceeds</b>	<b>(2,167.47)</b>	<b>(1,978.48)</b>	<b>(1,978.48)</b>	<b>(1,626.61)</b>
<b>Net proceeds</b>	<b>(16.73)</b>	<b>(494.29)</b>	<b>(494.29)</b>	<b>259.05</b>
Net proceeds, beginning	460.02	954.32	954.32	695.27
Net proceeds, ending	443.29	460.02	460.02	954.32

### (4) Financial Position of the Fund

As of the end of fiscal year 2023/24, the Fund has net assets of approximately 28,475.94 million baht, increase from the fiscal year 2022/23 by approximately 201.76 million baht or 0.71%. The main assets of the Fund are investment in real estate property at fair value, details are as follows.

(million baht)	For the year ended, as of FEB 28 (29)							
	Fiscal Year		Up (Down)		Fiscal Year		Up (Down)	
	2023/24	2022/23	Amount	%	2022/23	2021/22	Amount	%
<b>Assets</b>								
Investments in properties	29,801.32	29,747.69	53.63	0.18	29,747.69	31,065.90	(1,318.21)	(4.24)
Investments in debt securities	1,504.76	1,505.51	(0.75)	(0.05)	1,505.51	909.66	595.85	65.50
Cash and cash equivalents	443.29	460.02	(16.73)	(3.64)	460.02	954.32	(494.29)	(51.80)
Other operating assets	602.87	409.19	193.68	47.33	409.19	364.42	44.77	12.28
<b>Total assets</b>	<b>32,352.24</b>	<b>32,122.41</b>	<b>229.83</b>	<b>0.72</b>	<b>32,122.41</b>	<b>33,294.29</b>	<b>(1,171.88)</b>	<b>(3.52)</b>
<b>Liabilities</b>								
Other operating liabilities	296.62	302.70	(6.08)	(2.01)	302.70	267.45	35.25	13.18
Deposits received from customers	345.03	362.45	(17.42)	(4.81)	362.45	363.60	(1.15)	(0.32)
Borrowing	2,450.00	2,450.00	-	-	2,450.00	2,450.00	-	-
Lease liabilities	784.65	733.09	51.57	7.03	733.09	779.41	(46.33)	(5.94)
<b>Total liabilities</b>	<b>3,876.30</b>	<b>3,848.23</b>	<b>28.07</b>	<b>0.73</b>	<b>3,848.23</b>	<b>3,860.46</b>	<b>(12.23)</b>	<b>(0.32)</b>
<b>Net assets</b>	<b>28,475.94</b>	<b>28,274.17</b>	<b>201.76</b>	<b>0.71</b>	<b>28,274.17</b>	<b>29,433.83</b>	<b>(1,159.66)</b>	<b>(3.94)</b>

#### 14.2) Factors or events that may significantly affect the financial position in the future

The Fund has a policy to invest in real estate assets and leasehold rights in real estate which is a Lotus Shopping Center. Currently, there are 23 branches with the objective of finding benefits from the real estate assets and the leasehold rights of such real estate to make benefits for the unitholders on a regular basis and in the long term. Factors that may affect the benefits of the Fund are as follows:

##### Internal factors

- 1) Restrictions on additional investments in real estate assets in new projects according to the announcement of the SEC, causing the Fund to be unable to increase capital to use money to invest in new shopping center projects to generate additional benefits for unitholders
- 2) Restrictions on borrowing money to develop real estate assets because at present the Fund The said loan facility (10 % of the Fund's net asset value) has been used to invest in the Lotus Shopping Center Navanakorn branch. However, the Fund has a policy to reserve funds from the net investment income for development. Real estate assets according to the Fund's plan

##### External factors

- 1) The retail business sector in Thailand is highly competitive, for example price competition. The budget is used for organizing promotions. Various advertisements to attract customers to use the service. Currently, the Fund There are direct competitors (Do retail business like Lotus Shopping Center) and indirectly (newly opened shopping malls nearby) occur a lot, which may affect the tenants or users of the Fund to decrease.
- 2) Anxiety about the overall economic condition of the country affects the confidence and purchasing power of the users in shopping centers and may affect the ability to pay rent of the mutual fund tenants. the which makes the Fund Unable to increase the rental rate according to the target.
- 3) The change in consumer behavior following the development of information technology affects the overall retail business. As a result, tenants have to adjust in order to maintain their competitiveness, for example, using new technologies to help increase marketing channels. The use of payment systems such as Digital Payment, etc. and may cause the tenant to have more costs in doing business. Affects the ability to pay rent of the Fund's space tenants which makes the Fund Unable to increase the rental rate according to the target.
- 4) The situation of the Covid-19 epidemic in Thailand which greatly affects the business operations and the ability to pay rent of the Fund's tenants.

**LOTUS'S RETAIL GROWTH FREEHOLD AND  
LEASEHOLD PROPERTY FUND**

**STATUTORY FINANCIAL STATEMENTS**

**29 FEBRUARY 2024**



## Independent Auditor's Report

To the Unitholders of Lotus's Retail Growth Freehold and Leasehold Property Fund

### My opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Lotus's Retail Growth Freehold and Leasehold Property Fund ("the Fund") as at 29 February 2024 and its financial performance and its cash flows for the year then ended 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.

### What I have audited

The Fund's financial statements comprise:

- the statement of financial position as at 29 February 2024;
- the statement of details of investments as at 29 February 2024;
- the statement of comprehensive income for the year then ended;
- the statement of changes in net assets for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

### Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the Fund in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (TFAC Code) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the TFAC Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Key audit matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. I determine one key audit matter: valuation of investment in properties and leasehold properties. The matter was addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on the matter.

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Key audit matter	How my audit addressed the key audit matter
<p><b>Valuation of investments properties and leasehold properties</b></p> <p>Refer to Note 6 to the financial statements for critical accounting estimates and judgements and Note 11 to the financial statements for investments in properties at fair value.</p> <p>As at 29 February 2024, investments in properties and leasehold properties were presented at fair value of Baht 29,801 million which estimated fair value using the income approach by the independent professional appraisers authorised by the Securities and Exchange Commission.</p> <p>I focused on this area because the valuation of investments in properties and leasehold properties involved significant judgement and assumptions in determining the fair value of investments in properties and leasehold properties. The valuation is based on the estimated future net cash flows adjusting by revenue growth rate, occupancy rate, estimated future income and expense and discounted rate. However, there is the estimation uncertainty of cash flows received from freehold and leasehold properties throughout the lifetime of properties and leasehold periods.</p>	<p>I discussed with the Management Company and independent appraisers to understand the basis including the key assumptions used for measurement the valuation of investments in properties and leasehold properties.</p> <p>I assessed the independent appraisers' competence, capabilities and objectivity and verified their qualifications.</p> <p>I assessed the valuation method applied and checked validity of data used in the estimation of the expected future cash flows received from freehold and leasehold properties as follows:</p> <ul style="list-style-type: none"> <li>• Evaluated the appropriateness of the estimated future cash flows used in fair value appraisal report from independent appraisers by checking the data inputs with the supporting documentations as follows: <ul style="list-style-type: none"> <li>- Compare the estimated future net cash flows from freehold and leasehold properties with the estimated revenue, expenses and net income throughout properties' lifetime and leasehold periods</li> <li>- Evaluate the revenue growth rate with lease contracts and historical growth rate</li> <li>- Evaluate the occupancy rate with the average occupancy rate from historical information</li> <li>- Benchmark the discount rate against similar industry</li> </ul> </li> <li>• Recomputed the calculation of valuation of investments in properties and leasehold properties based on the expected future cash flows and discounted with the market rate.</li> <li>• Tested the sensitivity analysis and possible impact if there are changes in key assumptions.</li> </ul> <p>As a result of all the above procedures performed, I viewed that the Management Company judgements and assumptions used in relation to the valuation of investment in freehold and leasehold properties were properly applied within an acceptable range of reasonable estimates.</p>



#### **Other information**

The Management Company is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the Management Company.

#### **Responsibilities of the Management Company for the financial statements**

The Management Company is responsible for the preparation and fair presentation of the financial statements 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, and for such internal control as the Management Company determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management Company is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Company either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Company.



- Conclude on the appropriateness of the Management Company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Management Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the Management Company with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with the Management Company, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers ABAS Ltd.

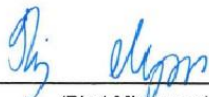
A handwritten signature in black ink, appearing to read "Svasvadi Anumanrajdhon".

**Svasvadi Anumanrajdhon**  
Certified Public Accountant (Thailand) No. 4400  
Bangkok  
24 April 2024



**Lotus's Retail Growth Freehold and Leasehold Property Fund**  
**Statement of Financial Position**  
**As at 29 February 2024**

		<b>29 February 2024 Baht</b>	<b>28 February 2023 Baht</b>
	<b>Notes</b>		
<b>Assets</b>			
Investments in debt securities measured at fair value through profit or loss	9,10	1,504,757,710	1,505,509,520
Investments in properties and leasehold properties at fair value	9,11	29,801,323,805	29,747,690,261
Cash and cash equivalents	12	443,288,303	460,022,114
Rental receivables, net	13	320,843,801	209,279,279
Deferred expenses	14	27,504,134	26,856,490
Right-of-use assets	15	252,103,523	171,453,171
Other assets		2,415,230	1,596,661
<b>Total assets</b>		<b>32,352,236,506</b>	<b>32,122,407,496</b>
<b>Liabilities</b>			
Other accounts payable		94,834,563	81,230,552
Rental income received in advance		66,831,894	74,715,756
Deposits received from customers		345,028,675	362,450,043
Accrued expenses		133,411,727	145,342,102
Withholding tax payable		1,539,431	1,408,202
Long-term borrowing	16	2,450,000,000	2,450,000,000
Lease Liabilities - Right-of-use assets	17	260,171,251	176,406,867
Lease Liabilities	18	524,481,503	556,680,117
<b>Total liabilities</b>		<b>3,876,299,044</b>	<b>3,848,233,639</b>
<b>Net assets</b>		<b>28,475,937,462</b>	<b>28,274,173,857</b>
<b>Net assets:</b>			
Capital received from unitholders		25,493,674,665	25,493,674,665
Retained earnings	19	2,982,262,797	2,780,499,192
<b>Net assets</b>		<b>28,475,937,462</b>	<b>28,274,173,857</b>
Net assets value per unit (Baht)		12.1833	12.0970
Number of units outstanding at the end of the year (units)		2,337,282,928	2,337,282,928



(Piraj Migasena)  
Executive Vice President

Date \_\_\_\_\_



(Voravane Tangsirikusolwong)  
Senior Executive Vice President

Date \_\_\_\_\_

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

Lotus's Retail Growth Freehold and Leasehold Property Fund  
Statement of Details of Investments  
As at 29 February 2024

	29 February 2024			28 February 2023		
	Cost Baht'000	Fair value Baht'000	% of fair value	Cost Baht'000	Fair value Baht'000	% of fair value
<b>Type of investments</b>						
<b>Investments in properties at fair value</b>						
<b>Ownership on lands and buildings</b>						
1. Srinakarin Project						
Location No.9 Moo 6, Bangmuangmai Sub-district Muang District, Samutprakarn						
- Ownership on land of 48-1-74 rai	817,369			817,369		
- Ownership of shopping mall buildings, component buildings and utility system	2,180,223			2,180,223		
- Ownership of furniture and fixtures, and equipment used in operation	14,742			14,742		
- Related cost on acquisition	3,347			3,347		
- Renovation and lease contract acquisition cost	201,487			186,392		
	3,217,168	3,602,330	12	3,202,073	3,612,312	12
2. Krabi Project						
Location No.191 Moo 12, Krabi Noi Sub-district Muang District, Krabi						
- Ownership on land of 30-1-52 rai	185,030			185,030		
- Ownership of shopping mall buildings, component buildings and utility system	1,324,960			1,324,960		
- Ownership of furniture and fixtures, and equipment used in operation	7,491			7,491		
- Related cost on acquisition	2,307			2,307		
- Renovation and lease contract acquisition cost	50,646			47,683		
	1,570,434	2,019,939	6	1,567,471	2,010,920	6

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

6

Lotus's Retail Growth Freehold and Leasehold Property Fund  
Statement of Details of Investments (Cont'd)  
As at 29 February 2024

	29 February 2024			28 February 2023		
	Cost Baht'000	Fair value Baht'000	% of fair value	Cost Baht'000	Fair value Baht'000	% of fair value
<b>Type of investments (Cont'd)</b>						
<b>Investments in properties at fair value (Cont'd)</b>						
<b>Ownership on lands and buildings (Cont'd)</b>						
3. Prachachuen Project						
Location No.829, Pracharat 2 Road Bangsue District, Bangkok						
- Ownership on land of 14-3-93 rai	513,680			513,680		
- Ownership of shopping mall buildings, component buildings and utility system	991,934			991,934		
- Ownership of furniture and fixtures, and equipment used in operation	4,995			4,995		
- Related cost on acquisition	2,643			2,643		
- Renovation and lease contract acquisition cost	44,137			40,726		
	1,557,389	1,723,430	6	1,553,978	1,700,860	5
4. Rangsit Klong 7 Project						
Location No. 41/2, Lumpakkood Sub-district Thanyaburi District, Pathumthani						
- Ownership on land of 144-1-71 rai	394,554			394,554		
- Ownership of shopping mall buildings, component buildings and utility system	657,856			657,856		
- Ownership of furniture and fixtures, and equipment used in operation	4,429			4,429		
- Related cost on acquisition	1,769			1,769		
- Renovation and lease contract acquisition cost	26,970			23,338		
	1,085,578	1,409,971	5	1,081,946	1,397,944	4

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

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Lotus's Retail Growth Freehold and Leasehold Property Fund  
Statement of Details of Investments (Cont'd)  
As at 29 February 2024

	29 February 2024			28 February 2023		
	Cost Baht'000	Fair value Baht'000	% of fair value	Cost Baht'000	Fair value Baht'000	% of fair value
Type of investments (Cont'd)						
Investments in properties at fair value (Cont'd)						
Ownership on lands and buildings (Cont'd)						
5. Tung Song Project						
Location No.144 Moo 2, Nonghong Sub-district Tung Song District, Nakorn Sri Thammarat						
- Ownership on land of 30-2-86 rai	177,201			177,201		
- Ownership of shopping mall buildings, component buildings and utility system	708,582			708,582		
- Ownership of furniture and fixtures, and equipment used in operation	4,565			4,565		
- Related cost on acquisition	1,250			1,250		
- Renovation and lease contract acquisition cost	19,897			18,895		
	911,495	733,552	2	910,493	736,355	2
6. Singburi Project						
Location No.189 Moo 7, Bangnga Sub-district Thawung District, Lopburi						
- Ownership on land of 24-2-9 rai	123,964			123,964		
- Ownership of shopping mall buildings, component buildings and utility system	605,034			605,034		
- Ownership of furniture and fixtures, and equipment used in operation	5,168			5,168		
- Related cost on acquisition	1,416			1,416		
- Renovation and lease contract acquisition cost	16,633			15,541		
	752,215	624,363	2	751,123	627,108	2

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

8

Lotus's Retail Growth Freehold and Leasehold Property Fund  
Statement of Details of Investments (Cont'd)  
As at 29 February 2024

	29 February 2024			28 February 2023		
	Cost Baht'000	Fair value Baht'000	% of fair value	Cost Baht'000	Fair value Baht'000	% of fair value
Type of Investments (Cont'd)						
Investments in properties at fair value (Cont'd)						
Ownership on lands and buildings (Cont'd)						
7. Pranturi Project						
Location No.706 Moo 7, Kao-noi Sub-district Pranturi District, Prachuabkirikun						
- Ownership on land of 22-3-59 rai	96,401			96,401		
- Ownership of shopping mall buildings, component buildings and utility system	619,247			619,247		
- Ownership of furniture and fixtures, and equipment used in operation	4,057			4,057		
- Related cost on acquisition	1,051			1,051		
- Renovation and lease contract acquisition cost	11,662			10,820		
	732,418	947,706	3	731,576	868,995	3
8. Mahachai Project						
Location No.119 Moo7, Tasai Sub-district Muang District, Samutsakorn						
- Ownership on land of 20-3-71 rai	159,585			159,585		
- Ownership of shopping mall buildings, component buildings and utility system	433,740			433,740		
- Ownership of furniture and fixtures, and equipment used in operation	6,276			6,276		
- Related cost on acquisition	1,712			1,712		
- Renovation and lease contract acquisition cost	44,544			30,213		
	645,857	428,848	1	631,526	435,606	1

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

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	29 February 2024			28 February 2023		
	Cost Baht'000	Fair value Baht'000	% of fair value	Cost Baht'000	Fair value Baht'000	% of fair value
<b>Type of investments (Cont'd)</b>						
<b>Investments in properties at fair value (Cont'd)</b>						
<b>Ownership on lands and buildings (Cont'd)</b>						
9. Maesai Project						
Location No.156 Moo 6, Weangpang Kham Sub-district						
Maesai District, Chiangrai						
- Ownership on land of 32-3-0 rai	184,653			184,653		
- Ownership of shopping mall buildings, component buildings and utility system	391,330			391,330		
- Ownership of furniture and fixtures, and equipment used in operation	3,937			3,937		
- Related cost on acquisition	1,448			1,448		
- Renovation and lease contract acquisition cost	32,556			30,609		
	613,924	920,439	3	611,977	817,989	3
10. Ranong Project						
Location No.25/15 Moo 1, Petchkasem Road						
Bangruen Sub-district, Muang District, Ranong						
- Ownership on land of 26-0-51 rai	99,992			99,992		
- Ownership of shopping mall buildings, component buildings and utility system	454,400			454,400		
- Ownership of furniture and fixtures, and equipment used in operation	5,045			5,045		
- Related cost on acquisition	973			973		
- Renovation and lease contract acquisition cost	23,658			19,380		
	584,088	722,015	2	579,790	669,554	2

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

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	29 February 2024			28 February 2023		
	Cost Baht'000	Fair value Baht'000	% of fair value	Cost Baht'000	Fair value Baht'000	% of fair value
<b>Type of investments (Cont'd)</b>						
<b>Investments in properties at fair value (Cont'd)</b>						
<b>Ownership on lands and buildings (Cont'd)</b>						
11. Phuket Project						
Location No.104 Moo 5, Chaloem Phrakiat Ratchakarn Thi 9 Road						
Ratsada Sub-district, Muang Phuket District, Phuket						
- Ownership on land of 44-2-0 rai	314,379			314,379		
- Ownership of shopping mall buildings, component buildings and utility system	2,550,910			2,550,910		
- Ownership of furniture and fixtures, and equipment used in operation	9,642			9,642		
- Related cost on acquisition	4,322			4,322		
- Renovation and lease contract acquisition cost	159,862			152,805		
	3,039,115	3,108,427	10	3,032,058	3,088,086	10
12. Salaya Project						
Location No.99/14 Moo 1, Bangtoey Sub-district						
Sam Phran District, Nakompathom						
- Ownership on land of 38-3-99 rai	345,883			345,883		
- Ownership of shopping mall buildings, component buildings and utility system	1,402,608			1,402,608		
- Ownership of furniture and fixtures, and equipment used in operation	8,580			8,580		
- Related cost on acquisition	22,734			22,734		
- Renovation and lease contract acquisition cost	75,832			73,423		
	1,855,637	2,009,530	6	1,853,228	2,023,875	6

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

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Lotus's Retail Growth Freehold and Leasehold Property Fund  
Statement of Details of Investments (Cont'd)  
As at 29 February 2024

	29 February 2024			28 February 2023		
	Cost Baht'000	Fair value Baht'000	% of fair value	Cost Baht'000	Fair value Baht'000	% of fair value
Type of investments (Cont'd)						
Investments in properties at fair value (Cont'd)						
Ownership on lands and buildings (Cont'd)						
13. Nakornsrithammarat Project						
Location No.15, Pattanakarn-Khukhwang Road Naimueg Sub-district, Mueng District, Nakornsrithammarat						
- Ownership on land of 26-0-34 rai	195,037			195,037		
- Ownership of shopping mall buildings, component buildings and utility system	971,550			971,550		
- Ownership of furniture and fixtures, and equipment used in operation	9,964			9,964		
- Related cost on acquisition	2,900			2,900		
- Renovation and lease contract acquisition cost	90,393			88,130		
	1,269,844	1,425,511	5	1,267,581	1,413,698	5
14. Navanakorn Project						
Location Navanakorn Industrial Promotion Zone at 98/103 Moo13, Klong 1 Sub-District, Klong Luang District, Pathumthani Province, Thailand						
- Ownership on land of 31-0-5 rai	701,484			701,484		
- Ownership of shopping mall buildings, component buildings and utility system	1,522,719			1,522,719		
- Ownership of furniture and fixtures, and equipment used in operation	23,322			23,322		
- Related cost on acquisition	39,201			39,201		
- Renovation and lease contract acquisition cost	48,704			42,708		
	2,335,430	2,596,033	8	2,329,434	2,554,841	8

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

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Lotus's Retail Growth Freehold and Leasehold Property Fund  
Statement of Details of Investments (Cont'd)  
As at 29 February 2024

	29 February 2024			28 February 2023		
	Cost Baht'000	Fair value Baht'000	% of fair value	Cost Baht'000	Fair value Baht'000	% of fair value
Type of investments (Cont'd)						
Investments in properties at fair value (Cont'd)						
Ownership on partial lands, ownership on buildings, and leasehold right on partial land						
1. Samui Project						
Location No.1/7 Moo 6, Bo Phut Sub-district Koh Samui District, Surat Thani						
- Rental period from 14 March 2012 - 29 August 2035						
- Ownership on land of 22-1-52 rai	95,356			95,356		
- Leasehold right on land of 24-3-78 rai	66,991			66,991		
- Ownership of shopping mall buildings, component buildings and utility system	1,048,229			1,048,229		
- Ownership of furniture and fixtures, and equipment used in operation	6,338			6,338		
- Related cost on acquisition	5,221			5,221		
- Renovation and lease contract acquisition cost	55,120			54,763		
- Right-of-use assets	19,582			19,582		
	1,296,837	728,111	2	1,296,480	788,256	3
2. Pitsanulok Project						
Location No.909 Moo 3, Aranyik Sub-district Mueng Pitsanulok						
- Rental period from 14 March 2012 - 29 August 2035						
- Ownership on land of 30-0-71 rai	280,211			280,211		
- Leasehold right on land of 0-2-60 rai	2,025			2,025		
- Ownership of shopping mall buildings, component buildings and utility system	837,028			837,028		
- Ownership of furniture and fixtures, and equipment used in operation	8,327			8,327		
- Related cost on acquisition	2,286			2,286		
- Renovation and lease contract acquisition cost	109,192			108,690		
- Right-of-use assets	2,378			2,378		
	1,221,447	1,088,456	3	1,218,945	1,051,675	3

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

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Lotus's Retail Growth Freehold and Leasehold Property Fund  
Statement of Details of Investments (Cont'd)  
As at 29 February 2024

Type of investments (Cont'd)	29 February 2024			28 February 2023		
	Cost Baht'000	Fair value Baht'000	% of fair value	Cost Baht'000	Fair value Baht'000	% of fair value
<b>Investments in properties at fair value (Cont'd)</b>						
<b>Leasehold right on lands and ownership on buildings</b>						
1. Amatanakorn Project						
Location No.700/75 Moo 5, Klongtamru Sub-district						
Muang District, Chonburi						
- Rental period from 14 March 2012 - 20 October 2039						
- Leasehold right on land of 45-1-36 rai		117,598			117,598	
- Ownership of shopping mall buildings, component buildings and utility system	1,401,301			1,401,301		
- Ownership of furniture and fixtures, and equipment used in operation	2,721			2,721		
- Related cost on acquisition	4,687			4,687		
- Renovation and lease contract acquisition cost	79,409			72,981		
- Right-of-use assets	5,698			5,697		
	1,611,414	1,648,130	5	1,604,985	1,795,112	6
2. Petchaboon Project						
Location No.929 Moo 2, Sa-Deang Sub-district						
Muang Petchaboon						
- Rental period from 14 March 2012 - 8 February 2038						
- Leasehold right on land of 43-2-5 rai		52,219			52,219	
- Ownership of shopping mall buildings, component buildings and utility system	645,149			645,149		
- Ownership of furniture and fixtures, and equipment used in operation	5,389			5,389		
- Related cost on acquisition	3,294			3,294		
- Renovation and lease contract acquisition cost	36,033			32,692		
- Right-of-use assets	52,659			52,659		
	794,743	784,895	3	791,402	797,289	3

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

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Lotus's Retail Growth Freehold and Leasehold Property Fund  
Statement of Details of Investments (Cont'd)  
As at 29 February 2024

Type of Investments (Cont'd)	29 February 2024			28 February 2023		
	Cost Baht'000	Fair value Baht'000	% of fair value	Cost Baht'000	Fair value Baht'000	% of fair value
<b>Investments in properties at fair value (Cont'd)</b>						
<b>Leasehold right on lands and ownership on buildings (Cont'd)</b>						
3. Lumlukka Klong 6 Project						
Location No.75 Moo 5, Bungkumploy Sub-district						
Lumlukka District, Pathumthani						
- Rental period from 14 March 2012 - 14 May 2037						
- Leasehold right on land of 33-1-0 rai		57,443			57,443	
- Ownership of shopping mall buildings, component buildings and utility system	453,030			453,030		
- Ownership of furniture and fixtures, and equipment used in operation	5,818			5,818		
- Related cost on acquisition	3,354			3,354		
- Renovation and lease contract acquisition cost	18,958			16,783		
- Right-of-use assets	33,034			33,034		
	571,637	546,574	3	569,462	533,178	3
4. Sena Project						
Location No.49 Moo 1, Highway No.3263						
Bangnomko Sub-district, Sena District						
Ayuthaya						
- Rental period from 14 March 2012 - 3 April 2038						
- Leasehold right on land of 24-2-96 rai		29,665			29,665	
- Ownership of shopping mall buildings, component buildings and utility system	359,073			359,073		
- Ownership of furniture and fixtures, and equipment used in operation	3,487			3,487		
- Related cost on acquisition	1,450			1,450		
- Renovation and lease contract acquisition cost	9,089			8,799		
- Right-of-use assets	6,867			6,868		
	409,631	355,408	1	409,342	366,153	1

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

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Lotus's Retail Growth Freehold and Leasehold Property Fund  
Statement of Details of Investments (Cont'd)  
As at 29 February 2024

	29 February 2024			28 February 2023		
	Cost Baht'000	Fair value Baht'000	% of fair value	Cost Baht'000	Fair value Baht'000	% of fair value
Type of Investments (Cont'd)						
Investments in properties at fair value (Cont'd)						
Leasehold right on lands and ownership on buildings (Cont'd)						
5. Bangpoo Project						
Location No.2502 Moo 3, Sukhumvit Road, Bangpoo-mai Sub-district, Mueng Samutprakarn District, Samutprakarn						
- Rental period from 4 December 2012 - 4 October 2038						
- Leasehold right on land of 55-0-80 rai		69,270			69,270	
- Ownership of shopping mall buildings, component buildings and utility system	569,726			569,726		
- Ownership of furniture and fixtures, and equipment used in operation	4,820			4,820		
- Related cost on acquisition	6,509			6,509		
- Renovation and lease contract acquisition cost	17,376			14,430		
- Right-of-use assets	63,293			63,294		
	730,994	766,243	2	728,049	761,884	2
6. Rangsit-Nakornnayok Project						
Location No.90 Moo 2, Rangsit-Nakornnayok Road, Buen Yitoe Sub-district, Thanyaburi District, Phathomthani						
- Rental period from 4 December 2012 - 6 September 2036						
- Leasehold right on land of 33-2-0 rai		120,251			120,251	
- Ownership of shopping mall buildings, component buildings and utility system	524,487			524,487		
- Ownership of furniture and fixtures, and equipment used in operation	8,091			8,091		
- Related cost on acquisition	10,059			10,059		
- Renovation and lease contract acquisition cost	37,254			30,183		
- Right-of-use assets	120,557			120,557		
	820,899	645,580	2	813,628	703,126	2

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

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Lotus's Retail Growth Freehold and Leasehold Property Fund  
Statement of Details of Investments (Cont'd)  
As at 29 February 2024

	29 February 2024			28 February 2023		
	Cost Baht'000	Fair value Baht'000	% of fair value	Cost Baht'000	Fair value Baht'000	% of fair value
Type of investments (Cont'd)						
Investments in properties at fair value (Cont'd)						
Leasehold right on land and buildings						
1. Rama I Project						
Location No.831 Rama I Road, Wangmai Sub-district Pathumwan District, Bangkok						
- Rental period from 15 March 2012 - 11 December 2034						
- Leasehold right on land of 12-3-11 rai and shopping mall buildings, component buildings and utility system		1,026,213			1,026,213	
- Ownership of furniture and fixtures, and equipment used in operation	68,969			68,969		
- Related cost on acquisition	10,784			10,784		
- Renovation and lease contract acquisition cost	85,933			82,315		
- Right-of-use assets	286,213			286,213		
	1,478,112	965,833	3	1,474,494	992,874	3
Total investments in properties	29,106,086	29,801,324	95	29,011,041	29,747,690	95

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

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	29 February 2024				28 February 2023			
	Cost Baht'000	Fair value Baht'000	% of fair value	Maturity	Cost Baht'000	Fair value Baht'000	% of fair value	Maturity
<b>Type of investments (Cont'd)</b>								
<b>Investments in debt securities measured at fair value through profit or loss</b>								
Government bonds								
Bank of Thailand:BOT 22/49/91D					199,458	199,963	1	9 March 2023
Bank of Thailand:BOT 22/52/91D					352,399	352,791	1	30 March 2023
Bank of Thailand:BOT 23/1/92D					219,618	219,855	1	7 April 2023
Bank of Thailand:BOT 23/3/91D					134,692	134,830	-	20 April 2023
Bank of Thailand:BOT 23/5/92D					199,231	199,492	1	5 May 2023
Bank of Thailand:BOT 23/6/91D					199,245	199,418	1	11 May 2023
Bank of Thailand:BOT 22/6/364D					199,038	199,161	-	15 June 2023
Bank of Thailand:BOT 49/91/2023	198,988	199,934	1	7 March 2024				
Bank of Thailand:BOT 50/91/2023	198,993	199,854	1	14 March 2024				
Bank of Thailand:BOT 52/91/2023	351,064	352,429	1	28 March 2024				
Bank of Thailand:BOT 1/91/2024	218,747	219,560	1	4 April 2024				
Bank of Thailand:BOT 3/91/2024	134,232	134,593	-	18 April 2024				
Bank of Thailand:BOT 5/91/2024	198,875	199,220	1	2 May 2024				
Bank of Thailand:BOT 6/91/2024	198,874	199,168	-	9 May 2024				
<b>Total investments in debt securities measured at fair value through profit or loss</b>	<b>1,499,773</b>	<b>1,504,758</b>	<b>5</b>		<b>1,503,681</b>	<b>1,505,510</b>	<b>5</b>	
<b>Total investments</b>	<b>30,605,859</b>	<b>31,306,082</b>	<b>100</b>		<b>30,514,722</b>	<b>31,253,200</b>	<b>5</b>	

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

**Lotus's Retail Growth Freehold and Leasehold Property Fund**  
**Statement of Comprehensive income**  
**For the year ended 29 February 2024**

		<b>29 February 2024</b>	<b>28 February 2023</b>
	<b>Notes</b>	<b>Baht</b>	<b>Baht</b>
<b>Investment income</b>			
Rental and service income		2,815,433,561	2,687,097,311
Interest income		28,468,193	8,265,454
Other income		80,695,751	91,311,737
<b>Total income</b>		<b>2,924,597,505</b>	<b>2,786,674,502</b>
<b>Expenses</b>			
Management fee	21,22	15,216,254	15,385,416
Trustee fee	21	2,911,209	3,006,333
Registrar fee	21,22	4,366,814	4,509,500
Property management fee	21,22	239,450,687	245,548,715
Professional fee		1,709,643	1,711,218
Operating expenses	21	268,386,801	274,693,681
Depreciation expense of right-of-use assets		10,390,760	9,393,637
Other expenses	21	9,711,982	6,066,159
<b>Total expenses</b>		<b>552,144,150</b>	<b>560,314,659</b>
<b>Net investment income before financial expenses</b>		<b>2,372,453,355</b>	<b>2,226,359,843</b>
<b>Financial expenses</b>			
Interest expenses		103,906,284	71,274,334
<b>Net investment income</b>		<b>2,268,547,071</b>	<b>2,155,085,509</b>
<b>Net loss from investments</b>			
Net unrealised loss from investments valuation	10,11	(38,255,612)	(1,447,955,908)
<b>Total net loss from investments</b>		<b>(38,255,612)</b>	<b>(1,447,955,908)</b>
<b>Increase in net assets from operations</b>		<b>2,230,291,459</b>	<b>707,129,601</b>

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

**Lotus's Retail Growth Freehold and Leasehold Property Fund**  
**Statement of Changes in Net Assets**  
**For the year ended 29 February 2024**

		<b>29 February 2024</b>	<b>28 February 2023</b>
	<b>Notes</b>	<b>Baht</b>	<b>Baht</b>
<b>Increase in net assets from operation during the year</b>			
Net investment income		2,268,547,071	2,155,085,509
Net unrealised loss from investments valuation	10,11	(38,255,612)	(1,447,955,908)
<b>Net increase in net assets from operations</b>		<b>2,230,291,459</b>	<b>707,129,601</b>
Dividend payment	20	(2,028,527,854)	(1,866,787,877)
<b>Increase (decrease) in net assets during the year</b>		<b>201,763,605</b>	<b>(1,159,658,276)</b>
Net assets at the beginning of the year		28,274,173,857	29,433,832,133
<b>Net assets at the end of the year</b>		<b>28,475,937,462</b>	<b>28,274,173,857</b>

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

**Lotus's Retail Growth Freehold and Leasehold Property Fund**  
**Statement of Cash Flows**  
**For the year ended 29 February 2024**

		29 February 2024	28 February 2023
	Notes	Baht	Baht
<b>Cash flows from operating activities</b>			
Increase in net assets from operations		2,230,291,459	707,129,601
Adjustments to reconcile net increase in net assets from from operations to net cash provided by operating activities:			
Purchase of investments in properties		(71,483,046)	(131,037,487)
Purchases of investments in securities		(5,803,713,885)	(4,808,354,157)
Disposal of investments in securities		5,832,000,000	4,220,000,000
Depreciation charge on right-of-use asset	15	10,390,760	9,393,637
Increase in rental receivables		(102,000,696)	(58,357,184)
(Increase) decrease in deferred expenses		(647,644)	1,258,456
(Increase) decrease in other assets		(332,546)	5,861,075
(Decrease) increase in other accounts payable		(9,956,972)	7,630,957
(Decrease) increase in rental income received in advance		(7,883,862)	13,212,150
Decrease in deposits received from customers		(17,421,368)	(1,149,641)
(Decrease) increase in accrued expenses		(16,365,882)	8,434,866
Increase in withholding tax payable		131,229	62,643
Interest income		(28,468,193)	(8,265,454)
Reversal of expected credit loss		(9,563,826)	(2,689,855)
Interest expenses		103,906,284	71,274,334
Interest received		3,602,737	1,825,388
Net unrealised loss from investment valuation	10,11	38,255,612	1,447,955,908
<b>Net cash provided by operating activities</b>		<u>2,150,740,161</u>	<u>1,484,185,237</u>
<b>Cash flows from financing activities</b>			
Payment for lease liabilities - right-of-use asset		(13,333,745)	(21,579,517)
Payment for lease liabilities		(46,745,028)	(45,643,700)
Dividend payment	19,20	(2,028,527,854)	(1,866,787,877)
Interest paid		(78,867,345)	(44,467,836)
<b>Net cash used in financing activities</b>		<u>(2,167,473,972)</u>	<u>(1,978,478,930)</u>
<b>Net decrease in cash and cash equivalents</b>		(16,733,811)	(494,293,693)
Cash and cash equivalents at the beginning of the year		<u>460,022,114</u>	<u>954,315,807</u>
<b>Cash and cash equivalents at the end of the year</b>		<u><u>443,288,303</u></u>	<u><u>460,022,114</u></u>
<b>Non-cash transactions</b>			
Other payables from purchases of investment properties		23,560,983	-
Acquisition of right-of-use assets	15	91,041,112	-

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

## **1 General information**

Lotus's Retail Growth Freehold and Leasehold Property Fund ("the Fund") is a closed-end retail growth freehold and leasehold property fund, and was set up for a specific purpose. The Fund was established and registered as a fund on 13 March 2012 with no project life stipulated. The Fund's objective is being to seek funds from investors, invest mostly in property or property leasehold rights and generate benefit from such property.

On 15 March 2012 the Stock Exchange of Thailand has approved the listing of the Fund's units and permitted their trading on 19 March 2012.

As at 29 February 2024, the major unitholder is Ek-Chai Distribution System Company Limited which holds 25% of the Fund's units.

The Fund changed its name from Tesco Lotus Retail Growth Freehold and Leasehold Property Fund to Lotus's Retail Growth Freehold and Leasehold Property Fund and registered the change with the Securities and Exchange Commission of Thailand on 29 March 2021.

The Fund is managed by Krung Thai Asset Management Public Company Limited ("the Management Company"). Hong Kong and Shanghai Banking Corporation Limited has been appointed to be the Trustee and Ek-Chai Distribution System Company Limited acts as the Property Manager.

These financial statements have been approved by the management of the Management Company on 24 April 2024.

## **2 Basis of preparation**

These financial statements have 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 ("TFRS") and the financial reporting requirements issued under the Securities and Exchange Act.

The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with the accounting guideline requires management to use certain critical accounting estimates and to exercise its judgment in the process of applying the Fund's accounting policies. The area involving a higher degree of judgment or complexity, or area that are more likely to be materially adjusted due to changes in estimates and assumptions are disclosed in Note 6.

An English version of the financial statements has been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.



### 3 New and amended financial reporting standards

On 1 January 2023, the Fund has applied the new and amended TFRS which are effective for accounting period on or after 1 January 2023 and relevant to the Fund. The application of these financial reporting standards does not have significant impact to the financial statements.

Certain new and amended financial reporting standards which are effective for accounting period on or after 1 January 2024 and 1 January 2025 have not been early adopted by the Fund. The Management Company is currently assessing the impact of adoption of these standards.

### 4 Accounting policies

#### 4.1 Cash and cash equivalents

In the statements of cash flows, cash and cash equivalents includes cash on hand, deposits held at call, short-term highly liquid investments with maturities of three months or less from acquisition date.

#### 4.2 Valuation of investment in properties

Investment properties, principally freehold and leasehold properties include lands, buildings and infrastructures related to shopping mall, are held for long-term rental yields or for capital appreciation or both and are not occupied by the Fund.

Investment property is measured initially at cost, including directly attributable costs.

Subsequently, they are carried at fair value. Changes in fair values are presented in the statement of comprehensive income as an unrealised gain or loss as of measurement date.

The fair value is based on the appraisal value determined by the independent professional appraisers licensed by the Securities and Exchange Commission Thailand ("the Thai SEC"). The Management Company will conduct an appraisal of the properties every two years from the date of the appraisal for the purchase or lease of the properties or when there are changes that materially affect the value of such investment properties and will update appraisals with a review every year after the date of the latest appraisal as required by the Thai SEC.

#### 4.3 Financial asset

##### *Classification and measurement*

The Fund classifies its financial assets as financial assets at fair value through profit or loss. These financial assets exclude rental receivables which are explained in note 4.4.

At initial recognition, the Fund measures a financial asset at its fair value. Transaction costs that are directly attributable to the acquisition of the financial asset are expensed in profit or loss.

After the initial recognition, the Fund measures these financial assets at fair value through profit or loss. A gain or loss on financial asset that is subsequently measured at fair value is recognised in the statement of comprehensive income and presented within net unrealised gain/loss on investments in the period in which it arises.

##### *Recognition and Derecognition*

Financial assets are recognised in the statement of financial position when the Fund is contractual party according to the condition of the financial instrument. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all the risks and rewards of ownership.



#### 4.4 Rental receivables

Rental receivables are carried at the original invoice amount and subsequently measured at the amortised cost since the Fund holds receivables with the objective to collect the contractual cash flows.

In assessing the expected credit loss of the receivables which measured at amortised cost, the Fund applied the simplified approach, which requires expected lifetime losses to be recognized from initial recognition of the receivables. The Fund assesses on a forward looking basis. Impairment (and reversal of impairment) losses are recognized in profit or loss as a separate line item.

#### 4.5 Leases

##### - *Investments in properties at fair value*

###### *Lessee*

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use for the Fund. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Lease liabilities are initially measured on a present value basis. Lease liabilities include the net present value of the outstanding lease payments at the lease commencement date. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are recognised by the initial amount of liabilities under lease agreements including the rental payment which paid before or on the date of the contract, net of incentives received under the lease initial direct cost and asset pretreatment costs.

For subsequent measurement, the Fund applies fair value model to right-of-use assets that meet the definition of investment property.

###### *Lessor*

Rental income under operating leases is recognised on either a straight-line basis or another systematic basis. The lessor shall apply another systematic basis if that basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished.

##### - *Right of use asset - Solar cell rooftop*

###### *Lessee*

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use for the Fund. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Contracts may contain both lease and non-lease components. The Fund allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

#### **4.6 Deferred expenses**

Deferred expenses comprise of the deferred contract costs and other directly related expenses as incurred. Deferred expenses are amortised as an expense over the contract period.

#### **4.7 Financial liabilities**

At initial recognition, the Fund measures a financial liability at its fair value. Transaction costs that are directly attributable to the acquisition of the financial liability are expensed in profit or loss. All financial liabilities are financial liabilities initially recognised at fair value and subsequently measured at amortised cost except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

For financial liabilities subsequently measured at amortised cost, the Fund recognises financial cost by effective interest rate.

#### **4.8 Revenue recognition**

The Fund's main revenue derives from rental and service income. The Fund recognised rental and service income on a straight-line basis over the period of the lease.

Interest income is recognised on an accrual basis.

#### 4.9 Expenses

Expenses are recognised on an accrual basis.

#### 4.10 Income taxes

The Fund is exempted from Thailand corporate income taxes. No provision for corporate income tax has been made in the financial statements.

### 5 Dividend payment policy

#### Dividend payment

The Management Company will consider to pay dividends to unitholder no more than 4 times annually, provided that:

- 1) If the Fund has net profits in each year, the Management Company shall pay not less than 90% (or any other percentage as may be permitted by the Securities Law from time to time) of the net profit of the year as dividends to unitholder.
- 2) If the Fund has accumulated profits, the Management Company may pay dividend to unitholder out of the accumulated profits.

Such net profit and accumulated profits shall be as actually derived and shall not include the following:

- 1) Unrealised gain from the appraisal or review of properties, leasehold rights, investments in securities and/or assets of the Fund in the given accounting period.
- 2) The payment of dividends under 1) shall not increase the Fund's accumulated losses for the accounting period in which the dividends are paid.

In considering the payment of dividends, if the value of interim dividends per investment unit to be paid is lower than or equal to Baht 0.10, the Management Company reserves the right not to pay dividends at that time and to bring such dividends forward for payment together with the payment of annual dividend.

Conditions and criteria for paying dividends to unitholder can be summarised as follows:

- 1) In the event that any one person or a group of persons holds more than one-third of the Fund total investment units sold, the Management Company shall not pay dividend to the said person or the group of persons for the portion exceeding one-third of the total investment units sold, or for the portion exceeding 50 percent of total number of investment units sold if such person or the group of persons are those whom specified by the Thai SEC except where the Thai SEC or any related agency will specify, order or exempt otherwise. In this case, the Management Company shall use the unpaid dividend for the Fund's benefit or in accordance with the notification of the Thai SEC.
- 2) In considering paying dividend to a group of persons holds more than one-third of the Fund total investment units sold, the number of investment units for which each investor in the said group is entitled to receive dividend shall be calculated on a pro rata basis of their unitholding, except where the Thai SEC or any related agency will specify, order or exempt otherwise.

On 13 May 2011, the Thai SEC approved the Fund to amend "procedure for handling dividends unpayable to unitholder" as follows:

The Management Company shall bequeath dividends unpaid to unitholder, if any, to the state as public revenue, and this shall be deemed to have been acknowledged and approved by all unitholders. Pending such process, the Management Company shall keep record of such dividends separated from the other assets of the Fund and not include such amount in the calculation of the Fund's net asset value.

#### Capital reduction

- 1) Where the Fund has excess liquidity resulting from one or more of the following:
  - a) The disposal of the real estate or the leasehold rights and/or
  - b) The value of the real estate or the leasehold rights decreases from the appraised value or from the reviewed appraisal value, and/or
  - c) From gradually amortised deferred charge.

The Management Company may pay the excess liquidity to the unitholder by reducing the registered capital of the Fund after adding back the excess liquidity due to amortisation of issuance cost and ground lease and deducting rental and service income which has not been received in cash.

- 2) The Management Company reserves the right to reduce the registered capital of the Fund at its discretion.

### 6 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### Fair value of investments in properties

The fair value of investments in properties that are not traded in an active market is determined by income approach using discounted expected future cash flows received from investments in properties by the appropriate discount rate which reflect related risks. The Fund engages independence appraiser to assess the fair value of properties and disclosed the fair value measurement in Note 11.

### 7 Financial risk

#### 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 of the Fund that potentially subject to the interest rate risk is bonds and deposit with banks.

Significant financial assets of the Fund measured at fair value through profit or loss classified by type of interest rates are summarised in the table below.

	As at 29 February 2024			Total Baht'000
	Floating interest rates Baht'000	Fixed interest rates Baht'000	Non-interest bearing Baht'000	
<b>Financial assets</b>				
Investments in debt securities measured at fair value through profit or loss	-	1,504,758	-	1,504,758
Cash and cash equivalents	405,482	-	37,806	443,288



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	As at 28 February 2023			
	Floating interest rates Baht'000	Fixed interest rates Baht'000	Non-interest bearing Baht'000	Total Baht'000
<b>Financial assets</b>				
Investments in debt securities measured at fair value through profit or loss	-	1,505,510	-	1,505,510
Cash and cash equivalents	406,175	-	53,847	460,022

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 rental receivables. However, those assets will be due for payment on a short-term basis. The Fund do not expect any financial loss from collection of receivables.

Foreign exchange rate risk

The Fund has no financial assets and liabilities which is foreign exchange so there is no foreign exchange rate.

Market risk

The Fund is exposed to market risk due to its investment in debt instruments. The return of such investment depends on the fluctuation of the economic, political, financial market and capital market situation. Such circumstances may have a positive or negative impact on the company operation of the issuing company depending on the type of business of the issuer of how much it correlates with the market volatility, which may increase or decrease the price of the instruments.

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty to settle the obligation related to financial liabilities which must be settled in cash or other financial assets.

The Fund's policy is to ensure that sufficient financial assets are available to meet financial commitments by performing cash flow analysis regularly to ensure that cash flows generated are sufficient so that financial commitments are met.

The Fund's financial assets mainly comprises of cash and cash equivalents and investment in debt securities. The Fund believes that such financial assets will be able to be sold quickly at close to their fair value.

The maturity analysis of financial liabilities is disclosed in Notes 17 and 18.

Risk Management

The Fund manages the risk that may increase from investment by setting risk management policies, such as investment diversification and analysis of the position of the investing business.

## 8 Capital risk management

The Fund's objectives when managing capital are to safeguard the Fund's ability to continue as a going concern in order to provide returns for unitholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Fund may adjust the amount of dividends paid to unitholder, return capital to unitholder, issue new shares or sell assets to reduce debt, if any.

## 9 Fair value of financial instruments

### 9.1 Fair value estimate

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Fund uses the market approach to measure its assets and liabilities that are required to be measured at fair value by relevant financial reporting standards, except that the cost approach or income approach is used when there is no active market or when a quoted market price is not available. In applying the above-mentioned valuation techniques, the Fund endeavors to use relevant observable inputs as much as possible.

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.

The Fund had the following assets that were measured at fair value using different levels of inputs as follows:

	(Unit: Baht'000)			
	Level 1	Level 2	Level 3	Total
<b>As of 29 February 2024</b>				
<b>Assets</b>				
Investments in debt securities measured at fair value through profit or loss	-	1,504,758	-	1,504,758
Investments in properties and leasehold properties at fair value	-	-	29,801,324	29,801,324
Total assets	-	1,504,758	29,801,324	31,306,082
<b>As of 28 February 2023</b>				
<b>Assets</b>				
Investments in debt securities measured at fair value through profit or loss	-	1,505,510	-	1,505,510
Investments in properties and leasehold properties at fair value	-	-	29,747,690	29,747,690
Total assets	-	1,505,510	29,747,690	31,253,200

## 9.2 Valuation techniques used to derive Level 2 fair values

The fair value of investments in securities has been determined by using the yield curve as announced by the Thai Bond Market Association.

## 9.3 Valuation techniques used to derive Level 3 fair values

The fair value of the investment properties has been determined based on the income approach by professional valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. The independent valuer reports directly to the Management Company. For financial reporting purpose, the Management Company reviews the valuation performed by the independent valuer. Review of valuation process and result is held between the Management Company and the Trustee in each accounting period, in line with the Fund's reporting dates.

The main information that the appraiser used for fair value assessment Level 3 such as discount rate was determined from business type, the location of project, generated cash flow, competitive market and risk-free return rate. The appraiser applied 10% - 11% of discounted cash flow for valued asset based on yield rate of government bond plus market, operational, and liquidity risk.

## 9.4 Valuation processes

Sensitivity analysis for each significant assumption

	Impact on fair value increase (decrease)	
	29 February 2024 %	28 February 2023 %
<b>Discount rate</b>		
Discount rate, decrease of 0.50 percent	3.28	3.32
Discount rate, increase of 0.50 percent	(3.35)	(3.40)
<b>Capitalisation rate</b>		
Capitalisation rate, decrease of 0.50 percent	3.83	3.82
Capitalisation rate, increase of 0.50 percent	(3.57)	(3.58)
<b>Rental growth rate</b>		
Rental growth rate, decrease of 0.50 percent	(2.23)	(2.26)
Rental growth rate, increase of 0.50 percent	2.22	2.24

Fair value for liabilities for which the fair value is disclosed at reporting date

A summary of fair value hierarchy of liabilities not carried at fair value is below:

	(Unit: Baht'000)			
	Level 1	Level 2	Level 3	Total
As of 29 February 2024				
Long-term borrowing	-	2,450,000	-	2,450,000
	-	2,450,000	-	2,450,000

Other financial instruments not carried at fair value are typically short-term in nature. Accordingly, their carrying amount is a reasonable approximation of fair value.

#### 10 Investment in debt securities measured at fair value through profit or loss

Movement of investments in debt securities measured at fair value through profit or loss for the year ended 29 February 2024 and 28 February 2023 are as follows;

	Investments in The Bank of Thailand Bonds	
	2024 Baht'000	2023 Baht'000
Opening balance	1,505,510	909,658
Purchase of investments in securities	5,803,714	4,808,354
Disposal of investments in securities	(5,807,621)	(4,213,793)
Net gain from changes in value of investments	3,155	1,291
Closing balance	1,504,758	1,505,510

#### 11 Investments in properties and leasehold properties at fair value

Movement of investments in properties and leasehold properties at fair value for the year ended 29 February 2024 and 28 February 2023 are as follows;

	2024 Baht'000	2023 Baht'000
Opening balance of the year	29,747,690	31,065,898
Increase during the year	95,044	131,037
Net unrealised loss from investment valuation	(41,410)	(1,449,245)
Ending balance of the year	29,801,324	29,747,690



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(Baht'000)										
Properties	Change during the year ended 29 February 2024					Net gain (loss) from change in fair value of investment for the year ended 29 February 2024	29 February 2024			
	Balance as of 1 March 2023		Change in Right of use asset	Renovation cost	Change in lease contract Acquisition cost		29 February 2024	Cost	Fair value	Appraisal Date
	Cost	Fair value								
Srinakarin Project	3,202,073	3,612,312	-	15,180	(85)	(25,077)	3,217,168	3,602,330	20 November 2023	
Krabi Project	1,567,471	2,010,920	-	2,731	232	6,056	1,570,434	2,019,939	25 November 2023	
Prachachuen Project	1,553,978	1,700,860	-	3,567	(156)	19,159	1,557,389	1,723,430	25 November 2023	
Rangsit Klong 7 Project	1,081,946	1,397,944	-	3,628	4	8,395	1,085,578	1,409,971	25 November 2023	
Tung Song Project	910,493	736,355	-	939	63	(3,805)	911,495	733,552	25 November 2023	
Singburi Project	751,123	627,108	-	1,052	40	(3,837)	752,215	624,363	25 November 2023	
Pranburi project	731,576	868,995	-	826	16	77,869	732,418	947,706	25 November 2023	
Mahachai Project	631,526	435,606	-	14,230	101	(21,089)	645,857	428,848	25 November 2023	
Maesai Project	611,977	817,989	-	1,861	86	100,503	613,524	920,439	25 November 2023	
Ranong Project	579,790	669,554	-	4,171	107	48,183	584,068	722,015	25 November 2023	
Phuket Project	3,032,058	3,088,086	-	6,542	515	13,284	3,039,115	3,108,427	20 November 2023	
Salaya Project	1,853,228	2,023,875	-	2,545	(136)	(16,754)	1,855,637	2,009,530	20 November 2023	
Nakornsihammarat Project	1,267,581	1,413,698	-	2,249	14	9,550	1,269,844	1,425,511	20 November 2023	
Navanakom Project	2,329,434	2,554,841	-	6,103	(107)	35,196	2,335,430	2,596,033	20 November 2023	
Samui Project	1,296,480	788,256	-	432	(75)	(60,502)	1,296,837	728,111	25 November 2023	
Pitsanulok Project	1,218,945	1,051,675	-	2,595	(93)	34,279	1,221,447	1,088,456	25 November 2023	
Amatanakorn Project	1,604,985	1,795,112	-	6,503	(74)	(153,411)	1,611,414	1,648,130	25 November 2023	
Petchaboon Project	791,402	797,289	-	3,099	242	(15,735)	794,743	784,895	25 November 2023	
Lumlukka Klong 6 Project	569,462	533,178	-	2,222	(47)	11,221	571,637	546,574	25 November 2023	
Sena Project	409,342	366,153	-	321	(32)	(11,034)	409,631	355,408	25 November 2023	
Bangpoo Project	728,049	761,884	-	3,029	(84)	1,414	730,994	766,243	20 November 2023	
Rangsit-Nakornnayok Project	813,628	703,126	-	6,935	136	(64,617)	820,699	645,580	20 November 2023	
Rama I Project	1,474,494	992,874	-	3,659	(41)	(30,659)	1,478,112	965,833	25 November 2023	
Total	29,011,041	29,747,690	-	94,419	626	(41,411)	29,106,086	29,801,324		

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Lotus's Retail Growth Freehold and Leasehold Property Fund  
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(Baht'000)									
Properties	Change during the year ended 28 February 2023					Net gain (loss) from change in fair value of investment for the year ended 28 February 2023	28 February 2023		Appraisal Date
	Balance as of 1 March 2022		Change in Right of use asset	Renovation cost	Change in lease contract Acquisition cost		Cost	Fair value	
	Cost	Fair value							
Srinakarin Project	3,173,847	3,608,753	-	28,151	75	(24,667)	3,202,073	3,612,312	25 February 2023
Krabi Project	1,564,193	2,073,945	-	3,281	(3)	(66,303)	1,567,471	2,010,920	25 November 2022
Prachachuen Project	1,548,629	1,691,730	-	5,215	134	3,781	1,553,978	1,700,860	25 November 2022
Rangsit Klong 7 Project	1,078,875	1,449,969	-	3,026	45	(55,096)	1,081,946	1,397,944	25 November 2022
Tung Song Project	909,330	838,128	-	1,215	(52)	(102,936)	910,493	736,355	25 November 2022
Singburi Project	749,014	737,695	-	2,148	(39)	(112,698)	751,123	627,108	25 November 2022
Pranburi Project	730,422	875,787	-	1,027	127	(7,946)	731,576	868,995	25 November 2022
Mahachai Project	629,938	584,465	-	1,573	15	(150,447)	631,526	435,606	25 November 2022
Maesai Project	609,698	902,156	-	2,303	(24)	(86,446)	611,977	817,989	25 November 2022
Ranong Project	577,245	654,746	-	2,632	(87)	12,263	579,790	669,554	25 November 2022
Phuket Project	3,023,860	3,218,848	-	8,441	(243)	(138,960)	3,032,058	3,088,088	27 January 2023
Salaya Project	1,837,490	2,002,816	-	15,702	36	5,321	1,853,228	2,023,875	27 January 2023
Nakornsihammarat Project	1,263,731	1,407,063	-	3,901	(51)	2,785	1,267,581	1,413,698	27 January 2023
Navanakom Project	2,312,929	2,513,175	-	16,238	267	25,161	2,329,434	2,554,841	27 January 2023
Samui Project	1,292,104	892,594	-	4,325	51	(108,714)	1,296,480	788,256	25 November 2022
Pitsanulok Project	1,215,227	1,132,321	-	3,748	(30)	(84,364)	1,218,945	1,051,675	25 November 2022
Amatanakorn Project	1,601,118	2,025,861	-	3,824	43	(234,616)	1,604,985	1,795,112	25 November 2022
Petchaboon Project	790,804	877,493	-	823	(225)	(80,802)	791,402	797,289	25 November 2022
Lumlukka Klong 6 Project	566,873	603,183	-	2,789	-	(72,794)	569,462	533,178	25 November 2022
Sena Project	407,756	390,549	-	1,556	30	(25,982)	409,342	366,153	25 November 2022
Bangpoo Project	725,459	779,867	-	2,520	70	(20,573)	728,049	761,884	27 January 2023
Rangsit-Nakornnayok Project	802,533	700,392	-	11,081	14	(8,361)	813,628	703,126	27 January 2023
Rama I Project	1,469,129	1,104,362	-	5,332	33	(116,853)	1,474,494	992,874	25 November 2022
Total	28,880,004	31,065,898	-	130,851	186	(1,449,245)	29,011,041	29,747,690	

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## Investments in properties

### For the year ended 29 February 2024

In November 2023, the Fund engaged an independent valuer to assess the fair value of the investments in properties for 23 projects which the fair value of the investments in properties was Baht 29,222 million and their carrying value was Baht 29,231 million. The Fund recorded the unrealised loss from the assessment amounting to Baht 9 million in the statement of comprehensive income. The Management Company has assessed that the fair value as at 29 February 2024 is not significantly different from the fair value on appraisal date.

### For the year ended 28 February 2023

According to valuation date specified in the table above, the Fund engaged an independent valuer to assess the fair value of the investments in properties for 23 projects which the fair value of the investments in properties was Baht 29,172 million and their carrying value was Baht 30,591 million. The Fund recorded the unrealised loss from the assessment amounting to Baht 1,419 million in the statement of comprehensive income. The Management Company has assessed that the fair value as at 28 February 2023 is not significantly different from the fair value on appraisal date.

## 12 Cash and cash equivalents

As at 29 February 2024 and 28 February 2023, the Fund has the details of cash and cash equivalents as follows:

	2024		2023	
	Principal Baht'000	Interest rate per annum %	Principal Baht'000	Interest rate per annum %
Cash on hand	7,508	-	6,914	-
Hong Kong and Shanghai Banking Corporation Limited Saving account	20,276	0.50	62,628	0.40
Citibank N.A. Bangkok Branch Saving account	2,610	0.01	2,610	0.01
Kasikorn Bank Public Company Limited Current account	7,969	-	7,043	-
Siam Commercial Bank Public Company Limited Current account	22,329	-	39,890	-
CIMB Thai Bank Public Company Limited Saving account	1	0.30	1	0.75
Bangkok Bank Public Company Limited Saving account	19,611	0.60	19,467	0.50
United Overseas Bank Saving account	362,984	1.15	321,469	0.65
	<u>443,288</u>		<u>460,022</u>	

**13 Rental receivables, net**

	29 February 2024 Baht'000	28 February 2023 Baht'000
Rental receivables	336,805	234,804
Less Expected credit loss	(15,961)	(25,525)
	320,844	209,279

As at 29 February 2024 and 28 February 2023, outstanding rental receivables can be analysed as follows:

	2024		2023	
	Rental receivables Baht'000	Expected credit loss Baht'000	Rental receivables Baht'000	Expected credit loss Baht'000
Up to 3 months	319,947	(44)	205,510	(183)
3 - 6 months	347	(50)	778	(65)
6 - 12 months	-	-	2,069	(721)
Over 12 months	16,511	(15,867)	26,447	(24,556)
Total	336,805	(15,961)	234,804	(25,525)

**14 Deferred expenses**

Deferred expenses comprised of expenses as follows:

	29 February 2024 Baht'000	28 February 2023 Baht'000
Deferred contract cost	20,663	19,921
Other prepayments	6,841	6,935
	27,504	26,856

#### 15 Right-of-use asset

Movement of right-of-use asset for the years ended 29 February 2024 and 28 February 2023 are as follows;

	Right of use asset - Solar cell rooftop	
	2024	2023
	Baht'000	Baht'000
Opening net book amount	171,453	180,847
Additions	91,041	-
Depreciation charges	(10,391)	(9,394)
Closing net book amount	252,103	171,453

#### 16 Long-term borrowing

Movement of long-term borrowings are as follows;

	29 February 2024	28 February 2023
	Baht'000	Baht'000
Beginning balance	2,450,000	2,450,000
Additions	-	-
Repayment	-	-
Ending balance	2,450,000	2,450,000

Maturity of long-term borrowing is as follows:

	29 February 2024	28 February 2023
	Baht'000	Baht'000
Within 1 year	-	-
Over 1 year	2,450,000	2,450,000
Ending balance	2,450,000	2,450,000

The borrowing bears interest at average MLR - 3.5% (2023: MLR - 3.5%) and will be repayable within December 2027.

Average MLR means average Minimum Loan Rate quoted by BBL, KBANK, KTB, and SCB.

The Fund has no undrawn committed borrowing facilities.

**17 Lease liabilities - Right-of-use asset**

As at 29 February 2024 and 28 February 2023, maturity of lease liabilities under lease agreements are as follows:

	Right of use asset - Solar cell rooftop	
	2024 Baht'000	2023 Baht'000
Within 1 year	24,649	15,516
Later than 1 year but not later than 5 years	82,797	52,292
Later than 5 years	241,035	161,560
Total	348,481	229,368
<u>Less</u> Future finance charges on lease agreements	(88,310)	(52,961)
Present value of liabilities under lease agreements	260,171	176,407
Present value of lease liabilities		
	2024 Baht'000	2023 Baht'000
Within 1 year	15,746	10,185
Later than 1 year but not later than 5 years	51,536	33,553
Later than 5 years	192,889	132,669
Total	260,171	176,407

**18 Lease liabilities**

As at 29 February 2024 and 28 February 2023, maturity of lease liabilities under lease agreements are as follows:

	Investments in properties at fair value	
	2024 Baht'000	2023 Baht'000
Within 1 year	48,995	46,745
Later than 1 year but not later than 5 years	263,090	254,331
Later than 5 years	300,993	358,746
Total	613,078	659,822
<u>Less</u> Future finance charges on lease agreements	(88,596)	(103,142)
Present value of liabilities under lease agreements	524,482	556,680
Present value of lease liabilities		

**Lotus's Retail Growth Freehold and Leasehold Property Fund**  
**Notes to the Financial Statements**  
**For the year ended 29 February 2024**

	<b>2024</b>	<b>2023</b>
	<b>Baht'000</b>	<b>Baht'000</b>
Within 1 year	35,346	32,199
Later than 1 year but not later than 5 years	210,037	196,015
Later than 5 years	279,099	328,466
<b>Total</b>	<b>524,482</b>	<b>556,680</b>

#### 19 Unitholder' equity

The Fund has no capital reduction during the year.

Movements in retained earnings as at 29 February 2024 and 28 February 2023 are as follows:

	<b>2024</b>	<b>2023</b>
	<b>Baht'000</b>	<b>Baht'000</b>
Beginning balance	2,780,499	3,940,157
Add Net investment income	2,268,547	2,155,086
Net unrealised loss from investments valuation	(38,255)	(1,447,956)
Less Dividend paid to unitholder (Note 20)	(2,028,528)	(1,866,788)
<b>Ending balance</b>	<b>2,982,263</b>	<b>2,780,499</b>

#### 20 Dividends

The investment committee approved dividends as follows:

The details of dividends for the year ended 29 February 2024 are as followed:

No.	The operation for the year	Approved date	Unitholder register's book closed date	Payment date	Per unit Baht	Total Million Baht
1	1 December 2022 to 28 February 2023	21 April 2023	06 May 2023	22 May 2023	0.2168	507
2	1 March 2023 to 31 May 2023	24 July 2023	07 August 2023	21 August 2023	0.2193	513
3	1 June 2023 to 31 August 2023	20 October 2023	03 November 2023	17 November 2023	0.2112	494
4	1 September 2023 to 30 November 2023	15 January 2024	28 January 2024	12 February 2024	0.2206	515
						<b>2,029</b>

The details of dividends for the year ended 28 February 2023 are as followed:

No.	The operation for the year	Approved date	Unitholder register's book closed date	Payment date	Per unit Baht	Total Million Baht
1	1 December 2021 to 28 February 2022	20 April 2022	05 May 2022	20 May 2022	0.1873	436
2	1 March 2022 to 31 May 2022	19 July 2022	02 August 2022	16 August 2022	0.2042	477
3	1 June 2022 to 31 August 2022	17 October 2022	31 October 2022	15 November 2022	0.2034	475
4	1 September 2022 to 30 November 2022	17 January 2023	31 January 2023	14 February 2023	0.2036	477
						<b>1,867</b>



## **21 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 0.16% 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 0.01% 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 0.02% 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.

### **Property management fee**

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 property revenue.
- 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 depending on the type and year (terms) of lease agreements.
- 3) Property management fee is calculated at the rate not exceeding 0.3% per annum of the net asset value of the Fund calculated as at the last 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.

**Lotus's Retail Growth Freehold and Leasehold Property Fund**  
**Notes to the Financial Statements**  
**For the year ended 29 February 2024**

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**Operating expenses**

Operating expense comprised

	<b>29 February 2024 Baht'000</b>	<b>28 February 2023 Baht'000</b>
Cleaning, security and store used and supplies expense	60,988	63,100
Insurance expense	16,380	17,937
Repair and maintenance expense	28,966	25,677
Utilities expense	91,353	103,780
Sales promotion expenses	22,026	13,044
Asset appraisal expenses	1,764	1,284
Property tax	44,456	47,185
Annual inspection fee	2,160	2,478
Other operating expenses	294	209
	<b>268,387</b>	<b>274,694</b>

**Other expenses**

Other expenses comprised

	<b>29 February 2024 Baht'000</b>	<b>28 February 2023 Baht'000</b>
Printing expense	-	-
Listing expense	102	96
Bank charge	62	90
Reversal of expected credit loss	(9,564)	(2,690)
Accounting and tax management fee	737	737
Legal fee	146	123
Service charge on properties	1,162	1,161
Bad debt expense	8,430	-
Other expenses	8,637	6,549
	<b>9,712</b>	<b>6,066</b>



## 22 Related party transactions

Enterprises and individuals that, directly or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Fund, including holding entities, subsidiaries and fellow subsidiaries are related parties of the Fund. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Fund that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Fund and close members of the family of these individuals and entities associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The relationship among major related parties can be summarised as follows:

Name of related parties	Type of relationship
Ek-Chai Distribution System Company Limited	The Property Manager of the Fund and the unitholder in proportionate of 25%
Krung Thai Asset Management Public Company Limited	The Management Company of the Fund and the Fund's registrar
Hong Kong and Shanghai Banking Corporation Limited	The Mutual fund supervisor

The following significant transactions were carried out with related parties:

### a) Statement of comprehensive income

	29 February 2024 Baht'000	28 February 2023 Baht'000
The Property Manager:		
Rental income	949,292	908,665
Property management fee	239,451	245,549
Accounting and tax management fee	737	737
The Management Company:		
Management fee	15,216	15,385
Registrar fee	4,367	4,510

### b) Statement of financial position

	29 February 2024 Baht'000	28 February 2023 Baht'000
The Property Manager:		
Rental receivable	262,239	153,101
Other accounts payable	4,037	6,475
Accrued expenses	44,820	54,745
The Management Company:		
Accrued expenses	1,259	2,563



### Mutual Fund Supervisor Report

To: Unitholder of Lotus's Retail Growth Freehold and Leasehold Property Fund

Whereas The Hongkong and Shanghai Banking Corporation Limited ("HSBC"), the Mutual Fund Supervisor of the Lotus's Retail Growth Freehold and Leasehold Property Fund ("LPF"), which is managed by the Krung Thai Asset Management Public Company has performed duties as the Mutual Fund Supervisor for the period beginning 1<sup>st</sup> March 2023 to 29<sup>th</sup> February 2024.

In our opinion, the Krung Thai Asset Management Public Company has performed duties in managing the LPF correctly and appropriately according to the objective specified in the fund management project as approved by the Securities and Exchange Commission and under the Securities and Exchange Act B.E. 2535.

Yours sincerely,

The Hongkong and Shanghai Banking Corporation Limited

A handwritten signature in black ink, appearing to be "Tanapat Vitpornnitipacha".

(Tanapat Vitpornnitipacha)

Vice President Fund Services Operations  
Mutual Fund Supervisor

13<sup>th</sup> March 2024

RESTRICTED

## Part 5

### **Certification of information accuracy**

The Management Company has carefully reviewed the information in this Annual Registration Statement and certified that such information is accurate, complete, and true, without misunderstanding of other persons or without lack of information that should be informed in the materiality. In addition, the Management Company has also certified as follows:

(1) Financial statements and financial information in Annual Registration Statement of the Fund properly and completely present in materiality on financial position and operating performance of the Fund.

(2) The Management Company has established good disclosure system of information to ensure that the disclosure of the Fund's information in materiality part is proper and complete, and supervise the compliance of such system.

(3) The Management Company has established good internal control system and supervise the compliance of such system, and notified information of internal control system assessment within 15 February 2021 to the auditor of the Fund, covering faults and significant changes of internal control system as well as misconduct that may affect the preparation of financial report of the Fund.

In this regard, as evidence that all documents are the same sets of documents which are certified to be true copy by the Management Company, and the Management Company has assigned **Mr. Anuchit Katetrakul, CISA** as the signatory in all pages of this document. If any documents are not affixed with the signatures of **Mr. Anuchit Katetrakul, CISA**, the Management Company shall deem that the said information is not the information of which its accuracy is certified the Management Company as aforesaid.

Name

Position

Signature

Mr. Anuchit Katetrakul, CISA

Vice President

-Signature-

On behalf of the Management Company

-Signature-

(Mrs. Chavinda Hanratanakool)

Chief Executive Officer

Krungthai Asset Management Public Company Limited