

**LOTUS'S RETAIL GROWTH FREEHOLD AND
LEASEHOLD PROPERTY FUND
(FORMERLY NAME TESCO LOTUS RETAIL GROWTH
FREEHOLD AND LEASEHOLD PROPERTY FUND)**

STATUTORY FINANCIAL STATEMENTS

28 FEBRUARY 2021



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") 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 28 February 2021;
- the statement of details of investments as at 28 February 2021;
- 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 issued by the Federation of Accounting Professions that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. 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 freehold 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.



Key audit matter	How my audit addressed the key audit matter
<p data-bbox="284 483 868 544">Valuation of investments in freehold and leasehold properties</p> <p data-bbox="284 573 868 696">Refer to Note 8 to the financial statements for critical accounting estimates and judgements and Note 13 to the financial statements for investments in properties at fair value.</p> <p data-bbox="284 725 868 943">As at 28 February 2021, The Fund has total cost of investments in freehold and leasehold properties Bath 28,813 million, and total fair value of Bath 31,332 million which estimated fair value using the income approach by the independent professional appraisers authorised by the Securities and Exchange Commission (“the SEC”).</p> <p data-bbox="284 972 868 1368">I focused on this area because the valuation of investments in freehold and leasehold properties involved significant judgement by management and management assumptions in determining the fair value of investments in freehold 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 data-bbox="890 573 1495 757">I discussed with Krung Thai Asset Management Public Company Limited (“the Management Company”) and independent appraisers to understand the basis including the key assumptions used for measurement the valuation of investments in freehold and leasehold properties.</p> <p data-bbox="890 786 1495 882">I assessed the independent appraisers’ competence, capabilities and objectivity and verified their qualifications.</p> <p data-bbox="890 911 1495 1028">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 data-bbox="890 1057 1495 1742" style="list-style-type: none"><li data-bbox="890 1057 1495 1211">• 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 data-bbox="932 1240 1495 1585" style="list-style-type: none"><li data-bbox="932 1240 1495 1395">- 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 data-bbox="932 1402 1495 1462">- Evaluate the revenue growth rate with lease contracts and historical growth rate<li data-bbox="932 1469 1495 1529">- Evaluate the occupancy rate with the average occupancy rate from historical information<li data-bbox="932 1536 1495 1585">- Benchmark the discount rate against similar industry<li data-bbox="890 1621 1495 1742">• Recomputed the calculation of valuation of investments in freehold and leasehold properties based on the expected future cash flows and discounted with the market rate. <p data-bbox="890 1778 1495 1951">As a result of all the above procedures performed, I viewed that Management Company’s 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 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 blue ink, appearing to read 'Tithinun Vankeo', with a horizontal line underneath.

Tithinun Vankeo
Certified Public Accountant (Thailand) No. 9432
Bangkok
28 April 2021

Lotus's Retail Growth Freehold and Leasehold Property Fund
(Formerly name Tesco Lotus Retail Growth Freehold and Leasehold Property Fund)
Statement of Financial Position
As at 28 February 2021

	<u>Notes</u>	<u>2021</u> <u>Baht</u>	<u>2020</u> <u>Baht</u>
Assets			
Investments in debt securities measured at fair value through profit or loss (cost as at 28 February 2021: Baht 939 million 29 February 2020: Baht 937 million)	11, 12	939,873,015	939,005,675
Investments in properties at fair value (cost as at 28 February 2021: Baht 28,813 million 29 February 2020: Baht 28,146 million)	11,13	31,331,814,649	31,090,170,929
Cash and cash equivalents	14	695,270,071	766,514,358
Rental receivables, net	15	272,943,249	345,464,497
Deferred expenses	16	26,745,054	55,190,445
Other assets		8,300,650	8,120,113
Total assets		<u>33,274,946,688</u>	<u>33,204,466,017</u>
Liabilities			
Other accounts payable		99,140,832	87,664,684
Rental income received in advance		64,166,551	91,764,274
Deposits received from customers		355,464,245	362,745,757
Accrued expenses		101,637,602	215,269,838
Withholding tax payable		485,204	1,403,060
Borrowing	17	2,450,000,000	2,450,000,000
Lease Liabilities		611,965,205	-
Total liabilities		<u>3,682,859,639</u>	<u>3,208,847,613</u>
Net assets		<u>29,592,087,049</u>	<u>29,995,618,404</u>
Net assets:			
Capital received from unitholders		25,493,674,665	25,493,674,665
Retained earnings	18	4,098,412,384	4,501,943,739
Net assets		<u>29,592,087,049</u>	<u>29,995,618,404</u>
Net assets value per unit (Baht)		12.6608	12.8335
Number of units outstanding at the end of the year (units)		2,337,282,928	2,337,282,928

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

Lotus's Retail Growth Freehold and Leasehold Property Fund
(Formerly name Tesco Lotus Retail Growth Freehold and Leasehold Property Fund)
Statement of Details of Investments
As at 28 February 2021

Type of investments	2021			2020		
	Cost Baht'000	Fair value Baht'000	% of fair value	Cost Baht'000	Fair value Baht'000	% of fair value
Investments in properties at fair value						
Ownership on lands and buildings						
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	153,604			141,456		
	3,169,285	3,550,449	11	3,157,137	3,685,000	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	40,818			38,499		
	1,560,606	2,075,159	6	1,558,287	2,047,045	6

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Lotus's Retail Growth Freehold and Leasehold Property Fund
(Formerly name Tesco Lotus Retail Growth Freehold and Leasehold Property Fund)
Statement of Details of Investments (Cont'd)
As at 28 February 2021

	2021			2020		
	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)						
3. Prachachuen Project						
Location No.829, Pracharat 2 Road						
Bangsee 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	30,212			24,538		
	1,543,464	1,698,075	5	1,537,790	1,667,019	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	18,069			14,190		
	1,076,677	1,473,522	5	1,072,798	1,430,067	4

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Lotus's Retail Growth Freehold and Leasehold Property Fund
(Formerly name Tesco Lotus Retail Growth Freehold and Leasehold Property Fund)
Statement of Details of Investments (Cont'd)
As at 28 February 2021

Type of investments (Cont'd)	2021			2020		
	Cost Baht'000	Fair value Baht'000	% of fair value	Cost Baht'000	Fair value Baht'000	% of fair value
5. Tung Song Project						
Location No.144 Moo 2, Nonghong Sub-district						
Tung Song District, Nakorn Srithammarat						
- 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	15,048			12,565		
	906,646	871,424	3	904,163	850,785	3
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	11,566			9,141		
	747,148	797,531	2	744,723	803,091	2

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Lotus's Retail Growth Freehold and Leasehold Property Fund
(Formerly name Tesco Lotus Retail Growth Freehold and Leasehold Property Fund)
Statement of Details of Investments (Cont'd)
As at 28 February 2021

Type of investments (Cont'd) Investments in properties at fair value (Cont'd) Ownership on lands and buildings (Cont'd)	2021			2020		
	Cost	Fair value	% of	Cost	Fair value	% of
	Baht'000	Baht'000	fair value	Baht'000	Baht'000	fair value
7. Pranburi Project						
Location No.706 Moo 7, Kao-noi Sub-district						
Pranburi District, Prajuabkirkun						
- 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	8,971			7,646		
	729,727	864,948	3	728,402	876,181	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	27,296			25,843		
	628,609	684,072	2	627,156	678,275	2

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Lotus's Retail Growth Freehold and Leasehold Property Fund
(Formerly name Tesco Lotus Retail Growth Freehold and Leasehold Property Fund)
Statement of Details of Investments (Cont'd)
As at 28 February 2021

Type of investments (Cont'd)	2021			2020		
	Cost Baht'000	Fair value Baht'000	% of fair value	Cost Baht'000	Fair value Baht'000	% of fair value
Investments in properties at fair value (Cont'd)						
Ownership on lands and buildings (Cont'd)						
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	27,240			26,060		
	608,608	900,481	4	607,428	816,041	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	15,471			13,496		
	575,881	652,503	2	573,906	636,551	2

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Lotus's Retail Growth Freehold and Leasehold Property Fund
(Formerly name Tesco Lotus Retail Growth Freehold and Leasehold Property Fund)
Statement of Details of Investments (Cont'd)
As at 28 February 2021

Type of investments (Cont'd) Investments in properties at fair value (Cont'd) Ownership on lands and buildings (Cont'd)	2021				2020				
	Cost	Fair value	% of	Cost	Fair value	% of	Cost	Fair value	% of
	Baht'000	Baht'000	fair value	Baht'000	Baht'000	fair value	Baht'000	Baht'000	fair value
11 Phuket Project									
Location No.104 Moo 5, Chaloe Phrakiat Ratchakam 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	139,256			125,039					
	3,018,509	3,268,155	10	3,004,292	3,193,515				10
12 Salaya Project									
Location No.99/14 Moo 1, Bangtoey Sub-district									
Sam Phran District, Nakornpathom									
- 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	53,993			51,561					
	1,833,798	2,020,684	6	1,831,366	2,116,165				7

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Lotus's Retail Growth Freehold and Leasehold Property Fund
(Formerly name Tesco Lotus Retail Growth Freehold and Leasehold Property Fund)
Statement of Details of Investments (Cont'd)
As at 28 February 2021

	2021			2020		
	Cost	Fair value	% of	Cost	Fair value	% of
	Baht'000	Baht'000	fair value	Baht'000	Baht'000	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						
Naimueng 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	81,335			79,401		
	1,260,786	1,398,103	4	1,258,852	1,388,095	4
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	21,822			19,276		
	2,308,548	2,581,916	8	2,306,002	2,666,560	8

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Lotus's Retail Growth Freehold and Leasehold Property Fund
(Formerly name Tesco Lotus Retail Growth Freehold and Leasehold Property Fund)
Statement of Details of Investments (Cont'd)
As at 28 February 2021

	2021			2020		
	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	47,144			41,511		
- Right-of-use assets	19,582			-		
	1,288,861	948,022	3	1,263,646	989,160	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	260,211			260,211		
- 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	101,813			99,420		
- Right-of-use assets	2,379			-		
	1,214,069	975,749	3	1,209,297	951,216	3

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

Lotus's Retail Growth Freehold and Leasehold Property Fund
(Formerly name Tesco Lotus Retail Growth Freehold and Leasehold Property Fund)
Statement of Details of Investments (Cont'd)
As at 28 February 2021

Type of investments (Cont'd)	2021			2020		
	Cost	Fair value	% of	Cost	Fair value	% of
	Baht'000	Baht'000	fair value	Baht'000	Baht'000	fair value
Investments in properties at fair value (Cont'd)						
Leasehold right on lands and ownership on buildings						
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						
- Ownership of shopping mall buildings, component buildings and utility system	117,598			117,598		
- Ownership of furniture and fixtures, and equipment used in operation	1,401,301			1,401,301		
- Related cost on acquisition	2,721			2,721		
- Renovation and lease contract acquisition cost	4,687			4,687		
- Right-of-use assets	64,877			59,345		
	1,517			-		
	1,592,701	2,037,620	6	1,585,652	2,168,155	7
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	30,466			29,451		
- Right-of-use assets	52,659			-		
	789,176	875,480	3	735,502	867,211	3

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Lotus's Retail Growth Freehold and Leasehold Property Fund
(Formerly name Tesco Lotus Retail Growth Freehold and Leasehold Property Fund)
Statement of Details of Investments (Cont'd)
As at 28 February 2021

Type of investments (Cont'd)	2021		2020	
	Cost Baht'000	Fair value Baht'000	Cost Baht'000	Fair value Baht'000
Investments in properties at fair value (Cont'd)				
Leasehold right on lands and ownership on buildings (Cont'd)				
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			57,443	
- Leasehold right on land of 33-1-0 rai				
- Ownership of shopping mall buildings, component buildings and utility system	57,443			
- Ownership of furniture and fixtures, and equipment used in operation	453,030		453,030	
- Related cost on acquisition	5,818		5,818	
- Renovation and lease contract acquisition cost	3,354		3,354	
- Right-of-use assets	9,380		8,988	
	33,034		-	
	562,059	598,019	528,633	599,039
				2
4. Sena Project				
Location No.49 Moo 1, Highway No.3263 Bangnomko Sub-district, Sena District Ayutthaya				
- Rental period from 14 March 2012 - 3 April 2038				
- Leasehold right on land of 24-2-96 rai			29,665	
- Ownership of shopping mall buildings, component buildings and utility system	29,665			
- Ownership of furniture and fixtures, and equipment used in operation	359,073		359,073	
- Related cost on acquisition	3,487		3,487	
- Renovation and lease contract acquisition cost	1,450		1,450	
- Right-of-use assets	6,187		5,179	
	6,868		-	
	406,730	384,588	398,854	384,008
				1

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

Lotus's Retail Growth Freehold and Leasehold Property Fund
(Formerly name Tesco Lotus Retail Growth Freehold and Leasehold Property Fund)
Statement of Details of Investments (Cont'd)
As at 28 February 2021

Type of investments (Cont'd) Investments in properties at fair value (Cont'd) Leasehold right on lands and ownership on buildings (Cont'd)	2021		2020			
	Cost Baht'000	Fair value Baht'000	Cost Baht'000	Fair value Baht'000	% of fair value	% of fair value
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			69,270			
- Leasehold right on land of 55-0-80 rai				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	9,453		8,475			
- Right-of-use assets	63,294		-			
	723,072	801,604	658,800	761,091	2	2
6. Rangsit-Nakornnayok Project Location No.90 Moo 2, Rangsit-Nakornnayok Road, Buen Yitoe Sub-district, Thanyaburi District, Phatumthani						
- Rental period from 4 December 2012 - 6 September 2036				120,251		
- Leasehold right on land of 33-2-0 rai	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	17,300		12,956			
- Right-of-use assets	120,556		-			
	800,744	762,426	675,844	646,992	2	2

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

Lotus's Retail Growth Freehold and Leasehold Property Fund
(Formerly name Tesco Lotus Retail Growth Freehold and Leasehold Property Fund)
Statement of Details of Investments (Cont'd)
As at 28 February 2021

Type of investments (Cont'd) Investments in properties at fair value (Cont'd) Leasehold right on land and buildings	2021		2020			
	Cost Baht'000	Fair value Baht'000	% of fair value	Cost Baht'000	Fair value Baht'000	% of fair value
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	75,402			71,128		
- Right-of-use assets	286,213			-		
	1,467,581	1,111,285	3	1,177,094	868,909	3
Total investments in properties	28,813,285	31,331,815	97	28,145,624	31,090,171	97

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

Lotus's Retail Growth Freehold and Leasehold Property Fund
(Formerly name Tesco Lotus Retail Growth Freehold and Leasehold Property Fund)
Statement of Details of Investments (Cont'd)
As at 28 February 2021

	2021				2020			
	Cost Baht'000	Fair value Baht'000	% of fair value	Maturity	Cost Baht'000	Fair value Baht'000	% of fair value	Maturity
Type of investments (Cont'd)								
Investments in debt securities measured at fair value through profit or loss								
Government bonds								
Bank of Thailand: BOT 19/36/182D					199,230	199,973	-	5 March 2020
Bank of Thailand: BOT 19/49/92D					209,368	209,973	1	5 March 2020
Bank of Thailand: BOT 20/1/91D					249,348	249,717	1	9 April 2020
Bank of Thailand: BOT 20/8/91D					279,329	279,343	1	28 May 2020
Bank of Thailand: BOT 20/3/364D	554,543	554,986	2	4 March 2021				
Bank of Thailand: BOT 20/50/91D	29,981	29,997	-	18 March 2021				
Bank of Thailand: BOT 21/1/91D	219,899	219,950	1	8 April 2021				
Bank of Thailand: BOT 20/4/364D	134,786	134,940	-	22 April 2021				
Total investments in debt securities measured at fair value through profit or loss	939,209	939,873	3		937,275	939,006	3	
Total investments	29,752,494	32,271,688	100		29,082,899	32,029,177	100	

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

Lotus's Retail Growth Freehold and Leasehold Property Fund
(Formerly name Tesco Lotus Retail Growth Freehold and Leasehold Property Fund)
Statement of Comprehensive income
For the year ended 28 February 2021

	Notes	2021 Baht	2020 Baht
Investment income			
Rental and service income		2,368,363,555	3,051,847,868
Interest income		7,786,352	19,568,394
Other income		4,760,531	24,666
Total income		<u>2,380,910,438</u>	<u>3,071,440,928</u>
Expenses			
Management fee	20, 21	15,330,413	15,340,798
Trustee fee	20	3,047,769	3,051,012
Registrar fee	20, 21	4,571,653	4,576,517
Property management fee	20,21	232,016,466	262,762,780
Professional fee		1,710,500	1,716,000
Operating expenses	20	232,943,938	232,815,161
Ground lease payment		-	48,627,364
Other expenses	20	12,231,235	6,438,746
Total expenses		<u>501,851,974</u>	<u>575,328,378</u>
Net investment income before financial expenses		<u>1,879,058,464</u>	<u>2,496,112,550</u>
Financial expenses			
Interest expenses		62,108,747	69,214,849
Net investment income		<u>1,816,949,717</u>	<u>2,426,897,701</u>
Net gain (loss) from investments			
Net unrealised gain (loss) from investments valuation	12,13,18	(427,083,878)	274,526,911
Total net gain (loss) from investments		<u>(427,083,878)</u>	<u>274,526,911</u>
Increase in net assets from operations		<u>1,389,865,839</u>	<u>2,701,424,612</u>

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

Lotus's Retail Growth Freehold and Leasehold Property Fund
(Formerly name Tesco Lotus Retail Growth Freehold and Leasehold Property Fund)
Statement of Changes in Net Assets
For the year ended 28 February 2021

	<u>Notes</u>	<u>2021 Baht</u>	<u>2020 Baht</u>
Increase in net assets from operation during the year			
Net investment income		1,816,949,717	2,426,897,701
Net unrealised gain (loss) from investments valuation		<u>(427,083,878)</u>	<u>274,526,911</u>
Net increase in net assets from operations		1,389,865,839	2,701,424,612
Dividend payment	18, 19	<u>(1,793,397,194)</u>	<u>(2,112,670,037)</u>
Increase in net assets during the year		(403,531,355)	588,754,575
Net assets at the beginning of the year		29,995,618,404	29,379,060,434
Retrospective adjustments from changes in accounting policy	5	<u>-</u>	<u>27,803,395</u>
Net assets at the end of the year		<u><u>29,592,087,049</u></u>	<u><u>29,995,618,404</u></u>

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

Lotus's Retail Growth Freehold and Leasehold Property Fund
(Formerly name Tesco Lotus Retail Growth Freehold and Leasehold Property Fund)
Statement of Cash Flows
For the year ended 28 February 2021

	Notes	2021 Baht	2020 Baht
Cash flows from operating activities			
Increase in net assets from operations		1,389,865,839	2,701,424,612
Adjustments to reconcile net increase in net assets from from operations to net cash provided by (used in) operating activities:			
Purchase of investments in properties		(81,557,797)	(92,794,174)
Purchases of investments in securities		(3,225,543,048)	(3,547,049,165)
Disposal of investments in securities		3,230,000,000	3,560,000,000
Decrease in rental receivables		64,218,482	78,055,431
Increase in deferred expenses		(526,230)	(1,043,155)
(Increase) decrease in other assets		(1,013,126)	610,500
Increase (decrease) in other accounts payable		11,476,148	(4,746,619)
Decrease in rental income received in advance		(27,597,723)	(18,952,126)
(Decrease) increase in deposits received from customers		(7,281,512)	17,279,979
Decrease in accrued expenses		(27,607,187)	(109,791,132)
Decrease in withholding tax payable		(917,856)	(170,740)
Interest income		(7,786,352)	(19,568,394)
Expected credit loss		8,302,766	2,535,658
Interest expenses		62,108,747	69,214,849
Interest received		2,228,520	5,532,063
Net unrealised (gain) loss from investment valuation		427,083,878	(274,526,911)
Net cash provided by operating activities		1,815,453,549	2,366,010,676
Cash flows from financing activities			
Dividend payment	18, 19	(1,793,397,194)	(2,112,670,037)
Cash paid for lease liabilities		(44,929,923)	-
Interest paid		(48,370,719)	(71,452,404)
Net cash used in financing activities		(1,886,697,836)	(2,184,122,441)
Net (decrease) increase in cash and cash equivalents		(71,244,287)	181,888,235
Cash and cash equivalents at the beginning of the year		766,514,358	584,626,123
Cash and cash equivalents at the end of the year		695,270,071	766,514,358

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

Lotus's Retail Growth Freehold and Leasehold Property Fund
(Formerly name Tesco Lotus Retail Growth Freehold and Leasehold Property Fund)
Notes to the Financial Statements
For the year ended 28 February 2021

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 28 February 2021, 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 28 April 2021.

2 Significant events during the current year

The outbreak of Coronavirus Disease 2019 ("COVID-19") in early 2020 has adverse effects on operating results for the year ended 28 February 2021.

From 26 March 2020, the Fund has temporarily closed its 16 branches except Sena branch, Singburi branch, Ranong branch, Nakorn SriThammarat branch, Tung Song branch, Mae Sai branch and Samui branch. Subsequently, on 1 April 2020, the additional 6 branches including Sena branch, Singburi branch, Nakorn SriThammarat branch, Tung Song branch, Mae Sai branch and Samui have been temporarily closed. Totaling 22 branches were temporarily closed for some area, leaving only Ranong branch. From 17 May 2020, the Fund were opened all branches.

Additionally, from 21 December 2020 to 3 January 2021, Tesco lotus has been temporary closed Mahachai branch because of Covid-19 situation at Samut Sakornn province.

Consequently, the Fund had decreased in rental income in 2020 because the tenants decreased rental repayment ability from the COVID-19 situation. The Fund is paying particular attention to the development of the COVID-19 situation which has impact on the shopping mall industry and the leasing market, in order to assess and plan proactively for the remediation of the business.

3 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 issued by the Federation of Accounting Professions which effective on financial reporting period of the financial statements.

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 where assumption and estimates are significant to the financial statements are disclosed in Note 8.

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.

4 Adoption of new accounting guideline and changes in accounting policies

Adoption of new accounting guideline

The Fund has adopted 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 of Thailand retrospectively from 1 March 2020.

Significant changes in accounting policies from adoption of new accounting guideline.

For the year ended 28 February 2021

a) Financial Instrument

The new accounting guideline introduce new classification and measurement requirements for financial instruments as well as provide derecognition guidance on financial assets and financial liabilities. In addition, they require extensive disclosure on financial instruments and related risks.

In addition, the Fund has adopted financial reporting standards relating to financial instruments (TFRS 9) with respect to financial instruments that are measured at amortised cost and impairment losses which is not mentioned in the accounting guidelines from 1 March 2020. The impact from the first-time adoption of new accounting guideline and above financial reporting standard have been disclosed in Note 5.

b) Leases

The new accounting guideline, where the Fund is a lessee, will result in almost all leases being recognised on the statement of financial position as the distinction between operating and finance leases is removed. A right-of-use asset and a lease liability will be recognised, with exception on short-term and low-value leases.

On 1 March 2020, the Fund has adopted the new lease standard in its financial statements. The impact from the first-time adoption has been disclosed in Note 5.

Lotus's Retail Growth Freehold and Leasehold Property Fund
(Formerly name Tesco Lotus Retail Growth Freehold and Leasehold Property Fund)
Notes to the Financial Statements
For the year ended 28 February 2021

5 Impacts from initial application of the new accounting guideline and the new financial reporting standards

For the year ended 28 February 2021

This note explains the impact which the Fund has adopted 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 of Thailand (accounting guidelines) retrospectively from 1 March 2020, but has not restated comparatives for the year ended 29 February 2020 reporting period, as permitted in the guideline. The reclassifications and adjustments arising from the new requirements are therefore recognised in the opening statement of financial position on 1 March 2020.

The impact of first-time adoption of new accounting guidelines on the statements of financial position are as follows:

	As at 29 February 2020 Previously reported Baht	Reclassifications and adjustments according to accounting guidelines on leases Baht	As at 1 March 2020 Restated Baht
Assets			
Investments at fair value	32,029,176,604	586,103,672	32,615,280,276
Deferred expenses	55,190,445	(28,971,621)	26,218,824
Total assets	32,084,367,049	557,132,051	32,641,499,100
Liabilities			
Lease liabilities	-	640,077,483	640,077,483
Accrued expenses	215,269,838	(82,945,432)	132,324,406
Total liabilities	215,269,838	557,132,051	772,401,889

Impact from adoption of new accounting guideline relating to financial instruments

The Fund has adopted the new accounting guideline from 1 March 2020. However, the adoption of the new accounting guideline on financial instruments has no material effects.

Impact from adoption of new accounting guideline relating to leases

On adoption of new accounting guideline, the Fund recognised lease liabilities in relation to leases which had previously been classified as 'operating leases'. These liabilities were measured at the present value of the remaining lease payments, discounted using the incremental borrowing rate as of 1 January 2020. The incremental borrowing rate that the Fund applied to the lease liabilities was 2.23% - 2.78% per year.

Lotus's Retail Growth Freehold and Leasehold Property Fund
(Formerly name Tesco Lotus Retail Growth Freehold and Leasehold Property Fund)
Notes to the Financial Statements
For the year ended 28 February 2021

5 Impacts from initial application of the new accounting guideline and the new financial reporting standards (Cont'd)

For the year ended 28 February 2021 (Cont'd)

Impact from adoption of new accounting guideline relating to leases (Cont'd)

	<u>Baht</u>
Operating lease commitments disclosed as at 29 February 2020	791,376,432
Less: Discounted using the lessee's incremental borrowing rate of at the date of initial application	<u>(151,298,949)</u>
Lease liability recognized as at 1 March 2020	<u>640,077,483</u>

The associated right-of-use assets for property leases were measured at the amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the statement of financial position as at 29 February 2020. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

For the year ended 29 February 2020

Impact from adoption of Thai Financial Reporting Standard no.15 (TFRS 15), Revenue from contracts with customers

The standard provides principle and approach of revenue recognition under five-step process. The underlying principle is that the Group will recognise revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. It replaces the principles of transferring the significant risks and rewards of ownership of the goods or services to the buyer in accordance with TAS 11, Construction contracts, TAS 18, Revenue and related interpretations.

The Fund has adopted the new TFRS 15 from 1 March 2019 under the modified retrospective approach and the comparative figures have not been restated. The Fund did apply practical expedient relates to completed contracts and contract modifications allowed by TFRS 15.

The adoption of TFRS 15 mainly affects the Fund's accounting treatment on service contract acquisition cost. The service contract acquisition costs must be recognised as an deferred expense and amortised straight line over the contract period.

The impact of first-time adoption of new financial reporting standards on the statements of financial position are as follows:

	<u>As at 28 February 2019 previously reported</u>	<u>Adjustments</u>	<u>As at 1 March 2019 Restated</u>
Statement of financial position			
Deferred expense	26,343,895	27,803,395	54,147,290
Retained earnings	3,885,385,769	27,803,395	3,913,189,164

Lotus's Retail Growth Freehold and Leasehold Property Fund
(Formerly name Tesco Lotus Retail Growth Freehold and Leasehold Property Fund)
Notes to the Financial Statements
For the year ended 28 February 2021

5 Impacts from initial application of the new accounting guideline and the new financial reporting standards (Cont'd)

For the year ended 29 February 2020 (Cont'd)

Impact from adoption of Thai Financial Reporting Standard no.15 (TFRS 15), Revenue from contracts with customers (Cont'd)

The following tables show the amounts by each financial information line item in the current year from the adoption of the new revenue standard compared to the previous revenue standards.

	As at 29 February 2020		
	Balance as reported	Impacts from TFRS 15	Balance under the previous revenue standards
Statement of financial position			
Deferred expense	55,190,445	(26,309,333)	28,881,112
Retained earnings	4,501,943,739	(26,309,333)	4,475,634,406

	For the year ended 29 February 2020		
	Balance as reported	Impacts from TFRS 15	Balance under the previous revenue standards
Statement of comprehensive income			
Property management fees	262,762,780	1,494,062	264,256,842

6 Accounting policies

6.1 Cash and cash equivalents

Cash and cash equivalents include savings and current account deposits with banks deposits with financial institutions with an original maturity of three months or less from the date of acquisition.

6.2 Valuation of investment in properties investments

Investments in properties, comprised of investment in freehold and leasehold properties include lands, buildings and infrastructures related to shopping mall, are stated at fair value with no depreciation charge. The initial costs of properties have been stated at their assumed acquisition price plus associated costs.

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 Fund 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.

A change in the fair value of investment property will be recognised in the statement of operations as an unrealised gain or loss as of measurement date.

6 Accounting policies (Cont'd)

6.3 Financial asset

For the year ended 28 February 2021

Classification and measurement

From 1 March 2020, the Fund classifies its financial assets as financial assets at fair value through profit or loss. These financial assets exclude rental receivables and other accounts receivable which are explained in note 6.4.

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.

For the year ended 29 February 2020

Investments in securities

The fair value of bonds with the maturity dates less than 90 days are calculated from the yield-rate quoted on The Thai Bonds Market Association for the securities that have 90 days maturity leftover or the yield-rate from the acquisition of securities that have a maturity within 90 days from the date of investment if financial position of issuer or market condition do not change significantly.

Unrealised gains or losses from investment valuation are recognised in the statement of operations as of measurement date.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of operations. When disposing of part of a particular investment in debt securities in the same category that the fund holds, the carrying amount of the disposed part is determined by the weight average carrying amount of the total holding of the investment.

6 Accounting policies (Cont'd)

6.4 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.

6.5 Leases

Lessee

From 1 March 2020, 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.

6.6 Deferred expenses

Deferred expenses comprise the prepaid land rental expense, service contract acquisition costs and other directly related expenses as incurred. Deferred expenses are amortised as an expense over the contract period.

6 Accounting policies (Cont'd)

6.7 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.

6.8 Revenue recognition

Rental and service income are recognised on a straight-line basis over the period of the lease.

Interest income is recognised on an accrual basis.

6.9 Expenses

Expenses are recognised on an accrual basis.

6.10 Income taxes

The Fund is exempted from corporate income taxes in Thailand.

7 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.

7 Dividend payment policy (Cont'd)

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.

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8 Critical accounting estimates and judgements

Estimate 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 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 13.

9 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 28 February 2021			
	Floating interest rates Baht	Fixed interest rates Baht	Non-interest bearing Baht	Total Baht
Financial assets				
Investments in debt securities measured at fair value through profit or loss	-	939,873,015	-	939,873,015
Cash and cash equivalents	-	621,123,552	74,146,519	695,270,071
	As at 29 February 2020			
	Floating interest rates Baht	Fixed interest rates Baht	Non-interest bearing Baht	Total Baht
Financial assets				
Investments in debt securities measured at fair value through profit or loss	-	939,005,675	-	939,005,675
Cash and cash equivalents	-	716,639,138	49,875,220	766,514,358

9 Financial risk (Cont'd)

Credit risk

Credit risk is the risk that counterparties might not discharge their obligation causing the Fund to incur a financial loss. Credit risk arises from risk in the collectability of lease rental from counterparties.

The Fund has no significant concentrations of credit risk due to the Fund has a large number of tenants in various businesses. Additionally, the Fund has a policy to collect in advance rental deposits from customers as a collateral in case of default. The Management Company is of opinion that the Fund does not have credit risk other than that provided in the allowance for doubtful accounts as presented in the financial statements. The estimate for allowance for doubtful accounts encompasses consideration of past collection experiences, customers' deposits and other factors such as the local economic conditions.

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 equity securities and 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

To maintain liquidity of the Fund, the Fund has maintained sufficient cash and marketable securities.

10 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 unitholder 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.

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11 Fair value of financial instruments

11.1 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.

As of 28 February 2021 and 29 February 2020, 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
As of 28 February 2021				
Assets				
Investments in debt securities measured at fair value through profit or loss	-	939,873	-	939,873
Investments in properties	-	-	31,331,815	31,331,815
Total assets	-	939,873	31,331,815	32,271,688

	(Unit: Baht'000)			
	Level 1	Level 2	Level 3	Total
As of 29 February 2020				
Assets				
Investments in debt securities measured at fair value through profit or loss	-	939,006	-	939,006
Investments in properties	-	-	31,090,171	31,090,171
Total assets	-	939,006	31,090,171	32,029,177

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11 Fair value of financial instruments (Cont'd)

11.1 Fair value estimate (Cont'd)

The movements in the fair value can be analysed as follows:

	2021	2020
	Baht'000	Baht'000
Opening balance of the year	32,029,177	31,660,934
Impact from adoption of new accounting guidelines on leases (Note 5)	586,104	-
Opening balance of the year as restated	32,615,281	31,660,934
Increase during the year	4,245,873	3,639,844
Decrease during the year	(4,162,382)	(3,546,128)
Net unrealised gain (loss) from investment valuation	(427,084)	274,527
Ending balance of the year	<u>32,271,688</u>	<u>32,029,177</u>

During the current year, there were no transfers within the fair value hierarchy.

11.2 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.

11.3 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.

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11 Fair value of financial instruments (Cont'd)

11.4 Valuation processes

Sensitivity analysis for each significant assumption

	Impact on fair value increase (decrease)	
	2021 Baht'000	2020 Baht'000
Discount rate		
Discount rate, decrease of 0.50 percent	1,071,000	1,101,000
Discount rate, increase of 0.50 percent	(1,021,000)	(1,053,000)
Capitalisation rate		
Capitalisation rate, decrease of 0.50 percent	933,000	937,000
Capitalisation rate, increase of 0.50 percent	(812,000)	(792,000)
Rental growth rate		
Rental growth rate, decrease of 0.50 percent	(850,000)	(750,000)
Rental growth rate, increase of 0.50 percent	864,000	770,000

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 but for which the fair value is disclosed as at 28 February 2021 and 29 February 2020 is below:

	(Unit: Baht'000)			
	Level 1	Level 2	Level 3	Total
As of 28 February 2021				
Borrowing	-	2,450,000	-	2,450,000
	-	2,450,000	-	2,450,000
As of 29 February 2020				
Borrowing	-	2,450,000	-	2,450,000
	-	2,450,000	-	2,450,000

The fair value of borrowing is determined by using the effective yield method, by referencing to Bangkok Interbank Offer Rate (BIBOR).

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.

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12 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 28 February 2021 are as follows;

	Investments in Bank of Thailand Bonds	
	2021	2020
	Baht'000	Baht'000
Opening balance	939,006	937,696
Purchase of investments in securities	4,164,315	3,547,049
Disposal of investments in securities	(4,162,382)	(3,546,127)
Net loss from changes in value of investments	(1,066)	388
Closing balance	<u>939,873</u>	<u>939,006</u>

13 Investments in properties at fair value

Movement of Investments in properties at fair value for the year ended 28 February 2021 are as follows;

	2021	2020
	Baht'000	Baht'000
Opening balance of the year	31,090,171	30,723,238
Impact from adoption of new accounting guidelines on leases (Note 5)	586,104	-
Opening balance of the year as restated	31,676,275	30,723,238
Increase during the year	81,558	92,794
Net unrealised gain (loss) from investment valuation	(426,018)	274,139
Ending balance of the year	<u>31,331,815</u>	<u>31,090,171</u>

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

Properties	Balance as of 1 March 2020		Adjustments according to accounting guidelines on leases	Balance as of 1 March 2020 (Adjusted)		Change during the year ended 28 February 2021		Net loss from change in fair value of investment for the year ended 28 February 2021	Balance as of 28 February 2021		Appraisal Date
	Cost	Fair value		Cost	Fair value	Renovation cost	Change in lease contract acquisition cost		Cost	Fair value	
Srinakarin Project	3,157,137	3,685,000	-	3,157,137	3,685,000	11,499	649	146,699	3,169,285	3,550,449	25-Feb-2021
Krabi Project	1,558,287	2,047,045	-	1,558,287	2,047,045	2,255	64	(25,795)	1,560,606	2,075,159	04-Dec-2020
Prachachuen Project	1,537,790	1,667,019	-	1,537,790	1,667,019	5,697	(23)	(25,382)	1,543,464	1,698,075	04-Dec-2020
Rangsit Klong 7 Project	1,072,798	1,430,067	-	1,072,798	1,430,067	3,710	169	(39,576)	1,076,677	1,473,522	04-Dec-2020
Tung Song Project	904,163	850,785	-	904,163	850,785	2,242	241	(18,156)	906,646	871,424	04-Dec-2020
Singburi Project	744,723	803,091	-	744,723	803,091	2,289	136	7,985	747,148	797,531	04-Dec-2020
Pranburi project	728,402	876,181	-	728,402	876,181	1,247	78	12,558	729,727	864,948	04-Dec-2020
Mahachai Project	627,156	678,275	-	627,156	678,275	1,439	14	(4,344)	628,609	684,072	04-Dec-2020
Maesai Project	607,428	816,041	-	607,428	816,041	1,068	112	(83,260)	608,608	900,481	04-Dec-2020
Ranong Project	573,906	636,551	-	573,906	636,551	1,841	134	(13,977)	575,881	652,503	04-Dec-2020
Phuket Project	3,004,292	3,193,515	-	3,004,292	3,193,515	13,939	278	(60,423)	3,018,509	3,268,155	27-Jan-2021
Salaya Project	1,831,366	2,116,165	-	1,831,366	2,116,165	2,084	348	97,913	1,833,798	2,020,684	27-Jan-2021
Nakornrithamarat Project	1,258,852	1,388,095	-	1,258,852	1,388,095	1,999	(65)	(8,074)	1,260,786	1,398,103	27-Jan-2021
Navanakorn Project	2,306,002	2,666,560	-	2,306,002	2,666,560	2,617	(71)	87,190	2,308,548	2,581,916	27-Jan-2021
Samui Project	1,263,646	989,160	19,582	1,283,228	1,008,742	5,707	(74)	66,353	1,288,861	948,022	04-Dec-2020
Pitsanulok Project	1,209,297	951,216	2,379	1,211,676	953,595	2,243	150	(19,761)	1,214,069	975,749	04-Dec-2020
Amatanakorn Project	1,585,652	2,168,155	1,517	1,587,169	2,169,672	5,610	(78)	137,584	1,592,701	2,037,520	04-Dec-2020
Petchaboon Project	735,502	867,211	52,659	788,161	919,870	699	316	45,405	789,176	875,480	04-Dec-2020
Lumiukka Klong 6 Project	528,633	599,039	33,035	561,668	632,074	398	(7)	34,446	562,059	598,019	04-Dec-2020
Sena Project	398,854	384,008	6,868	405,722	390,876	958	50	7,296	406,730	384,588	04-Dec-2020
Bangpoo Project	658,800	761,091	63,294	722,094	824,385	974	4	23,759	723,072	801,604	27-Jan-2021
Rangsit-Nakornmayok Project	675,844	646,992	120,556	796,400	767,548	4,161	183	9,466	800,744	762,426	27-Jan-2021
Rama I Project	1,177,094	868,909	286,214	1,463,308	1,155,123	4,229	44	48,111	1,467,581	1,111,285	04-Dec-2020
Total	28,145,624	31,090,171	586,104	28,731,728	31,676,275	78,905	2,652	426,017	28,813,285	31,331,815	

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

Investments in properties

For the year ended 28 February 2021

On 4 December 2020, the Fund engaged an independent valuer to assess the fair value of the investments in properties for 16 projects which are 1) Krabi Project, 2) Prachachuen Project, 3) Rangsit Klong 7 Project, 4) Tung Song Project, 5) Singburi Project, 6) Pranburi Project, 7) Mahachai Project, 8) Maesai Project, 9) Ranong Project, 10) Samui Project, 11) Pitsanulok Project, 12) Amatanakorn Project, 13) Petchaboon Project, 14) Lumlukka Klong 6 Project, 15) Sena Project, and 16) Rama I Project. The Fund acquired such projects on 14 March 2012.

The independent valuer applied the Income Approach. The result revealed that the fair value of the investments in properties for those 16 projects which had carrying value at Baht 16,533 million was Baht 16,514 million. The Fund recorded the unrealised loss from the assessment amounting to Baht 19 million in the statement of operations on 4 December 2020. The Fund's management has assessed that the fair value as at 28 February 2021 is not significantly different from the fair value on appraisal date.

Later, on 27 January 2021, the Fund engaged an independent valuer to assess the fair value of the investments in properties for 6 projects which are 1) Phuket Project, 2) Salaya Project, 3) Nakornsrihammarat Project, 4) Bangpoo Project, 5) Rangsit Nakornnayok Project and 6) Navanakorn Project. The Fund acquired first five projects on 3 December 2012 and Navanakorn Project on 24 January 2014.

The independent valuer applied the Income Approach. The result revealed that the fair value of the investments in properties for those 6 projects which had carrying value at Baht 10,733 million was Baht 10,636 million. The Fund recorded the unrealised loss from the assessment amounting to Baht 97 million in the statement of operations on 27 January 2021. The Fund's management has assessed that the fair value as at 28 February 2021 is not significantly different from the fair value on appraisal date.

Subsequently, on 25 February 2021, the Fund engaged an independent valuer to assess the fair value of the investments in properties for 1 project which is Srinakarin project. The Fund acquired such projects on 14 March 2012.

The independent valuer applied the Income Approach. The result revealed that the fair value of the investments in properties for a project which had carrying value at Baht 3,687 million was Baht 3,550 million. The Fund recorded the unrealised loss from the assessment amounting to Baht 137 million in the statement of operations on 25 February 2021. The Fund's management has assessed that the fair value as at 28 February 2021 is not significantly different from the fair value on appraisal date.

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

Investments in properties (Cont'd)

For the year ended 29 February 2020

On 1 August 2019, the Fund engaged an independent valuer to assess the fair value of the investments in properties for 6 projects which are 1) Phuket Project, 2) Salaya Project, 3) Nakornsrihammarat Project, 4) Bangpoo Project, 5) Rangsit Nakornnayok Project and 6) Navanakorn Project. The Fund acquired first five projects on 3 December 2012 and Navanakorn Project on 24 January 2014.

The independent valuer applied the Income Approach. The result revealed that the fair value of the investments in properties for those 6 projects which had carrying value at Baht 10,413 million was Baht 10,777 million. The Fund recorded the unrealised gain from the assessment amounting to Baht 364 million in the statement of operations on 1 August 2019. The Fund's management has assessed that the fair value as at 29 February 2020 is significantly different from the fair value on appraisal date which are reassessed on 27 January 2020.

Later, on 4 December 2019, the Fund engaged an independent valuer to assess the fair value of the investments in properties for 17 projects which are 1) Srinakarin Project, 2) Krabi Project, 3) Prachachuen Project, 4) Rangsit Klong 7 Project, 5) Tung Song Project, 6) Singburi Project, 7) Pranburi Project, 8) Mahachai Project, 9) Maesai Project, 10) Ranong Project, 11) Samui Project, 12) Pitsanulok Project, 13) Amatanakorn Project, 14) Petchaboon Project, 15) Lumlukka Klong 6 Project, 16) Sena Project, and 17) Rama I Project. The Fund acquired such projects on 14 March 2012.

The independent valuer applied the Income Approach. The result revealed that the fair value of the investments in properties for those 17 projects which had carrying value at Baht 20,357 million was Baht 20,592 million. The Fund recorded the unrealised gain from the assessment amounting to Baht 235 million in the statement of operations on 4 December 2019. The Fund's management has assessed that the fair value as at 29 February 2020 is not significantly different from the fair value on appraisal date except Srinakarin project which is reassessed on 25 February 2020.

Later, on 27 January 2020, the Fund engaged an independent valuer to assess the fair value of the investments in properties for 6 projects which are 1) Phuket Project, 2) Salaya Project, 3) Nakornsrihammarat Project, 4) Bangpoo Project; 5) Rangsit Nakornnayok Project and 6) Navanakorn Project. The Fund acquired first five projects on 3 December 2012 and Navanakorn Project on 24 January 2014.

The independent valuer applied the Income Approach. The result revealed that the fair value of the investments in properties for those 6 projects which had carrying value at Baht 10,791 million was Baht 10,760 million. The Fund recorded the unrealised loss from the assessment amounting to Baht 31 million in the statement of operations on 27 January 2020. The Fund's management has assessed that the fair value as at 29 February 2020 is not significantly different from the fair value on appraisal date.

Subsequently, on 25 February 2020, the Fund engaged an independent valuer to assess the fair value of the investments in properties for 1 project which is Srinakarin project. The Fund acquired such projects on 14 March 2012.

The independent valuer applied the Income Approach. The result revealed that the fair value of the investments in properties for a project which had carrying value at Baht 3,979 million was Baht 3,685 million. The Fund recorded the unrealised loss from the assessment amounting to Baht 294 million in the statement of operations on 25 February 2020. The Fund's management has assessed that the fair value as at 29 February 2020 is not significantly different from the fair value on appraisal date.

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14 Cash and cash equivalents

As at 28 February 2021 and 29 February 2020, the Fund has the details of cash and cash equivalents as follows:

	2021		2020	
	Principal Baht'000	Interest rate per annum %	Principal Baht'000	Interest rate per annum %
Cash on hand and cash at bank				
Cash on hand	8,000	-	6,968	-
Hong Kong and Shanghai Banking Corporation Limited Saving account	48,875	0.40	12,329	0.40
Citibank N.A. Bangkok Branch Saving account	2,609	0.50	2,598	0.50
Kasikorn Bank Public Company Limited Current account	16,451	-	3,790	-
Siam Commercial Bank Public Company Limited Current account	49,696	-	39,117	-
CIMB Thai Bank Public Company Limited Saving account	-	0.75	1	0.375
United Overseas Bank Saving account	569,639	0.15	701,711	0.70
	<u>695,270</u>		<u>766,514</u>	

15 Rental receivables, net

	2021 Baht'000	2020 Baht'000
Rental receivables	297,688	361,907
<u>Less</u> Expected credit loss	<u>(24,745)</u>	<u>(16,442)</u>
	<u>272,943</u>	<u>345,465</u>

Outstanding rental receivables can be analysed as follows:

	2021 Baht'000	2020 Baht'000
Up to 3 months	224,903	333,536
3 - 6 months	27,383	9,724
6 - 12 months	19,176	4,262
Over 12 months	26,226	14,385
	<u>297,688</u>	<u>361,907</u>
<u>Less</u> Allowance for doubtful debt	<u>(24,745)</u>	<u>(16,442)</u>
	<u>272,943</u>	<u>345,465</u>

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16 Deferred expenses

Deferred expenses comprised of expenses as follows:

	2021	2020
	Baht'000	Baht'000
Deferred land rental expenses	-	28,972
Deferred contract cost	21,974	26,144
Other prepayments	4,771	75
	<u>26,745</u>	<u>55,191</u>

17 Borrowing

	2021	2020
	Baht'000	Baht'000
Beginning balance	2,450,000	2,450,000
Addition	-	-
Repayment	-	-
Ending balance	<u>2,450,000</u>	<u>2,450,000</u>

Maturity of borrowing is as follows:

	2021	2020
	Baht'000	Baht'000
Within 1 year	-	-
Over 1 year	2,450,000	2,450,000
Ending balance	<u>2,450,000</u>	<u>2,450,000</u>

The borrowing bear interest at BIBOR+1.075% (2020: BIBOR+1.075%) and will be repayable within December 2022.

BIBOR is Bangkok Interbank Offer Rate of CIMB Thai Bank Public Company Limited for the three-month period.

The Fund has no undrawn committed borrowing facilities.

18 Unitholder' equity

The fund has no capital reduction during the year.

Movements in retained earnings are as follows:

	2021	2020
	Baht'000	Baht'000
Beginning balance	4,501,944	3,885,386
<u>Add</u> Net investment income	1,816,949	2,426,898
Net unrealised (loss) gain from investments valuation	(427,084)	274,527
Retrospective adjustments from		
changes in accounting policy (Note 5)	-	27,803
<u>Less</u> Dividend paid to unitholder (Note 19)	(1,793,397)	(2,112,670)
Ending balance	<u>4,098,412</u>	<u>4,501,944</u>

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19 Dividend

The investment committee approved dividend as follows:

The details of dividends for the year ended 28 February 2021 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 2019 to 29 February 2020	14 April 2020	28 April 2020	18 May 2020	0.2556	597
2	1 March 2020 to 31 May 2020	23 July 2020	29 July 2020	14 August 2020	0.1268	296
3	1 June 2020 to 31 August 2020	12 October 2020	28 October 2020	12 November 2020	0.1894	443
4	1 September 2020 to 30 November 2020	15 January 2021	29 January 2021	15 February 2021	0.1955	457
						<u>1,793</u>

The details of dividends for the year ended 29 February 2020 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 2018 to 28 February 2019	11 April 2019	30 April 2019	15 May 2019	0.2249	526
2	1 March 2019 to 31 May 2019	12 July 2019	31 July 2019	15 August 2019	0.2309	540
3	1 June 2019 to 31 August 2019	11 October 2019	30 October 2019	13 November 2019	0.2262	528
4	1 September 2019 to 30 November 2019	15 January 2020	29 January 2020	14 February 2020	0.2219	519
						<u>2,113</u>

20 Expenses

The management fee, trustee fee, registrar fee and property management fee are calculated by the Management Company as follows:

Management fee

For the years ended 28 February 2021 and 29 February 2020, 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.

Lotus's Retail Growth Freehold and Leasehold Property Fund
(Formerly name Tesco Lotus Retail Growth Freehold and Leasehold Property Fund)
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20 Expenses (Cont'd)

The management fee, trustee fee, registrar fee and property management fee are calculated by the Management Company as follows: (Cont'd)

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.

Operating expenses

Operating expense comprised

	2021	2020
	Baht'000	Baht'000
Cleaning, security and store used and supplies expense	77,332	98,787
Insurance expense	24,629	29,711
Repair and maintenance expense	29,887	27,140
Utilities expense	114,437	130,344
Sales promotion	12,191	18,926
Asset appraisal expense	2,771	1,488
Property tax	(31,192)	(77,898)
Annual inspection fee	2,631	2,940
Annual general meeting expense	133	909
Non-refundable withholding tax expense	125	468
	<u>232,944</u>	<u>232,815</u>

Other expenses

Other expenses comprised

	2021	2020
	Baht'000	Baht'000
Printing expense	-	100
Listing expense	102	134
Bank charge	84	124
Provision of doubtful accounts	8,303	2,536
Accounting and tax management fee	737	742
Site visit	-	76
Legal fee	757	153
Service Charge on Property	1,053	978
Other expense	1,195	1,596
	<u>12,231</u>	<u>6,439</u>

Lotus's Retail Growth Freehold and Leasehold Property Fund
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21 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:

- Ek-Chai Distribution System Company Limited is the Property Manager of the Fund and unit holder in proportionate 25%.
- Krung Thai Asset Management Public Company Limited is the Management Company of the Fund.

The following significant transactions were carried out with related parties:

a) Statement of operations

	2021	2020
	Baht'000	Baht'000
The Property Manager:		
Rental income	729,164	752,149
Property management fee	232,016	262,763
Accounting and tax management fee	737	742
The Management Company:		
Management fee	15,330	15,341
Registrar fee	4,572	4,577

b) Statement of assets and liabilities

	2021	2020
	Baht'000	Baht'000
The Property Manager:		
Rental receivable	171,375	259,364
Other accounts payable	4,822	4,368
Accrued expenses	58,485	52,822
The Management Company:		
Accrued expenses	1,228	1,272

22 Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as that makes strategic decisions.

The Fund operates in business which is the investment in property and the business is only operated in Thailand. Income and expenses from this segment are the same amount with the statement of income. Therefore, the presentation of segment information is not necessary.

23 Information regarding purchase and sale of investments

During the year 2021, the Fund has purchased investments excluding investments in bank deposits amounting to Baht 4,246 million, representing 14.25% of the weighted average net asset value during the year. The Fund has sold investments amounting to Baht 4,162 million, representing 13.97% of the weighted average net asset value during the year.

During the year 2020, the Fund has purchased investments excluding investments in bank deposits amounting to Baht 3,640 million, representing 12.26% of the weighted average net asset value during the year. The Fund has sold investments amounting to Baht 3,546 million, representing 11.94% of the weighted average net asset value during the year.

24 Post statement of Financial Position

On 16 April 2021, the Board of Investment Committee passed the resolution to pay the 36th dividend from the operation between 1 December 2020 to 28 February 2021 at the rate of Baht 0.1878 per unit totaling amount approximately at Baht 438.94 million. The payment date will be on 19 May 2021.