

TALAAD THAI LEASEHOLD PROPERTY FUND

STATUTORY FINANCIAL STATEMENTS

31 DECEMBER 2024



Independent Auditor's Report

To the Unitholders of Talaad Thai Leasehold Property Fund

My opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Talaad Thai Leasehold Property Fund (the Fund) as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with the accounting guideline for the Property Fund, Real Estate Investment Trust, Infrastructure Fund and Infrastructure Trust established by the Association of Investment Management Companies and endorsed by the Securities and Exchange Commission, Thailand.

What I have audited

The Fund's financial statements comprise:

- the statement of financial position as at 31 December 2024;
- the statement of details of investments as at 31 December 2024;
- the statement of comprehensive income for the year then ended;
- the statement of changes in net assets for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include material accounting policies and other explanatory information.

Basis for opinion

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

Key audit matters

Key audit matters are those matter that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. I determine one key audit matter: valuation of investment in properties. 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 this matter.

Key audit matter	How my audit addressed the key audit matter
<i>Valuation of investment in properties</i>	
<p>Refer to Note 8 to the financial statements for critical accounting estimates and judgements and Note 11 to the financial statements for investment in properties at fair value.</p> <p>Investment in properties contributed to 75% of the Fund's total assets which estimated the fair value by using the income approach, in accordance with the accounting policy stated in Note 4.2.</p> <p>I focused on this area because the valuation of investment in properties was necessary involved significant judgement and assumptions by the independent appraisers about the fair value of investment in properties. The value is quantified by using the estimated future net cash flows adjusted by the growth rate, occupancy rate and discounted by the market rate. However, there is the uncertain estimation of cash flows received from properties throughout the leasehold period.</p>	<p>I held discussions with the Fund's Management Company and independent appraisers to understand the assumption used for measuring the valuation of investment in properties.</p> <p>I assessed on that basis and checked the validity of data used to evaluate the estimation of expected future cash flows received from properties as following:</p> <ul style="list-style-type: none"> • I evaluated the appropriateness of the estimated future cash flows received from independent appraisers. I inspected these inputs using supporting documentation: <ul style="list-style-type: none"> • future net cash flows received from properties which were estimated from revenue, expenses and net income throughout the leasehold period • the growth rate, by agreeing the historical information and supporting documents with the recent renewals rate which was within an acceptable range • the occupancy rate by agreeing average occupancy rate from current information, which was within an acceptable range, and • the discount rate by benchmarking these against the same industries which was within an acceptable range. • I recomputed the calculation of the valuation of investment in properties based on the expected future cash flows received from properties and discounted with the market rate to check the accuracy of data captured in the accounting records. <p>The above key factors regarding management's accounting estimates and judgements related to the valuation of investment in properties were acceptable in terms of industry practice.</p>



Other information

The Fund's 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 Fund's Management Company for correction of the misstatement.

Responsibilities of the Management Company for the financial statements

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

PricewaterhouseCoopers ABAS Ltd.

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

Svasvadi Anumanrajdhon
Certified Public Accountant (Thailand) No. 4400
Bangkok
11 February 2025

Talaad Thai Leasehold Property Fund
Statement of Financial Position
As at 31 December 2024

		2024	2023
	Notes	Baht	Baht
Assets			
Investments measured at fair value			
through profit or loss	7, 10	409,609,336	389,574,581
Investments in properties at fair value	7, 11	1,442,000,000	1,587,000,000
Cash and cash equivalents	12	52,635,238	103,558,429
Accrued income from lease agreement		5,664,456	-
Rental and service receivables		-	157,801
Prepayments		1,782,120	2,809,995
Other assets		10,693,727	8,698,307
Total assets		1,922,384,877	2,091,799,113
Liabilities			
Other account payables		365,404	1,882,841
Deposits received from sublease agreement		30,914,000	30,914,000
Accrued expenses		1,155,730	1,201,327
Other liabilities		9,858,260	8,013,572
Total liabilities		42,293,394	42,011,740
Net assets		1,880,091,483	2,049,787,373
Net assets represented by			
Capital received from unitholders	13	1,782,000,000	1,782,000,000
Retained earnings	13	98,091,483	267,787,373
Net assets		1,880,091,483	2,049,787,373
Net assets value per unit (Baht per unit)		10.4449	11.3877
Number of units outstanding at the end of the year (units)		180,000,000	180,000,000

The accompanying notes are an integral part of these financial statements.

Talaad Thai Leasehold Property Fund
Statement of Details of Investments
As at 31 December 2024

Type of investments	Notes	Cost		Fair value		Percentage of fair value	
		2024	2023	2024	2023	2024	2023
		Baht	Baht	Baht	Baht	%	%
Investment in properties	11						
Leasehold right in Talaad Thai project (Partial)							
Leasehold right on building and construction 21 units							
Areas: 170,033.54 square metres*							
Location: 31/1-3, 31/32, 32/6, 32/9, 32/128,							
32/369-387, 32/475, 32/1034-1035 Moo.9							
Phaholyothin Road K.M.42 Klongnueng,							
Klonglaung, Pathumthani Province							
Acquisition cost related to leasehold right		1,732,000,000	1,732,000,000	1,442,000,000	1,587,000,000	77.88	80.29
Building and construction improvements		19,722,220	19,722,220	-	-	-	-
		54,063,115	54,063,115	-	-	-	-
Total investment in properties		1,805,785,335	1,805,785,335	1,442,000,000	1,587,000,000	77.88	80.29
Investment in securities	10						
The Bank of Thailand bonds							
- CB25102B with maturity date on 2 January 2025		99,464,364	-	99,994,127	-	5.40	-
- CB25116A with maturity date on 16 January 2025		79,555,709	-	79,929,706	-	4.32	-
- CB25123A with maturity date on 23 January 2025		9,946,880	-	9,987,208	-	0.54	-
- CB25130A with maturity date on 30 January 2025		119,377,070	-	119,802,965	-	6.47	-
- CB25206B with maturity date on 6 February 2025		49,742,667	-	49,898,371	-	2.69	-
- CB24104B with maturity date on 4 January 2024		-	99,440,543	-	99,981,264	-	5.06
- CB24111A with maturity date on 11 January 2024		-	19,888,188	-	19,987,487	-	1.01
- CB24118A with maturity date on 18 January 2024		-	49,722,318	-	49,947,309	-	2.53
- CB24201A with maturity date on 1 February 2024		-	119,350,134	-	119,772,979	-	6.06
- CB24208B with maturity date on 8 February 2024		-	49,745,752	-	49,891,960	-	2.52
Treasury bill							
- TB25102A with maturity date on 2 January 2025		49,412,854	-	49,996,959	-	2.70	-
- TB24103A with maturity date on 3 January 2024		-	49,516,464	-	49,993,582	-	2.53
Total investment in securities		407,499,544	387,663,399	409,609,336	389,574,581	22.12	19.71
Total investments		2,213,284,879	2,193,448,734	1,851,609,336	1,976,574,581	100.00	100.00

(*Comprises of the registered leasehold rights areas 84,407.50 square metres and leasehold assets areas 85,626.04 square metres including utilities system and facilities.)

The accompanying notes are an integral part of these financial statements.

Talaad Thai Leasehold Property Fund
Statement of Comprehensive Income
For the year ended 31 December 2024

		2024	2023
	Notes	Baht	Baht
Income			
Rental and service income		356,939,456	550,356,863
Interest income		9,074,482	6,431,545
Other income		<u>1,143,674</u>	<u>4,392,921</u>
Total income		<u>367,157,612</u>	<u>561,181,329</u>
Expenses			
Management fee	15, 16	4,160,279	4,329,269
Mutual fund supervisor fee	15	415,074	432,897
Registrar fee	15, 16	1,245,221	1,301,644
Property management fee	15, 16	-	117,405,695
Professional fee		1,292,255	1,323,400
Operating expenses	15	1,205,737	87,275,103
Other expenses		<u>329,637</u>	<u>713,437</u>
Total expenses		<u>8,648,203</u>	<u>212,781,445</u>
Net investment profit		<u>358,509,409</u>	<u>348,399,884</u>
Net losses from investments			
Losses on changes in fair value of investments		<u>(144,985,299)</u>	<u>(85,979,103)</u>
Total net losses from investments		<u>(144,985,299)</u>	<u>(85,979,103)</u>
Increase in net assets from operations		<u>213,524,110</u>	<u>262,420,781</u>

The accompanying notes are an integral part of these financial statements.

Talaad Thai Leasehold Property Fund
Statement of Changes in Net Assets
For the year ended 31 December 2024

	Notes	2024 Baht	2023 Baht
(Increase) decrease in net assets from operations during the year			
Net investment profit		358,509,409	348,399,884
Losses from investments	10, 11	<u>(144,985,299)</u>	<u>(85,979,103)</u>
Increase in net assets during the year		213,524,110	262,420,781
Distributions to unitholders	14	<u>(383,220,000)</u>	<u>(310,734,000)</u>
Decrease in net assets during the year		(169,695,890)	(48,313,219)
Net assets at the beginning of the year		<u>2,049,787,373</u>	<u>2,098,100,592</u>
Net assets at the end of the year		<u><u>1,880,091,483</u></u>	<u><u>2,049,787,373</u></u>

The accompanying notes are an integral part of these financial statements.

Talaad Thai Leasehold Property Fund
Statement of Cash Flows
For the year ended 31 December 2024

	Notes	2024 Baht	2023 Baht
Cash flows from operating activities			
Increase in net assets from operations during the year		213,524,110	262,420,781
Adjustments to reconcile increase in net assets from operations to net cash provided by (used in) operating activities:			
Allowance for impairment loss and bad debt expense		-	(8,088)
Interest income		(9,074,482)	(6,431,545)
Purchases of investment in securities	10	(1,470,958,797)	(1,393,558,341)
Disposals of investment in securities	10	1,460,000,000	1,395,000,000
Decrease in rental and service receivables		157,801	10,938,258
Increase in accrued income from lease agreement		(5,664,456)	-
Decrease (increase) in prepayments		1,027,875	(1,887,467)
Increase in other assets		(1,997,379)	(214,042)
Decrease in other account payables		(1,517,437)	(1,640,026)
Decrease in unearned rental and service income		-	(14,248,462)
Decrease in deposit received from tenants		-	(40,411,192)
Decrease in accrued expenses		(45,597)	(17,263,282)
Increase (decrease) in other liabilities		1,844,688	(54,507)
Losses on changes in fair value of investments	10, 11	144,985,299	85,979,103
Cash provided by operating activities before interest received		332,281,625	278,621,190
Interest received		15,184	14,706
Net cash provided by operating activities		332,296,809	278,635,896
Cash flows from financing activities			
Distributions to unitholders	14	(383,220,000)	(310,734,000)
Net cash used in financing activities		(383,220,000)	(310,734,000)
Net decrease in cash and cash equivalents		(50,923,191)	(32,098,104)
Cash and cash equivalents at the beginning of the year		103,558,429	135,656,533
Cash and cash equivalents at the end of the year		52,635,238	103,558,429

The accompanying notes are an integral part of these financial statements.

1 Business nature of Talaad Thai Leasehold Property Fund

Talaad Thai Leasehold Property Fund ("the Fund") is a closed-end property fund, set up for specific purpose. The Fund was established and registered as a fund on 16 August 2010 with no project life stipulated. The Fund's objective is to seek funds from general investors, using the proceeds of the sale of investment units to purchase and/or rent and provide benefits from those properties including to improve, alter, develop and/or dispose other assets in which the Fund invests or possesses whatsoever lease, sub-lease and/or sale or other process for the benefit of the property in order to create the revenue and return to the Fund and the unitholders. It includes the investment in other assets and/or other securities and/or seeks other interest by other means as stipulated in the securities laws or other relevant laws.

The Stock Exchange of Thailand has approved the listing of the Fund's units and permitted their trading on 19 November 2010.

As at 31 December 2024, the major unitholder is Thai Agro Exchange Company Limited which holds 33.33% of the Fund's units.

The Fund is managed by Krung Thai Asset Management Public Company Limited ("the Management Company"). Citibank, N.A. has been appointed to be the Trustee. Thai Agro Exchange Company Limited acts as the Property Manager.

These financial statements were approved by the Management Company's management on 11 February 2025.

2 Basis of preparation

The financial statements have been prepared 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 (accounting guideline). For the areas not covered by the accounting guideline, the Fund applies the requirements in accordance with Thai Financial Reporting Standards ("TFRS").

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 judgement in applying the Fund's accounting policies. The areas involving a higher degree of judgement or complexity, or areas that are more likely to be materially adjusted due to changes in estimates and assumptions are disclosed in Note 8.

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

3 New and amended financial reporting standards

3.1 New and amended financial reporting standards that are effective for accounting period beginning on or after 1 January 2024 which are relevant and have significant impacts to the Fund

Certain amended financial reporting standards have immaterial impacts to the the Fund.

3.2 New and amended financial reporting standards that are effective for accounting period beginning or after 1 January 2025 which are relevant and have significant impacts to the Fund

Certain amended financial reporting standards have not been early adopted by the Fund and the Management Company are not expected to have a material impact to the Fund.

4 Accounting policies

4.1 Financial asset

a) Classification and measurement

All financial assets are classified as financial assets at fair value through profit or loss and subsequently measured at fair value through profit or loss except for cash and cash equivalents and rental and service receivables which are subsequently measured at amortised cost.

b) Recognition and derecognition

Regular way purchases, acquires or sales of financial assets are recognised on trade-date, the date on which the Fund commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all the risks and rewards of ownership.

4.2 Investment in properties at fair value

Investment in properties, comprised of leasehold right on buildings and constructions, utilities system and facilities which invested by the Fund, are stated at fair value with no depreciation charge. The initial costs of properties have been stated at their acquisition price plus associated costs.

The fair value by using income approach as of the statement of financial position date is based on the appraisal value determined by the independent appraisers licensed by the Securities and Exchange Commission, Thailand. The Management Company will conduct an appraisal of the properties every two years from the date of the appraisal for the purchase or lease of the properties or when there are changes that materially affect the value of such investment properties and will update appraisals with a review every year after the date of the latest appraisal. A change in the fair value of investment property will be recognised in the statement of comprehensive income as gain or loss on changes in fair value of investments as of measurement date.

4 Accounting policies (Cont'd)

4.3 Cash and cash equivalents

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

4.4 Rental and service receivables

Rental and service receivables are amounts due from customers for rental and service performed in the ordinary course of business.

Rental and service receivables are recognised initially at the amount of consideration that is unconditionally unless they contain significant financing components, they are recognised at present value of consideration received. The Fund holds the rental and service receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost.

4.5 Financial liability

a) Classification and measurement

Financial liabilities are initially recognised at fair value and are subsequently measured at amortised cost.

b) Derecognition and modification

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled, or expired.

Where the terms of a financial liability are renegotiated / modified, the Fund assesses whether the renegotiation / modification results in the derecognition of that financial liability. Where the modification results in an extinguishment, the new financial liability is recognised based on fair value of its obligation. The remaining carrying amount of financial liability is derecognised. The difference as well as proceed paid is recognised as other gains/(losses) in statement of comprehensive income.

Where the modification does not result in the derecognition of the financial liability, the carrying amount of the financial liability is recalculated as the present value of the renegotiated / modified contractual cash flows discounted at its original effective interest rate. The difference is recognised in other gains/(losses) in statement of comprehensive income.

Deposits received from sublease agreement

The sublessee agrees to deposit a security deposit with the Fund. The deposit shall be held for securing the performance by sublessee under sublease agreements. Within 15 days after the end of sublease agreement term, the Fund shall return to sublessee the deposit without interest, less any unpaid amount and damages occurred to leased property.

4.6 Provisions

Provisions are recognised when the Fund has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense.

4 Accounting policies (Cont'd)

4.7 Revenue and expense recognition

Rental and service income from rental and service contracts with a continuous service provision are recognised as revenue on a straight-line basis over the contract term, regardless of the payment pattern.

Interest income and expenses are recognised on an accrual basis.

4.8 Income tax

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

4.9 Distributions to unitholders

Distributions to the Fund's unitholders are recorded in the financial statements in the accounting period in which they are approved by the Investment Committee of the Management Company and set unitholders register's book closed date.

5 Distributions to unitholders policy (Dividend)

The Management Company will consider making a distribution to the unitholders at least two times per year under the following terms and conditions:

- 1) If the Fund generates net profits in a particular financial year, the Management Company will make a distribution at the rate of not less than 90 percent of net profits to the unitholders. In this regard, the mentioned net profits will not include gain on changes in fair value of investment in properties of the Fund.
- 2) In the event the Fund has retained earnings for the accounting period, the Management Company may consider making a distribution from such retained earnings to the unitholders.

In any event, such distribution to unitholders shall not increase the accumulated losses for the accounting period in which the distributions are paid.

The Management Company will arrange to pay distributions as mentioned to the unitholders by 90 days after the closing of the financial year. In case the Management Company has already announced a distribution but thereafter is unable to make an actual distribution to the unitholders within such deadline, the Management Company shall notify in writing to the unitholders and the Securities and Exchange Commission, Thailand of such event.

Additional Conditions:

In consideration of making a distribution, if the value of the interim distribution per unit to be paid during the financial year is equal or below Baht 0.10, the Management Company reserves its right to withhold that distribution and carry the whole amount over for the year-end distribution. In this regard, the Management Company will arrange to make a distribution in accordance with the determined procedures unless the Securities and Exchange Commission, Thailand and the Securities and Exchange Commission, Thailand and/or other relevant authorities amend, modify, announce, order, approve and/or waive otherwise. In such case, the Management Company will proceed accordingly.

6 Financial risk management

6.1 Interest rate risk

Interest rate risk is the risk associated with the effect of fluctuations in the prevailing level of market interest rates on the financial assets and liabilities.

The following table summarises interest rate risk of the Fund classified by types of interest rates.

Outstanding balance of financial instruments as at 31 December 2024				
	Floating Interest rate Baht	Fixed Interest rate Baht	Non-interest bearing Baht	Total Baht
<u>Financial assets</u>				
Deposits at bank	52,605,238	-	30,000	52,635,238
Bonds and treasury bill	-	409,609,336	-	409,609,336
Outstanding balance of financial instruments as at 31 December 2023				
	Floating Interest rate Baht	Fixed Interest rate Baht	Non-interest bearing Baht	Total Baht
<u>Financial assets</u>				
Deposits at bank	103,518,670	-	30,000	103,548,670
Bonds and treasury bill	-	389,574,581	-	389,574,581

6.2 Credit risk

Credit risk is the risk that counterparties might not discharge their obligation causing the cash flow which will be received from financial asset of the Fund. Credit risk arises from risk in the collectability of rental fees.

The Fund has a policy to collect in advance deposits from sublease agreement which is a collateral. The Management Company is of opinion that the Fund does not have credit risk other than that provided in the loss allowance as presented in the financial statements. The estimate for loss allowance (if any) encompasses consideration of past collection experiences, sublease agreement's deposits and other factors such as the local economic conditions.

6.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. At the end of the reporting period the Fund held cash and deposits at call with bank of 52,635,238 Baht (2023: 103,558,429 Baht) that are expected to readily generate cash inflows for managing liquidity risk.

6.4 Risk management

The Fund manages risk that may arise from investments by establishing risk management policy such as portfolio diversification and analysis of investees' financial position.

7 Fair value hierarchy and measurement of investment

Fair value estimation

Fair value is 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 quoted prices in active markets to measure its assets and liabilities that are required to be measured at fair value by relevant accounting guidelines, except when there is no active market or when quoted market price is not available, the Fund endeavors to estimate the fair value by using the appropriate valuation techniques and relevant observable inputs as much as possible.

The following table presents the financial instruments measured at fair value which are categorised into fair value hierarchy:

- 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 (that is, unobservable inputs)

31 December 2024				
	Level 1 Baht	Level 2 Baht	Level 3 Baht	Total Baht
Asset				
Investments in properties at fair value	-	-	1,442,000,000	1,442,000,000
Investments measured at fair value through profit or loss	-	409,609,336	-	409,609,336
Total assets	-	409,609,336	1,442,000,000	1,851,609,336
31 December 2023				
	Level 1 Baht	Level 2 Baht	Level 3 Baht	Total Baht
Asset				
Investments in properties at fair value	-	-	1,587,000,000	1,587,000,000
Investments measured at fair value through profit or loss	-	389,574,581	-	389,574,581
Total assets	-	389,574,581	1,587,000,000	1,976,574,581

7 Fair value hierarchy and measurement of investment (Cont'd)

There were no transfers between fair value hierarchies during the year.

a) Valuation techniques used to derive Level 2 fair values

Level 2 marketable debt securities are fair valued based on quoted last bid price by reference to the yield curve of the Thai Bond Market Association.

b) Valuation techniques used to derive Level 3 fair values

The Management Company quantifies the investment value in properties by hiring independent professionally qualified valuer ("independent valuer") who holds a recognised relevant professional qualification and has recent experiences in the segment of the investment properties. The independent valuer reports directly to the Management Company. For financial reporting purpose, the Management Company reviews the valuation performed by the independent valuer. The Management Company and Trustee will review the process and result of valuation 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 discounted cash flow was determined from business type, the location of project, generated cash flow and competitive market. The appraiser applied 13.00% (2023: 13.00%) of discounted cash flow for valued asset based on yield rate of government bond plus market, operational, and liquidity risk.

Changes in fair value are analysed every period by the Management Company and Trustee so that the Fund manager reviews the valuation assumptions which are applied by the independent valuer to analyses and review the reasonableness of changes in fair value.

There were no changes the valuation techniques during the year.

Sensitivity analysis for significant assumptions is as follows:

	Investment in properties increase (decrease)
	31 December 2024
	Million Baht
Increase 0.50% discount rate	(19)
Decrease 0.50% discount rate	20

8 Critical accounting estimates and judgements

The Fund makes estimates and assumptions concerning the future. The result of accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

Fair value of investment in properties

The fair value of investment in properties that is not traded in an active market is determined by using discounted expected future cash flows received from the properties by the appropriate discount rate which reflect related risks. The Fund engages an independent appraiser to assess the fair value of the properties.

9 Segment reporting

The Fund operates in business which is the investment in property and the business is only operated in Thailand. Therefore, the presentation of segment information is not necessary.

10 Investments measured at fair value through profit or loss

The movements in the fair value of investment in securities for the year ended 31 December 2024 and 2023 can be analysed as follows:

	2024 Baht	2023 Baht
Investment in securities at the beginning of the year	389,574,581	384,576,792
Additions	1,470,958,797	1,393,558,341
Disposals	(1,460,000,000)	(1,395,000,000)
Interest income	9,061,257	6,418,551
Gains on changes in fair value of investments	14,701	20,897
Investment in securities at the end of the year	<u>409,609,336</u>	<u>389,574,581</u>

11 Investments in properties at fair value

	2024 Baht	2023 Baht
Investment in properties at the beginning of the year	1,587,000,000	1,673,000,000
Purchases of investments in properties	-	-
Losses on changes in fair value of investments	(145,000,000)	(86,000,000)
Investment in properties at the end of the year	<u>1,442,000,000</u>	<u>1,587,000,000</u>

The Fund has invested in some part of leasehold properties at Talaad Thai wholesale market. These leasehold rights on building and construction which at 31/1-3, 31/32, 32/6, 32/9, 32/128, 32/369-387, 32/475, 32/1034-1035 Moo.9 Phaholyothin Road K.M.42 Klongnueng, Klonglaung, Pathumthani Province with the total utilisable area 84,407.50 square metres including the utility system and facilities with the total utilisable area 85,626.04 square metres, totaling utilisable area 170,033.54 square metres. The Fund entered into a long-term leasehold agreement for a period of 20 years, commencing from 11 November 2010.

The Fund engaged an independent appraiser to appraise its leasehold property under Talaad Thai project for the current remaining lease period of 5 years, 10 months, 11 days by using the Income Approach. This property valuations is based on the ability of the property to generate revenue by calculating the present value of estimated net cash flows from assets in the future, report dated 28 October 2024. The valuation technique used significant unobservable inputs such that the Fund classified the fair value measurement as Level 3 of fair value hierarchy.

12 Cash and cash equivalents

As at 31 December 2024 and 2023, the Fund has the details of cash and cash equivalents as follows:

Description	Principal (Baht)		Interest rate per annum (%)	
	2024	2023	2024	2023
Cash on hand	-	9,759	-	-
Deposits in current accounts	30,000	30,000	-	-
Deposits in saving accounts	52,605,238	103,518,670	0.01 - 0.50	0.01 - 0.55
Total	52,635,238	103,558,429		

13 Unitholders' equity

As of 31 December 2024, there are 180,000,000 units (31 December 2023: 180,000,000 units) of Baht 9.90 par value registered, issued and paid-up.

Movements in retained earnings are as follows:

	2024 Baht	2023 Baht
Beginning balance	267,787,373	316,100,592
<u>Add</u> Net investment profit	358,509,409	348,399,884
Losses on changes in fair value of investment	(144,985,299)	(85,979,103)
<u>Less</u> Distributions to unitholders (Note 14)	(383,220,000)	(310,734,000)
Ending balance	98,091,483	267,787,373

14 Distributions to unitholders

Investment Committee of the Management Company approved the interim dividend payments for the years ended 31 December 2024 and 2023 are as follows:

The details of dividends for the year ended 31 December 2024 are as follows:

No	The operation for the period	Approved date	Unitholder register's book closed date	Payment date	Per unit Baht	Total Baht
1	1 October 2023 to 31 December 2023	21 February 2024	6 March 2024	20 March 2024	0.4875	87,750,000
2	1 January 2024 to 31 March 2024	16 May 2024	30 May 2024	14 June 2024	0.5547	99,846,000
3	1 April 2024 to 30 June 2024	16 August 2024	30 August 2024	13 September 2024	0.5400	97,200,000
4	1 July 2024 to 30 September 2024	15 November 2024	29 November 2024	17 December 2024	0.5468	98,424,000
						<u>383,220,000</u>

The details of dividends for the year ended 31 December 2023 are as follows:

No	The operation for the period	Approved date	Unitholder register's book closed date	Payment date	Per unit Baht	Total Baht
1	1 October 2022 to 31 December 2022	20 February 2023	7 March 2023	21 March 2023	0.4220	75,960,000
2	1 January 2023 to 31 March 2023	19 May 2023	2 June 2023	19 June 2023	0.4193	75,474,000
3	1 April 2023 to 30 June 2023	22 August 2023	5 September 2023	19 September 2023	0.4410	79,380,000
4	1 July 2023 to 30 September 2023	17 November 2023	1 December 2023	19 December 2023	0.4440	79,920,000
						<u>310,734,000</u>

15 Expenses

The management fee, mutual fund supervisor fee, registrar fee, property management fee and operating expenses are calculated as follows:

Management fee

The Management Company received management fee from the Fund on monthly basis at the rate of not exceeding 2.00% per annum of net assets (excluding VAT) with at least Baht 2 million per year.

Mutual fund supervisor fee

The mutual fund supervisor received remuneration from the Fund on monthly basis at the rate of not exceeding 0.50% per annum of net assets (excluding VAT) with at least Baht 0.18 million per year.

Registrar fee

Operating expense of the registrar is calculated at the rate of not exceeding 0.10% per annum of net assets (excluding VAT) with at least Baht 0.18 million per year.

Property management fee

The Property Manager received the property management fee from the Fund on monthly basis according to the property management agreement between the Fund and the Property Manager in term of 10 years, commencing from 11 November 2010. The agreement can be summarised as follows:

- 1) The collection fee for rental and benefit on behalf of the Fund at the rate of 3.50% of net rental and benefit income, based on the Fund's assets which were managed by the property management only.
- 2) Commission for providing lessee and management at the rate of 6.00% of net rental and benefit income, based on the Fund's assets which managed by the property management only.
- 3) Special fee at the rate of 7.00% of net income from property. Net property income is total income of the Fund which received from rental, provide benefits and services from those properties less cost and related expenses which secured from providing benefits from those properties, moreover, the expenses do not include any remuneration and expenses of the Fund which related to property management fee of 1), 2) and 4).
- 4) Property management fee at Baht 60 million per year for the first year and it will be increased every 3 years at the rate of not exceeding 5.00%.

However, total property management fee according to the abovementioned 1) - 4) will not be exceeding 30.00% of net rental and benefit income.

On 29 September 2023, the Fund and CS Land Development Company Limited entered into the Operating Sublease Agreement, effective 1 October 2023, (as mentioned in Note 16a). Consequently, a separate agreement was made to cancel the Property Manager Appointment Agreement. This new agreement involved the Fund and Thai Agro Exchange Company Limited, the owner of the subleased property and the Property Manager of the Fund. The contract termination was effective on the same date, 1 October 2023.

Operating expenses

Operating expenses comprised of utilities expenses, cleaning expense, security expense, insurance expense, repair and maintenance expense, assets appraisal expense and land and building tax.

16 Related party transactions

Entities or 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 entities, 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:

- Thai Agro Exchange Company Limited is the Property Manager of the Fund.
- Krung Thai Asset Management Public Company Limited is the Management Company of the Fund.
- CS Land Development Company Limited is the sublessee of the Fund under the Operating Sublease Agreement.

The following significant transactions were carried out with related parties:

a) Revenue

	For the year ended 31 December	
	2024 Baht	2023 Baht
Thai Agro Exchange Company Limited		
Rental and services	-	5,059,455
CS Land Development Company Limited		
Rental and services	356,939,456	88,050,000

On 29 September 2023, the Fund and CS Land Development Company Limited entered into the Operating Sublease Agreement, effective 1 October 2023. The purpose of the agreement was to change the utilisation plan in the leasehold rights of immovable properties in the Talaad Thai project during the renovation and development plan. The Operating Sublease Agreement has a three-year sublease term.

b) Expenses

	For the year ended 31 December	
	2024 Baht	2023 Baht
Thai Agro Exchange Company Limited		
Property management fee	-	117,405,695
Operating expenses	-	53,886,766
Krung Thai Asset Management Public Company Limited		
Management fee	4,160,279	4,329,269
Registrar fee	1,245,221	1,301,644

16 Related party transactions (Cont'd)

c) Outstanding balances

	As at 31 December	
	2024 Baht	2023 Baht
Thai Agro Exchange Company Limited		
Accrued expenses	-	1,099
Krung Thai Asset Management Public Company Limited		
Accrued expenses	443,123	484,443
CS Land Development Company Limited		
Rental and services receivables	-	157,801
Rental and services payables	-	361,107

d) Distributions to unitholder

	For the year ended 31 December	
	2024 Baht	2023 Baht
Thai Agro Exchange Company Limited		
Dividend payments	127,740,000	103,578,000

17 Information regarding sale and purchase of investments

During the year ended 31 December 2024, the Fund has purchased and disposed investments in securities, excluding bank deposit of Baht 2,922 million (31 December 2023: Baht 2,789 million) which represents 147% (2023: 133%) of the weighted average net asset value during the year.