

**Bualuang Office Leasehold Real Estate
Investment Trust**

Interim financial statements
For the period from 6 February 2018
(date of incorporation) to 30 September 2018
and
Independent auditor's report on review of
interim financial information

Independent Auditor's Report on Review of Interim Financial Information

To the Unitholders of Bualuang Office Leasehold Real Estate Investment Trust

I have reviewed the accompanying balance sheet, including detail of investments as at 30 September 2018, the statements of income for the three-month period ended 30 September 2018 and for the period from 6 February 2018 (date of incorporation) to 30 September 2018, the statement of changes in net assets, cash flows and significant financial information for the period from 6 February 2018 (date of incorporation) to 30 September 2018, and condensed notes (“interim financial information”) of Bualuang Office Leasehold Real Estate Investment Trust. The REIT manager is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, “Interim Financial Reporting”. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, “Interim Financial Reporting.”

(Sujitra Masena)
Certified Public Accountant
Registration No. 8645

KPMG Phoomchai Audit Ltd.
Bangkok
13 November 2018

Bualuang Office Leasehold Real Estate Investment Trust

Balance sheet

		30 September 2018
	<i>Note</i>	(Unaudited)
		<i>(in thousand Baht)</i>
Assets		
Investments in leasehold properties at fair value		
(At cost: Baht 4,569.9 million)	6	4,491,000
Investment in securities at fair value		
(At cost: Baht 137.0 million)		137,038
Cash and cash equivalents	5	131,535
Rental and service receivables	5, 7	47,920
Accrued income		9,745
Accrued interest income	5	619
Deferred expenses	8	2,306
Refundable value added tax		21,059
Refundable deposits		10,523
Other assets		2,461
Total assets		4,854,206
Liabilities		
Trade accounts payable		12,460
Other payables and accrued expenses	5	36,886
Rental and service income received in advance	5	75,642
Deposits from rental and services	5	109,442
Long-term borrowings	5, 9	920,000
Other liabilities	5	1,530
Total liabilities		1,155,960
Net assets		3,698,246
Net assets		
Trust registered capital	10	3,688,000
Capital from unitholders	10	3,688,000
Profit for the period	10	10,246
Net assets		3,698,246
Net asset value per unit (<i>Baht</i>)		10.0277
Number of units issued at the end of period (<i>thousand units</i>)		368,800

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

Bualuang Office Leasehold Real Estate Investment Trust

Detail of investments (Unaudited)

30 September 2018

Type of investments	Areas held by the Trust	30 September 2018		Percentage of investments
		Cost	Fair value	
Investments in leasehold properties (Note 6)				
Leasehold rights on land, office buildings and its component parts under 2 projects				
1. True Tower 1 project				
<u>Location</u> 18, Ratchadapisek Road, Kwang Huai Khwang, Khet Huai Khwang Bangkok 10310				
Leasehold rights on land, office building and its component parts including leasable area, common areas and parking areas				
	63,615 sq.m	2,721,859		
Tool, fixtures, equipment and utility systems				
		212,281		
		2,934,140	2,806,000	60.63
2. True Tower 2 project				
<u>Location</u> 1252, 1252/1 - 1252/3, Pattanakarn Road, Kwang Suan Luang, Khet Suan Luang, Bangkok 10250				
Leasehold rights on land, office building and its component parts including leasable area, common areas and parking areas				
	41,417 sq.m	1,417,325		
Tool, fixtures, equipment and utility systems				
		218,388		
		1,635,713	1,685,000	36.41
Total investments in leasehold properties				
		4,569,853	4,491,000	97.04

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

Bualuang Office Leasehold Real Estate Investment Trust

Detail of investments (Unaudited)

Type of investments/ Issuer	Maturity date	Interest rate (% per annum)	30 September 2018		Percentage of investments
			Cost (in thousand Baht)	Fair value	
Investment in securities					
Fixed deposits					
CIMB Thai Bank Public Company Limited	8 November 2018	1.28	79,000	79,000	1.71
CIMB Thai Bank Public Company Limited	14 November 2018	1.20	41,038	41,038	0.89
CIMB Thai Bank Public Company Limited	22 November 2018	1.20	7,000	7,000	0.15
CIMB Thai Bank Public Company Limited	22 November 2018	1.20	10,000	10,000	0.21
Total investment in securities			137,038	137,038	2.96
Total investments			4,706,891	4,628,038	100.00

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

Bualuang Office Leasehold Real Estate Investment Trust

Statement of income (Unaudited)

		For the three-month period ended 30 September 2018 <i>(in thousand Baht)</i>
<i>Investment income</i>	<i>5</i>	
Rental and service income		133,284
Interest income		798
Other income		7,220
Total income		141,302
<i>Expenses</i>		
Management fees	<i>5, 12</i>	3,306
Trustee fees	<i>5, 12</i>	2,151
Registrar fees	<i>12</i>	378
Property management fees	<i>5, 12</i>	8,556
Professional fees		323
Amortisation of deferred expenses		134
Costs of rental and services	<i>5</i>	39,546
Administration expenses		353
Finance costs	<i>5</i>	9,855
Total expenses		64,602
Net investment income		76,700
Net loss on investments		
Net unrealised loss on investments in leasehold properties	<i>6</i>	(78,853)
Total net loss on investments		(78,853)
Net decrease in net assets from operations		(2,153)

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

Bualuang Office Leasehold Real Estate Investment Trust

Statement of income (Unaudited)

		For the period from 6 February 2018 to 30 September 2018 <i>(in thousand Baht)</i>
	<i>Note</i>	
<i>Investment income</i>	5	
Rental and service income		346,972
Interest income		1,619
Other income		18,134
Total income		366,725
<i>Expenses</i>		
Management fees	5, 12	8,560
Trustee fees	5, 12	5,563
Registrar fees	12	974
Property management fees	5, 12	22,356
Professional fees		963
Amortisation of deferred expenses	8	320
Costs of rental and services	5	99,954
Administration expenses		1,868
Finance costs	5	25,174
Total expenses		165,732
Net investment income		200,993
Net loss on investments		
Net unrealised loss on investments in leasehold properties	6	(78,853)
Total net loss on investments		(78,853)
Net increase in net assets from operations		122,140

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

Bualuang Office Leasehold Real Estate Investment Trust

Statement of changes in net assets (Unaudited)

		For the period from 6 February 2018 to 30 September 2018 <i>(in thousand Baht)</i>
<i>Increase in net assets from operations during period</i>		
Investment income		200,993
Net unrealised loss on investments in leasehold properties	6	<u>(78,853)</u>
Increase in net assets from operations		<u>122,140</u>
Investment trusts sold during period	10	3,688,000
Distribution to unitholders	11	<u>(111,894)</u>
Increase in net assets during period		3,698,246
Net assets as at 6 February 2018 (date of incorporation)		<u>-</u>
Net assets as at 30 September 2018		<u><u>3,698,246</u></u>

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

Bualuang Office Leasehold Real Estate Investment Trust
Statement of cash flows (Unaudited)

		For the period from 6 February 2018 to 30 September 2018 (in thousand Baht)
<i>Note</i>		
<i>Cash flows from operating activities</i>		
Net increase in net assets from operations		122,140
<i>Adjustments to reconcile increase in net assets from operations to net cash used in operating activities</i>		
Purchases of investments in leasehold properties	6	(4,569,853)
Amortisation of deferred expenses	8	320
Increase in rental and service receivables		(47,920)
Increase in accrued income		(9,745)
Increase in refundable value added tax		(21,059)
Increase in refundable deposits		(10,523)
Increase in other assets		(2,461)
Increase in trade accounts payable		12,460
Increase in other payables and accrued expenses		33,554
Increase in rental and service income received in advance		75,642
Increase in deposits from rental and services		109,442
Increase in other liabilities		1,530
Interest income		(1,619)
Interest received		1,001
Finance costs		25,174
Net unrealised loss on investments in leasehold properties	6	78,853
Net cash used in operating activities		<u>(4,203,064)</u>
<i>Cash flow from investing activity</i>		
Cash outflow on investment in securities		<u>(137,038)</u>
Cash used in investing activity		<u>(137,038)</u>

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

Bualuang Office Leasehold Real Estate Investment Trust

Statement of cash flows (Unaudited)

		For the period from 6 February 2018 to 30 September 2018 <i>(in thousand Baht)</i>
<i>Cash flows from financing activities</i>		
Proceeds from issued of trust capital from unitholders	<i>10</i>	3,688,000
Proceeds from long-term loans	<i>9</i>	920,000
Payment for the trust unit issuance costs and offering the trust unit expenses	<i>8</i>	(2,626)
Interest paid		(21,853)
Distribution to unitholders		(111,884)
Net cash from financing activities		<u>4,471,637</u>
Net increase in cash and cash equivalents		131,535
Cash and cash equivalents as at 6 February 2018 (date of incorporation)		<u>-</u>
Cash and cash equivalents as at 30 September 2018		<u><u>131,535</u></u>

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

Bualuang Office Leasehold Real Estate Investment Trust

Significant financial information

For the period from
6 February 2018
to 30 September 2018
(in Baht)

Information on operating results (per unit)

Net assets value as at 6 February 2018 (date of incorporation)	-
Income from investing activities	
Net investment income	0.5449
Net unrealised loss on investments in leasehold properties	(0.2138)
Total income from investing activities	0.3311
<i>Add</i> Increase in capital from unitholders	10.0000
<i>Less</i> Distribution to unitholders	(0.3034)
Net assets value at the end of period	10.0277

Ratio of net increase in net assets from operations

to average net assets during the period (%) **3.26**

Significant financial ratios and additional significant information

Net assets as at 30 September 2018 (<i>in thousand Baht</i>)	3,698,246
Ratio of total expenses to average net assets during the period (%)	4.43
Ratio of total investment income to average net assets during the period (%)	9.80
Ratio of weighted average investment purchases and sales during the period to average net assets during the period (%) *	122.12
Average net assets during the period (<i>in thousand Baht</i>)	3,742,120

* The value of investment purchases and sales during the period does not include cash at financial institutions and investments in cash at financial institutions, and are calculated by a weighted average basis over the accounting period.

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

Bualuang Office Leasehold Real Estate Investment Trust

Notes to the interim financial statements

For the period from 6 February 2018 (date of incorporation) to 30 September 2018 (Unaudited)

Note	Contents
1	Description of Bualuang Office Leasehold Real Estate Investment Trust
2	Basis of preparation of the interim financial statements
3	Distribution policy
4	Significant accounting policies
5	Related parties
6	Investments in leasehold properties
7	Rental and service receivables
8	Deferred expenses
9	Long-term borrowings
10	Unitholders' trust
11	Distribution to unitholders
12	Expenses
13	Information on investment purchase and sale transactions
14	Segment information
15	Commitments
16	Event after the reporting period

Bualuang Office Leasehold Real Estate Investment Trust

Notes to the interim financial statements

For the period from 6 February 2018 (date of incorporation) to 30 September 2018 (Unaudited)

These notes form an integral part of the interim financial statements.

The interim financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language interim financial statements, and were authorised for issue by the authorised director of the REIT manager on 13 November 2018.

1 Description of Bualuang Office Leasehold Real Estate Investment Trust

Bualuang Office Leasehold Real Estate Investment Trust (“the Trust”) is a real estate investment trust established under the Trust for Transaction in Capital Market Act, B.E. 2550 (“the Act”) in accordance with the Trust Deed signed on 6 February 2018 between BBL Asset Management Company Limited as the Trust Settlor and Krung Thai Asset Management Public Company Limited as the Trustee. On 6 February 2018, the Trust was established as a specific closed-end real estate investment trust with an indefinite term. The Trust’s objectives are to raise funds from investors and use funds to invest in the major leasehold properties by lease and/ or sublease under 2 projects as follows:

1.1 True Tower 1 Project, descriptions of investment were as follows:

Location	18, Ratchadapisek Road, Kwang Huai Khwang, Khet Huai Khwang, Bangkok 10310
Ownership	The land and building are owned by True Properties Company Limited
Gross floor area	63,615 sq.m.
Net leasable area	37,315 sq.m.
Type of investment	1. Leasehold rights over the land (all) 2. Leasehold rights over building and its component parts (all) which located on land above 3. Freehold rights over tools, fixtures, equipment and utility systems
Investment period	30 years (ended on 7 February 2048)

1.2 True Tower 2 Project, descriptions of investment were as follows:

Location	1252, 1252/1 - 1252/3, Pattanakarn Road, Kwang Suan Luang, Ket Suan Luang, Bangkok 10250
Ownership	The land and building are owned by True Properties Company Limited
Gross floor area	41,417 sq.m.
Net leasable area	25,072 sq.m.
Type of investment	1. Leasehold rights over the land (all) 2. Leasehold rights over building and its component parts (all) which located on land above 3. Freehold rights over tools, fixtures, equipment and utility systems
Investment period	30 years (ended on 7 February 2048)

On 27 February 2018, the Stock Exchange of Thailand approved the listing of the Trust’s units and permitted their trading from 28 February 2018 onwards.

Bualuang Office Leasehold Real Estate Investment Trust
Notes to the interim financial statements
For the period from 6 February 2018 (date of incorporation) to 30 September 2018 (Unaudited)

The Trust is managed by BBL Asset Management Company Limited (“the REIT Manager”), Krung Thai Asset Management Public Company Limited acts as the Trustee and True Properties Company Limited acts as the Property Manager.

As at 30 September 2018, the Trust’s major unitholder is True Properties Company Limited, which holds 15.18%.

2 Basis of preparation of the interim financial statements

(a) Statement of compliance

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard (“TAS”) No. 34 (revised 2017) *Interim Financial Reporting*; guidelines promulgated by the Federation of Accounting Professions (“FAP”); and applicable rules and regulations of the Thai Securities and Exchange Commission. In addition, the interim financial statements have been prepared in accordance with TAS No. 106 “*Accounting for Investment Companies*”.

The Trust has adopted all the revised TFRS that are effective for annual periods beginning on or after 1 January 2018.

In addition to the above revised TFRS, The FAP has issued other TFRS which are effective for annual financial reporting periods beginning on or after 1 January of the following years:

TFRS	Topic	Effective
TFRS 7*	Financial Instruments: Disclosures	2020
TFRS 9*	Financial Instruments	2020
TFRS 15	Revenue from Contracts with Customers	2019
TAS 32*	Financial Instruments: Presentation	2020
TFRIC 16*	Hedges of a Net Investment in a Foreign Operation	2020
TFRIC 19*	Extinguishing Financial Liabilities with Equity Instruments	2020

* *TFRS - Financial instruments*

The Trust has not early adopted those standards in preparing these interim financial statements.

(1) TFRS 15 Revenue from Contracts with Customers

TFRS 15 *Revenue from Contracts with Customers* establishes a comprehensive framework for determining whether, how much and when revenue is recognised. Revenue should be recognised when (or as) an entity transfers control over goods or services to a customer, measured at the amount to which the entity expects to be entitled.

REIT manager is presently considering the potential impact of adopting and initially applying TFRS 15 *Revenue from Contracts with Customers* on the financial statements of the Trust.

(2) TFRS - Financial instruments

These TFRS establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting.

Bualuang Office Leasehold Real Estate Investment Trust

Notes to the interim financial statements

For the period from 6 February 2018 (date of incorporation) to 30 September 2018 (Unaudited)

REIT manager is presently considering the potential impact of adopting and initially applying TFRS - Financial instruments on the financial statements.

(b) *Functional and Presentation currency*

The financial statements are prepared and presented in Thai Baht, which is the Trust's functional currency. All financial information presented in Thai Baht has been rounded in the notes to the interim financial statements to the nearest thousand Baht unless otherwise stated.

(c) *Use of judgments and estimates*

The preparation of interim financial statements in conformity with TFRS requires the REIT manager to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

3 Distribution policy

The Trust has policy to pay distributions to unitholders at least 2 times per year as follows:

- 1) The REIT manager shall pay distributions to unitholders that, in aggregate, amount to not less than 90% of adjusted net profit for the fiscal year which will pay within 90 days from the fiscal year or accounting period that had paid distributions or any other rates set by the Thai Securities and Exchange Commission.

However, the REIT manager may consider to reserve money for major renovation following the propose plan by Property Manager that, in aggregate, amount not more than 5% revenue from operation for the fiscal year. In this regard, the REIT manager will consider the necessary, the sufficiency of investments for major renovation including other financing activities such as short-term borrowings etc.

The adjusted net profit means the net profit not including the unrealised gain from the appraisal or verification of the appraisal of the Trust's asset and deduct with the reserve for repayments of borrowings or commitment incurred from obtaining borrowings by the Trust.

- 2) In case where the Trust has accumulated losses, the REIT manager shall not to pay any distributions to the unitholders.

In considering the payment of interim distributions, the determination of the distribution rate will depend on judgment of REIT manager. If the value of interim distribution per unit to be paid quarterly or year-end are lower than or equal to Baht 0.10, the REIT manager reserves the rights not to pay distribution at that time and to carry such distribution forward for payment together with the next distribution payment.

4 Significant accounting policies

(a) *Measurement of investments*

Investments are recognised as assets at cost on the date which the Trust has rights on investments. The cost of investments comprises the purchase prices and all direct expenses paid by the Trust in order to acquire such investments.

Bualuang Office Leasehold Real Estate Investment Trust
Notes to the interim financial statements
For the period from 6 February 2018 (date of incorporation) to 30 September 2018 (Unaudited)

Investments in leasehold properties

Investments in leasehold properties are measured at fair value with no depreciation charge.

The REIT manager measured fair value at the first reporting date after the acquisition of the leasehold rights based on the cost of investments, and will remeasure them at subsequent reporting dates at fair value, using the appraisal value assessed by an independent appraiser approved pursuant to the Notification of the Securities and Exchange Commission concerning the granting of approval of valuation companies and principle valuers for public use. Valuation will be made when economic conditions change, but at least every two years, commencing from the date of the full appraisal were made. In addition, the valuation will be annually reviewed after the latest valuation date.

The REIT manager will not appoint same valuer to appraise the leased property for more than two consecutive times.

Any gains or losses on valuation of investments in leasehold properties (if any) are presented as net unrealised gains or losses in the statement of income.

(b) *Cash and cash equivalents*

Cash and cash equivalents in the statement of cash flows comprise cash balances and call deposits and highly liquid short-term investments.

(c) *Rental and service receivables*

Rental and service receivables are stated at their invoice value less allowance for doubtful accounts.

The recognised revenue which is not yet due under the operating lease agreements has been presented under the caption of “Rental and service receivables” at the end of reporting period.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

(d) *Unbilled trade receivables*

Unbilled trade receivables are stated at cost plus margin recognised up to the reporting date less progress billings and allowance for doubtful accounts. Cost includes all expenditure directly related to rendering of rental and service.

(e) *Deferred expenses*

Deferred expenses comprise the trust unit issuance and offering expenses as incurred which consisted of underwriting fees and other directly related expenses. Deferred expenses are amortised as an expense over a period of 5 years on a straight line basis.

(f) *Other payables and accrued expenses*

Other payables and accrued expenses are stated at cost.

Bualuang Office Leasehold Real Estate Investment Trust

Notes to the interim financial statements

For the period from 6 February 2018 (date of incorporation) to 30 September 2018 (Unaudited)

(g) *Income received in advance*

Income received in advance represents the amount of billings rendered to customers in excess of income recognised, as well as the amount of advance billing for customers' work, for which the Company had not rendered the service under the conditions stipulated in the contracts. Income received in advance is stated at cost.

(h) *Provisions*

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate method.

(i) *Interest-bearing liabilities*

Interest-bearing liabilities are stated at cost.

(j) *Revenue*

Revenue excludes value added taxes and is arrived at after deduction of trade discounts.

Rental and service income

Rental income is recognised as revenue in the statement of income on a straight line basis over the term of the lease. Service income is recognised when services are rendered to customers at the rate stipulated under the agreement. The recognised revenue which is not yet due under the operating lease agreements has been presented under the caption of "Rental and service receivables" at the end of reporting period.

Interest income

Interest income is recognised in statement of income as it accrues.

(k) *Finance costs*

Interest expenses and similar costs are charged to the statement of income base on the effective interest rate for the period in which they are incurred.

(l) *Expenses*

Other expenses

Other expenses are recognised in the statement of income in the period in which they are incurred.

(m) *Income tax*

The Trust has no corporate income tax liability since it is not the juristic entity in accordance with section 39 of the Revenue Code.

(n) *Distribution to unitholders*

A decrease in retained earnings is recognised at the date a distribution is declared.

Bualuang Office Leasehold Real Estate Investment Trust

Notes to the interim financial statements

For the period from 6 February 2018 (date of incorporation) to 30 September 2018 (Unaudited)

5 Related parties

For the purposes of these financial statements, parties are considered to be related to the Trust if the Trust has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Trust and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with other related parties were as follows:

Name of parties	Country of incorporation	Nature of relationships	Nature of transactions
True Properties Company Limited	Thailand	Property manager Major unitholder holding 15.18% of trust units issued and paid-up	Entered into leasehold rights agreements over land, building and its component parts (<i>Note 6</i>) Receive property management fees from the Trust
BBL Asset Management Company Limited	Thailand	REIT manager	Receive management fees from the Trust
KrungThai Asset Management Public Company Limited	Thailand	Trustee of the Trust	Receive trustee fees from the Trust
Bangkok Bank Public Company Limited	Thailand	Parent company of REIT manager	Depository service Grant loan to the trust
Charoen Pokphand Group Company Limited	Thailand	Ultimate parent company of property manager	Rental and service income
Bakehouse Company Limited	Thailand	Affiliated company of property manager	Rental and service income
BFKT (Thailand) Company Limited	Thailand	Affiliated company of property manager	Rental and service income
Charoen Pokphand Foods Public Company Limited	Thailand	Affiliated company of property manager	Rental and service income
Chonburi Transportation Company Limited	Thailand	Affiliated company of property manager	Car parking rental income and service income
Cineplex Co., Ltd.	Thailand	Affiliated company of property manager	Rental and service income
CP All Public Company Limited	Thailand	Affiliated company of property manager	Rental and service income
CP Medical Center Company Limited	Thailand	Affiliated company of property manager	Car parking rental income
Real Move Co., Ltd.	Thailand	Affiliated company of property manager	Rental and service income
Telecom Asset Management Company Limited	Thailand	Affiliated company of property manager	Car parking rental income

Bualuang Office Leasehold Real Estate Investment Trust

Notes to the interim financial statements

For the period from 6 February 2018 (date of incorporation) to 30 September 2018 (Unaudited)

Name of parties	Country of incorporation	Nature of relationships	Nature of transactions
True Corporation Public Company Limited	Thailand	Affiliated company of property manager	Rental and service income
True Digital & Media Platform Company Limited	Thailand	Affiliated company of property manager	Rental and service income
True Digital Park Company Limited	Thailand	Affiliated company of property manager	Rental and service income
True Digital Plus Co., Ltd.	Thailand	Affiliated company of property manager	Rental and service income
True Distribution & Sales Co., Ltd.	Thailand	Affiliated company of property manager	Rental and service income
True GS Co., Ltd.	Thailand	Affiliated company of property manager	Rental and service income
True Internet Corporation Co., Ltd.	Thailand	Affiliated company of property manager	Rental and service income
True Internet Data Center Co., Ltd.	Thailand	Affiliated company of property manager	Rental and service income
True Leasing Co., Ltd.	Thailand	Affiliated company of property manager	Rental and service income
True Lifestyle Retail Co., Ltd.	Thailand	Affiliated company of property manager	Rental and service income
True Move Company Limited	Thailand	Affiliated company of property manager	Rental and service income
True Move H Universal Communication Co., Ltd.	Thailand	Affiliated company of property manager	Rental and service income
True Multimedia Co., Ltd.	Thailand	Affiliated company of property manager	Rental and service income
True Visions Group Co., Ltd.	Thailand	Affiliated company of property manager	Rental and service income
True4U Station Company Limited	Thailand	Affiliated company of property manager	Rental and service income

The pricing policies for particular types of transactions are explained further below:

Transactions	Pricing Policies
Rental and service income	Market prices which are subject to location, lease space, lease form, lease period and type of lease
Interest income/interest expense	Interest rate based on the rate as announced by the financial institution
Other income	The rate being charged by other parties in the same business
Costs of rental and services	Market prices
Management fees	Contractually agreed prices
Trustee fees	Contractually agreed prices
Property management fees	Contractually agreed prices
Bank charges	Market prices
Investments in leasehold properties	Contractually agreed prices

Bualuang Office Leasehold Real Estate Investment Trust

Notes to the interim financial statements

For the period from 6 February 2018 (date of incorporation) to 30 September 2018 (Unaudited)

Significant transactions for the three-month period ended 30 September 2018 and the period from 6 February 2018 to 30 September 2018 with related parties were as follows:

	For the three-month period ended 30 September 2018	For the period from 6 February 2018 to 30 September 2018
<i>(in thousand Baht)</i>		
Revenues		
Rental and service income		
Real Move Co., Ltd.	7,704	19,586
True Corporation Public Company Limited	48,784	124,034
True Distribution & Sales Co., Ltd.	8,267	21,105
True Internet Corporation Co., Ltd.	26,693	67,624
True Internet Data Center Co., Ltd	9,856	24,206
True Visions Group Co., Ltd.	7,070	17,977
Other related parties	23,558	59,515
Total	131,932	334,047
Interest income		
Bangkok Bank Public Company Limited	77	546
Other income		
Other related parties	6,956	16,575
Expenses		
Costs of rental and services		
True Properties Company Limited	325	23,105
Management fees		
BBL Asset Management Company Limited	3,306	8,560
Trustee fees		
Krungthai Asset Management Public Company Limited	2,151	5,563
Property management fees		
True Properties Company Limited	8,556	22,356
Finance costs		
Bangkok Bank Public Company Limited	9,855	25,174

Bualuang Office Leasehold Real Estate Investment Trust
Notes to the interim financial statements
For the period from 6 February 2018 (date of incorporation) to 30 September 2018 (Unaudited)

Balances as at 30 September 2018 with related parties were as follows:

	30 September 2018 (in thousand Baht)
<i>Rental and service receivables</i>	
<i>Rental and service receivables</i>	
True Corporation Public Company Limited	15,074
True Internet Corporation Co., Ltd.	8,144
Other related parties	19,701
	<u>42,919</u>
<i>Accrued income under operating lease</i>	
Other related parties	4,285
	<u>4,285</u>
Total	<u>47,204</u>
<i>Cash at financial institution</i>	
Bangkok Bank Public Company Limited	<u>60,854</u>
<i>Accrued interest income</i>	
Bangkok Bank Public Company Limited	<u>95</u>
<i>Other payables and accrued expenses</i>	
BBL Asset Management Company Limited	2,186
Krungthai Asset Management Public Company Limited	1,423
True Properties Company Limited	652
Total	<u>4,261</u>
<i>Rental and service income received in advance</i>	
Real Move Co., Ltd.	4,404
True Corporation Public Company Limited	28,543
True Distribution & Sales Co., Ltd.	4,809
True Internet Corporation Co., Ltd.	14,553
True Internet Data Center Co., Ltd.	4,104
True Visions Group Co., Ltd.	4,173
Other related parties	14,338
Total	<u>74,924</u>
<i>Deposits from rental and services</i>	
Real Move Co., Ltd.	6,606
True Corporation Public Company Limited	42,815
True Distribution & Sales Co., Ltd.	7,213
True GS Co., Ltd.	4,789
True Internet Corporation Co., Ltd.	20,550
True Internet Data Center Co., Ltd.	5,852
True Visions Group Co., Ltd.	6,169
Other related parties	15,448
Total	<u>109,442</u>
<i>Long-term borrowings</i>	
Bangkok Bank Public Company Limited	<u>920,000</u>

Bualuang Office Leasehold Real Estate Investment Trust

Notes to the interim financial statements

For the period from 6 February 2018 (date of incorporation) to 30 September 2018 (Unaudited)

	30 September 2018 (in thousand Baht)
<i>Other liabilities</i>	
Other related parties	1,530
Total	<u>1,530</u>

6 Investments in leasehold properties

On 6 February 2018, the Trust has entered into leasehold rights agreement over land, building and its component parts (“leased assets”) of True Tower 1 project together with purchase of freehold rights over tools, fixtures, equipment and utilities system as described in note 1 to the interim financial statement with True Properties Company Limited. The Trust paid for the total investment cost in the amount of Baht 2,934.1 million, for the leased assets in the amount of Baht 2,721.9 million and for purchase of freehold rights over tools, fixtures, equipment and utilities system in the amount of Baht 212.2 million.

The Trust has already registered the leasehold rights with Department of Land on 8 February 2018.

On 6 February 2018, the Trust has entered into leasehold rights agreement over land, building and its component parts (“leased assets”) of True Tower 2 project together with purchase of freehold rights over tools, fixtures, equipment and utilities system as described in note 1 to the interim financial statement with True Properties Company Limited. The Trust paid for the total investment cost in the amount of Baht 1,635.7 million, for the leased assets in the amount of Baht 1,417.3 million and for purchase of freehold rights over tools, fixtures, equipment and utilities system in the amount of Baht 218.4 million.

The Trust has already registered the leasehold rights with Department of Land on 8 February 2018.

During the third quarter of 2018, the Trust hired an independent appraiser to appraise the fair value of the investments in properties using the income approach by using discounted future cash flows. The main assumptions used in the review valuation are net leasable area, average rental and service rate, rental growth rate, average occupancy rate, other income from rendering service, operating costs, and discount rate. The Trust has revalued such investments in properties to be as fair value and has recorded net unrealised loss on such investments in the statement of income for the period from 6 February 2018 (date of incorporation) to 30 September 2018.

Movement of investments in leasehold properties for the period from 6 February 2018 (date of incorporation) to 30 September 2018 were as follows:

	<i>(in thousand Baht)</i>
Investments in leasehold properties - at cost	
Investment in leasehold properties as at 6 February 2018	-
Add Investment in leasehold properties	4,569,853
Investment in leasehold properties as at 30 September 2018	<u>4,569,853</u>
Net unrealised loss on investments in leasehold properties	
Net unrealised loss on investments in leasehold properties as at 6 February 2018	-
Net unrealised loss from revaluation of investments during the period	(78,853)
Net unrealised loss on investments in leasehold properties as at 30 September 2018	<u>(78,853)</u>
Investments in leasehold properties as at 30 September 2018	<u>4,491,000</u>

Bualuang Office Leasehold Real Estate Investment Trust

Notes to the interim financial statements

For the period from 6 February 2018 (date of incorporation) to 30 September 2018 (Unaudited)

7 Rental and service receivables

	<i>Note</i>	30 September 2018 <i>(in thousand Baht)</i>
<i>Rental and service receivables</i>		
Related parties	5	42,919
Other parties		716
Total		43,635
<i>Accrued income under operating lease</i>		
Related parties	5	4,285
Total		4,285
Grand total		47,920

Aging analyses for rental and service receivables were as follows:

	<i>Note</i>	30 September 2018 <i>(in thousand Baht)</i>
Related parties		
Within credit terms		42,573
Overdue:		
Less than 3 months		222
3 - 6 months		82
Over 6 months		42
	5	42,919
Other parties		
Within credit terms		264
Overdue:		
Less than 3 months		372
3 - 6 months		69
Over 6 months		11
		716
Total		43,635
Accrued income under operating lease		4,285
Grand total		47,920

The normal credit terms granted for rental and service receivables of the Trust range from 15 days to 60 days.

Bualuang Office Leasehold Real Estate Investment Trust

Notes to the interim financial statements

For the period from 6 February 2018 (date of incorporation) to 30 September 2018 (Unaudited)

8 Deferred expenses

The trust unit issuance and offering expenses are recognised as deferred expenses and amortised as an expense over a period of 5 years on a straight line basis.

Movement of deferred expenses for the period from 6 February 2018 to 30 September 2018 was as follows:

	<i>(in thousand Baht)</i>
As at 6 February 2018	-
Increases	2,626
Amortisation	(320)
As at 30 September 2018	<u>2,306</u>

9 Long-term borrowings

	Interest rate (% per annum)	30 September 2018 (in thousand Baht)
Borrowings from financial institutions	4.25	<u>920,000</u>

Movement of long-term borrowings for the period from 6 February 2018 to 30 September 2018 was as follows:

	<i>(in thousand Baht)</i>
As at 6 February 2018	-
Increase	920,000
As at 30 September 2018	<u>920,000</u>

On 8 February 2018, the Trust borrowed loans of Baht 920.0 million from Bangkok Bank Public Company Limited (“the bank”). The principal is payable due at the term of agreements for a period of 10 years. The loan bears interest at MLR-2 to MLR-1 per annum. The principle and interest are semi-annually payable. The borrowings were secured by the followings:

- 1) Leasehold rights of True Tower 1 building.
- 2) Rights of received all rental and service income.
- 3) Insurances including all risk insurances and business interruption insurances in which identified the bank as beneficiary together with the borrower.

Under the borrowing agreement, the Trust must maintain financial conditions which stipulated in the borrowing agreement such as maintenance interest bearing debt to operating profit before interest expenses and financial costs, income tax, depreciation, amortisation adjust by non-cash items (Interest Bearing Debt to EBITDA ratio) to be not more than 4 times etc.

As at 30 September 2018, the Trust had unutilised credit facilities amounting to Baht 250.0 million.

Bualuang Office Leasehold Real Estate Investment Trust

Notes to the interim financial statements

For the period from 6 February 2018 (date of incorporation) to 30 September 2018 (Unaudited)

10 Unitholders' trust

On 6 February 2018, BBL Asset Management Company Limited, as the Trust Settlor and REIT manager established the Bualuang office Leasehold Real Estate Investment Trust with a registered capital of Baht 3,688.0 million, consisting of 368.8 million units with a par value of Baht 10 each. The Trust called up payment for all of these trust units and notified the Office of the Securities and Exchange Commission of these called-up capital funds.

Movement of profit for the period was as follows:

	<i>Note</i>	For the period from 6 February 2018 to 30 September 2018 (in thousand Baht)
As at 6 February 2018 (date of incorporation)		-
Add Increase in net assets resulting from operations during the period		122,140
Less Distribution to unitholders during the period	11	(111,894)
As at 30 September 2018		10,246

11 Distribution to unitholders

At the Meeting of Real Estate Investment Committee of BBL Asset Management Company Limited, acting as a REIT Manager of Bualuang Office Leasehold Real Estate Investment Trust held on 9 August 2018, the Board of Directors approved the appropriation of interim distribution for the period from 6 February 2018 to 30 June 2018 of Baht 0.3034 per unit, amounting to Baht 111.9 million, which already paid to its unitholders on 6 September 2018.

12 Expenses

(a) Management fees

The REIT manager will receive a monthly REIT management fees at a rate not exceed 0.50% per annum of total assets value (excluded value added tax, specific business tax or any other similar tax) but not less than Baht 8 million per year.

(b) Trustee fees

The Trustee of the Trust will receive a monthly trustee fees at a rate not exceed 0.50% per annum of total assets value (excluded value added tax, specific business tax or any other similar tax) but not less than Baht 4 million per year.

(c) Registrar fees

The registrar fees are calculated annually at a rate not exceed 0.05% per annum of the Trust's registered capital or other rate that set by the Trust's registrar.

Bualuang Office Leasehold Real Estate Investment Trust
Notes to the interim financial statements
For the period from 6 February 2018 (date of incorporation) to 30 September 2018 (Unaudited)

(d) Property management fees

The Property Manager will receive remuneration under the Property Management Agreements which is summarised as follows:

(1) Base fees

At a rate of not exceed 3% of operating income by individual project.

(2) Incentive fee

At a rate of not exceed 10% of adjusted gross profit.

(3) Service fees for agreement arrangement

At a rate not exceed 3 months of rental and/ or service income for entering into new rental service contract or extending the original contract and investing in leased assets according to the term of the agreement for a periods of 3 years and variable depending on the term of agreement.

13 Information on investment purchase and sale transactions

The Trust purchase investments during the period by excluding investments in cash at financial institutions for the period from 6 February 2018 (date of incorporation) to 30 September 2018, totaling Baht 4,569.9 million which is 122.12% of the average net asset values during the period.

14 Segments information

The Trust main business is investing in properties and leasehold rights, seeking the benefits from properties, and properties for rent. The Trust has only one geographical segment because they operate only in Thailand.

15 Commitments

The Trust is committed to pay service charges and fees to counterparties under the terms and conditions as specified in note 12 to interim financial statements.

16 Event after the reporting period

At the Meeting of Real Estate Investment Committee of BBL Asset Management Company Limited, acting as a REIT Manager of Bualuang Office Leasehold Real Estate Investment Trust held on 13 November 2018, the Board of Directors approved the paid-in capital reduction of par value at the rate of Baht 0.1843 per unit totaling Baht 67.9 million. The reduction of paid-in capital will be paid to its unitholders in December 2018 which was to comply with Trust deed.