

The Report of operation

Trinity Freehold and Leasehold Property Fund

20 April 2020

RE: The Report of operation of the Trinity Freehold and Leasehold Property Fund

ATTN: The Unitholders of Trinity Freehold and Leasehold Property Fund

- Enclosures:
1. Annual Report for the year 2019 (in CD format in the number of 1 disc)
 2. Copy of the Fund's Financial Statements ending on 31 December 2019
 3. Inquiry and Opinion Giving Form
 4. Envelop of the Business Reply Mail

According to the Notification of the Capital Market Supervisory Board No. TorNor. 36/2562, Clause 70, the management company must convene a unitholders' meeting as annual meeting within 4 months after the end of each fiscal year with the first annual meeting starting for the fiscal year ending on or after 31 December 2018. Principal Asset Management Company Limited ("Management Company"), as the Management Company of Trinity Freehold and Leasehold Property Fund, acronym "TNPF", ("Fund"), has notified the schedule of the Annual General Meeting of Unitholders of the Fund for the year 2020, to be held on 28 April 2020.

However, on 20 March 2020, the Capital Market Supervisory Board ("Board") has announced the Announcement of Capital Market Supervisory Board, No. TorRor 27/2563 Re: Actions for Holding Annual General Meeting for Year 2020 of Unitholders of Property Fund due to Situation of Outbreak of Coronavirus Disease 2019 (COVID-19) ("Announcement"). Clause 3 of the Announcement provides that if the agenda for the annual general meeting of the unitholders for the year 2020 of any Property Fund are only for acknowledgment without seeking approval from the unitholders, the management company may proceed with other method in lieu of holding the annual general meeting.

The Management Company has mainly considered the safety of the public and informed the unitholders, on 7 April 2020, of the revocation of the agenda of certifying the minutes of Annual General Meeting of Unitholders of the Fund for the year 2019, the cancellation of convening the Annual General Meeting of Unitholders of the Fund for the year 2020 and the sending of information to report the matters as required by law in lieu of convening the Annual General Meeting of Unitholders of the Fund for the year 2020 according to Clause 3 of the Announcement.

In this regard, the Management Company would like to inform the Fund's status and operation for the unitholders' acknowledgment with the detail as follows:

1. The Fund's operation and future management plan of the Fund (For Acknowledgement)

1.1 Proceedings according to the resolution of the Annual Unitholders' Meeting for the year 2019

As the Annual Unitholders' Meeting for the year 2019 held on 26 March 2019 resolved to approve (1) an extension of temporary lease agreement with the current lessee for another 3 years which the details and condition of the lease must not be less favorable than the current temporary lease agreement. In this connection, the Management Company was authorized to negotiate with the lessee and to enter into the relevant agreement as proposed; and (2) the Management Company was authorized to open a bid for recruiting the new lessee in the last year of the lease term.

After the Unitholders' Meeting, the Management Company negotiated with the lessee and entered into the relevant agreement with the new conditions compared with the previous conditions as follows:

	new conditions	previous conditions
Lease Term	3 years (1 May 2019 – 30 April 2022)	1 year (1 May 2018 – 30 April 2019)
Rental and Service Fee	Rental of land and building is 2,450,000.00 Baht per month (no VAT); and the rental of public utility is 1,050,000.00 Baht per month (exclusive of VAT) totalling 3,500,000 Baht per month (exclusive of VAT)	Rental of land and building is 2,000,000.00 Baht per month (no VAT); and the rental of public utility is 2,000,000.00 Baht per month (inclusive of VAT) totalling 3,869,158.88 Baht per month (exclusive of VAT)
Property Improvement	18,000,000 Baht (for the whole lease term 3 years). The improved construction becomes the ownership of the Fund as from the construction commencement. If the actual expense is less than the whole amount as specified in the agreement, the lessee agreed to pay the difference and relevant expenses to the Fund.	None

	new conditions	previous conditions
Total Benefit	146,646,000 Baht throughout the lease term or 48,882,000 Baht per year (totaling 144,000,000 Baht or 48,000,000 Baht per year after deduction of VAT)	48,000,000 Baht (46,429,906.66 Baht after deduction of VAT)
Payment of rental and guarantee of rental payment	Paid in advance on every 6 th day of month Cheque must be deposited with the Fund for rental advance payment.	Paid in advance on every 1 st day of month Cheque must be deposited with the Fund for rental advance payment.
Other		

The Management Company had considered and had opinion that the total benefit received by the Fund was not less favourable than the previous lease agreement, accordingly, the Management Company entered into the addendum for extension of the lease term with the lessee according to such conditions on 29 April 2019.

1.2 Condition of Property Market

Thai Economy in 2019 and Trend in 2020

Based on the report on condition of Thai economy in 4th quarter of the year 2019 and the trend in 2020 of the Macroeconomic Strategy and Planning Office, National Economic and Social Development Council¹ held the press conference on 17 February 2020, it appeared the details that, in 2019, Thai economy expanded by 2.4% decelerating from the expansion in 2018 by 4.2%. The export value decreased by 3.2%, private sector consumption and whole investment would expand by 4.5% and 2.2% respectively. The general inflation on average would be at 0.7% and the current account surplus would be at 6.8% of GDP.

Thailand's economy trend of the year 2020 was expected to expand by 1.5-2.5%, slowing down due to the limitation of COVID-19 pandemic, draught problem and delay of budget. However, there were the supporting factors from

¹The interested unitholders can see more details at www.nesdc.go.th

- 1) Gradual improvement of world economy and trade according to the decrease of pressure from trade barrier measures and Brexit;
- 2) Satisfactory expansion of household expenditure and investment of both public sector and private sector;
- 3) The drive from public sector measures;
- 4) Low expansion base in the last quarter of 2019

The export value was expected to expand by 1.4%, private sector consumption and investment would expand by 3.5% and 3.6% respectively. The general inflation on average would be at 0.4-1.4% and the current account surplus would be at 5.3% of GDP.

Market of the Retail trade Area in Bangkok²

Based on the report on the study of Market of the Retail trade Area in Bangkok of 4th quarter of the year 2019, of Phoenix Property Development and Consultancy Co., Ltd. ("Phoenix"), it provided information as follows:

In 2019, the retail trade area was approximately 204,200 square meters, which was in Bangkok and its surrounding area. The whole retail trade area in Bangkok and retail trade area was approximately 8,450,660 square meters. Moreover, the area of approximate 107,900 square meters would be provided in 2020 or the area of approximate 515,000 square meters would be provided in 2020-2022.

Foreign tourists were another group of customers of the retail trade area projects. Some shopping centres located in the mid area of Bangkok increase their world class brand-name shops to attract the foreign tourists. The retail trade market in 2019 slowed down, Thai Retailers Association expected that retail trade market in 2019 would expand approximately by 2.8% in the same direction of Thailand's economy.

Proportion of each category of retail trade area and the area when compared with the whole retail trade area and surrounding areas.

² The interested unitholders can see more details of immovable property at www.phoenixproperty.co.th

Category	Areas					
	Mid area of Bangkok	Surrounding area of Mid area of Bangkok	Eastern Outer Area	Western Outer Area	Northern Outer Area	Whole areas
Shopping centres	14.0%	13.1%	14.4%	6.4%	11.5%	59.3%
Department stores	0.7%	3.2%	0.2%	0.0%	0.0%	4.1%
Hyper markets	0.5%	2.4%	2.2%	2.4%	2.4%	9.9%
Specialty stores	0.1%	1.1%	1.2%	2.0%	2.0%	5.9%
Community malls	2.3%	4.1%	2.7%	3.8%	3.8%	15.7%
Entertainment complex	0.0%	0.7%	0.1%	0.1%	0.1%	1.4%
Retail trade supporting areas	2.6%	1.0%	0.0%	0.0%	0.0%	3.6%
Whole areas	20.2%	25.6%	20.9%	14.7%	18.6%	100.0%

The online channel is the important factor directly affecting the retail trade. Many operators of retail trade tried to increase their proportion of online sale of goods by developing their own online channel for sale of goods. The retail trade area in the future will not greatly increase when compared with those in the past because the retail trade area is not the first choice for buying goods anymore. This will affect the fixing of rental of area.

Market of Hotel in Bangkok

The overall market of hotel in Bangkok in 2019 and 2018 was quite stable, the overall average occupancy rate was approximate at 85%, total rooms were approximately 79,700.

Tourism was the business sector directly affected by Corona Virus pandemic (or COVID-19). Based on the information of international passengers at Suvarnabhumi Airport³ (the main airport and main entrance and departure point) in January and February 2020, it was found that, in January 2020, there were total 1,854,370 international passengers, slightly decreased when compared with January 2019, having 1,865,929 international passengers. The effect was clearer in February when there were

³ Latest information on which this document was prepared (2 March 2020)

978,633 international passengers, when compared with 1,754,425 international passengers in 2019 or decreased by 44.22%.

At the beginning of this year, the major effect was due to the fact that China's government prohibiting Chinese people (one of main market of tourism of Thailand) to travel outside China in order to control COVID-19 spreading including the spreading of COVID-19 in Korea and Japan. However, at the end of February, there was the spreading of COVID-19 in Europe and USA, accordingly, it affected tourism market of Thailand until the situation improves.

If it is in line with the forecast of many groups, the situation of the spreading Thailand likely improves in summer which may be more distinct in June. The factor directly affecting market of tourism is how the spreading in the home countries of tourists which are mainly the countries in cold-weather zone. Market of tourism may depend on the inbound tourism of Thai people more.

1.3 Condition of Property

In order to be in line with the schedule for holding of the Annual Unitholders' Meeting of the Fund, the Management Company adjusted the period of annual inspection of property condition which was previously in August of every year to be in February in order for the Unitholders' Meeting to acknowledge the most current condition of property. In the inspection of property condition at this time, the Management Company and the Trustee had jointly taken action on 27 February 2020, the property condition was as follows:

- 1) The general condition of the property was normal, there was damage due to normal usage, which should be improved according to its useful life;
- 2) The property in part of hotel, there was damage due to normal usage, which should be improved to be in good condition to be ready for providing the service the guests;
- 3) The property in part of service apartment was in the same condition as hotel, which should be improved to be in good condition to be ready for providing the service the guests;
- 4) The property in part of Mall 1, there was preparation of area to support the zoning of new lessee;
- 5) The property in part of Mall 1, there was damage due to normal usage;
- 6) The lessee started to improve the property as proposed in the condition of lease agreement renewal. However, the work operated by the lessee or under operation of the lessee has not yet inspected and/or examines for acceptance by the Fund.

1.4 Proposal of the lessee seeking for relaxation for the rental payment due to the situation beyond control

As from the lease agreement renewal as notified in Clause 1.1, the lessee had complied with the renewed lease agreement. Later, on 27 February 2020, the lessee sent the letter seeking for relaxation for the rental payment due to the spreading of COVID-19 pandemic which affected the business of tourism and hotel, including the concern about the spreading in community which affected the lessee's business operation resulting from the situation beyond control. Therefore, the Management Company considered the proposal on relaxation of the lessee. After discussion with the Trustee of the Fund, there was the conclusion as follows:

Period (month/year)	Rental according to the agreement	Lessee's Proposal	Conclusion	Remark
Mar.2020	3,500,000.00	1,000,000.00	1,000,000.00	1) The rental of March 2020 – May 2020 decreased in the amount of 5.5 Million Baht, resulting in the rental of the year 2020 being 36.5 Million Baht from the previous rental of the year 2563 which was 42 Million Baht;
Apr.2020	3,500,000.00	2,000,000.00	2,000,000.00	
May 2020	3,500,000.00	2,000,000.00	2,000,000.00	
Jun.2020	3,500,000.00	2,000,000.00	3,500,000.00	
Jul.2020	3,500,000.00	2,000,000.00	3,500,000.00	
Aug.2020	3,500,000.00	2,000,000.00	3,500,000.00	
Sep.2020	3,500,000.00	2,000,000.00	3,500,000.00	
Oct.2020	3,500,000.00	2,000,000.00	3,500,000.00	
Nov.2020	3,500,000.00	2,000,000.00	3,500,000.00	
Dec.2020	3,500,000.00	2,000,000.00	3,500,000.00	
Jan.2021	3,500,000.00	4,000,000.00	4,050,000.00	2) The unpaid rental, i.e. 5.5 Million Baht will be paid in the amount of 550,000 Baht per month in addition to the lease agreement from
Feb.2021	3,500,000.00	4,000,000.00	4,050,000.00	
Mar.2021	3,500,000.00	4,000,000.00	4,050,000.00	
Apr.2021	3,500,000.00	4,000,000.00	4,050,000.00	
May.2021	3,500,000.00	4,000,000.00	4,050,000.00	

Jun.2021	3,500,000.00	4,000,000.00	4,050,000.00	the period of January 2021 to October 2021, which will be fully paid 3) According to the lessee's proposal, there will be unpaid rental in the amount of 8 Million Baht when the lease agreement expires.
Jul.2021	3,500,000.00	4,000,000.00	4,050,000.00	
Aug.2021	3,500,000.00	4,000,000.00	4,050,000.00	
Sep.2021	3,500,000.00	4,000,000.00	4,050,000.00	
Oct.2021	3,500,000.00	4,000,000.00	4,050,000.00	
Nov.2021	3,500,000.00	4,000,000.00	3,500,000.00	
Dec.2021	3,500,000.00	4,000,000.00	3,500,000.00	
Jan.2022	3,500,000.00	4,000,000.00	3,500,000.00	
Feb.2022	3,500,000.00	4,000,000.00	3,500,000.00	
Mar.2022	3,500,000.00	4,000,000.00	3,500,000.00	
Apr.2022	3,500,000.00	4,000,000.00	3,500,000.00	

The above-mentioned relaxation on the rental payment will not affect the Net Asset Value (NAV) of the Fund because the Fund realized the revenue according to the straight line accrual basis and the rental throughout the lease agreement term is still the same but it will affect the amount of dividend for the performance during 1 January-30 June 2020 which will decrease from the forecast. However, it will be higher than the forecast for the performance as from 1 July 2020, onwards.

However, as the Covid-19 outbreak situation in Thailand is getting more severe, on 30 March 2020, the lessee sent the new proposal seeking for relaxation for the rental payment to the Management Company. In this regard, the Management Company is in the middle of considering such proposal. If the Management get to any conclusion, the Management Company will further inform the unitholders for acknowledgement.

1.5 Guideline for managing the Fund in the future

Based on the resolution of the Annual Unitholders' Meeting for the year 2019 held on 26 March 2019, where the Meeting approved (1) an extension of temporary lease agreement with the current lessee for another 3 years which the details and condition of the lease must not be less favorable than the current temporary lease agreement, which was carried out and notified in Agenda 3.1; and (2) the Management Company was authorized to open a bid for recruiting the new lessee in the last year of the lease term.

The Management Company would like to notify the unitholders that the Management Company will cause the lessee to strictly comply with the lease agreement and will start recruiting the new lessee again in the midyear of 2021 which was the last year of the lease agreement's term as resolved by the Unitholders' Meeting.

2. To Acknowledge the financial status, operating result and financial statement for fiscal year ending 31 December 2019 which has been audited and given the opinion by the auditor

The financial status and the operating result appearing in the financial statement for fiscal year ending on 31 December 2019 which has been audited and given opinion by the Fund's auditor contain the details as shown in the Enclosure 3 which can be summarized as follows:

2.1 According to the financial statement for fiscal year ending on 31 December 2019 which has been audited and given opinion by the Fund's auditor, the Fund's total assets were 1,056,133,019 Baht, the total liabilities were 744,390 Baht, the net assets were 1,055,388,629 Baht, the deficit was 332,718,131 Baht and the asset value per unit was 7.2072 Baht. In 2019, the Fund's total income was 43,518,388 Baht, comprising of rental in the amount of 43,476,635 Baht, interest in the amount of 41,753 Baht and none of other incomes. The Fund had the net income in the amount of 36,161,426 Baht and the net assets from operating result increased in the amount of 41,161,426 Baht.

2.2 Important Financial Information

2.2.1 Information of price of securities as of 31 December 2019⁴

Closing Price	2.98	Baht/Unit
Market Capitalization	436,373,320	Baht
Trading Value	2,310	Baht/day
Unit Value	7.2072	Baht/Unit
Net Asset Value (NAV)	1,055,388,629	Baht

2.2.2 Record of Dividend Payment

Period of Operating Result	Book Closing Date	Date of Dividend Payment	Baht/unit
24 Feb - 30 Jun 2011	31 Aug 2011	15 Sep 2011	0.2650
1 Jul - 30 Sep 2011	30 Nov 2011	16 Dec 2011	0.1890

⁴ Latest trade was on 27 December 2019

Period of Operating Result	Book Closing Date	Date of Dividend Payment	Baht/unit
1 Oct - 31 Dec 2011	29 Feb 2012	15 Mar 2012	0.1890
1 Jan - 31 Mar 2012	31 May 2012	15 Jun 2012	0.1870
1 April - 30 Jun 2012	3 Sep 2012	14 Sep 2012	0.1890
1 Jul - 30 Sep 2012	7 Dec 2012	21 Dec 2012	0.0895
1 Oct - 31 Dec 2012	15 Mar 2013	29 Mar 2013	0.1900
1 Jan - 31 Mar 2013	29 May 2013	12 Jun 2013	0.1900
1 Apr - 30 Jun 2013	8 Aug 2013	22 Aug 2013	0.1903
1 Jul - 30 Sep 2013	28 Nov 2013	12 Dec 2013	0.1900
1 Oct - 31 Dec 2013	14 Mar 2014	28 Mar 2014	0.1910
1 Jan - 31 Mar 2014	29 May 2014	12 Jun 2014	0.1885
1 April - 30 Jun 2014	10 Sep 2014	24 Sep 2014	0.1875
1 Jul - 30 Sep 2014	27 Jan 2015	10 Feb 2015	0.1350
1 Jan – 31 May 2018	13 Jul 2018	26 Jul 2018	0.5000
1 Jul – 31 Dec 2018	21 Mar 2019	29 Mar 2019	0.1200
1 Jan – 31 May 2019	18 Sep 2019	27 Sep 2019	0.1150
1 Jul – 31 Dec 2019	18 Mar 2020	27 Mar 2020	0.1080

2.2.3 Record of Registered Capital Decrease

No.	Book Closing Date	Date of Fund Return due to Reduction of Par Value	Registered Capital before Reduction of Par Value		Decreased Value		Registered Capital after the Reduction of Par Value	
			Registered Capital (Baht)	Par Value (Baht)	Registered Capital (Baht)	Par Value (Baht)	Registered Capital (Baht)	Par Value (Baht)
1	7 Dec 55	21 Dec 55	710,000,000	10.00	7,100,000	0.10	702,900,000	9.90
2	18 Sep 19	27 Sep 19	1,396,892,000	9.90	8,786,040	0.06	1,388,106,760	9.84

2.2.4 Expenses collected from the Fund (1 January - 31 December 2019)

Expenses collected from the Fund *	Amount Unit: Thousand Baht	Percent of NAV
Fund Management Fee	2,263.89	0.215
Trustee Fee	218.73	0.021
Registrar Fee	570.35	0.054
Legal Advisor Fee	834.24	0.079
Advertising, Public Relation and Sale Promotion Expense		
- During the period of initial public offering		
- After initial public offering	-	-
Audit Fee	956.50	0.091
Securities Listing Fee-per year	103.43	0.010
Expense on appraisal	207.28	0.020
Expense on convening Unitholders' Meeting	215.76	0.020
Insurance premium	329.51	0.031
Maintenance expense	480.00	0.045
Hotel License Fee	884.98	0.084
Publication Expense	38.64	0.004
Other expenses	253.65	0.024
Total Expenses **	7,356.96	0.698

Remark: * The fees and expenses will include the value-added tax, specific business taxes and any other similar taxes (if any).

** Excluding commission of securities trading and various fees which incur from securities trading.

3. To Acknowledge the appointment of the Fund's auditor and remuneration of auditor for fiscal year ending on 31 December 2020

The Management Company appointed auditors of PricewaterhouseCoopers ABAS Company Limited as the auditors of the Fund for fiscal year ending on 31 December 2020 where the details of the auditors and remuneration are as follows:

Auditor	Mr. Sa-Nga Chokenitisawat CPA Registration No. 11251 Mrs. Anothai Leekitwattana CPA Registration No. 3442 Miss Sinsiri Thangsombat CPA Registration No. 7352
Location	15 th Floor, Bangkok City Tower, 179/74-80 South Sathorn Road, Thung Maha Mek, Sathon, Bangkok 10120
Remuneration	940,000 Baht
Other expenses	Actual amount paid

The Management Company would like to inform the unitholders of the Fund of the status and operation of the Fund as per the above details. In this regard, the Management Company has given an opportunity for the unitholders to inquire the addition information and details as reported above during 20 April 2020 to 15 May 2020. In case you the unitholder has additional query or opinion in relation to the status and operation of the Fund, please fill in your query(ies) and/or opinion(s) and sign in the Inquiry and Opinion Giving Form as well as attach the supporting document as detailed in the **Enclosure 3** and send them to the Management Company from 20 April 2020 to 15 May 2020. In this regard, the Management Company has attached the Envelop of the Business Reply Mail herewith. The Management Company will prepare the conclusion of the queries and responses to be published for the unitholders' acknowledgement via the portal of Stock Exchange of Thailand and the Management Company's website within 28 May 2020.

Please be informed accordingly.

Yours sincerely,



(Mr. Suttipan Kreemaha)

Senior Vice President

Head of the Property Fund and
Real Estate Investment Trust Department

TRINITY FREEHOLD AND LEASEHOLD PROPERTY

STATUTORY FINANCIAL STATEMENTS

31 DECEMBER 2019



Independent auditor's report

To the Unitholders of Trinity Freehold and Leasehold Property

My opinion

In my opinion, the financial statements of Trinity Freehold and Leasehold Property ("the Fund") present fairly, in all material respects, the financial position of the Fund as at 31 December 2019, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

What I have audited

The Fund's financial statements comprise:

- the balance sheet as at 31 December 2019;
- the details of investments as at 31 December 2019;
- the statement of 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;
- the significant financial information for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

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 Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements 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 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

Valuation of investment in properties

Refer to significant accounting policies no. 2.3 and notes to financial statements no. 8, the fair value of investment properties were carried at Baht 1,026 million as at 31 December 2019 with unrealised gain from investments of Baht 5 million.

The investment properties comprised of the land included Glow Trinity Silom Building, Commercial units, Tritip 2 Building, leasehold right of condominium units, public utility systems, furnitures, fixtures and equipments for business.

Valuations were carried out by independent appraiser.

There were significant judgements and estimates to be made in relation to the valuation of investment properties. The valuations was based on Income Approach.

The most significant judgements and estimates affecting all the valuations of investment properties included estimated rental income, discount rate, which was determined from business type, the location of project, ability to generate cash flow, competitive market and risk-free return rate. The appraiser applied discounted cash flow for valued asset based on yield rate of government bond plus market, operational, and liquidity risk.

The unrealised gain (loss) was incurred from changing in rental income, which was reflected from demand of customers and fixed costs.

The significant estimation could result in material effect to investment in properties at fair value, which I have given specific audit focus and attention to this area.

All investment properties were appraised by an independent valuer, who held a recognised relevant professional qualification and has recent experience in the segment of the investment properties valued.

I assessed the competence, independence and objectivity and verified their qualifications.

I obtained the valuation reports and agreed fair value in valuation report to accounting record. I discussed directly with external valuer and challenged on the appropriateness of the methodology and assumptions used. The property information in the valuation was tested by tracing a sample of data inputs underpinning the valuation for properties, including rental income and related cost/ expenses with lease agreement of Silomall Company Limited. I, therefore, held a discussion with the Fund's management to ensure the appropriateness, completeness and correctness of data input by the valuer.

In addition, I challenged the favourable movements in the valuation and obtained the explanations and related reference of supporting evidences from independent valuer.

From procedures mentioned above, I found that the management's significant judgements and estimates were appropriated in an acceptable range.



Other information

The Fund's management 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.

Responsibilities of the Fund's management for the financial statements

The Fund's management is responsible for the preparation and fair presentation of the financial statements in accordance with TFRSs, and for such internal control as the Fund's management determines 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 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 either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Fund's management is responsible for overseeing the Fund's financial reporting process.

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

I communicate with the Fund's management 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 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, 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, reading "Sa-nga Chokenitisawat".

Sa-nga Chokenitisawat
Certified Public Accountant (Thailand) No. 11251
Bangkok
27 February 2020

Trinity Freehold and Leasehold Property Fund

Balance Sheet

As at 31 December 2019

	Notes	2019 Baht	2018 Baht
Assets			
Investment in properties at fair value (at cost of Baht 1,384,378,885)	3, 8	1,026,000,000	1,021,000,000
Cash and cash equivalents	9	27,546,505	33,833,655
Prepaid expenses		2,549,952	3,398,083
Other assets		36,562	38,784
Total assets		1,056,133,019	1,058,270,522
Liabilities			
Accrued expenses		674,237	758,173
Other liabilities		70,153	122,366
Total liabilities		744,390	880,539
Net assets		1,055,388,629	1,057,389,983
Net assets:			
Capital received from unitholders	10		
(71,000,000 units, Baht 9.90 each)		-	702,900,000
(75,434,000 units, Baht 9.20 each)		-	693,992,800
(71,000,000 units, Baht 9.84 each)		698,640,000	-
(75,434,000 units, Baht 9.14 each)		689,466,760	-
Deficits	10	(332,718,131)	(339,502,817)
Net assets		1,055,388,629	1,057,389,983
Net assets per unit (Baht)		7.2072	7.2209
Number of units outstanding at the end of the year (units)		146,434,000	146,434,000

The notes to financial statements from pages 11 to 21 are an integral part of these financial statements.

Trinity Freehold and Leasehold Property Fund
Details of Investments
As at 31 December 2019

Type of investment	Cost		Fair value		Percentage of investment	
	2019	2018	2019	2018	2019	2018
	Baht	Baht	Baht	Baht	%	%
Investment in properties (Note 8)						
Land included building						
1) land total area of 2 ngan 94.60 sqw.,						
2) building total area of 5,930.00 sqm. with public utility systems, furnitures, fixtures, and equipments of Glow Trinity Silom Building						
3) commercial unit 2 units total area of 675.89 sqm. with public utility systems, furnitures, fixtures, and equipments of Trinity Mall 1 at Trinity Complex	690,386,085	690,386,085	555,000,000	574,000,000	54.09	56.22
Land included building and commercial area						
1) land total area of 2 ngan 1.00 sqw.,						
2) building total area of 5,286.81 sqm. with public utility systems, furnitures, fixtures, and equipments of Tritip 2 Building						
3) leasehold right of 5 condominium units total area of 979.86 sqm. with public utility systems, furnitures, fixtures and equipments of Trinity Mall 3 at Trinity Complex	693,992,800	693,992,800	471,000,000	447,000,000	45.91	43.78
Total investment in properties	<u>1,384,378,885</u>	<u>1,384,378,885</u>	<u>1,026,000,000</u>	<u>1,021,000,000</u>	<u>100.00</u>	<u>100.00</u>

The notes to financial statements from pages 11 to 21 are an integral part of these financial statements.

Trinity Freehold and Leasehold Property Fund
Statement of Income
For the year ended 31 December 2019

	Notes	2019 Baht	2018 Baht
Investment income			
Rental income	13	43,476,635	30,953,271
Interest income		41,753	38,612
Other income		-	2,660,535
Total income		43,518,388	33,652,418
Expenses			
Management fee	12, 13	2,263,894	2,278,445
Trustee fee	12	218,734	220,140
Registrar fee	12	570,351	570,166
Professional fee		956,500	818,330
Legal fee		834,243	2,199,772
Central service expense	13	480,000	480,000
Reversed bad debt expense	14	-	(93,827,103)
Other expenses		2,033,240	1,470,616
Total expenses		7,356,962	(85,789,634)
Net investment income		36,161,426	119,442,052
Net profit (loss) from investments			
Net unrealised gain (loss) from investments	8	5,000,000	(20,000,000)
Total net gain (loss) from investments		5,000,000	(20,000,000)
Net increase in net assets from operations		41,161,426	99,442,052

The notes to financial statements from pages 11 to 21 are an integral part of these financial statements.

Trinity Freehold and Leasehold Property Fund
Statement of Changes in Net Assets
For the year ended 31 December 2019

	Notes	2019 Baht	2018 Baht
Increase in net assets from operations during the year			
Net investment income		36,161,426	119,442,052
Net unrealised gain (loss) from investments	8	5,000,000	(20,000,000)
Net increase in net assets from operations		41,161,426	99,442,052
Capital reduction	10	(8,786,040)	-
Dividend paid	11	(34,376,740)	(73,142,000)
(Decrease) increase in net assets during the year		(2,001,354)	26,300,052
Net assets at the beginning of the year		1,057,389,983	1,031,089,931
Net assets at the end of the year		1,055,388,629	1,057,389,983

The notes to financial statements from pages 11 to 21 are an integral part of these financial statements.

Trinity Freehold and Leasehold Property Fund
Statement of Cash Flows
For the year ended 31 December 2019

	Notes	2019 Baht	2018 Baht
Cash flows from operating activities			
Net increase in net assets from operations		41,161,426	99,442,052
Adjustments to reconcile net increase (decrease) in net assets from operations to net cash provided by operating activities:			
Interest income		(41,753)	(38,612)
(Reversal) of bad debt expense	14	-	(93,827,103)
Net unrealised (gain) loss from investments	8	(5,000,000)	20,000,000
Decrease in rental receivable from related party	14	-	93,827,103
Decrease (increase) in prepaid expense		848,131	(3,335,910)
Decrease in other assets		299	427,815
(Decrease) in accrued expenses		(83,936)	(9,685,639)
(Decrease) increase in other liabilities		(52,213)	121,777
Cash flows from operating activities		36,831,954	106,931,483
Cash received from interest income		43,676	16,965
Net cash provided by operating activities		36,875,630	106,948,448
Cash flows from financing activities			
Cash payment from capital reduction	10	(8,786,040)	-
Dividend paid	11	(34,376,740)	(73,142,000)
Net cash used in financing activities		(43,162,780)	(73,142,000)
Net (decrease) increase in cash and cash equivalents		(6,287,150)	33,806,448
Cash and cash equivalents at the beginning of the year		33,833,655	27,207
Cash and cash equivalents at the end of the year		27,546,505	33,833,655

Significant non-cash transaction

Significant non-cash transactions for the year ended 31 December as follows:

Write-off bad debt	14	-	50,399,538
--------------------	----	---	------------

The notes to financial statements from pages 11 to 21 are an integral part of these financial statements.

Trinity Freehold and Leasehold Property Fund
Significant Financial Information
For the year ended 31 December 2019

	2019	2018	2017	2016	2015	2014
	Baht	Baht	Baht	Baht	Baht	Baht
Operating performance (per unit)						
Net assets value at the beginning of the year	7.2209	7.0413	6.4859	5.0311	10.0721	9.7646
Add Income (expense) from investment activities:						
Net investment income (expense)	0.2469	0.8157	(0.0797)	(0.1023)	(0.3783)	0.8676
Net unrealised gain (loss) from investments	0.0341	(0.1366)	0.6351	1.5571	(4.5277)	0.0069
Total income (expense) from investment activities	0.2810	0.6791	0.5554	1.4548	(4.9060)	0.8745
Less Capital reduction	(0.0600)	-	-	-	-	-
Dividend paid	(0.2347)	(0.4995)	-	-	(0.1350)	(0.5670)
Net assets value at the end of the year	7.2072	7.2209	7.0413	6.4859	5.0311	10.0721
Ratio of net (decrease) increase in net assets from operations to average net assets value during the periods/year (%)	3.90	9.35	7.13	23.17	(52.89)	8.84
Significant financial ratios and additional information						
Net assets value at the end of the year (Baht)	1,055,388,629	1,057,389,983	1,031,089,931	949,764,079	736,732,592	1,474,902,879
Ratio of total expenses to average net assets value during the year (%)	0.70	(8.07)	1.02	1.69	11.14	0.45
Ratio of investment income to average net assets value during the year (%)	4.12	3.17	-	0.06	7.06	9.22
Ratio of weighted average purchase and sale of investment during the year to average net assets value during the year (%)	-	-	-	-	-	0.07
Average net assets value during the year (Baht)	1,055,046,528	1,063,266,915	1,140,813,629	919,538,470	1,359,223,524	1,449,903,977

The notes to financial statements from pages 11 to 21 are an integral part of these financial statements.

1 General information

Trinity Freehold and Leasehold Property Fund ("the Fund") was registered on 23 February 2011 with indefinite expiration date. The purpose of the Fund is to raise funds from investors to invest in properties which consist of land including building, commercial areas, commercial building, leasehold right, public utilities systems, furnitures, fixtures and equipments for hotel and department store business.

As at 31 December 2019, the major unitholder is Mrs. Weena Cherdboonchart, holding 32.03% of total outstanding units.

Principal Asset Management Company Limited is the Fund's Management Company ("the Management Company"). TMB Bank Public Company Limited has been appointed as the Fund's Trustee.

On 22 April 2019, the Management Company had informed the Securities and Exchange Commission to change its name from "CIMB Principal Asset Management Company Limited" to "Principal Asset Management Company Limited".

These financial statements were authorised for issue by authorised manager of the Management Company on 27 February 2020.

2 Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below:

2.1 Basis of preparation

The financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Professions Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission. In addition, the financial statements have been prepared under the basis and format as required by the Thai Accounting Standard No. 106 "Accounting for Investment Companies". The primary financial statements (i.e. balance sheet, the details of investments, statement of income, statement of changes in net assets, statement of cash flows and significant financial information) are prepared in the full format as required by the Securities and Exchange Commission.

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 Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Fund's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed language in Note 4 to the financial statements.

An English language 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.

2 Accounting policies (Cont'd)

2.2 Revised accounting standards, revised financial reporting standards, and related interpretations

The fund has adopted revised financial reporting standards that are effective for accounting periods beginning or after 1 January 2019 and are relevant to the Fund. These revised standards do not have a significant impact on the Fund.

The Fund has not equity adopted new and revised financial reporting standards that are effective for accounting periods beginning or after 1 January 2020. The management of the Management Company is currently assessing the impact of initial adoption of these standards.

2.3 Investment in properties

Investment in properties consist of land, document warehouses, public utilities and equipment for document warehouse business which held to earn rentals or for capital appreciation and not used in the ordinary business of the fund.

Investment in properties are initially measured at cost, including transaction costs and borrowing cost.

Investment in properties are subsequently measured at fair value, with change in fair value under fair value model being recognised in profit or loss.

The fund should be recognised expense after initially measured as assets when it is probable that the future economic benefits associated with the asset will flow to the fund.

The Management Company measured their fair value as at first balance sheet date at the acquisition cost of the properties. At the subsequent balance sheet dates, they are presented at fair value which is based on appraisal value by independent valuers approved by the Securities and Exchange Commission. The Management Company will conduct appraisal of properties every two years from the date of the appraisal for purchase or lease of the properties and will conduct a review of appraisal every year after the date of the latest appraisal. The Management Company will not appoint any appraiser to appraise the property or leased property for more than 2 consecutive times.

2.4 Cash and cash equivalents

In the statements of cash flows, cash and cash equivalents includes cash on hand, deposits held at call, short-term highly liquid investments with maturities of three months or less from the date of acquisition which are not used as collaterals.

2.5 Leases

Rental income under operating leases (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

2 Accounting policies (Cont'd)

2.6 Revenues and expenses recognition

Rental income under operating leases is recognised in the statement of income on the straight-line basis over the lease term.

Interest income is recognised on an accrual basis based on the effective interest rate.

Other income are recognised on an accrual basis in accordance with the substance of the relevant transactions.

Expenses are recognised on an accrual basis.

2.7 Income taxes

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

2.8 Segment reporting

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 board of directors that makes strategic decisions.

3 Financial risk management

3.1 Financial risk factors

The Fund exposes to a variety of financial risks: market risk (currency risk, fair value risk and price risk), credit risk and liquidity risk. The Fund's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Fund's financial performance.

Interest rate risk

The Fund has interest rate risk from borrowings and debentures at fixed and floating interest rates.

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 have a concentration of credit risk with respect to an account receivable as it has only one customer. The carrying amount of financial assets as recorded in balance sheet represents the Fund's maximum exposure to credit risk.

Liquidity risk

The Fund manages sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities.

3 Financial risk management (Cont'd)

3.2 Fair value estimation

The following table presents the financial assets that are measured at fair value, excluding where its fair value is approximating the carrying amount as at 31 December 2019 and 2018 are as following:

	2019 Level 3 Baht	2018 Level 3 Baht
Investment in properties	1,026,000,000	1,021,000,000
Total	1,026,000,000	1,021,000,000

Fair values are categorised into hierarchy based on input used as follows:

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).

Transfer between fair value hierarchy

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

Valuation processes

The Fund Management Company arranges the valuation of investment in properties by independent professionally qualified valuer ("independent valuer") who hold a recognised relevant professional qualification and has recent experience in the segment of the investment properties valued. The independent valuer reports directly to the Fund Management Company. For financial reporting purpose, the Fund Management Company reviews the valuation performed by the independent valuer. Review of valuation process and result is held between the Fund Management Company and the Trustee which will evaluate 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% of discounted cash flow for valued asset based on yield rate of government bond plus market risk, operational risk, and liquidity risk.

4 Critical accounting estimates, assumptions and judgements

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

Fair value of investment in properties

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

5 Capital risk management

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

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

6 Dividend payment policy

Regulations, policy and criteria for paying dividends to unitholders are as follows:

- 1) If the Fund has net profit in each year, the Management Company shall pay dividend to unitholders at the rate of no less than 90 percent of the adjusted net profit. The adjusted net profit means the net profit that deducts unrealised gain from appraisal or reviewed appraisal of real estate or leasehold rights to real estate including other adjustments to align with cash status of the Fund according to the guideline of Securities and Exchange Commission.
- 2) If the Fund has accumulated profits, the Management Company may pay dividend to unitholders out of the accumulated profits provided that dividend payment under (1) must not cause increase in its deficit in the period which dividend is paid.

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

7 Segment information

The Fund operates in business which is the investment in properties 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.

8 Investment in properties at fair value

	2019 Baht	2018 Baht
Investment in properties at the beginning of the year	1,021,000,000	1,041,000,000
Net unrealised gain (loss) from the revaluation of investment at fair value	5,000,000	(20,000,000)
Investment in properties at the end of the year	<u>1,026,000,000</u>	<u>1,021,000,000</u>

On 24 February 2011, the Fund invested in properties consisted of:

1. Land included building
 - 1.1) land total area of 2 ngan 94.60 sqw.,
 - 1.2) building total area of 5,930.00 sqm. with public utility systems, furnitures, fixtures, and equipments of Glow Trinity Silom Building are located at 150 Soi Naradhiwas Rajanagarindra 3, Naradhiwas Rajanagarindra Road, Silom Sub-district, Bangrak District, Bangkok.
2. Commercial unit 2 units total area of 675.89 sqm. with public utility systems, furnitures, fixtures, and equipments of Trinity Mall 1 at Trinity Complex are located at 425/128 underground floor and 425/129 1st floor, Trinity Complex Building, Soi Naradhiwas Rajanagarindra 3, Naradhiwas Rajanagarindra Road, Silom Sub-district, Bangrak District, Bangkok.

On 29 August 2013, the Fund first additional invested in properties as followings:

1. Land included building and commercial area
 - 1.1) land total area of 2 ngan 1.00 sqw.,
 - 1.2) building total area of 5,286.81 sqm. with public utility systems, furnitures, fixtures, and equipments of Tritip 2 Building are located at 22-24 Soi Pipat, Naradhiwas Rajanagarindra Road, Silom Sub-district, Bangrak District, Bangkok.
2. The leasehold right of 5 condominium units total area of 979.86 sqm. with public utility systems, furnitures, fixtures and equipments of Trinity Mall 3 at Trinity Complex are located at 425, 425/1-4 1st floor Trinity Complex Building, Soi Naradhiwas Rajanagarindra 3, Naradhiwas Rajanagarindra Road, Silom Sub-district, Bangrak District, Bangkok.

Amounts recognised in profit and loss that are related to investment in properties for the year ended 31 December 2019 and 2018 are follows:

	2019	2018
Rental income	43,476,635	30,953,271
Direct operation expense that generated rental income	480,000	480,000
Direct operation expense that did not generated rental income	536,787	529,488

The Fund has lease agreement for a term of 3 year with Silomall Company Limited starting from 1 May 2019 onward. As at 31 December 2019, future minimum rental income to be generated under this operating lease is as follows.

	Million Baht
Due within 1 year	42.0
Due within 2 year to 3 year	56.0

8 Investment in properties at fair value (Cont'd)

The Fund hired an independent appraiser, Global Asset Valuer Co., Ltd., to appraise its investment in properties by using the Income Approach derived from cumulative of present value of net income based on the period of 10 years and its present value of such assets at the end of year 10th, report dated 17 December 2019. The valuation technique used significant unobservable inputs such that the Fund classified the fair value measurement as Level 3 of fair value hierarchy according to TFRS 13 Fair value measurement.

As at 31 December 2019, the Fund adjusted investment in properties to fair value of Baht 1,026 million (2018 : Baht 1,021 million) and recognised unrealised gain from investment in the statement of income for the year ended 31 December 2019 at Baht 5 million (2018 : unrealised loss of Baht 20 million).

Changes in fair value are analysed at each reporting date by the Management Company and the Trustee. As part of this review, the Management Company presents valuation assumption of the independent valuer to explain the reasons for changes in fair value.

There were no changes to the valuation techniques during the year.

Sensitivity analysis for each significant assumptions

	Impact on fair value increase/ (decrease) 2019 Million Baht
Discount rate	
Discount rate, decrease of 0.50 percent	30.79
Discount rate, increase of 0.50 percent	(28.49)
Capitalisation rate	
Capitalisation rate, decrease of 0.50 percent	29.28
Capitalisation rate, increase of 0.50 percent	(24.92)
Rental growth rate	
Rental growth rate, decrease of 0.50 percent	(5.62)
Rental growth rate, increase of 0.50 percent	6.63

9 Cash and cash equivalents

	Principal		Interest rate per annum	
	2019 Baht	2018 Baht	2019 %	2018 %
Deposits in bank current account - TMB Bank Public Company Limited	27,546,505	33,833,655	0.125	0.125
Total cash and cash equivalents	27,546,505	33,833,655		

Trinity Freehold and Leasehold Property Fund
Notes to the Financial Statements
For the year ended 31 December 2019

10 Unitholders' equity

As at 31 December 2019, there are 71,000,000 units of Baht 9.84 par value registered, issued and paid-up and 75,434,000 units of Baht 9.14 par value registered, issued and paid-up, respectively.

As at 31 December 2018, there are 71,000,000 units of Baht 9.90 par value registered, issued and paid-up and 75,434,000 units of Baht 9.20 par value registered, issued and paid-up, respectively.

	2019		2018	
	Number of units	Amount Baht	Number of units	Amount Baht
Units registered				
Issued and paid-up				
Beginning balance for the year	146,434,000	1,396,892,800	146,434,000	1,396,892,800
Less Decrease the value of capital of the unitholders on the book closing date of 18 September 2019	-	(8,786,040)	-	-
Ending balance for the year	146,434,000	1,388,106,760	146,434,000	1,396,892,800
Capital received from unitholders				
Beginning balance for the year	146,434,000	1,396,892,800	146,434,000	1,396,892,800
Less Capital reduction as at 27 September 2019	-	(8,786,040)	-	-
Ending balance for the year	146,434,000	1,388,106,760	146,434,000	1,396,892,800

On 30 September 2019, the Management Company has registered the decrease of registered capital with the Office of The Securities and Exchange Commission ("the Office of SEC") and the Office of SEC has acknowledged on 29 October 2019 by reducing par value of Baht 0.06 each.

Movements in deficits are as follows:

	2019 Baht	2018 Baht
Beginning balance	(339,502,817)	(365,802,869)
<u>Add</u> Net investment income	36,161,426	119,442,052
<u>Less</u> Net unrealised gain (loss) from investments	5,000,000	(20,000,000)
Dividend paid to unitholders (Note 11)	(34,376,740)	(73,142,000)
Ending balance	(332,718,131)	(339,502,817)

11 Dividend

The detail of dividends for the year ended 31 December 2019 and 2018 are as follows:

No.	The operation for the year	Payment date	Per unit Baht	Total Million Baht
1	1 June 2018 - 31 December 2018	29 March 2019	0.12	17.55
	1 January 2019 - 30 June 2019	27 September 2019	0.115	16.82
				<u>34.37</u>
No.	The operation for the year	Payment date	Per unit Baht	Total Million Baht
1	1 January 2018 - 31 May 2018	26 July 2018	0.50	73.14
				<u>73.14</u>

12 Fees

The management fee, trustee fee, and registrar fee are calculated as follows:

Management fee

The Management Company is entitled to receive a monthly management fee from the Fund at a rate not exceeding 0.40% per annum (exclusive of value added tax, specific business tax or any other similar tax) of the net assets value of the Fund as calculated by the Management Company and verified by the Trustee.

Trustee fee

The Trustee is entitled to receive a annum remuneration at a rate not exceeding 0.50% per annum (exclusive of value added tax, specific business tax or any other similar tax) of the net assets 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 the Fund's assets.

Registrar fee

The registrar fee shall be at a rate not exceeding 0.50% per annum (exclusive of value added tax, specific business tax or any other similar tax) of the net assets value of the Fund as calculated by the Management Company and verified by the Trustee.

13 Related party transactions

Types of relationship of related companies are as follows:

Name of companies	Type of relationship
Principal Asset Management Co., Ltd. Silomall Co., Ltd.	The Fund's Management Company. The lessee of land, building, public utilities and equipment and having relationship with the major unitholder.
Trinity Complex Juristic Person	Having relationship with the major unitholder.

The following significant transactions were carried out with related parties:

Significant income and expenses for the years ended 31 December 2019 and 2018 were as follows:

	2019 Baht	2018 Baht
a) Revenue		
<u>Silomall Co., Ltd.</u>		
Rental income	43,476,635	30,953,271
b) Expenses		
<u>Principal Asset Management Co., Ltd.</u>		
Management fee	2,263,894	2,278,445
<u>Trinity Complex Juristic Person</u>		
Maintenance fee	480,000	480,000

Balances with related parties as at 31 December 2019 and 2018 were as follows:

	2019 Baht	2018 Baht
<u>Principal Asset Management Co., Ltd.</u>		
Accrued management fee	198,574	198,950

14 Lawsuits and others

- 14.1 On 6 August 2015, Trinity at Silom Company Limited, Trinity Assets Company Limited and the Silomall Company filed a lawsuit against the Fund to claim for damages of Baht 48.89 million.
- 14.2 On 4 September 2015, the Fund filed a lawsuit against the Krung Thai Bank Public Company Limited who issued bank guarantees to claim for damages of Baht 52.47 million.
- 14.3 On 20 January 2016, the Fund filed a lawsuit against the Trinity at Silom Company Limited and Trinity Assets Company Limited to claim the unpaid amount, penalties for late payment, damages, the delivery and removal of assets and guarantees of Baht 122.84 million.
- 14.4 On 3 February 2016, the Fund filed a lawsuit against the Silomall Company Limited to claim the unpaid amount, penalties for late payment, damages, the delivery and removal of assets of Baht 20.37 million.

14 Lawsuits and others (Cont'd)

- 14.5 On 25 March 2016, the Fund filed a lawsuit against the Trinity at Silom Company Limited, Silomall Company Limited, Trinity Assets Company Limited and Krung Thai Bank Public Company Limited to claim the unpaid amount, penalties for late payment, damages, delivery and removal of assets and guarantees of Baht 164.97 million.
- 14.6 On 15 January 2016, Mrs. Weena Cherdboonchart and Trinity Asset Co., Ltd. as the Fund's unitholders (collectively referred to as the "Petitioners"), had filed the request to the Southern Bangkok Civil Court, asking the Court to revoke the resolutions of the Unitholders' Meeting, No.1/2558, held on 17 December 2015. On 26 August 2016, and the Court issued the order to dismiss the Request of the Petitioners. Then, on 29 November 2016, the Court issued the order to refuse the Petitioner's appeal and the certificate of final judgment, dated 28 December 2016, was issued.
- 14.7 On 20 January 2017, the Court of First Instance passed the judgment to dismiss the plaint, the undecided case No. 1). With regard to undecided case No. 2), 3), 4) and 5), the Court passed the judgment that Trinity at Silom Co., Ltd. and Silomall Co., Ltd., being the lessees, are evicted from the properties in dispute and to deliver the hotel license of Glow Trinity Silom Arcade and to pay the unpaid rental, the penalty and damages including interest to the Fund. The Court also ordered Krungthai Bank PCL to pay money according to the Bank's letter of guarantee. The Court dismissed the Fund's plaint in connection with Trinity Assets Co., Ltd. which is the guarantor of minimum revenue. Then, Trinity Assets Co., Ltd., Trinity at Silom Co., Ltd. and Silomall Co., Ltd. and Krungthai Bank PCL filed an appeal against the Court's judgment. The Court of Appeals has scheduled the hearing of the judgment and/or an order of the Court of Appeals and an order of the Civil Court of South Bangkok on 24 July 2018.
- 14.8 Regarding the above disputes between Trinity at Silom Company Limited, Trinity Assets Company Limited, the Silomall Company and the Krung Thai Bank Public Company Limited. The Fund had already entered into a settlement agreement with related parties on 11 April 2018, to settle all disputes. The court of Appeal had already passed the judgement in line with the settlement agreement on that date.
- 14.8.1 The Group of Former Lessees made payment of Baht 97 million to the Fund and paid by the following installment:
- The first installment is paid by a cashier cheque for Baht 15 million on 2 March 2018 (on the date on which the Unitholders' Meeting resolves to approve the proposal for dispute settlement.
 - The second installment is paid by a cashier cheque for Baht 82 million on 11 April 2018 (on the date of the settlement agreement)
 - As at 30 September 2018, cashier cheques net from withholding tax were cleared, the Fund wrote off bad debt of Baht 50,399,538 and reversed the bad debts expenses of Baht 93,827,103.
- 14.8.2 The Fund surrendered all bank guarantees to the group of former lessees.
- 14.8.3 On 9 April 2018, The Fund had already entered into a temporary lease agreement with the Silomall Company for the temporary lease of the Fund's properties while the Fund is finding new lessee, for the lease term of one year from 1 May 2018 to 30 April 2019.

Inquiry and Opinion Giving Form

Date _____

I (name), _____ residing at _____
_____, telephone number of _____

am a unitholder of Trinity Freehold and Leasehold Property Fund ("Fund"), holding the unit(s) in the amount
of _____ unit(s).

I would like to propose the query and opinion in relation to the status and operation of the Fund as follows:

1. _____

2. _____

3. _____

4. _____

5. _____

I hereby confirm that the statement in this Form as well as the identification document(s) and attachment(s) to the query and opinion (if any), which sent to the Management Company together with this Form, are correct. In witness whereof, I have affixed my signature.

 (_____)
 Unitholder

Remark: 1. the unitholder who would like to propose any query or opinion in relation to the status and operation of the Fund, please fill in your query(ies) and/or opinion(s) and sign in This Form as well as attach the following identification document(s) as detailed in the Enclosure 3 and send them to the Management Company from 20 April 2020 to 15 May 2020. The Envelop of the Business Reply Mail has been attached herewith.

As an individual

Copy of the unitholder's valid national or governmental ID card or ID cards issued by the government or passport (if the unitholder is a foreigner) affixed with signature to certify the true copy by the unitholders

As a juristic entity

- In the case where the unitholder is a juristic entity registered in Thailand, a copy of the juristic entity certificate issued within 3 months by the Department of Business Development, Ministry of Commerce, and affixed with signatures of the authorized representative(s) to certify the true copy together with the seal of a juristic entity be affixed (if any).
- In the case where the unitholder is a foreign juristic entity, a copy of the juristic entity certificate specifying the authority of its representative(s), issued by a governmental unit of the country where a juristic entity is located, issued within 3 months and affixed with signatures of the authorized representative(s) to certify the true copy. (In the case of foreign juristic entity, non-English documents must have an English translation attached when submitted and the authorized representative(s) who act on behalf of the juristic entity must sign and certify the correctness of the translation)
- Copy of valid national or governmental ID card or ID cards issued by the government or passport (if the authorized representative(s) of a juristic person is a foreigner) of the authorized representative(s), affixed with signatures to certify the true copy by the authorized representative(s)

2. The Management Company reserves the right to not accept the query and/or opinion proposed in the form which was not duly and completely filled in the details of the unitholders or not attached with the identification documents as above listed.

3. For the advantage of query and opinion collection and information processing for the preparation of the conclusion of the queries and responses to be published for the unitholders' acknowledgement within duly time. The Management Company reserves the right to not accept the query and/or opinion proposed in the form, which is sent to the Management Company after 15 May 2020.

Principal Asset Management Company Limited

44 CIMB THAI Building 16th Floor Langsuan Road

Lumpini Pathumwan Bangkok 10330

Tel. 0 2686 9500 Fax. 0 2657 3167 www.principal.th