

No. PFRD 020/2021

26 April 2021

RE: Report of Information in lieu of Holding the 2021 Annual General Meeting of Unitholders of Trinity Freehold and Leasehold Property Fund (TNPF) and Process of Request for Unitholders' Resolution by means of Circular Letter

To: The President
Stock Exchange of Thailand

Reference: 1. Invitation Letter to the 2021 Annual General Meeting of Unitholders of Trinity Freehold and Leasehold Property Fund (TNPF) dated 7 April 2021
2. Notification of the Capital Markets Supervisory Board No. TorNor/Chor. 10/2564 regarding Relaxation of the Operations of Property Fund, Infrastructure Fund and Real Estate Investment Trust in 2021 due to Situation of Outbreak of Coronavirus Disease 2019 (COVID-19) dated 21 January 2021

Enclosures: 1. Report of Information of Trinity Freehold and Leasehold Property Fund (TNPF) for the year 2021
2. Copy of the Fund's Financial Statements ended 31 December 2020
3. Form of Inquiry and Opinion of Unitholder

On 12 March 2021, Principal Asset Management Company Limited ("Management Company"), as management company of Trinity Freehold and Leasehold Property Fund, abbreviated as "TNPF" ("Fund"), has informed the scheduled date of the 2021 Annual General Meeting of Unitholders of the Fund on 29 April 2021 at 9:30 hrs. at Eastin Grand Hotel Sathorn Bangkok, Surasak 1 Ballroom, 11th Floor, 33/1 South Sathorn Road, Yannawa Sub-district, Sathorn District, Bangkok 10120. The Management Company has fixed the date for determining the names of unitholders having the right to attend the meeting (Record Date) on 29 March 2021. The invitation letter to the meeting as referred in 1 has been distributed to all unitholders.

Reference is made to the rapid spread of the new wave of the outbreak of Coronavirus Disease 2019 (COVID-19) in several places during April 2021, resulting in a continuously significant increase in a number of outstanding and new infected persons. In this regard, the government sector has determined preventive

measures against the spread of disease by prohibiting an arrangement of event gathering a number of exceeding 50 persons which affects the holding of the Annual General Meeting of Unitholders. Therefore, the Management Company has considered and deemed it appropriate to proceed with reporting of significant information to the unitholders for acknowledgement in lieu of the holding of the 2021 Annual General Meeting of Unitholders pursuant to the Notification referred in 2. In this case, Clause 2 of the Notification specifies that if the agenda for the annual general meeting of the unitholders to be held in 2021 of any property funds are for acknowledgment only without seeking approval from the unitholders, the management company may proceed with other method in lieu of holding the annual general meeting to report the unitholders for acknowledgment at least the following matters:

- (1) Significant matters in relation the fund management and future fund management plan;
- (2) Financial status and operating result of the fund in the previous fiscal year, at least having the financial statements audited and opined by the auditor; and
- (3) Appointment of the fund's auditor and auditing fee.

The Management Company hereby notifies that the agenda of the 2021 Annual General Meeting of Unitholders consist of 1 agenda for certification, i.e, consideration to certify the minutes of the 2019 Annual General Meeting of Unitholders; and 1 agenda for approval, i.e., consideration to approve the extension of the rental reduction period, together with 4 agenda for acknowledgement, i.e., matter to be informed by the chairman of the meeting, report of the operations and future management plan of the Fund, report of the financial status, operating result and financial statements for fiscal year ended 31 December 2020 as audited and opined by the auditor, and report of appointment of auditor and auditing fee for fiscal year ended 31 December 2021.

In this regard, the agenda to consider certifying the minutes of the 2019 Annual General Meeting of Unitholders of the Fund is not urgent matter and the Management Company is able to propose this matter to the subsequent unitholders' meeting for consideration. The agenda to consider approving the extension of the rental reduction period is the matter which the Management Company is able to proceed with requesting for unitholders' resolution by means of circular letter. Hence, the Management Company has considered and deemed it appropriate to withdraw such agenda from the 2021 Annual General Meeting of Unitholders of the Fund and there are 4 remaining agenda for acknowledgement.

Due to the above reasons, the Management Company hereby notifies the following course of actions:

1. To cancel the 2021 Annual General Meeting of Unitholders of the Fund on 29 April 2021.
2. To report the information in lieu of the holding of the 2021 Annual General Meeting of Unitholders of the Fund as detailed in Enclosure 1, together with deliver the copy of the Fund's financial statements ended 31 December 2020 as detailed in Enclosure 2. The said report contains the same information with those specified in the invitation letter referred in 1 which already distributed to the unitholders;

The unitholders are able to inquire additional information in accordance with the inquiry and opinion form as detailed in Enclosure 3. The Management Company shall prepare a summary of significant matters in the questions and answers format and further disclose such information to the unitholders for acknowledgement via the portal of Stock Exchange of Thailand. The details of such process appear in the report (Enclosure 1).

3. To request for the unitholders' resolution by means of circular letter for consideration to approve the extension of the rental reduction period. The Management Company shall consider determine the period of procedure and shall further notify the unitholders via the portal of Stock Exchange of Thailand.

Please be informed accordingly.

Yours sincerely,



(Mr. Suttipan Kreemaha)

Senior Vice President

Head of the Property Fund and
Real Estate Investment Trust Department

Property Fund and Real Estate Investment Trust Department

Tel: 02-018-3446

26 April 2021

RE: Report of Information of Trinity Freehold and Leasehold Property Fund for the Year 2021

To: Unitholders of Trinity Freehold and Leasehold Property Fund

According to the Notification of the Capital Markets Supervisory Board No. TorNor/Chor. 10/2564 regarding Relaxation of the Operations of Property Fund, Infrastructure Fund and Real Estate Investment Trust in 2021 due to Situation of Outbreak of Coronavirus Disease 2019 (COVID-19) dated 21 January 2021 together with the Notification regarding Report of Information in lieu of Holding the 2021 Annual General Meeting of Unitholders of Trinity Freehold and Leasehold Property Fund (TNPF) and Process of Request for Unitholders' Resolution by means of Circular Letter dated 26 April 2021, Principal Asset Management Company Limited ("Management Company"), as management company of Trinity Freehold and Leasehold Property Fund, abbreviated as "TNPF" ("Fund") hereby reports the information of the Fund for the year 2021 to the unitholders for acknowledgement in lieu of the holding of the 2021 Annual General Meeting of Unitholders of the Fund with the details as follows:

1. Report of Fund's Operating Results for the Year 2020

The Management Company have caused the Fund's operating results with respect to matters as prescribed by law to be reported by delivery in writing, together with relevant supporting documents, to the Unitholders in lieu of holding the 2020 Annual General Meeting of Unitholders of the Fund pursuant to clause 3 of the Notification of Capital Market Supervisory Board No. TorNor. 23/2563 Re: Actions for Convening Annual General Meeting for Year 2020 of Unitholders of Property Fund and Infrastructure Fund due to Situation of Outbreak of Coronavirus Disease 2019 (COVID-19), dated 20 March 2020, and Letter No. PFRD 007/2563 Re: Actions for Annual General Meeting of Unitholders for Year 2020 due to Situation of Outbreak of Coronavirus Disease 2019 by Trinity Freehold and Leasehold Property Fund (TNPF) and Notice of Receipt of Lessee's New Proposal Requesting Relaxation for Rent Payment due to Situation Beyond Control, dated 7 April 2020. The details of the report on the Fund's information are shown in Letter Re: Report on Information of Trinity Freehold and Leasehold Property Fund, dated 20 April 2020. The Management Company has prepared the report summarizing questions and answers from the Unitholders' additional queries as submitted in lieu of holding the 2020 Annual General Meeting. The details are shown in Letter No. PFRD 010/2563, dated 28 May 2020, as required by law.

As the Annual General Meeting of Unitholders of the Fund for the year 2020 was not organized and the Management Company has delivered the report to the Unitholders for acknowledgement in lieu

of the meeting, the said report shall be deemed as the detailed record of actions in lieu of minutes of the meeting.

2. Fund's Operating Results and Future Fund Management Plan

2.1 Procurement of benefits from real property

Presently, the Fund procures benefits from the real property by offering a turn-key lease to Silomall Company Limited ("Lessee") with a contractual term of three years from 1 May 2019 to 30 April 2022. The Management Company will carry out a bidding process to seek for a new lessee in the last year of the contractual term or approximately the second half of 2021.

Relaxation for rent payment due to situation beyond control

Relaxation for rent payment No. 1

Due to the outbreak of the Coronavirus Disease 2019 (COVID-19), affecting the tourism and hotel businesses, including the concern about the outbreak in community areas, on 27 February 2020, the Lessee sent the Fund a letter requesting for relaxation for rent payment. The Management Company therefore considered the relaxation proposal from the Lessee, and after discussion with the Fund's trustee, it was concluded as follows.

Installment Month/Year	Rent Under Agreement	Lessee's Proposal	Conclusion	Remarks
Mar 2020	3,500,000.00	1,000,000.00	1,000,000.00	1) Rent for March – May 2020 is reduced by THB 5.5 million or to THB 36.5 million from the rental amount under the agreement of THB 42 million.
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 outstanding rent of THB 5.5 million will be paid in monthly instalments at THB

Feb 2021	3,500,000.00	4,000,000.00	4,050,000.00	550,000 per month in addition to the amount under the lease agreement from January 2021 to October 2021, which will equal the reduced amount when rent for October 2021 becomes due. 3) Based on the Lessee's proposal, the remaining amount of outstanding rent will be THB 8 million upon expiration of the lease agreement.
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	
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	

Such relaxation for rent will not affect the Fund's net asset value (NAV) because the Fund's revenue is recognized on a straight-line basis and the total amount of rent throughout the agreement remains the same. However, it will affect the dividend for the operating cycle from 1 January to 30 June 2020 which will decrease from the estimate but will increase more than estimated for the operating cycle from 1 July 2020 onwards.

Consideration of rent reduction No. 1

Subsequently, the Management Company received the Lessee's letter, dated 15 May 2020, requesting consideration for temporary waiver of rent where the Lessee stated that it has been affected by the COVID-19 outbreak. Based on joint discussion, the details can be summarized as follows:

1. It is necessary for the Lessee to suspend business operation and have its employees temporarily stop working, except for Villa Supermarket, which is still open.
2. The Lessee requests that the Fund consider reducing rent as follows:
 - (1) Rent for March 2020 to be reduced from THB 3,500,000 to THB 1,000,000 per month (excluding VAT).
 - (2) Rent for April 2020 to be reduced from THB 3,500,000 to THB 200,000 per month (excluding VAT).

(3) Rent for May 2020 – April 2021 to be reduced from THB 3,500,000 to THB 200,000 per month (excluding VAT).

3. With respect to the outstanding rent per clause 2, the Lessee requests that the Fund consider remission of the said outstanding debt.

4. In the meantime, the Lessee still has employees available to take the best care of the properties.

In this regard, the Management Company sent Letter No. PFRD 016/2563 Re: Request for Resolution of the Unitholders of Trinity Freehold and Leasehold Property Fund (TNPf), dated 8 July 2020 (“Request for Resolution”), to the Unitholders of the Fund to ask for a resolution concerning the proposal of the Lessee and to consider approving or disapproving the reduction of rent in accordance with the Lessee’s request. The Management Company scheduled the date for the Unitholders to cast a vote and return a written resolution to the Management Company by 10 August 2020. A total of 70 Unitholders sent written resolutions back to the Management Company, representing 79,523,856 investment units, or equivalent to 54.31 percent of the total number of issued investment units of the Fund (146,434,000 units), and therefore, a quorum was constituted.

The Unitholders resolved to approve the reduction of rent in accordance with the Lessee’s request, with the number of votes as follows:

Approve	65,864,745 units	or	equivalent to	82.82 percent*
Disapprove	13,648,611 units	or	equivalent to	17.16 percent*
Abstain	10,500 units	or	equivalent to	0.01 percent*
Void Ballot	0 units	or	equivalent to	0.00 percent*

*Percentage of the total number of investment units held by the Unitholders responding and eligible to vote which are 79,523,856 units.

As the Unitholders resolved to approve the reduction of rent, the Fund and the Lessee have entered into the addendum to the property lease agreement dated 31 August 2020, having the terms and conditions being in line with the resolution of the Unitholders.

2.2 Condition of real estate market

Condition of the Thai economy in 2020 and tendency in 2021¹

¹ Condition of the Thai economy in Q4 of 2020 and tendency in 2021. Office of the National Economics and Social Development Council. 15 February 2021. www.nesdc.go.th

The Thai economy in 2020 contracted by 6.1 percent in comparison to the expansion of 2.3 percent in 2019. The overall values of exports, private consumption, and investment decreased by 6.6 percent, 1.0 percent, and 4.8 percent, respectively. The inflation rate in general was at an average of approximately -0.8 percent, and the current account surplus stood at 3.3 percent of the gross domestic product (GDP).

The Thai economy in 2021 is expected to expand by 2.5 – 3.5 percent, with support from the following key factors:

- 1) Tendency of global economic recovery and trade volume;
- 2) Driving forces from government spending;
- 3) Return of expansion of demand in the domestic private sector; and
- 4) Adjustment in line with the abnormally weak expansion in 2020.

It is expected that exports in US dollars will expand by 5.8 percent, and private consumption and investment will expand by 2.0 percent and 5.7 percent, respectively. The inflation rate in general will be at an average of 1.0 – 2.0 percent, and the current account surplus will stand at 2.3 percent of the GDP.

Retail space market in Bangkok²

For the market of retail space in Bangkok and its vicinity in Q4 of 2020, there was a total of 12,000 square meters of newly opened retail space, as a result, there were 78,000 square meters of newly opened retail space in total in 2020. The aggregate retail space in Bangkok and its vicinity as at the end of 2020 was approximately 8.6 million square meters.

With respect to occupancy rates, particularly in small projects such as community malls and hypermarkets, available spaces and cancellation of lease agreements started to occur, consequently resulting in decrease in the average occupancy rates in certain areas. However, the overall occupancy rate of retail space in various projects remained higher than 80 percent but decreased by approximately 5 – 10 percent from the previous year, depending on locations and styles of the projects.

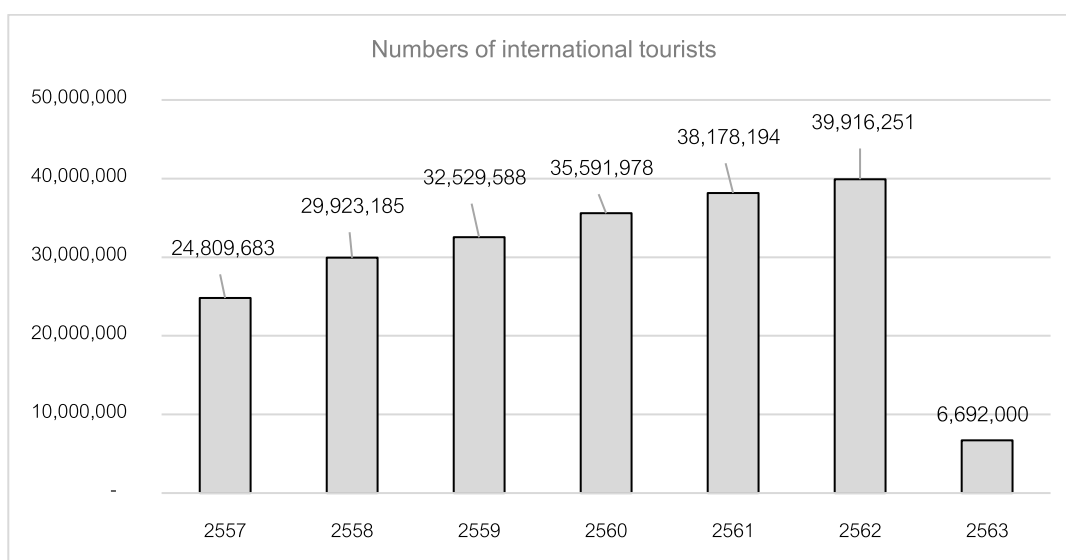
² Any interested Unitholder can find more details and other real estate reports at www.phoenixproperty.co.th.

Even though major and minor lessees still rent their spaces in the previous year, if there is a severe outbreak or the economic condition still not recover in 2021, more available spaces will certainly be seen in the retail space projects.

Summary of overall market and tendency in the future:

- 1) The market of retail space will still be continuously affected until the social distancing measure can be lifted.
- 2) The retail space projects in the city center whose main customers are foreign tourists will not recover until transportation is normally opened.
- 3) Many lessees needed to close down their businesses, both temporarily and permanently, in the past 2 – 3 quarters.
- 4) Rentals and occupancy rates remained unchanged and tend to continue to remain so in 2021.
- 5) Lessees who have online sales channels will start reducing the space renting in retail space projects.

Hotel market in Bangkok

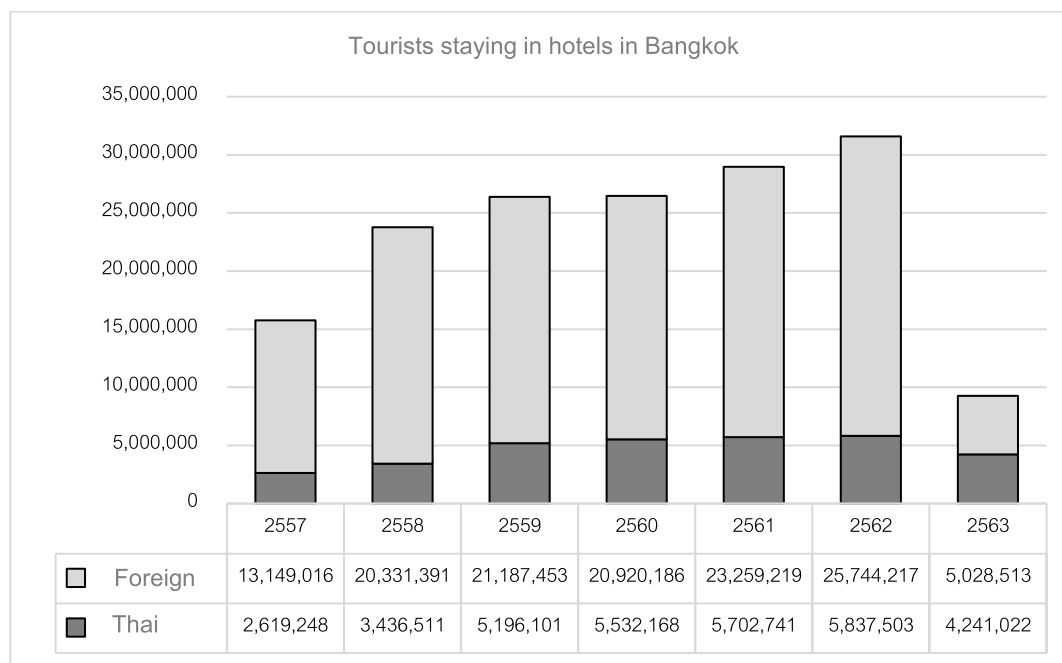


According to information from the Tourism Authority of Thailand³, there was a total number of 6,692,000 tourists entering Thailand in 2020 or decreased by 83.23 percent in comparison to 2019, where the average number of tourists during 2017 – 2019 was approximately 37.89 million.

³ As at 19 February 2021

The said decrease is crucial and affects the country's tourism industry.

The number of tourists staying in hotels was also correspondent with the above information and in the same proportion.



With respect to the serviced apartment⁴ as at the end of Q3 of 2020, CBRE (Thailand) Company Limited ("CBRE") disclosed that the occupancy rate decreased by 27 percent, compared to the same period of 2019, to 53.1 percent as a result of the decrease in demand in the daily occupancy market, in conjunction with the expiration of the annual lease agreement.

The number of Japanese nationals, the main force driving the long-term occupancy market, decreased by 16 percent, compared to the same period of the previous year. The number of other foreign nationals such as those from China, India and United Kingdom decreased by approximately 5 percent.

CBRE anticipates that the serviced apartment market will focus on the long-term occupancy market rather than short-term occupancy market that has been affected in the same way as hotel. The increasing competition will have an impact on the decline in rents, compared to the period prior to the COVID-19 outbreak.

⁴ Market View, CBRE (Thailand) Co., Ltd. www.cbre.co.th

2.3 Conditions of properties

From this inspection of the property conditions that the Management Company carried out jointly with the Lessee on 29 January 2021, the conditions of the properties are as follows:

- 1) The general condition of the properties is normal. The properties have deteriorated from normal use and should be renovated based on their service lives.
- 2) The hotel has deteriorated from use and should be renovated so that it is in good condition and available to guests when the market condition improves.
- 3) The serviced apartment is in the same condition as the hotel and should be renovated so that it is in good condition and available to guests.
- 4) Mall 1 is closed due to impacts of the COVID-19 outbreak, save for the Villa Supermarket.
- 5) Mall 3 has deteriorated from normal use.

2.4 Guidelines for management of the Fund in the future

According to the current temporary lease agreement which will be expiring on 30 April 2022, the Management Company will begin seeking for a new lessee in mid of 2021 to achieve a conclusion to be proposed to the Unitholders for consideration in the Extraordinary General Meeting expected to be held in December 2021.

3. Financial Status, Operating Results of the Fund and Financial Statements for Fiscal Year Ended 31 December 2020 as Audited and Opined by the Auditor

The Fund's financial status and operating results as detailed in the financial statements for fiscal year ended 31 December 2020 as audited and opined by the auditor, can be summarized as follows:

3.1 Based on the financial statements for the accounting year ending on 31 December 2020 as audited and opined by the auditor of the Fund, the Fund's total assets were THB 874,251,280, total liabilities were THB 898,309 and net assets were THB 873,352,971. The Fund's accumulated deficit was THB 514,753,789 and net asset value per unit was THB 5.9641. In 2020, the Fund's gross income equaled THB 24,562,452, comprising of rental income of THB 24,538,462, interest income of THB 15,935, and other income of THB 8,055. The Fund's net investment profit equaled THB 16,762,474 and net decrease in net operating assets equaled THB 166,237,526.

3.2 Material financial information

3.2.1 Securities price as at 31 December 2020⁵

Closing Price	2.00	THB / Investment Unit
Market Price	292,868,000	THB
Trading Value	19,800	THB / Day
Investment Unit Value	5.9641	THB / Investment Unit
Net Asset Value (NAV)	873,352,971	THB

3.2.2 History of dividend payments

Performance Period	Book Closing Date	Payment Date	THB/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
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 Apr – 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 Apr – 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 – 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 – Dec 2019	18 Mar 2020	27 Mar 2020	0.1080

⁵ Most recent trade information as of 28 December 2020.

3.2.3 History of authorized capital reduction

No.	Book Closing Date	Date of Payment as a Result of Reduction of Value of Investment Units	Authorized Capital Before Reduction of Value of Investment Units		Reduced Value		Amount of Authorized Capital After Reduction of Value of Investment Units	
			Authorized Capital (THB)	Value Per Unit (THB)	Authorized Capital (THB)	Value Per Unit (THB)	Authorized Capital (THB)	Value Per Unit (THB)
1	7 Dec 2012	21 Dec 2012	710,000,000	10.00	7,100,000	0.10	702,900,000	9.90
2	18 Sep 2019	27 Sep 2019	1,396,892,000	9.90	8,786,040	0.06	1,388,106,760	9.84

3.2.4 Expenses charged to the Fund (1 January – 31 December 2020)

Expenses Charged to the Fund*	Amount Unit : THB Thousand	Percentage of Net Asset Value
Management Fee	2,213.23	0.216
Fund Trustee Fee	213.84	0.021
Registrar Fee	464.00	0.045
Legal Fee	430.88	0.042
Costs of Advertising, Public Relations and Sale Promotion		
- During Initial Public Offering		
- After Initial Public Offering	-	-
Audit Fee	962.00	0.094
Fee of Listing in SET - Annual Basis	104.17	0.010
Appraisal Fee	208.82	0.020
Insurance Premium	333.17	0.033
Common Expenses	480.00	0.047
Hotel License Fee	851.03	0.083
Cost of printed materials	115.40	0.011
Other Expenses	74.87	0.008
Total Expenses **	6,451.41	0.630

Remarks: * Fees and expenses are inclusive of VAT, special business tax or other similar taxation (if any).
 ** This is exclusive of securities brokerage fee and fees arising from securities trading and exclusive of credit loss and rent receivable.

4. Appointment of Auditor and Auditing Fee for Fiscal Year Ended 31 December 2021

The Management Company has appointed the auditors of PricewaterhouseCoopers ABAS Ltd. to be the Fund's auditors for the accounting year ending on 31 December 2021. The details of the auditors and the audit expenses are as follows.

Auditors	Mr. Sa-nga Chokenitisawat CPA Registration No. 11251 Ms. Wanvimol Preechawat CPA Registration No. 9548 Ms. Rojanat Panyathananusart CPA Registration No. 8435
Location	15 th Floor, Bangkok City Tower, 179/74-80 South Sathorn Road, Sathorn District, Bangkok 10120
Remuneration	THB 800,000 per year
Other expenses	As actually paid

In this regard, the unitholders are able to inquire additional information in respect of the above information report from 27 April 2021 until 10 May 2021 by filling in the inquiry and/or opinion, signing in the inquiry and opinion form as well as attaching the supporting document as detailed in Enclosure 3 and delivering them to the office of the Management Company at the address below or the email of the Management Company at propertyfund@principal.th

Principal Asset Management Company Limited
 (Trinity Freehold and Leasehold Property Fund)
 44 CIMB Thai Tower, 16th Floor,
 Langsuan Road, Lumpini, Pathumwan, Bangkok 10330

The Management Company shall prepare a summary of significant matters in the questions and answers format and further disclose such information to the unitholders for acknowledgement via the portal of Stock Exchange of Thailand within 24 May 2021.

Please be informed accordingly.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Suttipan Kreemaha', with a stylized flourish at the end.

(Mr. Suttipan Kreemaha)

Senior Vice President

Head of the Property Fund and
Real Estate Investment Trust Department

Property Fund and Real Estate Investment Trust Department

Tel: 02-018-3446

TRINITY FREEHOLD AND LEASEHOLD PROPERTY FUND

FINANCIAL STATEMENTS

31 DECEMBER 2020

Independent Auditor's Report

To the unitholders of Trinity Freehold and Leasehold Property Fund

My opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Trinity Freehold and Leasehold Property Fund (the Fund) as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with the accounting guideline for the Property Fund, Real Estate Investment Trust, Infrastructure Fund and Infrastructure Trust established by the Association of Investment Management Companies and endorsed by the Securities and Exchange Commission.

What I have audited

The Fund's financial statements comprise:

- the statement of financial position as at 31 December 2020;
- the statement of details of investments as at 31 December 2020;
- the statement of comprehensive income for the year then ended;
- the statement of changes in net assets for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

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

Key audit matters

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

Key audit matter

Audit procedures

Valuation of investment in properties

Refer to significant accounting policies no. 4.4 and notes to financial statements no. 7, the fair value of investment properties was carried at Baht 843 million as at 31 December 2020 with unrealised loss from investments of Baht 183 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 of investment properties were carried out by independent appraiser.

There were significant judgements and estimates to be made in relation to the valuation of investment properties. The valuation 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 is why 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 including the impact from the ongoing and evolving COVID-19 pandemic 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.

Emphasis of matter

I draw attention to note 2 of the financial statements, which describes the significant events during the current year in relation to the impact from COVID-19 pandemic which result in reduction in the Fund's rental income. My opinion is not modified in respect to this matter.

Other information

The Fund Manager 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 Manager.

Responsibilities of the Fund Manager for the financial statements

The Fund Manager is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting guideline for the Property Fund, Real Estate Investment Trust, Infrastructure Fund and Infrastructure Trust established by the Association of Investment Management Companies and endorsed by the Securities and Exchange Commission, Thailand, and for such internal control as the Fund Manager determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Fund Manager 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 Manager either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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



Sa-nga Chokenitisawat
Certified Public Accountant (Thailand) No. 11251
Bangkok
15 February 2021

Trinity Freehold and Leasehold Property Fund
Statement of Financial Position
As at 31 December 2020

	Notes	2020 Baht	2019 Baht
Assets			
Investment in properties at fair value	7,15	843,000,000	1,026,000,000
Cash and cash equivalents	8	16,038,931	27,546,505
Rental receivable from a related party, net	9	13,389,892	-
Prepaid expenses		1,698,312	2,549,952
Other assets		124,145	36,562
Total assets		874,251,280	1,056,133,019
Liabilities			
Accrued expenses		854,077	674,237
Other liabilities		44,232	70,153
Total liabilities		898,309	744,390
Net assets		873,352,971	1,055,388,629
Net assets:			
Capital received from unitholders			
(71,000,000 units, Baht 9.84 each)		698,640,000	698,640,000
(75,434,000 units, Baht 9.14 each)		689,466,760	689,466,760
Deficits	10	(514,753,789)	(332,718,131)
Net assets		873,352,971	1,055,388,629
Net assets per unit (Baht)		5.9641	7.2072
Number of units outstanding at the end of the year (units)		146,434,000	146,434,000

The notes to financial statements from pages 10 to 20 are an integral part of these financial statements.

Trinity Freehold and Leasehold Property Fund
Details of Investments
As at 31 December 2020

Type of investment	Total area	31 December 2020			31 December 2019		
		Cost	Fair value	Percentage	Cost	Fair value	Percentage
		Baht	Baht	%	Baht	Baht	%
Investment in properties (Note 7)							
Land included building							
1) land	2 ngan 94.60 sqw.						
2) building with public utility systems, furnitures, fixtures, and equipments of Glow Trinity Silom Building	5,930.00 sqm.						
3) commercial unit 2 units with public utility systems, furnitures, fixtures, and equipments of Trinity Mall 1 at Trinity Complex	675.89 sqm.	690,386,085	464,000,000	55.04	690,386,085	555,000,000	54.09
Land included building and commercial area							
1) land	2 ngan 1.00 sqw.						
2) building with public utility systems, furnitures, fixtures, and equipments of Tritip 2 Building	5,286.81 sqm.						
3) leasehold right of 5 condominium units with public utility systems, furnitures, fixtures and equipments of Trinity Mall 3 at Trinity Complex	979.86 sqm.	693,992,800	379,000,000	44.96	693,992,800	471,000,000	45.91
Total investment in properties		1,384,378,885	843,000,000	100.00	1,384,378,885	1,026,000,000	100.00

The notes to financial statements from pages 10 to 20 are an integral part of these financial statements.

Trinity Freehold and Leasehold Property Fund
Statements of Comprehensive Income
For the year ended 31 December 2020

	Notes	2020 Baht	2019 Baht
Income			
Rental income	12	24,538,462	43,476,635
Interest income		15,935	41,753
Other income		8,055	-
Total income		24,562,452	43,518,388
Expenses			
Management fee	11, 12	2,213,229	2,263,894
Trustee fee	11	213,838	218,734
Registrar fee	11	463,999	570,351
Professional fee		962,000	956,500
Legal fee		430,877	834,243
Central service expense	12	480,000	480,000
Expected credit loss	9	1,348,569	-
Other expenses		1,687,466	2,033,240
Total expenses		7,799,978	7,356,962
Net investment profit		16,762,474	36,161,426
Net (loss) profit from investments			
Net (loss) profit from change of fair value of investments	7	(183,000,000)	5,000,000
Total net (loss) profit from investments		(183,000,000)	5,000,000
Net (decrease) increase in net assets from operations		(166,237,526)	41,161,426

The notes to financial statements from pages 10 to 20 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 2020

	Notes	2020	2019
		Baht	Baht
Net (decrease) increase in net assets from operations during the year			
Net investment profit		16,762,474	36,161,426
Net (loss) profit from investments	7	<u>(183,000,000)</u>	<u>5,000,000</u>
Net (decrease) increase in net assets during the year			
		(166,237,526)	41,161,426
Capital Reduction		-	(8,786,040)
Distribution to unitholders	13	<u>(15,798,132)</u>	<u>(34,376,740)</u>
(Decrease) in net assets during the year			
		(182,035,658)	(2,001,354)
Net assets at the beginning of the year		<u>1,055,388,629</u>	<u>1,057,389,983</u>
Net assets at the end of the year			
		<u><u>873,352,971</u></u>	<u><u>1,055,388,629</u></u>
Change of number of unitholder (units)			
Units outstanding at the beginning of the year		<u>146,434,000</u>	<u>146,434,000</u>
Units outstanding at the end of the year		<u><u>146,434,000</u></u>	<u><u>146,434,000</u></u>

The notes to financial statements from pages 10 to 20 are an integral part of these financial statements.

Trinity Freehold and Leasehold Property Fund
Statement of Cash Flows
For the year ended 31 December 2020

	Notes	2020	2019
		Baht	Baht
Cash flows from operating activities			
Net (decrease) increase in net assets from operations		(166,237,526)	41,161,426
Adjustments to reconcile net increase (decrease) in net assets from operations to net cash provided by operating activities:			
Expected credit loss	9	1,348,569	-
Interest income		(15,935)	(41,753)
Cash received from interest income		31,475	43,676
Net unrealised loss (gain) from investments	7	183,000,000	(5,000,000)
(Increase) in rental receivable from a related party	9	(14,738,461)	-
Decrease in prepaid expense		851,640	848,131
(Increase) decrease in other assets		(103,123)	299
Increase (decrease) in accrued expenses		179,840	(83,936)
(Decrease) in other liabilities		(25,921)	(52,213)
Net cash provided by operating activities		4,290,558	36,875,630
Cash flows from financing activities			
Capital Reduction		-	(8,786,040)
Distribution to unitholders	13	(15,798,132)	(34,376,740)
Net cash (used in) financing activities		(15,798,132)	(43,162,780)
Net (decrease) in cash and cash equivalents		(11,507,574)	(6,287,150)
Cash and cash equivalents at the beginning of the year		27,546,505	33,833,655
Cash and cash equivalents at the end of the year		16,038,931	27,546,505

The notes to financial statements from pages 10 to 20 are an integral part of these financial statements.

1 General information

Trinity Freehold and Leasehold Property Fund (“the Fund”) is close-end property fund, set up for specific purpose with no project life stipulated. The Fund was established and registered as a fund on 23 February 2011 with registered capital of Baht 1,388,106,760 (71,000,000 units of Baht 9.84 par value registered and 75,434,000 units of Baht 9.14 par value registered). Principal Asset Management Company Limited is the Fund’s Management Company (“the Management Company”) and TMB Bank Public Company Limited has been appointed as the Fund’s Trustee.

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, furniture, fixtures and equipment for hotel and department store business.

The Fund has dividend payment policy in accordance with the rules and procedures specified in the prospectus.

These financial statements were authorised for issue by authorised manager of the Management Company on 15 February 2021.

2 Significant events during the current year

The outbreak of Coronavirus Disease 2019 (“COVID-19 pandemic”) in early 2020, it has resulted in the adverse effects on the operating results for the year ended 31 December 2020.

In March 2020, the Fund granted a payment term and a rent waiver to tenants for the period beginning 1 March and ending 30 April 2022. This waiver is treated as a lease contract modification, which will result in a reduction in the Fund’s rental of approximately Baht 1.75 million per month totaling impact to the year ended 31 December 2020 is approximately Baht 17.5 million. In addition, the adverse effects from COVID-19 pandemic may lead to early termination, breach or renewal of certain existing lease contracts as well as affect new contract signing, and rental income in the coming periods. The Fund’s management is now paying close attention to the development of the COVID-19 situation and its impact on the leasing market, performing relevant assessments and taking proactive measures for remediation.

3 Basis of preparation

The financial statements have been prepared in accordance with the accounting guideline for the Property Fund, Real Estate Investment Trust, Infrastructure Fund and Infrastructure Trust established by the Association of Investment Management Companies and endorsed by the Securities and Exchange Commission, Thailand (accounting guidelines). For the areas not covered by the accounting guidelines, the Fund applies the requirements in accordance with Thai Financial Reporting Standards issued by the Federation of Accounting Professions which effective on financial reporting period of the financial statements.

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

The preparation of financial statements in conformity with 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 6 to the financial statements

3 Basis of preparation (Cont'd)

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.

4 Significant accounting policies

4.1 Adoption of new financial reporting standards

The Fund has adopted financial reporting standards relating to financial instruments (TFRS 9) with respect to financial instruments that are measured at amortised cost and impairment losses which is not mentioned in the accounting guidelines from 1 January 2020. The Fund's management considered that there is no significant material impact related with this subject. Therefore, no adjustment was made to opening retained earnings balances.

4.2 Changes in accounting policies

Changes in accounting policies from adoption of accounting guidelines including the financial reporting standards related to financial instruments.

Association of Investment Management Companies has prepared accounting guidance for Property Fund, Real Estate Investment Trust, Infrastructure Fund and Infrastructure Trust which was endorsed by the Securities and Exchange Commission. The guidance is covering transactions' recognition, measurement, presentation and disclosure of the financial information which taking in consideration the qualitative characteristics of the significant financial information.

Classification and measurement of financial assets and financial liabilities

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

All financial liabilities are classified as financial liabilities subsequently measured at amortised cost. The Fund recognises financial cost by effective interest rate.

Impairment

The new requirements on the impairment losses will lead to expected credit losses having to be considered and recognised at the initial recognition and subsequent period. From 1 January 2020, to measure the expected credit losses, rental receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the historical payment profiles of sales, the corresponding historical credit losses experienced as well as other information that may affect the ability of the customers to settle the receivables.

4 Significant accounting policies (Cont'd)

4.3 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.

4.4 Cash and cash equivalents

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.

4.5 Leases

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

4 Significant accounting policies (Cont'd)

4.6 Rental receivable

Rental receivable is amount due from customers for services performed in the ordinary course of business. It is generally due for settlement within 30 days and therefore is classified as current.

Rental receivable is recognised initially at the amount of consideration that is unconditional unless it contains significant financing components, it is recognised at fair value. The Fund holds the rental receivable with the objective to collect the contractual cash flows and therefore measures it subsequently at amortised cost.

Impairment of rental receivable

From 1 January 2020, the Fund applies the TFRS 9 simplified approach in measuring the impairment of rental receivable, which applies lifetime expected credit loss, from initial recognition, for rental receivable.

The Fund assesses expected credit loss by taking into consideration forward-looking information and past experiences. The expected credit loss is a probability-weighted estimate of credit losses (probability-weighted present value of estimated cash shortfall). The cash shortfall is the difference between all contractual cash flows that are due to the Fund and all cash flows expected to receive, discounted at the original effective interest rate.

When measuring expected credit losses, the Fund reflects the following:

- probability-weighted estimated uncollectible amounts
- time value of money; and
- supportable and reasonable information as of the reporting date about past experience, current conditions and forecasts of future situations.

Impairment (and reversal of impairment) losses are recognised in profit or loss as a separate line item.

4.7 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.

4 Significant accounting policies (Cont'd)

4.8 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.

4.9 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.

5 Financial risk management

Financial risk factors

The Fund exposes to a variety of financial risk: interest rate risk, credit risk, liquidity risk and foreign exchange 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.

5.1 Interest rate risk

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

5.2 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 statement of financial position represents the Fund's maximum exposure to credit risk.

5.3 Liquidity risk

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

5.4 Foreign exchange risk

The Fund has no assets or liabilities in foreign currency, has no risk in foreign exchange risk.

6 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.

Impairment of financial assets

The loss allowances for financial assets are based on assumptions about default risk and expected loss rates. The Fund uses judgement in making these assumptions and selecting the inputs used in the impairment calculation, based on the Fund's past history and existing market conditions, as well as forward-looking estimates at the end of each reporting period.

7 Investment in properties at fair value

Movement of investment in properties at fair value for the year ended 31 December 2020 and 2019 are as follows:

	2020	2019
	Baht	Baht
Investment in properties at the beginning of the year	1,026,000,000	1,021,000,000
Net (loss) profit from change of fair value of investment during the year	(183,000,000)	5,000,000
Investment in properties at the end of the year	<u>843,000,000</u>	<u>1,026,000,000</u>

Amounts recognised in profit and loss that are related to investment property are as follows:

	2020	2019
	Baht	Baht
Rental income	24,538,462	43,476,635
Direct operating expense arising from investment property		
- Valuation expense	208,820	207,280
- Insurance expense	333,168	329,507

On 24 February 2011, the Fund invested in properties as followings:

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.

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

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. 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.

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 November 2020. 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.

The Fund has an operating lease agreement in respect of the lease of Real Estate. The term of the agreement is initially 3 years starting from 1 May 2019 onward. As at 31 December 2020, future minimum rental income to be generated under this operating lease is as follows.

	<u>In Million Baht</u>
Due within 1 year	28.80
Due within 2 years - 3 years	14.00

Valuation processes

The 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 Management Company. For financial reporting purpose, the Management Company reviews the valuation performed by the independent valuer. Review of valuation process and result is held between the Management Company and the Trustee 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, ability to 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.

Changes in fair value are analysed at each reporting date by the Management Company and the Trustee. As part of this review, the authorised manager of 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.

Trinity Freehold and Leasehold Property Fund
Notes to the Financial Statements
For the year ended 31 December 2020

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

Sensitivity analysis for each significant assumptions

	Impact on fair value Increase / (decrease) 2020 Million Baht
Discount rate	
Discount rate, decrease of 0.50 percent	26.15
Discount rate, increase of 0.50 percent	(27.00)
Capitalisation rate	
Capitalisation rate, decrease of 0.50 percent	25.41
Capitalisation rate, increase of 0.50 percent	(24.37)
Rental growth rate	
Rental growth rate, decrease of 0.50 percent	(4.09)
Rental growth rate, increase of 0.50 percent	2.04

8 Cash and cash equivalents

	Principal		Interest rate per annum	
	2020 Baht	2019 Baht	2020 %	2019 %
Deposits in bank current account				
- TMB Bank Public Company Limited	16,038,931	27,546,505	0.05	0.125
Total cash and cash equivalents	<u>16,038,931</u>	<u>27,546,505</u>		

9 Rental receivable from a related party, net

	2020 Baht	2019 Baht
Rental receivable from a related party	14,738,461	-
<u>Less</u> Allowance for expected credit loss	<u>(1,348,569)</u>	-
Rental receivable from related party, net	<u>13,389,892</u>	-

10 Deficits

Movements in deficits for the year ended 31 December 2020 and 2019 are as follows:

	2020 Baht	2019 Baht
Beginning balance for the year	(332,718,131)	(339,502,817)
<u>Add</u> Net investment profit	<u>16,762,474</u>	<u>36,161,426</u>
<u>Less</u> Net (loss) profit from change of fair value of investments	<u>(183,000,000)</u>	<u>5,000,000</u>
Distribution to unitholders (Note 13)	<u>(15,798,132)</u>	<u>(34,376,740)</u>
Ending balance for the year	<u>(514,753,789)</u>	<u>(332,718,131)</u>

11 Expenses

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 monthly 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.

12 Related party transactions

Enterprises and individuals that, directly or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Fund, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Fund. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Fund that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Fund and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

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

Trinity Freehold and Leasehold Property Fund
Notes to the Financial Statements
For the year ended 31 December 2020

12 Related party transactions (Cont'd)

The following significant transactions were carried out with related parties:

Significant income and expenses for the years ended 31 December 2020 and 2019 were as follows:

a) Revenue

	2020	2019	
	Baht	Baht	Pricing policy
<u>Silomall Co., Ltd.</u>			
Rental income (Note 2)	24,538,462	43,476,635	As specified in agreement

b) Expenses

	2020	2019	
	Baht	Baht	Pricing policy
<u>Principal Asset Management Co., Ltd.</u>			
Management fee	2,213,229	2,263,894	As specified in agreement
<u>Trinity Complex Juristic Person</u>			
Central service expense	480,000	480,000	As specified in agreement

Balances with related party as at 31 December 2020 and 2019 were as follows:

	2020	2019
	Baht	Baht
<u>Principal Asset Management Co., Ltd.</u>		
Accrued management fee	322,308	198,574

13 Distribution to unitholders

The detail of distribution to unitholders for the years ended 31 December 2020 and 2019 are as follows:

No.	The operation for the year	Payment date	Per unit Baht	Total Million Baht
1	1 July 2019 - 31 December 2019	27 March 2020	0.108	15.80
				<u>15.80</u>
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
2	1 January 2019 - 30 September 2019	27 September 2019	0.115	16.82
				<u>34.37</u>

14 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 comprehensive income. Therefore, the presentation of segment information is not necessary.

15 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined 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).

The following table presents the financial assets that are measured and recognised at fair value.

	2020	2019
	Level 3	Level 3
	Baht	Baht
Investment in properties	<u>843,000,000</u>	<u>1,026,000,000</u>
Total	<u>843,000,000</u>	<u>1,026,000,000</u>

The Fund uses discounted cash flow analysis to determine fair value for the financial instruments.

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

16 Approval of the financial statements

The interim financial information was authorised for issue by authorised manager of the Management Company on 15 February 2021.

Inquiry and Opinion Form

Date _____

I/We (name), _____ residing at _____
_____, telephone number _____ am/are
a unitholder of Trinity Freehold and Leasehold Property Fund ("Fund"), holding the unit(s) in the amount of
_____ unit(s).

I/We would like to propose my/our inquiry and opinion in relation to the operations of the Fund as follows:

1. _____

2. _____

3. _____

4. _____

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

(_____)

Unitholder

Remarks:

1. The unitholder who would like to propose any inquiry and/or opinion in relation to the operations of the Fund, please fill in your inquiry and/or opinion and sign in this Form as well as attach the following identification document(s) as detailed below and send them to the Management Company from 27 April 2021 to 10 May 2021.

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 unitholder

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 signature(s) 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 signature(s) 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 signature(s) to certify the true copy by the authorized representative(s).
2. The Management Company reserves the right not to consider the inquiry and/or opinion proposed in the Form which was not duly and completely filled in the details of the unitholder or not attached with the identification documents as above listed.
 3. For the advantage of inquiry and opinion collection to prepare the conclusion of the inquiries and responses in the questions and answers format to be published for the unitholders' acknowledgement within duly time. The Management Company reserves the right not to consider the inquiry and/or opinion proposed in the Form, which is sent to the Management Company after 10 May 2021.