# 1 Business nature of Future City Leasehold Real Estate Investment Trust

Future City Leasehold Real Estate Investment Trust (“the Trust”) is established under the Trust for Transactions in Capital Market Act B.E. 2550 (“the Act”), pursuant to the Trust Deed dated   
22 August 2024, between BBL Asset Management Company Limited (“the REIT Manager”),   
as the Trust Settlor and REIT Manager and Krungthai Asset Management Public Company Limited, as the Trustee. Rangsit Plaza Company Limited acts as the Property Manager. The Trust is a non-redeemable and non-repurchase type, with no project life stipulated.

The Trust is established with the objective of issuing real estate investment trust (REIT) units to facilitate the conversion from the Future Park Leasehold Property Fund and to raise capital from the general public. The Trust raised will be used to purchase, lease, or acquire leasehold rights of real estate properties, and to seek benefits from such properties through leasing, subleasing, or other means for the benefit of the assets invested or held by the Trust. This includes improving, modifying, enhancing the properties, or disposing of them to generate income and returns for the Trust and its unit holders. The Trust may also invest in other properties, securities, or seek other benefits as permitted by the securities laws or other relevant regulations.

The Trust has a policy to distribute benefits to its unit holders as specified in the Trust Deed.

# 2 Basis of preparation

The interim financial information has been prepared in accordance with accounting guidelines for the Property Fund, Real Estate Investment Trust, Infrastructure Fund and Infrastructure Trust established by the Association of Investment Management Companies and endorsed by the Securities and Exchange Commission, Thailand (accounting guidelines). For the areas not covered by the accounting guidelines, the Trust 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 interim financial information.

The interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2024.

An English version of the interim financial information has been prepared from the interim financial information that is in the Thai language in accordance with accounting guidelines. In the event of a conflict or a difference in interpretation between the two languages, the Thai language interim financial information shall prevail.

# 3 Accounting policies

The accounting policies used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 31 December 2024.

# 4 Financial risks

As at 31 March 2025, the principal financial risks faced by the Trust are interest rate risk and credit risk.

**4.1 Interest rate risk**

Interest rate risk is the risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial instruments. The financial assets and liabilities that potentially subject the Trust to the interest rate risk is deposit with banks, investment in bond, and lease liabilities.

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

**4.3 Risk management**

To manage risk arising from investments, the Trust has risk management policy such as portfolio diversification and performance analysis of invested entity.

**5 Investments measured at fair value through profit or loss**

The movements in the investments measured at fair value through profit or loss for the three-month period ended 31 March 2025 can be analysed as follows:

|  |  |
| --- | --- |
|  | **(Unaudited)** |
|  | **31 March** |
|  | **2025** |
|  | **Thousand Baht** |
|  |  |
| Beginning balance of the period | 409,296 |
| Additions during the period | 568,751 |
| Discount amortisation | 3,281 |
| Maturity | (258,000) |
| Loss from change in fair value of investments | (30) |
|  |  |
| Ending balance of the period | 723,298 |

**6 Investments in properties at fair value**

During the period, the Trust conducted an independent valuer to revalue the Trust’s investments in properties by using the income approach. As a result, the fair value of the investments in properties as at 31 March 2025 amounted to Baht 4,882.00 million. In accordance with accounting guidelines, the fair value of investments property is added back any recognised lease liability to arrive at the carrying amount of the investment property using the fair value model. As a result, the fair value of the investments in properties as at 31 March 2025 amounted to Baht 11,316.50 million with a gain from change in fair value of investments of Baht 10.01 million recognised in the statement of comprehensive income.

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

|  |  |
| --- | --- |
|  | **(Unaudited)** |
|  | **31 March** |
|  | **2025** |
|  | **Thousand Baht** |
|  |  |
| Beginning balance of the period | 11,295,466 |
| Additions during the period | 10,610 |
| Initial direct costs | 417 |
| Gain from change in fair value of investments | 10,011 |
|  |  |
| Ending balance of the period | 11,316,504 |

The sensitivity analysis for significant assumptions used in investments in properties valuation can be analysed as follow:

|  |  |  |
| --- | --- | --- |
|  |  | **Change in**  **fair value**  **increase (decrease)** |
|  | **Change in** | **Thousand** |
|  | **assumption** | **Baht** |
|  |  |  |
| Discount rate | Increase 1% | (321,863) |
| Discount rate | Decrease 1% | 361,030 |
| Rental growth rate | Increase 1% | 582,927 |
| Rental growth rate | Decrease 1% | (530,744) |

Income and expenses related to investments in properties at fair value are as follows:

|  |  |
| --- | --- |
|  | **31 March** |
|  | **2025** |
|  | **Thousand Baht** |
|  |  |
| Rental and service income | 247,311 |
|  |  |
| Direct operating expenses |  |
|  |  |
| Property management fees | 22,498 |
| Land and building tax expenses | 1,850 |
| Marketing and administrative expenses | 11,453 |
| Insurance expenses | 1,623 |

**7 Cash and cash equivalents**

As at 31 March 2025 and 31 December 2024, the Trust has the details of cash and cash equivalents as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **(Unaudited)** | | **(Audited)** | |
|  | **31 March 2025** | | **31 December 2024** | |
|  | **Thousand** | **Interest rate** | **Thousand** | **Interest rate** |
| **Details** | **Baht** | **%** | **Baht** | **%** |
|  |  |  |  |  |
| Cash on hand | 5 | - | 5 | - |
| Current accounts | 5,576 | - | 2,412 | - |
| Saving accounts | 119,712 | 0.40 | 149,145 | 0.55 - 0.60 |
| Treasury bill | - | - | 257,984 | 2.22 |
|  |  |  |  |  |
| Total | 125,293 |  | 409,546 |  |

**8 Capital received from unitholders**

The movements of capital received from unitholders for the three-month period ended 31 March 2025 are as follow:

|  |  |  |
| --- | --- | --- |
|  | **Capital received from unitholders** | |
|  |  | **Amount** |
|  | **Units’000** | **Thousand Baht** |
|  |  |  |
| Opening balance | 529,566 | 5,283,110 |
| Less Capital reduction | - | (52,003) |
|  |  |  |
| Closing balance | 529,566 | 5,231,107 |

The Trust announced its first capital return payment on 26 February 2025, the capital return was paid at Baht 0.0982 per unit, totaling Baht 52.00 million. The Trust submitted the registration of all the capital reduction to the Securities and Exchange Commission (SEC) and the SEC acknowledged the capital reduction on 27 March 2025.

**9 Retained earnings**

Movements in retained earnings for the period ended 31 March 2025 are as follows:

|  |  |
| --- | --- |
|  | **(Unaudited)** |
|  | **31 March** |
|  | **2025** |
|  | **Thousand Baht** |
|  |  |
| Beginning balance of the period | 129,133 |
| Add Net investment income | 119,585 |
| Add Gain from change in fair value of investments |  |
| in leasehold properties | 10,011 |
| Less Loss from change in fair value of investments |  |
| measured at fair value through profit or loss | (30) |
| Less Distribution to unitholders | (129,133) |
|  |  |
| Ending balance of the period | 129,566 |

**10 Expenses**

**Management fee**

The REIT Manager is entitled to receive a monthly management fee from the Trust at a rate not exceeding 1.50% per annum (exclusive of value added tax, specific business tax or any other similar tax) of the net asset value of the Trust as calculated by the REIT Manager and verified by the Trustee.

**Trustee fee**

The Trustee is entitled to receive a monthly remuneration at a rate not exceeding 1.00% per annum (exclusive of value added tax, specific business tax or any other similar tax) of the net asset value of the Trust as calculated by the REIT Manager and verified by the Trustee.

**Property Management fees**

Fees and expenses of the Property Manager shall be payable to the Property Manager on a monthly basis according to the Property Management Agreement between the Trust and the Property Manager. The details can be summarised as follows:

1) Fee for rental collection on behalf of the Trust at the rate not exceeding 3% of net rental and service income.

2) Leasing Commission for procuring tenants and management of all tenants of the Trust upon entering into new lease agreements with new tenants or renewal of lease agreements is calculated at the rate of 0.5 - 1.5 times of the monthly rental fees and 4% of the daily rental fees depending on the type and period (terms) of lease agreements.

3) Property Management fee is calculated at the rate not exceeding 0.30% of net asset value of the Trust calculated as at the last business day of previous month.

4) Incentive fee for the Property Manager is calculated at the rate of not exceeding 2.35% of net property income. Net property income means net revenue from property deducted by property costs and expenses from procuring benefits from the properties.

**11 Related party transactions**

Other related parties which have material changes in relationships and that the Trust had significant transactions during the period with were as follows:

|  |  |
| --- | --- |
|  |  |
| **Name of parties** | **Nature of relationships** |
|  |  |
| Rangsit Plaza Company Limited | Property manager and |
|  | major unitholder |
|  |  |
| Krungthai Asset Management Public Company Limited | Trustee of the Trust |
|  |  |
| BBL Asset Management Company Limited | REIT manager |

During the period, the Trust had significant related party transactions with the Trust’s REIT Manager and other entities which have the same shareholders or directors as the REIT Manager and the Trust. The transactions for the three-month period ended 31 March 2025 and 2024 are as follows:

|  |  |  |
| --- | --- | --- |
|  | **(Unaudited)**  **For the three-month** **period ended**  **31 March** |  |
|  |  |
|  |  |
|  | **2025** |  |
|  | **Thousand Baht** | **Pricing policy** |
|  |  |  |
| Rangsit Plaza Company Limited |  |  |
| Rental and services income | 7,216 | Market rate |
| Property management fees | 22,498 | In accordance with |
|  |  | the prospectus |
| Marketing and administrative expenses | 2,370 | Market rate |
|  |  |  |
| Krungthai Asset Management Public  Company Limited |  |  |
| Trustee fee | 984 | In accordance with |
|  |  | the prospectus |
| BBL Asset Management Company Limited |  |  |
| Management fee | 1,830 | In accordance with |
|  |  | the prospectus |

As at 31 March 2025 and 31 December 2024, the Trust had outstanding significant related party balance as follows:

|  |  |  |
| --- | --- | --- |
|  | **(Unaudited)** | **(Audited)** |
|  | **31 March** | **31 December** |
|  | **2025** | **2024** |
|  | **Thousand Baht** | **Thousand Baht** |
|  |  |  |
| Rangsit Plaza Company Limited |  |  |
| Rental receivables | 437 | 1,004 |
| Other accounts receivable | 175 | 391 |
| Accrued expenses | 7,479 | 9,330 |
| Other accounts payable | 12,361 | 21,248 |
|  |  |  |
| Krungthai Asset Management Public Company Limited |  |  |
| Accrued expenses | 659 | 892 |
|  |  |  |
| BBL Asset Management Company Limited |  |  |
| Accrued expenses | 624 | 624 |

**12 Distribution to unitholders**

During the period, the Trust paid dividends to the unitholders as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  |  | 2025 | 2024 |
| **Declaration date** | **The operation for the period** | **Per unit Baht** | Thousand Baht | Thousand Baht |
|  |  |  |  |  |
| 26 February 2025 | 1 October 2024 to 31 December 2024 | 0.243846 | 129.13 | - |
|  |  |  |  |  |
|  |  |  | 129.13 | - |

**13 Information regarding sale and purchase of investment**

The Trust has sold and purchased investments for the three-month period ended 31 March 2025 excluding cash at bank amounting to Baht 837 million representing 15.49% of the weighted average net asset value during the period, respectively.

**14 Segment information**

The Trust operates in only one business segment which is the investments in properties and the business is only operated in Thailand. Therefore, the presentation of segment information is as same as presentation in the financial information.

**15 Fair value**

Fair value estimation

Fair value is the price received to sell an asset or paid to transfer a liability in an orderly transaction between market participants under current market conditions. At the measurement date, the Trust uses quoted prices in active markets to measure its assets and liabilities that are required to be measured at fair value by accounting guidelines, except that there is no active market for identical assets and liabilities or when a quoted market price is not available. The Trust endeavors to estimate fair value by using appropriate valuation techniques and use relevant observable inputs as much as possible.

The following table presents the financial instruments that are measured at fair value categorised into hierarchy based on inputs used.

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)

**15 Fair value** (Cont’d)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **(Unaudited)** | | | |
|  | **31 March 2025** | | | |
|  | **Level 1** | **Level 2** | **Level 3** | **Total** |
|  | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** |
|  |  |  |  |  |
| Investments in properties at fair value | - | - | 11,316,504 | 11,316,504 |
| Investments measured at  fair value through gain or loss | - | 723,298 | - | 723,298 |
|  |  |  |  |  |
| Total | - | 723,298 | 11,316,504 | 12,039,802 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **(Audited)** | | | |
|  | **31 December 2024** | | | |
|  | **Level 1** | **Level 2** | **Level 3** | **Total** |
|  | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** |
|  |  |  |  |  |
| Investments in properties at fair value | - | - | 11,295,466 | 11,295,466 |
| Investments measured at  fair value through gain or loss | - | 409,296 | - | 409,296 |
|  |  |  |  |  |
| Total | - | 409,296 | 11,295,466 | 11,704,762 |

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

Level 2 investments measured at fair value through profit or loss comprise of Bank of Thailand bonds and treasury bill which are fair valued by using the yield curve which is announced by the Thai Bond Market Association.

The REIT Manager valued the investments in properties by engaging independent professionally qualified valuer (“Independent Valuer”) who holds a recognised relevant professional qualification and have recent experience in the locations and segments of the investment properties valued.   
The Independent Valuer reports directly to the REIT Manager. For financial reporting purposes, the REIT Manager reviews the valuations performed by the independent valuer. The REIT Manager review valuation processes and results in each accounting period, in line with the Trust’s reporting date.

The valuation of the fair value of investments in properties is carried based on valuations by independent valuers using income approach method which is measured by discounted cash flow projections which reflects rental income from current leases and assumptions about rental income from future leases in the light of current market conditions. The fair value also reflects any cash outflows that could be expected in respect of the property. The discount rate reflects current market assessments of the time value of money and risk adjusted which is at the rate of 10.50%   
per annum. The valuation is used significant unobservable inputs. The fair value of the investment is within level 3 of the fair value hierarchy.

The fair value of investments in properties is added back any recognised lease liability to arrive at the carrying amount of the investment property using the fair value model in accordance with accounting guidelines.

**16 Authorisation of the financial statements**

The financial statements were authorised for issue by the authorised management of the REIT Manager on 15 May 2025.

**17 Events occurring after the reporting period**

At the meeting of the Real Estate Investment Committee held on 15 May 2025, BBL Asset Management Company Limited, as the REIT Manager, passed the following resolutions:

1) Approved the allocation of operating results for the period from 1 January 2025 to 31 March 2025 and retained earnings, as a benefit distribution at a rate of Baht 0.244665 per unit, totaling Baht 129.57 million. The dividend payment is scheduled to be paid to trust unitholders in June 2025.

2) Approved the reduction of the paid-up capital of the Trust by decreasing the value of the Trust units at a rate of Baht 0.0305 per unit, amounting to Baht 16.15 million. The capital reduction amount is scheduled to be returned to trust unitholders in June 2025. This capital reduction is in accordance with the Trust Deed.