

AIM Industrial Growth Freehold and Leasehold
Real Estate Investment Trust
Report and financial statements
31 December 2023

Independent Auditor's Report

To the Unitholders of AIM Industrial Growth Freehold and Leasehold Real Estate Investment Trust

Opinion

I have audited the accompanying financial statements of AIM Industrial Growth Freehold and Leasehold Real Estate Investment Trust ("the Trust"), which comprise the statement of financial position and detail of investments as at 31 December 2023, and the related statements of comprehensive income, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of AIM Industrial Growth Freehold and Leasehold Real Estate Investment Trust as at 31 December 2023, its financial performance and cash flows for the year then ended in accordance with the Accounting Guidance for Property Funds, Real Estate Investment Trusts, Infrastructure Funds and Infrastructure Trusts issued by the Association of Investment Management Companies and approved by the Securities and Exchange Commission of Thailand.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. 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 Trust in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accounts) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accounts. 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. These matters were 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 these matters.

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond to each matter are described below.

Measurement of investments in properties and leasehold right over properties

As discussed in Note 7 to the financial statements, as at 31 December 2023, the Trust had investments in properties and leasehold right over properties amounting to Baht 10,570 million, or 95% of total assets. The investments are not traded on an active market and a quoted price is not available for the same or similar investments. Therefore, REIT Manager determined the fair value of the investments based on the value appraised by an independent appraiser using the income approach. REIT Manager is required to exercise significant judgement with respect to the estimation of future operating results and the determination of a discount rate and key assumptions, in calculating fair value. I, therefore, addressed the measurement of such investments as a key audit matter.

I performed an audit on the fair value measurement of such investments by making enquiry, considered the extent of the assessment of fair value by the independent appraiser and assessed the appropriateness of techniques and models used to measure the fair value. I also considered the consistency of the application of such techniques and models. In addition, I reviewed the data and key assumptions used in the measurement of fair value by making enquiries and comparing the estimated operating results with the Trust's actual operating results, checking them to the lease agreements, and testing the calculation of fair value which was based on the above models and assumptions.

Other Information

REIT Manager is responsible for the other information. The other information comprise the information included in annual report of the Trust, but does not include the financial statements and my auditor's report thereon. The annual report of the Trust 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 do 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 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 of the Trust, if I conclude that there is a material misstatement therein, I am required to communicate the matter to REIT Manager for correction of the misstatement.

Responsibilities of REIT Manager for the Financial Statements

REIT Manager is responsible for the preparation and fair presentation of the financial statements in accordance with the Accounting Guidance for Property Funds, Real Estate Investment Trusts, Infrastructure Funds and Infrastructure Trusts issued by the Association of Investment Management Companies and approved by the Securities and Exchange Commission of Thailand, and for such internal control as REIT Manager 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, REIT Manager is responsible for assessing the Trust'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 there is intention to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

REIT Manager has to monitor the preparation process of the Trust's financial statements.

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 Thai Standards on Auditing 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 Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism 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 Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by REIT Manager.
- Conclude on the appropriateness of REIT 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 Trust'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 Trust 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 REIT 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 REIT 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 REIT 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.

I am responsible for the audit resulting in this independent auditor's report.

Saranya Pludsri

Certified Public Accountant (Thailand) No. 6768

EY Office Limited

Bangkok: 28 February 2024

AIM Industrial Growth Freehold and Leasehold Real Estate Investment Trust**Statement of financial position****As at 31 December 2023**

		(Unit: Baht)	
	Note	2023	2022
Assets			
Investments in securities at fair value through profit or loss	6	199,782,972	172,119,459
Investments in properties and leasehold right			
over properties at fair value	7	10,569,500,000	10,590,567,088
Cash and cash equivalents	8, 17	271,096,518	375,655,867
Receivables from interest	17	546,151	345,149
Receivables from rental and service	9, 17	18,729,424	13,041,225
Other assets		8,317,287	2,450,286
Total assets		11,067,972,352	11,154,179,074

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

AIM Industrial Growth Freehold and Leasehold Real Estate Investment Trust**Statement of financial position (continued)****As at 31 December 2023**

		(Unit: Baht)	
	Note	2023	2022
Liabilities			
Payables from interest		25,075,694	15,804,108
Other payables and accrued expenses	17	39,279,512	66,242,586
Provisions	18.4	17,928,794	19,353,025
Lease deposit received and guarantee from lease	17, 18.3	178,414,990	199,872,258
Loans from financial institutions	10	3,464,659,720	3,481,028,296
Total liabilities		3,725,358,710	3,782,300,273
Net assets		7,342,613,642	7,371,878,801
Net assets:			
Capital from trust unitholders	11	6,642,894,176	6,642,894,176
Retained earnings	12	699,719,466	728,984,625
Net assets		7,342,613,642	7,371,878,801
		-	-
Net asset value per unit		12.3305	12.3797
Number of units issued at the end of year (Units)		595,480,769	595,480,769

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

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Directors

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AIM Industrial Growth Freehold and Leasehold Real Estate Investment Trust

Details of investments

As at 31 December 2023

Details of investments classified by asset type

				2023			2022		
Type of investments/ Land title deed	Leasable area	Locations	Factory no. / Warehouse building no. / Tank no.	Cost (Baht)	Fair value (Baht)	Percentage of investments (%)	Cost (Baht)	Fair value (Baht)	Percentage of investments (%)
Investments in properties and leasehold right over properties									
Freehold right of land, cold storage building and cold storage movable assets									
157963	17,562.00 sq.m.	Pacific Cold Storage project Na Dee, Mueang Samut Sakhon, Samut Sakhon	6, 7	804,700,000	955,600,000	8.87	804,700,000	942,100,000	8.75
85905	10,058.00 sq.m.	JWD Pacific project Suwinthawong Road, Khlong Nakhon Nueang Khet, Mueang Chachoengsao, Chachoengsao	-	544,200,000	554,000,000	5.14	544,200,000	558,200,000	5.19
	2,708.40 sq.m.	JWD Pacific project (expansion area) Suwinthawong Road, Khlong Nakhon Nueang Khet, Mueang Chachoengsao, Chachoengsao	-	101,518,751	140,300,000	1.30	101,518,751	141,000,000	1.31
Freehold right of land and warehouse									
85904	9,288.00 sq.m.	Datasafe project Suwinthawong Road, Khlong Nakhon Nueang Khet, Mueang Chachoengsao, Chachoengsao	-	192,100,000	200,300,000	1.86	192,100,000	209,200,000	1.94
128496, 144679	21,651.10 sq.m.	TIP 7 project	PD2	599,000,000	646,300,000	6.00	599,000,000	645,830,000	6.00
128498		Leab Khlong Song Nam Chonlahan Pijit Road,	PD4						
128499		Bang Pla, Bang Phli, Samut Prakan	PD5						
128500			PD6						
3572			PD7						
140207, 162282	34,692.60 sq.m.	TIP 8 project	TIP8-A	998,000,000	1,044,600,000	9.70	998,000,000	1,033,500,000	9.60
162283		Bang Pla, Bang Phli,	TIP8-B						
140208		Samut Prakan	TIP8-C						
140201			TIP8-D						

The accompanying notes are integral part of the financial statements.

AIM Industrial Growth Freehold and Leasehold Real Estate Investment Trust

Details of investments (continued)

As at 31 December 2023

Details of investments classified by asset type

				2023			2022		
Type of investments/ Land title deed	Leasable area	Locations	Factory no. / Warehouse building no. / Tank no.	Cost (Baht)	Fair value (Baht)	Percentage of investments (%)	Cost (Baht)	Fair value (Baht)	Percentage of investments (%)
Investments in properties and leasehold right over properties (continued)									
Freehold right of land, factory and office buildings									
15000	17,120.00 sq.m.	Chewathai Amata City project Mapyangphon, Pluak Daeng, Rayong	7/374-7/378 7/422-7/426	474,611,440	550,600,000	5.11	474,611,440	561,900,000	5.22
3670, 7090, 105539 105540, 122744, 122745 123002, 123003, 129233 129342, 131267, 131268 140202	35,773.65 sq.m.	TIP 5 and TIP 8 project Bang Pla, Bang Phli, Samut Prakan	CA5, CA12-2, CA13 CA14-1, CA14-2, RB16,19 TIP8-E	1,038,000,000	1,016,500,000	9.44	1,038,000,000	1,008,400,000	9.37
55123	43,481.00 sq.m.	MS Warehouse project Bang Sao Thong, Bang Phli, Samut Prakan	MS1, MS2 MS3A, 3B MS4	790,000,000	888,800,000	8.25	790,000,000	893,700,000	8.30
151902	10,955.00 sq.m.	Living and Facilities project Nong Kham, Sriracha, Chonburi	B05	326,870,804	353,500,000	3.28	326,870,804	326,870,804	3.04
Leasehold right of land and warehouse									
30670	14,600.00 sq.m.	Bangkadi Industrial Park project Bangkadi, Mueang Pathum Thani, Pathum Thani	-	300,000,000	315,500,000	2.93	300,000,000	304,800,000	2.83
2896, 2883, 29145 29146, 34252 34256, 57091	38,083.00 sq.m.	Thai Taffeta project Huai Pong, Muang Rayong Rayong	WH06, WH07 WH08 WH09	440,440,271	468,500,000	4.35	440,440,271	478,500,000	4.45

The accompanying notes are integral part of the financial statements.

AIM Industrial Growth Freehold and Leasehold Real Estate Investment Trust

Details of investments (continued)

As at 31 December 2023

Details of investments classified by asset type

Type of investments/ Land title deed			Factory no. / Warehouse building no. / Tank no.	2023			2022		
				Cost	Fair value	Percentage of investments	Cost	Fair value	Percentage of investments
Leasable area	Locations			(Baht)	(Baht)	(%)	(Baht)	(Baht)	(%)
Investments in properties and leasehold right over properties (continued)									
Leasehold right of land and warehouse (continued)									
54023, 54037	55,926.00 sq.m.	Precious Wood Industry project	-	565,466,284	546,200,000	5.07	565,466,284	565,466,284	5.25
54039, 54041		Lan Ta Sao, Wangnoi, Phra Nakhon Si Ayutthaya							
Leasehold right of land, warehouse and liquid chemical storage tanks									
10036, 10037	16,726.00 sq.m. and	SCC project	P1-P9, P301-P326	2,771,057,640	2,763,400,000	25.66	2,771,057,640	2,794,600,000	25.97
12381, 12726	85,580.00 Kilolitre	Pak Khlong Bang Pla Kot (Bang Pla Kot),	P401-P411						
15311, 15870		Mueang Samut Prakan,	501-504, C1-C11						
9355, 11537		Samut Prakan	WH14, WH15						
(Certificate of ownership No.			WH19						
432 - 437, 443, 614, 442 ^(4/5))									
Leasehold right of land, warehouse, factory and office buildings									
26779	6,620.00 sq.m.	JWD Navanakorn project	-	127,884,385	125,400,000	1.16	127,884,385	126,500,000	1.18
		Khlong Nueng, Khlong Luang, Pathum Thani							
Total investments in properties and leasehold right over properties				<u>10,073,849,575</u>	<u>10,569,500,000</u>	<u>98.14</u>	<u>10,073,849,575</u>	<u>10,590,567,088</u>	<u>98.40</u>

The accompanying notes are integral part of the financial statements.

AIM Industrial Growth Freehold and Leasehold Real Estate Investment Trust

Details of investments (continued)

As at 31 December 2023

Details of investments classified by asset type

Type of investments	Maturity date	Interest rate	2023			2022		
			Cost	Fair value	Percentage of investment	Cost	Fair value	Percentage of investment
		(%)	(Baht)	(Baht)	(%)	(Baht)	(Baht)	(%)
Investments in securities								
Fixed deposit with an initial maturity of more than 3 months								
Sumitomo Mitsui Trust Bank (Thai) Public Company Limited	16 February 2023	0.86	-	-	-	25,000,000	25,000,000	0.23
Sumitomo Mitsui Trust Bank (Thai) Public Company Limited	17 March 2023	0.94	-	-	-	47,000,000	47,000,000	0.44
Sumitomo Mitsui Trust Bank (Thai) Public Company Limited	17 March 2023	0.90	-	-	-	40,000,000	40,000,000	0.37
Sumitomo Mitsui Trust Bank (Thai) Public Company Limited	21 April 2023	0.97	-	-	-	15,144,208	15,144,208	0.14
Land and Houses Bank Public Company Limited	28 June 2023	0.80	-	-	-	44,975,251	44,975,251	0.42
Government Housing Bank Public Company Limited	15 March 2024	1.85	35,460,293	35,460,293	0.33	-	-	-
The Siam Commercial Bank Public Company Limited	15 March 2024	1.50	35,000,000	35,000,000	0.32	-	-	-
The Siam Commercial Bank Public Company Limited	28 June 2024	1.50	45,448,969	45,448,969	0.42	-	-	-
Total fixed deposit with an initial maturity of more than 3 months			115,909,262	115,909,262	1.08	172,119,459	172,119,459	1.60
Government bond								
Bank of Thailand	25 January 2024	2.21	83,539,708	83,873,710	0.78	-	-	-
Total government bond			83,539,708	83,873,710	0.78	-	-	-
Total investments in securities			199,448,970	199,782,972	1.86	172,119,459	172,119,459	1.60
Total investments			10,273,298,545	10,769,282,972	100.00	10,245,969,034	10,762,686,547	100.00

The accompanying notes are integral part of the financial statements.

AIM Industrial Growth Freehold and Leasehold Real Estate Investment Trust

Statement of comprehensive income

For the year ended 31 December 2023

		(Unit: Baht)	
	Note	2023	2022
Income			
Rental and services income	17	902,855,354	865,273,535
Interest income	17	5,156,121	2,034,177
Other income		3,866,749	10
Total income		911,878,224	867,307,722
Expenses			
REIT Manager fee	14.1, 17	49,077,176	45,862,306
Trustee fee	14.2, 17	18,007,296	17,054,046
Registrar fee	14.3	1,782,337	1,444,622
Trust's property management fee	14.4, 17	65,887,414	54,024,991
Operating expenses	14.5, 17	79,413,080	64,373,150
Professional fee		2,835,545	3,594,159
Other expenses		8,706,480	3,667,723
Finance cost		160,248,541	110,912,733
Total expenses		385,957,869	300,933,730
Net investment income		525,920,355	566,373,992
Gains (losses) on investments			
Losses on revaluation of investments in securities		(4,402)	-
Gains (loss) on revaluation of investments in properties and leasehold right over properties		(24,013,803)	122,057,783
Net gains (loss) on investments		(24,018,205)	122,057,783
Increase in net assets from operations during the year		501,902,150	688,431,775

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

AIM Industrial Growth Freehold and Leasehold Real Estate Investment Trust**Statement of changes in net assets****For the year ended 31 December 2023**

		(Unit: Baht)	
	Note	2023	2022
Increase (decrease) in net assets from operations			
during the year			
Net investment income		525,920,355	566,373,992
Losses on revaluation of investments in securities		(4,402)	-
Gains (loss) on revaluation of investments in properties and leasehold right over properties		(24,013,803)	122,057,783
Increase in net assets from operations during the year		501,902,150	688,431,775
Distribution to trust unitholders	13	(531,167,309)	(528,784,971)
Increase in net assets during the year		(29,265,159)	159,646,804
Net assets at the beginning of year		7,371,878,801	7,212,231,997
Net assets at the end of year		7,342,613,642	7,371,878,801
		-	-

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

AIM Industrial Growth Freehold and Leasehold Real Estate Investment Trust**Statement of cash flows****For the year ended 31 December 2023**

	(Unit: Baht)	
	2023	2022
Cash flows from operating activities		
Increase in net assets from operations	501,902,150	688,431,775
Adjustments to reconcile increase (decrease) in net assets from operations to net cash provided by (paid from) operating activities:		
Purchase of investment in properties	-	(892,337,088)
Purchases of investments in securities	(669,156,975)	(172,119,459)
Sales and redemption of investment in securities	642,457,655	109,551,476
Recognition of discount on investment in securities	(968,596)	-
Increase in receivables from rental and service	(5,688,199)	(2,775,038)
Increase in other assets	(8,813,716)	(4,939,722)
Increase (decrease) in other payables and accrued expenses	(26,963,074)	28,817,653
Increase (decrease) in provisions	(1,424,231)	6,094,769
Increase (decrease) in lease deposit received and guarantee from lease	(21,457,268)	28,693,913
Finance cost	160,248,541	110,912,733
Interest income	(5,156,121)	(2,034,177)
Losses on revaluation of investments in securities	4,402	-
Gains (loss) on revaluation of investments in properties and leasehold right over properties	24,013,803	(122,057,783)
Cash received from interest	4,955,119	1,887,363
Net cash flows used in operating activities	593,953,490	(221,873,585)

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

AIM Industrial Growth Freehold and Leasehold Real Estate Investment Trust**Statement of cash flows (continued)****For the year ended 31 December 2023**

	(Unit: Baht)	
	2023	2022
Cash flows from financing activities		
Distribution to trust unitholders	(531,167,309)	(528,784,971)
Cash received for loans from financial institutions	-	894,990,217
Cash paid for loans from financial institutions	(17,285,254)	(6,390,000)
Cash paid for fees relating to loans from financial institutions	-	(854,314)
Cash paid on interest	(150,060,276)	(101,454,637)
Net cash flows provided by financing activities	(698,512,839)	257,506,295
Net increase in cash and cash equivalents	(104,559,349)	35,632,710
Cash and cash equivalents at the beginning of year	375,655,867	340,023,157
Cash and cash equivalents at the end of year (Note 8)	271,096,518	375,655,867
	-	-

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

AIM Industrial Growth Freehold and Leasehold Real Estate Investment Trust

Notes to financial statements

For the year ended 31 December 2023

1. General Information

1.1 Description of the Trust

AIM Industrial Growth Freehold and Leasehold Real Estate Investment Trust (“the Trust”) is a real estate investment trust established under the Trust for Transaction in Capital Market Act, B.E.2550 in accordance with the Trust Deed signed on 22 December 2017 between AIM REIT Management Company Limited as the Trust Settlor and SCB Asset Management Company Limited as the Trustee. The Trust was established as a specific closed-end real estate investment trust with an indefinite term. The Trust’s objectives are to mobilize funds raised from investors and loans from financial institutions to invest in the freehold or leasehold right of the immovable assets (including sub-leasehold right of immovable assets) and movable assets which are component parts and equipment of aforesaid immovable assets. Details of the Trust’s investments are as follows.

Real estate	Locations	Real estate possession
Pacific Cold Storage project	Samut Sakhon	Freehold right of land, cold storage building and cold storage movable assets
JWD Pacific project	Chachoengsao	Freehold right of land, cold storage building and cold storage movable assets
Datasafe project	Chachoengsao	Freehold right of land and warehouses
TIP 7 project	Samut Prakan	Freehold right of land and warehouses
JWD Pacific project (expansion area)	Chachoengsao	Freehold right of cold storage building and cold storage movable assets
TIP 8 project	Samut Prakan	Freehold right of land and warehouses
Chewathai Amata City project	Rayong	Freehold right of land, factory, warehouses and office buildings
SCC project	Samut Prakan	Leasehold right of land, liquid chemical storage tanks, warehouses and other utilities for a period of 30 years (ending on 8 August 2049)
Bangkadi Industrial Park project	Pathum Thani	Leasehold right of land, factory and warehouse for a period of 30 years (ending on 8 August 2049)

Real estate	Locations	Real estate possession
JWD Navanakorn project	Pathum Thani	Leasehold right of land, warehouse, factory and office buildings for a period of 30 years (ending on 21 April 2051)
TIP 5 and TIP 8 project	Samut Prakan	Freehold right of land, factory, warehouses and office buildings
Thai Taffeta project	Rayong	Leasehold right of land, factory and warehouse for a period of 30 years (ending on 28 July 2051)
MS Warehouse project	Samut Prakan	Freehold right of land, factory, warehouses and office buildings
Living and Facilities project	Chonburi	Freehold right of land, factory, warehouses and office buildings
Precious Wood Industry project	Pha Nakhon Si Ayutthaya	Leasehold right of land, factory and warehouse for a period of 30 years (ending on 28 December 2052)

The Stock Exchange of Thailand (“SET”) approved the listing of the Trust’s investment trusts and permitted their trading from 9 January 2018 onwards.

AIM REIT Management Company Limited acts as REIT Manager, SCB Asset Management Company Limited acts as Trustee and Ngarn Somboon Company Limited, The Siam Chemicals Public Company Limited, Bangkadi Industrial Park Company Limited, Chewathai Public Company Limited, Benjaporn Land Company Limited, Thai Taffeta Company Limited, Monta & Associates Company Limited, Pinthong Industrial Park Public Company Limited and Team B Management Company Limited acts as Property Manager of TIP 5 project, TIP 7 - 8 projects, SCC project, Bangkadi Industrial Park project, Chewathai Amata City project, JWD Navanakorn project, Thai Taffeta project, MS Warehouse project, Living and Facilities project and Precious Wood Industry project, respectively.

1.2 Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 pandemic is impacting most of business and industries. This situation may bring uncertainties and have impact on the environment in which the Trust operates. REIT Manager has continuously monitored developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgements in respect of various issues as the situation has evolved.

1.3 The Conversion of Pinthong Industrial Park Property Fund

On 27 September 2023, the Extraordinary General Meeting of Trust unitholders No. 1/2023 approved the support of the Conversion of Pinthong Industrial Park Property Fund (“PPF”), the conversion plan, the receiving of transfer of the Assets and Liabilities of PPF and the payment of consideration to PPF in trust units and in cash, at a swap ratio of 1 investment unit of PPF per 0.8731 trust unit of AIMIRT, and in cash of Baht 0.75 per investment unit of PPF. The swap ratio of investment units and Trust units will remain constant and will not be varied by fluctuations in the market prices of the Trust units of the Trust and the investment units of PPF. However, if applicable laws concerning the Fee Reduction for the Conversion have not yet become effective by 30 June 2024, the REIT Manager reserves the right to consider proceeding with the Conversion of PPF without receiving any benefits from the Fee Reduction for the Conversion. The transfer of assets and liabilities from PPF to the Trust is expected to occur either in the third or fourth quarter of 2024.

At present, the trust manager is in the process of seeking approval for the conversion from the Securities and Exchange Commission.

2. Distribution policy

The Trust has a policy to pay distributions as follows:

- 2.1** REIT Manager shall distribute to trust unitholders at least 90% of the adjusted net profit for the accounting period, comprising the year-end distribution and the interim distribution (if any). REIT Manager shall pay distributions to trust unitholders no more than 4 times in each accounting period, except in the event of a capital increase, when the Trust may pay more than 4 times in an accounting period in the best interests of trust unitholders holding trust units prior to the capital increase.

The Adjusted net profits means the net profits after reserves, which are adjusted for the following purposes:

- (1) Repair, maintenance, or improvement of the REIT’s real estate in accordance with the plan clearly specified in the information disclosure form and the prospectus, annual information disclosure form, annual report, or the notification given in advance by the REIT manager to the unitholders.
- (2) Repayment of loans or settlement of obligations arising from borrowings of the REIT in accordance with the credit limit stated in the information disclosure form and prospectus, annual report, or the notification given in advance by the REIT manager to the unitholders.
- (3) Payment of consideration to preference unitholders (if any).

- 2.2** If the Trust has accumulated profit that is based on the adjusted annual net profit of the Trust, in accordance with the above information for any accounting period, REIT Manager may pay distributions to trust unitholders from such retained earnings.
- 2.3** If the Trust has accumulated losses, REIT Manager will not make any distributions to trust unitholders.

With respect to distribution payment, if the amount of the distribution per unit to be paid is lower or equivalent to Baht 0.10, REIT Manager reserves the right not to pay a distribution at that time and to carry forward such distribution to be paid together with the following distribution.

3. Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Accounting Guidance for Property Funds, Real Estate Investment Trusts, Infrastructure Funds and Infrastructure Trusts issued by the Association of Investment Management Companies and approved by the Securities and Exchange Commission of Thailand.

The financial statements in Thai language are the official statutory financial statements of the Trust. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

4. Significant accounting policies

4.1 Revenues and expenses

Rental and service income

Rental income from investment in immovable and movable properties is recognised in the statement of comprehensive income on a straight-line basis over the term of the lease. Service income is recognised on an accrual basis.

Interest income and finance costs

Interest income and finance costs are recognised on an accrual basis based on the effective interest rate.

Expenses

Expenses are recorded on an accrual basis.

4.2 Financial instruments

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at fair value through profit or loss. Transaction costs directly attributable to the acquisition are recognised in profit or loss when it occurs.

Financial assets measured at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

Investments in securities at fair value through profit or loss

The Trust has classified investment in securities as the financial assets measure at fair value through profit or loss.

The weighted average method is used for computation of the cost of investments.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

Classification and measurement of financial liabilities

At initial recognition the Trust's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the Effective Interest Rate ("EIR") method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Trust takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Trust has transferred substantially all the risks and rewards of the asset, or the Trust has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Write-off

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

4.3 Investments in properties and leasehold right over properties at fair value

Investments are recognised as assets at cost on the date which the Trust has rights on investments.

Cost of investments comprises the purchase prices and all direct expenses which the Trust paid to acquire such investments.

Investment in properties and leasehold right over properties are presented at fair value without depreciation.

REIT Manager determined their fair values of investment based on the appraisal value assessed by an independent appraiser approved by the Thai Valuers Association and the Valuers Association of Thailand (Pursuant to the Notification of the Securities and Exchange Commission concerning the granting of approval of valuation companies and principle valuers for public use).

Gain or loss on revaluation of investments in properties and leasehold right over properties are presented as net gain or loss on investments in the statement of comprehensive income.

4.4 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.5 Deferred expenses

Deferred expenses or costs of issuing equity comprise the actual payment of other expenses in issuance and offering trust investments unit which are underwriting fee of investment trust unit, legal advisor fees and other expense directly attributable to the issuance and offering trust investments unit. Deferred expenses occurring before 1 January 2020 are being amortised over a remaining period of no longer than 5 years. Any costs of issuing equity related to transactions occurring after 1 January 2020 are presented as deductions from the capital from trust unitholders.

4.6 Related party transactions

Related parties of the Trust comprise individuals or enterprises that control, or are controlled by, the Trust, whether directly or indirectly, or which are under common control with the Trust.

They also include REIT Manager, Trustee and their related parties and included associated companies and individuals or enterprises which directly or indirectly own a voting interest in the Trust that gives them significant influence over the Trust, key management personnel and directors of REIT Manager with authority in planning and directing the Trust's operations.

The relationships of related parties are as follows:

Related parties	Relationship
AIM REIT Management Company Limited	REIT Manager
SCB Asset Management Company Limited	Trustee
The Siam Commercial Bank Public Company Limited	Parent company of Trustee
Ngarn Somboon Company Limited	Property Manager of TIP 5 project, TIP 7 project and TIP 8 project
The Siam Chemicals Public Company Limited	Property Manager of SCC project
Bangkadi Industrial Park Company Limited	Property Manager of Bangkadi Industrial Park project
Chewathai Public Company Limited	Property Manager of Chewathai Amata City project
Banjaporn Land Company Limited	Property Manager of JWD Navanakorn project
Thai Taffeta Company Limited	Property Manager of Thai Taffeta project
Monta & Associates Company Limited	Property Manager of MS Warehouse
SFC Excellence Company Limited	Subsidiary company of Property Manager of SCC project
Toshiba Thailand Company Limited	Having common shareholder with the Property Manager of Bangkadi Industrial Park project
KNS Logistics Service Company Limited	Having common shareholder with the Property Manager of Bangkadi Industrial Park project
Tip Holding Company Limited	Related party of Property Manager of TIP 5 project, TIP 7 project and TIP 8 project
SCG JWD Logistics Public Company Limited	Parent company of Property Manager of JWD Navanakorn project

Related parties	Relationship
Pinthong Industrial Park Public Company Limited	Property Manager of Living and Facilities project
Living and Facilities Company Limited	Having common shareholder with the Property Manager of Living and Facilities project
Team B Management Company Limited	Property Manager of Precious Wood Industry project
Precious Wood Industry Company Limited	Having common shareholder with the Property Manager of Precious Wood Industry project

4.7 Distribution to unitholders

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

4.8 Income tax

The Trust has no corporate income tax liability since it is exempted from corporate income tax in Thailand.

4.9 Provisions

Provisions are recognised when the Trust has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.10 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Trust applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Trust measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Trust determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with the Accounting Guidance at times requires REIT Manager to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

5.1 Fair value of investments in properties and leasehold right over properties

As at the statement of financial position date, the Trust measured value of investments in properties and leasehold right over properties at fair value. The fair value is estimated based on appraisal value which appraised by independent appraiser. The independent appraiser/financial adviser value the investments using Income Approach because they are revenue generating assets and there is no direct market price that could be used to apply a comparative approach. The key assumptions used in estimating the fair value are occupancy rate, rental rate, growth rate, discount rate, capitalisation rate and related expenses.

5.2 Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, REIT Manager exercises judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk, liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

6. Investments in securities at fair value through profit or loss

Movements of investments in securities are summaries below:

	(Unit: Thousand Baht)	
	2023	2022
Carrying amount at the beginning of year	172,119	109,551
Purchase of investment	669,157	172,119
Sales/Redemption at maturity	(642,458)	(109,551)
Recognition of discount on investment	969	-
Net unrealised loss on revaluation of investment	(4)	-
Carrying amount at the end of year	199,783	172,119

7. Investments in properties and leasehold right over properties at fair value

Investments in properties and leasehold rights over properties including related movable properties as at 31 December 2023 and 2022, are as follows:

		(Unit: Thousand Baht)			
		2023		2022	
	Investment date	Cost	Fair value	Cost	Fair value
<u>Freehold</u>					
Pacific Cold Storage project	26 December 2017	804,700	955,600	804,700	942,100
JWD Pacific project	26 December 2017	554,200	554,000	544,200	558,200
Datasafe project	26 December 2017	192,100	200,300	192,100	209,200
TIP 7 project	26 December 2017	599,000	646,300	599,000	645,830
JWD Pacific project (expansion area)	21 December 2018	101,519	140,300	101,519	141,000
TIP 8 project	9 August 2019	998,000	1,044,600	998,000	1,033,500
Chewathai Amata City project	20 August 2020	474,611	550,600	474,611	561,900
TIP 5 and TIP 8 project	29 July 2021	1,038,000	1,016,500	1,038,000	1,008,400
MS Warehouse project	9 September 2021	790,000	888,800	790,000	893,700
Living and Facilities project	5 May 2022	326,871	353,500	326,871	326,871
<u>Leasehold</u>					
SCC project	9 August 2019	2,771,058	2,763,400	2,771,058	2,794,600
Bangkadi Industrial Park project	9 August 2019	300,000	315,500	300,000	304,800
JWD Navanakorn project	22 April 2021	127,885	125,400	127,885	126,500
Thai Taffeta project	29 July 2021	440,440	468,500	440,440	478,500
Precious Wood Industry project	29 December 2022	565,466	546,200	565,466	565,466
Investments in properties and leasehold right over properties		10,073,850	10,569,500	10,073,850	10,590,567

As at 31 December 2023, the Trust has assignment agreement under insurance contract, and assignment of proceeds agreement under lease agreements and undertaking agreement to secure loans from financial institutions. Moreover, land and buildings of Pacific Cold Storage project, JWD Pacific project (including expansion area), TIP 5 project, TIP 7 project, TIP 8 project, Datasafe project, Chewathai Amata City project, Living and facilities project and MS Warehouse project have been mortgaged to secure loans from financial institutions. In addition, the Trust pledged the leasehold right in SCC project, Bangkadi Industrial Park project and JWD Navanakorn project as business collateral to secure loans from financial institutions.

Reconciliation of book value of investments in properties and leasehold right over properties are as follows:

	(Unit: Thousand Baht)	
	2023	2022
Carrying amount at the beginning of year	10,590,567	9,570,625
Purchase of investments	-	892,337
Income not yet due	2,947	5,547
Net gains (loss) on revaluation of investments in properties and leasehold right over properties	(24,014)	122,058
Carrying amount at the end of year	10,569,500	10,590,567

As at 31 December 2023 and 2022, the Trust estimated fair value of investments in properties and leasehold rights over properties including related movable properties amounting to Baht 10,570 million (cost of Baht 10,074 million) and Baht 10,591 million (cost of Baht 10,074 million), respectively, which has determined based on appraisal value appraised by an accredited independent valuer, using the Income Approach. The main assumptions used in the valuation are occupancy rate, rental rate, rental growth rate, discount rate, capitalisation rate and other related expenses.

Key assumption used in the valuation of assets assessed under Income Approach and their related impact to fair value of investment in immovable and movable properties when assumptions change are summarised below:

Assumptions	Rate		Impact to fair value when there is an increase in assumption value
	2023	2022	
Occupancy rate (%)	90.0 – 100.0	85.0 - 100.0	Increase in fair value
Rental growth rate (% per annum)	0.0 – 2.5	0.0 - 3.0	Increase in fair value
Discount rate (%)	9.0- 10.0	9.0 - 9.5	Decrease in fair value
Capitalisation rate (%)	6.5	6.5 - 7.0	Decrease in fair value

7.1 Information regarding purchase and sale of investments in properties and leasehold right over properties and investments in securities

The Trust has investment trading transactions during the year, excluding bank deposits and investments in promissory notes, amounted to Baht 84 million which was accounted for 1.14% of the average net asset value during the year (2022: Baht 892 million at the rate of 12.26% of the average net asset value during the year).

8. Cash and cash equivalents

As at 31 December 2023 and 2022, the Trust has the detail of cash and cash equivalents as follows:

	2023		2022	
	Balance	Interest rate	Balance	Interest rate
	(Thousand Baht)	per annum (%)	(Thousand Baht)	per annum (%)
Cash at Banks				
Savings accounts	61,207	0.50 – 0.55	122,289	0.25 - 0.30
Fixed deposits with an initial maturity within 3 months	209,889	1.25 – 1.80	253,367	0.25 - 0.92
Cash and cash equivalents	<u>271,096</u>		<u>375,656</u>	

9. Receivables from rental and service

The outstanding balances of receivables from rental and service as at 31 December 2023 and 2022 are aged on the basis of due dates as follows:

Aged on the basis of due dates	(Unit: Thousand Baht)	
	2023	2022
Receivables from rental and service - related parties		
Not yet due	4,494	9,081
Past due up to 3 months	7,551	-
Total receivables from rental and service - related parties	<u>12,045</u>	<u>9,081</u>
Receivables from rental and service - unrelated parties		
Not yet due	2,173	2,939
Past due up to 3 months	4,505	626
Past due over 3 months	6	395
Total receivables from rental and service - unrelated parties	<u>6,684</u>	<u>3,960</u>
Total receivables from rental and service	<u>18,729</u>	<u>13,041</u>

10. Loans from financial institutions

(Unit: Thousand Baht)

	2023	2022
Carrying amount at the beginning of year	3,486,129	2,597,529
Additional loans from financial institutions	-	894,990
Repayment	(17,285)	(6,390)
Carrying amount at the end of year	3,468,844	3,486,129
Less: Deferred interest expenses	(4,184)	(5,101)
Total	3,464,660	3,481,028

Loans	Amount (Thousand Baht)		Interest (% per year)	Repayment
	2023	2022		
Loan 1)	411,177	411,177	MLR minus fixed rate per annum	The interest is payable on a monthly basis and the principal is to be settled within 5 years from the first drawdown date
Loan 2)	477,962	477,962	MLR minus fixed rate per annum	The interest is payable on a monthly basis and the principal is to be settled within 5 years from the first drawdown date
Loan 3)	130,390	130,390	MLR minus fixed rate per annum	The interest is payable on a monthly basis and the principal is to be settled within 10 years from the first drawdown date
Loan 4)	1,258,830	1,271,610	Fixed rate per annum for the first two years and to be increased by 0.50% per annum for the remaining periods	The interest is payable on a monthly basis and the principal is to be settled within 10 years from the first drawdown date
Loan 5)	300,000	300,000	Fixed rate per annum for the first two years and MLR minus fixed rate per annum for the remaining periods	The interest is payable on a monthly basis and the principal is to be settled within 6 years from the first drawdown date
Loan 6)	327,264	328,939	Fixed rate per annum for the first two years and to be increased by 0.50% per annum for the remaining periods	The interest is payable on a monthly basis and the principal is to be settled within 10 years from the first drawdown date
Loan 7)	563,221	566,051	MLR minus fixed rate per annum	The interest is payable on a monthly basis and the principal is to be settled within 10 years from the first drawdown date
	3,468,844	3,486,129		

The loans are secured by assignment agreement under insurance contract, assignment of proceeds agreement under lease agreement and undertaking agreement, the mortgage of land and buildings, and the Trust has pledged leasehold right to register business collateral agreements as detailed in Note 7.

The loan agreements contain covenants which, among other things, require the Trust to maintain financial ratios such as Interest Bearing Debt to Total Asset Value Ratio and Interest Bearing Debt to EBITDA Ratio.

11. Capital from trust unitholders

As at 31 December 2023, there were 595.48 million units of registered, issued and paid up trust units, with the par value of Baht 10 each (2022: 595.48 million units). During the year ended 31 December 2023, there were no changes in the capital from trust unitholders.

The transactions of capital from trust unitholders are summarised below:

	2023			2022		
	Trust Unit offering price (Baht)	Number (Thousand units)	Amount (Thousand Baht)	Trust Unit offering price (Baht)	Number (Thousand units)	Amount (Thousand Baht)
Trust set up in 2017	10.0	155,000	1,550,000	10.0	155,000	1,550,000
1 st capital increase in 2019	11.5	271,250	3,119,375	11.5	271,250	3,119,375
2 nd capital increase in 2021	11.7	169,231	1,973,519	11.7	169,231	1,973,519 ⁽¹⁾
Total		595,481	6,642,894		595,481	6,642,894

⁽¹⁾ Net of related expenses of approximately Baht 6 million.

12. Retained earnings

	(Unit: Thousand Baht)	
	2023	2022
Carrying amount of the beginning of year	728,985	569,338
Net investment income	525,920	566,374
Losses on revaluation of investments in securities	(4)	-
Gains (loss) on revaluation of investments in properties and leasehold right over properties	(24,014)	122,058
Distribution to trust unitholders	(531,167)	(528,785)
Carrying amount of the end of year	699,720	728,985

13. Distribution to trust unitholders

Distribution paid during the years ended 31 December 2023 and 2022 are as follows.

Approved date	The operation result for the periods	Per unit (Baht)	Total (Thousand Baht)
14 November 2023	1 July 2023 to 30 September 2023	0.2230	132,792
11 August 2023	1 April 2023 to 30 June 2023	0.2230	132,792
15 May 2023	1 January 2023 to 31 March 2023	0.2230	132,792
28 February 2023	1 October 2022 to 31 December 2022	0.2230	132,792
For the year ended 31 December 2023		0.8920	531,168
14 November 2022	1 July 2022 to 30 September 2022	0.2230	132,791
10 August 2022	1 April 2022 to 30 June 2022	0.2225	132,494
13 May 2022	1 January 2022 to 31 March 2022	0.2215	131,899
28 February 2022	1 October 2021 to 31 December 2021	0.2210	131,601
For the year ended 31 December 2022		0.8880	528,785

14. Expenses

14.1 REIT Manager fee

REIT Manager is entitled to REIT Manager's fee (exclusive of value added tax or any other similar taxes) from the Trust, as detailed below:

- (1) A base fee, paid monthly and calculated at a rate not exceeding 0.75% per annum on the Trust's total asset value, as specified in the agreement.
- (2) An acquisition fee which is calculated at a rate not exceeding 3.00% on the total asset value acquired by the Trust in each period and a disposal fee which is calculated at a rate not exceeding 3.00% on lower of the total asset value disposed by the Trust in each period and the appraisal value assessed by an independent appraiser approved by the Securities and Exchange Commission.

14.2 Trustee's fee

Trustee is entitled to monthly remuneration at a rate not exceeding 1.00% per annum of the Trust's total asset value (exclusive of value added tax or any other similar taxes) as calculated by REIT Manager and verified by Trustee, as specified in the agreement.

14.3 Registrar's fee

Operating expenses of the Trust Unit Registrar is monthly charged based on actual cost incurred.

14.4 Trust's property management fee

REIT Manager is entitled to Trust's property management fee (exclusive of value added tax or any other similar taxes) from the Trust, as detailed below:

- (1) A property management fee, paid monthly and calculated at a rate not exceeding 2.75% per annum on the Trust's net revenue from rent and services.
- (2) An incentive fee, paid monthly and calculated at a rate not exceeding 4.00% per annum on profit from operations of core assets of the Trust.
- (3) A commission fee from renewal of the rental and services agreement by retail tenants and provision of new retail tenants for vacant units, calculated not exceeding 1 month rental and service fee as specified in the rental and services agreement receivable from retail tenants.

14.5 Operating expenses

Operating expenses of the Trust include common area fee, insurance expense, property tax and other operational expense.

15. Payment guarantee on rental fee

Payment guarantee for Pacific Cold Storage project, JWD Pacific project, Datasafe project and JWD Pacific project (expansion area).

SCG JWD Logistics Public Company Limited agreed to be bound as a guarantor of income that the Trust will receive from lessee and as a joint debtor of lessee based on credit limit and period specified in rental and service agreement and undertaking agreement. Over the lease period, if the lessee under lease agreement could not make payment nor full payment for rental fees as specified in the agreement, SCG JWD Logistics Public Company Limited agreed to make payment for such undue rental fees or partial rental fees until the Trust receive full payment as specified in the agreement.

16. Risk preventive on rental and service fee

Chewathai Public Company Limited agreed to pay for the deficit portion of the annual rental fees to the Trust on a quarterly basis if actual rental fees of the Trust in Chewathai Amata City project is lower than expected total annual rental fees for 3 years starting from the date of ownership transfer (ending in August 2023). Total expected annual rental fees of the Trust will be as specified in the agreement.

SCG JWD Logistics Public Company Limited agreed to pay for the deficit portion of the annual rental fees to the Trust on a quarterly basis if actual rental fees of the Trust in JWD Navanakorn project is lower than expected total annual rental fees for 3 years starting from the date of ownership transfer (ending in April 2024). Total expected annual rental fees of the Trust will be as specified in the agreement.

Thai Taffeta Company Limited agreed to enter into a space lease agreement for sublease of any leased property within the Thai Taffeta project with no tenants or the lease agreement expires from the Trust for 3 years starting from the date of ownership transfer (ending in July 2024).

Living and Facilities Company Limited agreed to lease the factory area of Leased Building 1 and the vacant area from the Trust for the lease term starting from the date that the lease and service agreement was made with Furukawa or Furukawa Automotive Systems (Thailand) Company Limited to the expiration date (ending in April 2029).

Precious Wood Industry Company Limited agreed to enter into an area lease agreement with Unicabinet to sublease the area under the lease agreement and service agreement for the unoccupied area according to the lease period. However, the maximum lease period is not to exceed 15 years from the lease start date (ending in December 2037). Total expected annual rental fees of the Trust will be as specified in the agreement.

17. Related party transactions

During the year, the Trust had significant business transactions with its related parties, which have been agreed upon in the ordinary course of business between the Trust and the related parties. The pricing policy no significant changes in the pricing policy in the year as follows:

	2023	2022	(Unit: Thousand Baht) Transfer Pricing Policy
Rental and services income	262,950	242,969	Contract price
Interest income	1,096	130	Market rate
REIT Manager fee			
Base fee	49,077	45,862	As detailed in Note 14.1
Assets acquisition fee	-	27,187	As detailed in Note 14.1
Trustee fee	18,007	17,054	As detailed in Note 14.2
Trust's property management fee			
Management fee	24,697	22,652	As detailed in Note 14.4
Incentive fee	33,731	29,503	As detailed in Note 14.4
Commission fee	7,459	1,869	As detailed in Note 14.4
Operating expenses			
Common fee	8,309	6,079	As detailed in Note 14.5
Other operational expense	25,370	24,799	As detailed in Note 14.5

As at 31 December 2023 and 2022, the Trust has the following significant outstanding balances with its related parties as follows:

	(Unit: Thousand Baht)	
	2023	2022
Cash and cash equivalents	92,207	122,289
Receivables from interest	142	5
Receivables from rental and services	12,045	9,081
Other payables and accrued expenses	15,602	24,171
Lease deposit received and guarantee from lease	31,304	44,589

18. Commitments and contingent liabilities

18.1 The Trust is committed to pay fees to counterparties under the terms and conditions as described in Note 14.

18.2 As at 31 December 2023, the Trust has commitments related to its leased properties, whereby it has to pay project operation expenses amounted to Baht 25 million within 1 year and amount not less than Baht 25 million per year payable in 2 - 26 years, ending in August 2049.

18.3 The Trust is committed to deliver net investment income which incurred from lease deposit received and guarantee from lease due from JWD Pacific project to lessees and a party at the same amount the Trust received. As at 31 December 2023, the Trust has net investment income to be delivered of Baht 2 million (2022: Baht 1.5 million).

18.4 Under the lease agreement, the Trust has obligation to reserve fund for repair and maintenance to be paid for the cold storage buildings of Pacific Cold Storage project, JWD Pacific project, JWD Pacific project (expansion area) and SCC project. The Trust has reserved fund for repair and maintenance starting from 2019 onwards (for SCC project, starting in August 2019 onwards).

18.5 As at 31 December 2023, the Trust has commitments related to services, whereby it has to pay expenses amounted to Baht 0.5 million within 1 year.

18.6 Guarantees

As at 31 December 2023, there were outstanding bank guarantees of approximately Baht 1.6 million issued by bank on behalf of the Trust in respect of electricity usage. (2022: Baht 1.4 million)

19. Segment information

Operating segment information is reported in a manner consistent with the Trust's internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The one main reportable operating segment of the Trust is to provide the rental services on the properties in which the Trust invested. The Trust has single geographical area of its operations which is Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment and geographical area.

During the year end 31 December 2023, the Trust has revenue from 1 major customers in amounts of Baht 89 million, which were arising from the rental and services provided on the investment properties (2022: 1 major customers in amounts of Baht 111 million).

20. Risk management

Financial risk management objectives and policies

The Trust's financial instruments principally comprise investments in securities at fair value through profit or loss, cash and cash equivalents, receivables from rental and service and loans from financial institutions. The financial risks associated with these financial instruments and how they are managed is described below.

20.1 Credit risk

The Trust is exposed to credit risk primarily with respect to receivables from rental and service, and deposits with banks. The maximum exposure to credit risk is stated in the statement of financial position.

Receivables from rental and service

REIT manager manages the risk by requiring its customers to pay rental and services fee in advance, and collection of lease deposit and guarantee from lease. In addition, the Trust is entitled from payment guarantee and risk preventive on rental and services fee. Therefore, the Trust does not expect to incur material financial losses on credit risk.

Deposits with banks

The credit risk on deposits with banks and investments in debt securities is limited because the Trust deposits are with only banks having high credit-ratings assigned by credit-rating agencies.

20.2 Market risk

The Trust has market risk relating to interest rate risk that the Trust manage its risk exposure as follows.

Interest rate risk

The Trust's exposure to interest rate risk relates primarily to its investments in securities at fair value through profit or loss, cash and cash equivalents and loans from financial institutions. The Trust selects investments by analysing financial performance information and regularly monitor the news to make decision on investments. In addition, to design appropriate measure to accommodate the risk, the Trust monitors economic conditions, developments in the money market and capital market, and interest rate trend.

Significant financial assets and liabilities classified by type of interest rates are summarised in the table below.

(Unit: Million Baht)

	2023				Effective interest rate (% p.a.)
	Floating interest rate	Fixed interest rate	No interest rate	Total	
Financial assets					
Investments in securities at fair value					
through profit or loss	-	200	-	200	1.00 - 2.21
Cash and cash equivalents	61	210	-	271	0.50 - 1.80
Financial liabilities					
Loans from financial institutions	1,886	1,583	-	3,469	3.98 - 5.74

(Unit: Million Baht)

	2022				Effective interest rate (% p.a.)
	Floating interest rate	Fixed interest rate	No interest rate	Total	
Financial assets					
Investments in securities at fair value					
through profit or loss	-	172	-	172	0.80 - 0.97
Cash and cash equivalents	122	254	-	376	0.25 - 0.92
Financial liabilities					
Loans from financial institutions	1,886	1,600	-	3,486	3.39 - 4.46

Interest rate sensitivity

The following table demonstrates the sensitivity of the Trust's profit to a reasonably possible change in interest rates on that portion of floating rate of loans from financial institutions affected as at 31 December 2023.

	Interest rate	Effect on profit
	Increase/(decrease)	Increase/(decrease)
	(%)	(Million Baht)
Loans from financial institutions	0.5	(17.3)
	(0.5)	17.3

The above sensitivity analysis has been prepared based on assumptions that amount of loans, and all other variable remain constant over one year. As at result, a change in interest rate will a effect on the full 1 year period of sensitivity calculation. This information is not a forecast or prediction of future market conditions.

20.3 Liquidity risk

Liquidity risk is the risk that the Trust will be unable to liquidate financial assets and/or procure sufficient funds to discharge obligations in a timely manner, resulting in a financial loss.

The Trust manages liquidity risk through monitoring and planning of their cash flows in order to ensure that they will have sufficient funds for their operations.

The table below summarises the maturity profile of financial instruments as at 31 December 2023 and 2022 based on contractual undiscounted cash flows:

	(Unit: Million Baht)				
	2023				
	At call	Within 1 year	1 - 5 years	Over 5 years	Total
Financial assets					
Investments in securities at fair value through profit or loss	-	200	-	-	200
Cash and cash equivalents	61	210	-	-	271
Financial liabilities					
Loans from financial institutions	-	37	1,872	1,560	3,469
	(Unit: Million Baht)				
	2022				
	At call	Within 1 year	1 - 5 years	Over 5 years	Total
Financial assets					
Investments in securities at fair value through profit or loss	-	172	-	-	172
Cash and cash equivalents	122	254	-	-	376
Financial liabilities					
Loans from financial institutions	-	-	1,189	2,297	3,486

21. Capital management

The primary objectives of the Trust's capital management are to maintain its ability to continue as a going concern and to maintain an appropriate capital structure in order to pay distribution to trust unitholders in accordance with the Trust's establishment term.

22. Fair value hierarchy information and fair value of investments and financial instruments

The fair value is determined by reference to the market price of the financial instruments or by using an appropriate valuation technique, depending on the nature of the instrument.

As at 31 December 2023 and 2022, the Trust had investments that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)				
2023				
	Level 1	Level 2	Level 3	Total
Investments in securities at fair value through profit or loss				
Fixed deposit with an initial maturity of more than 3 months	-	116	-	116
Investments in properties and leasehold right over properties at fair value	-	-	10,570	10,570

(Unit: Million Baht)				
2022				
	Level 1	Level 2	Level 3	Total
Investments in securities at fair value through profit or loss				
Fixed deposit with an initial maturity of more than 3 months	-	172	-	172
Investments in properties and leasehold right over properties at fair value	-	-	10,591	10,591

Moreover, the Trust has other financial instruments which are short-term in nature or carrying interest rate close to the market interest rate. The Trust estimates their fair value approximate to their carrying value presented in the statement of financial position.

The methods and assumptions used by the Trust in estimating the fair value of investments and financial instrument are as follows:

- The fair value of investments in open-end fund are based on net asset value of investment units which the REIT Manager considers to be the nearest equivalent to fair value.

- b) Investments in properties and leasehold right over properties at fair value based on model and assumptions that is estimated their fair value as described in Note 7.
- c) Fixed deposit including other financial assets and liabilities which have short-term maturity, their carrying amount in the statement of financial position approximate their fair value.
- d) Long-term loans carrying floating interest rate and long-term loans carrying fixed interest rate comparable to market rate, their carrying amount in the statement of financial position approximate their fair value.

During the year, the trust has not changed the methods and assumptions used in estimating the fair value of financial instruments and there was no transfer within the fair value hierarchy. The movements of financial assets measuring fair value regularly and having the fair value hierarchy ranked level 3 are described in Note 7.

23. Event after the reporting period

At the Board of Directors Meeting of REIT Manager No.1/2024 held on 28 February 2024, the Board of Directors has passed resolution approving the appropriation of distribution of Baht 0.2150 per unit trust which will be paid from operation results for the period as from 1 October 2023 to 31 December 2023 the distribution will be paid on 28 March 2024.

24. Approval of financial statements

These financial statements were authorised for issue by REIT Manager's Board of Directors on 28 February 2024.