

Impact Growth Real Estate Investment Trust
Report and interim financial statements
For the period as from 22 September 2014
(date of incorporation) to 30 September 2014

Independent Auditor's Report on Review of Interim Financial Information

To the Unitholders of Impact Growth Real Estate Investment Trust

I have reviewed the accompanying balance sheet, including detail of investments as at 30 September 2014, the related statement of income, the statement of changes in net assets, cash flows and significant financial information for the period as from 22 September 2014 (date of incorporation) to 30 September 2014, as well as the condensed notes to the financial statements of Impact Growth Real Estate Investment Trust. The Manager of the Trust is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

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

Conclusion

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

Ratana Jala

Certified Public Accountant (Thailand) No. 3734

EY Office Limited

Bangkok: 14 November 2014

(Unaudited but reviewed)

Impact Growth Real Estate Investment Trust

Balance sheet

As at 30 September 2014

	<u>Note</u>	<u>30 September 2014</u>
(Unit: Thousand Baht)		
Assets		
Investments in properties at fair value (At cost: Baht 19,601 million)	6	19,601,156
Cash and cash at bank	7	210,548
Receivables		
From service	8	1,394
From interest		1,150
Prepaid expenses		13,612
Other assets		2,149
Total assets		<u>19,830,009</u>

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

(Unaudited but reviewed)

Impact Growth Real Estate Investment Trust

Balance sheet (continued)

As at 30 September 2014

	<u>Note</u>	<u>30 September 2014</u>
(Unit: Thousand Baht)		
Liabilities		
Other payables		6,607
Accrued expenses		12,547
Other current liabilities		10,973
Unearned income		176,356
Security deposits		8,259
Long-term loans	9	<u>3,900,000</u>
Total liabilities		<u>4,114,742</u>
Net assets		<u>15,715,267</u>
Net assets:		
Trust registered		
1,482,500,000 units of Baht 10.6 each		<u>15,714,500</u>
Capital from unitholders		
1,482,500,000 units of Baht 10.6 each	10	15,714,500
Retained earnings		<u>767</u>
Net assets		<u>15,715,267</u>
Net asset value per unit (Baht)		10.6005
Number of units issued at the end of period (Thousand units)		1,482,500

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

Colonel Phichai Namsirikul

Director

Mr. Naputt Assakul

Director

(Unaudited but reviewed)

Impact Growth Real Estate Investment Trust

Detail of investments

As at 30 September 2014

Detail of investments classified by asset classes.

Type of investments	Areas held by the Trust	Cost (Thousand Baht)	Fair value (Thousand Baht)	Percentage of investment
Investments in properties (Note 6)				
IMPACT Arena, Exhibition and Convention Center, Muang Thong Thani				
<u>Location:</u> Banmai sub-district, Pakkred district, Nonthaburi 11120	192-2-88.6 rai / 165,606 sq.m.	19,601,156	19,601,156	100.00
Total investments in properties		19,601,156	19,601,156	100.00
Total investments		19,601,156	19,601,156	100.00

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

(Unaudited but reviewed)

Impact Growth Real Estate Investment Trust

Statement of income

For the period as from 22 September 2014 (date of incorporation) to 30 September 2014

	<u>Note</u>	<u>to 30 September 2014</u>
(Unit: Thousand Baht)		
For the period as from		
22 September 2014		
(date of incorporation)		
	<u>Note</u>	<u>to 30 September 2014</u>
Investment income		
Service income		4,020
Interest income	12	1,150
Other income		764
Total income		5,934
Expenses		
Cost of service		534
REIT management fee	11.1, 12	1,222
Trustee's fee	11.2, 12	1,467
Registrar's fee	11.3	89
Property management fee	11.4, 12	94
Professional fees		92
Administration expenses		591
Finance cost		1,078
Total expenses		5,167
Net investment income		767
Net increase in net assets from operations		767

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

(Unaudited but reviewed)

Impact Growth Real Estate Investment Trust

Statement of changes in net assets

For the period as from 22 September 2014 (date of incorporation) to 30 September 2014

	(Unit: Thousand Baht)
	For the period as from 22 September 2014 (date of incorporation) to 30 September 2014
	<u>Note</u>
Increase in net assets from operations during period	
Net investment income	<u>767</u>
Net increase in net assets from operations	<u>767</u>
Increase in capital from unitholders	
Investment trusts sold during period	
1,482,500,000 units of Baht 10.6 each	10 <u>15,714,500</u>
Increase in capital from unitholders	<u>15,714,500</u>
Increase in net assets during period	15,715,267
Net assets at the beginning of period	<u>-</u>
Net assets at the end of period	<u><u>15,715,267</u></u>

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

(Unaudited but reviewed)

Impact Growth Real Estate Investment Trust

Statement of cash flows

For the period as from 22 September 2014 (date of incorporation) to 30 September 2014

(Unit: Thousand Baht)

For the period as from

22 September 2014

(date of incorporation)

to 30 September 2014

Cash flows from operating activities

Net increase in net assets from operations	767
Adjustments to reconcile net increase in net assets from operations to net cash provided by (used in) operating activities:	
Purchases of investments in properties	(19,601,156)
Increase in receivables from service	(1,394)
Increase in receivables from interest	(1,150)
Increase in prepaid expenses	(13,612)
Increase in other assets	(2,149)
Increase in other payables	6,607
Increase in accrued expenses	12,547
Increase in other current liabilities	10,323
Increase in unearned income	176,356
Increase in security deposits	8,259
Finance cost	1,078
Net cash flows used in operating activities	<u>(19,403,524)</u>
Cash flows from financing activities	
Proceeds from sales of investment trusts	15,714,500
Cash received from long-term loans	3,900,000
Interest paid	(428)
Net cash flows from financing activities	<u>19,614,072</u>
Net increase in cash and cash at bank	210,548
Cash and cash at bank at the beginning of period	-
Cash and cash at bank at the end of period (Note 7)	<u>210,548</u>

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

(Unaudited but reviewed)

Impact Growth Real Estate Investment Trust

Significant financial information

For the period as from 22 September 2014 (date of incorporation) to 30 September 2014

(Unit: Baht)

Operating performance information (per unit)

Net asset value at the beginning of period	-
Income from investing activities	
Net investment income	<u>0.0005</u>
Total income from investing activities	0.0005
Add: Increase in capital from unitholders	<u>10.6000</u>
Net asset value at the end of period	<u><u>10.6005</u></u>

**Ratio of net increase in net assets from operations to
average net assets during the period (%)**

0.00

Significant financial ratios and additional significant information

Net assets at the end of period (Thousand Baht)	15,715,267
Ratio of total expenses to average net assets during the period (%)	0.03
Ratio of total investment income to average net assets during the period (%)	0.04
Ratio of weighted average investment purchases and sales during the period to average net assets during the period (%)*	124.73
Average net assets during the period (Thousand Baht)	15,714,585

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

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

Impact Growth Real Estate Investment Trust

Notes to interim financial statements

For the period as from 22 September 2014 (date of incorporation) to 30 September 2014

1. Description of Impact Growth Real Estate Investment Trust

Impact Growth Real Estate Investment Trust (“the Trust”) is a real estate investment trust established under the Trust for Transaction in Capital Market Act, B.E.2550 (“the Act”) in accordance with the Trust Deed signed on 22 September 2014 between RMI Company Limited as the Trust Settlor and Kasikorn Asset Management Company Limited as the Trustee. On 22 September 2014, the Trust was established as a specific closed-end real estate investment trust with an indefinite term in order to invest in specific properties. The Trust’s objectives are to mobilise funds raised from general investors and loans from financial institutions to invest in ownership in land and buildings, including utility systems and equipment, of the IMPACT Muang Thong Thani, specifically IMPACT Arena, IMPACT Exhibition Center, IMPACT Forum, and IMPACT Challenger.

On 1 October 2014, the Stock Exchange of Thailand approved the listing of the Trust’s investment trusts and permitted their trading from 1 October 2014 onwards.

The Trust is managed by RMI Company Limited (“the REIT Manager”), Kasikorn Asset Management Company Limited acts as the Trustee and Impact Exhibition Management Company Limited acts as the Property Manager.

As at 30 September 2014, the Trust’s major unitholder is Impact Exhibition Management Company Limited, which holds 50.00%.

2. Distribution policy

The Trust has a policy to pay distributions to unitholders as follows:

(1) The REIT Manager shall pay distributions to unitholders that, in aggregate, amount to not less than 90% of adjusted net profit for the year, with such distributions to be divided into a year-end distribution and an interim distribution (if any). The REIT Manager shall pay distributions to unitholders not more than 4 times a year, unless the Trust increases capital. Such distributions are to be made from the year-ending 31 March 2015 onwards.

The adjusted net profit means the net profit of the Trust determined on a cash basis including loan repayments made in accordance with loan agreements (if any).

(2) In case the Trust has accumulated losses, the REIT Manager will not pay the distributions to the unitholders.

In considering the payment of interim distribution, if the value of interim distribution per unit to be paid is lower than or equal to Baht 0.10, the REIT Manager reserves the right not to pay distribution at that time and to bring such distribution forward for payment together with the next distribution payment.

3. Basis of preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2012) "Interim Financial Reporting", with the Trust choosing to present condensed interim financial statements. However, the Trust has presented the balance sheet, the detail of investments, the statement of income, the statement of changes in net assets, cash flows and significant financial information in the format specified in accordance with Thai Accounting Standard No. 106 "Accounting for Investment Business".

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

4. New accounting standard

Below is an accounting standard that will become effective in the future

		<u>Effective date</u>
Financial Reporting Standard:		
TFRS 4	Insurance Contracts	1 January 2016

The REIT Manager has assessed the effect of this financial reporting standard and believes that it will not have any significant impact on the financial statements for the year in which it is initially applied because that financial reporting standard is not relevant to the business of the Trust and the Trust's financial statements are prepared in accordance with the regulations and format specified in Thai Accounting Standard No. 106 "Accounting for Investment Business".

5. Significant accounting policies

5.1 Revenues and expenses

Service income is recognised when services have been rendered taking into account the stage of completion.

Interest income and finance cost are recognised as revenue and expense on an accrual basis based on the effective interest rate.

Other income and expenses are recognised on an accrual basis.

5.2 Measurement of investments

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

The cost of investments comprises the purchase prices and all direct expenses paid by the Trust in order to acquire such investments.

Investments in properties

All immovable properties and fixed assets purchased and/or invested in by the Trust, including utility systems and equipment to be used in the operations of business, are recorded as investments in properties.

Investments in properties are stated at fair value with no depreciation charge. The REIT Manager measured fair value at the first reporting date after acquisition of the properties based on the cost of investments, and will remeasure them at subsequent reporting dates at fair value, using the appraisal value assessed by an independent appraiser approved by the Thai Valuer 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). Valuation will be made when economic conditions change, but at least every two years, commencing from the date of the appraisal made for the purposes of purchasing the immovable properties. In addition, the valuation will be reviewed within one year after the latest valuation date.

Gains or losses on measurement of such investments (if any) are presented as net unrealised gains or losses in the statement of income.

Investments in cash at bank

Investments in cash at bank are presented at fair value, determined by the sum of principal and accrued interest as of the dates on which the investments are measured. Accrued interest portion is separately presented as “Receivables from interest” in the balance sheet.

Gains or losses on measurement of investments in cash at bank are recorded as unrealised gains or losses in the statement of income.

5.3 Receivables from service

Receivables from service are stated at the invoice price less allowance for doubtful accounts.

The allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

5.4 Related party transactions

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

They also include the REIT Manager, the Trustee and their related parties and included associated companies and individuals 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 the REIT Manager with authority in planning and directing the Trust’s operations.

5.5 Distribution to unitholders

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

5.6 Income tax

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

5.7 Significant accounting judgments and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires the REIT Manager to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and actual results could differ from these estimates. The REIT Manager has significant accounting judgments and estimates in the fair value of investments in properties.

6. Investments in properties

On 29 September 2014, the Trust has entered into the Sale and Purchase Agreement of ownership of land and buildings, including utility systems and equipment to be used in the operations of a part of IMPACT Muang Thong Thani with Impact Exhibition Management Company Limited as described in Note 1. The Trust paid for the acquisition cost and related expenses totaling Baht 19,601 million (including related expenses of Baht 45 million) and received the ownership of those properties on 29 September 2014.

In addition, the Trust has mortgaged such properties as collateral against loan agreements with the financial institutions, as described in Note 9.

7. Cash and cash at bank

As at 30 September 2014, the Trust has the details of cash and cash at bank as follows:

	30 September 2014	
	Principal (Thousand Baht)	Interest rate per annum (%)
Cash	4	-
Saving accounts		
Kasikorn Bank Public Company Limited	210,544	0.37
Total cash and cash at bank	210,548	

The Trust has pledged and assigned rights of claim in bank accounts with outstanding balances as at 30 September 2014 totaling approximately Baht 211 million with the financial institutions to secure long-term loans of the Trust, in accordance with conditions stipulated in the long-term loan agreements. However, the Trust is able to withdraw these deposits for payments of its regular operating expenses in accordance with the purpose of each account.

8. Receivables from service income

The outstanding balances of receivables from service as at 30 September 2014 are aged on the basis of due dates, as follows:

Age of receivables	(Unit: Thousand Baht)
	30 September 2014
Not yet due	1,394
Total	1,394

9. Long-term loans

On 29 September 2014, the Trust borrowed Baht 3,900 million from two financial institutions as part of the investment made in ownership in land and buildings, including utility systems and equipment of IMPACT Muang Thong Thani in which the Trust has invested, as described in Note 1.

The loans have floating interest rates at a rate not exceeding MLR - 1.50% per annum, with interest on the loans to be paid at every month-end and the principal to be repaid within 5 years.

The loans are secured by mortgage of land and buildings, including utility systems and equipment of IMPACT Muang Thong Thani in which the Trust has invested, including the conditional assignment of rights under insurance policies, right related contracts and rights in bank accounts of the Trust.

The loan agreements contain certain covenants, specified in the agreements, pertaining to matters such as the maintenance of a certain Loan-to-Total Assets ratio and interest coverage ratio.

As at 30 September 2014, the Trust has unutilized credit facilities with one financial institution amounting to Baht 180 million.

10. Unitholders' trust

On 22 September 2014, RMI Company Limited established the Impact Growth Real Estate Investment Trust with a registered capital of Baht 15,714.5 million, consisting of 1,482.5 million units with a par value of Baht 10.6 each. The Trust called up payment for all of these trust units and notified the Office of the Securities and Exchange Commission of these called-up capital funds.

11. Expenses

11.1 REIT management fee

The REIT Manager is entitled to receive a monthly REIT management fee from the Trust at a rate not exceeding 2.00% per annum (exclusive of value added tax, specific business tax or any other similar taxes) of the Trust's total asset value as calculated by the REIT Manager and verified by the Trustee.

11.2 Trustee's 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 taxes) of the Trust's total asset value as calculated by the REIT Manager and verified by the Trustee.

11.3 Registrar's fee

The expenses for the work of the Trust Unit Registrar shall be at a rate not exceeding 0.50% per annum (exclusive of value added tax, specific business tax or any other similar taxes) of the Trust's total asset value as calculated by the REIT Manager and verified by the Trustee.

11.4 Property management fee

Fees are payable to the Property Manager on a monthly basis under the Property Management Agreement between the REIT Manager and the Property Manager, which is summarised as follows (the rate excludes value added tax, specific business tax or any other similar taxes):

- (1) The base fee is calculated as percentage of the Trust's total asset value at the rate of 1.00% for the first year, 1.75% for the second year, 4.50% for the third year and 5.50% per annum for the fourth year onwards. This is calculated and charged on a monthly basis.
- (2) The incentive fee is calculated as percentage of the Trust's Net property income before deducting the Trust's expenses, at the rate of 1.25% for the first year, 1.75% for the second year, 5.75% for the third year and 6.75% per annum for the fourth year onwards. This is calculated and charged on an annual basis.

Net property income means property income minus property expenses which include the base fee for the Property Manager, but exclude insurance premium, property tax, Trust expenses, finance cost (if any), and significant extraordinary expenses of the Trust.

However, the total property management fee shall not exceed 2.00% per annum of the Trust's total asset value.

12. Related party transactions

During the period, 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 its related parties. The pricing policies and amount for particular type of transactions are as follows:

	(Unit: Thousand Baht)	
	For the period as from 22 September 2014 to 30 September 2014	Pricing Policy
RMI Company Limited (REIT Manager)		
REIT management fee	1,222	As detailed in Note 11.1
Impact Exhibition Management Company Limited (Major unitholder, Parent company of the REIT Manager and Property Manager)		
Service income	691	Market prices, depending on area and term of service
Cost of service	534	Actual paid
Property management fee	94	As detailed in Note 11.4
Administration expenses	591	Actual paid
Kasikorn Asset Management Company Limited (Trustee)		
Trustee's fee	1,467	As detailed in Note 11.2
Kasikorn Bank Public Company Limited (Parent company of the Trustee)		
Service income	2	Market prices, depending on area and term of service
Interest income	1,150	At 0.37% per annum
Finance cost	526	As detailed in Note 9

(Unaudited but reviewed)

As at 30 September 2014, the Trust has the following significant outstanding balances with its related parties as follows:

	(Unit: Thousand Baht)
	<u>30 September 2014</u>
RMI Company Limited	
Accrued REIT management fee	1,222
Impact Exhibition Management Company Limited	
Receivables from service	691
Other assets	1,250
Other payables	6,607
Accrued expenses	9,582
Accrued property management fee	94
Security deposits	1,168
Kasikorn Asset Management Company Limited	
Accrued Trustee's fee	1,467
Kasikorn Bank Public Company Limited	
Cash at bank	210,544
Receivables from service	2
Receivables from interest	1,150
Other assets	80
Accrued interest expenses	317
Security deposits	75
Long-term loans	1,900,000

13. Information on investment purchase and sales transactions

The Trust's investment purchase and sales transactions during the period, excluding investments in cash at bank, amounted to Baht 19,601 million which is 124.73% of the average net asset values during the period.

14. Commitments

As at 30 September 2014, the Trust is committed to pay fees to counterparties under the terms and conditions as specified in note 11.

15. Segment information

The one main reportable operating segment of the Trust is to provide the service on the properties in which the Trust has invested and the single geographical area of its operations 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.

16. Approval of interim financial statements

These interim financial statements were authorised for issue by the authorised persons of the REIT Manager on 14 November 2014.