

HYDROGEN FREEHOLD AND LEASEHOLD
REAL ESTATE INVESTMENT TRUST

ANNUAL REPORT
2023







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MESSAGE FROM BOARD OF DIRECTORS

Dear Valued Unitholders

2023 was a challenging year for HYDROGEN REIT. The slowdown in economic growth rate coupled with high interest rate environment have materially affected the manufacturing and export sectors in the country. Despite these challenges, strong resilient in logistics and retail sectors remains and yet continued to expand. High interest rate has affected all REITs, and our is included.

Throughout these uncertain economic conditions, the REIT has vigorously managed client relationships and been able to consistently maintain a high occupancy rate throughout the year. With determination and dedication of the REIT manager in seeking new tenants and maintaining strong relationships with existing clients, for the best interest of all unitholders.

In addition, the REIT manager is aware of the importance of conducting business responsibly toward society and the environment for sustainable growth. In the past year, the REIT participated in a number of communities and charitable activities, including providing scholarships for students in financial hardship, internet accessibility for upcountry school in rural area, and waste screening systems to ensure proper disposal of garbage/waste eliminating impact on the environment. Furthermore, we encourage our tenants to adopt clean energy practices, such as utilizing solar energy. Currently, we are in the process of installing a solar power generation system at the Tiger Suvarnabhumi DC site to promote cost efficiency and clean energy.

Finally, on behalf of the board of directors and executives of Hydrogen REIT Management Company Limited, as the REIT manager, we would like to express our sincere gratitude to all unitholders for their supports and trust in investing in the REIT. All along, the company has committed to managing the REIT for continuous growth, aiming to establish stable and sustainable growth for HYDROGEN REIT and all valued unitholders.

KEY INFORMATION

Data as of 31 December 2023

REIT Name	Hydrogen Freehold and Leasehold Real Estate Investment Trust
Abbreviation	HYDROGEN
REIT Manager	Hydrogen REIT Management Co., Ltd.
Property Manager	Saha Pathana Inter-Holding Plc.
Trustee	Land and Houses Fund Management Co., Ltd.
Auditor	EY Office Co., Ltd.
Establishment date	29 November 2022

Market Capitalization	2,004.50	million Baht	Year - end closing price	9.65	Baht
Number of trust units	207.72	million units	Net Asset Value (NAV)	1,804.47	million Baht
NAV per unit	8.6870	Baht	Registered capital	2,012.39	million Baht
Par per unit	9.6880	Baht	Weighted average land lease expiry		
Price / NAV	1.11	times	(WALE)	1.28	years

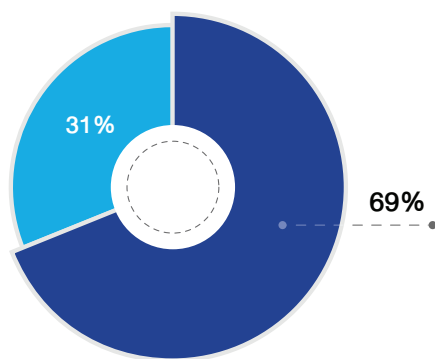
ลำดับ	ผู้ถือหน่วยทรัสต์รายใหญ่ 10 รายแรก	จำนวนหน่วยทรัสต์ (หน่วย)	สัดส่วน (ร้อยละ)
1	Saha Pathana Inter-Holding Plc.	29,400,000	14.15
2	Saha Pathana Real Estate Co., Ltd.	20,800,000	10.01
3	I.C.C. International Plc.	20,000,000	9.63
4	Thai President Foods Plc.	19,381,500	9.33
5	President Bakery Plc.	18,000,000	8.67
6	Rabbit Life Insurance Plc.	10,000,000	4.81
7	Saha Pathanapibul Plc.	10,000,000	4.81
8	Mr. Suthikham taesopapong	9,799,200	4.72
9	Thai Life Insurance Plc.	9,000,000	4.33
10	Better Way (Thailand) Co., Ltd.	4,000,000	1.93
	Total	150,380,700	72.40

Remark : Foreign unitholders are capable to hold trust units not exceeding 49% of the issued and paid up units. As of 28 December 2023, the trust units held by foreigner were at 1.21%.

Portfolio Overview

Investment Proportion

100% Direct investment



● Freehold

● Leasehold

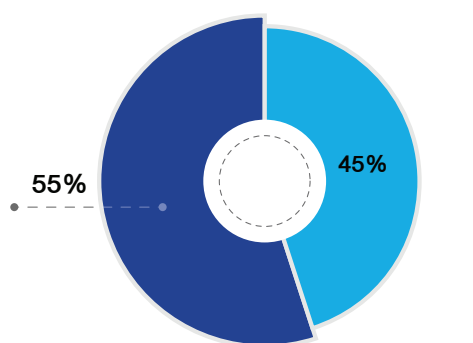
Remark : Ratio calculated based on appraisal values
as of 7 Dec 2023

Capital Structure

Total Assets	2,707.63 million Baht
Total Liabilities	903.16 million Baht
Equity	1,982.29 million Baht
Accumulated loss	177.83 million Baht
Loan to Total Assets	31.58%

Property Type

(Calculated from NLA)

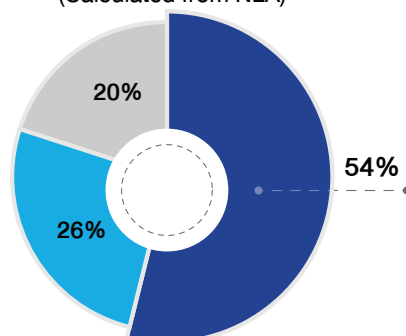


● Factory

● Warehouse

Location

(Calculated from NLA)

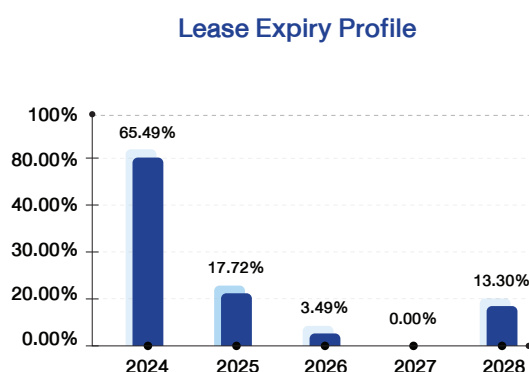
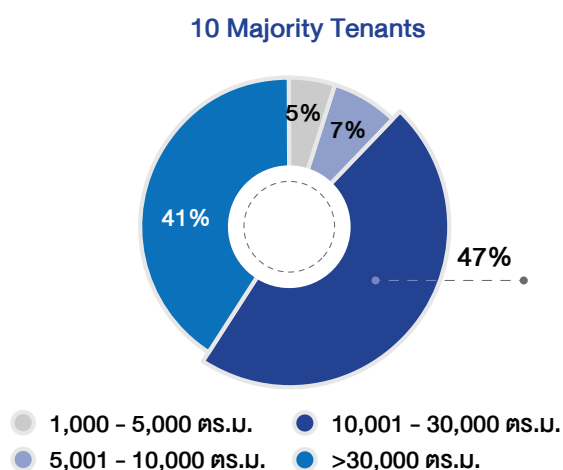
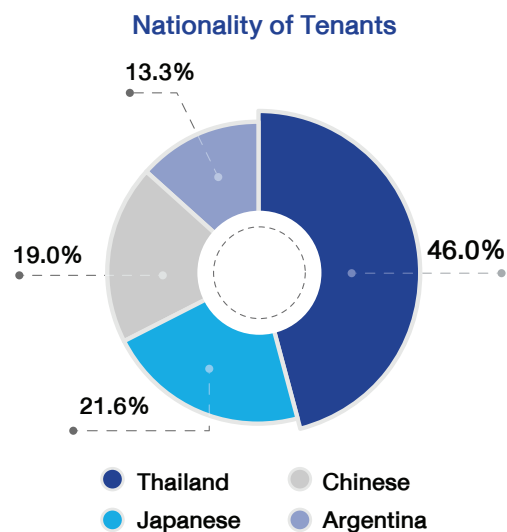
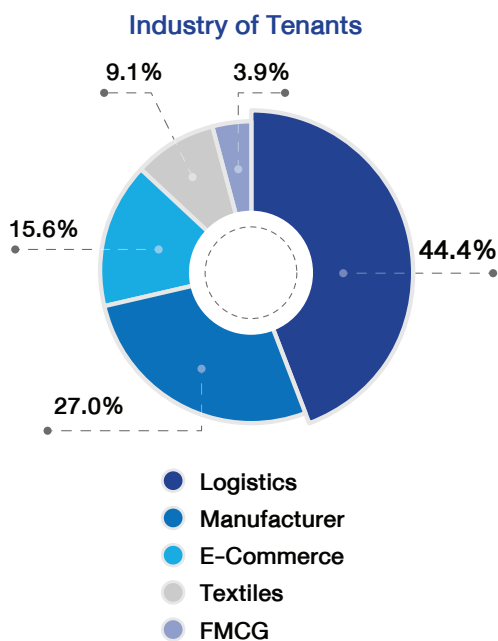


● BKK

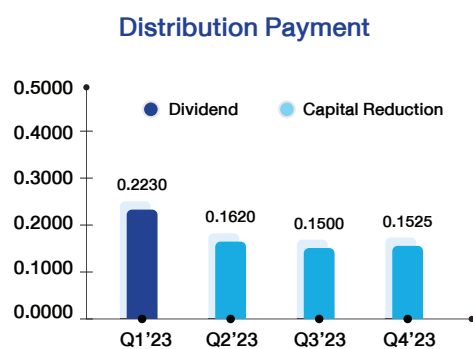
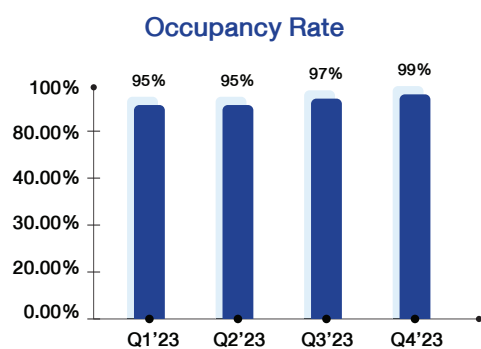
● EEC

● North

Details Of Tenants (Data as of 31 December 2023)



Remark : Calculated from revenue



Dividend from operating period Nov 2022 - 31 Mar 2023

Distribution Payment Policy

The Trust has policy to pay distribution to unitholders at least 2 times a fiscal year and not less than 90% of the adjusted net profit.

Key Financial Figures

ตัวเลขทางการเงินที่สำคัญ	หน่วย	2565	2566
Rental and services income	million Baht	18.61	223.49
Interest income	million Baht	0.09	0.46
Earnings Before Interest Tax Depreciation and Amortization (EBITDA)	million Baht	14.45	176.86
Net increase in net assets resulting from operations (Net profit)	million Baht	11.51	135.97
Earning Per Unit (EPU)	Baht/unit	0.0554	(0.6885)
Dividend Per Unit (DPU)	Baht/unit	-	0.2230
Capital Reduction Per Unit	Baht/unit	-	0.4645
Debt to Total Asset Value Ratio	times	0.28	0.32
Debt to Net Asset Value Ratio	times	0.42	0.47
Interest Cost	%	Not exceeding MLR -1.50%	Not exceeding MLR -1.50%
Net cash used in operating activities	million Baht	(2,775.53)	48.50
Net cash flows from financing activities	million Baht	2,908.37	151.75
Net increase in cash and cash equivalent	million Baht	132.84	(103.25)
Net assets	million Baht	2,058.61	1,804.46
Number of units issued at the end of the year	unit	207,720,000	207,720,000
Net assets value per unit	Baht/unit	9.9105	8.6870
Price / Net assets value per unit	times	1.01	1.11
Market Capitalization	million Baht	2,077.20	2,004.50
Year - end Closing Price	Baht/unit	10.00	9.65

Summary of Loan Agreement

A part of the sources of investment funds of HYDROGEN Trust was loan from a financial institution. The loan carried interest at the rate not exceeding MLR -1.50 percent per annum. The interest was payable on the last working day of each month. The loan principals are repayable in 2027.

As of December 31, 2023, HYDROGEN REIT's long-term loan was reported at Baht 855 million. The REIT's loan proportion was at 31.58% of the REIT's total asset values (Loan-to-Value Ratio (LTV Ratio)) See the details in section: Loan Acquisition Policy.

Fees and Expenses

Fees and Expenses	Amount (Baht)	Percentage of Net Profit
1. Cost of rental and services	15,519,064	11.41%
2. REIT management fee	13,383,021	9.84%
3. Trustee and property custodian fee	3,568,806	2.62%
4. Registrar fee	769,120	0.57%
5. Property management fee	11,246,362	8.27%
6. Professional fee	951,375	0.70%
7. Other expenses	1,658,322	1.22%
8. Finance cost	40,889,838	30.07%
Total Fees and Expenses	87,985,908	64.71%

Management Discussion & Analysis

Performance

Hydrogen Freehold and Leasehold Real Estate Investment Trust's performance:

Description	31 December 2023	29 November 2022 - 31 December 2022	Change (%)
Average occupancy rate before undertaking (%)	99.24%	99.66%	- 0.42%
Average occupancy rate after undertaking (%)	99.74%	100.00%	- 0.26%
Rental area (square meters)	119,701	118,931	0.65%
Rental and services income (million Baht)	233.49	18.61	1,101%
Interest income (million Baht)	0.46	0.09	411%
Total income (million Baht)	223.95	18.70	1,098%
Total expenses (million Baht)	(87.98)	(7.19)	1,124%
Net investment income (Profit before net gain (loss) on investments) (million Baht)	135.97	11.51	1,081%
Total net loss on investments (million Baht)	(278.98)	-	100%
Net increase in net assets resulting from operations (Net Profit) (million Baht)	(143.01)	11.51	-1,342%
Net profit to total income ratio (%)	(63.86%)	61.55%	-1,342%

Analysis of performance

1. Overview of the Trust's performance

As at 31 December 2023, HYDROGEN invested in industrial real estate with freehold 69% and leasehold right 31% of total appraisal value. This consists of warehouse 55% of net rentable area and the rest are factories. HYDROGEN had the rental rate of 99%, which remained consistent with no significant change from the previous year.

Statement of financial position as at 31 December 2023

The HYDROGEN Trust has total assets in the amount of Baht 2,707.63 million and total liabilities of Baht 903.16 million whereby the net assets were Baht 1,804.47 million which comprised of capital from trust unitholders of Baht 21,982.29 million and deficits at the end of the period of Baht 177.82 million, equivalent to the net asset value per unit of 8.6870 Baht.

Statement of comprehensive income for the period as from 1 January 2023 to 31 December 2023

As for the operating results of HYDROGEN Trust for the year ended on December 31, 2023, total rental and service income was Baht 223.95 million which increased by Baht 205.25 million or 1,097.59% from the year 2022. Since HYDROGEN Trust has been established on 29 November 2022 and started to invest in assets on 1 December 2022, HYDROGEN Trust only recognized its income for 31 days (from 1 - 31 December 2022), while the income of HYDROGEN Trust was recognized for the full year of 2023. Nonetheless, in 2023, HYDROGEN Trust had net loss from investments (mainly net unrealized loss from annual assets valuation) was Baht 278.98 million. As a result, net decrease in net assets resulting from operations (net loss) of HYDROGEN Trust for the year 2023 was Baht 143.01 million or Baht 0.6885 per unit which decreased by Baht 154.52 million or 1,342.48% from the year 2022.

Nonetheless, if net decrease in net assets resulting from operations (net loss) did not include net loss from investments (mainly net unrealized loss from annual assets valuation) of Baht 278.98 million in the year 2023, HYDROGEN Trust would have Baht 135.97 million net investment income, which increased by Baht 124.46 million or increased by 1,081.32% from the year 2022.

Key Factors and Influences that may Affect Future Operations or Financial Positions

For the year 2024, the operating results of HYDROGEN may be affected by the slowdown in the Thai economy. The global economic recession may directly affect the operations of sub-lessees. Nevertheless, at the end of the year 2023, HYDROGEN had the rental rate of 99% of net rentable area and most tenants were long time tenant. Furthermore, REIT Manager and Property Manager have been consistently seeking tenants. In 2024, HYDROGEN expects to maintain a stable performance and meet its targets.

Nonetheless, in 2024, HYDROGEN expects to have a real estate investment expenditure or capital expenditure (CAPEX) of not exceeding Baht 2 million and loan repayment of not exceeding Baht 3 million.

Summary of the Significant Risks

1. The risks relating to HYDROGEN's Investment Assets

- 1.1 The risk from investment in leasehold immovable properties where the value thereof declines over the remaining lease period.
- 1.2 The risk from the depreciation of buildings in respect of benefit procurement and/or the risk from insufficiency of reserved money for major maintenance or restoration of HYDROGEN's Initial Investment Main Assets.
- 1.3 The risk from the higher competition which may decrease the number of tenants.
- 1.4 The risk from the concentration of major tenants and the loss of major tenants in HYDROGEN's Initial Investment Main Assets which may affect the revenue of HYDROGEN
- 1.5 The risk from option to early termination of the tenants.
- 1.6 The risk from the dependency of HYDROGEN on the Asset Owners to procure and/or provide service of common roads connecting the projects with the public roads, electricity and water supply, and other basic public utility to the tenants after HYDROGEN's investment.
- 1.7 The risk from HYDROGEN not investing in the entrances and exits of Saha Group Industrial Park - Si Racha project, Saha Group Industrial Park - Kabinburi project and Saha Group Industrial Park - Mae Sot project and such entrances and exits are not registered to HYDROGEN.
- 1.8 The risk of not being allowed to access Tiger Suvarnabhumi DC project, which is HYDROGEN's Initial Investment Main Assets, through the land owned by The State Railway of Thailand
- 1.9 The risk from damage which may occur from the solar cell system installed or to be installed on the building roof of HYDROGEN's Initial Investment Main Assets.
- 1.10 The risk from purchasing minimum electric power generated from the solar cell system which will be installed on the building roof of Tiger Suvarnabhumi DC project.

2. The risk concerning HYDROGEN or the operation of HYDROGEN

- 2.1 The risk from conflict of interests.
- 2.2 The risk of HYDROGEN being unable to increase the rental rate after the expiration of the lease agreements with tenants.

3. The risk concerning investment in the real estate business

- 3.1. The risk from Thai politics, changes in domestic and international economies including other macro-economic factors.
- 3.2. The risk of expropriation of HYDROGEN's Initial Investment Main Assets.

- 3.3. The general risk which affects the profits gained from immovable properties or the value of HYDROGEN's immovable properties.
- 3.4. The risk concerning the increasing expenses of HYDROGEN's immovable properties and the increased operating expenses.

4. The risk concerning investment in the Trust Units

- 4.1 The risk from the possibility of changes in accounting standards or related laws in Thailand.
- 4.2 The risk from the asset values of HYDROGEN's Initial Investment Main Assets provided by the appraisers are not actual values of such assets and could not be guaranteed that the selling price of the assets will be in accordance with the appraisal values, whether in the present or the future.
- 4.3 The risk from the changes of the Trust Unit price after the offering of the Trust Units.
- 4.4 The risk from an ability to pay distributions to the trust unitholders; and from the case in which the distributions received by the trust unitholders is less than the income received from the operation of HYDROGEN's Initial Investment Main Assets.
- 4.5 A capital amount to be returned from dissolving HYDROGEN may be less than the amount invested by the trust unitholders in this offering.
- 4.6 The risk from the net asset value of HYDROGEN is not an actual value that HYDROGEN will gain if all assets were sold, or HYDROGEN was dissolved.
- 4.7 The risk of illiquidity in the sale and purchase of the Trust Units on the stock exchange.
- 4.8 The risk from taxes and fees.

Investors can find additional information within the Risk Factors section.

Information

REIT Manager : Hydrogen REIT Management Co., Ltd.

Address : 944 Mitrtown Office Tower, 29th Floor, Room No. 2907-2910, Rama 4 Road,
Wang Mai, Pathumwan, Bangkok

Tel : 02-219-1675

Website : www.hydrogenreit.com

Trustee : Land and Houses Fund Management Co., Ltd.

Address : 11 Q House Sathorn, 10th, 14th Floor, South Sathorn Road, Thung Maha Mek,
Sathorn, Bangkok

Tel : 02-286-3484

Website : www.lhfund.co.th

Investors can access further information about HYDROGEN from the annual information disclosure form (Form 56-REIT1) on the www.sec.or.th website or on HYDROGEN's official website, www.hydrogenreit.com.



HYDROGEN REIT

HYDROGEN Investment Objectives

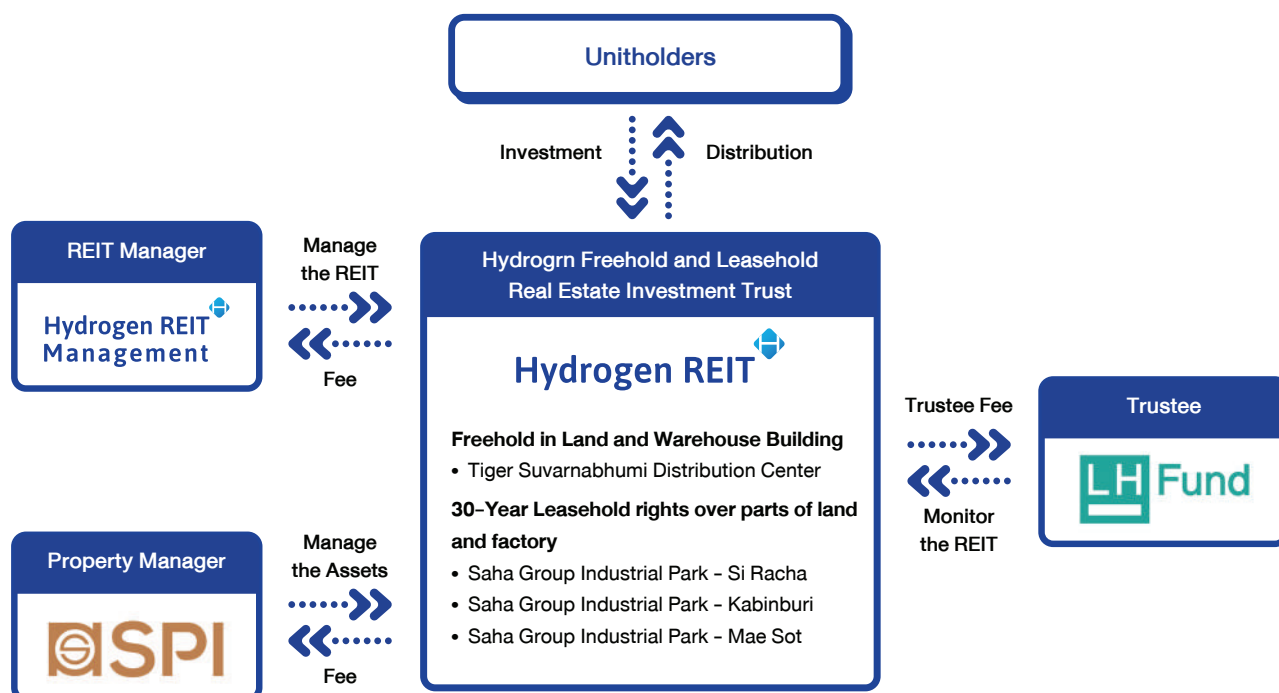
HYDROGEN was established in accordance with the Trust Act for the benefit of conducting transactions in the capital market as specified in the notification of the Capital Market Supervisory Board and the SEC Office with the objective of issuing trust units for real estate investment (Real Estate Investment Trust or HYDROGEN) offering to the public according to the Notification No. TorJor. 49/2555 and the said trust units listed on the Stock Exchange of Thailand.

HYDROGEN has invested the gains that acquired from offering the trust units and loans to invest in HYDROGEN's main assets. HYDROGEN's investment policy is 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 the aforesaid immovable assets. HYDROGEN will invest in commercial leasehold properties or residential leasehold properties domestically and internationally, including but not limited to warehouse, distribution center, factory building, cold storage warehouse, data center, self-storage, office building for rent, shopping center, community mall, department store, central market of agricultural products, parking space for rent, oil or energy storage facilities, commercial building for rent, residential buildings or apartments for rent, hotels, hospitals, health facilities, educational institutions building, golf course, sports facilities, including any other real estate related to, supporting or promoting the business of leasing such property and any other property that may promote the investment of the trust. The REIT Manager has taken the main asset to provide benefits, including leasing, sub-leasing, payment from area usage, and providing services related to leasing or leasehold properties.

Business and procurement of benefits by HYDROGEN for main assets initially invested in, HYDROGEN REIT limited company will appoint Saha Pathana Inter-Holding ("SPI") as a Property Manager to provide benefits and manage main assets initially invested in by HYDROGEN will be under the supervision and policy of the REIT Manager. Such assignment or appointment shall be in accordance with the terms of the Trust Deed and, laws, regulations, and related notifications of the SEC Office.

Benefit sourcing and asset management of HYDROGEN will be controlled and supervised by the Trustee to assure that the operation of the REIT Manager and the Property Manager is complied with the terms and conditions of the agreement of appointment of REIT Manager and the Property Manager, including the criteria under the Trust Act, other notices issued by the SEC Office and SET. Anyhow, the REIT Manager will not lease the real estate and property of HYDROGEN to anyone who has reasonable grounds to suspect the use of the real estate and asset for business that is immoral or unlawful.

Management Structure of The REIT



Structure of Trust Unitholders

Top 10 Unitholders of HYDROGEN as of 28 December 2023

No.	Top 10 Unitholders	Number of units	%
1	Saha Pathana Inter-Holding Plc.	29,400,000	14.15
2	Saha Pathana Real Estate Co., Ltd.	20,800,000	10.01
3	I.C.C. International Plc.	20,000,000	9.63
4	Thai President Foods Plc.	19,381,500	9.33
5	President Bakery Plc.	18,000,000	8.67
6	Rabbit Life Insurance Plc.	10,000,000	4.81
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8	Mr. Suthikham taesopapong	9,799,200	4.72
9	Thai Life Insurance Plc.	9,000,000	4.33
10	Better Way (Thailand) Co., Ltd.	4,000,000	1.93
	Total	150,380,700	72.40

Remark : Foreign unitholders are capable to hold trust units not exceeding 49% of the issued and paid up units. As of 28 December 2023, the trust units held by foreigner were at 1.21%.

Payment of Returns

- (1) The REIT manager will pay returns to unitholders for no less than 90% of the adjusted net profit of the fiscal year. The returns paid to unitholders are categorized into year-end distribution and interim distribution (if any).

In cases where the REIT is incapable of paying returns to unitholders as in (1), the REIT manager and the trustee are obligated to explain the reasons to the Securities and Exchange Commission following the protocols enforced by the Securities and Exchange Commission and disclose to unitholders via two-way communication method, including direct meetings or other communication channels, allowing unitholders to request additional information.

- (2) The REIT manager will pay returns to unitholders for no less than 2 times per fiscal year (starting from the first accounting period of the REIT, provided that the REIT generates sufficient profits to pay returns within the aforementioned accounting period).

In cases where the REIT is incapable of paying returns to unitholders for no less than 2 times per fiscal year, the REIT manager is obligated to inform unitholders via the Stock Exchange of Thailand's portal.

- (3) The REIT manager must not acquire loan to pay returns to unitholders.
 - (4) In cases where the REIT still has an accumulated loss, the REIT manager is prohibited to pay returns to unitholders.
 - (5) In cases where returns are paid to unitholders in each accounting period, the REIT manager will make an announcement on the payment of returns accordingly and identify the book closing date, unitholders, or the date to determine the names of unitholders or any other dates as regulated by the Securities and Exchange Commission, in order to specify names of unitholders who are eligible for returns.
- Returns are to be paid to unitholders within the following timeframe:

Year-End Distribution

The REIT manager will pay returns for the fiscal year (Year-End Distribution) within 90 days from the end of the fiscal year, or on any other dates as regulated by the Securities and Exchange Commission, to specify names of unitholders who are eligible for returns.

Additional Conditions

Apart from return payment for the first fiscal year, the rate of year-end distribution will be dependent upon the discretion of the REIT manager. If the return rate falls below or is equivalent to 0.10 Baht, the REIT manager reserves the right to refrain from making payment in that period, but instead will be accumulated for the next payment period. In this regard, the condition must not conflict with (1).

Interim Distribution

The REIT manager will pay the interim returns (Interim Distribution) (if any) within 90 days from the end of the fiscal year for the most recent quarter before paying returns, or any other dates as regulated by the Securities and Exchange Commission.

Additional Conditions

In considering the interim distribution, the identification of return rates will be dependent upon the REIT manager's discretion. If the quarterly return rate falls below or is equivalent to 0.10 Baht, the REIT manager reserves the right to refrain from making payment in that period, but instead will be accumulated for the next payment period.

For the payment policy, the REIT manager will proceed to comply with the trust deed, unless amended, added, identified, commanded, agreed upon and/or allowed otherwise by the Securities and Exchange Commission and/or other bodies with legal authority. In which cases, the REIT manager will proceed accordingly.

Payment of returns to unitholders should comply with the following criteria:

- 1) Unitholders who are entitled to receive returns must have their names appeared on the trust unitholding book on the book closing date or the date on which the unitholders' names are identified, or any other dates as announced by the Securities and Exchange Commission, to determine the eligibility of unitholders who are entitled to receive returns in accordance with the trust holding proportion of each unitholder. If it turns out that any individuals or groups of individuals hold units that exceed the rate announced by the Securities and Exchange Commission, those individuals or groups of individuals will not be eligible to receive returns only for the portion of the units held in excess of the rate specified by the Securities and Exchange Commission.
- 2) The REIT manager will announce return payment prior to the book closing date or the date on which the unitholders' names are identified, based on the relevant criteria and laws (as the case may be) within the legally specified timeframe, to determine the eligibility in receiving returns and rate of returns via the Stock Exchange of Thailand's portal, in accordance with the announcement or the laws.
- 3) The REIT manager will proceed to deduct withholding tax at the rate required by law from the returns paid to each category of unitholder.
- 4) The REIT manager will proceed to pay returns in the form of crossed cheque payable only to the unitholder and send by post to the address specified by the unitholder in the trust unit subscription form. Returns can also be put in the deposit account of the unitholder as advised, whereby the unitholder will absorb the transfer fee and exchange rate risks (if any). The REIT manager will deduct such fees and expenses from the total sum payable.
- 5) In the event that unitholders do not exercise their rights to receive returns within the subscription period under the Civil and Commercial Code, such sum of returns should then become the property of the REIT. The REIT manager will not seek benefits from such returns for any objectives other than for the benefits of the REIT.

Property Manager

1. General Information

Company Name	:	Saha Pathana Inter-Holding Plc.
Company Location	:	530 Soi Sathupradit 58, Bangpongpan, Yan nawa, Bangkok 10120
Registration No.	:	0107537001340
Contact	:	0-2293-0030-9
Registered Capital	:	582,923,188.00 บาท
Paid-up Capital	:	571,890,666.00 บาท
Website	:	https://www.spi.co.th

2. Shareholding Structure

Top 10 Shareholders of Saha Pathana Inter-Holding Plc. As of 30 November 2023

No.	Shareholders	Number of units	%
1	Chokwatana Co., Ltd.	96,127,166	16.81
2	I.C.C. International Plc.	57,030,956	9.97
3	Saha Pathanapibul Plc.	49,433,806	8.64
4	Nomura Securities Co Ltd-Client A/C	34,994,953	6.12
5	Uni Central Co., Ltd.	21,218,182	3.71
6	SMBC Nikko Securities Inc. - Client Account	20,220,550	3.54
7	Mr. Weerapat Poonsakudomsin	20,060,122	3.51
8	I.D.F. Co., Ltd.	19,368,582	3.39
9	Uniwelth Co., Ltd.	14,380,310	2.51
10	Bts Group Holdings Plc.	11,395,569	1.99

Trustee

1. General Information

🏢 Company Name	:	Land And Houses Fund Management Co.,Ltd
Company Location	:	11 Q.House Sathon Building Fl.10, 14, South Sathon Rd., Tungmahamek Sathon Bangkok 10120
Registration No.	:	0105551006645
Contact	:	0-2286-3484
Website	:	www.lhfund.co.th

2. Shareholding Structure

The major shareholder of Land And Houses Fund Management Co.,Ltd. As of 31 December 2023

No.	Shareholders	Number of units	%
1	LH Financial Group Public Company Limited	2,999,995	99.99

REIT MANAGER

General Information

Hydrogen REIT Management Co., Ltd., as the REIT Manager, is a limited company that was incorporated in Thailand on January 11, 2019, with the registered capital of 28,000,000 Baht. The Company's key objective is to serve as the REIT manager, with Hydrogen Asset Co., Ltd. as the major shareholder of the Company, holding 99.99% of the issued shares. In this regard, the Company has been approved to be the REIT manager in accordance with the announcement; Sor. Chor.29/2565, dated January 10, 2020.

Company Name	Hydrogen REIT Management Co., Ltd.	
Date of Incorporation	January 11, 2019	
Company Location	944 Mitrtown Office Tower 29th Floor, Unit No. 2907-2910, Rama IV Rd., Wangmai, Pathum Wan, Bangkok	
Contact	Tel. : 02-219-1675, Email : ir@hydrogenrm.co.th	
Registered Capital	28,000,000 Baht	
Nature and Scope of Business Operations	Serving as a manager of the Real Estate Investment Trust (REIT Manager)	
Major Shareholders (Shareholding Proportion)	Hydrogen Asset Co., Ltd. (99.99%)	
Directors	<ol style="list-style-type: none"> 1. Mr. Samrerng Manoonpol Honorary Chairman 2. Mr. Pravej Ongartsittikul Chairman ,Independent Director 3. Mr. Vichai Kulsomphob Vice Chairman 4. Mr. Vorayos Thongtan Director 5. Mr. Piyapong Pinthuprapa Director 6. Mr. Chinapat Visuttiapat Independent Director 7. Mr. Ratchaphum Jongpakdee Independent Director 8. Mr. Kamphol Panyagometh Independent Director 9. Mr. Nattachak Pattamasingh Na Ayuthaya Independent Director 	
The Authorized Signatory Director	Mr. Samrerng Manoonpol, Mr. Vichai Kulsomphob, Mr. Vorayos Thongtan, Mr. Piyapong Pinthuprapa, two of the four directors collectively sign and affix the company seal.	
Fiscal Period	January 1 - December 31	

Shareholding Structure of the REIT Manager

As of 31 December 2023



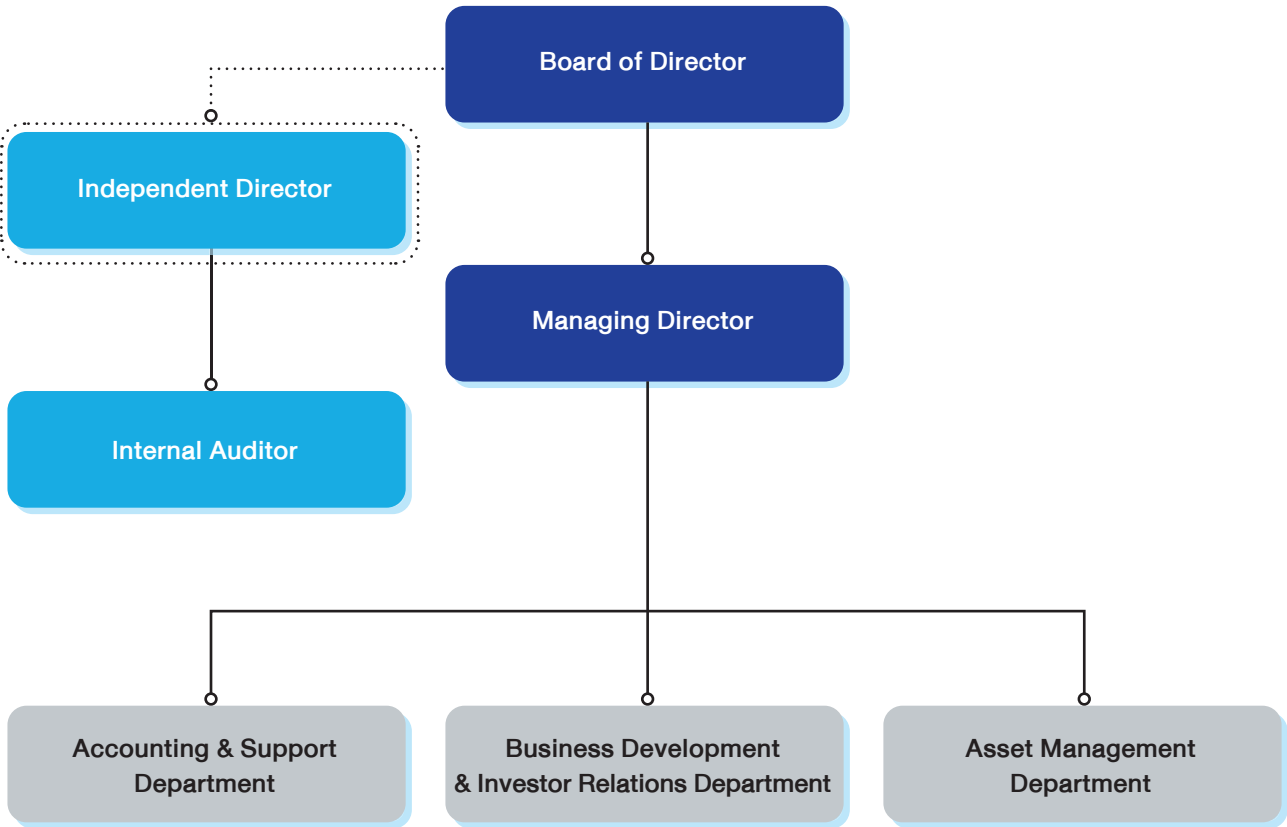
Shareholder of Hydrogen REIT Management Co., Ltd. As of 31 December 2023

No.	Shareholder	Number of Shares Held	%
1.	Hydrogen Asset Co., Ltd.	2,799,980	99.9992
2.	Mr. Vichai Kulsomphob	10	0.0004
3.	Mr. Supradit Sa-id	10	0.0004
	Total	2,800,000	100

The major shareholding group is Saha Pathana Inter-Holding PCL, whose stakes in Hydrogen Asset Co., Ltd. are 99.99% of the total number of paid-up shares. In this regard, Saha Pathana Inter-Holding PCL is a company listed in the Stock Exchange of Thailand in the category of commercial business.

Management Structure of The REIT Manager

The management structure of the Company, as the REIT Manager, is comprised of the Board of Directors, executives and staff members, whose key roles and responsibilities are managing the REIT, as well as investing in assets and managing the REIT’s assets, to ensure maximum benefits for the REIT and unitholders. The structure can be categorized into fields of responsibility as follows:



Board of Directors



ความเชี่ยวชาญและประสบการณ์

Business Administration

Legal

Financial and Accounting

Risk Management

and Corporate Governance

Real Estate

Engineering

Investment

Name	Position	Education	Past 5 Years Experiences		
1) Mr. Samreing Manoonpol	Honorary Chairman	<ul style="list-style-type: none">• High School, Wat Rajabopit School• Director Accreditation Program (DAP) 3/2003 Thai Institute of Directors Association (IOD)	1972 – Present	Vice Chairman / Vice Chairman of Executive / Director / Director with authority to sign on behalf of the company	Saha Pathana Inter-Holding Public Company Limited
			2010 – Present	Advisor	I.C.C. International Public Company Limited
			2008 – Present	Advisor	Saha Pathanapibul Public Company Limited
			2022 – Present	Director	Kingbridge Asset Co., Ltd.
			2023 – Present	Director	Saha SCG Land Co., Ltd.
			2023 – Present	Director	Saha Lion Land Co., Ltd.
			2022 – Present	Director	Quantum SDGM Co., Ltd.
			2020 – Present	Director	Thana city Venture Co., Ltd.
			2019 – Present	Vice Chairman	Kingbridge Tower Co., Ltd.
			2016 – Present	Chairman	First United Industry Co., Ltd.
			1984 – Present	Vice Chairman	Sahamanoonpol Co., Ltd.
			1983 – Present	Chairman	Sahapat Properties Co., Ltd.
			1978 – Present	Chairman	Yi Tong Tian Tai BSC Co., Ltd.
			1972 – Present	Director	Thai Hoover Industry Co., Ltd.

Name	Position	Education	Past 5 Years Experiences		
2) Mr. Pravej Ongartsittikul	Chairman ,Independent Director	<ul style="list-style-type: none">• MBA, Decision Support Systems, New Hampshire College, USA• MBA, Finance, New Hampshire College, USA• Bachelor of Accountancy Chulalongkorn University• Designated Chartered Bank Auditor (#3167) and Chartered Bank EDP Auditor (#898), Bank Administration Institute, Chicago, Illinois, USA• Ethical Leadership Program (ELP) 2560• Corporate Governance for Capital Market Intermediaries (CGI) 2559• Director Certification Program (DCP) 2550• Advanced Senior Executive Program (ASEP), Northwestern University (Kellogg), USA	2023 - Present	Chairman of the Board	Samsung Life Insurance (Thailand) Public Company Limited
			2016 - Present	Chairman of the Board, Independent Director	AIRA Securities Public Company Limited
			2018 - Present	Independent Director, Audit Committee, Member of the Nomination and Remuneration	Standard Chartered Bank (Thai) Public Company Limited
			2016 - Present	Independent Director	Advanced Medical Center Company Limited
			2013 - Present	Investment Advisory Board	Thai Red Cross Society
			2018 - 2023	Independent Director	Muang Thai Insurance Public Company Limited
			2017 - 2020	Director, Chairman of Risk Management Committee, Chairman of the Corporate Governance Committee, Chairman of the Executive Committee	Nok Airline Public Company Limited
			2016 - 2018	Independent Director, Audit Committee	CIMB Thai Bank Public Company Limited
			2011 - 2015	Secretary General	Thailand office of Insurance Commission
			2011 - 2015	Director	The Credit Information and Protection Board Bank of Thailand
			2011 - 2015	Director	Financial Institutions Policy Board Bank of Thailand

Name	Position	Education	Past 5 Years Experiences		
3) Mr. Vichai Kulsomphob	Vice Chairman	<ul style="list-style-type: none"> • Master of Advanced Business Practice University of South Australia • Master of Marketing (English Program) Thammasat University • Master of International Business (Exchange Program) • Norwegian School of Economics and Business Administration, Norway • Bachelor's Degree of Business Administration Chulalongkorn University 	2011 - 2015	Director, Anti-Money Laundering Board Prime Minister Office	Securities and Exchange Commission of Thailand
			2005 - 2011	Senior Assistant to the Secretary General	
			2002 - 2005	Country Executive Officer	Bank of America Thailand
			2012 - Present	Chief Executive Officer/ Chairman of the Executive Board/ Nomination and Remuneration Committee/ Chairman of Sustainability Committee/Director with authority to sign on behalf of the company	Saha Pathana Inter-Holding Public Company Limited
			2021 - Present	Director	Sahacogen (Chonburi) Public Company Limited
			2018 - Present	Director	President Bakery Public Company Limited
			2013 - Present	Managing Director	Thai Samsung Life Insurance Public Company Limited
			2023 - Present	Director	Sukhumvit 56 Land Co., Ltd.
			2023 - Present	Director	King Square Co., Ltd.
			2023 - Present	Director	Saha Lion Land Co., Ltd.
			2023 - Present	Director	King Square Suites Co., Ltd.

Name	Position	Education	Past 5 Years Experiences		
	<ul style="list-style-type: none">Business and Industrial Development Program (Class 1), Institute of Business and Industrial DevelopmentOIC Advanced Insurance Institute (Class 1), Office of Insurance CommissionExecutive Leadership Program (Class 2), Wharton Business School, University of Pennsylvania, USA & NIDA, ThailandReal Estate Management Program for Executive (RE-CU26), Chulalongkorn UniversityInvestment Planner Certification, Chulalongkorn UniversityInvestment Planner Certification, Association of Investment Management Companies		2023 – Present	Director	Oxygen 2 Co., Ltd.
			2023 – Present	Director	Saha SCG Land Co., Ltd.
			2023 – Present	Director	King Fortune Venture Co., Ltd.
			2022 – Present	Director	Oxygen 1 Co., Ltd.
			2022 – Present	Director	Oxygen Asset Management Co., Ltd.
			2022 – Present	Director	Saha Charoensin Estate Co., Ltd.
			2022 – Present	Director	Kingbridge Asset Co., Ltd.
			2022 – Present	Managing Director	King Square Development Co., Ltd.
			2021 – Present	Director	Oxygen Asset Co., Ltd.
			2020 – Present	Director	Thana City Venture Co., Ltd.
			2019 – Present	Managing Director	Kingbridge Tower Co., Ltd.
			2018 – Present	Managing Director	First United Industry Co., Ltd.
			2018 – Present	Director	Sinparadon Co., Ltd.
			2018 – Present	Managing Director	Sahapat Properties Co., Ltd.
			2018 – Present	Director	Saha Asia Pacific Co., Ltd.
			2018 – Present	Director	Treasure Hill Co., Ltd.
			2017 – Present	Managing Director	Sahapat Real Estate Co., Ltd.
			2017 – Present	Managing Director	Pan Land Co., Ltd.
			2014 – Present	Director	Saha Tokyu Corporation Co., Ltd.
			2014 – Present	Chairman of Board of Directors	Green Lige Management Co., Ltd.
			2013 – Present	Director	I.D.F. Co., Ltd.

Name	Position	Education	Past 5 Years Experiences		
		<ul style="list-style-type: none"> Bhumpalung Phandin for Top Executive (Class 4) Chulalongkorn University Strategic CFO in Capital Market Program (Class 4) Thailand Securities Institute, The Stock Exchange of Thailand Company Secretary Program (CSP) 18/2006 Director Certification Program (DCP) 61/2005 	2013 - Present	Director	Park Capital Holding Co., Ltd.
			2013 - Present	Director	SSI Holding Co., Ltd.
			2012 - Present	Managing Director	Boon Capital Holding Co., Ltd.
4) Mr. Vorayos Thongtan	Director	<ul style="list-style-type: none"> Master of Engineering Graduate School of Information Science Nara Institute of Science and Technology, Japan Master of Business Administration University of Texas at Dallas, USA Master of Science in Finance (Distinction Honor) University of Texas at Dallas, USA 	2018 - Present	Executive Director / Sustainability Committee / Managing Director	Saha Pathana Inter-Holding Public Company Limited
			2022 - Present	Director	Sahacogen (Chonburi) Public Company Limited
			2022 - Present	Director	Sahagreen Forest Co.,Ltd
			2022 - Present	Director	Sahacogen Green Co.,Ltd
			2022 - Present	Director	Impact Solar Co.,Ltd
			2014 - Present	Director	Mobile Logistics OGISTICS Co.,Ltd
			2021 - 2023	Independent Director	Singer Thailand Public Company Limited

Name	Position	Education	Past 5 Years Experiences		
5) Mr. Piyapong Pinthuprapa	Director	<ul style="list-style-type: none"> Bachelor of Electrical Engineering (Second Class Honor) Sirindhorn International Institute of Technology Thammasat University Director Certification Program (DCP) 272/2019 Thai Institute of Directors Association (IOD) How to Development a Risk Management Plan (HRP) 20/2018 Advanced Master of Management Program, AMM (Class 8), National Institute of Development Administration 			
		<ul style="list-style-type: none"> Master of Science in Real Estate, Bayes Business School, City University 	2014 - 2019	Chief Executive Officer	WHA Real Estate Management Co., Ltd.
		<ul style="list-style-type: none"> Bachelor's Degree of Economics, Thammasat University 	2014 - 2014	Senior Manager of Business Development	WHA Corporation Public Company Limited
		<ul style="list-style-type: none"> Director Certification Program, 346/2023 of the Thai Institute of Directors (IOD) 	2009 - 2013	Assistant Fund Manager, alternative investments and real estate, Investment Management Office	Social Security Office, Ministry of Labour
			2008 - 2009	Investment office	CB Richard Ellis (Thailand) Co., Ltd.

Name	Position	Education	Past 5 Years Experiences		
6) Mr. Chinapat Visuttiwat	Independent Director	<ul style="list-style-type: none">• Master of Laws, Thammasat University• Bachelor of Laws, Thammasat University• Graduate Diploma Program in Business Law, Thammasat University• The Board's Role in Mergers and Acquisitions (BMA) 6/2023 (IOD)• Financial Statements for Directors (FSD) 46/2022 (IOD)• Successful Formulation & Execution of Strategy (SFE) 36/2564 (IOD)• Director Diploma Examination 36/2556 (IOD) (Fellow Member)• Director Certification Program 162/2555 (IOD)	2022 - Present	Independent Director, Director, Audit Committee, Chairman of Risk Management and Corporate Governance Committee and Chairman of Nomination and Remuneration Committee	Namwiwat Medical Corporation Public Company Limited
		2021 - Present	Independent Director and Chairman of Audit Committee and Chairman of Risk Management and Corporate Governance Committee	Sahacogen (Chonburi) Public Company Limited	
		2021 - Present	Independent Director and Chairman of Audit Committee	Chin Huay Public Company Limited	
		2018 - Present	Independent Director, Audit Committee, Nomination and Remuneration Committee, Risk Management Committee and Corporate Governance Committee	TQM Alpha Public Company Limited	
		2016 - Present	Director, Independent Director, Audit Committee and Chairman of Corporate Governance Committee	Origin Property Co., Ltd.	

Name	Position	Education	Past 5 Years Experiences	
7) Mr. Ratchaphum Jongpakdee	Independent Director	<ul style="list-style-type: none"> Master of Business Administration Mahachulalongkornrajavidyalaya University of Technology Bachelor's Degree of Industrial management Rajamangala University of Technology Thanyaburi 	2016 - Present	Independent Director and Chairman of Audit Committee
			2019 - Present	Director
			2019 - Present	Director
			2018 - Present	Director
			2018 - Present	Director
			2018 - Present	Director
			2018 - Present	Director
			2014 - Present	Director
			2016 - 2022	Independent Director and Chairman of Audit Committee
			2018 - 2019	Director
7) Mr. Ratchaphum Jongpakdee	Independent Director	<ul style="list-style-type: none"> Master of Business Administration Mahachulalongkornrajavidyalaya University of Technology Bachelor's Degree of Industrial management Rajamangala University of Technology Thanyaburi 	2023 - Present	Consultant
			2023 - Present	Director
			2023 - Present	Director
			2021 - Present	Director
			2017 - 2023	Special Instructor
			2022 - 2022	Chief Operating Officer
			2017 - 2020	Deputy Managing Director

Name	Position	Education	Past 5 Years Experiences	
8) Mr. Nattachak Pattamasingh Na Ayuthaya	Independent Director	<ul style="list-style-type: none">Master of Law (LL.M), University of PennsylvaniaMaster of Comparative Law (MCL), George Washington UniversityBarrister at Law, Institute of Legal Education of The Thai BarBachelor of Laws (Honor), Chulalongkorn UniversityCertificate, National Defence College, 2002	2013 - 2017	Senior Director, Market Research Department, Business Consulting Department, Building Management and Property Management Department, Property Valuation Department
			2017 - 2017	Deputy Director - Collateral Management and Non-performing Assets Management Department
			C.I.T. Property Consultants Co., Ltd.	
			Bank of Ayudhya Public Company Limited	

Name	Position	Education	Past 5 Years Experiences		
		<ul style="list-style-type: none"> • Certificate, College of Politics and Governance, King Prajadhipok's Institute, 9/2004 • Diploma in Justice Administration and Justice Administration, Court of Justice, 12/2006 • Diploma in Capital Market Academy, 8/2007 • Diploma in the Election Commission of Thailand, 5/2013 • Diploma in Justice Administration from France, 1990 • Diploma in Justice Administration, Linafei, Japan, 1991 • Director Certification Program, 70 of the Thai Institute of Directors (IOD) • Audit Committee Program, of the Thai Institute of Directors (IOD) 	2014 - 2016	Consultant	Islamic Bank of Thailand
			2010 - 2014	Director General	Office of Strategic Policy and Budget
			2010 - 2014	Director General	International Affairs Office
			2010 - 2014	Director General	Office of Narcotics
			2010 - 2014	Director	Metropolitan Waterworks Authority/ Provincial Waterworks Authority
			2010 - 2014	Director	Provincial Electricity Authority
			2001 - 2002	Chief Justice of the Central Administrative Court and Deputy President of the Administrative Court	Songkhla Administrative Court

Name	Position	Education	Past 5 Years Experiences		
9) Prof. Dr. Kamphol Panyagometh	Independent Director	<ul style="list-style-type: none">• Ph.D. (Finance) Schulich School of Business, York University, Canada• MBA (Finance), National Institute of Development Administration• B.S. Microbiology, King Mongkut’s Institute of Technology Thonburi• Chartered Financial Analysts (CFA)• Financial Risk Managers (FRM)• Certified Financial Planners (CFP)• NIDA-Wharton Executive Leadership Program• Design Thinking Workshop, Stanford University	2016 – Present	Professor in Finance	National Institute of Development Administration
			2018 – 2021	President	National Institute of Development Administration
			2021	Director	Sufficiency Economy Institute, Thailand Academy of Social Sciences, Humanities and arts
			2021	Vice president	Association of Southeast Asian Institutions of Higher Learning THAILAND
			2021 – 2022	Consultant	The Federation of Thai SME
			2015 – 2021	Sub-committee of Takeover Panel	Securities and Exchange Commission Thailand
			2021	Chairman of Corporate Governance and Sustainable Development Committee, Independent Director and Nomination and Remuneration Committee member	WHA Corporation Public Co., Ltd.
			2019 – Present	Independent Director / Member of Audit Committee / Director of the Nomination and Remuneration Committee	Prime Road Power Public Co., Ltd.

Name	Position	Education	Past 5 Years Experiences	
			2011 - Present	Chairman of Risk Management Committee Independent Director and Audit Committee Member STARS Microelectronics (Thailand) Public Co., Ltd.
			2011 - Present	Chairman of Nomination and Remuneration Committee Independent Director and Audit Committee Member Hydrotek Public Co., Ltd.
			2011 - 2021	Investment Committee National Institute of Development Administration

Executives

Name	Position	Education	Past work experience related to investment or real estate management		
1) Mr. Piyaopong Pinthuprapa	Managing Director	<ul style="list-style-type: none">• Master of Science in Real Estate, Bayes Business School, City University• Bachelor’s Degree of Economics, Thammasat University• Director Certification Program, 346/2023 of the Thai Institute of Directors (IOD)	2014 – 2019	Chief Executive Officer	WHA Real Estate Management Co., Ltd.
			2014 – 2014	Senior Manager of Business Development	WHA Corporation Public Company Limited
			2009 – 2013	Assistant Fund Manager, alternative investments and real estate, Investment Management Office	Social Security Office, Ministry of Labour
			2008 – 2009	Investment office	CB Richard Ellis (Thailand) Co., Ltd.
2) Ms.Prapaipun Fungvanit	Senior Business Development Manager	<ul style="list-style-type: none">- Master of Science in Investment Analysis and Management, Aston University- Bachelor of Business Administration, Finance, Thammasat University	2016 – 2017	Co-founder	BRB Hostel
			2016 – 2017	Assistant Manager	WHA Real Estate Management Co., Ltd.
			2014 – 2015	Relationship management	Corporate Finance TISCO Bank Public Company Limited
			2010 – 2013	Asset Valuer (Real Estate)	CB Richard Ellis (Thailand) Co., Ltd.
3) Mr.Thana Charoensantitham	Senior Asset Management Manager	<ul style="list-style-type: none">- Master of Economics Chulalongkorn University- Bachelor of Industrial EngineeringSirindhorn International Institute of Technology Thammasat University	2020 – 2022	Purchasing Manager	Saha Capital Tower Co., Ltd.
			2017– 2020	Assistant Managing Director Purchasing Manager	Country Group Development Public Company Limited
			2009 – 2019	Senior Cost Accounting Manager	Thai Yamaha Motor Co., Ltd.

Name	Position	Education	Past work experience related to investment or real estate management	
4) Ms.Piyawan Laokosakul	Senior Accounting Manager	<ul style="list-style-type: none"> Master of Science in Accounting and Finance, Teesside University, United Kingdom Bachelor of Accounting Chulalongkorn University 	2022 - 2022	Vice President
			2014 - 2022	Senior Manager
5) Ms.Warocho Chalkerd	Assistant Business Development Manager	<ul style="list-style-type: none"> Master of Science (Real Estate Business) Thammasat University Bachelor of Architecture Silpakorn University 	2021 - 2022	Program Manager, Planning Manager
			2018 - 2022	Architect 2 Design Department
			2014 - 2018	Architect Design and Construction Department
				EK-Chai Distribution System Co., Ltd. (Lotus's)
				Frasers Property (Thailand) Public Company Limited
				International Project Administration Co., Ltd.

Scope of Authority, Duties and Responsibilities of the Board of Directors

- (1) Perform duties in accordance with the laws, the Company's objectives, and regulations, as well as the Board of Directors' resolutions and unitholders' resolutions with honesty (Duty of Loyalty), prudence (Duty of Care), accountability and ethics.
- (2) Determine the vision, mission, strategies, direction and appropriate organizational structure, as well as the Company's and the REIT's policies in relation to business operations and execution plan, annual budgeting, risk management, administering and evaluating the Company's operating performance under the scope of the REIT Manager appointment agreement, the trust deed, form 56-1, prospectus, the Company's objectives and regulations, the Board's resolutions and the resolutions from the unitholders' meeting, including relevant laws, with consideration of the REIT's and unitholders' maximum benefits as the priority.
- (3) Follow up with the Company's operating performance in different aspects as the REIT manager on a continuous basis, as well as offer essential advice to ensure that the Company's operations are in line with the aspired objectives.
- (4) Review, monitor and offer advice as needed to ensure the Company has an effective and efficient control system and operating system in place, as required of the REIT manager's roles.
- (5) Ensure compliance and execution related to the disclosure of transactions with potential conflicts of interest, in accordance with the criteria enforced by the Securities and Exchange Commission, the Stock Exchange and related regulatory bodies.
- (6) Review, monitor and evaluate the performance of the Company's executives, as well as offer advice as needed to ensure that executives perform their roles to the best of their potential and in alignment with the criteria and regulations stated in different agreements and rules regarding role performance of the REIT manager.
- (7) The Company's Board of Directors may assign one or more directors or any individuals to perform duties on the Board's behalf. In this regard, this shall not include authorization of power or sub-authorization that allows a director or an authorized person to approve of the transaction that one or other individuals may have potential conflicts of interest or any other types of benefits that conflict with the REIT's interests.
- (8) Consider and approve of the investment decisions in the REIT's assets, for instance, real estate, tooling, machinery, or equipment, to align with the trust deed, form 56-1, prospectus, laws, notices, or relevant regulations.
- (9) Consider and approve of the divestment of core assets and properties of the REIT to be in line with the trust deed, form 56-1, prospectus, laws, notices, or relevant regulations.

Scope of Authority, Duties and Responsibilities of Independent Directors

- (1) Review, monitor and offer essential advice to the Company on the information disclosure procedures, compilation of the Company's and the REIT's financial reports to be accurate, sufficient, trustworthy, and timely.
- (2) Review, monitor and offer essential advice to the Company on implementing an appropriate internal control and operational systems, as required of the REIT manager's roles.
- (3) Consider and offer opinions on inter-related transactions or ones that may involve conflicts of interest with the REIT, to be in line with the laws and related regulations, to ensure that such transactions are sensible and promise maximum interests to the REIT.
- (4) Perform any other duties as assigned by the Company's Board of Directors that are of benefits to the REIT.

Duties and Responsibilities of the Company as the REIT Manager

The Company as the REIT manager is obligated to take charge of the REIT and ensure that tenants of the REIT's core assets perform their roles in accordance with the Company's policies, trust deed, form 56-1, prospectus, regulations, and relevant laws.

(A) The Company's general duties are as follows:

- (1) Perform duties by exercising knowledge and competencies as a professional with responsibility, prudence, and honesty. Treat all unitholders with fairness for maximum benefits of all unitholders. Comply with the trust deed, REIT manager's appointment agreement, form 56-1, prospectus, REIT's objective, resolutions of the unitholders' meeting, regulations, and relevant laws.
- (2) Comply with the REIT Act, Securities and Exchange Commission Act and other laws relevant to the REIT's operations, as well as the Code of Conduct and professional standard regulated by relevant associations or organizations related to the securities businesses, and refrain from supporting, commanding, or cooperating with any individuals in violating the aforementioned laws or regulations.
- (3) Arrange for sufficient capital for business operations and potential commitment arising from performing duties as a REIT manager on a continuous manner.
- (4) Arrange for the retention of funding in accordance with the relevant criteria.
- (5) Manage the assets in accordance with the trust deed, REIT manager appointment agreement, form 56-1, prospectus, the Company's operational plan, unitholders' meeting resolutions, relevant laws and regulations.

- (6) Never misuse the information obtained from serving as the REIT manager's roles in an inappropriate manner for one's own benefits, or cause damages or impact on the REIT's overall interests.
- (7) Perform duties with prudence and ensure not to cause conflicts of interest. In case there are potential conflicts of interest, one must ensure that investors are treated fairly and appropriately.
- (8) Organize unitholders meeting in accordance with the criteria stated in the trust deed, regulations, and relevant laws.
- (9) Proceed with capital injection or reduction in accordance with the criteria stated in the trust deed, regulations, and relevant laws.

(B) Duties in compilation of reports and information disclosure:

- (1) Compile the Company's financial statement in accordance with the generally accepted accounting principles and submit the report to the Securities and Exchange Commission within the specified timeframe.
- (2) Disclose, offer opinions, or provide significant and relevant information in a sufficient manner for investors' decision making.
- (3) Prepare and disclose the information of the REIT in accordance with the Securities and Exchange Act and other information as specified in the trust deed, form 56-1, prospectus, Stock Exchange's regulations, as well as relevant laws and regulations, for instance, calculation and disclosure of the REIT's asset values and unit values, etc.
- (4) Give cooperation to the trustee in performing duties or the Securities and Exchange Commission, which includes compilation and disclosure of any other information required by the trustee or the Securities and Exchange Commission.
- (5) Ensure that unitholders receive sufficient and accurate information prior to making decisions, whereby the information should be received in advance as stated in the trust deed, form 56-1, prospectus and relevant laws and regulations.
- (6) Prepare and submit the reports and/or related documents to the trustee and/or the Securities and Exchange Commission within the specified timeframe.

(C) Duties related to investment or divestment of the REIT's assets:

- (1) Ensure that the investment in core assets or other properties are properly executed, with the administering of self-evaluation in investment management and execute the investment policy of the Company and the trust deed.

- (2) Arrange for the due diligence for the real estate and evaluate risks in different aspects that may arise from the investment. Ensure that there are risk management protocols in place.
- (3) Arrange for the valuation of core assets in accordance with the prescribed criteria.
- (4) Take care of core assets to be in good condition and ready to seek benefits at all times. Arrange for the repair, maintenance, and improvement of core assets to maintain their good conditions.
- (5) Arrange for sufficient insurance on the core assets throughout the course of the REIT's investment, covering non-life insurance on the real estate and the liability insurance on the third parties that may be impacted by the real estate or any related proceedings, as well as other insurances as deemed appropriate.
- (6) Develop the investment and risk management plans related to the REIT and its properties, loan acquisition plan and the REIT's annual financial management plan.
- (7) Ensure that the sale, payment, transfer of real estate's ownership, or entering into related agreements for the REIT are executed righteously and with legal effects.

(D) Duties related to protection of the REIT's interests:

- (1) Coordinate with the trustee or designated individuals from the trustee to facilitate the inspection procedures of core assets.
- (2) Manage the REIT's budget and cash flow.
- (3) Prepare the REIT's statement of financial position that complies with the generally accepted accounting principles and legal regulations in accounting, and disclose the reports based on the designated criteria.
- (4) Monitor, control and verify the reimbursement and payment of the REIT's expenses, especially withdrawals from the account for daily operations (if any), or for other purposes mutually agreed upon with the trustee, under the financial limit approved of by the trustee.
- (5) Arrange for the compensation payment for unitholders based on the trust deed's criteria, unitholders' meeting resolutions, regulations and relevant laws, whereby there may be potential disclosure of loan amount and reserve allocation for repayment or for any other repayment obligations in each year until the debt is fully settled (if any), including obligations from loan acquisition, debt repayment period and the impact they may have on paying benefits to unitholders.

(6) In case a resolution from unitholders to proceed on any matters is required, the REIT manager must express opinions and analyze the impact to facilitate decision making.

(7) Ensure proper storage of different documents related to the REIT's operations, based on the direction set forth by the relevant organizations.

(E) Duties in case of engaging in transactions that may involve potential conflicts of interest:

In case of engaging in transactions that may involve potential conflicts of interest, the Company will consider the rationale and necessity in proceeding with such transaction and will ask for the agreement of the trustee whether such transaction is aligned with the trust deed and relevant laws. If the trustee disagreed, the Company would not proceed with such transaction, unless otherwise agreed upon by the trustee. If the scale of the transaction requires an approval of the Board of Directors and/or the unitholders' meeting, the Company would ensure to proceed in order to obtain an approval in accordance with the relevant criteria.

In this regard, engaging in transactions that involve potential conflicts of interest between the REIT and the trustee is not allowed unless a compensation is called for by the trustee for acting as the trustee, or other transactions that the trustee has displayed that the REIT is managed fairly and that the relevant information is sufficiently disclosed to unitholders in advance, while unitholders do not express any objection and that required procedures are executed based on the relevant regulations.

(F) Other duties of the Company:

(1) In case there are changes in the REIT manager, the Company will offer cooperation and proceed with required courses of action to transfer the tasks on hand to the individuals or organizations that take over the roles.

(2) In case there are appointments of consultants to offer advice on the investment in real estate and real estate management, the Company will abide by the following criteria:

(2.1) Ask the consultants to relay potential conflicts of interest with the transaction to enhance the efficiency of consideration.

(2.2) If the consultants have any conflicts of interest with the matter at hand, either directly or indirectly, they may not participate in the consideration of such matters.



POLICIES AND PROVISION OF BENEFITS

Nature of Provision of Benefits

The objective of investing in the REIT's core assets is to generate good and consistent returns in the long run for trust unitholders, whereby the REIT manager will identify the appropriate policies and strategies in managing the REIT's assets for unitholders' maximum benefits.

The REIT manager provides benefits from the assets by renting out the assets to tenants, whereby the REIT obtains income and cash flow in the form of rent and service income in granting the rights to use basic utilities (service fees) (if any), which can be categorized as follows:

Rental and Service Income

For Saha Group Industrial Park in Sriracha, Kabinburi and Mae Sot, the rent and service income from granting the right to use basic utilities are incurred directly to the REIT from renting out factory space to tenants.

For Tiger Suvarnabhumi DC project, the rent, conveyor system and racking system rental income are incurred directly to the REIT from renting out the warehouse space and/or other properties to tenants.

In this regard, tenants will make use of the factory and/or warehouse space to operate their own businesses, whereby the REIT collects rent and service fees from tenants at a fixed rate based on the size of the space. The standard rent contract lasts for a period of no more than 3 years, whereby tenants pay the rent and service fees on a monthly basis to the REIT. However, certain tenants at Saha Group Industrial Parks in Kabinburi and Mae Sot are on the rent contract with the contract period of more than 3 years.

Other Income

Other income is somehow related to the rent and service provision income, comprising of common area fee, utility fee, land and building tax income that the REIT collects from tenants and income from any other binding contracts, etc.

Rental Income according to Undertaking Agreement

In 2023, HYDROGEN has rental income according to undertaking agreement in 2 cases as follows:

- (1) In the case of the lease duration is less than 1 year on the investment date, there are rental income according to undertaking agreement in Saha Group Industrial Park Si Racha and Tiger Suvarnabhumi DC project, the guaranteed income for a period of 1 years from the investment date (Ends on 30 Nov 2023).
- (2) In the case of vacant space on the investment date, there are rental income according to undertaking agreement in Tiger Suvarnabhumi DC project, the guaranteed income for a period of 3 years from the investment date (Ends on 30 Nov 2025).

Details of Tenants

As of 31 December 2023, the REIT has diversified tenants in terms of industries and nationalities.

(1) Industry of tenants

Industry	Ratio of net rental income (%)
Logistics	44.36
Manufacturer	27.03
E-commerce	15.55
Textiles	9.12
Fast Moving Consumer Goods - FMCG	3.93

(2) Nationality of tenants

Nationality	Ratio of net rental income (%)
Thai	46.01
Japanese	21.65
Chinese	19.05
Argentina	13.30

(3) Lease expiry profile

Expiry year	Ratio of net rental income by project (%)				Ratio of net rental income all project (%)
	Saha Group Industrial Park Si Racha	Saha Group Industrial Park Kabinburi	Saha Group Industrial Park Mae Sot	Tiger Suvarnabhumi DC	
2567	3.93	-	5.14	56.43	65.49
2568	10.43	-	7.29	-	17.72
2569	-	-	-	3.49	3.49
2570	-	-	-	-	0.00
2571	-	13.30	-	-	13.30

DETAILS OF INVESTMENT ASSETS

Investment assets

No.	Project	Location	Type of Investment	Details of Initial Investment Assets	Land Area	Net Leasable Area (sq.m.)	Average Occupancy Rate ^{/1} (%)	Average building age ^{/2} (Year)
1	Saha Group Industrial Park Si Racha	Nong Kham, Si Racha Chon Buri	Leasehold	(1) Leasehold rights of 2 plots of land (title deed no. 15944 and 21814) (2) Leasehold rights of 8 factory buildings (8 units)	9 - 0 - 71.49 Rai	14,760	100	32
2	Saha Group Industrial Park Kabinburi	Nonsi, Kabinburi, Prachin Buri	Leasehold	(1) Leasehold rights of 3 plots of land (title deed no. 4207, 18530 and 89280) (2) Leasehold rights of 4 factory buildings (2 units)	9 - 2 - 63.88 Rai	16,145	100	33
3	Saha Group Industrial Park Mae Sot	Mae Kasa, Mae Sot, Tak	Leasehold	(1) Leasehold rights of 4 plots of land (title deed no. 34896, 46829, 46830 and 46831) (2) Leasehold rights of 8 factory buildings (14 units) (3) Ownership of related movable assets such as transformer along with related equipment ; electrical transmission system, MDB, etc.	22 - 1 - 31.85 Rai	24,073 ^{/3}	98	14

No.	Project	Location	Type of Investment	Details of Initial Investment Assets	Land Area	Net Leasable Area (sq.m.)	Average Occupancy Rate ¹ (%)	Average building age ² (Year)
4	Tiger Suvarnabhumi DC	Khlong Sam Prawet, Latkrabang, Bangkok	Freehold	(1) Ownership of 2 plots (title deed no. 48854 and 50580) (2) Ownership of 1 warehouse (3 Units), 1 canteen building and support buildings (3) Ownership of related movable assets including Conveyor System and Racking System	47 - 0 - 79.4 Rai	64,723	99	6

Remark :

¹ Data as of 31 December 2023

² Average building age calculate from 1 January 2024

³ Internal lease area 22,435 sq.m. and external lease area 1,638 sq.m.

Location of Investment Assets

ภาพแสดงทำเลที่ตั้งของทรัพย์สินหลักที่กองทรัสต์เข้าลงทุน



Value from the latest appraisal report

HYDROGEN's initial investment is on 1 December 2022, totaling an asset investment value of 2,884,591,650 baht. As of 7 December 2023, the main assets' investment value can be summarized as follows:

Investment Assets	Type of Investment	Investment Value as of 1 December 2022 (MB.)	(%)	Appraisal Value ^{/1} as of 7 December 2023 (MB.)	(%)
Saha Group Industrial Park Si Racha	Leasehold	337.21	11.69	295.00	11.32
Saha Group Industrial Park Kabinburi	Leasehold	266.74	9.25	276.00	10.60
Saha Group Industrial Park Mae Sot	Leasehold	272.92	9.46	248.00	9.52
Tiger Suvarnabhumi DC	Freehold	2,007.72	69.60	1,786.00	68.56
Total Asset Value		2,884.59	100	2,605.00	100

Remark :

^{/1} Property value assessed by Grand Asset Advisory Co.,Ltd.



LOAN ACQUISITION POLICY

The REIT may borrow money or commit an obligation, either with or without the collaterals, and must comply with the borrowing criteria or obligatory duties as required by law, or as stated in the trust deed. In this regard, the REIT will proceed to borrow money or commit an obligation only for the following objectives:

1. To invest in real estate, movable properties, equipment, leasehold rights that are additional core assets, or to invest in other properties.
2. To use in the management of the REIT's properties.
3. To use for maintenance, repair, or improvement of the REIT's properties, for instance, the REIT's real estates, or real estates in which the REIT has leasehold rights to be in good conditions and be to seek benefits, or to satisfy market conditions or changing customers' requirements.
4. To add or construct additional buildings on the existing land space owned by the REIT or ones in which the REIT has leasehold rights, for the benefits of seeking the REIT's interests or to cater to changing market conditions or customers' requirements.
5. To settle the loan or the REIT's obligations.
6. To serve as the REIT's working capital.
7. To readjust the loan structure to settle existing loan agreement (Refinancing).
8. To readjust the REIT's capital structure.
9. For any other necessary reasons as deemed appropriate by the REIT manager to ensure unitholders' maximum benefits.

The REIT's loan proportion has been limited to not exceed 35% of the REIT's total asset values. In case where the REIT's credibility is ranked in the investment grade, the borrowing proportion shall not exceed 60% of the REIT's total asset values.

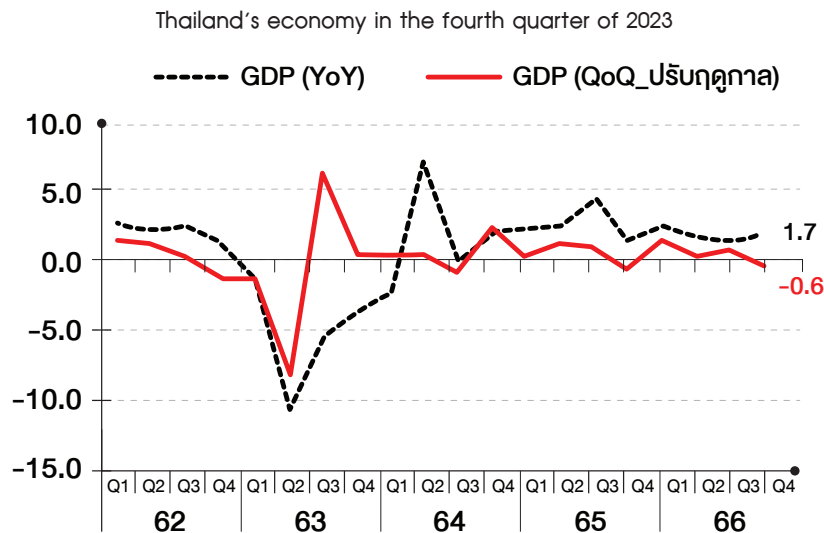
Key Summary of Loan Agreement

As of December 31, 2023, HYDROGEN REIT's long-term loan was reported at 855 million Baht, with key details of the loan agreement as follows:

Lender	Financial institutions
Borrower	Land and Houses Fund Management Co., Ltd. as the trustee of HYDROGEN REIT
Loan Amount	Total loan amount of not exceeding 900 million Baht, comprising of: Long-term loan of not more than 900 million Baht for the first-time investment in main assets of the REIT and other relevant expenses.
Interest Rate	The interest rate refers to the MLR (Minimum Loan Rate) or other reference interest rates, whereby the average interest rate throughout the contract period will not exceed the MLR-1.5% per year. In this regard, the MLR (Minimum Loan Rate) is the rate for key accounts.
Repayment Due Date	5 Years from the loan drawdown
Interest Payment	To be paid monthly
Principal Repayment	To be settled in full on the repayment due date
Loan Collateral	<ol style="list-style-type: none"> 1) The mortgage for core assets that the REIT invested in for the first time in Tiger Suvarnabhumi DC project. 2) The endorsement of the insurance stating that the lender is the co-beneficiary and co-insured. 3) The registration of a lease agreement with the tenant and/or the REIT's operating accounts are business collaterals under the Business Collateral Act B.E.2558. 4) Other loan collaterals (if any) identified by the REIT and the lender in the loan contract and relevant financial documents agreed upon by the REIT and the lender.
Financial Practices	The borrower must maintain the interest-bearing debt to total asset value ratio of not more than 35% and/or other financial practices identified by the REIT and the lender as stated in the loan agreement and relevant financial documents agreed upon by the REIT and the lender.
Compiling with Financial Covenants in Loan Agreement	HYDROGEN complies the financial covenants in loan agreement

Overview of the Industrial Sector

Overview of the Economy



Source : NEDC

The Thailand's economy in the fourth quarter of 2023 expanded by 1.7%, accelerating from a 1.4% expansion in the third quarter of 2023. When adjusted for seasonal factors, Thailand's economy contracted by 0.6% compared to the previous quarter. For the entire year of 2023, Thailand's economy expanded by 1.9%, decreasing from a 2.5% expansion in 2022. This slowdown was influenced by factors such as the slowdown in the manufacturing sector and exports, as well as reduced spending and investment by the government. However, high consumption expenditures and continuous private investment in transportation and warehousing contributed positively to the overall economic performance.

Consumption Expenditures

Private consumption expenditures expanded by 7.4%, maintaining its growth trend from 7.9% in the previous quarter. This was driven by increased spending in all categories, reflecting improved employment and increasing consumer confidence. Notably, spending on services sector significantly expanded by 12.8%, maintaining from 15.5% in the previous quarter, there were continuous good growth in spending on hotels and restaurants. Meanwhile, government consumption decreased by 3.0% for the sixth quarter in a row. For the entire year of 2023, Private consumption expenditures expanded by 7.1%, compared to 6.2% in 2022, while government consumption expenditures decreased by 4.6%, down from a 0.1% expansion in 2022.

Total Investment

Total investment slightly decreased by 0.4% compared to a 1.5% expansion in the previous quarter, following a 20.1% decrease in government investment due to delayed budget disbursement for the fiscal year 2024. Meanwhile, private investment continued to grow, expanding by 5.0%, up from 3.5% expansion in the previous quarter. Notably, investments in machinery and equipment expanded by 5.2%, up from 3.5% expansion in the previous quarter. Investment in construction expanded by 3.4% compared to 3.8% expansion in the previous quarter. For the entire year of 2023, total investment expanded by 1.2% compared to 2.3% expansion in 2022. Private investment expanding by 3.2% compared to 4.7% expansion in 2022, while government investment decreased by 4.6% compared to a 3.9% decrease in 2022.

Industrial Manufacturing

Industrial manufacturing consecutively declined for the fifth quarter in a row by a 2.4% decrease compared to a 4.4% decrease in the previous quarter. This decline was primarily due to reduce in the production of key export products such as computers and peripheral parts (down by 18.7%), electronic components and circuit boards (down by 15.7%), and vehicle manufacturing (down by 13.9%). For the entire year of 2023, industrial manufacturing contracted by 3.2% compared to a 0.7% increase in 2022.

Transportation and Warehousing

The transportation and warehousing sector continued to grow for the ninth quarter in a row, increasing by 6.7% compared to a 7.1% expansion in the previous quarter. Transportation services expanded by 6.1% compared to a 7.4% expansion in the previous quarter, while support services for transportation and postal services increased by 12.3% and 11.8%, respectively, compared to the previous quarter. For the entire year of 2023, transportation and warehousing expanded by 8.4%, increasing from an 8.0% expansion in 2022.

Economic Trends for Thailand in 2024

The National Economic and Social Development Council (NEDC) forecasts that the Thailand's economy in 2024 will expand in the range of 2.2% to 3.2%. Factors supporting this trend include a rebound in exports, sustained private consumption growth, continuous private investment, and a gradual recovery in the tourism sector. Private consumption and private investment are expected to expand by 3.0% and 3.5%, respectively. The value of exported goods in US dollars is projected to grow by 2.9%, while the inflation rate is expected to remain within the range of 0.9% to 1.9%, and the current account surplus is estimated to be above 1.4% of GDP.

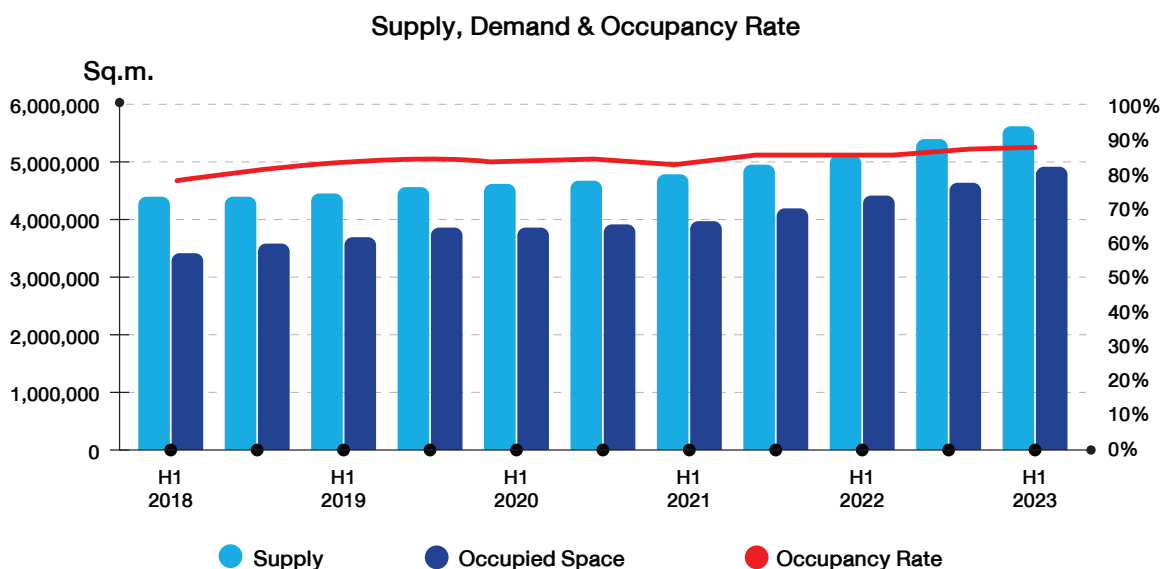
Overview of Real Estate for Industry

In the second quarter of 2023, there was a net inflow of Foreign Direct Investment (FDI) into the manufacturing sector, amounting to 26,510 million baht, which decreased by 60.25% compared to the previous quarter and 60.24% compared to the previous year. This decline followed the investment value of 66,700 million baht in the first quarter of 2023 and 66,690 million baht in the second quarter of 2022.

Serviced Industrial Land Plots (SILP) remained stable at 164,441 rai, with total land sales of 613 rai, increasing by 17.2% compared to the previous quarter and 97.1% compared to the previous year. This growth followed land sales of 523 rai in the first quarter of 2023 and 311 rai in the second quarter of 2022.

Investment and Business Partnerships in Major Industries: In the fourth quarter of 2023, there was an announcement of a joint venture between Saha Pathana Inter-Holding Public Company Limited and the Zhen Ding Tech Group, a leading global business engaged in the design, research, development, manufacturing, and distribution of Printed Circuit Boards (PCB). The factory was established on an area of over 300 rai at the Saha Pathana Kabinburi Industrial Estate in Prachinburi province. Construction of this project began in December 2023, with an estimated investment value of approximately 10,000 million baht in the first phase and over 50,000 million baht by 2030. Additionally, there were announcements of continuous capital additions for two major real estate investment trusts, WHART and FTREIT, with additional investment values of approximately 3,566 million baht and 2,090 million baht, respectively.

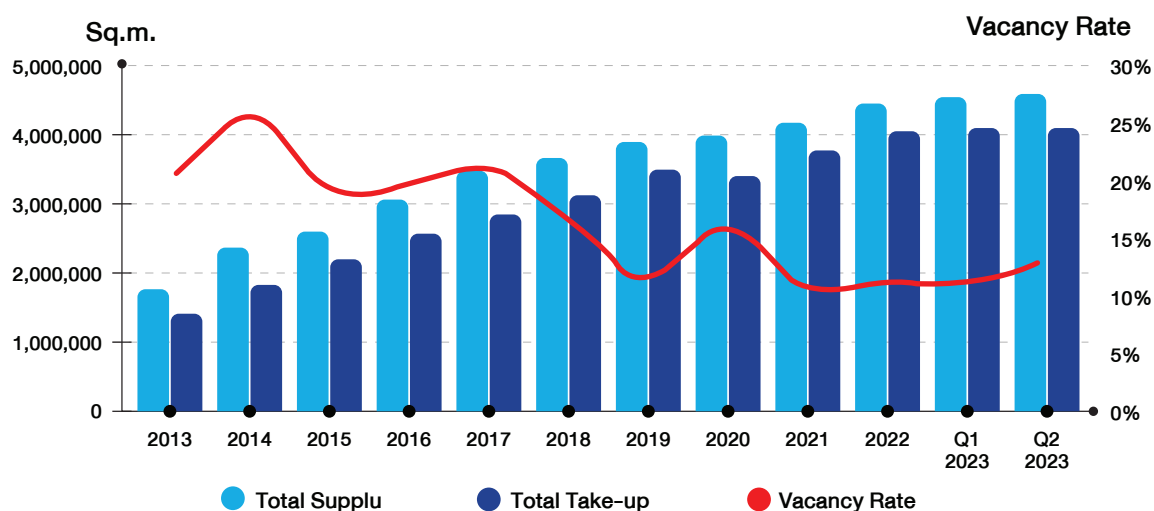
Ready-Built Warehouses for Rent



Source : Knight Frank Thailand, Q2 2023

In the second quarter of 2023, the total area for ready-built warehouses for rent was approximately 5.57 million square meters, expanding by 203,150 square meters, representing a growth rate of 3.8% compared to the previous quarter and 9.3% compared to the same period in the previous year. The occupancy rate for these warehouses increased to 88%.

Supply, Demand, and Vacancy Rate of MLP

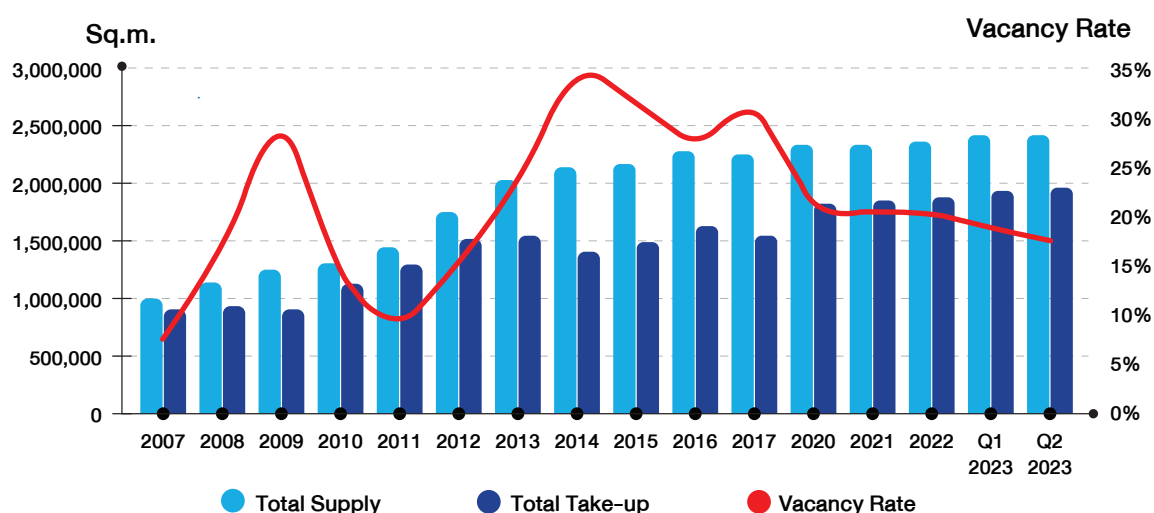


Source : CBRE Research, Q2 2023

For modern warehouse and distribution centers, according to CBRE's survey, the total rental area was 4,596,262 square meters, expanding by 103,691 square meters or 2.3% compared to the previous quarter and 7.6% compared to the same period in the previous year. The vacancy rate increased from 10.0% in the first quarter of 2023 to 11.8% in the second quarter of 2023.

Ready-Built Factories for Rent

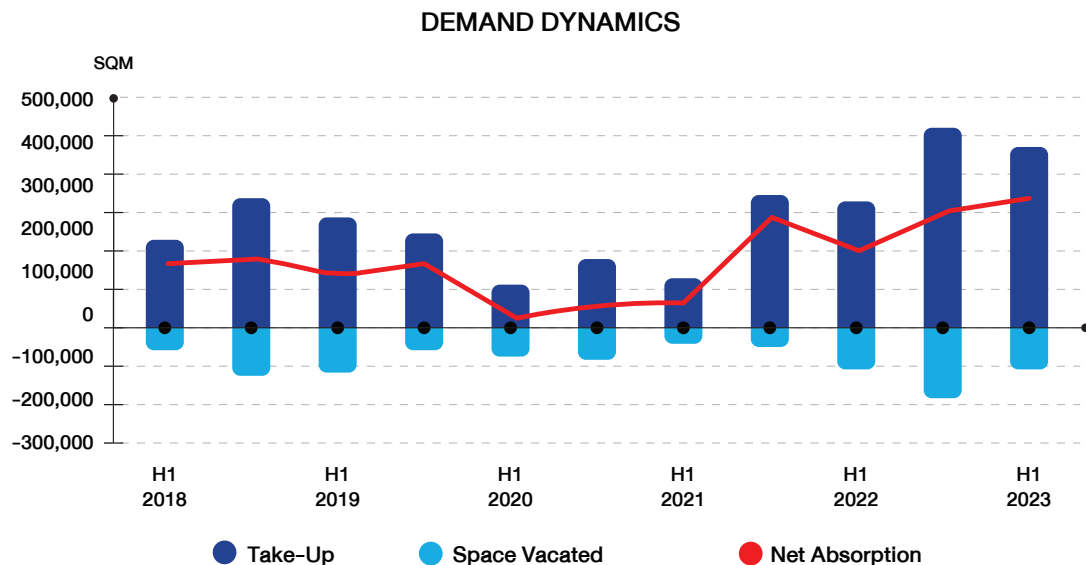
Supply, Demand, and Vacancy Rate of RBF



Source : CBRE Research, Q2 2023

In the second quarter of 2023, ready-built factories for rent maintained the same rental area as the previous quarter, which was 2,420,744 square meters. However, there was an increased demand for factory space, resulting in an increase of 1,986,916 square meters or 1.3% compared to the previous quarter and 5.0% compared to the same period in the previous year. This led to a reduction in the vacancy rate to 17.9% in the second quarter of 2023 from 19.0% in the first quarter.

Demand



Source : Knight Frank Thailand, Q2 2023

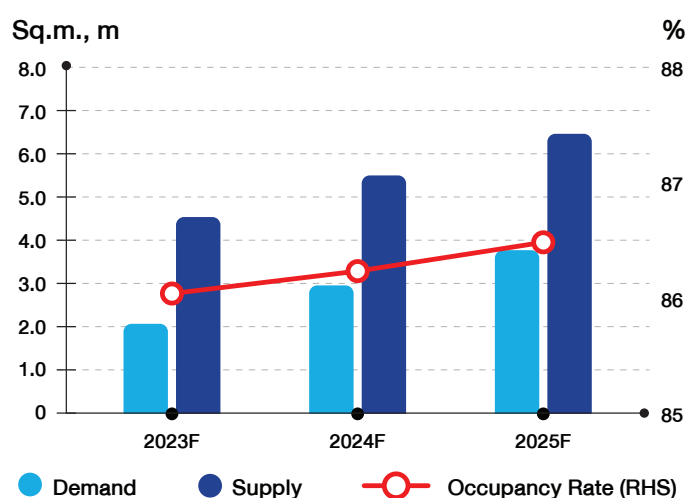
In the first half of 2023, ready-built warehouses for rent had a net absorption rate of 282,000 square meters, representing a 11.7% increase compared to the previous quarter. The major industries driving renting demand included logistics services, fast-moving consumer goods (FMCG), and electronics. While Japanese tenants continued to dominate the market share, there was an increasing trend of Chinese entrepreneurs renting space for their businesses.

For ready-built factories, there were no new supplies in the first half of 2023, but there was an increasing demand for factory space. Most entrepreneurs often seek ready-built factories for rent or purchase rather than investing in constructing their own factories.

Growth of Real Estate for Industry

According to the analysis of industrial business trends for the years 2023 - 2025 by Krungsri Research, the warehouse for rent business continues to exhibit consistent growth driven by the global and Thailand's economy, which are supported by the recovery of the tourism sector increasing consumer demand for goods, positively impacting the manufacturing sector. Moreover, domestic investment focuses on developing projects in industrial estates within the Eastern Economic Corridor (EEC), including expanding production bases into Thailand by electric vehicle manufacturers groups and renting warehouses to support the growth of online commerce.

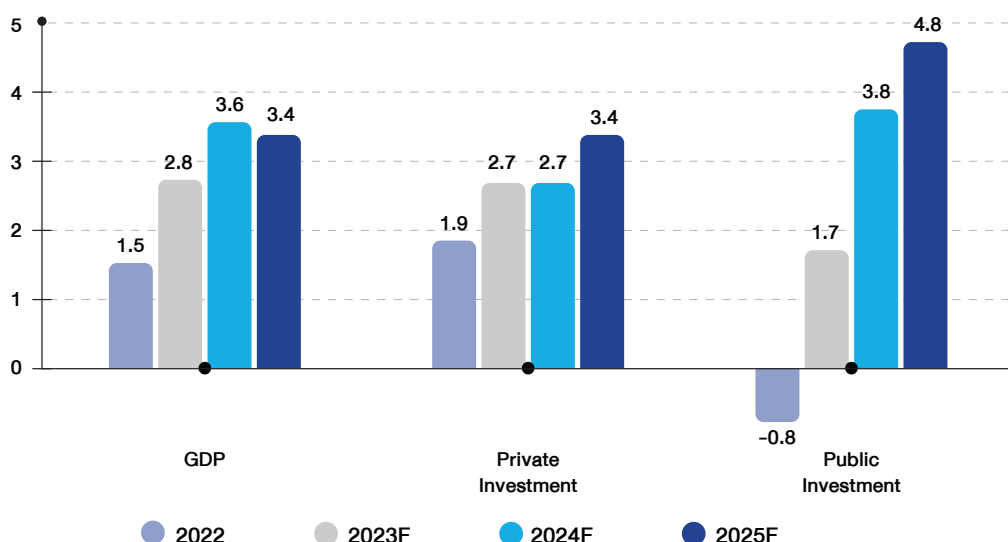
**Supply, Demand, and Occupancy Rate
of General-purpose Warehouse**



Krungsri Research estimates that the warehouse for rent business will continue to grow at a moderate rate. It is forecasted that the demand for general warehouse space in 2023 will be around 5.8 million square meters, with a rental rate of 86%. Total supply is expected to increase to 6.7 million square meters. From 2023 to 2025, the demand for warehouse space is forecasted to grow by an average of 5.6% per year, depending on three main factors:

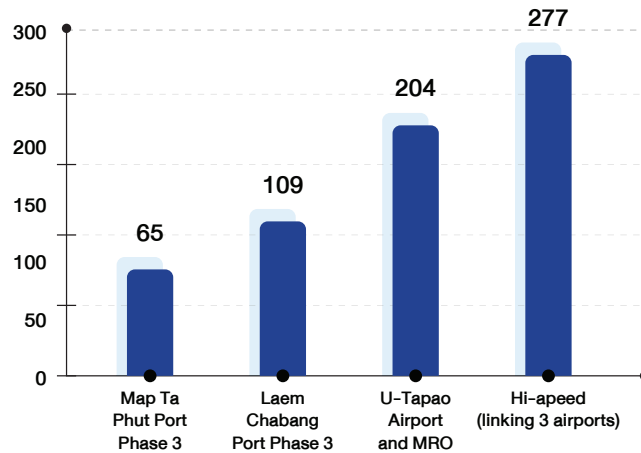
1. **Global and Thailand's Economic Recovery:** Krungsri Research predicts that the Thailand's economic growth rates of 3.6% in 2024 and 3.4% in 2025.

Thailand GDP and Investment (%)



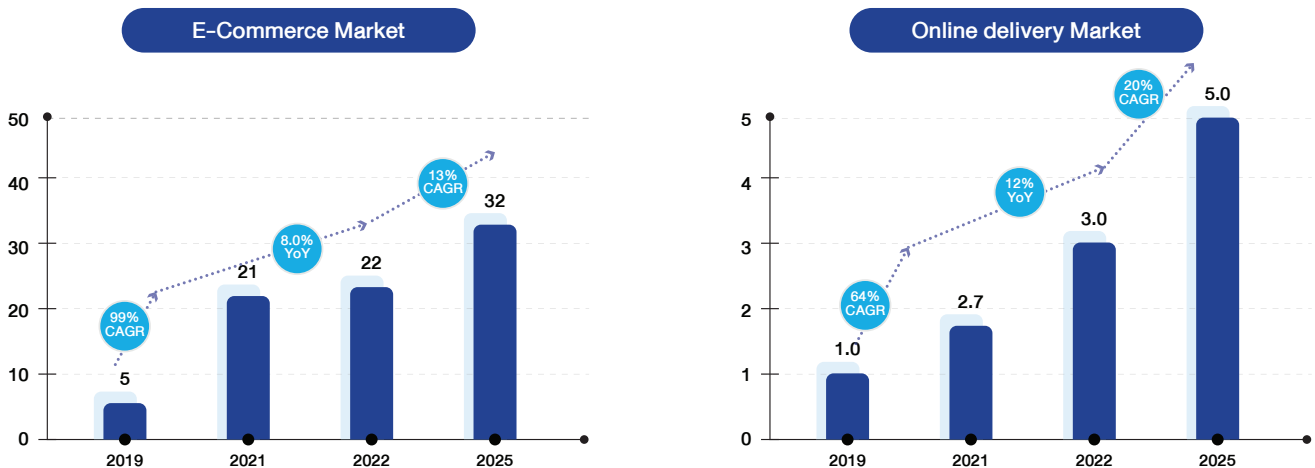
- Infrastructure investment and transportation networks, especially in the EEC Phase 2 during 2023 - 2027, will improve connectivity between regions.

Infrastructure Investment Projects in EEC 2023-2027
(Billion Baht)



- Growth of E-commerce and Logistics businesses: According to e-Conomy SEA2022, the Thailand e-commerce market and express delivery services are expected to grow by an average of 13% and 20% per year, respectively, from 2022 to 2025. This drives the demand for warehouse space, especially for e-commerce fulfillment centers. Fulfillment service providers are continuously expanding their businesses to meet the demands of the e-commerce sector.

Growth of e-Commerce in Thailand (Billion USD)



However, according to the survey, there is an increasing number of new competitors into the warehouse for rent business, along with existing players expanding their investments in this business. This might heighten competition in the warehouse for rent business and might lead to excess supply in some areas, which could affect the rental rate.



RISK FACTORS

1. The risks relating to HYDROGEN's Investment Assets

1.1. The risk from investment in leasehold immovable properties where the value thereof declines over the remaining lease period.

HYDROGEN invests in the leasehold rights in Saha Group Industrial Parks - Sri Racha, Kabinburi, and Mae Sot where the value of the leasehold will decline over the remaining lease period due to the evaluation of the value of leasehold rights, changes in the amount of lease, and/or rate of the rental fee, or other reasons beyond the control of the REIT Manager. In addition, changes in the value of leasehold rights may significantly affect the asset value, the net asset value, and the trust unit value, provided that, after the expiration of the lease of the main assets in all 3 projects, the value of the asset will be equal to zero.

However, for an investment in the Initial Investment Main Assets, HYDROGEN invests in leasehold rights of lands and factory facilities, the approximate number is 30.27 percent of the total asset value of HYDROGEN. In this case, the value of the assets is calculated from the appraisal value.

1.2. The risk from the depreciation of buildings in respect of benefit procurement and/or the risk from insufficiency of reserved money for major maintenance or restoration of HYDROGEN's Initial Investment Main Assets.

If HYDROGEN does not maintain, repair, and renovate the assets properly, the assets may deteriorate causing an inability to generate income; and in case HYDROGEN cannot attain enough reserve money to repair and/or improve the assets to retain its capability to compete, the adverse impact on the operation, financial status, and competency in paying returns to the trust unitholders may occur.

For the buildings which are the Initial Investment Main Assets in Saha Group Industrial Parks - Sri Racha, Kabinburi, and Mae Sot, the average ages of the buildings are 31, 32, and 13 years, respectively with the building equipment available as required by the laws. The condition of the buildings, in-dept structure strength, component systems and equipment, and have been checked and none of the indications that the buildings will be damaged was found, and the service life of the buildings is approximately 35 years old from the check-up date which is cover the lease period of the Initial Investment Main Assets invested by HYDROGEN.

Nonetheless, to properly maintain repair and renovate the Main Assets, the REIT manager will estimate annual expenses of improvement, repair and/or reserved money considering operation plan of the Property Manager and/relevant experts.

Moreover, in case the reserved money is not enough, HYDROGEN may consider finding another resource of the fund, such as lending money or securities.

1.3. The risk from the higher competition which may decrease the number of tenants.

HYDROGEN may face supply risk if in the future there are new factory facilities, warehouses, and related rental office spaces built in the same area. It may affect the number of existing minor tenants or potential minor tenants which will have a significant impact on the performance, business and financial condition of HYDROGEN.

However, the location of the Initial Investment Main Assets are in suitable locations with transportation routes to other regions which reduces operational costs to small business operators, therefore, such factor can attract business operators to lease the Initial Investment Main Assets. Moreover, SPI's long experience and expertise in developing and managing real estate for rent is another factor to increase the potential of HYDROGEN's Initial Investment Main Assets to compete with others.

1.4. The risk from the concentration of major tenants and the loss of major tenants in HYDROGEN's Initial Investment Main Assets which may affect the revenue of HYDROGEN

As of 30 June 2022, the first 5 major tenants of the Initial Investment Main Assets leased the building spaces in a total of 85.52 percent of the total revenue of the Initial Investment Main Assets. If any of the tenants do not renew the lease agreement and/or basic utilities agreement when expired or cancels the lease agreement and/or basic utilities agreement before the expiration and HYDROGEN cannot find a new tenant, this may cause an adverse effect on business, performance, financial condition, and revenue of HYDROGEN. Moreover, SAHA Group Industrial Park Kabinburi has only 1 tenant and accounted for approximately 13.79 percent of the total revenue of the Initial Investment Main Assets

However, the Company considers that the Initial Investment Main Assets are potential assets with a suitable location, and convenient transportation routes to other regions, and the lease renewal rate has always been high. In 2019, 2020, and 2021, the renewal rate was approximately 91.32, 70.43, and 83.46 percent of the due rental areas, respectively. Therefore, the risk of a major tenant cancelling the lease agreement and/or basic utilities agreement, or not renewing the agreements is quite low.

The Company has risk management on the renewal of the agreement with the policy to negotiate the renewal of the agreement prior to the expiration for 3-6 months, therefore, the Company has enough time to procure a new tenant to replace.

Also, in case the major tenant cancels the lease, it is considered that the areas of the factory facilities or warehouses can be divided into smaller rental spaces and with the potential of the asset, finding new minor tenants is possible.

1.5. The risk from option to early termination of the tenants.

Some of the lease agreements of the Initial Investment Main Assets contain the option to early termination, and some tenants can cancel the lease agreement prior to the expire without being deemed as default on the condition that they can procure a new substitute tenant. However, if they cannot find a new tenant, they will be fined for early termination (Early Termination Penalty) equal to 3 months of the rental fee and in some cases, the tenants have to pay a penalty equal to the rental fee of the remaining lease period or not pay the penalty if the conditions specified in the lease agreement is satisfied.

The proportion of tenants who have the rights to early terminate the lease agreement prior to the expiration with the condition to pay a fine equal to the 3-month rental fee, and the proportion of tenants who have the rights to early terminate the lease agreement without paying the fine if the conditions in the lease agreement are met is approximately 5.12 percent and 16.12 percent of the rental revenue of the Initial Investment Main Assets, respectively. If the tenants exercise the rights and cannot provide new tenants or the new tenant make a lease agreement for a shorter term, the cash flow and performance of HYDROGEN will be directly affected.

Based on the operating history of the Initial Investment Main Assets in the past 3 years from 2020 to the present, no tenant has exercised such right to early terminate the lease agreement. Additionally, the Company considered that the building is located in a good location with good condition, so it may be no reason for the tenants to early terminate the agreement.

1.6 The risk from the dependency of HYDROGEN on the Asset Owners to procure and/or provide service of common roads connecting the projects with the public roads, electricity and water supply, and other basic public utility to the tenants after HYDROGEN's investment.

HYDROGEN may be at risk of relying on the owner of the assets to acquire for lands as an entrance and exit, electricity and water supply, and other basic facilities for the minor tenants. As for the Initial Investment Main Assets where HYDROGEN invested in SAHA Group Industrial Parks — Kabinburi and Mae Sot, since HYDROGEN does not invest in the infrastructure asset related to the basic utilities support which is to

be serviced to the minor tenants, including the roads within the projects which are owned by SPI that connect to the public roads ("Access land"), basic utilities system, energy transmission systems, and sewage systems. HYDROGEN became a grantor of the basic utilities instead of SPI by assigning the rights and obligations under the basic utilities agreements, therefore, HYDROGEN entered into an agreement with SPI in the Undertaking Agreement for the investment requiring SPI, the owner of the infrastructure assets related to the basic utilities systems, to grant HYDROGEN, minor tenants, and the followers of HYDROGEN and tenants to use basic utilities at all time together with others in SAHA Group Industrial Parks - Sri Racha, Kabinburi, or Mae Sot (as the case may be), without any blocking or restrictions throughout the investment period; provided that, SPI shall be responsible for maintenance and repair of the infrastructure assets related to the basic utilities system with SPI's expenses.

For the energy and water supply, HYDROGEN entered into the agreement requiring SPI to be responsible for providing an adequate energy and water supply to the minor tenants throughout the investment period.

However, the Company cannot guarantee that SPI will completely fulfil its obligations under the agreement. If any event happened that cause SPI to stop providing the services to HYDROGEN and the tenants, there may be an obstruction in acquiring benefits from the Initial Investment Main Assets and may adversely affect the business, financial condition, performance, and business opportunity of HYDROGEN significantly.

Anyhow, SPI is already engaged in the management of industrial parks and provides basic utility services, including the usage of the road to other tenants. Therefore, there is a low risk that SPI will not allow HYDROGEN to use the Access Land and basic utilities, together with other tenants in SAHA Group Industrial Parks.

However, as a measure to mitigate the above risks. HYDROGEN has specified in the investment agreement prohibit SPI from selling, disposal, transferring any rights and/or obligations or incurring any obligations or creating any other rights on the assets relating to the basic utilities necessary to provide the benefits of HYDROGEN, including such Access Land unless prior written consent is obtained from HYDROGEN. However, such prohibitions shall not apply to cases where SPI sells, dispose of and transfer any rights and/or obligations relating to such infrastructure assets that are necessary to restructure SPI Group Company and/or to list the shares of SPI Group Companies on the SET and/or in the event that SPI transfers them into the public interest and/or divided into the public interest land under the related laws and conditions specified in the investment agreement.

1.7 The risk from HYDROGEN not investing in the entrances and exits of Saha Group Industrial Park - Si Racha project, Saha Group Industrial Park - Kabinburi project and Saha Group Industrial Park - Mae Sot project and such entrances and exits are not registered to HYDROGEN.

HYDROGEN does not invest in the land at the entrance and exit of the Saha Group Industrial Parks. However, HYDROGEN (including the minor tenants and its followers) is entitled to use the Access Land from SPI, the owner and developer of the 3 SAHA Group Industrial Parks under the investment agreement ("Rights to Use Access Land"). The right to use the access land is a jus in personam between HYDROGEN and SPI as parties in the investment agreement. In case SPI transfer the ownership of the access land to a third party, the right to use access land shall not be transferred to the transferee as in the case of registration of the servitude on the access land where the burden of servitude shall be an encumbrance on the access land (servitude property), regardless of whom it is transferred to.

However, as a measure to mitigate the risk of the jus in personam status of the rights to use access land, HYDROGEN shall, in its investment agreement, prohibit SPI from selling, disposal, transferring any rights and/or obligations, or incurring any obligations or any other rights on the access land, unless prior written consent is obtained from HYDROGEN. However, such prohibitions shall not apply to cases where SPI sells, dispose and transfers any rights and/or obligations relating to access land necessary to restructure the SPI Group companies and/or to list shares of SPI Group companies on the SET and/or in the event that SPI transfers the land as the public interest land and/or divides the land into public interest land in accordance with the laws. Under the conditions specified in the investment agreement.

1.8 The risk of not being allowed to access Tiger Suvarnabhumi DC project, which is HYDROGEN's Initial Investment Main Assets, through the land owned by The State Railway of Thailand

There are 2 accesses to Tiger Suvarnabhumi DC Project, which are the entrance next to Chao Khun Thahan Road, where the property owner company has obtained a license to cut the pavement stone road from Chao Khun Thahan Road into the project land and the entrance next to land of the State Railway of Thailand.

The access land through the State Railway of Thailand land shall pass through the land of the State Railway of Thailand to exit on the ICD Road and exit to Chao Khun Thahan Road respectively. Therefore, HYDROGEN will be at risk if it may not be able to access the Tiger Suvarnabhumi DC through the land of the State Railway of Thailand. However, the land of the State Railway of Thailand is currently a long road through the land of another person, who also requires the land of the State Railway of Thailand as access to the public road. Therefore, the Company considers that there is a low risk that the State Railway of Thailand will

close the passage as it will affect other persons who must also use the land of the State Railway of Thailand as access. Moreover, HYDROGEN will still be able to use the access on Chao Khun Thahan Road as both the entrance and exit of the project despite the possibility of increasing of car traffic. Alternatively, HYDROGEN may consider extending the access on the Chao Khun Thahan Road as necessary.

1.9 The risk from damage which may occur from the solar cell system installed or to be installed on the building roof of HYDROGEN's Initial Investment Main Assets.

As of 30 June 2022, the power generation system was installed and/or installed on the roof of some buildings that are the Initial Investment Main Assets which HYDROGEN invested in Saha Group Industrial Parks - Sri Racha, Kabinburi and Mae Sot, and Tiger Suvarnabhumi DC by the operator of power generation system or minor tenants (as the case may be) who own the power generation system. Such actions by the owners of the power generation system may cause damage to the Initial Investment Main Assets which may affect HYDROGEN's revenue. Therefore, in order to mitigate the risk, HYDROGEN will arrange for the owner of the power generation system to agree to be liable for damages the Initial Investment Main Assets, including requiring power generation system owners to provide liability insurance for third parties who may be damaged by the power generation system. In this regard, some power generation system owners may negotiate for limitation of liability in case of damage to the Initial Investment Main Assets, or some power generation system owners who are existing minor tenants of the Initial Investment Main Assets may not provide such insurance. However, after the agreement with the existing minor tenant has terminated HYDROGEN will use its best efforts to set the conditions by negotiating for all power generation system owners to provide insurance to cover damages that may occur to the relevant parties, taking into account the best interests of HYDROGEN. In addition, HYDROGEN will provide risk insurance to cover damages caused by the power generation system to the Initial Investment Main Assets, including third-party liability insurance as specified in the investment agreement.

1.10 The risk from purchasing minimum electric power generated from the solar cell system which will be installed on the building roof of Tiger Suvarnabhumi DC project

As of the day prior to HYDROGEN's investment, SPR as the original owner of the building of the Tiger Suvarnabhumi DC has negotiated and entered into an agreement with the operator of the power generation system (the "TSDC Power Purchase Agreement") in which SPR agreed to purchase the power generated from such power generation system and pay compensation to the operator of the power generation system in order to resell such power to minor tenants in the project. The expected term for installation and operation of the power generation system under the power purchase agreement is 12 years.

Since HYDROGEN's investment in Tiger Project Suvarnabhumi DC is a freehold investment in land and buildings, HYDROGEN will be transferred all SPR rights and obligations in accordance with the power purchase agreement in the TSDC project for the remainder of the term of the agreement.

One of the conditions of the power purchase agreement of the TSDC project that HYDROGEN must receive from SPR is the duty as the buyer to purchase power generated from the power generation system of the operator in the required minimum amount of power. In the event that the buyer cannot purchase such an amount of power. The buyer must pay the seller the deficiency. Additionally, in the event that the buyer does not comply with the agreement, which includes the duty to purchase power in the minimum amount of generated power as mentioned above. The buyer may purchase the power generation system at a specified price or may pay the cost of dismantling the power generation system as well as indemnify the seller. In that case, HYDROGEN's performance and financial condition may be affected. Anyhow, based on the amount of power sold to minor tenants in Tiger Suvarnabhumi DC, the average power consumption for the past 3 months was found to be higher than the minimum power purchase amount. The guaranteed minimum amount of power to be purchased compared to the power consumption of minor tenants at an estimated occupancy rate of 17%. Moreover, the power consumption rate payable by the minor tenants in the project is higher than the rate specified in the power purchase agreement. Therefore, it is expected that this issue will not have a significant impact on the cash flow of HYDROGEN's operations.

2. The risk concerning HYDROGEN or the operation of HYDROGEN

2.1 The risk from conflict of interests

Following HYDROGEN's investment, the Company as the REIT Manager and a subsidiary of SPI, appointed SPI as the Property Manager to manage the Initial Investment Main Assets of HYDROGEN.

The procurement of benefits and the management of HYDROGEN's assets by the Property Manager may cause a conflict of interest, such as the Property Manager may support, manage, or invest in the assets relating to HYDROGEN's assets or other transactions which may directly compete with HYDROGEN.

Moreover, due to the Property Manager and/or the company with the Property Manager as a major shareholder still owning the factory facility and/or rental warehouse which is located in the same project as the Initial Investment Main Assets, the roles of the Property Manager to HYDROGEN as a Property Manager may cause a conflict of interest. This conflict of interest such as the selection of lands, factory facilities, and the related rental office to propose to HYDROGEN, including procurement of new minor tenants.

The Company is aware of the potential conflict of interest, therefore, it specified the governance principles to control the performance of the Property Manager in managing the assets. SPI, as the Property Manager, agrees to HYDROGEN that every time the client is interested in leasing factory facilities and/or warehouses, SPI shall offer the vacant assets of HYDROGEN or SPI in accordance with the client's demand (Specification) for the client's decision without discrimination whether it is the property of HYDROGEN or SPI, including the rental fee (if any) for the buildings which can be comparable in size, location, layout, and age to be in a similar level for transparency and to provide the clients with sufficient information for their decisions.

Other than the abovementioned measures, SPI and/or SPR has granted the right of first refusal for a period of 5 years from the date of HYDROGEN's investment.

2.2 The risk of HYDROGEN being unable to increase the rental rate after the expiration of the lease agreements with tenants

In case the agreement with the minor tenant expires and the same minor tenant wishes to renew the agreement or a new minor tenant wishes to lease the factory facility, warehouse, and related office, HYDROGEN may be at risk in the event that the existing minor tenant or the new tenant disagrees with the increased rental rate from the original rate, which may affect HYDROGEN's rental growth.

3. The risk concerning investment in the real estate business

3.1 The risk from Thai politics, changes in domestic and international economies including other macro-economic factors.

HYDROGEN may be affected by the domestic and international economic conditions, and Thai political situations, including other macro-economic factors, such as changes in the policy of commerce, investment, and foreign affair, etc. such changes may directly affect the decision to lease the rental spaces and also may affect the uncertainty of the rate of the rental fee.

3.2 The risk of expropriation of HYDROGEN's Initial Investment Main Assets

HYDROGEN may be at risk in case the government agency expropriates the Initial Investment Main Assets which prevents HYDROGEN from procuring benefits from the Initial Investment Main Assets in its business operation. Moreover, in case of expropriation, HYDROGEN may not receive compensation or receive such compensation lesser than the amount used in investment in the Initial Investment Main Assets. Thus, this may cause the returns which will be received by the trust unitholders to be different from the estimation. The compensation which will be received by HYDROGEN depends on the conditions in the related agreement, the remainder of the lease term after the expropriation, or the compensation received from expropriation.

3.3 The general risk which affects the profits gained from immovable properties or the value of HYDROGEN's immovable properties

The performance and benefits procurement, profit from the immovable properties, or the value of HYDROGEN's immovable properties may be affected by various factors, such as:

- in case there is vacant space from the expiration of the lease agreement with the existing minor tenant, or termination of the lease agreement with the existing minor tenant causes a decrease in the rate of leasing and the decrease in the gross profit of HYDROGEN.
- the ability of the Property Manager in collecting rental fees from tenants.
- changes in the amount of money payable by the minor tenants, as well as terms and conditions in renewing the agreement with the existing minor tenants and entering into an agreement with new minor tenants with conditions inferior to the previous lease agreement.
- trends of the interest rate.
- the Company's ability to procure or retain adequate insurance policies.
- changes in laws and principles governing immovable properties, area zoning, tax, and fees to be paid to the government, changes in laws regarding building standards, or city planning which may restrict HYDROGEN from utilizing its main assets.
- the domestic and international economic conditions, including the immovable property market, and impact from natural disasters, pandemics, serious contagious diseases, acts of God, terrorist attacks, riot, and other incidents beyond the control of the Company, as well as the government and private measures relating to such incidents.

Factors such as the above-mentioned may directly adversely affect HYDROGEN or may affect the ability of the minor tenant in paying rental fees and/or service fees.

To mitigate the risk resulting from the factors as above-mentioned, the Company as the REIT Manager shall constantly and closely estimate and monitor the performance of HYDROGEN and shall coordinately operate the necessities with the Property Manager in forming the asset management plan in order to maintain the performance and procure the benefits to be as expected or improve the operation guidelines in case of failure to meet the goal in the most appropriate way according to the situation.

3.4 The risk concerning the increasing expenses of HYDROGEN's immovable properties and the increased operating expenses

The ability of HYDROGEN in payment of returns to the trust unitholders may be adversely affected in case the expenses related to the immovable properties and operational expenses increased inconsistency with the increase of the revenue.

Factors which may increase expenses relating to the immovable properties and operational expenses, such as:

- an increase in the maintenance expenses
- an increase of tax relating to immovable properties, including other fees in accordance with the laws
- changes in laws, regulations, rules, including government policies which leads to an increase in the expense for compliance with such changed laws, regulations, rules, and policies.
- an increase in basic utility fees
- an increase in service fees for sub-contractors
- an increase in the inflation rate
- an increase in insurance premiums
- damage or defect if the immovable properties or the effect on nature incurred from the immovable properties which require to be corrected which is deemed as an operational expense, and it is unpredictable.
- expenses incurred from repairing a significant part of the property, such as major renovation which may exceed the estimated expenses.

4. The risk concerning investment in the Trust Units

4.1 The risk from the possibility of changes in accounting standards or related laws in Thailand.

HYDROGEN may be affected by the enforcement of new accounting standards or amendment of laws, regulations, or accounting standards, financial report standards of Thailand, as well as accounting standards, improved to the satisfaction of the International Financial Reporting Standards - IFRS. The financial statements of HYDROGEN may be affected by the enforcement of the amended accounting standards. The conditions and timing of the amendment cannot be early known but depends on the related authorities, therefore, the Company cannot guarantee that such changes shall not adversely affect the financial statement of HYDROGEN or the operation and the financial status of HYDROGEN. Such changes may also

adversely affect HYDROGEN's ability to pay the returns to the trust unitholders. Moreover, it cannot be guaranteed that changes in any rules shall not adversely affect the abilities of the REIT Manager in performing in accordance with the investment strategy or the financial operation of HYDROGEN. Moreover, such changes may affect the REIT Manager in paying returns to the trust unitholders.

4.2 The risk from the asset values of HYDROGEN's Initial Investment Main Assets provided by the appraisers are not actual values of such assets and could not be guaranteed that the selling price of the assets will be in accordance with the appraisal values, whether in the present or the future

The report of the valuation of HYDROGEN's Initial Investment Main Assets was prepared based on the assumption as of the date of the report, provided that the data and such assumption are based on the industrial and market conditions, such as market conditions of rental spaces, the competition ability, and the economic condition, in case that the factors taken into account have changed significantly, information and assumptions, including the industrial circumstances, may have been changed from the reporting date and may affect the value of the asset according to the report not reflect the actual value of the assets that HYDROGEN invested. Also, in the future, if HYDROGEN wishes to transfer the leasehold rights or the ownership of the invested asset, the transferred price received by HYDROGEN may be lower than as estimated in the appraisal report or lower than the number that HYDROGEN has invested.

4.3 The risk from the changes of the Trust Unit price after the offering of the Trust Units.

The offering price of trust units is determined by the market conditions and demands of the investors and distributors of trust units. The offering price of trust units may not reflect the price in the secondary market after this offering of trust units. The purchase price of trust units in the secondary market may be much lower compared to the price in this offering. The Company cannot forecast the adverse impact of the price dilution and the purchase price of trust units depends on various factors as follows:

- business and investment opportunities of HYDROGEN, including the immovable property market in Thailand from the investors' perspective
- the difference between HYDROGEN's actual performance and the forecast by investors or analysts
- changes in recommendations or estimation of the analysts
- changes in economic conditions and capital market conditions
- the market value of HYDROGEN's assets
- the attractiveness of trust units compared to other equities, including those not in the immovable properties sector

- the equilibrium between the buyer and seller of trust units
- the size and liquidity of the future real estate investment trust market in Thailand
- in the future, the relevant rules and regulations may be amended, including the tax system both, a general amendment and those that relevant to the real estate investment trust units in Thailand
- HYDROGEN may not be able to successfully operate in accordance with the investment plans and business expansion plans
- the foreign exchange rate, and
- the fluctuation of the equities market and the increase of interest rates.

With the above-mentioned factors, the trust units may be traded at the price higher or lower than the net asset value per unit. HYDROGEN's cash flow to operate the investment is a reserved capital for operation or other purposes. Such funds, although adding value to the assets may not add market value to the trust units, if HYDROGEN cannot operate in accordance with the expectation of the market, both in the procurement of revenue to the trust unitholders, the market value of HYDROGEN's trust units may be adversely affected.

Moreover, the trust units sold are not financial products for which the investment is secured, and investment in trust units of the trust unitholders are not entering into a loan agreement or are guaranteed that the trust unitholders shall receive the entire amount of their investment. In the event of dissolution or liquidation of HYDROGEN, the trust unitholders may lose part or whole of their investment in trust units.

4.4 The risk from an ability to pay distributions to the trust unitholders; and from the case in which the distributions received by the trust unitholders is less than the income received from the operation of HYDROGEN's Initial Investment Main Assets.

The income which HYDROGEN will receive from investing in the main assets that HYDROGEN invests in depends on various factors. This includes the amount of rental income received, as well as the rate of expenses relating to the main assets invested by HYDROGEN and the operating expenses incurred. If the main assets invested by HYDROGEN do not generate sufficient income, HYDROGEN's cash flow and ability to distribute benefits may be negatively impacted. The Company cannot guarantee that it will be able to distribute benefits or maintain the rate of distributing at the same level. In addition, there is no guarantee that the level of distributing will increase over time, and there can be no guarantee that the rental rate will be increased upon renewal of the agreement, or that the rental income from the expansion of the property or acquisition of additional real estates will increase, and in turn will increase the income of HYDROGEN, resulting in an increased amount of distribution paid to the trust unitholders.

In addition, the return received from the main assets invested by HYDROGEN depends on the amount of net income from the property and is calculated as income by deducting expenses incurred from ownership or leasehold rights, operations, management and leasing compared to the present value of the main assets invested by the HYDROGEN. However, the return on trust units depends on the payable benefits compared to the offering price of trust units for investors who subscribe to trust units and/or the market price for investors who have purchased trust units in the secondary market. Although the returns received by investors from trust units may be related to the returns received by HYDROGEN from the operation of the main assets invested by HYDROGEN, these two types of returns are different.

In calculating the return that investors receive from trust units, it cannot be considered based on the return received by HYDROGEN from renting or consideration of use of the area of the main assets in which HYDROGEN invests, but it must be calculated as income after deducting expenses incurred from operations, including but not limited to administrative expenses, leasing, principal payment of loans due, other obligations due considering cash flow, and other expenses of HYDROGEN. Therefore, the return received by investors from the trust units is less than the return received by HYDROGEN from the operation of the main assets invested by HYDROGEN.

4.5 A capital amount to be returned from dissolving HYDROGEN may be less than the amount invested by the trust unitholders in this offering

In case HYDROGEN is dissolved, the Company cannot guarantee that unitholders will receive the amount invested by the trust unitholders in part or in whole, depending on the cause of dissolving, method of dissolving, and the criteria for disposal of the main assets of HYDROGEN.

4.6 The risk from the net asset value of HYDROGEN is not an actual value that HYDROGEN will gain if all assets were sold, or HYDROGEN was dissolved.

The net asset value of HYDROGEN herein is calculated using the information from the appraisal report of the invested property as the basis. In case HYDROGEN has to dispose of its assets for the purpose of restructuring the investment or for the dissolving of HYDROGEN, the net asset value of HYDROGEN may not be the actual value that HYDROGEN will obtain upon disposal of properties in part or whole.

4.7 The risk of illiquidity in the sale and purchase of the Trust Units on the stock exchange.

HYDROGEN is a specific closed-end real estate investment trust listed on the Stock Exchange of Thailand. Liquidity of trust unit trading is assessed by the frequency and volume of trading of trust units on the stock exchange, based on the volume of bid-offer which depends on several factors that HYDROGEN cannot control. Therefore, there is a risk that the trust units will lack liquidity in trading.

4.8 The risk from taxes and fees

In the future, the tax burden and fees charged on HYDROGEN's business operations may differ from the current rates. Transfer, obtaining of leasehold rights, purchase, sale, transfer, or obtaining the transfer of immovable property in the future may incur tax burdens and fees on the purchase, sale, transfer, obtaining ownership, or the transfer or obtaining the transfer of leasehold rights of immovable property, which such burden HYDROGEN may have to assume in part or in whole, and the rate of taxes and fees to be paid by HYDROGEN may differ from the current rates.



LEGAL DISPUTE

As of 31 December 2023, HYDROGEN has on lawsuits or legal dispute cases.



THE MANAGEMENT OF HYDROGEN

HYDROGEN's policy is to be managed and supervised in accordance with the terms and conditions of the Trust deed, laws, regulations, and related notifications of the SEC Board, the SEC Office, and the SET. It also provides a management structure and working system guidelines for HYDROGEN in order to determine duties and scopes of operations and supervise HYDROGEN's efficiency, effectiveness, accuracy, and accountability. Additionally, Compliance and Risk Management Department governs and properly manage the risk of each department, whereas the management of the REIT Manager and Property Manager are governed by the Trustee to ensure that the management is for the whole benefit of HYDROGEN and the Trust unitholders. Moreover, the REIT Manager Board of Director is consisted of 9 directors, 5 of which are independent directors, and no sub-committee has been appointed.

1. The REIT Manager Meeting

The meeting has been determined by The REIT Manager that the Board of Directors Meeting shall be held at least 4 times a year, provided that the quorum of each Meeting shall be consisted of over half of all Directors, and the resolution of the Board Directors Meeting shall be a majority vote of the Directors presenting at the Meeting and the Director who has a vested interest in the agenda must not attend and vote in such agenda to be acknowledged and approved by the Board of Directors as necessary for the operation, such as the followings:

1. The REIT Manager and HYDROGEN's performance.
2. An Annual business plan, including a business strategy prepared for HYDROGEN.
3. Progress in the application of the business strategy with the cooperation and support of the Property Manager in procuring benefits to HYDROGEN, including any arisen problems or obstructions, and the direction of a solution.
4. The performance of each department in the REIT Manager which are: Compliance and Risk Management Department, Property Management, Accounting, and Operational Supporting, including any arisen problems or obstructions, and direction of a solution.
5. Guidelines for dealing with disputes and significant complaints in relation to HYDROGEN's operations.
6. Any connected transactions and transactions which may cause a conflict of interest with HYDROGEN's operation.
7. Any matters to be considered and approved in the Trust Unitholders Meeting.

At the Board of Directors Meeting, the chairman of the meeting will allow all Directors the opportunity to express their opinions openly before voting and concluding the resolution on each agenda, provided that the REIT Manager will prepare the written minutes of the Meeting including related documents.

2. Internal Data Governance

To comply with the good corporate governance principles regarding the disclosure of the REIT Manager's information and accuracy, transparency, and accountability, as well as in accordance with terms and conditions of the agreements relevant to HYDROGEN establishment, laws, regulations, rules, and notifications of the SEC Committee, the SEC Office, and the SET, The REIT Manager has provided policy governing the Directors, executive officers, and employees of The REIT Manager regarding sale and purchase of Trust units in which the REIT Manager and disclosure of information as follows:

- 1) The Directors, executive officers, including those in positions at the manager level or higher and related employees who have been informed of significant internal information affecting changes in the Trust unit prices suspend trading of Trust units during the period prior to the publication of financial statements and status of HYDROGEN, including the declaration of dividend distribution, for at least 30 days prior to the disclosure of information to the public, and trading of Trust units can be made 24 hours following the disclosure of information to the public.
- 2) The Directors and executive officers of the REIT Manager are responsible for reporting the holding and changing of Trust units to the SEC Office directly in accordance with the Notification of the Office of the Securities and Exchange Commission Sor. Jor. 54/2561, date 4 October 2018 which was effective since 1 January 2019. Additionally, report of holding and changing of Trust units regarding their connected persons such as:
 - (2.1) Spouse or partner living together as a spouse,
 - (2.2) Minor children,
 - (2.3) Any juristic person to whom where such person and person under 2.1 and 2.2 holding share altogether over 30 percent of total voting rights of such a juristic person and such shareholding is the largest shareholding of such a juristic person.
- 3) Exceptional conditions which do not need to be reported, such as:
 - (3.1) Acquisition of Trust units in proportion to the number of Trust unitholding (Right Offering),
 - (3.2) Acquisition of Trust units by inheritance.

4) Report period

(4.1) Purchase of Trust unit from IPO: within 7 working days from the closing date of the offering,

(4.2) Purchase, sale, transfer or receive of Trust unit : within 3 working days from the date of transaction.

5) Report method is through the online system of the SEC Office

Moreover, the Directors, executive officers and employees of the REIT Manager, a person involved in HYDROGEN management, and related persons of such personnel who have been or may be informed of internal information that has not yet been publicized are prohibited to use internal information which affects or may affect changes of Trust unit price which he or she has known from being in such position to purchase or sell, induce other to purchase or sell, or offer to sell Trust units or other securities (if any), whether directly or indirectly in a way which may directly or indirectly cause damage to the REIT Manager, and whether such sections are for the benefits of oneself or others, or publicize for others to act whether such a person in position receives benefits in return or not.

3. Decision on HYDROGEN's Investment and Management

The investment of HYDROGEN shall be in accordance with the principles as specified in Notification Tor. Jor. 49/2555, and other related notifications and orders as the SEC Committee or the SEC Office has provided or will be amended thereafter. The investment policies are as follows:

1. Direct investment in main assets and equipment's.

1) HYDROGEN's policy is to invest in main real estate assets or leasehold right of real estate assets (including sub-leasehold rights), and component parts or equipment of such real estate assets. HYDROGEN will invest in real estate assets, both domestic and international, for rent. The assets include but are not limited to, warehouses, distribution centers, factories, cold storages, self-storages, rental office buildings, community malls, malls markets, central markets for agricultural products, rental parking spaces, fuel or energy service or storage facilities, rental commercial buildings, residential building for rent, hotels, hospitals, sanatoriums, educational institutions, educational buildings, golf clubs, sports facilities, including other real estates in relation to support such rental space businesses, and other assets which may support HYDROGEN investment. The investment principles are as follows.

2) The investment in the assets is to acquire ownership or possession rights. In the case of investment for possession right, it must be one of the followings:

2.1) An acquisition of the asset that has been issued an asset instrument type Nor. Sor. 3 Kor.

2.2) An acquisition of the leasehold rights in the asset which has been issued an asset instrument type Nor. Sor. 3 Kor. For ownership or possession rights. Unless it is waived by the SEC Office.

- 3) The assets which are invested and acquired by HYDROGEN must not be subjected to any property rights or dispute unless The REIT Manager and Trustee have considered and provided a written comment that being subjected to such property rights or dispute does not significantly affect beneficial use of such an asset, and the conditions of acquisition of such an asset are beneficial to the unitholders as a whole.
- 4) Entering into the agreement to acquire assets invested by HYDROGEN must not be under any agreement nor obligation that may result in HYDROGEN not being able to dispose of the asset at a fair price (as of disposal period), such as an agreement which grants the right of first refusal to the any party to purchase HYDROGEN's assets, which price has been prior agreed, or agreement which may result in HYDROGEN, as a lessee, having additional duties than normal after the termination of the lease agreement.
- 5) The acquired assets must be ready to be beneficially utilized with a total value of not less than 75 (seventy-five) percent of the combined value offered Trust units and loan. However, HYDROGEN may invest in the incomplete project, provided that the value of investment to be acquired and completed such a project must not exceed 10 (ten) percent of the total value of HYDROGEN's assets (after Trust units offering) and must be able to demonstrate that the working capital is sufficient for such completion without affecting the survival of HYDROGEN.
- 6) The assets invested by HYDROGEN must pass the appraisal criteria as follows:
 - 6.1 A full appraisal in which title documents are assessed and the disclosure of information to the investors is for the public purpose for a period no later than 6 (six) months prior to the date of filing the application by at least 2 (two) appraisers, and
 - 6.2 The appraiser is approved by the SEC Office.
- 7) The assets acquired by HYDROGEN must have a total value of not less than 500,000,000 (five hundred million) baht. In case the amount of funds raised through the offering of Trust units is less than the value of the asset in which HYDROGEN intended to invest, HYDROGEN Founder/The REIT Manager must demonstrate that there are other sources of funds sufficient to acquire such an asset.
- 8) In case HYDROGEN's investment is intended to acquire possession rights by sub-leasing the asset building, facilities, or structures where the lessor is not an owner in accordance with the title deed nor a person not entitled to possession rights according to the certificate of utilization, The REIT Manager shall provide risk prevention measures or remedies for damages which may arise due to termination of the agreement by the asset owner or a person entitled to possession, default of lease agreement, or an inability to enforce the rights under a lease agreement; such as an agreement with connected person warranting to fulfil contractual obligations or indemnify

HYDROGEN, or an agreement granting HYDROGEN to directly remedy the default with the asset owner or a person entitled to possession and is assigned as lessee in such a lease agreement. The risk prevention measures must be disclosed to the Trustee and Trust unitholders.

- 9) In case HYDROGEN has acquired ownership in the asset and The REIT Manager demands to procure benefits from such an asset by letting rent to the previous owner, The REIT Manager must determine the rental fee to be paid by the previous owner both for rental fee and rental conditions which are normally commercial practice as, or not inferior to a normal transaction with other third-party partners.

2. Indirect investment in main assets and equipment

Indirect investment is an investment in the main assets of HYDROGEN through shareholding in the company or an investment in another Trust where its objectives are similar to HYDROGEN in accordance with Notification No. Tor. Jor. 49/2555, provided that such investment must be in compliance with the principles as follows:

1) It is an investment through the company established with the purpose of operating in similarity to HYDROGEN, whether one the company or several companies, by holding shares or debt instrument by such the company or entering into an agreement to lend money to such company; provided that such the company must be in compliance with principles in clause 3), and an investment in another Trust as main assets of HYDROGEN in case of submitting for approval to offer Trust units for a capital increase, it must be in compliance with principles in clause 4).

2) It is an investment in another Trust as main assets of HYDROGEN.

3) The company in which HYDROGEN indirectly invest as the main assets in accordance with clause 1.2 (1)(a) must comply with the principles as follows:

3.1 It is a wholly owned subsidiary of HYDROGEN.

3.2 In the event that person who wishes to sell, dispose of, transfer, let lease, or grant the rights in the main asset is not a connected person with The REIT Manager, it must be the company which meets one of the conditions as follows:

a) The company in which HYDROGEN is a shareholder of not less than 75 (seventy-five) percent of the total number of shares sold and not less than 75 (seventy-five) percent of the total voting rights of the company.

b) The companies in which HYDROGEN or the company under clause 1) are shareholders in an aggregate amount of not less than 75 (seventy-five) percent of the total number of shares sold and not less than 75 (seventy-five) percent of the total voting rights of the company.

- c) The company which shares are being successively held, starting with the shareholding of clause 1) or 2), in the amount not less than 75 (seventy-five) percent of the total number of shares sold and not less than 75 (seventy-five) percent of the total voting rights of the company.

Shareholding in the company pursuant to paragraph one in any class shall have voting rights not less than the amount required by applicable laws in the state governing such company for approval of the significant resolution. Shareholding in the last class when calculated on a pro-rata basis shall not be less than 51 (fifty-one) percent of the total number of shares sold by the company in the last class.

- 3.3 The company in which HYDROGEN cannot hold shares in such company in a proportion in clause 3.1 or 3.2 due to other legal restrictions, provided that HYDROGEN or company under clause 3.1 or 3.2 must aggregately hold shares not less than the highest amount allowed by the applicable laws which shall not less than 40 (forty) percent of the total voting rights of the company and shall be able to demonstrate that HYDROGEN is involved in the management of the company at least in proportion to its shareholding in the company.

- 4) In case of submission for approval to offer Trust units for a capital increase, indirect investment in the main assets by HYDROGEN must comply with the criteria as follows:

- 4.1 In the event that HYDROGEN indirectly invest in the main assets through investing in securities or entering into an agreement to lend money for any company pursuant to clause 3, if the proportion of such investment or lending exceeds the proportion that such companies under clause 3 aggregately held, it must comply with criteria as follows:

- a) Approval from the Trustee is obtained to invest in or enter into such agreements,
- b) Approval from the Trust Unitholders Meeting is obtained to invest in or enter into such agreements, provided that the notice of meeting letter sent to the Trust unitholders must contain information as specified in the agreement relevant to HYDROGEN establishment, information significant to the decision of Trust unitholders, and information which consists of:
- Reasons and necessity for investing in or entering into such agreements,
 - Reasonableness of the interest rate,
 - Terms of principal repayment.

4.2 In case that HYDROGEN indirectly invests in the main assets through shareholding in the company under clause 3.2 or 3.3, approval from the Trust Unitholders Meeting must be obtained, provided that the notice of meeting letter sent to the Trust unitholders must contain information as specified in the Trust deed, information significant to the decision of Trust unitholders, and information which consists of:

- a) Risk of investment through holding such a proportion of shares,
- b) Details on the key terms of the joint venture, allocation of profits and returns among HYDROGEN and other shareholders of the company, the effectiveness of agreement among HYDROGEN and other shareholders of the company, restrictions on the transfer of shares held by HYDROGEN, and opinion of legal advisors on such matters.

4.3 In case HYDROGEN indirectly invests in the main assets through shareholding in the company under clause 4.2 (a) or 4.2 (b), approval from the Trust Unitholders Meeting must be obtained, provided that it must be in accordance with the principle in clause 4.1 or 4.2, as the case may be.

- 5) It is demonstrated that there are measures or mechanisms for the Trustee and the company to govern the company's operation to comply with the Trust deed, principles under Notification No. Tor. Jor. 49/2555, and other related notifications as provided by the SEC Office which is similar to directly investing in the main assets and equipment.

4. Acquisition and disposal of the main assets and equipment

1) In each acquisition of the main assets, the REIT Manager must proceed as follows:

a) Audit and review due diligence for information and agreements relevant to the main assets and equipment (if any) in the following matters:

- The condition of the asset, such as the location, entrances and exits, opportunity to procure returns, obligation of such an asset, etc.
- Legal information about the assets to be invested and the ability of the parties to enter into legal transactions, including the completeness, accuracy, and enforceability of the relevant title documents or agreements.
- In the case that the asset to be invested is in a foreign state, the ability of HYDROGEN in acquiring and holding assets in accordance with the applicable laws of such a foreign state must be audited and reviewed, provided that the opinion of legal advisors specialized in the laws of such a foreign state must be considered.

- Financial information of the assets and other suitability to invest in those assets. In case the owner, lessor, or transferor of leasehold rights of the assets is a connected person with the REIT Manager, the REIT Manager will provide opinion of financial advisors for such transaction.

The audit and review of the main assets and equipment shall be done for the purpose of making an investment decision and the disclosure of accurate information.

b) The appraisal of the main assets at lease as required.

c) In case HYDROGEN invests in leasehold rights of the main assets by sub-leasing, HYDROGEN shall provide for risk prevention measures or remedies for damages which may arise from default in the lease agreement or the inability to enforce the rights under the lease agreement.

2) The acquisition of additional main assets shall be in accordance with the followings:

a) For the substance of the transaction, it must be qualified as follows:

- It is in accordance with the agreement and relevant laws.
- It is in the best interests of HYDROGEN.
- It is reasonable and at a fair price.
- The transaction cost charged to HYDROGEN (if any) shall be at a fair and reasonable rate.
- The stakeholder who has a special interest in the transaction is not involved in deciding to enter into such a transaction.

b) For the approval process, the following actions must be taken:

- It is approved by the Trustee as a transaction in accordance with the agreement and relevant laws.
- In the event it is an acquisition of the main asset which values 10 (ten) percent or over of the total value of main assets, it must be approved by the Board of Directors of the REIT Manager.
- In the event it is an acquisition of the main asset which values 30 (thirty) percent or over of the total value of main assets, the resolution by 3/4 (three fourths) of the total voting rights of the Trust unitholders attending the meeting and entitled to vote.

Additionally, calculation of the asset value under this clause shall be calculated based on the total acquisition value of each project which is ready to receive the returns, including the related assets of such a project.

3) To obtain approval from the Trustee or the resolution of the Trust unitholders the REIT Manager and the Trustee shall be responsible as follows :

a) The REIT Manager's duty is to provide documents for approval or notice of meeting letter, as the case may be, expressing its opinion on the nature of the transaction to acquire additional main assets, as well as clear rational and supporting information.

b) The Trustee's must attend the Trust Unitholders Meeting and provide its opinion on the nature of the transaction whether it is according to the agreement and relevant laws or not.

4) Disposal of the main assets and equipment

In the disposal of the main assets, the REIT Manager must take action as follows:

a) Prior to the disposal of the main assets, the REIT Manager must arrange for the appraisal of the main assets.

b) The disposal of the main assets shall be as the followings:

- The disposal shall be done openly with the essence of the transaction as specified, with the approval obtaining process for the Trustee's approval or resolution of the Trust unitholders.
- The disposal of the main assets prior to 1 (one) year from the date of acquisition of the main assets and the disposal of the main assets to the previous owner shall be in accordance with the rules on disposal of the main assets as specified in the preceding paragraph, and must also be necessary and appropriate, with the approval from the Board of Directors of the REIT Manager.

5. Selection of Property Manager

1. The assets management team procures the Property Manager to be hired to manage HYDROGEN's assets under the qualification, such as building maintenance, rental space management system, service for tenants, revenue control system, expense control system, debt collection, and other significant factors, in order to enable the property manager to manage HYDROGEN's assets properly and bring added value to HYDROGEN and the Trust unitholders.
2. The Property Manager can be considered and selected by the renewal of the agreement with the previous Property Manager if it appears that the performance is satisfactory. However, in the case of not renewing the agreement, a new property manager shall be considered based on the experience, reputation, and previous performance of each candidate.
3. Considering the Property Manager fee which will be determined by the competence and suitability to the market price.

4. After considering the Property Manager fee found that the rate may not meet the competency level or is not suitable, the appropriate rate will be bargained.
5. Consequence to the mutual agreement on the Property Manager fee, the Property Management Agreement shall be prepared and proposed for authorized signatories.

6. Monitoring of operations of the Property Manager

The REIT Manager shall arrange for the system to monitor and control the operation of the Property Manager by the following actions:

1. The Property Manager prepares the Work Plan for the Property Manager covering duties as specified in the Property Management Agreement and other terms.
2. The Property Manager is required to regularly report on the performance of HYDROGEN to the REIT Manager for acknowledgement.
3. The REIT Manager, in - the audit department and assets management department, shall supervise the Property Manager according to the checklist in order to ensure that the operations are as planned.
4. The REIT Manager controls the procurement of the assets and services by the Property Manager to ensure that HYDROGEN will receive goods or services suitable for the expense incurred.

The REIT Manager has an opinion that The Property Manager performs its duties appropriately according to the Property Manager Appointment Agreement from 1 January 2023 - 31 December 2023

7. Monitoring of HYDROGEN's interest

The REIT Manager shall provide guidelines and systems to monitor and supervise HYDROGEN's interest to preserve the best interest of HYDROGEN and the Trust unitholders by the following guidelines.

1. Monitoring HYDROGEN's performance each year by comparing annual budget and with HYDROGEN's actual performance in the past year to ensure that the operation of the assets invested in by HYDROGEN is profitable. In case the performance of the assets invested in by HYDROGEN is not as expected, HYDROGEN will analyze and determine the cause and develop plan to improve the performance in accordance with the goals or projections.
2. Cooperating with the Trustee or person designated by the Trustee to facilitate the inspection of the main assets.
3. Managing HYDROGEN's budget and cash flow

4. Preparing the financial statements of HYDROGEN in accordance with the accounting standards provided by the laws relevant to accounting and disclosing the financial statements in accordance with the specified principles.
5. Disbursing expenses of HYDROGEN solely for the disbursement from the account for daily operation or for other purposes as agreed with the Trustee under the limits approved by the Trustee.
6. Providing returns for the Trust unitholders in accordance with terms and conditions specified in the agreements relevant to the Trust deed, resolution of the Trust Unitholders Meeting, regulations, and relevant laws.
7. In case approval from the Trust unitholders is required, the REIT Manager shall provide its opinion and analyze the impact as supporting information.
8. Providing for the preservation of documents related to HYDROGEN's operations.
9. The REIT Manager is responsible for preparing and delivering to the Trustee of documents regarding the HYDROGEN's revenue structure, procurement and collection of revenue and expenses collectable from HYDROGEN, and agreements which the REIT Manager has entered into as HYDROGEN with other companies or persons.

In addition, the REIT Manager and Trustee must coordinate and enter into agreements regarding the nature of information, documents supporting the transaction, and reports, including the frequency and duration to submit information and documents to the Trustee for the purpose of governing and auditing the operations of HYDROGEN.

8. Remuneration of The REIT Manager

The Trustee, acting on behalf of HYDROGEN, agrees to pay fees (VAT included) for the performance of duties under the REIT Management Agreement with the details as follows:

1. The base fee shall not exceed 2 percent per annum of the total asset value of HYDROGEN and the Trustee agrees to pay the base fee to the REIT Manager monthly.
2. Fees for the acquisition or disposal of the assets
 - 2.1 Fee for the acquisition of main assets of HYDROGEN: in case of acquisition of assets from a connected person to the REIT Manager, the fee shall not exceed 0.75 percent of the acquired asset value.
 - 2.2 Fee for the acquisition of main assets of HYDROGEN: in case of acquisition of assets from other persons, the fee shall not exceed 3.00 percent of the acquired asset value. (VAT, SBT, or other similar tax excluded).
 - 2.3 Fee for the disposal of the main assets of HYDROGEN: the fee shall not exceed 1.50 percent of the disposed asset value. (VAT, SBT, or other similar tax excluded).

Type of Information	Reporting Period
Quarterly Financial Statements	Within 45 days from the end of the quarter.
Annual financial statements and clarification of performance that changed over 20 percent from the same period in the past year,	Within 2 months from the end of the fiscal year in case of non-submission of the 4th quarterly financial statements, or within 3 months in case of submission of quarterly financial statements for the 4 th quarter.
The annual report and information regarding HYDROGEN management	Within 4 months from the end of the financial year. The annual report and management information can be provided in form of printed documents or electronic format, considering appropriateness.
Form 56-REIT	Within 3 months from the end of the fiscal year
Free Float Report	Within 14 days from the record date
Report on the acquisition or disposition of HYDROGEN's Assets	Reveal as soon as possible on the day the REIT acquired or disposed of its main assets, the Trust is acquired or disposed of.

9. Disclosure of information to the Trust unitholders

The REIT Manager is responsible for preparing and disclosing information regarding the operations of HYDROGEN, provided that such information must be accurate, complete, transparent, and adequate for the investors to make decisions. The information shall be in the form of a report, financial information and general information, as well as other important information which the REIT Manager will disclose through other communication channels, including the SET's website, the REIT's website, documents sent to the Trust unitholders, including a report to the relevant regulatory authorities as specified in the agreement relevant to the Trust deed, the REIT Manager appointment Agreement, registration statement, prospectus, regulations and related laws. The investor relations and operational support department shall disclose the information which has been prepared and reviewed in accordance with the REIT Manager's procedures to the relevant persons or entities, as follows:

10. The Trust Unitholders Meeting

a) Type of Trust Unitholders Meeting

The REIT Manager is responsible for the arrangement of the Trust Unitholders Meeting at least as follows:

1. Considering appropriateness, the REIT Manager may convene the shareholder meeting, which would be beneficial for HYDROGEN management. This action does not diminish the rights of Trustee to discuss with the REIT Manager regarding the necessity of conducting the meeting

2. When any Trust unitholders holding Trust units not less than 10 percent of all issued Trust units mutually submit a joint letter requesting the REIT Manager to call the Meeting of Trust Unitholders with explicit specification on the reasons of such meeting. When Trust unitholders mutually submit a joint letter for calling the Meeting of Trust Unitholders, the REIT Manager shall hold the Meeting of Trust Unitholders within 45 days from the date of receiving such letter from Trust unitholders.
3. When Trustee considers that it is necessary or appropriate to propose the agendas to the Meeting of Trust Unitholders for considering and giving the resolutions on such agendas, the REIT Manager shall hold the Meeting of Trust Unitholders within 1 month from the date of receiving the letter from Trustee. However, the right of the Trustee on consulting with the REIT Manager on such necessity shall not be deprived.
4. In any other case that the REIT Manager deems it is necessary or appropriate to propose the matter to the Trust Unitholders' meeting for consideration and give the resolution on such matter for the benefit of the REIT management, provided the right of the Trustee on consulting with the REIT Manager on such necessity shall not be deprived.

b) The Convening of Trust Unitholders Meeting

To call the meeting of Trust unitholders, the REIT Manager shall make the invitation letter specifying venue, date, time, agendas, and proposals of the meeting with proper details and methods. It is necessary to clearly specify that each agenda is for acknowledgement, or approval as the case may be, including the REIT Manager's opinion regarding the agenda as aforementioned which may affect Trust unitholders. In this connection, the REIT Manager shall send the invitation letter to Trust unitholders by the following case:

1. The invitation letter must be sent to Trust unitholders prior to the unit holder's meeting as follows:
 - 14 days prior to the meeting : in case that the agenda requires the resolution from Trust unitholders no less than 3/4 of the number of Trust unitholders attending the meeting and have the right to vote.
 - 7 days prior to the meeting : in other cases.
2. The meeting notice shall be announced in at least 1 local daily newspaper, not less than 3 days prior to the unitholder's meeting. In the event that the REIT Manager does not call the Trust unitholders' meeting within a period of 45 days from the date of receipt of the letter from the Trust unitholders and/or Trustee as specified in the Trust Deed, as the case may be, Trustee may call a meeting of the Trust unitholders by complying with the above meeting procedures mutatis mutandis. The Trustee also has the right to collect expenses incurred (if any) for the Trust unitholders' meeting, in lieu of the REIT Manager.

c) Quorum and Chairman of Trust Unitholders Meeting

A minimum of 25 Trust Unitholders or not less than half of the total number of Trust unitholders must attend the meeting to form a quorum, and must count a total number of Trust units not less than 1/3 of all issued Trust units in order to constitute a quorum.

In the event of any unitholders' meeting whereby 1 hour after the appointed meeting time, it appears that the number of unitholders attending the meeting do not constitute a quorum as specified in the first paragraph, if the unitholders' meeting has been called due to a request by unitholders, the meeting should be adjourned. If said unitholders' meeting is not per a request by unitholders, a new meeting time shall be set and an invitation for said meeting shall be sent to unitholders not less than 7 days before the proposed meeting date. In the case of the latter meeting, a quorum is not required.

Furthermore, under the Trust Act and related laws, the REIT manager shall appoint a person to act as the chairman of the Trust unitholders' meeting. However, if, in any agenda, the chairman of the meeting has a conflict of interest, the chairman shall leave the meeting room in such agenda and the REIT manager shall propose the Trust unitholders' meeting to consider and appoint another person to act as the chairman of the Trust unitholders' meeting in such agenda.

In case the REIT Manager has conflict of interest in any agenda, the Trustee shall propose the Trust unitholders' meeting to consider and appoint another person to act as the chairman of Trust unitholders' meeting in such agenda. In case the Trustee and the REIT manager both have conflict of interest in any agenda, the Trust unitholders' meeting shall consider and appoint another person to act as the chairman. If there is an agenda for consideration regarding conflict of interest of the Trustee or the REIT manager, the Trustee or the REIT manager and their proxy have no voting right on such agenda (in case the Trustee or the REIT Manager and their proxy are the Trust unitholders).

Additionally, the chairman of the Trust unitholders' meeting has authority as detailed below:

- 1) To control and perform the Trust unitholders' meeting.
- 2) To specify any other method to proceed the Trust unitholders' meeting as the chairman deemed appropriate or necessary with the purpose of orderly and efficiently proceeding the Trust unitholders' meeting and consideration and voting procedure.
- 3) To ensure that the Trust unitholders' meeting is in order under the Trust Act and related laws, the chairman may cease the discussion or consideration of any matter in the Trust unitholders' meeting.
- 4) In a case that the votes for resolution are equal, the chairman is entitled to cast the vote. The vote cast by the chairman in such agenda shall be final.

d) Granting of Proxies

For the unitholders' meeting, a unitholder may appoint another individual or the Trustee or the Independent Directors as his/her proxy to attend a meeting and cast votes on his/her behalf. The REIT manager shall send the proxy form to unitholders attached with the invitation letter.

Furthermore, proxies must submit the proxy form and supporting documents as specified in the invitation letter to HYDROGEN prior to the meeting.

e) Vote count

A unitholder has 1 (one) vote for each Trust Unit holds and a unitholder who is entitled to vote must not have conflict of interest in the matter being considered.

g) Resolution of Trust Unitholders

In the event that it is not otherwise defined by Trust Deed, the resolution of Trust unitholders shall consist of the following votes:

1. In general cases, the resolution must be obtained from the majority votes of attended Trust unitholders with voting right.
2. In the following cases, the votes must not be less than 3/4 of the total votes of attended Trust unitholders with voting rights.
 - 2.1 Acquisition or disposal of main assets with a value from 30 percent of total assets of HYDROGEN.
 - 2.2 Increase or reduction of paid-up capital of HYDROGEN that is not specified the herein Trust Deed.
 - 2.3 General Mandate HYDROGEN.
 - 2.4 Transactions made by and between the REIT Manager or persons in relation to the REIT Manager with a value from 20,000,000 Baht or over than 3 percent of the HYDROGEN's net value, whichever is higher.
 - 2.5 Changing of returns and return of investment to Trust unitholders.
 - 2.6 Replacement or discharge of Trustee.
 - 2.7 Amendment of Trust Deed on clauses that may significantly affect to the rights of Trust unitholders.
 - 2.8 Termination of HYDROGEN.

Moreover, any resolutions passed by Trust unitholders that will result in the HYDROGEN or the REIT Management being in contradiction of or inconsistent with the rules and regulations prescribed in Notification No. Sor Khor.26/2555 or any other criteria under the Securities Act or the Trust Act shall be considered null and void.

h) Preparation of the Unitholder's Meeting Memorandum

The REIT manager records and indexes the memorandum and the meeting's resolutions each time. The chairman of the meeting will be responsible for authorizing the details of the memorandum. Furthermore, all expenses with the meeting's memorandum are the Trust's expenses.

i) Preparation of the Unitholder's Meeting Memorandum

The REIT manager records prepares the memorandum and the meeting's resolutions each time. The chairman of the meeting will be responsible for authorizing the details of the memorandum. Furthermore, all expenses for the meeting's memorandum are the Trust's expenses.

j) Limitations on voting rights of the Trust unitholders

The Trust unitholders have certain limitations on their voting rights, as follows :

1. The Trust unitholders who hold Trust units exceeding the permitted rate or not in accordance with the criteria specified in Notification No. Tor Jor. 49/2555, Notification No. Kor Ror 14/2555, and Notification No. Sor Thor 29/2555, as the case may be, or in any other proportion as specified in SEC notifications thus far or any future amendments. This is applicable only to the parts exceeding the permitted rate or that do not meet such criteria.
2. The Trust unitholders who have special interests in the matter(s) requiring resolution.

11. Selection and Appointment of Directors and Top Executives

The REIT Manager has the criteria for the selection and appointment of directors and top executives who shall have the expertise, qualifications, and business ethics with no prohibited characteristic as specified in the notification of the SEC Office.

12. Remuneration of the Auditor

HYDROGEN has appointed EY Office Company Limited as the Auditor for the financial period from 1 January 2023 (HYDROGEN Establishment Date) to 31 December 2023 with the auditing fee in the total amount of 950,000 Baht.

SOCIAL RESPONSIBILITY

The REIT Manager has recognized the importance of conducting business with transparency, fairness, and social and environmental responsibility. This is considered a critical foundation for sustainable development and creating long-term value for the business, as well as being socially acceptable based on ethical principles and good corporate governance practices and also taking into account, The benefits of Trust unit holders as priority.

The REIT manager emphasizes conducting business with accuracy, transparency, and the disclosure of important information that can be verified. This includes giving equal attention to every tenant and ensuring that property managers fulfill their duties in accordance with relevant contracts and laws. In addition, attention is paid to maintaining service standards and delivering quality services to tenants, as well as taking care of the environment and the surrounding community.

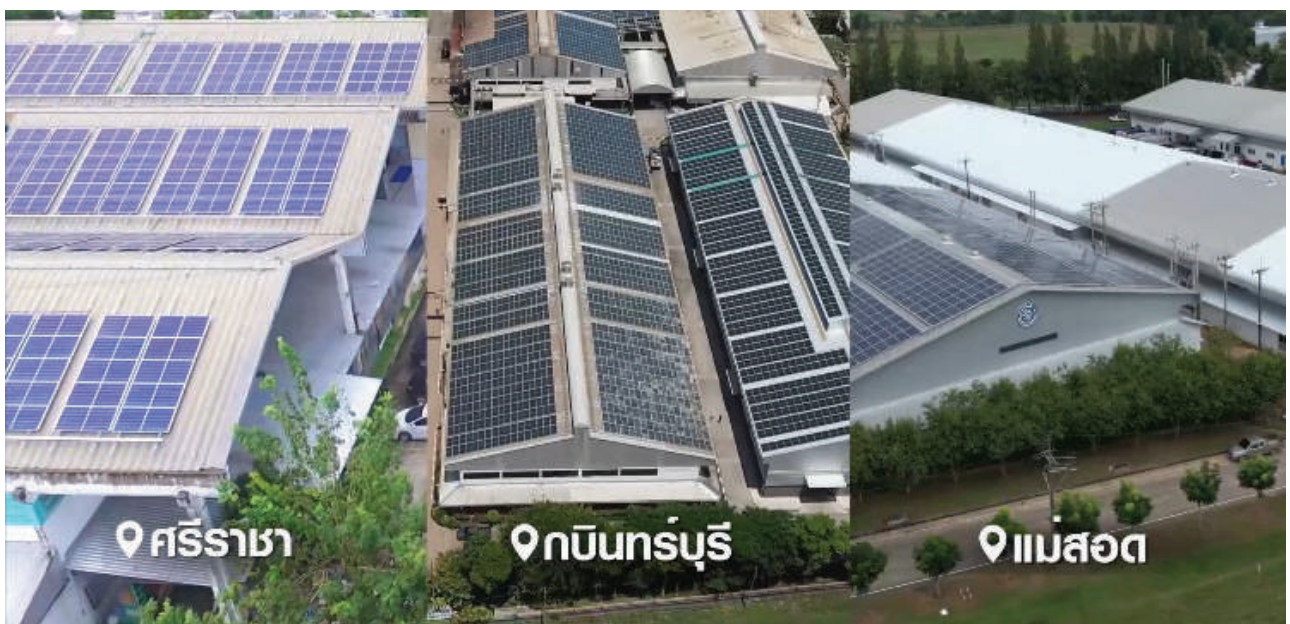
Furthermore, the REIT manager recognizes the importance of basic human rights, including the right to life and freedom. The REIT Manager oppose any actions that violate human rights in any way and are against human trafficking and child labor. It also respect human dignity and basic human rights, which are applied equally to all involved parties, whether employees, customers, partners, communities, or various organizations.

In 2023, Hydrogen participated in supporting community and social development, as follows:

HYDROGEN, in collaboration with Trustee, supported the educational fund for the students and supported the operation to improve the internet network of Wat Bueng Bua School, Lat Krabang District Office, Bangkok. The purposes of the support, which was carried out on 1 December 2023, are to support teaching and learning, promote learning activities, and improve the learning center for the students



HYDROGEN recognizes that trash is a problem that negatively affects ecosystems and leads to various crises, such as floods, prolonged drought conditions, air pollution, and the spread of diseases. Therefore, we have implemented a waste management system with separate bins for different types, including general waste bins, wet waste bins, hazardous waste bins, and recycling bins in the Tiger Suvarnabhumi DC - Latkrabang.



To promote environment conservation, HYDROGEN and the Property Manager have encouraged renters to install solar panels on warehouse roofs. Solar panels enable the reuse of clean energy derived from natural resources, reducing environmental issues caused by greenhouse gas emissions. Additionally, HYDROGEN is currently installing solar panels with a total energy production capacity of 432 kWp in the Tiger Suvarnabhumi DC - Latkrabang.





The REIT Manager, together with the Property Manager, participated in “Released for Plant” to restore coastal fisheries resources and promote awareness about the conservation of marine resources for long-term sustainability. This activity took place on October 27, 2566, at the Khung Kraben Bay Mangrove Forest Education Center in Chanthaburi.



The REIT Manager has implemented the anti-corruption policies and regulations provided by the Property Manager in practice. To make it practical, an employee personal assessment will be conducted online every year.

In addition, the REIT Manager and the Property Manager participated in activities on Anti-Corruption Day in 2023. The event was organized by the Anti-Corruption Organization of Thailand (ACT) on 6 September 2023, with the theme ‘WHAT THE FACT?’ This theme indicates that you can use ACTAi for searching if there is any corruption in government work.

On 26 December 2023, The REIT Manager and the Property Manager supported the educational fund for “Chumchonbanthasongyang School”, an underfunded school in Tak.





INTERNAL GOVERNANCE AND RISK MANAGEMENT

The REIT Manager gives priority to internal governance that is effective, adequate, and suitable for business operation for a purpose to increase the efficiency of business operation, property maintenance, have accurate and reliable accounting and financial report systems, be in compliance with the laws, regulations, and rules in relation to the operation of the business. The REIT Manager also provides a policy and risk control related to the management and investment of HYDROGEN to be in accordance with the Trust deed and other related principles; by governing and preventing the conflict of interest between HYDROGEN and connected person and guiding to reserve best interest of HYDROGEN and the Trust Unitholders.

Moreover, the audit department is responsible for regularly monitoring and evaluating the internal control structure of the Property Manager to ensure that the internal governance structure of the Property Manager is efficient and can effectively prevent corruption or can detect corruption or non-compliance with the system.

PREVENTION OF CONFLICT OF INTEREST

The REIT Manager, has main duties and responsibilities to manage HYDROGEN, including investing in the Initial Main Assets Investment by HYDROGEN and supervising all benefits of HYDROGEN, as well as governing the performance of the Property Manager. HYDROGEN may conduct connected transactions with persons who may cause a conflict of interest, have a vested interest or may cause a conflict of interest in the future. However, REIT Manager shall control such connected transactions to be reasonable and in accordance with the Trust deed, laws regarding securities, stock exchange regulations, regulations of the SEC, and notifications of the SEC Office regarding disclosure of information and conducts in connected transaction and acquisition or disposition of properties, as well as compliance with accounting standards specified by Federation of Accounting Professions of Thailand.

Transaction between HYDROGEN and The REIT Manager/Trustee and a connected person with The REIT Manager/Trustee

Person/ Juristic	Characteristic of Transaction	Value and Related Party Transaction (Baht)	Reasonableness of the Transaction
HYDROGEN REIT MANAGEMENT CO., LTD. Relationship : The REIT Manager	<ul style="list-style-type: none"> Trust Management fee Acquisition fees of HYDROGEN's main assets and equipment. 	<ul style="list-style-type: none"> Base fee for HYDROGEN management: not exceeding 1.00 percent of HYDROGEN's total asset value with a minimum amount not less than 10,000,000 baht for the first year (Minimum base fee), provided that the annual increase rate will be 1.00 percent per year of the minimum amount in the last fiscal year. The fee shall not exceed 3 percent of the value of HYDROGEN's acquired assets in each transaction <u>In case the other person is the owner of the asset:</u> the fee shall not exceed 3 percent of the value of HYDROGEN's acquired assets in each transaction. <u>In case the connected person of the REIT Manager is the owner of the asset:</u> the fee shall not exceed 0.75 percent of the value of HYDROGEN's acquired assets in each transaction. 	<ul style="list-style-type: none"> The fees are in accordance with the agreed contract; and do not exceed the limit prescribed in the Trust Deed Acquisition fees of HYDROGEN's main assets and equipment with the agreed contract; and do not exceed the limit prescribed in the Trust Deed.

Person/ Juristic	Characteristic of Transaction	Value and Related Party Transaction (Baht)	Reasonableness of the Transaction
<p>Saha Pathana Inter-Holding Public Company Limited (SPI)</p> <p>Relationship : SPI is the Property Manager and HYDROGEN's indirect major shareholder.</p>	<ul style="list-style-type: none"> Property management fee 	<ul style="list-style-type: none"> Property management fee at the rate of 3 percent of Operating Revenue during management hired period. Incentive Fee at the rate of 2 percent of Net Operating Revenue. The minimum charge for the base and incentive fee is no less than Baht 6 Million per annum ("Minimum fee") with the annum increase rate of 1 percent per annum of the minimum amount in the fiscal year. 	<ul style="list-style-type: none"> SPI is one of the operators in Thailand who is experienced and expert in managing factory facilities and warehouses. Property management fee is an ordinary business practice (the rate not higher than management fees of other comparable REITs) and is an incentive for the Property Manager to create revenue and manage costs effectively. The fees that HYDROGEN shall pay to SPI is normal, fair, and reasonable.
<p>Sahapat Real Estate Co., Ltd. (SPR)</p> <p>Relationship : SPI is SPR's major shareholder and HYDROGEN's indirect major shareholder.</p>	<ul style="list-style-type: none"> Revenue from Undertaking Agreement 	<ul style="list-style-type: none"> The rate of revenue from the Undertaking Agreement 	<ul style="list-style-type: none"> The rental rate of the vacant spaces are similar to the market price of rental rate factory facilities, warehouses, and systems located near the appraised assets.
<p>LION (Thailand) Co., Ltd. (LION)</p> <p>Relationship : SPI is LION's major shareholder and HYDROGEN's indirect major shareholder.</p>	<ul style="list-style-type: none"> Revenue from Lease Agreement and basic utilities fee (if any) 	<ul style="list-style-type: none"> Rental rate is according to Lease Agreement and basic utilities fee (if any) 	<ul style="list-style-type: none"> The rate of the rental fee and basic utilities fee (if any) specified in the present lease agreement of such tenant is similar to the rate of the rental fee and basic utilities fee (if any) of other tenants in the same project and conditions of the present lease agreement of such tenant are ordinary commercial terms and are comparable to the conditions of the lease agreement of other tenants in the same project.

Person/ Juristic	Characteristic of Transaction	Value and Related Party Transaction (Baht)	Reasonableness of the Transaction
<p>H&B Intertex Co., Ltd. (H&B)</p> <p>Relationship : SPI is H&B's major share-holder and HYDRM's indirect major shareholder.</p>	<ul style="list-style-type: none"> Revenue from Lease Agreement and basic utilities fee (if any) 	<ul style="list-style-type: none"> Rental rate is according to Lease Agreement and basic utilities fee (if any) 	<ul style="list-style-type: none"> The rate of the rental fee and basic utilities fee (if any) specified in the present lease agreement of such tenant is similar to the rate of the rental fee and basic utilities fee (if any) of other tenants in the same project and conditions of the present lease agreement of such tenant are ordinary commercial terms and are comparable to the conditions of the lease agreement of other tenants in the same project.
<p>TIGER Distribution & Logistic Co., Ltd. (TIGER)</p> <p>Relationship : SPI is TIGER's major share-holder and HYDROGEN's indirect major shareholder.</p>	<ul style="list-style-type: none"> Revenue from Lease Agreement and basic utilities fee (if any) 	<ul style="list-style-type: none"> Rental rate is according to Lease Agreement and basic utilities fee (if any) 	<ul style="list-style-type: none"> The rate of the rental fee and basic utilities fee (if any) specified in the present lease agreement of such tenant is similar to the rate of the rental fee and basic utilities fee (if any) of other tenants in the same project and conditions of the present lease agreement of such tenant are ordinary commercial terms and are comparable to the conditions of the lease agreement of other tenants in the same project.

บุคคล/นิติบุคคล และความสัมพันธ์ ที่เกี่ยวข้อง	ลักษณะของรายการ	มูลค่ารายการ ระหว่างกัน (บาท)	ความสมเหตุสมผล ของรายการ
<p>Impact Solar Co., Ltd. (Impact Solar)</p> <p>Relationship : SPI is Impact Solar's major shareholder and HYDROGEN's indirect major shareholder</p>	<ul style="list-style-type: none"> • HYDROGEN allow Impact solar to access and use some HYDROGEN initial invert assets to install and produce electricity from solar system 		<p>- HYDROGEN will receive indirect benefits due to the solar system shall be a heat insulation on the roof and Impact Solar as an owner of the solar system has duties to maintenance the solar system with Impact Solar's sole expenses. In case that damage occurred to the invest asset from solar system, installation, and/or operation by Impact Solar, Impact Solar agrees to indemnify for such damages in the amount as limited in the agreement and also shall provide insurance policy for the solar system.</p>
<p>Land and Houses Fund Management Co., Ltd.</p> <p>Relationship : Trustee</p>	<ul style="list-style-type: none"> • Trustee fee 		<ul style="list-style-type: none"> • The fees are in accordance with the agreed contract; and do not exceed the limit prescribed in the Trust Deed and comparable to Trustee fee of other Trustee.

Policy on the Future Transaction between The HYDROGEN and The REIT Manager, and Connected person to the REIT Manager; and Guidelines to Prevent Conflict of Interest

Transaction between HYDROGEN and the REIT Manager and connected person to the REIT Manager shall be in accordance with the principles and conditions as follows:

1. **Characteristic of the Transaction:** it must be a transaction that:

- 1) Is in accordance with the agreements relevant to HYDROGEN establishment and relevant laws.
- 2) Is for the best interest of HYDROGEN.
- 3) Is reasonable and with a fair price.
- 4) The rate of expense for entering into transaction collected from HYDROGEN (if any) is in fair price and appropriate.
- 5) The person who has vested interest in the transaction is not presented in considering of such transaction.

2. **Approval System**

Transaction between HYDROGEN and REIT Manager and connected person to the REIT Manager must be as follows, in addition to clearly disclose in the filing application and prospectus:

- 1) It is approved by the Trustee that the transaction is in accordance with the agreements relevant to HYDROGEN establishment and relevant laws.
- 2) In the case of the transaction exceeding 1,000,000 baht or from 0.03 percent of the total asset value, whichever is higher, shall be approved by the Board of Directors of the REIT Manager.
- 3) In case of the transaction exceeding 20,000,000 baht or exceeding 3 percent of the total asset value, whichever is higher, shall be approved by the special majority resolution of Trust unitholders who attended the meeting and is entitled to vote.
- 4) In the event that such transaction is acquisition or disposal of the main assets, an estimation of value shall be in accordance with the acquisition or disposal of all assets which is capable of procuring revenue in each project.
- 5) Unless it is a transaction between HYDROGEN and the REIT Manager and/or connected person to the REIT Manager which has clearly disclosed in the filing and prospectus, the process of approval from Trustee or special resolution from the Trust unitholders must be in accordance with the agreements relevant to HYDROGEN establishment. In case of process for resolution of Trust unitholders, the notice of meeting letter must contain the comments of the independent financial advisors for consideration.

Policy and process of the future transaction between HYDROGEN and the REIT Manager and connected person; and guidelines to prevent conflict of interest.

The Trustee shall not commit any action which will cause conflict of interest with HYDROGEN, either for the sole benefits of the Trustee or other persons, except for the followings:

- 1) A demand for the Trustee fee.
- 2) A transaction which has audit or fair equilibrium measures, and it can be demonstrated by the Trustee that HYDROGEN has been managed in a fair manner and the adequate related information has been priorly disclosed to the Trust unitholders, provided that the Trust unitholders has not object such transaction. the disclosure of information and the objection shall be in accordance with the principles specified by the SEC Office.

Unless otherwise specified by the SEC Board or the SEC Office, disclosure of information as specified hereinafter shall be deemed to be an adequate disclosure to the Trust unitholders or the investors prior to entering int transaction which cause conflict of interest to HYDROGEN.

- 1) The disclosure through the SEC in accordance with regulations of the SEC regarding such matters or through other channels which can be thoroughly accessed by the Trust unitholders.
- 2) The period of disclosure is reasonable, which shall not be less than 14 days.
- 3) The channel, method, and period of objection are distinctly disclosed which shall not be less than 14 days, unless in the case that the resolution of the Trust unitholders is required, the objection shall be made in the request of such Trust unitholder's resolution.
- 4) In the case that the Trust unitholders clearly object in accordance with the disclosed method under clause 3) in the amount over 1/4 of the Trust units sold, the Trustee must not conduct or allow to be conducted of the transaction which has conflict of interest with HYDROGEN.

KEY FINANCIAL INFORMATION

Independent Auditor's Opinion

Period	Auditor and Audit Firm	Auditor's Opinion
31 December 2022	<p>Wichart Lokatekrawee Certified Public Accountant (Thailand) No. 4451</p> <p>EY Office Limited</p>	<p>An auditor's report presents an unqualified opinion that the financial statements referred to present fairly, in all material respects, the financial position of Hydrogen Freehold and Leasehold Real Estate Investment Trust as at 31 December 2022, its financial performance, changes in net assets, and cash flows for the period as from 29 November 2022 (the establishment date) to 31 December 2022 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.</p>
31 December 2023	<p>Wichart Lokatekrawee Certified Public Accountant (Thailand) No. 4451</p> <p>EY Office Limited</p>	<p>An auditor's report presents an unqualified opinion that the financial statements referred to present fairly, in all material respects, the financial position of Hydrogen Freehold and Leasehold Real Estate Investment Trust as at 31 December 2023, its financial performance, changes in net assets, and cash flows for the period as from 1 January 2023 to 31 December 2023 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.</p>

Statement of financial position and Financial Performance of the HYDROGEN Trust

Financial Statements of HYDROGEN Trust for the year ended 31 December 2022 to 31 December 2023 were audited by EY Office Limited. The details are summarized as follows :

Statement of financial position (Unit : Baht)	31 December 2023 (Audit)	31 December 2022 (Audit)
Assets		
Investments in properties and leasehold rights at fair value	2,605,000,000	2,884,591,650
Investments at fair value through profit or loss	65,610,631	-
Cash and cash equivalents	29,594,981	132,844,102
Receivables from rental and services	960,187	4,302,836
Other accounts receivable	19,280	29,200
Prepaid expenses	727,134	673,979
Other assets	5,717,730	7,302,239
Total assets	2,707,629,943	3,029,744,006
Liabilities		
Accounts payable and accrued expenses	3,819,821	30,055,268
Deposits from rental and services	46,197,022	44,995,335
Long-term loan from financial institution	852,991,265	852,478,546
Other liabilities	153,667	43,605,109
Total liabilities	903,161,775	971,134,258
Net assets	1,804,468,168	2,058,609,748
Net assets:		
Capital from trust unitholders	1,982,294,283	2,047,102,922
Retained earnings (Deficits)	(177,826,115)	11,506,826
Net assets	1,804,468,168	2,058,609,748
Net assets value per unit (Baht)	8.6870	9.9105
Number of units issued at the end of the year (Units)	207,720,000	207,720,000

Statement of comprehensive income (Unit : Baht)	2023 (Audit)	2022 (29 November 2022 - 31 December 2022) (Audit)
Investment income		
Rental and services income	223,491,501	18,607,612
Interest income	429,706	95,279
Other income	33,581	-
Total income	223,954,788	18,702,891
Expenses		
Cost of rental and services	15,519,064	972,342
REIT management fee	13,383,021	1,269,431
Trustee and property custodian fee	3,568,806	338,515
Registrar fee	769,120	72,819
Property management fee	11,246,362	943,287
Professional fee	951,375	400,000
Other expenses	1,658,322	256,841
Finance cost	40,889,838	2,942,830
Total expenses	87,985,908	7,196,065
Net investment income	135,968,880	11,506,826
Net gain (loss) on investments		
Net gain on change in fair value of investments in securities	610,631	-
Net loss on change in fair value of investments in properties and leasehold rights	(279,591,650)	-
Total net loss on investments	(278,981,019)	-
Net increase (decrease) in net assets resulting from operations	(143,012,139)	11,506,826
Net increase in capital received from trust unitholders	-	2,047,102,922
Distribution to trust unitholders	(46,320,802)	-
Capital return to trust unitholders	(64,808,639)	-
Increase (decrease) in net assets	(254,141,580)	2,058,609,748
Net assets at the beginning of year	2,058,609,748	-
Net assets at the end of year	1,804,468,168	2,058,609,748
Changes in investment units		
Investment units as at the beginning of the year	207,720,000	-
Investment units as at the end of the year	207,720,000	207,720,000

Statement of cash flows (Unit : Baht)	2023 (Audit)	2022 (29 November 2022 - 31 December 2022) (Audit)
Cash flows from operating activities		
Increase (decrease) in net assets resulting from operations	(143,012,139)	11,506,826
Adjustments to reconcile the changes in net assets resulting from operations to net cash provided by (paid from) operating:		
Acquisition of investments in properties and leasehold rights		(2,884,591,650)
Purchases of investments in securities	(65,000,000)	-
Decrease (increase) in receivables from rental and services	3,342,649	(4,302,836)
Decrease (increase) in other accounts receivable	9,920	(29,200)
Increase in prepaid expenses	(53,155)	(673,979)
Decrease (increase) in other assets	1,584,509	(7,302,239)
Increase (decrease) in accounts payable and accrued expenses	(26,504,586)	18,280,897
Increase in deposits from rental and services	1,201,687	44,995,335
Decrease (increase) in other liabilities	(43,451,442)	43,605,109
Amortisation of long-term loan transaction cost	512,719	43,546
Net gain on change in fair value of investments in securities	(610,631)	-
Net loss on change in change in fair value of properties and leasehold rights	279,591,650	-
Interest expenses	40,889,838	2,942,830
Net cash flows from (used in) operating activities	48,501,019	(2,775,525,361)
Cash flows from financing activities		
Proceed from capital from trust unitholders		2,077,200,000
Cash paid for the cost of issuing and offering of trust units		(18,509,758)
Cash received from long-term loan (net of transaction cost)		852,435,000
Cash distribution to trust unitholders	(46,320,802)	-
Cash paid for capital return to trust unitholders	(64,808,639)	-
Cash paid for interest expenses	(40,620,699)	(2,755,779)
Net cash flows from (used in) financing activities	(151,750,140)	2,908,369,463
Net increase (decrease) in cash and cash equivalent	(103,249,121)	132,844,102
Cash and cash equivalents at the beginning of the year	132,844,102	-
Cash and cash equivalents at the end of the year	29,594,981	132,844,102

MANAGEMENT DISCUSSION AND ANALYSIS

Performance

Hydrogen Freehold and Leasehold Real Estate Investment Trust's performance:

Description	31 December 2023	29 November 2022 - 31 December 2022	Change (%)
Average occupancy rate before undertaking (%)	99.24%	99.66%	- 0.42%
Average occupancy rate after undertaking (%)	99.74%	100.00%	- 0.26%
Rental area (square meters)	119,701	118,931	0.65%
Rental and services income (million Baht)	233.49	18.61	1,101%
Interest income (million Baht)	0.46	0.09	411%
Total income (million Baht)	223.95	18.70	1,098%
Total expenses (million Baht)	(87.98)	(7.19)	1,124%
Net investment income (Profit before net gain (loss) on investments) (million Baht)	135.97	11.51	1,081%
Total net loss on investments (million Baht)	(278.98)	-	100%
Net increase in net assets resulting from operations (Net Profit) (million Baht)	(143.01)	11.51	- 1,342%
Net profit to total income ratio (%)	(63.86%)	61.55%	- 1,342%

Analysis of performance

1. Overview of the Trust's performance

As at 31 December 2023, HYDROGEN invested in industrial real estate with freehold 69% and leasehold right 31% of total appraisal value. This consists of warehouse 55% of net rentable area and the rest are factories. HYDROGEN had the rental rate of 99%, which remained consistent with no significant change from the previous year.

Statement of financial position as at 31 December 2023

The HYDROGEN Trust has total assets in the amount of Baht 2,707.63 million and total liabilities of Baht 903.16 million whereby the net assets were Baht 1,804.47 million which comprised of capital from trust unitholders of Baht 21,982.29 million and deficits at the end of the period of Baht 177.82 million, equivalent to the net asset value per unit of 8.6870 Baht.

Statement of comprehensive income for the period as from 1 January 2023 to 31 December 2023

As for the operating results of HYDROGEN Trust for the year ended on December 31, 2023, total rental and service income was Baht 223.95 million which increased by Baht 205.25 million or 1,097.59% from the year 2022. Since HYDROGEN Trust has been established on 29 November 2022 and started to invest in assets on 1 December 2022, HYDROGEN Trust only recognized its income for 31 days (from 1 - 31 December 2022), while the income of HYDROGEN Trust was recognized for the full year of 2023. Nonetheless, in 2023, HYDROGEN Trust had net loss from investments (mainly net unrealized loss from annual assets valuation) was Baht 278.98 million. As a result, net decrease in net assets resulting from operations (net loss) of HYDROGEN Trust for the year 2023 was Baht 143.01 million or Baht 0.6885 per unit which decreased by Baht 154.52 million or 1,342.48% from the year 2022.

Nonetheless, if net decrease in net assets resulting from operations (net loss) did not include net loss from investments (mainly net unrealized loss from annual assets valuation) of Baht 278.98 million in the year 2023, HYDROGEN Trust would have Baht 135.97 million net investment income, which increased by Baht 124.46 million or increased by 1,081.32% from the year 2022.

Key Factors and Influences that may Affect Future Operations or Financial Positions

For the year 2024, the operating results of HYDROGEN may be affected by the slowdown in the Thai economy. The global economic recession may directly affect the operations of sub-lessees. Nevertheless, at the end of the year 2023, HYDROGEN had the rental rate of 99% of net rentable area and most tenants were long time tenant. Furthermore, REIT Manager and Property Manager have been consistently seeking tenants. In 2024, HYDROGEN expects to maintain a stable performance and meet its targets.

Nonetheless, in 2024, HYDROGEN expects to have a real estate investment expenditure or capital expenditure (CAPEX) of not exceeding Baht 2 million and loan repayment of not exceeding Baht 3 million.

2. Significant details on the Statement of Comprehensive Income

1) Investment income comprising of:

(Unit : million Baht)

Description	For the year ended 31 December 2023	For the period as from 29 November 2022 - 31 December 2022	Change (%)
Rental and services income	223.49	18.61	1,101%
Interest income	0.43	0.09	378%
Other income	0.03	-	100%
Total income	223.95	18.70	1,098%

- Rental and service income increased due to in year 2022, HYDROGEN Trust has been established on 29 November 2022 and started to invest in assets on 1 December 2022, HYDROGEN Trust only recognized its income for 31 days (from 1 - 31 December 2022), while the income of HYDROGEN Trust was recognized for the full year of 2023.
- Interest income from saving deposit account of 0.70% per annum in 2023 (0.35% - 0.50% per annum in 2022).

2) Expenses comprising of:

(Unit : million Baht)

Description	For the year ended 31 December 2023	For the period as from 29 November 2022 - 31 December 2022	Change (%)
Cost of rental and services	15.52	0.97	1,500.00%
REIT management fee	13.38	1.27	953.54%
Trustee and property custodian fee	3.57	0.34	950.00%
Registrar fee	0.77	0.07	1,000.00%
Property management fee	11.25	0.94	1,096.81%
Professional fee	0.95	0.40	137.50%
Other expenses	1.65	0.26	534.62%
Finance cost	40.89	2.94	1,290.82%
Total income	87.98	7.19	1,123.64%

- Costs of rental and services, most of which were utilities fees
- REIT management fee paid monthly to Hydrogen REIT Management Company Limited of a rate not exceeding 1% per annum of the total assets (exclusive of value added tax, specific business tax or other similar taxes)
- Trustee and property custodian fee paid monthly to Land and House Fund Management Company Limited in a rate not exceeding 0.5% per annum of the total assets (excluding value added tax, specific business tax or other similar taxes)
- Registrar fee paid to Thailand Securities Depository Company Limited
- Property management fee paid monthly to Saha Pathana Inter-Holding Public Company Limited in accordance with the service agreement
- Professional fee is audit fees paid to EY Office Limited
- Finance cost is interest expense which the Trust loaned the financial institution in the amount of Baht 855.00 million with an interest rate of Minimum Loan rate (MLR) - 1.5% per annum

3) Net gain (loss) on investments

Net loss on investments of Baht 278.98 million resulting in the decrease of the appraisal value of the assets.

3. Significant details on the Statement of Financial Position

1) Assets

As at 31 December 2023, the Trust had the total asset value of Baht 2,707.63 million with significant particulars as follows:

- Investments in properties and leasehold rights at fair value of Baht 2,605.00 million decrease by Baht 279.59 million or 10% from the previous year due to decrease in the appraisal value.
- Investments at fair value through profit or loss of Baht 65.61 million increased by 65.61 million or 100% from the previous year due to invest in mutual fund in year 2023.

(Unit : million Baht)

Assets	31 December 2023	31 December 2022	Change (%)
Investments in properties and leasehold rights at fair value	2,605.00	2,884.59	-10%
Investments at fair value through profit or loss	65.61		100%
Cash and cash equivalents	29.59	132.85	-78%
Receivables from rental and services	0.96	4.30	-78%
Other accounts receivable	0.02	0.03	-33%
Prepaid expenses	0.73	0.67	9%
Other assets	5.72	7.30	-22%
Total assets	2,707.63	3,029.74	-11%

2) Liabilities

As at 31 December 2023, the Trust had total liabilities of Baht 903.16 million with the significant particulars as follows:

- Long-term loan from financial institution valued at Baht 852.99 million due to on 29 November 2022, the Trust entered into a long-term loan agreement with a financial institution for a credit facility of Baht 900 million to finance an initial investment in main assets. The loan of Baht 855 million was drawn down on 1 December 2022. The loan carried interest at the rate not exceeding MLR - 1.50 percent per annum. The interest was payable on the last working day of each month, starting from the date of the loan had been drawn down. The loan principals are repayable in 2027.

(Unit : million Baht)

Liabilities	31 December 2023	31 December 2022	Change (%)
Accounts payable and accrued expenses	3.82	30.05	-87%
Deposits from rental and services	46.20	45.00	3%
Long-term loan from financial institution	852.99	852.48	0%
Other liabilities	0.15	43.60	-100%
Total liabilities	903.16	971.13	-7%

3) Net assets

As at 31 December 2023, the Trust has the net assets value of Baht 1,804.47 million, equivalent to the net asset value per unit of Baht 8.6870.

(Unit : million Baht)

Net Assets	31 December 2023	31 December 2022	Change (%)
Net assets (million Baht)	1,804.47	2,058.61	-12%
Net assets per unit (Baht)	8.6870	9.9105	-12%
Number of units issued at the end of the year (Units)	207,720,000	207,720,000	-

4. Significant details on the Statement of Cash Flows

(Unit : million Baht)

Cash Flows	31 December 2023	31 December 2022	Change (%)
Net cash used in operating activities	48.50	(2,775.53)	-102%
Net cash flows from financing activities	(151.75)	2,908.37	-105%
Net increase in cash and cash equivalent	(103.25)	132.84	-178%
Cash and cash equivalents at the beginning of year	132.84	-	100%
Cash and cash equivalents at the end of year	29.59	132.84	-78%

According to the financial statement for the year ended 31 December 2023, HYDROGEN had cash and cash equivalents at the end of year of Baht 29.59 million due to net cash flows from operating activities of Baht 48.50 million and net cash flows used in financing activities of Baht 151.75 million.

The net cash flows from operating activities of Baht 48.50 million comprised decrease in net assets resulting from operations Baht 143.01 million, purchases of investments in securities Baht 65 million, increase in other liabilities Baht 43.45 million and net loss on change in change in fair value of properties and leasehold rights Baht 279.59 million.

The net cash flows used in financing activities of Baht 151.75 million comprised cash distribution to trust unitholders Baht 46.32 million, cash paid for capital return to trust unitholders Baht 64.81 million and cash paid for interest expenses Baht 40.62 million.

5 Financial Ratios

1) Key Financial Ratios – Financial Covenant

1.1) HYDROGEN shall maintain the financial ratio or debt covenant in according to the loan agreements.

Details of which are as follows:

Description		Criteria	Ratio as of 31 December 2023
Interest bearing debt to total assets ratio ^{a/}	%	Not exceeding 35%	31.58
Interest bearing debt to EBITDA ratio ^{b/}	Times	Not exceeding 6.5 : 1 Times	4.83

Remark:

^{a/} Interest bearing debt to total assets ratio means Interest Bearing Debt (include Lease Liabilities) * 100 / Total Assets

^{b/} Interest bearing debt to EBITA means Interest Bearing Debt (include Lease Liabilities) / Earnings Before Interest Tax Depreciation and Amortization (EBITDA) according to the loan agreements.

2) Key Financial Ratio

Description		31 December 2023	31 December 2022
Number of units issued at the end of the year	units	207,720,000	207,720,000
Net assets value per unit	Baht/unit	8.6870	9.9105
Net increase in net assets resulting from operations per unit (net profit per unit)	Baht/unit	(0.6885)	0.0554
Interest bearing debt to EBITDA ratio ^{1/}	times	4.83	4.84
Total liabilities to total assets ratio	%	33.36	32.05
Total liabilities to net assets value ratio	times	0.50	0.47
Interest bearing debt to total assets ratio ^{2/}	%	31.58	28.22
Interest bearing debt to net assets value ratio ^{3/}	times	0.47	0.42

Remark:

^{1/} Interest bearing debt to EBITDA ratio means Total interest bearing debt / Earnings Before Interest Tax Depreciation and Amortization (EBITDA)

^{2/} Interest bearing debt to total assets ratio means Interest bearing debt * 100 / Total assets

^{3/} Interest bearing debt to net assets value ratio means Interest bearing debt / Net assets

TRUSTEE'S OPINION



Fund

บริษัทหลักทรัพย์จัดการกองทุน แลนด์ แอนด์ เฮาส์ จำกัด
LAND AND HOUSES FUND MANAGEMENT CO., LTD.

Opinion of the Trustee

February 19th, 2024

To Trust Unitholders

Hydrogen Freehold and Leasehold Real Estate Investment Trust ("the Trust")

I, Land and Houses Fund Management Company Limited, as the Trustee of Hydrogen Freehold and Leasehold Real Estate Investment Trust ("Trustee"), has supervised and monitored the management of the Trust managed by Hydrogen REIT Management Company Limited, as the REIT Manager for the accounting period from 1 January 2023 to 31 December 2023

I have an opinion that Hydrogen REIT Management Company Limited has reasonably and appropriately performed its duties in managing the Trust in accordance with the objectives specified in the Trust Deed, the prospectus and the provision under Securities and Exchange Act B.E.2535, and Trust for Transactions in Capital Market Act B.E.2550

Your faithfully,

(Mr. Monrat Phadungsit) (Ms. Thanita Bunraeng)

Land and Houses Fund Management Company Limited,
as the Trustee of the Trust

FINANCIAL STATEMENTS



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Independent Auditor's Report

To the Unitholders of Hydrogen Freehold and Leasehold Real Estate Investment Trust

Opinion

I have audited the accompanying financial statements of Hydrogen Freehold and Leasehold Real Estate Investment Trust (the Trust), which comprise the statement of financial position, including the details 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 Hydrogen Freehold and Leasehold Real Estate Investment Trust as at 31 December 2023, its financial performance, changes in net assets, 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 Accountants) 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 Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matter

Key audit matter is the matter that, in my professional judgement, was of most significance in my audit of the financial statements of the current period. This matter was addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on this matter.

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 this matter. 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 matter below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matter and how audit procedures respond for the matter are described below.

Measurement of investments in properties and leasehold rights

As described in Note 6 to the financial statements, the Trust presented the investments in properties and leasehold rights in the statement of financial position as at 31 December 2023 at its fair value of Baht 2,605 million, representing 96.21% of total assets. The investment is not traded in an active market and a quoted price is not available for the same or similar investments. Therefore, the REIT Manager determined the fair value of the investment based on the appraisal value calculated by an independent appraiser using the income approach. The REIT Manager had to exercise significant judgment with respect to the projections of future operating performance and the determination of an appropriate key assumptions. I, therefore, addressed the measurement of such investments as a key audit matter.

I gained an understanding of the calculation of the fair value of the investments in properties and leasehold rights by inquiry with the responsible persons and considered the scope and objectives of the fair value measurement performed by an independent appraiser, and evaluated the techniques and models, applied by the independent appraiser, to measure fair value as specified in the fair value report prepared by the independent appraiser, and evaluating the competence and the independence of the independent appraiser. I also reviewed the key information and the reasonableness of main assumptions used in the measurement by comparing them with the historical estimated performance and actual operating performance of the Trust to evaluate judgement of the REIT manager, examining lease agreements, and test calculation in accordance with the above models and assumptions. In addition, I reviewed the adequacy of the information disclosure in the notes to the financial statements relating to the fair value measurement of the investments in properties and leasehold rights.

Other Information

The 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 the REIT Manager for correction of the misstatement.

Responsibilities of the REIT Manager for the Financial Statements

The 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 the 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, the 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 the REIT Manager either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 the REIT Manager.
- Conclude on the appropriateness of the 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 this matter that was of most significance in the audit of the financial statements of the current period and is therefore the key audit matter. I describe this matter 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.



Wichart Lokatekrawee

Certified Public Accountant (Thailand) No. 4451

EY Office Limited

Bangkok: 28 February 2024

Financial Statements

Statement of Financial position

As at 31 December 2023

		(Unit: Baht)	
	<u>Note</u>	<u>2023</u>	<u>2022</u>
Assets			
Investments in properties and leasehold rights at fair value			
(At cost: Baht 2,884,591,650)	6	2,605,000,000	2,884,591,650
Investments at fair value through profit or loss			
(At cost: Baht 65,000,000 (31 December 2022: Nil))	7	65,610,631	-
Cash and cash equivalents	8	29,594,981	132,844,102
Receivables from rental and services	9	960,187	4,302,836
Other accounts receivable	16	19,280	29,200
Prepaid expenses		727,134	673,979
Other assets		5,717,730	7,302,239
Total assets		2,707,629,943	3,029,744,006
Liabilities			
Accounts payable and accrued expenses	16	3,819,821	30,055,268
Deposits from rental and services		46,197,022	44,995,335
Long-term loan from financial institution	10	852,991,265	852,478,546
Other liabilities		153,667	43,605,109
Total liabilities		903,161,775	971,134,258
Net assets		1,804,468,168	2,058,609,748

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

.....
(Mr. Piyapong Pinthuprapa)

Managing director as the REIT Manager

Statement of financial position (continued)

As at 31 December 2023

(Unit: Baht)

	<u>Note</u>	<u>2023</u>	<u>2022</u>
Net assets:			
Capital from trust unitholders	11	1,982,294,283	2,047,102,922
Retained earnings (deficits)	12	<u>-177,826,115</u>	<u>11,506,826</u>
Net assets		<u><u>1,804,468,168</u></u>	<u><u>2,058,609,748</u></u>
Net assets value per unit (Baht)		8.6870	9.9105
Number of units issued at the end of the year (Units)		207,720,000	207,720,000

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

.....

(Mr. Piyapong Pinthuprapa)

Managing director as the REIT Manager

Details of investments

As at 31 December 2023

The details of investments were classified by asset type

Type of investments/location	Land title deed no.	Registered area (Rai-Ngan- Square Wah)	Area of factory building/ warehouse (Square meter)	2023			2022		
				Cost (Baht)	Fair value (Baht)	Percentage of investments (%)	Cost (Baht)	Fair value (Baht)	Percentage of investments (%)
Investments in properties and leasehold rights (Note 6)									
Leasehold on land and 8 factories									
Sahapat Industrial Park - Sriracha project									
Nong Kharm Sub-district, Sriracha District									
Chonburi	15944, 21814	9-0-71.49	14,760	337,214,848	295,000,000	11.05	337,214,848	337,214,848	11.69
Leasehold on land and 4 factories									
Sahapat Industrial Park - Kabinburi project									
Nonsi Sub-district, Kabinburi District,									
Prachinburi	4207, 18530, 89280	9-2-63.88	16,145	266,739,666	276,000,000	10.33	266,739,666	266,739,666	9.25
Leasehold on land and 8 factories									
Sahapat Industrial Park - Mae Sot project									
Mae Kasa Sub-district, Mae Sot District,									
Tak									
	34896, 46829, 46830, 46831	22-1-31.85	23,303	272,918,716	248,000,000	9.28	272,918,716	272,918,716	9.46
Freehold on land and 1 warehouse									
Tiger Suvarnabhumi DC project									
Klong Sam Prawet Sub-district, Lat Krabang District,									
Bangkok	48854, 50580	47-0-79.40	64,723	2,007,718,420	1,786,000,000	66.88	2,007,718,420	2,007,718,420	69.60
Total investments in properties and leasehold rights				2,884,591,650	2,605,000,000	97.54	2,884,591,650	2,884,591,650	100.00

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

.....
(Mr. Piyapong Pinthuprapa)
Managing director as the REIT Manager

Details of investments (continued)

As at 31 December 2023

The details of investments were classified by asset type (continued)

Type of investments	2023			2022		
	Cost (Baht)	Fair value (Baht)	Percentage of investments (%)	Cost (Baht)	Fair value (Baht)	Percentage of investments (%)
Investments in securities (Note 7)						
Mutual fund						
Krungsri Star Plus Fund - A	25,000,000	25,239,843	0.94	-	-	-
KKP FIXED INCOME PLUS FUND	25,000,000	25,290,251	0.95	-	-	-
KKP MONEY POSITIVE FUND	5,000,000	5,049,537	0.19	-	-	-
LH GOVERNMENT BOND FUND 3M2	10,000,000	10,031,000	0.38	-	-	-
Total investments in securities	65,000,000	65,610,631	2.46	-	-	-
Total investments	2,949,591,650	2,670,610,631	100.00	2,884,591,650	2,884,591,650	100.00

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

(Mr. Piyapong Pinthuprapa)

Managing director as the REIT Manager

Statement of comprehensive income

For the year ended 31 December 2023

		(Unit: Baht)	
		For the period	
		as from	
		For the year ended	29 November 2022 to
	Note	31 December 2023	31 December 2022
Investment income			
Rental and services income		223,491,501	18,607,612
Interest income		429,706	95,279
Other income		33,581	-
Total income		<u>223,954,788</u>	<u>18,702,891</u>
Expenses			
Cost of rental and services		15,519,064	972,342
REIT management fee	15, 16	13,383,021	1,269,431
Trustee and property custodian fee	15, 16	3,568,806	338,515
Registrar fee	15	769,120	72,819
Property management fee	15, 16	11,246,362	943,287
Professional fee		951,375	400,000
Other expenses		1,658,322	256,841
Finance cost		40,889,838	2,942,830
Total expenses		<u>87,985,908</u>	<u>7,196,065</u>
Net investment income		<u>135,968,880</u>	<u>11,506,826</u>
Net gain (loss) on investments			
Net gain on change in fair value of investments in securities	7	610,631	-
Net loss on change in fair value of investments in			
properties and leasehold rights	6	(279,591,650)	-
Total net loss on investments		<u>(278,981,019)</u>	<u>-</u>
Net increase (decrease) in net assets resulting from operations		<u>(143,012,139)</u>	<u>11,506,826</u>

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

.....

(Mr. Piyapong Pinthuprapa)

Managing director as the REIT Manager

Statement of changes in net assets

For the year ended 31 December 2023

(Unit: Baht)

For the period

as from

For the year ended 29 November 2022 to

	Note	31 December 2023	31 December 2022
Increase (decrease) in net assets resulting from operations			
Net investment income		135,968,880	11,506,826
Net loss on investments		(278,981,019)	-
Increase (decrease) in net assets resulting from operations		(143,012,139)	11,506,826
Net increase in capital received from trust unitholders	11	-	2,047,102,922
Distribution to trust unitholders	13	(46,320,802)	-
Capital return to trust unitholders	11	(64,808,639)	-
Increase (decrease) in net assets		(254,141,580)	2,058,609,748
Net assets at the beginning of year		2,058,609,748	-
Net assets at the end of year		1,804,468,168	2,058,609,748
		-	-
<u>Changes in investment units</u>			
Investment units as at the beginning of the year		207,720,000	-
Investment units as at the end of the year		207,720,000	207,720,000

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

.....
(Mr. Piyapong Pinthuprapa)

Managing director as the REIT Manager

Statement of cash flows
For the year ended 31 December 2023

(Unit: Baht)

For the period

as from

For the year ended 29 November 2022 to
31 December 2023 31 December 2022

Cash flows from operating activities

Increase (decrease) in net assets resulting from operations	(143,012,139)	11,506,826
Adjustments to reconcile the changes in net assets resulting from operations to net cash provided by (paid from) operating activities:		
Acquisition of investments in properties and leasehold rights	-	(2,884,591,650)
Purchases of investments in securities	(65,000,000)	-
Decrease (increase) in receivables from rental and services	3,342,649	(4,302,836)
Decrease (increase) in other accounts receivable	9,920	(29,200)
Increase in prepaid expenses	(53,155)	(673,979)
Decrease (increase) in other assets	1,584,509	(7,302,239)
Increase (decrease) in accounts payable and accrued expenses	(26,504,586)	18,280,897
Increase in deposits from rental and services	1,201,687	44,995,335
Decrease (increase) in other liabilities	(43,451,442)	43,605,109
Amortisation of long-term loan transaction cost	512,719	43,546
Net gain on change in fair value of investments in securities	(610,631)	-
Net loss on change in change in fair value of properties and leasehold rights	279,591,650	-
Interest expenses	40,889,838	2,942,830
Net cash flows from (used in) operating activities	48,501,019	(2,775,525,361)

Cash flows from financing activities

Proceed from capital from trust unitholders	-	2,077,200,000
Cash paid for the cost of issuing and offering of trust units	-	(18,509,758)
Cash received from long-term loan (net of transaction cost)	-	852,435,000
Cash distribution to trust unitholders	(46,320,802)	-
Cash paid for capital return to trust unitholders	(64,808,639)	-
Cash paid for interest expenses	(40,620,699)	(2,755,779)
Net cash flows from (used in) financing activities	(151,750,140)	2,908,369,463

Net increase (decrease) in cash and cash equivalent

Cash and cash equivalents at the beginning of the year	132,844,102	-
Cash and cash equivalents at the end of the year (Note 8)	29,594,981	132,844,102

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

(Mr. Piyapong Pinthuprapa)

Managing director as the REIT Manager

Note to financial statements

For the year ended 31 December 2023

1. General information

Hydrogen Freehold and Leasehold Real Estate Investment Trust (“the Trust”) is a closed-end trust with specific purpose. The Trust was established as a trust on 29 November 2022, with no project life stipulated.

The Trust’s objectives are to raise funds from general investors and to use proceeds from such fund-raising to invest in properties or leasehold rights and generate benefits from such properties by way of lease and/or rendering of services related to rental properties in which the Trust invests or other processes for the benefit of the property and create the revenue and returns to the Trust and the unitholders. This includes investment in other assets and/or securities and/or seeks benefits by any other means as prescribed by securities laws and/or other relevant laws.

The Stock Exchange of Thailand approved the listing of the Trust’s units and permitted their trading from 13 December 2022 onwards.

The Trust is managed by Hydrogen REIT Management Company Limited (“the REIT Manager”), Land and Houses Fund Management Company Limited acts as the Trustee and Custodian, Saha Pathana Inter-Holding Public Company Limited acts as the Property Manager and Thailand Securities Depository Company Limited acts as the Trust Registrar.

As at 31 December 2023, the Trust’s major unitholders are Saha Pathana Inter-Holding Public Company Limited and Sahapat Real Estate Company Limited, holding 14.15% and 10.01% of the issued and paid-up Trust units, respectively.

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 less than 2 times a fiscal year and is entitled to pay special distributions in addition to 2 times a fiscal year distributions to the unitholders, if it is deemed appropriate by the REIT Manager (the distribution payment will commence in the initial fiscal year of the Trust, provided that the Trust has gained sufficient profit to allow such distribution payment in that fiscal year).

The adjusted net profit means the net profit of the Trust less reserves for repair, maintenance, or improvement of the Trust's real estate according to the plan, including the repayment of loans or obligations from borrowing of the Trust and the distribution payment to unitholders with the first priority to obtain benefits or return of capital (if any).

- (2) In the event that the Trust has accumulated losses remaining, the REIT Manager will not pay distributions to unitholders.

In consideration of making a distribution payment, distributions depend on the discretion of the REIT Manager. If the value of the interim dividend per unit to be paid during the year or the quarter are equal or below Baht 0.10, the REIT Manager reserves its right to withhold that distribution payment and carry the whole amount over the next distribution payment.

3. Basis of preparation of financial statements

The financial statements are 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.

4. Significant accounting policies

4.1 Revenue and expenses recognition

Rental income and related service income

Rental income is recognised as revenue in the income statement on a straight-line basis over the lease term. Service income is recognised when services have been rendered.

Interest income and financial cost

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

Expenses

Expenses are recorded on an accrual basis.

4.2 Investments in properties and leasehold rights

Investments in properties and leasehold rights are stated at fair value with no depreciation or amortisation charges. The REIT Manager measured their fair value as at the first balance sheet date at the acquisition cost of investments in properties and leasehold rights. At balance sheet dates of the next fiscal years, they are presented at fair value, using the appraisal value assessed by an independent appraiser approved by Thai Valuers Association and The Valuers Association of Thailand (pursuant to the Notification of the Office 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 investing or leasing the properties. In addition, the valuation will be reviewed within one year after the latest valuation date.

Gains or losses on valuation of investments in properties and leasehold rights are presented as net unrealised gains or losses in the statement of comprehensive income.

4.3 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.

4.4 Receivables from rental and services

Receivables from rental and services are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in no collection of receivables. The allowance is generally based on collection experience and analysis of debtor aging.

4.5 Related party transactions

Related parties comprise individuals or enterprises that own a voting interest of at least 10% in the Trust, control, or are controlled by, the Trust, whether directly or indirectly, or which are under common control with the Trust.

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

4.6 Cost of issuing and offering of trust units

Incremental expenses directly related to the issuing and offering of trust units are deducted from the capital from unitholders.

4.7 Distribution of income to unitholders

Decreases in retained earnings are recognised as at the date dividends are declared.

4.8 Long-term leases

Lease of assets which all the risks and rewards of ownership are not substantially transferred to lessee are classified as operating leases. Receipts of money of the Trust as the lessor under operating leases are recognised in the income statement on a straight-line basis over the lease term.

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 resource embodying economic benefits will be required to settle obligation, and a reliable estimate can be made of the amount of the obligation.

4.10 Income tax

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

4.11 Financial instruments

Financial assets are initially measured at fair value and classified, at initial recognition, as to be subsequently measured at fair value through profit or loss ("FVTPL"), carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of comprehensive income. A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or when the rights to receive cash flows, substantially all the risks and rewards, or control of the asset have been transferred.

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. The Trust takes into account any fees or costs that are an integral part of the EIR. Gains and losses are recognised in the statement of comprehensive income when the liabilities are derecognised as well as through the EIR amortisation process. The EIR amortisation is included in finance cost. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

4.12 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 measures 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. Use of significant judgement and accounting estimates

The preparation of financial statements in conformity with financial reporting standards at times requires the 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. Significant judgements and estimates are as follows:

Fair value of assets

The Trust measures its investments in properties and leasehold rights on the statement of financial position date at fair value based on the value as assessed by an independent appraiser. The fair value is determined by using discounted expected future cash flows received from investments in the properties and leasehold rights by the appropriate discount rate which reflect related risks. Key assumptions used in the valuation are rental rate in accordance with the lease agreement and the rental assurance agreement, expenses related to the rental, occupancy rate, discount rate, capitalisation rate and terminal value. The Trust considers such fair value is appropriate.

However, the actual returns to be received by the Trust on such investments in properties and leasehold rights could differ, depending upon certain factors and conditions which will be incurred to the assets in the futures.

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the REIT Manager is required to use judgement regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

6. Investments in properties and leasehold rights

	(Unit: Thousand Baht)	
	For the year ended 31 December 2023	For the period as from 29 November 2022 to 31 December 2022
Investments in properties and leasehold rights at the beginning of the period	2,884,592	-
Add: Acquisition of investments during the period	-	2,884,592
Less: Net loss on change in fair value of investments in properties and leasehold rights	(279,592)	-
Investments in properties and leasehold rights at the end of the period	2,605,000	2,884,592

On 1 December 2022, the Trust invested in properties and leasehold rights by entering into a sale and purchase agreement of immovable and movable properties, and agreements to lease immovable properties with Saha Pathana Inter-Holding Public Company Limited, Sahapat Real Estate Company Limited, and I.D.F. Company Limited with the leasehold term of 30 years, totaling Baht 2,885 million (including transfer fee, lease registration fee and other related expenses). Details of investments are summarised as follow:

Type of investment	Land area (Rai-Ngan-Square Wah)	Rental area (Square meters)	Number of factories/ warehouse
Leasehold rights on land and factories for 30 years	41-0-67.22	54,208	20
Freehold on land and warehouse	47-0-79.40	64,723	1
Total	88-1-46.62	118,931	21

The Trust estimated fair value of the investments in properties and leasehold rights as at 31 December 2022 to be equal to the balance of investments determined using the cost method of Baht 2,885 million. The REIT Manager believed that this represented the best estimation of fair value as it was established primarily based on the latest exchange transaction that the price was determined under the market mechanism and the transaction was under taken close to the reporting period end date.

During the current year, the Trust arranged for its investments in properties and leasehold rights to be appraised by an independent appraiser which appraised by the income approach. The Trust has recognised net loss on investments in properties and leasehold rights of Baht 280 million in the statement of comprehensive income for the current year.

Key assumptions used in the valuation as at 31 December 2023 are summarised below:

	2023
Discount rate (%)	8.5 - 10.0
Occupancy rate (%)	90.0 - 100.0

As at 31 December 2023, the Trust pledged its land and/or buildings with net book value amounting to Baht 1,786 million as collateral to secure credit facilities received from a financial institution as described in Note 10 to the financial statements.

The Trust has several operating lease agreements relating to the lease of factories and warehouse. As at 31 December 2023 and 2022, future minimum rental and services income to be generated under these operating leases are as follows:

	(Unit: Thousand Baht)	
	2023	2022
In up to 1 year	206,499	213,943
In over 1 year and up to 3 years	81,474	243,489
In over 3 years	83,864	99,632

7. Investments at fair value through profit or loss

(Unit: Thousand Baht)

Investments in securities

Balance as at 1 January 2023	-
Addition	65,000
Gain on change in fair value	611
Balance as at 31 December 2023	65,611

8. Cash and cash equivalents

As at 31 December 2023 and 2022, the Trust has the following cash and cash equivalents.

Bank/Account type	Principal (Unit: Thousand Baht)		Interest rate (% per annum)	
	2023	2022	2023	2022
Kasikorn Bank Public Company Limited				
Saving account	29,585	132,844	0.70	0.35 - 0.50
Current account	10	-	-	-
Total	29,595	132,844		

9. Receivables from rental and services

The balances of accounts receivable from rental and services as at 31 December 2023 and 2022 aged on the basis of due dates are summarised below.

	(Unit: Thousand Baht)	
	2023	2022
<u>Age of receivables</u>		
Not yet due	489	-
Past due		
Up to 3 months	2	3,503
Unbilled receivables	469	800
Total	960	4,303

10. Long-term loan from financial institution

On 29 November 2022, the Trust entered into a long-term loan agreement with a financial institution for a credit facility of Baht 900 million to finance an initial investment in main assets. The loan of Baht 855 million was drawn down on 1 December 2022. The loan carried interest at the rate not exceeding MLR -1.50 percent per annum. The interest was payable on the last working day of each month, starting from the date of the loan had been drawn down. The loan principals are repayable in 2027.

Movements of the long-term loan during the current year are as follows:

	(Unit: Thousand Baht)		
	Balance as at 31 December 2022	Amortisation	Balance as at 31 December 2023
Long-term loan from financial institution	855,000	-	855,000
Less: Deferred borrowing costs	(2,521)	512	(2,009)
Long-term loan from financial institution - net	852,479	512	852,991

The long-term loan was secured by the following:

- The mortgage of the Trust's land and warehouse
- The registered business security of partial claims on leases and services contracts with minor tenants and/or claims on the Trust's operating account

The loan agreement contains several covenants which, among other things, requires the Trust to maintain a ratio at rates prescribed in the agreement.

11. Capital from trust unitholders

	Unit of Trust (Thousand unit)	Per unit (Baht)	Amount (Thousand Baht)
Capital received from unitholders as at 29 November 2022	207,720	10.000	2,077,200
Less: Cost of issuing and offering trust units	-	(0.145)	(30,097)
Balance as at 31 December 2022	207,720	9.855	2,047,103
Less: Capital reduction during period	-	(0.312)	(64,809)
Balance as at 31 December 2023	207,720	9.543	1,982,294

On 29 November 2022, the REIT Manager established the Trust with 207,720,000 units at a par value of Baht 10 each totaling Baht 2,077 million. The Trust has already called up payment and received payment for all of these units. The incremental costs directly related to the issuing and offering of trust units were deducted from the capital from unitholders as presented in the statement of financial position.

During the year 2023, details of capital reduction are as follows:

No.	Per unit (Baht)	Amount (Thousand Baht)
No. 1	0.1620	33,651
No.2	0.1500	31,158
Total	0.3120	64,809

The capital reduction was in accordance with the Trust established agreement without any change in the number of units.

12. Retained earnings (deficits)

	(Unit: Thousand Baht)	
	For the year ended 31 December 2023	For the period as from 29 November 2022 to 31 December 2022
Retained earnings at the beginning of the period	11,507	-
Add: Net investment gain (loss)	(143,012)	11,507
Less: Distribution to trust unitholders (Note 13)	(46,321)	-
Retained earnings (deficits) at the end of the period	(177,826)	11,507

13. Distribution to trust unitholders

Distribution paid during the year ended 31 December 2023 are as follows:

Declaration date	Operation for the period	Per unit (Baht)	Total (Thousand Baht)
12 May 2023	29 November 2022 - 31 March 2023	0.2230	46,321
			46,321

14. Income from the contractors of the agreement

Saha Pathana Inter Holding Public Company Limited and Sahapat Real Estate Company Limited as the contractors of the agreement, agreed to pay rent and/or infrastructure fees and/or other service fees (if any) to the Trust for initial investment assets acquired by the Trust as follows:

- If any assets acquired by the Trust do not have any lessee at the acquisition date, the contractors agree to pay rent to the Trust at the rate and conditions prescribed in the agreement for a period of 3 years from the acquisition date until the Trust has a lessee to lease these assets.
- If the lease contracts of the assets acquired by the Trust mature within 1 year from the initial investment assets acquired by the Trust and have not renewed and/or have not been making a new agreement with a new lessee, the contractors agree to pay rent to the Trust for the differences from the rate and conditions prescribed in the agreement for 1 year from the acquisition date until the Trust has a lessee to lease these assets.

15. Expenses

Details of the REIT management, trustee and custodian, registrar and property management fees are summarised below:

REIT management fee

The REIT Manager is entitled to receive a monthly management fee from the Trust at a rate not exceeding 1% per annum (excluding value added tax, specific business tax or any other similar tax) of the total asset value of the Trust. The minimum charge is no less than Baht 10 million for the first year, with the annual increase rate of 1% per annum of the minimum amount in the last fiscal year but not exceeding such 1% per annum rate.

The REIT Manager is to receive an acquisition fee at a rate not exceeding 3% of the acquired assets of the Trust in case of the properties from others and not exceeding 0.75% of the initial assets acquisition and the assets acquired from related parties of the REIT Manager.

Trustee and property custodian fee

The Trustee is entitled to receive a monthly remuneration at a rate not exceeding 0.5% per annum (excluding value added tax, specific business tax or any other similar tax) of the net asset value of the Trust. The minimum charge is no less than Baht 3 million per annum, with the annual increase rate of the minimum fee of 0.5% per annum.

Registrar fee

The Trust's registrar fee is calculated from rates specified by the trust unit registrar to be calculated and paid on an annual basis.

Property management fee

Fee and expenses of the Property Manager shall be payable to the Property Manager under to the Property Management Agreement between the Trust and the Property Manager. The rate shall not exceed 3% per annum of the gross property operating revenue of the Trust (excluding value added tax, specific business tax or any other similar tax). In addition, the Property Manager is entitled to receive an extra fee at a rate not exceeding 2% per annum of the net property operating revenue of the Trust (excluding value added tax, specific business tax or any other similar tax). The minimum charge for the collective base and extra fee is no less than Bath 6 million per annum for the first year, with the annum increase rate of 1% per annum of the minimum amount in the last fiscal year.

16. Related party transactions

The following are relationship between the Trust and its related parties:

<u>Company's name</u>	<u>Relationship</u>	<u>Details of business transactions</u>
Saha Pathana Inter-Holding Public Company Limited	The Trust's major unitholder and the Property Manager	<ul style="list-style-type: none">- Entered into the lease agreements on land and factories as the lessor- Entered into the sale and purchase agreement on land as the seller- Receive property management fees from the Trust- Pay compensation for maintaining occupancy rate to the Trust
Sahapat Real Estate Company Limited	The Trust's major unitholder	<ul style="list-style-type: none">- Entered into the sale and purchase agreement on warehouse as the seller- Pay compensation for maintaining occupancy rate to the Trust
Hydrogen REIT Management Company Limited	The REIT Manager	<ul style="list-style-type: none">- Receive management fees from the Trust- Receive acquisition fees from the Trust
Land and Houses Fund Management Company Limited	Trustee	<ul style="list-style-type: none">- Receive Trustee fees from the Trust

The Trust had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Trust and those related parties.

(Unit: Thousand Baht)			
	For the year ended 31 December 2023	For the period as from 29 November 2022 to 31 December 2022	Pricing policy
Saha Pathana Inter-Holding Public Company Limited			
Purchases of investments in properties and leasehold rights	-	973,632	As detailed in Note 6
Property management fee	11,246	943	As detailed in Note 15
Tenant placement fee	1,905	-	As detailed in Note 15
Compensation for maintaining occupancy rate	1,123	-	As detailed in Note 14
Sahapat Real Estate Company Limited			
Purchases of investment in properties	-	1,838,169	As detailed in Note 6
Compensation for maintaining occupancy rate	8,075	85	As detailed in Note 14
Hydrogen REIT Management Company Limited			
REIT management fee	13,383	1,269	As detailed in Note 15
Land and Houses Fund Management Company Limited			
Trustee and property custodian fee	3,569	339	As detailed in Note 15

The balances of the accounts as at 31 December 2023 and 2022 between the Trust and those related parties are as follows:

(Unit: Thousand Baht)		
	2023	2022
Saha Pathana Inter-Holding Public Company Limited		
Other payables	29	11,653
Accrued property management fees	962	962
Sahapat Real Estate Company Limited		
Others accrued expenses	-	820
Hydrogen REIT Management Company Limited		
Other receivables	9	2
Accrued REIT management fees	1,108	1,295
Land and Houses Fund Management Company Limited		
Accrued trustee and property custodian fees	295	345

17. Information on investment purchases and sale transactions

The Trust's investment purchases and sale transactions for the for the year ended 31 December 2023 and for the period as from 29 November 2022 (the establishment date) to 31 December 2022, excluding investment in cash at bank totaled Baht 65 million and Baht 2,885 million, representing 3.36% and 140.56% of the average net asset values during the period, respectively.

18. Segment information

The Trust is principally engaged in the lease of properties. Its operation is carried out only in 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.

For the years 2023 and 2022, the Trust had revenue from three major customers amounting to Baht 146 million (2022: Baht 11 million).

19. Commitments

The Trust is committed to pay service and other fees to counterparties as described in the Note 15 to the financial statements.

20. Fair value hierarchy information

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

(Unit: Thousand Baht)				
2023				
	Level 1	Level 2	Level 3	Total
Investments in properties and leasehold rights	-	-	2,605,000	2,605,000
Investments in securities	-	65,611	-	65,611

(Unit: Thousand Baht)				
2022				
	Level 1	Level 2	Level 3	Total
Investments in properties and leasehold rights	-	-	2,884,592	2,884,592

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

21. Financial instruments

21.1 Financial risk management objectives and policies

The Trust's financial instruments principally comprise cash and cash equivalents, accounts receivable, and long-term loan. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Trust is exposed to credit risk primarily with respect to receivables from rental and services. The REIT Manager manages the risk by adopting appropriate credit control policies and procedures such as requirements stipulating that lessees are to provide rental and service deposits as security against collection losses, and outstanding receivables from rental and services are regularly monitored by the REIT Manager. In addition, the Trust does not have high concentrations of credit risk since it has a large customer base and therefore does not expect to incur material financial losses. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

Interest rate risk

The Trust's exposure to interest rate risk relates primarily to its long-term loan. Most of the Trust's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2023 and 2022, significant financial assets and liabilities classified by type of interest rates are summarised in the table below.

				(Unit: Million Baht)
				2023
	Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
Financial assets				
Cash and cash equivalents	30	-	30	Note 8
Receivables from rental and services and other accounts receivable	-	1	1	-
	30	1	31	
Financial liabilities				
Accounts payable and accrued expenses	-	4	4	-
Deposits from rental and services	-	46	46	-
Long-term loan from financial institution	853	-	853	Note 10
	853	50	903	

(Unit: Million Baht)

	2022			
	Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
Financial assets				
Cash and cash equivalents	133	-	133	Note 8
Receivables from rental and services and other accounts receivable	-	4	4	-
	133	4	137	
Financial liabilities				
Accounts payable and accrued expenses	-	30	30	-
Deposits from rental and services	-	45	45	-
Long-term loan from financial institution	852	-	852	Note 10
	852	75	927	

Foreign currency risk

The Trust considers itself being exposed to no foreign currency risk because it has no foreign currency transactions, and no financial assets and liabilities denominated in foreign currencies outstanding at the balance sheet date.

21.2 Fair values of financial instruments

Since the majority of the Trust's financial instruments are short-term in nature, and loan carries interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

22. Capital management

The primary objectives of the Trust's financial management are to maintain its ability to continue as a going concern and to maintain an appropriate capital structure in order to provide returns for unitholders in accordance with the Trust's establishment objectives.

23. Events after the reporting period

On 28 February 2024, the meeting of Board of Directors of Hydrogen REIT Management Company Limited as the REIT Manager passed a resolution to approve a capital reduction of Baht 0.1525 per unit trust, or a total of Baht 32 million. The Trust will pay the capital reduction to its unitholders on 27 March 2024.

24. Approval of financial statements

These financial statements were authorised for issue by the Board of Directors of Hydrogen REIT Management Company Limited who is responsible as the REIT Manager on 28 February 2024.

Hydrogen REIT[®] Management

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