

# Annual Report 2024

**LHRREIT**

**Land and Houses Residential Freehold  
and Leasehold Real Estate Investment Trust  
(LHRREIT)**

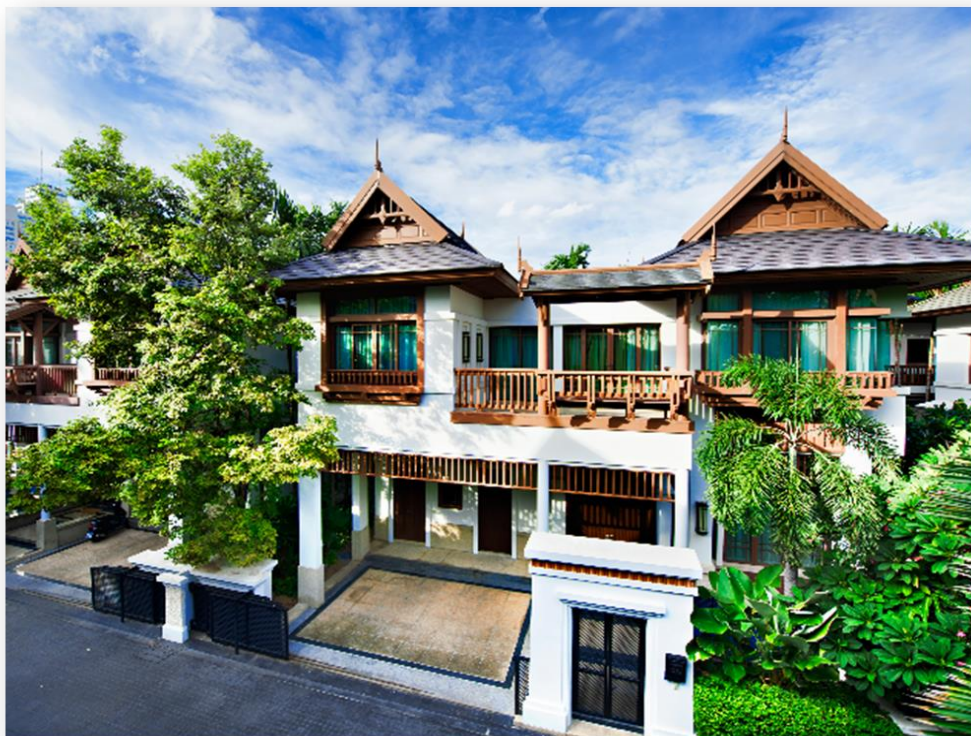


# Annual Report 2024

Ending as of 31 December 2024

Land and Houses Residential Freehold and Leasehold Real Estate Investment Trust

**LHRREIT**



## *Disclaimer:*

*This document is the translated version of Thai document, in the case that there are conflicts in any of the contents specified herein, contents of the original version shall supersede such conflict contents.*

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## Part 1

### Summary of the Important Information

#### Land and Houses Residential Freehold and Leasehold Real Estate Investment Trust

Details as of 31 December 2024

Name (in Thai)	ทรัสต์เพื่อการลงทุนในอสังหาริมทรัพย์และสิทธิการเช่า แลนด์ แอนด์ เฮ้าส์ เวิลด์ไวด์
Name (in English)	Land and Houses Residential Freehold and Leasehold Real Estate Investment Trust
Abbreviation	LHRREIT
REIT Manager	Land and Houses Fund Management Company Limited
Property Manager	Q.H International Company Limited
Auditor	EY Company Limited
Trustee	SCB Asset Management Company Limited
Inception Date	22 October 2024

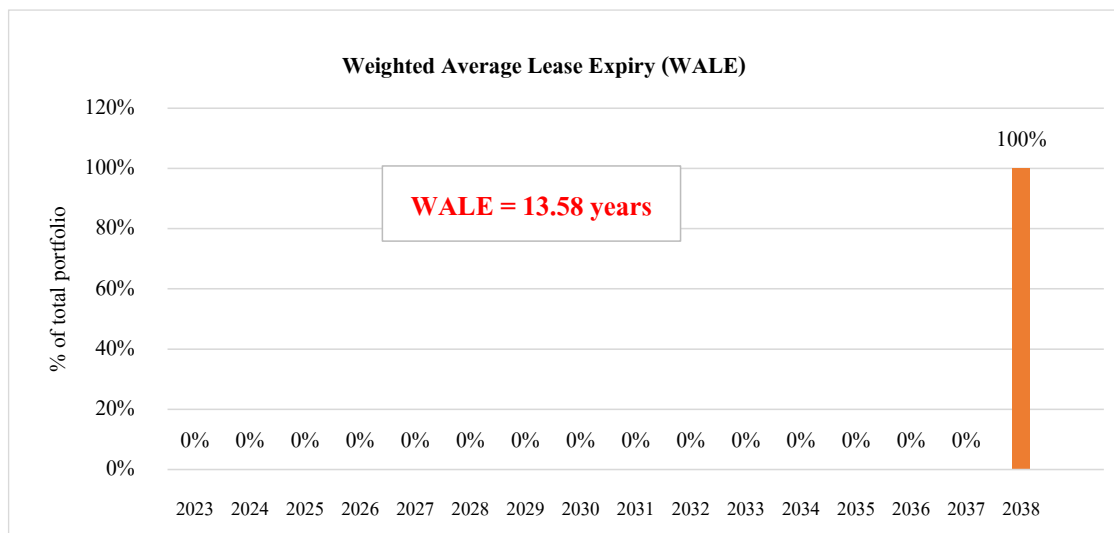
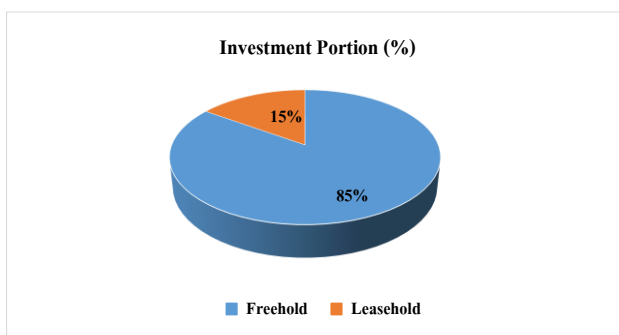
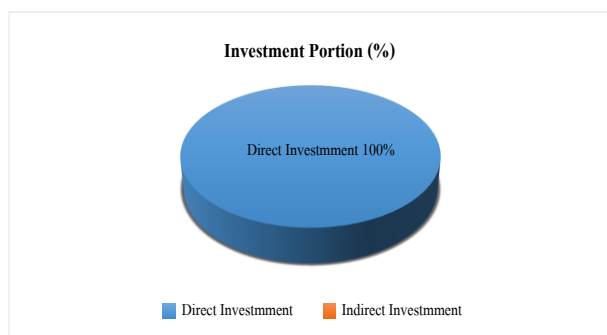
Note: The Land and Houses Residence Leasehold Real Estate Investment Trust ("LHRREIT") was established through the conversion from the Land and Houses Leasehold Property Fund ("LHPF") on October 22, 2024. The transfer of assets and liabilities from the LHPF to the LHRREIT was completed on November 28, 2024.

Swap Ratio	:	1 existing unit of the LHPF : 1 new unit of the LHRREIT
Number of Offered Units	:	330,000,000 Units
Offering Period	:	26 November 2024



Market Capital	1,798,500,000 Baht	Closing price on the last trading day of the year	5.45 Baht		
Number of Units	330,000,000	Net Asset Value (NAV)	3,559,438,780		
NAV/Unit	10.7861	Registered Capital	3,540,966,000 Baht	Par/Unit	10.7302 Baht
P/NAV	0.51	Weighted Average Lease Expiry (WALE) (Leasehold)	13.58 Years		

### Investment Portion

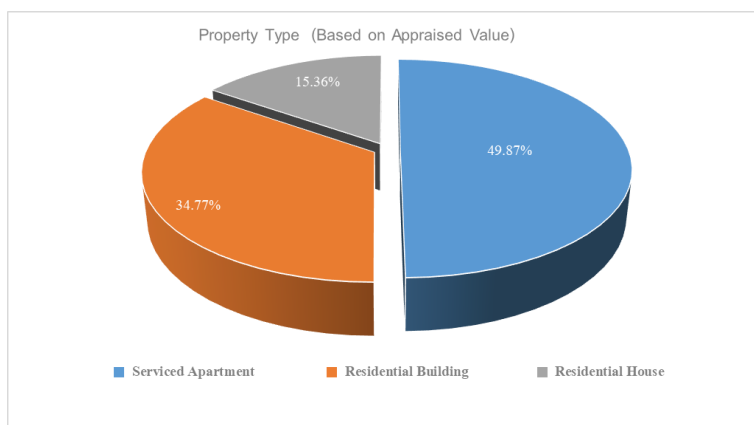


Ramarkgg: The remaining lease term is based on the L&H Villa Sathorn rental residential project, which is held under a leasehold title, whereas the other investment projects are held under freehold ownership.

### Property Type (Based on Appraised Value)

Serviced Apartment <sup>/1</sup>	49.87%
Residential Building <sup>/1</sup>	34.77%
Residential House <sup>/2</sup>	15.36%

Remark : /1 Estimated value as of May 11, 2024 , /2 Estimated value as of December 31, 2024



### Preliminary Information of Transferred from the LHPF Property Fund to the LHRREIT

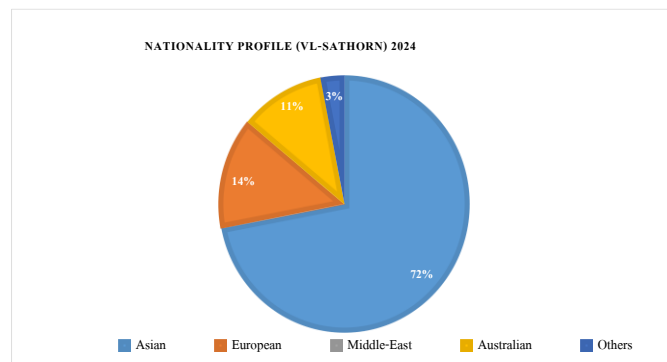
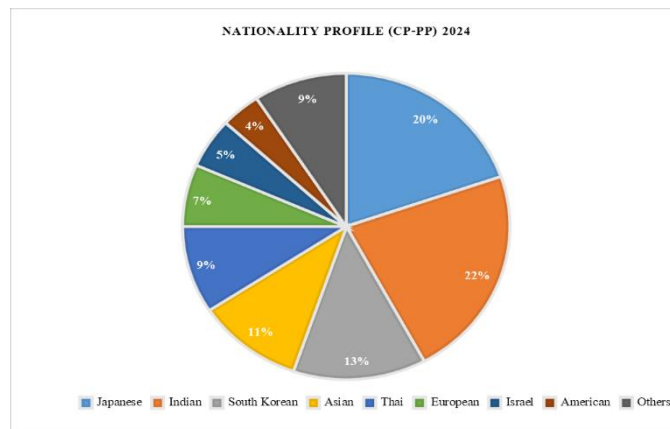
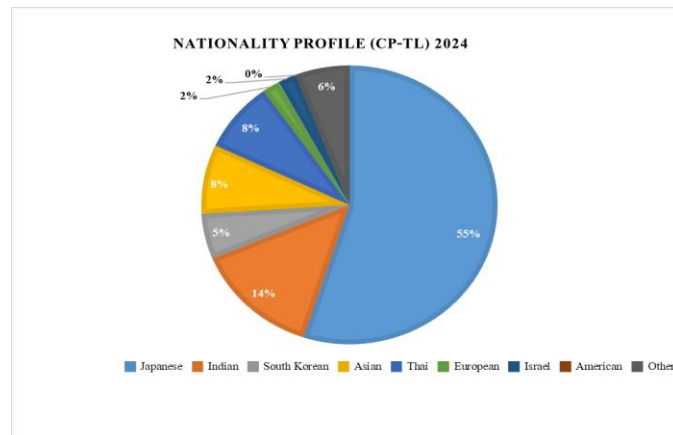
Project	Address	Investment Features	Remaining lease period under land lease agreement/ <sup>1</sup>
1. Center Point Serviced Apartment Sukhumvit–Thonglor	No. 304, Soi Sukhumvit 55 (Thonglor), Khlong Tan Nuea Subdistrict, Watthana District, Bangkok.	Ownership of the property, which includes the land with buildings and structures, utility systems related to the serviced apartment business, as well as ownership of furniture, fixtures, and various equipment.	Feehold
2. Center Point Residence Phrom Phong	No. 77, Soi Sukhumvit 39 (Phrom Phong), Khlong Tan Nuea Subdistrict, Watthana District, Bangkok.	Ownership of the property, which includes the land with buildings and structures, utility systems related to the serviced apartment business, as well as ownership of furniture, fixtures, and various equipment.	Feehold
3. L&H Villa Sathorn	No. 88, 2140/23 Narathiwat Ratchanakarin Road, Chong Nonsi Subdistrict, Yan Nawa District, Bangkok.	Sublease rights to the land, with a sublease term of approximately 13 years and 6 months from December 31, 2024, until July 27, 2038 (the lease expiration date), as well as ownership of buildings, utility systems, and infrastructure related to the residential rental business, including ownership of furniture, fixtures, and equipment.	Approximately 13.58 years*

Remark: /1 The remaining lease term is calculated from December 31, 2024.

## Financial Structure of the REIT

Total Asset	Baht 3,727,903,594	Retained Earning	Baht 18,472,780
Total Liability	Baht 168,464,814	Debt Ratio	(None)
Total Equity	Baht 3,559,438,780	Credit rating	(None)

## Revenue's Structure



**Details of Investment Assets**

Investment Assets	Appraisal Value (Income Approach)	Appraiser
<b>Assets 1 : Leasehold</b>		
L&H VILLA SATHON	530,900,000 (As of 31 December 2024)	TAP Valuation CO.,LTD
<b>Assets 2 : Freehold</b>		
CENTRE POINT SERVICED APARTMENT THONG LO	1,724,000,000 (As of 11 May 2024)	TAP Valuation CO.,LTD
CENTE POINT RESIDENCE PHROMPHONG	1,202,000,000 (As of 11 May 2024)	TAP Valuation CO.,LTD

**Top 10 Major Unitholders on the book closing date of 30 December 2024**

No.	Major Unitholder	No. of Units (units)	%
1	LAND AND HOUSES PUBLIC COMPANY LIMITED	88,958,300	26.96
2	GOVERNMENT SAVINGS BANK	49,990,000	15.15
3	MUANG THAI INSURANCE PUBLIC COMPANY LIMITED	15,934,300	4.83
4	LAND AND HOUSES BANK PUBLIC COMPANY LIMITED	9,146,200	2.77
5	SOUTHEAST LIFE INSURANCEPUBLIC COMPANY LIMITED	6,857,700	2.08
6	MR.THANAPHAT YONGPIPHATWONG	6,000,000	1.82
7	MRS.VIPA KIATTANABUMRUNG	5,005,000	1.52
8	MR. Chatchaval Apibalsri	5,000,000	1.52
9	MR.SOMSON HUNGSPRUKE	3,312,600	1.00
10	MR.SIWAS HUNGSPRUKE	2,601,400	1.00

**Policy and Method of Distribution of Benefits**

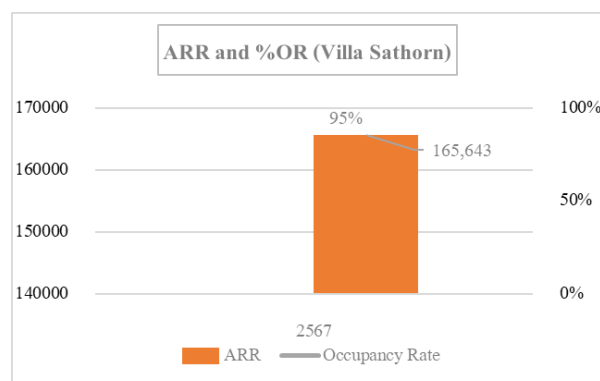
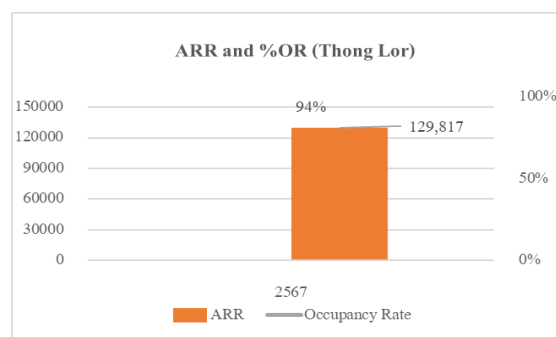
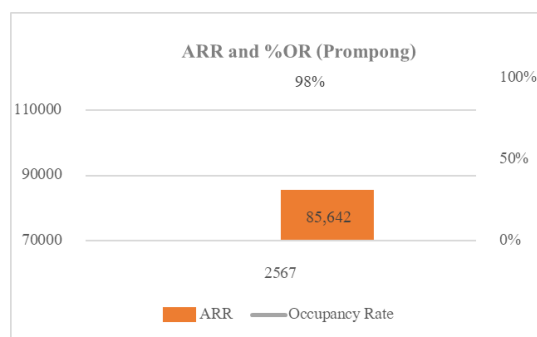
The REIT Manager will distribute at least 90% of the Trust's adjusted net profit for the fiscal year, with a minimum of two distributions per year. Additionally, the REIT Manager may consider paying special distributions

beyond the two required payments if deemed necessary and appropriate. Distributions will be made within 90 days from the end of the fiscal year or the relevant financial period.

For the year 2024, for the period as from 22 October 2024 (the registration date) to 31 December 2024 the Trust declared a distribution of THB 0.0475 per unit. For 2025, the Trust plans to allocate up to 91 million baht as a reserve fund for property maintenance and renovations. This amount will be consideration an adjustment to net profit for calculating distributions to Trust Unitholders in accordance with SEC regulations.

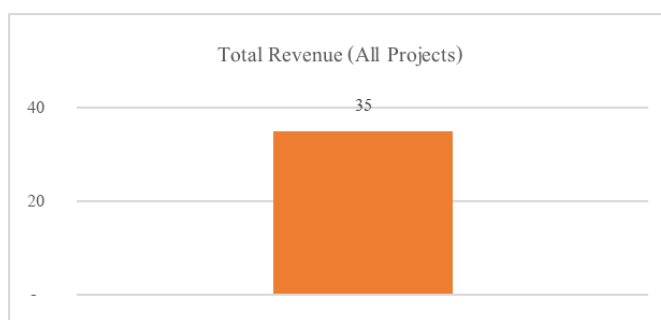
Performance Period (the registration date)	Distribution (Baht per unit)	Payment date
22 October – 31 December 2024	0.0475	28 March 2025

### Average Rental Rate



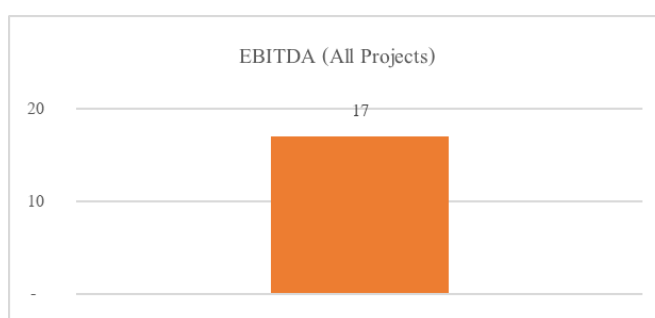
## Revenue

(Unit : Million THB)



## EBITDA

(Unit : Million THB)



## Key Financial Figures

Key Financial Figures	22 October 2024 (the registration date) to 31 December 2024
Revenue (THB)	34,880,534
Other Income (THB)	240,612
Net investment income (THB)	16,517,739
Net increase in net assets resulting from operations (THB)	18,472,780
EPU (THB)	0.06
DPU (THB)	0.0475
Capital Reduction	-
Debt/Total Asset Value Ratio (%)	-
Interest Cost (%)	-
Operating Cash Flow (THB)	32,275,205
Investing Cash Flow (THB)	-

Key Financial Figures	22 October 2024 (the registration date) to 31 December 2024
Financing Cash Flow (THB)	89,976,200
Net Cash Flow (THB)	122,251,405
NAV (THB)	3,559,438,780
P/NAV (Times)	0.51
Dividend Yield (%)	0.87
Market Cap (THB)	1,798,500,000.00
Closing Price (THB)	5.45

#### Management Discussion and Analysis of the REIT Manager on the Performance and Financial Position of the REIT

For the fiscal year 2024, covering the operating period from 22 October 2024 (the registration date) to 31 December 2024, LHRREIT was converted from the Land and Houses Freehold and Leasehold Property Fund (“LHPF” or “the Fund”). The REIT completed the transfer of assets and liabilities from the Fund on November 28, 2024, and invested in three projects:

1. Centre Point Serviced Apartment Sukhumvit – Thong Lo
2. Centre Point Residence Phrom Phong
3. L&H Villa Sathorn

During this period, the REIT recorded total revenue of THB 35.12 million, consisting mainly of rental and service income of THB 34.88 million, interest income of THB 0.06 million, and other income of THB 0.18 million.

Total net expenses amounted to THB 18.60 million, comprising:

- Rental and service costs: THB 7.77 million
- Fees and professional charges: THB 3.68 million
- Selling expenses: THB 3.68 million
- Project operating expenses: THB 3.47 million

Notably, the REIT had no liabilities and incurred no interest expenses, which helps mitigate interest rate risk.

The REIT recorded an increase in net assets from operations of THB 18.47 million, which was derived from:

- Net investment income: THB 16.52 million
- Change in fair value of investments: THB 1.96 million

<p>Management Discussion and Analysis by the REIT Manager on the REIT's Performance and Financial Position</p> <p>Type of Opinion in the Latest Auditor's Report:</p> <p><input checked="" type="checkbox"/> Unqualified opinion with an emphasis of matter / other matter</p> <p><input type="checkbox"/> Other</p>	<p>Summary of Key Information Regarding Borrowings</p> <p>(None)</p>
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Land and Houses Residential Freehold and Leasehold Real Estate Investment Trust

Table showing all expenses charged to the trust

For the period as from November 28, 2024 – December 31, 2024

Expenses Chargeable to the REIT	Amount Unit: thousand Baht <sup>1</sup>	Percentage of Net Asset Value (NAV) of the property.	
		Actually charged	Project
REIT Management fee/ <sup>2</sup>	1,001.02	0.03	Not exceeding 2.0%
Registrar's fee	82.00	0.00	As actually paid.
Trustee's fee/ <sup>2</sup>	286.00	0.01	Not exceeding 1.0%
Property management fee	1,546.16	0.04	As actually paid.
Professional Fee	762.25	0.02	As actually paid.
Cost of rental and services	7,775.72	0.22	As actually paid.
Selling expenses	3,684.05	0.10	As actually paid.
Admin expense	3,466.20	0.10	As actually paid.
<b>Total expenses</b>	<b>18,603.40</b>	<b>0.52</b>	

Remark :

1. Fees and expenses charged to the trust are at rates excluding VAT, specific business tax, or any other similar taxes (if any). However, project-related fees or expenses are at rates that do not include VAT.
2. The fees are calculated based on the total asset value of the trust



## Part 2

### Operations of the Land and Houses Residential Freehold and Leasehold Real Estate Investment Trust

#### 1. Information on the Land and Houses Residential Freehold and Leasehold Real Estate Investment Trust

##### 1.1 Key Information

REIT Name (Thai)	: บริษัทเพื่อการลงทุนในอสังหาริมทรัพย์และสิทธิการเช่า แลนด์ แอนด์ เฮาส์ เรซิเดนซ์
REIT Name (English)	: Land and Houses Residential Freehold and Leasehold Real Estate Investment Trust
Abbreviation	: LHRREIT

Type of Securities Offered : Trust units representing the holder's rights as a beneficiary of the REIT

##### Investment Projects:

- Centre Point Serviced Apartment Sukhumvit-Thonglor
- Centre Point Residence Phromphong (Residential Rental Building)
- L&H Villa Sathorn (Residential Houses for Rent)

Project Term	: No fixed project term
Total Project Capital	: THB 3,300 million
REIT Manager	: Land and Houses Fund Management Co., Ltd.
Trustee	: SCB Asset Management Co., Ltd.
Registrar	: Thailand Securities Depository Co., Ltd.

#### Vision, Objectives, Policies, and Operating Strategies

##### Project Objectives

The Land and Houses Residential Freehold and Leasehold Real Estate Investment Trust ("the REIT" or "LHRREIT") was established with the objective of investing in real estate, with a focus on high-quality real estate and leasehold rights such as commercial properties, rental residences, residential buildings, serviced apartments, wellness centers, hospitals, medical centers, hotels, shopping centers, retail outlets, specialty retail

centers, large distribution centers, data centers, office buildings, and other properties to serve as the REIT's core assets. The REIT's vision is to provide residential services without being limited to any specific tenant, aiming to deliver long-term returns to unitholders and focusing on sustainable income growth.

### **Investment Policy**

The REIT aims to raise funds from general investors to use the proceeds to purchase and/or lease properties and/or acquire leasehold rights or sublease rights in real estate, and to generate benefits from such properties through rental, subleasing, or other similar forms of income such as service income or other related revenues. The REIT may also undertake actions to improve, modify, enhance, and/or dispose of assets to generate income and returns for the Trust and its unitholders. Furthermore, the Trust intends to invest in additional properties to continuously grow its revenue base, as well as invest in other assets and/or securities and/or seek other yields in accordance with securities laws and/or other applicable laws.

### **Strategies for Generating Benefits from Properties Invested by the REIT**

The REIT can generate benefits from its core assets by leasing, subleasing, granting usage rights, or providing services similar to property leasing, including associated services. The REIT is prohibited from engaging in any business activities directly, such as operating a hotel or hospital, except when necessary and temporarily, for instance, during tenant transitions or while searching for new tenants. If the Trust leases and/or subleases properties to entities that operate businesses the Trust itself cannot operate (such as hotels or hospitals), the lease agreement must specify a predetermined rental fee and may include rental amounts based on the tenant's performance. Such agreements must be disclosed in the Trust's offering documents, annual registration statements, and annual reports. The REIT must not lease or sublease properties to entities suspected of using them for immoral or illegal businesses. Each lease agreement must include provisions allowing the Trust to terminate the lease or sublease if the tenant or sub-tenant is found to be engaging in such activities.

### **Marketing Strategies and Property Development for Properties Invested by the REIT**

To generate profits from its property investments, the Trust and its property managers evaluate and adjust rental rates to align with customer demand patterns, aiming to maximize occupancy and enhance the REIT's income in line with prevailing economic conditions. The property managers are responsible for recommending suitable marketing approaches to enhance the competitiveness of the REIT's assets.

This includes upgrading the building's image, maintaining the properties to appear new, and performing necessary repairs to ensure the properties remain functional and appealing to tenants. Maintenance encompasses both the external appearance and the facilities within the properties, as well as maintaining a high standard of services. The strategy also involves regularly assessing opportunities to further enhance asset potential.

## **2.2 Significant Changes and Developments**

### **2.2.1 Background and Reasons for Converting the Property Fund into the REIT**

Land and Houses Fund Management Co., Ltd. ("LH Fund Management"), as the management company of the LHPF Property Fund, recognized the benefits of converting the property fund into a real estate investment trust (REIT). Under current rules and regulations, property funds are no longer permitted to increase their registered capital for additional real estate investments. This restriction limits property funds from expanding their income base and, consequently, from enhancing returns for unitholders. Moreover, property funds are subject to more stringent debt-to-equity ratio requirements compared to REITs, limiting the fund's ability to structure more efficient financial management. By converting into a REIT, opportunities arise for the REIT to invest in additional core assets post-conversion, and it will benefit from higher permissible borrowing limits.

Additionally, the conversion is supported by tax incentive measures provided under Royal Decree No. 763 B.E. 2566 (2023) issued under the Revenue Code, which grants personal income tax exemptions to unitholders and grants the property fund exemptions from value-added tax (VAT), specific business tax, and stamp duty in relation to the conversion. There are also benefits in the form of reduced registration fees for rights and juristic acts involving real estate under the Ministerial Regulation on Fees for Registration of Rights and Juristic Acts Concerning Real Estate for the Conversion of Property Funds into REITs, B.E. 2567 (2024).

LH Fund Management proceeded to establish the REIT and assumed the role of REIT Manager after completing the conversion process in accordance with the Capital Market Supervisory Board's Announcement No. TorJor. 34/2559 regarding the Conversion of Property Funds into Real Estate Investment Trusts (and its amendments). LH Fund Management received approval from the Securities and Exchange Commission (SEC) to serve as the REIT Manager.

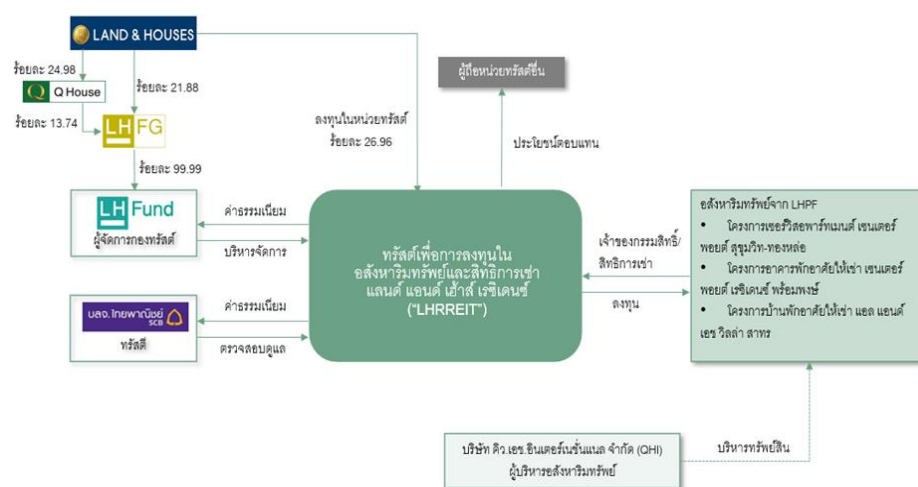
### **2.2.2 Key Changes**

The REIT was established through the conversion of the property fund following the resolution of the LHPF

unitholders' meeting No. 1/2567 held on June 12, 2024. The Trust was officially established from the fund conversion on October 22, 2024, and completed the transfer of assets and liabilities from the LHPF Property Fund on November 28, 2024. Following the conversion, all existing agreements of the LHPF Property Fund that were still in effect at the time were transferred to the Trust. During the operating period from October 22 to December 31, 2024, there were no changes in the authority of the Trustee, the Trust Manager, or the Property Manager in managing the Trust. There were also no significant changes to the ownership structure, management, or business operations. Moreover, the Trust did not invest in any additional properties, nor were there any amendments or changes to existing contracts that would have materially affected the Trust's financial standing.

## 2.3 REIT Management Structure

Diagram showing the utilization of assets in which the REIT has invested



## Relationships with the Property Manager's Group or Major Unitholders

As of December 31, 2024, LH Fund Management Co., Ltd. ("LH Fund Management"), acting as the REIT Manager, and Q.H. International Co., Ltd. ("QHI"), acting as the Property Manager, share the same major shareholder (both directly and indirectly), which is Quality Houses Public Company Limited ("QH"). QH indirectly holds approximately 13.74% of the total issued shares of LH Fund Management through LH Financial Group Public Company Limited ("LHFG") and directly holds approximately 100.00% of the total issued shares of QHI. Additionally, Land and Houses Public Company Limited ("LH") is an indirect major shareholder of QHI through its approximately 24.98% shareholding in QH. Nevertheless, the fees charged remain in accordance with the amounts specified in the scheme, Section 21: Fees and Expenses Charged to the Trust, which are based on

market rates. Furthermore, LH is one of the major unitholders of the REIT, holding approximately 26.96% of the total issued trust units.

## 2.4 Information on the REIT's Assets

Details of the properties in which the REIT invested as of December 31, 2024.

1. Center Point Sukhumvit-Thong Lo Serviced Apartment Project																		
Location	No. 304 Soi Sukhumvit 55 (Thong Lo), KhlongtonNua, Wattana, Bangkok																	
Type	Ownership in land, one 11-storey building and one 2-storey car park building																	
Project Feature	One 11-storey building and one 2-storey car park building, 156 rooms for rent and indoor parking spaces for 111 vehicles																	
Title Deed Number	7041, 7087 and 11769																	
Land Owner	Land and Houses Freehold and Leasehold Property Fund																	
Building Owner	Land and Houses Freehold and Leasehold Property Fund																	
Land Size	2rai, 3ngan, 19 square wah																	
Appraised Value (2024)	1,724,000,000 Baht (By TAP Valuation CO.,LTD. as of 11 May 2024)																	
Year of Commencement of Operation	The project commenced operation in 2005.																	
Property Manager	Q.H. International Company Limited																	
Rooms for Rent (Unit)	<table><tr><th>Description</th><th>Unit</th><th>Area (square meter)</th></tr><tr><td>Studio</td><td>19</td><td>32-38</td></tr><tr><td>One-bedroom unit</td><td>99</td><td>68-87</td></tr><tr><td>Two-bedroom unit</td><td>38</td><td>131-142</td></tr><tr><td>Total</td><td>156</td><td></td></tr></table>			Description	Unit	Area (square meter)	Studio	19	32-38	One-bedroom unit	99	68-87	Two-bedroom unit	38	131-142	Total	156	
	Description	Unit	Area (square meter)															
	Studio	19	32-38															
	One-bedroom unit	99	68-87															
	Two-bedroom unit	38	131-142															
Total	156																	
Revenue for the period of	19.92 million Baht (For the period as from 22 October 2024 (the registration date) to 31 December 2024)																	
Ownership Held by the Fund	Ownership in land, one 11-storey building and one 2-storey car park building, 156 rooms for rent and indoor parking spaces for 111 vehicles. The buildings have been renovated and commenced operation since 2005. Maintenance and renovation have been provided continuously. The																	

	public utility systems of the project consist of 2 passenger lifts, 1 service lift, security systems with key cards for using the lifts to enter the residential areas, including CCTVs in the buildings, lifts and parking spaces, fire prevention systems with heat detectors, smoke detectors and firefighting nozzles in the building as well as emergency power systems.
Insurance	<p>Insurance Coverage Amounts</p> <ul style="list-style-type: none"> <li>• Property All-Risk Insurance: THB 598,000,000</li> <li>• Business Interruption Insurance: THB 213,000,000</li> <li>• Third-Party Liability Insurance: THB 50,000,000</li> </ul> <p>The REIT shall be insured on the investment properties including Property all risk insurance, Business interruption insurance, public liabilities , provided that the fund shall be insured person and beneficially/joint beneficially ( as the case maybe) of such insurance policies</p>

2. Center Point Residence Phromphong Project						
Location	No.77 Soi Sukhumvit 39 (Phromphong), KhlongtonNua, Wattana, Bangkok					
Type	Ownership in land and one 24-storey building with 1-storey underground parking					
Project Feature	One 24-storey building with 1-storey underground parking, 76 rooms for rent and indoor parking spaces for 267 vehicles					
Title Deed Number	4751, 24375, 243295, 243296, 243297, 243298, 243299 and 243300					
Landowner	Land and Houses Freehold and Leasehold Property Fund					
Building Owner	Land and Houses Freehold and Leasehold Property Fund					
Land Size	3rai,1ngan, 14 square wah					
Appraised Value (2024)	1,202,000,000 Baht (By TAP Valuation CO.,LTD. as of 11 May 2024)					
Year of Commencement of Operation	The project commenced operation in 2004.					
Property Manager	Q.H. International Company Limited					
Rooms for Rent (Unit)	<table><tr><th>Description</th><th>Unit</th><th>Area (square meter)</th></tr></table>			Description	Unit	Area (square meter)
Description	Unit	Area (square meter)				

2. Center Point Residence Phromphong Project			
	Three-bedroom unit	36	263
	Four-bedroom unit	36	329
	Penthouse	4	473-642
	Total	76	
Revenue for the period of	7.96 million Baht (For the period as from 22 October 2024 (the registration date) to 31 December 2024)		
Ownership Held by the REIT	Ownership in land and one 24-storey building with 1-storey underground parking, 76 rooms for rent and indoor parking space for 267 vehicles. The building has been renovated and commenced operation since 2004. Maintenance and renovation have been provided continuously. The public utility systems of the project consist of 4 passenger lifts, security systems with key cards to enter the residential areas, including CCTVs in the building, lifts and parking spaces, fire prevention systems with heat detectors, smoke detectors and fire fighting nozzles in the building as well as emergency power systems.		
Insurance	<div>Insurance Coverage Amounts</div> <ul style="list-style-type: none"><li>Property All-Risk Insurance: THB 1,200,000,000</li><li>Business Interruption Insurance: THB 128,000,000</li><li>Third-Party Liability Insurance: THB 50,000,000</li></ul> <div>The REIT shall be insured on the investment properties including Property all risk insurance, Business interruption insurance, Public liabilities, provided that the fund shall be insured person and beneficially/joint beneficially ( as the case maybe) of such insurance policies</div>		
3. L&H Villa Sathon Project			
Location	No. 88,2140/23 Narathiwat-Ratchanakarin Road, Chong Nonsi, Yan Nawa, Bangkok		
Type	Sub-leasehold rights of land and ownership in buildings, public utility systems relating to residence business, including furniture, fixtures, fittings and other equipment from the Company		
Project Feature	The residence project consists of 37 single houses which are 2-storey houses with parking spaces. Each house includes one living room, one		

2. Center Point Residence Phromphong Project							
	kitchen room, 4 bedrooms, 5 bathrooms together with household equipment and facilities such as refrigerator, oven, microwave oven, wine cooler, washing machine, clothes dryer, air-conditioner, cable TV, as well as private garden and pool.						
Title Deed Number	5350,5351,6142 and 6228						
Landowners	No.	Title Deed No.	Land No.	Area			Owner
				Rai	Ngan	Sq. Wah	
	1	5350	363	4	3	71	Mrs.Duangkaew Akahitanont
	2	5351	275	4	3	52.6	Miss Duangjai Akahitanont
	3	6228	260	0	2	23.8	Mr.Teeradech Payakaporn
Building Owner	Land and Houses Freehold and Leasehold Property Fund						
Land Size	11rai,3ngan, 16.6 square wah						
Appraised Value (2024)	530,900,000 Baht (By TAP Valuation CO.,LTD. as of 31 December 2024)						
Year of Commencement of Operation	The project commenced operation in 2007.						
Property Manager	Q.H. International Company Limited						
Houses for Rent (Unit)	37 houses for rent						
Revenue for the period	7.07 million Baht (For the period as from 22 October 2024 (the registration date) to 31 December 2024)						
Ownership Held by the REIT	<p>Acceptance of transfer from L and H Sathon Co., Ltd. of sub-leasehold right of land whereby the sublease period for such sub-leasehold right of land is approximately 13 years counting from 1 January 2012 ending on 10 January 2025, and then the sub-leasehold right shall be further granted with time clause for approximately 14 years counting from 11 January 2025 ending on 27 July 2038, totaling approximately 27 years; and</p> <p>Acceptance of transfer of ownership in houses for rent consisting of 37 single houses which are 2-Storey houses with parking spaces. Each house includes one living room, one kitchen room, 4 bedrooms, 5 bathrooms together with household equipment and facilities such as refrigerator, oven,</p>						



2. Center Point Residence Phromphong Project	
	microwave oven, wine cooler, washing machine, clothes dryer, air-conditioner, cable TV, as well as private garden and pool.
Insurance	<p>Insurance Coverage Amounts</p> <ul style="list-style-type: none"> <li>Property All-Risk Insurance: THB 496,000,000 (Unit Owner: THB 18,500,000)</li> <li>Business Interruption Insurance: THB 132,000,000</li> <li>Third-Party Liability Insurance: THB 50,000,000</li> </ul> <p>The REIT shall be insured on the investment properties including Property all risk insurance, Business interruption insurance, public liabilities , provided that the fund shall be insured person and beneficially/joint beneficially ( as the case maybe) of such insurance policies</p>

#### 2.4.1 Details of Property Investment For the period as from 22 October 2024 (the registration date) to 31 December 2024

During the past fiscal year, the REIT did not make any additional investments in real estate properties.

#### 2.4.2 Details of Property Sale or Transfer For the period as from 22 October 2024 (the registration date) to 31 December 2024

During the past fiscal year, the REIT did not dispose of or transfer any real estate properties.

### 2.5 Provision for Benefits from the Properties Invested by the REIT

#### 2.5.1 Feature of the Provision for Benefits from the Properties

For Center Point Sukhumvit-Thong Lo Serviced Apartment Project and Center Point Residence Phromphong Project, the Fund has provided benefits from the properties invested by the Fund by accepting the transfer of sub-leasehold rights from a party under relevant lease agreements for residence and components thereof as the lessor and service provider on behalf of Land and Houses Property and Loan Fund-II; and for L&H Villa Sathon Project, the REIT has accepted the transfer of sub-leasehold rights as a party under relevant lease agreement for residence and components thereof as the lessor and service provider on behalf of L&H Sathon Co., Ltd. in order to provide accommodations to tenants.

#### 2.5.2 Related Parties who are Anchor Tenants

The proportion of tenants of the three projects as of 31 December 2023 can be summarized as follows:

a. For Center Point Sukhumvit-Thong Lo Serviced Apartment Project, the tenants of this project can be classified based on their nationalities as follows:

Nationality of Tenants	% of Leased Units
Asian	82
American	15
Other	3
<b>Total</b>	<b>100</b>

b. For Center Point Residence Phromphong Project, the tenants of this project can be classified based on their nationalities as follows:

Nationality of Tenants	% of Leased Units
Asian	76
European	6
American	4
Other	8
<b>Total</b>	<b>100</b>

c. For L&H Villa Sathon Project, the tenants of this project can be classified based on their nationalities as follows:

Nationality of Tenants	% of Leased Units
Asian	72
European	14
Middle East	0
Australia	11
Other	3
<b>Total</b>	<b>100</b>

### 2.5.3 Information of Property Manager

Name: Q. H. International Co., Ltd.

Address: Q. House Lumpini Building, 7th Floor

No. 1 South Sathon Road, Tungmahamek, Sathon, Bangkok

Telephone: 0-2630-6345-9

Facsimile: 0-2630-6353-4

The Property Manager shall hold office as specified in the Property Manager Appointment Agreement, which is 3 years. Then the party may agree to extend the office term from time to time not exceeding 3 years each (under the same conditions, except for fee rate).

#### **Information Regarding the Property Manager**

Q. H. International Co., Ltd. is a juristic person assigned by the Management Company to perform the duties in managing the Fund's properties for the Management Company. The Property Manager shall have qualifications and shall not have prohibited characteristics as prescribed by securities laws and/or any other relevant laws. Q. H. International Co., Ltd. has been registered and incorporated since 10 April 1995. The registered capital as of 18 January 2012 was Baht 96,044,500 and the paid-up capital was Baht 76,835,600. The Company is a leader in the serviced apartment management in Thailand. With long-term experience, the Company is regarded as a well-reputed brand in the serviced apartment business and well known especially among the target groups of the projects. The personnel for each project shall be recruited by L. H. Management Co., Ltd. whereby there shall be expenses for personnel recruitment and management for each project.

#### **2.5.4 Property Manager Fees**

The REIT's Property Manager is entitled to remuneration in accordance with the relevant contract between the Fund and the Property Manager.

Q. H. International Co., Ltd.

- (1) The Project Manager managing a serviced apartment project, Center Point Sukhumvit-Thonglor, is entitled to remuneration on a monthly basis equivalent to the sum of:
  - (a) not exceeding 2.2 percent of the total monthly operation income; and
  - (b) not exceeding 5 percent of the profits from operations.
- (2) The Project Manager managing a residential building project, Center Point Residence Phrom Phong, is entitled to remuneration on a monthly basis equivalent to the sum of:
  - (a) not exceeding 5 percent of the total monthly operation income; and
  - (b) not exceeding 10 percent of the profits from operations.
- (3) The Project Manager managing a residential building project, L&H Villa Sathorn, is entitled to remuneration on a monthly basis equivalent to the sum of
  - (a) not exceeding 5 percent of the total monthly operation income; and

- (b) not exceeding 10 percent of the profits from operations.

The remuneration for the Property Manager was not determined by comparing with the rates generally charged. For the monthly remuneration, the Management Company considers and determines the remuneration for the Property Manager to have sufficient remuneration in accordance with its expenses paid for managing the project, supervision, providing services, facilitating customers whether in the residential building and the environment surrounding the project, so that the project's quality is consistent with the Property Manager's standards. Moreover, the Management Company additionally determines the remuneration underlying with profits in order to motivate the Property Manager to generate more profits by generating more income or reducing administrative expenses and maintaining the same quality and to take into account the Fund's best benefits.

**The Fund is obliged to pay employee administrative fees for the following related companies:**

Q.H. International Company Limited:

Charges are based on expenses paid for managing employees at the project and actual expenses for managing employees at the Serviced Apartment Center Point Sukhumvit-Thonglor project, the Residential Building Center Point Residence Phrom Pong project, and the Residential Building L&H Villa Sathorn project.

L&H Management Company Limited:

Charges are based on certain actual expenses associated with employees plus management costs of 15 percent of the incurred costs in the Serviced Apartment Center Point Sukhumvit-Thonglor project, the Residential Building Center Point Residence Phrom Pong project, and the Residential Building L&H Villa Sathorn project.

Quality House Public Company Limited:

Charges are based on actual expenses associated with employee management and computer systems in the Serviced Apartment Center Point Sukhumvit-Thonglor project, the Residential Building Center Point Residence Phrom Pong project, and the Residential Building L&H Villa Sathorn project.

## **2.5.5 Details on Guarantee of Income**

For the REIT's performance from 22 October 2024 (the registration date) to 31 December 2024, there is no specified condition on guarantee of income for the REIT.

## 2.6 Details of Borrowing

-None-

## 3. Industry Overview of Business benefiting from Real Estate

### 3.1 Thailand Economy in 2023 and Outlook for 2024

According to data from the Office of the National Economic and Social Development Council (NESDC) as of February 2025, it reveals that Thai economy in 2024 grew by 2.5 percent, accelerating from 2 percent in 2023. The key reasons were continuous recovery in the tourism sector, the influx of international travelers has surged compared to last year, reaching 35.5 million visitors in 2024, Private consumption expenditure and government consumption expenditure expanded by 4.4 percent and 2.5 percent, respectively. Meanwhile, Public investment grew by 4.8 percent, export value expanded by 5.8 percent, whereas private investment declined by 1.6 percent from the previous year.

In 2024, The private consumption expenditure grew by 4.4 percent, slowing from 6.9 percent expansion from 2023. Government consumption expenditure expanded by 2.5 percent compared to 4.4 percent decline in the previous year. Total investment expenditure remains stable, compared to 1.2 percent expansion in 2023. Private investment declined by 1.6 percent compared to 3.1 percent expansion in 2023. Whereas Public investment grew by 4.8 percent compared to 4.2 percent decline in 2023. Export value of goods in US dollar terms stood at 297.1 billion USD, expanding by 5.8 percent, compared to a 1.5-percent contraction in the previous year. This was driven by a rebound in export volumes and export prices, which grew by 4.4 percent and 1.4 percent, respectively.

Thai Economic outlook for 2025 is forecasted to grow in the range between 2.3 and 3.3 percent with a midpoint of 2.8 percent. Private consumption and Private investment are expected to expand by 3.3 and 3.2 percent, respectively. Export value of goods in US dollar is expected to grow by 3.5 percent. While the Headline Inflation rate is expected to be in the range of 0.5 - 1.5 percent.

There are key supporting factors include:

1. Expansion of the government expenditure, particularly capital expenditure.
2. Expansion of the domestic private consumption is aligned with the ongoing private investment and the sustained growth of private consumption. Private consumption is expected to continue to support economic expansion, bolstered by the acceleration in consumption of non-durable goods and especially in the services sector. Aligned with the ongoing robust expansion of the domestic tourism sector. Additionally, expansion of

private consumption is also supported by the robust labor market, as reflected by the low unemployment rate of 0.78 percent in December 2024, the lowest in 8 years, as well as the continuous increase in non-agricultural employment and Inflationary pressures are expected to remain at a low level. Moreover, the expansion of private consumption is further supported by the government's economic stimulus measures.

3. The continual recovery of the tourism sector is in line with the number of foreign tourists and is expected to gradually return to pre-pandemic levels, as reflected by the number of tourists from most countries of origin reaching the pre-pandemic level. This recovery is accompanied by a similar increase in foreign tourist spending. Key supporting factors include the global recovery trend in travel, a surge in international flights and the government's ongoing measures to attract foreign tourists through visa exemption measures targeted at streamlining visa application processes. This also includes ongoing tourism promotion activities and Thailand's hosting of the South-East Asian Games in December 2025, which are expected to boost tourist arrivals and Domestic tourism continues to grow, supported by various tourism promotion measures. Consequently, the recovery of the tourism sector is expected to facilitate favorable expansion in related service industries, accommodation including transportation, and retail and wholesale trade sectors.

4. The sustained expansion of Thailand's export sector is driven by significant growth in export values, particularly since the latter half of 2024, with key export products include computers and electronic components, rubber and rubber-based products, machinery, chemicals, and telecommunication equipment. This upward trend aligns with an increase in new orders from major industrial economies. Nevertheless, the long-term trajectory of Thai export expansion remains highly susceptible to shifts in U.S. economic policies, necessitating close monitoring of international trade regulations and macroeconomic developments.

### **3.2 Market Conditions for Serviced Apartments and Apartments in Bangkok**

The residential market in Bangkok is a mature market driven primarily by domestic demand. However, the difficulty in obtaining financing for both project developers and buyers has led to a decrease in the number of new project launches as well as a drop in sales volumes. Furthermore, the weak economic conditions have exacerbated these challenges. Several listed Thai developers have announced limited plans for new project launches in 2025, as many developers had already launched a significant number of condominium and housing projects in recent years. As a result, they are now focusing on managing their backlog (i.e., the cumulative amount of pre-sales pending ownership transfer) and selling completed ready-to-move-in units that remain unsold."Initial

signals for 2025 indicate increased activity in the downtown condominium market, especially in the luxury and super-luxury segments, including both branded residences and other types. The target group is expected to be a mix of domestic buyers purchasing for their own residence and foreign buyers seeking a second home, particularly buyers from countries within the Asian region. Many of these projects had already been informally launched during 2024."

#### **4. Risk Factors**

##### **4.1 Risks Related to the REIT or its Operations**

###### **General Risks**

The general economic and business conditions, both domestically and globally, including inflation rates, interest rates, exchange rates, prices of consumer goods, real estate prices, and financial and fiscal policies of the government, the Bank of Thailand, and other governmental agencies, influence the Trust's operational results, financial status, and investments. A general economic downturn and reduced consumer demand could significantly and adversely affect the Trust's operational results and the trading price of trust units on the Stock Exchange of Thailand (SET), which could trade at a premium or discount to the offering price.

Additionally, the trading price of the Trust's units on the SET may be affected by numerous external factors beyond the Trust's control, such as movements or changes in international money and capital markets, domestic and international interest rates, exchange rates, policies or direct or indirect measures affecting imports or exports, tourism business conditions, foreign currencies, domestic and international economic conditions, general operational and business risk factors, commodity market volatility, regulations, taxes, and other governmental policies. There is no assurance that changes in these external factors will not significantly impact the trading price of the Trust units, investment returns, and project management.

###### **Political Risk**

Although the political situation has recently stabilized, future unrest or political conflict could impact Thailand's economy, including the SET, and may severely affect the Trust's financial condition. Therefore, it cannot be guaranteed that the current or future political situations or changes in government policies will not adversely affect the Trust's business operations, financial status, performance, and growth.

###### **Risks from Natural Disasters, Accidents, and Terrorism**

Although rare, natural disasters, accidents, terrorism, and other force majeure events could cause substantial property damage to the Trust's assets and result in unquantifiable losses to tenants and visitors of the properties the Trust invests in.

However, the Trust will arrange insurance coverage against damages from natural disasters, accidents, and force majeure events according to general insurance standards applicable to real estate investments, subject to the terms and conditions set forth in the insurance policies.

#### **Changes in Accounting Standards or Related Laws**

The Trust's performance could be affected by the implementation of new accounting standards or revisions to existing ones, which are beyond the Trust's control or prediction. Similarly, amendments to laws, announcements, rules, regulations, provisions, policies, and/or orders by government agencies or legal authorities are unpredictable. Consequently, the Trust cannot assess or guarantee that such changes will not impact its operational results.

#### **Fluctuations in the Price of Trust Units**

After the REIT's units are listed on the SET, there is no guarantee of stable trading conditions. The market price of the Trust's units may decrease after trading commences and may not reflect the Trust's net asset value per unit. The trading price depends on several factors, including the Trust's performance, stock market volatility, and the trading volume of the Trust units. As a result, investors might not be able to sell their Trust units at their cost price or at a price equal to the Trust's net asset value per unit.

#### **The REIT's Net Asset Value May Not Reflect the True Asset Value**

The net asset value (NAV) of the Trust is calculated based on independent property valuation reports for the assets the REIT invests in. However, this value may not reflect the actual proceeds the REIT would receive if the assets were sold or the REIT liquidated. Therefore, the future sale prices may be lower than the appraised values or the REIT's acquisition costs, potentially resulting in losses that could affect the REIT's ability to distribute returns to unitholders.

#### **Liquidity Risk in Secondary Market Trading**



Since the Trust units are listed securities on the SET, their liquidity depends on trading frequency and volume, which in turn depends on market demand. The bid-offer volume is influenced by multiple factors beyond the Trust's control. Therefore, there is a risk that the Trust units could suffer from illiquidity in the secondary market.

#### **Tax Risks**

The purchase, sale, or transfer of leasehold rights or real estate (in cases where the trust invests directly in real estate) may involve tax liabilities. These may fall partially or entirely on the REIT and could vary from current tax rates. In addition, changes in tax laws or related regulations could impose additional tax burdens on REIT investors concerning their investments or trading of Trust units.

#### **Risks Related to Changes in Tax Policies Affecting Investment in the Trust Units**

Changes in tax laws or regulations could result in higher taxes for investors or different withholding tax rates for returns paid to non-Thai investors.

#### **Risks of Investing in Leasehold Properties, Whose Value Decreases Over Time**

The trust invests in leasehold properties, specifically the L&H Villa Sathorn residential rental project. The value of leasehold rights tends to decrease as the lease term shortens and will become zero upon lease expiration. Factors such as revaluation, changes in occupancy rates, rental rates, or other uncontrollable events could significantly impact the value of leasehold rights, affecting the REIT's asset value, net asset value, and operational results.

#### **REIT's Ability to Pay Returns**

The REIT's ability to pay returns depends on its operational results, which are influenced by multiple factors, such as domestic and international economic conditions, the property manager's capabilities, property management costs, operational expenses, competition, occupancy rates, regulatory changes, natural disasters, pandemics, and political conditions. Hence, there is a risk that investors may not receive returns as estimated or that the Trust may be unable to maintain or increase return payouts in the following years.

**The Net Asset Value (NAV) of the Trust may not be equal to the trading price on the Stock Exchange of Thailand.**

The calculation of the Trust's NAV is based on the most recent property valuation or review report, which may not reflect the actual market trading price on the Stock Exchange of Thailand. This is because the trading price is influenced by other factors such as supply and demand of the securities and foreign investment inflows.

**Insurance coverage of the Trust may not cover all potential losses and may exclude certain types of damages.**

Although the Trust provides adequate insurance coverage for the properties it invests in, as required by relevant laws, it may not be able to insure against certain types of risks, such as war or terrorism. Even if insurance is possible, the premium may not be economically justified. Additionally, the Trust might not be able to claim compensation, in whole or in part, under the relevant policies, or there could be delays in receiving such compensation even if the Trust is not at fault.

**The Trust may face financial losses in the event of major incidents not adequately covered by insurance, which could directly affect the expected returns to unitholders.**

**Risk of counterparty default on related contracts**

In managing and investing in real estate, the Trust enters into contracts with third parties for the benefit of the REIT. However, counterparties may default or cause contract termination events. Even though the REIT may have the right to terminate the contract or seek compensation, the breach may prevent the REIT from obtaining benefits as outlined in the contracts. Legal proceedings may be necessary, and outcomes can be uncertain in terms of duration and compensation amount. Even with a court ruling in favor of the REIT, enforcement may be challenging, and unitholders may face delays or reduced returns.

**Risk of the REIT being unable to exercise rights under the land sublease agreement**

The REIT will invest in the sublease rights to land in the L&H Villa Sathorn residential rental project and ownership of the structures on the subleased land. In certain scenarios, such as court orders to seize or freeze the land, or the landowner being declared bankrupt, the REIT may be unable to use the land during the remaining lease term. Nevertheless, the Trust will still own the buildings and may claim damages as per the sublease agreement. The sublessor is a company owned by the same individuals as the landowner and has no other business operations, which reduces the risk of default on the lease agreement with the landowner.

**Risk of having to bear the cost of property demolition**

Under the land sublease agreement, upon lease expiration, the sublessor may require the Trust to dismantle and remove the buildings at its own expense. This potential obligation may impact the Trust's returns at the end of the lease term.

#### **Risks arising from borrowing**

If the Trust borrows funds, it may face risks due to economic conditions and interest rate fluctuations. This can affect liquidity, repayment ability, and the Trust's capacity to pay returns to unitholders. The Trust will attempt to mitigate these risks through interest rate hedging or loan term extensions, always prioritizing unitholders' interests.

#### **Compliance with Environmental, Social, and Governance (ESG) regulations may result in significant expenses**

The Trust may incur expenses to comply with ESG-related laws and regulations. Future changes in these laws may also lead to additional compliance costs.

#### **Risks Related to the Ability to Generate Benefits from the Property**

The performance of the trust depends on the property manager's ability to manage and derive benefits from the core property in which the trust will invest.

Q.H. International Co., Ltd., as the property manager of the trust, is an experienced property management company. The property manager is responsible for determining marketing policies and strategies for managing the core property in which the trust will invest. Trust unitholders may not have the opportunity to evaluate the decisions of the property manager regarding the strategies used to manage the core property. If the property manager fails to execute the trust's strategies as planned, this may negatively affect the business, financial status, operational results, and business opportunities, which could significantly impact the appraised value of the core property and the trust's return distribution.

However, the REIT manager has implemented a system to control and oversee the performance of the property manager. The property manager is required to submit an annual operational plan for the property to the trust for approval, in accordance with the terms in the property management agreement, which the trust will inherit from the mutual fund.

#### **Risk from Global Disease Outbreaks**

Global disease outbreaks may lead to volatility in global capital markets, which could significantly affect the ability to derive benefits, the financial position, and operational results of the REIT.

Recent global outbreaks such as SARS, Avian Influenza (H5N1), and COVID-19 have led to fluctuations in global markets. Therefore, similar future events could pose risks to investment decisions and cause continuous volatility or negative impacts on the global economy. Additionally, such outbreaks may lead to travel restrictions, suspension of public transportation systems, closures of tourist attractions and workplaces, and government-imposed measures to control the spread of disease. These factors could negatively affect the global economy and reduce the number of tourists visiting Thailand, potentially limiting the ability to generate benefits from the property and significantly affecting the financial status, revenue, and operational results of the REIT.

#### **Risk from Increased Competition**

The REIT's performance may be affected by the real estate market conditions, increased market participants, and fluctuations in tourist and business traveler numbers. An increase in market players can lead to oversupply and heightened competition.

#### **Risk from Property Renovations and Repairs**

Each of the REIT's properties must undergo repairs and updates to remain modern and meet customer expectations to ensure continued patronage. Generally, regular maintenance has minimal operational impact unless it involves major renovations—such as altering the exterior and interior appearance or overhauling key systems. Such renovations are carried out at appropriate times as deemed by the property manager or the REIT, usually without suspending operations. Renovations are conducted only in targeted areas, therefore revenue impact is limited to those areas.

#### **Risk from Decreased Demand by Business Travelers/Tourists in Thailand**

Most of the REIT's clientele are foreign business travelers and tourists. Therefore, the property manager's operations are dependent on the investment climate, multinational business activity in Thailand, and the tourism industry. A decline in foreign investment or multinational operations in Thailand could reduce the number of inbound business travelers and tourists. Operations may also be negatively impacted by events that reduce Thailand's appeal as a business or tourism destination, such as:

- Negative shifts in the global economy
- Appreciation of the Thai Baht
- Negative foreign perception of Thailand
- Terrorism, wars, riots, protests, or blockades
- Disease outbreaks in the region
- Political or sovereignty risks

These factors could severely affect the Thai economy and tourism, thereby impacting the REIT's performance.

#### **Risk from Land Expropriation**

The REIT may face risk if a core property is expropriated by government agencies, preventing the REIT from utilizing the property for business operations. In such cases, the REIT may receive no compensation or compensation that is greater or less than the investment value. This could result in returns to unitholders deviating from projections. The compensation amount depends on the terms of the relevant contract, the remaining usable period after expropriation, and the compensation received.

#### **Risk Related to Business Operation Licenses**

The REIT will transfer or acquire relevant licenses for operating serviced apartments, rental residences, and/or other related businesses. If the REIT fails to obtain, renews late, or loses the relevant licenses, it may negatively affect the ability to generate benefits from its assets.

#### **Conflict of Interest Risks Between the REIT and Related Parties**

Although the REIT Manager defines roles and responsibilities for Q.H. International Co., Ltd. (the property manager) with caution, conflicts of interest may still arise because the company and related entities continue operating serviced apartments and residential rental businesses.

Each property under Q.H. International Co., Ltd. is managed by separate project teams (management and sales teams), ensuring fair client distribution across projects and minimizing conflicts of interest. Furthermore, customer decisions are based on various factors such as location, amenities, budget, accessibility, environment, and design preferences. These individual preferences play a significant role in accommodation choices, reducing potential conflicts of interest in project management and sales.

The properties held by the REIT may incur increasing property-related and operational expenses.

The REIT's ability to distribute returns to unitholders may be negatively affected if property-related and operational expenses increase while revenues remain unchanged or increase at a slower rate. Factors that may lead to rising property-related and operational expenses include:

- Increases in maintenance costs and capital expenditures for major renovations to maintain competitiveness and extend the useful life of the investment properties.
- Increases in taxes related to real estate, as well as other legal fees and charges.
- Changes in laws, regulations, and government policies that increase compliance costs.
- Increases in utility expenses.
- Increases in subcontractor service fees (if applicable).
- Increases in the inflation rate.
- Increases in insurance premiums.
- Increases in other expenses required to fulfill contractual obligations entered into by the trust.
- Damages or defects in the property that require corrective action, involving unpredictable costs, as well as other increases in operating expenses related to the property and benefit management of the trust.

#### 5. Legal Disputes

- None -

#### 6. Other Important Information

- None -

## Part 3

### Management and Good Corporate Governance

#### 7. Units, Securities and Instruments Issued by the REIT

##### 7.1 Information of Units and Prices of Securities

###### 7.1.1 Information of Units

Investment capital	3,300 Million Baht
Par value of the unit (Baht)	10.7302
Number of units (Units)	330,000,000
Type of Investment unit	Specify unit holder names
IPO Price of unit (Baht)	10.7302
Paid-up capital	3,540,966,000.00
NAV per unit as of 31 December 2024 (Baht)	10.7861

###### 7.1.2 Information of Prices of Securities

Closing Price 30 December 2024 (Baht)	5.45
Max Price 30 December 2024 (Baht)	5.55
Minimum Price 30 December 2024 (Baht)	5.35
Market value at the end of year (30 December 2024) (Baht)	1,798,500,000
Trading Volume per year (AOM Value)	2.93 Million Baht
Net Asset Value as of 31 December 2024 (Baht)	3,559,438,780

Remark: /1Trading Volume (AOM) reference from Setsmart

##### 7.2 Bonds issued by the REIT

- None-

### 7.3 Information of Unitholders

#### 7.3.1 Top 10 Major Unitholders on the book closing date 30 December 2024

No.	Major Unitholders	Unit	Portion %
1	Land and Houses Public Company Limited	88,958,300	26.96
2	Government Savings Bank	49,990,000	15.15
3	Muang Thai Insurance Public Company Limited	15,934,300	4.83
4	Land and Houses Bank Public Company Limited	9,146,200	2.77
5	Southeast Life Insurance Public Company Limited	6,857,700	2.08
6	Mr. THANAPHAT YONGPHIPHATWONG	6,000,000	1.82
7	Ms.Wipha Kiettitanabumroong	5,005,000	1.52
8	Mr. Chatchaval Apibalsri	5,000,000	1.52
9	Mr. Somson Hungspruke	3,312,600	1.00
10	Mr. Siwas Hungspruke	2,601,400	1.00

#### 7.3.2 Major Unitholders (held more than 10% and being related party)

No.	Major Unitholder	No. of Units (units)	%
1.	Land and Houses Public Company Limited	88,958,300	26.96
2.	Government Savings Bank	49,990,000	15.15

### 7.4 Distribution of the REIT

#### 7.4.1 Provisions on Distribution Policy and Methods of Distribution Payment

- (1) The REIT Manager shall distribute at least 90 percent of its adjusted net profit for each fiscal year to the Unitholders and at least twice a year. The REIT Manager shall make distribution to the Unitholders within 90 days from the last date of the fiscal year or the end of the accounting period in which there is a distribution, as the case may be.

In the case where the REIT Manager is unable to make distribution to Unitholders in such a period under clause above. The REIT Manager and Trustee shall clarify reasons and necessities to the SEC Office in accordance with the guidelines specified by the SEC Office and notify the unitholders.

Adjusted net profit under clause 1 means net profit adjusted with the following:

- Reserve for repair and maintenance or renovation of the REIT's properties according to plans clearly specified in prospectus, 56-REIT, annual report or that the REIT manager has notified the unitholders in advance.



- Reserve for loan repayment as obligations of the REIT in accordance with the amount specified in prospectus, 56-REIT and prospectus or that the REIT manager has notified the unitholders in advance.
  - Reserve for distribution payment to unitholders that entitle them to receive benefits or capital reduction (if any) In the case that the REIT has an accumulated profit in any accounting period, the REIT Manager may make distribution to the Unitholders from such accumulated profit.
- (2) The REIT Manger must not borrow for distribution payment.
- (3) If the REIT has a cumulative loss, the REIT Manager shall not make distribution to the Unitholders.

**Additional Conditions:**

- (1) In considering making distribution, if the distribution per unit to be declared during the fiscal year is lower than or equal to Baht 0.10 (zero point one zero) per unit, the REIT Manager reserves the right not to make those distribution and carry forward those distribution to be paid together with the distribution as of the end of the fiscal year in accordance with the prescribed distribution method.
- With respect to the rules for making distribution, the REIT Manager shall comply with those stipulated herewith, unless otherwise amended, added, announced, stipulated, instructed, approved, and/or relieved by the SEC, the Office of the SEC and/or any other competent authority under the laws, which the REIT Manager shall comply accordingly.
- (2) The REIT Manager shall declare distribution, register book closing date, and the rate of distribution by sending a written notice to the Unitholders whose names appear in the Unitholders' register book as of the register book closing date through the information system of the SET, and to the Trustee.
- (3) The REIT Manager will arrange for the distribution of benefits by transferring funds into the deposit account of the trust unitholder as previously provided. The unitholder shall bear any transfer fees and related expenses, as well as any exchange rate risk (if applicable). The REIT manager will deduct such fees and expenses from the amount to be transferred. Alternatively, payment may be made by a crossed cheque payable only to the trust unitholder, according to the name and address recorded in the trust unitholders' register.
- (4) In the event that a trust unitholder does not exercise the right to claim any benefit within the statutory limitation period as specified under the Civil and Commercial Code, the REIT manager shall not use such unclaimed benefits for any purpose other than for the benefit of the REIT.

#### 7.4.2 History of Distribution Payment

No	Operating Period	Distribution (THB/Unit)	Capital Reduction (THB/Unit)
1	22 Oct 2024 - 31 Dec 2024	0.0475	-

The REIT Manager shall distribute at least 90 percent of its adjusted net profit for each fiscal year to the Unitholders and at least twice a year. The REIT Manager shall make distribution to the Unitholders within 90 days from the last date of the fiscal year or the end of the accounting period in which there is a distribution, as the case may be. However, the REIT manager may consider making special benefit distributions in addition to the regular twice-yearly distributions to the trust unitholders, if the REIT manager deems it necessary and appropriate.

In 2024, the REIT Manager paid a benefit of 0.0475 baht per unit. For 2025, the REIT manager plans to set aside a reserve of no more than 91 million baht for the renovation and maintenance of LHRREIT. This will be treated as an adjustment to net profit for the purpose of calculating the benefit distribution to unitholders, in accordance with the announcement by the SEC (Securities and Exchange Commission).

## 8. Management Structure

### 8.1 The Management Company

#### 8.1.1 General Information of the Management Company

Name	:	Land and Houses Fund Management Company Limited
Location	:	11 Q. House Sathorn Building, 10th and 14th Floor, South Sathorn Road, Tung Maha Mek, Sathorn, Bangkok 10120
Company Registration No.	:	0105551006645
Telephone	:	02 286 3484
Facsimile	:	02 286 3485
Website	:	<a href="http://www.lhfund.co.th">http://www.lhfund.co.th</a>

#### Details of the Management Company

Land and Houses Fund Management Co., Ltd. has registered a change of its name with the Ministry of Commerce since 23 November 2010. Its former name was United Fund Management Co., Ltd. The Company was established as a limited company on 17 January 2008. Presently, the Company has Baht 300 million registered and paid-up capital and has obtained licenses to undertake various types of business as follows:

- Type C Securities Business License (License No. Lor.Kor.-0013-01) from the Ministry of Finance on 21 February 2011.

- Derivatives License: Derivatives Fund Manager (License No. SorDor04-0013-10) from the Securities and Exchange Commission (SEC) on 2 March 2011.
- Derivatives License: Derivatives Advisor (License No. SorDor03-0013-11) from the Securities and Exchange Commission (SEC) on 2 March 2011.

The Company has been authorized by the Office of the SEC to undertake the following businesses:

- Mutual fund and private fund management business on 6 June 2011
- Provident fund management business on 3 May 2012
- Acting as a REIT Manager on 7 May 2014.
- Acting as a trustee of real estate investment trust on 10 November 2016.
- Acting as a trustee of Real estate investment trust for Real Estate-backed Token on 18 December 2023.
- Acting as a trustee of Real estate investment trust with joint investment on 19 December 2023
- Acting as a trustee of real estate investment trust with an investment policy in infrastructure business assets on 19 December 2023

#### Shareholding Structure of the REIT Manager

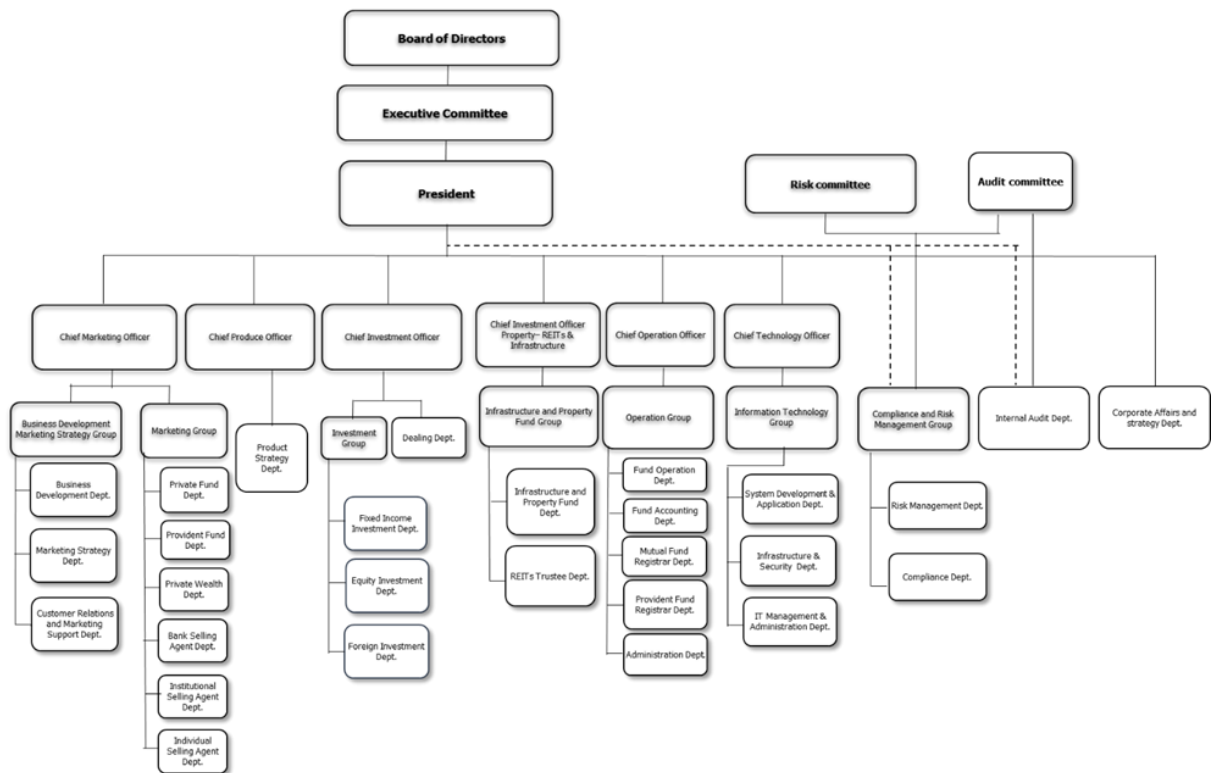
The shareholder of the REIT Manager as of 31 December 2024 was as follows:

Name	No. of Shares	% of Total Shares
LH Financial Group Plc.	2,999,995	99.99

#### 8.1.2 Management Structure, List of Directors, Executives, and REIT Manager

As of 31 December 2024, the REIT Manager commits to divide the responsibilities of each department clearly. Each department works independently and systematically based on the principles of REIT and good corporate governance as well as the consideration of the control of any potential risk arising from corruption, fraudulence and conflicts of interest. Thus, the fund manager can manage the investment with honesty, with priority of customer's benefit before itself as well as to prevent any information leaks or illegal acts as well as the regards of the condition, size and complexity of the Company's business operations.

The organization structure of the FUND Manager is composed of 8 main groups and 2 departments, namely: Business Development and Marketing Strategy Group, Marketing Group, Investment Group, Infrastructure and Property Fund Group, Operation Group, Information technology Group, Compliance and Risk Management Group, Internal Audit department and Corporate Affairs and strategy department.



### 8.1.3 Structure of the Board of Directors and the Board Committees of the REIT Manager

With recognition of the importance of the duty to protect the interests of the unit holders, who are retail investors, Board of Directors has been appointed. They also established another 5 sub-committees. Then, the REIT Manager has 6 groups of committees as follows:

1. Board of Directors
2. Audit Committee
3. Risk Management Committee
4. Management Committee
5. Investment Committee
6. Property Investment Committee

#### 1. Board of Directors

- The Board of Directors comprises 9 members as follows:

- |                               |          |
|-------------------------------|----------|
| 1) Mr. Rutt Phanijphand       | Chairman |
| 2) Mr. Adul Vinaiphat         | Director |
| 3) Mrs. Sasitorn Phongsathorn | Director |

4) Mr. Kasem Akanesuwan	Director
5) Mr. Preecha Poramapojn	Director
6) Mr. Lai, Guang – Hua	Director
7) Mr. Monrat Phadungsit	Director
8) Mr. Tan, Shih - Ping	Director
9) Mr. Chang, Yu – Tse	Director

#### **Scope of Authority of the Board of Directors**

1. Perform duties in accordance with law, objectives, regulations of the REIT Manager and related external agencies, including the resolutions of the general meeting of shareholders, with integrity and in the interests of the REIT manager.
2. Establish overall strategic direction and goals of the REIT Manager, review and approve Management's proposed policy and operational direction of the REIT Manager. Monitor the performance of the management to ensure that the approved policies are implemented efficiently and effectively. With regard of the benefits of the company, shareholders, and investors are protected.
3. Approval for investment in the core assets of the trust.

## **2. Audit Committee**

#### **Scope of Authority of the Audit Committee**

1. Review and approve the annual audit plan proposed by the Compliance Department and review reports of the internal auditors on a regular basis.
2. Review and approve the appointment, transfer and dismissal Head of the Internal Audit and review the manpower plan of the Internal Audit department to ensure its independence.
3. Annually (At least once a year) review and approve the Internal Audit Charter.
4. Regularly review the company's internal control system and operational procedures to ensure their appropriateness, efficiency and compliance with relevant laws and regulations.

## **3. Risk Management Committee**

#### **Scope of Authority of the Risk Management Committee**

1. Moderate and propose governance risk management and management systems to the Board of Directors and Risk Supervision in order to consider business risk management by formulating the policy and procedures for overall risk management. This must cover the various types of risks, i.e., strategy risk, operational risk, and other significant risks to the company and the REIT.

2. Formulate the strategy on the organization structure and resources to be used for the risk management operation, in line with the risk management policy of the REIT Manager. This strategy must enable effective analysis, assessment, evaluation, and monitoring of the risk management system.
3. Monitor the risk evaluation of the REIT Manager at least once a year or upon the occurrence of the event with significant impact on the REIT.

#### **4. Management Committee**

##### **Scope of Authority of the Management Committee**

1. Manage the overall business operations of the company in accordance with the policies and plans approved by the Board of Directors.
2. Consider and approve the fees and expenses associated with REIT's establishment, along with its management, personal funds, and any other products or services offered by the company, and/or associated expenses.

#### **5. Investment Committee**

##### **Scope of Authority of the Investment Committee**

1. Set the investment framework or strategy, investment policy and investment plan of the REIT.
2. Determine the approval authority for securities that are in the investment criteria (Securities Universe) or cannot be invested. Also, approve the allocation of investment weight according to the level of investment attractiveness.
3. Supervise and monitor the investment of the REIT to ensure that it is in compliance with the investment framework, policy, ethics and relevant rules and regulations.
4. Consider establishing criteria and/or other regulations related to the investment management of mutual funds, private funds, and others, etc.

#### **6. Property Investment Committee**

##### **Scope of Authority of the Property Investment Committee**

1. Monitor and evaluate the operational performance of the REIT.

2. Consider and approve the annual budget, asset management plan, business strategy plan, renovation plan, special expense items, or expenditures that are outside the REIT's budget.
3. Consider and approve for the distribution payment, in the form of dividend and/or capital reductions to trust unitholders.
4. Consider and approve strategies for handling significant disputes and complaints concerning the operations of the REIT.
5. Consider and approve actions regarding the contracting party in cases where the party fails to adhere to the contract or relevant law.
6. Consider establishing criteria and/or other regulations pertinent to investment management.
7. Consider and approve actions in cases where REIT management is unclear, which may require consideration of other relevant laws or regulations, to ensure that the REIT management aligns with its objectives.
8. Consider and approve any agenda or matters that require consideration and approval by the trust unit holders' meeting.
9. Consider and approve other matters that need to comply with the law and the trust deed, as well as in accordance with the conditions of those matters as outlined in the operational manual and internal control system.
10. Consider and approve the investment policy of the REIT.
11. Consider approving the selection of property for REIT's investment, its acquisition, and/or the sale or transfer of assets in accordance with the established criteria.
12. Consider and approve asset's disposal of the REIT.
13. Consider and approve the selection, appointment, changes, and/or removal of the property manager/sublessor of the REIT.
14. Consider and approve transactions between the REIT and the REIT manager, or individuals related to the REIT manager, or stakeholders, for related transactions with special conditions or requirements.
15. Consider and approve the selection, appointment, changes, and/or removal of various service providers of the REIT, including auditors, financial advisors, independent financial advisors, and other relevant consultants/experts, such as appraisers, etc."
16. Consider and approve the types and coverage limits of REIT's insurance.
17. Consider and approve the borrowing of the REIT.

18. Consider and approve the appointment of the revenue guarantor of the REIT.
19. Approve any other matters necessary or related to operations beyond those specified in items 1-18.

#### **Outsourcing of Operational Functions**

The REIT manager has delegated the outsourcing of various tasks of the company as follows: legal work, company accounting, internal audit, and human resources to LH Financial Group Public Company Limited. Additionally, to ensure management is in line with the policies of the Land and Houses financial group. The REIT manager has assigned legal work and accounting management specific to the company of the REIT manager to LH Financial Group Public Company Limited to carry out and advise, including human resources tasks.

However, for human resources, the REIT manager will have the responsibility to control/select and make decisions to ensure that the personnel meet the qualifications as currently and/or future defined by SEC's announcement.

#### **Meetings of the REIT Manager**

##### **Board Meetings**

##### **(1) Board of Directors of the Company**

The Company's Board of Directors must convene quarterly board meetings to review and approve necessary matters related to the Company's operations. In matters related to the REIT, the Board will review, approve, and/or acknowledge key REIT management policies for implementation by the relevant departments. The Board will also consider and approve matters concerning REIT management beyond those delegated to the Real Estate Investment Committee.

##### **Quorum and Voting**

A quorum for the Board of Directors' meeting requires the attendance of more than half of the total number of directors. All resolutions must be approved by a majority vote of the directors present at the meeting who are eligible to vote. Any director who has a direct or indirect interest in a matter shall not be entitled to vote on such matter and must leave the meeting during the discussion of that agenda item.

During the meeting, the chairperson will allow all directors to express their opinions openly before any vote is taken and will summarize the resolution of each agenda item. The Company will prepare written minutes of the Board meeting.

##### **(2) Real Estate Investment Committee**

The Real Estate Investment Committee must hold meetings at least once per quarter to acknowledge and approve matters within its scope of authority.

##### **Quorum and Voting**



A quorum for the Real Estate Investment Committee requires the attendance of more than half of its total members. Resolutions shall be passed by a majority vote. In the event of a tie, the chairperson of the meeting shall have the casting vote. For agenda items where a member has a conflict of interest, the chairperson will request the interested party to leave the meeting during the consideration of matters related to investment, benefits, or any transactions that may affect the REIT's unit price. If the chairperson is unable to attend the meeting, another committee member may be appointed to act as the chairperson.

#### **8.1.4 Rights, Duties and Responsibilities of the Management Company and the REIT Manager**

The primary duties and responsibilities of the REIT Manager are to manage the REIT, invest in the properties of the REIT and supervise the performance. The REIT Manager shall perform its functions under the supervision of the Trustee. The REIT Manager's duties and responsibilities are as follows:

##### **Duties to REIT**

1. The REIT Manager shall conform to the principle of business conduct as follows:
  - (1) Perform its duties as professionals with knowledge, skills, due care, and loyalty. In this regard, the REIT Manager shall respond to the unitholders fairly and for the best benefit for the unitholders. It is also to comply with the Trust establishment agreement, REIT Manager Appointment Agreement, the purpose of establishing Trust, Trust unitholders' resolution and relevant laws.
  - (2) Maintain sufficient capital continuously to operate the business and responsibilities which may occur from the performance of duties as the REIT Manager.
  - (3) Disclose, give an opinion, or provide important and relevant information which is sufficient for making investment decision by the investors. In this regard, such information shall be clearly communicated, without distortion and misleading.
  - (4) Do not exploit any information acquired from performing as REIT Manager for its own interest, which may lead to damage or cause the overall benefits of the REIT.
  - (5) Perform its duties carefully in order to avoid conflicts of interests. If they occur, the REIT Manager shall proceed to ensure that the unitholders' interest will be treated fairly and appropriately.
  - (6) Comply with the laws and regulations regarding to the operations of the REIT and the code of ethics and standards of professional conduct as defined by the associations related to securities business or by organizations in connection with securities business recognized by the allowance to be granted by the Office of the SEC. In addition, the REIT manager shall not conspire, employ, or collaborate with anyone to break the laws and regulations.

- (7) Cooperate with the Trustee or the SEC Office to perform their duties and disclose information which may significantly affect the management of the REIT or other information which should be notified to them.
- 2. The REIT Manager must manage to have a quality operating system, including an efficient check and balance system, to entirely support the work under its responsibility. To ensure proper and efficient management of the REIT entrusted by the Trustee, the operating systems shall at least cover the following issues:
  - (1) Setting up the management policy of the REIT, the structuring of the investment capital of the REIT, the decision to make investment in immovable properties and the formulation of policy and strategy relating to the investment of benefits from immovable properties in line with the investment policy under the REIT establishment agreement and the securities and other laws related to the operation of the REIT and also to protect the benefit of the REIT and the unitholders generally
  - (2) A managing system of the risks associated with the REIT management in order to prevent and manage the risks efficiently.
  - (3) A system to prevent the conflict of interest, especially among the REIT, the REIT Manager and its connected persons, including measures or guidelines for generally keeping the best interests of the REIT or the unitholders, when a conflict of interest is found.
  - (4) Screening of personnel of the REIT Manager and service providers of functions related to the operations of the REIT (if any) to ensure knowledgeable and skilled personnel with appropriate qualifications in accordance with the nature of work assigned to them.
  - (5) Supervision the performance of the REIT Manager and its staff for work related to the REIT management including staff assigned to work related to the REIT management in order to comply with the securities laws, other related laws and the contract to establish the Trust.
  - (6) Disclosure of complete, accurate, and adequate information of the REIT to be in accordance with the establishment of Trust agreement and securities law.
  - (7) A back-office system.
  - (8) An internal audit and control system.
  - (9) Communication with investors and handling of investors' complaints.

- (10) Handling of legal disputes. The REIT Manager may assign other persons to deal with and proceed with the issues related to REIT management which must be in accordance with the regulations specified in clause 1.3.
3. The REIT Manager may outsource the functions related to REIT management to other persons as necessary under the following regulations, in order to enable the operations effectively under the following rules:
- (1) Without an impact on the performance of the REIT Manager
  - (2) With a standardized method to run the business when being unable to proceed with the work
  - (3) In case of outsourcing functions related to investment in other assets of the REIT, the service provider shall have the authority to perform such functions as prescribed by laws.
- The outsourcing of operational functions under this clause shall not apply to the outsourcing of operating systems and works under clauses 1.2 (1) (2) (3) (4) and (9).
- (4) The REIT Manager shall prepare its financial statement in accordance with financial reporting standards and submit the financial statements to the SEC within three months of the end of the accounting year.
  - (5) The REIT Manager shall not take any actions resulting in a lack of ability to work independently of the Trust, such as, investing in immovable properties owned or possessed by the connected persons of the Trustee.
  - (6) The REIT Manager shall provide liability insurance that may arise from the operation of business or performance as the REIT manager as well as the operations of the directors, executives, and their staff during the time of this contract in according to the system of the REIT manager.
  - (7) The REIT Manager shall arrange a unitholders' meeting to consider and vote on various matters as specified in the REIT establishment such as the modification or amendments of the REIT establishment, capital increase of the REIT, change of Trustee, etc.
  - (8) In case of an appointment of an adviser to provide advice or recommendations related to investment and management of immovable properties, the REIT Manager shall act in accordance with the following regulations:

- (1) Let the advisers declare the conflicts of interest in the issue under consideration.
- (2) Do not allow the advisers who have direct or indirect conflicts of interest in the issue under consideration to get involved in the decision making of any issue.
- (9) In undertaking transactions related to immovable properties on behalf of the REIT, the REIT Manager shall comply with the following regulations.
  - (1) Ensure that the sale, transfer of immovable properties or the engagement in an agreement relating to the properties as the REIT is done properly and enforceable by law.
  - (2) Ensure that the investment in the immovable properties of the REIT is done properly with requirement at least of the following actions:
    - (a) Self-assessment to manage the property before accepting the assignment as the REIT Manager or before making additional investment in properties as the case may be.
    - (b) Carrying out of analysis and feasibility study, and undertake due diligence for the property including the assessment of various risks that may arise from the investment in property together with guidelines for risk management including completion risk (if any) such as the risks that may arise from the delay of construction and the inability to procure benefits from the property, etc.
- (10) Arrange for the valuation of the main assets invested by the REIT to be appraised by an appraisal company authorized by the SEC Office in accordance with related laws and under the regulations stipulated in the Trust Deed; such as appraisals before the acquisition or disposals of the Core Properties of the REIT, reviews of the appraised value of the Core Properties, periodical appraisal of the Core Properties' value in compliance with related regulations, etc.
- (11) The immovable properties to be invested by the REIT shall be appraised in accordance with the criteria stipulated by relevant laws, and also the inspection and review. Moreover, the REIT Manager must manage to take various actions in order to inspect the real estate which is to be invested as a practitioner including the condition of the property, the contractual ability, financial and legal information, the appropriateness of other aspects, etc. to support investment decisions and information disclosure. Regardless of any cases, if the REIT Manager is unable to perform his duties, it is a must to specify that the trustee will manage the REIT as

necessary to prevent, stop or limit any serious damage to the benefits of the REIT or all unitholders in which the trustee may appoint another person to manage the Trust during the period.

- (12) Proceed to acquire core properties or immovable properties to be invested by the REIT in case of capital increase within 60 days from the establishment of the REIT for the first offering of trust units or from the closing date of the offering of units in the case of offering of units for capital increase.
- (13) The property investment shall be applied to the acquisition of ownership or possessory right of the property only. In case of the acquisition of possessory rights, it shall be the acquisition of document of entitlement in the form of Nor. Sor. 3 Kor or the acquisition of leasehold right with the document of ownership or document of possessory right in the form of Nor. Sor. 3 Kor only.
- (14) The immovable properties acquired shall not be under the enforcement of real right or have any disputes unless the REIT Manager and the Trustee have provided the opinion in official writing that enforcement of real right or disputes does not have any significant impact on the provision for benefits from properties and the conditions for the acquisition of such property are still generally beneficial to the unitholders.
- (15) The agreement of the contract of property's acquisition shall not be related to any provision or obligation that may lead the REIT unable to sell the property at fair price at the time of selling, Such as agreements that give rights to the contractual parties to purchase real estate of the REIT before others which the price is fixed in advance, etc., or may result in the more REIT's duties than the normal duties that the lessee should have when the lease contract is terminated.
- (16) Arrange for insurance for loss or other insurance to protect the benefits of the unitholders, which is similar to or can replace the insurance against loss to cover damage which may occur to the core properties, as mutually agreed by the counterparties without violating related laws and regulations and third-party liability insurance against damage or loss caused by the core properties or operations related to the core properties. The insurance shall be from an acceptable insurer with an insured sum at least sufficient and appropriate for the provision for benefits from the core properties.
- (17) Provide opinion on the transactions related to the acquisition of the core properties together with rational and related supporting information in the document seeking

approval from the unitholders or the invitation letter calling unitholders' meeting to consider capital increase for additional investment in the core properties by the REIT Manager.

- (18) The disposal of the main property must provide a valuation of the property. The Unitholders' meeting for approval resolution is required, to obtain consent from the Trustee. And disclose the information according to the regulations specified in the Trust Deed and related laws.
- (19) In case of any change in REIT Manager, the new REIT Manager shall agree to perform the duties in accordance with the Trust Deed and related laws and regulations. Meanwhile, the former REIT Manager shall provide necessary cooperation to ensure a successful handover of the works.
- (20) In case of a modification or an amendment of the Trust Deed, the REIT Manager shall carefully proceed to ensure that the modification or amendment is in line with the conditions and methods specified in the Trust Deed and related regulations. Following the completion of the modification or amendment, the REIT Manager shall submit a copy of the new Trust Deed to the SEC Office within 15 (fifteen) days from the signing date or the date on which the Trust Deed was modified or amended, as the case may be.
- (21) In case of a change in Trustee, the REIT Manager shall proceed to notify the unitholders and the SEC Office of the change within the time specified in the Trust Deed.
- (22) Apply for approval to offer the units of the REIT in case of capital increase by certifying the correctness and completeness of the information relating to the performance of one's duties
- (23) Give opinion on the ability of the revenue guarantor obligations under the guarantee of revenue agreement (if any).
- (24) Proceed to list the sold units or the newly issued units (in case of capital increase) on the Stock Exchange of Thailand within 45 days from the closing date of unit offering.
- (25) Proceed to allocate the Units to any person or group of persons in accordance with the ratio and rules stipulated by relevant laws and regulations.

### **Duty in Managing the REIT and the Properties of the REIT**

1. Give opinion to relevant officers regarding the qualifications or characteristics of the immovable properties invested by the REIT upon request by relevant agencies.
2. Supervise and monitor the renovations, improvements, and maintenance of the core properties to ensure that they are always in good condition and ready for use to procure benefits as specified in the annual action plans.
3. Arrange to reform, restore, or modify core properties as necessary and appropriate and also it must be not inconsistent with the trust agreement and relevant laws including the land lease agreement with the landowner which is the location of the main property and a land, having been amended (Main lease), which must notify the trustee first.
4. Supervise and monitor the management of the core properties and the maintenance as necessary for the benefit in the management of security systems, fire protection system, communication system and management in the case of an emergency and repairing real estate. In the case of major repairs, the trustee must be notified first.
5. Manage and procure benefits from the core properties of REIT as well as take any other actions necessary for the main asset management to be in accordance with the annual operation plan, Trust Deed agreement and related laws.
6. Take any actions to procure and / or accept transfers and / or perform other actions in conjunction with the Trustee for the purpose of letting trustee obtain a license, permit, waiver letter and / or other relevant and necessary documents.
7. Facilitate with the Trust or the person assigned by the Trustee to audit the main property by the deadline of the working days and hours of the REIT manager, including giving information, words and / or delivering any documents (Except information, words and / or other documents relating to the intellectual property of the REIT manager, or an affiliate of the REIT manager) as requested by the Trustee in case of necessity and suitability.
8. Facilitate the survey of core properties for value appraisal by the property appraisal company of the REIT or other persons designated by a property appraisal company. The REIT Manager shall also give information and message and/or deliver any documents (except for the information and message and/or any documents related to the intellectual property rights of the REIT Manager or its subsidiaries) upon request of the property appraisal company as deemed necessary and appropriate.
9. Prepare any documents related or relevant to the core properties possessed by the REIT Manager and/or possessed by the REIT Manager on behalf of the REIT including any

accounting documents and evidence related or relevant to the REIT in place for the Trustee or persons designated by the Trustee and/or the auditors to inspect within the operating days and hours of the REIT Manager.

10. The REIT Manager shall also deliver any documents related or relevant to the REIT requested by the Trustee or persons designated by the Trustee and/or the auditors within 15 (fifteen) business days from the date on which such request is acknowledged or should be acknowledged, except on reasonable ground or otherwise agreed by the counterparties of the agreement.
11. Coordinate, provide information, submit documents, and deliver fees and house and land taxes arising from the main property on behalf of the Trustee for the REIT. Also deliver the withholding tax that the Trustee has a duty to withhold due to the management of the main assets and / or any other taxes related to the main property and / or the management of primary assets to the related government officers.
12. Notify the Trustee of the following issues in due time: (a) The existence of any damage or defect of the core properties including other equipment and facilities or upon occurrence of the event that will result in the reduction in the value of the core properties significantly, and (b) in case that there is any significant breach of contract by any tenant or contract party of the REIT related to the main property.
13. Undertake any other actions as deemed necessary and appropriate by the REIT to ensure that the core properties are in good condition and ready for procuring benefits or exactly in line with the objectives of the REIT Manager Appointment Agreement. In addition, the REIT Manager shall also provide suggestions on market situation in case that the REIT wishes to sell or assign the leasehold or sublease the core properties.
14. Supervise trust assets to prevent any loss.

#### **Duty in Carrying Out Accounting and Financial Reports, and Reports on Management and Internal Audits**

1. Prepare and disclose information of the REIT to the SEC Office, the Trustee, and the Unitholders in compliance with the provisions stipulated in the Trust Deed and the securities laws including submitting the annual report of the REIT together with the notification letter in form of two-way communication, within 4 months from the end of the REIT's fiscal year.



2. Arrange to have the accounting and various financial reports related to the management of the REIT and its core properties, as assigned by the Trustee or as deemed necessary and appropriate, in place; and submit such reports and documents to the SEC Office, the Stock Exchange of Thailand, the Trustee, and the Unitholders within the time frame specified by the Trustee in order to correspond with the securities law, other relevant laws, and the orders of relevant competent officers. In this regard, the REIT Manager shall prepare such accounting and financial reports in compliance with the generally accepted accounting principles by separating the properties and/or any interests arising from the core properties invested by the REIT and/or any properties that had been accepted and/or should be accepted by the REIT Manager on behalf of the REIT; from its own properties. The REIT Manager shall file the documents and evidence supporting the accounting process in complete condition and be ready for the inspection of the Trustee for a period of at least 5 (one) year.
3. Deliver the following documents to the Trustee within the time frame assigned by the Trustee in order to comply with the securities law, other relevant laws, and the orders of relevant competent officers.

**Duty in Executing Agreement Relating to the Provision for Benefits from Immovable Properties**

1. The REIT shall procure benefits from its core properties which are immovable properties only through leasing and/or subleasing.
2. The REIT Manager shall control, supervise, implement controlling measures, and undertake any other actions as deemed necessary and appropriate to ensure that lessee and/or the sub-lessee perform their functions in accordance with the duties, conditions and/or agreements specified in the lease/sublease contract, the rules, criteria, regulations and any provisions of the core properties or policy related to the core properties.

**Management**

The executive board of the REIT manager consists of individuals who possess the following qualifications:

Name	Educational Background	Position
Mr. Monrat Phadungsit	Master's Degree MBA, SASIN Graduate institute	Managing Director LH Fund Management Co., Ltd.

As of December 31, 2024, the REIT Manager has designated various departments responsible for different functions, as follows:

**Infrastructure and Property Fund Department**

Responsible for the establishment, investment, and management of the real estate investment trust (REIT) in accordance with the trust deed. This includes property selection, title deed verification, annual budget approval, performance monitoring, property inspection, valuation oversight, and arranging property insurance on a scheduled basis. The department also outsources property management to professional property managers, whose responsibilities include maintaining the property in good condition, ensuring income generation, and collecting revenue from the property and related assets.

#### **Mutual Fund and Private Fund Investment Department**

Responsible for investment analysis and decision-making, documenting the rationale behind each investment, and allocating funds across mutual funds, private funds, property funds (liquidity portion), and REITs (liquidity portion), in accordance with fund project documentation, fund management agreements, REIT trust deeds, and within the boundaries of applicable laws, ministerial regulations, announcements, and relevant orders. Additional duties include reviewing and updating the securities universe, selecting and evaluating counterparties, attending shareholder meetings on behalf of the fund and/or REIT, preparing reports for relevant agencies, and maintaining integrity and professionalism in investment management with a focus on the best interest of trust unitholders.

#### **Securities Trading Department**

Responsible for executing trades in securities, assets, and futures contracts as directed by the REIT Manager. This department also liaises with institutional investors and allocates trading volumes to brokerage firms as per the investment committee's guidelines.

#### **Fund Operations Department**

Handles operational and accounting systems for mutual funds, private funds, property funds, and REITs. Responsibilities include mark-to-market processes, calculating NAV (Net Asset Value) in accordance with accounting standards, laws, and relevant announcements, coordinating the delivery of fund and/or REIT assets, and selecting external service providers such as custodians, trustees, and asset depositaries.

#### **Information Technology Department**

Manages all IT systems related to fund and/or REIT management, both front-office and back-office systems. The department sets information policies, maintains the data center network and related equipment, and ensures overall IT security.

#### **Risk Management Department**

Oversees and controls investment risks across mutual funds, private funds, property funds, and REITs in alignment with the REIT Manager's risk management policies.

### Compliance Department

Handles regulatory compliance and oversight for the operations of mutual funds, private funds, property funds, and REITs. This includes preparing compliance and audit reports for the audit committee and executives. Some of these responsibilities are outsourced to the Compliance Office of Land and Houses Bank Public Company Limited, which assigns its staff to work directly at the REIT Manager's office.

### Personnel

As of 31 December 2024, Land and Houses Fund Management Co., Ltd. had a total of 105 employees.

Details of the people in charge of the major work units of the company are as follows:

Unit	No. of Personnel	Person in Charge	Qualifications and Experiences
Infrastructure and Property Fund Department	7	Mr. Natkawin Jiamchoatpatanakul	Senior Vice President 15-year experience in finance, asset management, and property investment fields.
		Mrs. Nattapat Tonkittirattanakul	Vice President 16-year experience in property fund management field.
		Miss Panchanit Nilrat	Assistant Vice President 9-year experience in finance and property investment fields.
		Miss Rattaporn Nawarat	Manager 9-year experience in finance and property investment fields.
		Miss Thumavadee Inpoowa	Manager 13-year experience in finance and property investment fields.
		Miss Supranee Ninlaor	Senior Officer, 8-year experience in finance and property investment fields.
		Miss Wassana Chaithong	Officer 0.8-years' experience in finance and property investment fields.
Fixed Income Department	3	Mr. Phuchsagunt Tanaworakitsakun	Manager 16-year experience in asset management business.

Unit	No. of Personnel	Person in Charge	Qualifications and Experiences
Dealing Department	6	Miss Chantira Thadanipon	Vice President 20-year experience in finance field and asset management business.
Fund Operation Department	4	Miss Laddawan Kongsri	Vice President 16-year experience in finance field and asset management business.
Fund Accounting Department	5	Mrs. Narumol Senthong	Vice President; 23-year experience in finance field and asset management business.
Registrar Department	7	Mr. Nitipat Kamolsuppajiroj	Vice President; 15-year experience in finance field and 16-year in asset management business.
Marketing Strategy Department	4	Mr. Ittaboon Jenchaijitwanich	Vice President; 10-year experience in finance field and 12-year in asset management business.
Customer Relations and Marketing Support Department	2	Mr. Wichit Batao	Senior officer 13-year experience in finance field and asset management business.
Information Technology Department	12	Mr. Peerapun Sangpun	Assistant Managing Director; 8-year experience in securities business.
Compliance and Risk Management Group	8	Ms. Pawanud Iamwachatul	Assistant Managing Director; 33-year experience in Compliance, Audit and Risk business.

#### 8.1.5 Processes and Conditions to change the REIT Manager

##### Reasons for the change of the REIT Manager

1. The REIT Manager resigned in accordance with the terms and procedures specified in Trust Deed.
2. The REIT manager is unable to maintain the funds in accordance with the prescribed regulations.
3. The REIT Manager shall be removed from duty if it is found that the REIT Manager has failed to manage the REIT in accordance with the duties prescribed in this agreement, the REIT

Manager Appointment Agreement, the REIT for Transactions in Capital Market Act, relevant notifications of the Office of the SEC, or any other relevant announcements, and such failure has caused serious damage to the REIT and/or the trust unitholders.

4. The approval of the REIT Manager by the Office of the SEC has expired, and the REIT Manager has not submitted an application to renew such approval.

5. The Office of the SEC has revoked the approval of the REIT Manager or has suspended the REIT Manager from performing duties for a period of more than 90 (ninety) days.

6. The REIT Manager ceases to be a legal entity, is in the process of dissolution or liquidation, or is under receivership, whether by an absolute receivership order or not, or is declared bankrupt by court order, or is subject to a rehabilitation petition filed with the court or a relevant government agency, which the Trustee deems to affect the REIT Manager's ability to repay debts or perform its obligations under the REIT Manager Appointment Agreement

7. The trust unitholders pass a resolution to remove the REIT Manager due to breach of duty, failure to perform its duties, or non-compliance with applicable laws.

8. The REIT Manager has exercised its right to terminate the contract as stipulated in the REIT Manager Appointment Agreement.

#### **Resignation and duties after the REIT Manager's resignation**

##### **1. Resignation of the REIT Manager**

If the REIT Manager wishes to resign, he/she must notify the Trust unitholders through the information system of the SET and submit a written notice to the Trustee at least 90 days prior to the effective resignation date. This resignation must not cause damage to the beneficiaries and the Trustee. While the Trustee is in the process of appointing a new REIT Manager, he/she must be in charge until the new REIT Manager is able to be ready to be in charge in accordance with the REIT Manager Appointment Agreement. The period shall not exceed 90 days from the effective date of the termination of the REIT Manager Appointment Agreement.

##### **2. Duty after resignation**

After the REIT Manager has submitted the resignation letter mentioned above, he/she is required to:

1) Hand over the work: work system, customer list, account, documents and any information relating to the performance of the REIT Manager's duties whether they are secret information or not, to the Trustee and / or the new REIT manager as well as any actions reasonably requested by the Trustee enabling the new REIT Manager to carry on the jobs as a new REIT Manager for the maximum benefit for the Trust and the Trust unitholders.

- 2) Keep the confidential information of the REIT and do not disclose any customer lists, drafts as well as any other documents which are the REIT's trade secret to third parties without obtaining the prior written consent of the Trustee unless it is a disclosure to government agencies according to the requirements of the law or public disclosure at the time of disclosure or distribution.
- 3) Perform other required duties enabling the new REIT Manager to carry on duties continuously in accordance with the REIT Manager Appointment Agreement.

#### **Appointment Process of a New REIT Manager**

The Trustee shall request a resolution of the unitholders to appoint a new REIT Manager within 60 days after the date of the occurrence appeared in No.8.1.5.1 and the trustee shall proceed to appoint a new REIT Manager within 30 days from the date of receiving the resolution or a date specified in the notification of the SEC Office. In addition, if a resolution is not provided even it was requested, the Trustee shall appoint a new REIT Manager by considering the best benefit for the Trust unitholders.

If the Trustee is not able to recruit a new REIT Manager because there is no qualified person or no interested person, he/she is required to be in charge on behalf of the REIT Manager as stipulated in the REIT Agreement and under the rules stipulated in the Securities Law and other relevant laws.

#### **8.1.6 Management of Other Trust**

As of 31 December 2024, The REIT manager also manages other trusts as follows:

1. LH Shopping Centers Leasehold Real Estate Investment Trust which invested in the leasehold right in the immovable properties and the ownership in the movable properties in Terminal 21 Shopping Center.
2. LH Hotel Leasehold Real Estate Investment Trust focusing on hotel assets
3. Quality Houses Hotel and Residence Freehold and Leasehold Real Estate Investment Trust which focus on hotel assets.
4. Quality Houses Business Complex Leasehold Real Estate Investment Trust (QHBREIT), which invests in office leasing properties.

## **8.2 Property Manager**

### **8.2.1 Name, Address, Registration Number, Telephone, Facsimile and Website of the Property Manager**

Name	:	Q. H. International Co., Ltd.
Address	:	1 Q House Lumpini Building, 7th Floor, South Sathon Road, Tungmahamek, Sathon, Bangkok 10120
Telephone	:	(02) 677-7000
Facsimile	:	(02) 677-7005

### 8.2.2 Shareholder's Structure

Name	Number of Shares	Percentage (%)
Quality Houses Public Company Limited	249,995	99.99

### 8.2.3 Duties and Responsibilities of Management Company and Property Manager

The Property Manager has the following rights, duties, and responsibilities:

- (1) To receive remuneration for the performance of duties as the Property Manager from the Fund at the rate specified in the Property Manager Appointment Agreement made between the Management Company and the Property Manager.
- (2) To efficiently manage, keep and maintain the Fund's properties in good conditions and ready for generating consistent income for the Fund.
- (3) To ensure that the Fund's immovable properties are repaired, changed, renovated and altered as may be necessary and proper.
- (4) To collect income and provide benefits from the immovable properties and other relevant assets.
- (5) To perform duties with integrity, honesty and care, taking into account professional standards of the Property Manager and benefits of the Fund.
- (6) To perform any other duties as specified in the Property Manager Appointment Agreement and as entrusted by the Management Company and the Investment Committee or as stipulated by the SEC or the Office of the SEC.

## 8.3 Trustee

### 8.3.1 Name, Address, Registration Number, Telephone, Facsimile and Website of the Trustee

Name : SCB Asset Management Co., Ltd.

Address : 7th–8th Floor, Building 1, SCB Park Plaza, No. 18 Ratchadapisek Road,  
Chatuchak Subdistrict, Chatuchak District, Bangkok 10900

Telephone : 02-626-7000

Fax : 02-626-7850

### 8.3.2 Shareholder's Structure

Shareholders of the Trustee as of January 2, 2025, are as follows:

Name	Number of Shares	Percentage (%)
1.Siam Commercial Bank Public Company Limited	19,999,998	99.999990
2. Mr. Daranat Panpiamrat	1	0.000005

Name	Number of Shares	Percentage (%)
3. Ms. Atchara Satsart	1	0.000005
Total	20,000,000	100.00

**Relevant License:**

The trustee received a Trustee Business License from the Securities and Exchange Commission (SEC) on September 18, 2013.

**8.3.3 Duties and Responsibilities of the Trustee**

- 1 The trustee must perform its duties with care and integrity for the best interests of the trust unitholders as a whole, in accordance with the trust deed, applicable laws, and any additional obligations disclosed to investors (if any). In the event of any damage resulting from a failure to fulfill such duties, the trustee shall be liable for such damage without limitation of liability.
- 2 The trustee has the duty to oversee and ensure that the REIT manager or any other designated party (if any) performs its duties in compliance with the trust deed and other relevant agreements.
- 3 Trustee must attend every meeting of trust unitholders and, if a resolution is sought from the meeting for any action, the trustee must:
  - Respond to inquiries and provide opinions as to whether such action complies with the trust deed or applicable laws.
  - Object and notify the unitholders if the action cannot be undertaken due to non-compliance with the trust deed or applicable laws.
4. The trustee is responsible for enforcing debt obligations or ensuring that such obligations are enforced in accordance with the contractual terms between the trust and third parties.
5. The trustee must assume the duties of the REIT manager in the event there is no REIT manager or if the REIT manager is unable to perform its duties, in accordance with the trust deed and relevant securities laws.
6. The trustee shall have any other rights, duties, and responsibilities as prescribed by securities laws and other applicable laws.
7. The trustee agrees to delegate the management of the trust's investment in non-core assets to the REIT manager.
8. The trustee has the duty to amend the trust deed as instructed by the Office of the SEC (Securities and Exchange Commission).
9. The trustee is prohibited from offsetting any of its personal debts (unrelated to its role as trustee) against debts owed to the trustee by third parties arising from the management of the REIT. Any violation of this clause shall render the action null and void.



10. When the trustee enters into any legal act or transaction with third parties, the trustee must clearly inform such third parties in writing that the action is being taken in the capacity of trustee, and such capacity must be explicitly stated in the relevant documentation.
11. The trustee must maintain separate accounts for the REIT's assets from its own accounts. If the trustee manages multiple trusts, it must also maintain separate accounts for each individual trust. All accounts must be accurate, complete, and up-to-date. In managing the trust, the trustee must segregate the trust's assets from its own personal assets and any other assets under its possession. If the trustee manages multiple trusts, it must also segregate the assets of each trust from one another.
12. If the trustee fails to comply with the trust deed to the extent that the REIT's assets are commingled with the trustee's personal assets and it is no longer possible to distinguish which assets belong to the trust and which to the trustee, it shall be presumed that:
  - The commingled assets belong to the REIT;
  - Any damage or liability arising from the management of the commingled assets shall be deemed personal to the trustee;
  - Any benefits resulting from the management of the commingled assets shall belong to the trust.
13. If the trustee fails to comply with the trust deed, causing the assets of different trusts to become commingled such that it is no longer possible to identify which assets belong to which trust, it shall be presumed that such assets, including any transformed or converted assets, and any benefits or liabilities arising from their management, belong to each trust in proportion to the value of assets originally contributed to the commingled pool.
14. The management of the trust is a personal duty of the trustee and cannot be delegated, except in the following cases:
  - The trust deed provides otherwise;
  - The transaction is not personal in nature and does not require professional judgment exclusive to the trustee;
  - The transaction is one that, in general, a property owner with similar assets and objectives might reasonably delegate;
  - Activities such as safekeeping of assets, maintaining the unitholder register, following up on distributions, or support functions that may be delegated to the trustee's affiliates, the REIT manager, or another registrar licensed by the stock exchange;
  - Any other matters assigned to the REIT manager under this agreement or under the SEC notifications No. TorJor. 49/2555 and KorRor. 14/2555, or any other relevant regulations

as amended, including when the SEC Board issues a regulation requiring delegation or when other relevant laws allow for such delegation.

15. In cases where the trustee lawfully delegates the management of the REIT in accordance with the provisions of the trust deed, the trustee must exercise due care and diligence in selecting the delegate and must supervise and audit the delegate's management with care and attention. The trustee must also establish operational measures for delegation in accordance with the rules prescribed in SEC Notification KorKhor 1/2553 regarding operational systems, investor communications, and general business practices of trustees, including:

- Selection of suitable delegates based on the readiness of their systems and personnel, as well as assessment of any conflicts of interest between the delegate and the trust;
- Monitoring and evaluating the delegate's performance;
- Taking appropriate action if the delegate is deemed no longer suitable for the delegated task.

16. In the event of a change in trustee, if the new trustee discovers that prior to assuming the role, the REIT was managed in a manner not in accordance with the trust deed or the Trust Act, resulting in damage to the trust, the new trustee shall:

- Claim compensation from the liable former trustee;
- Take action to recover assets from third parties, regardless of whether such assets were directly transferred from the former trustee or have been transformed or converted into other forms. This does not apply if the third party acquired the assets in good faith, for value, and without knowledge (or reasonable cause to know) that the assets were misappropriated from the REIT.

17. In the management of the REIT, or lawful delegation under the trust deed, if the trustee has necessarily and properly incurred personal expenses or made payments or provided assets to third parties from their own funds or property, the trustee shall have the right to claim reimbursement from the trust—unless otherwise specified in the trust deed that such expenses are the trustee's responsibility.

Such reimbursements may include, but are not limited to: court fees, legal fees, or attorney or legal advisor fees reasonably incurred for the benefit of the REIT, considering the necessity and the competency of such professionals. Reimbursement also covers reasonable and actual costs related to collection, litigation, and enforcement, and any liabilities incurred by the trustee resulting from properly performing their duties and

exercising their powers under the trust deed and the Trust Act, as well as other applicable laws, not exceeding the total value of the trust's assets.

To protect the REIT's assets, the SEC Board may prescribe rules, conditions, and procedures for trustee reimbursement of personal funds or property paid to third parties under this clause, or the exercise of trustee rights under the preceding paragraph.

18. The trustee shall not exercise any rights under the provisions of the trust deed until all debts owed by the trustee to the REIT have been fully settled, except for debts that may be set off in accordance with the Civil and Commercial Code.

19. If the trustee manages the trust in a manner not in accordance with the trust deed or the Trust Act, the trustee shall be liable for any damages incurred by the REIT. In cases where it is necessary and reasonable for the benefit of the trust, the trustee may seek approval from the Office of the SEC before acting contrary to the trust deed. If the trustee acts in accordance with such approval, in good faith and in the best interest of the trust, the trustee shall not be held liable under the trust deed.

20. The trustee shall ensure that the essential content of the trust deed complies with relevant laws. In the event of an amendment to the trust deed, the trustee shall proceed in accordance with the following principles:

- Ensure that the amendment is carried out in accordance with the procedures and conditions specified in the trust deed and complies with applicable legal requirements;
- If the amendment does not comply with the trust deed, the trustee must act within the scope of authority specified in the trust deed and the Trust Act to protect the collective rights and interests of the trust unit holders;
- If there are subsequent amendments to regulations related to the offering of trust units or the management of trusts under the Securities Act or the Trust Act, and the trust deed contains provisions inconsistent with such regulations, the trustee shall proceed to amend the trust deed to align with such updated regulations in accordance with the procedures specified in the trust deed or as ordered by the Office of the SEC.

21. The trustee shall monitor, supervise, and inspect the trust manager or any appointed delegates (if any) to ensure that they carry out their duties in accordance with the trust deed and applicable laws. "Monitoring, supervision, and inspection" includes the following responsibilities:

- Ensuring that the REIT is managed by a trust manager approved by the Office of the SEC throughout the duration of the trust, unless otherwise stated in the trust deed.

- Monitoring, supervising, and taking necessary actions to ensure that the delegate possesses the required qualifications and complies with the criteria set forth in the trust deed and applicable laws, including the removal of the current delegate and appointment of a new one;
  - Supervising the investment of the trust to ensure compliance with the trust deed and relevant laws;
  - Supervising the disclosure of trust information to ensure accuracy and completeness as required by the trust deed and relevant laws.
  - Providing opinions regarding the actions or transactions undertaken for the REIT by the REIT manager or any appointed delegates (if any), for purposes such as seeking resolutions from the trust unit holders' meeting, disclosure of trust information to investors, or upon request by the Office of the SEC.
22. In the event that the trust manager acts or fails to act in a manner that causes damage to the trust or fails to perform duties as specified in the trust deed or applicable laws, the trustee shall:
- a. Prepare a report and submit it to the Office of the SEC within five business days from the date the trustee becomes aware or should have become aware of the incident; and
  - b. Take appropriate action to rectify, prevent, or remedy the damage caused to the trust.
23. In the event the trust manager is unable to perform their duties, the trustee shall manage the REIT as necessary to prevent, restrain, or mitigate serious damage to the interests of the trust or the collective interests of the trust unit holders. The trustee shall also act in accordance with the authority and duties specified in the trust deed and the Trust Act to appoint a new REIT manager.
- The trustee managing the trust under the above paragraph may delegate such management to another person during that period, provided that such delegate shall act within the scope, criteria, and conditions specified in the trust deed.
24. If the trustee is also a trust unit holder in the trust for which it serves as trustee, any voting or other actions taken in the capacity of a trust unit holder must be carried out with consideration of and in protection of the best interests of all trust unit holders as a whole. The trustee shall act with honesty, prudence, and without causing any conflict of interest or impairment to its duties as trustee of the trust.
25. The trustee shall ensure that a register of trust unit holders is maintained. This duty may be delegated to a securities registrar. The register must contain at least the information specified by the announcement of the SEC.
26. The trustee shall issue evidence of entitlement in the trust units to the unit holders. Such evidence shall comply at minimum with the requirements specified by the SEC. However, if

such evidence is issued under the system of Thailand Securities Depository Co., Ltd., it shall be subject to the conditions stipulated by that company.

27. Subject to Clause 6, if a trust unit holder requests the trustee or the securities registrar to issue a new evidence of entitlement in replacement of one that is lost, illegible, or materially damaged, the trustee must issue or cause the issuance of such replacement evidence within a reasonable time.

#### 8.4 Investment Committee

"The Real Estate Investment Committee of the REIT Manager consists of:

- |    |                 |                    |          |
|----|-----------------|--------------------|----------|
| 1) | Mr. Monrat      | Phadungsit         | Chairman |
| 2) | Mr. Natkawin    | Jiamchoatpatanakul | Member   |
| 3) | Mr. Sukawat     | Pavasant           | Member   |
| 4) | Mrs. Nattapat   | Tonkittirattanakul | Member   |
| 5) | Miss. Panchanit | Nilrat             | Member   |

#### 8.5 Name, Address, and Telephone Number of Related Parties

##### 8.5.1 Auditor

Name	:	EY Office Company Limited
Address	:	33 <sup>rd</sup> Floor, Lake Ratchada Office Complex, 193/136-137 New Ratchadapisek Road, Khlong Toey, Bangkok 10110
Telephone	:	0-2264-0777
Facsimile	:	0-2264-0789-90

##### 8.5.2 Registrar

Name	:	Thailand Securities Depository Company Limited
Address	:	93 Ratchadapisek Road, Dindaeng, Bangkok 10400
Telephone	:	0-2009-9000
Facsimile	:	0-2009-9991

##### 8.5.3 Appraisal Firms

Name	:	TAP VALUATION COMPANY LIMITED
Address	:	74 Nak Niwat 6 Alley, Lat Phrao, Bangkok 10230
Telephone	:	02 105 4781
Facsimile	:	02-539-7339

## 8.6 Record of Disciplinary Actions and Fines

- None –

## 9. Corporate Governance

### 9.1 Corporate Governance Policy

The Management Company has maintained a policy to adhere strictly to the securities laws as well as the notifications, rules, regulations, orders, or circular notices amended or promulgated by the SEC, the Capital Market Supervisory Board, the SEC Office, and the Stock Exchange of Thailand. It has set up an Investment Advisory Committee and an Investment Committee to deliberate matters related to investment and has a Fund Supervisor to review the Company's operations.

The Management Company has committed to ensure good corporate governance through the preparation of reports on conflicts of interest, as well as the establishment of an appropriate asset management operating system, code of ethics in asset management business, and other related measures.

### 9.2 Sub-Committee

Property Investment Committee of the REIT Manager consists of:

1)	Mr. Monrat	Phadungsit	Chairman
2)	Mr. Natkawin	Jiamchoatpatanakul	Member
3)	Mr. Sukawat	Pavasant	Member
4)	Mrs. Nattapat	Tonkittirattanakul	Member
5)	Miss. Panchanit	Nilrat	Member

However, the Property Investment Committee requires a member who have special interest in the particular meeting agenda will not be attended that agenda.

### 9.3 Committee Meeting

The meeting will be in accordant with the Investment Committee Meeting of the REIT.

### 9.4 Control of Inside Information

Land and Houses Fund Management Co., Ltd. has proper control of using inside information by adopting the following measures:

1. Separation of Work Area and Accessibility Control

- The REIT Manager has arranged for the working space of the Investment Division, of which major responsibility involves decision making in investment and sending trading orders to brokers, to be separated from other work units. An Access Control System is introduced to ensure effective security control of inside information.
- Any access to the control area must seek prior authorization from the Head of Investment and being recorded in the access registration list.

2. Staff Dealing Rules

The Management Company has set forth regulations pertaining to securities trading of its employees. Such regulations cover procedures in granting approval to the trading of securities and the REIT units with which all employees are required to comply strictly.

3. The Compliance and Internal Audit Department closely monitors the transactions related to securities in the Watch List and Restricted List. Details of such transactions are as follows:

- In circumstances where the company acts as the REIT's founder and/or REIT manager, signing agreements regarding the study of the company's primary assets listed on the stock market.
- The REIT Manager is in the process of making distribution payment of the REIT.

4. Disclosure of Connected Transactions according to the Notifications of the SEC Office as well as the SET Regulations. Procedures for the disclosure are as follows:

- The Compliance and Internal Audit Department shall control the connected transactions by identifying the persons who have connection with the liquidity management in the Bonanza Investment System. In this respect, the entry of information shall be done by the Risk Management Department subject to the approval of the Compliance and Internal Audit Department. Whenever the Investment Department makes a transaction with such connected persons, approval from the authorized person is required before any further execution.

- In case of property investment, when the Investment Department invests in the property for the REIT, the REIT Manager shall disclose such connected transaction to the Stock Exchange of Thailand on the same date of the transaction.

The implementation of measures to prevent conflicts of interest is in accordance with the conflict of interest prevention policy, including the regulations governing employee securities trading of the REIT Manager

## 9.5 Decision Making on Investment and Management of the REIT

The REIT Manager has established the processes and procedures in selecting immovable properties for investment. The criteria for selection include marketing and financial feasibility, validity of certificates of ownership, inspection of building, value appraisal of the property, and opinion of financial advisor. In managing the REIT, the REIT Manager possesses a total of 10 operating systems as mentioned below and a team of qualified and experienced staff including REIT management, operations functions, and back-office operations, with the main objective to manage the REIT for the benefits of the Unitholders

### Systems of the REIT Manager

The REIT Manager has important operating systems as follows:

Main Systems	Sub-Systems
Property Selection and Investment Consideration	<ul style="list-style-type: none"> <li>● Procedure of defining policy for REIT management</li> <li>● Property selection procedures</li> <li>● Capital structure of the REIT</li> <li>● Policy and strategy formulation in optimizing REIT's assets.</li> </ul>
Strategy Formulation and Management of the REIT	<ul style="list-style-type: none"> <li>● Governance framework for risk management related to REIT's investment, ensuring compliance with the trust deed and relevant regulations.</li> <li>● Risk management related to REIT's investments</li> <li>● Criteria for considering property insurance (Types and coverage limits of insurance)</li> </ul>



Main Systems	Sub-Systems
	<ul style="list-style-type: none"> <li>● System for analysing the ability of the income guarantor of the REIT.</li> </ul>
System for managing conflicts of interest	<ul style="list-style-type: none"> <li>● Procedure of control individuals who may have conflicts of interest</li> <li>● Transactions between the REIT and REIT manager or individuals related to REIT manager</li> <li>● Prevention of Conflicts of Interest in Managing the REIT</li> </ul>
Selection of Service Provider	<ul style="list-style-type: none"> <li>● Criteria for selecting personnel of the REIT manager.</li> <li>● Criteria for selecting assignees for tasks related to the operation of the REIT</li> <li>● Criteria for selecting service provider, professional and consultant</li> </ul>
System for monitoring the operations of the REIT manager and the personnel of the REIT manager, as well as monitoring and supervising assignees in tasks related to the management of the REIT	<ul style="list-style-type: none"> <li>● Monitoring system for sublessor and property manager</li> <li>● Monitoring system to ensure that the REIT Manager maintain appropriate qualifications and properly perform its duties.</li> <li>● Compliance manual of Compliance department</li> </ul>
System supporting information disclosure of the REIT.	<ul style="list-style-type: none"> <li>● Information Disclosure System of the REIT</li> </ul>
Back Office Operating System	<ul style="list-style-type: none"> <li>● Monitoring system for revenue collection and expense disbursement</li> <li>● Financial statement preparation system and the net asset value (NAV) system</li> <li>● Operating System of Compliance department</li> </ul>

Main Systems	Sub-Systems
Internal Control and Handling of Complaints and Disputes	<ul style="list-style-type: none"> <li>● Internal control and audit systems</li> </ul>
Communication system with investors and handling investor complaints.	<ul style="list-style-type: none"> <li>● Guidelines for handling of complaints</li> </ul>
Legal Dispute Management System	<ul style="list-style-type: none"> <li>● Dispute resolutions</li> </ul>

## 9.6 Selection of Sub-lessee

The REIT Manager requires the selection of a property manager who is an expert with experience and capability in managing the core assets of the trust, as follows:

**Qualifications of the Property Manager:** The individual or entity must possess the knowledge, expertise, and experience in managing real estate of a similar type or nature to the assets in which the trust invests. In addition, the property manager must have personnel with appropriate knowledge and experience in property management.

**Financial Status and Past Performance:** The financial standing and performance over the past three years must be assessed. There must be no indication that the company's financial position could lead to potential harm in fulfilling its role as a property manager.

**Review of Relevant Departments:** Consideration is given to the information regarding the departments responsible for carrying out the assigned tasks.

**Track Record:** The past history of the candidate in managing real estate properties is reviewed.

**Ease of Communication:** The convenience and efficiency of communication between the assignor and the assignee are also taken into account.

## 9.7 Monitoring the Performance of the Property Manager

The REIT Manager assigns the Property Manager to manage and generate benefits from the assets in which the trust has invested. The following guidelines have been established for overseeing the Property Manager:

1. The REIT Manager (responsible for trust management) is tasked with preparing strategic plans and relevant information for the annual budgeting process related to asset management. This information supports the preparation of the REIT Manager's annual budget, which must be approved by the REIT Manager.

2. The REIT Manager conducts regular property site visits to ensure that the assets remain in normal condition, are usable, and are being utilized in accordance with the intended purpose and project details.
3. Regular meetings are arranged with the Property Manager to ensure consistent performance reporting.
4. Key Performance Indicators (KPIs) are established as tools to monitor and control the efficiency of the Property Manager's duties.
5. A review is conducted to ensure that the Property Manager performs in accordance with the terms outlined in the Property Management Agreement, such as:
  - Submission of management-related information within the timeframe specified in the agreement
  - Annual performance evaluations of the Property Manager. For instance, if the agreement stipulates a minimum occupancy rate, this performance will be assessed and reported to the Real Estate Investment Committee
  - In cases where a conflict of interest may arise, compliance with preventive measures stated in the agreement will be monitored through random inspections
  - Examination of revenue collection and outstanding receivables, among other responsibilities

#### **9.8 Monitoring of the Interests of the REIT**

The REIT Manager has the primary objective to ensure that the Unitholders of the REIT receive regular and on-going interests from investment by taking into consideration the benefits derived from the development and quality enhancement of the core properties. The REIT Manager has the guidelines and mechanisms in monitoring and supervising the interests arising from the core properties of REIT as follows:

1. The manager of the Trust and Treasury Department will monitor the performance of the trust in each fiscal year by comparing it with the annual budget, as well as the performance of the trust in the past year. This is to ensure that the operations of real estate investment trust yield profits. In cases where the performance of the main assets does not meet the expected targets, the REIT Manager and Trustee will conduct a detailed analysis to identify the reasons. They will work closely with property managers to develop operational plans to improve the performance of the main assets, aligning them with the established goals or expectations.
2. The REIT Manager and the property managers will collaborate in fostering business growth and developing good relationships with various clients. Additionally, they will manage occupancy rate

and average rental rates to ensure maximum benefits for the trust. Simultaneously, they will jointly control and manage marketing costs and risks associated with managing the main assets.

3. The REIT Manager will collaborate with property managers to enhance efficiency in managing the main assets. This includes controlling and managing operational expenses without compromising the quality of service.
4. The REIT Manager and the property managers will work closely together to enhance the potential of the main assets. This includes:
  - Identifying target customer groups for the main assets, with adjustments to marketing strategies, service levels, and rental pricing to align with the needs of the specified target groups.
  - Maintaining and preserving the areas of the main assets, such as upgrading public and common areas, and adapting specific areas to suit their intended use.
  - Improving the image of the main assets, maintaining them to standard, and renovating them appropriately for use, all to ensure customer satisfaction.

#### **9.9 Remunerations of the Management Company/the REIT Manager**

The REIT Manager's fee is calculated on a monthly basis and charged at a rate not exceeding 2.00% per annum of the Trust's total asset value.

The minimum annual fee is set at THB 3,000,000 (excluding value-added tax, specific business tax, or any other similar taxes). This minimum fee is subject to an annual increase of 3.0%.

#### **9.10 Disclosure of Information/Data to Trust Unitholders**

The REIT Manager has the duty to prepare and disclose information regarding the operations of the REIT that is accurate, complete, clear, and sufficient for investment decisions. This includes reports, financial information, general information, as well as other important data. The REIT Manager will disclose such information through various communication channels such as the Stock Exchange website, the REIT's website, and documents sent to unitholders. This also includes reports to relevant regulatory authorities as required by the Trust Deed, the REIT Manager Appointment Agreement, the Registration Statement, the Prospectus, and the relevant regulations and laws. The information will be disclosed after being prepared and reviewed by the REIT Manager, and provided to the relevant individuals or entities. The details of the disclosure are as follows:

##### **1. Regularly Reported Information of the REIT**

Type of Information	Reporting Period
Quarterly Financial Statements (Reviewed)	Within 45 days from the end of the quarter.

Type of Information	Reporting Period
Annual Financial Statements (Audited), with Auditor's Report	Within 2 months from the end of the financial year. Unless the REIT manager chooses to submit the fourth-quarter financial statements within 45 days from the end of the fourth quarter, in which case the deadline for submitting the annual financial statements is extended to 3 months from the end of the financial year.
Report on Total Asset Value, Net Asset Value (NAV), and Unit Trust Value	Within 45 days from the end of each quarter.
Report on Changes in Operations Exceeding 20% Compared to the Same Period Last Year	Submitted together with the financial statements each time.
Annual Information Statement	Within 3 months from the end of the financial year.
Annual Report of the REIT	Within 4 months from the end of the financial year.

**Remark\* :** The preparation and disclosure of information in the trust's financial statements must comply with accounting practices according to the accounting standards set by the Institute of Certified Accountants for each type of transaction.

#### **Reporting to the Securities and Exchange Commission (SEC)**

The REIT manager must report to the SEC without delay in the following events:

- 2.1 Events that may lead to the termination of the REIT.
- 2.2 The REIT has suffered severe damage.
- 2.3 The REIT is unable to generate returns from its assets, whether in whole or in part.
- 2.4 The REIT has changed its objectives or altered its investment policies.

The report must provide the details as stipulated by the applicable laws and regulations.

#### **9.9.1 Report on Investment or Sale of Real Estate or Property Lease Rights**

The management company will send a summary letter containing key information about the investment or sale of real estate or property lease rights of the fund to the unit holders and the Securities and Exchange Commission (SEC) within 15 (fifteen) days from the date of investment or sale of the real estate or property lease rights.

Additionally, the key information will be made available at the management company's offices and the head office of the custodian within 15 (fifteen) days from the date of investment or sale of the real estate or property lease rights to allow investors to review the information.

The summary letter must include the key information as required by the SEC's announcement.

#### **9.9.2 Report on Other Incidents as Specified by the SEC and the Stock Exchange of Thailand**

The REIT Manager shall disclose the information in compliance with the regulations of the SEC and the Stock Exchange of Thailand via the website: [www.set.or.th](http://www.set.or.th).

#### **9.10 Holding Unit Holder Meetings**

The REIT Manager is required to organize a meeting of the unit holders in the following cases:

1. When requested by unit holders: If unit holders holding at least 10% of the total outstanding units request the REIT Manager to call a meeting, specifying the reasons for the request clearly in the letter. Upon receiving the letter from the unit holders, the REIT Manager must organize the meeting within 45 days.
2. In cases deemed necessary by the trustee: If the trustee deems it necessary or appropriate to present a matter for the unitholders' meeting for discussion and resolution, the REIT Manager must organize the meeting within 1 month from receiving the letter from the trustee. This provision does not limit the trustee's right to consult with the REIT Manager about the necessity of such a meeting.
3. In other cases deemed necessary by the REIT Manager: If the REIT Manager considers it necessary or appropriate to present a matter to the unit holders' meeting for discussion and resolution for the benefit of managing the REIT, the meeting should be held. However, this does not limit the trustee's right to consult with the REIT Manager about the necessity of such a meeting.
4. When the REIT Manager wishes to deviate from previously provided information: If the REIT Manager intends to act differently from the information provided in the application for approval to offer trust units or the prospectus of the trust unit offering, including the provisions in the trust deed, a meeting of the unit holders should be convened.

##### **Calling of Unitholders' Meeting**

The REIT Manager shall prepare a calling notice specifying the venue, date, time, agenda, and matters to be proposed at the meeting together with appropriate details and clearly identifying whether such matter is for acknowledgment, approval or consideration, as the case may be, including the opinion of the REIT Manager on such matter and any possible impact on the Unitholders as a result of passing a resolution on such matter. Such a calling notice has to be delivered to the Unitholders not less than 7 days prior to the meeting date.

##### **Proxy Authorization**

The Unitholders may authorize a proxy to attend the Unitholders' meeting and vote on their behalf. The proxy form must be duly dated and signed by the Unitholders who authorize the proxy and delivered to the REIT Manager, or the person designated by the REIT Manager at the meeting venue before the proxy attending the meeting.

#### **Quorum for the Meeting**

- (a) A quorum has to consist of not less than 25 Unitholders or proxies, or not less than half of the total number of the Unitholders who hold an aggregate amount of not less than one third of the total units trust;
- (b) If a quorum is not present within 1 hour after the appointed time for the commencement of the meeting, the meeting shall be dissolved in the case that the meeting is convened upon the request of the Unitholders. If the meeting is not convened at the request of the Unitholders, the REIT Manager shall call another meeting by sending the calling notice to the Unitholders not less than 7 days prior to the meeting. In this latter case, a quorum is not required.

#### **Presiding at the Meetings**

The REIT Manager shall appoint any of its directors, who is the representative of the REIT Manager, to preside as Chairperson at the Unitholders' meeting. The Chairperson shall have the power and duty to ensure that the meeting proceeds smoothly and properly. Notwithstanding, in the case that the REIT Manager has interests in the matter under consideration, the Trustee or the representative of the Trustee shall appoint another person to act as the Chairman for the respective agenda.

#### **Method of Counting Votes**

Each unitholder shall have one (1) vote per one (1) unit of trust that they hold. A unitholder who is entitled to vote must not have any special interest in the matter being considered.

#### **Resolutions of the Unitholders**

1. In general, the resolution shall be based on the majority vote of the unitholders present at the meeting and entitled to vote.
2. In the following cases, the resolution shall require at least 3/4 (three-fourths) of the total votes of the unitholders present at the meeting and entitled to vote:
  - (a) The acquisition or disposal of core assets valued at 30% or more of the total value of the REIT's asset.

- (b) The increase or decrease in the paid-up capital of the trust, which was not specified in advance in the trust deed.
- (c) The increase in capital through a general power of attorney for the REIT.
- (d) Transactions with the REIT manager or persons related to the REIT manager, where the transaction size is 20,000,000 Baht or more, or exceeds 3% of the REIT's net assets, whichever is greater.
- (e) Changes in the benefits and reimbursement of capital to the unitholders.
- (f) The removal or appointment of the trustee as specified in the trust deed's terms related to the change of trustee.
- (g) The removal or appointment of the REIT manager as specified in the trust deed and the REIT manager's appointment agreement.
- (h) Amendments to the trust deed that materially affect the rights of the unitholders.
- (i) The termination of the REIT.

3. A resolution of the unitholders that would cause the trust or its management to be inconsistent or in conflict with the trust deed or other criteria under the Securities and Exchange Act or the Trust Act shall be deemed invalid and unenforceable.

#### **9.12 Recruitment and Appointment of Directors and Senior Executives**

- None-

#### **9.13 Remunerations of the Auditors**

In the past fiscal year, the trust has paid audit fees to EY Office Limited as actually invoiced, which includes the audit fee amounting to 400,000 Baht.

#### **9.14 Case of Compliance with Other Corporate Governance Principles (if any)**

-None-

### **10. Corporate Social Responsibilities: CSR**

#### **10.1 Overall Policy**

The Management Company in the capacity of the REIT Manager is aware of its social responsibility and is committed to the policies of business conduct with fairness, anti-corruption practice, human right esteem, workforce handling with fairness, consumer responsibility, preserving and taking good care of environment, social and community development cooperation, and gaining and disseminating of innovation acquired from responsibility operation to the society, environment, and the stakeholders.



## 10.2 Undertaking of CSR Activities

In 2024, the Management Company adhered to the policy of business conduct with fairness through internal control mechanisms and implementation of company's rules and regulations. The Company has developed a Compliance Manual which specifies the Code of Ethics and Business Conduct serving to guide the actions of the employee under the standard of duty of loyalty and duty of care, regulations and procedure guidelines related to the employees, regulations and procedure guidelines in undertaking REIT management business, disclosure of information related to REIT management and the conflicts of interest, supervision of material information, handling of clients' complaints, and regular reporting to the Audit Committee and the Board of Directors, etc.

Moreover, the Company has carried out an anti-corruption program by signing a mutual agreement with the Private Sector Collective Action Coalition against Corruption and has fully committed to the agreement.

## 10.3 Social and Environmental Responsibility Activities (After Process)

- None-

## 11. Internal Control and Risk Management

The Compliance Department has the duties to supervise, audit, and monitor the business operations in accordance with the regulations of the SEC Office, the provision stipulated by related laws, and the policies and regulations of the Management Company, in order to ensure that the business conduct and operations of the Management Company is in compliance with the regulations of the regulators and the rules and regulation of the Company. The Compliance Department shall prepare a Compliance Manual which specifies the Code of Ethics and Business Conduct serving to guide the actions of the employee under the standard of duty of loyalty and duty of care, regulations and procedure guidelines related to the employees, regulations and procedure guidelines in undertaking REIT management business, disclosure of information related to REIT management and the conflicts of interest, supervision of material information, and handling of clients' complaints. Moreover, the Compliance Department shall independently report the results of the reviewing and auditing of compliance to the Audit Committee and the Board of Directors on a regular basis.

The Compliance Department is responsible for preparing an annual audit plan which is subject to approval of the Audit Committee and covers material issues by taking into consideration the probability of the occurrence of any possible incident of compliance, the damage incurred by such an incident, and risk assessment through cooperation with the Risk Management Unit. The Compliance and Internal Audit Department should supervise and audit the operations of each business unit in

accordance with the action plans, assess the adequacy of the internal control system, and monitor the operations of each unit to ensure compliance with the policy, regulations, and procedure guidelines, as well as the code of conduct.

The Audit Committee has the duties to consider the appropriateness in terms of qualifications and performance of the Head of Compliance and Internal Audit Department and grant approval for the appointment, removal, transfer, or termination, and performance evaluation of the Head of Compliance and Internal Audit Department in order to ensure independence of the Compliance and Internal Audit Department.

#### **Background of the Head of Compliance**

Name: Ms. Pawanud Iam Nawachai

Position: Executive Vice President, Compliance and Risk Management Group

Education: Bachelor's Degree: Economics (English Program), Thammasat University

Master's Degree: Economics (English Program), Thammasat University

#### **Work Experience in the Field of Compliance**

Institution	Position	Period
Land and Houses Fund Management	Executive Vice President, Compliance and Risk Management Group	April 2019 – Present
Government Pension Fund	Associate Director, Investment Risk Dept.	April 2007 – March 2019
SC Securities	Deputy Vice President, Derivatives Market Risk Dept.	April 2006 – April 2007
Government Pension Fund	Manager, Risk Management, and Investment Monitoring Dept.	May 2005 – March 2006
Securities and Exchange Commission	Deputy Division Chief, Broker and Dealer	July 1992 – April 2005

## 12. Prevention of Conflicts of Interest

### 12.1 Transactions between the Fund/Trust and the Management Company/REIT Manager and Related/Connected Persons

The REIT Manager has the primary duty and responsibility for overseeing and managing the trust, which includes investment management and the generation of returns from the trust's assets, as well as supervising the performance of the property manager. Although the REIT Manager has a policy to avoid related-party transactions that may result in conflicts of interest, the Trust may still engage in transactions with connected people.

In such cases, where the Trust enters into transactions with related parties, the REIT Manager will consider the rationale and necessity for the Trust to engage in such transactions. These actions will be carried out in compliance with the REIT Manager's internal policies, the Trust Deed, the REIT Manager Appointment Agreement, the registration statement, the prospectus, as well as applicable regulations and laws governing REIT management.

Related Persons/Entities to the REIT

Related Persons/Entities to the REIT	Relationship with the REIT
1. Land and Houses Public Company Limited ("LH")	<ul style="list-style-type: none"> <li>- Is a major shareholder of the REIT manager, with LH indirectly holding 25.31% of the total shares.</li> <li>- Is a major unitholder of LHRREIT, directly holding approximately 26.96% of the trust units offered after the conversion.</li> <li>- Is a major shareholder of QH, directly holding 24.98% of the total shares.</li> <li>- Is a major shareholder of LHBANK, directly holding 99.99% of the total shares.</li> <li>- Is a major shareholder of LHM, indirectly holding 99.98% of the total shares.</li> </ul>
2. Quality Houses Public Company Limited ("QH")	<ul style="list-style-type: none"> <li>- Is the major shareholder of QHI, holding 99.99% of total shares directly.</li> <li>- Is the major shareholder of the REIT Manager, holding 13.74% of total shares indirectly.</li> <li>- Is an associate company of LH, with LH directly holding 24.98% of total shares.</li> <li>- Acts as the provider of computer systems and personnel for system maintenance under a project management agreement, which will be transferred from the property fund to the REIT, including public relations and project marketing services.</li> </ul>
3. Land and Houses Fund Management Co., Ltd. ("LH Fund")	<ul style="list-style-type: none"> <li>- Will be the founder of the trust and the REIT manager after the conversion is completed.</li> <li>- Is an associate company of LH, with LH indirectly holding 25.31% of the total shares</li> </ul>
4. LH Financial Group Public Company Limited ("LHFG")	<ul style="list-style-type: none"> <li>- LH Financial Group Public Company Limited ("LHFG") is a major shareholder of the Trust Manager, holding 99.99% of the total shares directly.</li> <li>- LH Financial Group Public Company Limited ("LHFG") is a major shareholder of LHBANK, holding 99.99% of the total shares directly.</li> </ul>
5. Land and Houses Bank Public Company Limited ("LHBANK")	<ul style="list-style-type: none"> <li>- Will be a unitholder of the LHRREIT Trust, holding unitholders directly at approximately 2.77% of the units available after conversion.</li> <li>- Is an affiliate company of LH, with LH holding indirect shares amounting to 25.31% of the total shares.</li> </ul>

Related Persons/Entities to the REIT	Relationship with the REIT
6.L & H Management Company Limited ("LHM")	<ul style="list-style-type: none"> <li>-Is the contractor responsible for providing staff for the fund's projects according to the service agreement transferred from the Fund to the REIT.</li> <li>-Is a subsidiary of LH, with LH holding an indirect stake of 99.98% of the total shares.</li> </ul>
7.QH International Co., Ltd. ("QHI")	<ul style="list-style-type: none"> <li>- Acts as the property manager and recruits personnel according to the property management agreement that was transferred from the mutual fund to the trust.</li> <li>- Is a subsidiary of QH, with QH holding a direct stake of 99.99% of the total shares.</li> </ul>
8.SCB Asset Management Co., Ltd. ("SCBAM")	<ul style="list-style-type: none"> <li>- Will become the trustee of the REIT after the completion of the conversion.</li> </ul>

**Remark:** /1 Based on the unit holding information of the said person as of the latest unitholder record date of the mutual fund on May 29, 2024. This is subject to the condition that the said person still holds the investment units on the entitlement date for the exchange of investment units for trust units.

#### Transactions between the Trust and the REIT Manager or Persons Related to the REIT Manager

Entities Related to the REIT	Nature of Related Party Transactions	Necessity and Reasonableness of the Transaction	Opinion of the REIT Manager and Financial Advisor
LH Fund	The REIT will appoint LH Fund as the REIT Manager after the conversion of the mutual fund into a REIT is completed.	LH Fund has experience in managing investments as a mutual fund manager and has a thorough understanding of the assets transferred from the Fund to the REIT. Therefore, LH Fund is deemed suitable to act as the REIT Manager.	The fees and related terms are consistent with the responsibilities of the REIT manager and are comparable to the REIT manager fees in the market. The details of the REIT manager fees are disclosed in Section 2.2, Topic 11,

Entities Related to the REIT	Nature of Related Party Transactions	Necessity and Reasonableness of the Transaction	Opinion of the REIT Manager and Financial Advisor
			'Fee Rates and Expenses Charged to the REIT.
QH	QH will provide computer systems services along with personnel to manage the systems under the project management agreement, which will be transferred from the Fund to the REIT after the conversion of the Fund into the REIT is completed. This also includes public relations and marketing of the project.	"It is an agreement to hire QH to provide computer system services along with personnel to manage the systems of the project, which is the property of the REIT, and to carry out public relations and marketing for the project."	"The fees and related terms are consistent with the responsibilities of the contractor in managing the assets for the benefit of the trust, and the expenses for public relations and marketing are paid at an amount equivalent to what would be paid to an external party."
LHM	LHM will provide employee recruitment services to work on the project for the REIT after the conversion of the Fund into the REIT is completed.	"LHM is an expert in recruiting employees to work on the project for the REIT. It has expertise and experience in staffing since the establishment of the Fund.	The fees and related terms are consistent with the responsibilities of the contractor.
QHI	QHI will be the property manager and personnel provider for the assets transferred from the Fund to the REIT after the Fund has been successfully converted into the REIT.	"The appointment of QHI as the property manager is reasonable because QHI has over 30 years of experience in property management under the 'Center Point' brand. With its long-standing experience and reputation, QHI has expertise in management	The fees and related terms are consistent with the responsibilities of the property manager and personnel providers. Detailed information on the property management fees can be

Entities Related to the REIT	Nature of Related Party Transactions	Necessity and Reasonableness of the Transaction	Opinion of the REIT Manager and Financial Advisor
		and operations, ensuring quality and services that meet international standards.	found in section 2.2, Topic 11, 'Fees and Expenses Charged to the REIT'.

Transactions between the REIT and the Trustee and persons related to the Trustee.

Entities Related to the REIT	Nature of Related Party Transactions	Necessity and Reasonableness of the Transaction	Opinion of the REIT Manager and Financial Advisor
SCBAM	The REIT will appoint SCBAM as the Trustee after the conversion of the Fund into the REIT is completed."	SCBAM has experience as a Trustee for real estate investment trusts, as well as in managing real estate mutual funds in various business sectors. Therefore, SCBAM has a deep understanding of mutual fund management and real estate investment trusts, along with the relevant regulations. SCBAM is therefore suitable to be the Trustee."	"The structure of the Trustee's fees is in line with normal business practices, which is comparable to the fees of Trustees for other similar real estate investment trusts. Detailed Trustee fees are disclosed in section 2.2, topic 11, 'Fees and Expenses Charged to the REIT'."



## **Policy on Transactions Between the Trust and the REIT Manager or Related Persons, and Conflict of Interest Prevention Guidelines**

In cases where transactions between the Trust and the REIT Manager or people related to the REIT Manager (beyond those already disclosed) arise, the REIT Manager shall proceed in accordance with the Securities and Exchange Act as follows:

### **(1) Related Persons of the REIT Manager**

The definition of related people shall follow the relevant notifications concerning rules for related-party transactions.

### **(2) General Terms and Conditions for Transactions Between the Trust and the REIT Manager or Related Persons**

- Transactions shall comply with the Trust Deed and applicable laws and must serve the best interests of the Trust and the unitholders.
- Transactions must be conducted on reasonable and fair terms.
- Any person with a special interest in the transaction, directly or indirectly, must not participate in the decision-making process.

### **(3) Approval Process for Transactions Between the Trust and the REIT Manager or Related Persons**

- Approval from the Trustee is required, ensuring compliance with the Trust Deed and applicable laws.
- If the transaction value exceeds THB 1 million or 0.03% of the Trust's net asset value, whichever is higher (subject to legal updates), approval from the REIT Manager's board of directors is required.
- If the transaction value is THB 20 million or more, or exceeds 3% of the Trust's net asset value, whichever is higher (subject to regulatory adjustments), approval by a resolution of the unitholders' meeting with at least three-fourths of the total votes of unitholders present and eligible to vote is required. For transactions involving acquisition or disposal of core assets, the calculation is based on the total value of each project that is revenue-generating, including related properties.

### **(4) Transaction Policy Between the Trust and the REIT Manager or Related Persons**

- Transactions must be conducted under fair and appropriate terms and in accordance with securities law requirements. If new definitions of related people are later announced by the SEC or other relevant regulators, the Trust shall adhere to the updated rules.

- The Trust shall disclose transactions with the REIT Manager or its related parties to the SEC, the Stock Exchange, in the Trust's audited financial statement footnotes, and in its annual report.

#### **Policy on Transactions Between the Trust and the Trustee or Persons Related to the Trustee, and Conflict of Interest Prevention Guidelines**

If a transaction between the Trust and the Trustee or persons related to the Trustee is necessary, the REIT Manager shall assess the necessity and reasonableness of the transaction. Independent directors will review and provide opinions on its necessity and the benefit to the Trust. The approval process shall comply with applicable rules, and interested parties must abstain from voting.

The Trust shall disclose full transaction details with the Trustee or related people in accordance with applicable regulations.

In the event of a future conflict-of-interest transaction between the Trust and a person related to the Trustee, such a transaction may not proceed unless:

- It is for Trustee compensation, or
- The Trustee demonstrates that it is managing the Trust fairly.

The following additional steps are required:

1. **Disclosure** through the Stock Exchange or other publicly accessible channels.
2. **Minimum disclosure period** of at least 14 days;
3. **Clear instructions for objections**, with a minimum objection period of 14 days, unless the transaction requires unitholder approval, in which case objections must be submitted at the relevant meeting.

If more than one-fourth of all outstanding Trust units object through the specified procedures, the Trustee shall not proceed with the transaction that conflicts with the Trust's interests.

#### **Tendency of Transactions in the Future of the REIT**

##### **12.2 Soft commission**

No.	Company	Type of Soft Commission	Rationale for Accepting Soft Commissions
1	Kasikornbank Public Co., Ltd.	Information/ Research Analysis	For the benefits of the REIT's investment
2	Siam Commercial Bank Public Co., Ltd.	Information/ Research Analysis	For the benefits of the REIT's investment
3	Bangkok Bank Public Co., Ltd.	Information/ Research Analysis	For the benefits of the REIT's investment
4	Bank of Ayudhya Public Co., Ltd.	Information/ Research Analysis	For the benefits of the REIT's investment
5	Krung Thai Bank Public Co., Ltd.	Information/ Research Analysis	For the benefits of the REIT's investment
6	TISCO Bank Public Co., Ltd.	Information/ Research Analysis	For the benefits of the REIT's investment
7	CIMB Thai Bank Public Co., Ltd.	Information/ Research Analysis	For the benefits of the REIT's investment
8	UOB Bank Public Co., Ltd.	Information/ Research Analysis	For the benefits of the REIT's investment
9	Government Savings Bank	Information/ Research Analysis	For the benefits of the REIT's investment
10	Asia Plus Securities Public Co., Ltd.	Information/ Research Analysis	For the benefits of the REIT's investment
11	KT Zmico Securities Public Co., Ltd.	Information/ Research Analysis	For the benefits of the REIT's investment
12	Capital Nomura Public Co., Ltd.	Information/ Research Analysis	For the benefits of the REIT's investment
13	KGI Securities (Thailand) Public Co., Ltd.	Information/ Research Analysis	For the benefits of the REIT's investment
14	Thanachart Bank Public Co., Ltd.	Information/ Research Analysis	For the benefits of the REIT's investment
15	Second Mortgage Corporation	Information/ Research Analysis	For the benefits of the REIT's investment
16	Trinity Securities Co., Ltd.	Information/ Research Analysis	For the benefits of the REIT's investment
17	Phillip Securities (Thailand) Public Co., Ltd.	Information/ Research Analysis	For the benefits of the REIT's investment
18	Kiatnakin Phatra Bank Public Co., Ltd.	Information/ Research Analysis	For the benefits of the REIT's investment

No.	Company	Type of Soft Commission	Rationale for Accepting Soft Commissions
		Research Analysis	
19	Bank of China	Information/ Research Analysis	For the benefits of the REIT's investment
20	Government Housing Bank	Information/ Research Analysis	For the benefits of the REIT's investment
21	Land and Houses Bank Public Co., Ltd.	Information/Research Analysis	For the benefits of the REIT's investment
22	Industrial and Commercial Bank of China (Thai) Public Co., Ltd.	Information/ Research Analysis	For the benefits of the REIT's investment
23	TMB Bank Public Co., Ltd.	Information/ Research Analysis	For the benefits of the REIT's investment
24	Beyomd Securities Co., Ltd.	Information/ Research Analysis	For the benefits of the REIT's investment
25	KTB Securities Co., Ltd.	Information/ Research Analysis	For the benefits of the REIT's investment
26	DBS Vickers Securities (Thailand) Co., Ltd.	Information/ Research Analysis	For the benefits of the REIT's investment
27	Kasikorn Securities Public Co., Ltd.	Information/ Research Analysis	For the benefits of the REIT's investment
28	InnovestX Securities Co., Ltd.	Information/ Research Analysis	For the benefits of the REIT's investment
29	DAOL Securities (Thailand) Co., Ltd.	Information/ Research Analysis	For the benefits of the REIT's investment
30	Yuanta Securities (Thailand) Co., Ltd.	Information/ Research Analysis	For the benefits of the REIT's investment
31	Land and Houses Securities Public Co., Ltd.	Information/ Research Analysis	For the benefits of the REIT's investment

Part 4  
Financial Position and Operation Results

13. Financial Highlights

13.1 Summary of Auditor's Reports as of 31 December 2024

The financial statements of Quality Houses Leasehold Property Fund for the year 2024 had been audited by Ms.Rosaporn Decharkom, Certified Public Accountant, Registration No. 5659, of EY Office Company Limited, who expressed her opinion that such financial statements presented fairly, in all material respects, the financial position of the REIT as at 31 December 2024, and its financial performance, changes in its net assets, cash flows and significant financial information for the period as from 22 October 2024 (the registration date) to 31 December 2024, in accordance with Thai Financial Reporting Standards.

13.2 Table Showing Summary of Financial Statements

a) Summary of Financial Status of Land and Houses Freehold and Leasehold Property Fund

Statement of Financial Position		
Assets/ Liabilities	22 October 2024 (the registration date) to 31 December 2024	
	Baht	%
<b>Assets</b>		
Investments in properties at fair value	3,562,934,182	95.57%
Investments in securities at fair value	-	-
Cash at banks	122,251,405	3.28%
Accounts receivable from rental	16,269,971	0.44%
Accounts receivable from interest	6,379	0.00%
Deposits	2,653,060	0.07%
Other assets	23,788,597	0.64%
<b>Total assets</b>	<b>3,727,903,594</b>	<b>100.00%</b>
<b>Liabilities</b>		
Accrued expenses	21,931,190	0.59%
Deposits received from customer	25,793,640	0.69%
Lease liabilities	106,034,182	2.85%
Other liabilities	14,705,802	0.39%
<b>Total liabilities</b>	<b>168,464,814</b>	<b>4.52%</b>

<b>Net Assets</b>	<b>3,559,438,780</b>	<b>95.48%</b>
<b>Net Assets</b>		
REIT registered		
330,000,000 units of Baht 10.7302 each	3,540,966,000	94.98%
Capital from the unitholders		
330,000,000 units of Baht 10.7302 each	3,540,966,000	94.98%
Retained earnings	18,472,780	0.50%
<b>Net assets</b>	<b>3,559,438,780</b>	<b>95.48%</b>
<b>Net asset value per unit</b>	<b>10.7861</b>	

Note: The above information is based on the REIT's financial statements for the period as from 22 October 2024 (the registration date) to 31 December 2024 and certified auditor's report.

b) Summary of Income Statements of Land and Houses Residential Freehold and Leasehold Real Estate Investment Trust

Income Statement		
Income Statement	22 October 2024 (the registration date) to 31 December 2024	
	Baht	%
<b>Investment income</b>		
Rental income	34,880,534	99.32%
Interest income	63,870	0.18%
Other income	176,742	0.50%
<b>Total income</b>	<b>35,121,146</b>	<b>100.00%</b>
<b>Expenses</b>		
Cost of rental and services	7,775,723	22.14%
Management fee	1,001,015	2.85%
Trustee's fee	286,004	0.82%
Registrar fee	82,005	0.23%
Property management fee	1,546,158	4.40%
Professional fees	762,250	2.17%
Selling expenses	3,684,049	10.49%

Operating expenses	3,466,203	9.87%
<b>Total expenses</b>	<b>18,603,407</b>	<b>52.97%</b>
<b>Net investment income</b>	<b>16,517,739</b>	<b>47.03%</b>
<b>Realized and unrealized gain (losses) on investments</b>		
Net realized gain (losses) on investments	1,955,041	
Net unrealized gains (losses) on investments		
<b>Total realized and unrealized gain on investments</b>	<b>1,955,041</b>	
<b>Net increase in net assets resulting from operations</b>	<b>18,472,780</b>	

Remark : The above information is based on the REIT's financial statements for the period as from 22 October 2024 (the registration date) to 31 December 2024 and certified auditor's report.

c) Summary of Cash Flow Statements of Land and Houses Residential Freehold and Leasehold Real Estate Investment Trust

Cash flow Statement	
Statements of Changes in Net Assets	22 October 2024 (the registration date) to 31 December 2024 Baht
<b>Cash flows from operating activities</b>	
Net cash flows from operating activities	32,275,205
<b>Cash flows from financing activities</b>	
Net cash flows used financing activities	89,976,200
<b>Net increase in cash at banks</b>	<b>122,251,405</b>
Cash at banks at beginning of year	-
<b>Cash at banks at end of year</b>	<b>122,251,405</b>

Remark : The above information is based on the REIT's financial statements for the period as from 22 October 2024 (the registration date) to 31 December 2024 and certified auditor's report.

## 14. Management Discussion and Analysis

### 14.1 Analysis of Past Performance

#### 14.1.1 Disclosed Information

##### (1) REIT Overview Performance

As from 22 October 2024 (the registration date) to 31 December 2024, the REIT had a net income of Baht 35.12 million, representing rental and service income of Baht 34.88 million, interest income of Baht 0.06 million, and other income of Baht 0.18 million for the same period. The REIT has a net cost of Baht 18.60 million, consisting the cost of rental and service fees of Baht 7.77 million, the fee for property management and fund management of Baht 3.68 million, selling expenses of Baht 3.68 million and administrative expenses of Baht 3.47 million.

The REIT will have a net investment income of Baht 16.52 million The REIT has realized and unrealized loss from investment of Baht 1.96 million, resulting in an increase in net assets from operations of Baht 18.47 million. As of 31 December 2024, the REIT has a net asset value of Baht 3,559.44 million or equivalent to Baht 10.7861 per unit.

## (2) Profitability

### Income of the REIT

The REIT had a net income of Baht 35.12 million, representing rental and service income of Baht 34.88 million, interest income of Baht 0.06 million and other income of Baht 0.18 million.

### Expense of the REIT

The REIT has a net cost of Baht 18.60 million, representing the cost of rental and service fees of Baht 7.77 million, the fees for property management and REIT management of Baht 3.68 million, selling expenses of Baht 3.68 million, and administrative expenses of Baht 3.47 million.

### Net Investment Income

In 2024, the REIT had a net investment income of Baht 16.52 million.

Financial Ratios Related to Profitability

Profitability Ratio (%)	31/Dec/2024
Gross Profit Ratio	77.71%
Operating Margin Ratio	46.67%
Other Margin Ratio	0.69%
Net Profit Ratio	47.03%
Return on Unitholders	0.46%

## Property Management to Generate Higher Income



The REIT and the Property Manager have assessed and adjusted rental rates to be in line with the form and the demand for services of the customers to ensure maximum rental rates and to increase the REIT's income in accordance with the current economic condition whereby the Property Manager shall give advice on proper marketing methods to increase the potential of the Fund's assets, as well as how to improve the image of the buildings, how to keep the properties in good condition and good repair to ensure good working condition at all times in order to satisfy the tenants by maintaining the assets including their appearance and facilities therein as well as service level. The strategies for increasing the potential as aforesaid include regular assessment of the opportunities for increasing the potential of the assets.

#### Fee Structure

Fees	<b>22 October 2024 (the registration date) to 31 December 2024</b>
REIT Management Fee	1,001,015
Trustee's Fee	286,004
Registrar's Fee	82,005
Property Management Fee	1,546,158
Professional Fee	762,250

### (3) Property Management Capacity

#### Investments in Immovable Properties at Fair Value

#### Appraised Values Determined by Income Approach

Asset	Appraised Value for 2024 (Million Baht)	Appraisal Company	Date of Valuation
Center Point Sukhumvit- Thong Lo Serviced Apartment Project	1,724.00	TAP Valuation Company Limited	11 May 2024

Asset	Appraised Value for 2024 (Million Baht)	Appraisal Company	Date of Valuation
Centre Point Residence Phromphong Project	1,202.00	TAP Valuation Company Limited	11 May 2024
L & H Villa Sathon Project	530.90	TAP Valuation Company Limited	31 December 2024
Total value of all projects	3,456.90		

### Financial Ratios Related to Property Management Capacity

#### Financial Ratios Relating to Liquidity Ratios

Liquidity Ratio (times)	31/Dec/2024
Current Ratio	2.64
Quick Ratio	2.22
Account Receivable Turnover	2.14

Accounts Receivable from Rental, Accounts Receivable from Net Profit Guarantee and Accounts Receivable from Interest

#### Accounts Receivable from Rental and Services

The REIT's accounts receivable from rental as of 31 December 2024 amounted to Baht 16.27 million.

#### Accounts Receivable from Interest

The REIT's accounts receivable from interest as of 31 December 2024 amounted to Baht 0.01 million.

### (4) Debt Servicing Capacity

#### Accrued Expenses

As of 31 December 2024, the REIT's accrued expenses amounted to approximately Baht 21.93 million.

#### Securities Deposits Received from Customers

As of 31 December 2024, the security deposits received by the REIT from its customers amounted to approximately Baht 25.79 million.

#### Other Liabilities

As of 31 December 2024, the REIT's other liabilities amounted to approximately Baht 14.71 million.

### (5) Liquidity and Capital Adequacy

#### (5.1) Sources and Uses of REIT

## Cash and Cash at Banks

The REIT's cash at banks as of 31 December 2024 amounted to Baht 122.25 million,

Financial Policy Ratio	22 October 2024 (the registration date) to 31 December 2024
Debt to Equity Ratio (times)	0.0473
Dividend Payout Ratio (%)	84.85%

Remark: \*The distribution payout ratio is calculated based on cash flows used for dividend payments divided by net investment income, which may not correspond to the dividend payout ratio to net investment income for that year.

## Cash Flow from Operating Activities in the Past Years

### Cash flow Statement

Statements of Changes in Net Assets	22 October 2024 (the registration date) to 31 December 2024 Baht
Cash flows from operating activities	
Net cash flows from operating activities	32,275,205
Cash flows from financing activities	
Net cash flows used financing activities	89,976,200
<b>Net increase in cash at banks</b>	<b>122,251,405</b>
Cash at banks at beginning of year	-
<b>Cash at banks at end of year</b>	<b>122,251,405</b>

In 2024, the REIT obtained cash from operating activities in the approximate amount of Baht 32.27 million, of which approximately Baht 89.98 million was used in financing activities. The cash at banks increased Baht 122.25 million, which was the balance after use in the financing activities. Thus, the cash at banks at end of year amounted to Baht 122.25 million.

### (5.2) Capital Expenditure

- None -

### (5.3) Capacity of Additional Financing

- None –

(5.4) Debt Serving Capacity and Compliance with Covenants and Major Obligations

- None –

(6) Distribution Payment

During the accounting period from 22 October 2024 (the registration date) to 31 December 2024, the REIT's net investment income amounted to Baht

Distribution Payment History

Year	2024*
(1) Distribution yield per unit (Baht)	0.0475
(2) Sharing of equity unit (Baht)	0.00
Total Distribution Payment per Unit (1)+(2) (Baht)	0.0475
(3) Percentage compared with par value* (Baht 10.7302 per unit as of 26 November 2024 ) (%)	
(3.1) Distribution yield rate (%)	0.44%
(3.2) Equity sharing rate (%)	0.00%
Distribution rate per unit (3.1) + (3.2) (%)	0.44%
(4) Percentage compared with Market Price as of the end of 31 December 2024* (Baht 5.45 per unit as of 30 December 2024)	
(4.1) Dividend yield rate (%)	0.87%
(4.2) Equity sharing rate (%)	0.00%
Distribution rate (4.1) + (4.2) (%)	0.87%

Note: \*The above figures are calculated from the dividend yield and repayment of proceeds from capital reduction over the past year divided by price per unit of the REIT.

14.2 Factors or Circumstances that may impact in the Future (Forward Looking)

14.2.1 Factors or Circumstances that may impact in the Future

The Thai economy in 2025 is expected to expand in the range of 2.3% to 3.3%, showing a recovery from 2024. Key supporting factors include government expenditures, particularly investment spending, and the continued recovery of the tourism sector, reflected by the rising number of international tourists, which is expected to return closer to normal levels. This recovery is also supported by an increase in tourist spending. Major contributing factors include the global recovery of travel, the increase in international flights to Thailand, and government measures to attract foreign tourists, such as visa exemption policies to

facilitate visa applications, and Thailand's hosting of the Southeast Asian Games in December 2025. Additionally, private sector investment and private consumption are also expected to expand.

It should be noted that the above events are only projections. Investors should exercise caution and use their own discretion in reviewing the Trust's information before making any investment decisions

#### **14.2.2 Other Factors or Circumstances**

- None-

## 15. Report of the Trustee



### TRUSTEE REPORT

March 28<sup>th</sup>, 2025


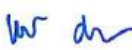
To: Trust Unitholders

Land and Houses Residential Freehold and Leasehold Real Estate Investment Trust

SCB Asset Management Company Limited (the “Trustee”), as the Trustee of Land and Houses Residential Freehold and Leasehold Real Estate Investment Trust (the “REIT”) which managed by Land and Houses Fund Management Co., Ltd. (the “REIT Manager”), would like to inform you that for the period of October 22<sup>nd</sup>, 2024 to December 31<sup>st</sup>, 2024, the REIT Manager had managed the REIT properly and efficiently as well as in compliance with applicable laws, regulations and the Trust Deed (as amended) in a way that protects interests of the REIT and Trust unitholders as a whole.

Yours faithfully,

SCB Asset Management Company Limited

   
(Mrs. Tipaphan Puttarawigorn) (Mr. Paeree Ichayapreug)

Trustee

**Total Expenses Chargeable to the REIT**  
**For the Period as from 1 November 2024 to 31 December 2024**

Expenses chargeable to the REIT	Amount Unit: Baht <sup>1</sup>	Percentage of NAV	
		actually charged	specified in the REIT Scheme
REIT management fee	1,001.02	0.03	not exceeding 2.0%
Registrar's fee	82.00	0.00	as actually paid
Trustee's fee	286.00	0.01	not exceeding 1.0%
Property management fee	1,546.16	0.04	as actually paid
Professional fee	762.25	0.02	as actually paid
Cost of rental and services	7,775.72	0.22	as actually paid
Selling expenses	3,684.05	0.10	as actually paid
Management expenses	3,466.20	0.10	as actually paid
<b>Total expenses</b>	<b>18,603.40</b>	<b>0.52</b>	

Notes: 1 Fees and expenses charged to the REIT are inclusive of value added tax, specific business tax or other taxes of a similar nature (if any) whereas fees or expenses as per the REIT Scheme are exclusive of value added tax.

The averaged monthly NAV calculated from 1 November 2024 to 31 December 2024 is equivalent to Baht 3,557,950,292

## Auditor's Report and Financial Statements



Land and Houses Residential Freehold and Leasehold  
Real Estate Investment Trust  
Report and financial statements  
For the period as from 22 October 2024 (the registration date)  
to 31 December 2024

## Independent Auditor's Report

To the Unitholders of Land and Houses Residential Freehold and Leasehold Real Estate Investment Trust

### Opinion

I have audited the accompanying financial statements of Land and Houses Residential 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 2024, and the related statements of comprehensive income, changes in net assets and cash flows for the period as from 22 October 2024 (the registration date) to 31 December 2024, and notes to the financial statements, including material accounting policy information (collectively "the financial statements").

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Land and Houses Residential Freehold and Leasehold Real Estate Investment Trust as at 31 December 2024, its financial performance, changes in its net assets and cash flows for the period as from 22 October 2024 (the registration date) to 31 December 2024 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 Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

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

Key audit matters and how audit procedures respond for each matter are describe below.

### Valuation of Investments in Properties

As disclosed in Notes 3.2 and Note 5 to the financial statements, the Trust had investments in properties presented in the statement of financial position as at 31 December 2024 at their fair value of Baht 3,563 million, representing 96% of total assets. These investments in properties are not traded on an active market and a comparable quoted price for the same or similar investments on an inactive market cannot be found. The REIT Manager therefore determined the fair value of these investments in properties based on the value appraised by an independent appraiser using the income approach. As the REIT Manager is required to exercise significant judgement with respect to the estimation of future operating results and the determination of a discount rate and key assumptions, there are therefore significant risks with respect to the measurement of such investments.

I have examined the valuation of investments in properties of the Trust including:

- Evaluating the internal controls of the Trust related to the determination of fair value of investments in leasehold rights to properties by making enquiry of responsible executives and gaining an understanding of the operation of controls designed by the REIT Manager.
- Considering the extent and objectives of the assessment of fair value by the independent appraiser

- Evaluating the techniques and models used by the independent appraiser to measure the fair value, as specified in the appraisal report prepared by the appraiser, by comparing them to my knowledge and past experience regarding the valuation of the same or similar assets.
- Evaluating the competence and independence of the independent appraiser by checking publicly available data.
- Evaluating the data and key assumptions used in the measurement of fair value, by comparing estimation data with the Trust's operating results to evaluate the judgement of the REIT Manager in terms of projections of operating results and tested the calculation of the fair value made based on the above models and assumptions.
- Evaluating the disclosure of information related to the measurement of the fair value of investments in properties in the notes to the financial statements.

### **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 those charged with governance for correction of the misstatement.



## **Responsibilities of the REIT Manager and Those Charged with Governance 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.

Those charged with governance are responsible for overseeing the Trust's financial reporting process.

## **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 those charged with governance 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 those charged with governance 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 those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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



Rosaporn Decharkom  
Certified Public Accountant (Thailand) No. 5659

EY Office Limited  
Bangkok: 24 February 2025

**Land and Houses Residential Freehold and Leasehold Real Estate Investment Trust**

**Statement of financial position**

**As at 31 December 2024**

	<u>Note</u>	(Unit: Baht)
<b>Assets</b>		
Investments in properties at fair value	5	3,562,934,182
Cash and cash equivalents	6	122,251,405
Accounts receivable from rental and services	7, 13	16,269,971
Accounts receivable from interest		6,379
Deposits		2,653,060
Other assets		23,788,597
<b>Total assets</b>		<u>3,727,903,594</u>
<b>Liabilities</b>		
Accrued expenses	13	21,931,190
Deposits received from customers		25,793,640
Lease liabilities	14	106,034,182
Other liabilities	13	14,705,802
<b>Total liabilities</b>		<u>168,464,814</u>
<b>Net assets</b>		<u><u>3,559,438,780</u></u>

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



Land and Houses Residential Freehold and Leasehold Real Estate Investment Trust

Statement of financial position (continued)

As at 31 December 2024

	<u>Note</u>	(Unit: Baht)
<b>Net assets:</b>		
Fund registered		
330,000,000 units of Baht 10.7302 each		3,540,966,000
Capital from the unitholders		
330,000,000 units of Baht 10.7302 each		3,540,966,000
Retained earnings	8	18,472,780
<b>Net assets</b>		<b>3,559,438,780</b>
Net asset value per unit (Baht)		10.7861
Number of units issued - end of period (units)		330,000,000

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



(Mr. Natkawin Jiamchoatpatanakul)  
Senior Vice President  
Infrastructure and Property Fund Department



(Mrs. Narumol Senthong)  
Vice President  
Fund Accounting Department

**Land and Houses Residential Freehold and Leasehold Real Estate Investment Trust**

**Details of investments**

**As at 31 December 2024**

**Details of investments classified by asset classes**

Type of investments	Cost	Fair value	Percentage of investment
	(Baht)	(Baht)	(Percent)
<b>Investments in properties</b>			
L&H Villa Sathon	634,177,577	636,153,496	17.85
Location: Naratiwasrachanakarin, Bangkok			
Centre Point Residence Phromphong	1,202,390,364	1,202,379,887	33.75
Location: Sukhumvit Soi 39, Bangkok			
Centre Point Sukhumvit-Thonglo	1,724,411,200	1,724,400,799	48.40
Location: Thonglor Soi 8, Bangkok			
<b>Total investments in properties</b>	<b>3,560,979,141</b>	<b>3,562,934,182</b>	<b>100.00</b>

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

Land and Houses Residential Freehold and Leasehold Real Estate Investment Trust

Statement of comprehensive income

For the period as from 22 October 2024 (the registration date) to 31 December 2024

(Unit: Baht)

	<u>Note</u>	
<b>Investment income</b>		
Income from rental and services	15	34,880,534
Interest income		63,870
Other income		176,742
<b>Total income</b>		<u>35,121,146</u>
<b>Expenses</b>		
Cost of rental and services		7,775,723
REIT management fee	9, 13	1,001,015
Trustee's fee	10, 13	286,004
Registrar's fee	11	82,005
Property management fee	12, 13	1,546,158
Professional fee		762,250
Selling expenses	13	3,684,049
Operating expenses	13	3,466,203
<b>Total expenses</b>		<u>18,603,407</u>
<b>Net gains from investing</b>		<u>16,517,739</u>
<b>Net gains on investments</b>		
Gains on change in investments at fair value	5	1,955,041
<b>Total net gains on investments</b>		<u>1,955,041</u>
<b>Increase in net assets resulting from operations</b>		<u><u>18,472,780</u></u>

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

**Land and Houses Residential Freehold and Leasehold Real Estate Investment Trust**  
**Statement of changes in net assets**  
**For the period as from 22 October 2024 (the registration date) to 31 December 2024**

(Unit: Baht)

	<u>Note</u>	
<b>Increase in net assets resulting from operations during period</b>		
Net gains from investing		16,517,739
Gains on change in investments at fair value	5	1,955,041
<b>Increase in net assets resulting from operations</b>		<u>18,472,780</u>
Increase in capital from unitholders		<u>3,540,966,000</u>
<b>Increase in net assets during period</b>		<u>3,559,438,780</u>
Net assets at beginning of period		<u>-</u>
Net assets at end of period		<u><u>3,559,438,780</u></u>

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

**Land and Houses Residential Freehold and Leasehold Real Estate Investment Trust**

**Cash flow statement**

**For the period as from 22 October 2024 (the registration date) to 31 December 2024**

(Unit: Baht)

**Cash flows from operating activities**

Increase in net assets resulting from operations	18,472,780
Adjustments to reconcile the increase in net assets resulting from operations to net cash provided by (used in) operating activities:	
Gains on change in investments at fair value	(1,955,041)
Increase in accounts receivable from rental and services	(1,977,986)
Increase in accounts receivable from interest	(6,270)
Decrease in other assets	1,621,196
Increase in accrued expenses	10,816,172
Decrease in deposits received from customers	(349,591)
Increase in other liabilities	5,275,104
Interest from lease liabilities	378,841

<b>Net cash flows from operating activities</b>	<b>32,275,205</b>
---	-------------------

**Cash flows from financing activities**

Cash received from Land and Houses Freehold and Leasehold Property Fund as a result of conversion	90,000,000
Repayment of lease liabilities	(23,800)

<b>Net cash flows from financing activities</b>	<b>89,976,200</b>
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<b>Net increase in cash and cash equivalents</b>	<b>122,251,405</b>
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Cash and cash equivalents at beginning of period	-
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<b>Cash and cash equivalents at end of period (Note 6)</b>	<b>122,251,405</b>
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**Supplemental cash flows information:**

**Non-cash items**

Transfer of investments in properties as a result of conversion of Land and Houses Freehold and Leasehold Property Fund	3,455,300,000
Transfer of net assets as a result of conversion of Land and Houses Freehold and Leasehold Property Fund	85,666,000

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

**Land and Houses Residential Freehold and Leasehold Real Estate Investment Trust**  
**Notes to financial statements**  
**For the period as from 22 October 2024 (the registration date) to 31 December 2024**

**1. General information**

**1.1 Description of Land and Houses Residential Freehold and Leasehold Real Estate Investment Trust**

Land and Houses Residential Freehold and Leasehold Real Estate Investment Trust ("the Trust") was established as a trust on 22 October 2024 for the conversion of Land and Houses Freehold and Leasehold Property Fund ("the Fund"). The trust will receive assets and obligations of the Fund by paying compensation for the transfer of assets and obligations with newly issued trust units of the Trust to the Fund, which are trust units used for swapping with the investment units of the Fund at a ratio of 1 trust unit for 1 investment unit of the Fund (Swap-ratio). On 28 November 2024, the Fund was converted into the Trust, and the assets and obligations of the Fund were transferred to the Trust. Consequently, on 29 November 2024, all trust units of the Trust arising from the conversion were distributed to the Fund's unitholders.

After conversion of the Fund into the Trust, all agreements of the Fund that remain effective at that time shall be transferred from the Fund to the Trust.

The Trust was established with the objective of investing in real estate, focusing on investments in high-quality real estate and leasing rights, such as commercial properties, rental residences, residential buildings, serviced apartments, wellness centers, hospitals, medical centers, hotels, shopping centers, retail stores, specialty product distribution centers, large distribution centers, data centers, office buildings, etc., to serve as the main assets of the Trust, and aims to provide benefits in the form of rental income and service fees, or other similar revenues, with the expectation of generating consistent long-term returns for the Trust unit holders. Furthermore, the Trust intends to invest in additional properties to ensure the continuous growth of its income base, as well as other assets and/or securities and/or other yields by 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 11 December 2024 onwards.

The Trust is managed by Land and Houses Fund Management Company Limited ("the REIT Manager"). SCB Asset Management Company Limited acts as the Trustee and The property manager of the Trust is Q.H. International Company Limited, which manages L&H Villa Sathon project, Centre Point Residence Phromphong project and Centre Point Sukhumvit-Thonglo project.

The Trust's major unitholders are Land and Houses Public Company Limited and The Government Savings Bank which hold 26.96% and 15.15% of investment units, respectively, according to the registry of unitholders as at 6 December 2024.

## **1.2 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 and not less than two times per annum. However, the REIT Manager may consider payment of additional dividends to unitholders when it is determined to be necessary and appropriate.

The adjusted net profit means the net profit of the Trust determined on a cash basis.

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

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

## **2. Basis of preparation**

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

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

## **3. Significant accounting policies**

### **3.1 Revenues and expenses recognition**

*Rental and service income - the Trust as lessor*

Rental and services income is recognised as revenue in the statement of income on a straight line basis over the lease term.

*Interest income*

Interest income is recognised on an accrual basis based on the effective rate.

Premium or discounts on debt instruments are amortised evenly over the remaining term of the debt instruments, using the effective interest rate, and are treated as part of interest income.

Expenses are recorded on an accrual basis.

### **3.2 Investments in properties at fair value**

Investments are recognised as assets at cost, on the date which the Trust has rights on investments. The costs of investments comprised the purchase price, right-of-use assets and all direct expenses paid by the Trust in order to acquire such investments.

Investments in properties are stated at fair value with no depreciation charge. The REIT Manager measured fair value as at the first reporting date after acquisition of the properties based on the cost of investments. At subsequent reporting dates, they are presented at fair value, using the appraisal value assessed by an independent appraiser approved by Thai Valuer 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 after the date of the appraisal made for the purposes of purchasing or leasing the properties. In addition, the valuation will be reviewed within one year after the latest valuation date. The REIT Manager will not appoint any Appraiser to appraise the property or leased property for more than two consecutive times.

Gains or losses on valuation of investments in properties are presented as gains or losses on change in investments at fair value in the statement of comprehensive income.

### **3.3 Financial instruments**

The Trust initially measures financial instruments at its fair value and in the case of financial liabilities that are not measured at fair value through profit or loss will deduct transaction costs. However, trade receivables, that do not contain a significant financing component are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

#### **Classification and measurement of financial instruments**

All financial assets are classified as financial assets at fair value through profit or loss and subsequently measured at fair value through profit or loss.

All financial liabilities are classified as financial liabilities which subsequently measured at amortised cost.



### ***Accounts receivable from rental and services***

Account receivable from rental and services are stated at the net realisable value which the REIT Manager considers to be the nearest equivalent to fair value.

### **Derecognition of financial instruments**

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Trust has transferred substantially all the risks and rewards of the asset, or the Trust has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

### **Impairment of financial assets**

For accounts receivable from rental and services, the Trust applies a simplified approach in calculating ECLs. Therefore, the Trust does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

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

## **3.4 Related party transactions**

Related parties comprise enterprises and individuals that own a voting interest of at least 10 percent 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 associated companies and individuals which directly or indirectly own a voting interest in the Trust that gives them significant influence over the Trust, the REIT Manager, key management personnel, directors, and officers with authority in the planning and direction of the Trust's operations.

## **3.5 Distribution to unitholders**

Decreases in retained earnings are recognised as at the date a cash dividend is declared.

## **3.6 Leases**

At inception of contract, the Trust assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

## **The Trust as a lessee**

### ***Right-of-use assets***

The Trust recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost and will be subsequently measured at fair value. The cost of right-of-use assets includes the amount of lease liabilities recognised through initial measurement, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

Right-of-use assets which are classified as investment properties are presented as part of investment in properties at fair value in the statement of financial position.

### ***Lease liabilities***

At the commencement date of the lease, the Trust recognises lease liabilities at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Trust and payments of penalties for terminating the lease, if the lease term reflects the Trust exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Trust discounted the present value of the lease payments by the interest rate implicit in the lease or the Trust's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

### ***Short-term leases and Leases of low-value assets***

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

### **The Trust as a lessor**

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee. Lease receivables from operating leases is recognised as income in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying assets and recognised as an expense over the lease term on the same basis as the lease income

### **3.7 Provisions**

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

### **3.8 Income tax**

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

### **3.9 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 apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Trust measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

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

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Trust determine 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.

#### **4. Significant accounting judgements and estimates**

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

##### **Fair value of assets**

The Trust measures its investments in properties on the statement of financial position date at fair value based on the value as assessed by an independent appraiser. The independent appraiser values the investments in properties by using the income approach, because there is no market price that could be used to apply a comparative approach. The key assumptions used in estimating the fair value are occupancy rate, rental rate and discount rate. The Trust considers such fair value is appropriate. However, the actual returns to be received by the Trust on such investments in properties could differ depending upon certain factors and conditions which will be incurred to the assets in the futures.

##### **Leases**

##### ***Estimating the incremental borrowing rate - The Trust as a lessee***

The Trust cannot readily determine the interest rate implicit in the lease, therefore, the Trust's management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Trust would have to pay to borrow over a similar term, and with a similar security, the Trust necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

##### **Fair value of financial instruments**

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

## 5. Investments in properties at fair value

(Unit: Thousand Baht)

	L&H Villa Sathon	Centre Point Residence Phromphong	Centre Point Sukhumvit- Thonglo	Total
Investments in properties at beginning of the period	-	-	-	-
Transfer from Land and Houses Freehold and Leasehold Property Fund	634,178	1,202,390	1,724,411	3,560,979
Unrealised gains (losses) on revaluation during the period	1,976	(11)	(10)	1,955
Investments in properties at end of the period	<u>636,154</u>	<u>1,202,379</u>	<u>1,724,401</u>	<u>3,562,934</u>

The balance of investments in properties is detailed as follows:

(Unit: Thousand Baht)

Fair value at appraisal report	3,456,900
Add: Fair value from right-of-us	<u>106,034</u>
Investments in properties	<u>3,562,934</u>

As described in Note 1.1, on 28 November 2024, the Trust received the transfer of assets from Land and Houses Freehold and Leasehold Property Fund, which included investments in properties amounting to Baht 3,561 million.

Key assumptions used in the valuation of investment in properties are summarised below.

Key assumptions	Rates	Result to fair value where as an increase in assumption value
Occupancy rates (%)	87.0 - 91.0	Increase in fair value
Discount rates (%)	8.5 - 9.5	Decrease in fair value
Rental rates (Baht/month)	85,000 - 177,000	Increase in fair value

## 6. Cash and cash equivalents

As at 31 December 2024, the Trust has the following cash and cash equivalents:

	(Unit: Thousand Baht)
Cash	195
Cash in transit	8,748
Cheques in transit	40
Bank deposits	113,268
Total cash and cash equivalents	<u>122,251</u>

As at 31 December 2024, bank deposits carried interests between 0.10% and 0.40% per annum.

## 7. Accounts receivable from rental and services

The balances of accounts receivable from rental and services as at 31 December 2024 aged on the basis of due dates, are summarised below:

	(Unit: Thousand Baht)
<u>Age of receivables</u>	
Not yet due	6,104
Past due	
Not over 3 months	6,805
3 - 6 months	2,072
6 - 12 months	1,289
Total accounts receivable from rental and services	<u>16,270</u>

## 8. Retained earnings

Movement of retained earnings for the period as from 22 October 2024 (the registration date) to 31 December 2024 is summarised below.

	(Unit: Thousand Baht)
Retained earnings - beginning of period	-
Net gain from investing	18,473
Retained earnings - end of period	<u>18,473</u>

## 9. REIT management fee

REIT management fee is charged at the rate not exceeding 2.00 percent per annum of the Trust's total assets. This is calculated and charged to the Trust on a monthly basis, using the total assets of the Trust as the base of calculation. However, REIT management fee is to be a minimum of Baht 3,000,000 per annum (exclusive of value added tax, specific business tax or any other similar taxes).

## 10. Trustee's fee

A trustee's fee is charged at the rate not exceeding 1.00 percent per annum of the Trust's total assets. This is calculated and charged to the Trust on a monthly basis, using the total assets of the Trust as the base of calculation. However, the trustee's fee is to be a minimum of Baht 2,850,000 per annum (exclusive of value added tax, specific business tax or any other similar taxes).

## 11. Registrar fee

Registrar fee is calculated on a monthly basis at the rate determined by the registrar of trust units

## 12. Property management fee

The Trust pays property management fee in accordance with the rates and methods stipulated in management agreements. The agreements have a term of 3 years, expiring on 31 March 2027, which are summarised below (the rate excludes value added tax).\*

Project	Property manager	Service rate
L&H Villa Sathon	Q.H. International Company Limited	On monthly basis and equal to an aggregate of (a) Not exceed 5% of monthly operating revenue (b) Not exceed 10% of monthly operating profit
Centre Point Residence Phromphong	Q.H. International Company Limited	On monthly basis and equal to an aggregate of (a) Not exceed 5% of monthly operating revenue (b) Not exceed 10% of monthly operating profit
Centre Point Sukhumvit-Thonglo	Q.H. International Company Limited	On monthly basis and equal to an aggregate of (a) Not exceed 5% of monthly operating revenue (b) Not exceed 10% of monthly operating profit

\* On 28 November 2024, the Trust entered into an agreement to receive all assets and obligation of the Fund. This change arises from the conversion of the Property Fund into a Real Estate Investment Trust, as described in Note 1.1.

### 13. Related party transactions

The relationships between the Trust and its related parties are summarised below.

Name of related parties	Relationship	Details of business transactions
Land and Houses Fund Management Company Limited	- The REIT Manager	- Receive management fee from the Trust
SCB Asset Management Company Limited	- Trustee	- Receive trustee's fee from the Trust
Q.H. International Company Limited	- Property manager	- Receive property management fee from the Trust - Receive human-resources management fee and marketing fee from the Trust
Quality Houses Public Company Limited	- The major shareholder of Q.H. International Company Limited	- Receive human-resources management fee, computer system service fee and marketing fee from the Trust
Land and Houses Public Company Limited	- The major unitholder of the Trust	- Receive dividend from the Trust
L&H Management Company Limited	- The subsidiary of Land and Houses Public Company Limited	- Receive human-resources management service fee from the Trust
The Government Savings Bank	- Major unitholder	- Receive dividend from the Trust
Land and Houses Bank Public Company Limited	- Common shareholder of Land and Houses Fund Management Company Limited	- Receive deposit from the Trust
Centre Point Hospitality Company Limited	- Common shareholder of Q.H. International Company Limited	- Pay for operating expenses



During the period, 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 period as from	
	22 October 2024	
	(the registration date) to	
	31 December 2024	Transfer pricing policy
<b>Transactions with related parties</b>		
<b>Land and Houses Fund Management Company Limited</b>		
Management fee	1,001	As described in Note 9
<b>SCB Asset Management Company Limited</b>		
Trustee's fee	286	As described in Note 10
<b>Q.H. International Company Limited</b>		
Property management fee	1,546	As described in Note 12
Marketing fee	33	At the actual marketing expenses
<b>L&amp;H Management Company Limited</b>		
Human-resources management fee	2,112	At the actual certain employee expenses related to project management plus margin of 15%
<b>Quality Houses Public Company Limited</b>		
Human-resources management and computer system service fee	189	At the actual of employee expenses and computer system
Marketing fee	78	At the actual marketing expenses

As at 31 December 2024, the balances of the accounts between the Trust and those related companies are as follows:

(Unit: Thousand Baht)

<b>Land and Houses Fund Management Company Limited</b>	
Accrued REIT management fee*	1,037
<b>SCB Asset Management Company Limited</b>	
Accrued trustee's fee	296
<b>Q.H. International Company Limited</b>	
Accrued expenses*	35
Accrued property management fee*	4,029
Other liabilities	54
<b>Quality Houses Public Company Limited</b>	
Accrued expenses*	105
Accrued human-resources management fee*	184
<b>L&amp;H Management Company Limited</b>	
Accrued human-resources management fee*	4,967
<b>Land and Houses Bank Public Company Limited</b>	
Bank deposits	14,979

\* Included in "Accrued expenses" in the statement of financial position

## 14. Leases

### 14.1 The Trust as a lessee

The Trust has outstanding long-term land sub-leasehold commitments to a company within the period of 13 years.

#### a) Lease liabilities

Movement of lease liabilities are presented below.

(Unit: Thousand Baht)

	2024
Balance at beginning of the period	-
Transfer from the converted fund (Note 1.1)	105,679
Recognised interest during the period	379
Payment during the period	(24)
Balance at end of the period	106,034

A maturity analysis of lease payments are presented below.

(Unit: Thousand Baht)				
31 December 2024				
	Less than 1 year	1 - 5 years	More than 5 years	Total
Future minimum lease payments	8,925	38,563	93,312	140,800
Less: Deferred interest expenses	(4,400)	(15,461)	(14,905)	(34,766)
Lease liabilities	<u>4,525</u>	<u>23,102</u>	<u>78,407</u>	<u>106,034</u>

**b) Expenses relating to leases that are recognised in profit or loss**

(Unit: Thousand Baht)	
For the period as from 22 October 2024 (the registration date) to 31 December 2024	
Interest expense on lease liabilities	379
Expense relating to leases of low-value assets	6
Expense relating to variable lease payments	11

**c) Others**

The Trust had total cash outflows for leases For the period as from 22 October 2024 (the registration date) to 31 December 2024 of Baht 0.04 million, including the cash outflow related to leases of low-value assets and variable lease payment that do not depend on an index or a rate.

**14.2 The Trust as a lessor**

The Trust has entered into operating leases for its investment property of the lease terms are between 1 and 3 years.

The Trust has future minimum rentals receivable under non-cancellable operating leases as at 31 December 2024 as follows:

(Unit: Thousand Baht)	
Within 1 year	102,935
Over 1 and up to 5 years	<u>11,737</u>
Total	<u>114,672</u>

## 15. Income from rental and service

Income from rental and service by each project for the period as from 22 October 2024 (the registration date) to 31 December 2024 are as follows:

(Unit: Thousand Baht)

Project	2024
L&H Villa Sathon	6,948
Centre Point Residence Phromphong	7,905
Centre Point Sukhumvit - Thonglo	20,027
Total	34,880

## 16. Information on trading in investments

For the period as from 22 October 2024 (the registration date) to 31 December 2024, the Trust has no investment trading transactions, excluding bank deposits and investments in promissory notes.

## 17. Commitments and contingent liabilities

17.1 As at 31 December 2024, the Trust is committed to pay various fees to the counterparties under the term and condition discussed in Notes 9 to 12.

17.2 As at 31 December 2024, the Trust is committed to pay human-resources management fees to the following related companies.

Related company	Project	Service fee rate	Term
Q.H. International Company Limited	- L&H Villa Sathon	At the actual certain employee expenses related to project management and at the actual employee expenses plus margin of 10%	From 1 April 2024 to 31 March 2027*
	- Centre Point Residence Phromphong		
	- Centre Point Sukhumvit-Thonglo		
L&H Management Company Limited	- L&H Villa Sathon	At the actual certain employee expenses related to project management plus margin of 15%	From 1 April 2024 to 31 March 2027*
	- Centre Point Residence Phromphong		
	- Centre Point Sukhumvit-Thonglo		

\* On 28 November 2024, the Trust entered into an agreement to receive the transfer of all assets and obligation of the Fund. This change arises from the conversion of the Property Fund into a Real Estate Investment Trust, as described in Note 1.1.

17.3 As at 31 December 2024, the Trust is committed to pay Quality Houses Public Company Limited, which is a related company, employee expenses, computer system expenses and marketing fee for Centre Point Sukhumvit-Thonglo project, as per the conditions specified in the relevant agreement.

17.4 As at 31 December 2024, the Trust has commitment, in respect of service contracts, which to pay in the future in the following amount.

(Unit: Million Baht)

Payable:

In up to 1 year	3
In over 1 and up to 5 years	-

## 18. Segment information

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

The Trust is principally engaged in the rental of immovable properties. Its operations is carried on 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 current period, the Trust has no major customer with revenue of 10 percent or more of the Trust's revenues.

## 19. Fair value hierarchy

As at 31 December 2024, the Trust had the assets that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	2024			
	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>				
Investments in properties	-	-	3,563	<b>3,563</b>

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

## 20. Financial instruments

### 20.1 Financial risk management objectives and policies

The Trust's financial instruments principally comprise investments in securities, cash and cash at banks, accounts receivable from rental and services, accounts receivable from interest, deposits, accrued expenses and deposits received from customers. 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 accounts receivable from rental and services. The management of the Trust manages the risk by stipulating that lessees are to provide lease deposits as security against collection losses. In addition, the Trust does not have high concentrations of credit risk since it has a large and varied base of creditworthy customers. As a result, it does not expect to incur material financial losses from its debt collection. The maximum exposure to credit risk is limited to the carrying amounts of accounts receivable from rental and services as stated in the statement of financial position.

#### ***Interest rate risk***

The Trust's exposure to interest rate risk relates primarily to its investments in securities and cash and cash at banks. 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 2024, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

As at 31 December 2024						
	Fixed interest rate			Floating interest rate	Non-interest bearing	Total
	within 1 year	1 - 5 years	Over 5 years			
						Effective interest rate (% p.a.)
<b>Financial assets</b>						
Cash and cash equivalents	-	-	-	113	9	122
Receivables from rental and services	-	-	-	-	16	16
Deposits	-	-	-	-	3	3
	-	-	-	113	28	141
<b>Financial liabilities</b>						
Accrued expenses	-	-	-	-	22	22
Deposits for rental and services	-	-	-	-	26	26
Lease liabilities	5	23	78	-	-	106
	5	23	78	-	48	154

### ***Foreign currency risk***

As at 31 December 2024, the Trust has no financial instruments in foreign currency.

### **20.2 Fair values of financial instruments**

Since the majority of the Trust's financial instruments are short-term in nature and investment in securities bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

### **21. 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 objective.

### **22. Approval of financial statements**

These financial statements were authorised for issue by the authorised person of the REIT Manager on 24 February 2025.



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