

# GROWTH



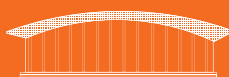
ANNUAL REPORT - 31 MARCH 2015

รายงานประจำปี - 31 มีนาคม 2558



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# MESSAGE FROM CHAIRMAN

One year passing by with IMPACT Real Estate Invest Trust, even though it is our first time for first REIT in Thailand which is first invested in real estate section, but our performance is preferable so that we can process dividend payment for all unit holders in the complacent sum. Furthermore IMPACT Growth Real Estate Invest Trust has proven to the public that the Trust has been paying dividend regularly and shows high level of stability as the Trust holds completed and freehold ownership of all assets, Therefore unitholders's ability to pass the units to their heirs remain intact. More than that the Trust's transparent operation as well brings credibility and trust where our goals are set with all of our effort and priority.

In addition I would like to thank all unit holders who give trust and reliability with IMPACT Growth Real Estate Invest Trust. And we will keep continue working with steady heart and transparency for growth in the future like "In Growth, we trust" as we believe, to keep walking, keep growing together .



Colonel Pichai Namsirikul  
Chairman



# TRUST

## 1.1 Main Points of Trust

Name of Trust	IMPACT Growth Real Estate Investment Trust
Short Name	IMPACT Growth REIT
REIT Manager	RMI Co., Ltd.
Property Manager	IMPACT Exhibition Management Co., Ltd.
Trustee	Kasikorn Asset Management Co., Ltd.
Duration of Trust	Indefinite
Paid-Up Fund	15,714,500,000 baht
Type of Trust	No redemption of unit trust from unit trust holders

## 1.2 Objectives of Trust

The trust was established by Trust Act as notified by SEC Board. Its objectives include 1) issuing securities as unit trust of real estate investment trust (REIT) in order to sell them to the public; and 2) registering unit trust in Stock Exchange of Thailand

When trust invests the fund received from selling unit trust in its main asset, the trust of RMI Co., Ltd. (as REIT manager) and IMPACT Exhibition Management Co., Ltd. (as property manager) will seek benefits from main asset by leasing it and/or leasing area for acquiring payment as notified by SEC Board or any authorized agency, and providing service in relation to such leasing and/or leasing the area.

Revenue that the trust will receive by seeking profit from property includes rental fee and payment from using area. Operation of REIT manager will be monitored and controlled by trustee in order to assure that the operation of REIT manager and property manager follows the agreements as specified in the Trust's deed and the Trust Act, as well as other related notifications of SEC Board and stock exchange. However, trust will not run any form of operation that is using trust to run business or running business by itself. In addition, trust will not lease real estate of trust to any person who is in doubt to take the real estate to do immoral or illegal business.



# TRUSTEE

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<b>Name</b>	Kasikorn Asset Management Co., Ltd.
<b>Address</b>	400/22, KASIKORNBANK Building, 6th Floor, PhahonYothin Avenue, Samsen Nai, Phaya Thai, Bangkok 10400
<b>Telephone</b>	0 2673 3999
<b>Fax</b>	0 2673 3988
<b>Homepage</b>	<a href="http://www.kasikornasset.com">www.kasikornasset.com</a>

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## Duties and Responsibilities of Trustee

Trustee is responsible to manage trust with honesty and carefulness by profession with expertise by treating beneficiaries fairly for the maximum benefit of beneficiaries as specified in the Trust's deed, related laws, and additional commitment for investor (if any). Main responsibilities of trustee as specified in the Trust's deed include

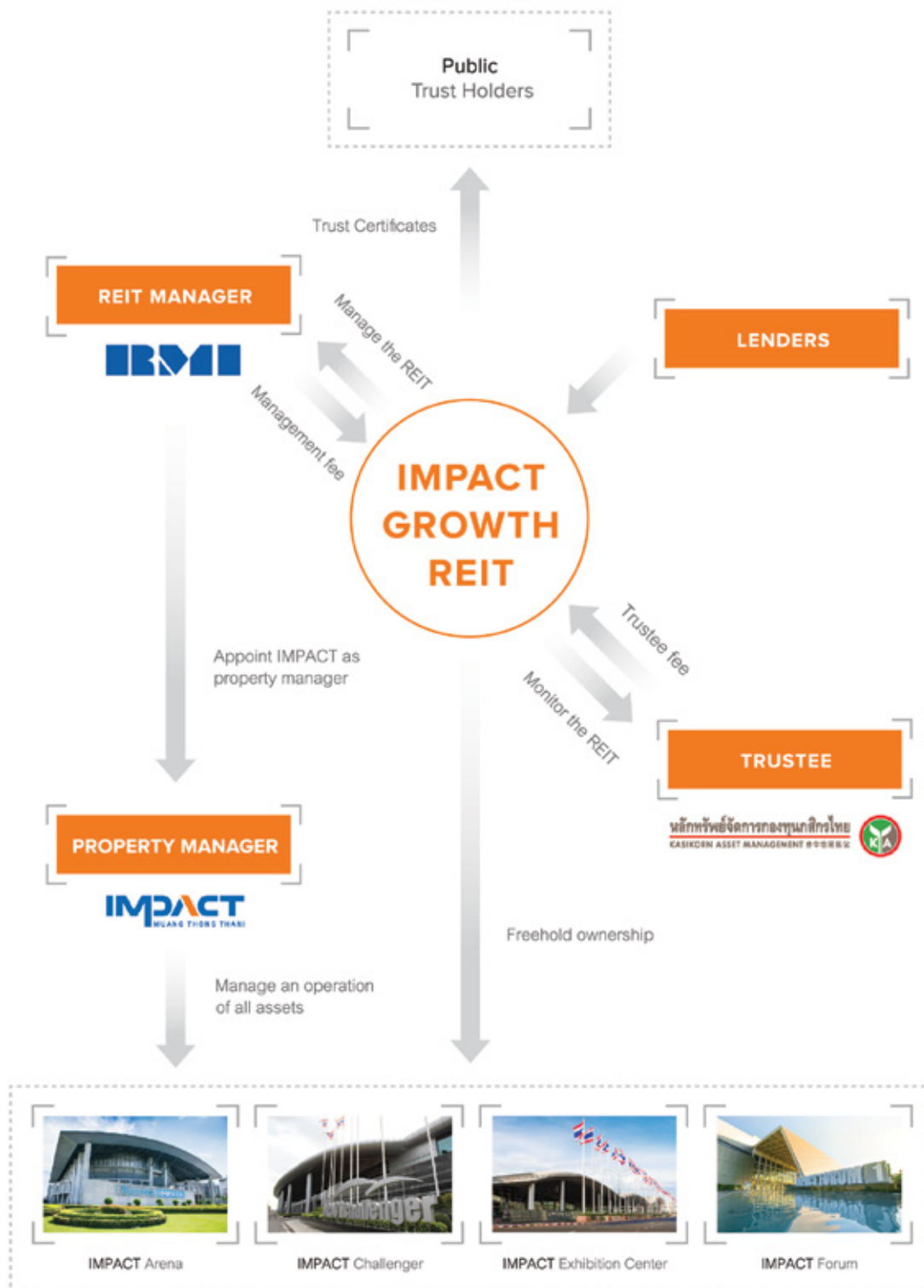
1. Follow up, supervise, and verify to assure that REIT manager manages trust as specified in trust establishment contract and related laws.
2. Report to SEC, as well as resolving, restraining, or relieving any damage occurred with trust as seen appropriate, in a case where REIT manager acts or refrains from any action resulting in any damage to trust, or fails to perform his/her duty as specified in the contract and related laws.
3. Attend Annual General meeting of unit trust holders. If there is a request for resolution in a meeting of unit trust holders, trustee must answer questions and give opinion on operation if it follows trust establishment contract or related laws, as well as opposing and informing unit trust holders that such operation cannot be carried if it does not comply trust establishment contract or related laws.
4. Manage trust as necessary in order to prevent, restrain, or limit any severe damage to overall benefits of trust or unit trust holders, and is authorized to seek a new REIT manager in case that the REIT manager is unable to perform the duty.
5. Prepare reports for unit trust holders, as well as annual report of trust by specifying opinions of trustee on operation of REIT manager in trust management and whether the operation carried out by REIT manager corresponds to regulations of trust establishment contract, law, notification, and other related regulations or not.

In addition, unit trust holders can find the details of duties and responsibilities of trustee in trust establishment contract.

## Trustee Fee

Trustee of trust will receive monthly remuneration of not exceeding 1.00 percent per annum of the total asset value of trust (the rate does not include value added tax, specific business tax, or other similar taxes) which is calculated by REIT manager and approved by trustee.

# TRUST STRUCTURE



# REIT MANAGER

## 1. Details of REIT Manager

REIT Manager: RMI Co., Ltd will be REIT Manager of trust. IMPACT Growth REIT is located at 47/569-576 Moo 3, 10/F, New Geneva Building, Popular Road 3, Banmai, Pakkred, Nonthaburi, 11120. It is juristic person in company limited category established in Thailand on July 30, 2013, by Thai law. It is a subsidiary company of IMPACT Exhibition Management Co., Ltd. IMPACT Exhibition Management Co., Ltd. holds 100 percent of the share sold by the company.

The company as REIT Manager is responsible to manage IMPACT GROWTH REIT, as well as investing in property of trust and monitor operation of property manager. The company as REIT Manager will work under control by trustee, which has the following responsibilities:

### 1. General Responsibilities

- 1.1 REIT Manager will work by profession, who receives trust, has carefulness and honesty, in order to seek the best benefit for the whole unit trust holders and comply with trust establishment contract, REIT Manager Appointment contract, related laws, and additional commitments specified in public document for selling trust unit to investors and agreement of unit trust holders. Furthermore, REIT Manager must not do anything that contradicts with benefit of the whole unit trust holders and investors.
- 1.2 REIT Manager is responsible to work as specified in the principle of doing business as REIT Manager as follows:
  - (a) Hold adequate fund for doing business and responsibility that may occur continually while working as REIT Manager.
  - (b) Disclose, express opinion, or adequately provide important and related information to investors for their decision making; however, such information must be communicated clearly, directly, and explicitly.
  - (c) Never use information received while working as REIT Manager for his/her own benefit or make any damage or effect on the whole benefit of trust.
  - (d) Work with carefulness in order not to make any conflict of interest. In case there is a conflict of interest, investors must be assured that they would be treated fairly and equally.

In addition, in order to prevent conflict of interest between trust and REIT Manager that may occur while working as specified in REIT Manager Appointment contract, REIT Manager agreed to do as follows:

- (1) There must not be conflict of interest with the best benefit of trust; however, if there is a case that may cause conflict of interest, it must be able to show function for assuring that trust management will be performed for the best benefit of trust and the whole unit trust holders.
- (2) In case that REIT Manager is managing other trust at the same time, the main property of trust requested for selling unit trust must not be in the same category of main property in the other trust.
- (e) Follow the Securities Act, Trust Act, and other laws relating to trust management, as well as ethic and standard for profession specified by associations or organizations relating to property business accepted by SEC mutatis mutandis, and never support, order, or collaborate with any person to violate the law or such regulation.



- (f) REIT Manager is responsible to cooperate with trustee or SEC, and disclose information that may affect trust management significantly or other information that should be informed, as well as the following responsibilities:
  - (1) Provide and collect information and documents regarding management, internal control, and disclose information relating to trust. When trustee wishes to review any management, REIT Manager must cooperate by submitting information and documents, and allow trustee to review inside the location of real estate as requested in order to be sure that REIT Manager does not violate the law or regulations of trust establishment contract or does not protect benefit of unit trust holders.
  - (2) Prior to establishing trust, REIT Manager is responsible to submit information and documents relating to trust structure, how to use/lease the area, how to obtain and collect income, expenses that can be charged from trust, contract of service between trust and company or any person, etc., in order to be used for planning efficient operation for monitoring and reviewing management, internal control, and trust information disclosure.
- 1.3 REIT Manager must provide insurance that may occur from running business or working as REIT Manager, including operation of committee, executives, and personnel during the term of trust establishment contract.
- 1.4 In order to do transaction relating to real estate for trust, REIT Manager must follow the following regulations:
  - (a) Manage to assure that selling, paying, transferring real estate, or making contract regarding real estate for trust is correct and legal.
  - (b) Manage to assure that investing in real estate of trust is done correctly by performing as follows:
    - (1) Assess self-readiness for management of real estate investment before accepting the position as REIT Manager or before investing more in such real estate for trust as the case may be.
    - (2) Analyze and study possibility and due diligence on real estate according to regulations and guidelines of fund and trust management which invest in real estate that SEC committee or SEC notified, as well as risk assessment in aspects that may occur from investing in such real estate and provide guidelines on risk management. Nevertheless, such risk includes risk relating to real estate development or construction (if any), e.g. risk that may occur from delayed construction and being unable to seek benefit from the real estate.
- 1.5 REIT Manager must organize a meeting for unit trust holders as specified in trust establishment contract.
- 1.6 When REIT Manager is replaced, the REIT Manager needs to manage and cooperate as necessary in order to hand over his work to a new REIT Manager.
- 1.7 In case of appointing a consultant for giving counsel or suggestion regarding investment in real estate and real estate management, REIT Manager needs to follow regulations as follows:
  - (a) Notify consultant to explain how he/she has interest in the issue being considered.
  - (b) Never allow consultant who has interest in the issue being considered participate in the consideration directly or indirectly.
- 1.8 REIT Manager must create the company's financial statement to be aligned with standard accounting as specified in the law of accounting profession, and submit such financial statement to SEC within three (3) months since the ending date of accounting year. In this regard, the financial statement must be reviewed and acquire opinions from auditor approved by SEC.
- 1.9 Provide and disclose information of trust that includes information as specified in section 56 and section 57 of the Securities Act, as well as other information as specified in trust establishment contract and REIT Manager Appointment contract.
- 1.10 Provide and disclose information of trust to SEC, stock exchange, and unit trust holders, as specified in the Securities Act, other related laws, and trust establishment contract, as well as submitting annual report of trust with invitation of annual meeting for unit trust holders. Moreover, REIT Manager is responsible to explain, submit document or

evidence regarding operation or operation refrain as SEC ordered or requested.

- 1.11 Avoid situation that may cause doubt of REIT Manager's independence, especially when selecting or selling real estate, property, and other service to trust. REIT Manager, committee, executives, manager of REIT Manager, and personnel of REIT Manager, are not allowed to receive commission or soft commission or other benefit from previous owner of real estate or sponsor, property seller, service provider, or broker for his/her own income or benefit.
- 1.12 REIT Manager is responsible to disclose his/her interest or benefit from being REIT Manager and other people relating to REIT Manager, and other company or people who are partners of trust in prospectus, an information form of unit trust selling, meeting invitation for approving operations, and annual report of trust, in order to be used by investors and trustee for considering independence of REIT Manager for proceeding any transaction for trust and reasonability of such transaction.

Interest or benefit that must be considered i.e. creditor, debtor, surety or warrantee, cross holding of share containing major shareholder or executives in the same group, providing or receiving service, mutual trading, and paying expenses for each other, and so on.

## 2. Trust Management Responsibilities

- 2.1 In order to monitor and manage trust effectively, REIT Manager is responsible to provide quality operation system that can handle with all of the responsibilities. At least, it needs to have the following operations:
  - (a) Provide systems for monitoring, management, and risk management relating to investment of trust, in order to comply with trust establishment contract and protect benefit of trust and the whole unit trust holders.
  - (b) System for preventing conflict of interest between trust under management and person who may have conflict, as well as organizational structure management and guidelines to protect the best benefit of trust or the whole unit trust holders when conflict of interest arises.
  - (c) System for monitoring personnel relating to operation of trust to acquire appropriate qualities based on nature of the operation, and to perform as specified in the Securities Act, Trust Act, notifications, regulations, or orders by virtue of the mentioned laws and other laws regarding the operation of trust.
  - (d) System for supporting information disclosure of trust as specified in regulations of trust establishment contract and other related regulations.
  - (e) Operation system for back office.
  - (f) System for internal control and operation relating to complaints and dispute.

In this regard, in order to provide all of the operation systems mentioned above, REIT Manager will create them by himself/herself, except in the case of arranging operation system for back office which REIT Manager may assign other person to do it instead.

- 2.2 Manage trust as specified in the regulations of the Trust's deed and protect benefit of unit trust holders.
- 2.3 Carry out due diligence on real estate that will be invested by trust with his/her circumspection and carefulness by recording and collecting information both documents and evidence regarding selection, review, and decision making whether to invest in any property for trust. However, for carrying out the due diligence on the real estate that will be invested by trust, REIT Manager needs to follow guidelines of fund management and real estate investment trust.
- 2.4 Operate to assure that finance and economic value of property of trust are managed professionally and pursue benefit of unit trust holders, such as
  - (a) Planning for investment, setting strategies of business, marketing, finance, operations, and seeking benefit for

trust as specified in regulations and related contracts, as well as investment and efficient risk management policies which correspond to commitment specified in trust establishment contract.

- (b) Set limit of loan and obligation on property of trust and take control not to be exceeding the limit specified in trust establishment contract.
  - (c) Invest in real estate that is aligned with the purpose of the investment of trust.
  - (d) Manage cash flow of trust.
  - (e) Consider dividend distribution of trust.
  - (f) Provide insurance to cover damage that may occur to real estate of trust and public liability insurance with adequate and appropriate sum insured that can recover the property of trust into its previous conditions, in order to make trust be able to seek benefit and receive profit not less than that in the previous.
  - (g) Make plan on appropriate tenant mix on the ground of essential information, help, and support from property manager.
  - (h) Coordinate closely with property manager and do what is necessary for following, controlling, and monitoring tenant and area user to follow conditions of contract of rent and contract of area utilization.
  - (i) Control and monitor operation to follow regulations of real estate invested by trust.
  - (j) Manage the utilized/rented area (by using support including information, and assign duty to property manager), such as monitoring utilizing/renting area, negotiating with people utilizing/renting regarding contract of long-term utilization/rent, reviewing rate or cost of expense/rental fee, canceling or extending a contract of long-term utilization/rent, etc.
  - (k) Assess overall outcome of utilizing/renting area in the past in order to set conditions for utilizing/renting area and make contract of long-term utilization/rent and contract of service relating to the area, and assess overall outcome of payment/rental fee collection in order to record allowance for doubtful accounts or write off bad debts or record bad debt recovery (in case that amount is collected after writing off a bad debt).
  - (l) Provide security system for building or construction invested by trust, such as fire alarm, communication system, and management for emergency situation.
  - (m) Providing policy and operation plan for management, maintenance, and renovation for building or construction invested by trust.
- 2.5 Assure that trust has the right ownership on purchased real estate, and contracts that trust is a partner are correct, legal, and obligatory or effective as conditions specified in the contract.
- 2.6 Provide system for collecting all documents and evidence relating to operation of trust, meeting invitation of trust unit holders, trust filing form, prospectus, annual report of trust, 56-REIT form, financial statement and supporting documents of accounting records of trust, and operate by following regulations of trust and invested property. These information and documents must be collected correctly, completely, and can be verified within at least 5 years since the day such document or information is made.
- 2.7 Provide and disclose financial statement, annual report, 56-REIT form, and other information relating to trust correctly and completely; and disclose them within term specified by the law, trust establishment contract, and regulations of stock exchange.

However, REIT manager, committee and executives who are responsible to provide and disclose information regarding trust, must be responsible for information notified or disclosed to unit trust holders and general investors. They must provide auditing system to assure that the disclosed information in filing form, prospectus, meeting invitation of unit trust holders, advertising brochure, printed advertisement, or other published documents which have been checked for correctness and completeness, contain important and sufficient information for decision making on investment, as required by related law, notification, and regulations.



- 2.8 Provide unit trust holders correct, complete, and adequate information before voting in order to approve issues. They need to receive the information in advance as specified in trust establishment contract and regulations of stock exchange.
- 2.9 Control and monitor trust to comply with law or guidelines for operation set by government agencies or organizations relating to operation of trust, as well as regulations of stock exchange.
- 2.10 Provide return to unit trust holders not less than ninety (90) percent of adjusted net profit of fiscal year, which covers net profit that refers to cash status of trust that includes principal repayment as specified in loan contract (if any). The return will be paid within ninety (90) days since the ending date of accounting period or accounting period that provides the return as the case may be. Nonetheless, in case that trust still has accumulated deficit, the return will not be provided to unit trust holders.

## 2. Company's profile

RMI Company Limited is a juristic person in company limited category established in Thailand, the company's profile is summarized as detail below :

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Name	RMI Company Limited
Company Register Number	0125556017696
Establish Date	30 July 2013
Address	47/569-576 Moo 3, 10/F, New Geneva Building, Popular Road 3, Bannmai, Pakkred, Nonthaburi
Capital Registered	10 million baht( with ordinary shares of 100,000 shares) Par Value at 100 Baht
Major Shareholder	IMPACT Exhibition Management Co.,Ltd.
Board of Directors	Colonel Pichai Namsirikul, Mr.Naputt Assakul, Mr. Chirakhachorn Chaturabatara
Accounting Period	1 April - 31 March

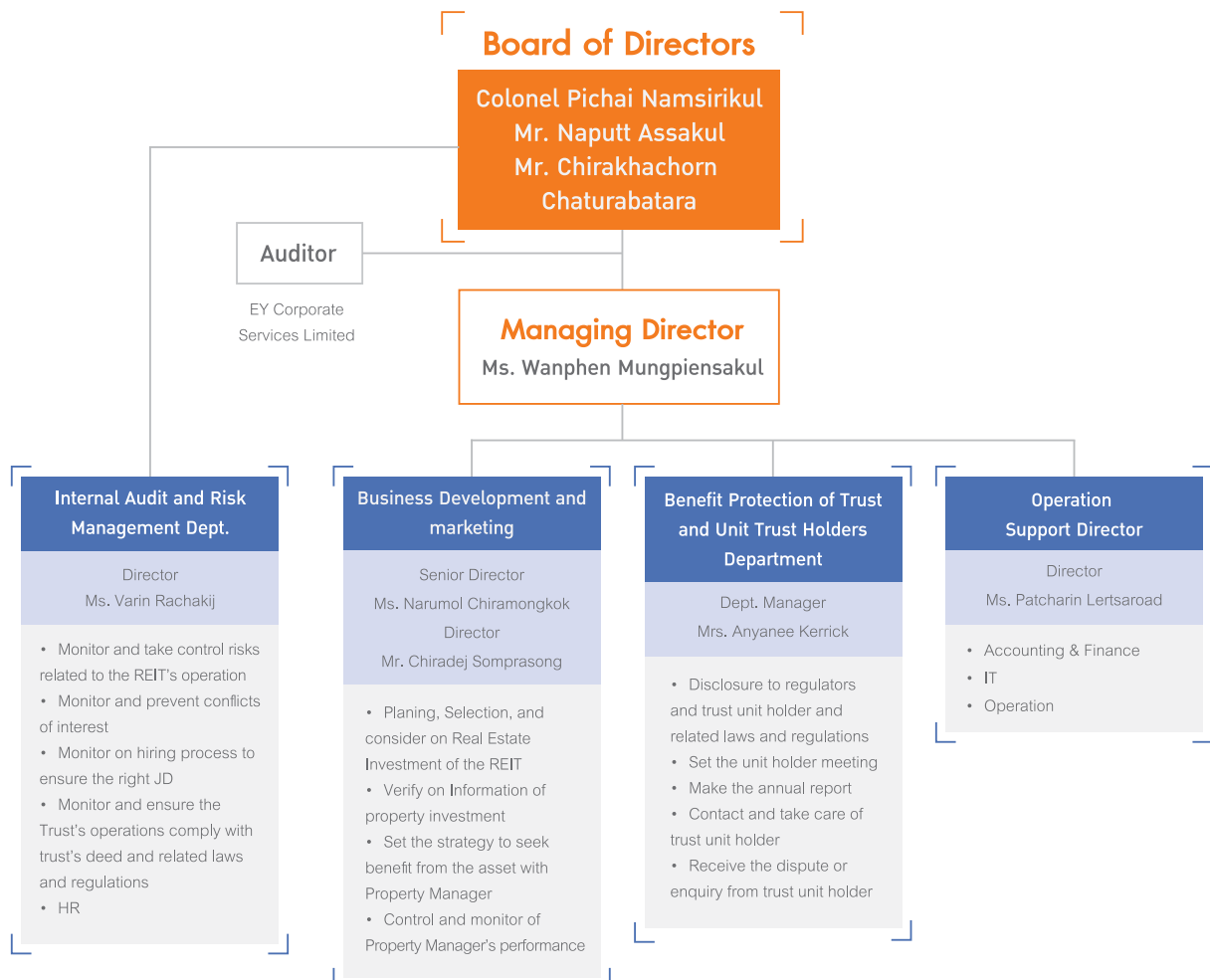
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### 3. Shareholder's structure

No.	Name	Number of share	%
1	IMPACT Exhibition Management Co., Ltd.	99,997	99.997%
2	Mr. Anant Kanjanapas	1	0.001%
3	Mr. Suihung Kanjanapas	1	0.001%
4	Mr. Shuipang Kanjanapas	1	0.001%
	<b>Total</b>	<b>10,000</b>	<b>100%</b>

### 4. Board of Directors and Executives

#### a. Company's structure



b. Board of Directors, RMI Company



**Colonel Pichai Namsirikul**

Chairman



**Mr. Naputt Assakul**

Director



**Mr. Chirakhachorn  
Chaturabatana**

Independent Director



## Colonel Pichai Namsirikul

Chairman

### Educations and Training

1977 - 1979	<i>Fellowship</i> St. Elizabeth Hospital, Tuft University Boston, United States of America
1974 - 1977	<i>Residency</i> St. Mary, New York, United States of America
1974	<i>Extern</i> Ramathibodi Hospital
1973	<i>Doctor of Medicine</i> Ramathibodi Hospital, Mahidol University

### Experiences

1993 - Present	<i>Consultant on Pulmonary Diseases</i> St. Louis Hospital
1986 - 1987	<i>Deputy Secretary General</i> Thoracic Society of Thailand under Royal Patronage
1985 - 1986	<i>Member of Executive Board</i> Thoracic Society of Thailand under Royal Patronage
1980 - 1993	<i>Chest physician</i> Department of Pulmonary and Critical care Parnongkutklao Hospital
1977	<i>Diplomat</i> American Board of Internal Medicine and Pulmonary diseases

## Mr.Naputt Assakul

Director

### Educations and Training

2002 - 2004	<i>Master's Degree</i> Sasin Graduate School of Business Administration of Chulalongkorn University
2003	<i>Director Certificate Program</i> Thai Institute of Directors
1994 - 1998	<i>B.SC Entrepreneurship studies and Economics</i> Babson College, Massachusetts, United States of America

### Experiences

2004 - Present	<i>Deputy Managing Director</i> Siam Real Estate Co., Ltd Bandara Resort and Spa Group
2001 - Present	<i>Director</i> Ocean Glass PCL.
1998 - Present	<i>Co-Founder and Director</i> Checkpoint Auto Center Co., Ltd.
2004	<i>Economist</i> Fiscal Policy Office Ministry of Finance
1998 - 2002	<i>Economist</i> Fiscal Policy Office Ministry of Finance

## Mr.Chirakhachorn Chaturabatana

Independent Director

### Educations and Training

2010	<i>Advance Retail Management Program</i> CPALL PCL.
2005	<i>Treasury Division in Money Market, Bond trading and Investment, Currency swap, Deriv- ative products</i> Bangkok Bank PCL.
2003 - 2005	<i>Master's Degree</i> Sasin Graduate School of Business Administration of Chulalongkorn University
2004	<i>Sasin Exchange Program at HEC School of Manage- ment, Paris, France</i>
2001	<i>Unit Trust</i> Phillip Securities PTE, Singapore
1996	<i>Customer Service</i> Midland Bank PLC (Member of HSBC), London, United Kingdom
1995	<i>Student Internship Program</i> Bangkok Bank PCL.
1994 - 1998	<i>BA. Business Studies</i> University of Westminster, London, United Kingdom

### Experiences

2013 - Present	<i>Global Equities Investment Manager</i> Southeast Group Company Limited (Member of TCC Holdings)
2009 - 2013	<i>Assistant Vice President, Executive Assistant to CEO</i> Southeast Group Company Limited (Member of TCC Holdings)
2006 - 2009	<i>Senior Dealer, Treasury Division, Derivative Product Unit</i> Bangkok Bank PCL.
2005 - 2006	<i>Analyst, Corporate Finance Department</i> Bangkok Bank PCL.
2001 - 2003	<i>Assistant Marketing Officer</i> Bangkok Bank PCL.
1999 - 2001	<i>Business Development Officer</i> Phillip Securities (Thailand) PCL.
1999	<i>Research Executive</i> Acom Marketing & Research Consultants Co., Ltd. Thailand
1998 - 1999	<i>Asset Realization Officer</i> Financial Sector Restructuring Authority

## c. REIT Manager RMI Company Limited



**Miss Wanphen  
Mungpiensakul**

Managing Director

#### Educations and Training

1987  
*Bachelor of Accountancy*  
Ramkhamhaeng University

#### Experiences

2000-2014  
*Director of Finance and Accounting*  
IMPACT Exhibition Management Co., Ltd.  
1998-2000  
*Accounting and administration Manager*  
Brother Commercial (Thailand) Co., Ltd.  
1996-1998  
*Accounting Manager*  
SEA Consult Engineering Co., Ltd.



**Mrs. Varin  
Rachakij**

Risk Management Director

#### Educations and Training

1988  
*Bachelor of Business Administration*  
Sripatum University

#### Experiences

2000-2014  
*Senior Finance Manager*  
IMPACT Exhibition Management Co., Ltd.



**Miss Narumon  
Chiramongkol**

Senior Business Development  
and Marketing Director

#### Educations and Training

MPPM  
*(Public and Private Management)*  
National Institution of Development  
and Administration (NIDA)

*BS in Hotel and Restaurant Administration*  
University of Nevada at Las Vegas,  
Nevada, USA

*Certificate in Economics*  
Thammasart University, Bangkok

*BS in Business Administration (Marketing)*  
Assumption University, Bangkok,

*Certificate in Professional Convention Management*  
and *Certificate in Professional Exhibition Management*  
Singapore Association of Convention  
and Exhibition and Supplies

*Certificate in Public Venue Management*  
Brisbane, Australia

*Holiday Inn Worldwide*  
*Reservation System*  
Brussels, Belgium

#### Experiences

2014 - 2015  
*Business Development and Marketing*  
Director RMI Company Limited  
1999 - 2014  
*Consultant Director of Business Development*  
Director of Sales IMPACT Exhibition Management Co., Ltd.  
1997 - 1999  
*Assistant Director of Sales - Exhibition*  
Bangkok International Trade and Exhibition Centre  
1991 - 1997  
*Assistant Director - Customer Services Senior Sales Manager*  
Queen Sirikit National Convention Center  
1988 - 1991  
*Assistant Front Office Manager*  
Holiday Inn Crown Plaza  
1986 - 1988  
*Convention Service Coordinator*  
Shangri-La Hotel, Bangkok  
1982 - 1986  
*Senior Assistant Manager (Front Office) Assistant Manager*  
*Chief Telephone Operator*  
Centara Grand at  
Central Plaza Ladprao Bangkok



### Mr. Chiradej Somprasong

Business Development and  
Marketing Director

#### Educations and Training

2012

*MSB Business with Marketing Management*  
University of Northumbria,  
Newcastle, United Kingdom

#### Experiences

2014 – 2015

*Assistant Business Development and  
Marketing Director*  
RMI Company Limited

2013 – 2014

*Senior Manager, Total Media and Business  
Strategy*  
IMPACT Exhibition Management Co., Ltd.

2010 – 2011

*Senior Manager, Total Reservation*  
IMPACT Exhibition Management Co., Ltd.

February-December 2010

*Marketing Manager*  
IMPACT Exhibition Management Co., Ltd.

2007-2010

*Sales Manager*  
IMPACT Exhibition Management Co., Ltd.

April-July 2007

*Event Manager*  
IMPACT Exhibition Management Co., Ltd.



### Ms. Patcharin Lertsaroad

Operation  
Support Director

#### Educations and Training

1998

*Master in Accounting*  
Chulalongkorn University

1991

*Bachelor in Accounting*  
Thammasart University

#### Experiences

2008

*Master of Arts*  
*International Economics and Finance*  
*(English Program)*  
Chulalongkorn University

2004

*Bachelor of Arts (Journalism)*  
Thammasart University



### Mrs. Anyanee Kerrick

Benefit Protection of Trust and  
Unit Trust Holders Manager

#### Educations and Training

2008

*Master of Arts International Economics and Finance*  
*(English Program)*  
Chulalongkorn University

2004

*Bachelor of Arts (Journalism)*  
Thammasart University

#### Experiences

2013 – 2014

*Investor Relation*  
TTW Public Company Limited

2012 - 2013

*Investor Relation*  
Muang Thai Life Assurance Public Company Limited

2008 - 2012

*Fund Management Officer*  
Muang Thai Life Assurance Public Company Limited

## Experiences and Expertise in Real Estate Management of Executives and Committee of REIT MANAGER

- 1) Mr. Naputt Assakul, the director, is currently an executive director of Siam Estate Co. Ltd. that runs business of hotels and restaurant, real estate, and other operations (hotels and resorts).
- 2) Miss Wanphen Mungpiensakul, managing director, previously held a position of accounting director of IMPACT Exhibition Management Co., Ltd. from January 2000 - July 2013.
- 3) Miss Narumon Chiramongkol, marketing and business development senior director, previously held a position of consultant of IMPACT Exhibition Management Co., Ltd. from June 1999 - July 2013.
- 4) Mrs. Varin Rachakij, risk management director, previously held a position of finance senior director of IMPACT Exhibition Management Co., Ltd. from January 2000 - August 2014.
- 5) Mr. Chiradej Somprasong, marketing and business development senior director, previously held a position of Senior Manager of IMPACT Exhibition Management Co., Ltd. from February 2010 – September 2014.

### d. Framework and Authority of Director

The Board of Directors has an important role in making policy, planning short-term and long-term operation, as well as determining financial policy, risk management and overall performance of organization. It also has an important role in controlling, monitoring, verifying, and assessing overall outcome of company and personnel regarding their operation to be effectively performed as REIT manager as specified in Trust's deed, agreement of unit trust holders, the law, including and/or related regulations. In this regard, the Board of Directors has authority as follows:

1. Perform their duty in accordance with law, purposes, and regulations of the company, as well as resolution of the Board of Directors and meeting of unit trust holders with duty of loyalty, duty of care, accountability, and ethic.
2. Follow up and give necessary advice in order to make operation of executives and personnel comply with related contracts and regulations for REIT manager.
3. Follow up operational performance of the company as REIT manager constantly, as well as giving necessary advice to assure that operation of the company are in line with the target and be able to handle problems which may occur in timely manner and appropriately.
4. Consider, follow up, and give necessary advice in order to provide the company internal control system and efficient operation system to fulfill the tasks of REIT manager.
5. Consider, follow up, and do what is necessary for reviewing and improving policy including important plans relating to operation of REIT manager in order to be up-to-date and suitable for economic condition regularly.
6. Consider and follow up overall operational performance of the executives, as well as giving necessary advice in order to assure that the executives do their best to fulfill their responsibilities and follow regulations and conditions of related contracts for the benefit of trust.
7. The Board of Directors may assign one or several of directors or other people to act on behalf of the Board of Directors. However, the assignment does not include delegation of power or authority to the director or attorney of the Board of Directors to approve transactions that he/she or people of conflict have interest or benefit that conflict with interest of trust. Furthermore, the board of directors and related working departments in the company will follow up and monitor the director, executives, related person or any person who may have conflict, gain and loss, or benefit in any kinds which have conflict of interest with trust directly or indirectly, not be able to participate in consideration and give approval to the issues of trust that he/she or the related person has conflict, gain and loss, or benefit that is against the interest of trust from running the operation, including consideration and approval through a meeting of the Board of Directors or a meeting of unit trust holders.

According to the authority mentioned above, the company will organize the Board of Directors meeting for considering, being informed, approving necessary operation regarding:

1. Profit of the company as REIT manager and trust.
2. Draft annual budget of trust, business plan and business strategy of trust made by the company as REIT manager by means of collaboration and necessary support from property manager.
3. Progress in operating according to business and marketing plan determined by the company as REIT manager for seeking benefit for trust including problems and obstructions which are occurred, as well as guidelines for solution.
4. Guidelines for risk mitigations or other causes that may affect operation of trust.
5. Performance of working departments in the company, such as Internal Audit and Risk Management Department, Marketing and Business Development Department, Benefit Protection of Trust and Unit Trust Holders Department, and Operational Support Department, as well as problems and obstructions occurred during the operations and guidelines for solutions.
6. Guidelines to handle disputes and complaints relating to operation of trust which require consideration from the Board of Directors.
7. Weakness of internal control system and operation system of the company in operating as REIT manager, as well as guidelines and progress in improvement.
8. Related transactions and any transactions that may cause conflict of interest with operation of trust.
9. Any issue that requires consideration and approval from a meeting of unit trust holders.
10. Other issue which is important and related to operation of the company and trust.

**e. Independent Director**

There is one independent director of the company which is not less than one third of the number of all directors of the company.

In a selection of the company's independent director as REIT manager, the independent director must hold minimum qualifications as follows:

1. Hold share not exceeding 1% of the number of shares that have the right to vote in the whole company, subsidiary company, joint company, or person who may have conflict of interest (including related person in section 258 in the Securities Act).
2. No participation in administration, as well as not being an employee, personnel, a consultant who receives salary from the company or any associated company, joint company, or any person who may have conflict. He/she must not have benefit or gain and loss as mentioned at least in the past 2 years.
3. Not a person who has blood relation or legal registration as a father, a mother, a spouse, a sibling, and a child, as well as a spouse of a child, with any executive, major shareholder of the company, subsidiary company, joint company or a person who may have conflict and is not appointed as a representative to protect benefit of director and major shareholder.
4. No or never has business relation, benefit or gain and loss directly or indirectly in finance or administration of company, associated company, joint company, or person who may have conflict of interest that may obstruct independent judgment, as well as not or never been a significant shareholder or a person who has authority to control people who have the business relation, except he/she has been already out of such category at least for 2 years since the day he/she becomes a director.

Business relation mentioned above and making of commercial transactions as usual for leasing business or leasing real estate, list of asset or service, or giving or receiving financial support by receiving or lending, guaranteeing, giving asset as collateral for debt, as well as other similar behaviors that cause company or director debts to another party at least 3 percent of net tangible asset of company or a minimum of twenty million baht, depending on the amount which one is lower.

5. Not or never been a professional service provider, as well as a legal consultant or financial consultant who received payment over two million baht per year from company, associated company, joint company, or any person who may have conflict of interest that may obstruct independent judgment and not a significant shareholder, a person who has authority to control or share in that professional service provider, except he/she has been already out of such category for 2 years as a minimum.
6. Not a director who was appointed as a representative of director of a company, major shareholder or shareholder who is related to major shareholder.
7. Does not own the same type of business which is a significant competitor of the company or subsidiary company, or a significant shareholder in partnership, or a director who participates in administration, employee, personnel, consultant who receives salary or hold share exceeding 1 percent of the number of all shares that have the right to vote of other company which has the same type of business and is a significant competitor of the company or subsidiary company.
8. Be ready to use his/her independent judgment for benefit of company and be ready to oppose actions of other director or management.
9. Be able to attend a meeting of Board of Directors in order to make decision in important activities of company.
10. Has suitable knowledge and experience or high potential and be accepted.
11. Not a person whose name is in the list that the Stock Exchange of Thailand considers as a person who should not be an administrator as specified in regulations of the Stock Exchange of Thailand.
12. Never been sentenced for violating security law, law relating to fund business, security business, and credit foncier business, law relating to commercial banking, casualty insurance, money laundering prevention and suppression, or the same type of financial business, regardless of whether Thai or international law, by authority holding legal power in such law. It also includes the guilt of unfair action relating to selling/buying stock or administration which is deceptive, dishonest, or corrupt.
13. Does not possess any characteristic that cause him/her unable to give independent opinion regarding operation of the company.

However, the company has determined a framework for personnel and responsibilities of independent director of the company as follows:

1. Consider, follow up, and give necessary advice to company in order to make a process for providing and disclosing information in financial report of company and trust correctly, completely, sufficiently, credibly, and punctually.
2. Consider, follow up, and give necessary advice to company in order to make a system for internal control and suitable operation for working as REIT manager.
3. Consider and give opinion regarding related transactions or any transactions that may have conflict of interest with trust in order to follow the law and related regulations, as well as to assure that the transaction is reasonable and yield the best benefit to trust.
4. Any other operations assigned by the Board of Directors that benefit trust.



According to the authority of independent director mentioned above, related departments must report the independent director to consider and be informed constantly, as well as giving necessary advice regarding:

1. Related transactions or any transactions that may have conflict of interest with trust.
2. Weakness and issues required to be improved regarding internal control system and operation system for working as REIT manager, and progress of improvement.

In this regard, the Board of Directors and independent director are responsible to follow up and give necessary advice to company in working as REIT manager in order to comply with related regulations and contracts. The managing director is hereby responsible to control, follow up, direct, and monitor operation of company as REIT manager, in order to work efficiently. The company specified that managing director has the authority and responsibilities as follows:

1. Responsible, monitor, administer operation and/or manage daily work, as well as monitoring overall operation of company as REIT manager, in order to follow related regulations and contracts.
2. Set organizational structure, practice of administration including selection, training, employment and discharge of personnel, rate of wage, salary, remuneration, bonus, and other perks for personnel.
3. Monitor and control operations of company as REIT manager.
4. Be a representative of company, as well as holding authority of delegation in contacting with government agencies and related agencies.
5. Has authority to issue, amend, add, and improve rules, orders, and regulations relating to operation of company as REIT manager.
6. Has authority, duty, and any responsibility as assigned or to follow policy provided by the Board of Directors.
7. Has authority to give sub-authority and/or delegate other person to do any specific work by giving sub- authority and/or delegate the work under framework of delegation as specified in the letter of attorney and/or follow rules, regulations, or instructions from the Board of Directors. In this regard, delegation authority and responsibility from the managing director must not contain the characteristics of giving authority or sub-authority that enables managing director or the person who received authority from managing director to approve transactions that he/she or any person who may have conflict, may acquire gain and loss or benefit in any form, or may have other conflict of interests with trust. The managing director hereby (by using necessary information and support from related departments of the company) will follow up and monitor the approvals of transactions of trust to be operated by a person who has no conflict, gain and loss, or benefit in any form which is against with benefit of trust directly and indirectly. In addition, approval of transactions must follow related rules and regulations.

## 5. Remunerations for REIT Manager

REIT manager will receive remuneration for working as REIT manager. Through the term of REIT manager appointment contract, REIT manager will acquire fee for working as REIT manager, including base fee and incentive fee with the total rate not exceeding two (2) percent of the value of total asset of trust in each fiscal year.

## 6. Policy or Strategy for Managing Trust as Assigned by Trustee

REIT manager must work as a profession who receives reliability with carefulness, honesty, as well as treating unit trust holders fairly for the best benefit of the whole unit trust holders as specified in trust establishment contract, related laws, and

additional commitments in documents disclosed to unit trust holders (if any) and agreement of unit trust holders, and plead guilty with unlimited liability in a case where REIT manager fails to fulfill his/her duty. However, REIT manager holds authority and main responsibility regarding trust management and investment in property of trust.

REIT manager is responsible to do the following duties assigned by trustee.

- (1) Manage trust in the part of business operation, including investment, borrowing money and making obligation to property of trust, making contracts, and doing activities for trust under the framework, regulations, and conditions specified in trust establishment contract.
- (2) Provide and disclose information of trust, including information specified in section 56 and section 57 of the Securities Act and other information specified in trust establishment contract.
- (3) Provide and collect information and documents relating to management, internal control, and disclosure of information relating to trust. When trustee wishes to verify any management, REIT manager is responsible to cooperate and submit information and documents, as well as having check in the location of real estate as trustee requested to ensure the trustee that REIT manager does not violate the law or regulations of this contract or does not protect benefit of unit trust holders.
- (4) Provide and submit information and documents pertaining to trust structure, leasing methods, seeking and collecting income, expenses which can be collected from trust, employment contract between trust and company or people to trustee prior to trust establishment. Moreover, REIT manager and trustee must collaborate and make a deal regarding nature of information, documents for transaction, and reports, as well as frequency and duration that REIT manager must submit such information and documents to trustee for the benefits of monitoring and verifying operation of trust.
- (5) For trust management, REIT manager must fulfill duties of REIT manager as specified in trust establishment contract, Trust Act, and other related notifications. In a case where REIT manager wishes to delegate other person to be property manager in order to manage property on his/her behalf, REIT manager is responsible to select property manager with carefulness in order to acquire property manager who has qualifications, knowledge, ability, and experience in property management of trust. REIT manager is also responsible to monitor operation of the property manager in order to achieve the operation and responsibility as specified in trust establishment contract, REIT manager appointment contract, property manager appointment contract, Trust Act, and related notifications.

The property manager who was selected and appointed by REIT manager has authority and responsibilities as specified in property manager appointment contract and regulations of SEC set as guidelines for operation of trust management and trustee invested in real estate and those will be amended later. REIT manager is responsible to select the person with carefulness, as well as monitor and check his/her assignments sufficiently.

However, in case that REIT manager leases property of trust to only one lessee and trust receives the whole payment or a part of it as profit sharing, REIT manager must have a system for selecting and verifying operation of the lessee in the same nature as employment of property manager as mentioned above, in order to ensure that the only one lessee will be able to pay the rent completely as specified in conditions of the contract of rent and the income is not leaking which may cause trust not to receive full payment as it should.

## Scope of Authority and Responsibilities of Property Manager

Scope of Authority and Responsibilities of Property Manager includes but is not limited to authority and responsibilities as follows:

### (1) Responsibility for Property Management

Maintain and oversee real estate and any other property as necessary to be in a good condition for benefit of service, administration, and seeking benefit from property of trust; facilitate trustee, appraisal company of trust, and REIT manager regarding property as necessary and suitable; cooperate with REIT manager to help trust obtain license and/or other related documents which are necessary for seeking benefit from property of trust; find people to rent area of the project, coordinate, and negotiate with lessee for making rental contract or any other contract relating to the project; transfer income, send payment, pay any expenses relating to operation of trust; as well as running administration to comply with contracts, help REIT manager as REIT manager requests appropriately and reasonably. In case that REIT manager wishes to sell, transfer, lease, transfer the right of lease, or distribute (if any) in any way to other person, the property manager must contact, coordinate, give information, submit documents, and pay fee and property tax for property of trust which trust is responsible to pay and withholding tax because of project management, and/or other tax relating to property and/or project management to officials in related government agencies; operate and/or coordinate with REIT manager and help REIT manager in order to help lessee of property of trust receive facilities of the project; operate what is necessary in order to manage property in accordance with project management of trust and related laws, etc.

### (2) Accounting and Report, Management Document, and Internal Audit

Provide documents, including any accounting documents relating to property of trust so as to be checked by REIT manager, auditor, and/or trustee or any assigned person; submit requested documents relating to property of trust to REIT manager, auditor, and/or trustee (as the case may be) within 15 (fifteen) working days since the day the request is informed or should be informed, except there is a reasonable cause or partner agrees otherwise, as well as providing accounts and reports as assigned by REIT manager in order to submit accounts, reports, and related documents to REIT manager within the term that REIT manager determined. However, property manager will provide the account in an accepted form by using the principle of accounting and collect documents relating to the account, and record the account for at least 5 years which is correct, complete, and ready for REIT manager to check; as well as facilitating internal audit by REIT manager or trustee as being requested by REIT manager or trustee.

### (3) Marketing

Develop and provide advertising and promotion plans for real estate. The expenses for operating accordingly to the plan will be completely compensated by trust which needs to follow regulations specified in the annual business plan.

### (4) Responsibilities in Making Contract for Seeking Benefit in Property of Trust

Make contract of area lease, contract of facility, contract of area utilization with the term corresponding to contract of property investment or as the term set by REIT manager, proceed anything which is necessary and appropriate in order to make lessees follow conditions and/or agreement specified in contract of area lease and other contracts relating to the project, coordinate with REIT manager, and facilitate lessees in changing, amending, and/or cancel the contract, provide, facilitate, and coordinate with REIT manager, in case that lessee wishes to increase or decrease the area for utilization.

## 7. Internal control system and operational system for preventing or dealing with conflict of interest, scope of department, and responsibilities of each department of REIT Manager

### 1. Classification based on job descriptions

The Company was established with the aim of operating as the REIT Manager in accordance with the Trust for Transactions in Capital Market Act B.E.2550. The Company consists of four major departments in order to support the operations of REIT Manager to comply with trust deed, appointment of REIT manager contract, resolution of unit trust holders, and relevant laws and regulations.

The company's departments including their scope of work and responsibilities can be concluded as follows:

#### Internal Audit and Risk Management Department:

- Controlling and managing risk in relation to management and investment of trust to comply with trust deed and relevant regulation.
- Preventing conflict of interest.
- Ascertaining that the staff is qualified and well-trained.
- Auditing operations of trust to conform with trust deed and relevant laws; and
- Personnel management.

#### Marketing and Business Development Department:

- Planning, selecting, and considering investment in property by trust.
- Examining information on property to be invested.
- Determining strategy to seek benefits from the property in collaboration with the property manager; and
- Controlling, supervising, and examining operations of property manager.

#### Benefit Protection of trust and unit trust Holders Department:

- Disclosing information to monitoring agencies and unit trust holders in accordance with contracts and related laws;
- Holding meetings of unit trust holders;
- Writing annual report of trust;
- Contacting and assisting unit trust holders; and
- Receiving complaints from unit trust holders.

#### Operational Support Department:

- Accounting and finance, preparing financial statement of trust, and calculating NAV;
- Monitoring property;
- Running IT and computer management, and document collection; and
- Performing general administration, procurement, supervising the tasks as assigned and tasks performed by outsourced service providers, preparing registration document on unit trust holders, and benefit payment.

## 2. Classification based on work system of REIT Manager

For effectiveness in trust management and completion of requirements under the relevant regulations of the Securities and Exchange Commission, the Company also sets the following systems in conformity with the relevant regulations:

- 2.1 Risk management system for trust investment;
- 2.2 Prevention system for conflict of interest;
- 2.3 Tracking system ensuring that the staff is sufficiently qualified and capable of taking actions under the relevant rule and procedure;
- 2.4 Information disclosure system;
- 2.5 Back office system;
- 2.6 Internal control system;
- 2.7 Monitoring system that check the operations performed by REIT Manager, personnel of REIT Manager, and assigned persons for tasks relevant to trust management in conformity with the applicable laws, regulations, and trust deed;
- 2.8 Policy determination system for trust management, capital structuring of trust, investment decision making on property, as well as formulating policy and strategy to maintain benefit of trust and unit trust holders;
- 2.9 Investor relations system and complaint handling system; and
- 2.10 Legal dispute resolution system.

Each major system consists of subsystems as described in the table below.

	Major systems	Subsystems
1.	Risk management system for trust investment	<ul style="list-style-type: none"> <li>• Subsystem and process of considering and selecting investment in property (under the supervision of Internal Audit and Risk Management Department and Marketing and Business Development Department);</li> <li>• Subsystem and process of reviewing appraisal reports (under the supervision of Internal Audit and Risk Management Department and Marketing and Business Development Department);</li> <li>• Property monitoring subsystem (under the supervision of Operational Support Department); and</li> <li>• Subsystem and process of risk tracking, analysis, and assessment regarding investment and management of property (under the responsibility of all departments within the company).</li> </ul>
2.	Prevention system for conflict of interest	<ul style="list-style-type: none"> <li>• Subsystem and process of tracking transactions between trust and concerned persons;</li> <li>• Subsystem and process of business competition;</li> <li>• Subsystem and process of tracking issues relating to independence of performing tasks of REIT Manager; and</li> <li>• Subsystem and process of disclosing gain and loss, and benefit derived from counterparty/persons dealing with trades of trust. (All departments in the company are required to be responsible and following up all subsystems in this part.)</li> </ul>

	Major systems	Subsystems
3.	Tracking system ensuring that the staff is sufficiently qualified and capable of taking actions under the relevant rule and procedure	<ul style="list-style-type: none"> <li>• Subsystem and process of selecting property manager (under the responsibility of all departments in the company);</li> <li>• Subsystem and process of selecting service provider (under the responsibility of all departments in the company);</li> <li>• Subsystem and process of following up and evaluating the property manager's work performance (under the responsibility of all departments in the company);</li> <li>• Subsystem and process of supervising the property manager's operations under appointment of property manager contract (under the responsibility of all departments in the company); and</li> <li>• Subsystem and process of monitoring work performance of the Board of Directors, executives, and staff of REIT Manager (under the supervision of Internal Audit and Risk Management Department).</li> </ul>
4.	Information disclosure system	<ul style="list-style-type: none"> <li>• Subsystem and process of disclosing information on REIT Manager and trust under relevant contracts and laws (under the supervision of Benefit Protection of Trust and Unit Trust Holders Department).</li> </ul>
5.	Back office system	<ul style="list-style-type: none"> <li>• Subsystem and process of supervising tasks assigned to outsourced service providers (under the supervision of Operational Support Department).</li> </ul>
6.	Internal control system and operational system on complaint handling and dispute resolution	<ul style="list-style-type: none"> <li>• Subsystem and process of considering and approving extra expenses or non-budgetary expenditure (under the supervision of Internal Audit and Risk Management Department);</li> <li>• Subsystem and process of collecting information, documents, and evidence related to trust (under the supervision of Benefit Protection of Trust and Unit Trust Holders Department, and Operational Support Department);</li> <li>• Subsystem and process of following up collection of income, service fee, and rental fee run by property manager (under the supervision of Marketing and Business Development Department);</li> <li>• Subsystem and process of tracking and evaluating expenses to be collected from trust, run by property manager (under the supervision of Marketing and Business Development Department);</li> <li>• Subsystem and process of making budget on revenue and expense of trust (under the supervision of Marketing and Business Development Department); and</li> <li>• Subsystem and process of controlling cash-involved activities. (Under the supervision of Marketing and Business Development Department)</li> </ul>



	Major systems	Subsystems
7.	Monitoring system that check the operations performed by REIT Manager, personnel of REIT Manager, and assigned persons for tasks relevant to trust management in conformity with the applicable laws, regulations, and trust deed	<ul style="list-style-type: none"> <li>• Subsystem of examining and tracking REIT Manager's work performance. (under the responsibility of all departments in the company).</li> </ul>
8.	Policy determination system for trust management, capital structuring of trust, investment decision making on property, as well as formulating policy and strategy to maintain benefit of trust and unit trust holders	<ul style="list-style-type: none"> <li>• Subsystem and process of studying information and details of property to be invested (under the supervision of Internal Audit and Risk Management Department and Marketing and Business Development Department).</li> </ul>
9.	Investor relations system and complaint handling system	<ul style="list-style-type: none"> <li>• Subsystem on communicating to investors; and</li> <li>• Subsystem on handling complaint from investors. (under the supervision of Benefit Protection of Trust and Unit Trust Holders Department)</li> </ul>
10.	Legal dispute resolution system	<ul style="list-style-type: none"> <li>• Subsystem on dispute mediation; and</li> <li>• Subsystem on dispute settlement. (under the supervision of Benefit Protection of Trust and Unit Trust Holders Department)</li> </ul>

# TRUST INVESTMENT POLICY

Real estate investment trust must follow the regulations specified in Thor Jor 49/2555 Notification, as well as other related notifications and regulations regulated by SEC Board.

## 1. Main Properties and Equipment Investment

### 1.1 Investment Policy and Types of Main Property that will be invested by Trust

Trust has policy to invest in main properties which are real estate or real estate leasehold, and seeking benefit from real estate which are trade fair and conference center, as well as other real estate relating, supporting, or promoting trade fair and conference organizing business, for example, (but not limited to) real estate for organizing concert, indoor sport event, banquet, outdoor amusement park, hotels in the areas around trade fair and conference for guests, and other properties which might promote investment trust. The regulations are shown as follows:

- 1) The main properties to be invested by trust must be located in Thailand.
- 2) Trust must invest in real estate in order to hold ownership or possessory right. In case of acquisition of possessory right, it must be either one of the following cases.
  - (a) Acquisition of real estate with NorSor 3 Kor document.
  - (b) Acquisition of real estate leasehold with evidence of title or possessory right of NorSor 3 Kor.
- 3) Real estate invested and acquired by trust must not be executed of property right or has any dispute unless it has been considered by trust manager and trustee and has written document to confirm that being executed of property right and dispute will not affect seeking benefit from the real estate significantly, and conditions of the acquisition of the real estate also generally benefits trust unit holders.
- 4) Making contract in order to acquire real estate which is invested by trust must not have any deal or commitment that might make trust unable to sell the real estate with fair price (while selling), for example, the deal that gives right to partners of contract for purchasing real estate of trust before any other party by setting price in advance, or might make trust has more responsibilities as a lessee when the leasing contract terminates.
- 5) The acquired real estate must be ready for seeking benefit with total value not less than 75 percent of value of unit trust which has been asked for permission to sell including the amount of loan (if any). However, trust might invest in a project that has not complete yet. The investment value for acquiring and developing real estate in order to seek benefit must not exceed 10 percent of gross property value of trust (after selling unit trust) and be able to show that there is sufficient working capital for such development without affecting trust's continuity.
- 6) Real estate to be invested by trust must have appraisal based on the following regulations.
  - (a) Full form of appraisal will be conducted with the review of certificate of ownership and on the ground of public purposes by disclosing information to investor not exceeding six (6) months prior to the date of filing a request to sell unit trust by at least two (2) appraisers; and
  - (b) The appraisers in (a) must be approved by SEC.
- 7) The total value of real estate acquired by trust must not less than five hundred million (500,000,000) baht. However, in case that the amount of money received from fundraising through selling unit trust is less than the amount of real estate intended to be invested in, the company must be able to show that it has other sufficient financial resources to acquire the real estate.
- (8) In case that trust wishes to invest in order to acquire possessory right by subleasing real estate or leasing

building or house or construction that lessor does not hold ownership as specified in title deed or does not have possessory right as specified in certificate of utilization, trust manager must launch a measure for preventing risk or compensating damage that might occur with trust as the result of the investment in order to acquire possessory right by subleasing real estate or leasing building or house or construction that lessor does not have ownership. For example, using insurance company to handle with damage that might occur from contract cancellation made by the owner of real estate or the person, who has the possessory right, uses mortgage to assure complying with the contract, make a deal to use related people to work in order to follow the contract and compensate damage to trust, assure that they will comply with the contract by giving a security, reveal the risk to unit trust holders by showing in a transaction list which demonstrates effects that might occur with the turnover of trust if the person who has ownership as specified in title deed or the person who has possessory right as specified in certificate of utilization cancel the contract.

- (9) In case that trust acquired ownership in real estate and the trust manager wishes to seek benefit from the real estate by leasing it to the previous owner, the trust manager must charge the rent from the previous owner in a form of normal trade fee in the same way with doing business with general business partner who is the third party.

## 1.2 Limitations of Investment

Trust has no policy to invest in other property beyond types of property specified in this contract. Furthermore, trust will not invest in empty land.

## 1.3 How to acquire and sell main property and equipment

### 1) Acquisition of main property and equipment

(a) In order to acquire each main property, trust manager must operate as follows:

- Audit or verify (due diligence) information and contracts relating the main property and equipment (if any) of the following issues.
  - Condition of real estate, such as location, gateway, opportunity for seeking benefit, obligation of the real estate, etc.
  - Legal information of real estate that will be invested in and ability of business partner in doing juristic act, as well as completion, correctness, and being able to follow the law of certificate of ownership or related contracts.
  - Financial information of real estate and other suitability for investment in the real estate, etc. In case that the owner, lesser, or lease assignor is a person who is related to trust manager, trust manager would find a financial consultant to analyze such information. However, audit and verification of main property and equipment would be applied to support decision making for investment and disclosure of correct information.
- The minimum appraisal of main property as specified in the regulation item number 11.1 the asset appraisal value of the Trust's deed
- In case that trust wishes to invest in lease hold of real estate as sublease, there will be a measure for preventing risk or compensating damage that might occur from breaking the lease contract or being unable to comply with right in the lease contract.

(b) Acquisition of additional property must comply with the following regulations.

- The content of the transactions must have the following nature:
  - Comply with this contract and related laws

- For the best benefit of trust
  - Reasonable and fair price
  - Fair and appropriate expense for transaction being charged to trust (if any)
  - Special stakeholders in doing transaction do not have the right to make any decision in the transaction.
- Approval system must be processed as follows:
    - Approved by trustee that the transaction complies with the Trust's deed and related law.
    - In case that the value of acquired main property is exceeding ten (10) percent of total asset value, it must be approved by Board of Directors of trust manager.
    - In case that the value of acquired main property is exceeding thirty (30) percent of total asset value, it must be approved by a meeting of unit trust holders with at least three out of four (3 out of 4) votes of the unit trust holders who attend the meeting and have the right to vote.
    - Calculating for property value in this case will be conducted as the value of the whole acquired property of each project which makes trust ready to seek benefit, as well as property relating to the project.
  - In the process of request for consent from trustee or request for agreement from a meeting of unit trust holders, trust manager and trustee are responsible to do as follows:
    - Trust manager is responsible to prepare documents to request for consent or letter of invitation for a meeting, express opinion regarding the type of transaction for acquiring additional main property, as well as reasons and clear additional information.
    - Trustee is responsible to attend a meeting of unit trust holders in order to express opinion regarding the type of transaction and consider if it complies with this contract and related law or not.

## 2) Distribution of main property and equipment

In order to distribute main property, trust manager must operate as follows:

- (a) Prior to distributing main property, trust manager has to arrange appraisal for main property as specified in item number 11.1 appraisal value of the Trust's deed.
- (b) In order to distribute main property, the following regulations must be followed.
  - It must be publicly distributed and has content of the transactions as specified in 1.1.3 (1) (b) of this contract, and has process of request for approval from trustee or agreement from a meeting of unit trust holders as specified in 1.1.3 (1) (b) mutatis mutandis.
  - Distributing main property with the following nature not only needs to follow the regulations of distributing main property specified in previous section, but also being a case that is necessary and deserved to be approved by Board of Directors of trust manager.
    - Distributing main property prior to one (1) year since the date that trust acquired the main property.
    - Distributing the acquired main property with ownership to previous owner.

## 2. Apart from main property investment, trust has policy to invest or hold other properties as follows:

### 2.1 The following are types of other property that trust has policy to invest or hold.

- (1) Government bond
- (2) Treasury Bill

- (3) Bond or debenture of state enterprise or juristic person who is established by special law and obtains Ministry of Finance as unconditional guarantee of full capital and interest.
- (4) Deposit in a bank or Secondary Mortgage Corporation
- (5) Certificate of deposit issued by a bank or a finance company which is not a structured note.
- (6) Bill of exchange or promissory note issued, accepted, given aval, or guaranteed by a bank, a finance company, or a credit foncier company which is not a structured note.
- (7) Unit trust or warrant for purchasing unit trust of fixed income fund or other mutual fund which has policy to invest in fixed income fund or deposit. However, in case it is foreign unit trust, the following conditions must be followed.
  - (a) If it is unit trust of foreign mutual fund under control of a property agency and stock exchange which is a member of International Organization of Securities Commissions (IOSCO) or unit trust of foreign mutual fund trading in stock exchange which is a member of World Federation of Exchanges (WFE).
  - (b) The foreign mutual fund has policy to invest in property in the same category and type with property that can be invested or hold by trust.
  - (c) The foreign mutual fund was established for general investors.
- (8) Unit trust of property mutual fund or unit trust of other trust exclusive to the ones which have been established according to Thai law.
- (9) Documents of Real Estate Investment Trust established according to foreign law, no matter the trust is established as a trust company or other form, it must have the following nature:
  - (a) The Real Estate Investment Trust was established for general investors and controlled by a property agency and stock exchange which is a member of International Organization of Securities Commissions (IOSCO).
  - (b) Has main objectives for property investment, ordinary shares of companies which their names are in property development category in stock exchange which is a member of World Federation of Exchanges (WFE) or ordinary shares of companies which have business similar to property development category.
  - (c) Has trading in stock exchange which is a member of World Federation of Exchanges (WFE).
- (10) Future contract in case that it was made with a purpose to prevent risk of trust. Acceptance, receiving aval, or guarantee as the case may be as specified in (6) must be general acceptance, receiving full aval, or unconditional guarantee full capital and interest.

2.2 The ratio of other property investment comply with the regulations specified in the notification regarding ratio of investment in property of general mutual fund issued by section 117 and section 126(4) of exchange act mutatis mutandis.

2.3 In case that a debtor, as specified in document that trust invested in, defaults or tends not to be able to pay the debt, trust manager would execute as the regulations in the same title as specified for general mutual fund issued by section 117 of exchange act mutatis mutandis.

### 3. Trust may invest in share of juristic person who is a main property lessee of trust which has the conditions as follows:

3.1 The lease charges by referring to turnover of main property of trust.

3.2 Investment in share that gives privilege for benefit in approving some operation of juristic person (Golden Share) as specified in regulations of the juristic person not more than one (1) share.



# SIGNIFICANT EVENTS RELATED TO THE OPERATION OF THE TRUST

In fiscal year 2014/15, the Trust has initially invested in 4 assets and equipment as detail in Detail of The investment assets.



# DETAILS OF INVESTMENT ASSET

## 1. Investment Asset



### IMPACT Arena

#### General Information

Curtained in 1998, 5 floor height designed and constructed as 5 levels grandstand where can support 12,000 seats with 24 meters height ceiling

- Floor1 flatten floor for stage and seats with movable and erasable grandstand and reception room for organizers
- Floor 2 organizer's room, changing room and staff's arranging room
- Floor 3 artist dressing room, and VIP reception room with 25 separated galleries
- Floor 4 grandstand with control room on the top

#### Land

Certificate of title 30051, parcel number 12, with area of land 76 rai 1ngan 53.7 square wah

#### Gross Floor Area

41,810 m<sup>2</sup> including net leasable area and public area

#### Net Leasable Area

16,294 m<sup>2</sup> including service space and long-term rental/ service space

#### System

Main public utilities including electrical system, water cooling system, air-conditioning system, ventilation system, sanitation system, safety and security system, fire prevention and response system, fire alarming system, light and sound system, communication and radio link system

#### Ownership

IMPACT Growth Real Estate Investment Trust




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## IMPACT Exhibition Center

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### General Information

Completed in 1998 for exhibition hall 1-4 and in 2003 for exhibition hall 5-8, IMPACT Exhibition Center has totally 8 exhibition halls with 6 meeting rooms

Exhibition hall 1-4 has 4 levels

- Floor 1 convenient exhibition hall with full facilities such as restaurant, VIP reception room, preparation room for organizer, medical room, Cyber café and prayer room
- Floor 2 versatile rooms behind conference room and in the front and bird's-eye view control room
- Floor 3-4 exhibition hall's system control room

Exhibition hall 5-8 has 2 levels

- Floor 1 convenient exhibition hall with full facilities such as restaurant, meeting room, VIP reception room, preparation room for organizer, medical room, etc.
- Floor 2 exhibition hall's system control room

### Land

Certificate of title 30051, parcel number 12, with area of land 76 rai 1 ngan 53.7 square wah, where belong to the same title deeds of 30051 of IMPACT Arena, in order to additional land (if any) which will be the part of invested

Trust's asset, will appear in detail as contract of land sale and construction

### Gross Floor Area

99,519 m<sup>2</sup> including net leasable area, public area and outdoor loading

### Net Leasable Area

53,471 m<sup>2</sup> including service space, long-term rental/service space and banquet space

### System

Main public utilities including electrical system, water cooling system, air-conditioning system, ventilation system, sanitation system, safety and security system, fire prevention and response system, fire alarming system, light and sound system, communication and radio link system

### Ownership

### Ownership

IMPACT Growth Real Estate Investment Trust




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## IMPACT Forum

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### General Information

Finished in 2000, IMPACT Forum consists of 2 buildings which is IMPACT Forum and Car parking building

IMPACT Forum has 2 levels

- Floor 1 consisting of meeting room, Banquet and Sapphire with facilities such as VIP reception room, medical room, business center, etc.
- Floor 2 including exhibition space, meeting and convention room; Grand Diamond and Sapphire room, and indoor mezzanine for organizer's reception room and outdoor versatile space

Car parking building has 10 floors with parking capacity at 2,343

### Land

Certificate of title 23135 , parcel number 24 , with area of land 29 rai 3 ngan 70.1 square wah, including additional land (If any) which will be the part of invested Trust's asset, will appear in detail as contract of land sale and construction

### Gross Floor Area

122,191 m<sup>2</sup> including net leasable area, public area, indoor car park and outdoor loading area

### Net Leasable Area

25,943 m<sup>2</sup> including net leasable area, public area, indoor car park and outdoor loading area

### System

Main public utilities including electrical system, water cooling system, air-conditioning system, ventilation system, sanitation system, safety and security system, fire prevention and response system, fire alarming system, light and sound system, communication and radio link system

### Ownership

IMPACT Growth Real Estate Investment Trust




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## IMPACT Challenger

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### General Information

Accomplished in 2006, 3<sup>rd</sup> floor building consists of 3 main halls, which exist 1 Ballroom and 16 meeting rooms

- Floor 1 2,000 car parking capacity with 16 meeting rooms, restaurant, medical room, etc.
- Floor 2 exhibition space with full facilities such as organizer's room, VIP reception room, prayer room, kid corner, Sky Kitchen food court and etc
- Floor 3 combining with Press Center, Titanium Lounge, versatile room, and system control rooms

### Land

Certificate of title 30994 , parcel number 10 , with area of land 64 rai 2 ngan 11.9 square wah, and Certificate of title 41954 , parcel number 27 , with area of land 20 rai 1 ngan 44.4 square wah, which include additional land (If any) which will be the part of invested Trust's asset, will appear in detail as contract of land sale and construction

### Gross Floor Area

221,309 m<sup>2</sup> including net leasable area, public area, indoor car park and outdoor loading area

### Net Leasable Area

69,898 m<sup>2</sup> including net leasable area, public area, indoor car park and outdoor loading area

### System

Main public utilities including electrical system, water cooling system, air-conditioning system, ventilation system, sanitation system, safety and security system, fire prevention and response system, fire alarming system, light and sound system, communication and radio link system

### Ownership

IMPACT Growth Real Estate Investment Trust

Summary details table of land where located trust's main asset

Building		Certificate of title	Area of land
1	IMPACT Arena	30051, parcel number 12	76 rai 1ngan 53.7 square wah
2	IMPACT Exhibition Center		
3	IMPACT Forum	23135 , parcel number 24	29 rai 3 ngan 70.1 square wah
4	IMPACT Challenger	30994 , parcel number 10 41954 , parcel number 27	64 rai 2 ngan 11.9 square wah 20 rai 1 ngan 44.4 square wah

## 2. Price from appraisal report or review of the last appraisal

Jones Lang LaSalle Co. Ltd. (Thailand), an appraiser, evaluated value of property, including land, building, and operation system of IMPACT Arena, IMPACT Exhibition Center, IMPACT Forum, and IMPACT Challenger, with income approach. It is appraisal based on ability for generate income in the future which is calculated from the amount of cash flow that will occur from property in the future with appropriate discount rate, under regulations that property value is equal to the total value in the future current cash flow which is expected to receive from the property. It can be concluded that this approach evaluated property value by converting value of benefit in the future to the present value. The latest appraisal value is 19,603 million baht.

The conclusion of important hypotheses of appraisal with income approach based on benefit- seeking structure of trust

The appraisal by income approach based on benefit-seeking structure of trust has main hypotheses adopted by appraiser for the property that trust wishes to invest after its restructuring is as follows:

Hypothesis	Details
Appraisal Approach	Income approach, calculated from the amount of cash flow that will occur from property in the future after REIT structure's amendment, according to seeking benefit characteristics of Trust in chapter 4, Seeking Benefit in Property of Trust from the Prospectus
Appraised Period	Appraise on Freehold
Hall Area	165,122 m <sup>2</sup>
Occupancy Rate	Approximately 55-57% of venue service
Venue Service Rate	Approximately 61-88 baht per m <sup>2</sup>
Growth Rate	3.5% for first year, then 4% growth for each year



Hypothesis	Details
Food & Beverage Rights Fee Rate	25% of IMPACT acquiring from total Food & Beverage revenue before deducting expenses
Restaurant Rental Fee Rate	22% of IMPACT acquiring from total Restaurant revenue before deducting expenses
Media Rights Fee Rate	31% of IMPACT acquiring from total Media revenue before deducting expenses
Rental Growth Rate	5% each year
Capital Expenditure	3% each year from total income
Property Management Fee	<p>Two types of Property management fees</p> <p>1. Base Fee</p> <ul style="list-style-type: none"> <li>- 1 October 2014 – 31 March 2015 at 1%</li> <li>- 1 April 2015 – 31 March 2016 at 1.75%</li> <li>- 1 April 2016 – 31 March 2017 at 4.5%</li> <li>- 1 April 2017 onwards at 5.5%</li> </ul> <p>Calculating by percentage of overall trust's revenue, not including from another investment</p> <p>2. Incentive Fee</p> <ul style="list-style-type: none"> <li>- 1 October 2014 – 31 March 2015 at 1.25%</li> <li>- 1 April 2015 – 31 March 2016 at 1.75%</li> <li>- 1 April 2016 – 31 March 2017 at 5.75%</li> <li>- 1 April 2017 onwards at 6.75%</li> </ul> <p>Calculating by percentage of property net profit before deducting expenses</p>
Terminal Growth Rate	3.5%
Discount Rate	9.5%

After REIT manager verified the main hypotheses of appraiser used for appraisal that trust wishes to invest, there was no reason to believe that the main hypotheses used in the appraisal is invalid when comparing with average profit in the past of the property, as well as trend of MICE industry in Thailand. However, the profit that will receive may be different from the hypothesis or the situations may not be as expected. Furthermore, the opinion is based on business circumstance and economic condition in the present. Thus, if there is any change in the future, it may change opinion of REIT manager in the future as well.

3. **Benefit or Loss from distribution and expenses according to the distribution** None

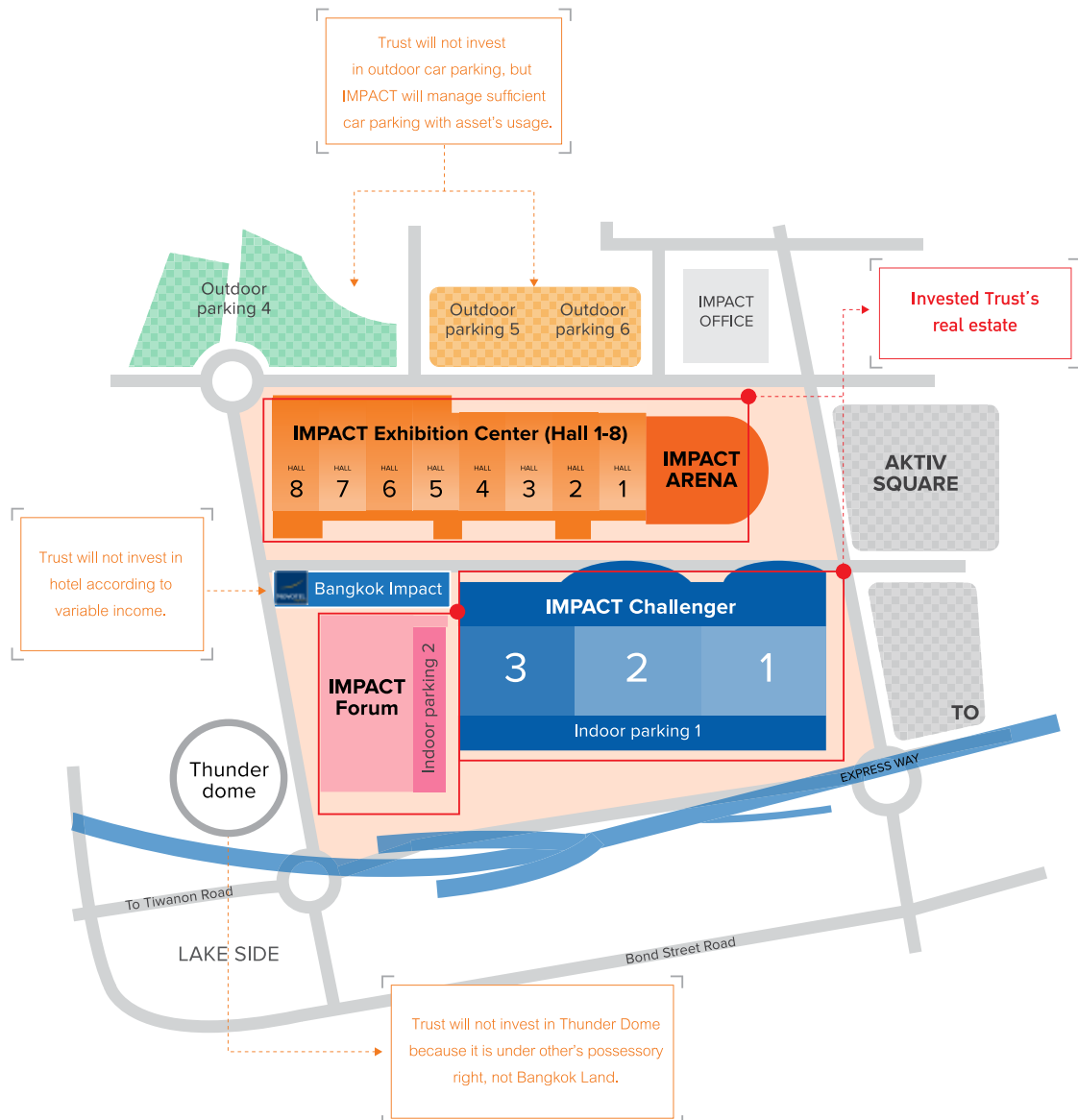
4. **Real estate acquisition price or the distribution of real estate tenant** None



# DETAILS OF REAL ESTATE INVESTED OR DISTRIBUTED IN THE FISCAL YEAR

## 1. Details of real estate investment

In 2014, trust invested in real estate of a project of IMPACT Muang Thong Thani as presented in the figure below, including land and IMPACT Arena, IMPACT Exhibition Center, IMPACT Forum, IMPACT Challenger, and inside system. The important details can be concluded as below.



Real Estate	Physical information and Investment details
IMPACT Arena	Certificate of title 30051, parcel number 12, with area of land 76 rai 1 ngan 53.7 square wah , the same certificate of title of IMPACT Exhibition Center, in order to additional land (If any) which will be the part of invested Trust's asset, will appear in detail as contract of land sale and construction
	41,810 m <sup>2</sup> Gross Floor Area or 16,294 m <sup>2</sup> net leasable area
	Main public utilities system provided for IMPACT Arena
IMPACT Exhibition Center	Certificate of title 30051, parcel number 12, with area of land 76 rai 1 ngan 53.7 square wah, where belong to the same title deeds of 30051 of IMPACT Arena, in order to additional land (If any) which will be the part of invested Trust's asset, will appear in detail as contract of land sale and construction
	99,519 m <sup>2</sup> Gross Floor or 53,471 m <sup>2</sup> net leasable area
	Main public utilities system provided for IMPACT Exhibition Center
IMPACT Forum	Certificate of title 23135, parcel number 24, with area of land 29 rai 3 ngan 70.1 square wah, including additional land (If any) which will be the part of invested Trust's asset, will appear in detail as contract of land sale and construction
	122,191 m <sup>2</sup> Gross Floor Area area or 25,943 m <sup>2</sup> net leasable area
	Main public utilities system provided for IMPACT Forum

Real Estate	Physical information and Investment details
IMPACT Challenger	Certificate of title 30994, parcel number 10, with area of land 64 rai 2 ngan 11.9 square wah, and Certificate of title 41954, parcel number 27, with area of land 20 rai 1 ngan 44.4 square wah, which include additional land (If any) which will be the part of invested Trust's asset, will appear in detail as contract of land sale and construction
	221,309 m <sup>2</sup> Gross Floor Area or 69,898 m <sup>2</sup> net leasable area
	Main public utilities system provided for IMPACT Challenger

## 2. Details of real estate sale or real estate leasehold right

### 2.1 Date, price, and reasons for selling real estate or real estate leasehold right

- None

# LOAN POLICY

## 1. Trust can take on a loan only for the following purposes.

- 1.1 Real estate investment or leasehold of additional main asset.
- 1.2 Trust asset management.
- 1.3 Maintaining, repairing or renovating asset of trust i.e. real estate of trust or real estate that trust owns the leasehold which is in good condition and ready for being used to seek benefit.
- 1.4 Adding or constructing more building on existing land of trust or land that trust owns the leasehold in order to seek benefit for trust.
- 1.5 Repaying loan or obligation of trust

## 2. Trust can ask for a loan by the following methods:

- 2.1 Applying for credit from a commercial bank or any other financial institution that may grant credit to trust without violating the law, notification, order, or any related regulation notified by SEC.
- 2.2 Issuing document of title or securities or making a contract in order to ask for a loan.

## 3. The rate of loan must not exceed either one of the following rates, except when exceeded rate is not caused by taking more loans.

- 3.1 Thirty five (35) percent of total asset value of trust.
- 3.2 Sixty (60) percent of total asset value of trust in case that investment grade of trust is in the rank that can invest which the latest investment grade must be evaluated by credit rating agency approved by SEC not exceeding one (1) year prior to the day of taking on a loan.

Taking on a loan in this item also includes issuing document of title or securities or making a contract in any form with a purpose or substance of taking on a loan.

## 4. Making obligation to asset of trust can be operated only in the case that is necessary and related to asset management of trust as follows:

- 4.1 Creating obligation in relation to making main agreement that trust is able to do as specified in Thor Jor 49/2555 Notification and other related notifications announced by SEC Board, for example, giving the asset of trust as a security for loan repayment as specified in this contract.
- 4.2 Making obligation which is commercially normal or normal in such transaction.

## 5. Practices of taking on a loan or creating obligation

Trust will take on a loan or create obligation by considering benefit of unit trust holders and following regulations of taking on a loan or creating obligation as follows:

- 5.1 REIT manager will consider necessity and suitability of taking on a loan or creating obligation for asset of trust, as well as considering regulations and methods for taking on a loan or creating obligation. After that, it will be submitted to trustee in order to be considered and approved on case by case basis.
- 5.2 Trustee is the one who signs to bind trust in making a contract in order to take on a loan or create obligation for asset or authorize REIT manager to sign for binding trust to make such contract instead.
- 5.3 In case that trust needs to find securities for taking on a loan, it must be approved by unit trust holders in a meeting.
- 5.4 In case that trust takes on a loan to spend for maintaining, repairing, or renovating asset of trust as specified in item 1.3 or adding or constructing more building on existing land of trust or land that trust owns the leasehold in order to seek benefit for trust as specified in item 1.4, REIT manager must consider the rest of leasing duration as specified in the contract of rent.

## 6. Taking on a loan or creating obligation with any person in relation to trustee

Trust may take on a loan by applying for credit from a commercial bank or a financial institution or making a contract to take on a loan, creating obligation for asset of trust, or processing transaction with any person in relation to trustee as regulations notified by SEC Board and any other related orders notified by SEC Board.

## 7. Detail of loan as the end of March' 15

The trust has entered in to loan agreement with 2 commercial bank in Thailand, Kasikorn Bank and Bank of Ayudhya with the total amount of 3,900 million baht, which could be summarized as follow:

Borrower	IMPACT Growth REIT
Credit line	First credit line : Not over 3,900 million baht for the initiate investment Second Credit line : Not over 200 million baht for the asset maintenance
Interest rate	The maximum interest rate for the whole lending contract, the interest rate shall not be over, for the first year, MLR-1.5% MLR = average interest rate from the major customer from 4 banks such as Kasikorn Bank, Bangkok Bank, Krung Thai Bank, Siam Commercial Bank which the rate could be change.
Tenor	1 tranche : 5 and 7 years since the contract signed date 2 tranche : 5 years since the contract signed date

Principal payment	Fully repayment the principal at the maturity date or partial repayment the principal before the maturity as specified on the loan agreement  Moreover, REIT manager would consider to fully / partial refinance the loan which base on other consideration such as term loan condition, interest rate and the financial and cash flow status if the trust but aim to the utmost benefit to the trust unit holder
Interest payment	Monthly basis
Collateral	<ol style="list-style-type: none"> <li>1. Pledge on land and building of the Trust</li> <li>2. Transfer the right in the insurance policy</li> <li>3. Transfer the right with condition in related contract (If any)</li> <li>4. Transfer the right with conditional in financial statement of the Trust (If any)</li> </ol>

The Trust report loan amount at the end of March ' 15 at 3,900,000,0000 baht or 19.11% of total asset of the Trust

## 8. Benefit from to take loan to the trust unit holder

The REIT manager deemed that enter in to loan agreement for initiate investment would benefit to trust unit holder as the trust unit holder would benefit from the lower cost of fund comparing with solely use capital from fund raising, beside the trust also have credit line for asset maintenance and repairmen in the future

In the case that there's a notification from SEC or related authority announced that could process the loan, the trust would borrow fully/partial amount from related entity to Trustee which the Trust would comply to the concerning regulations, nevertheless, the REIT manger deemed that enter into the loan agreement which related with the Trustee would not cause any negative effect to the trust unit holder as REIT manager had considered the term loan agreement that it is in the best condition comparing with the other loan offer from other commercial Banks.

For the loan that specific for asset maintenance of the Trust, this loan amount with be actual borrow from the Financial Institution less than 200 million baht as disclose above, as it up to many circumstance such as interest rate, the actual required in the asset maintenance, the Trust's cash flow and any other loan condition that the Trust received for the example. Anyhow the REIT Manager would consider the loan in the proper amount and utmost benefit to the trust unit holder.

# OVERALL INDUSTRIAL CONDITION OF THE BUSINESS OF SEEKING PROFIT FROM INVESTED PROPERTY

The business of property that will be invested by trust is the business of convention and exhibition which is categorized as MICE. It has been supported continuously by Thai government for several years. At present, MICE refers to 4 main business groups, including meeting, incentive travel, convention, and exhibition.

Ministry of Tourism and Sports and Thailand Convention and Exhibition Bureau (TCEB) set the year 2013 as a year for promoting MICE industry and made strategy for promoting Thailand as a leader of MICE in Asia-Pacific.

At present, MICE industry tends to grow larger, as a result of the increasing role of the group of economic developing countries in Asia-Pacific, because these countries were less affected by economic recession in Europe. Moreover, there is also consumption in strong countries for supporting skilled and flexible labors, as well as low inflation that caused economy of Asia-Pacific countries has grown continuously. Its economy grew 6.1 percent in 2013, and is expected to be grown 6.2 and 6.5 percent in 2014 and 2015, respectively. Therefore, the business of convention organization in Asia-Pacific will be developed and expanded continuously.

The growing competition causes each country needs to find its own strength for competing and providing a variety of services for customers in various groups. Nowadays, government of each country has paid more attention, given more support to entrepreneurs in this group, and launched policies for supporting MICE industry as an important mechanism in order to develop economy of its country. There are objectives for making interests to the countries at various levels, including

- Direct interests, such as organizers, contractors, shipping companies, and places for organizing events.
- Indirect interests, such as restaurants, hotels, malls, tour agencies, airlines, entertainment business, and public relations and advertisement business.
- Induce interest, such as interests affecting positively to the country that cannot be appraised and good image of the country.

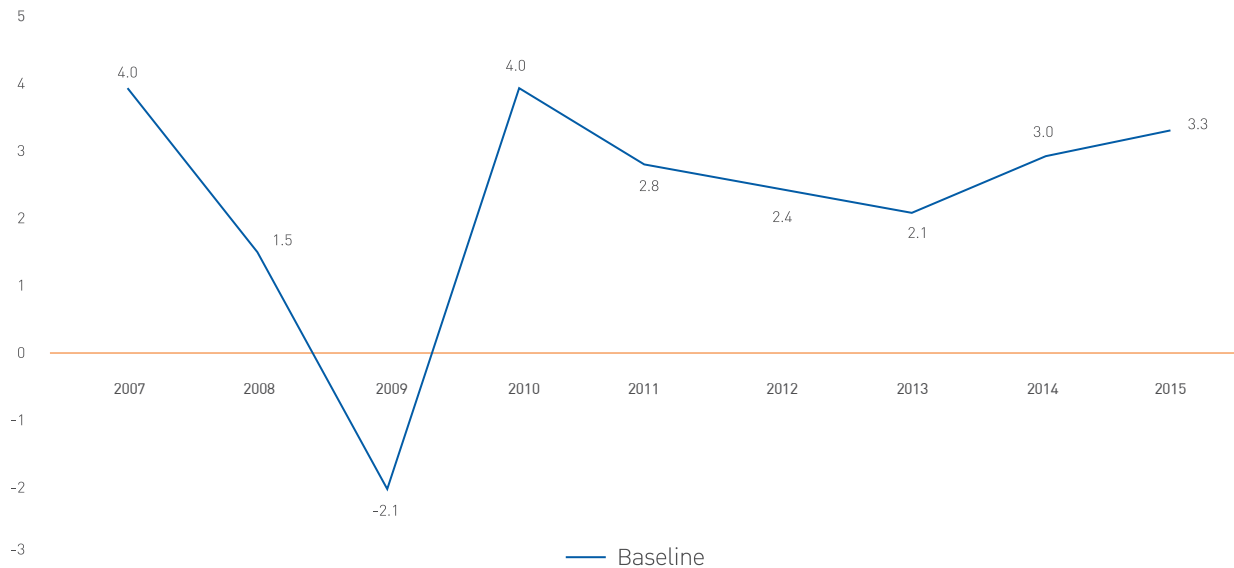
Source: Economic review and Outlook Implications for Pacific December 2014

## Overall Tourism Industry and World Economy

Tourism industry that covers MICE industry has direct relationship with economic situation. In case that macro economy is growing well, the need for using services and places for organizing MICE in various categories will increase and also number of product manufacturers/service providers. Customers will choose services from manufacturers/providers who can respond to their needs most. Tourism will be used as rewards. Conferences need to present themselves in order to reach target customers efficiently. If MICE industry grows, domestic and international tourism will grow as well. So it can be said that MICE industry and tourism industry are directly related to economic condition.



The graph shows the growth of world economy



Source: World Economic Situation and Prospects 2014

World economy recovery tends to be a slightly better and it is expected to grow at the rate of 2.4 percent in 2012, 2.1 percent, and 3.0 percent in 2013 and 2014, respectively. The trend of world economic recovery is still weak, so the risks, especially in developed countries, like the US that faced Sub-Prime crisis and unemployment that may affect other economic sectors and Europe that faced problem of public debt, like Greece, Portugal, Spain, and Italy, that caused economic recession in the region.

Although the economic expansion of developing countries and new markets tends to be good recently, it is affected by economic recession in developed countries. At the same time, tourism industry will be affected by economic crisis, natural disaster, plague, and political uncertainty. However, the ratio of income from tourism industry per global GDP still reflects overall growth, and the rate of employment reflects the growth opportunity of MICE industry in developing countries and Thailand as well.

A report from World Travel & Tourism Council (WTTC) in 2015 shows that tourism industry increased global GDP 3.1 percent in 2014. The increase is higher than world economic growth 3.0 percent and created more than 105 million employments which is the benefit made directly by tourism industry.

It is expected that in 2015, tourism industry should grow 3.7 percent which is higher than the growth rate of world economy at 3.3 percent. Income from tourism industry is expected to grow more than in 2014, or 7,580.9 billion US dollars or 9.8 percent of GDP, or 7863.5 billion US dollars, or 9.9 percent of GDP. It is also expected to grow 3.8 percent or 11,381.9 billion US dollars in 2025, or 10.5 percent of GDP.

It is expected that in 2015, employment creation will increase 2 percent, or 107.5 million positions. It is also expected to increase 2 percent every year, or 130.6 million positions in 2025. However, the long-term trend of tourism industry is expected to be in a good direction.

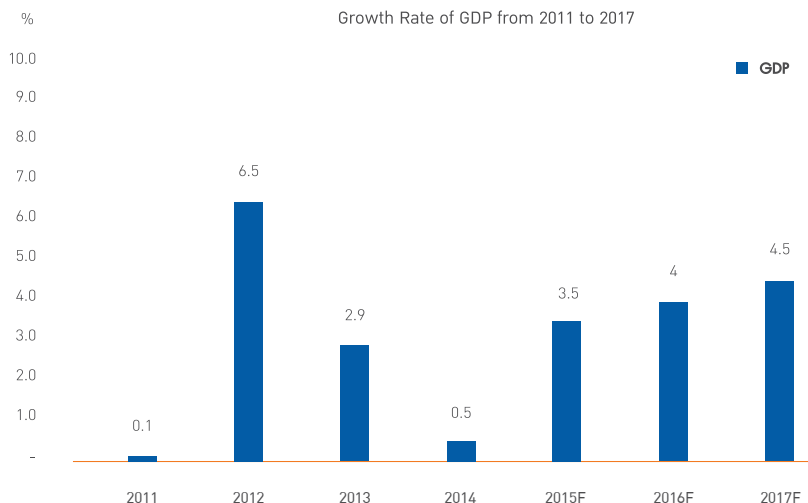
The United Nations World Tourism Organization (UNWTO) has estimated that tourism industry will expand continuously or 4 percent per year which is higher than the growth rate of world economy during recovery state. According to the data in the past, it was found that MICE industry has a constant growth rate and corresponds to the growth rate of tourism industry. So it can be concluded that business relating to MICE industry is a group of business that has potential to grow securely; can recover from economic recession quicker than other industries, especially in Asia-Pacific which is a region that the growth rate of economy is high; and affected very little from world economic recession. As a result, tourism business and MICE industry in Asia-Pacific region have a good opportunity to grow well.

Source: World Travel & Tourism Council 2015

### Trend of Economic Expansion and Gross Domestic Product in Thailand

Although Thailand has faced political situations for many years, overall macro economy of the country still grow continuously because of the foundation of Thai economy is relatively strong. The following chart shows the growth rate of gross domestic product (GDP) of Thailand from early 2011 to 2014 and estimation of expansion rate of gross domestic product (GDP) from 2015 to 2017.

**The chart of the growth rate of gross domestic product (GDP) from 2011 to 2014 and estimation of expansion rate of gross domestic product (GDP) from 2015 to 2017.**



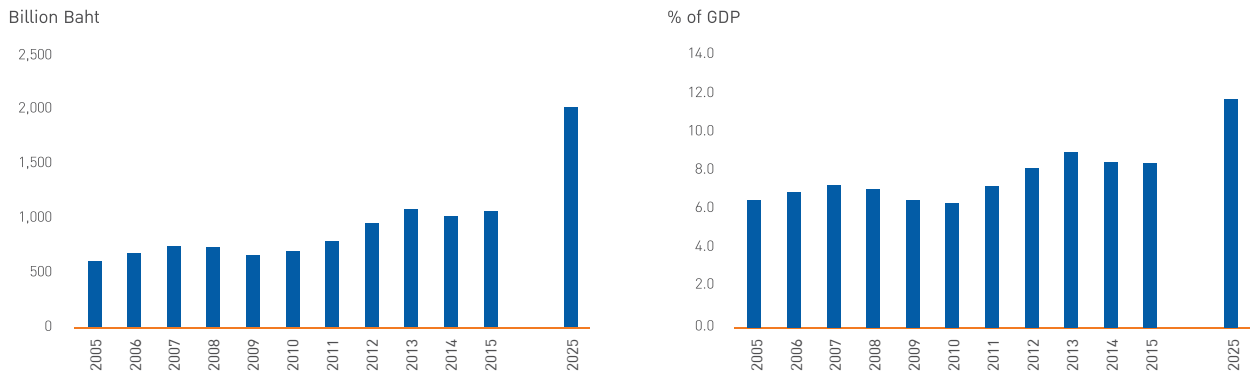
However, it is estimated that Thai macro economy tends to expand at 3.5, 4, and 4.5 percent in 2015, 2016, and 2017, respectively, after domestic political situations tend to be better, because the foundation of Thai economy is relatively strong. The expansion of Thai economy will affect positively to doing MICE business, as well as convention and trade fair centers in Thailand.

Source: World Bank 2014

### Situations of Thai Tourism

Thailand is a major destination for tourists who travel for business and leisure. In each year, there are a great number of tourists who come to attend MICE activities in Thailand which is a significant factor that increases the ratio of income from tourism per GDP of Thailand.

### THAILAND: DIRECT CONTRIBUTION OF TRAVEL & TOURISM TO GDP<sup>1</sup>



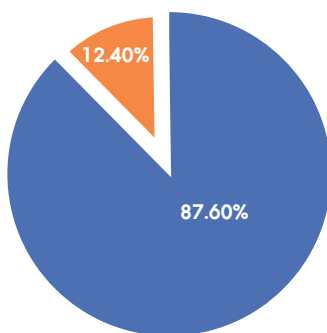
ที่มา : WTTC Travel & Tourism Economic Impact Thailand 2015

Obviously, the income from tourism of Thailand has been increasing continuously. In 2014, the country gained income which is benefit from tourism industry 1,037.3 billion baht, or 8.16 percent of GDP. It is estimated that income from tourism of Thailand will increase 3.4 percent in 2015, and it will increase continuously. It is also expected that from early 2014 to 2025, income from tourism of the country will increase 6.7 percent, or 2,045 billion baht. The growth which is strong and continual of Thai tourism industry will increase the rate of employment in the country as well.

A part of income of the country, which has been expected to be increased by the expansion of tourism industry, comes from MICE business that corresponds to economic growth of the country.

### The Chart of Thailand Travel and Tourism's Contribution to GDP Business vs. Leisure in 2012

#### Thailand Travel & Tourism's Contribution to GDP Business vs. Leisure 2014



- Leisure tourism
- Business tourism

Source: WTTC Travel & Tourism Economic Impact in 2015

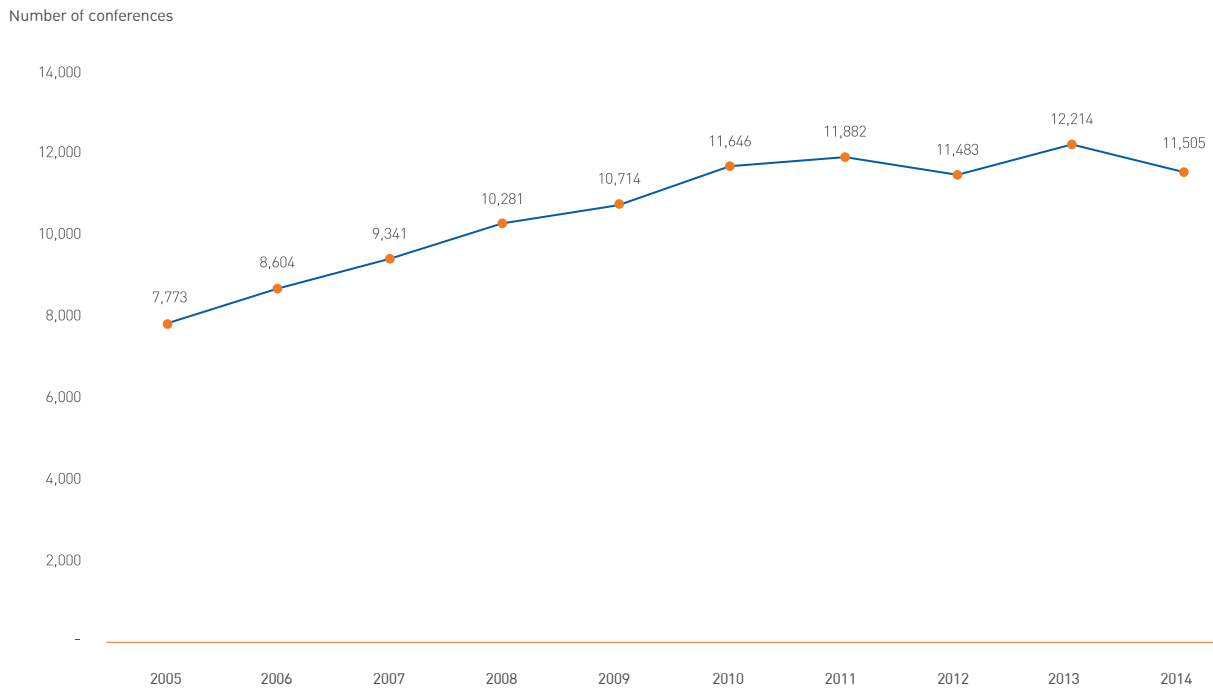
Income from leisure tourism is 87.6 percent of Direct Contribution & Tourism to GDP in 2014, or 1,641.7 billion baht, and income from business tourism is 12.4 percent of Direct Contribution & Tourism to GDP. The income from leisure tourism is expected to increase 3.5 percent in 2015, or 1,699.1 billion baht, and expected to increase 6.9 percent per year, or 3,297.2 billion baht in 2025. The income from business tourism is expected to increase 4.8 percent in 2015, or 243.4 billion baht, and expected to increase 4.7 percent or 385.3 billion baht in 2025.

Obviously, the growth rate of business tourism is greater than leisure tourism which benefits the growth rate and opportunity for business expansion of MICE industry.

## Direction and Significance of World MICE Industry

MICE industry has played an important role, especially when global economy facing risk with economic fluctuation. MICE industry has become a part of important economic strategy in many countries for gaining income, creating employment, and creating direct and indirect positive demand for the countries.

### The chart of number of organizational conferences in countries worldwide from 2005 to 2014



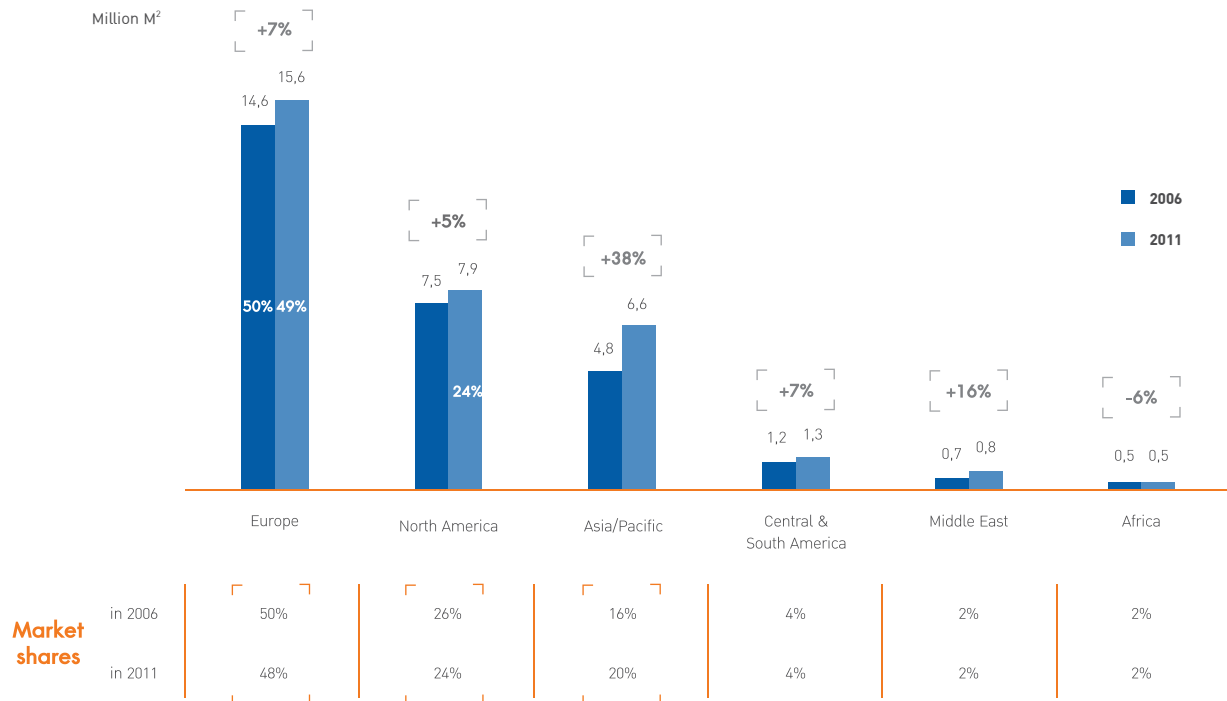
Source : ICCA Statistics Report 2014

According to ICCA Statistics Report from 2005 to 2014 that collected data of association meetings from members of the organization, it was found that in 2014, members of the organization organized 11,505 international conferences that decreased from previous year 709 or 5.8 percent. The decrease corresponds to economic recession in 2014.

However, if we consider in long-term, from 2005 to 2014, number of conferences worldwide has grown continuously every year – the growth rate is 5.62 percent per year.

When comparing the number of conferences organized in Thailand with other countries worldwide in 2014, Thailand is 33<sup>rd</sup>, and when comparing with other countries in Asia-Pacific, Bangkok is 9<sup>th</sup> as shown in the following chart.

The chart shows direction and market share of exhibition and convention centers from 2006 to 2011



Source : UFI, Global Exhibition Industry statistics March 2011

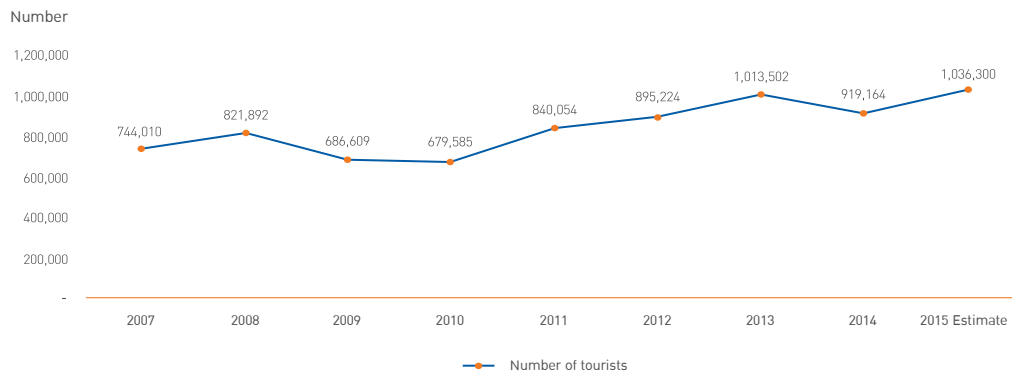
According to UFI (The Global Association of the Exhibition Industry), it was found that in 2011, there were 1,197 exhibition centers worldwide (only includes trade fair centers which have more than 5,000 square meters area), or 32.6 million square meters. Since 2006, the average area has increased 2.3 percent per year, or 3.4 million square meters; and there is new exhibition area 54 percent and attached area 46 percent. It is a good sign that indicate the growth of MICE industry.

### MICE Industry in Thailand

In 2011, Thailand Convention and Exhibition Bureau (TCEB) and together with agencies relating to MICE industry made a strategic plan, MICE 54, for a period of 5 years. The strategic plan aims to expand MICE industry of Thailand to grow in term of number of MICE tourists to 30.9 percent or 1.11 million people, that would increase income from MICE industry to over 41.5 percent or 1.1 hundred thousand million baht.

Although MICE industry in Thailand today has only about 9 percent of market share of overall tourism industry, direction of development and expansion of MICE industry in the next 5 years, and following the strategic plan with agencies relating to MICE industry, it is likely that the market share of MICE industry would increase to 12.15 percent of overall tourism market of the country. Moreover, Thailand is being pushed towards being the center of MICE business in Asia-Pacific region by 2016.

The chart shows the number of MICE tourists in Thailand from 2004 to 2014

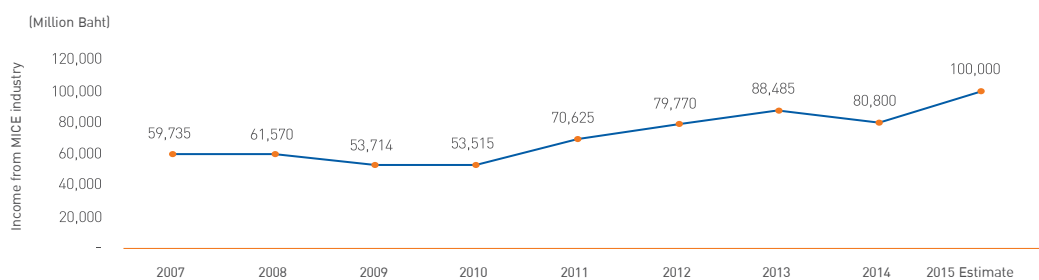


Source : UFI, Global Exhibition Industry statistics 2014

MICE tourists travel to Thailand continuously since 2007. In 2011, there was the highest number of tourists since 2007. There were 840,054 MICE tourists in the year. However, in 2010, Thailand faced economic and political situations, so the number of MICE tourists decreased to 64,425 from 2007, or the rate decreased about 8.6 percent.

After 2010, the number of MICE tourists who travel to Thailand increased continuously. The number was around 1,013,800 in 2013. However, in 2014, the number decreased 94,338 because of political situations and declaration of a state of emergency. Nonetheless, it is expected that the number of MICE tourists who travel to Thailand will be around 1,036,300 in 2015.

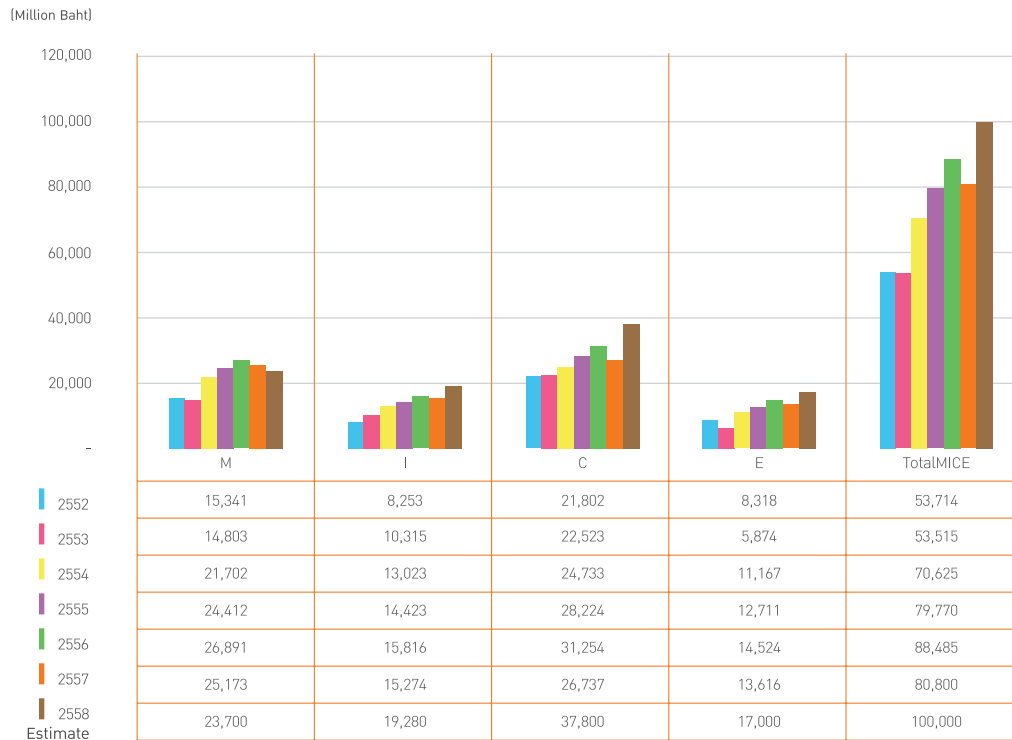
The chart shows estimation of income from MICE industry in Thailand from 2003 to 2014



Source: Thailand Convention and Exhibition Bureau 2014

In 2007, Thailand received income from MICE industry around 59,735 million baht that corresponds to the highest number of MICE tourists who travel to Thailand from 2007 to 2011. However, economic crisis and political problems in the country caused the income from MICE industry to decrease a little in 2010. After that, it has grown continuously. In 2013, MICE industry created income to Thailand 88,458 million baht. However, in 2014, political crisis caused the income to decrease 80,800 million baht. It is expected that in 2015, the industry will made 100,000 million baht for income.

The chart shows income of each category of MICE industry of Thailand from 2009 to 2015



Source: Thailand Convention and Exhibition Bureau 2014

From 2009 to 2015, the direction of MICE industry has changed. Meeting gained the most income in 2013; the second was Convention; the third was Travel Incentive; and the last one was Exhibition. In 2013, all groups of business gained income greater than previous years.

Although Thailand has faced problems from flood, plague, economy, and political crisis, that caused the numbers of travelers and income to decrease, when these situations got better and got back to normal, the business could recover faster than business in other sectors.



### Worldwide ranking: number of meeting per country

Rank	Country	Meeting
1	U.S.A	831
2	German	659
3	Spain	578
4	United Kingdom	543
5	France	533
6	Italy	452
7-32	countries that have event from 337-124 events	5,327
33	Chile	118
	Thailand	118
35- 99	countries that have event from 116-5 event	2,235
	Other countries that have event less than 5 events	111
	<b>Total</b>	<b>11,505</b>

Source: ICCA Statistics Report 2014

### Asia Pacific & Middle East ranking: number of meeting per city

Rank	Country	Meeting
1	Japan	337
2	China-P.R.	332
3	Australia	260
4	Republic of Korea	222
5	Chinese Taipei	145
6	Singapore	142
7	Malaysia	133
8	Thailand	118
9-26	countries that have event from 116-5 events	687
	Others countries that have event less than 5 events	41
	<b>Total</b>	<b>2,417</b>

Source: ICCA Statistics Report 2014

### Exhibition space sold (net square meters), 2012 vs. 2013

Country	Estimated size 2012 vs 2013 in % change	Estimated annual size in m <sup>2</sup> in 2013	Estimated annual size in m <sup>2</sup> in 2012
Taiwan	13.8%	716,250	629,250
Thailand	3.0%	506,250	464,250
China	8.0%	9,719,750	8,996,000
Indonesia	7.0%	203,000	189,750
Singapore	6.8%	329,250	308,250
Pakistan	6.2%	77,000	72,500
Vietnam	5.7%	158,750	150,250
India	5.4%	854,750	810,750
Philippines	4.3%	151,250	145,000
Australia	3.6%	556,250	536,750
Hong Kong	3.4%	906,000	876,500
Korea	3.4%	854,500	826,750
Japan	2.3%	1,977,000	1,932,750
Malaysia	1.4%	300,000	296,000
Macau	0.0%	72,500	72,500
Total	6.6%	17,382,500	16,307,250

Source : BSG research & analysis

According to the chart above, it is obvious that the number of meetings organized in Thailand in 2013 is at the top while exhibition in Asia grew 6.6 percent. Space sold in the same period increased 2.7 percent. In 2012, Taiwan and Thailand increased 14 percent and 9 percent, followed by China 8 percent. Exhibition in Southeast Asia is at good level, including Thailand, Indonesia, and Singapore. China is a large market that grew only 8 percent.

Although economy in Europe, the US, and Japan is receding, it does not affect MICE industry in ASEAN market.

## Condition of Competition in Trade Fair and Exhibition Center Business

Market of convention, trade fair, and business (Meeting, Incentive Travel, Convention, and Exhibition, or MICE) in Thailand has grown exceedingly and tourism has been supported by government sector continuously. According to CEI Asia Pacific 2014 Annual Industry Survey which studied popularity among countries in Asia-Pacific that organize meetings, it was found that Thailand is one of the top three countries which is the most popular destination for organizing international exhibitions and MICE in Asia-Pacific. Thailand is the most popular country because of the promotion and opening of MICE market of the government. It supports and attracts a great deal of jobs into the country. It is expected that exhibition market in Thailand tends to grow continuously by support from government sector which needs to push the country towards being the center for tourism in Asia. Moreover, the Tourism Authority of Thailand emphasizes and focuses on MICE market and world events for promoting Thai tourism to grow sustainably. These factors will help MICE industry of the country to grow well and continuously in the future.

### Convention and Exhibition Centers

Place	Abbreviation	Location	Description	Area (m <sup>2</sup> )
IMPACT Exhibition and Convention Center, Muang Thong Thani	IMPACT	ChaengWattana Road, Nonthaburi	Exhibition and convention halls and large parking lots.	120,000
Bangkok International Trade & Exhibition Center	BITEC	Bangna-Trad Road, Bangkok	A large hall with a plan for expanding the area.	32,000
Queen Sirikit National Convention Center	QSNCC	Rachadapisek Road, Bangkok	A large hall with a plan for expanding the area.	18,000
Queen Sirikit National Convention Center	ROYAL PARAGON HALL	Rama I road, Bangkok	Comprising Paragon Hall 1, 2, and 3.	7,100

Source: Website of each company, 2015

### Indoor Exhibition Centers

Place	Abbreviation	Location	Description	Area(m <sup>2</sup> )
IMPACT ARENA	IMPACT ARENA	ChaengWattana Road, Nonthaburi	Hall for performance with multi-level stand.	12,000
Thailand Cultural Centre	THAILAND CULTURAL CENTER	Rachadapisek Road, Bangkok	Auditorium and theater.	3,500

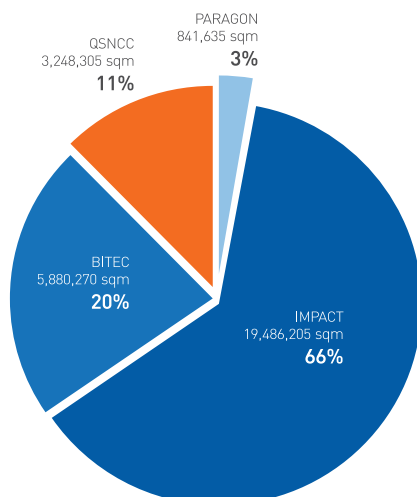
Note: These indoor exhibition center are sometimes used as convention and exhibition centers as well.

Source: Website of each company, 2015

Obviously, the entrepreneurs have different outstanding features; moreover, their locations and features of building are different, so the competition among domestic entrepreneurs is not so intense. Customers usually choose service of building and place for organizing events which is suitable with characteristics of each exhibition. The most outstanding features of the main entrepreneurs can be summarized as follows:

Project	Features of Exhibition	Supporting Factors	Limitations
 Bangkok International Trade & Exhibition Center	<ul style="list-style-type: none"> <li>- Convention</li> <li>- Trade fair: Business-to-Business and Business-to-Consumer</li> <li>- Banquet</li> </ul>	The location is near a port so it is convenient for transporting large exhibition items.	Some buildings are not connected to each other.
 Queen Sirikit National Convention Center	<ul style="list-style-type: none"> <li>- Convention</li> <li>- Trade fair: Business-to-Consumer</li> <li>- Banquet</li> </ul>	The location is in business center and it can be reached by Metropolitan Rapid Transit (MRT).	The area cannot support too much weight.
 IMPACT Exhibition and Convention Center, Muang Thong Thani	<ul style="list-style-type: none"> <li>- Convention</li> <li>- Trade fair: Business-to-Business</li> <li>- Trade fair: Business-to-Consumer</li> <li>- Performance and concert</li> <li>- Banquet</li> </ul>	The location is near a highway. It can support any form of event and any target group both consumers and business sector, especially large event and several events at the same time.	It cannot be reached by Bangkok Mass Transit System (BTS) or Metropolitan Rapid Transit (MRT).

However, the data collected by Business Development Department, IMPACT Exhibition Management Co., Ltd., which shows a statistic of area used for organizing exhibitions of IMPACT, QSNCC, BITEC, and Royal Paragon Hall from April 1, 2014 to March 31, 2015. The 4 places provided area for conventions and exhibitions with similar features. The area used was 29,456,415 square meters. It can be divided as market share as shown in the chart below.



The chart shows market share of the 4 main places of convention and exhibition center business from April 1, 2014 to March 31, 2015, as shown in advertisements on the websites.

Source: Business Development Department, IMPACT Exhibition Management Co., Ltd.

According to the analysis of barrier and entry for new entrepreneurs of trade fair and convention center business, it was found that it is relatively difficult for them because in order to start the business they need a great deal of budget for purchasing a large area that can be reached conveniently, providing full facilities, and making a design for construction that needs advance technology for buildings without pillar in the center.

At present, Bangkok and the surrounding area do not have any large areas left, so there is very small opportunity for opening a new exhibition center in Bangkok or the surrounding area unless it is a multi-story building but it may not be suitable for MICE business, trade fair, and the needs of people who use the area.

Besides limitations mentioned above, another major obstruction for new entrepreneurs is the lack of personnel who have skills and experience in doing the business. Moreover, there is a characteristic of trade fair and exhibition center business that payback period is relatively long, so number of interested investors is small. Besides domestic entrepreneurs, according to the data from UFI: The Global Association of the Exhibition Industry, IMPACT Exhibition and Convention Center, Muang Thong Thani is considered as 5th largest trade fair and exhibition center in Asia (only include centers which have at least 100,000 square meters area). The following are major competitors in the region of IMPACT Exhibition and Convention Center, Muang Thong Thani.

**Table of 10 Largest Trade Fair and Exhibition Centers in Asia**

Rank	Country	City	Name of the Center	Area (m <sup>2</sup> )
1	China	Guangzhou	China Import & Export Fair Complex (Pazhou Complex)	338,000
2	China	Shanghai	Shanghai New International Expo Centre (SNIEC)	200,000
3	China	Tianjin	National Convention and Exhibition and Convention Center	200,000
4	China	Wuhan	Wuhan International Expo Center	190,000
5	China	Chongqing	Chongqing International Expo Center	184,000
6	Thailand	Bangkok	IMPACT Arena, Exhibition and Convention Center	137,000
7	China	Yiwu	Yiwu International Expo Centre	120,000
8	China	Chengdu	Chengdu New International Convention and Exhibition Center (Century City)	110,000
9	Korea	Seoul	Korea International Exhibition center (KINTEX)	108,049
10	China	Shenyang	Shenyang Exhibition Center	105,200

Source: BSG research & analysis 2014

Obviously, most large centers in Asia are concentrated in China, so Thailand is considered as the center of convention in Southeast Asia and competition in ASEAN is not so intense. The major competitor of Thailand is Singapore Expo in Singapore which has 100,000 square meter area. It is considered as 11th largest indoor trade fair center in Asia.

### Factors Relating and Affecting the Growth of Trade Fair and Exhibition Center Business in the Future

Profit of trade fair and exhibition center business is related to macro factors. The relating factors may affect positively and negatively to the business. It can be summarized as follows:

#### 1. Condition of World and Local Economy

As shown in the chart of relationship of income from tourism and ratio of income from tourism per GDP of Thailand, it is obvious that both factors have positive relationship with each other or direct variation. In other words, in the year that world economy expanded and business grew larger, business activities or MICE activities would increase as well. As a result, the needs for trade fair and exhibition area would increase. On the other hand, in 2008, world economy faced Subprime crisis that caused economic recession in Thailand. It decreased the needs for trade fair and exhibition area. So it can be said that in the future, profit of trade fair and exhibition center business will be affected directly from economic trend.

At present, most world economic driving forces is concentrated in Asia. Most of them are developing countries so it can be viewed that the growing economic condition in Asia will be a main factor that supports MICE activities.

#### 2. Support from Government Sector

According to the outstanding relationship between MICE activities and GDP, the government has paid more attention and has supported domestic MICE activities, and has promoted entrepreneurs of trade fair and exhibition center business by establishing Thailand Convention and Exhibition Bureau (TCEB). It is considered as a government agency that aims to promote and coordinate convention or MICE in Thailand. So TCEB is considered as an important part that drives MICE industry of Thailand and attract foreign organizers to organize exhibitions in the future. Furthermore, TCEB helps agencies of government sector to understand and collaborate with MICE industry entrepreneurs.

#### 3. Economic Collaboration in ASEAN

In 2015, the 10 countries in Southeast Asia (including Thailand, Malaysia, Indonesia, the Philippines, Singapore, Vietnam, Brunei, Laos, Myanmar, and Cambodia) will be organized as ASEAN Economic Community (AEC), in order to let the member countries move products, services, investments, and skilled labors freely. It would help enforce the region by uniting as one market and one production base, and help increase ability for economic competition among 600 million population.

The establishment of ASEAN Economic Community, Thailand is considered as trading hub for CLMV (Cambodia, Laos, Myanmar, and Vietnam). Moreover, Thailand has trade fair and exhibition centers which are sufficient, modern, and sufficient infrastructures for supporting the needs from business sector and domestic and foreign government sector. In contrast, other countries in CLMV group still need to build more convention centers for supporting the needs to use area. Therefore, it is a good opportunity for convention center business in Thailand to become a strategic point for organizers in the region. Furthermore, since all countries in ASEAN organize more business activities among each other, it is necessary for business



knowledge exchange that would benefit entrepreneurs of convention center business. So it is expected that economic group establishment would benefit trade fair and exhibition center business in the future.

#### 4. Domestic Political Situation

Domestic political situation is another factor affecting number of MICE tourists who travel to Thailand and number of MICE activities in the country. In the past, it was found that during political crisis all entrepreneurs were affected negatively at various levels.

#### 5. Investment in High Quality Infrastructures

- 5.1 Suvarnabhumi airport project phase 2 will be finished in 2017. The project phase 2 comprised of 216,000 square meter concourse building, a tunnel, and mass transportation system. The project is expansion of passenger terminal to the east side and supporting infrastructures. When the project finishes, the capacity of the airport will be developed in 5 phases. Eventually, the capacity will be able to support 120 million passengers a year with 4 runways. In addition, it was planned to build train system to connect Don Muang airport and Suvarnabhumi airport.
- 5.2 If Kamphaengsaen airport and U-Tapao international airport are expanded, they would provide relatively large area in the east and the west of the country. Every form of economic activities of U-Tapao international airport should be integrated with world famous resorts and major industrial estates along the east coast. The inner area has 250 kilometers in diameter. There are Khao Yai National Park, the world heritage, and provinces in the west of Cambodia. Kamphaengsaen airport can provide service for provinces in the west of the country and major resorts along the coast, like in Hua Hin and Cha-Am, as well as Dawei industrial estates in the south of Myanmar which is being built.

#### 6. Capacity Creation for Operation Personnel

The issues closely relating to the concept of MICE industrial development and physical investment is capacity development in the whole system. In this case, capacity creation in the following 3 sub-branches is considered.

- 6.1 Training for MICE industry profession
- 6.2 Education in profession of language
- 6.3 Training for IT, information, and statistics

# INFORMATION ABOUT THE REVENUE GUARANTEE AND THE GUARANTOR

- None





# LIMITATIONS FOR ALLOCATION OF UNIT TRUST

- (1) In order to allocate unit trust to subscribers, the allocation can be provided to a person or people in the same group not exceeding the following rates.
  - 50 percent of the total unit trust distributed and
  - 50 percent of the total unit trust distributed in each category, in case that unit trust is categorized.
- (2) In case that the person who received allocation of unit trust is trust founder, trustee, or REIT manager, he/she must receive unit trust in the rate that follows the regulations specified in the notification announced by the Office of the Securities and Exchange Commission on regulations of trust founder and trustee for real estate investment, and notification of the Office of the Securities and Exchange Commission on regulations, conditions, and methods for approving, REIT manager, and standard of practice, as the case may be.
- (3) In case that trust invests in real estate in Thailand but the law, rule, notification, or regulation relating to such real estate set limits for foreign investment, REIT manager will distribute unit trust to foreign investors as specified by such law, rule, or regulation. In this case, foreign investors must not invest exceed 49 percent of the total unit trust distributed, as it is sale offer of unit trust for real estate investment in a form of obtaining the ownership of land as specified by land code.
- (4) In case of being found by evidence that a person, people in the same group, unit trust distributor, trust founder, trustee, REIT manager, or foreign investor, does not hold unit trust as the rate specified in the regulations mentioned above, such person will not be entitled to receive benefit and vote in the part he/she holds unit trust exceeding the specified rate. Trust will give the benefit of the exceeding part to other beneficiary and it is assumed that every unit trust holder knows and consents to proceed.
- (5) Distribution manager reserves the right to reject and/or cancel all or some unit trust subscription in either case as follows:
  - Document or information that distribution manager received from unit trust subscriber is incorrect or incomplete.
  - Distribution manager casts a doubt about illegal purchasing unit trust of a subscriber, such as money laundering.
  - Distribution manager believes that real estate that will be invested by trust may have total value lower than 75 percent of the fund raised by trust.
  - Distribution manager may reserve the right to reject unit trust subscription in some cases that distribution manager see as appropriate. For example, in case that distribution manager considers it will benefit trust or unit trust holders, or in case that unit trust subscription may cause problems in trust management, or damage trust, or in case that subscriber is a citizen of the US, resides in the US, normally resides in the US, as well as property of the person, and company or partnership established and run business in the US, etc., in order to maintain benefit of trust, unit trust holders, and reputation or legal responsibility in the future of distribution manager.
  - Unit trust subscriber who resides overseas must be responsible to follow regulations, rules, and taxes relating to unit trust investment of trust.
  - Distribution manager assumes that unit trust subscribers and/or unit trust holders and/or investors have studied, understood, and been willing to follow or commit to agreements, regulations, contracts, or conditions of trust under the law and specified in trust management project and/or prospectus and/or notifications, orders, regulations notified by SEC Board, SEC, and/or authorized agency, both existing ones in the present and amended including additional ones in the future.

# POLICY FOR DIVIDEND DISTRIBUTION

1. REIT manager provides distribution to unit trust holders at least ninety (90) percent of adjusted net profit of accounting year. The dividend paid to unit trust holder is divided into year-end distribution and interim distribution (if any). However, REIT manager will not pay return to unit trust holders more than four (4) times per accounting year. Except, in the case that the Trust increase its capital, the Trust is allowed to conduct the dividend distributions of more than 4 times per year for benefit of existing unit trust holders. The return will be paid at the end of accounting year – March 31, 2015.

Adjusted net profit in this item means net profit which refers to cash status of trust and includes principal repayment as specified in loan contract (if any).

2. In case that trust still has accumulated deficit, REIT manager will not provide return to unit trust holders.
3. In case that the return is paid to unit trust holders in each accounting period, REIT manager will inform unit trust holders and close record book of unit trust holders, in order to identify names of unit trust holders who receive return. The return will be paid to unit trust holders within period as follows:
  - Year-End Distribution  
REIT manager will pay year-end distribution within ninety (90) days after the end of accounting year. It will be paid within thirty (30) days after the day of closing record book of unit trust holders in order to determine the right of unit trust holders who receive dividend.
  - Interim distribution  
REIT manager will pay interim distribution (if any) within ninety (90) days after the end of accounting year of the last quarter before paying return. It will be paid within thirty (30) days after the day of closing record book of unit trust holders.

In case that REIT manager is unable to pay profit within the period, REIT manager will send written notice to inform SEC and unit trust holders. If REIT manager is unable to pay return to unit trust holders within the period specified in the notice because of mistake of REIT manager, REIT manager will pay dividend not less than seven and a half (7.5) percent per year after the day is due until the day that REIT manager pay return to unit trust holders.

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

# CORPORATE SOCIAL RESPONSIBILITIES

## 1. Good Corporate Governance

IMPACT GROWTH REIT has aim and target which focus not only to its performance but also stakeholder, policy, and business management strategy based on the company's structure so as to achieve the good corporate governance as the following.

### 1.1 Stakeholder

IMPACT GROWTH REIT has categorized the stakeholders as follows:

#### 1) Unit Trust Holders of IMPACT GROWTH REIT

Unit trust holders hold the rights and responsibilities as specified in the prospectus as follows:

- (a) Being a unit trust holder does not create legal relation in the form of representative, or partnership, or any kinds of form between trustee and unit trust holder, among the unit trust holders, or making such person to be responsible in a case where assets of trust are inadequate for settlement to trustee, REIT manager, or trust's creditor. In this regard, trustee, REIT Manager, and trust's creditor will able to enforce the settlement only from the assets of trust.
- (b) Unit trust holders hold the right to demand trust to pay benefits not exceeding profit after expense, principal repayment (if any), and contingent expense as the law approved trust to make deductions, and the unit trust holders hold the right to demand for a payback of capital not exceeding the capital amount of trust which was adjusted which could be a surplus or discount of value of trust unit.
- (c) Unit trust holders are not responsible to REIT Manager or trustee for paying any extra money to trust, after completely paying for unit trust, and the unit trust holders have no any additional responsibility for the unit trusts that they are holding.
- (d) Unit trust holders hold the right to vote in meetings of unit trust holders including raising questions and expressing opinions in relation to trust management performed by trustee and REIT Manager whether it is aligned with relating law and contracts. However, the unit trust holders are not entitled to intervene business as usual of REIT Manager and trustee; this matter will be under authority and left to the discretion of REIT Manager and trustee, as the case maybe.
- (e) Each unit trust holder holds the right to give resolution to amend this contract or change the management practice accordingly to conditions and regulations specified in this contract.
- (f) Being unit trust holder does not make him/her or any third party has the ownership and right to make any demand beyond the assets of trust, not partially or entirely, or demand trust to transfer its total assets to only one unit trust holder. The unit trust holders merely hold the right to pursue the assets of trust from the third party, in case that trustee is unable to manage trust as specified in the contract or Trust Act which causes distribution of trust assets to third party, as regulated by Trust Act.
- (g) Unit trust holders hold the right to receive returned capital due to trust ended or capital decreased. In a case of trust ended, trustee who holds responsibility regarding trust liquidation may arrange liquidator, who is approved by SEC, to perform the task complying with regulations and methods specified in this contract. In addition, unit trust holders will receive returned capital only in case that trust has remaining assets after expense and debt repayment. In case of capital decreased, REIT Manager is required to average the returned capital to the unit trust holders in accordance with the regulations notified by SEC.

## 2) Trustee

IMPACT GROWTH REIT has specified right, duty, responsibility of trustee, limited liability of trustee, and compensation paid to trustee that Kasikorn Asset Management Co.,Ltd. is trustee as follows:

- (a) Trustee is juristic person holding authority and legal ability, including rights as asset owner and responsible for trust management as specified in the contract and Trust Act. Trustee is not responsible for loss incurred to trust or any person belonging to trustee if trustee performs his/her duty with honesty and carefulness according to his/her profession and specialization by treating unit trust holders fairly for maximum benefit of unit trust holders in accordance with contract, relating law, and additional obligations made to the investors, trust, and unit trust holders. In this regard, although trustee is not responsible for the loss incurred to trust or unit trust holders, trustee is required to make claim to a person who causes such loss to trust and unit trust holders in order to compensate trust and unit trust holders based on the actual loss amount.
- (b) Trustee is not allowed to do whatever against benefits of trust, whether such actions will be for benefits of trustee or other persons, except transactions which trustee can demonstrate that they are conditional, fair, and reasonable. Trustee has to disclose relating information adequately to unit trust holders in advance and then the unit trust holders do not make any objection as specified in the regulations of SEC.
- (c) In this regard, if REIT Manager cannot fulfill his/her duty, trustee is responsible for trust management as necessary so as to protect severe loss to all benefits of trust and unit trust holders.

## 3) REIT Manager

IMPACT GROWTH REIT has appointed REIT Manager namely RMI Company Limited whose establishment registered in Thailand on July 30, 2015 with paid-up registered capital amounting to 10,000,000 baht with a specific aim to manage trust only.

## 4) Property Manager

IMPACT GROWTH REIT has appointed property manager namely IMPACT Exhibition Management Co., Ltd. to be responsible for managing and seeking commercial benefits from the property invested by trust. REIT Manager will be responsible formulating policy and strategy.

## 5) Investor

IMPACT GROWTH REIT has realized, given precedence, and held responsibility to investors in terms of accessing correct information and disclosing transparency information, leading to impartiality in acquiring information.

## 6) Counterparty

IMPACT GROWTH REIT has realized, given precedence, and held responsibility to counterparty by providing procurement policy to enable fair trades.

## 7) Resident in Vicinity of Property Invested by Trust

IMPACT GROWTH REIT has realized, given precedence, and held responsibility to resident in vicinity of property invested by trust, by formulating policies to enable the resident to live with business operations.



#### 8) Ecosystem and Environment in Vicinity of Property Invested by Trust

IMPACT GROWTH REIT has realized, given precedence, and held responsibility to ecosystem and environment in vicinity of property invested by trust by formulating policies to reduce impacts on ecosystem and environment in vicinity of property invested by trust as much as possible.

### 1.2 Formulating Policy and Management Strategy

As IMPACT GROWTH REIT has realized the importance of developing organization which will support growth and sustainability in parallel, IMPACT GROWTH REIT has set up operational strategy of the organization to support growth and sustainability as follows:

#### 1) To procure and establish reliable organization regarding management with transparency for unit trust holders of IMPACT GROWTH REIT.

IMPACT GROWTH REIT has procured and established reliable organization regarding management with transparency for unit trust holders of IMPACT Growth REIT by means of procuring and appointing transparency and acceptable trustee, for selecting REIT Manager who is able to manage trust and is professional in the business, with transparency, efficient, and auditable operational system. The procurement of appraisal company, as well as audit company, which is acceptable and reliable, is based on transparent and fair practice.

#### 2) To set up internal department for transparency of unit trust holders of IMPACT GROWTH REIT

Apart from trustee who acts as representative of unit trust holders of IMPACT GROWTH REIT, REIT Manager has established Benefit Protection of Trust and Unit Trust Holders Department for convenience of collaboration and transparency to investors and unit trust holders of IMPACT GROWTH REIT. Furthermore, the department has held annual meeting of unit trust holders of IMPACT GROWTH REIT to provide the opportunity for them to participate and cast votes in agendas relating to operation, including making inquiry on relating operations and issues which can promote good governance.

#### 3) To set up internal department as a part of corporate governance or corporate social responsibility

In order to demonstrate corporate social responsibility, Property Manager has established internal departments to integrate various dimensions such as economy, environment, society, and corporate governance altogether. These are setting up Quality Control Department, Safety Department, Security Department, Facility Management Department, City Management Department, Procurement Department, and Human Resources Department etc.

## 2. Fair Business Practice

IMPACT GROWTH REIT has supported and promoted fair business practice as follows:

### 2.1 Promoting Fair Business Competition

IMPACT GROWTH REIT has strictly run business under laws in accordance with Securities and Exchange Act B.E. 2535 (including amendments) and Trust for Transactions in Capital Market Act B.E. 2550 (including amendments) to be fair for investors, unit trust holders, trustee, and competitors. In addition, IMPACT GROWTH REIT gives respect to conditions and commercial agreements made with counterparties strictly so as to enable fair and equal competition.

### 2.2 Promoting corporate social responsibility in supply chain

IMPACT GROWTH REIT has formulated regulations and policies of procurement aiming to be operational guideline to avoid redundancy, ensure quality of goods and service, efficiently manage procurement to be correct, accurate and

corresponding to demands at reasonable prices, leading to fair competition to counterparty and IMPACT GROWTH REIT. IMPACT GROWTH REIT has verified documents and examined demands of customers for goods and service, and has made clear scope of values in a form of policy based on its category for the convenience and transparency; these include clear timeline of procurement process and explicit characteristics of business joining in the procurement process.

## 2.3 Promoting respects to the right of property

IMPACT GROWTH REIT has promoted respects to the right of property, especially intellectual property by means of procuring, obtaining, and enhancing staff who takes part in IMPACT GROWTH REIT to use software package for entire operations to truly reach the most efficient and fair operations.

## 3. Anti Corruptions Policy

IMPACT GROWTH REIT has promoted anti corruptions policy by means of formulating operation in all process with circumspect verifications conducted by trustee and auditing system from external reliable organizations which is commencement of embedding operational disciplines to staff and parties who are relate to IMPACT GROWTH REIT to follow appropriate way and ethics as widely accepted by the society. This will be the first important step to eradicate corruptions in the organization for our sustainability.

## 4. Human Rights

Property manager has formulated the process of overseeing benefits and rights of staff to be systematic and acceptable such as 9 working hours per day by law, excluding lunch break. In terms of women's rights, in 2014, a total of 30 female staff took maternity leave. These female staff submitted the documents for their maternity leave and all received approval. As for child labor, property manager has employed child labor aged under 18 years old, but not younger than 15 years old and informed Ministry of Labor as specified by law. The property manager has also promoted human's rights by providing training courses such as Safe Life of TIS 22300 for the staff to acquire knowledge about good practice to reduce loss in their life and assets, Safe Driving, and Fire Evacuation, including arrangement of campaign activity for the staff to use helmet for safety in their life and asset. From the total 12 training courses provided, 1,251 staff attended the activities from average number of staff amounting to 1,505 (83.12%), consisting of 599 male staff (39.80%) and 652 female (43.32%). Furthermore, there were 2 courses provided in 2014 aiming at uplifting professional skills which can bring career advancement and good quality of life. The attending number of staff was 95 (6.31% of average 1,505 staff in 2014), classified into 15 male staff (0.99%) and 80 female staff (5.31%).

## 5. Fair Practice to Labors

Property manager had a total of 1,549 staff, classified into 1,366 permanent staff and 183 contract staff. A total of 1,366 permanent staff consists of 673 males and 693 females. The contract staff totaled 183 consisting of 132 contract male staff, and 51 contract female staff. When considering nationality of staff, property manager had 1,358 Thai permanent staff (99.41%) and other nationalities of 0.59% (8 persons). Thai contract staff was 134 (73.22%) and other nationalities were 49 (26.78%).

If considering benefits of permanent staff and contract staff, permanent staff will receive benefit for expenses of food, travelling (as specified in the employment contract), residence (as specified in the employment contract), provident fund, and health insurance. The contract staff, apart from their wage, will receive benefit for expenses of food, travelling (as specified in the employment contract), and residence (as specified in the employment contract). The permanent staff and contract

staff of Thai nationality and other nationalities have acquired equal benefits. In terms of treating physically challenged staff, the property manager had employment ratio of physically challenged staff as 100 to 1, based on the statistics on October 1, 2014. IMPACT GROWTH REIT has employed 1,867 staff in total consisting of 19 physically challenged staff which can be classified into 12 males and 7 females (1.02% of entire staff); 8 of them were permanent staff and 1 of them was contract staff. These consist of 3 staff of visual impairment, 7 staff of hearing impairment, and 9 staff of bodily and movement impairment. The permanent staff who has physical challenge will acquire benefit for expenses of food, travelling (as specified in the employment contract), residence (as specified in the employment contract), provident fund, and health insurance; while the contract staff who has physical challenge will receive benefit for expenses of food, travelling (as specified in the employment contract), and residence (as specified in the employment contract), excluding from the wage, in the same way as general staff do equally and impartially. In 2014, in respect to unfair practice to staff and complaint, there were 3 cases of complaints submitted to the Ministry of Labor.

## 6. Responsibility to Consumers



Property manager has managed security system for meeting, seminar, and exhibition with the working team of TIS 22300 (security management system for meeting, seminar, and exhibition) which was established from the executives and they are in charge of its working plan aiming to manage security for meeting, seminar, and exhibition and to be developed further sustainably and efficiently. The three main activities to achieve TIS 22300 each year are the following.

1. Controlling a number of robbery cases in events. The targeted number of average cases in 2015 compared with total events must not exceed the average number in 2014 of 0.21.
2. Reducing accidents from events. The accidents are targeted to be less than those in 2014 of 10% or 0.028, especially the accidents relating to exhibition under the certified scope of TIS 22300 and case of injury to be admitted in a hospital. This excludes accidents which receive recommendations on preventive measures for improvement in advance.
3. Providing more knowledge regarding TIS 22300 by approaching all departments and all levels of related staff by using evaluation on knowledge after the activity.



Apart from policy formulated by management level and other three main activities, property manager has made other platforms i.e. regular meeting for working team of TIS 22300, procedure manual, work instruction, system of references and documents to support operations, document forms, and annual evaluation from internal and external audit committee by Thai Industrial Standards Institute.

Aside from safety in life and assets of consumer, organizer, and participant, property manager has realized the importance of safety in life for food and beverage consumptions. Consequently, property manager has formulated policy food safety management or ISO 22000 according to Food Safety Management System-Requirements for any organization in the food chain which covers food hygiene or GMP (Good /Manufacturing Practice) and HACCP with the concept of "Produce quality and safety goods for consumers, create customer satisfaction, and develop efficiency of system continuously in accordance

with international standards and laws". The policy of organization was turned into practices as follows:

1. Set up an operational system which has quality, safety, and efficiency, and manage food hygiene as required by FAO (Food and Agriculture Organization of United Nations)/WHO (World Health Organization).
2. Provide support on necessary resources to be adequate for hygiene management of safe food production.
3. Promote human resources management in all levels to have understanding and ability to follow the company's policy including performing their responsible tasks accurately to achieve the target.
4. Promote personnel development to acquire more knowledge from trainings.
5. Examine, follow, develop, and improve procedures continuously to increase their efficiency. The verification on food safety will be conducted regularly and as required to improve the system.

In addition to guideline on policy and operational framework, property manager has appointed quality control staff to facilitate the continuity of food safety system, to be efficient and achieving the target, by means of regular meeting, procedure manual, work instruction, system of references and documents to support operations, document forms, and annual evaluation from internal and external audit committee which can certify ISO 22000.

Furthermore, as listening to opinion and feedback from customers is important, property manager has opened a channel of communication to customers in order to show responsibility to customers on the ground of Customer Satisfaction Index, for opinions and recommendations. Opinion of customers will be categorized and then adopted for service improvements such as attitudes towards service and communication of staff, cleanness of location, speed of accounting operation, value of quality, diversity and taste of food, brightness and temperature of event hall, security system, and traffic and parking etc. The scores from customers and consumers who are attending the events are weighted. Then, the truth of information from customers will be examined for fairness. The company has procedure of reporting the evaluation result to customers to create credibility, sincerity, and to bring close attention to all customers and consumers. YTD of Customer Satisfaction Index from April 2014 to January 2015 stood at 85.42%, compared with the average rate forecast from early year of 83%; this rate was higher than that of forecast by 2.42%. More importantly, no complaints of customers and consumers has related to security management system for meeting, seminar and exhibition, and food safety system.

## 7. Environment Preservation



Property manager has recognized the significance of environment which causes great damages to life and asset and all activities have created carbon dioxide emission directly or indirectly. In order to reduce and alleviate environmental problems, property manager has initiated energy conservation which is one of direct resolution methods. In addition, as energy conservation is important and regarded as duty of all staff, energy management system has been applied to manage energy continuously for maximum efficiency, and reduce rising energy cost. The policy is as follows:

1. Operate and develop energy management system properly by determining energy consumption as a part of operation of organization complying with laws and concerning regulations.
2. Improve efficiency in using energy resources of organization continuously to be appropriate for business and technology leading to good operations.
3. Formulate plan and set up target of energy conservation annually, and communicate the subject to all staff for understanding and following the plan and target accurately.

4. Set the responsibility of energy conservation as duty of building owner, executive, and all levels of staff in the organization to corporate and follow the measures specified and then report the results to Energy Management Committee
5. Support design and purchasing new equipment and technology with high capacity, and provide training in relation to energy conservation to the staff and allow them to participate in expressing opinions to develop tasks regarding energy continuously.
6. Operate accordingly to energy management system for exhibition areas in IMPACT Challenger and IMPACT Exhibition Center.
7. Implant consciousness for good behavior and draw participation of staff including external staff to operate tasks following energy management system.
8. Review and adjust policy, target, and operational plan regarding energy which will be annually conducted by executives and working team of energy management.
9. Set energy saving as Key Performance Indicator and regard it as a part of operation carried out by the internal staff.

Apart from guidelines on policy and operational framework, property manager has appointed Supervising Committee and Energy Management Committee which give frame and scope of work clearly to support operation to be continuous, efficient, and successful as targeted by means of regular meeting, procedure manual, work instruction, system of references and documents to support operations, document forms, and annual evaluation from internal and external audit committee which certify ISO 50001. In 2014, IMPACT Growth REIT targeted to reduce energy at 3% on average of MJ/m<sup>2</sup> by using base of 2013 as reference which can be concluded as below.

Average Index in 2013 5.27 MJ/m <sup>2</sup>	Target Before Operation	Actual Operational Period from January-December 2014
Energy consumption index	5.11 MJ/m <sup>2</sup> (3% lower from average index in 2013)	4.51 MJ/m <sup>2</sup>
Saving	0.16 MJ/m <sup>2</sup>	0.77 MJ/m <sup>2</sup>
Reduced energy consumption	3,828,296.80 MJ/year	18,526,841.61 MJ/year
Electricity	1,063,415.78 kWh/year	5,146,344.90 kWh/year
Amount	4,540,785.37 baht	20,585,379.60 baht

The reduction of energy in 2014 had 7 main activities which were activities of changing and improving equipment for efficiency of energy reduction as follows:

No.	Program	Target of Energy Conservation		Saving in 2014	
		kWh/year	baht/year	kWh/year	baht/year
1	Changed 1000W bulb to 420W LED at IMPACT Exhibition Center of building 5-8 with a total of 227 bulbs	473,930.50	3,083,591.98	323,013.88	1,292,055.52
2	Change bulbs at parking lot (P1) to 18W LED of 1,726 bulbs	164,039.33	656,156.16	191,378.88	765,515.52

No.	Program	Target of Energy Conservation		Saving in 2014	
		kWh/year	baht/year	kWh/year	baht/year
3	Change thermometer from analogue to digital of air conditioner in IMPACT Exhibition Center of building no.5-8	101,996.33	407,985.31	485,282	1,941,128
4	Increase efficiency of cooling tower by changing cooling tower filter in Impact Challenger	111,654.89	446,619.54	235,974.80	943,899.22
5	Move variable speed drive (VSD) of CHP to be used in condenser water pump in a type of cooling-down period (CDP) in Impact Challenger	27,352.08	109,408.32	27,352	109,408.32
6	Install variable speed drive (VSD) of condenser water pump in a type of cooling-down period (CDP) in Impact Challenger	64,152.90	256,611.60	64,152.90	256,611.60
7	Increase efficiency of cooling tower by changing its filter in IMPACT Arena and IMPACT Exhibition Center building 1-4	49,541.76	198,167.04	43,790.20	175,160.80

In conclusion, the 7 activities for IMPACT GROWTH REIT set up saving target in 2014 of 1,339,167.49 kWh/year or 7,767,189.96 baht/year with the investment amounting to 25,723,709.91 baht with the payback period of 3.31 years. In terms of actual saving result in 2014, IMPACT GROWTH REIT can save the energy of 1,370,944.74 kWh/year or 5,483,778.98 baht/year with the actual investment of 17,770,709.91 baht.

Besides these 7 activities, there are practices to reduce energy consumption of machinery and equipment, and activities to instill the value of energy conservation as follows:



(Example of Activity for Internal Communication to Stimulate Energy Conservation)

1. Control tuning of Diff Temp Chiller Water in comparison to internal and external temperature.
2. Shorten the pre-cool period of water chiller on the second day of events based on the comparison of internal and external temperature.
3. Shorten the period of water chiller of 1-2 hours a day in each event based on external temperature.
4. Control the switch of lights such as setting up percentage of working or in particular location.
5. Provide training to create consciousness to 592 internal staff to realize the significance of energy conservation which receives good cooperation and feedback during May-June 2014.
6. Arrange participating activities so as to seek measures for organization with 512 staff participating in the activities and giving opinions in energy conservation.

Table of comparing energy consumption of IMPACT Arena, IMPACT Challenger, IMPACT Exhibition Center

Month	Total Energy Consumption of Exhibition Area in 2013			Total Energy Consumption of Exhibition Area in 2014			Comparison on Total Energy Consumption	
	(MJ)	(m <sup>2</sup> )	(MJ/m <sup>2</sup> )	(MJ)	(m <sup>2</sup> )	(MJ/m <sup>2</sup> )	Difference (MJ/m <sup>2</sup> )	Result
January	7,670,248.39	1,282,805	5.98	5,768,552.60	1,147,375	5.03	-0.95	Down
February	8,117,672.13	1,239,144	6.55	7,821,970.02	2,093,203	3.74	-2.81	Down
March	13,726,346.75	2,488,240	5.52	12,131,773.38	2,729,345	4.44	-1.07	Down
April	9,802,317.03	1,366,517	7.17	7,380,763.09	1,139,592	6.48	-0.70	Down
May	12,997,314.12	2,233,484	5.82	12,461,709.78	2,493,812	5.00	-0.82	Down
June	11,949,755.44	2,638,430	4.53	9,060,912.12	1,818,275	4.98	0.45	Up
July	10,456,538.76	1,863,571	5.61	7,121,461.93	1,317,345	5.41	-0.21	Down
August	11,873,167.78	2,427,263	4.89	12,585,300.50	3,067,954	4.10	-0.79	Down
September	10,403,488.69	1,688,098	6.16	8,979,954.08	1,946,672	4.61	-1.55	Down
October	10,195,564.22	2,050,422	4.97	8,917,530.50	1,888,324	4.72	-0.25	Down
November	13,323,334.34	2,944,446	4.52	11,750,795.00	2,700,165	4.35	-0.17	Down
December	7,094,145.55	1,977,869	3.59	10,773,182.18	3,116,317	3.46	-0.13	Down
Total	127,609,893.20	24,200,289	5.27	114,753,905.18	25,458,379	4.51	0.77	Down

According to the table of comparing energy consumption of IMPACT Arena, IMPACT Challenger, IMPACT Exhibition Center, the saving result amounted to 20,585,379.60 baht. The calculation of saving result is ((difference x area.2013)/3.6) x 4 baht with deductions of energy consumption of rental shops, restaurants, and light bulb at tunnels out of exhibition areas. The energy consumption was reduced exceedingly 14% all year compared with the target of 3% at the early 2014.

In consideration on monthly basis, during January-May, the average of energy consumption per area was less than that of 2013. In June, the reduction of energy consumption was rising significantly which mainly caused the rise from the target of energy consumption of 3% in 2014 due to political situations and cancellation of 3 big events i.e. Bangkok International Auto Salon Nail, Travel Thailand (TTF), and Herbalife Asia.



## 8. Community or Social Development

The property manager has arranged activities to develop community and society as follows:



1. "IMPACT Sharing Smile – Children's Happiness is Our Happiness" for the third year (October 17, 2014)

The company, in collaboration with Home Product Center PLC, has launched "IMPACT Sharing Smile – Children's Happiness is Our Happiness" for the third year by providing food, book, and stationery with a total value exceeding 50,000 baht in a ceremony of giving restrooms to the students at Ban Kongdara School, Sriracha district, Chonburi, which is binding power between the company and counterparty to provide benefits to society and raise standard of Thai school.



2. "Clean City Happy Nation" (November 4, 2014)

The activity of collaboratively bringing back cleanness to Pakkred community called "Clean City Happy Nation" to campaign hygiene and collecting solid wastes in public area at the same time countrywide in the area of Pakkred waterside to follow policy of local waste management launched by Ministry of Interior. In addition, it was demonstrating collaboration and creating participation of local people leading to good environment as a part of clean and admirable city.



3. "IMPACT Dream Painting and Smile Sharing on National Children's Day 2015 (January 10, 2015)

The activity provided gifts to children such as doll, pencil box, pencil, crayon, piggy bank, snack and learning media in order to create skills and creativities amounting to over 50,000 baht on the National Children's Day 2015 at government agency and communities around Muang Thong Thani, Amphoe Pakkred, Bangbuathong District, Nonthaburi such as Phasukmaneejak School, Khlong Kua School, community housing, interrogation office, and police station in Amphoe Pakkred which focuses on good relation between IMPACT and community in the vicinity of Muang Thong Thani in the area of Nonthaburi and bringing opportunity and happiness to youths.

## 9. Generating and Distributing Innovations

Property manager has applied innovations to management for operational efficiency including accounting system, procurement system, WMS, and ACCPAC. In addition, the company has adopted planning and management system for MICE called EBMS which links all sections altogether completely such as Sales Department, Facility Management Department, and Operational Department to achieve efficient management and administration to provide best services to customers and users. At the same time, the property manager has studied the mistakes caused by using innovations and feasibility of using new innovations for more integrated management.





# EXPENSES CHARGED TO THE REIT

Fees and expenses to be charged from property of trust must be necessary and appropriate relating to trust management directly, including all expenses relating to any operation for trust establishment, fees and expenses specified in the table below that can charge with trust not over the rate specified in the table, and setting fees and expenses of each list as agreed by partner in each case in separation from this contract. However, the fees and expenses exclude value added tax.

Fee and Expense charge to the Trust	Ceiling
Fee and Expense	
REIT Manager Fee	Not Over 2.0% of total asset of the Trust
Trustee Fee	Not Over 1.0% of total asset of the Trust
Registrar Fee	Not Over 0.5% of total asset of the Trust
Custodian Fee	Not Over 0.5% of total asset of the Trust
Property Manager Fee	Not Over 2.0% of total asset of the Trust
Financial Advisor Fee	Not Over 3.0% of total asset of the Trust
Trust distribution Fee	Not Over 3.0% of total asset of the Trust
Marketing and Public Relations Expense	Not Over 1.0% of total asset of the Trust
Maintenance and preserve asset Fee	Paid as actual
Property Management Fee	Paid as actual
Insurance Fee	Paid as actual
Trust Unitholder Meeting Fee	Paid as actual
Related Tax Expense	Paid as actual
Other Professional Fee	Paid as actual
Interest and fee from loan	Paid as actual



Fee and Expense charge to the Trust	
Ceiling	
Paid as actual	
Other	
1) Expense and Fee concerning on Trust founding as actual	13) Expense on Preparation on Printing, the trust
2) Fee and Expense on Auditing and Internal Audit	subscription form, tax receipt, cash receipt and any
3) Property Management Fee (Broker Fee) not over 2 of	other form that related to the Trust, Preparation and
asset value of the asset that the Trust will invest.	Printing prospectus, annual Report , translation and
4) Fee and Expense for acquisition, disposal, transfer the	postal mail expense
Trust's asset.	14) Expense related to an Amendment and additional
5) Fee of Feasibility analysis of lease , disposal, transfer	to the Trust Deed and/or for copliance with Laws or
or sublease of property which need additional	Notifications of SEC, the SEC office and/or relevant Laws
professional opinion	15) Expense on Legal Fee for Court Proceeding related to
6) Tax or Fee and tax stamp related to acquisition and	the Trust's operation on property management
disposal asset or other asset of the Trust as actual paid	16) Any expense (if any) on Court Proceeding on
7) Fee and/or Expense on Asset appraisal and/or	Confiscation fees and Compensation Derived from the
reviewed	REIT Manager for Benefits of Trust Unitholders as a
8) Fee and/or Expenses in Engineering System Evaluation,	whole or until order from SEC, paid as Actual
Fees on Auditor for Auditing Profit and Loss Statement,	17) Compensation for the Third Parties for Damages
and on Preparation Reports or Research	Incurred from Operation of the Trust Excess of Insurance
9) Agent or Property Broker (If any) to non related person	Coverage
to REIT manager that in the role of Marketing, paid in	18) Remuneration for Liquidor or Supervisor during
the rate that the REIT Manager consideration and paid	Registration of Liquidation and Dissolution Registration
as actual and shall not over 3% of acquisition property	of the Trust with SEC, paid as actual
value or in the case of lease of Property shall pay at	19) Fee and/or Expenses on Dissolution of the Trust or
actual and shall not over 10% of rental income for the	Change of the REIT Manager or the Trustee
whole period	20) Expense and consultation fee for internal audit
10) Any other expense related to register.	verification of the Trust and Property Manager
11) Any other expense related to the Trust's Bank account.	21) Fee and/or Other Expense related to the operation of
Paid as actual	the Trust
12) Expense on Preparation Printing and Distribution	
Notice, correspondence information, announcement	
to the Trust Unitholders. Paid as actual	

# TRUSTEE OPINION'S REPORT

To Trust unitholder of IMPACT growth Real Estate Investment Trust ("the Trust")

I, Kasikorn Asset Management Company Limited , as the Trustee of Real Estate Investment Trust (Trustee) , has supervised and monitored the management of the IMPACT Growth Real Estate Investment Trust which managed by RMI Company Limited for the accounting period from 22 September 2014 - 31 March 2015.

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

Trustee  
Kasikorn Asset Management Company Limited



Mr. Vasin Vanichvoranun  
Executive Chairman

Kasikorn Asset Management Company Limited  
8 June 2015

# RELATED PARTY TRANSACTION

After trust invested in the property for the first time (comprised of IMPACT Arena, IMPACT Exhibition Center, IMPACT Forum, and IMPACT Challenger), there is related party transaction between trust and IMPACT who is Property Manager, and related to trust constantly. The related party transaction includes transaction that trust will lease area to IMPACT for opening restaurant and running advertising business, and to provide some areas of property that will be invested by trust for the first time to IMPACT. IMPACT will utilize the area to organize MICE activities as event organizer, as well as the right to use the area for catering service. IMPACT is a person related to trust as the major shareholder and authorized person to control REIT manager and also acts as property manager. The details of transaction between trust and property manager can be summarized as follows:



Juristic person/ company that may have conflict	Relation	Characteristics of related party transaction	Conditions of pricing policy	Opinion on pricing
1. IMPACT Exhibition Management Co., Ltd.	<ul style="list-style-type: none"> <li>- Being the major unit trust holder.</li> <li>- Being the major shareholder of REIT manager. IMPACT and authorized persons of IMPACT hold 100 percent of REIT manager's share.</li> <li>- Being authorized person of REIT Manager.</li> <li>- Being property manager of trust.</li> </ul>	<p>1.1 Trust (by trustee) has purchased property comprising of IMPACT Arena, IMPACT Exhibition Center, IMPACT Forum, and IMPACT Challenger from IMPACT who is the previous owner of such property by spending fund from selling unit trust and borrowing loan from financial institution. After completing the purchase of asset, trust would be established later.</p>	<p>For the first investment in this main property, trust invested in 4 properties with a total value of 19,601.10 million baht. The determination of last price that trust purchased 4 properties from IMPACT was referred to the price appraised by independent appraisal approved by SEC. Related factors: needs of investors, conditions of financial and capital markets, commercial potential of property, domestic and foreign interest rates, etc., were taken into consideration.</p>	<p>The transaction of property purchased by trust is reasonable and will not cause trust to lose any benefit because</p> <ol style="list-style-type: none"> <li>1) It helps trust to obtain property in a type of exhibition and convention center which has high commercial potential.</li> <li>2) Conditions for doing transaction are reasonable. The details are specified in section 2.4 of prospectus for selling unit trust.</li> <li>3) Determining price of property is referred to the price appraised by 2 independent appraisals that have been approved by SEC. The highest price of the 4 properties invested by trust is 19,614.50 million baht or 103.78 percent of the lowest price appraised by independent appraisal (18,900 million baht). The highest price will enable trust to receive Internal Rate of Return (IRR) at a satisfactory level when comparing it to investment return from other optional investments containing similar profit and risk.</li> </ol>



Juristic person/ company that may have conflict	Relation	Characteristics of related party transaction	Conditions of pricing policy	Opinion on pricing
1. IMPACT Exhibition Management Co., Ltd.		<p>1.2 IMPACT uses service/rents the area in the long term in order to open restaurants and shops as specified in the contract of IMPACT from trust, comprising of the following restaurants:</p> <ul style="list-style-type: none"> <li>- Hong Kong Fisherman</li> <li>- Hong Kong Cafe</li> <li>- Flann O'Brien's Irish Pub</li> <li>- Terraza Restaurant and Bar</li> <li>- Noodle Nation</li> <li>- Manohra Restaurant</li> <li>- Bistro de Champagne</li> <li>- Ease Café(Challenger)</li> <li>- Ease Café(Forum)</li> <li>- Taishotei, a shop of NOVOTEL</li> </ul>	<p>The long-term rental fee of area will be collected in forms of</p> <ul style="list-style-type: none"> <li>- Revenue sharing from restaurants of IMPACT or 22 percent of the whole income from restaurants of IMPACT located on property of trust received by IMPACT.</li> <li>- Rate of rental fee per month is 80,000 baht (not include value added tax) for the area of NOVOTEL.</li> </ul> <p>Trust also collects public utility fee consisting of service charge, water supply, electricity, and gas used in kitchen based on actual amount in use. The charge will be collected not lower than the cost collected by related agency or public utility provider. The guarantee on damages is collected amounting to 100,000 baht per restaurant.</p>	<p>In terms of rate of rental fee, trust will collect it from IMPACT in a form of revenue sharing at 22 percent of the whole income from restaurants of IMPACT located on the area that will be invested by trust with the rate set by mutual agreement between trust and IMPACT. The rate corresponds to profit structure before trust establishment. When considering the rate of revenue sharing from restaurants at 22 percent that trust will collect from IMPACT and the rate that will collect from other lessee / other people who use the area (who are not related to trust), it was found that the rate is not lower than the rate that will be collected from other lessee/client that run restaurants in the area which will be invested by trust. So REIT manager and financial consultant consider that the rate of revenue sharing from restaurants that trust will collect from IMPACT is reasonable and will not cause trust to lose any benefit. Trust will still gain suitable profit from the operation.</p>
		<p>1.3 IMPACT uses the area of trust for organizing exhibitions.</p>	<p>Rate of payment for using the area of IMPACT will be used by event organizer is based on the market price that can be compared with other clients. The list of events is shown as follows:</p> <ul style="list-style-type: none"> <li>- Kidcovery World 2014</li> <li>- Smart Heart Presents PET Variety 2014</li> <li>- The 7th Annual Congress for Teacher Professional Development: EDUCA 2014</li> <li>- CONSTECH 2015</li> </ul>	<p>Rate of service must be normal as transaction conducted to external party. Therefore, the rate is reasonable.</p>

Juristic person/ company that may have conflict	Relation	Characteristics of related party transaction	Conditions of pricing policy	Opinion on pricing
1. IMPACT Exhibition Management Co., Ltd.		1.4 IMPACT uses the area for catering service.	Trust will collect income from the area used by IMPACT to enable IMPACT to run catering service, in a form of rights fee at 25 percent and public utility service fees of electricity and water supply at 4 percent of income that IMPACT received from all catering services. Trust also collects public utility fee consisting of service charge, water supply, electricity, and gas used in kitchen based on actual amount in use. The charge will be collected not lower than the cost collected by related agency or public utility provider. The guarantee on damages is collected amounting to 100,000 baht per restaurant.	The income from right fee that trust collects from IMPACT in a form of revenue sharing will align with the rate agreed by trust and IMPACT, and corresponds to profit structure before trust establishment. Trust will collect payment from using the right at 25 percent of income that IMPACT received from all catering services on the area that will be invested by trust. When comparing it with the collection of revenue sharing from restaurants of lessees (includes IMPACT) on the area that will be invested by trust (about 22 percent of the whole income from restaurants), it was found that the rate is not lower than the rate collected from restaurants. So REIT manager and financial consultant consider the rate of payment/rent is not disadvantage for trust. Trust will still gain suitable profit from giving the right to IMPACT in using the area for catering service.
		1.5 IMPACT uses the advertisement area in the long term from trust for running advertising business.	Trust will collect income from using the area for advertisement as service payment. It will be collected in a form of a revenue sharing received from advertisement business of IMPACT or 31 percent of income from advertisement business on the total area of trust, and 50,000 baht for guarantee on damage.	The rate advertisement business on the area that will be invested by trust is mutually agreed by trust and IMPACT that corresponds to profit structure before trust establishment. When comparing it with the data of a company registered in Stock Exchange of Thailand which collects payment for giving right on area for advertisement for retail and outdoor area as another type, it was found that average rate and the highest rate until the end of the contract are 11.45 and 20 percent of income of the whole year generated by

Juristic person/ company that may have conflict	Relation	Characteristics of relat- ed party transaction	Conditions of pricing policy	Opinion on pricing
				advertisement area (refer to 69-1 form and 56-1 form of the company which are revealed officially). Obviously, the payment rate of advertisement area of trust that collects from IMPACT is not lower than that of compared data in market. Consequently, REIT manager and financial consultant consider that the rate is reasonable and will not cause trust to lose any benefit and trust will still gain suitable profit from the operation.
		1.6 REIT manager hires IMPACT as property manager of trust.	IMPACT will collect property management fee from trust that comprises of base fee and incentive fee in the rate specified. More details can be found in the summary of property manager appointment contract.	The details are shown in (a)
		1.7 REIT manager allows IMPACT to rent telephone line and fiberoptic line for systems in IMPACT Arena, IMPACT Exhibition Center, IMPACT Forum, IMPACT Challenger, and restaurants of IMPACT.	Income from service is monthly flat rate. However, the rate does not include expense from using telephone. IMPACT will be responsible for such expense based on its actual use and the actual rate collected by telephone provider.	Rate of service charge is suitable. IMPACT rents it to run operation to generate income for trust. Therefore, it is reasonable.

Juristic person/ company that may have conflict	Relation	Characteristics of related party transaction	Conditions of pricing policy	Opinion on pricing								
		1.8 REIT manager hires IMPACT to provide public utilities and facilities (City Management).	Service charge will be collected in monthly flat rate for 750,000 baht per month.	The flat rate of service charge that IMPACT collects from trust is regular which has been used with other service receivers. However, in case of collecting the fee based on the rate applied in the area, trust will pay higher amount than that of flat rate.								
2. RMI Co., Ltd.	<div>- Being a subsidiary company of IMPACT Exhibition Management Co., Ltd.</div> <div>- Being REIT manager.</div>	Trust hires RMI Co., Ltd. as REIT manager.	<div>REIT manager fee comprises of</div> <div>1. <b>Base fee</b></div> <div>It is calculated as percentage per annum of total property value of trust (calculated from total property value approved by trustee) with the rates as follows:</div> <table><tr><td>1<sup>st</sup> year</td><td>0.25%</td></tr><tr><td>2<sup>nd</sup> - 4<sup>th</sup> year</td><td>0.45%</td></tr><tr><td>5<sup>th</sup> year</td><td>0.475%</td></tr><tr><td>6<sup>th</sup> year and over</td><td>0.50%</td></tr></table> <div>This is monthly fee.</div> <div>2. <b>Incentive fee</b></div> <div>It is 50 percent based on the ratio set from the larger part of benefit and actual investment fund that will be paid to unit holders (calculation excludes this special fee), when comparing with budget of each fiscal year as specified in REIT manager appointment contract, with a total period of 5 years. This is annual fee. These 2 types of fee altogether do not exceed 2.00 percent per annum of total property value of trust.</div>	1 <sup>st</sup> year	0.25%	2 <sup>nd</sup> - 4 <sup>th</sup> year	0.45%	5 <sup>th</sup> year	0.475%	6 <sup>th</sup> year and over	0.50%	Structure of REIT manager fee corresponds to normal business. The base fee is similar to management fee of other domestic property funds. Also, the criteria of special fee is appropriately set up.
1 <sup>st</sup> year	0.25%											
2 <sup>nd</sup> - 4 <sup>th</sup> year	0.45%											
5 <sup>th</sup> year	0.475%											
6 <sup>th</sup> year and over	0.50%											

Juristic person/ company that may have conflict	Relation	Characteristics of related party transaction	Conditions of pricing policy	Opinion on pricing
3. Bangkok Land Public Company Limited	- Parent company of IMPACT Exhibition Management Co., Ltd.	Bangkok Land uses the area of trust for organizing trade fair.	The service charge consists of fixed rental fee of 20,000 baht per month (does not include VAT) and 50,000 baht as guarantee on damage.	Rate of service charge is normal. It is similar to that in running transaction with the third party. Therefore, it is reasonable.
4. Kasikorn Asset Management Co., Ltd.	- Being trustee of trust.	Service fee for maintaining benefit of trust.	Monthly payment must not exceed 1.00 percent per annum of total property value of trust (the rate does not include value added tax, specific business tax or other similar	Structure of trustee fee is similar to those of other domestic property funds.
5. KASIKORNBANK PCL	- Parent company of Kasikorn Asset Management Co., Ltd., as trust of trust.	Transaction of financial aid.	KASIKORNBANK, creditor, entered into the loan contract with trust on September 25, 2014. The amount of loan was 1,900 million baht and amount of 180 million baht which has not yet withdrawn. Its interest rate does not exceed 1.50 per annum. Trust will pay interest at the end of each month and the principal will be repaid within 5 years.	Conditions of loan borrowing are similar to those available in the market.

## Opinion on Property Management Fee

REIT manager and financial consultant consider that structure of property manager that IMPACT (as property manager) will collect from trust, comprising of base fee and incentive fee, is normal fee structure found in property management business. Trust will pay fee in a special rate for property management to IMPACT in order to motivate IMPACT to manage assets of trust efficiently with their highest capability to generate good profit for trust which can bring suitable profit and value added to unit trust holders. In terms of rate of property management fee specified in property manager appointment contract, base fee and incentive fee are mutually agreed by trust and IMPACT. When considering from financial estimation of trust based on the rate of REIT manager fee as specified in property manager appointment contract, both REIT manager and financial consultant consider that the rate of REIT manager fee does not make trust lose any benefit and trust will still gain suitable profit from the operation.

In considering reasonability of the rate of property management fee that IMPACT will collect from trust, financial consultant and REIT manager have compared the highest rate of property management fee that IMPACT will collect from trust as specified in property manager appointment contract to be made between the company (as REIT manager) and IMPACT (as property manager of trust). Such highest rate will be effective from the 4th year onwards. It is divided into base fee, 5.5 percent of the total income of trust which does not include income from other investment of trust, and 6.75 percent incentive fee of net profit from property before deducting expense of trust, and property management fee of other property fund, in order to compare it with the rate of property management fee that IMPACT will collect from trust. The operation will be conducted as follows:

1. Select freehold and leasehold property funds which provide and submit their audited financial statement of the year 2011 and 2012. The financial statement in 2011 and 2012 of the chosen property funds must disclose their amount of property management fee in income statement clearly. In addition, scope of providing main service of property manager of selected property funds must be similar and comparable to the scope of main service of IMPACT to trust. In other words, the scope of providing service must include responsibility for seeking benefit from property invested by the property fund, maintenance and repairing property of the property fund, as well as providing account, report, and other documents relating to the operation and utilization of property. According to the criteria, financial consultant and REIT manager can select 15 property funds, both freehold and leasehold. The invested properties are shopping center, office building, warehouse, factory, cold storage, apartment, and hotel/resort.
2. Ratio of property management fee to rental and service revenue in 2011 and 2012 of the 15 property funds on the ground of 2011 and 2012 audited financial statements of the 15 mutual funds.

The important data relating to ratio of property management fee to rental and service revenue of the 15 chosen property funds in 2011 and 2012 can be summarized in a form of statistics as follows:

Ratio of property management fee to rental and service revenue	2011	2012
Number of sample mutual funds	15	15
Max	13.10%	13.10%
Min	2.02%	2.14%
Mean	6.58%	6.61%
Median	6.00%	6.19%

Remark: Calculated from 2011 and 2012 financial statements of the 15 chosen property funds according to criteria specified by financial consultant and REIT manager. All of the property funds are presently registered in SET. The amount of property management fee in this calculation is from base fee and incentive fee.

If considering the highest base rate that IMPACT will collect from trust (to be effective from the 4<sup>th</sup> year onwards) or 5.5 percent of income from total rental and service revenue of trust that does not include income from other investment of trust, the rate is lower than mean and median of ratio of property management fee to rental and service revenue of the 15 sample property funds from 2011-2012 which is 6.0-6.7 percent. However, when taking the highest rate of incentive fee amounting to 6.75 percent of net profit of property before deducting expense of trust (to be effective from the 4<sup>th</sup> year onwards as well) into the calculation of total property management fee that trust will pay to IMPACT as specified in the contract, the ratio of total property management fee (both base fee and incentive fee) per total rental and service revenue that trust will pay to IMPACT tends to be higher than mean and median of ratio of property management fee per rental and service revenue of the sample property funds in 2011-2012 (6.0-6.7 percent). Nevertheless, it is still lower than the same mean and median of the property funds that invest in leasehold of shopping mall in the same period which is 11.30 percent (property funds that invest in leasehold of shopping mall in this consideration are ones of the 15 property funds, considered by financial consultant and REIT manager). REIT manager and financial consultant compare shopping mall with exhibition and convention center because both types of property have similar form of leasing area and service.

Financial and REIT manager mutually agree that property management fee that trust will pay to IMPACT may be higher than the shown mean because property of trust is more complicated to be managed than other types of property. It is necessary to hire a great number of skillful personnel in order to provide service to clients, as well as arranging staff who have experience and efficiency. IMPACT is considered as skillful and experienced property manager who is familiar with property that trust will invest in for the first time.



# IMPACT GROWTH REAL ESTATE INVESTMENT TRUST

Report and financial statements  
For the period as from 22 September 2014 (date of incorporation)  
to 31 March 2015





# INDEPENDENT AUDITOR'S REPORT

To the Unitholders of Impact Growth Real Estate Investment Trust

I have audited the accompanying financial statements of Impact Growth Real Estate Investment Trust, which comprise balance sheet, and detail of investments as at 31 March 2015, the related statements of income, changes in net assets, cash flows and significant financial information for the period as from 22 September 2014 (date of incorporation) to 31 March 2015, and a summary of significant accounting policies and other explanatory information.

## REIT Manager's Responsibility for the Financial Statements

The REIT Manager is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as REIT Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Trust's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by REIT Manager, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Impact Growth Real Estate Investment Trust as at 31 March 2015, and its financial performance, changes in its net assets, cash flows and significant financial information for the period as from 22 September 2014 (date of incorporation) to 31 March 2015 in accordance with Thai Financial Reporting Standards.



Ratana Jala

Certified Public Accountant (Thailand) No. 3734

EY Office Limited

Bangkok: 21 May 2015

# BALANCE SHEET

## Impact Growth Real Estate Investment Trust

As at 31 March 2015

	Note	31 March 2015
<b>Assets</b>		(Unit : Baht)
Investments in properties at fair value (At cost: Baht 19,601 million)	6	19,603,000,000
Investments in securities at fair value (At cost: Baht 400 million)		402,071,492
Cash and cash at banks	7, 14	204,866,668
Receivables		
From service	8, 14	180,255,235
From interest	14	275,483
Prepaid expenses		7,815,336
Other assets		6,012,838
<b>Total assets</b>		<b>20,404,297,052</b>

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

# BALANCE SHEET (CONTINUED)

## Impact Growth Real Estate Investment Trust

As at 31 March 2015

	Note	31 March 2015
<b>Liabilities</b>		(Unit : Baht)
Trade payables	14	70,399,200
Other payables		9,044,645
Accrued expenses	14	132,334,932
Unearned income		202,872,425
Security deposits		13,656,261
Other liabilities		70,681,066
Long-term loans	9, 14	3,900,000,000
<b>Total liabilities</b>		4,398,988,529
<b>Net assets</b>		16,005,308,523
<b>Net assets:</b>		
Trust registered		
1,482,500,000 units of Baht 10.6 each		15,714,500,000
Capital from unitholders		
1,482,500,000 units of Baht 10.6 each	10	15,714,500,000
Retained earnings	11	290,808,523
<b>Net assets</b>		16,005,308,523
		-
Net asset value per unit (Baht)		10.7961
Number of units issued at the end of period (Units)		1,482,500,000

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



Colonel Phichai Namsirikul  
Director



Mr. Naputt Assakul  
Director

# DETAIL OF INVESTMENTS

## Impact Growth Real Estate Investment Trust

As at 31 March 2015

### Detail of investments classified by asset classes.

Type of investments	Areas held by the Trust	Cost (Baht)	Fair value (Baht)	Percentage of investment
Investments in properties (Note 6)				
IMPACT Arena, Exhibition and Convention Center, Muang Thong Thani				
Location : Banmai sub-district, Pakkred district,	192-2-88.6 rai /	19,601,156,083	19,603,000,000	97.99
Nonthaburi 11120	165,606 sq.m.			
Total investments in properties		19,601,156,083	19,603,000,000	97.99
Investments in securities				
Unit trust				
Krungsri Star Plus Fund		400,000,000	402,071,492	2.01
Total investments in securities		400,000,000	402,071,492	2.01
Total investments		20,001,156,083	20,005,071,492	100.00

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

# STATEMENT OF INCOME

## Impact Growth Real Estate Investment Trust

For the period as from 22 September 2014 (date of incorporation) to 31 March 2015

	Note	For the period as from 22 September 2014 (date of incorporation) to 31 March 2015
<b>Investment income</b>		(Unit : Baht)
Service income	14	1,109,730,713
Interest income	14	1,661,435
Other income		2,867,071
<b>Total income</b>		1,114,259,219
<b>Expenses</b>		
Cost of service	14	150,634,930
REIT management fee	13.1, 14	112,844,182
Trustee's fee	13.2, 14	31,872,840
Registrar's fee	13.3	1,891,337
Property management fee	13.4, 14	22,362,512
Professional fees		2,321,090
Administration expenses	14	66,011,095
Finance cost	14	98,458,984
<b>Total expenses</b>		486,396,970
<b>Net investment income</b>		627,862,249
<b>Unrealised gains on investments</b>		
Net unrealised gains on investments		3,915,409
<b>Total unrealised gains on investments</b>		3,915,409
<b>Increase in net assets from operations</b>		631,777,658

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

# STATEMENT OF CHANGES IN NET ASSETS

## Impact Growth Real Estate Investment Trust

For the period as from 22 September 2014 (date of incorporation) to 31 March 2015

	Note	For the period as from 22 September 2014 (date of incorporation) to 31 March 2015
<b>Increase in net assets from operations during period</b> Net investment income Net unrealised gains on investments <b>Increase in net assets from operations</b> Investment trusts sold during period 1,482,500,000 units of Baht 10.6 each Distribution to unitholders <b>Increase in net assets during period</b> Net assets at the beginning of period <b>Net assets at the end of period</b>		(Unit : Baht) 627,862,249 3,915,409 631,777,658 15,714,500,000 (340,969,135) 16,005,308,523 - 16,005,308,523

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

# STATEMENT OF CASH FLOWS

## Impact Growth Real Estate Investment Trust

For the period as from 22 September 2014 (date of incorporation) to 31 March 2015

	For the period as from 22 September 2014 (date of incorporation) to 31 March 2015
<b>Cash flows from operating activities</b>	(Units : Baht)
Increase in net assets from operations	631,777,658
Adjustments to reconcile increase in net assets from operations to net cash provided by (used in) operating activities:	
Purchases of investments in properties	(19,601,156,083)
Purchases of investments in securities	(400,000,000)
Increase in receivables from service	(180,255,235)
Increase in receivables from interest	(275,483)
Increase in prepaid expenses	(7,815,336)
Increase in other assets	(6,012,838)
Increase in trade payables	70,399,200
Increase in other payables	9,044,645
Increase in accrued expenses	132,334,932
Increase in unearned income	202,872,425
Increase in security deposits	13,656,261
Increase in other liabilities	50,435,780
Finance cost	98,458,984
Net unrealised gains on investments	(3,915,409)
<b>Net cash flows used in operating activities</b>	(18,990,450,499)
<b>Cash flows from financing activities</b>	
Proceeds from sales of investment trusts	15,714,500,000
Distribution to unitholders	(340,969,135)
Cash received from long-term loans	3,900,000,000
Interest paid	(78,213,698)
<b>Net cash provided by financing activities</b>	19,195,317,167
<b>Net increase in cash and cash at banks</b>	204,866,668
Cash and cash at banks at the beginning of period	-
<b>Cash and cash at banks at the end of period (Note 7)</b>	204,866,668

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



# SIGNIFICANT FINANCIAL INFORMATION

## Impact Growth Real Estate Investment Trust

For the period as from 22 September 2014 (date of incorporation) to 31 March 2015

Operating performance information (per unit)	(Unit : Baht)
Net asset value at the beginning of period	-
Income from investing activities	
Net investment income	0.4235
Net unrealised gains on investments	0.0026
Total income from investing activities	0.4261
Add: Increase in capital from unitholders	10.6000
Less: Distribution to unitholders	(0.2300)
Net asset value at the end of period	10.7961
Ratio of net increase in net assets from operations to average net assets during the period (%)	3.97
Significant financial ratios and additional significant information	
Net assets at the end of period (Baht)	16,005,308,523
Ratio of total expenses to average net assets during the period (%)	3.06
Ratio of total investment income to average net assets during the period (%)	7.00
Ratio of weighted average investment purchases and sales during the period to average net assets during the period (%)*	119.76
Average net assets during the period (Baht)	15,908,499,614

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

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

# NOTE TO FINANCIAL STATEMENTS

## Impact Growth Real Estate Investment Trust

For the period as from 22 September 2014 (date of incorporation) to 31 March 2015

### 1. Description of Impact Growth Real Estate Investment Trust

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

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

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

As at 31 March 2015, the Trust's major unitholder is Impact Exhibition Management Company Limited, which holds 50.00%

### 2. Distribution policy

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

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

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

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

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

### 3. Basis of preparation of financial statements

The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Profession Act B.E. 2547 and in accordance with the regulations and format specified in Thai Accounting Standard No. 106 “Accounting for Investment Business”.

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

### 4. New financial reporting standards

The Federation of Accounting Professions has issued a number of revised and new financial reporting standards that become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of accounting standards, except TFRS 13 Fair Value Measurement which involves changes to key principles as follow:

#### TFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurements. Entities are to apply the guidance under this standard whenever relevant standards require them to measure any assets or liabilities at fair value. Changes resulting from the adoption of this standard are to be applied prospectively.

However, based on the preliminary analysis performed, the REIT Manager believes that this standard will not have any significant impact on the Trust’s financial statements in the year in which it is adopted.

### 5. Significant accounting policies

#### 5.1 Revenues and expenses

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

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

Other income and expenses are recognised on an accrual basis.

#### 5.2 Measurement of investments

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

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

#### **Investments in properties**

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

Investments in properties are stated at fair value with no depreciation charge. Such investments are the investments which have no comparable market price, therefore, the REIT Manager measured them at the first reporting period of acquisition of the properties at fair value based on the cost of investments, and will remeasure them at subsequent reporting dates at fair value based on the appraisal value assessed by an independent appraiser approved by the Thai Valuer Association and the Valuers Association of Thailand (Pursuant to the Notification of the Securities and Exchange Commission concerning the granting of approval of valuation companies and principle valuers for public use). Valuation will be made when economic conditions change, but at least every two years, commencing from the date of the appraisal made for the purposes of purchasing the immovable properties. In addition, the valuation will be reviewed within one year after the latest valuation date.

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

#### **Investments in securities**

Investments in unit trust are presented at their fair value based on the net asset value of unit trust.

Gains or losses on measurement of investments in securities are presented as unrealised gains or losses in the statements of income.

#### **Investments in cash at banks**

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

### **5.3 Receivables from service**

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

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

### **5.4 Related party transactions**

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

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

The relationships of related parties are as follows:

Name of related parties	Relationship
RMI Company Limited	REIT Manager
Impact Exhibition Management Company Limited	Major unitholder, Parent company of the REIT Manager and the Property Manager
Bangkok Land Public Company Limited	Parent company of the Property Manager
Kasikorn Asset Management Company Limited	Trustee
Kasikorn Bank Public Company Limited	Parent company of the Trustee

#### 5.5 Distribution to unitholders

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

#### 5.6 Income Tax

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

#### 5.7 Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires the REIT Manager to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. The REIT Manager has significant accounting judgements and estimates in the fair value of investments in properties that is based on the appraisal value assessed by an independent appraiser as described in Note 5.2 since there is no market price that could be used to apply a comparative approach. An independent appraiser appraises the fair value of such investments in properties by using the method and significant assumptions as described in Note 6.

## 6. Investments in properties

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

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

During the period, the Trust hired an independent appraiser to appraise the fair value of the investments in properties using the income approach. The main assumptions used in the valuation are service rate, occupancy rate, reversionary yield, and discount rate. The result revealed that the fair value of the investments in properties of the Trust was Baht

19,603 million, resulting in net unrealised gains from such investments amounting to Baht 2 million, which was recorded in the statement of income for the period as from 22 September 2014 (date of incorporation) to 31 March 2015.

## 7. Cash and cash at banks

As at 31 March 2015, the Trust has the details of cash and cash at banks as follows:

	31 March 2015	
	Principal (Thousand Baht)	Interest rate per annum (%)
Cash	691	
Savings accounts		
Kasikorn Bank Public Company Limited	185,887	0.37
Bank of Ayudhya Public Company Limited	18,063	0.10
Current accounts		
Kasikorn Bank Public Company Limited	224	-
Bank of Ayudhya Public Company Limited	2	-
Total cash at banks	204,176	
Total cash and cash at banks	204,867	

The Trust has pledged and assigned rights of claim in bank accounts with outstanding balances as at 31 March 2015 totaling approximately Baht 204 million with the financial institutions to secure long-term loans of the Trust, in accordance with conditions stipulated in the long-term loan agreements. However, the Trust is able to withdraw these deposits for payments of its regular operating expenses in accordance with the purpose of each account.

## 8. Receivables from service

The outstanding balances of receivables from service as at 31 March 2015 are aged on the basis of due dates, as follows:

Age of receivables	31 March 2015
	(Unit : Thousand Baht)
Not yet due	115,888
Past due	
Up to 3 months	62,098
3 - 6 months	2,269
Total	180,255

## 9. Long-term loans

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

The loans carry interest at floating rates not exceeding MLR - 1.50% per annum, with interest payable every month-end and principal to be paid within 5 years.

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

The loan agreements contain covenants, which, among other things, require the Trust to maintain certain financial ratios such as loan-to-total assets and interest coverage ratios.

As at 31 March 2015, the Trust has unutilized credit facilities with one financial institution amounting to Baht 180 million.

During April and May 2015, one lender of the Trust, who granted loan of Baht 1,900 million, has changed from a financial institution to two life insurance companies. The repayment schedule has been changed to be the following:

		Repayment amount per year
		(Unit : Thousand Baht)
Year 1	(April 2015 - March 2016)	-
Year 2	(April 2016 - March 2017)	4,646
Year 3 - 6	(April 2017 - March 2021)	4,750
Year 7	(April 2021 - March 2022)	4,458
Year 8	(April 2022 - March 2023)	1,871,896

## 10. Unitholders' equity

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



## 11. Retained earnings

	For the period as from 22 September 2014 to 31 March 2015
	(Unit : Thousand Baht)
Retained earnings at the beginning of period	-
Add: Increase in net assets resulting from operations during period	631,778
Less: Distribution to unitholders during period	(340,969)
Retained earnings at the end of period	290,809

## 12. Distribution to unitholders

Distribution declared during the period as from 22 September 2014 (date of incorporation) to 31 March 2015 consisted of the following:

For the period as from 22 September 2014 to 31 March 2015			
Declaration date	For the period as from	Per unit	Total
		(Bath)	(Thousand Bath)
12 February 2015	22 September 2014 - 31 December 2014	0.2300	340,969
Total distribution to unitholders		0.2300	340,969

## 13. Expenses

### 13.1 REIT management fee

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

### 13.2 Trustee's Fee

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

### 13.3 Registrar's fee

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

#### 13.4 Property management fee

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

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

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

However, the first year means the period from the date of incorporation to 31 March 2015 and the total property management fee shall not exceed 2.00% per annum of the Trust's total asset value.

#### 14. Related party transactions

During the period, the Trust had significant business transactions with its related parties, which have been agreed upon in the ordinary course of business between the Trust and its related parties. The pricing policies and amount for particular type of transactions are as follows:

	For the period as from 22 September 2014 to 31 March 2015	Pricing Policy
<b>Service income</b>	(Unit : Thousand Baht)	
Impact Exhibition Management Company Limited	448,713	Contract prices, depending on area and term of service
Bangkok Land Public Company Limited	121	Contract prices, depending on area and term of service
Kasikorn Bank Public Company Limited	146	Contract prices, depending on area and term of service
<b>Interest income</b>		
Kasikorn Bank Public Company Limited	1,657	At 0.37% per annum
<b>Cost of service</b>		
Impact Exhibition Management Company Limited	17,332	Actual paid
<b>REIT management fee</b>		
RMI Company Limited	112,844	As detailed in Note 13.1
<b>Trustees' fee</b>		
Kasikorn Asset Management Company Limited	31,873	As detailed in Note 13.2
<b>Property management fee</b>		
Impact Exhibition Management Company Limited	22,363	As detailed in Note 13.4
<b>Administration expenses</b>		
Impact Exhibition Management Company Limited	13,569	Actual paid
<b>Finance cost</b>		
Kasikorn Bank Public Company Limited	48,058	As detailed in Note 9
<b>Purchase investment in properties</b>		
Impact Exhibition Management Company Limited	19,601,156	Prices close to appraisal value, as detailed in Note 6

As at 31 March 2015, the Trust has the following significant outstanding balances with its related parties as follows:

	31 March 2015
<b>Cash at bank</b>	(Unit : Thousand Baht)
Kasikorn Bank Public Company Limited	186,111
<b>Receivables from service</b>	
Impact Exhibition Management Company Limited	106,139
Bangkok Land Public Company Limited	129
Kasikorn Bank Public Company Limited	26
<b>Receivables from interest</b>	
Kasikorn Bank Public Company Limited	273
<b>Other assets</b>	
Impact Exhibition Management Company Limited	606
Bangkok Land Public Company Limited	50
<b>Trade payables</b>	
Impact Exhibition Management Company Limited	5,528
<b>Accrued expenses</b>	
Impact Exhibition Management Company Limited	16,694
RMI Company Limited	98,905
Kasikorn Asset Management Company Limited	15,146
<b>Security deposits</b>	
Impact Exhibition Management Company Limited	1,966
Bangkok Land Public Company Limited	47
Kasikorn Bank Public Company Limited	75
<b>Other liabilities</b>	
Kasikorn Bank Public Company Limited	9,954
<b>Long-term loans</b>	
Kasikorn Bank Public Company Limited	1,900,000

## 15. Information on investment purchase and sales transactions

The Trust had investment purchase and sales transactions during the period, excluding investments in cash at banks, amounting to Baht 20,001 million which is 125.73% of the average net asset values during the period.

## 16. Commitments

16.1 The Trust is committed to pay fees to counterparties under the terms and conditions as specified in Note 13.

16.2 As at 31 March 2015, the Trust has a commitment in respect of payments in accordance with the service agreement as follows:

	Million Baht
Payable	
Up to 1 year	69
1 - 5 years	93

## 17. Segment information

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

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

For the period, the Trust has service income from one major customer amount of Baht 121 million.

## 18. Financial instruments

### 18.1 Financial risk management

The Trust's financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise investments in securities, cash and cash at banks, receivables from service, receivables from interest, trade payables, other payables, accrued expenses, security deposits, and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

#### Interest rate risk

The Trust's exposure to interest rate risk relates primarily to its cash and cash at banks and long-term loans. However, since most of the Trust's financial assets and liabilities bear floating interest rates, the interest rate risk of the Trust is expected to be minimal.

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

	As at 31 March 2015				
	Fixed interest rates within 1 year	Floating interest rate	Non-interest bearing	Total	Interest rate (% p.a.)
	(Unit: Thousand Baht)				
<b>Financial assets</b>					
Investments in securities	-	-	400,000	400,000	-
Cash and cash at banks	-	203,950	917	204,867	0.10, 0.37
Receivables from service	-	-	180,255	180,255	-
Receivables from security deposit <sup>(1)</sup>	-	-	975	975	-
<b>Financial liabilities</b>					
Trade payables	-	-	70,399	70,399	-
Other payables	-	-	9,045	9,045	-
Accrued expenses	-	-	132,335	132,335	-
Security deposits	-	-	13,656	13,656	-
Long-term loans	-	3,900,000	-	3,900,000	Not Over MLR - 1.50

(1) Receivables from security deposit are classified in other assets.

#### Credit risk

The Trust is exposed to credit risk primarily with respect to receivables from service. The Property Manager manages the risk by requiring its customers to pay a certain amount of the service fees in advance as security against collection losses and adopting appropriate credit control policies and procedures and therefore the Trust does not expect to incur material credit losses. In addition, the Trust has no concentration of credit risk since it has a large number of customers in various businesses. The maximum exposure to credit risk is limited to the carrying amounts of receivables from service as stated in the balance sheet.

#### 18.2 Fair values of financial instruments

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

Since the majority of the Trust's financial instruments are short-term in nature and long-term loans bear floating interest rate, the Trust estimates their fair value approximate to their carrying value presented in the balance sheet.

**19. Capital management**

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

**20. Events after the reporting period**

At the Board of Directors Meeting No. 5 of the REIT Manager held on 21 May 2015, the Board of Directors approved the appropriation of distribution of Baht 0.19 per unit, totaling amounting to Baht 281.68 million which are from the operation of the period start from 1 January 2015 to 31 March 2015. Such distribution will be paid to its unitholders in June 2015.

**21. Approval of financial statements**

These financial statements were authorised for issue by the REIT Manager's Board of Directors on 21 May 2015.





