



ทรัสต์เพื่อการลงทุนในอสังหาริมทรัพย์และสิทธิการเช่าที่ดินบริเวณพรีเมียม โกรท  
WHA Premium Growth Freehold and Leasehold Real Estate Investment Trust

รายงานประจำปี

2557



Annual Report

2014

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## Message from the Board of Directors

WHA Real Estate Management Co., Ltd., in its capacity of the REIT Manager



WHA Premium Growth Real Estate Investment Trust (“WHART Trust”) was established on 8 December 2014, being Thailand’s first real estate investment trust to invest in warehouses and distribution centers. WHART Trust succeeded to raise Baht 3,107.9 million from both institutional and retail investors and to make a loan more than Baht 1,370 million from financial institutions. Following the completion of its establishment in December 2014, the WHART Trust made its initial investment in the distribution centers of WHA Corporation Public Company Limited, i.e. 167,100 square meters of lease of warehouse and distribution center space and 74,600 square meters of lease of rooftop space. All of which is on the projects of (1) WHA Ladkrabang Distribution Center Phase 1 and Phase 2, (2) WHA Mega Logistics Center (Bangna–Trad Km. 23) and (3) WHA Mega Logistics Center (Bangna–Trad Km. 18)

WHART Trust invested in such assets on 15 December 2014 and the first trade date of WHART Trust units was on 19 December 2014.

In 2014, WHART Trust generated an income of Baht 14.38 million, most of which was from rental and service fees, and interest earnings. Net income from investment was Baht 6.70 million. Expenses of WHART Trust were mostly on the property management fees, management fees and interests.

At the end of 2014, WHART Trust has total of Baht 4,613.30 million in assets, Baht 1,498.70 million in liabilities and net assets of THB 3,114.60 million, accounting for a net assets value per unit of THB 10.0215 per unit

In 2014, despite the fact that WHART Trust had not operated in a full month, to demonstrate its readiness to operate and to comply with provisions of the Trust Deed which requires that WHART Trust is to hold an annual meeting by 120 days after end of fiscal year (WHART Trust’s fiscal year is 1 January to 31 December). As REIT Manager, WHA Real Estate Management Co., Ltd. hereby invite trust unit holders to attend the Annual General Meeting for the year 2015 of Trust Unit Holders of, being the first meeting of unit trust holders following the establishment of WHART Trust, for matters relating its performance updates.











# Financial Overview

WHA Premium Growth Freehold and Leasehold Real Estate Investment Trust

As at 31 December 2014

2014

## Statement of Income (Baht)

Rental and service income	14,141,250
Expenses	4,697,213
Profit before financial costs, income tax expense, depreciation and amortization (EBITDA)	10,942,772
Increase in net assets from operations period	6,701,892

## Balance Sheet (Baht)

Total assets	4,613,297,532
Total liabilities	1,498,695,640
Net assets	3,114,601,892

## Financial Ratio

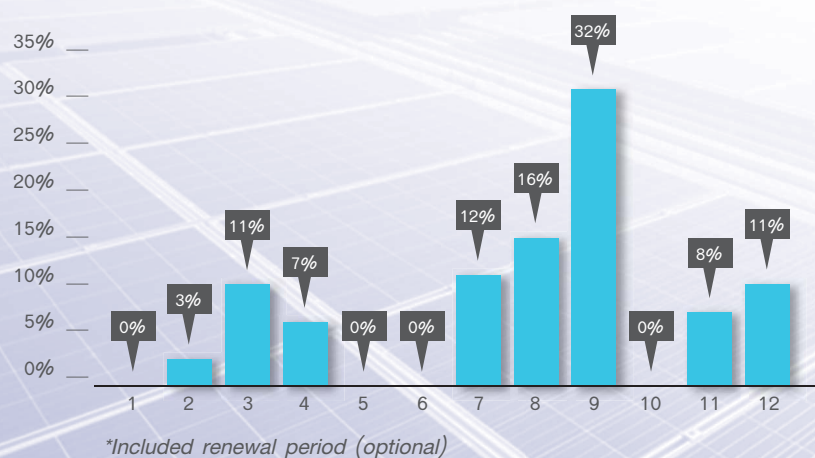
Unit outstanding at the end of period (Units)	310,790,000
Net assets value per unit (Baht)	10.0215
Increase in net assets from operations period per unit (Baht)	0.0216
EBITDA on total assets (%)	0.24
Debt to total assets (%)	32.49
Debt to net assets value ratio (Times) <sup>1</sup>	0.48
Interest coverage ratio (Times)	1.25

<sup>1</sup> Debt to net assets value ratio = Liabilities divided by net assets value

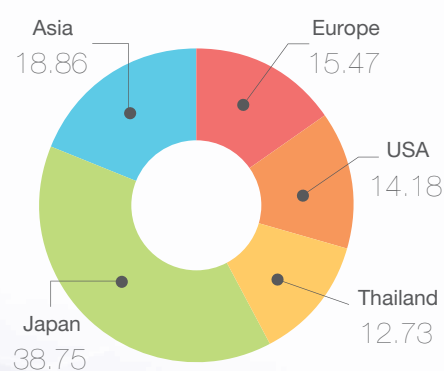
## Summary of WHART Tenor Profile

Weighted Average Life (WAL) = 7.18 years

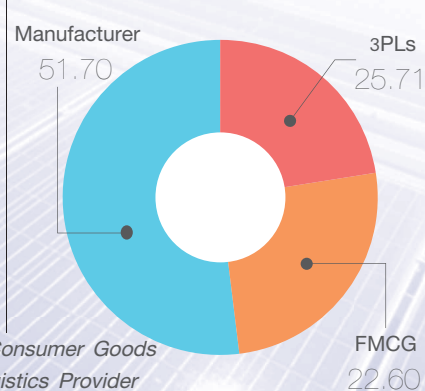
Remaining lease period from 1 January 2015



## Tenant's Nationality



## Tenant's Business



FMCG = Fast Moving Consumer Goods

\*\*3PLs = Third-party Logistics Provider

# WHA Premium Growth Freehold and Leasehold Real Estate Investment Trust (WHART)

## 1. Real Estate Investment Trust (“REIT” or “Trust”)

### 1.1 Summary of the Trust

Name of Investment Trust (Thai)	ทรัสต์เพื่อการลงทุนในอสังหาริมทรัพย์และสิทธิการเช่าดับบลิวเอชเอ พรีเมียม โกรท
Name of Investment Trust (English)	WHA Premium Growth Freehold and Leasehold Real Estate Investment Trust
Initial	WHART
REIT Manager	WHA Real Estate Management Company Limited (“the Company”)
Property Manager	WHA Corporation Public Company Limited
Trustee	Kasikorn Asset Management Company Limited
Financial Advisor	Kasikorn Securities Public Company Limited
Life of REIT	Indefinite
Registered Capital	Baht 3,107,900,000.000
Type of REIT	Non-redeemable trust unit from the trust unitholders

### 1.2 Objective of the Trust

The Trust is established for purpose of engaging in transactions in capital market in accordance with relevant SEC notifications. The objectives of the Trust are issuance and offering of securities in the category of trust units of the real estate investment trust (REIT) to investors in accordance with the Notification Tor Jor. 49/2012 and registration of all trust units in the Securities Exchange (“SET”).

After receiving the proceeds from trust offering in December 2014 as well as loan proceeds and deposits for rental and service, the Trust has invested such proceeds in the invested assets as specified in the prospectus and sought for commercial benefits from such assets by renting, leasing areas in such assets and providing service related to the rental or leased properties. For procurement of benefits, the Company has assigned or appointed WHA Corporation Public Company Limited as a property manager to seek commercial benefits and manage main invested assets under the policy and the governance of the REIT manager. Such assignment or appointment is in accordance with the Trust Deed and other relevant laws and regulation of the SEC Office. Procurement of commercial benefits of the Trust’s main assets shall be under control and supervision of the Trustee, Kasikorn Asset Management Company Limited, in order to ensure that the operation of the Company and the property manager is in accordance with the conditions specified in the Agreements appointing the REIT manager and the property manager as well as rules and conditions prescribed in the Trust Act B.E. 2550 and other relevant notifications of the SEC Office and SET. In this regard, the REIT shall not perform in any manner to which the REIT will go into business with itself; for examples, a hotel business or a hospital business. In addition, the REIT shall not lease immovable assets of the Trust to any person whom the REIT has reason to believe that such person will use the immovable assets in a business that is contrary to public morals or unlawful.

## 2. Trustee

### 2.1. General Information

Name	Kasikorn Asset Management Company Limited
Location of Head Office	400/22 KASIKORN Bank Building, 6 <sup>th</sup> Floor Phaholyothin Road Samsen Nai Sub-District, Phayathai District Bangkok 10400
Type of Business	Asset management company and trustee
Telephone No.	02 673 3999
Fax	02 673 3900
Homepage	<a href="http://www.kasikornasset.com">www.kasikornasset.com</a>

### 2.2. Roles and responsibilities of the Trustee

The Trustee has duty to manage the Trust with integrity and prudence as a professional with expertise by providing fair treatment to the trust unitholders and for the best interests of the trust unitholders and in accordance with the relevant laws, the Trust Deed, the objectives of establishment of the Trust and the resolution of a meeting of the trust unitholders as well as additional obligations specified in the statement to the trust unitholders (if any).

For performance of its duties, the Trustee shall omit to do any act which is in conflict with the interest of the Trust, regardless of whether such doing is for interest of the Trustee or others, except in the case where the Trustee demands remuneration for its performance as the Trustee or in the case where the Trustee is able to demonstrate that it has fairly and sufficiently managed the Trust as well as disclosed related information to the trust unitholders in advance. And, the trust unitholders have no objection. In this regard, disclosure of information and objection shall be in accordance with relevant rules and notifications of SEC and the SEC office.

Duties of trustee under scope of roles and responsibilities as specified in the Trust Deed are as follows;

- (1) Monitor, supervise and manage the REIT manager in managing the Trust and assets in compliance with the Trust deed and relevant regulations.
- (2) Report to the SEC Office in the case where the property manager takes certain actions or fails to take certain actions that will negatively affect the Trust or fails to comply with duties as specified in the agreement and relevant regulations as well as prevent and provide remedy for any damages which may incur to the Trust as it may deem appropriate.
- (3) Attend every meeting of Trust unitholders. In the case where a resolution of a meeting of trust unitholders is needed, the Trustee must response to questions and give an opinion in relation to the operation whether it complies with the Trust Deed and relevant regulations or not. The Trustee shall object and notify trust unitholders if the operation is not according to the Trust Deed and relevant regulations.
- (4) Manage and operate the Trust as necessary to prevent or cease any damages to the benefits of the Trust and trust unitholders as a whole. In the event that the REIT manager cannot perform his duties, the Trustee has the power to appoint a new REIT manager.
- (5) Give an opinion regarding the performance of the REIT manager in the annual report of the Trust in which the REIT manager has the duty to prepare such report to trust unitholders. In this regard, the Trustee shall provide his opinion on whether the performance of the REIT manager is in accordance with terms and conditions as specified in the Trust Deed and other relevant laws, regulations and notifications or not.

More details of scope of roles and responsibilities of the Trustee can be found in the Trust Deed.

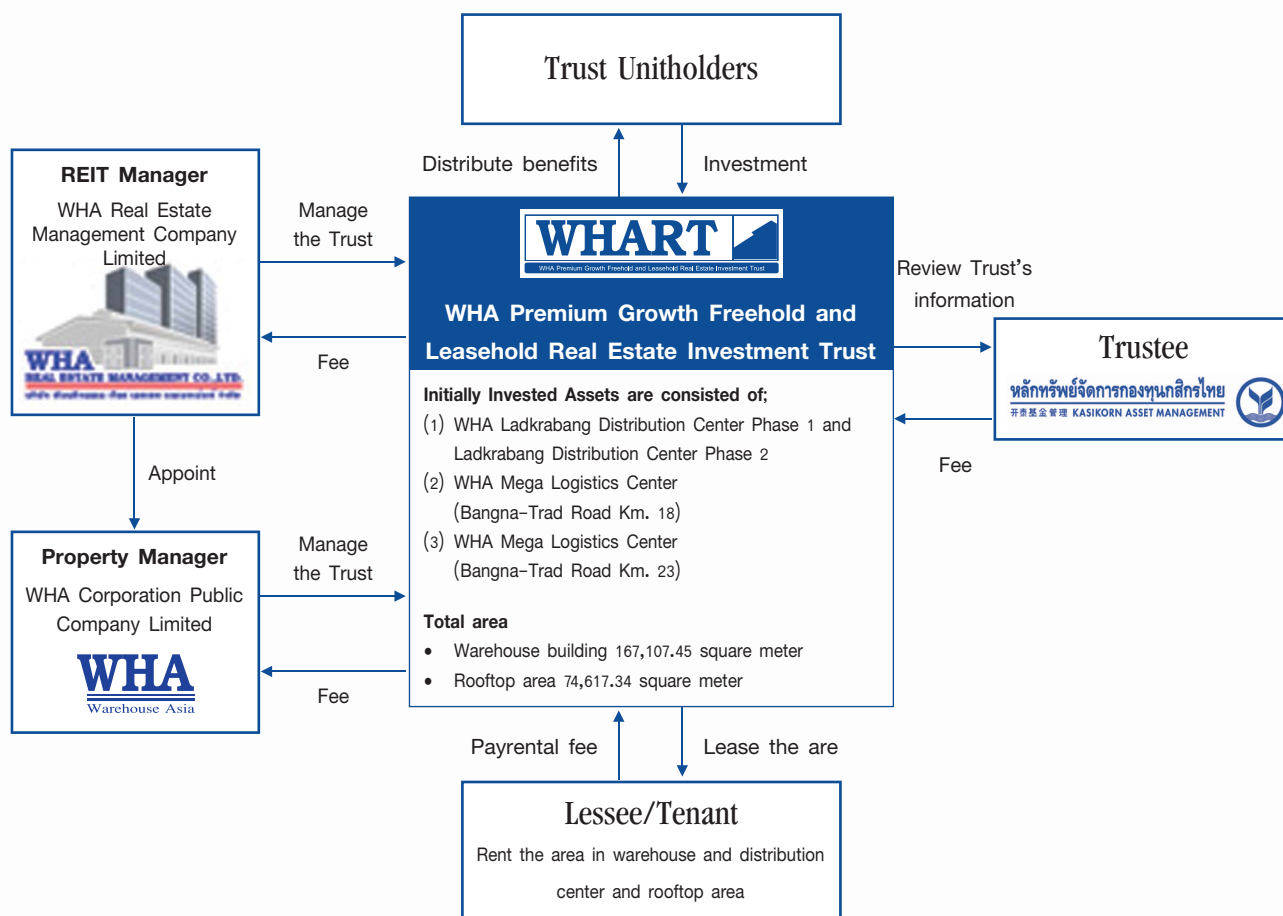
### 2.3 Remuneration of the Trustee

The remuneration obtained from acting as the Trustee shall not exceed 0.75% per year of the net asset value of the Trust (excluding value added tax, specific business tax, and other similar taxes).



### 3. Structure of the Trust

Structure of the Trust can be depicted in the diagram below.



According to the structure of the Trust, the trustee, acting on behalf of the Trust, will invest in properties for benefits of trust unitholders. Also, the trustee shall manage and supervise the management of the Trust as well as monitor the investment and disclose information of the Trust in accordance with the Trust Deed and other relevant laws.

The Company, as a REIT manager, is responsible for managing the Trust and assets of the Trust under the scope of roles and responsibilities as specified in the Trust deed and the Agreement appointing the REIT manager such as managing business operation of the Trust which includes formulating policy, investment strategy, acquiring and disposing assets, borrowing and creating any lien on the assets of the Trust, entering into agreements, budgeting, reporting, investor public relations, controlling operation of the Trust and using the capital of the Trust to invest in main assets for benefits of the holders of the Trust units. Additionally, the Company will acquire benefits from the Trust's main assets by leasing such assets and provide services relating to rental and distribute benefits deriving from such income to the holders of the Trust units.

For property management, the Company has appointed WHA Corporation as the property manager to manage properties of the Trust such as managing marketing and tenants procurement, being responsible for minor repair or maintenance, paying property tax, procuring adequate and appropriate insurance coverage, and drawing up book accounting record of revenue and expenses from rental and service provision under policy and supervision of the Company which is the REIT Manager.

## 4. REIT Manager

### 4.1. Information of the REIT manager

WHA Real Estate Management Company Limited is located at 1121 Moo.3 Thepharak Rd. Thepharak, Muang, Samut Prakan.

The Company, as the REIT manager, is responsible for managing the Trust and assets of the Trust under the scope of roles and responsibilities as specified in the Trust deed and the Agreement appointing REIT Manager. Its scope of roles and responsibilities are such as managing the Trust's business operation including formulating policy, investment strategy, acquiring and disposing assets, borrowing and creating any lien on the assets of the Trust, entering into agreements, budgeting, reporting, investor public relations, controlling operation and utilization of capital to invest in the main assets for benefits of the holders of the Trust units. Additionally, the Company will acquire benefits from the Trust's main assets by leasing such asset and provide services relating to rental. The REIT manager will distribute benefits derived from the main assets to the holders of the Trust units.

### 4.2 Background and nature of business of the Company

The Company is a limited company registered in Thailand on 23 April 2014 and has registered and paid-up capital of Baht 10,000,000.

Key information of the Company can be summarized as follow.

#### Material information of WHA Real Estate Management Company Limited

Name	WHA Real Estate Management Company Limited
Registration No.	0115557007350
Date of Incorporation	23 April 2014
Address	1121 Moo.3 Thepharak Rd. Thepharak, Muang, Samut Prakan
Registered Capital	Baht 10,000,000 (Consisting of 100,000 common shares at par value of 100 per share)
Nature and scope of business operation	Act as the REIT manager for investment in properties.
Major shareholder (proportion of shareholding)	WHA Corporation Public Company Limited (99.99%)
List of Directors	(1) Mr.Kamthorn Tatiyakavee (Chairman) (2) Mr. Piyapong Pinthuprapa (Director and Chief Executive Officer) (3) Mr. Ratachai Teratanavat (Independent Director)
Authorized Directors	Mr. Kamthorn Tatiyakavee and Mr. Piyapong Pinthuprapa co-sign and affix the Company's seal.
Accounting period	1 January – 31 December



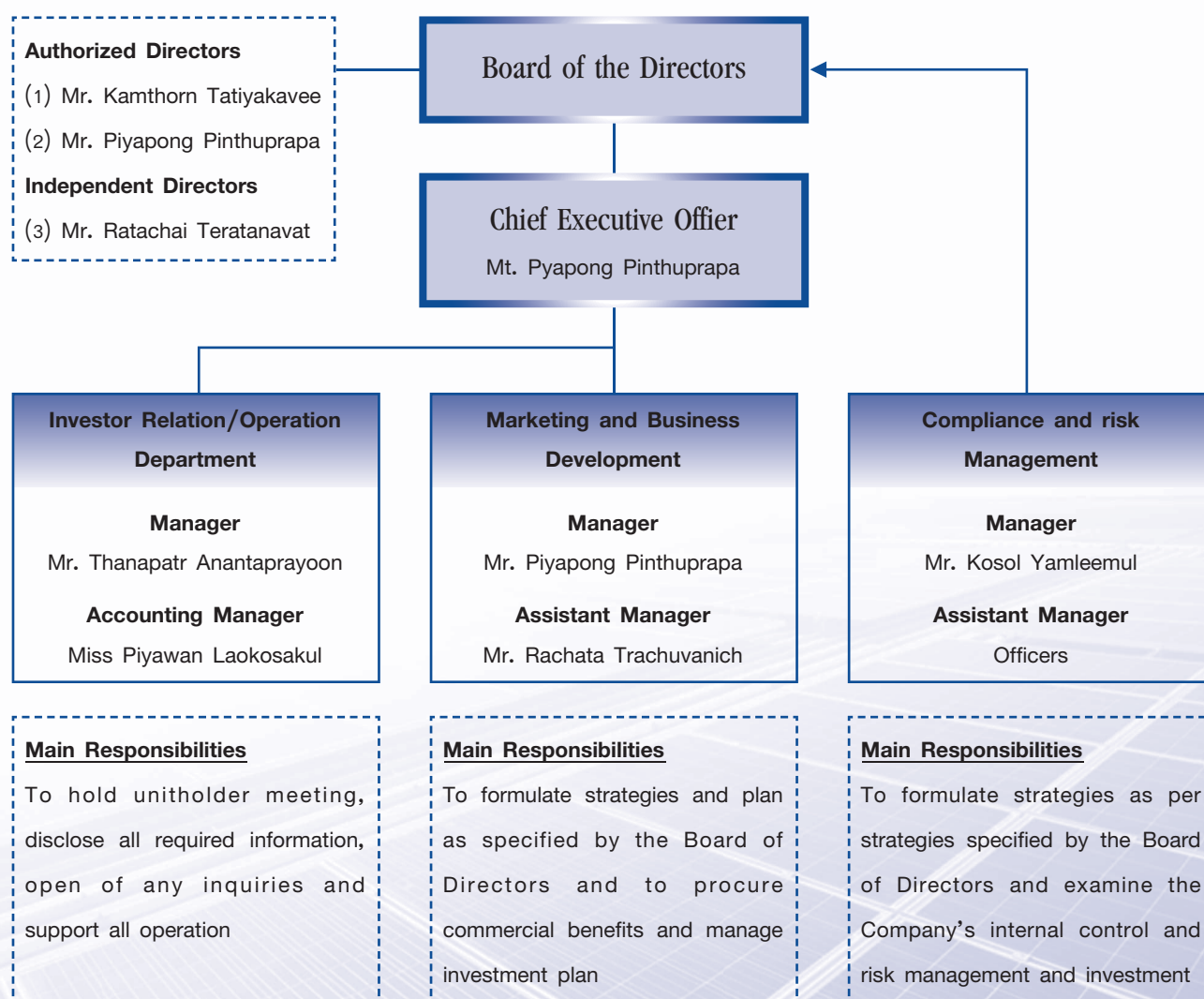
#### 4.3 Shareholding structure of the REIT manager

Top 10 shareholders

Name of shareholders		# of shares	# of share to total paid-up shares (%)
1	WHA Corporation Public Company Limited	99,997	99.997
2	Mr. Somyos Anantaprayoon	1	0.001
3	Mrs Jareeporn Anantaprayoon	1	0.001
4	Mr. Piyapong Pinthuprapa	1	0.001
<b>Total</b>		<b>100,000</b>	<b>100%</b>

#### 4.4 Directors and Executives

Management structure of the Company as the REIT manager is comprised of board of directors and executive officers which can be seen in structure of the management as follow:



#### 4.4.1 Board of Directors

Name	Position	Education	Experience related to investment or properties management
Mr. Kamthorn Tatiyakavee	Chairman (Authorized director)	Master of Business Administration in Finance, Connecticut, United States of America	–
Mr. Piyapong Pinthuprapa	Director (Authorized director)	Master of Science in Real Estate, City University, United Kingdom	<ol style="list-style-type: none"> <li>1. Manage, conduct feasibility study and analyse investment yield of invested properties.</li> <li>2. Conduct feasibility study and analyse investment yield from development of new projects.</li> <li>3. Analyse investment yield and submit to SEC.</li> </ol>
Mr. Ratachai Teratanavat	Independent director	Master of Business Administration in Finance, California State University, United States of America	–

#### 4.4.2 Executives

Name	Position	Education	Experience related to investment or properties management
Mr. Piyapong Pinthuprapa	Director and Chief Executive Officer	Master of Science in Real Estate, City University, United Kingdom	<ol style="list-style-type: none"> <li>1. Manage, conduct feasibility study and analyse investment yield of invested properties.</li> <li>2. Conduct feasibility study and analyse investment yield from development of new projects.</li> <li>3. Analyse investment yield and submit to SEC.</li> </ol>
Mr. Rachata Trachuwanich	Marketing Business Development Assistant Manager	Master of Science in Management and Real Estate Development, Heriot-Watt University, United Kingdom	Analyse and evaluate value of assets, advise and analyse real estate market, contact customers and set service fee
Mr. Thanapatr Anantaprayoon	Director of Investment Relation and Operation Support	Master of Business Administration, Sukhothai Thammathirat Open University	Manage, survey, procure and evaluate invested assets
Mr. Kosol Yamleemul	Director of Audit Compliance and Risk Management	Master of Science in Business Information System, Chulalongkorn University	–



Board of directors and executives who are authorized to manage the Company must not possess characteristics which are prohibited under the Notifications of Capital Market Supervisory Board concerning Prohibited Characteristics of Personnel in Capital Market Industry. Scope of roles and responsibilities of the board of directors, independent directors, chief executive officers including other departments shall be in accordance with the Company's manual of operating system and internal control which is approved by the Office of SEC.

– **Authorized directors**

Mr. Kamthorn Tatiyakavee and Mr. Piyapong Pinthuprapa co-sign and affix the Company's seal.

– **Scope of roles and responsibilities of the board of directors of the REIT manager**

The board of directors plays important roles in approving vision, strategy, and direction and formulating policy relating to long-term and short-term business operational plan, finance risk management and organization overview as well as monitoring and evaluating efficiency of the operation and performance of personnel to be in accordance with policy and business plan and under the scope as specified in the Agreement appointing REIT manager, the Trust Deed, prospectus, objective and articles of association of the Company, resolution of board of directors, resolution of meeting of trust unitholders including other relevant laws by taking the best benefits of the Trust and trust unitholders into account.

Moreover, the board of directors also plays important roles in managing and monitoring the compliance of the operation and disclosure of conflict of interest according to the guidelines of the SEC Office and other relevant regulatory authorities.

- (a) Perform its duties with integrity (duty of Loyalty), prudence (duty of Care), responsibility (accountability) and morality (ethic) and in accordance with laws, objective and articles of association of the Company as well as resolution of a meeting of trust unitholders.
- (b) Being responsible for management of the business of the Company and the Trust under supervision of the Trustee including formulating strategy and long-term business plan, setting up appropriate organizational system structure and monitoring business operating policy such as investment, performance, annual budget and business plan etc. and considering risk factors which may affect procurement for commercial benefits and operating performance of the Trust, and reviewing transactions which may cause conflict of interest etc.
- (c) Monitor and advise as necessary in order to ensure that performance of the executives and personnel assisting the Company's operation is according to the relevant agreements and regulation regarding duties of the REIT manager.
- (d) Monitor and follow up on the operation of the Company as the REIT manager as well as giving advices as necessary in order to ensure that the operation of the Company is according to targeted plan and obstacles which may incur can be appropriately and timely handled.
- (e) Review, monitor and advise as necessary in order that the Company has efficient system for the operation and internal control to perform the REIT manager's duties.
- (f) Constantly revise and improve policies and key plans related to the performance of the REIT manager to be up-to-date and suitable for the business.
- (g) Evaluate executives' performance as well as provide advices in order to ensure that the executives fully perform their duties as assigned and in accordance with the rules and conditions as specified in the relevant regulations, and for the benefits of the Trust.

- (h) The board of directors may assign any of the directors or other persons to perform duties on behalf of the board of directors. This shall not include an authorization which would enable such director or attorney-in-fact to act in conflict of interest with the Trust.
- (i) Approve decisions in relation to investment and management of the Trust in order to be complied with the Trust Deed and other relevant law and regulations as follows:

- (1) Additional investment or acquisition of properties or leasehold properties

For investment in new freehold properties or leasehold right and procurement of commercial benefits from such properties or leasehold right, the board of directors shall consider and ensure that the Company as the REIT manager conducts due diligence on relating information and asset appraisal by appraisal firms. Such investment and procurement shall comply with the notification of the SEC Office as follows:

- (1.1) Substance and nature of the transactions shall be as follows:

- (1.1.1) The transaction must be as prescribed in the Trust Deed and other relevant laws.

- (1.1.2) The transaction must be for the best interest of the Trust.

- (1.1.3) The transaction must be reasonable and made at a fair price.

- (1.1.4) Fees and expenses of entering into transactions which are collected from the Trust (if any) must be just and reasonable expenses.

- (1.1.5) Persons who have conflict of interest with the transaction must not involve in making decision in relation to such transactions.

- (1.2) Approval system shall be conducted according to the followings:

- (1.2.1) In case that the owner or the leasehold right owner is not a related person to the Company:

- (1.2.1.1) The Trustee must approve that the acquisition transaction conforms to terms and conditions as specified in the Trust Deed and other relevant laws.

- (1.2.1.2) In case of acquisition of the main assets with total transaction size of at least ten (10) % of total assets of the REIT, it is required to be approved by the board of directors.

- (1.2.1.3) In case of acquisition of main assets with total transaction size of at least thirty (30) % of total assets of the REIT, it is required to be approved by a resolution passed at a meeting of trust unitholders by a majority of not less than three-fourths (3/4) of total of the trust unitholders who attend the meeting and have the right to vote.

- (1.2.2) In case that the owner or the leasehold right owner is a related person to the Company:

- (1.2.2.1) The Trustee must approve that the acquisition transaction conforms to terms and conditions of the Trust Deed and other relevant laws.

- (1.2.2.2) In case of transaction with the value more than Baht one (1) million or (0.03) % of total asset value of the Trust or more, whichever is the greater, it is required to be approved by the board of directors.



(1.2.1.3) In case of the transaction with the value of at least Baht twenty (20) million or three (3) % of total asset value of the Trust or more, whichever is the greater, it is required to be approved by a resolution passed at a meeting of trust unitholders with majority votes of not less than three-fourths (3/4) of total of the trust unitholders who attend the meeting and have the right to vote.

For the consideration of the investment and information disclosure, the Company shall consult with financial advisor to give the opinion regarding such information analysis.

In case where a resolution of a meeting of trust unitholders is required, invitation calling for the meeting of trust unitholders shall contain an opinion of financial advisor to support the trust unitholders' consideration.

- (2) The Company's procurement shall be conducted in accordance with the manual of operating system and internal control.
- (j) Consider and approve the disposal of the main assets and equipment of the Trust whether it is complied with laws, the Trust Deed, notifications and other relevant regulations whereby the board of directors shall consider and ensure that the Company conducts the followings:
  - (1) Prior to the disposal of such main assets, the Company must have the assets to be appraised. Disposal of the main assets must be publicly carried out and contains sufficient information and complies with procedures under the approval system.
  - (2) For disposal of the main assets fallen under following conditions, other than the aforesaid conditions in (1), the disposal must be necessary and reasonable and the approval of the Company's board of directors must also be obtained.
    - (2.1) Disposal of any main assets before the one (1) year from the acquisition date of such main assets.
    - (2.2) Disposal of any main assets of which the Trust has acquired to the previous owner.

#### 4.4.3 Independent directors

- (1) Regarding selection of independent directors of the Company, the independent directors shall at least meet the following qualifications:
  - (1.1) Holding shares of not exceeding one (1) per cent of total number of shares with voting rights in the Company, parent company, subsidiary company, associate company, major shareholders or persons who may have conflict of interest (including related persons under Section 258 of Securities and Exchange Act).
  - (1.2) Neither being nor used to be an executive director, employee, staff, advisor who receives salary from the Company, parent company, subsidiary company, associate company, same-level subsidiary company, major shareholders or persons who may have conflict of interest, unless the foregoing status has already ended for not less than two (2) years.
  - (1.3) Not being a person related by blood or legal registration as a father, mother, spouse, sibling, and child, including spouse of child, executive, major shareholder, controlling person, or person to be nominated as executive or controlling person of the Trust or its subsidiary company.

- (1.4) Neither having nor used to have a business relationship. Having no direct or indirect benefit from, or interest in, the finance and management of the Company, its parent company, subsidiary company, associate company, major shareholder or persons who may have conflict of interest in the manner which may interfere with his independent judgement.
- (1.5) Neither being nor used to be an auditor of the Company, its parent company, subsidiary company, associate company, major shareholder or persons who may have conflict of interest, and not being a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary company, associate company, major shareholder or persons who may have conflict of interest, unless the foregoing relationship has already ended for not less than two (2) years.
- (1.6) Neither being nor used to be a provider of any professional services including those as legal advisor or financial advisor who receives service fees exceeding two (2) million Baht per year from the Company, its parent company, subsidiary company, associate company, major shareholder or persons who may have conflict of interest, and not being a significant shareholder, controlling person or partner of the provider of professional services, unless the foregoing relationship has ended for not less than two (2) years.
- (1.7) Not being a director appointed as representative of directors of the Company, major shareholder or shareholder who is related to major shareholder.
- (1.8) Not undertaking any business in the same nature and in competition to the business of the Company or its subsidiary company or not being a significant partner in a partnership or being an executive director, employee, staff, advisor who receives salary or holding shares exceeding one (1) per cent of total number of shares with voting rights of other company which undertakes business in the same nature and in competition to the business of the Company or its subsidiary company.
- (1.9) Being able to provide independent discretion and objection to any act of other directors or executives as necessary for the benefits of the Company.
- (1.10) Being able to attend the board of directors' meetings of the company to make decision on any significant activities of the company.
- (1.11) Being academically qualified and equipping with proper experiences; or are recognized for their high potentialities and to be well-known.
- (1.12) Not being a person in the list made by the Stock Exchange of Thailand stating that such persons are inappropriate to serve as an executive according to SET regulations.
- (1.13) Has never been convicted of violating securities and exchange laws, laws governing the investment business, securities brokering, or credit fanciers, or commercial banking laws, or life or non-life insurance laws, or money laundering laws, or any other financial laws of a similar nature, whether Thai or foreign, in accused of committing wrongful acts relating to trading in shares or the perpetration of deceptions, embezzlement, or corruption.
- (1.14) Not having any other characteristics which cause the inability to express independent opinions with regard to the Company's business operations.



- (2) Scope of duties and responsibilities of independent directors
  - (2.1) Review, monitor and advise as necessary in order to timely prepare financial report and disclose accurate, sufficient and reliable information in the financial report of the Company.
  - (2.2) Review, monitor and advise as necessary in order to establish suitable internal control and operating system to perform duties as the REIT manager.
  - (2.3) Review and give opinion in relation to connected transactions or transactions which may cause conflict of interest with the Trust to be complied with relevant laws and regulations and ensure that the transactions are reasonable and for the best benefit of the Trust.
  - (2.4) Perform any other act as assigned by the Company's board of directors for the benefit of the Trust.
  - (2.5) Review and be aware in order to give opinion as necessary on the following matters:
    - (2.5.1) Connected transactions or transactions which may cause conflict of interest with the Trust.
    - (2.5.2) Weaknesses and matters which must be improved regarding operating and internal control system to perform duties of the REIT manager and the report of progress on improvement.

#### 4.4.4 Meeting of the board of directors

- (1) Quorum and voting

In every meeting of the board of directors, a quorum of a board of directors shall consist of more than half of total number of shareholders who attend the meeting themselves. Resolution of the board of directors shall be passed by more than half of the votes of directors who attend the meeting. Directors who have direct or indirect interests must be abstained from voting and must leave the meeting during the deliberation and vote on such matter.

The Chairman will provide opportunity for all directors to express their opinion openly before the voting and concludes resolution of each agenda. Minute of meeting shall be made in written. For convenience of directors and related person, the minute of meeting will be kept in original format together with the invitation calling for the meeting and meeting documentation as well as electronic copy format.

- (2) The board of directors must regularly arrange the meeting of the board of directors, at least once every quarter in order to review, acknowledge and approve necessary operations, specifically for the following matters:
  - (2.1) Performance of the Company and the Trust
  - (2.2) Annual budget, business plan and business strategy of the Trust prepared by the REIT manager with cooperation and support from the property manager.
  - (2.3) Progress of operations relating to procurement of commercial benefits according to business and marketing plan designated by the Company with cooperation and support from the property manager as well as any problems and guidelines for resolving the problems.
  - (2.4) Guidelines for alleviating risks and other causes which may affect the operation of the Trust.
  - (2.5) Performance of any departments; Audit Compliance and Risk Management department, Marketing Business Development department and Investment Relation

and Operation Support department including any problems and guidelines for resolving the problems.

- (2.6) Guidelines on receipt of important disputes and complaints relating to operation of the Trust which must be reviewed by the board of directors.
  - (2.7) Weaknesses of operating and internal control system for performing duties as the REIT manager including guidelines and improvement progress.
  - (2.8) Connected transactions and other transactions which may cause conflict of interest to the operation of the Trust.
  - (2.9) Other matters which must be reviewed and approved by a meeting of trust unitholders.
  - (2.10) Other significant matters which are relevant to the operation of the Company and the Trust.
- (3) Conflict of Interest

The board of directors realizes importance of conflict of interest, having interest or benefit in the Trust, and related persons to the Company. The board of directors therefore has set up policies to prevent such conflict of interest. The principles are that decision making of the Company as well as operation of the Company's personnel shall be for the best interests of the Trust. Any act which may cause conflict of interest must be avoided. Moreover, the directors and executives must report their conflict of interest and of related persons which may cause conflict to the management of the Trust and the Company.

According to Section 89/1 of Securities and Stock Exchange Act, related persons of directors and executives mean persons as follows:

- (a) In case of an individual, it shall include the spouse, a minor child or an adopted minor child of the director and the executive;
- (b) In case of a juristic person, it shall include a juristic person over which the spouse, a minor child or an adopted minor child of the director and the executive has control.

"Control" means one or more of the following manners:

- (a) Holding of shares with voting right of a juristic person in an amount exceeding fifty (50) percent of total number of the voting rights of such juristic person; or
- (b) Having control of the majority voting rights in the shareholders' meeting of any juristic person, whether directly or indirectly; or
- (c) Having control over appointment or removal of at least half of all directors, whether directly or indirectly.

#### **4.5 Remuneration of the REIT manager**

During the term of the Agreement appointing the REIT manager, the Company as the REIT manager will obtain a fee at rate not higher than 0.75% per year of the NAV of the Trust at the last business day of a month prior to payment of the remuneration as specified in the Trust Deed.



	For period of the Trust			Per one time	
	Ceiling % of NAV per year	Expected rate (Excluded value added tax)	Collection Period (Excluded value added tax)	Ceiling % of NAV after each transaction (Excluded value added tax)	Expected rate (Excluded value added tax)
<b>Fee of the REIT Manager</b>	0.75%	<b>Base Fee :</b> Not over 0.25% per year of cost of main assets of the REIT. The cost of core assets excludes value of assets sold. Fee of leasehold main assets is calculated only during effective period of such leasehold and shall not be over 0.25% per year of value on account for investment in financial instruments and/or deposit at financial institutions.	Monthly	Actual expenses	<b>Acquisition fee</b> <u>In case of related persons of REIT Manager</u> – Not over 0.75% of value of assets purchased. <u>Other cases</u> – Not over 1.00% of value of assets purchased. <u>Disposal fee</u> – Not over 0.50% of value of assets sold.

#### 4.6 Policies or strategies of Trust management as assigned by the Trustee

##### 4.6.1 Duties and responsibilities of the REIT manager

The Company, as the REIT manager, is mainly responsible for the management of the REIT which includes investing in the assets and monitoring management of the property manager. The management of the REIT Manager shall be under supervision of the Trustee as follows:

##### General Duties

- (a) The REIT manager shall exercise its duties with knowledge and skills that may reasonably expected as a professional, and with diligence, care, and loyalty. In this regard, the REIT manager shall exercise its power for the best interest of the unitholders as a whole, and in accordance with this agreement, as well as other relevant laws and additional commitments made to the investors in disclosure documents for the benefit of the unit trust offering to the investors and resolutions of the trust unitholders. The REIT manager shall not perform any act which is in conflict with the interest of the trust unitholders and investors as a whole.
- (b) The REIT manager shall perform its duties in conformity with the principles of business conduct as follows:
  - (1) Having sufficient capital to operate the business and to compensate for any detriment which may occur from performing the duties of the REIT manager.
  - (2) Adequately discloses, gives opinion on, or provides importantly relevant information to investors for making investment decision. In this regard, such information shall be clearly and not be distortion or misleading.
  - (3) Do not exploit any information acknowledged from performing as the REIT manager for its own interest, or in manner of damage or impact on the interests of the Trust.
  - (4) Perform its duty carefully in order to avoid conflicts of interests. In case of inevitableness, the REIT manager shall ensure that the trust unitholders' interest will be treated fairly and appropriately.

For purpose of preventing the conflict of interest between the Trust and the REIT manager which may incur upon performance of its duties as specified in the Trust Deed, the REIT manager shall perform the followings:

- (a) The REIT manager shall not have any interest which may be in conflict with the best interest of the Trust and in the case where any conflict of interest may arise, there must be a measure in place to ensure that the management of the Trust shall be for the best interest of the Trust and the trust unitholders as a whole.
- (b) If the REIT Manager also manages another trust, main assets of such trust shall not be the same type as those of the Trust.
- (5) Comply with the Securities and Exchange Act, the Trust Act and other relevant laws to the operation of the Trust as well as the code of ethics and standards of professional conduct as defined by the associations relating to securities business or by organizations in connection with securities business recognized by the SEC Office. In addition, the REIT manager shall not support, employ or collaborate anyone to violate the laws and regulations.
- (6) Cooperate with the Trustee or the SEC Office in performing their duties, and disclose information which may affect the management of the Trust significantly or other information which should be notified to them, specifically on the followings:
  - (6.1) Prepare and maintain information and documents related to the management, internal controlling and information disclosure. In event of verification of the Trustee, the REIT manager shall provide information and documentation and examine locations of the assets as requested by the Trustee in order to ensure that the REIT manager performs in accordance with relevant laws and regulations and protect interest of the trust unitholders.
  - (6.2) Prior to establishment of the Trust, the REIT manager shall provide information and documentation in related to the Trust's structure, method of rent, procurement and collection of revenue and expenses collectible from the Trust, service agreement between the Trust, the Company and other persons etc. in order that the Trustee formulates operation plans to efficiently monitor the management, internal controlling and information disclosure of the Trust.
- (c) A REIT manager shall provide indemnity insurance for its performance, as well as the conduct of its directors, executives and personnel, throughout the period of the Agreement appointing the REIT manager.
- (d) In executing a transaction concerning a real estate for the Trust, the REIT manager shall perform the transaction in accordance with the following rules:
  - (1) Ensure that properties disposal agreement or other agreements concerning the properties are prepared correctly and legally binding.
  - (2) Ensure that the investment in properties of the Trust is properly carried out with at least the following procedures:
    - (2.1) assess readiness to manage the properties investment prior to the acceptance to be the REIT manager or prior to the additional investment in properties of the Trust, as the case may be.
    - (2.2) analyse and conduct feasibility study as well as due diligence on the properties in accordance with rules and guidelines on real estate investment



trust (REIT) management as prescribed by SEC and the SEC office as well as assess potential risks that may occur upon such property investment and issue guidelines on risk management. In this regard, the risk management is included risk in relation to construction and development of the properties (if any) such as risks which may incur from late construction and inability to procure benefits from such properties.

- (e) The REIT manager shall arrange a trust unitholders' meeting as specified in the Trust Deed.
- (f) The REIT Manager shall take actions on capital increase and decrease of paid-up capital of the Trust by following the reasons and procedures as specified in the Trust Deed.
- (g) In the event of change of the REIT manager, the former REIT manager shall take any necessary action in order that the new REIT manager would be able to perform its duty successfully.
- (h) In the case where an adviser is appointed to provide consultation or recommendation relating to the investment and management of the properties, the REIT manager shall perform in accordance with guidelines as follows:
  - (1) Request the adviser to report any conflict of interest on deliberated issues.
  - (2) Not allowing the adviser, who has direct or indirect interest in the deliberated issue, to participate in the consideration of such issue.
- (i) The REIT manager shall prepare a financial statement in conformity with the financial reporting standards as stipulated by laws on accounting profession and submit such financial statement to the SEC Office within 3 months from the end of fiscal year. The financial statement prepared shall be audited by an auditor who has obtained an approval from the SEC Office.
- (j) Prepare and disclose the Trust's information including information under Section 56 and Section 57 of the Securities and Exchanges Act and other information as specified in the Trust Deed and the Agreement appointing the REIT manager.
- (k) Prepare and disclose the Trust's information to the Trustee, the SEC Office and trust unitholders as prescribed in the Securities and Exchanges Act, the Trust Deed, and other relevant laws including submit an annual report together with invitation calling for an annual general meeting of trust unitholders. The REIT manager shall provide information and documents related to any act or omission to act as instructed and requested by the SEC Office.
- (l) Avoid any event which may cause the REIT manager to have no independence especially on selection and due diligence of properties, securities and other services in which the Trust will invest. The REIT manager, directors, executives and manager and personnel of the REIT manager are prohibited to receive brokerage fee, service remuneration (soft commission) or other benefits from the former owner of the property, sponsor, securities seller, service provider and brokerage Company as their own income or for their own interest.
- (m) The REIT manager shall disclose conflict of interest, benefits and related persons to the REIT manager or Trust's trading parties in the registration statement, a notice calling for a meeting and the annual report of the Trust in order to obtain an approval on transactions and to support consideration of the REIT manager's independence in entering into such transaction as well as reasonableness of the transactions.

#### **Duty to manage the Trust**

- (a) In order to properly and efficiently manage the Trust, as entrusted by the Trustee, the REIT manager shall arrange a qualitative operating system along with a measurement with efficient checking and balancing operation to entirely support the work under its responsibility.

- (b) Manage the Trust to be in compliance with applicable laws, regulations and the Trust Deed, and in order to conduct in a way that protects interests of trust unitholders.
- (c) Duly and carefully conduct due diligence on the properties in which the Trust will invest and maintain records, information and documents related to the due diligence process and the decision to invest or not to invest in any properties. In this regard, the due diligence on properties in which the Trust will invest shall be conducted according to the due diligence guidelines on guidelines on management of fund or real estate investment fund (REIT).
- (d) Perform necessary actions to ensure that financial and economic value of the Trust's properties are professionally managed and for the best benefits of the trust unit holders, for examples;
  - (1) Formulate strategies and policies in relation to risk management and investment in conformity with terms and conditions as specified in the Trust Deed.
  - (2) Determine and control amount of credit facility and creation of obligations of the Trust as specified in the Trust Deed.
  - (3) Invest in properties to meet the objectives of the Trust.
  - (4) Manage cash flow of the Trust.
  - (5) Review benefit distribution policies of the Trust.
  - (6) Provide insurance for any damage which may occur to the Trust's properties of and insurance for the liabilities to third parties at appropriate and sufficient insured amount to ensure that the Trust would be able to seek benefits as before.
  - (7) Formulate plans in relation to apportionment of rental area by type of business of lessors and customers.
  - (8) Undertake any acts to ensure that the lessors and customers comply with the provisions of lease agreements and service agreements.
  - (9) Manage and monitor compliance with laws and regulations relating to invested properties.
  - (10) Manage the rental area such as monitoring the area renting, negotiating lease agreements with the lessors, reviewing rate or rental fee, and terminating and renewing the lease agreements etc.
  - (11) Evaluate and assess any former rental in order to stipulate conditions of rental and services. Prepare lease agreements and service agreements including evaluate accuracy of rental and expenses collection in order to make an accounting entry of allowance for doubtful accounts or bad debt write-off or bad debt recovery (in case rental or service fee is collected after the write-off).
  - (12) Arrange a security system within the invested buildings and assets such as fire alarm system and emergency communication system etc.
  - (13) Formulate policies and plans to manage, maintain and improve the invested buildings and other assets.
- (e) Ensure that the Trust has absolute ownership over the invested assets and leasehold rights including that the agreements into which the Trust enters are correctly prepared, legally binding and enforceable under conditions specified in the agreements.
- (f) Arrange a system for safekeeping of documents and evidence relating to the operation of the Trust, notice calling for a trust unitholders' meeting, registration statement, prospectus, annual report, financial statement and accounting record documents. Monitor the safekeeping of such documents or evidence for its accuracy and completion as well as



availability for inspection for the period not less than five (5) years from the date of producing such documents or information.

- (g) Prepare a financial statement, annual report and other information of the Trust for its accuracy and completion and distribute within a specified period of time in the Trust Deed and SECT regulations.

REIT manager shall include directors and executives who have duties in relation to preparation and disclosure of the Trust's information and are jointly responsible for information which is disclosed and distributed to the trust unitholders and investors. The REIT manager must arrange a system to audit and ensure that information in the registration statement, prospectus, notice calling for a trust unitholders' meeting, printed advertisement or other distributing documents are accurate and complete as well as contains sufficient and material information for consideration of investment, and in compliance with relevant laws and regulations.

- (h) Ensure that the trust unitholders obtain accurate and sufficient information in advance prior to vote or approval of any matters within a specified period of time in the Trust Deed and SET regulations.
- (i) Manage and monitor the operation of the Trust to be in accordance with rules or guidelines issued by government entities and other regulatory authorities in connection with the operation of the Trust including SET regulations.
- (j) Distribution the benefits of not less than ninety (90) percent of the adjusted net profit of the financial year to holder of trust units. This shall include net profits based on cash position of the Trust which can deduct repayment of principal of loan and other obligations due to be performed taking into account of cash position (if any). Such distribution shall be made within ninety (90) days from the end of fiscal year or accounting period which the distribution is made, as the case may be. However, if there is accumulated loss, distribution to the trust unitholders cannot be made.

#### **Duty to appoint the property manager to manage properties of the Trust**

In the case where the REIT Manager would like to appoint a person to be a property manager to manage the assets of the Trust on its behalf, the REIT Manager has the duty to select the property manager with prudence, to supervise and to monitor the performance of duties of the property manager sufficiently in order to ensure that the property manager is qualified with knowledge, capability, and experience in managing the properties including monitor performance of the property manager to be complied with the Trust Deed, Trust Act and other relevant regulations for the best benefits of the trust unitholders and other investors. In this regard, the REIT manager shall perform, at least, the following:

- (1) Selection of the property manager

Appointing the property manager to manage the Trust's properties such as managing sales and marketing and supervising day-to-day operation. In doing so, the REIT manager shall perform, at least, the following conducts:

- (a) Evaluate reputation and past work and experience of the property manager regarding its ability of finding tenants and customers, debt collection, property maintenance, rental management, service provision and internal control system in order to prevent revenue leakage and control expenses disbursement etc.

- (b) Review appropriateness of the remuneration rate of the property manager based on working capability in order to motivate or provide incentive for the property manager for purpose of generating revenue and managing expenses efficiently. For examples, the remuneration must depend on revenue on rental and net profit incurred from such rental.
- (c) Arrange a system for monitoring and evaluating the internal controlling system of the property manager in order to ensure efficiency of such system and that the system can prevent or detect any corruption or non-compliance such as having an auditor of the property manager evaluating the internal controlling system and report errors to the REIT manager.

The REIT manager may specify in the Agreement appointing the Property Manager that the property manager shall be liable for any damages which may occur to the benefit of the Trust due to the property manager's negligence.

- (d) If it is found by the REIT manager that the property manager takes certain actions or fails to take certain actions that will result in lack of its creditability to perform tasks and duties in accordance with the Agreement appointing the Property Manager, the REIT manager shall terminate the Agreement appointing the Property Manager and operate or appoint a new property manager.

(2) Monitoring of the property manager's performance

The REIT manager shall have duties and responsibilities to manage and monitor the management and performance of the property manager for the best optimum benefit of the Trust and trust unitholders. In doing so, the REIT manager shall perform, at least, the following conducts:

- (a) The REIT manager shall prepare and approve the Trust's budget which shows certain details of revenues and expenses in each month in order to avoid any unnecessary expenses and set targeted annual and monthly revenues for the property manager as well as monitor revenues and expenses to be in line with the budget plan.
- (b) The REIT manager shall create incentives for the property manager to increase value and yield of the Trust and lower the risks for the trust unitholders.
- (c) The REIT manager shall manage and monitor the operation of the property manager in accordance with strategies and policies in connection with the Trust's management in order to increase income and lower fluctuation of rental income.
- (d) The REIT manager shall design and formulate policies and procedures for operating the procurement of new tenants for the property management and review methods for selecting tenants and customers. The REIT manager shall also formulate plans for tenant's apportionment by types of business (Tenant Mix) and monitor the performance of the property to be in accordance with such policies and plans in order to limit and control risk and the fluctuation of rental income.
- (e) The REIT manager shall consider and review policies regarding rental fee to ensure that it is consistent with current market trend of the rental fee and service fee as well as monitor the performance of the property manager to be in accordance with such policies.
- (f) The REIT manager shall examine expense controlling system for maintaining and repairing equipment and buildings of the property manager to access



appropriateness of the repair and replacement and ensure that the expenses are not extravagant and truly benefits the Trust.

- (g) The REIT manager shall access or evaluate appropriateness of procurement controlling system of the property manager to ensure that the payment of goods or services is not extravagant and is worthy. The procurement however shall be made according to the Trust Deed, the registration statement and the prospectus of the Trust.
- (h) The REIT manager shall monitor and control revenue collection operated by the property manager in order to ensure that the Trust fully receives its revenues.
- (i) The REIT manager shall instruct the property manager to monitor and follow up the payment of taxes by tenants and customers according to the laws.
- (j) The REIT manager shall analyze and monitor irregularity of management of the property manager including randomly examine the operation of the property manager without an advanced notice.
- (k) The REIT manager shall regularly monitor and assess internal control system of the property manager.
- (l) The REIT manager shall regularly arrange a meeting with the property manager in order to evaluate and assess the REIT's operation and look for appropriate solutions to resolve such operation problems.

#### **Process and factors in consideration of investment and management of the Trust**

In future, the Trust might invest in freehold or leasehold rights apart from the initially invested assets and seek benefits from such properties or leasehold rights. The Company, as the REIT manager shall manage and operate in accordance with the investment policies as specified in the Trust deed and the principles as follows:

#### **Direct Investment in the main properties and equipment**

- (1) It must be an acquisition of absolute ownership or possessory rights over properties. In case of possessory right, it shall be one of the followings:
  - (a) Acquisition of properties with Nor. Sor. 3 Gor.
  - (b) Acquisition of leasehold rights with document of title or possessory right (Type Nor. Sor. 3 Gor)
- (2) Properties shall not be subject to any property rights, or there shall be no disputes in relation to the properties unless obtaining written opinions from the Trustee and the REIT manager specifying that such real right or dispute will not materially affect benefit procurement of the Trust and conditions of acquisition benefits the trust unitholders as a whole.
- (3) Entering into agreements for assets acquisition shall not incur any obligation which may cause the Trust not being able to sell the properties with fair price (at time of sale) such as agreement giving the right to first purchase with fixed price etc. or may cause more obligations than obligations in general to the Trust at the time when the lease agreement is being terminated.
- (4) Acquired properties shall be ready for seeking benefit at the value of not less than seventy-five (75) percent of the value of trust units additionally applied for offering including loan proceeds (if any).

The Trust may invest in incomplete projects with investment fund for acquisition and property development not exceeding ten (10) percent of total value of the Trust's assets (after the offering of trust units). The Trust however shall demonstrate sufficient circulating fund for such development and prove that there will be no effect to existence of the Trust.

- (5) Invested assets must be evaluated in compliance with the following principles:
  - (a) It must be a full valuation for the public purpose of disclosing information to investors/the trust unitholders within period of not over six (6) months before submission of requested by at least two (2) appraisers, and;
  - (b) The appraisers in (a) shall be approved by the SEC Office.
- (6) Value of the acquired properties shall not be less than five hundred (500) million Baht. In the case where capital from fund raising derived from the offering of trust units is less than value of invested assets, the REIT manager must demonstrate sufficient source of fund for the acquisition of the assets.
- (7) In case of acquisition of possessory rights by subleasing properties, renting buildings which a lessor is not an owner of title deed or has possessory right under certificate of utilization, the REIT manager must arrange and provide insurance for any damage which may incur from termination of agreement by owners of assets or persons with possessory rights. Given that the insurance is not arranged, the REIT manager must disclose the risk to investors by specifying in the registration statement of potential effect which may incur to operation and performance of the Trust if the owners or persons with possessory rights terminate agreements.
- (8) In the case where the Trust acquires ownership of properties and the REIT manager would like to procure benefits from such properties by renting to the former owners, rental fee shall be set in accordance with common trade practice as if entering into a transaction with third party.

#### **Indirect investment in the main assets and equipment**

- (1) Holding share not less than 99.99% of total issued shares and of votes of a company which is specifically set up to operate business in the same manner as the Trust.
- (2) Having measures or systems in place to enable the Trustee and the REIT manager to manage and monitor the operation of the REIT manager to be complied with the Trust Deed, rules specified in the Notification of SEC Tor Jor 49/2555 and other relevant notifications of the SEC Office in the same manner as the direct investment in the main properties and equipment.

#### **Method of additional acquisition of main properties and equipment of the Trust**

The method of additional acquisition of main properties and equipment of the Trust shall comply with the following criteria:

- (1) Prior to each main properties acquisition, the REIT manager shall perform the followings:
  - (a) Conduct due diligence on information and agreements related to the main assets and equipment (if any) including their financial information and legal form of assets in which the Trust will invest and the Trust's ability to acquire and legally own the



properties as per applicable laws and regulations of such countries in case that the asset is in foreign countries, for purpose of supporting the consideration of the investment and information disclosure. In case that the owner or the leasehold right owner is related persons to the REIT Manager, the REIT Manager will consult with the financial advisor to give the opinion regarding such information analysis.

- (b) Evaluation of the main properties shall be made in accordance with the conditions as follows:
  - (1) Appraiser must be approved by the SEC Office in accordance with the notification of the SEC Office on the approval of asset valuation companies and principal appraisals.
  - (2) Appraisers must not be engaged to perform valuation on more than two (2) consecutive occasions.
  - (3) It must be a full valuation with verification of document of title for public purpose of disclosing information to the investors in the following cases:
    - (3.1) If the Trust acquires or disposes its main properties, evaluation shall be engaged in advance, within a period not longer than one (1) year.
    - (3.2) If the period of two (2) years from the latest full evaluation date is over.
    - (3.3) If there is an event or change which may materially affect impairment of invested properties.
    - (3.4) When the Trustee or auditor requests.
  - (4) A valuation must be audited on a yearly basis from the latest full valuation date.
  - (5) In the case where the Trust invests in rights to sublease of properties, there shall be a measure to prevent risks or remedy damages which may incur from breach of the lease agreements or when the right under the lease agreement is unenforceable.

- (2) Additional acquisition or disposal of the main properties shall be conducted under approval system and processes to obtain approvals from the Trustee and resolution of a meeting of the trust unitholders, as the case may be, as well as in conformity with the Trust Deed and relevant notifications of SEC and the SEC Office.

#### **4.7 Internal system and process to prevent and manage conflict of interest**

Division of work and responsibilities of the REIT manager

##### **4.7.1 Classification of nature of work**

The Company is established with an objective to operate its core business as a REIT manager according to the Trust Act. The Company is divided into three (3) main departments to perform its duties as the REIT manager and in accordance with the Trust Deed, the Agreement appointing the REIT manager, resolutions of meetings of the trust unitholders and other relevant laws and regulations.

Each department of the Company including its scope of works and responsibilities can be summarized as follow:

Compliance and risk management	Marketing and Business Development	Investor Relation/ Operational Support
<ul style="list-style-type: none"> <li>Formulate strategies to manage and monitor operation and risks related to management and investment of the Trust to comply with the Trust Deed and other relevant rules</li> <li>Supervise and prevent conflict of interest between the Trust and persons who may have conflict</li> <li>Set up organization structure and operational guidelines to protect the best interest of the Trust and the trust unitholders as a whole in the event of conflict of interest.</li> <li>Ensure qualifications of personnel relating to the Trust's operation to conform to nature of work and comply with relevant laws</li> <li>Assess performance of personnel</li> <li>Audit operation of the Trust to be in compliance with Trust Deed to ensure that relevant personnel acknowledge changes in relevant laws and regulations</li> <li>Review and approve extraordinary expenses or expenses which are not covered in a budget</li> </ul>	<ul style="list-style-type: none"> <li>Formulate plans and strategies to operate and manage for benefit procurement.</li> <li>Manage and review investment in properties and other assets.</li> <li>Conduct due diligence of invested properties.</li> <li>Select the appraisers</li> <li>Formulate strategies in order to procure benefits from properties</li> <li>Manage plans for marketing and public relation</li> <li>Design competitive strategies to achieve targeted yield</li> <li>Conduct risk management related to investment of the Trust</li> <li>Draw up estimated of income and expenses of the Trust</li> <li>Manage policy and loan of the Trust (if any)</li> <li>Supervise and monitor operation of the property manager</li> <li>Manage utilization, maintenance and security of properties of the Trust</li> <li>Supervise tenants and customers</li> <li>Manage collection of rent and area usage fee</li> <li>Manage expenditures of the Trust</li> <li>Manage and seek for knowledgeable and expertise personnel</li> <li>Prepare trainings and development programs for personnel</li> </ul>	<ul style="list-style-type: none"> <li>Prepare and disclose information to SEC, the SEC Office, the Trustee, the trust unitholders and contracting parties as specified in the Trust Deed and other relevant laws, regulations and agreements such as arranging meetings of trust unitholders, providing an annual report and the registration statement of the Trust including information of the REIT manager and the Trust</li> <li>Contact and supervise the trust unitholders</li> <li>Control, monitor and manage outsourced assignments such as document preparation in relation registrar of trust unitholders and benefit distribution</li> <li>Receipt of complaint and dispute handling</li> <li>Property management</li> <li>Maintenance and record information and documents relating to the Trust</li> <li>Operational support such as personnel management, management information system and computer, general management and procurement.</li> </ul>

#### 4.7.2 Classification of types of system of the REIT manager

In order that the Company can efficiently perform duties as the REIT manager and meet qualifications as specified by the SEC Office, the Company shall set up its operating system as follows:

- System for managing investment risks
- System for preventing conflict of interest
- System for supervising and monitoring personnel to be knowledgeable and expertise and follow relevant rules.



- (d) System for disclosing information
- (e) Operational support system
- (f) System for internal control and handling complaints and disputes.

Details of work in each system can be seen as below:

Compliance and risk management	Marketing and Business Development	Investor Relation/ Operational Support
<ul style="list-style-type: none"> <li>• System of supervising and monitoring performance of directors, executives and personnel of the Trust</li> <li>• System for reviewing and approving extraordinary expenses and expenses which are not covered in a budget.</li> </ul>	<ul style="list-style-type: none"> <li>• System and procedure of property manager selection</li> <li>• System and procedures for monitoring and evaluating performance of the REIT manager and the property manager</li> <li>• System for monitoring collection of rent and fee by the property manager</li> <li>• System for monitoring and assessing expenses collected from the Trust by the property manager</li> <li>• System for estimating income and expenses of the Trust</li> </ul>	<ul style="list-style-type: none"> <li>• System for controlling and managing properties</li> <li>• System for providing and disclosing information of the REIT manager and the Trust</li> <li>• System for monitoring and supervising outsourced assignments</li> <li>• Procurement system</li> <li>• System of maintenance and record of documents and information relating to the Trust</li> <li>• Receipt of complaints and dispute handling system</li> </ul>
<ul style="list-style-type: none"> <li>• System and procedures for consideration and selection of property investment</li> <li>• System and procedures for review of appraisal report</li> </ul>		
<ul style="list-style-type: none"> <li>• System for analysing, monitoring and evaluating risk in relation to investment and property management</li> <li>• Cooperation to the Trustee</li> <li>• System for preventing conflict of interest               <ul style="list-style-type: none"> <li>◦ Disclosure of conflict of interest of directors and executives</li> <li>◦ Transaction between the Trust and persons related to the Trust</li> <li>◦ Follow up issues regarding business competition</li> <li>◦ Follow up issues regarding independency of the REIT manager's performance</li> <li>◦ Disclosure of benefits or receipt of benefits from a company/person who is a business partner of the Trust</li> </ul> </li> <li>• System and procedure for consideration and selection of property manager</li> <li>• System and procedure for consideration and selection of experts relating to operation and management of the Trust</li> <li>• System for controlling performance of the REIT manager</li> <li>• System and procedure for monitoring and evaluating performance of the REIT manager and property manager</li> <li>• System for controlling performance of the property manager in compliance with the Property Manager Appointment Agreement</li> <li>• System for controlling income and expenses</li> </ul>		

## 5. Investment Policy of the Trust

The Trust focuses on the investment in stable income producing properties and/or securities and/or other assets or seek for commercial benefits by other means for benefits of holder of trust units.

Main invested assets in 2014 are consisted of three (3) projects as per the details in Clause 7, Details of the Invested Assets.

### Future Investment Policy

In future, the Trust may additionally invest in other properties apart from the initially invested properties. Future investment of the Trust shall comply with the following guidelines;

#### Investment in properties

- (1) The Trust will focus on the investment in warehouses, distribution centres, and factories or other properties in which the Trust may be able to invest. During this additional investment, the Trust may consider exercising the right of first refusal in order to invest in assets owned by WHA Corporation or its subsidiaries.
- (2) The Trust may consider investing in other properties other than warehouse building and distribution centres provided that the Company as the REIT Manager conducts feasibility study and other relevant variables, and the result of such study indicates that the additional investment would benefit to holders of Trust units.
- (3) To additionally invest in the assets, the Company, as the REIT Manager, will conduct feasibility study and an appropriateness of such investment and evaluate potential risks and other related factors so as to ensure that the additional investment will create long-term return to the holders of trust units. During the additional investment, the Company as the REIT manager will comply with guidelines and conditions specified in the relevant agreements as well as disclose sufficient and accurate information to the trust unitholders in order to obtain an approval for the additional investment.
- (4) The Trust may consider an investment by means of shareholding in a company which is specifically set-up to operate business in the same manner as the Trust. Such investment shall comply with the following guidelines;
  - (4.1) the Trust must hold the shares of not less than ninety-nine (99) percent of the total issued shares and not less than ninety-nine (99) percent of total voting right of such company.
  - (4.2) there must be a measure in place to ensure that the REIT manager would be able to manage and operate the business in accordance with the Trust Deed and guidelines specified in the Notification No. Thor Jor. 49/2555 and other relevant notifications of the SEC Office which is similar to the case of direct investment in main assets and equipment.

#### Investment or possession of other assets apart from investment in real estate

In the case where the Trust has excess liquidity, the Trust may invest in other assets apart from investing in the main assets which are immovable properties. Such investment however shall be in compliance with key conditions as follows.

Apart from the main assets, the other assets shall be one of the following assets;

- (1) Government bond
- (2) Treasury bills
- (3) Bond or debenture issued by the State Enterprises or juristic persons established under specific law and unconditionally insured by Ministry of finance for all principal and interest.
- (4) Bank deposit or secondary mortgage corporation



- (5) Certificate of deposits issued by a bank or finance institution which is not structured notes.
- (6) Bill of exchange or promissory notes issued, availed and guaranteed by a bank, finance institution and credit-funder company.
- (7) Unit trust or warrants to purchase units of fixed income fund or other funds which has investment policy in debt instruments or deposits. In the case of unit trust of foreign investment fund, it shall be complied with the following conditions:
  - (a) Unit trust of a foreign investment fund must be under the policy and governance of securities regulatory authority which is an ordinary member of International Organization of Securities Commission (IOSCO) or must be unit trust of foreign investment fund trading in stock exchange which is a member of World Federation of Exchanges (WFE)
  - (b) The foreign investment funds must have investment policy in similar types of assets as the REIT
  - (c) The foreign investment funds must be established for general (Retail?) investors.
- (8) Units of real estate investment trust or unit trust of other trusts which are established under Thai laws.
- (9) Instruments of Real Estate Investment Trust established under foreign laws regardless of whether such trust is established as a corporation, trust or other forms. Such Real Estate Investment Trust shall contain the following characteristics:
  - (a) Real Estate Investment Trust is established for general (retail?) investors and under the policy and governance of securities regulatory authority which is an ordinary member of International Organization of Securities Commission (IOSCO)
  - (b) Its key objective is to invest in properties, ordinary shares of a company listed as a property development company which is a member of World Federation of Exchanges (WFE) and ordinary shares of a company comparable to a property development company.
  - (c) Having its securities trading in stock exchange which is a member of World Federation of Exchanges (WFE) or repurchasing by an issuer.
    - Ratio of investment in other assets shall be in compliance with guidelines specified in the notification related to investment ratio in assets of general mutual fund issued under Section 117 and 126 (4) of the Securities and Exchange Act.
    - In a case where debtors of securities in which the Trust have invested is in default or under a circumstance of not being able to repay debt, the REIT Manager shall proceed in accordance with guidelines similar to those designated for mutual funds which are issued under Section 117 of Securities and Exchange Act.

#### **Investment in shares of a juristic person who is the Trust's lessee**

The Trust may invest in shares of a corporation who is a tenant of the trust's main properties. Such investment shall follow conditions stated in a lease agreement which are (i) rental fee shall be designated with reference to the performance of the Trust's main assets, and (ii) it shall be the investment in a preferred share of not over one (1) share which offers preferred right on approvals of the corporation's operation (Golden Share) as stated in such corporation's article of association whereby the article of association shall specify the right of the Golden Share held by the Trust in order to prevent such corporation from not performing its duties under the lease agreement entered with the Trust or to prevent such corporation from causing any impairment or damage to the Trust's main assets.

## 6. Key events related to the operation of the Trust

In fiscal year 2014, the Trust has initially invested in properties of three (3) projects as per details in Clause 7, Details of the Invested Assets.



## 7. Details of the investment assets

### 7.1. Investment assets

#### (1) WHA Ladkrabang Distribution Center Phase 1 and Phase 2

Subject	Description
<b>Location</b>	Klong sam wa Tambon, Pravet District, Ladkrabang, Bangkok
<b>Leasable Areas</b>	Approximate leasable area of Phase 1 is 18,155.97 square meters. Approximate leasable area of Phase 2 is 16,937 square meters.
<b>Buildings</b>	One warehouse building (single story building connected to two story building) Other buildings and assets which are component parts of the land and buildings, tools, equipment, system of building and other relevant assets.
<b>Characteristics of the Investment</b>	The Trust invested by entering into an agreement with WHA Corporation which was an owner of the land and buildings under this project with the following details. <ul style="list-style-type: none"> <li>Invested in the ownership right of the land, 1 title deed (Title deed no. 38139) with approximate area of 35 rai.</li> <li>Invested in the ownership right of the warehouse buildings under WHA Ladkrabang Distribution Center Phase 1 and Phase 2 with total areas of approximately 35,092.97 square meters.</li> <li>Invested in the ownership right of other buildings and assets which are component parts of the land and buildings, tools, equipment, system of the buildings and other relevant assets.</li> </ul>
<b>Tenant and Rental Agreement</b>	<ul style="list-style-type: none"> <li>LF Logistic (Thailand) Co., Ltd. is the tenant of the land (partial) and warehouse buildings of the WHA Ladkrabang Distribution Center Phase 1 with rental period of 10 years (from 1 October 2011 to 30 September 2021) (the tenant has the right to extend the period of the rental agreement for 5 years by submitting a notice to the lessor 12 months prior to the expiry of the rental agreement).</li> <li>MC Group Public Co., Ltd. is the tenant of area of the warehouse buildings of the WHA Ladkrabang Distribution Center Phase 2 as dividing into two areas follows: <ul style="list-style-type: none"> <li>(1) The area with rental period of 10 years (from 15 March 2015 to 14 March 2025). The tenant is allowed to access the rental area 6 months before beginning of the rental period without paying any fee for purpose of rental area preparation. After the rental period begins, WHA Corporation agrees to pay the rental fee of Baht 165 per square meter per month from the date of investment to 14 March 2015. In case that the rental fee is lower than Baht 165 per square meter per month, WHA Corporation agrees to pay the rental</li> </ul> </li> </ul>

Subject	Description
	<p>fee up to Baht 165 per square meter per month for the period of 3 years from the date of investment of the Trust. Also, WHA Corporation will be responsible for fees and expenses in relation to the rental registration.</p> <p>(2) The area with rental period of 1 year 6 months (from 1 March 2015 to 30 June 2016). WHA Corporation agrees to pay the rental fee up to Baht 165 per square meter per month for the period of 3 years from the date of investment of the Trust.</p>
<b>Ages of the Buildings (As of 31 Dec 2014)</b>	<p>WHA Ladkrabang Distribution Center Phase 1 is 3 years and 3 months years old.</p> <p>WHA Ladkrabang Distribution Center Phase 2 is 10 months years old.</p>
<b>Encumbrances</b>	<p>The Trust has provided the land and buildings of the WHA Ladkrabang Distribution Center Phase 1 and Phase 2 as loan securities to KasikornBank Public Company Limited and Bank of Ayudhya with a maximum mortgage loan amount of Baht 1,470 million.</p>

**Summary tables for details of the land which is a location of WHA Ladkrabang Distribution Center Phase 1 and Phase 2**

No	Deed No.	Lot No File No	Parcel	Owners	Areas Specified in Deeds (Rai-Ngan -square Wah)	Areas Invested by the Trust (Rai-Ngan-square Wah)
1.	38139	18	5599	WHA Corporation	35-0-0	35-0-0
			<b>Total</b>		<b>35-0-0</b>	<b>35-0-0</b>



(2) **WHA Mega Logistics Center (Bangna–Trad Road Km. 18)**

Subject	Description
<b>Location</b>	Bang Chalong Tambon, Bang Plee District, (Bang Plee Yai) Samut Prakan
<b>Leasable Areas</b>	Approximate total leasable area of 72,179.48 square meters. Approximate total leasable rooftop area of 23,976.30 square meters.
<b>Buildings</b>	<p>(1) 1 Warehouse building A (2) 1 Warehouse building B (3) Warehouse building CD (counted as 1 building) (4) Warehouse building EF (counted as 1 building) (5) Warehouse building GH (counted as 1 building) (6) 1 Warehouse building I, and (7) 1 Warehouse building J Total of 7 buildings</p> <p>Other buildings and assets which are component parts of the lands, buildings, equipment, tools, systems of the buildings and assets which are required for the usage of the lands and buildings.</p> <p><b>Notes</b></p> <p>The rooftop area of buildings A, CD and EF with the total area of approximately 23,976.30 square meters which would be leased out for solar roof top project are currently leased by the lessees namely, WHA GUNKUL Green Solar Roof 1 Co., Ltd. WHA GUNKUL Green Solar Roof 3 Co., Ltd., and WHA GUNKUL Green Solar Roof 6 Co., Ltd., joint venture partners of WHA Corporation which have been accepted by the lessees of the building. The joint venture has entered into the Power Purchase Agreement and granted a license by Energy Regulatory Commission (“Kor Kor Por”). The permission granted under the aforesaid license includes a permit for building modification for installation of solar collectors (Aor.1) and a permit for factory operation (Ror Ngor 4). Therefore, it can be guaranteed that structure of the buildings can support the weight of the solar collectors without causing any problem.</p> <p>For the rooftop areas of other buildings besides Building A, CD and EG, provided that the Trust would like to procure benefits by leasing them for solar rooftop project in the future, the Trust shall invest in building restructuring in order to support weight of the solar collectors with the Trust’s own expenses. In this regard, the Trust is required to obtain consent of the tenants of the buildings.</p>
<b>Characteristics of the Investment</b>	<p>The Trust has invested by receiving the transfer of leasehold over the land and ownership over the warehouse buildings of the aforesaid project from WHA Corporation. Such receipt of transfer of leasehold has caused the Trust to become the party to the land lease agreement with the land owners in place of WHA Corporation. Details of the leasehold rights and buildings transferred to the Trust are as follows:</p> <ul style="list-style-type: none"> <li>Invest in the leasehold rights of the land represented by 2 title deeds (Title Deed No. 666 and 38919) with total areas of 74 rai, 2 ngan and 67 square wah.</li> <li>Invest in the ownership rights of the warehouse building A (1 building) B (1 building) CD (counted as 1 building) EF (counted as 1 building) GH (counted as 1 building) and J (1 building), total of 7 buildings with total rental areas of approximately 72,179.48 square meter and total rental rooftop areas of approximately 23,976.30 square meters.</li> <li>Invest in the ownership rights of other buildings and assets which are component parts of the land and building, tools, equipment, system of building and other relevant assets.</li> </ul>

Subject	Description
<b>Tenant and Rental Agreement</b>	<ul style="list-style-type: none"> <li>- Hitachi Transport System (Thailand) Co., Ltd., as a tenant of the warehouse building A and warehouse building B under a rental agreement dated 1 January 2012 with a rental period of 3 years (from 1<sup>st</sup> January 2012 to 31 December 2015) allows the tenant to renew the agreements twice every 3 years.</li> <li>- APL Logistic SVCS (Thailand) Co., Ltd., as a tenant of the warehouse building C under a rental agreement dated 1 January 2012 with a rental period of 5 years (from 1<sup>st</sup> January 2012 to 31 December 2016) allows the tenant to renew the agreement with a 6-months advanced notice.</li> <li>- Menlo Worldwide (Thailand) Co., Ltd., as a tenant of the warehouse building D under a rental agreement dated 21 August 2014 with the rental period from 1<sup>st</sup> October 2014 to 14 August 2017, allows the tenant to renew the agreement for two more years.</li> <li>- Kerry Logistics (Thailand) Co., Ltd., as a tenant of the warehouse building E under a rental agreement dated 13 November 2014 with a rental period of 2 years (from 1<sup>st</sup> March 2015 to 28 February 2017).</li> <li>- Yusen Logistics (Thailand) Co., Ltd. as a tenant of the warehouse building F under a rental agreement dated 11 July 2012 (amended on 1 October 2012) with a rental period of 3 years (from 1<sup>st</sup> September 2012 to 31 August 2015).</li> <li>- Kaga Electronics (Thailand) Co., Ltd., as a tenant of the warehouse building G under a rental agreement dated 31 January 2012 with a rental period of 5 years (from 1<sup>st</sup> June 2012 to 31 May 2017).</li> <li>- DKSH (Thailand) Co., Ltd. as a tenant of the warehouse building I and J under a rental agreement dated 13 July 2011 with a rental period of 5 years (from 16 January 2012 to 15 January 2017), allows the tenant to renew the agreement for 5 more years.</li> <li>- WHA GUNKUL Green Solar Roof 1 Co., Ltd., WHA GUNKUL Green Solar Roof 3 Co., Ltd., and WHA GUNKUL Green Solar Roof 6 Co., Ltd., the joint venture partners of the WHA Corporation, have rented the rooftop areas of building A, CD and EF respectively of the WHA Mega Logistics Center (Bangna-Trad Road Km. 18) to operate business of selling electricity generated from solar roof for a period of 25 years from 30<sup>th</sup> April 2014 which is the commencement date of commercial operation of electricity generating to Metropolitan Electricity Authority.</li> </ul>
<b>Ages of the Buildings (As of 31 Dec 2014)</b>	<ul style="list-style-type: none"> <li>- Building A is 2 year and 9 months old.</li> <li>- Building B is 2 year and 8 months old.</li> <li>- Building C is 2 years and 11 months old.</li> <li>- Building D is 3 years and 4 months old.</li> <li>- Building E is 2 years and 10 months old.</li> <li>- Building F is 2 year and 4 months old.</li> <li>- Building G is 2 year and 7 months old.</li> <li>- Building H is 3 year and 7 months old.</li> <li>- Building I is 2 years and 11 months old.</li> <li>- Building J is 2 years and 11 months old.</li> </ul>
<b>Encumbrances</b>	The Trust has provided land and buildings under the WHA Mega Logistics Center (Bangna-Trad Road Km. 18) as loan securities to Kasikornbank Public Company Limited and Bank of Ayudhya which are additional mortgage securities of the WHA Ladkrabang Distribution Center Phase 1 and Phase 2.



**Summary tables for details of the land which is a location of the WHA Ladkrabang Distribution Center (Bangna-Trad Road Km. 18)**

No	Deed No.	Lot No	Parcel File No	Owners	Areas specified in deeds (Rai-Ngan-square Wah)	Areas invested by the Trust (Rai-Ngan-square Wah)	Expiry Date
1.	666	299	306	1. Mr. Teera Puengjittisan 2. Mr. Chanvit Puengjittisan	43-3-28	43-3-28	3 August 2041
2.	38919	298	5678	1. Mr. Teera Puengjittisan 2. Mr. Chanvit Puengjittisan	30-3-39	30-3-39	3 August 2041
<b>Total</b>					<b>74-2-67</b>	<b>74-2-67</b>	

**(3) WHA Mega Logistics Center (Bangna-Trad Road Km. 23)**

Subject	Description
<b>Location</b>	Bang Soathong Tambon (Bang Plee Yai), Bang Plee District, Samut Prakan
<b>Leasable Areas</b>	Total rental areas of the buildings of approximately 59,835 square meters Total rooftop rental areas of approximately 50,641.04 square meters
<b>Buildings</b>	3 buildings Other buildings and assets that are component part of lands, buildings, equipment, system of the buildings and other assets which are necessary for the use of the land and properties under the project. <b>Notes</b> Total rooftop area of approximately 50,641.04 square meters. WHA Corporation or its partners will rent the rooftop areas for the operation of solar rooftop project in order to generate electricity whereby consent of the tenants has been obtained. Currently, it is in a bidding process for solar PV rooftop for generation of electricity project from the governmental authority. In this regard, it is required to obtain a license from a relevant authority prior to the operation of the solar PV rooftop to generate of electricity.
<b>Characteristics of the Investment</b>	The Trust invested by entering into an agreement with WHA Corporation which is the owner of land and buildings with the following details. <ul style="list-style-type: none"> <li>Invest in ownership rights of lands, 4 title deeds (Title deed no. 18265, 8504, 5533 and 5534) with total areas of 65 rai and 21.9 square wah.</li> <li>Invest in ownership rights of 3 buildings (of which areas are divided into 7 sections) with total rental areas of approximately 59,835 square meters and total rooftop rental areas of 50,641.04 square meters.</li> <li>Invest in ownership rights of other buildings and assets which are component parts of the lands, buildings, equipment, system in buildings and other relevant assets.</li> </ul>
<b>Tenant and Rental Agreement</b>	<ul style="list-style-type: none"> <li>Nissan Motor (Thailand) Co., Ltd., as a tenant of the Building A (Section A1, A2/1 and A2/2), Building B (Section B2, B3/1, B3/2 and B3/3) and Building C2 under a rental agreement dated 25 January 2013 with a rental period of 4 years and 7 months (from 1st September 2013 to 31 March 2018), allows the tenant to renew the agreement for 5 more years (The renewed agreement shall not include the Building B2).</li> <li>Menlo Worldwide (Thailand) Co., Ltd., as a tenant of the warehouse building C1 under a rental agreement dated 23 January 2013 with a rental period of 5 years (from 1st April 2013 to 31 March 2018) (The tenant may renew the rental agreement with rental conditions further agreed by the parties).</li> </ul>

Subject	Description
	<ul style="list-style-type: none"> <li>Starbucks Coffee (Thailand) Co., Ltd., as a tenant of the Building B1 under a rental agreement dated 23 November 2012 with a rental period of 8 years (from 1st June 2013 to 31 May 2021), allows the tenant to renew the agreement for 2 more years.</li> <li>Due to the fact that there is no tenant of the rooftop area on the investment date of the Trust, WHA Corporation agrees to pay the rental fee for a period of 25 years from the day that the Trust invests in the said project. Except, during the said 25 years, WHA Corporation is able to procure a lessee to rent the said rooftop area with the lease term period of not less than the remaining period of the said 25 years under the terms, conditions, and the rate not less than previously agreed.</li> </ul>
<b>Ages of the Buildings (As of 31 Dec 2014)</b>	<p>Building A</p> <ul style="list-style-type: none"> <li>Building A1 1 year and 4 months old</li> <li>Building A2 1 year and 4 months old</li> </ul> <p>Building B</p> <ul style="list-style-type: none"> <li>Building B1 1 year and 7 months old</li> <li>Building B2 1 year and 4 months old</li> <li>Building B3 1 year and 4 months old</li> </ul> <p>Building C</p> <ul style="list-style-type: none"> <li>Building C1 1 year and 9 month old</li> <li>Building C2 1 year and 4 months old</li> </ul>
<b>Encumbrances</b>	The Trust has provided the land and buildings of the WHA Mega Logistics Center (Bangna-Trad Road Km. 23) as loan securities to Kasikornbank Public Company Limited and Bank of Ayudhya which are additional mortgage securities of the WHA Ladkrabang Distribution Center Phase 1 and Phase 2.

**Summary tables for details of the land which is a location of the WHA Ladkrabang Distribution Center (Bangna-Trad Road Km. 23)**

No	Deed No.	Lot No File No	Parcel	Owners	Areas Specified in Deeds (Rai-Ngan -square Wah)	Areas Invested by the Trust (Rai-Ngan-square Wah)
1.	18265	120	1119	WHA Corporation	53-0-15.8	53-0-15.8
2.	8504	83	1271	WHA Corporation	10-2-80	10-2-80
3.	5533	853	33128	WHA Corporation	0-2-63.1	0-2-63.1
4.	5534	76	33129	WHA Corporation	0-2-63	0-2-63
<b>Total</b>					<b>65-0-21.9</b>	<b>65-0-21.9</b>

The total incomes from the three projects as at the end of 2014 is Baht 14,141,250

## 7.2 Value obtained from the appraisal report or latest review of the appraisal report

The value is appraised by an independent appraiser and is a value of the assets in which the Trust will initially invest. In doing so, income approach method has been adopted for the summary of the asset value.

The appraised value prior to the date of the asset investment of the WHA Ladkrabang Distribution Center Phase 1, Phase 2, Bangna-Trad Road Km. 18 and Bangna-Trad Road Km. 23 can be summarized in the table hereunder.



Assets in Types of Land,  Building and System of Buildings		Appraised Value based on Income Approach (Million Baht)		Appraised Value based on Full Replacement Cost (Million Baht)	
		Bangkok Property Appraisal Co., Ltd. <sup>2</sup>	Knight Frank Chartered (Thailand) Co., Ltd. <sup>3</sup>	Bangkok Property Appraisal Co., Ltd. <sup>2</sup>	Knight Frank Chartered (Thailand) Co., Ltd. <sup>3</sup>
WHA Ladkrabang Distribution Center Phase 1 and Phase 2	Freehold right in Land with a building (One story building connected to two story building)	1,051	1,023	713	798
WHA Mega Logistics Center (Bangna-Trad Road Km. 18)	Land leasehold right (leasehold right ended on 3 August 2041) and freehold right of 7 buildings	1,319	1,382	1,244	1,090
WHA Mega Logistics Center (Bangna-Trad Road Km. 23)	Land freehold right with three buildings	1,850	1,875	1,335	1,258
<b>Total</b>		<b>4,220</b>	<b>4,280</b>	<b>3,292</b>	<b>3,146</b>

Source: Bangkok Property Appraisal Co., Ltd. and Knight Frank Chartered (Thailand) Co., Ltd

Note: <sup>1</sup> Exclude value added tax

<sup>2</sup> Appraised value by Bangkok Property Appraisal Co., Ltd. as of 9 April 2014 for WHA Ladkrabang Distribution Center Phase 1 and Phase 2 and as of 8 April 2014 for WHA Mega Logistics Center (Bangna-Trad Road Km. 18) and WHA Mega Logistics Center (Bangna-Trad Road Km. 23)

<sup>3</sup> Appraised value by Knight Frank Chartered (Thailand) Co., Ltd. as of 9 April 2014 for all three projects

### Method of the appraisal

The Bangkok Property Appraisal Co., Ltd and Knight Frank Chartered (Thailand) Co., Ltd have considered using income approach as their standard for preparing the asset evaluation report.

### Summary of key assumptions

The key assumptions used by the appraiser for appraising value of the assets invested by the Trust can be summarized as follows:

#### (1) WHA Ladkrabang Distribution Center Phase 1 and Phase 2

Assumptions	Bangkok Property Appraisal Co., Ltd	Knight Frank Chartered (Thailand) Co. Ltd.
Appraisal Method	Income approach by discounting cash flow of future assets under structure of the Trust. For the projection of cash flow from rental and service fees, it shall refer to the rental and service agreements whereby the market rental rate shall be adopted after the termination of the agreements.	Income approach by discounting cash flow of future assets under structure of the Trust. For the projection of cash flow from rental and service fees, it shall refer to the rental and service agreements whereby the market rental rate shall be adopted after the termination of the agreements.
Period of Appraisal	Freehold	Freehold
Occupancy Rate	Under current rental agreement: 100% After termination of the rental agreement: 95%	Under current rental agreement: 100% After termination of the rental agreement: 97%
Total rental building areas (square meters)	35,092.97	35,092.97
Market rental rate as of the investment date (Baht) which shall be used for calculation after the termination of the rental agreement	165.00	180.25
Growth of Market Rental Rate	Increase by 10% every 3 years	Year 1-3 : 3% Year 6-7 : 0% Year 8 : 7% Year 9 : 5% Year 10-14 : 3%
Rental fee of the State	Refer to the latest rental agreement with an	Refer to the latest rental agreement with an
Railway of Thailand for electricity poles planting	increase of rental fee by 10% every 3 years. However, it shall not exceed 0.003% of income from rental and service.	increase of rental fee by 10% every 3 years. However, it shall not exceed 0.003% of income from rental and service.
Expenses for repair and maintenance of the assets	1% of rental and service income	1% of rental and service income
Reserves for asset development	1% of rental and service income	1% of rental and service income
Property Manager fee	As specified for entire period of the Agreement Appointing the Property Manager. However, the fee shall not be higher than 3% of income from rental and service.	As specified for entire period of the Agreement Appointing the Property Manager. However, the fee shall not be higher than 3% of income from rental and service.
Discount Rate	9.5%	9%
Capitalization Rate	6%	7.5%



(2) **WHA Mega Logistics Center (Bangna-Trad Road Km. 18) for the warehouse areas**

Assumptions	Bangkok Property Appraisal Co., Ltd	Knight Frank Chartered (Thailand) Co. Ltd.
Appraisal Method	Income approach by discounting cash flow of future assets under structure of the Trust. For the projection of cash flow from rental and service fees, it shall refer to the rental and service agreements whereby the market rental rate shall be adopted after the termination of the agreements.	Income approach by discounting cash flow of future assets under structure of the Trust. For the projection of cash flow from rental and service fees, it shall refer to the rental and service agreements whereby the market rental rate shall be adopted after the termination of the agreements.
Period of Appraisal	26 years and 276 days (the remaining period of the land lease agreement from the date expecting to invest)	26 years and 276 days (the remaining period of the land lease agreement from the date expecting to invest)
Occupancy Rate	Under current rental agreement: 100% After termination of the rental agreement: 95%	Under current rental agreement: 100% After termination of the rental agreement until the 25 <sup>th</sup> year: 97% Year 26 : 80% Year 27 : 70% Year 28 : 50%
Total rental building areas (square meters)	72,179.48	72,179.48
Market rental rate as of the investment date (Baht) which shall be used for calculation after the termination of the rental agreement	170.00	175.10
Growth of Market Rental Rate	Increase by 10% every 3 years	Year 1-5 : 3% Year 6-7 : 0% Year 8 : 7% Year 9 : 5% Year 10-15 : 3% Year 16-17 : 0% Year 18 : 7% Year 19 : 5% Year 20-25 : 3% Year 26-28 : 0%
Rental Fee	As specified for entire period of the land lease agreement. However, the fee shall not be higher than 10% of income from rental and service of the warehouse areas.	As specified for entire period of the land lease agreement. However, the fee shall not be higher than 10% of income from rental and service of the warehouse areas.
Expenses for repair and maintenance of the assets	1% of rental and service income	1% of rental and service income
Reserve for asset development	1% of rental and service income	1% of rental and service income
Property Manager fee	As specified for entire period of the Agreement Appointing the Property Manager. However, the fee shall not be higher than 3% of income from rental and service of the warehouse areas.	As specified for entire period of the Agreement Appointing the Property Manager. However, the fee shall not be higher than 3% of income from rental and service of the warehouse areas.
Discount Rate	11%	10.5%

(3) **WHA Mega Logistics Center (Bangna-Trad Road Km. 18) for the rooftop area**

Assumptions	Bangkok Property Appraisal Co., Ltd	Knight Frank Chartered (Thailand) Co. Ltd.
Appraisal Method	Income approach by discounting cash flow of future assets under structure of the Trust. For the projection of cash flow from rental fees, it shall refer to the rental agreement.	Income approach by discounting cash flow of future assets under structure of the Trust. For the projection of cash flow from rental fees, it shall refer to the rental agreement.
Period of Appraisal	25-years rental agreement	25-years rental agreement
Occupancy Rate	100% for entire rental period	100% for entire rental period
Total Rental Building Areas (square meters)	23,976.30	23,976.30
Rental Fee (per square meter per month)	3 Baht	3 Baht
Growth of Market Rental Rate	Increase by 10% every 5 years	Increase by 10% every 5 years
Discount Rate	11%	10.5%

(4) **WHA Mega Logistics Center (Bangna-Trad Road Km. 23) for the warehouse areas**

Assumptions	Bangkok Property Appraisal Co., Ltd	Knight Frank Chartered (Thailand) Co. Ltd.
Assumptions	Bangkok Property Appraisal Co., Ltd	Knight Frank Chartered (Thailand) Co. Ltd.
Appraisal Method	Income approach by discounting cash flow of future assets under structure of the Trust. For the projection of cash flow from rental and service fees, it shall refer to the rental and service agreements whereby the market rental rate shall be adopted after the termination of the agreements.	Income approach by discounting cash flow of future assets under structure of the Trust. For the projection of cash flow from rental and service fees, it shall refer to the rental and service agreements whereby the market rental rate shall be adopted after the termination of the agreements.
Period of Appraisal	Freehold	Freehold
Occupancy Rate	Under current rental agreement: 100% After termination of the rental agreement: 95%	Under current rental agreement: 100% After termination of the rental agreement: 97%
Total Rental Building Areas (square meters)	59,835	59,835
Market rental rate as of the investment date (Baht) which shall be used for calculation after the termination of the rental agreement	170.00	Warehouse building : 185.40 – 195.70 Warehouse building with cold storage : 247.20
Growth of Market Rental Rate	Increase by 10% every 3 years	Year 1-5 : 3% Year 6-7 : 0% Year 8 : 7% Year 9 : 5% Year 10-14 : 3%
Expenses for repair and maintenance of the assets	1% of rental and service income	1% of rental and service income

Assumptions	Bangkok Property Appraisal Co., Ltd	Knight Frank Chartered (Thailand) Co. Ltd.
Reserves for asset development	1% of rental and service income	1% of rental and service income
Property Manager fee	As specified for entire period of the Agreement Appointing the Property Manager. However, the fee shall not be higher than 3% of income from rental and service of the warehouse areas.	As specified for entire period of the Agreement Appointing the Property Manager. However, the fee shall not be higher than 3% of income from rental and service of the warehouse areas.
Discount Rate	9.5%	9%
Capitalization Rate	6%	7.5%

(5) **WHA Mega Logistics Center (Bangna-Trad Road Km. 23) for the rooftop area**

Assumptions	Bangkok Property Appraisal Co., Ltd	Knight Frank Chartered (Thailand) Co. Ltd.
Appraisal Method	Income approach by discounting cash flow of future assets under structure of the Trust. For the projection of cash flow from rental fees, it shall refer to the rental agreement.	Income approach by discounting cash flow of future assets under structure of the Trust. For the projection of cash flow from rental fees, it shall refer to the rental agreement.
Period of Appraisal	25-years rental agreement	25-years rental agreement
Occupancy Rate	100% for entire rental period	100% for entire rental period
Total Rental Building Areas (square meters)	50,641.04	50,641.04
Rental Fee (per square meter per month)	Baht 3	Baht 3
Growth of Market Rental Rate	Increase by 10% every 5 years	Increase by 10% every 5 years
Discount Rate	11%	10.5%

In this regard, the financial advisor and the REIT manager have verified the appraiser's key assumptions used for appraising value of the assets in which the Trust would invest and have found no cause to believe that such key assumptions are unreasonable. Such verification was carried out by comparing with the past performance of the assets as well as the trends of real estate market in Thailand. However, the actual performance may differ from the assumptions or situations may not be as expected. More information of the key assumptions of the asset appraisal is as follows:



Assumptions	Bangkok Property Appraisal Co., Ltd	Knight Frank Chartered (Thailand) Co. Ltd.
<b>WHA Ladkrabang Distribution Center Phase 1 and Phase 2</b>		
Market rental rate on the investment date (Baht) which shall be adopted after the termination of the agreements <sup>1</sup>	165.00	180.25
Discount Rate <sup>2</sup>	9.5%	9%
Capitalization Rate <sup>3</sup>	6%	7.5%
<b>WHA Mega Logistics Center (Bangna-Trad Road Km. 18) for the warehouse areas</b>		
Discount Rate <sup>2</sup>	11%	10.5%
<b>WHA Mega Logistics Center (Bangna-Trad Road Km. 18) for the rooftop areas</b>		
Discount Rate <sup>2</sup>	11%	10.5%
<b>WHA Mega Logistics Center (Bangna-Trad Road Km. 23) for the warehouse areas</b>		
Market rental rate on the date of investment (Baht) which will be adopted after the termination of the agreements <sup>4</sup>	170.00	Warehouse building : 185.40–195.70 Warehouse building with cold storage : 247.20
Discount Rate <sup>2</sup>	9.5%	9%
Capitalization Rate <sup>3</sup>	6%	7.5%
<b>WHA Mega Logistics Center (Bangna-Trad Road Km. 23) for the rooftop areas</b>		
Discount Rate <sup>2</sup>	11%	10.5%

More info:

- Bangkok Property Appraisal Co., Ltd assumes the market rental fee rate at Baht 165 per square meter per month based on a survey of market rental fee of the warehouses nearby the properties and compared to the Trust's. It also includes consideration of load bearing capacity of the areas, facility, public utilities, and maintenance services. Such rental fee is consistent with the rental fee charged to the current tenants of the WHA Ladkrabang Distribution Center Phase 1 and Phase 2 which is in a range of Bath 150–175 per square meter per month.  
On the other hand, Knight Frank Chartered (Thailand) Co. Ltd. assumes the market rental fee rate at Baht 180.25 per square meter per month based on a market survey which is in a range of Baht 160–220 per square meter per month. The comparative market information has been used for additional analysis and/or for reducing the market rental fee adopted in the buildings' appraisals. These factors i.e. location, entrance, environment, styles of building, usable areas, building conditions and maintenance, load bearing capacity areas and project conditions/facilities, have been taken into consideration in order to adjust the market price to be appropriate with the appraised buildings.
- Assumptions of the discount rate of both appraisers depends on the following factors:
  - Return from no-risk investment in government bonds
  - Risk from investment in assets operating warehouses and factory businesses
  - Risk from type of business, management, marketing and economic conditions
- Assumption on capitalization rate of both appraisers depends on the following factors:
  - Investors' expectation of returns
  - Distribution of returns from real estate investment trust
  - Analysis on transfer of assets
  - Inquiry of investors and project owners

- 4 Bangkok Property Appraisal Co., Ltd. assumes the market rental fee rate at Baht 170 per square meter per month based on a survey of market rental fee of the warehouses nearby the properties and compared to the Trust's. It also includes consideration of load bearing capacity of the areas, facility, public utilities, and maintenance services. Whereby, the market rental fee is in a range of 150–185 per square meter per month. In the case where the current rental agreement is terminated, Bangkok Property Appraisal Co., Ltd. assumes that the Trust would lease the areas in general market at market rate.

Knight Frank Chartered (Thailand) Co. Ltd. assumes the market rental fee rate into 2 portions which are (i) the warehouse buildings with no cold storage at a rate of Baht 180.40–195.70 per square meter per month and (ii) the warehouse buildings with cold storage at a rate of Baht 247.20 per square meter per month based on a market survey which is in a range of Baht 160–220 per square meter per month for warehouses with no cold storage and in a range of Baht 400–980 per square meter per month for rental area of cold storage. Considering the warehouses with partial cold storage in similar size to the Trust's, the market rate is at Baht 240 per square meter per month. Whereby, Knight Frank Chartered (Thailand) Co. Ltd. has used comparative market information for its additional analysis and/or for reducing the market rental fee adopted in the buildings' appraisals. These factors i.e. location, entrance, environment, styles of building, usable area, building conditions and maintenance, load bearing capacity areas and project conditions/facilities, have been taken into consideration in order to adjust the market price to be appropriate with the appraised buildings.

## 8. Detail of the properties invested or sold in the accounting period

### 8.1 Detail of investment in properties or leasehold rights

In 2014, the Trust has invested in land which has the total areas as specified in the title deed of approximately 174 rai 2 ngan and 88.9 square wah. The Trust invested in the total rental area of approximate 167,107.45 square meters and rooftop area of approximate 74,617.34 square meters. The Trust entered into the agreement with WHA Corporation Company Limited (“WHA Corporation”) with the following details:

#### (1) WHA Ladkrabang Distribution Center Phase 1 and Phase 2

Subject	Details of the Assets
Seller	WHA Corporation
Date of investment	15 December 2014
Price	1,084,654,766*
Reason for investment	To be in accordance with the Prospectus

\* The price is excluded value added tax.

#### (2) WHA Mega Logistics Center (Bangna–Trad Road Km. 18)

Subject	Details of the Assets
Seller	WHA Corporation is the owner of the warehouse buildings.  WHA Corporation holds the leasehold rights in land which the warehouse buildings under the two title deeds are located according to the land lease agreements dated 11 March 2011 between Mr. Teera Puengjittisarn, Mr. Charnwit Puengjittisarn and Mrs. Fuengfah Puengjittisarn (“Lessor”) and WHA Corporation (“Lessee”).
Date of investment	15 December 2014
Price	1,379,803,739*
Reason for investment	To be in accordance with the Prospectus

\* The price is excluded registration fee and value added tax.

#### (3) WHA Mega Logistics Center (Bangna–Trad Road Km. 23)

Subject	Details of the Assets
Subject	Details of the Assets
Seller	WHA Corporation
Date of investment	15 December 2014
Price	1,920,785,047*
Reason for investment	To be in accordance with the Prospectus

\* The price is excluded registration fee and value added tax.



### 8.1.2 Details of the appraisal prior to the investment by the asset appraisal company

The details in accordance with the price specified in the latest report of appraisal or appraisal audit as stipulated in Clause 7.2

### 8.1.3 Expenses related to the investment

Expenses related to the investment	(Baht)*
Acquisition fee	35,191,579.50
Registration fee	21,125,375.00
Professional fee	4,971,350.36
Total	61,288,304.86

\* The price is included value added tax.

## 8.2 Details of the disposal of properties and leasehold rights

8.2.1 Date, price, reason and transferee of disposal of the properties or leasehold rights, as the case may be.

–None–

8.2.2 Details of the appraisal prior to the disposal by the asset appraisal company; for examples, date of the appraisal, price stated in the appraisal report, appraisal method and name of the asset appraisal company etc.

–None–

8.2.3 Profit or loss from the disposal and other related expenses

–None–

8.2.4 Acquired price of the disposed properties or leasehold rights

–None–

## 9. Loan policy and information related to the loan at the end of the accounting period

### 9.1 Loan policy

The Trust may obtain loan or create any encumbrances regardless of whether a security is provided or not. However, the Trust must comply with the provisions of loan and creation of encumbrances, as specified in the relevant laws and the Trust Deed. In addition, the Trust shall obtain the loan or create the encumbrances only for the following purposes:

The Trust shall obtain loans only for the following purposes:

- (1) For additional investment in the main assets and leasehold rights.
- (2) For managing the assets of the Trust.
- (3) For maintenance, repair, or improvement of the assets of the Trust, i.e. properties of the Trust or of which the Trust has leasehold right, in order to restore them to a good condition to be ready to use for procurement of the benefit.
- (4) For adding onto or constructing additional buildings on existing land owned by the Trust or of which the Trust has leasehold right for the benefit procurement of the Trust.
- (5) For repayment of loan or other encumbrances of the Trust.
- (6) For other necessary causes which the REIT Manager deems appropriate in order to manage the Trust and for the benefits of the trust unitholders.

The loan shall be carried out by taking the benefit of the trust unitholders into consideration. In the case of the loan for maintenance and improvement of the assets of the Trust or of which the Trust has the leasehold rights as stated in the purpose (3) above or for adding onto or constructing additional buildings on existing land owned by the Trust or of which the Trust has leasehold right as stated in the purpose of (4), the Trust shall also consider the remaining duration of the lease agreements.

In term of the loan ratio, the Trust shall obtain the loan of not exceeding 35% of the total asset value of the Trust. In the case where the Trust is considered investment grade, value of the loan shall not exceed 60% of the total asset value of the Trust.

### Special conditions

The Trust may enter into sale and purchase agreement for derivatives with the objective to prevent foreign exchange rate risk (hedging) and/or interest rate risk which may incur from the loan either in whole or in part. For examples, the Trust may enter into the interest rate swap agreement with commercial banks to prevent risks from interest rate uncertainty.

Creation of encumbrances on the assets of the Trust is allowed only in the case where it is necessary and related the management of the Trust's asset as follows:

- (1) The creation of encumbrances related to the key covenants which the Trust is allowed to carry out in compliance with the provisions under the notification Tor Jor 49/2555 and related amendments such as in the case that the Trust's assets are provided as a security for the loan under the agreement.
- (2) The creation of encumbrances is in the ordinary course of business and is a usual type of transaction.

### Method of loan or creation of encumbrances

The Trust shall create the loan or the encumbrance to the Trust's assets by prioritizing the interests of the trust unitholders and shall comply with the following rules and methods for creating the loan and encumbrance as follows:

- (1) The REIT Manager shall consider the necessity and appropriateness for creating the loan or encumbrance over the Trust's assets and shall comply with the rules and methods for creating the loan or encumbrance as well as propose for the Trustee's approval.
- (2) The Trustee shall be the person who executes and enters into the agreement for creating the loan or encumbrance over the Trust's assets.
- (3) In the event that the Trust is required to provide its assets as a security for the loan which is considered as creating a new encumbrance over the Trust's assets, it is required to obtain an approval from the resolution of the trust unitholders' meeting.

The Trust is not required to obtain the approval by the resolution of the trust unitholders' meeting in the case of providing the existing security or increasing security amount over the existing security for the existing lender(s) as specified in the registration statement or the prospectus, or in a case where the existing lender(s) or creditor(s) assigns its rights under the loan agreement and/or the existing security to an assignee who will become a new lender or creditor.

- (4) In the case that the loan is obtained for maintenance, repair, or improvement of the assets of the Trust or for adding onto or for additional buildings construction over the existing land owned by the Trust or of which the Trust has leasehold right for procurement of the benefit, The REIT manager shall consider the remaining duration of the lease agreement.

#### Loan or creation of encumbrances with related persons of the Trustee

The Trust may obtain the loan by means of applying for credit facilities from financial institutions or by entering into an agreement which has nature of loan or creation of encumbrance, and/or entering into transactions with related persons of the Trustee in accordance with rules and other relevant notifications specified by SEC.

#### The loan information at the end of the accounting period

The Trust has entered into loan agreements with commercial banks on 12th December 2014. The key content under the loan agreements can be summarized as follow.

<b>Borrower</b>	The Trustee acting on behalf of WHA Premium Growth Freehold and Leasehold Real Estate Investment Trust.	
<b>Loan Agreement</b>	Loan Agreement 1	Loan Agreement 2
<b>Purpose of lending</b>	To acquire the main assets in an initial investment	<ul style="list-style-type: none"> <li>- To acquire the main assets in an initial investment</li> <li>- To repay the loan which was initially used for repaying security money for rental and service (Refinance)</li> <li>- To support the repayment of the security money for the rental and service</li> </ul>
<b>Credit Facility Amount</b>	Long-term credit facility of not exceeding Baht 1,370 million	Long-term credit facility of not exceeding Baht 1,370 million Short-term credit facility of not exceeding Baht 100 million (Note: at the date of preparing the annual report, no withdrawal has been made.)
<b>Period of loan</b>	Within 5 years from 15th December 2014.	Long-term credit : not over 12 years from 15 <sup>th</sup> December 2014. Short-term credit : annually review
<b>Interest Rate</b>	Not exceed MLR – 1.5% Minimum loan rate (“MLR”) means the average of the interest rates for loans offered to the major customers of the four commercial banks namely, Kasikornbank Public Company Limited, Bangkok Bank Public Company Limited, Krungthai Bank Public Company Limited, and Siam Commercial Bank Public Company Limited.	Not exceed MLR – 1.5% for the first five years from 15 <sup>th</sup> December 2014. After 5 years, the MLR interest rate shall be +at the rate agreed by the parties. Minimum loan rate (“MLR”) means the average of the interest rates for loans offered to the major customers of the four commercial banks namely, Kasikornbank Public Company Limited, Bangkok Bank Public Company Limited, Krungthai Bank Public Company Limited, and Siam Commercial Bank Public Company Limited.
<b>Loan security</b>	<ol style="list-style-type: none"> <li>1. Mortgage and/or transfer of rights in the lease agreement for land and structures, including all warehouses and distribution centers in which the Trust initially invests.</li> <li>2. Conditional assignment of insurance policy with an endorsement to have the lender acting as the beneficiary and the co-insured.</li> <li>3. Conditional assignment of the lease and service agreement of the lessee with a period of more than three years.</li> </ol>	



The outstanding balance of the loan at the end of the accounting period of year 2014 is Baht 1,370,000,000 which is equivalent to 29.70 percent of the total asset value of the Trust.

## **9.2 Benefits of the loan to investors**

The Company is of the opinion that the loan for the initial investment in the assets of the Trust will benefit the trust unitholders as it will enhance the efficiency of the Trust capital structure and reduce the cost of investment comparing to additional offering of the trust units. This will result in a high return to the Trust unitholders. In this regard, the Company also take the liquidity risk of the Trust into account. The interest rate to which the Trust is obliged under the loan agreement is comparable to the rate of other major commercial banks offered to their customers whom are in similar business industries and are under similar conditions (for examples; rights of creditors and shareholders/trust units and other risk factors). This is significantly lower than the cost of capital. Moreover, the grace period of the loan obtained is five years altogether the total credit facility of the loan would be twelve years. Nonetheless, in the event that a loan with better terms and conditions than the current one is proposed to the Trust (for examples, lower interest rate, longer period of repayment, and no guarantee requirement), the REIT manager shall reserve its right to use the loan under such proposal whereby the REIT manager is required to notify the trust unitholder of the change before using such credit.

## **9.3. Relationship and necessity of the loan from related persons and opinion on conditions of the loan agreement**

### **9.3.1 Relationship between the Trustee and the Lender**

Except where the Trust is prohibited to loan from the Trustee's related persons by the notifications of SEC or other authorities, the Trust may partially or wholly loan from the Trustee's related persons who holds 99.99% of voting shares of the Trust. In doing so, the Trust shall operate in accordance with the relevant notification.

### **9.3.2 Reason and necessity of loan from the Trustee's related persons**

The Company is of the opinion that the loan from related person of the Trustee must be reasonable and must not affect the benefit of the Trust. It shall be carried out by considering the conditions which are normal business conditions and benefit the Trust specified the loan agreement. Moreover, the Lender must have a good understanding in businesses and assets in which the Trust will invest.

### **9.3.3 Opinion on conditions under the loan agreement**

The loan transaction is a transaction with specific characteristics provided to the Trust. For examples, terms and conditions are in conformity with the specific characteristics of the Trust and are comparable to the general conditions proposed to other customers whom are in similar business industries or have similar type of risks. In this regard, the Trustee is not allowed to interfere or manipulate the approval process and stipulation of the loan agreement.

Moreover, the fact that the lender who is not a related person of the Trustee accepts the conditions under the loan agreement indicates that such conditions are consistent with normal business practice and do not affect the benefits of the Trust.

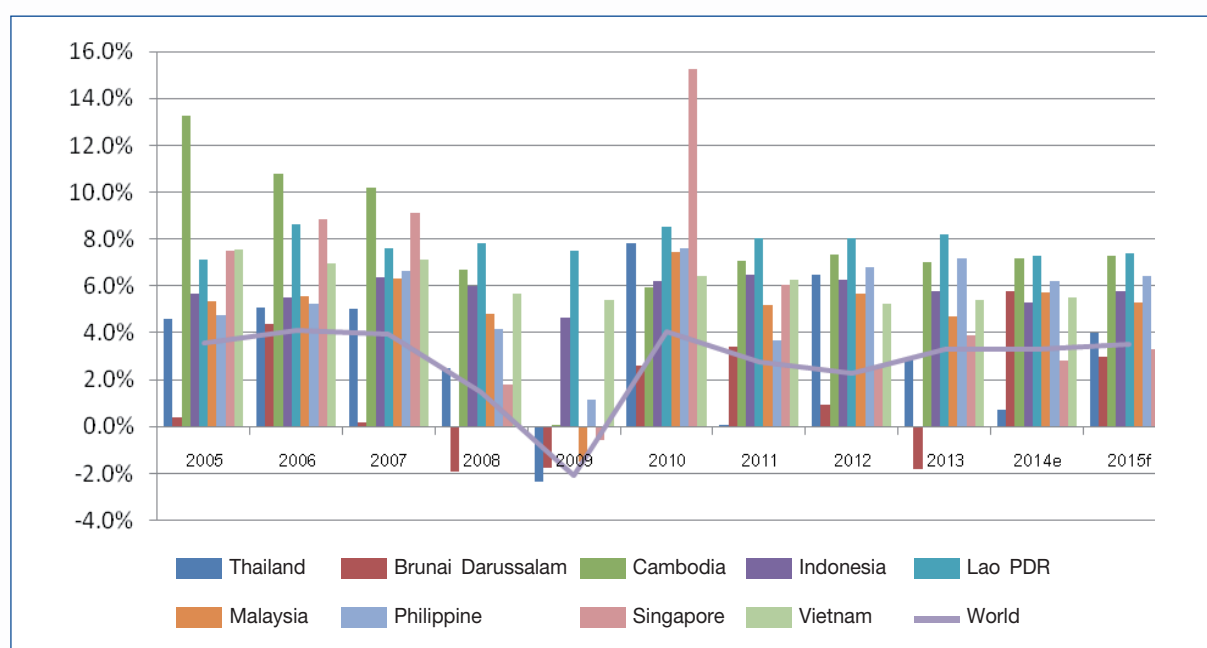
As such, the Company is of the opinion that the loan transaction with related persons of the Trustee will not create any conflict of interest or affect the benefit of the Trust since the transaction is made at arm's length basis and benefits the trust unitholders.

## 10. An overview on industrial situation of the benefit procurement from property investment business and future business trends

### 10.1 An Economic Overview of the ASEAN Region

ASEAN is an economic community with high potential and had an average growth within the past 10 years of 5.3% between the years of 2005 – 2014 compared to the World's economy growth rate of 2.3%. The ASEAN group has increased its share in the global economy to 3% in 2013. The World Bank has forecasted the World's economic growth to be at 3.3 and 3.5 for the years 2014 and 2015 respectively. This is lower than the potential of ASEAN countries shown in Figure 1. Thailand, as a member of the ASEAN group, enjoyed lower growth when compared to its ASEAN peers. This is because of the on-going political turmoil which has labeled Thailand a fairly unstable economy. Despite Thailand has been seeing recovery of its exporting industry owing to slowly growing demands from its trading partners, this was not sufficient to compensate for other underperforming sectors. This led Thailand to a modest 2014 economic growth of only 0.7%. However, with the establishment of the ASEAN Economic Community (AEC) which would integrate all of its member nations into a single market with a total population of six hundred millions, Thailand could potentially expand its economic performance through access to a new and larger market.

Figure 1: Growth Rates of World Economy and Major ASEAN Countries in 2005 – 2015F



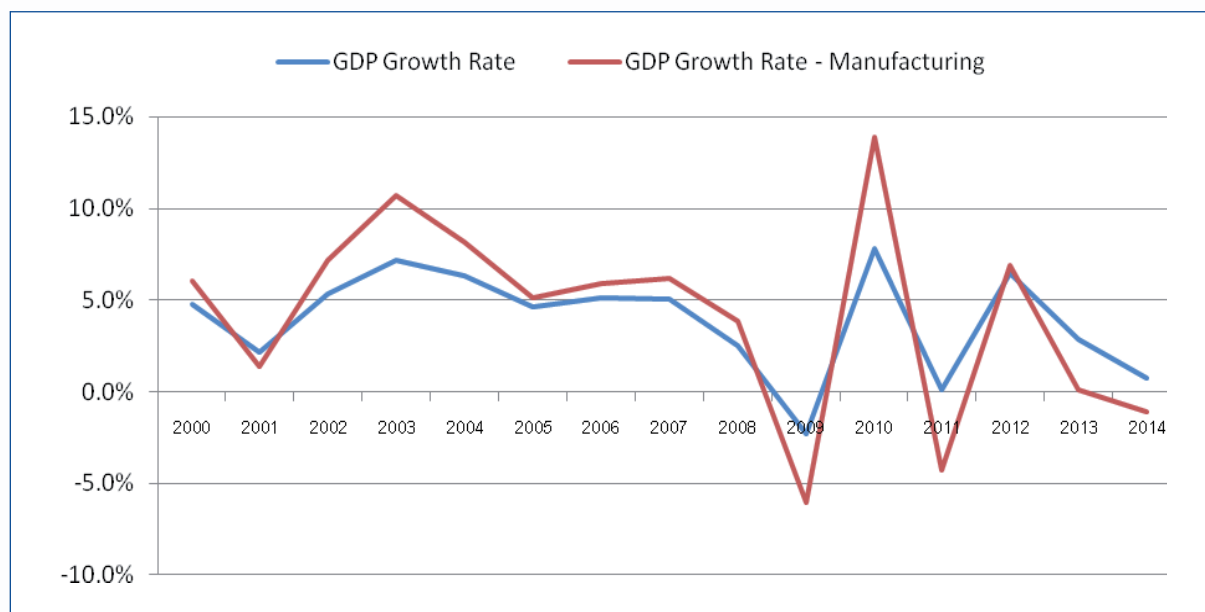
Notes: e denotes estimated information; f denotes forecasted information. All numbers are in 2010 US Dollars.

\* No information on Myanmar

Source : World Bank, IMF, The Asian Development Bank

In 2014, the Thai industrial sector's total value is at approximately 3.95 trillion Baht, approximately one-third of the Thailand's total output in 2014. Similarly to the previous years, it is expected that the growth of the industrial sector could outperform Thailand's overall growth rate. From 2000 – 2014, the average growth rate in the industrial sector was at 4.3% per annum, whereas the average growth rate of the Thai economy was at 3.9% per annum. Based on this information, it can be concluded that the industrial sector is a key driver of the Thai economy both in terms of growth and value. In addition, the sector's growth could also be attributed to the rise in demands for real estate, more specifically in the factory and warehousing markets.

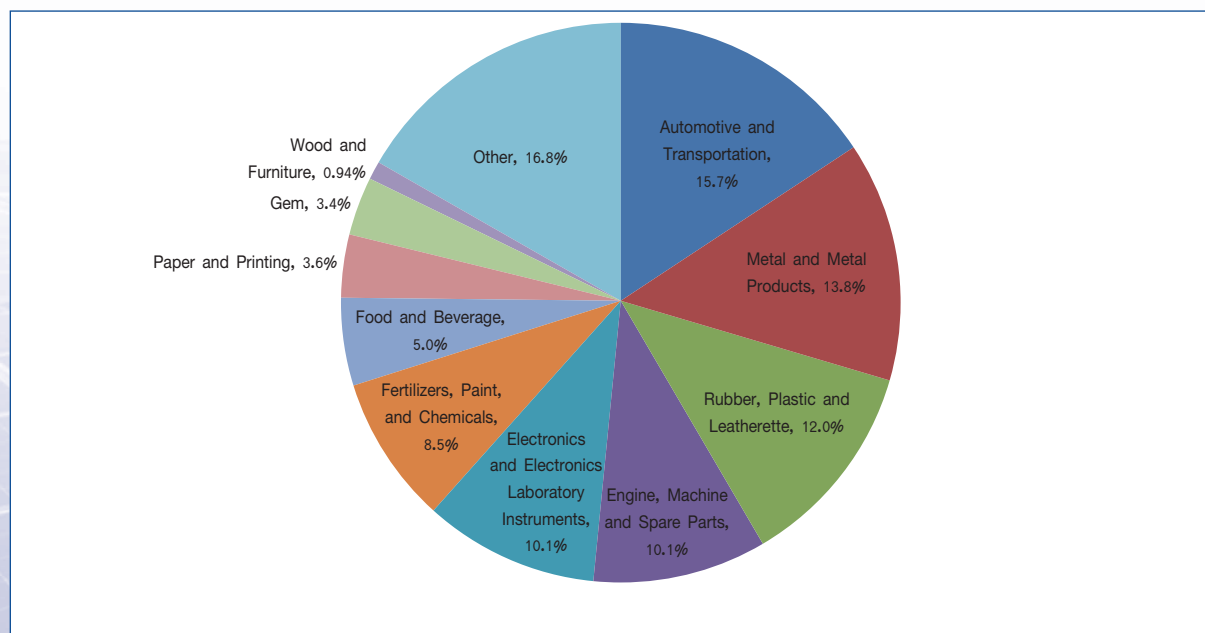
Figure 2: Growth Rates of the Thai Industrial Sector and Thai National Output in 2000 – 2014



Source : Office of the National Economic and Social Development Board

Thailand produces more car than any other ASEAN nations. It is amongst the 10 largest car producer in the world thanks to policies that nurture and support the automotive industry. Currently Thailand commands up to 55% of ASEAN's total car production. As one of the country's most important economic drivers, the automotive industry is currently using up to 15.7% of the total industrial estate land.

Figure 3: Use of Industrial Estate Land Area in 2014 Classified by Industry

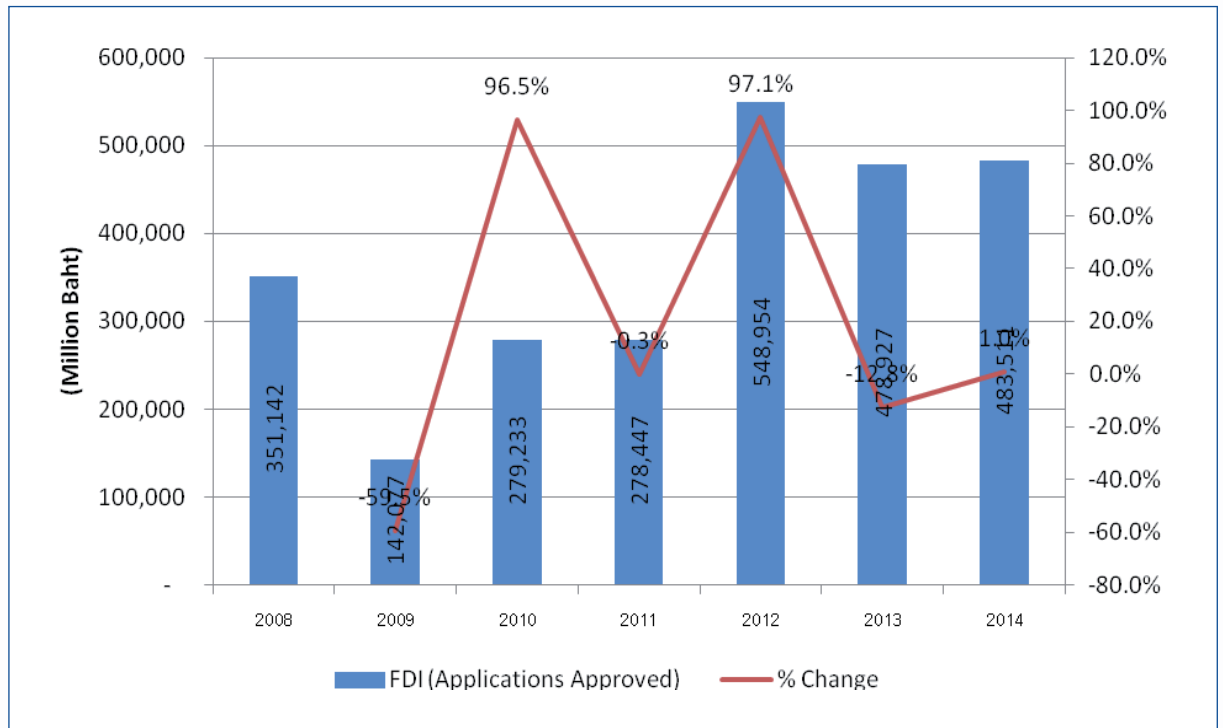


Source: Industrial Estate Authority of Thailand



In 2014, Thailand saw an increase of 1% in the total value of BOI-approved foreign direct investment. The level of foreign direct investment in Thailand has been fluctuating as it is dependent on both the global economy and the stage of the Thai economy. In the first half of 2014, the political turmoil in Thailand caused the Board of Investment (BOI) to delay approval decisions on a number of projects which may have led to a modest increase in the value of approved foreign direct investment.

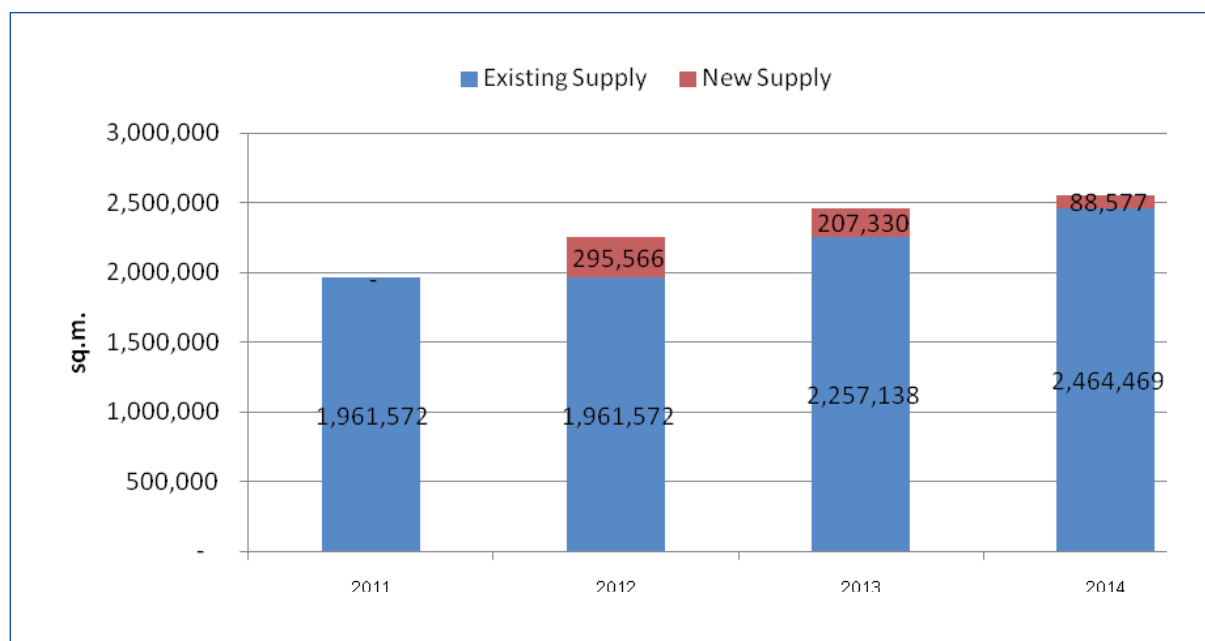
Figure 4: BOI-approved Foreign Direct Investment in the Industrial Sector 2008 – 2014



Source: Board of Investment, Thailand

## 10.2 Factory Rental Market

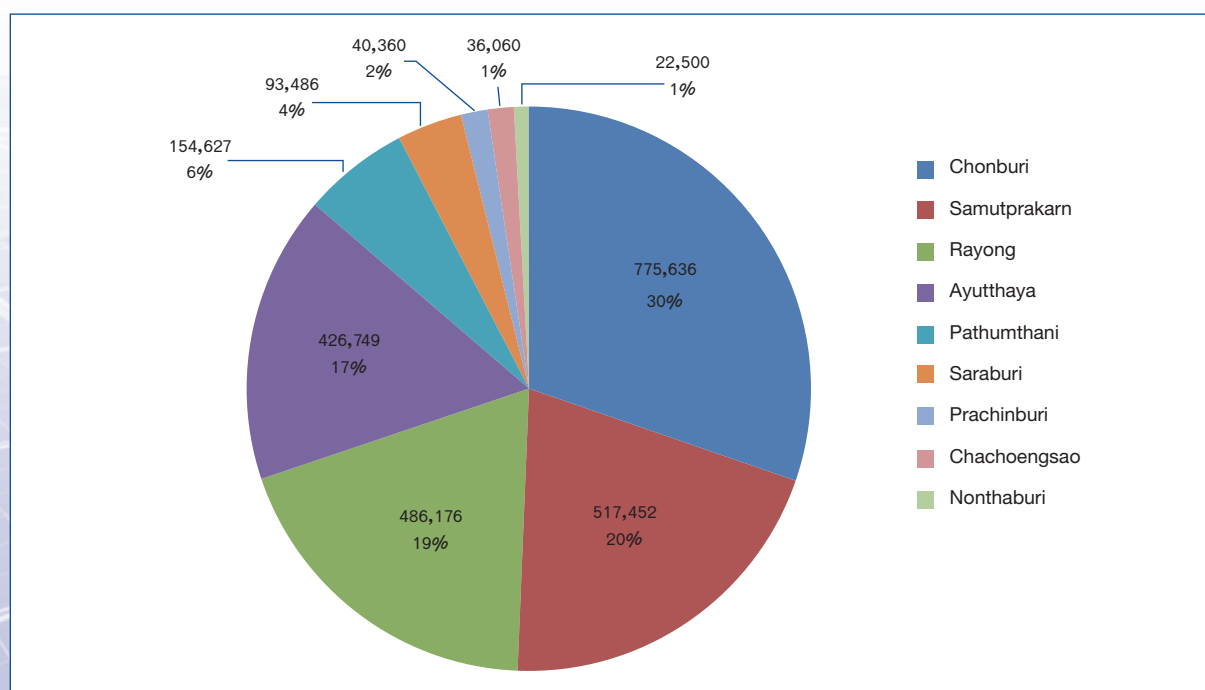
Figure 5: Rental Factory Supply



Source: Knight Frank Chartered (Thailand) Co., Ltd.

The total supply rental factory at the end of 2014 was 2,553,046 square meters, increased from last year's by 88,577 square meters—representing a growth of 3.6%. A significant increase in supply was observed right after the 2011 major floods in Thailand where factories were developed to accommodate for new demands in areas unaffected by the floods.

Figure 6: Rental Factory Supply Classified by Provinces



Source: Knight Frank Chartered (Thailand) Co., Ltd.

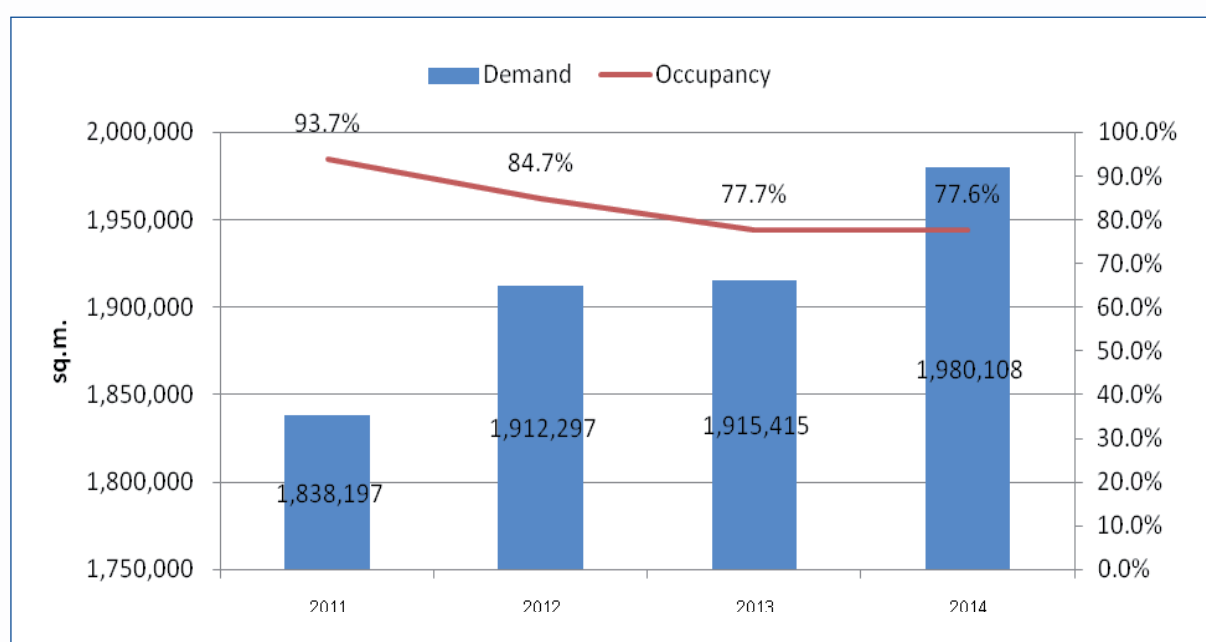
Chonburi province has the largest share of the total rental factory supply at 30%, with a total rental factory space of 775,636 square meters. Samutprakarn has the second largest share at 20% with 517,452 square meters. The third and the fourth largest share goes to Rayong at 19%, and Ayutthaya at 17%. The Eastern Seaboard in Chonburi and Samutprakarn provinces has the largest supply of factory leasable space as those areas are major locations of various industrial estates and more particularly home to Thailand's automotive industry.

### Future Rental Factory Supply

Based on existing plans from major industrial land developers, it is expected that there will be an total additional space of 150,000 square meters in Samutprakarn, Chonburi and Rayong.

### Rental Factory Demand

Figure 7: Rental Factory Demand



Source: Knight Frank Chartered (Thailand) Co., Ltd.

The current occupancy rate is at 77.6%, a reduction of 0.1% compared to at the end of 2013. This was mostly due to an increase in rental factory supply in 2014. The total demand for rental factory at the end of 2014 was at 1,980,108 square meters, an increase of 64,693 square meters from the previous year.



Figure 8: Occupancy Rate in the Factory Market

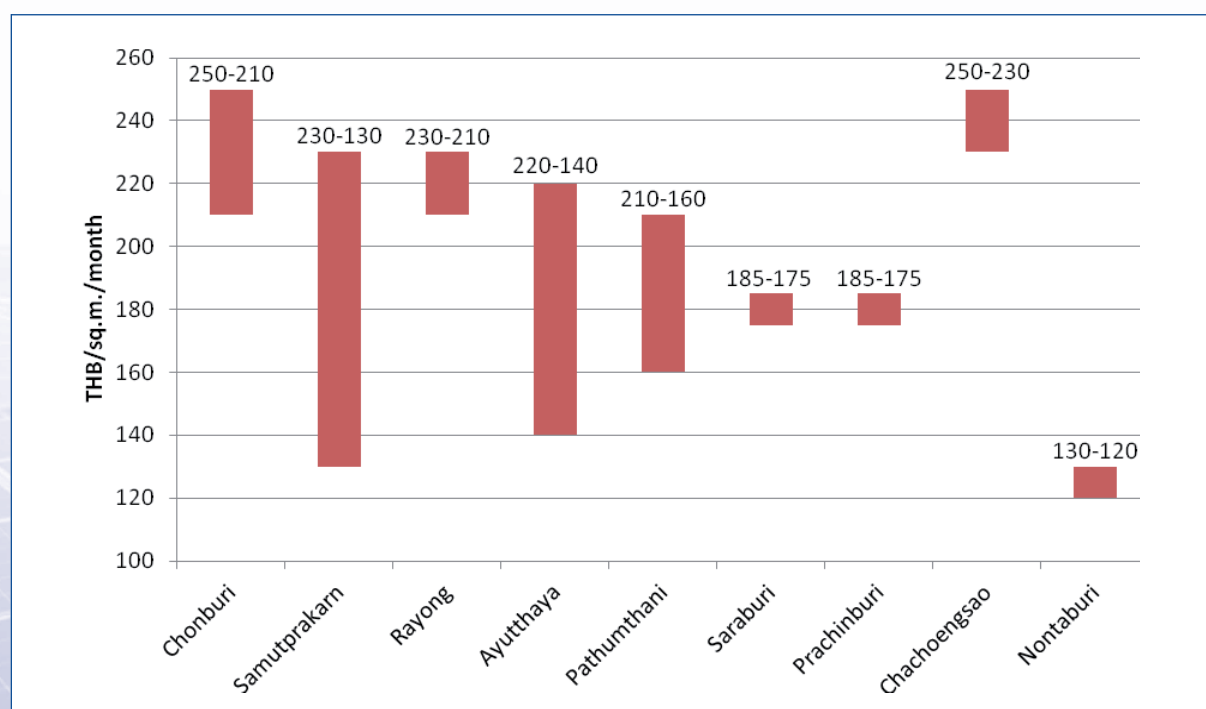
Province	Supply	Demand	Occupancy Rate
Chonburi	775,636	721,461	93.0%
Samutprakarn	517,452	494,102	95.5%
Rayong	486,176	304,080	62.5%
Ayutthaya	426,749	240,010	56.2%
Pathumthani	154,627	113,177	73.2%
Saraburi	93,486	42,749	45.7%
Prachinburi	40,360	18,000	44.6%
Chachoengsao	36,060	24,030	66.6%
Nonthaburi	22,500	22,500	100.0%

Source: Knight Frank Chartered (Thailand) Co., Ltd.

The occupancy rate in the Eastern Seaboard continues to perform better with 93% and 95.5% of the total supply being rented in Chonburi and Samutprakarn respectively. This is mostly due to higher demands within the area which is located within the close proximity of many industrial estates, Laem Chabang deep seaport and Suvarnabhumi International Airport.

#### Asking Factory Rental Rate Classified by Provinces

Figure 9: Asking Factory Rental Rate Classified by Provinces



Source: Knight Frank Chartered (Thailand) Co., Ltd.

The asking rental fee is the highest in Chonburi and Chachoengsao provinces at 250 Baht per square meter per month. The second highest is in Samutprakarn and Rayong where the fee is at 230 Baht per square meter per month. The highest fee in Ayutthaya is at 220 Baht per square meter per month. Provinces unaffected by the floods such as Chonburi, Chachoengsao, Samutprakarn and Rayong saw the highest rental fee increase.

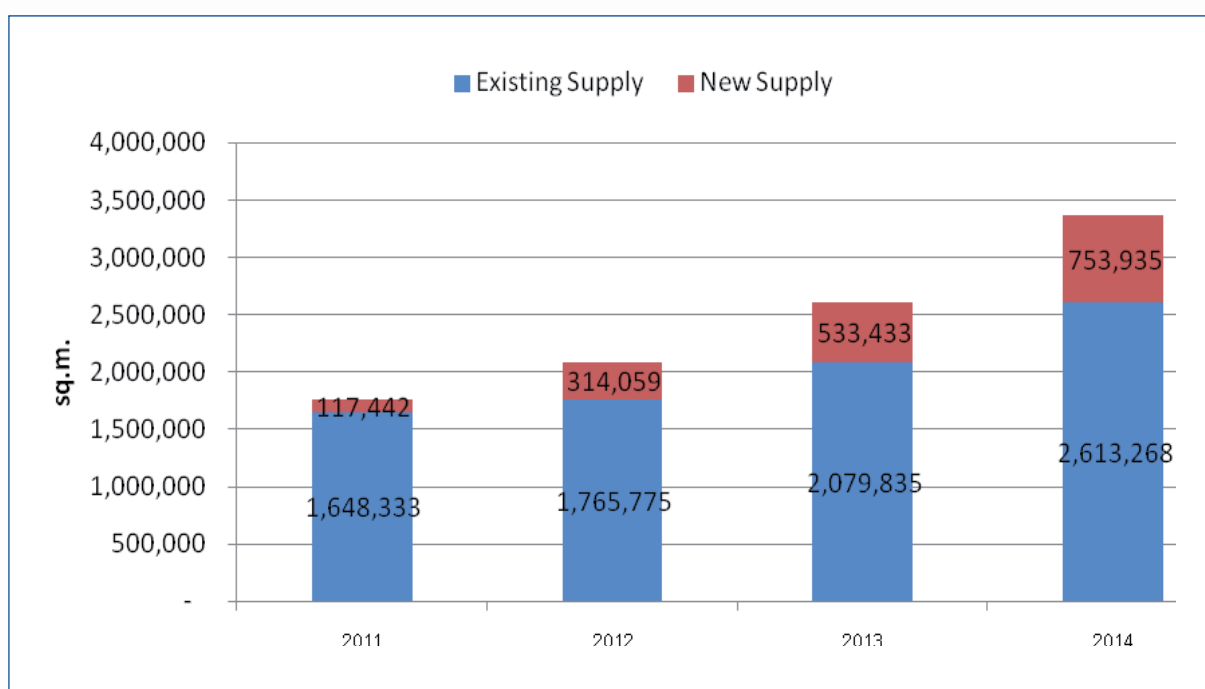
### Rental Factory Market Trends

There will be growth in demand from both domestic and international companies, including small, medium-sized, and large enterprises, due to the need for industrial factory areas and the growth in the automotive industry from Eco Car Phase 2, which Thailand is considered as the key manufacturing base in ASEAN.

## 10.3 Rental Warehouse Market

### Rental Warehouse Supply

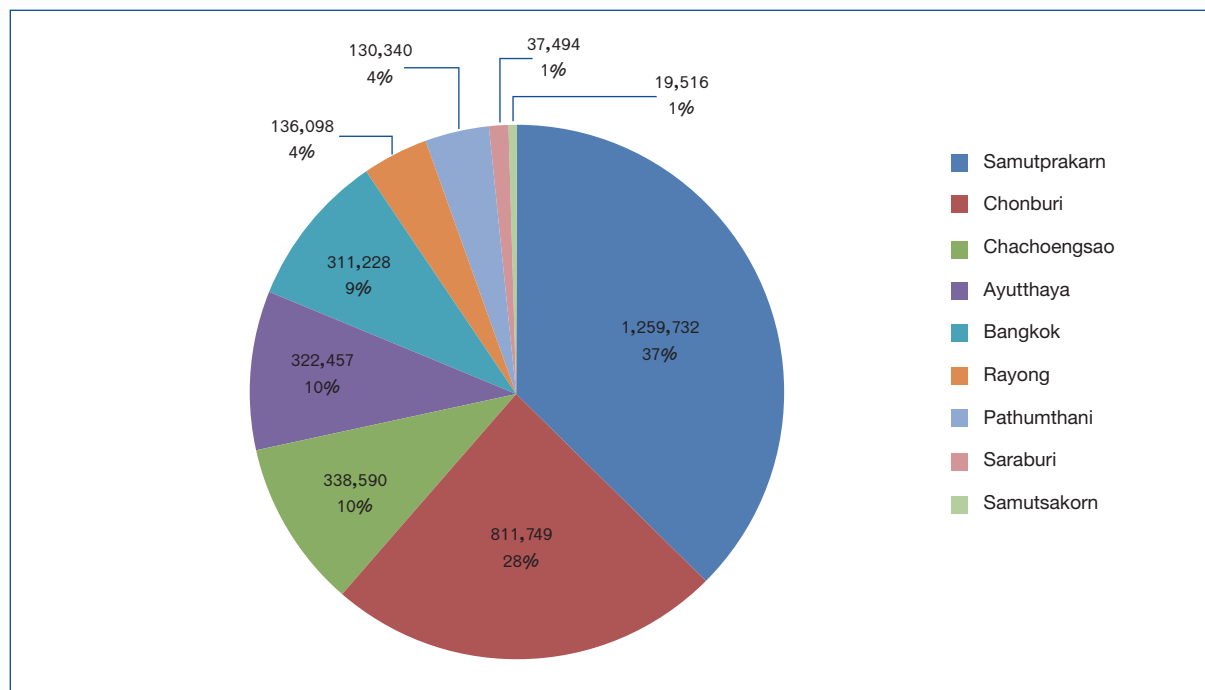
Figure 10: Rental Warehouse Supply



Source: Knight Frank Chartered (Thailand) Co., Ltd.

As of the end of the year 2014, the total supply for warehouse rental area is about 3,367,203 square meters which has increased from the previous year by 753,935 square meters and increased by 28.9%. The majority of newly completed warehouses are located in the area of Samutprakarn and Eastern Seaboard near Laem Chabang Deep Sea Port.

Figure 11: Rental Warehouse Supply Classified by Provinces



Source: Knight Frank Chartered (Thailand) Co., Ltd.

Most of the warehouse is located in the Samutprakarn province, with a total area of 1,259,732 square meters or 37% of the total area. This is due to the fact that Samutprakarn is situated near Bangkok, Savanabhumi Airport, and many other industrial estates. Chonburi is another important location for warehouses with a total area of 811,749 square meters or 24% of total area because the area of Eastern Seaboard is near Laem Chabang Deep Sea Port and automotive manufacturing bases. It is followed by 10% of warehouses situated in Ayutthaya and another 10% in Chachoengsao.

### Future Warehouse Supply

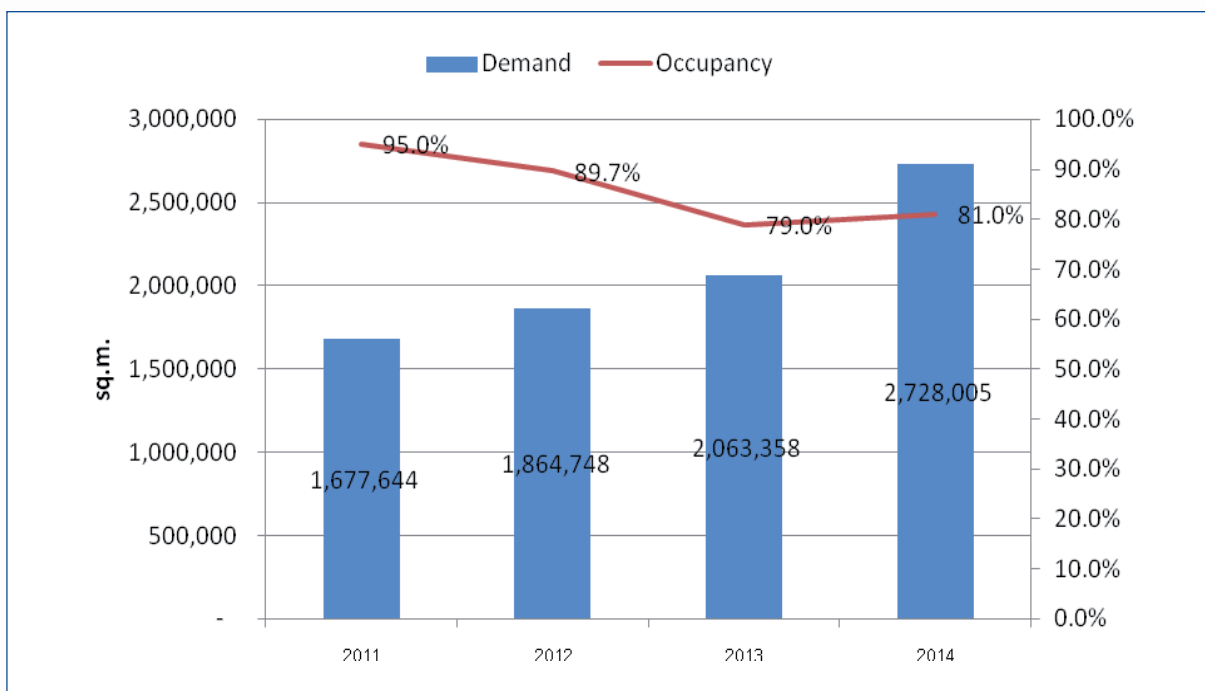
After the heavy flooding in 2011, the demand for the warehouse space has increased, especially in the areas which were not affected by the flooding such as Chonburi and Samutprakarn provinces, where the industrial estate developers turned their attentions to.

There is approximately 300,000 square meters of future supply of rental warehouses. About 145,000 square meters or 48% of the total future supply are in the Samutprakarn province, where this location has the high demand of warehouse space.



## Rental Warehouse Demand

Figure 12: Rental Warehouse Demand



Source: Knight Frank Chartered (Thailand) Co., Ltd.

In 2014, total of occupied warehouse spaces is 2,728,005 square meters which has increased by 664,647 square meters or increased by 32.2% from the last year. The increase in demand is higher than increase in supply, which lead to higher occupancy rate.

The current occupancy rate is at 81%, increased from the previous year. However, since 2554, the occupancy rate trend to drop due to the large number of supply entered to the market, particularly on the Samutprakarn, Chachoengsao, and Chonburi.

Figure 13: Occupancy Rate in the Market by Provinces

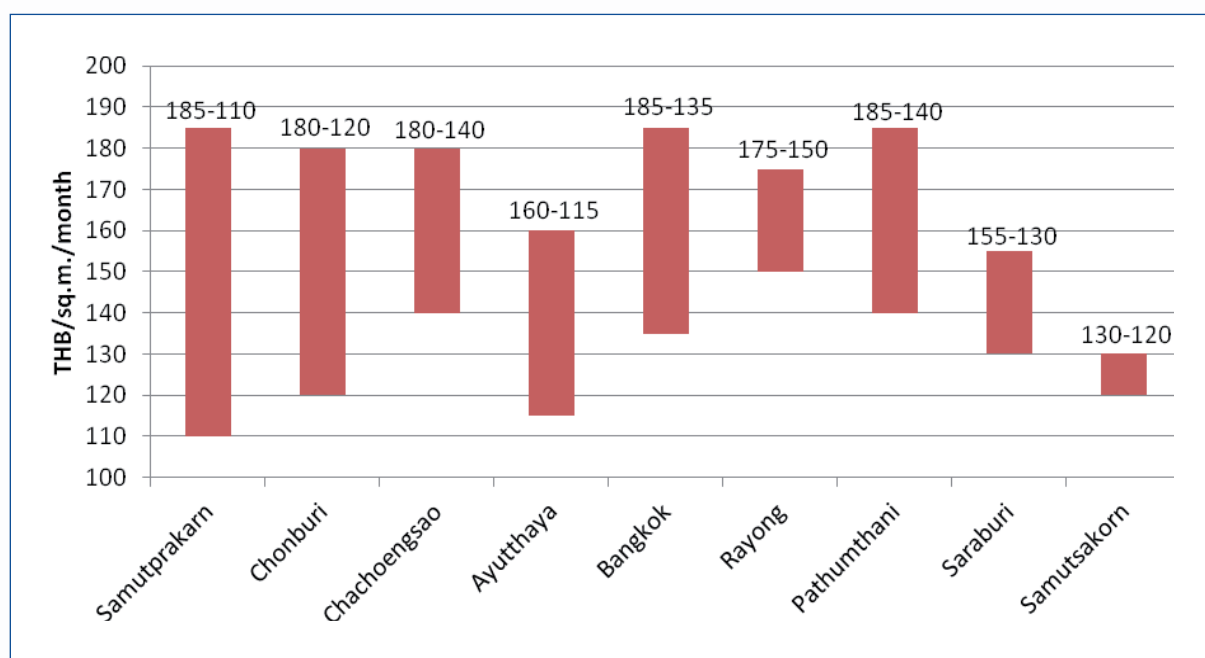
Province	Supply	Demand	Occupancy Rate
Samutprakarn	1,259,732	1,079,975	85.7%
Chonburi	811,749	529,688	65.3%
Chachengsao	338,590	295,246	87.2%
Ayutthaya	322,457	273,899	84.9%
Bangkok	311,228	305,205	98.1%
Rayong	136,098	62,985	46.3%
Pathumthani	130,340	129,080	99.0%
Saraburi	37,494	37,494	100.0%
Samutsakorn	19,516	14,433	74.0%

Source: Knight Frank Chartered (Thailand) Co., Ltd.

Warehouse in Samutprakarn has highest occupied space of 1,079,975 square meters, which is occupancy rate of 85.7%. Followed by warehouse occupied space in Chonburi 529,688 square meters with occupancy of 65.3%.

Occupancy in the Eastern seaboard area is lower than the others. Warehouse in Chonburi has occupancy of 65.3% and warehouse in Rayong has occupancy of 46.3%. During 2012 – 2013, there were a large number of warehouse supply entering to the market in this area, which affect occupancy rate to drop.

Figure 14: Warehouse Rental Rate Classified by Provinces



Source: Knight Frank Chartered (Thailand) Co., Ltd.

The highest rental rate of warehouse was seen in Samutprakarn, Bangkok, and Pathumthani at 185 Baht per square meter per month. Followed by 180 Baht per square meter per month in Chonburi and Chachoengsao. In general, the warehouse rental rates vary depending on different factors such as, location, warehouse condition, age of buildings, and specification.

### Warehouse Market Trends

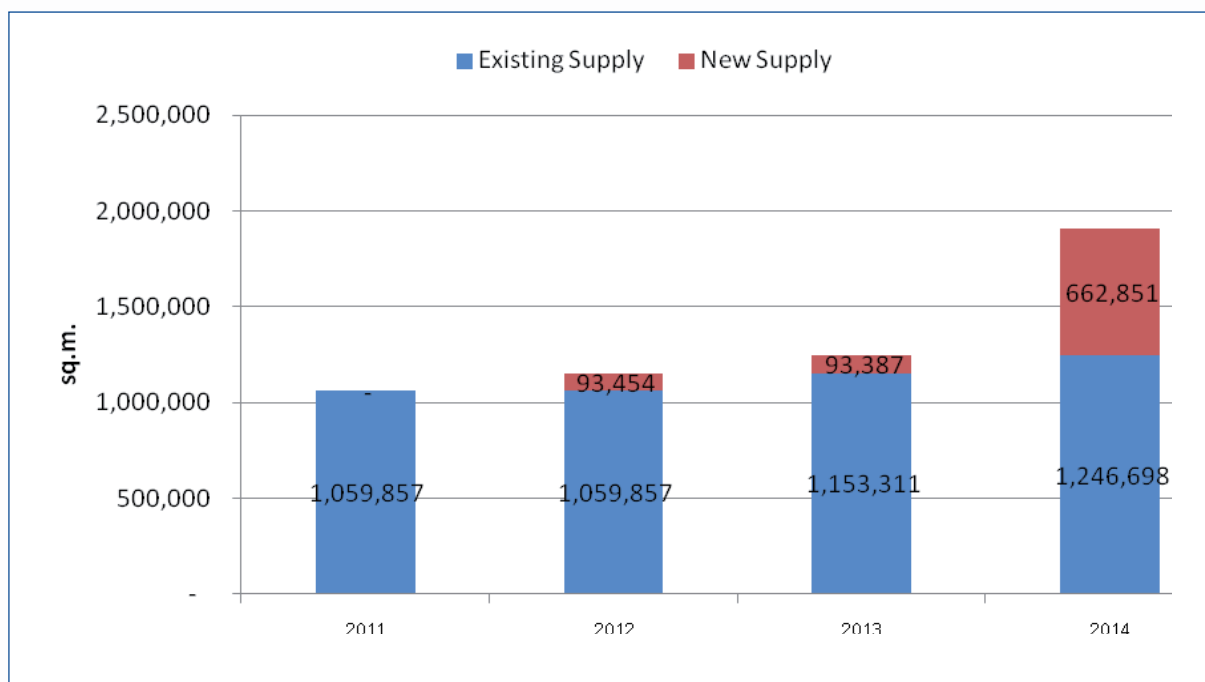
In future, there will be a great increase in the warehouse supply, specifically on Samutprakarn and Chonburi, based on the warehouse development plans of the developers. Meanwhile, the demand of warehouses will increase from the logistic system and infrastructure investment in order to minimize the logistic costs. This is because Thailand has upper hand in term of its location where is in the centre amongst Cambodia, Laos, Burma, and Malaysia. Thus, Thailand has become the central logistics hub which would play an important role in the future of the AEC economy. However due the the higher competitiveness of warehouse rental market, the increase in the rents will be unlikely.

#### 10.4 Warehouse Market in the Eastern Areas of Bangkok (Savanabhumi – Bangpakong)

##### Survey area

The eastern areas of Bangkok or Savanabhumi – Bangpakong are consisted of the Ladkabang road close to Savanabhumi International Airport and the entire Samutprakarn province to Bangpakong district in Chachoengsao.

Figure 15: Rental Warehouse Supply in the Areas of Savanabhumi – Bangpakong

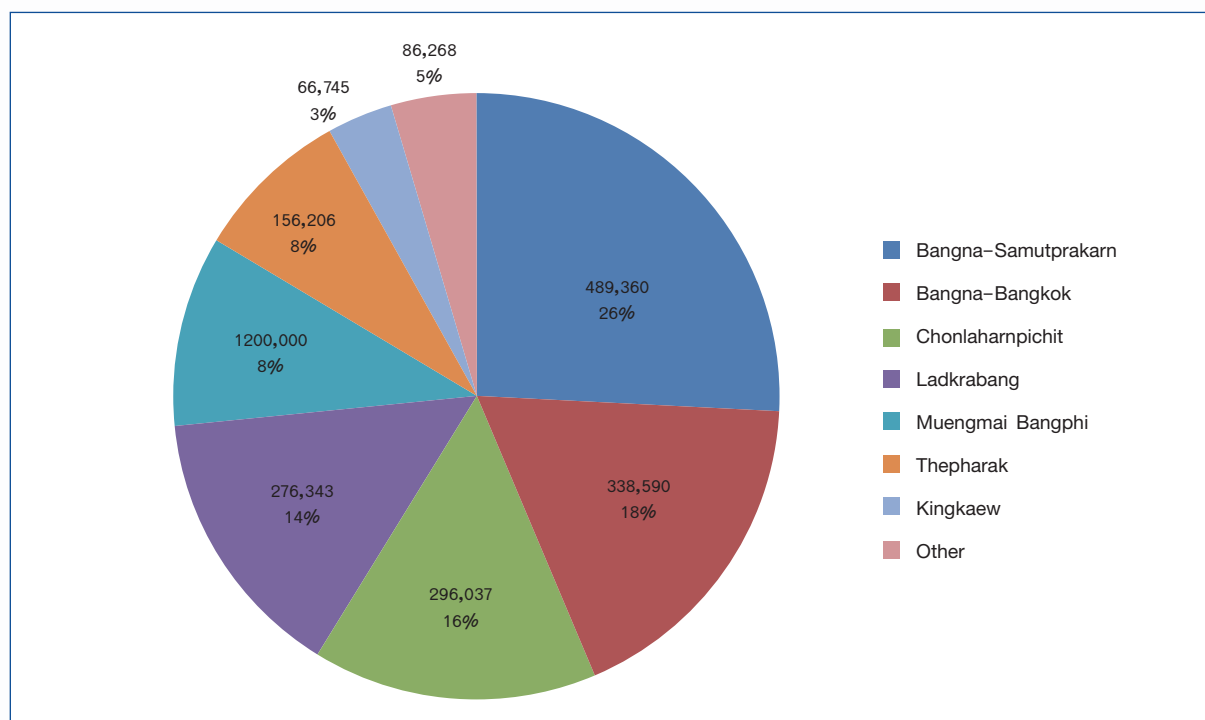


Source: Knight Frank Chartered (Thailand) Co., Ltd.

As of the end of the year 2014, the total supply of warehouse in the area of Savanabhumi – Bangpakong is 1,909,550 square meters which has increased from the 2013 by 662,851 square meters or 53.2%. After the major flooding in the end of the year 2011, there were consecutive increases in supply of rental warehouse, where the areas were not affected by the flood. With this reason, the warehouse developers have paid more attention in the areas and constructed warehouses in order to serve the increasing demand for warehouses.



Figure 16: Rental Warehouse Supply in the Areas of Savanabhumi – Bangpakong Classified by Provinces



Source: Knight Frank Chartered (Thailand) Co., Ltd.

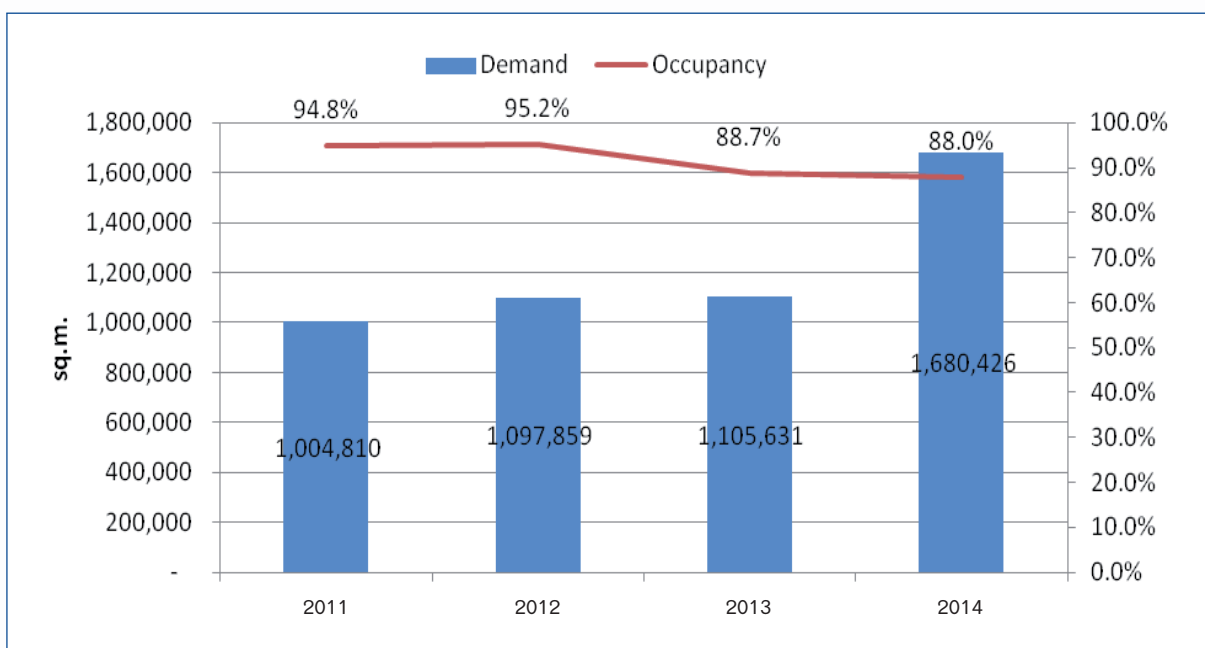
The rental warehouse supply mostly locates on Bangna road, which is in the areas of Bangna – Samutprakarn, with total area of 26% or 489,360 square meters. The second largest area is in the areas of Bangna – Bangpakong with total of 18% or 338,590 square meters. This is followed by the areas on Chonlaharnpichit with total area of 16% or 296,037 square meters and Ladkabang road with total area of 14% or 276,343 square meters. From the aforementioned information, it can be seen that Bangna road is popular for warehouse development since it is the road to which connects Bangkok with many industrial areas including Laem Chabang Deep Seaport.

#### Future Warehouse Wupply in the Areas of Savanabhumi – Bangpakong

According to the warehouse development plans of the industrial property developers, in the Areas of Savanabhumi – Bangpakong, there will be future supply of 145,000 square meters in 2015.

### Demand and Occupancy of Rental Warehouse in the Areas of Savanabhumi – Bangkok

Figure 17: Demand and Occupancy of Rental Warehouse in the Areas of Savanabhumi – Bangkok



Source: Knight Frank Chartered (Thailand) Co., Ltd.

The total of leased or rented warehouses in the studied area is 1,680,426 square meters which has increased from the previous year by 574,795 square meters or is equivalent to 52%. However, in the past few years, the leased space increased in the same level as the supply increase in 2014. So, the occupancy rate is still at the same level. Current occupancy rate was at 88%, drop only 0.7% from the last year.

Figure 18: Warehouse Occupancy Rate in the Areas of Savanabhumi – Bangkok Classified by Locations

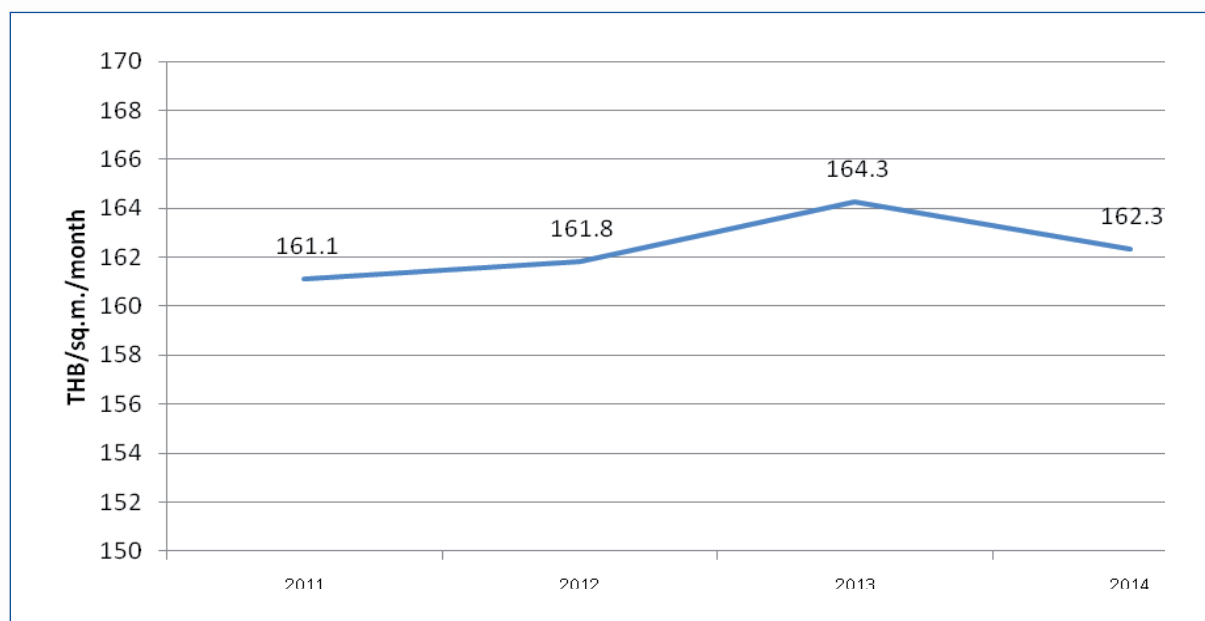
Locations	Supply	Demand	Occupancy
Bangna-Samutprakarn	489,360	416,022	85.0%
Bangna-Bangpakong	338,590	295,246	87.2%
Chonlahampichit	296,037	231,416	78.2%
Ladkrabang	276,343	273,343	98.9%
Muengmai Bangphi	200,000	187,994	94.0%
Thepharak	156,206	138,392	88.6%
Kingkaew	66,745	59,173	88.7%
Other	86,268	78,841	91.4%
Total	1,909,550	1,680,426	88.0%

Source: Knight Frank Chartered (Thailand) Co., Ltd.

In the location of Bangna-Samutprakarn, the leased warehouse space is at 416,022 square meters with the occupancy rate of 85%. Followed by Bangna-Bangpakong has occupied space of 295,246 square meters and 87.2% occupancy. And Ladkrabang area has occupied space of 273,343 square meters and 98.9% occupied.

The occupancy rates in each area is not much different to each other. Each area has similar distance to major destinations, such as, Bangkok, Airport, and Laem Chabang Port.

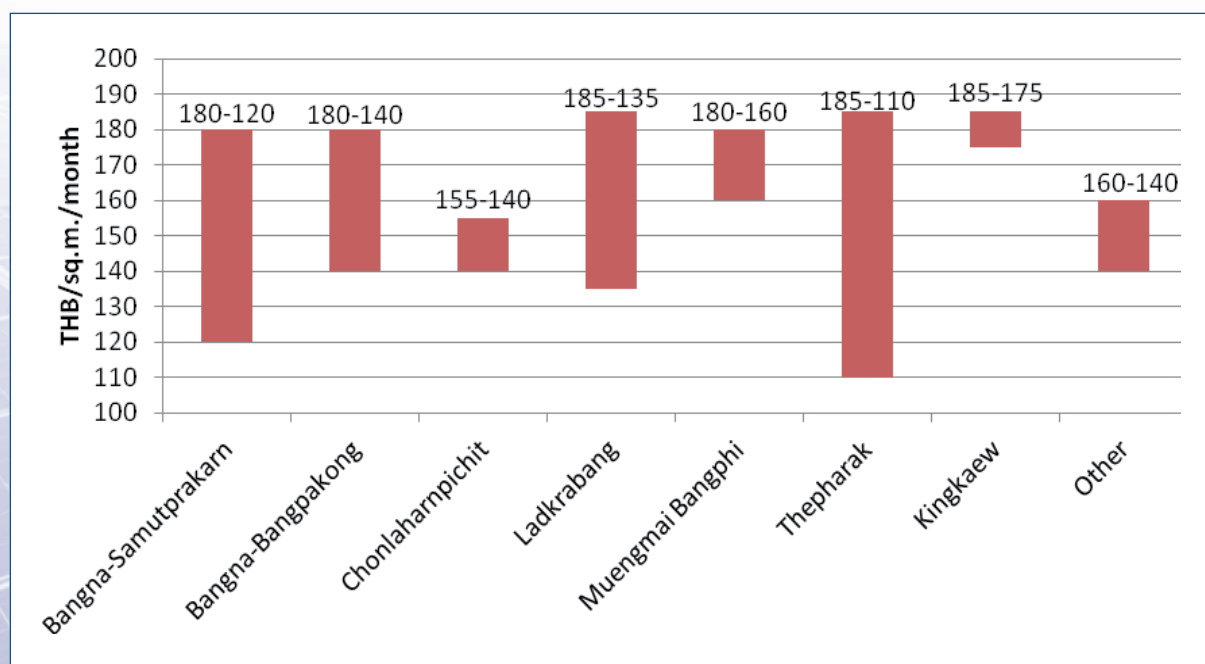
Figure 19: Warehouse Rental Rate in the Areas of Savanabhumi – Bangpakong



Source: Knight Frank Chartered (Thailand) Co., Ltd.

In the areas of Savanabhumi – Bangpakong, the current average rental rate is at 162.3 Baht per square meter per month which has decreased from the previous year at a rate of 1.2% because the increase in supply in this area.

Figure 20: Rental Rate in the Areas of Savanabhumi – Bangpakong Classified by Locations



Source: Knight Frank Chartered (Thailand) Co., Ltd.

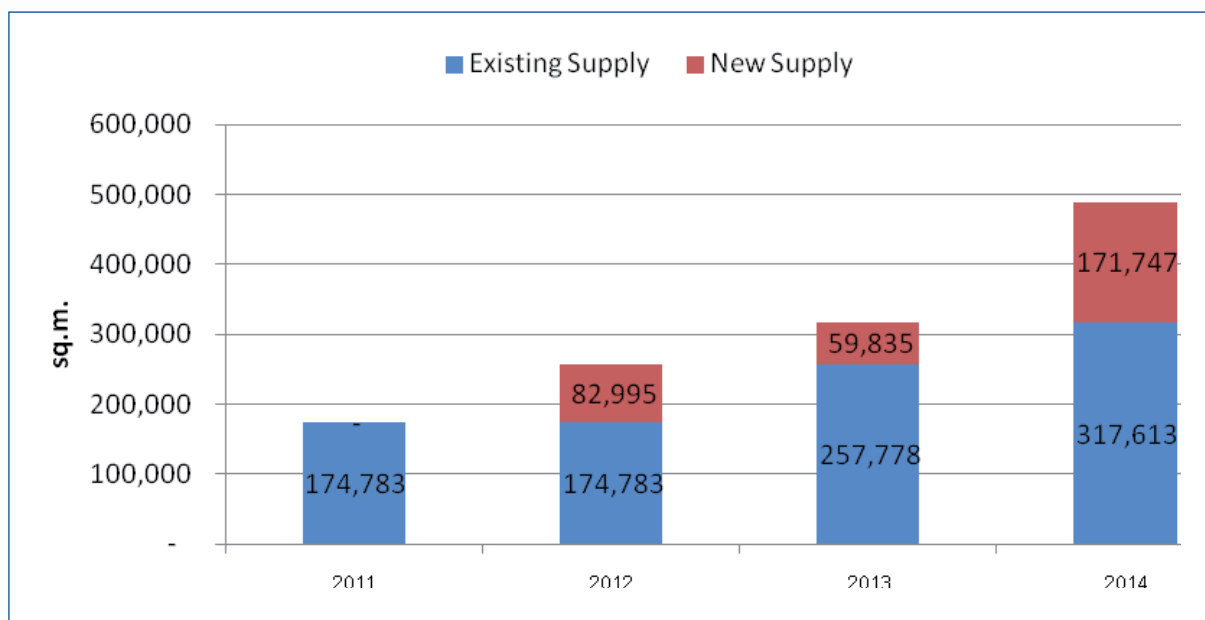


The rental rate of the warehouses in the areas of Savanabhumi – Bangpakong varies depending on various factors such as location, types of warehouses, load bearing capacity of the ground, warehouse structure, and age etc.

#### 10.5 Warehouse Rental Market in the Areas of Bangna – Samutprakarn

##### Warehouse Rental Supply in the Areas of Bangna – Samutprakarn

Figure 21: Warehouse Rental Supply in the Areas of Bangna – Samutprakarn

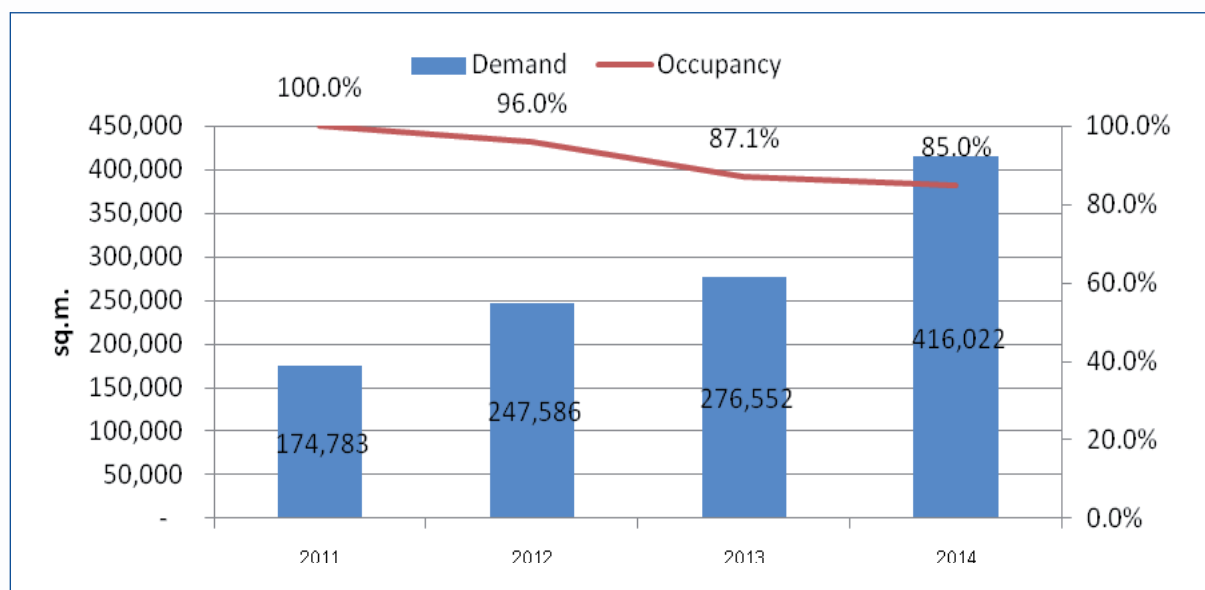


Source: Knight Frank Chartered (Thailand) Co., Ltd.

From the survey of warehouse rental supply in the areas of Bangna – Samutprakarn, it is found that the total warehouse rental area is approximately 489,360 square meters which has increased by approximately 171,747 square meters from the year 2013 or at a rate of 54.1%. This is in consistent with the growth in demand in the industrial and logistic sectors.

## Demand and Occupancy Rate of Warehouse Rental in the Areas of Bangna – Samutprakarn

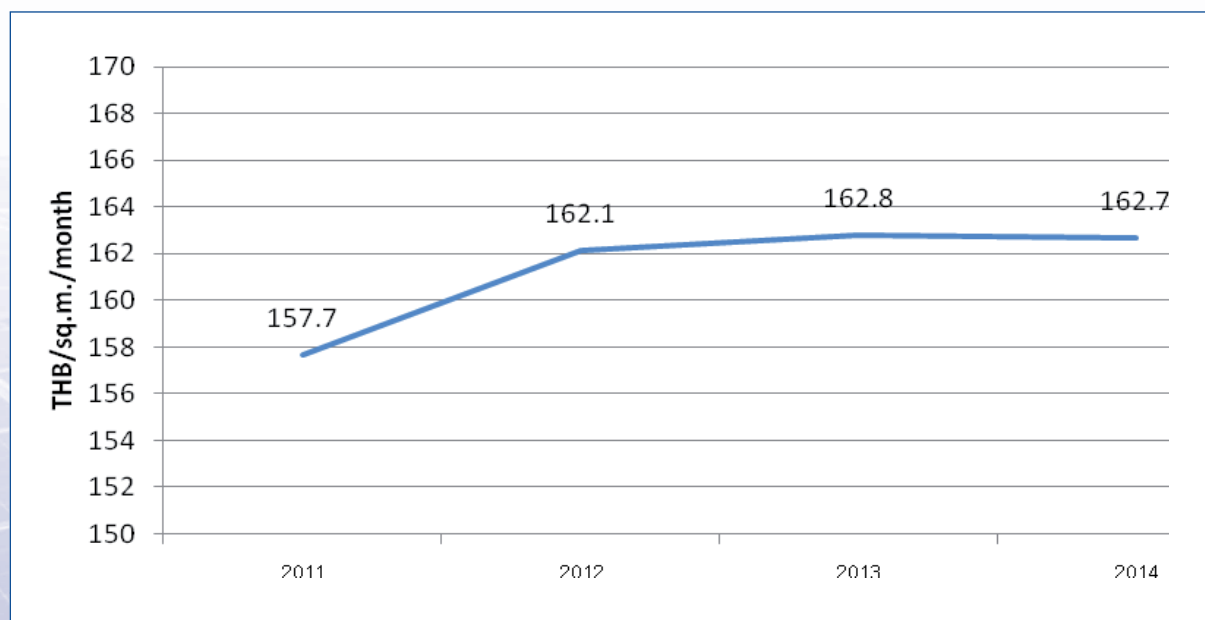
Figure 22: Demand and Occupancy Rate of Warehouse Rental in the Areas of Bangna – Samutprakarn



Source: Knight Frank Chartered (Thailand) Co., Ltd.

The total warehouse rental area in the areas of Bangna – Samutprakarn is 416,022 square meters which has increased by 139,470 square meters or is equivalent to 50.4% from the previous year while the demand in those areas was unchanged. As a result, there was a decrease in the occupancy rate to 91%.

Figure 23: Warehouse Rental Rate in the Areas of Bangna – Samutprakarn



Source: Knight Frank Chartered (Thailand) Co., Ltd.

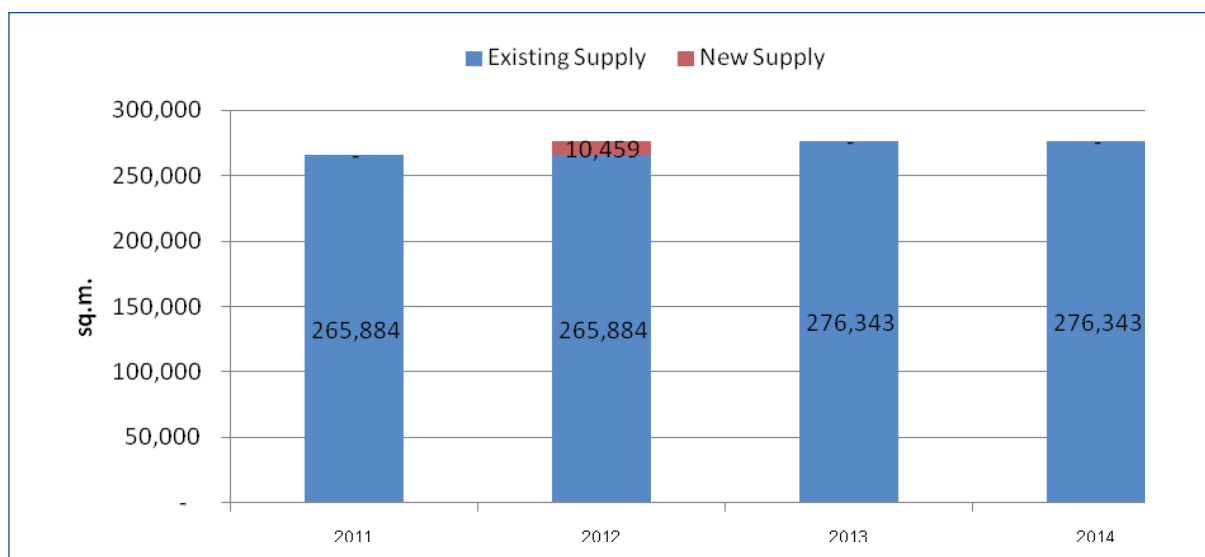
The warehouse rental rate is 162.7 Baht per square meter per month, which doesn't change much from the last year. After the flood in 2554, rental rate had increased significantly.

### Summary Overview of Warehouse Rental Market in the Areas of Bangna – Samutprakarn

There is high demand for locations in the Bangna–Samutprakarn area amongst both domestic and international tenants. As a result, the demand and rental rates for these areas are high. This is because this area has benefited from transportation systems on the Bangna–Trad road which is connected to Bangkok and other industrial areas. Moreover, the warehouse developers have consecutive and convincing plans to develop the warehouses in these areas which would result in a great increase of demand and supply in the future.

#### 10.6 Warehouse Rental Market in Ladkabang Area

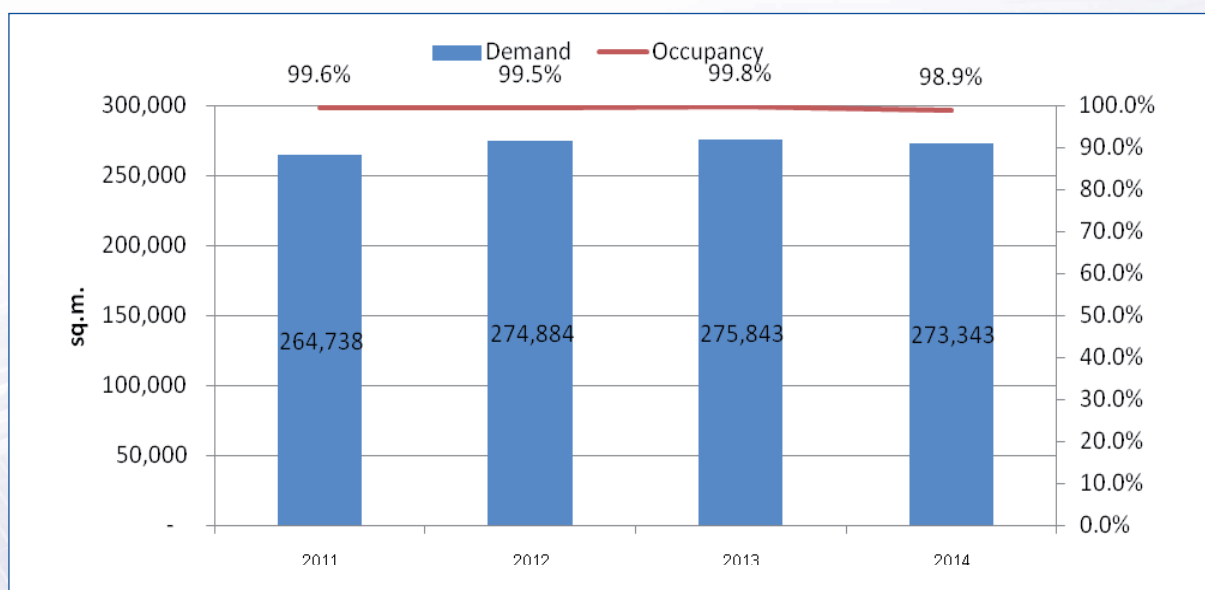
Figure 24: Warehouse Rental Supply in the Areas of Ladkabang Road



Source: Knight Frank Chartered (Thailand) Co., Ltd.

As of the year 2014, the warehouse rental supply in the areas of Ladkabang road has been unchanged at 276,343 square meters since 2012.

Figure 25: Demand and Occupancy Rate of Warehouse Rental in Ladkabang Area

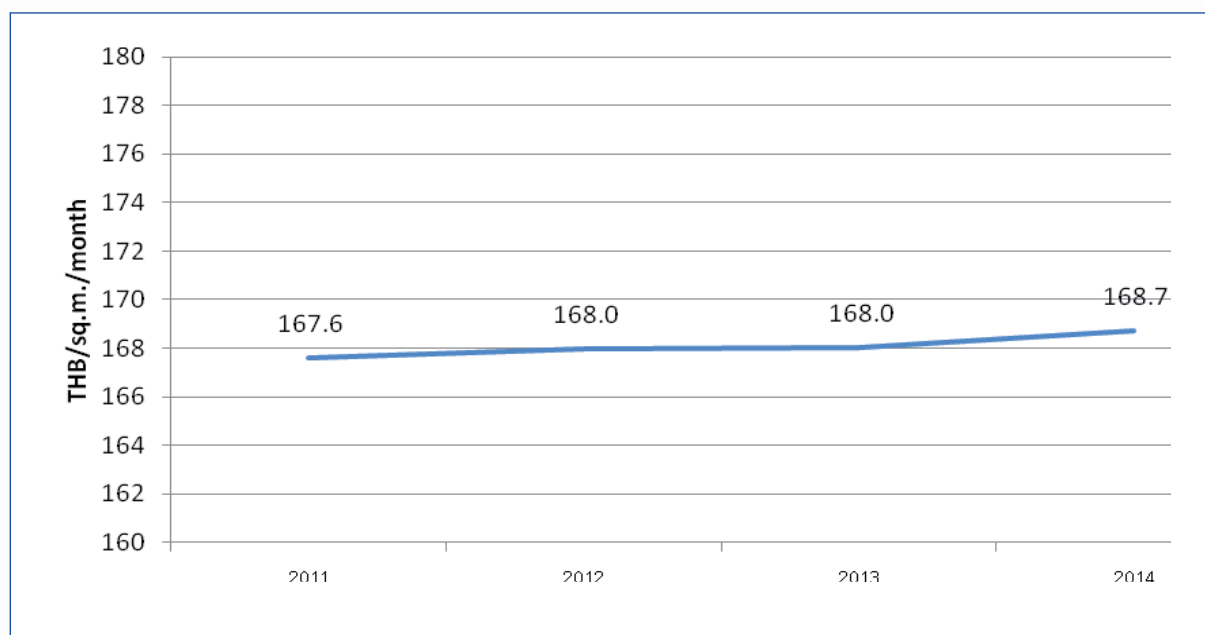


Source: Knight Frank Chartered (Thailand) Co., Ltd.



The total warehouse rental area on Ladkabang road is 273,343 square meters, which slightly decreased from the last year. The occupancy rate stays at 98.9% highest among others areas.

Figure 26: Warehouse Rental Rate in Ladkabang Area



Source: Knight Frank Chartered (Thailand) Co., Ltd.

On the average rental rate on Ladkabang road is 168.7 Baht per square meter per month, slightly increased from the previous year. The rental rate is considered fairly high and hasn't been much changed.

#### Summary Overview on Warehouse Rental in Ladkabang Area

There has been no major change in the warehouse rental market in Ladkabang. The supply has been unchanged since 2012 and the occupancy rate has been at 99%. This shows that there is still high demand for the warehouse space in these areas but the supply is limited. As a result, the rental rate will be high.

#### Warehouse Market Outlook

There will be a great increase in the supply of warehouses in the future based upon the warehouse development plans of developers. Also, the demand of warehouses will increase in the future based on the logistic plan in order to minimize the logistic costs. This is because Thailand has upper hand in term of its location where is in the centre amongst Cambodia, Laos, Burma, and Malaysia. Thus, Thailand is the central logistics hub which would play an important role in the AEC in the future.

## 11. Information about the income guarantee and the person giving guarantee

–None–

## 12. Limitation on allocation of trust units

### Limitation on allocation, holding and transfer of the offered trust units

- 12.1 In regards to the allocation of trust units to subscribers, it shall be allocated to a person or persons in compliance with the following ratio:
- (a) Fifty (50) percent of total trust units which are already sold; and
  - (b) Fifty (50) percent of total sold trust units in such trust units type given that there is classification of trust units.
- 12.2 In the case where a person whom trust units are allocated to is the settlor of the Trust, trustee or the REIT manager, the allocation of trust units shall be in accordance with ratio and rules prescribed in the Notification of SEC and the SEC office on Rules of Being Settlor and Trustee of Real Estate Investment Trust (REIT) and the Notification of SEC and the SEC office on Rules, Conditions and Procedures of REIT Manager's Approval and Standard of Performance, as the case may be.
- 12.3 In the case where the Trust invests in properties in Thailand and laws and regulations related to the properties specify investment proportion of foreign investors, the REIT manager shall conduct allocation of trust units in accordance with such laws and regulations. The investment proportion of foreign investors however shall not exceed forty-nine (49) percent of the total trust units sold as it is the offering of trust units which invest in properties in the manner of acquisition of right in a land under the Land Code.
- 12.4 If it appears that any person(s), underwriter, settlor, trustee, REIT manager or foreign investor holds trust units not in accordance with the ratio and rules in the aforesaid Notifications, such person(s) shall not be entitled to the benefit or vote representing the portion in excess of the specified ratio. In this regard, the Trust shall distribute the benefit to other beneficiaries and it may deem that such trust unitholder has been informed and given its consent for such doing.
- 12.5 Underwriters may reserve their rights to refuse or suspend subscription of trust units either in whole or in part in one of the following cases:
- (a) In the case where information and/or documents which the underwriters receive from the subscriber are incorrect or incomplete.
  - (b) In the case where underwriters suspect that the purchase of the subscriber is not transparent such as money laundering etc.
  - (c) In the case where the REIT manager views that properties in which the Trust will invest may have total value less than seventy-five (75) percent of total capital derived from fund raising.
  - (d) Underwriters may reserve the rights to refuse the subscription in certain cases which it may deem appropriate; for examples, in a case that the underwriter views that it benefits the Trust or the trust unitholders, in a case that the subscription may cause problems to the Trust's management or may cause damages to the Trust, in a case where subscriber is a citizen or resident of United State and a person whose usual residence is in United States including assets of such person, and corporation or partnership which is set up and operates in the United States etc.



- (e) Subscriber who resides overseas is responsible for rules, regulations and taxes related to the trust unit investment of the Trust.
- (f) Underwriters view that the subscriber and/or trust unitholders and/or investor studies, comprehend and is abided by rules and conditions in which the Trust has legally bound by and specified in the registration statement and/or prospectus and/or rules, regulations and notification of SEC, the SEC Office and/or other authorities. This includes rules and conditions which may be amended or added in the future.

### 13. Policy and limitation of benefit distribution

The benefit distribution policy of the Trust shall be in accordance with the following criteria:

- 13.1 The REIT Manager shall distribute benefits or return of not less than 90% of the adjusted net profit for the fiscal year. The distribution of the benefit shall include annual distribution and interim distribution (if any). The REIT Manager shall make distribution to holders of trust units of no more than four (4) times per year. Except, in the case that the Trust increases its capital, the Trust is allowed to conduct the benefit distributions of more than 4 times per year for the benefit of holders of trust units.

Adjusted net profit means net profit referred to cash position of the Trust which is deducted loan principal repayment and other obligations which become due by taking cash position (if any) into consideration.

- 13.2 In the case where the Trust still has an accumulate loss, the REIT Manager shall make no distribution to holders of trust units.

- 13.3 Upon the benefit distribution to trust unitholders in each accounting period, the REIT Manager shall announce the distribution, close the register of trust unitholders in order to specify names of the trust unitholders who are entitled to receive the benefit, and make distribution within the specified period as follows:

- a. For year-end distribution,

The REIT Manager shall distribute the benefit within 90 days from the end of the fiscal year. Such benefit shall be distributed within the period of not over 30 days from the closing date of the register of trust unitholders in order to determine the rights of the trust unitholders who are entitled to such benefit.

- b. For interim distribution,

The REIT Manager shall distribute the interim benefit (if any) within 90 days from the end of the accounting period of the latest quarter prior to such benefit distribution. Such benefit shall be distributed within 30 days from the closing date of the register of trust unitholders who are entitled to the benefit.

- 13.4 The trust unitholders who are entitled to receive the benefit are those whose names appear in the register of trust unitholders as of the closing date of the register of trust unitholders whereby the benefit to be received must be proportionated to the trust unit holding of each trust unitholder. In the case where it appears that any person(s) holds trust units in excess of the ratio specified in the relevant SEC notifications, such person(s) shall not be allowed to receive the benefit of the trust units which represent the portion in excess of the ratio as specified under the SEC notifications.

## 14. Expenses Collected from the Trust

Fees and Expenses	For Period of the Trust			Per One Time	
	Ceiling % of NAV per Year (Excluded value added tax)	Expected Rate (Excluded value added tax)	Collection Period	Ceiling % of NAV after Each Transaction (Excluded value added tax)	Expected Rate (Excluded value added tax)
<b>Total</b>	<b>9.25%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
• Fees of the REIT Manager	0.75%	<b>Base Fee :</b> Not over 0.25% per year of the cost of the main assets of the Trust. The cost of the main assets excludes value of the assets sold. And, fee of the main asset leasehold shall be calculated only during the effective period of such leasehold and shall not be over 0.25% per year of values appeared in the account for investment in financial instruments and/or deposit at financial institutions.	Monthly	Actual amount	<b>Acquisition fee</b> <u>In case of related persons of the REIT Manager</u> – Not over 0.75% of value of the assets purchased. <u>Other cases</u> – Not over 1.00% of value of the assets purchased <b>Disposal fee</b> – Not over 0.50% of value of the assets sold.
• Fee of the Trustee and properties caretaker	0.75%	Not over 0.25% per year of the cost of the main assets of the Trust. The cost of the main assets excludes value of the assets sold. Fee of main asset leasehold is calculated only during effective period of such leasehold and shall not be over 0.25% per year of values appeared in the account for instruments investment in financial and/or deposit at financial institutions.	Monthly	-	-
• Registrar Fee	0.5%	Not over 0.50% per year of the registered capital of the Trust.	Monthly	-	-



Fees and Expenses	For Period of the Trust			Per One Time	
	Ceiling % of NAV per Year (Excluded value added tax)	Expected Rate (Excluded value added tax)	Collection Period	Ceiling % of NAV after Each Transaction (Excluded value added tax)	Expected Rate (Excluded value added tax)
• Fee of the Property Manager	3.0%	According to the Agreement appointing the property manager (the fee of the property manager includes expenses for minor repair and maintenance, commission, marketing and sales promotion, premium, central, public utility maintenance and house and land tax)	Yearly	Actual amount	The fees for monitoring the modification of the buildings and the construction and development of the properties shall not exceed two (2) percent of construction value (Only in the case that the REIT Manager authorizes the Property Manager to monitor the construction and development of additional properties and the modification of the properties which are not derived from the Property Manager and/or the related person of the Property Manager.
• Annual Fees and Expenses for Maintaining the Listed Securities Status	0.05%	Not over 0.05% of paid-up capital	Yearly	–	–
• Fees and Expenses on Auditing and Internal Audit	0.10%	Actual amount	Yearly	–	–
• Fees and/or Expenses in Engineering System Evaluation and for Providing Reports or Research	0.02%	Actual amount	Yearly	–	–

1 Expenses for minor repair and maintenance mean expenses for maintaining cleanliness, garden maintenance and landscaping, security in the project, including maintenance of equipment within the buildings (during the absence of lessees) and outside the buildings.

Minor repair or maintenance includes its services or outsourcing services of the relevant service providers such as;

- Hiring security staffs or a security company.
- Hiring gardeners and a company that carries out garden maintenance and landscaping, including construction materials for garden maintenance and landscaping.
- Collecting and disposing of garbage.
- Hiring mechanics and project engineers, managers, or project managers.

Excluding the followings:

- Expenses caused by depreciation.
- Cost of consumable supplies.
- Repair and installation of systems additionally necessary.
- Expenses incurred from repairing and maintaining structure of the buildings (such as poles, beams, walls, floors, roofs) etc.

Fees and Expenses	For Period of the Trust			Per One Time	
	Ceiling % of NAV per Year (Excluded value added tax)	Expected Rate (Excluded value added tax)	Collection Period	Ceiling % of NAV after Each Transaction (Excluded value added tax)	Expected Rate (Excluded value added tax)
• Interest and Fees from Loans	4.0%	Actual amount	–	–	–
• Financial Advisor Fee	–	–	–	1.0%	Actual amount
• Consulting Fee for Properties Investment such as Overseas Investment etc.	–	–	–	2.5%	Actual amount
• Other Consulting Fees	–	–	–	1.0%	Actual amount
• Fees for sales of the Trust Units	–	–	–	3.0%	Not over 3.0% of value of the offered trust units
• Fees for Loan Procurement and Issuance of Instruments of the Same Nature	–	–	–	2.0%	Actual amount
• Expenses on Repair and Maintenance of Other Properties Other than Minor Repair or Maintenance according to the Agreement Appointing the Property Manager	–	–	–	Actual amount	Actual amount
• Expenses on Marketing and Public Relations	–	–	–	1.0%	Actual amount
• Expense on Meetings of Trust Unitholders and Document Preparation	–	–	–	Actual amount	Actual amount
• Other Expenses					
(1) Fees and/or Expenses on Evaluation and/or Due Diligence on Properties Evaluation	0.01%	Actual amount	Yearly	–	–
(2) Other Expenses Related to Properties Management such as Sales Promotion, Public Utility, Banking and Gas etc.	0.01%	Actual amount	–	–	–
(3) Preparation and Annual Report Printing and Other Documents Related to Trust Unitholders including Translation and Document Distribution Fee	0.01%	Actual amount	–	–	–

Fees and Expenses	For Period of the Trust			Per One Time	
	Ceiling % of NAV per Year (Excluded value added tax)	Expected Rate (Excluded value added tax)	Collection Period	Ceiling % of NAV after Each Transaction (Excluded value added tax)	Expected Rate (Excluded value added tax)
(4) Expenses on Preparation, Printing and Distribution Notices, Correspondences, Information, Announcement to Trust Unitholders including Publishing in Newspaper	0.01%	Actual amount	–	–	–
(5) Expenses or fees on Distribution of Benefit to Trust Unitholders, Capital Increase and/or Capital Reduction such as Banking Fee, Stamp Duty, Service Fee to Registrar, Postage Stamp, Telephone and Facsimile Bill	0.01%	Actual amount	–	–	–
(6) Document Fees on Registration of Trust Unitholders and Posting Accounting Entry	0.01%	Actual amount	–	–	–
(7) Expenses Related to an Amendment and Addition to the Trust Deed and/or for Compliance with Laws or Notifications of SEC, the SEC Office and/or other Relevant Laws	0.01%	Actual amount	–	–	–
(8) Fees and/or Other Expenses Related to Operation of the Trust	0.01%	Actual amount	–	–	–
(9) Expenses and/or Fees Related to Trust Establishment such as Trust Registration Fee to be Listed Securities and Agreement Preparation etc.	–	–	–	Actual amount	Actual amount



Fees and Expenses	For Period of the Trust			Per One Time	
	Ceiling % of NAV per Year (Excluded value added tax)	Expected Rate (Excluded value added tax)	Collection Period	Ceiling % of NAV after Each Transaction (Excluded value added tax)	Expected Rate (Excluded value added tax)
(10) Agent or Property Brokerage Fee (if any) for Purchase, Disposal and Transfer of Rights	-	-	-	3.0%	Actual amount
(11) Fees or Expenses on Procurement, Acquisition, Disposal or Transfer of the Properties of the Trust such as Expenses on Sale or Transfer of Rights and Transfer Fee etc.	-	-	-	Actual amount	Actual amount
(12) Fees, Taxes and Stamp Duty related to Sales of Immovable Properties or Other Assets of the Trust such as Brokerage Fee, which will be Deducted from the Price upon the Sale, Expenses related to Purchase and Sale of the Properties and Transfer of the Securities or Properties etc.	-	-	-	Actual amount	Actual amount
(13) Fees and/or Expenses on Asset Appraisal	-	-	-	Actual amount	Actual amount
(14) Fees and/or Expenses on Engineering System Evaluation, Fees on Auditor for Auditing Profit and Loss Statement, and on Preparation of Reports or Research	-	-	-	Actual amount	Actual amount
(15) Expenses upon Receipt of the Trust Unit Payment such as Banking Fee, Stamp Duty, Postage Stamp, and Telephone and Facsimile Bill	-	-	-	Actual amount	Actual amount

Fees and Expenses	For Period of the Trust			Per One Time	
	Ceiling % of NAV per Year (Excluded value added tax)	Expected Rate (Excluded value added tax)	Collection Period	Ceiling % of NAV after Each Transaction (Excluded value added tax)	Expected Rate (Excluded value added tax)
(16) Fees on Preparation, Printing of the Subscriptions, Trust Unit Certificates, Receipts, Tax Invoices and Other Forms Related to the Trust, and Expenses on Document Distribution such Documents to Trust Unitholders	-	-	-	Actual amount	Actual amount
(17) Fees on Preparation and Printing of the Prospectus including Translation and Distribution Fees	-	-	-	Actual amount	Actual amount
(18) Expenses on Claim and Proceedings for Debt Collection or Legal Fees for Court Proceedings in order to Protect Rights of Trust Unitholders, the REIT Manager or Trustee which is Related to the Trust	-	-	-	Actual amount	Actual amount
(19) Legal Expenses related to the Operation and Management of the Trust including Expenses for Court Proceedings such as Confiscation fees and Compensation Derived from the REIT Manager for Benefits of Trust Unitholders as a whole, Court Fee, Compensation for Third Parties, Mortgage Registration Fee, Discharge of Mortgage Fee, Registration Fee with Department of Land, transaction fee, and Expenses on Agreement Amendment etc.	-	-	-	Actual amount	Actual amount

Fees and Expenses	For Period of the Trust			Per One Time	
	Ceiling % of NAV per Year (Excluded value added tax)	Expected Rate (Excluded value added tax)	Collection Period	Ceiling % of NAV after Each Transaction (Excluded value added tax)	Expected Rate (Excluded value added tax)
(20) Expenses on Legal Proceedings which the Trustee Files against the REIT Manager for its Performance or Claim for Compensation for Benefits of Trust Unitholders as a whole or upon a Request by SEC	-	-	-	Actual amount	Actual amount
(21) Compensation to Third Parties for Damages Incurred from Operation of the Trust in Excess of Insurance Coverage	-	-	-	Actual amount	Actual amount
(22) Fees and/or Expenses on Dissolution of the Trust or Change of the REIT Manager or the Trustee	-	-	-	Actual amount	Actual amount
(23) Remuneration for Liquidator or Supervisor during Registration of Liquidation and Dissolution Registration of the Trust with SEC	-	-	-	Actual amount	Actual amount
(24) Fees, Taxes and/or Other Expenses Related to the Operation of the Trust	-	-	-	Actual amount	Actual amount



## Opinion of the Trustee

To Trust unitholders of WHA Premium Growth Freehold and Leasehold Real Estate Investment Trust (“the Trust”)

I, Kasikorn Asset Management Company Limited, as the Trustee of Real Estate Investment Trust, has supervised and monitored the management of the WHA Premium Growth Freehold and Leasehold Real Estate Investment Trust managed by WHA Real Estate Management Company Limited for the accounting period from 8th December 2014 to 31 December 2014.

I am of the opinion that WHA Real Estate Management Company Limited has reasonably and appropriately performed its duties in managing the Trust in accordance with the objectives specified in the Trust Deed, the prospectus and provisions under Securities and Exchange Act B.E. 2535, and Trust for Transactions in Capital Market Act B.E.2550.

Trustee

Kasikorn Asset Management Company Limited



Mr. Vasin Vanichvoranun

Executive Chairman

Kasikorn Asset Management Company Limited

18 February 2015

## 16. Transaction information between the Trust and the REIT Manager or related persons of the REIT Manager and opinion of the REIT Manager

In regards to the initial investment in the main assets of the Trust, there are transactions which are considered as related party transactions between the Trust and WHA Corporation Public Company Limited which is a related person of the REIT manager since WHA Corporation Public Company Limited is a major shareholder and controlling person of the REIT manager. Also, WHA Corporation Public Company Limited acts as the Property Manager of the Trust. Moreover, there are related party transactions between the Trust and the Company which acts as the REIT manager of the Trust. The details of the transactions can be summarized as follow:

Person/Juristic Person Who May Have Conflict of Interest	Nature of Relationship	Nature of Transaction	Necessity and Reasonableness of Transactions	Opinion of REIT Manager
1. WHA Corporation Public Company Limited	<ul style="list-style-type: none"> <li>- Being a major shareholder of the REIT Manager holding 99.99% stake in the REIT Manager.</li> <li>- Being the controlling person of the REIT Manager.</li> <li>- Acting as the Property Manager of Trust.</li> </ul>	(1.1) WHA Corporation sold its assets in 3 locations which are: (1) WHA Distribution Center Project, Ladkrabang, Phase 1 and Phase 2. (2) WHA Mega Logistics Center Project (Bangna-Trad road, Km. 18) and (3) WHA Mega Logistics Center Project (Bangna-Trad Road, Km. 23) to the Trust.	- For this initial investment in the main assets, the Trust invested in potential warehouses and distribution centres located on the routes which are convenient for transportation and are leased by leading domestic and international tenants. At the time the Trust made the investment on such assets, the occupancy rate of each building is 100% (except for partial area of WHA Distribution Centre Project, Ladkrabang, Phase 2 which now has been leased out 100% since the beginning of 2015). Therefore, this investment project has potential to generate revenue and return to the trust unitholders.	- For this initial investment in the main assets, the Trust invested at the price higher than the lowest bound of the appraised value carried out by an independent appraiser of more than 5 percent but not over 6.18 percent. This is considerably acceptable because the investment would enable the Trust to own the potential warehouses, distribution centres, and factories which can generate value-added to Trust and the trust unitholders in the future. Please see more details of investment value in Section 8 Detail of investment in properties or leasehold rights and details of appraisal value in Section 7.2 Value obtained from the appraisal report or latest review of the appraisal report.

Person/Juristic Person Who May Have Conflict of Interest	Nature of Relationship	Nature of Transaction	Necessity and Reasonableness of Transactions	Opinion of REIT Manager
		(1.2) The REIT Manager appoints WHA Corporation to act as the Property Manager of the Trust	<ul style="list-style-type: none"> <li>– WHA Corporation operates the business of property development and business of warehouses, distribution centers, and factories for rent which is developed in response to each customer's specific requirements (Built-to-suit) including general warehouses with premium quality under the Warehouse Farm project. WHA Corporation is not only equipped with experience and specialization in its business, but its management skill is also well-equipped with over 20-year experience in the industry. Therefore, WHA Corporation is qualified to act as the property manager of the Trust.</li> </ul>	<ul style="list-style-type: none"> <li>– WHA Corporation charges the property management fee which are comprised of actual expenses and fixed profit rate to the Trust at the rate of not exceeding 3 percent per year of Trust's Net Asset Value (NAV).</li> <li>– The structure of the property management fee is consistent with market practice (which is not higher than other real estate property funds' property management fee), such fee is an incentive for the Property Manager to generate revenue and manage expenses efficiently. Also, the fee which paid to WHA Corporation reflects the actual management expenses incurred in ordinary course of business. (Please see more details in Section 2 Clause 2.5.4, opinion of the financial advisor on reasonableness of the Property Manager's fee).</li> <li>– 30-years period of appointing the Property manager is reasonable and benefits to the Trust because WHA Corporation is a market leader in the business of warehouses, distribution centers, and factories for rent which could well-support the property management of the Trust. Besides, there will be evaluation of the Property Manager's performance throughout the period of this agreement.</li> </ul>



Person/Juristic Person Who May Have Conflict of Interest	Nature of Relationship	Nature of Transaction	Necessity and Reasonableness of Transactions	Opinion of REIT Manager
		(1.3) WHA Corporation agrees to pay the rental fee for the buildings of WHA Distribution Center Project, Ladkrabang, Phase 2 with a guarantee of rental payment in the event that there is no lessee or there is a lessee with a rental fee lower than 165 Baht per square meter per month on the date of first investment by the Trust.	<ul style="list-style-type: none"> <li>– WHA Distribution Center Project, Ladkrabang, Phase 2 now has been leased out. For a partial area said area, the lease will start paying the rental period from 15 March 2015. And, for another part of the area having been leased out, the rental period is 1 year 6 months from 1 January 2015 and the rental is lower than Baht 165 per square meter per month. For the Trust's and unit trust holders' benefits to receive the rental fee from this project on the first investment date, WHA Corporation agrees to pay the rental fee in order that the Trust receives the rental in the full amount of Baht 165 per square meter per month for a period of 3 years from the date the Trust made the investment in (for the areas having rental lower than Baht 165 per square meter per month and the areas having no lessees) Except, during these 3 years WHA Corporation can procure a lessee to rent the said area with the lease term period of not less than the remaining period of the said 3 years. The rental of the said remaining lease term shall not be less than 165 Baht per square meter.</li> <li>– Also, WHA Corporation agrees to pay a deposit guarantee for rent in the total amount of 2,715,165 Baht for WHA Distribution Centre Project, Ladkrabang, Phase 2.</li> </ul>	– WHA Corporation will pay the rental fee of WHA Distribution Center Project, Ladkrabang, Phase 2 to the Trust at the rate which is comparable to the market rate of the nearby assets appraised by the appraisers. Also, the rate is comparable to the average rate of the lease and service agreements which are already agreed with tenants. (The average rental and service fee agreed by all current tenants is at 163.73 Baht per square meter per month.) This includes the 3-year rental period and a deposit placement for the Trust which is a general condition in the business of warehouses, distribution centers, and factories for rent.

Person/Juristic Person Who May Have Conflict of Interest	Nature of Relationship	Nature of Transaction	Necessity and Reasonableness of Transactions	Opinion of REIT Manager
		(1.4) WHA Corporation agrees to pay the rental fee for Warehouse H of WHA Mega Logistics Center Project (Bangna-Trad road, Km 18) provided that the building is still vacant on the first investment date of the Trust.	<ul style="list-style-type: none"> <li>Warehouse H is now vacant. Therefore, for benefits of the Trust and unit trust holders, WHA Corporation agrees to pay the rental fee at Baht 165 per square meter per month being the rate of not less than the rate paid by the previous tenant for 1 year period from the first investment date.</li> <li>Also, WHA Corporation agrees to place a deposit for rental guarantee in the total amount of 2,147,156.55 Baht</li> </ul>	<ul style="list-style-type: none"> <li>WHA Corporation shall pay the rental fee for the warehouse building H of WHA Mega Logistics Center Project (Bangna-Trad Road, Km 18) to the Trust at the rate comparable to the market rate. Such rate shall not be lower than the rate paid by the previous tenant including the 1-year rental period and security deposit placement which are normal business conditions for short-term lease.</li> </ul>
		(1.5) WHA Corporation or associate companies agrees to pay for the rooftop rental under the WHA Mega Logistics Center Project (Bangna-Trad road, Km. 23) with the total area of 50,641.04 square meters to the Trust. However, the associate companies of WHA Corporation WHA (i.e. WHA Gunkul Co., Ltd., WHA Gunkul Green Solar Roof 1 Co., Ltd., WHA Gunkul Green Solar Roof 3 Co., Ltd.) and WHA Gunkul Green Solar Roof 6 Co., Ltd.) have leased the rooftop areas of WHA Mega Logistics Center Project (Bangna-Trad road, Km. 18) with the total area of 23,976.30 square meters.	<ul style="list-style-type: none"> <li>On the investment date, there is no lessee for the rooftop areas of WHA Mega Logistics Center Project (Bangna-Trad road, Km. 23). For the benefits of the Trust and unit trust holders, WHA Corporation agrees to pay the rental fee to the Trust for a period of 25 years from the first investment date. Except, WHA Corporation can procure new tenants to lease the rooftop areas for the period of not less than the remaining period of 25-year period with terms and conditions, and the rate not less than previously agreed. Whereby, the aforesaid tenants shall be WHA Corporation's associate companies.</li> <li>The associate companies of WHA Corporation i.e. WHA Gunkul Green Solar Roof 1 Co., Ltd., WHA Gunkul Green Solar Roof 3 Co., Ltd., and</li> </ul>	<ul style="list-style-type: none"> <li>Having WHA Corporation paying the rental fee or the associate companies of WHA Corporation leasing the rooftop areas of WHA Mega Logistics Center Project (Bangna-Trad Road, Km. 23), and WHA Mega Logistics Center Project (Bangna-Trad Road, Km. 18) are considerably reasonable because such rental fees already cover the cost of solar cell placement preparation on the rooftop areas and the profits will be earned as expected.</li> <li>Such 25-year lease term is a condition which is consistent with the period of Power Purchase Agreement with Metropolitan Electricity Authority. Therefore, it is considered appropriate. Also, it helps creating stability of income derived from rental rooftop areas throughout the period.</li> </ul>

Person/Juristic Person Who May Have Conflict of Interest	Nature of Relationship	Nature of Transaction	Necessity and Reasonableness of Transactions	Opinion of REIT Manager
			<p>WHA Gunkul Green Solar Roof 6 Co., Ltd. have leased the rooftop areas of WHA Mega Logistics Center Project (Bangna-Trad Road, Km. 18) with the total area of 23,976.30 square meters. The starting period is on 30 April 2014 which is the first Commercial Operation of electricity date when electricity is distributed to Metropolitan Electricity Authority.</p> <p>– Having WHA Corporation paying the rental fee or the associate companies renting the rooftop areas are for the benefits of the Trust and trust unitholders other than revenue from the rental and service of the building areas.</p>	
2. WHA Real Estate Management Company Limited	<p>– Being a subsidiary of WHA Corporation and WHA Corporation and agrees to hold trust units of not less than 15 % of the trust units issued and offered in this offering.</p> <p>– Acting as the REIT Manager.</p>	(2.1) The Trust will appoint WHA Real Estate Management Company Limited to act as the REIT Manager.	<p>– WHA Real Estate Management Co., Ltd. is a subsidiary of WHA Corporation which operates property development business and business of warehouses, distribution centers, and factories for rent with experiences and expertise that can support the business of WHA Real Estate Management Co., Ltd.</p> <p>– The directors and executives of WHA Real Estate Management are equipped with experiences in the real estate industry; therefore, WHA Real Estate Management is appropriate to act as the REIT manager of the Trust.</p>	<p>– WHA Real Estate Management Company Limited will charge for the REIT Manager fee which is comprised base fee and asset acquisition and divestment fees under the following conditions:</p> <ul style="list-style-type: none"> <li>• Base Fee – not over 0.75% per annum of Net Asset Value (NAV) of the Trust and</li> <li>• Asset acquisition Fee <ul style="list-style-type: none"> <li>o Related persons of the REIT Manager – not over 0.75% of value of the Trust's assets purchased.</li> <li>o Other cases – not over 1.00% of value of the Trust's assets purchased, and</li> <li>o Divestment Fee – not over 0.5% of value of assets sold</li> </ul> </li> </ul>



Person/Juristic Person Who May Have Conflict of Interest	Nature of Relationship	Nature of Transaction	Necessity and Reasonableness of Transactions	Opinion of REIT Manager
				<ul style="list-style-type: none"> <li>– Structure of the REIT manager fee is consistent with the market practice whereby the base fee is comparable with domestic property manager fee of other funds. For the acquisition and divestment fees, they are comparable with similar type of REIT manager's fees overseas.</li> </ul>

Moreover, the Trust enters into transactions with Trustee as follows:

1. Kasikorn Asset Management Company Limited is the trustee company of the Trust which is disclosed in 2.3.
2. Kasikorn Bank Public Company Limited, a parent company of trustee company of the Trust, is a lender who enters into the loan agreement with the Trust on 12th December 2014 in the amount of not exceeding Baht 1,470 million. Interest rate does not exceed MLR +1.5% for the first five years. The loan facility is up to 12 years from 15th December 2014. Lending terms are similar to the market standard. At the date of preparing the annual report, no withdrawal has been made.
3. Kasikorn Securities Public Company Limited, a subsidiary of Kasikorn Bank Public Company Limited, is a financial advisor and underwriter in which fee are not exceeding 1.00% and not exceeding 3.00% of net asset value respectively.

## Auditor's Report

To the Unitholders of WHA Premium Growth Freehold and Leasehold Real Estate Investment Trust

I have audited the accompanying financial statements of WHA Premium Growth Freehold and Leasehold Real Estate Investment Trust, which comprise the balance sheet and the details of investments as at 31 December 2014, and the related statements of income, changes in net assets, cash flows and significant financial information and ratios for the period from 8 December 2014 (date of registration) to 31 December 2014 and a summary of significant accounting policies and other notes.

### *Management's Responsibility for the Financial Statements*

Management 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 management 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 entity'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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, 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 and the details of investments of WHA Premium Growth Freehold and Leasehold Real Estate Investment Trust as at 31 December 2014, and the results of operations, changes in net assets, cash flows and significant financial information and ratios for the period from 8 December 2014 (date of registration) to 31 December 2014 in accordance with Thai Financial Reporting Standards.



Anothai Leekitwattana  
Certified Public Accountant (Thailand) No. 3442  
PricewaterhouseCoopers ABAS Ltd.

Bangkok  
24 February 2015



# Balance Sheet

AS at 31 December

	Notes	2014 Baht
<b>Assets</b>		
Investments at fair value (at cost 2014 : Baht 4,406 million)	6	4,406,368,926
Cash and cash equivalents	7	70,018,640
Deferred expenses	8, 12	94,972,118
Deferred income from operating lease agreement	12	934,887
Refundable VAT		37,339,702
Other assets		3,663,259
<b>Total assets</b>		<b>4,613,297,532</b>
<b>Liabilities</b>		
Unearned rental and service income	12	5,183,488
Deposits received from customers		157,219,681
Borrowing from financial institutions - net	9, 12	1,322,720,308
Accrued expenses	12	9,776,203
Other liabilities		3,795,960
<b>Total liabilities</b>		<b>1,498,695,640</b>
<b>Net assets</b>		<b>3,114,601,892</b>
<b>Net assets represented by</b>		
Capital received from unitholders	10	3,107,900,000
Retained earnings	10	6,701,892
<b>Net assets value</b>		<b>3,114,601,892</b>
Net assets value per unit (Baht)		10.0215
Unit outstanding at the end of period (Units)		310,790,000

# Statement of Details of Investments

AS at 31 December

Type of investments	Areas	Cost Baht	Fair value Baht	% of fair value
<b>Investments in properties (Note 6)</b>				
Owenership over freehold and leasehold right on land and warehouse buildings				
1. WHA Ladkrabang Distribution Center Phase 1 and Phase 2				
<u>Location</u> Klong Sam Pravet Subdistrict, Ladkrabang District, Bangkok	35-0-0 rai	1,088,210,522	1,088,210,522	24.70
2. WHA Mega Logistics Center (Bangna-Trad Road Km.18)				
<u>Location</u> Bang Chalong Subdistrict, Bangplee District (Bangplee Yai) Samutprakan Province	74-2-67 rai	1,389,338,537	1,389,338,537	31.53
3. WHA Mega Logistics Center (Bangna-Trad Road Km.23)				
<u>Location</u> Bang Saotong Subdistrict, Bangplee District (Bangplee Yai) Samutprakan Province	65-0-21.9 rai	1,928,819,867	1,928,819,867	43.77
Total investments in properties		4,406,368,926	4,406,368,926	100.00
<b>Total investments</b>		<u>4,406,368,926</u>	<u>4,406,368,926</u>	<u>100.00</u>

# Statement of Income

For the period from 8 December 2014 (date of registration) to 31 December 2014

		For the period from 8 December 2014 (date of registration) to 31 December 2014
	Notes	Baht
<b>Investment income</b>		
Rental and service income	12	14,141,250
Interest income	12	233,846
<b>Total income</b>		14,375,096
<b>Expenses</b>		
Management fee	11, 12	222,828
Trustee fee	11, 12	457,866
Registrar fee	11	120,634
Property management fee	11, 12	129,430
Other expenses	13	3,766,455
<b>Total expenses</b>		4,697,213
<b>Net investment income before financial costs</b>		9,677,883
<b>Financial costs</b>		
Interest expenses		2,975,991
<b>Net investment income</b>		6,701,892
<b>Increase in net assets from operations period</b>		6,701,892



# Statement of Changes in Net Assets

For the period from 8 December 2014 (date of registration) to 31 December 2014

		For the period from 8 December 2014 (date of registration) to 31 December 2014 Baht
	Note	
<b>Increase in net assets from operations during the period</b>		
Net investment income		6,701,892
<b>Increase in net assets from operations during the period</b>		6,701,892
Capital received from unitholders	10	3,107,900,000
<b>Increase in net assets during the period</b>		3,114,601,892
Net assets at the beginning of the period		-
<b>Net assets at the end of the period</b>		<u>3,114,601,892</u>

# Statement of Cash Flows

For the period from 8 December 2014 (date of registration) to 31 December 2014

		For the period from 8 December 2014 (date of registration) to 31 December 2014
	Notes	Baht
<b>Cash flows from operating activities</b>		
Increase in net assets from operation during the period		6,701,892
Adjustments to reconcile net increase in net assets from operations to net cash provided by (used in) operating activities:		
Purchases of investments in properties	6	(4,406,368,926)
Increase in deferred income from operating lease agreement		(934,887)
Increase in refundable VAT		(36,064,100)
Increase in other assets		(3,663,260)
Increase in unearned rental and service income		5,183,488
Increase in deposits received from customers		157,219,681
Increase in accrued expenses		9,192,674
Increase in other liabilities		2,430,660
Amortisation of deferred expenses	8	1,264,889
Financial cost - interest expenses		2,975,991
Net cash used in operating activities		(4,262,061,898)
<b>Cash flows from financing activities</b>		
Cash received from unitholders	10	3,107,900,000
Cash received from borrowing financial institutions	9	1,370,000,000
Cash paid for units issuance	8	(96,237,007)
Cash paid for upfront fee from borrowing	9	(47,330,400)
Cash paid for financial cost - interest expenses		(2,252,055)
Net cash provided by financing activities		4,332,080,538
<b>Net increase in cash and cash equivalents</b>		70,018,640
Cash and cash equivalents at the beginning of the period		-
<b>Cash and cash equivalents at the end of the period</b>	7	70,018,640

# Significant Financial Information

For the period from 8 December 2014 (date of registration) to 31 December 2014

	For the period from 8 December 2014 (date of registration) to 31 December 2014 Baht
<b>Information on operating results (per unit)</b>	
Net assets value at the beginning of the period	-
<u>Add</u> Capital from unitholders	10.0000
Income from investing activities:	
Net investment income	0.0215
Total income from investing activities	0.0215
Net asset value at the end of period	10.0215
<b>Ratio of net profit to average net assets during the period (%)</b>	0.22
<b>Significant financial ratios and additional significant information</b>	
Net assets at the end of the period (Baht)	3,114,601,892
Ratios of total expenses to average net assets during the period (%)	0.15
Ratios of investment income to average net assets during the period (%)	0.46
Ratios of weighted average investment purchases and sales during the period to average net assets during the period (%)*	141.47
Weighted average net asset value during the period (Baht)	3,114,601,892

## Additional information

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



# Notes to the Financial Statements

For the period from 8 December 2014 (date of registration) to 31 December 2014

## 1. Business nature of WHA Premium Growth Freehold and Leasehold Real Estate Investment Trust

WHA Premium Growth Freehold and Leasehold Real Estate Investment Trust (“the Trust”) is a real estate investment trust established under the Trust for Transaction in Capital Market Act, B.E.2550 (“the Act”) in accordance with the Trust Deed signed on 8 December 2014 between WHA Real Estate Management Company Limited as the Trust Settlor and Kasikorn Asset Management Company Limited as the Trustee, with its stated objective being to seek funds from investors, investing mostly in property or property leasehold rights and generating benefit from such properties including to improve, alter, develop or dispose other assets in which the Trust invest or possess whatsoever lease, sub-lease or sale or other process for the benefit of the property and create the revenue and return to the Trust and the unitholders. This includes the investment in other asset or other securities or seek other interest by other means as stipulated in the securities laws or other relevant laws.

On 18 December 2014, the Stock Exchange of Thailand approved the listing of the Trust’s investment trusts and permitted their trading from 18 December 2014 onwards.

The Trust is managed by WHA Real Estate Management Company Limited (“the REIT Manager”), Kasikorn Asset Management Company Limited acts as the Trustee and WHA Corporation Public Company Limited acts as the Property Manager.

These financial statements have been approved by authorised directors of the Management Company on 24 February 2015.

## 2. Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below:

### 2.1 Basis of preparation

These financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Professions Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission. In addition, the financial statements have been prepared under the basis and format as required by the Thai Accounting Standard No.106 “Accounting for Investment Companies. The primary financial statements (i.e. balance sheet, statement of details of investments, statements of income, changes in net assets, cash flows and significant financial information) are prepared in the full format as required by the Securities and Exchange Commission.

## 2. Accounting policies (Cont'd)

### 2.1 Basis of preparation (Cont'd)

The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying The Trust's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

An English version of the financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

### 2.2 New financial reporting standards and revised financial reporting standards

- 1) Revised accounting standards which are effective on 1 January 2014 and are relevant to the Trust:

TAS 7 (revised 2012)	Statement of cash flows
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 34 (revised 2012)	Interim financial reporting
TFRS 8 (revised 2012)	Operating segments
TFRIC 4	Determining whether an arrangement contains a lease
TSIC 27	Evaluating the substance of transactions in the legal form of a lease

TAS 7 (revised 2012) clarifies that only expenditures that result in a recognized asset in the statement of financial position are eligible for classification as investing activities. This standard has no impact to the Trust.

TAS 17 (revised 2012) deletes the guidance for a lease of land with an indefinite useful life to be classified as an operating lease. The standard has been amended to clarify that when a lease includes both land and buildings, classification as a finance or operating lease is performed separately in accordance with TAS 17's general principles. This standard has no impact to the Trust.

TAS 18 (revised 2012) removes the appendix to TAS 18. This standard has no impact to the Trust.

## 2 Accounting policies (Cont'd)

### 2.2 New financial reporting standards and revised financial reporting standards (Cont'd)

- 1) Revised accounting standards which are effective on 1 January 2014 and are relevant to the Trust: (Cont'd)

TAS 34 (revised 2012) emphasises the existing disclosure principles for significant event and transactions. Additional requirements cover disclosure of changes in fair value measurements (if significant), and the need to update relevant information from the most recent annual report. This standard has no impact to the Trust.

TFRS 8 (revised 2012) clarifies that an entity is required to disclose a measure of segment assets only if the measure is regularly reported to the chief operating decision-maker. This standard has no impact to the Trust.

TFRIC 4 requires the determination of whether an arrangement is or contains a lease to be based on the substance of the arrangement. It requires an assessment of whether: (a) fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset); and (b) the arrangement conveys a right to use the asset. This interpretation has no impact to the Trust.

TSIC 27 provides guidance on evaluating the substance of transactions in the legal form of a lease between the entity and the investor whether a series of transactions is linked and should be accounted for as one transaction and whether the arrangement meets the definition of a lease under TAS 17 "Leases". This guidance explains examples that individually demonstrate that an arrangement may not, in substance, involve a lease under TAS 17. The accounting shall reflect the substance of the arrangement. This interpretation has no impact to the Trust.

- 2) New financial reporting standards and revised accounting standards, revised financial reporting standards are effective on 1 January 2015. These standards are relevant to the Trust and are not early adopted:

- a) Financial reporting standards, which are expected to have a significant impact to the Trust:

TAS 34 (revised 2014)	Interim financial reporting
TFRS 13	Fair value measurement



## 2 Accounting policies (Cont'd)

### 2.2 New financial reporting standards and revised financial reporting standards (Cont'd)

2) New financial reporting standards and revised accounting standards, revised financial reporting standards are effective on 1 January 2015. These standards are relevant to the Trust and are not early adopted: (Cont'd)

a) Financial reporting standards, which are expected to have a significant impact to the Trust: (Cont'd)

TAS 34 (revised 2014), the key change is the disclosure requirements for operating segment. An entity shall disclose information of a measure of total assets and liabilities for a particular reportable segment if such amounts are regularly provided to the chief operating decision-maker and if there has been a material change from the amount disclosed in the last annual financial statements for that reportable segment. The Trust is currently assessing the impact of applying this standard.

TFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across TFRSs. The Trust is currently assessing the impact of applying this standard.

b) Financial reporting standards with minor changes and do not have impact to the Trust are as follows:

TAS 2 (revised 2014)	Inventories
TAS 7 (revised 2014)	Statement of cash flows
TAS 8 (revised 2014)	Accounting policies, changes in accounting estimates and errors
TAS 10 (revised 2014)	Events after the reporting period
TAS 11 (revised 2014)	Construction contracts
TAS 12 (revised 2014)	Income taxes
TAS 17 (revised 2014)	Leases
TAS 18 (revised 2014)	Revenue
TAS 20 (revised 2014)	Accounting for government grants & disclosure of government assistance
TAS 21 (revised 2014)	The effects of changes in foreign exchange rates
TAS 23 (revised 2014)	Borrowing costs
TAS 24 (revised 2014)	Related party disclosures
TAS 26 (revised 2014)	Accounting and reporting by retirement benefit plans
TAS 29 (revised 2014)	Financial reporting in hyperinflationary economies
TAS 33 (revised 2014)	Earnings per share
TAS 36 (revised 2014)	Impairment of assets

## 2 Accounting policies (Cont'd)

### 2.2 New financial reporting standards and revised financial reporting standards (Cont'd)

2) New financial reporting standards and revised accounting standards, revised financial reporting standards are effective on 1 January 2015. These standards are relevant to the Trust and are not early adopted: (Cont'd)

b) Financial reporting standards with minor changes and do not have impact to the Trust are as follows: (Cont'd)

TAS 37 (revised 2014)	Provisions, contingent liabilities and contingent assets
TAS 38 (revised 2014)	Intangible assets
TAS 40 (revised 2014)	Investment property
TFRS 2 (revised 2014)	Share-based payment
TFRS 3 (revised 2014)	Business combinations
TFRS 5 (revised 2014)	Non-current asset held for sale and discontinued operations
TFRS 6 (revised 2014)	Exploration for and evaluation of mineral resources
TFRS 8 (revised 2014)	Operating segments
TSIC 10 (revised 2014)	Government assistance - No specific relation to operating activities
TSIC 15 (revised 2014)	Operating leases - Incentives
TSIC 25 (revised 2014)	Income taxes - changes in the tax status of an entity or its shareholders
TSIC 27 (revised 2014)	Evaluating the substance of transactions involving the legal form of a lease
TSIC 29 (revised 2014)	Service concession arrangements: Disclosures
TSIC 31 (revised 2014)	Revenue - barter transactions involving advertising services
TSIC 32 (revised 2014)	Intangible assets - Web site costs
TFRIC 1 (revised 2014)	Changes in existing decommissioning, restoration and similar liabilities
TFRIC 4 (revised 2014)	Determining whether an arrangement contains a lease
TFRIC 5 (revised 2014)	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
TFRIC 7 (revised 2014)	Applying the restatement approach under IAS 29 (revised 2014) Financial reporting in hyperinflationary economies
TFRIC 10 (revised 2014)	Interim financial reporting and impairment
TFRIC 12 (revised 2014)	Service concession arrangements
TFRIC 13 (revised 2014)	Customer loyalty programmes
TFRIC 15 (revised 2014)	Agreements for the construction of real estate
TFRIC 17 (revised 2014)	Distributions of non-cash assets to owners
TFRIC 18 (revised 2014)	Transfers of assets from customers



## **2 Accounting policies (Cont'd)**

### **2.2 New financial reporting standards and revised financial reporting standards (Cont'd)**

- 2) New financial reporting standards and revised accounting standards, revised financial reporting standards are effective on 1 January 2015. These standards are relevant to the Trust and are not early adopted: (Cont'd)
- c) New financial reporting standard which is effective on 1 January 2016.

TFRS4 (revised 2014)      Insurance contracts

TFRS 4 applies to all insurance contracts (including reinsurance contracts) that an entity issues and to reinsurance contracts that it holds. TFRS 4 is not relevant to the Trust's operations.

### **2.3 Cash and cash equivalents**

Cash and cash equivalents include savings and current account deposits with banks. The Trust defines cash equivalents as deposits with financial institutions with maturity of three months or less from the date of acquisition.

### **2.4 Investments**

#### **Investments in properties**

Investments in properties are stated at fair value with no depreciation charge. The initial costs of properties have been stated at fair value of the acquisition price.

The fair value is based on the appraisal value determined by the independent professional appraisers licensed by the Securities and Exchange Commission Thailand. The Management Company will conduct an appraisal of the properties every two years from the date of the appraisal for the purchase or lease of the properties or when there are changes that materially affect the value of such Investment properties and will update appraisals with a review every year after the date of the latest appraisal. The Management Company will not appoint any Appraiser to appraise the property or leased property for more than two consecutive times.

A change in the fair value of investment property will be recognised in the statement of income as an unrealised gain or loss as of measurement date.



## **2 Accounting policies (Cont'd)**

### **2.5 Deferred expenses**

Deferred expenses comprise the capital unit issuance costs and other directly related expenses as incurred. Deferred expenses are amortised as an expense over a period of 5 years on a straight line basis.

### **2.6 Deposits received from customer**

Customers agree to deposit with the Trust in cash. The security deposit shall be held as security for securing the performance by customers under rental and service agreements. Within 30 days after customers have duly surrendered vacant possession of leased property in clean and good condition to the Trust, the Trust shall return to customer the security deposits without interest, less any unpaid amount and damages occurred to leased property.

### **2.7 Borrowing**

Borrowing is recognised initially at the fair value, net of transaction costs incurred. Borrowing is subsequently stated at amortised cost using the effective yield method.

### **2.8 Revenues and expenses recognition**

Rental income and service income under operating lease agreement are recognised by using the straight-line method over the rental and service term agreement. Rental and service income which is recognised by straight-line method but is not due for collection is presented under “Deferred income from operating lease agreement”.

Land rental expense is recognised by using the straight-line method over the rental term agreement. Land rental expense which is recognised by straight-line method but is not due for payment is presented under “Accrued expense”.

Interest income and expenses are recognised on an accrual basis.

### **2.9 Income taxes**

The Trust is exempted from Thailand corporate income tax. No provision for corporate income tax has been made in financial statements.

### **2.10 Distribution**

For distribution payment to unitholders, The REIT manager will approve to pay Distribution and set unitholders register’s book closed date.

### **3. 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.

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 and other due commitment (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.

The REIT Manager will arrange to pay distribution as mentioned to the unitholders by 90 days after the closing of the financial year.

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

The Trust makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

#### Fair value of investments in properties

The fair value of investments in properties that are not traded in an active market is determined by using discounted expected future cash flows received from investments in properties by the appropriate discount rate which reflect related risks. The Trust engages independence appraiser to assess the fair value of properties.

## 5. Capital risk management

The Trust's objectives when managing capital are to safeguard the Trust's ability to continue as a going concern in order to provide returns for unitholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Trust may adjust the amount of distribution paid to unitholders, return capital to unitholders, issue new shares or sell assets to reduce debt.

## 6. Investments at fair value

### Investment in properties

On 12 December 2014, the Trust has entered into the Sale and Purchase Agreement of ownership of land, warehouse building and office building, construction and other properties which are component parts of land, and buildings, tools, equipments, infrastructures and other assets related to and necessary for the use of land and buildings in the project and the Assignment of Leasehold Rights Agreement of land. The Trust paid for the acquisition cost and related expenses totaling Baht 4,406 million and received the ownership of those properties on 15 December 2014.

The Trust has invested in properties 3 projects. The details of investments are as follows:

#### 1) WHA Ladkrabang Distribution Center Phase 1 and Phase 2 Project

Type of Assets	<ul style="list-style-type: none"> <li>- 1 plot of free-hold land with total area of 35 Rai.</li> <li>- Free-hold warehouse building and office building. (Single-storey building connected to two-storey building)</li> <li>- Freehold right in construction and other properties which are component parts of land, and buildings, tools, equipments, infrastructures and other assets related to and necessary for the use of land and buildings in the project.</li> </ul>
Specification of Buildings	<ul style="list-style-type: none"> <li>- A warehouse building and office building (Single-storey building connected to two-storey building). Total utilisable area of WHA Ladkrabang Distribution Center Phase 1 is 18,155.97 square metres and Phase 2 is 16,937 square metres. Total utilisable area is 35,092.97 square metres.</li> </ul>

The Trust invests its Baht 1,088,210,522 in acquiring these properties.



## 6. Investments at fair value (Cont'd)

### Investment in properties (Cont'd)

#### 2) WHA Mega Logistics Center (Bangna-Trad Road Km. 18) Project

Type of Assets	<ul style="list-style-type: none"><li>- 2 plots of leasehold land with total area of 74-2-67 Rai.</li><li>- 7 free-hold warehouse buildings.</li><li>- Freehold right in construction and other properties which are component parts of land, and buildings, tools, equipments, infrastructures and other assets related to and necessary for the use of land and buildings in the project.</li></ul>
Specification of Buildings	<ul style="list-style-type: none"><li>- 7 warehouse buildings with the total utilisable area of buildings 72,179.48 square metres and rooftops 23,976.30 square metres.</li></ul>

The Trust invests its Baht 1,389,338,537 in acquiring these properties.

#### 3) WHA Mega Logistics Center (Bangna-Trad Road Km. 23) Project

Type of Assets	<ul style="list-style-type: none"><li>- 4 plots of free-hold lands with the total area of approximately 65-0-21.9 Rai.</li><li>- 3 free-hold warehouse buildings and office buildings.</li><li>- Freehold right in construction and other properties which are component parts of land, and buildings, tools, equipments, infrastructures and other assets related to and necessary for the use of land and buildings in the project.</li></ul>
Specification of Buildings	<ul style="list-style-type: none"><li>- 3 warehouse buildings and office building with the total utilisable area of buildings 59,835 square metres and rooftops 50,641.04 square metres.</li></ul>

The Trust invests its Baht 1,928,819,867 in acquiring these leasehold properties.

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

## 7. Cash and cash equivalents

As at 31 December 2014, the Trust has the details of cash and cash equivalents as follow:

	2014	
	Principal (Baht)	Interest rate per annum (%)
<b>Bank</b>		
Saving accounts		
Kasikorn Bank Public Co., Ltd	70,018,640	0.37
Total cash and cash equivalents	70,018,640	

## 8. Deferred expenses

Deferred expenses are amortised as expense over a period of 5 years on a straight-line basis. Details movements are as follows:

	<b>2014 Baht</b>
Beginning balance	-
Addition during the period	96,237,007
Amortisation during the period	(1,264,889)
Ending balance	<u>94,972,118</u>

## 9. Borrowing from financial institutions - net

As at 31 December 2014 the Trust had contracted with two financial institutions for acquiring the initial properties and/or refinancing the loan that the Trust used for acquiring the initial properties. Total maturity period is not over than 12 years and no repayment required for the first 5 years. The maturity date is on 15 December 2026. The loans have interest rates for years 1<sup>st</sup> - 5<sup>th</sup> not over than MLR - 2.00% per annum and at the year 6<sup>th</sup> - 12<sup>th</sup> equal MLR+/- the spread be further agreed, with the repayment for principal and interest within specified period in agreement. The borrowings are secured over the following:

- a) Secured by mortgage the Trust's lands, warehouse buildings and office buildings and constructions (Note 6).
- b) Secured by mortgage leasehold rights (Note 6).
- c) The conditional assignment of transferred collection rights of rental agreement under long-term lease agreement to liabilities under borrowing from financial institution.
- d) The conditional assignment of rights under insurance policies.

The borrowing from financial institutions is as follows:

	<b>2014</b>	
	<b>Carrying amounts Baht</b>	<b>Fair value Baht</b>
Long-term bank borrowing	1,370,000,000	1,370,000,000
<u>Less</u> Deferred upfront fee from borrowing	(47,279,692)	(47,279,692)
Borrowing from financial institution - net	<u>1,322,720,308</u>	<u>1,322,720,308</u>

## 9. Borrowing from financial institution - net (Cont'd)

Maturity of long-term borrowing from financial institution:

	<b>2014 Baht</b>
Between 5 years and 10 years	137,000,000
More than 10 years	1,233,000,000
	<u>1,370,000,000</u>

The movements in the borrowing can be analysed as follows:

	<b>2014 Baht</b>
Beginning balance	-
Addition	1,370,000,000
<u>Less</u> Upfront fee from borrowing (Note 12)	(47,420,100)
<u>Add</u> Amortised upfront fee from borrowing	140,408
Ending balance	<u>1,322,720,308</u>

The borrowing has effective interest rate at the Balance Sheet date of 4.83%.

The Trust is under the debt covenant criteria over the loan agreement which requires the Trust to maintain the financial ratio and other requirement in accordance with the loan agreement.

### Borrowing facilities

The Trust has the following undrawn committed borrowing facilities:

	<b>2014 Baht</b>
Floating rate - expiring less than 1 year	<u>100,000,000</u>



## 10. Unitholders' equity

As of 31 December 2014, there are 310,790,000 units, respectively of Baht 10 par value registered, issued and paid-up.

Movements in capital account are as follows:

	2014	
	Number of units	Baht
Units registered, issued and paid-up	310,790,000	3,107,900,000
Beginning balance	-	-
Issue of units	310,790,000	3,107,900,000
Ending balance	310,790,000	3,107,900,000

Movements in retained earnings are as follows:

	2014 Baht
Beginning balance	-
<u>Add</u> Net investment income	6,701,892
Ending balance	6,701,892

## 11. Expenses

The management fee, trustee fee, registrar fee and property management fee, are calculated as follows:

### Management fee

The Management Company is entitled to receive a monthly management fee from the Trust at a rate not exceeding 0.75% per annum (exclusive of value added tax, specific business tax or any other similar tax) of the net asset value of the Trust as calculated by the Management Company and verified by the Trustee.

### Acquisition fee

The Management Company will receive an acquisition fee at a rate not exceeding 0.75% of the acquired properties of the Trust in case of the properties from related persons of the Management Company and not exceeding 1.0% of the acquired properties of the Trust in case of the properties from others.

### Trustee fee

The Trustee is entitled to receive a monthly remuneration at a rate not exceeding 0.75% per annum (exclusive of value added tax, specific business tax or any other similar tax) of the net asset value of the Trust as calculated by the Management Company and verified by the Trustee.

## 11. Expenses (Cont'd)

### Registrar fee

The fee for the Investment 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 tax) of the net assets value of the Trust as calculated by the Management Company and verified by the Trustee.

### Property management fee

Fee and expenses of the Property Manager shall be payable to the Property Manager on a yearly basis according to the Property Management Agreement between the Trust and the Property Manager (exclusive of value added tax, specific business tax or any other similar tax). The rate shall not exceed 3.0% per annum of the net assets value of the Trust. The details can be summarised as follows:

Accounting period	Property management fee per year (Baht)
18 December 2014 - 17 December 2015	2,667,000.01
18 December 2015 - 17 December 2016	2,874,569.12
18 December 2016 - 17 December 2017	3,088,365.31
18 December 2017 - 17 December 2018	3,308,575.39
18 December 2018 - 17 December 2019	3,535,391.77
18 December 2019 - 17 December 2020	3,769,012.64
18 December 2020 - 17 December 2021	4,009,642.14
18 December 2021 - 17 December 2022	4,257,490.53
18 December 2022 - 17 December 2023	4,512,774.37
18 December 2023 - 17 December 2024	4,775,716.72
18 December 2024 - 17 December 2025	7,654,053.99
18 December 2025 - 17 December 2026	7,883,675.61
18 December 2026 - 17 December 2027	8,120,185.88
18 December 2027 - 17 December 2028	8,363,791.46
18 December 2028 - 17 December 2029	8,614,705.20
18 December 2029 - 17 December 2030	8,873,146.36
18 December 2030 - 17 December 2031	9,139,340.74
18 December 2031 - 17 December 2032	9,413,520.97
18 December 2032 - 17 December 2033	9,695,926.61
18 December 2033 - 17 December 2034	9,986,804.40
18 December 2034 - 17 December 2035	10,286,408.52
18 December 2035 - 17 December 2036	10,595,000.78
18 December 2036 - 17 December 2037	10,912,850.80
18 December 2037 - 17 December 2038	11,240,236.33
18 December 2038 - 17 December 2039	11,577,443.43
18 December 2039 - 17 December 2040	11,924,766.73
18 December 2040 - 17 December 2041	11,276,869.65
18 December 2041 - 17 December 2042	6,527,524.29
18 December 2042 - 17 December 2043	6,723,350.02
18 December 2043 - 17 December 2044	6,925,050.53

## 12. Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Trust, including holding entities, subsidiaries and fellow subsidiaries are related parties of the Trust. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Trust that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Trust and close members of the family of these individuals and entities associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The relationship among major related parties can be summarised as follows:

- WHA Real Estate Management Company Limited is the REIT manager company of the Trust.
- Kasikorn Asset Management Company Limited is the trustee company of the Trust.
- WHA Corporation Public Company Limited is the unitholder, parent company of the REIT manager company and property manager of the Trust
- Kasikorn Bank Public Company Limited is a parent company of trustee company of the Trust
- Kasikorn Securities Public Company Limited is a subsidiary of Kasikorn Bank Public Company Limited

The following significant transactions were carried out with related parties:

### a) Income and expenses

	For the period from 8 December 2014 (date of registration) to 31 December 2014 Baht
<b><u>Income</u></b>	
<b><u>Rental and service income</u></b>	
WHA Corporation Public Company Limited	1,096,931
<b><u>Interest income</u></b>	
Kasikorn Bank Public Company Limited	233,846



## 12. Related party transactions (Cont'd)

The following significant transactions were carried out with related parties: (Cont'd)

### a) Income and expenses (Cont'd)

	For the period from 8 December 2014 (date of registration) to 31 December 2014 Baht
<b><u>Expenses</u></b>	
<u>Management fee</u>	
WHA Real Estate Management Company Limited	222,828
<u>Trustee fee</u>	
Kasikorn Asset Management Company Limited	457,866
<u>Property management fee</u>	
WHA Corporation Public Company Limited	129,430
<u>Underwriting and selling agent fee</u>	
(presented in Deferred expenses)	
Kasikorn Bank Public Company Limited	1,758,326
Kasikorn Securities Public Company Limited	36,328,331
<u>Management fee relating to the unit offering and issuance</u>	
(presented in Deferred expenses)	
WHA Real Estate Management Company Limited	34,269,724
<u>Upfront fee from borrowing (presented in borrowing</u>	
<u>from financial institution - net) - (Note 9)</u>	
Kasikorn Bank Public Company Limited	47,420,100

## 12. Related party transactions (Cont'd)

The following significant transactions were carried out with related parties: (Cont'd)

### b) Outstanding balances

	<b>2014 Baht</b>
<u>Deposit at bank</u>	
Kasikorn Bank Public Company Limited	70,018,640
<u>Deferred income from operating lease agreement</u>	
WHA Corporation Public Company Limited	34,990
<u>Other assets</u>	
WHA Corporation Public Company Limited	3,111,056
<u>Unearned rental and service</u>	
WHA Corporation Public Company Limited	946,388
<u>Accrued expenses</u>	
WHA Real Estate Management Company Limited	5,102,824
WHA Corporation Public Company Limited	1,797,073
Kasikorn Asset Management Company Limited	470,183

## 13. Other expenses

	<b>2014 Baht</b>
Land rental expense	661,613
Amortisation of deferred expenses	1,264,889
Consulting and professional fee	1,343,788
Other expense	496,165
<b>Total other expenses</b>	<b>3,766,455</b>

## **14. Financial risk management**

As at 31 December 2014, the principal financial risks faced by the Trust are interest rate risk, credit risk, and liquidity risk. The Trust has no currency risk because there is no transaction in foreign currency.

### **Interest rate risk**

Interest rate risk is the risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial instruments. The financial assets that potentially subject the Trust to the interest rate risk deposit with banks and borrowing from financial institutions.

### **Credit risk**

Credit risk is the risk that counterparties might not discharge their obligation causing the Trust to incur a financial loss. Credit risk arises from risk in the collectability of lease rental from counterparties.

The Trust has no significant concentrations of credit risk because the Trust has tenants who are in various business and good financial position. Additionally, the Trust has a policy to collect in advance rental deposits from customers as a collateral in case of default. The Management Company is of opinion that the Trust does not have credit risk other than that provided in the allowance for doubtful accounts as presented in the financial statements. The estimate for allowance for doubtful accounts (if any) encompasses consideration of past collection experiences, customers' deposits and other factors such as the local economic conditions.

### **Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of funding from the unitholders and borrowing from financial institution which are sufficient for the activities.

### **Fair value**

The carrying amounts of the Trust's financial assets and liabilities as at 31 December 2014 as presented in the financial statements approximate to their fair values.



## 15. Information regarding sale and purchase of investments

During the period from 8 December 2014 (date of registration) to 31 December 2014, The Trust has purchased investments amounting to Baht 4,406 million and representing 141.47% of the weighted average net asset value during the period.

## 16. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as that makes strategic decisions.

The Trust operates in business which is the investment in property and the business is only operated in Thailand. Income and expenses from this segment are the same amount with the statement of income. Therefore, the presentation of segment information is not necessary.

## 17. Commitments

As at 31 December 2014, the Trust entered into the long-term agreement for property management fee and leasehold land. The future aggregate minimum payments under these agreements are as follows:

	<b>2014 Baht</b>
No later than 1 year	13,427,082
2 - 5 years	59,514,659
Over 5 years	527,635,277
Total	<b>600,577,018</b>



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