

A New **Dimension**

Annual Report 2019





'Experience matters'
is the belief that underpins everything we do.

Our attention to detail reflects this belief.
From the big, macro concepts and developments to the small,
micro moments and thoughtful, sustainable touches,
we embrace details which make an impact.

This year's annual report
highlights some of the key elements that matter to us
and to the people in our properties.
Whether it is a feature of an asset or a nuance of an engagement,
we captured details and moments that illustrate our commitment
to building meaningful experiences.

At FTREIT, we are constantly building on our experience
to create sustainable stakeholder value.
We believe in the strength of our people
whose collective expertise continue to propel our growth journey.

Beyond human capital,
we are also invested in the quality of our property portfolio
and how it impacts our future.
We operate and manage by concerning with environmental issues
and taking part of ecosystem enhancement
around the area where FPT Group operates.
Our commitment to sustainability enables us to grow alongside
our tenants while safeguarding the environment and
enhancing the value we bring to our stakeholders.



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VISION

To be a leading Industrial and Logistics REIT
in Thailand and ASEAN

MISSION

- To efficient manage properties under the REIT
- To strategically invest in high quality standard of properties by using funding with appropriate cost
- To manage risk of REIT to contribute sustainable distribution to unitholders.



ABOUT FTREIT

Fraser Property Thailand Industrial Freehold & Leasehold REIT ("FTREIT") is an Industrial and Logistics Trust, with gross leasable area of 1.68 million square meters, with real estate under management of 554 units widely scattered in 28 industrial and logistics prime locations in Thailand. As of 30 September, 2019 the properties at fair value is Baht 37,049 million. FTREIT was established on 12 December, 2014 and listed on the Securities Exchange of Thailand (SET), and the initial date of trading was on 9 January, 2015.

FTREIT is managed by Frasers Property Industrial REIT Management (Thailand) Co., Ltd. ("FIRM") which is the REIT Manager. The major unitholder of the REIT Manager is Frasers Property (Thailand) Public Company Limited ("FPT"), as a sponsor.

FPT is a leading real estate developer in multi-asset class including logistics and industrial real estate. FPT is a company listed on the Stock Exchange of Thailand. Its total properties are Baht 92,389.78 million as of 30 September, 2019. FTREIT is sturdily supported by FPT which grants the Right of First Refusal (ROFR) for logistics and industrial real estate to FTREIT. If FPT has a plan to sell industrial and logistics property, it must be offered to FTREIT before the others. This right is an important factor in driving continual growth of the REIT. Moreover, FTREIT also invests in third parties' property to enhance its growth.

As a result of the high quality industrial and logistics properties located in prime areas in Thailand, it can attract tenants which are leading local and foreign companies in many industries.

EXPERIENCE MATTERS

We believe our customers' experience matter.

When we focus on our customers' needs, we gain valuable insights which guide our products and services. We create memorable and enriching experiences for our customers.

Fraser's Property Thailand Group believes that experience is precious in creating value and inspiration for the success of our organisations. FTREIT and FIRM, as a member of Fraser's Property Group, will share our experience and professional management to make the growth and contribute sustainable distribution to unitholders.

2019 MILESTONES

**NOV
2018**

- Completed the divestment of factory located at Amata City Chonburi Industrial Estate.
- Completed the divestment of warehouse located at Rojana Industrial Park, Prachinburi.
- Awarded the "Outstanding Deal of the Year" at SET Awards 2018.

**DEC
2018**

- Board of Directors approved to change name of REIT from "TREIT" to "FTREIT", and name of REIT Manager from "TMAN" to "FIRM".
- Completed the acquisition of Frasers Property Thailand group properties valued Baht 1,907 million¹.
- Issued debentures Baht 1,900 million.

**MAY
2019**

Announced financial statement and results for the 2nd quarter ended 31 March 2019 and DPU at THB 0.1670 per unit.

**FEB
2019**

Announced financial statement and results for the 1st quarter ended 31 December 2018 and DPU at THB 0.1670 per unit.

**JAN
2019**

- Annual General Meeting 2019 held on 28 January 2019.
- Changed the REIT name and trading symbol from "TREIT" to "FTREIT" since 31 January 2019.

Note : 1 Excluding Tax, registration fees and expense relating to investment

2 On August 28, 2019, FTREIT has acquired assets from CTD in amount THB 657 million. FTREIT will invest in the certain parts of movable properties of which the value of not exceeding THB 8 million in following period. The total investment value of not exceeding THB 665 million (excluding tax, fee and acquisition expense related to transfer of ownership of assets to FTREIT).



Awarded the "Outstanding Deal of the Year" at SET Awards 2018.



Annual General Meeting 2019



Changed the name from "TREIT" to "FTREIT"

**JUL
2019**

Board of Directors approved the additional investment in properties from Frasers Property Thailand group, in the total amount of THB 637 million¹.

**AUG
2019**

- Completed the acquisition of cold storage from CT Distribution Center Co., Ltd. (CTD), in the total amount of THB 657 million². CTD leases the cold storage back for the period of 12-year.
- FTREIT issued debentures THB 1,000 million.
- Announced financial statement and results for the 3rd quarter ended 30 June 2019 and DPU at THB 0.1670 per unit.

**NOV
2019**

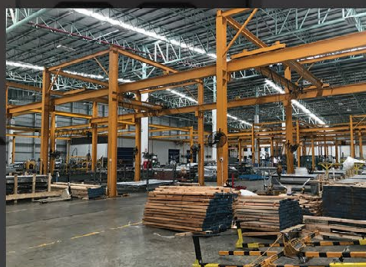
Announced financial statement and results for the fiscal year ended 30 September 2019 ,4QFY2019 DPU at THB 0.1670 per unit and schedule of Annual General Meeting 2020 on 27 January 2020.

**SEP
2019**

- Completed the acquisition of Frasers Property Thailand group properties value THB 637 million¹.
- Issued new trust units from the Capital Increase by means of a General Mandate amounting to not exceeding 220 million units.



Completed the acquisition of cold storage from CTD



Completed the asset acquisition from FPT group 1/2019



Completed the asset acquisition from FPT group 2/2019

2019 OPERATING HIGHLIGHT

FTREIT is committed to delivering regular and stable distributions to Unitholders, as well as achieving long-term growth.

Return to Unitholders



Distribution Per Unit ("DPU")

+4.7%

0.6680 Baht per unit
(1 Oct 2017 – 30 Sep 2018:
0.6381 Baht per unit)^{1, 2}



Distributable Income

+39.3%

1,793.0 million Baht
(1 Oct 2017 – 30 Sep 2018:
1,287.0 million Baht)¹



Net Asset Value ("NAV") Per Unit

+0.5%

10.5630 Baht Per Unit
(30 Sep 2018:
10.5141 Baht Per Unit)¹

Capital Management



LTV Ratio
(IBD / Total Assets
Value)

25.3%



Weighted Average
Debt Maturity
("WAM")

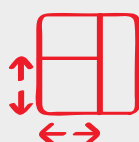
3.8 years



Proportion
of Fixed Debt³

86.6%

Portfolio Management



Leasable Area

1.7 million Sq m



WALE

2.3 years



Occupancy Rate

83.1%

In FY 2019, FTREIT has new leased area 146,464 sq m⁴ and renewal lease and service contract 493,561 sq m

- Renewal rate 85.8 %
- Rental rate reversion 1.6 %

Note : 1 An accounting period starting from 1 January 2018 ending on 30 September 2018
2 For comparing and disclosure purpose, REIT breakdown DPU of October 2017 which was paid with 3QFY17 DPU to include with DPU during November 2017 – September 2018.
3 Proportion of fixed debt = Fixed-rate debt / Total interest-bearing debt
4 Excluding new tenants from new assets acquired in 2019

Portfolio Management



Investment
3,201 million Baht¹



Divestment
275 million Baht



Portfolio Value
37,049 million Baht
(as of 30 Sep 2019)

Investments

In FY2019, the total investment amounting to 3,201 million Baht which invested in 40 units, including 10 units of conversion of property from leasehold to freehold. Total leasable area of new properties is 120,979 sq. m. As of 30 September 2019, Occupancy rate of new properties is 100%

Properties of Frasers Property Thailand Group (Sponsor)



- Acquired at 2,544 million Baht²
- Net leasable area : 102,625 sq. m.
- Freehold Investment
- Weighted average lease expiry (WALE): 2.0 years³
- 1st Batch completed in December 2018 and 2nd Batch completed in September 2019.

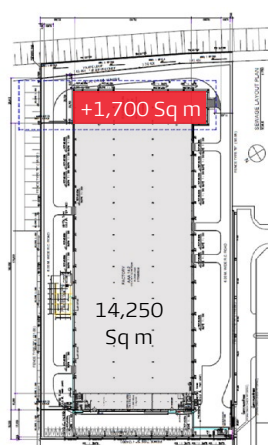
Property of Third Party



- Acquired at 657 million Baht⁴
- Net leasable area : 18,354 sq. m.
- Freehold Investment
- Leaseback by CT Distribution Center Co., Ltd. (Seller)
- Weighted average lease expiry (WALE): 11.9 years³
- Acquisition completed in August 2019

Asset Enhancement Initiatives (AEI)

Completed one AEI in Rayong province



Factory located in Amata City Rayong, Rayong province

- Expansion area: 1,700 sq m
- Total area after expansion: 15,950 sq m
- Expansion area leased to a current tenant with long term lease contract for 7 years
- Completed in January 2019

Divestments

Divested 2 units at 275 million Baht



1 Unit of factory at Amata City Chonburi

- Divested at 67 million Baht
- Land area 3 rai with 2,000 sq m of factory area
- Sold to MIC Industrial (Thailand) Co., Ltd.



1 Unit of warehouse at Rojana Industrial Park Prachinburi

- Divested at 208 million Baht
- Land area 13 rai with 10,020 sq m of warehouse area
- Sold to Siam Nistrans Co., Ltd.

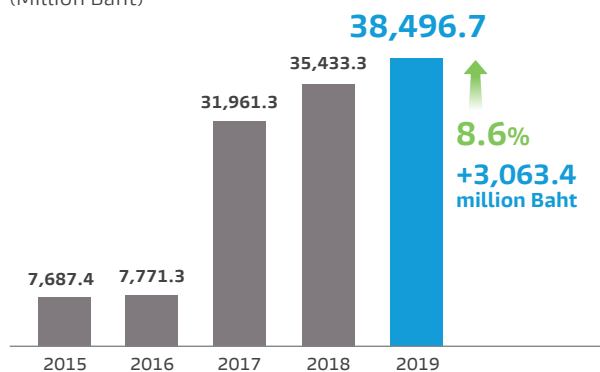
Note :

1. Consisting of investment in factories and warehouses of FPT Group amounting of 2,544 million Baht and investment in CTD's Cold Storage of 657 million Baht.
2. The 1st batch amounting of 1,907 million Baht and the 2nd batch of 637 million Baht.
3. Weighted average lease expiry (WALE) calculated weighted by rental revenue as of 30 September 2019
4. Total investment value amounting of 665 million Baht, 657 million Baht for investing in immovable and movable properties in 2019 and 8 million Baht for movable properties in 2020 (excluded tax, registration fees and related expenses)

FINANCIAL HIGHLIGHT

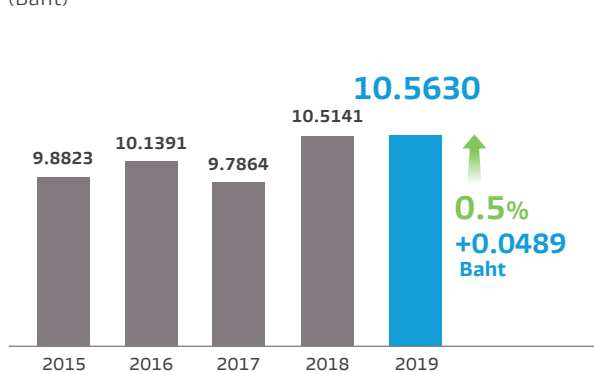
Total Assets

(Million Baht)



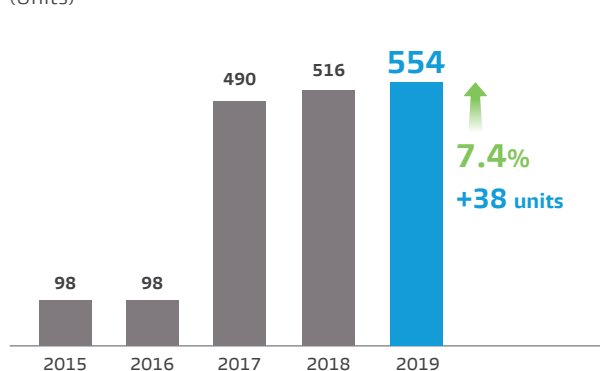
Net Asset Value Per Unit

(Baht)



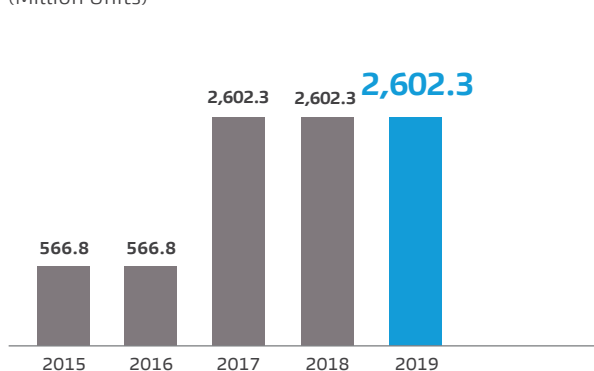
Number of Properties

(Units)



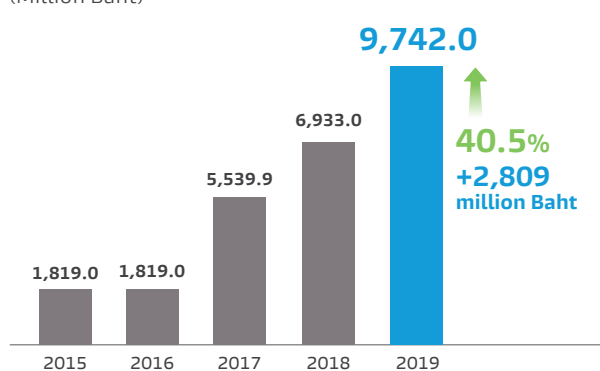
Number of Units Issued

(Million Units)



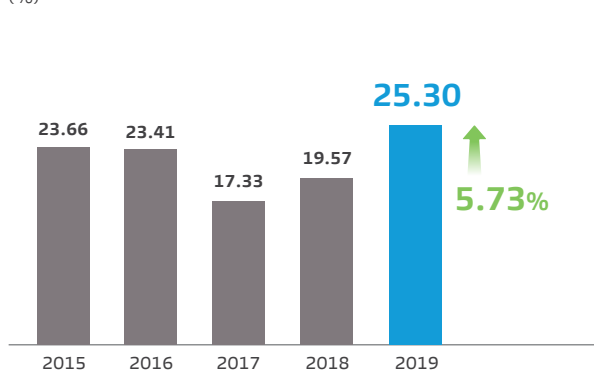
Interest Bearing Debt (IBD)

(Million Baht)



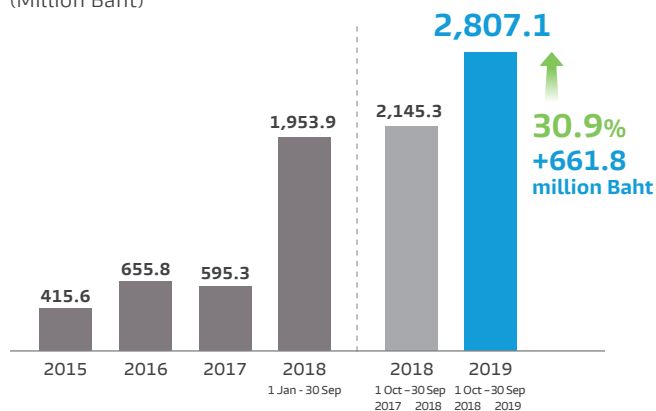
IBD to Total Assets

(%)



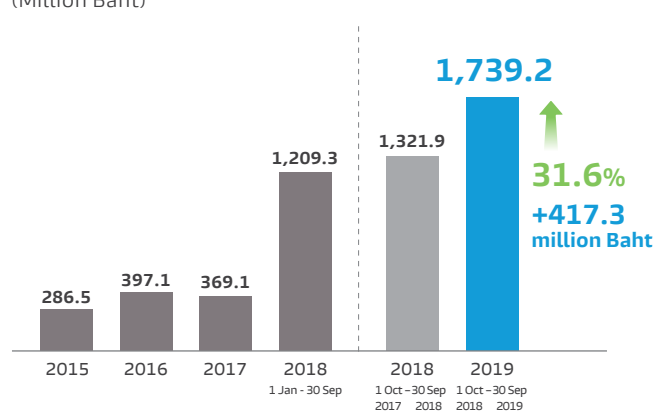
Total Income

(Million Baht)



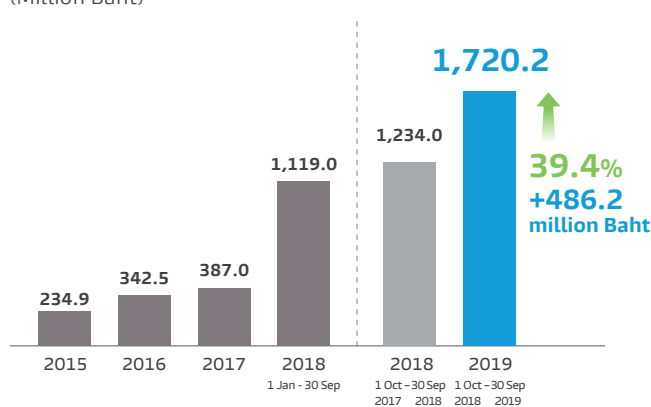
Net Investment Income

(Million Baht)



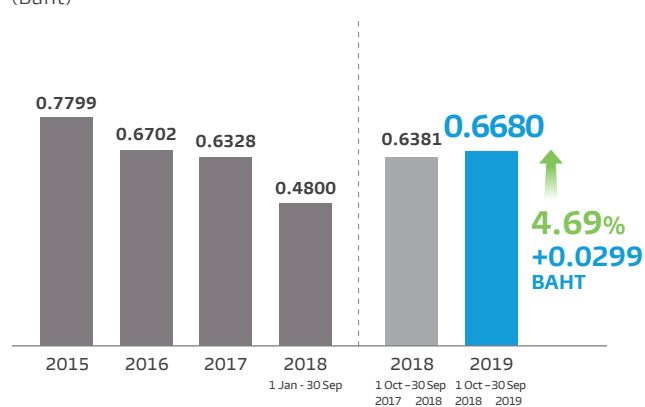
Distribution to Unitholders

(Million Baht)



Distribution Per Unit

(Baht)



Note : 2015 – 2017 For the period from 1 January – 31 December
 2018 For the period from 1 January 2018 – 31 December 2018
 FTREIT's accounting period was changed, the first change of accounting period ended 30 September 2018 comprise on only 9 months.
 2019 For the period from 1 October 2018 – 31 December 2019

STRUCTURE OF FTREIT AND REIT MANAGER



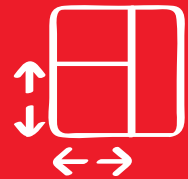
Fraser's Property Logistics Center (Amata City Chonburi), Chonburi



Portfolio Value
37,049
million Baht
(+9% YoY)



No. of Properties
554 units
(+38 units)



Leasable area
1.68
million sq m
(+7% YoY)



MESSAGE FROM CHAIRMAN AND MANAGING DIRECTOR



The market capitalization of FTREIT was approximately 46,583 million Baht which is considered to be one of the biggest market capitalizations REITs in Thailand. ”

Dear Unitholders,

As Chairman of the Board of Directors and Managing Director of Frasers Property Industrial REIT Management (Thailand) Co., Ltd. (“FIRM”) which operates as the REIT manager for Frasers Property Thailand Industrial Freehold & Leasehold REIT (“FTREIT”), we are delighted and honoured to present business performance of the trust fund for fiscal year 2019.

Becoming a member of Frasers Property Group

It is our great pleasure for FTREIT to become part of the Frasers Property Group, a multi-national company that develops, owns and manages a diverse portfolio of properties. This provides great benefits to the Trust Fund and REIT manager in terms of systematic international management such as international practice and platform as well as benefit of enhancing experiences between talented employees within the group’s global network. The fund has been focused extensively to become solution provider with progressive mindset and to become long term partnership to its stakeholders. Apart from these benefits, the management principles of Frasers Property Group are always considering promoting eco-friendly within the Frasers Property Group’s properties. These concepts and philosophies will encourage and support the Trust Fund to achieve sustainable business development.

The investment and the asset management for sustainable growth

In the past year, FTREIT has grown significantly by investing in the industrial and logistics real estate amounting 3,201 million Baht, or an increase of 9% compared to previous year. This was divided into 3 investments: (1) Investing in properties of Frasers Property (Thailand) group which included 39 factory and warehouse units, the conversion of leasehold right of 10 units which FTREIT currently leases to freehold right amounting approximately 2,544 million Baht, (2) Investing in a purpose-built cold storage from a third party. The property was in turn lease back to the seller who has comprehensive knowledge and skill in running this specialize type of business for 12 years amounting 657 million Baht, and (3) Investing to extend leasing area of existing factory where demand is strong. This will, eventually, increase rental income without having to invest in the cost of land. This Asset Enhancement Initiatives (AEI) is our asset management strategy to maximize efficiency throughout our asset portfolio.

A full-page photograph of two men in dark suits and red ties standing on a green lawn. The man on the left is wearing glasses and has his hands in his pockets. The man on the right is also wearing glasses. In the background, there are green bushes and trees, with a city skyline visible in the distance.

Mr. Threekwan Bunnag
Chairman and Independent Director

Mr. Peerapat Srisukont
Director and Managing Director

The asset management under FTREIT

Currently, FTREIT has managed well over 37,000 million Baht property portfolio and is the biggest industrial and logistics REITs in Thailand. At the end of fiscal year 2019, our portfolio's occupancy rate rose to 83.1%, an increase of 3.9% from last year. Customer's renewal rate had performed satisfactorily at 85.8% of the expired contracts. Moreover, our tenant's profiles have become more diverse in term of their industries, such as automotive, logistics, electronics, retail, and e-commerce industries, as the result this will enhance FTREIT's capabilities in risk management. In conclusion, we are delighted to report that this year FTREIT generated a satisfactorily performance even under lower-than-expected Thailand and world economy.

Efficient balance sheet management

Balance sheet management is one of the main responsibilities of the REIT manager. The REIT manager manages funding both debt and capital, to be at an appropriate level of risk management. In the meantime, it also considers the long-term competitive advantage of the business to generate sustainable distribution return to unitholders.

For debt management, the fund's gearing ratio is at 25.3%, which is considered to be lower than other REITs. This implies that FTREIT has a strong capability and flexibility to raise debt as and when it deems appropriated.

Furthermore, TRIS Rating Co., Ltd. has confirmed FTREIT's credit rating at A(Stable). This is the highest credit rating ever given to any industrial and logistics REITs in Thailand. Rating at A(Stable) for 3 consecutive years, has assured our credibility to raise funds in the debt market. With our strategic debt management, we believe that FTREIT will continue to maintain a modest level of funding cost.

For capital management, FTREIT was getting approval from the unitholders to increase capital under General Mandate scheme which allows the fund's with additional flexibility and timely to increase capital from either existing unitholders or other interested investors.

The REIT manager trusts that our strategic balance sheet management will accommodate FTREIT's capacity to raise funds from both debt and capital markets, which in turn form competitive edge to invest in any designated quality assets at any given time and moment.

Financial results and distribution payment to unitholders

As mentioned above, FTREIT had rental and service income of 2,745.5 million Baht increasing by 29.2% from previous year, total income of 2,807.1 million Baht increasing by 30.8% from previous year, and net investment income of 1,739.2 million Baht increasing by 31.6%. The increases were driven by an increase of occupancy rate, investment income from asset portfolio investing during 2018 and 2019, and the conversion of property funds into FTREIT in December 2017.

On 30 September 2019, the market capitalization of FTREIT was approximately 46,583 million Baht which is considered to be one of the biggest market capitalizations REITs in Thailand. Moreover, the market price of FTREIT's units has increased by 51.7% compared to market price on 1 October 2018.

In the fiscal year 2019, the fund distributed 0.6680 Baht per unit, increasing by 4.7% compared to previous year. The growth of distribution was from increase in assets under managed as well as from increase of rental and occupancy rate.

The challenging future for the Trust Fund

Thailand's GDP is estimated to grow 3%, export growth is expected to decline from a last year. It is predicted that in 2020 the Thai economy may not fully recover; thus, the REIT manager and Property manager has developed strategies to focus on customers in growth industries, particularly the e-commerce market, which has an average growth rate of 10%, other than electronics sector and the automotive industry which are still growing. Additionally, attracting tenants, who have moved their production base due to uncertainty in the trade war, to rent our warehouse and factory units is one of the factors that can help support and strengthen the Trust's growth.

For 2020, the REIT manager plans to study the possibility of investing in real estate from the FPT Group and other individuals to develop sustainable growth for FTREIT, as well as developments in the rising quality of real estate, aiming to increase the occupancy and rental rates.

Although the overall picture for fiscal 2019 seems to be successful in many aspects, the REIT manager will continue to manage the assets to be more efficient, investing in high-quality real estate and managing the capital efficiently. This will help FTREIT deliver to the unit holders a stable and sustainable growth distribution.

We are committed to develop and manage the Trust

As a representative of directors and management of REIT Manager, we would like to offer our heartfelt thanks to employees for their dedication and responsibility to FTREIT, to tenants and all stakeholders for providing a good support. Last but not least, our sincere thanks to all unitholders for always trusting and supporting FTREIT and fund manager throughout.



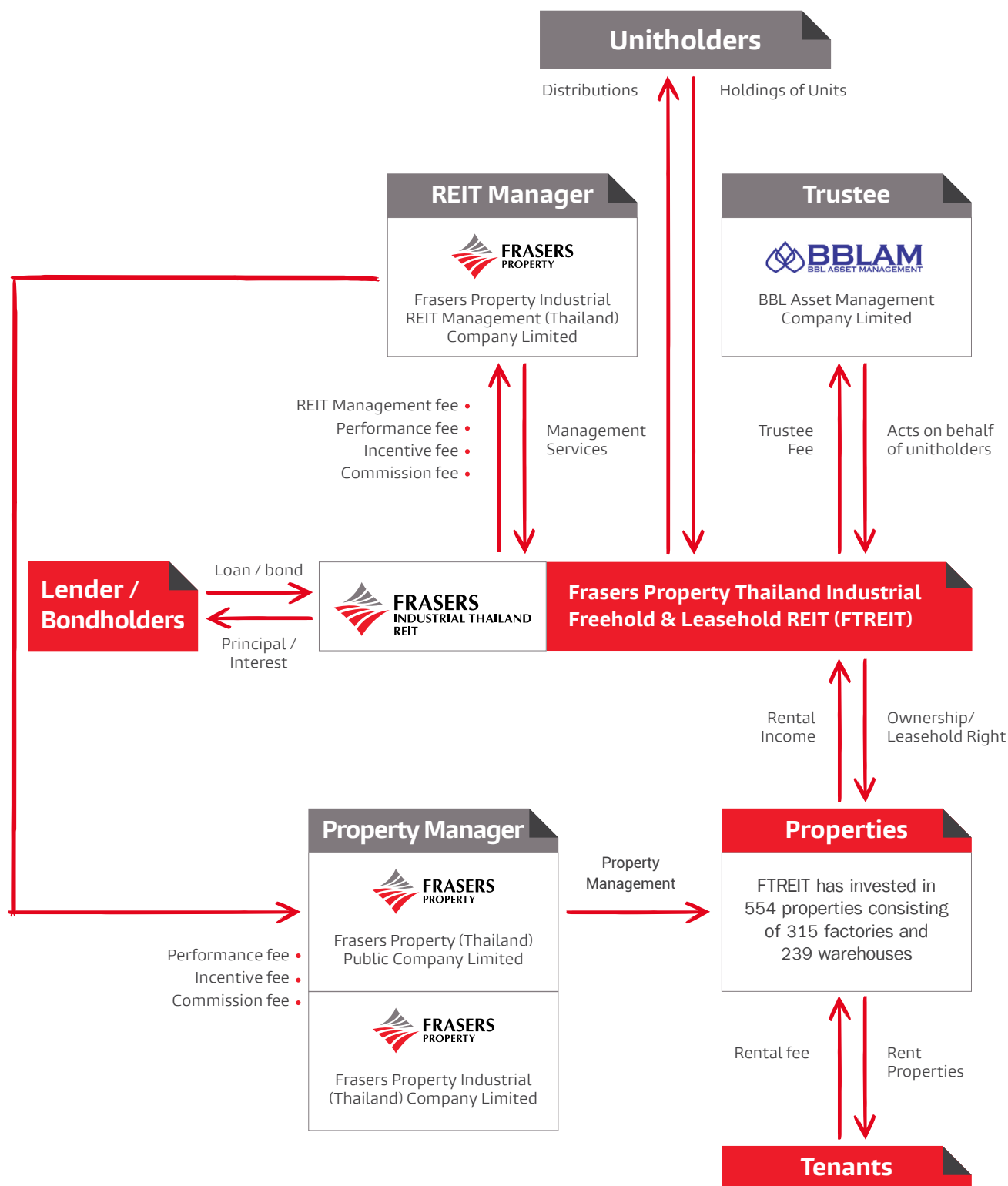
Mr. Threekwan Bunnag
Chairman and
Independent Director



Mr. Peerapat Srisukont
Director and
Managing Director

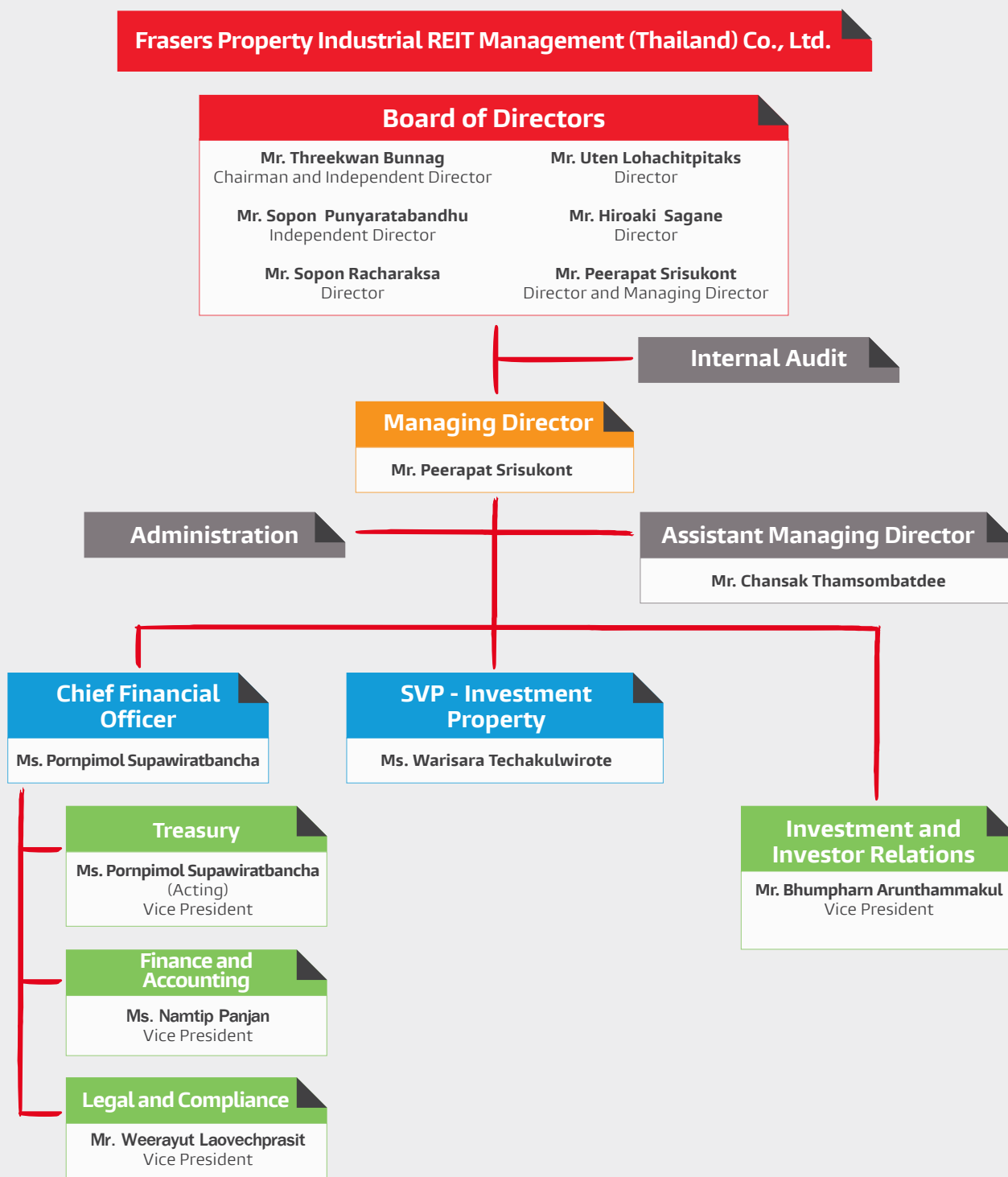
FTREIT STRUCTURE

As of 30 September 2019



ORGANISATION STRUCTURE OF REIT MANAGER

As of 30 September 2019



BOARD OF DIRECTORS

As of 30 September 2019



Mr. Threekwan Bunnag (62)
Chairman and Independent Director

Appointed on 15 January 2019
Length of service as Chairman and Independent Director :
8 Months
Direct unitholding : None
Spouse unitholding : 0.03%
Family relationship with Director and Management :
None

Education :

- Master of Business Administration, University of North Texas, USA

Training :

Thai Institute of Directors Association (IOD)

- 2017 Advance Audit Committee Program (AAP) 27/2017
- 2006 Director Accreditation Program (ACP) 58/2006
- 2001 Directors Certification Program (DCP) 12/2001

The brief working experience during the past 5 years :

Director of 1 listed company

- 1998 - Present Independent Director and Chairman of Audit Committee SVI Plc.
- 2004 - 2018 Independent Director and Chairman of Audit Committee Frasers Property (Thailand) Plc.

Director of 6 non-listed companies

- 2018 - Present Chairman and Independent Director Frasers Property Industrial REIT Management (Thailand) Co., Ltd.
- 2018 - Present Independent Director and Chairman of Audit Committee Beryl 8 Plus Co., Ltd.
- 2012 - Present Director Emerald Bay Resort Co., Ltd.
- 2012 - Present Director Emerald Bay Villa Co., Ltd.
- 2006 - Present Director and Chairman of Audit Committee Siam Agro-Food Industry Plc.
- 1998 - Present Director Gold Master Plc.



Mr. Sopon Punyaratabandhu (57)
Independent Director

Appointed on 20 May 2013
Length of service as Chairman and Independent Director :
6 Years 4 Months
Direct unitholding : None
Spouse unitholding : None
Family relationship with Director and Management :
None

Education :

- M.S. in Accounting, Thammasat University
- B.B.A (Honour) in Accounting, Thammasat University

Training :

Thai Institute of Directors Association (IOD)

- 2015 Corporate Governance for Capital Market Intermediaries (CGI) 5/2015
- 2007 Role of the Compensation Committee (RCC) 1/2006 and 2/2007
- 2002 Director Certification Program (DCP) 17/2002

The brief working experience during the past 5 years :

Director of 3 listed companies

- 2019 - Present Independent Director and Audit Committee SVI Plc.
- 2000 - Present Director Vintcom Technology Plc.
- 1999 - Present Independent Director and Audit Committee Asia Plus Group Holding Plc.

Director of 18 non-listed companies, in brief as follows:

- 2018 - Present Director Japan Strategic Capital Co., Ltd.
- 2016 - Present Director and Chairman of Audit Committee Asset Plus Fund Management Co., Ltd.
- 2013 - Present Director Frasers Property Industrial REIT Management (Thailand) Co., Ltd.
- 1999 - Present Director Vnet Capital Co., Ltd.

Other experiences :

- Certified Public Accountant
- Fellow Member, Thai Institute of Directors Association



Mr. Uten Lohachitpitaks (46)

Director

Authorized Signatory Director

Appointed on 5 April 2018

Length of service as Chairman and Independent Director :
1 Year 5 Months

Direct unitholding : None

Spouse unitholding : None

Family relationship with Director and Management :
None

Education :

- Master of Business Administration (M.B.A.),
Assumption University
- Bachelor of Business Administration (B.B.A.),
Assumption University

Training :

Thai Institute of Directors Association (IOD)

- 2018 Directors Accreditation Program
(DAP) 144/2018
Boardroom Success through
Financing and Investment (BFI) 5/2018
- 2019 Anti-Corruption: The practical Guide
(ACPG) 50/2019

The brief working experience during the past 5 years :

Director of 1 listed company

- 2017 – Present Director
Fraser Property (Thailand) Plc.

Director of 17 non-listed companies

- 2018 – Present Director
Fraser Property Industrial REIT
Management (Thailand) Co., Ltd.
- 2018 – Present Director
Fraser Property Thailand
(Hong Kong) Limited
- 2018 – Present Commissioner
PT SLP Surya TICON Internusa,
Indonesia
- 2018 – Present Director
Fraser Property Ventures I Pte. Ltd.
(Singapore)

- 2018 – Present Director
Fraser Property Ventures II Pte. Ltd.
(Singapore)
- 2018 – Present Director
Fraser Property Technology
(Thailand) Co., Ltd.
- 2018 – Present Director
One Bangkok Holdings Co., Ltd.
- 2018 – Present Director
One Bangkok Ventures Co., Ltd.
- 2018 – Present Director
Farnborough Business Park Ltd.
- 2018 – Present Director
Fraser Assets Co., Ltd.
- 2017 – Present Director
Fraser Property Industrial
(Thailand) Co., Ltd.
- 2017 – Present Director
Fraser Property Thailand
(International) Pte. Ltd.
- 2017 – Present Director
Fraser Property Holdings
(Thailand) Co., Ltd.
- 2017 – Present Director
Fraser Property Investments
(Europe) SARL (Luxembourg)
- 2017 – Present Director
Fraser Property International
Pte. Ltd. (Singapore)
- 2016 – Present Director
Sinomax International Pte. Ltd.
(Singapore)
- 2016 – Present Director
Fraser (Thailand) Pte. Ltd.



Mr. Sopon Racharaksa (47)

Director

Authorized Signatory Director

Appointed on 27 January 2017

Length of service as Chairman and Independent Director :
2 Years 8 Months

Direct unitholding : None

Spouse unitholding : None

Family relationship with Director and Management :
None

Education :

- M.A., Public Administration, National Graduate Institute for Policy Studies, JAPAN
- M.A., Economics, Michigan State University, USA
- B.A., Economics, Thammasat University

Training :

Thai Institute of Directors Association (IOD)

- 2019 Director Certification Program (DCP) DCP 282/2019
- 2018 Board Success through Financing & Investment (BFI) 5/2018

Institute of Business and Industrial Development

- 2015 Executive Management with Business Development and Investment (Class 2)

The brief working experience during the past 5 years :

Director of 1 listed company

- 2017 – Present President and Chief Executive Officer (Acting) Frasers Property (Thailand) Plc.

Director of 22 non-listed companies

- 2019 – Present Director Automation Asset Co., Ltd.
- 2019 – Present Director PBA Robotics (Thailand) Co., Ltd.
- 2019 – Present Director Wangnoi Logistics Park Co., Ltd.
- 2019 – Present Director Bangkok Logistics Park Co., Ltd.
- 2018 – Present Director Bangpakong Logistic Park Co., Ltd.
- 2018 – Present Director Technology Assets Co., Ltd.

- 2018 – Present Director JustCo (Wireless Road) Co., Ltd.
- 2018 – Present Director JustCo (Sathon Road) Co., Ltd.
- 2018 – Present Director JustCo (Thailand) Co., Ltd.
- 2018 – Present Director Frasers Property Technology (Thailand) Co., Ltd.
- 2017 – Present Director Frasers Property Industrial (Thailand) Co., Ltd.
- 2017 – Present Director Frasers Property Thailand (International) Pte. Ltd.
- 2017 – Present Director Frasers Property Industrial REIT Management (Thailand) Co., Ltd.
- 2017 – Present Director Frasers Property BFTZ Co., Ltd.
- 2017 – Present Director Eco Industrial Services Co., Ltd.
- 2017 – Present Director Shanghai TICON Investment Management Co., Ltd.
- 2017 – Present Director PT SLP Surya TICON Internusa, Indonesia
- 2017 – Present Director Frasers Property Thailand (Hong Kong) Limited
- 2017 – Present Director Frasers Property Demco Power 6 Co., Ltd.
- 2017 – Present Director Frasers Property Demco Power 11 Co., Ltd.
- 2017 – Present Director TRA Land Development Co., Ltd.
- 2017 – Present Director NCC Management and Development Co., Ltd.



Mr. Hiroaki Sagane (48)

Director

Authorized Signatory Director

Appointed on 1 December 2018

Length of service as Chairman and Independent Director :
9 Months

Direct unitholding : None

Spouse unitholding : None

Family relationship with Director and Management :
None

Education :

- Political Science and Economics,
Waseda University, JAPAN.

Training :

Thai Institute of Directors Association (IOD)

- None -

The brief working experience during the past 5 years :

Director of 1 non listed company

- 2018 – Present Director
Fraser Property Industrial REIT
Management (Thailand) Co., Ltd.
- 2018 – Present General Manager
Mitsui & Co. (Asia Pacific) Pte. Ltd.
- 2016 – 2018 Senior Director
Advantage Partners Pte. Ltd.
- 2012 – 2016 General Manager
Mitsui & Co., Ltd.



Mr. Peerapat Srisukont (50)

Director and Managing Director

Authorized Signatory Director

Appointed on 1 August 2016

Length of service as Chairman and Independent Director :
3 Years 1 Month

Direct unitholding : None

Spouse unitholding : None

Family relationship with Director and Management :
None

Education :

- Master of Business Administration (M.B.A.),
Mahidol University International College
- Master of Science in Civil Engineering,
Texas A&M University, Kingsville, USA
- Bachelor of Engineering., Chulalongkorn University

Training :

Thai Institute of Directors Association (IOD)

- 2018 Management Development
Program 1/2018

Market for Alternative Investment (mai)

- 2019 Chief Transformation Officer:
CTO Course

The brief working experience during the past 5 years :

Director of listed company

- None -

- 2003 – 2016 Deputy General Manager
Fraser Property (Thailand) Plc.

Director of 1 non-listed company

- 2016 – Present Director
Fraser Property Industrial REIT
Management (Thailand) Co., Ltd.

MANAGEMENT TEAM

As of 30 September 2019



(1) Mr. Peerapat Srisukont Managing Director

Mr. Peerapat has been Managing Director of Frasers Property Industrial REIT Management (Thailand) Co., Ltd. since August 2016. As Managing Director, he oversees overall operations of the REIT manager, sets the strategic objectives for FTREIT, manages stakeholder relations and gives advice to management. He reports the operations of FTREIT to The Board of Directors of the REIT Manager.

He has more than 20 years' experience in Industrial and logistics property management. He oversaw the conversion of three property funds, TFUND, TLOGIS and TGROWTH, into FTREIT, making FTREIT become "the largest industrial and logistics REIT in Thailand".

He holds a Bachelor's Degree in Engineering from Chulalongkorn University, a Master's Degree in Civil Engineering from Texas A&M University, Kingsville, United State of America and an MBA from Mahidol University International College.

(2) Mr. Chansak Thamsombatdee Assistant Managing Director

Mr. Chansak was appointed as Assistant Managing Director in July 2015 assigned by Mitsui & Co. (Asia Pacific) Pte Ltd. a major shareholder of the REIT Manager. He has experience in logistics management and is responsible for finding investment opportunities and preliminary study of investment projects.

He holds a Bachelor of Business Administration (International Program) and a Master of Economics (International Program) from Chulalongkorn University.

(3) Ms. Pornpimol Supawiratbancha

Chief Financial Officer

Ms. Pornpimol joined the Company in October 2018. She is currently the CFO and oversees Treasury, Finance and Accounting, Legal and Compliance, and is Company Secretary. She has more than 18 years' experience working in Frasers Property (Thailand) Plc. Her last position was Head of Treasury, thus she has direct extensive exposure in industrial and logistics property management.

She holds a Bachelor's Degree in Finance and Banking, and a Master's Degree in Business Administration from Thammasat University. She also passed the course training Management Development program 1/2018 by the PacRim Group.

(4) Ms. Warisara Techakulwirote

Senior Vice President - Investment Property

Ms. Warisara joined the Company in April 2019. She is responsible for investment property management, manages the existing asset portfolio to maximize return for REIT, oversees repairs and maintenance to keep the properties in good condition including other related activities according to policy and strategy from the REIT Manager.

She has more than 15 years' experience as a Property Fund Manager, and used to work as an internal audit and a credit analyst in well-known financial institutes.

Ms. Warisara holds a Master of Business Administration from Thammasat University and a Bachelor of Business Administration from Chulalongkorn University, and has passed the Certified Investment and Securities Analyst Program (CISA) level 1 from Thailand Securities Institute (TSI).

(5) Mr. Bhumpharn Arunthammakul

Vice President - Investment and Investor Relations

Mr. Bhumpharn joined the REIT Manager in July 2017. He was one of the key people responsible for the conversion of the three TICON property funds into FTREIT, this PFPOs conversion is the largest conversion deal in Thailand. Currently, He is Head of Investment and Investor Relations. He is responsible for developing and executing FTREIT's investments and investor activities. He leads the team to actively look for suitable acquisitions and development opportunities to drive the portfolio. In Investor Relations, he is intimately involved in the promotion of FTREIT to investors domestically and internationally.

Prior to joining the REIT Manager, he was Senior auditor with Deloitte, leading audit firm and Associate credit analyst with Siam Commercial Bank.

He holds a Bachelor of Accounting from Thammasat University and MBA (Finance) from Sasin Graduate Institute of Business Administration, Chulalongkorn University.

(6) Ms. Namtip Panjan

Vice President - Finance and Accounting

Ms. Namtip joined the REIT Manager in October 2015 as Senior Manager of Accounting and was promoted to Head of Finance and Accounting in 2016 and assigned as (Acting) Head of Property Management in 2018. She currently oversees finance and accounting. She has more than 10 years' experience in the finance and accounting field. Before joining the Manager, she was Accounting manager of SF Corporation Plc.

Ms. Namtip graduated with a Master's Degrees of Accounting and Administration from Dhurakij Pundit University, and a Bachelor of Accounting from Rajamangala University of Technology Suvornabhumi. She also passed the Management Development Program 1/2018 conducted by the PacRim Group.

(7) Mr. Weerayut Laovechprasit

Vice President - Legal and Compliance

Mr. Weerayut joined the Company in July 2019 as Head of Legal and Compliance. He has more than 11 years' experience at The Erawan Group Plc. and Assistant Vice President is his last position. His main area of expertise is real estate law.

Mr. Weerayut graduated with a Bachelor's Degree of Law and a Master of Science Program in Real Estate Business (Mini MRE) from Thammasat University.

(8) Ms. Tirakarn Thammasarangkoon

Senior Manager of Asset Management

Ms. Tirakarn joined the Company in 2017. She is responsible for portfolio management and closely coordinates with the marketing and sales department of FPT group. She is also responsible for collecting and analyzing information of asset performance to formulate sales and marketing strategies that shall maximizing the growth potential of the portfolio.

She has more than 10 years' experience in the real estate industry which includes marketing, sales and business development for residential, office, especially industrial/logistics property management.

She holds a Bachelor of Arts from Thammasat University and MBA from Chulalongkorn University.



Frasers Property Logistics Center (Amata City Chonburi), Chonburi

FTREIT'S STRATEGY AND MANAGEMENT



Frasers Property Logistics Center (Bangplee 1), Samutprakarn



Occupancy Rate
83.1%
(+3.9% YoY)



Distribution Per Unit
0.6680 Baht
(+4.7% YoY)



COMPETITIVE ADVANTAGE



High-quality properties in strategic locations

High standard industrial and logistics properties. 554 units valued at 37,049 million Baht in key strategic industrial and logistics areas across Thailand.

Strong and diverse tenants

An extensive tenant base of 260 clients who are key players in each industry with strong financial performance. A broad tenant base reduces overall exposure to any one particular sector.

Enlarged investor and financial institution bases

FTREIT has stable working capital to support operations and investment supported by prudent capital and risk management strategies. Diversified sources of funding ensure optimized unitholder returns.

Active Asset Management

Maximizing the growth potential of the portfolio is done through an asset management strategy which focuses on sustainable growth of occupancy rate, rental rate reversion, extension of lease and service contract, improving operational efficiency and costs and engaging in asset enhancement initiatives to increase value and asset performance.

Experienced Management Team

REIT manager team composed of industrial and logistics property management, finance and investment professionals with expertise and knowledge to lead FTREIT to sustainable growth.

Strong sponsor

Fraser's Property (Thailand) ("FPT") is a sponsor which proposes high quality warehouses and factories to FTREIT. FPT provides right of first refusal (ROFR) to FTREIT thus FPT needs to propose selling properties to FTREIT before proposing to a third party. In addition, FPT is property manager of FTREIT.

SPONSOR OF FTREIT

FPT is a leading multi-class real estate developer in Thailand which provides industrial, logistics, residential, commercial and hospitality property. FPT focuses on customer needs (Customer-Centric Approach) and delivers excellent services and support to the customer (One Stop Solutions). In addition, FPT manages a good long-term and in-depth relationship between FTREIT and its tenants (Long-term partnership). FPT is sponsor and property manager of FTREIT with long experience in managing industrial and logistics properties.

As of 30 September, 2019, the fair value of the properties directly held by FPT group and the assets under management with respect to the REIT exceed 7,000 million Baht and total net leasable area is 2.75 million sq. m. Land held for future development is around 3,535 million rai. FPT provides Right of First Refusal (ROFR) to FTREIT, thus FPT is required to propose selling to FTREIT before proposing to other parties which is the key to supporting sustainable growth of REIT property values.

FRASERS PROPERTY THAILAND'S DEMONSTRATION OF SUPPORT FOR FTREIT

- Selling high quality of industrial and logistics property located in strategic locations since trust established.
- Provide Right of first Refusal to trust which is key growth driver in property value of FTREIT.
- Manage property to maintain high occupancy rate and deliver solution to clients.
- Support human resources and knowledge of industrial and logistic property management.



“ **Frasers Property (Thailand) group** have 862 factories and warehouses under management located in 10 province and in 56 locations which can support production and logistics of tenants in various industries. ”

Industrial and logistics properties under Frasers Property (Thailand)

As of 30 September 2019



Property value (AUM)
> 70,000
million Baht



Gross Floor Area (GFA)
2.7 million sq. m.
in operation and under development



Land held for future development
3,535 rais

FTREIT STRATEGY

The REIT Manager's principal objectives are to deliver regular and stable distributions to Unitholders, as well as to achieve long-term growth in DPU and NAV per unit, while maintaining a sustainable capital structure.



Active Asset Management

To understand and meet the needs of the retail tenants, the REIT Manager has hired Property Managers, FPT Group ex-owners of the properties), to manage its asset because of their relationship and knowledge of the retail tenants as well as their working teams which can serve tenants in time and efficiently. From their long experience as leaders in the business of building factories and warehouses for lease, both companies have a large client base of both Thai and international clients.

Frasers Property (Thailand) group manages assets professionally and has experience in managing rental rates as well as ensuring a constant renewal rate of rental agreements, in addition to improving operational efficiency and costs. Also, REIT manager engages in Asset Enhancement Initiative such as Installation solar panels on the rooftop of property.

Summary information

as of 30 September 2019

- New tenants in 2019 146,464 sq m
- Extension agreement 493,561 sq m
- Renewal rate 85.8 %
- Rental rent reversion 1.6 %
- Occupancy rate 83.1 %
- WALE 2.3 years

Asset Enhancement Initiative

The REIT Manager seeks to do an Asset Enhancement Initiative (“AEI”) to improve quality of properties under trust and to meet the needs of tenants. AEI includes expansion of leasable area, installing and/or building improvement. AEI shall provide opportunity to REIT to increase occupancy rate and/or WALE which should improve revenue for the trust and create memorable and enriching experiences for tenants.

In fiscal year 2019, FTREIT invested in expanding the leasable area of one factory located at Amata City Rayong, Rayong province by 1,700 sq.m. (net leasable area after expansion is 15,950 sq.m.) The tenant has agreed to a long-term lease extension of the area for 7 years.

Investment

The REIT Manager will continue to source and pursue strategic asset acquisitions for the trust. Backed by strong and established sponsor, Frasers Property (Thailand) group, FTREIT is able to leverage on the Sponsor’s strong network and pipeline of quality assets. The Sponsor provides Right of First Refusal (“ROFR”) to FTREIT and must propose selling properties to the trust before proposing them to any third party. ROFR is the key to sustainable growth for FTREIT.

FTREIT employs the strategy of investing in high quality industrial and logistics property in prime locations and strategic areas owned by other parties. FTREIT does not invest only in domestic factories and warehouses; FTREIT also invests in overseas industrial and logistics properties which can generate high returns for FTREIT. The REIT Manager considers the suitability and qualifications of the targeted properties based on following key factors:

- Quality of the assets i.e. location, landscape, building conditions, engineering systems, utilities; and overall environment; must comply with the regulations and be of acceptable risk
- Returns from investment

- Qualifications of tenants and rental & service payment ability
- Occupancy rate

In addition, based on Notification No.49/2012 announced by The Office of Securities and Exchange Commission, Thailand and trust deed, a Trust can develop greenfield projects at a value not exceeding 10% of total asset value. The opportunity to develop a greenfield project allows FTREIT to develop property in the future.

In the fiscal year 2019, FTREIT has invested in 40 units of factory and warehouse valued at 3,209 Million Baht, including 10 units of conversion of property from leasehold to freehold. The total net leasable area of the new properties is 120,979 sq.m.

Capital and Risk Management

The REIT manager seeks to optimize the capital structure and cost of capital structure. The REIT manager considers the market interest rate in each situation and forecasts the interest rate to help make the decision to proceed with the type of loan which reflects the lowest cost of debt to FTREIT in order to maximize benefit for the unitholders. The REIT manager sets the policy on lending loan/debentures or any type of loan at an appropriate level, to maintain refinancing risk and comply with SEC regulations which set leverage level not over 35% (for no investment grade) and 60% (for investment grade).

Moreover, the Credit Rating of FTREIT is not below investment grade. The current rating of FTREIT is A (tha) which is rated by TRIS Rating Company Limited and this is the highest rating for industrial and logistics REITs in Thailand.

As of 30 September, 2019, FTREIT has LTV ratio at 25.3 %, Weighted average debt maturity at 3.8 years and Weighted cost of borrowing at 3.2%. The increase in LTV% came from investment in new properties in the period which was funded by a short-term loan from a financial institution. This short-term loan shall be refinanced by long term loan and/or debentures and/or issuance of new trust units and/or cash.

FINANCIAL RESULTS

According to changing of accounting period in 2018, financial statement showed information of the period from 1 January to 30 September 2018 (9 months); as a result, in order to compare the data with the 12-month period, information as follows was from No. 22 “Supplementary Information” in the Note to Financial Statement.

1. Statement of Income

Unit: million Baht

Description	2019 (1 Oct. 18 - 30 Sep. 19)	2018 (1 Oct. 17 - 30 Sep. 18)	Changed (%)
Rental and service income	2,745.5	2,124.3	29.2
Total income	2,807.1	2,145.3	30.8
Cost of rental and services	349.1	323.7	7.8
REIT manager fee	346.4	263.2	31.6
Finance cost	271.3	152.1	78.4
Total expenses	1,067.9	823.4	29.7
Net investment income	1,739.2	1,321.9	31.6
Distribution (Baht per unit)	0.6680	0.6381	4.7

1.1 Total income

Total income in 2019 was 2,807.1 million Baht, increasing by 661.8 million Baht or 30.8% when compared to the same period of the previous year. There were three factors contributing to growth as follows:

- (1) Growth of occupancy rate from 79.2% (as of 30 September 2018) to 83.1% (as of 30 September 2019). The major contributing factor was an increase in occupancy rate of warehouses especially those in Eastern Economic Corridor Zone.
- (2) Investment in the 2019 period as follows:
 - Investment in 39 units of factories and warehouses with the ownership from Frasers Property Thailand Group which located in Chonburi, Ayutthaya, Pathumtani and Prachinburi. The completion of investment was in December 2018 and September 2019
 - Investment in 1 cold storage with the ownership and leaseback agreement 12-year from CT Distribution Center Co., Ltd. The completion of investment was in August 2019.

- (3) Asset Enhancement Initiatives project (AEI) by extending leased area by 1,700 sq.m. of factory in Amata City Rayong Industrial Estate, which will generate more rental and service income.

1.2 Net investment income

In the 2019 period, Net investment income was 1,739.2 million Baht, increasing by 417.3 million Baht or 31.6% compared to the same period of the previous year. The total income was higher than the total expenses.

Total income increased from the previous year due to investment in assets, Asset Enhancement Initiatives and occupancy rate growth in 2019 which were major factors driving of rental and service income. As for expense in 2019, total expense was 1,067.9 million Baht, increasing by 244.5 million Baht or 29.7% compared to the same period of the previous year. This resulted from increasing of cost of rental and services which followed the income.

Cost of the property maintenance has increased following the investment in the period. Property tax (recorded in Cost of Rental and Service) has increased due to policy to change the method of the tenants' tax payment to the trust from 1 January 2018. REIT Manager fees (in which property management fee paid to the property management was mainly recorded) have increased following investment volume and income from rental and service and increasing financial cost due to short-term loan borrowed at the beginning of the investment.

1.3 Finance cost

Financial cost in 2019 was totally 271.3 million Baht, rising by 119.2 million Baht or 78.4% when compared to the same period of the previous year due to issuance of debentures and use of short-term loan for investment in properties in the 2019 fiscal year.

1.4 Distribution

FTREIT has announced distribution payment for the 2019 period of 0.6680 Baht per unit, rising from the same period of the previous year by 0.6381 Baht per unit or 4.7% due to growth in the income in the accounting period. Distribution policy of the trust was as follows:

- (1) Trust has the policy to pay at least 2 distributions of return per year to unitholders.
- (2) In the event that the Trust has net profit in any accounting period, the Trust Manager shall distribute distributions to unitholders for not less than 90% of the net profit after deducting unrealised gain on revaluation or valuation review of the properties or leasehold rights of the properties in that accounting period, including other adjustments according to the Notification of the Office of the Securities and Exchange Commission.
- (3) In the case Trust has incurred accumulated losses, the REIT Manager shall not make any distribution to unitholders.
- (4) Payment of distribution could be made in case such payment does not accumulate increase in loss in the accounting period of payment.
- (5) in the case the distribution to be paid per trust unit during any accounting year or accounting period is less than or equal to 0.10 Baht, the REIT Manager reserves the rights not to make such distribution, provided that the distribution shall be carried forward to the following distribution of returns.

Summary of distribution payment in Fiscal year 2019

Unit: Baht

Accounting Period	1 Oct - 31 Dec	1 Jan - 31 Mar	1 Apr - 30 Jun	1 Jul - 30 Sep	Total
2019 (1 Oct 18 - 30 Sep 19)	0.1670	0.1670	0.1670	0.1670	0.6680
2018 (1 Oct 17 - 30 Sep 18)	0.1581 ¹	0.1600	0.1600 ²	0.1600	0.6381
Changed (%)	0.0089 (+5.63%)	0.0070 (+4.38%)	0.0070 (+4.38%)	0.0070 (+4.38%)	0.0299 (+4.69%)

Note: 1. Comprising (1) Dividend in October at 0.0481 Baht (included in payment on 7 December 2017 calculated from 4-month performance starting from 1 July to 31 October 2017) (2) Dividend from performance of November – December 2017 at 0.0171 Baht and (3) Capital reduction at 0.0929 Baht.
2. Comprising dividend of 0.1569 Baht and capital reduction at 0.0031 Baht.

2. Balance Sheet

Unit: million Baht

Description	2019 (1 Oct. 18 - 30 Sep. 19)	2018 (1 Oct. 17 - 30 Sep. 18)	Changed (%)
Investments in freehold and leasehold properties at fair value	37,049.4	33,987.4	9.0
Total assets	38,496.7	35,433.3	8.6
Interest Bearing Debt	9,742.0	6,933.0	40.5
Total liabilities	11,007.5	8,071.4	36.4
Net assets	27,489.2	27,361.9	0.5
Net asset value per unit (NAV)	10.5630	10.5141	0.5

Note : Interest Bearing Debt means short-term loans and Debentures

As of 30 September 2019, the total assets were 38,496.7 million Baht, increasing by 3,063.4 million Baht or 8.6%. The main contributing factor was investment in assets during the 2019. It relied on the short-term loan from financial institutes and income from the investment making the total debts as of 30 September 2019 at 11,007.5 million Baht, increasing by 2,936.1 million Baht or 36.4%.

Net Asset Value per unit (NAV) increased from 10.5141 Baht per unit to 10.5630 Baht per unit or 0.5% due to retained earnings increasing from operating income and profits from divesting assets in the period.

3. Cash Flow

As of 30 September 2019, investments in securities at fair value and cash and cash equivalents were a total of 1,141.8 million Baht, increasing from 30 September 2018 by 1,138.0 million Baht. The main contributing factor was better operating performance due to investment in assets in the previous period.

4. Funding Management

The principle of fund management was diversification of fund types and sources for appropriate funding, efficient risk management and sustainable benefit payment to unit holders. At present, the trust raises fund from capital increase, loan and issuance of debt securities with the following details.

4.1 Registered Capital

As of 30 September 2019, FTREIT raised fund from the unitholders 3 times and reduced capital 4 times with details as follows:

Description	No. of Unit (‘000 units)	Par (Baht)	Amount (‘000 Baht)	Objectives
1. Initial trust capital	342,500	10.0000	3,425,000	Investment in factories and warehouses in amounting of 45 units
2. The 1st capital increase	224,300	10.0000	2,243,000	Investment in factories and warehouses in amounting of 53 units
3. Capital increased for conversion	2,035,587	9.7669	19,881,389	Investment in factories and warehouses in amounting of 392 units, including related assets and liabilities from the conversion of 3 property funds (TFUND, TLOGIS and TGROWTH) into FTREIT
4. Capital Reduction				
The 1 st reduction	–	(0.1934)	(66,240)	Paid on 4 September 2015
The 2 nd reduction	–	(0.1743)	(59,697)	Paid on 30 November 2015
The 3 rd reduction	–	(0.0929)	(241,762)	Paid on 22 March 2018
The 4 th reduction	–	(0.0031)	(8,067)	Paid on 11 September 2018
Total	2,602,387		25,173,623	

4.2 Interest Bearing Debt

As of 30 September 2019, short-term loan debt was 1,302.0 million Baht and debentures was 8,440.0 million Baht with total interest-bearing debts of 9,742.0 million Baht with fixed interest rate. The average cost of loan was 3.2% with IBD to Total Asset Value (LTV%) at 25.3% which was lower than the rates of 35% for non-investment grade corporation and 60% for investment grade corporation announced by SEC.

The above short-term loan and debentures were issued to raise fund for investment in the assets and repay the short-term loan in 2019 as follows:

- Short-term loan of 1,302.0 million Baht for investment in assets.
- Two issuances of debentures of 2,900 million Baht.

No. 1/2019 amounting of 1,900 million Baht for acquisition new properties

Series 1- amounting of 300 million Baht, a maturity of 2 years with fixed coupon at 2.78%

Series 2- amounting of 1,000 million Baht, a maturity of 3 years with fixed coupon at 3.14%

Series 3- amounting of 600 million Baht, a maturity of 10 years with fixed coupon at 4.19%

No. 2/2019 amounting of 1,000 million Baht for repayment short-term loan

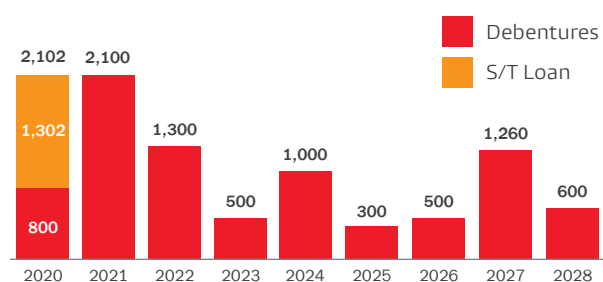
Series 1- amounting of 500 million Baht, a maturity of 4 years with fixed coupon at 2.63%

Series 2- amounting of 500 million Baht, a maturity of 7 years with fixed coupon at 3.14%

Credit rating of FTREIT as of 30 September 2019 rating by Tris Rating Co., Ltd. (Tris Rating) was A (th) (Stable Outlook at Investment Grade) on 22 July 2019.

Debt Maturity

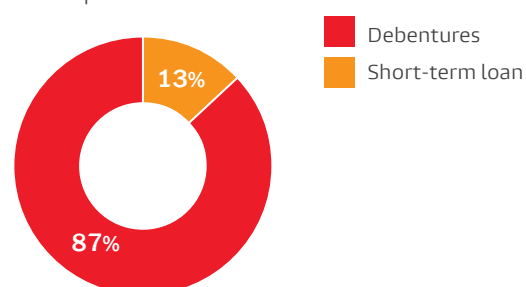
Unit: million Baht



Note : Based on accounting period from 1 October – 30 September

Interest Fixed/Float

as at 30 September 2019

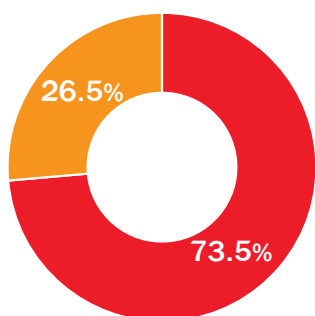


Summary of Interest-Bearing Debt

Description	30 September 2019	30 September 2018
Interest bearing debt	9,742.0 million Baht	6,933.0 million Baht
• Short-term loan	1,302.0 million Baht	1,393.0 million Baht
• Debenture	8,440.0 million Baht	5,540.0 million Baht
IBD to Total Asset Value (LTV%)	25.3%	19.6%
Interest Rate Exposure Fixed	86.6%	79.9%
Credit Rating	A (Stable)	A (Stable)
Average debt maturity	3.8 years	4.2 years
Weighted average cost of debt	3.2%	3.1%

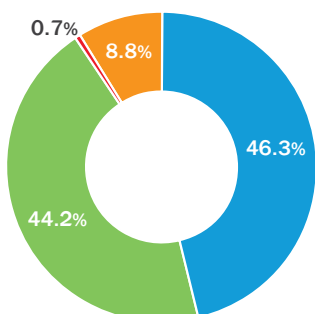
ASSET MANAGEMENT RESULTS

Right on Properties



Freehold Leasehold

Average Age of Properties



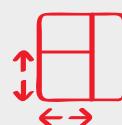
<2 years 2 – 5 years
5 – 10 years >10 years

Overall of properties under management

As of 30 September 2019



Properties
554 units
(increased 38 units)



Leasable Area
1,678,475 sq m
(increased 7.0% YoY)



Portfolio value
37,049 Million Baht
(increased 9.9% YoY)



Occupancy Rate
83.1%
(increased 3.9% YoY)



WALE
2.3 years
(increased 0.12 years)



Age of Properties
10 years



Concentration of top tenants
20.4%
(No Change)

There are 2 types of investment for a REIT, these being investment in principal assets and investment in other assets in order to manage excess liquidity to provide return to the REIT and the unitholders, as follows:

- (1) Investment in principal assets such as ownership of land, leasehold rights and buildings i.e. warehouse buildings factories and/or office buildings.
- (2) Indirect investment through shares in a company established with the objectives in the same manner as the REIT under Trust Deed and in the ratio as required in the Trust Deed and relevant laws.

Currently, the investment of FTREIT is 100% principal asset investment. There is no investment through shareholding.

Investment Summary

Overview of properties under management

The REIT was registered in the Stock Exchange of Thailand as securities and started trading in 2015 with factories and warehouses in total of 45 units, and then continued to invest in industrial and logistics properties. In 2017, the REIT Manager converted the mutual funds TFUND, TLOGIS and TGROWTH into the REIT. After conversion, FTREIT has become the largest industrial and logistics REIT having the greatest asset value of all REITs in Thailand.

In 2019, there are properties acquired into FTREIT totaling of 3,201 million Baht, consisting of 39 units of factories and warehouses from Frasers Property Thailand Group and 1 unit of cold storage from CT Distribution Center Co., Ltd. ("CTD") with leaseback agreement of 12 years. Furthermore, FTREIT carried out the Asset Enhancement Initiative Project (AEI) by extending the leased area of one factory. The REIT divested 1 factory in Chonburi and 1 warehouse in Prachinburi. The income from the divestment was invested in additional asset acquisition and repayment of short-term loan during the year.

As of 30 September, 2019, FTREIT had Assets under management (AUM) totaling of 554 units which are located in Chonburi, Rayong, Chachoengsao, Prachinburi, Samutprakarn and Ayutthaya which are the main strategic locations of industry and logistics in Thailand. Fair Value of Assets was 37,049 million Baht at the end of accounting period. Leasable area increased from 1.57 million sq.m. to 1.68 million sq.m. or increased approximately 7% YoY.

The proportion of the ownership (freehold) in total assets under management was around 73.5%. The average age of assets was under 10 years which was equal to 55.8% of total assets. Moreover, the REIT Manager can maintain the occupancy rate at 83% due to the high quality of FTREIT's assets. The REIT's tenants come from various industries and nationalities. The top 10 tenants represent 20.4% which is considered to be quite low risk.



Investment in factories and warehouses from Frasers Property Thailand Group No. 1/2019

In December 2018, FTREIT acquired properties from Frasers Property Thailand Group, with an investment value of 1,907 million Baht, consisting of 17 factories and 16 warehouses, totaling of 33 units. In addition, there were conversion rights on 10 units (from leasehold to freehold) located in Ayutthaya, Chonburi, Rayong, Prachinburi and Samutprakarn. This investment increased FTREIT's freehold leasable area to 72,775 sq.m. As of 30 September, 2019, the occupancy rate was at 100%, and most of tenants are in the logistics and electronics industries. This investment was approved by the unitholders in accordance with the resolution of the Extraordinary General Meeting of unitholders No. 1/ 2018 held on 1 August, 2018.



Investment in Cold Storage from CTD

In August 2019, FTREIT acquired one cold storage unit from CT Distribution Center Co., Ltd. (“CTD”) with freehold ownership of the property and a leaseback agreement of 12 years for the cold storage building and its office area totaling an area of 18,354 sq.m. The total investment value of 665 million Baht, investing in 2019 in amount of 657 million Baht, the rest, movable properties, which the value of 8 million Baht will be acquired in 2020.

The cold storage consists of modern building structure with cooling system located in Wang Noi, Autthaya province where is the major base of manufacturers of frozen chicken, Frozen Ready Meals and other similar which need temperature controlling before distribution. Therefore, FTREIT recognized its growth potential in this business.



Investment in factories and warehouses from Frasers Property Thailand Group No. 2/2019

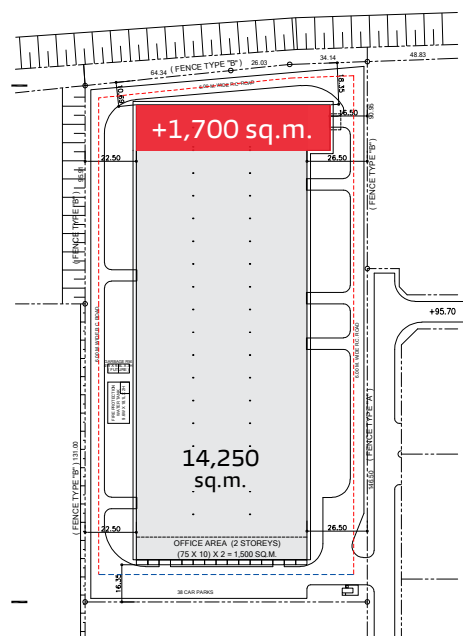
In September 2019, FTREIT acquired properties from Frasers Property Thailand Group, totaling an area of 29,850 sq.m. with an investment value of 637 million Baht, consisting of 6 warehouses units located near Laem Chabang Port, the major deep-sea port in Thailand. The government has the third-phase expansion project which will increase the service potential to importers and exporters by enlarging the area to support the container throughput capacity and providing an automation system to facilitate transportation processes. This expansion will support an increasing volume of various shipping vessels. Considering these points, it is foreseen that the demand for warehouses in Laem Chabang and Sriracha areas will increase.

Description	Unit	Location	Fair Value (Million Baht)	Occupancy Rate As of 30/09/2019	Completion date
Factories and Warehouses form Frasers Property Thailand Group No. 1/2019 (Included conversion rights on assets 10 units)	33	Ayutthaya, Chonburi, Rayong, Prachinburi and Samutprakarn	1,907	100%	19 Dec 2018
Cold Storage from CTD	1	Ayutthaya	657	100%	28 Aug 2019
Warehouses form Frasers Property Thailand Group No. 2/2019	6	Chonburi	637	100%	20 Sep 2019
Total	40		3,201		

Asset Enhancement Initiative Project (AEI)

FTREIT invested in Asset Enhancement Initiative Project (AEI) by extending leased area by 1,700 sq.m. located in Amata City Rayong Industrial Estate. This investment was from the intention of the tenant to extend the manufacturing capacity of the existing factory. After completion of the project, the tenant will enter into an agreement for the expansion area with the existing term which is still more than 3 years. Thus, this investment in AEI will generate long-term income and increase the value of assets under management of FTREIT.

From this acquisition, FTREIT can foresee the opportunity to cooperate with other tenants to develop other leased factories and warehouses to meet tenants' needs.



Description	Unit	Location	Area	Completion date
Factory at Amata City Rayong Industrial Estate	1	Rayong	1,700 sq.m.	16 Jan 2019

Divestment

In 2019, REIT Manager considered divesting 1 factory and 1 warehouse located in Amata City Chonburi Industrial Estate in Chonburi province and Rojana Industrial Park Prachinburi, Prachinburi province respectively, at a total value of 275 million Baht.

Description	Unit	Location	Price (Million Baht)	Buyer	Completion date
Factory					
at Amata City Chonburi Industrial Estate	1	Chonburi	275	MIC Industries (Thailand) Co., Ltd.	1 Sep 2018
Warehouse					
Rojana Industrial Park Prachinburi,	1	Prachinburi		Siam Nistrans Co., Ltd.	26 Nov 2018

Performance summary in 2019

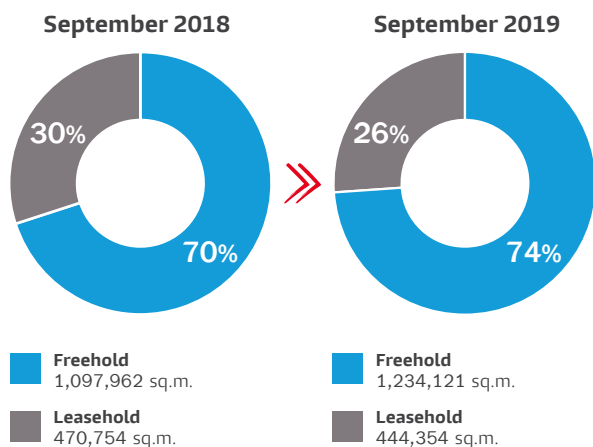
The leasable area as of 30 September, 2019, was 1.68 million sq.m., increasing by 7.0% from 1.57 million sq.m. of the previous year. The number of properties was 554 units. The occupancy rate was 83.1% increasing from 79.2% the previous year resulting from a higher number of tenants

of factories and warehouses. The renewal rate in the previous 12 months was at 85.8%, the rental rate reversion was at 1.6% and the weighted average lease expiry (WALE) was at 2.33 years.

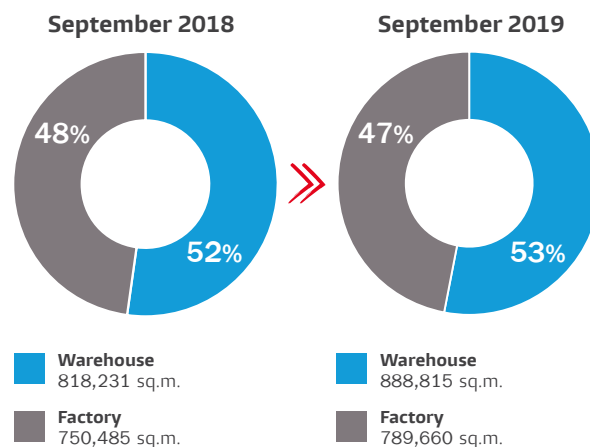
	30 September 2019	30 September 2018	Increase (%)
No. of Property (Unit)	554	516	7.4
Fair Value (Million Baht)	37,049	33,984	9.0
Leasable Area (Sq.m.)	1,678,475	1,568,716	7.0
Leased Area (Sq.m.)	1,394,326	1,241,739	11.5
Occupancy Rate (%)	83.1	79.2	3.9

As of 30 September, 2019, FTREIT's data on the proportion of freehold and leasehold properties, type of assets, tenants' nationalities and tenants' industries are shown as follows:

Proportion of freehold and leasehold assets

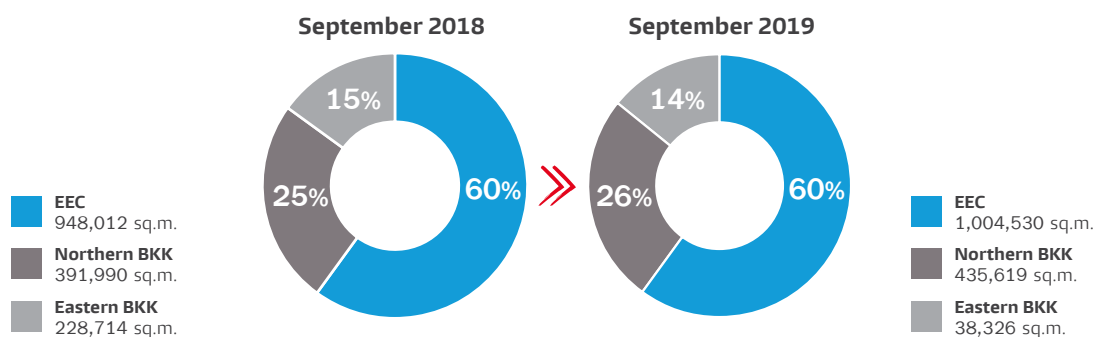


Proportion of factory and warehouse

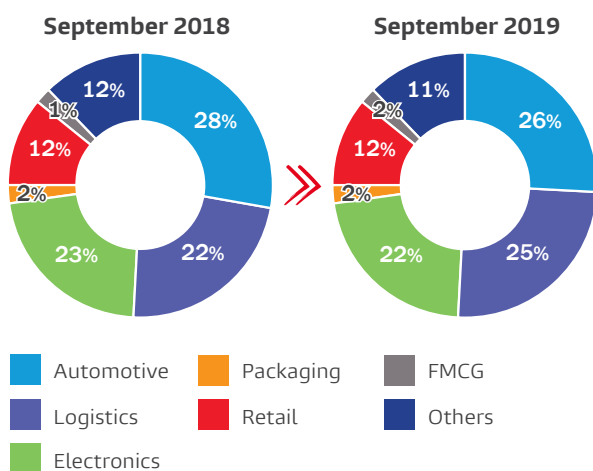


Note : Warehouse included the cold storage

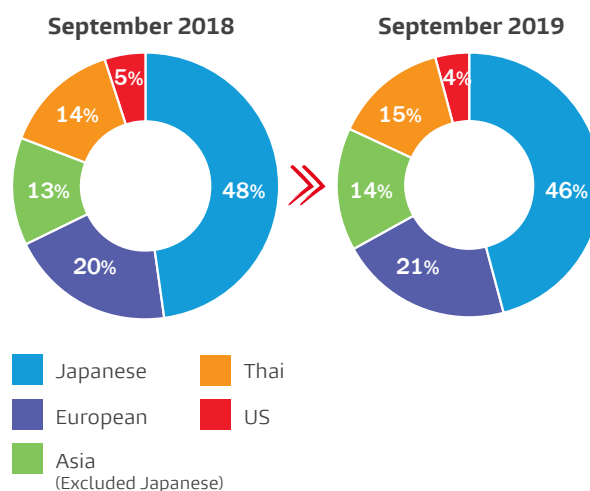
Proportion of net leasable area by geography



Tenants breakdown by industry



Tenants breakdown by nationality



Distribution of top tenants

From the efficient management of tenant groups and additional asset acquisition, the concentration of the top 10 tenants declined from 20.42% (as of 30 September, 2018) to 20.38% (as of 30 September, 2019) which reduced the overall risk on reduction of income contributed by the concentration of the tenants. Nevertheless, the top 10 tenants and others are well-known clients which provides FTREIT with a strong customer base and reduces the concentration risk of tenants.

No.	Name of Tenants	Industry	Rental and Service Income
1	Siam Makro Plc.	Retail	4.37%
2	Leschaco (Thailand) Co., Ltd.	Logistics	2.59%
3	CT Distribution Co., Ltd.	Cold Storage	2.00%
4	Lazada Co., Ltd.	Ecommerce	1.94%
5	Berli Jucker Logistics Co., Ltd.	Logistics	1.89%
6	Thai Samsung Electronics Co., Ltd.	Electronics	1.77%
7	DTS Draexlmaier Automotive Systems (Thailand) Co., Ltd.	Automotive	1.53%
8	Kintetsu Logistics (Thailand) Co., Ltd.	Logistics	1.45%
9	DHL Supply Chain (Thailand) Ltd.	Logistics	1.44%
10	Global Architectural Co., Ltd.	Others (Construction Material)	1.41%

Occupancy Rate

As of 30 September, 2019, the occupancy rate was at 83.1% an increase of 3.9% from 79.2% the previous year. This increase came from new tenants, especially in the logistics, electronics and automotive industries. Furthermore, the occupancy rate grew from investment in factories and warehouses in the fiscal year; details as follows:

	30 September 2019	30 September 2018	Change (%)
Leasable Area (Sq.m.)	1,678,475	1,568,716	+7.0
- Factory	789,660	750,485	+5.2
- Warehouse and Cold Storage	888,815	818,231	+8.6
Leased Area (Sq.m.)	1,394,326	1,241,739	+12.3
- Factory	644,710	593,585	+8.6
- Warehouse and Cold Storage	749,616	648,154	+15.7
Occupancy Rate (%)	83.1%	79.2%	+3.9
- Factory	81.6%	79.1%	+2.5
- Warehouse and Cold Storage	84.3%	79.2%	+5.1

ASSETS UNDER PORTFOLIO

HIGH STANDARD FACTORY



Lightning Fixture



Pre-Engineered Steel Structure



High floor Load
(Floor loading 1-3 Tons)



Fire Protection System



Office Area



Clear-Height



Security Box



Wide Road

Remark: Pictures reference from Frasers Property Thailand Group

MODERN WAREHOUSE



Extra Roof Ridge



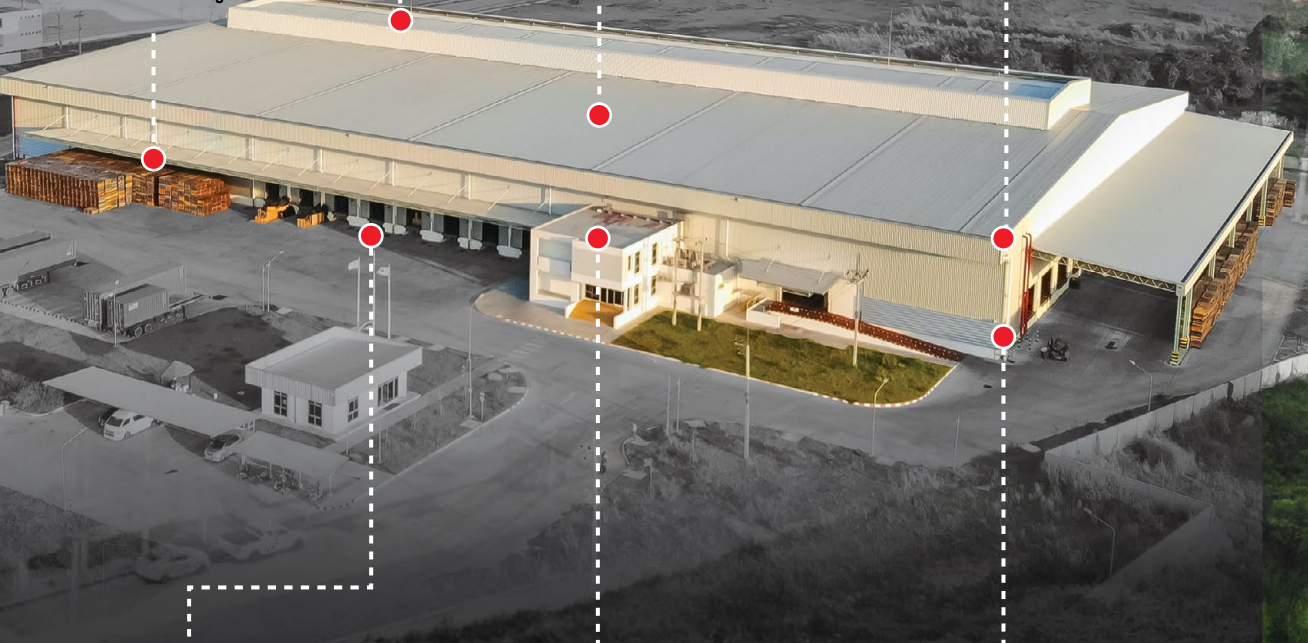
Extra Clear Height
(10-22 meters)



Wide Column Span
(18-30 meters)



Fire Protection System



Overhead Doors With
Hydraulic Dock Levelers

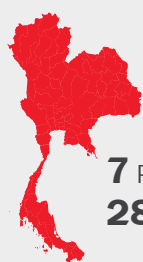
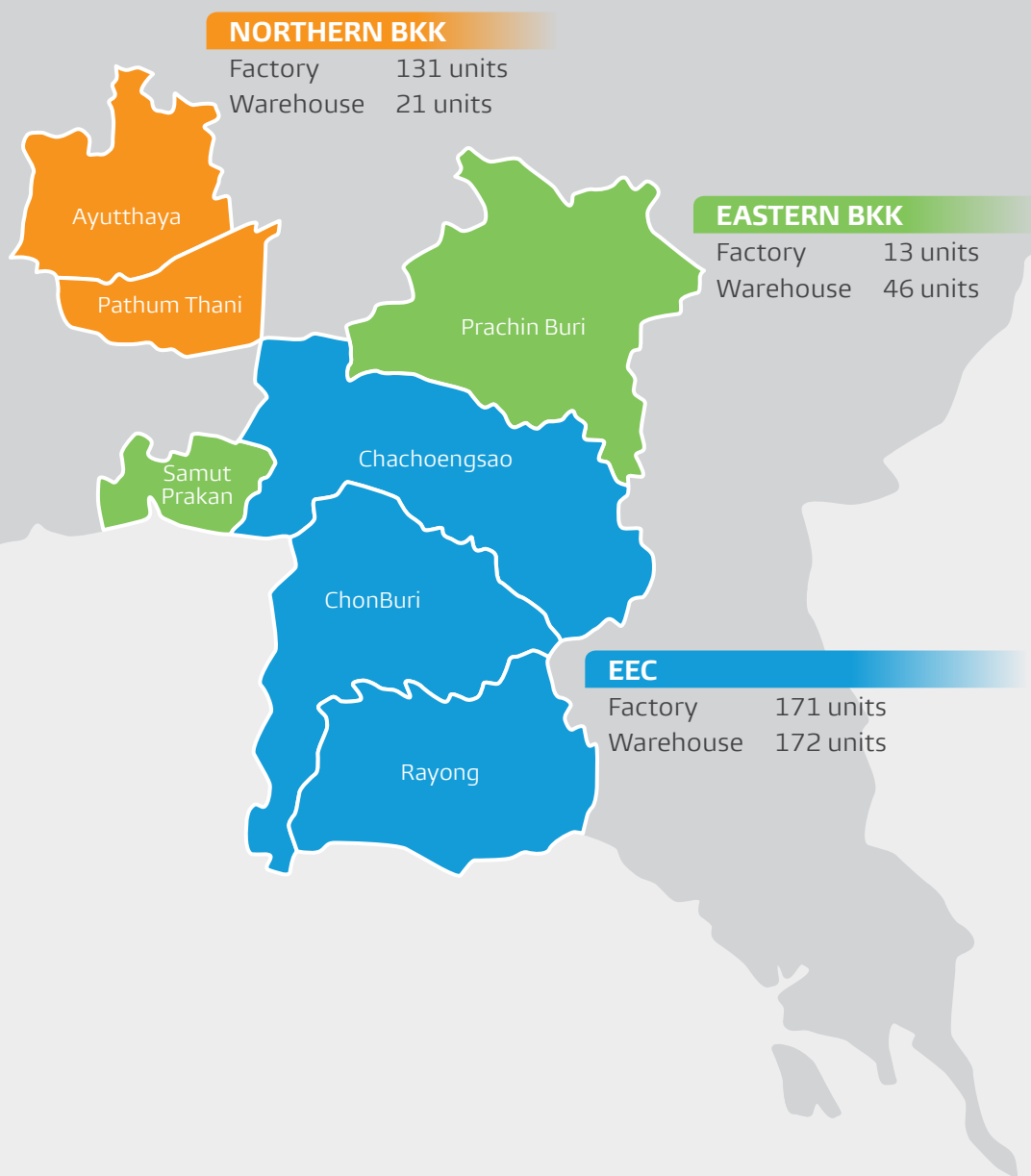


Office Area



Industrial Concrete Floor
(Floor loading 3-5 Tons)

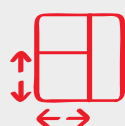
LOCATION FOOTPRINT



7 Provinces
28 Locations



Property **554** units
• Factory **315** units
• Warehouse **239** units



Leasable area
1.68
Million sq.m.



Average
Lease Expiry
2.33 Years



Occupancy
Rate
83.1%

PROPERTY DETAILS

As of 30 September 2019, FTREIT invested in high standard factory and warehouse which located in strategic industrial and logistics area. FTREIT has a combined total of 554 units of factories and warehouses with a total rent area of 1,678,475 square meters.

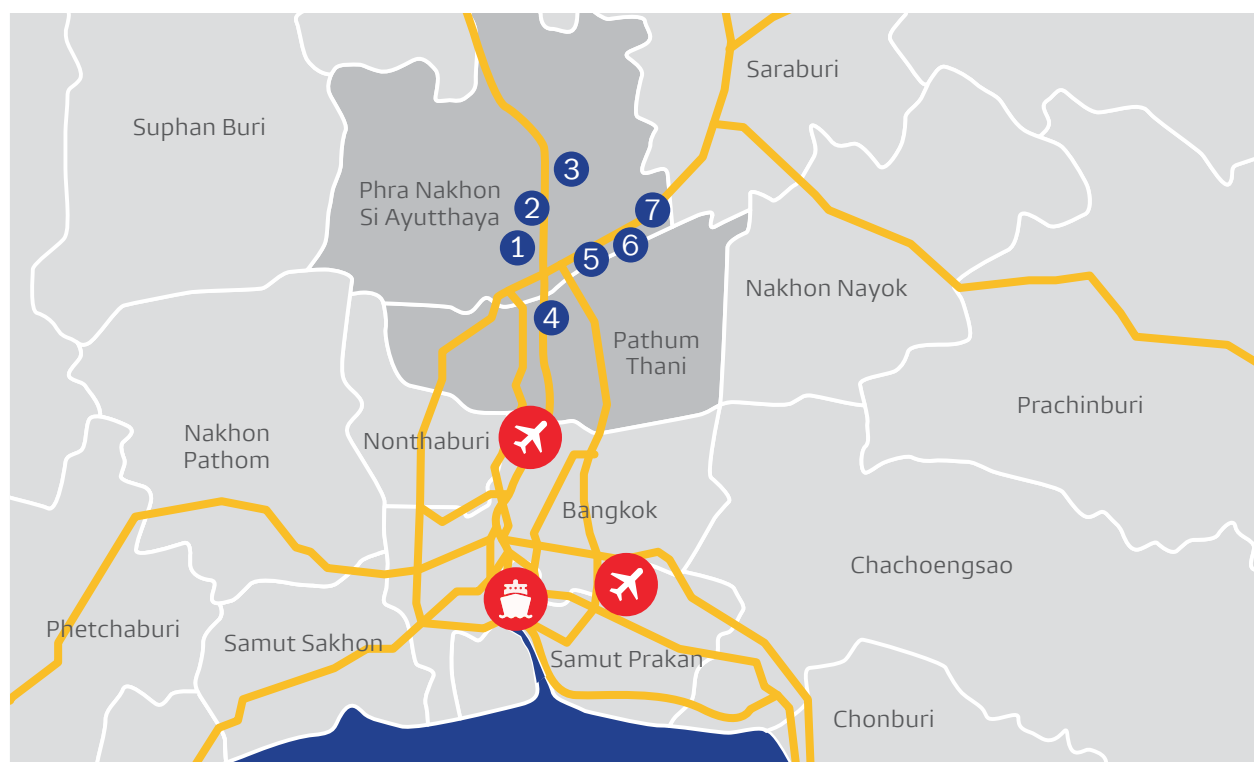
Project / Industrial Estate / Industrial Park		Ownership ¹		No. (Units)	Net Leasable Area ² (sq.m.)	Fair Value ³ (Million Baht)	Investment Year
		FH	LH				
Factory							
1	Bangpa-in Industrial Estate	100%	–	15	32,300	757.1	2014, 2015, 2017, 2018
2	Hi-Tech Industrial Estate (Ban Wah)	88%	12%	38	103,078	2,301.3	
3	Rojana Industrial Park	92%	8%	56	131,832	2,856.0	
4	Navanakorn Industrial Promotion Zone	91%	9%	22	54,625	1,180.6	
5	Bangpoo Industrial Estate	100%	–	13	40,325	1,002.3	
6	Amata City Chonburi Industrial Estate	90%	10%	97	238,625	6,646.3	
7	Amata City Rayong Industrial Estate	78%	22%	30	83,300	2,088.1	
8	Hemraj Industrial Estate (Bowin)	100%	–	3	7,200	179.8	
9	Pinthong Industrial Estate (Project 1)	100%	–	19	39,250	919.8	
10	Pinthong Industrial Estate (Project 2)	59%	41%	9	21,025	463.2	
11	Pinthong Industrial Estate (Project 3)	87%	13%	13	38,100	883.3	
Total of Factories ⁴				315	789,660	19,277.8	
Warehouse							
1	Frasers Property Logistic Center (Rojana Ayutthaya)	100%	–	3	18,324	330.9	2017
2	Frasers Property Logistic Center (Wang Noi 1)	100%	–	13	67,306	1,666.8	2017
3	Frasers Property Logistic Park (Wang Noi 2)	100%	–	4	9,800	172.2	2015
4	Cold Storage (CTD)	100%	–	1	18,354	660.9	2019
5	Frasers Property Logistic Center (Bangplee 1)	–	100%	10	76,477	1,222.5	2014, 2015
6	Frasers Property Logistic Center (Bangplee 3)	–	100%	28	106,692	1,970.6	2015, 2018
7	Frasers Property Logistic Center (Rojana Prachinburi)	100%	–	8	14,832	305.6	2018
8	Frasers Property Logistic Park (Bangna)	31%	69%	81	258,260	5,463.4	2014, 2015, 2017
9	Frasers Property Logistic Center (Amata City Chonburi)	100%	–	7	19,650	493.8	2017
10	Frasers Property Logistic Park (Sriracha)	100%	–	8	51,768	793.8	2014
11	Frasers Property Logistic Center (Phan Thong)	100%	–	5	10,600	157.6	2015
12	Frasers Property Logistic Center (Laemchabang 1)	100%	–	21	69,404	1,342.1	2017
13	Frasers Property Logistic Park (Laemchabang 2)	100%	–	18	66,450	1,399.6	2014, 2015
14	Frasers Property Logistic Center (Eastern Seaboard 1 A)	100%	–	7	35,430	636.2	2017, 2018
15	Frasers Property Logistic Center (Eastern Seaboard 1 B)	100%	–	12	28,968	516.0	2015, 2018
16	Frasers Property Logistic Center (Eastern Seaboard 2 A)	100%	–	4	15,800	276.4	2014
17	Frasers Property Logistic Center (Bowin)	100%	–	9	20,700	363.2	2018
Total of Warehouses ⁴				239	888,815	17,771.6	
Total of Properties				554	1,678,475	37,049.4	

Note : 1. FH = Freehold, LH = Leasehold 2. Leasable area is the amount of space available to be rented in properties.
3. Fair value was appraised value as of 1 September 2019 4. Average age of building: Warehouses = 7 years, Factories = 13 years

Property	No. (units)	Net Leasable area (Sq.m.)	Fair Value ³ (Million Baht)	Fair Value on NAV (%)
Factory	315	789,660	19,277.8	70.1
Warehouse	239	888,815	17,771.6	64.6
Total	554	1,678,475	37,049.4	134.8
Net Assets Value (NAV) as of 30 September 2019			27,489.2	100.0
Market Capitalization as of 30 September 2019			46,582.7	

- Note :**
1. FH = Freehold, LH = Leasehold
 2. Leasable area is the amount of space available to be rented in properties.
 3. Fair value was appraised value as of 1 September 2019
 4. Average age of building: Warehouses = 7 years, Factories = 13 years

NORTHERN BANGKOK AREA



(1) BANGPA-IN INDUSTRIAL ESTATE

Bangpa-In Industrial Estate is located in Klongjig, Bangpa-In district, Ayutthaya. It is on highway network, complete with infrastructure facilities and convenient for transporting and distributing to other regions of Thailand. Moreover, Bangpa-In Industrial Estate is one of important electronics manufacturing cluster.

Location	Ayutthaya
Property type	Factory, 15 units
Distance of projects	
• Bangkok	56 Km.
• Don Mueang Airport	41 Km.
• Suvarnabhumi Airport	95 Km.
• Bangkok Port (Khleng Toei)	65 Km.

(2) HI-TECH INDUSTRIAL ESTATE (BAN WAH)

Hi-Tech Industrial Estate (Ban Wah) located on the Asian highway, Kilometer marker 59-60, Ban Wah Sub-district, Bangpa-in District, Ayutthaya is a strategic location on highway network, convenient for transporting and distributing. One of important electronics manufacturing cluster.

Location	Ayutthaya
Property type	Factory, 38 units
Distance of projects	
• Bangkok	60 Km.
• Don Mueang Airport	44 Km.
• Suvarnabhumi Airport	85 Km.
• Bangkok Port (Khleng Toei)	65 Km.

(3) ROJANA INDUSTRIAL PARK & FRASERS PROPERTY LOGISTIC CENTER (ROJANA)

Rojana Industrial Park is located on Rojana Road (Highway 309) connecting to the Asian Highway 32 and Phahonyothin Road (Highway 1). It takes only 45-60 minutes from Bangkok, offers excellence transportation to other regions and complete with infrastructure facilities.

Location	Ayutthaya
Property type	Factory, 56 units / Warehouse, 3 units
Distance of projects	
• Bangkok	70 Km.
• Don Mueang Airport	59 Km.
• Suvarnabhumi Airport	84 Km.
• Bangkok Port (Khleng Toei)	75 Km.

(4) NAVANAKORN INDUSTRIAL PROMOTION ZONE

Navanakorn Industrial Promotion Zone is a complete Industrial Town located on Phahonyothin Road (Highway 1), Kilometer marker 46. It's supporting manufacturers in various industries. With convenient in commuting, it takes only 45 - 60 minutes away from the center of Bangkok by standard 10 lanes road, express way and only 5 Kilometers away from outer ring road.

Location	Pathumthani
Property type	Factory, 22 units
Distance of projects	
• Bangkok	46 Km.
• Don Mueang Airport	30 Km.
• Suvarnabhumi Airport	70 Km.
• Bangkok Port (Khleng Toei)	60 Km.

(5) FRASERS PROPERTY LOGISTIC CENTER (WANG NOI 1)

Frasers Property Logistic Center Wangnoi 1 is strategically located on Phahonyothin Road (Highway 1), only 200 meters from the Eastern Outer Ring Road. It's efficient to transport to Bangkok, Central, North and Northeast Thailand and also surrounded by major retail distribution centers, ideally suited for logistics and distribution.

Location	Ayutthaya	
Property type	Factory, 13 units	
Distance of projects		
• Bangkok	31	Km.
• Don Mueang Airport	44	Km.
• Suvarnabhumi Airport	64	Km.
• Bangkok Port (Khleng Toei)	68	Km.

(6) FRASERS PROPERTY LOGISTIC PARK (WANG NOI 2)

Frasers Property Logistic Park Wangnoi 2 is located on Phahonyothin road (Highway 1), Kilometer marker 57, close to Wangnoi 1. It has been developed in order to accommodate growing demand in this area. It's only 4 Km. from the Eastern Outer Ring Road and can connect to Motorway No.6 (Bangpa-In - Nakhon Ratchasima) in the future. It offers efficient transportation to Bangkok and other regions of Thailand, especially logistics and distribution to Northeast region.

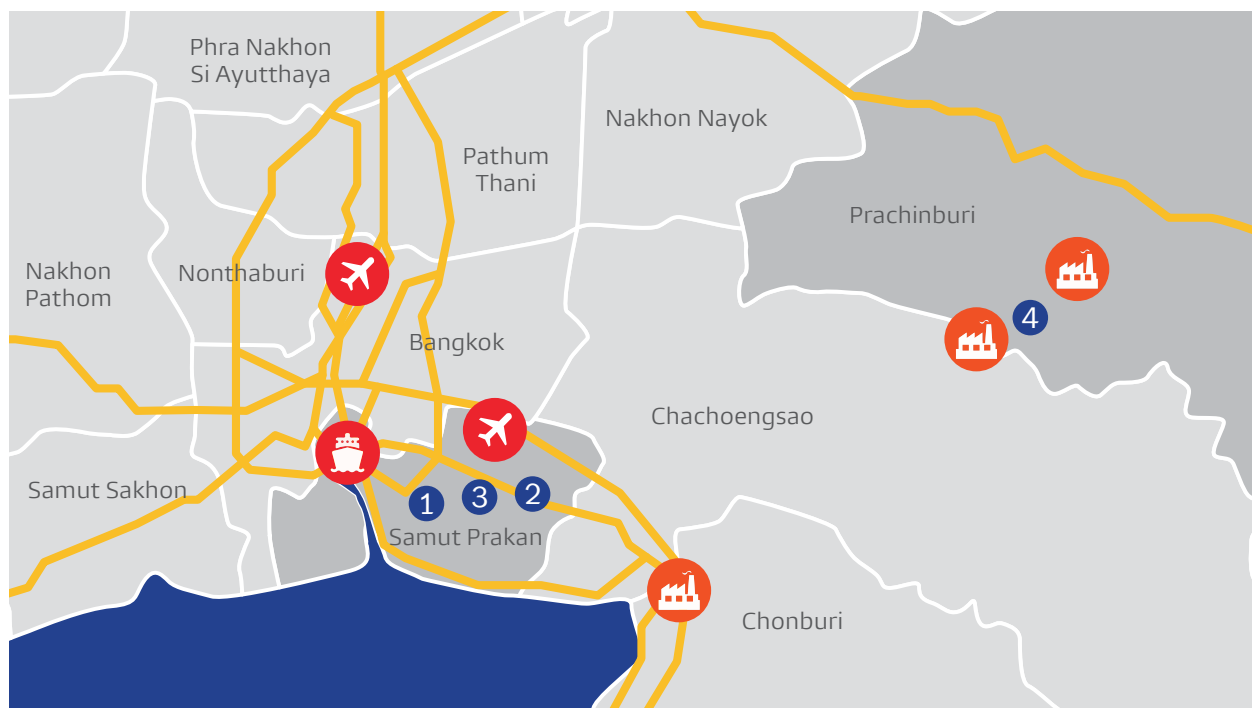
Location	Ayutthaya	
Property type	Factory, 4 units	
Distance of projects		
• Bangkok	33	Km.
• Don Mueang Airport	46	Km.
• Suvarnabhumi Airport	66	Km.
• Bangkok Port (Khleng Toei)	68	Km.

(7) COLD STORAGE (CTD)

Cold Storage (CTD) provides services with chilled room and frozen room with the lowest cooling temperature of -25°C. CTD is located on Phahonyothin Road, Kilometer marker 69, Wangnoi 1, Ayutthaya where is strategic location near manufacturing area and convenient for distributing to other regions of Thailand.

Location	Ayutthaya	
Property type	Factory, 1 units	
Distance of projects		
• Bangkok	43	Km.
• Don Mueang Airport	50	Km.
• Suvarnabhumi Airport	76	Km.
• Bangkok Port (Khleng Toei)	75	Km.

EASTERN BANGKOK AREA



(1) BANGPOO INDUSTRIAL ESTATE

Bangpoo Industrial Estate is located in strategic growth area being adjacent to Bangkok and convenient connecting to industrial cluster in Eastern Economic Corridor (EEC) and Laemchabang port. Its location is complete with infrastructure facilities.

Location	Samut Prakan
Property type	Factory, 13 units
Distance of projects	
• Bangkok	37 Km.
• Suvarnabhumi Airport	20 Km.
• Bangkok Port (Khlong Toei)	24 Km.
• Amata City Chonburi Industrial Estate	62 Km.

(2) FRASERS PROPERTY LOGISTIC CENTER (BANGPLEE 1)

Frasers Property Logistic Center Bangplee 1 is located on Bangna-Trad Road, Kilometer marker 22, near the industrial ring road bridge connecting to other regions of Thailand. It's close to Bangkok, Suvarnabhumi International Airport, and Laemchabang port. It's considered the superb location for logistics and distribution, especially for the retail and consumer products industry.

Location	Samut Prakan	
Property type	Factory, 10 units	
Distance of projects		
● Bangkok	14	Km.
● Suvarnabhumi Airport	19	Km.
● Bangkok Port (Khlong Toei)	32	Km.
● Amata City Chonburi Industrial Estate	35	Km.

(3) FRASERS PROPERTY LOGISTIC CENTER (BANGPLEE 3)

Frasers Property Logistic Center Bangplee 3 is located on Lieb Klong Chonlahan Pijit Road connecting to Bangna-Trad Road, Kilometer marker 19. It's close to Bangkok, Suvarnabhumi International Airport, and Laemchabang port, considered a strategic location for logistics and distribution.

Location	Samut Prakan
Property type	Factory, 28 units
Distance of projects	
• Bangkok	15 Km.
• Suvarnabhumi Airport	19 Km.
• Bangkok Port (Khlong Toei)	32 Km.
• Amata City Chonburi Industria Estate	41 Km.

(4) FRASERS PROPERTY LOGISTIC CENTER (ROJANA PRACHINBURI)

Frasers Property Logistic Center (Rojana) is situated inside Rojana Prachinburi Industrial Park, 304 road, providing advantages for the logistics need of operators who support the automotive / electronics manufacturing inside the estate. Offering strategic network to other regions in Thailand and major sea ports. In additional, it also connects to the Special Economic Zone in Sakaew province which is dedicated to the preparation of production bases which will accommodate ASEAN demands.

Location	Prachinburi
Property type	Factory, 8 units
Distance of projects	
• Bangkok	124 Km.
• Suvarnabhumi Airport	111 Km.
• 304 Industrial Estate	15 Km.
• Gateway Industrial Estate	36 Km.

EASTERN ECONOMIC CORRIDOR AREA



(1) AMATA CITY CHONBURI INDUSTRIAL ESTATE & FRASERS PROPERTY LOGISTIC CENTER (AMATA CITY)

Amata City Chonburi (Amata Nakorn) Industrial Estate is strategically located in Eastern Economic Corridor (EEC), on Bangna-Trad Road, Kilometer marker 57. It's close to Bangkok, Suvarnabhumi Airport and Laemchabang port. This prime location provides advantages in logistics and transportation, directly connected to Bangna-Trad Highway, Burapha Withi Elevated Highway, and Highway 7 (Motorway) and completes with infrastructure facilities. It's considered the largest location of industrial estate in Thailand, and important manufacturing cluster, connected manufacturers in various industries.

Location	Chonburi
Property type	Factory, 97 units / Warehouse, 7 units
Distance of projects	
• Bangkok	57 Km.
• Suvarnabhumi Airport	42 Km.
• Bangkok Port (Khlong Toei)	71 Km.
• Laemchabang Port	46 Km.
• U-Tapao Airport	94 Km.

(3) PINTHONG INDUSTRIAL ESTATE (PROJECT 1)

Pinthong Industrial Estate (Project 1) is located just 10 Km. away from Laemchabang port on Highway Route 7 (Motorway), 60 Minutes to Suvarnabhumi International Airport and easy access to major towns in Eastern Region, 15 Km. to Sriracha and 30 Km. to Pattaya. Moreover, the prime location of Pinthong Industrial Estate is in the center of all major Industrial Estates in eastern area where is easy to link to logistics system based in the eastern region.

Location	Chonburi
Property type	Factory, 19 units
Distance of projects	
• Bangkok	95 Km.
• Suvarnabhumi Airport	80 Km.
• Laemchabang Port	9 Km.
• U-Tapao Airport	45 Km.

(2) HEMRAJ INDUSTRIAL ESTATE (BOWIN)

Hemaraj Chonburi Industrial Estate located in Bowin Sub-district, Sriracha District, Chonburi Province, 110 kilometers from Bangkok. Conveniently access from both Highway 331 and the new Highway 331, connecting to Highway No.7 (Motorway), logistically convenient to the Laemchabang port and Sri Racha city, both of which are only 25 kilometers away. Hemraj Chonburi is another important cluster for the manufacture of steel, electronics, power, auto parts, logistics and export-oriented industries.

Location	Chonburi
Property type	Factory, 3 units / Warehouse, 9 units
Distance of projects	
• Bangkok	100 Km.
• Suvarnabhumi Airport	83 Km.
• Laemchabang Port	25 Km.
• U-Tapao Airport	51 Km.

(4) PINTHONG INDUSTRIAL ESTATE (PROJECT 2)

Pinthong Industrial Estate (Project 2) is located close to Pinthong Industrial Estate (Project 1) and just 13 Km. away from Laemchabang port. Convenience of transport to Bangkok, Suvarnabhumi International Airport and major towns in Eastern Region such as Sriracha and Pattaya can effectively support high demand of manufacturing in Eastern area since it's easy to link to logistics system in the eastern region.

Location	Chonburi
Property type	Factory, 9 units
Distance of projects	
• Bangkok	100 Km.
• Suvarnabhumi Airport	85 Km.
• Laemchabang Port	13 Km.
• U-Tapao Airport	61 Km.

(5) PINTHONG INDUSTRIAL ESTATE (PROJECT 3)

Pinthong Industrial Estate (Project 3) was developed in order to accommodate growing demand of investor and manufacturer in the eastern area. It's located close to Pinthong Industrial Estate - Project 1, 2 and Laemchabang port. It's convenient to transport to Bangkok and Suvarnabhumi International Airport, and complete with infrastructure facilities.

Location	Chonburi
Property type	Factory, 13 units
Distance of projects	
• Bangkok	104 Km.
• Suvarnabhumi Airport	89 Km.
• Laemchabang Port	17 Km.
• U-Tapao Airport	56 Km.

(6) FRASERS PROPERTY LOGISTIC PARK (SRIRACHA)

Frasers Property Logistic Park Sriracha is situated midway between Amata City Chonburi (Amata Nakorn) Industrial Estate and Laemchabang port. It's suitable for logistics providers supporting the manufacturing industry as well as operating distribution centers for import and export activities via Laemchabang port.

Location	Chonburi
Property type	Warehouse, 8 units
Distance of projects	
• Bangkok	88 Km.
• Suvarnabhumi Airport	84 Km.
• Laemchabang Port	18 Km.
• U-Tapao Airport	64 Km.

(7) FRASERS PROPERTY LOGISTIC CENTER (PHAN THONG)

Frasers Property Logistic Center Phan Thong are adjacent to Amata City Chonburi (Amata Nakorn) Industrial Estate, strategically located at the midway between Amata Nakorn Industrial Estate and Laemchabang port, which is suitable for logistics providers supporting for their clients with industrial facilities around the areas. Also, ideally suited for distribution center for Import and export activities via Laemchabang port.

Location	Chonburi
Property type	Warehouse, 5 units
Distance of projects	
• Bangkok	56 Km.
• Bangkok Port (Khlong Toei)	77 Km.
• Suvarnabhumi Airport	60 Km.
• Laemchabang Port	60 Km.
• U-Tapao Airport	102 Km.

(8) FRASERS PROPERTY LOGISTIC CENTER (LAEMCHABANG 1)

Frasers Property Logistic Center Laemchabang 1 is strategically located on Highway 7 (Motorway) just 7 minutes from Laemchabang port. Surrounded by a cluster of major industrial estates, Frasers Property Logistic Center provides all the advantages that come from being positioned at the country's primary seaport – Laemchabang port.

Location	Chonburi
Property type	Warehouse, 21 units
Distance of projects	
• Bangkok	99 Km.
• Suvarnabhumi Airport	92 Km.
• Laemchabang Port	11 Km.
• U-Tapao Airport	57 Km.

(9) FRASERS PROPERTY LOGISTIC PARK (LAEMCHABANG 2)

Frasers Property Logistic Park Laemchabang 2 is ideally located close to the Laemchabang port and Laemchabang Industrial Estate. Our customers can increase the efficiency in their logistics providers while able to minimize their costs of operations.

Location	Chonburi
Property type	Warehouse, 18 units
Distance of projects	
• Bangkok	97 Km.
• Suvarnabhumi Airport	97 Km.
• Laemchabang Port	8 Km.
• U-Tapao Airport	62 Km.

(10) FRASERS PROPERTY LOGISTIC CENTER (EASTERN SEABOARD 1 A)

Frasers Property Logistic Center (Eastern Seaboard 1 A) is strategically located near the industrial estates cluster on the Eastern Seaboard. Including the Eastern Seaboard Industrial Estate, Hemaraj Chonburi Industrial Estate, Pinthong Industrial Estate and Amata City Rayong Industrial Estate. Frasers Property Logistic Center Eastern Seaboard provides the advantages for the logistics needs of the automotive industry.

Location	Chonburi
Property type	Warehouse, 7 units
Distance of projects	
• Bangkok	121 Km.
• Suvarnabhumi Airport	119 Km.
• Laemchabang Port	41 Km.
• U-Tapao Airport	51 Km.

(11) FRASERS PROPERTY LOGISTIC CENTER (EASTERN SEABOARD 1 B)

Frasers Property Logistic Center (Eastern Seaboard 1 B) is located near the industrial estates cluster on the Eastern Seaboard where offers excellent opportunities for growing demand in automotive industry and supports logistic activities for manufacturers in surrounded industrial estate, including the Eastern Seaboard Industrial Estate, Hemaraj Chonburi Industrial Estate, Pinthong Industrial Estate and Amata City Rayong Industrial Estate.

Location	Chonburi
Property type	Warehouse, 12 units
Distance of projects	
• Bangkok	126 Km.
• Suvarnabhumi Airport	123 Km.
• Laemchabang Port	45 Km.
• U-Tapao Airport	52 Km.

(12) FRASERS PROPERTY LOGISTIC CENTER (EASTERN SEABOARD 2 A)

At Frasers Property Logistic Center (Eastern Seaboard 2 A), It takes only 2 minutes to the industrial estates cluster in Eastern Seaboard area, another good project to facilitate the logistics needs.

Location	Chonburi
Property type	Warehouse, 4 units
Distance of projects	
• Bangkok	107 Km.
• Suvarnabhumi Airport	103 Km.
• Laemchabang Port	22 Km.
• U-Tapao Airport	53 Km.

(13) AMATA CITY RAYONG INDUSTRIAL ESTATE

Amata City Rayong Industrial Estate located on 331 road is the center connecting to eastern seaboard automotive cluster. It's surrounded by major industrial estates, close to Laemchabang port and complete with infrastructure facilities.

Location	Rayong
Property type	Factory, 30 units
Distance of projects	
• Bangkok	114 Km.
• Suvarnabhumi Airport	100 Km.
• Laemchabang Port	27 Km.
• U-Tapao Airport	46 Km.

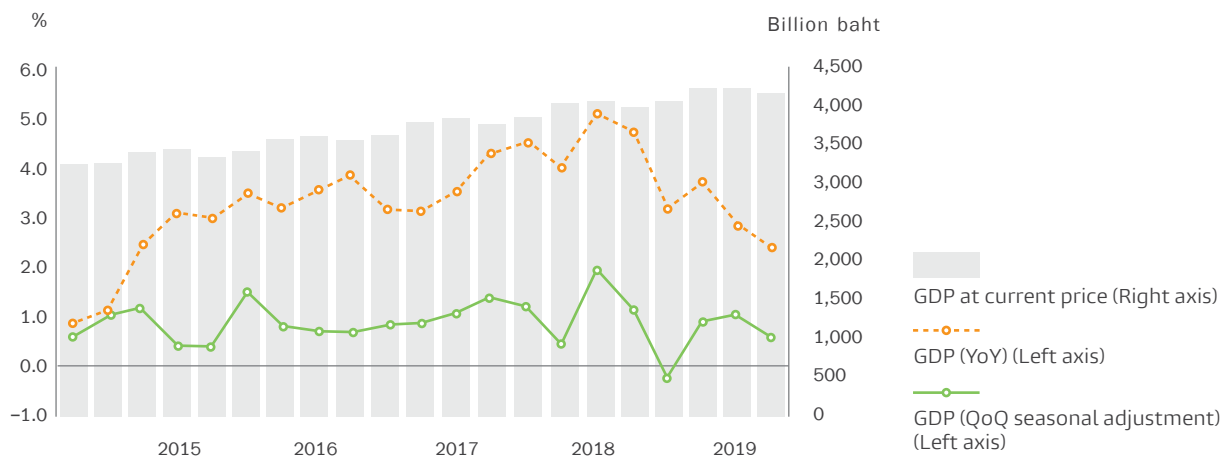
(14) FRASERS PROPERTY LOGISTIC PARK (BANGNA)

Frasers Property Logistic Park Bangna is strategically located on the Bangna-Trad, connecting to Highway 7 (Motorway) - the main arter linking the capital and the Eastern Economic Corridor (EEC). It's close to Suvarnabhumi International Airport and Laemchabang port, and surrounded by a cluster of industrial estates. Frasers Property Logistic Center Bangna provides all the advantages that come from ready access to all of the country's major logistics Hubs.

Location	Chachoengsao
Property type	Warehouse, 81 units
Distance of projects	
• Bangkok	30 Km.
• Suvarnabhumi Airport	33 Km.
• Bangkok Port (Klong Toei)	53 Km.
• Laemchabang Port	58 Km.

INDUSTRY OUTLOOK

Thai economy in the second quarter of 2019



1. Thai Economy Outlook

The Thai Economy in the second quarter of 2019 expanded by 2.3% (%YoY) compared with 2.8% in the previous quarter. Private consumption expenditure expanded due to the deceleration of durable goods expenditure. The favorable growth was in line with an acceleration of key indicators especially household electricity consumption index, sales of benzene, gasoline and diesel index, and sales of semi-durables index. The expansion of private consumption expenditure in this quarter was supported by (i) consistently low interest, inflation and unemployment rates and (ii) government measures to support low income group. The Consumer Confidence Index, pertaining the overall economic situation, stood at 64.8 level. After seasonally adjusted, the economy grew by 0.6% from the first quarter (%QoQ). In the first half of 2019, the Thai economy rose by 2.6%.

In the second quarter of 2019, private consumption expenditure expanded by 4.4%, decelerating from a 4.9% growth in the previous quarter, due to the deceleration of durable goods expenditure. The favorable growth was in line with an acceleration of key indicators especially household electricity

consumption index, sales of benzene, gasohol and diesel index, and sales of semi-durables index, which grew by 17.2, 4.7 and 3.5%, respectively. The commercial and passenger car sales increased by 5.4 and 1.7%, respectively, decelerated from 10.6 and 12.3% growth in the previous quarter. The commercial and passenger car sales increased by 5.4 and 1.7%, respectively, decelerated from 10.6 and 12.3% growth in the previous quarter. The Consumer Confidence Index, pertaining the overall economic situation, stood at 64.8 level. Government expenditure grew by 1.1%, compared with 3.4% in the previous quarter. In the first half of FY2019, private consumption expenditure and Government expenditure expanded by 4.6% and 2.2% respectively.

Investment And Exports

Total investment grew by 2.0%, compared with 3.2% in the previous quarter. Private investment expanded by 2.2%, downwardly revised from 4.4% in the previous quarter. Public investment expanded by 1.4% by government investment 5.9% while investment expansion under PPP project 5.0%. In the first half of FY2019, total investment grew by 2.6% by public investment 0.6% and private investment 3.3%.

Export value fell by 4.2%, compared with a 4.0% decline in the previous quarter. The export volume index dropped by 4.4%, mainly from the decrease in export volume of agricultural commodities, fishery products, and manufacturing products. Exports to China, Japan, EU (15), ASEAN (9), Australia, and the Middle East (15) declined, while exports to the US continued to expand. Export value decreased by 4.1%. In Baht term, export value contracted by 4.4%.

Trend Of Thai Economy

The Thai economy in 2019 is projected to expand by 2.7 – 3.2 driven mainly by:

- (1) A favorable growth momentum of domestic demand both private consumption expenditure and private investment.

- (2) A gradual recovery of export conditions in the second half of the year following the clearer adjustment of export and production sectors amid more intensified trade tensions.
- (3) Key government stimulus measures.
- (4) A low growth base for the second half of the year.

In all, it is expected that export value will decline by 1.2% while private consumption expenditure and total investment will grow by 4.2 and 3.8% respectively. Inflation will lie in the range of 0.7 - 1.2% and the current account will register a surplus of 5.9% to GDP.

Source : Office of the National Economic and Social Development Council

2. Overall Warehouse Market For Rent

2.1 Warehouse Characteristic In Thailand

The warehouse market in Thailand has developed rapidly over the past ten years. It has matured from a collection of old family run traditional warehouses, with ceiling height of no more than 7 metre, with the floor of warehouse located on ground floor. The logistic method using truck to deliver the goods and products, with the height of the truck, so the development of warehouse has raised the warehouse floor to be at least 1.3 -1.5 metre and floor loading approximately 3-5 tons from ground floor in order to be the same level of the truck and the ceiling height of the warehouse has increased to be from 9 metre to 12 metre to increase the efficiency of product storage and good ventilation.

Warehouse developer in Thailand consists of two main groups

(1) Large warehouse developers

developers who develop and maintain warehouses of different types such as the warehouse, and built-to-suit warehouse which is built to meet the needs of tenants. Most of these are publicly listed companies; for example:

- **WHA Corporation PLC (WHA)**

a developer focusing on the development of logistic hubs, premium grade factories and in particular, built-to-suit warehouses and distribution centers in various location, such as Samutprakam, Chonburi, Bangkok and Rayong. In December 2014, WHA had set up the property fund namely, WHA Premium Growth Freehold and Leasehold Real Estate Investment Trust (WHART) in order to invest in the freehold & Leasehold land, building, equipment and the system of the assets.

WHART had increased the first and second capital assets in 2015 and 2016, respectively. In 2017, WHA Premium Growth Freehold and Leasehold Real Estate Investment Trust (WHART) had increased the third capital asset and merged with WHA Premium Factory and Warehouse Freehold and Leasehold Property Fund (WHAPF). Today, the trust consists of 20 projects in the major location, such as Bangna-Trad (Debaratna), Chonburi-Rayong or Eastern Economic Area and Ayutthaya-Saraburi.

- **Fraser Property Thailand PCL (FPT)**
founded to develop ready-for-rent warehouses for leasing. In 2014, Ticon Industrial Connection PLC had established Ticon Freehold and Leasehold REIT (TREIT) and had increased first capital asset in 2015. In 2017, TREIT merged with Ticon Property Fund (TFUND), TPARK Logistics (TLOGIS) and Ticon Industrial Growth Fund (TGROWTH). TREIT consists of warehouses and factories for rent in various locations. TREIT was changed the name to FTREIT in 2019.

(2) Small warehouse developers

developers that focus primarily on developing small or medium warehouses with the emphasis on a specific location. The small developer lists are shown below :

- **Tip Holdings Limited**

the developer of factory and warehouse in Samut Prakan province, which normally develops on its own land. Most customers are manufacturers, both domestic and foreign, in the industries such as aerospace, automotive parts, clothing, cosmetics, electronics, food and beverage, household furniture, logistics and freight.

- **Sirikomol Holding SKH Warehouse**

the local developer provides ready-built and build-to-suit of factory and warehouse for rent mainly on locations in Samut Prakan province.

- **Chodthanawat Co., Ltd (later referred to as Chodthanawat)**

a subsidiary of K.Group Network, real estate developer of ready built warehouse and factory in various locations, such as Bangna-Trad (Debaratna), Rama II, Lat Krabang (Chalongkrung) and Rayong.

2.2 Market Outlook 1H2019 and Trends

Major impacts of Logistic (warehouse) market depend on progressive in setting up the Eastern Economic Corridor or EEC which is estimated to benefit the warehouse for rent market. There are many leading developers who are interested in establishing many industrial estates in the Eastern Seaboard covering Chonburi, Rayong and Chachoengsao. There are various business which can get the benefit in setting up the Eastern Economic Corridor, for example, Logistic business as well as Infrastructure business. The expansion

of various business will have positive effect to warehouse for rent market which situated in the eastern part of Bangkok, Suvarnabhumi – Bangpakong until the Eastern Seaboard Area.

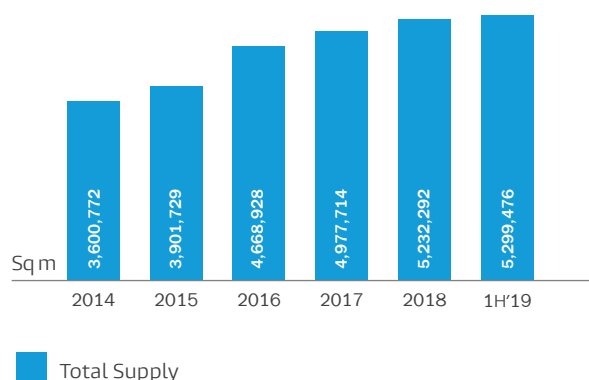
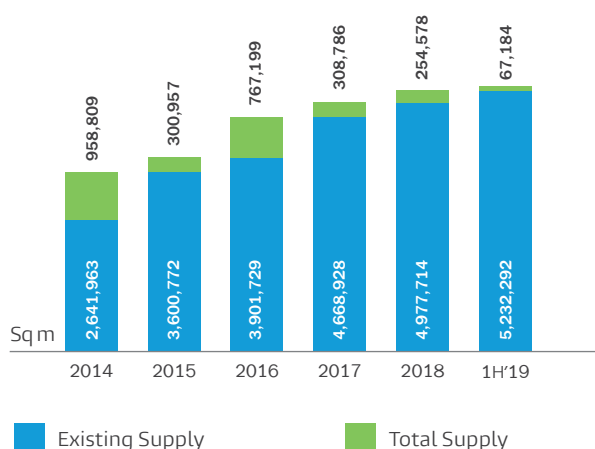
Various infrastructure and logistic development project in the Eastern Economic Corridor includes

- Road Project which are the development of 3 routes of motorway, Bangkok - Chonburi, Pattaya
- Maptaphut and Laem Chabang – Nakorn Ratchasima.
- The development in the area of Utapao, Maptaphut and the road along the beach (Rayong – Chonburi)
- Rail Project: The development of dual rail train (Chachoengsao – Klong 19 – Kang Koi), High Speed Train (Bangkok – Chonburi – Rayong), the construction of Utapao Rail way Station
- Airport Project: The development of Utapao Airport to be the third commercial airport and to be aircraft maintenance center, air cargo center and logistic centre.

- Port Project: The development of Satahip Port to be the ferry port which is connected from the sea in the Gulf of Thailand, the expansion of Laem Chabang Port.

The increase in occupancy rates in the end 2018 is likely due to a combination of limited new supply and falling rents, leading to demand catching up with supply. It is forecasted that over the upcoming year, supply will pick up again as a result of investments made by both the private and public sector. The area of focus will be the Eastern Seaboard due following the sustained implementation of the Eastern Economic Corridor (EEC). There will likely be some dampening effects from the global economic slowdown and weaker export growth throughout the year due to Trade war between Us and China.

2.3 Supply of Warehouses



Source : Knight Frank Thailand Research and Advisory Department

Major changed in total supply during end of year 2016 which approximately 767,199 square metre mainly came from major developers e.g. FPIT and WHA. As end of 2018, the warehouse supply was at 5,232,292 square metre, with approximately 254,578 square metre added to the supply. The supply has increased by 5% (YOY) from the previous year. In 1H2019, the warehouse supply was at 5,299,476 square metre,

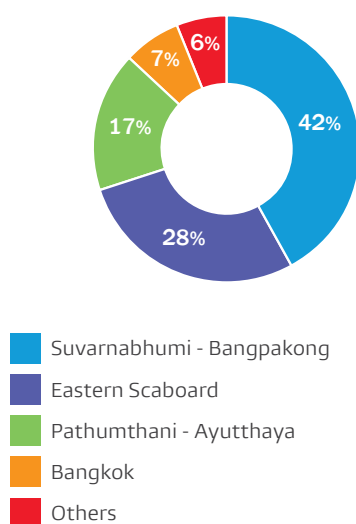
with only 67,184 square metre added to the supply. The supply has increased by 1% in 1H2019 mainly from sell off, expansion and contraction some part of warehouse. It seemed that increasing in supply was pressure by economy situation which lead to slightly change in 1H2019 till 2H 2019 of this year.

Supply

Supply Distribution by Location	2014	2015	2016	2017	2018	1H2019	Y-o-Y
Bangkok	255,279	255,279	347,299	347,299	348,377	0.3%	351,467
Eastern Scaboard	1,054,498	1,165,518	1,392,019	1,402,091	1,499,375	6.9%	1,499,375
Pathumthani - Ayutthaya	484,198	528,289	637,817	754,230	842,297	11.7%	896,053
Suvarnabhumi - Bangpakong	1,609,885	1,755,731	1,977,524	2,159,825	2,209,126	2.3%	2,208,173
Others	196,912	196,912	314,269	314,269	333,117	6.0%	344,408
Total	3,600,772	3,901,729	4,668,928	4,977,714	5,232,292	5.1%	5,299,476

Source : Knight Frank Thailand Research and Advisory Department

Historical Supply by Location



The majority of supply is Suvarnabhumi-Bangpakong area, with the supply of approximately 2,208,173 square metre. Lying to the East of the Bangkok Metropolitan area, Suvarnabhumi-Bangpakong area is home to several large industrial estates where many of the world's leading MNC's have located their manufacturing plants serving both the domestic and international markets. Its prime appeal is the proximity to Bangkok, and that it is served by infrastructure providing convenient transportation to and from major seaports, airports and by rail. The supply in the second rank locate at Eastern Seaboard area, with the total supply of about 1,499,375 square metre. Eastern Seaboard Area is developing area, growing in wealth and as well as automotives, is also home to major manufacturers in the petrochemical, electronics, food, white goods and other high value sectors to say nothing of the tourism and real estate industries that the area is popularly known for Chonburi is the province where the deep sea port (Laem Chabang) is located. Pathumthani-Ayutthaya ranked in third, with the total supply of approximately 896,053 square metre. Pathumthani-Ayutthaya area is highly prized by retailers whose fast moving consumer goods are destined for consumption in local markets throughout the country.

2.4 Demand and Occupancy Rate of Warehouse

During 2014, demand & occupancy rate remaining at 80% and slightly increased to 83.2% in year 2018. The main reason is limited new supply, demand outpaced supply, which led to an increase in the occupancy from 81.7% to 83.2%. Also fallen in average rental rate and most developers trying to remain their existing client by lower their average rental rate. In the end of 2018, the total occupied warehouse space was 4,350,941 square metre out of 5,232,292 square metre or approximately 83.2% increase by 428,453 square metre. Due to limited new supply, demand outpaced supply, which led to an increase in the occupancy rate from 81.6% to 83.0%. Bangkok remained the strongest market as occupancy rates by 100%. The Eastern Seaboard showed further signs of growth, as the area is 70% occupied. This represents an increase of 4.7% Y-o-Y, the highest growth rates among all zones. Net absorption in this half declined from 136,793 square to 2,518 square metre. This also can partly be attributed to the limited supply entering the market in this half. Nevertheless, positive net absorption indicates that there is a still demand for warehousing space in the market. However, Private consumption has been largely responsible for the growth in demand for warehousing, led by the expansion of occupiers in the consumer goods and e-commerce sectors. We expect that growth will slow in 2H 2019 with uncertainty associated with change in the political landscape and uncontrolled factor as Trade war between US and China.

3. Overall Factory Market For Rent

3.1 Major Locations for Rental Factory Market

The Eastern Seaboard is located in the East coast of Thailand, close to a deep sea port as well as 2 provinces including; Chonburi

and Rayong. Chonburi Province is located adjacent to Chachoengsao Province. The main industries of Chonburi Province are electronic products and motor vehicle. Chonburi is a home to Amata Nakorn industrial estate and Pinthong industrial estates. Rayong Province is located adjacent to Chonburi Province. Its main industries are petrochemicals, natural gas and oil refinery. Industrial estates are located in this province including Amata City industrial estate, and WHA (Hemraj), Eastern Seaboard industrial estate.

3.2 Major Industrial Developers in Thailand

- (1) (Hemraj) is specialised in industrial estates, public utility and real estate developments. WHA develops fully functioned industrial estates which include electricity and water supply, phone, sewage, waste disposal, and other amenities within the estate. The company also offers an after sale service to both Thai and foreign business operators in Chonburi, Rayong, and Saraburi Provinces.
- (2) Amata Corporation Public Company Limited is specialised in industrial estate developments mainly in Chonburi and Rayong provinces. It develops fully functioned industrial estates according to the standard set by the Industrial Estate Authority of Thailand, which include electricity and water supply, phone, sewage, waste disposal, and other amenities within the estate.
- (3) Fraser Property Thailand is developer ready-for rent warehouses. In 2014, it established Frasers Property Thailand Industrial Freehold & Leasehold REIT or FTREIT, formerly known as TREIT, and increased first capital asset in 2015. In 2017, Ticon Property Fund (TFUND), TPARK Logistics (TLOGIS) and Ticon Industrial Growth Fund (TGROWTH)

were merged into FTREIT, making FTREIT become “the largest industrial and logistics REIT in Thailand”. FTREIT consists of warehouses and factories for rent in various locations, such as Chachoengsao, Samutprakarn, Chonburi, Rayong and Ayutthaya.

- (4) Pinthong Industrial Park Public Company Limited cooperates with the Industrial Estate Authority of Thailand to establish a fully functioned Pinthong Industrial Estate in Sriracha district, Chonburi Province, and also develop infrastructure and utility.

3.3 Market Outlook of factory for rent

Same as Logistic (warehouse) market, rental factory market also depend on progressive in setting up the Eastern Economic Corridor or EEC which will lead renter who are interested in establish their factory in industrial estates in the Eastern Seaboard covering Chonburi, Rayong and Chachoengsao. Heavily promoting on ECC and also committed package from BOI by the government will provide positive effect to rental factory market which mainly situated in the Eastern Seaboard Area.

The increase in occupancy rates since the end of 2016 is likely due to falling rents, leading to demand catching up with supply. It is also expected that rents will slightly continue lower or remain the same for the time being.

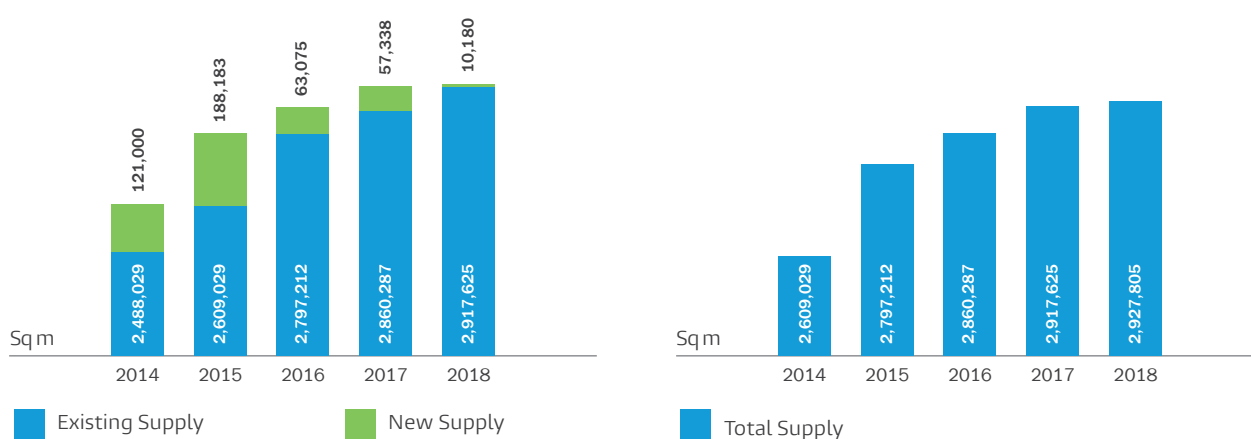
We expect to see a slow recovery in demand in factory space, given the recent data has shown some positive signs of improvement in occupancy rate. Thanks to efficient infrastructure in Thailand, including transportation and public utilities, Thailand remains the prime destination for foreign investors due to its central geographical

location in the region, affording good connectivity to Cambodia, Laos, Myanmar, and Malaysia. However, there are risks, which industrial developers need to take into a consideration, such as political uncertainty, which had a huge impact on the market as witnessed since 2014. Also the global economic climate can influence the decision of foreign investors. Thailand remains an attractive investment destination, characterized by a high level of infrastructure, favourable geography, capable labour force, and a solid financial system. The BOI’s new incentives policy has been enforced recently called ‘Thailand Plus’. This is expected to yield encouraging results, as the government aims to facilitate industrial growth even further.

By this evidence, It is forecasted that over the upcoming year, supply will likely remain the same due to slowly increased in occupancy rate. The area of focus will be Eastern Seaboard area due following the sustained implementation of the Eastern Economic Corridor (EEC). There will likely be some dampening effects from the global economic slowdown and weaker export growth throughout the year due to Trade war between U.S.A and China too.



3.4 Historical Supply of Factory for Rent



Source : Knight Frank Thailand Research and Advisory Department

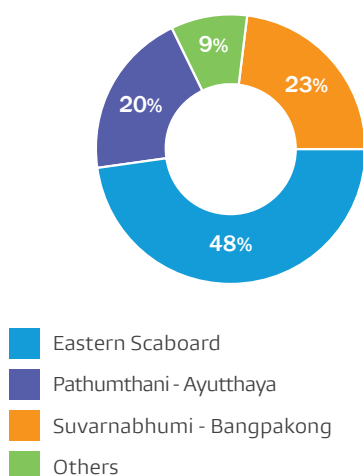
Major change in total supply during end of year 2015 which increased to 2,797,212 square metre mainly came from major developers e.g. Amata Summit, Frasers Property and WHA RBF. As end of 2018, the supply was at 2,927,805 square metre, with approximately 10,180 square metre added to the supply compared to end of 2017. The supply has increased only 0.3% (YOY) from the previous year. In past 2-3 years, the supply has slowly increased by 2% due to slowly expansion in exporting activities. We foresee that industrial developers still pressure by economy situation which also affect in supply expansion.

Supply Distribution by Location

Supply Distribution by Location	2014	2015	2016	2017	2018	Y-o-Y
Eastern Scaboard	1,332,592	1,388,963	1,404,008	1,404,008	1,407,296	0.2%
Pathumthani - Ayutthaya	588,536	589,342	589,342	589,342	595,418	1.0%
Suvarnabhumi - Bangkok	554,055	639,155	648,155	660,155	660,155	-
Others	133,846	179,752	218,782	264,120	264,936	0.3%
Total	2,609,029	2,797,212	2,860,287	2,917,625	2,927,805	0.3%

Source : Knight Frank Thailand Research and Advisory Department

Historical Supply by Location



The majority of supply is Eastern Seaboard area, with the supply of approximately 1,407,296 square metre. Eastern Seaboard Area is developing area, growing in wealth and as well as automotives, is also home to major manufacturers in the petrochemical, electronics, food, white goods and other high value sectors to say nothing of the tourism and real estate industries that the area is popularly known for Chonburi is the province where the deep sea port (Laem Chabang) is located. The following area is Suvarnabhumi-Bangpakong area and Pathumthani-Ayutthaya area ranked in second and third, with the total supply of approximately 660,155 and 595,418 square metre respectively.

The Eastern Seaboard commands the largest supply share in the rental factory market due to its proximity to Leamchabang Port and a number of industrial estates. It consists of two provinces in the east part of Thailand: Chonburi and Rayong.

3.5 Historical Demand and Occupancy Rate

In 2014, the data shown that Average demand & occupancy rate was at 77.5% and slightly declined to 76% then stayed on till end of year 2016. This was mostly due to an increase in the rental factory since 2012 and again in 2015 whilst demand growth has been consistently and relative weaker. Most developers trying to remain their existing client by lower their average rental rate. The total demand for rental factory at the end of 2018 was 2,299,857 square metre, an increase of almost 49,294 square metre from the previous year. The total occupied rental factory was 2,299,857 square metre out of 2,927,805 square metre or approximately 78.6% gradually increased by 123,454 square metre from the end of 2016.

In the end of 2018, Pathumthani-Ayutthaya area was the strongest market as occupancy rates by 91%. The main reason may come from majors developers trying to remain their existing client by offering lower rental rate or incentive by renovated existing space for longer contract term. Suvarnabhumi-Bangpakong area showed further signs of growth, as the area is increasing to 70.8% occupied. This represents an increase of 6.3% Y-o-Y. The positive net absorption indicates that there is a still demand for rental factory in the market. We also expect that growth will continue in 1H 2019 with heavily promoting more benefits from BOI under EEC area by the government included Trade war pressure between U.S.A. and China will force in moving factory from China to South East Asian country.

Source : Knight Frank Thailand Research and Advisory Department

RISK MANAGEMENT AND CORPORATE GOVERNANCE



Outstanding Deal of the Year Award
SET AWARD 2018,
Stock Exchange of Thailand



MANAGEMENT

Management structure of FTREIT as of 30 September 2019 consists of;

- 1. REIT
- 2. REIT Manager
- 3. Property Manager
- 4. Trustee

1. REIT

General Information

Name	Frasers Property Thailand Industrial Freehold & Leasehold REIT
Address	175 Sathorn City Tower, 7 th , 21 st and 26 th Floor, South Sathorn Road, Tungmahamek, Sathorn, Bangkok 10120
Website	www.ftreit.co.th
Tax ID	0994000992408
Trust registered and capital from unitholders	2,602,387,048 units, 25,173,622,620 Baht
Condition	Trust
Term and Type	Indefinite Maturity and Unredeemable
Type of business	Invest in freehold and leasehold of properties which are land and warehouses, factories and/or offices
Accounting Period	1 October – 30 September
Ticker Symbol	FTREIT

Background and Objective

Frasers Property Thailand Industrial Freehold & Leasehold REIT ("FTREIT"), formerly known as TICON Freehold and Leasehold Real Estate Investment Trust or "TREIT" has been established pursuant to the Transactions in Capital Market Act B.E. 2550 on 12 December 2014, with registered capital of 3,425,000,000 Baht. In this regard, BBL Asset Management Co. Ltd., the Trustee of the Trust has appointed Frasers Property Industrial REIT Management (Thailand) Co., Ltd. ("FIRM") to act as the REIT Manager. Frasers Property (Thailand) Plc. and Frasers Property Industrial (Thailand) Co., Ltd. are hired as the Property Managers and Thailand Securities Depository Co., Ltd. acts as the Trust Registrar.

FTREIT has been established for the purpose to raise funds from general investors and to use the proceeds from such fundraising to acquire, lease and/or sub-lease of immovable properties. The Trust will take the transfer of the ownership and/ or leasehold rights and/ or sub-leasehold rights therein and seek benefits from those properties by way of lease, sub-lease, transferring and/or disposing of immovable properties the Trust invests in or acquires. The Trust will also improve, modify, construct and/or develop immovable properties by taking the transfer of a construction permit and/ or applying for other permits and/ or executing any transactions necessary and advisable for immovable properties, with the aim of generating income and returns for the Trust and its unitholders. This includes investment in other properties and/ or securities and/or seeks interest by any other means as prescribed by securities laws and/or other relevant law.

The Stock Exchange of Thailand approved the listing of the Trust's units and permitted their trading from 9 January 2015 onwards. In the end of fiscal year 2015, the Trust issued additional 224.3 million units at a price of 10 Baht per unit,

or a total of 2,243 million Baht, to the existing unitholders and the public. On 17 December 2015, the Trust received payments of these capital increase and notified the increase in its paid-up capital with the Office of the Securities and Exchange Commission. The Stock Exchange of Thailand approved the listing of the additional Trust's units and permitted their trading since 25 December 2015.

As TFUND, TLOGIS and TGROWTH cannot proceed with the increase of its registered capital in order to invest in the additional immovable properties pursuant to the Notification of the Office of the Securities and Exchange Commission No. Sor Nor. 25/2552 Re: Rules, Conditions and Procedures for Establishment and Management of Property Funds (as amended) which requires to proceed with application for approval for increase of registered capital in order to invest in additional immovable properties to the Office of the Securities and Exchange Commission ("the Office of the SEC") within 31 December 2013. After this date PFPOs cannot increase capital to invest in new properties therefore to maximize the benefit to PFPOs and Trust unitholders, conversion is the best solution to all parties. FTREIT after conversion is **"the Biggest Industrial REIT in Thailand"**

Unitholder structure

On the closing date as of 27 November, 2019 the top ten unitholders consist of:

No.	Name of natural person / Juristic Person	No. of Units	% of Total Paid-Up unit
1	Frasers Property (Thailand) Group	609,657,466	23.4
2	Social Security Office	388,875,662	14.9
3	Bangkok Life Assurance Plc.	160,299,453	6.2
4	Bangkok Bank Plc.	104,947,981	4.0
5	Muang Thai Life Assurance Plc.	45,408,242	1.7
6	Bangkok Insurance Plc.	37,359,673	1.4
7	Mitsui & Co. (Asia Pacific) Pte. Ltd.	35,000,000	1.3
8	SCB Income Plus Fund	33,733,933	1.3
9	MFC Property Dividend Fund	30,991,000	1.2
10	K Property Sector Fund (K-Prop)	30,161,500	1.2
11	Others	1,125,952,138	43.4
Total		2,602,387,048	100.0

Foreign Limit

Foreign unitholders are capable to hold shares and appear their names on FTREIT registration of totaling not exceeding 49% of the issued units and paid up.

Directors who are representative of the major unitholder

No.	Name - Surname	Representative of unitholders	Position in REIT Manager
1	Mr. Sopon Racharaksa	Frasers Property (Thailand) Group	Director
2	Mr. Uten Lohachitpitaks	Frasers Property (Thailand) Group	Director

2. REIT MANAGER

General Information

Name	Frasers Property Industrial REIT Management (Thailand) Co., Ltd.
Address	944 Mitrtown Office Tower, 22 nd - 23 rd Floor, Rama 4 Road, Wangmai, Pathumwan, Bangkok 10330
Email	FTREIT.IR@frasersproperty.com
Tax ID	0105556080444
Registered and Paid-up Capital	1,000,000 shares, 10,000,000 Baht
Type of business	Management Service
Accounting Period	1 October – 30 September

Shareholder structure

As of September 30, 2019

No.	Juristic Person	No. of Shares	% of Total Paid-Up unit
1	Frasers Property Thailand Group	700,000	70.0
2	Mitsui & Co. (Asia Pacific) Pte. Ltd.	300,000	30.0
Total		1,000,000	100.0

Directors who are representative of the major shareholders

As of September 30, 2019

No.	Name - Surname	Representative of unitholders	Position in REIT Manager
1	Mr. Sopon Racharaksa	Frasers Property (Thailand) Group	Director
2	Mr. Uten Lohachitpitaks	Frasers Property (Thailand) Group	Director
3	Mr. Hiroaki Sagane	Mitsui & Co.	Director

Board of Directors

As of September 30, 2019

No.	Name - Surname	Position in REIT Manager
1	Mr. Threekwan Bunnag ¹	Chairman and Independent Director
2	Mr. Sopon Punyaratabandhu	Independent Director
3	Mr. Uten Lohachitpitaks ³	Director
4	Mr. Sopon Racharaksa ³	Director
5	Mr. Hiroaki Sagane ^{2,3}	Director
6	Mr. Peerapat Srisukont ³	Director and Managing Director

Note : 1. Mr. Threekwan Bunnag was appointed to be Chairman and Independent Director on 15 January 2019
2. Mr. Hiroaki Sagane was appointed to be Director on 1 December 2018
3. No. 3 – 6 are the authorized signatory director
4. Ms. Pornpimol Supawiratbancha, Chief Financial Officer, is the Company secretary

Duty and Responsibilities of Board of Director

Consist of 2 parts, the duty and responsibility to the Company and FTREIT.

1. Duty and responsibility of the Board of Directors towards the Company

- 1.1 Perform his duty in accordance with the law, the Company's objectives and regulations and the resolutions of the shareholders' meeting interest and be responsible for the shareholders;
- 1.2 Establish a policy and a guideline on the Company's operation and supervise to ensure that the management comply with the policy and the regulations efficiently and effectively under the good governance principle;

- 1.3 Report the Company's operation result to shareholders in a shareholders' meeting;
- 1.4 Organize efficient and reliable financial reporting, internal control, and internal audit;
- 1.5 Control and supervise the management to ensure fair and equal treatment to all stakeholders;
- 1.6 Exercise discretion independently when considering strategy, management of the business, director appointment, setting performance standard, as well as opposing to actions taken by other directors or the management in case of conflict that affects equality of all shareholders;
- 1.7 Consider and approve connected transactions in accordance with the relevant criteria and rules where a director who has interest in such matter shall have no rights to vote;

- 1.8 An independent director shall consider and give opinion on reasonableness of connected transactions or transactions that may create conflict with the interests of FTREIT to ensure the transaction proceeds in accordance with the relevant criteria including material acquisition and disposal of assets;
 - 1.9 An internal auditor shall be appointed by an independent director;
 - 1.10 Consider meeting agenda if any particular matters that should be considered by the board of directors are not included in the agenda of the board of directors' meeting;
 - 1.11 Prepare a report in the form of "Disclosure of Director / Management's Interest" to the Company according to the Company's criteria;
 - 1.12 Consider and appoint a director to replace a resigned director, select and propose additional directors to the Company's shareholders;
 - 1.13 If necessary, the board of directors may obtain advice or professional opinion from an external consultant regarding the Company's business at the Company's expenses;
 - 1.14 Consider and approve matters related to major operation of the Company such as paying benefits to shareholders, organizing a shareholders' meeting, accounting auditor;
 - 1.15 Conduct an induction so that the board of directors or an assigned person can give information on the Company's business to a new director.
-
- 2.4 Ensure that the management report performance of FTREIT and important issues to the board of directors every quarter or when appropriate.
 - 2.5 Consider and approve the quarterly and annual financial statement of FTREIT.
 - 2.6 Consider and approve an annual budget of FTREIT.
 - 2.7 Consider and approve to pay distribution to unitholders.
 - 2.8 Consider and approve to arrange unitholders' meeting.
 - 2.9 Consider and approve connected transactions in accordance with the relevant criteria and rules where a director who has interest in such matter shall have no rights to vote.
 - 2.10 An independent director, consider and give opinion on reasonableness of connected transaction or transaction that may create conflict of interests of FTREIT to ensure the transaction proceeds in accordance with the relevant criteria.
 - 2.11 Consider and approve a guideline on risk management for potential risks to FTREIT.
 - 2.12 Ensure that FTREIT has an internal control that meets the criteria specified in FTREIT's internal control procedure.
 - 2.13 Consider and provide the opinion on the complaints and disputes as considered appropriate in order to solve FTREIT-related complaints and disputes raised by a third party proposed by the Legal and Compliance Department.
 - 2.14 Consider the selection and nomination of the external auditor and determination of the audit fee.
 - 2.15 In case a director receives internal information that are material to a change in securities price of FTREIT, he/she must suspend trading FTREIT's units before that information is disclosed to public and such material information must not be disclosed to a third party otherwise, he/she will be subject to punishment as prescribed by law.
 - 2.16 Report unit trading transactions following form 59-REIT/IFT to the Securities and Exchange Commission (SEC) in accordance with the specified criteria.
-
- 2.1 Establish significant policies such as investment policy, property lease policy, property manager selection policy.
 - 2.2 Consider and approve acquisition or disposal of core assets according to the criteria specified in the Company's policy.
 - 2.3 Consider and approve sourcing of fund for FTREIT including source of fund, fund amount, requirement, and related conditions.

2. Duty and Responsibility towards FTREIT

Independent Director

“Independent Director” means the director, who is independent in expressing his opinion to the operation of the Company, must be a person who has no involvement or interest to the result of operation either directly or indirectly.

The qualifications of the Independent Director are as follows:

- (1) An independent director may not hold more than 1% of total shares with voting rights of the Company, its subsidiaries, affiliated companies, or a person who may have a conflict of interest (including connected persons as prescribed in the Securities and Exchange Act B.E. 2535).
- (2) An independent director must not be involve in management or be a worker, employee, advisor who received fixed salary from the Company or its affiliated companies or a person who may have a conflict of interest where such interest must not exist for minimum of two years [preceding appointment].
- (3) An independent director must have no direct or indirect business relationship or interest in the management and the finance of the Company, its affiliated companies or a person who may have a conflict of interest in a manner that may affect independency.
- (4) An independent director must not be a close relative to a director or a major shareholder of the Company, its subsidiaries or a person who may have a conflict of interest and is not appointed an agent to protect the interest of directors or major shareholders.
- (5) An independent director must exercise discretion independently as necessary in the interest of the Company and must be prepared to make objection to actions taken by other directors or management.
- (6) An independent director is able to attend meetings of the board of directors to make a decision on important activities of the Company.
- (7) An independent director must possess appropriate knowledge and experience or be a person with high level of competency and be accepted.

- (8) An independent director must not be a person whose name is listed in the list deemed by The Stock Exchange of Thailand to be unfit to be in the management according to the regulations of The Stock Exchange of Thailand.
- (9) An independent director must have never been convicted of an offence against the securities law, the business law, the financial institution law, the non-life insurance law, the suppression and anti-money laundering law or other laws related to finance regardless of whether it is Thai law or foreign laws by the authority regarding offence on unfair acquisition and disposal of securities or bad-faith or fraudulent management.
- (10) An independent director has no other characteristic that may prevent him/her from giving independent opinion on the Company’s operation performance.

The Company has set out scope of duty and responsibility of an independent director as follows:

- Consider, follow up, and give necessary advice to the Company regarding preparation of and disclosure of financial information of the Company and FTREIT to ensure accuracy, completeness, sufficiency and timely submission.
- Consider, following and giving necessary advice regarding suitable internal control and work procedure to the Company as REIT Manager.
- Consider and give opinion on connected transaction or other transactions that may have conflict of interest with FTREIT to ensure compliance with the law and related requirement and that the transactions are justifiable and in the best interest of FTREIT.
- Take any other actions assigned by the board of directors in the best interest of FTREIT.

According to the above scope of duty, relevant departments must report the following matters to an independent director for consideration and acknowledgement and necessary advice:

- (1) Connected transactions or transactions that may create conflict with the interests of FTREIT.
- (2) Weakness in internal control procedure and work procedure that the Company as the REIT Manager needs to improve and improvement progress.

Management

As of September 30, 2019

No.	Name - Surname	Position
1	Mr. Peerapat Srisukont	Managing Director
2	Mr. Chansak Thamsombatdee	Assistant Managing Director
3	Ms. Pornpimol Supawiratbancha	Chief Financial Officer
4	Ms. Warisara Techakulwirote ¹	Senior Vice President - Investment Property
5	Mr. Bhumpharn Arunthammakul	Vice President - Investment and Investor Relations
6	Ms. Namtip Panjan	Vice President - Finance and Accounting
7	Mr. Weerayut Laovechprasit ²	Vice President - Legal and Compliance

Note : 1. Ms. Warisara Techakulwirote joined the Company on 1 April 2019
2. Mr. Weerayut Laovechprasit joined the Company on 1 July 2019

Duty and responsibility

The Company as the REIT Manager has duty and responsibility to control and manage FTREIT and FTREIT's investment in assets as well as control performance of the Property Managers. The REIT Manager must take any actions as assigned by the Trustee and as specified in the Trust Deed in the interest of unitholders including, but not limited to, the following:

1. General Duties

- 1.1 Trust establishment and management with duty of care and integrity by taking into account the best interest of the trust unitholders as a whole and complying with the Trust Deed and relevant laws and regulations.

- 1.2 Asset Management of Trust to be in accordance with the Trust Filing (Registration Statement for Sale of Trust), trust policy, unitholders' resolution and relevant rules, regulations and regulations including rules and notifications issued by SEC.
- 1.3 Unitholder's meeting arrangement in accordance with the terms and conditions specified in Trust Deed.
- 1.4 Capital increase/decrease in accordance with details specified in Trust Deed.

2. Duty of the REIT Manager in preparation of reports and disclosure

- 2.1 Prepare and disclose information of FTREIT and information as prescribed in Section 56 and Section 57 of Securities and Exchange Act B.E. 2535 and other information as specified in the Trust Deed.
- 2.2 Upon request of the Securities and Exchange Commission, make clarification, submit documents or evidence related to compliance or non-compliance to the Securities and Exchange Commission including, but not limited to, the following to the Securities and Exchange Commission, The Stock Exchange of Thailand, and unit holders;
 - Information regarding conflict with the interest of FTREIT and measures to resolve such conflict to be disclosed to investors clearly during an initial public offering and whenever a conflict of interest arises (if any);
 - Information regarding transactions entered into between FTREIT and connected persons and information regarding transactions entered into between FTREIT and the REIT Manager or connected person and the REIT Manager, information regarding acquisition or disposal of core assets and equipment of FTREIT, information regarding borrowing transactions and encumbrance made by the trust;
 - Information regarding interest or benefits received from a company / person who is a vendor of FTREIT (if any);
- 2.3 Ensure that unitholders receive complete and correct information and sufficient for voting to approve matters within a period specified in the Trust Deed and the regulations of The Stock Exchange of Thailand;
- 2.4 Prepare and send information, report and/or documents to the trustee within the specified period such as full report of property evaluation, monthly report presenting revenue and expenses, right of claim, due debts, market environment report, information regarding The FTREIT's investment in properties, information regarding acquisition or disposal of core assets.

3. Duty of the REIT Manager regarding Investment or Disposal of FTREIT's assets

- 3.1 Organize and/or make appropriate investment in core assets and other assets according to the investment plan and manage risks related to FTREIT and FTREIT's assets and the criteria specified in the Trust Deed;
- 3.2 Take necessary actions to ensure that disposal of assets or connected transactions related to the property for FTREIT is valid and effective;
- 3.3 Make analysis of the probability and review and conduct a due diligence of assets as well as assess risks that may be caused by investments in such assets and provide risk management procedure;
- 3.4 Valuate core assets in accordance with the criteria specified in the Trust Deed;
- 3.5 Maintain core assets in good conditions ready for generating income including repair, improvement, restoration, and maintenance of assets;
- 3.6 Take out sufficient insurance that covers the period of FTREIT's investment in core assets including non-life insurance that may occur to the assets, public liability insurance for damage that may be caused by the assets or the operation in the assets;
- 3.7 Assist the Trustee on disposal of FTREIT's core assets and find buyers for the core assets;
- 3.8 Give assistance to enable the Trustee to dispose or acquire or enter into transactions with a third party in case of disposal, acquisition or any transaction that generates income from the FTREIT's assets;
- 3.9 Prepare an investment plan and a risk management plan related to FTREIT and FTREIT's assets, a borrowing plan and an annual financial management plan of FTREIT.

4. Duty of the REIT Manager regarding FTREIT's benefit

- 4.1 Facilitate the trustee or a person assigned by the trustee and a third-party during survey of core assets;
- 4.2 Consider and inspect conditions of core assets before handing over to retail tenants or the Trustee when entering into or renewing a new lease agreement or a new service agreement or when a lease agreement or a service agreement expires (as the case may be);
- 4.3 Take necessary and appropriate actions in case a disaster occurs to FTREIT's assets;
- 4.4 Manage budget and cash flow of FTREIT;
- 4.5 Prepare financial statements of FTREIT in accordance with the accounting standard as prescribed by the accounting law;
- 4.6 Withdraw assets of FTREIT from a petty cash account only or for other purposes as agreed with the Trustee within the limit approved by the trustee;
- 4.7 Pay benefits to unitholders in accordance with the criteria and conditions specified in the Trust Deed;
- 4.8 Exercise the right of claims, take actions in defense, or exercise other legal rights on behalf of the Trustee regarding management of the trust as authorized by the Trustee from time to time; retain documents related to the operation of FTREIT;
- 4.9 Give advice to the Trustee regarding property market conditions or trend and potential impact on FTREIT.

5. Duty of the REIT Manager regarding Transaction with Potential Conflict of Interest

In case of a transaction with potential conflict of interest, the REIT Manager must consider justification and necessity of the transaction and obtain approval from the Trustee and request that the Trustee establish conditions on such transaction. If the Trustee does not approve the transaction or the transaction is not justifiable and necessary, the REIT Manager may not proceed with the transaction.

6. Duty of the REIT Manager associated with Borrowing

In case of FTREIT's borrowing, the REIT Manager has the following duties;

- 6.1 Disclose outstanding amount of the borrowing and reserves for debt repayment under the loan agreement or the borrowing commitment for each year until the debt payment completes (if any) in the memorandum of information, the prospectus and the Annual Report of FTREIT.
- 6.2 Determine the appropriate reserve amount as mentioned in item (1), by taking into account the outstanding amount of loan or the borrowing commitment and the repayment period, impact on distribution payments to unitholders, and excess cash in case of the unrealized loss from the valuation or reappraisal of FTREIT's properties.
- 6.3 Allow FTREIT to postpone the reserve for any period of liquidity inadequacy and include it in the reserve for the next accounting period.

7. Other Duty

If an advisor is appointed to give advice or suggestion on FTREIT's investment in properties and management of FTREIT's assets, the advisor must have no direct or indirect interest in the matter under consideration. If the fact has changed and the advisor has interest in the matter under consideration, the REIT Manager must prevent the advisor who has direct or indirect interest from considering the matter and take actions as specified in REIT Manager Appointment Agreement.

3. PROPERTY MANAGER

3.1

Name	Frasers Property (Thailand) Plc.
Address	944 Mitrtown Office Tower, 22 nd - 23 rd Floor, Rama 4 Road, Wangmai, Pathumwan, Bangkok 10330
Website	www.frasersproperty.co.th
Tax ID	0107544000051
Registered and	2,934,627,799 shares, 2,934,627,799 Baht
Paid-up Capital	2,016,762,975 shares, 2,016,762,975 Baht

Shareholder structure

As of March 20, 2019

No.	Juristic Person	No. of Shares	% of Total Paid-Up unit
1	Frasers Assets Co., Ltd.	889,853,278	44.1
2	Frasers Property Holdings (Thailand) Co., Ltd.	751,004,000	37.2
3	DBS BANK LTD	49,589,000	2.5
4	Mr. Jatupon Kriangchaikijkul	20,000,000	1.0
5	City Villa Co., Ltd.	20,000,000	1.0
6	Others	28,6316,697	14.2
Total		2,016,762,975	100.0

3.2

Name	Frasers Property Industrial (Thailand) Co., Ltd.
Address	944 Mitrtown Office Tower, 22 nd - 23 rd Floor, Rama 4 Road, Wangmai, Pathumwan, Bangkok 10330
Tax ID	0105548099948
Registered and Paid-up Capital	1,150,000,000 shares, 11,500,000,000 Baht

Shareholder structure

As of September 30, 2019

No.	Juristic Person	No. of Shares	% of Total Paid-Up unit
1	Frasers Property (Thailand) Plc.	1,149,999,994	99.9999994
2	Frasers Property Technology (Thailand) Co., Ltd.	3	0.0000003
3	Eco Industrial Services Co., Ltd.	3	0.0000003
Total		1,150,000,000	100.0000000

Frasers Property (Thailand) Plc. ("FPT") and Frasers Property Industrial (Thailand) Co., Ltd. ("FPIT") have developed factory and warehouse buildings located in 28 industrial estates, industrial parks and industrial zones in Thailand. The construction of the above-mentioned factory buildings was carried out by FPT's construction team which consisted of architects, engineers and project managers. The advantage of having its own construction team is more cost effective, quality control of building standards and more flexibility in construction management. FPT can accelerate construction time to complete the building as per customer's request and can serve customer's requirements to adjust or build the extension.

Apart from managing its own properties effectively with stable growth, FPT and FPIT also provides services to assist tenants in the process of applying for licenses and supply of utilities according to customer request. Other services include applying work permits for foreigners and general assistance which might be requested from customers i.e. introducing buyers of their products or suppliers of raw materials. These services and supports add value to the products and services of FPT and FPIT, which results in the company's ability to maintain high occupancy rate.

Duty and responsibility

1. Sales & Marketing

The property manager is responsible for finding new tenants to lease space of FTREIT's properties. They also responsible for coordinating, negotiation with tenants for finalize lease and

service agreement and/or agreement which related to FTREIT's properties. The property manager works closely with the Manger for setting rental rate and lease period. In additional, the property manager manages marketing programs for REIT, including exhibitions, billboard in properties locations for occupancy improvement.

2. Repair and Maintenance

Maintenance FTREIT's properties for ready to lease to tenants or ready to sale to buyer. The scope of work includes repair and develop properties for ensuing properties can generate benefit to FTREIT. The property manager manages and provide other services (preventive maintenance) including maintenance of security system, fire protection, communication and other maintenance.

3. Reporting

The property manager responsible for preparing and presenting monthly report of industrial/logistics market including new tenants in period, renewal lease agreement in period, termination agreement in period and customers who interest to rent properties.

In addition, the property manager also preparing other documents such as repair and maintenance report, providing repair and maintenance invoice to the Manger for recording accounting transaction and/any other supporting documents which the Manager and Trustee request from the property manager.

4. Tenant Relations

Coordinate and support tenants for requesting license or permit from government agency. In addition, the property manager provide service which tenants request including repair and maintenance and/or any service which stated in lease agreement. The property manager provides insurance service to the FTREIT and/or related stakeholder. They also provide other service to tenants based on business practice of factory and warehouse business.

5. Supporting

The property manager support and coordinate with the Manager for benefit of FTREIT.

4. TRUSTEE

General Information

Name BBL Asset Management Co., Ltd.

Address 175 Sathorn City Tower, 7th, 21st and 26th Floor, South Sathorn Road, Tungmahamek, Sathorn, Bangkok 10120

Website www.bblam.co.th

Tax ID 0105535049700

Registered and Paid-up Capital 1,000,000 shares, 100,000,000 Baht

Type of business Asset Management Service

Shareholder structure

As of September 30, 2019

No.	Juristic Person	No. of Shares	% of Total Paid-Up unit
1	Bangkok Bank Plc.	749,996	74.9996
2	Asia Financial Holdings Ltd.	100,000	10.0000
3	Bangkok Life Assurance Plc.	100,000	10.0000
4	Bangkok Insurance Plc.	50,000	5.0000
5	Mr. Choedchu Sophonpanich	3	0.0003
6	Ms. Worawan Tharaphum	1	0.0001
Total		1,000,000	100.0000

Duty and responsibility

1. Ensure that the Trust Deed contains material information required by related laws. Any changes in the Trust Deed shall be done in accordance with the criteria and procedures defined in the Trust Deed and related laws. In case there are any changes that are not complied, Trustee shall take actions by using its authority specified in the Trust Deed and in the Trust for Transactions in Capital Market Act, B.E. 2550 to protect the rights and interests of the unitholders. Additionally, if in the future there are any amendments in the regulation relating to trust units offering or management of the Trust listed under the Securities and Exchange Act, B.E. 2535 and the Trust for Transactions in Capital Market Act, B.E. 2550 and the Trust Deed is not complied with such amendments, Trustee shall process the amendment of the Trust Deed by following the procedures defined in the Trust Deed or the SEC order under section 21 of the Trust for Transactions in Capital Market Act, B.E. 2550;
2. Monitor, oversee and review the activities of the REIT manager which relate to management of FTREIT, including the investment in the assets of FTREIT and other duties stated in the Trust Deed, other related contracts and related laws as follows:
 - 2.1 Ensure that the management of FTREIT carried out by the REIT Manager has been approved by SEC at all time;
 - 2.2 Oversee and take necessary actions to ensure that the REIT Manager is qualified and perform its duties according to the rules stipulated in the Trust Deed and related laws, as well as to revoke the existing REIT Manager and appoint the new one;
 - 2.3 Oversee that the investment of the Trust by the REIT Manager complied with the Trust Deed and related laws;
 - 2.4 Oversee and verify that the REIT Manager has a list of the assets, a system to keep track of benefits arising from the assets, and sufficient measures to protect the assets.
3. Oversee the REIT Manager to prepare and disclose the Trust information accurately and completely in accordance with the Trust Deed and related laws, including the preparation and submission of financial statements and reports on the financial status and results of operations of the Trust to the Securities and Exchange Commission as follows:
 - 3.1 Quarterly audited financial statement;
 - 3.2 Financial statement for the accounting period which the auditor already examined and commented;
 - 3.3 Reports on operating result of the Trust;
 - 3.4 Report on other disclosures information relating to the TrustAll reports shall be prepared according to the rules, conditions and procedures stated in the Notification of the Capital Market Commission and in line with the accounting standards prescribed by the law on accountancy by taking into account the standards approved by the Board of Supervision of Auditing Practices under the Auditor Act, B.E. 2505. In addition, the REIT Manager shall report and explain the reasons to the Office of the Securities and Exchange Commission, without delay, if there are any events prescribed in Section 57 of the Securities and Exchange Act B.E. 2535. The REIT Manager shall disclose the required information to the Stock Exchange of Thailand and submit an annual report of FTREIT to unitholders together with the invitation to the Annual General Meeting.
4. Supervise the REIT Manager to provide sufficient information for investors to make decision. Such information must be clearly communicated without any distortions and misleading. The REIT Manager needs to take precautions to ensure that proper guidance is given to the investors or the proper decisions are made for the investors.
5. Ensure that the process of capital increase and capital reduction which is carried out by the REIT Manager is in line with the rules stipulated in the Trust Deed and related laws.
6. Oversee the operations of the REIT Manager in acquiring and disposal of assets of the FTREIT to comply with the rules stipulated in the Trust Deed and related laws.

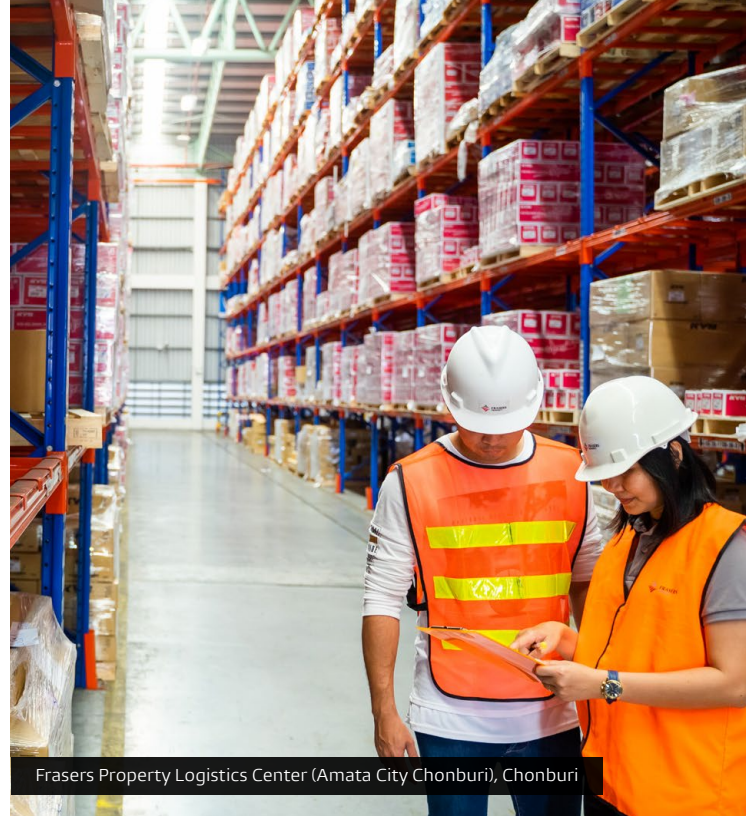
7. Ensure that the REIT Manager maintains the core assets to be in good conditions, ready for renting out to earn income. This includes the provision of adequate insurance for the duration of FTREIT investment, covering real estate insurance and liability insurance to third parties that may have been damaged by the real estate or the operation of the real estate.
8. Oversee the REIT Manager's business activities relating to borrowing for FTREIT, entering into any obligations of the Trust assets, entering into any agreements and conducting any other activities for FTREIT under the conditions stated in the Trust Deed and related laws.
9. Ensure the REIT Manager takes action regarding the valuation of the invested core assets as stipulated in the Trust Deed and related laws.
10. Oversee the REIT Manager to properly handle the transactions between the Trust and the REIT Manager or connected person of the REIT manager as stipulated in the Trust Deed and related laws.
11. Ensure the REIT Manager pays proper distribution to the unitholders with restriction to the right to receive benefits of unitholders who held units trust exceeding the allowed percentage or not in comply with the Trust Deed and related laws' stipulations. The REIT manager is required to conform with the rules stated in Trust Deed and related laws.
12. Ensure the REIT Manager arrange the Unitholders meeting, proceed to get resolutions from the meeting, and ensure that unitholders are given proper right to vote and reinforce the restriction for unitholders without the right in order to comply with the Trust Deed and related laws.
13. In case that the REIT Manager assigns other person to manage the invested assets, the Trustee shall ensure that the selection is done with cautiousness. The REIT Manager shall specify the roles and responsibilities of the property manager and the adequate measures to monitor and oversee the performance of the Property Manager.
14. Require the REIT Manager to prepare and submit report of disbursement of petty cash from FTREIT's bank account within proper timeframe for the Trustee to review regularly.
15. Require and monitor the REIT Manager to oversee that the administrative expenses charged to FTREIT are necessary, reasonable and associated directly with the Trust management.
16. Comment on the actions or transactions the REIT Manager carried out for FTREIT in order to disclose the information to the unitholders or upon SEC's request.
17. Attend every unitholders' meeting to answer questions and make comments about the matter that unitholders are required to vote for resolution in regards of its compliance with the Trust Deed and related. The Trustee is required to make a clear remark and advise the unitholders that FTREIT cannot take any action that is not complied with the Trust Deed or related laws.
18. Prepare report to the SEC within 5 business days after being notified or aware of the REIT Manager's action or refrain from action that caused damages to FTREIT or when the REIT Manager not performing its duties as stipulated in the Trust Deed or related laws. The Trustee shall also take actions to resolve, prevent or recover such damages as deem appropriate.
19. Force liquidation or oversee a forced liquidation to comply with the agreement between the Trust and other parties.
20. Separate storage of Trustee belongings from the assets of the Trust.
21. Act as the REIT Manager and may assign other persons to manage the Trust within the scope of the rules and conditions stated in the Trust Deed, when necessary, i.e in the absence of REIT Manager or when the REIT Manager cannot perform its duties in order to prevent, inhibit or limit the damages which might affect the benefits of FTREIT and of the unitholders. Additionally, with the authority stated in the Trust Deed and FTREIT Act, the Trustee shall arrange to appoint new REIT manager as it deems appropriate.

22. In case that the Trustee holds the units trust, which it serves as a trustee. When it is required to exercise its right to vote or make any transaction as a unitholder, the Trustee shall consider and protect the benefit of the unitholders as a whole.
23. Arrange for the preparation of the unitholder register book which may be assigned to the SET or other registrars, as allowed by the Securities and Capital Market Act. The unitholder register book shall contain the following details:
 - 23.1) General information, including name of the REIT Manager and the Trustee, number of units trust, par value, paid-up capital, date of units trust issuance and restriction of unit transfer (if any);
 - 23.2) Details of each unitholder, including name, nationality, address of the unitholder, number of unit trust (if any), number of units trust to be hold, date of registration to be or cease to be unitholders, date of cancelling and re-issuing of unit trust certificate (if any), and sequence number of request to add or change records in the book (if any).
24. Process the payment of cash or assets and grant the right or any right restriction to the unitholders, whose name appeared on the register book in compliance with the conditions of FTREIT obligations or related law.
25. Prepare unitholding certificate for the unitholders which including the information that is necessary and sufficient for the unitholders to use as their evidence and reference to the Trustee, the REIT Manager and others. The certificate must also include the information of related parties of FTREIT, such as the Trustee, the REIT Manager, the Registrar, so that the unitholders can contact those parties. The certificate must also state clearly that the unitholders cannot return or redeem the units trust. Any other restrictions of unitholder's right must be clearly specified as well.
26. In the event of the existing REIT Manager must be out of duties in accordance with provisions in the Trust Deed and related law, the Trustee shall arrange to get unitholders' resolution to appoint new REIT Manager within 60 days after the incident and shall appoint the new REIT Manager within 30 days after the resolution date. In case that no resolution is obtained after the request, the Trustee shall appoint new REIT manager by considering the benefit of unitholders as a whole.

In case that the number of units held by some unitholder is not comply with the percentage specified in the Notification of the Capital Market Supervisory Board governing the issuance and offering of units trust, such unitholder will be refrained from registration in the book. In case of assigning external party as the Registrar, the Trustee shall ensure that such assign party complies with the rules and guidelines for preparing certificate of unitholding and the Trust Deed, except the preparation of evidence required by the system of The Thailand Securities Depository Co., Ltd. (TSD).

CORPORATE GOVERNANCE

As the REIT Manager, the Board of Directors realizes the importance of corporate governance and believes that the good corporate governance is the crucial factor for the FTREIT's operation, in order to efficiently and effectively manage the business to have stability, continuous growth and fairness to all stakeholders. From such reasons, the Board of Directors stipulates the corporate governance Policy in order to be guideline for REIT management to achieve the objectives that have been set to correctness and transparency.



Frasers Property Logistics Center (Amata City Chonburi), Chonburi

1. Structure of the board of directors

REIT Manager has one group of committees, the Board of Director, consists of 6 directors (Duty and Responsibility were disclosed at "Management")

No.	Name - Surname	Position	No. of Attendance / No. of all meetings (times)
1	Mr. Threekwan Bunnag ¹	Chairman and Independent Director	7 / 7
2	Mr. Sapon Punyaratabandhu	Independent Director	9 / 9
3	Mr. Uten Lohachitpitaks	Director	9 / 9
4	Mr. Sapon Racharaksa	Director	9 / 9
5	Mr. Hiroaki Sagane ²	Director	8 / 8
6	Mr. Peerapat Srisukont	Director and Managing Director	9 / 9

Note : 1. Mr. Threekwan Bunnag was appointed to be Chairman and Independent Director on 15 January 2019
2. Mr. Hiroaki Sagane was appointed to be Director on 1 December 2018

Structure of the board of director

- The Chairman is an independent director, and all of Independent Directors accounted for one-third of the Board of Directors.
- One director who is management is Mr. Peerapat Srisukont, the managing director.
- 5 Directors who are non-management (83% of the Board of Directors)
- All of directors have never been an employee, shareholder or partner of KPMG Phoomchai Audit Ltd. which is the external audit firm of the REIT Manager and FTREIT.

The Board of Directors' Meeting

In 2019, there were 9 times of Board of Directors Meeting, the procedures are as follows:

- (1) Company Secretary coordinating with Lawyer and Compliance Department shall send out the invitation together with meeting agenda and supporting documents with necessary contents for consideration to every director at least 7 days prior to the meeting date, so that the directors will have sufficient times to review the information prior to the meeting.
- (2) The proposed agenda for the Board of Directors' meeting shall be about the operations of FTREIT including the operating results, the annual budget, the distribution payment,

the arrangement of unitholder's meeting, the investment in additional assets, the related party transaction, business investment plan, funding as well as the progress in the implementation of the business plan.

- (3) In every meeting, the number of attending directors shall be more than one half of total directors. Every director has the right to vote for one vote. The director who has a conflict of interest in any matter shall have no right to vote on such matter.
- (4) In the meeting, the Chairman will oversee the allocation of sufficient time for management to provide documents and information to debate important issues, and sufficient time for the directors to discuss the important issues. All directors are free to comment and propose the agenda.
- (5) There shall be the minute with the record keeping of all related documents in accurate, complete and checkable manners. The minutes which are certified from the Board of Directors shall be kept as evidence for future reference.

2. Rules for proper use of inside information

The Board of Directors has regulated policies governing the use of internal information and the trading transaction of FTREIT, in order to promote equality and fairness towards all unitholders and to prevent directors, executives or employees who can access into material information to take benefit for their own or for others.

- (1) Directors, Management and all employees must never utilize the material information that has not been disclosed to the public for their own and others' benefits and must strictly abide by the confidentiality policy regulated by the Company
- (2) Directors, Management and all employees are allowed to invest in FTREIT's units. However, in order to prevent possible conflicts of interest, Directors, Management and employees who can access into material information, as well as their spouses, cohabitation, or children not having yet become sui juris are prohibited from purchasing, selling, transferring or getting transferred FTREIT's units such as;

- One-month period before the financial statement is disclosed to the general public.
- Before considering to invest or divest assets.
- Before the distribution payment to unitholders.

The Company Secretary will inform the silent period to the related persons. In this regard, if any related persons violate such regulations on the use of internal information, it is considered a disciplinary offense and the person can be subject to legal punishment.

3. Information disclosure to unitholders

The REIT Manager has emphasized the importance of information disclosure to unitholders in a sufficient, accurate, complete, fast and transparent manner. Also, the information disclosure of FTREIT shall be complied with rules and guidelines of information disclosure of the Securities and Exchange Commission and the Stock Exchange of Thailand.

Key principles of information disclosure

- (1) Information to be disclosed must be accurate, complete, clear and timely.
- (2) Must be complied the rules and regulations of information disclosure accurately and completely.
- (3) Every unitholder has the right to receive the information equally.

Parties who responsible for information disclosure

The Managing Director has assigned Compliance Department, Investor Relations Department and Finance and Accounting Department for disclosing of information to the Securities and Exchange Commission and/or the Stock Exchange of Thailand. The information to be disclosed shall be approved by the Board of Directors and/or the Managing Director (as the case may be) prior to disclosure.

Channels of Information Disclosure

- **Investor Relations Department**

Investor Relations Department fully takes charge of providing information and collecting opinions from unitholders, investors and analysts on a regular basis, as well as presenting operating performance and compiling comments. In this regard, unitholders or investors can contact to **Ms. Renuka Arunyanard** or via email: ftreit.ir@frasersproperty.com

- **Information disclosed on website**

(1) Website of the Stock Exchange of Thailand at www.set.or.th

(2) Website of FTREIT at www.ftreit.co.th. This is in order to facilitate investors and interested individuals to update information, which is available both in Thai and English

- **Annual and Extraordinary General Meeting**

The Annual General Unitholder Meeting 2019 was held on 28 January 2019 at The Okura Prestige Bangkok, the Directors reported operating performance in 2018, business plan, industry and business trend, distribution payment to unitholders, including answering questions of unitholders attending the meeting.

- **Investor Meeting**

Throughout the year 2019, the REIT Manager has allowed opportunities for analysts, unitholders and institutional investors in Thailand and overseas to meet with managements via different arrays of activities on a continuous basis, as a way of sharing information, operating performance, strategic plan, growth directions, a summary of key events throughout the year, as well as answering questions. The following are activities that took:

1. Joining Opportunity Days hosted by the Stock Exchange of Thailand.
2. Joining domestic and international roadshows.
3. Holding the conference calls.

- **Press Conference**

In 2019, the REIT Manager arranged one press announcement on operating performance and assets acquisition. There was press releases provided to the journalists and informing of operating results and acquisition plans throughout the year.

IR Events in 2019

Events	Date
Annual General Unitholder Meeting	28 January
Thailand Corporate Day by Maybank Kim Eng Securities (Thailand) in Malaysia and Singapore	20 – 22 February
MBKET Real Estate Day by Maybank Kim Eng Securities (Thailand)	7 March
Thailand Investment Conference by Phatra Securities and Bank of America Merrill Lynch	3 April
Opportunity Day by the Stock Exchange of Thailand	22 May
REIT Day by Phatra Securities	26 June
Thailand Property and REIT Corporate Day by DBS Vickers Securities (Thailand)	3 July
Thailand Focus 2019 by the Stock Exchange of Thailand	29 August

Trading Statistics

		As of 31 December			As of 30 September	
		2015	2016	2017	2018	2019
Opening price	Baht / Unit	10.09	9.95	9.70	10.40	11.50
Highest price	Baht / Unit	10.90	10.70	10.50	12.20	18.70
Lowest price	Baht / Unit	9.71	9.70	8.15	10.20	10.90
Closing price	Baht / Unit	9.95	9.70	10.40	11.80	17.90
Total volume traded	Million Units	44.32	57.17	110.60	254.20	357.73
Average volume per day	Million Units	0.18	0.23	0.46	1.38	1.47



4. Unitholder meeting

Guidelines of arranging the unitholder meeting

The REIT Manager shall arrange a unitholder meeting as Annual General Meeting within 4 months after the end of fiscal year. Other meeting of unitholders shall be called Extraordinary General Meeting. The REIT Manager shall hold the Extraordinary General Meeting to be in line with the Trust Deed and related laws as follows:

- (1) When the REIT Manager considers that it is appropriate to call the unitholders' meeting for Management propose
- (2) When the REIT Manager is required by the Trust Deed to get the resolution from the unitholders to carry out the following activities:
 - The acquisition or disposal of FTREIT's major assets with the value equal to or over 30% of the total asset value;
 - The issuance of debenture or any debt instruments;
 - The increase or decrease of FTREIT's paid-up capital, as indicated in the Trust Deed;
 - The connected transactions with the REIT Manager or connected persons with the REIT Manager, with the transaction value equal to or above 20 million Baht or higher or more than 3% of net asset value, whichever is higher;
 - The change of benefits and the capital returned to the unitholders;
 - The change of Trustee;
 - The change of REIT Manager and the appointment of new REIT Manager;
 - The amendment of Trust Deed that significant impacts to the right of unitholder or the increase of fee and/or expenses to be higher than the maximum rate specified in the Trust Deed;
 - The cancellation of the Trust
 - Any other circumstance that the Trustee and/or the REIT Manager deem necessary and appropriate to propose to the unitholders' meeting and to get resolution of such matter;

- Any other circumstance required by the Securities and Exchange Commission;
- (3) When the unitholders with the total number of units is not less than 10% of total units sold, make a written request to the REIT Manager to call for Unitholders Meeting with clear reason stated in the request. The REIT Manager shall arrange unitholders' meeting within 1 month after the date receiving such request.

Procedure for unitholders' meeting in 2019

The Annual General Unitholder Meeting 2019 was held on 28 January 2019 at The Okura Prestige Bangkok, the procedure is as follows;

Before the meeting

- Kept unitholders informed of the meeting date of the Annual General Meeting agenda well ahead of time for full participation. Communication on the matter was made through the Stock Exchange of Thailand's channels and the FTREIT's website on November 20, 2019, which was also the day that the Board of Directors agreed upon the meeting date.
- Publishing of the invitation in daily not less than 3 days before the meeting day on 18th, 21st and 22nd January 2019.
- Posted the meeting notice both in Thai and English on the FTREIT's website since 4th January 2019; 24 days before the meeting and distributed to unitholders since 11th January 2019; 17 days prior to the meeting. This provided unitholders with enough time to acknowledge the meeting agenda and to examine the information.
- Facilitated unitholders who could not attend the meeting by themselves, such as individual unitholders, juristic and institutional investors, by sending the proxy together with the meeting notice. These forms can also be downloaded from the FTREIT's website.

Moreover, the REIT Manager has nominated of a list of independent directors' names and backgrounds that unitholders could appoint to be the proxy. In the Annual General Meeting of unitholders 2019, Mr. Sopon Punyaratabandhu, an Independent Director, was appointed as proxy in casting votes on behalf of the unitholders.

On the meeting day

- Facilitated the unitholders and institutional investors by providing the appropriate and easily accessible venue to accommodate the participants, with the map attached. Staff members were arranged at the reception to provide information and inspect the documents at the point of registration. In addition, unitholders could register their attendance roughly 2 hours ahead of the meeting time using the bar code system for accurate and convenient processing. Besides, revenue stamps were prepared for unitholders wishing to assign proxies to attend the meeting on their behalf.
- Regulated the voting rights in the meeting to be in accordance with the number of units held; one unit is equivalent to one vote.
- Before the meeting commenced, there was informing unitholders of their rights according to the rules and regulations, meeting proceedings, guidelines on casting votes as well as the opportunity for unitholders to ask questions and fairly express opinions in the meeting.
- The bar code system was used to count votes and clearly display the results in each and every agenda. The voting cards were used in the process of casting votes, whereby the ballots were prepared and separated by agendas, allowing unitholders to cast their votes as they see appropriate.
- Arranged an independent, external inspector, who performed a legal counsel role, to monitor the meeting and ensure that the meeting was transparent and complied with the laws and the regulations.

- Encouraged the appointment of a particular unitholder as the representative and the witness in the vote counting process in every agenda.
 - The Chairman of the Board allocated enough time for the meeting and appropriately conducted the meeting with absolute transparency according to the agenda specified in the meeting notice. For the record, there have never been any occasions where documents containing essential information were distributed to the unitholders right in the meeting without prior notice, as well as the inclusion of addition agendas in the meeting without prior notice, which can be unfair to unitholders who did not attend the meeting.
-

After the meeting

- Submitted the meeting's resolutions and accompanying details i.e. the number of votes in each agenda to the Stock Exchange of Thailand and posted on FTREIT's website on the day of the meeting so that absent unitholders can immediately reach of the information.
- Prepare the meeting minute, in Thai and English, and distribute via the Stock Exchange of Thailand's channels and FTREIT's website within 14 days after the meeting. For AGM 2019, the minute was disclosed on 11 February 2019.

5. Consideration of investment and management of FTREIT

Investment in Core Assets

- (1) Conduct a due diligence on assets;
- (2) Organize valuation of assets under investment as specified in the Trust Deed;
- (3) Establish risk prevention measure or remedy measure for potential damage caused by breach of agreements or non-enforcement under lease agreements, and disclose such risk prevention measures to the Trustee and unitholders in case of leasehold investment in form of sub-lease.

For acquisition of additional core assets, the REIT Manager shall take additional actions as follows

- (1) Propose to the Trustee for consideration and approval of investment in assets as specified in the Trust Deed and related laws;
- (2) Apply for approval for investment in assets as follows:
 - (2.1) Investment in assets owned by the REIT Manager or a connected person
 - For transactions value over 1 million Baht or equal to or above 0.03% of the net asset value of FTREIT, whichever is higher, an approval must be obtained from the Board of Directors;
 - For transactions value equal to or above 20 million Baht or over 3% of the net asset value of FTREIT, whichever is higher, an approval must be obtained by resolution of a meeting of unitholders;
 - The REIT Manager shall appoint a financial advisor regarding connected transactions to be entered into with the REIT Manager so that the Board of Directors and/or unitholders can make informed decision on approval of investment in such assets;
 - The REIT Manager shall prohibit a person who is connected to the assets under disposal from participating in approval of investment in such assets.

- (2.2) Investment in assets owned by a person who is not the fund manager or a connected person
 - For investment in assets with value equal to or above 10% of total asset value of FTREIT, an approval must be obtained from the Board of Directors;
 - For investment in assets with value equal to or above 30% of total asset value of FTREIT, this must be approved by unitholders.

Criteria for Investment in Core Assets and Equipment

Acquisition of core assets and equipment by FTREIT must be in accordance with the criteria specified in the Trust Deed. The material details are summarized below:

- (1) It must an investment in property in category of land and factory, warehouse and/or office buildings for acquisition of ownership or possessory right;
- (2) In case of acquisition of possessory right, the property must be acquired by mean of issuance of a Nor.Sor.3 Kor. In case of leasehold, the property must be acquired by mean of issuance of a title deed or a possessory right deed in a form of Nor. Sor. 3 Kor;
- (3) Properties to be acquired must not be enforced under the law on property right or dispute unless the REIT Manager and the Trustee jointly consider and issue a written opinion that such enforcement under the law on property right or such dispute has no material effect on making profit from the property and condition of acquisition of such property will benefit unitholders;
- (4) An agreement for acquisition of a property must not specify an agreement or an obligation that may prevent the trust from disposing the property at a fair price (at the time of disposal) such as a pre-emptive right at fixed price;

- (5) Properties and/or assets to be acquired which are classified as core assets as prescribed in the notification of The Capital Market Supervisory Board must be ready for profit making with offering (if any) for each issuance including borrowing amounts (if any). FTREIT may make investment in projects under construction where the total value of investment amount for acquisition and development of the property until ready for assets of FTREIT (after offering of units) and FTREIT must be able to prove that there is sufficient working capital for such development without affecting the survival of the trust;
- (6) Properties to be acquired must be fully evaluated including verification of title deed for disclosure to investors at least six months prior to application for acquisition but not exceeding one-year preceding investment in such property minimum two valuers who are approved by the Securities and Exchange Commission;
- (7) Properties to be acquired must have minimum aggregate value of 500 million Baht for the first-time investment in core assets;
- (8) In case of indirect investment in core assets by FTREIT, it must be an investment in property specified in (1) - (7) above through shareholding in a company incorporated with objectives to engage in the same business as FTREIT as specified in the Trust Deed. Such investment must meet the following criteria:
 - (8.1) FTREIT must hold shares in such company in a ratio as prescribed in the notification of the Securities and Exchange Commission or The Capital Market Supervisory Board;
 - (8.2) FTREIT must be able to prove that there are measures or mechanism to enable the Trustee and the REIT Manager to take care and control such company to ensure the operation as specified in the Trust Deed and the criteria of the Securities and Exchange Commission in a similar manner as if FTREIT makes direct investment in such core assets.
- (9) If value of properties to be acquired is above 5% higher than the minimum valuation price assigned by the valuation company within one year preceding the acquisition, facts and reasons of acquisition at such price must be provided.

Disposal of Core Assets

The REIT Manager may consider disposing core assets of FTREIT under the following procedure:

- (1) The REIT Manager must have core assets valued by an independent valuator in accordance with the criteria specified in the notification of Office of the Securities and Exchange Commission;
- (2) Disposal of core assets must be overt and contain transaction details and approval procedure as specified in the Trust Deed and it must be approved by the trustee or a resolution of a meeting of unit holders in the same manner as acquisition of the assets.
- (3) Disposal of core assets in the following categories is permitted only when necessary and appropriate and with approval from the Board of Directors:
 - Disposal of core assets before one-year anniversary from the date on which the trust acquires such core assets;
 - Disposal of core assets that FTREIT acquired ownership to the previous owner.

Management of Core Assets

In relation to management of core assets of FTREIT, the Company as the REIT Manager appoints a Property Manager who is selected based on experience in management of each type of properties in which FTREIT will make investment. The REIT Manager appointed FPIT as the Property Manager for asset in category of warehouse, FPT as the Property Manager for asset in category of factory, (Please see details in the topic **"Property Manager"**). The REIT Manager supervises and controls the Property Manager by the following means:

- (1) The REIT Manager establishes a marketing policy and strategy in property management for the Property Manager to comply with;
- (2) The REIT Manager controls and oversees the Property Managers' performance on a regular basis and check accuracy and completeness of property-related tasks such as rental fee, outstanding payment, marketing activities, property conditions, repair expenses, and insurance of core assets.

6. Selection of property managers

The REIT Manager may appoint one or more performance individuals to act as property manager(s) to manage assets of FTREIT. Property Managers must be competent to manage the and have knowledgeable people in estate management experience for not less than 3 years. The REIT Manager is responsible for property management fees and FTREIT is responsible for other costs incurred by the property management, such as maintenance fees, etc. However, if a new Property Managers are appointed, the REIT Manager informs the trustee of the appointment within 15 days of the appointment of the new Property Managers.

Property Managers have the maturity each 5 years of contract and can be renewed automatically. However, REIT Manager may appoint additional or change Property Managers to the terms outlined in the contract, when one of the following;

- (1) Property Managers do not perform their duties according to terms and conditions of the contract of appointment and Property Managers do not remedy the remedy within 60 days after receipt of notice from REIT Manager to rectify such non-performance.
- (2) If the rental rate of FTREIT's properties under management of any Property Managers is less than 50% for 3 consecutive months and if the annual performance of the property is less than the performance estimate specified in the annual operating plan that Property Managers have proposed and approved by the REIT Manager for a consecutive period of more than 2 years except in case of force majeure.

- (3) Property Managers were ordered by the court to be in receivership or the court has appointed the official receiver to manage the property of all real estate managers or only in significant parts.
- (4) Property Managers lack the ability to act as Property Managers as determined by the REIT Manager and do not fix such disability within 60 days.

7. Monitoring property managers' performance

The management of properties of FTREIT, the REIT Manager supervises Property Managers appointed by FTREIT to achieve its purpose and to preserve the best benefit of FTREIT and unitholders. The REIT Manager has a system for executing and supervising Property Managers as follows;

7.1 Monthly Monitoring

- (1) Asset Management Department assigns Property Managers to submit a summary of factory visits of potential customers with customers' names and phone numbers. In addition, they need to submit report on the lease of the main properties, and property repair or maintenance report.
- (2) Finance and Accounting Department monitors the completeness of the rental received in FTREIT's accounts in each month.
- (3) Finance and Accounting Department investigates the unpaid rental report and check out the overdue rental tracking records. The asset management department ensures that Property Managers follow the unpaid process and audit the tracing process include a copy of the notice (if any).
- (4) Asset Management Department examines the documents used in marketing to find tenants to ensure that such documents are not conducive to a conflict of interest in finding tenants of Property Managers by performing at least the examination of the presentation of each rental property equally, without regard to the ownership title and check on the pricing of

property rental as a price advantage to any property owner or not. Asset Management Department will contact the potential customers in item (1) by random to verify that the Property Managers are acting in a neutral manner without favoring any one property owner.

7.2 Semi Annual Monitoring

Every 6 months, or when appropriate, Asset Management Department meets with Property managers to announce marketing policies, strategies, asset management. Property Managers provide information about the competition, relevant industry conditions, and issues that may arise with tenants.

7.3 Annual Monitoring

- (1) Property Management Department audits properties with Property Managers and property appraiser to ensure that the core assets of FTREIT are in normal use. There is no addition beyond the permission of FTREIT and for the purposes of annual properties appraisal.
- (2) Property Management Department reviews and audits the quotation, coverage and premium rates to confirm the insured's primary coverage including the main insurance document to ensure that the core asset is properly insured as required by company.

7.4 Property Maintenance

Property Management Department reviews and audits the reasonableness of the property's repairing or maintenance. This is included a list of repairers and cost before approval to ensure that the Property Managers perform repairs to the property standards without any conflict of interest which is divided into two cases:

- (1) In case of repair and maintenance, the cost is not allowed to exceed the amount approved by FTREIT that Property Managers can carry out their own procurement. However,

every month, Property Management Department reviews and audits the correctness of the repair and maintenance items prepared by Property Managers.

- (2) In case of repair and maintenance costs are more than the amount approved by FTREIT;
 - Urgent case, Property Managers must first obtain the approval from Property Management Department as principle, via phone or E-mail.
 - Non-urgent case, Property Managers send the letter of approval to Property Management Department by including details of the property such as property number, name of the lessee, damaged property photos, and the amount of money to ask for approval. In the support documentation must be included illustrates the necessity and appropriateness of the proposed costs, such as photographs of property damage, or compare prices of service providers with other service providers
 - Property Management Department prepares a letter of approval of the cost limit back to the Property Managers with copies of the book are kept as evidence, together passing documents to Accounting and Finance Department for further processes.

8. Interest tracking procedure

The Company as the REIT Manager has appointed FPT, FPIT and may appoint other persons as deemed appropriate to collect revenue and manage spending of FTREIT. In these regards, the Company has a procedure to track interest of FTREIT which requires the appointed person to submit a report of such to the REIT Manager such as lease income report, lease cost report, selling and administrative expenses report, outstanding debt report, debt collection report, occupancy report, repair and maintenance hiring report, tenant's core assets insurance report.

9. Selection and nomination of directors and management

The REIT Manager shall select the personnel to be responsible for the management of FTREIT based on his/her past experience in the related functions, to ensure that such person could manage FTREIT for the maximum benefit of the unitholders. The REIT Manager shall consider the qualifications of candidate as defined by the guidelines of the Securities and Exchange Commission (SEC) as follows:

- (1) Having work experience in the field of investment management or management of revenue generating real estate for not less than 3 years within the period of 5 years before the date of joining with the company (depending on circumstances);
- (2) No prohibited characteristics of authorised personnel of the Management in accordance with the Capital Market Supervisory Board's concerning the qualification of person in capital market.
- (3) Directors or others who are assigned (depending on circumstances)



10. Reit manager fee

Details of REIT Manager fee is summarised below:

Transaction	Conditions
Management Fee (Base Fee)	0.25% per annum of the Trust's total assets
Performance Fee	3.00% per annum of net income from rental and service agreement
Incentive fee	5.00% per annum of Trust's net operating income
Commission fee for acquiring a new tenant	In proportion to rental and service periods but not over 3 months based on the latest rental and service rate of new tenant
Commission fee for buying/selling/ transferring leasehold/receiving leasehold	3.00% of the value of buying/selling/transferring leasehold/ receiving leasehold

REIT Manager fee in 2018 – 2019 (12-month) of 263.19 million Baht and 346.38 million Baht, respectively.

11. Trustee fee

No.	Condition
1	0.060% per annum of total asset value for a portion not exceed 15,000 million Baht
2	0.045% per annum of total asset value for a portion that exceed 15,000 million up to Baht 30,000 million Baht
3	0.030% per annum of total asset value for a portion that exceed 30,000 million Baht

Trustee fee in 2018 – 2019 (12-month) of 15.27 million Baht and 18.60 million Baht, respectively.

12. Audit fee

As the REIT Manager, Frasers Property Industrial REIT Management (Thailand) Co., Ltd. appointed KPMG Phoomchai Audit Ltd. as FTREIT's auditor of 2019 according to minutes resolution of Board of Directors No.1/2019 on 20 November 2018, which informed in the Annual General Unitholder Meeting 2019 on 28 January 2019.

Details of Audit fee in 2018 - 2019 are as follows:

Condition	2018	2019
Audit fee	1,350,000	1,380,000
Other service fee	602,966	140,000
Total (Baht)	1,952,966	1,520,000

RISK MANAGEMENT

Risk Factors

1. Risks relating to the operation of the REIT

1.1 Risks from compliance with investment-related contracts

In investing in and facilitating benefits from the property, the REIT will enter into relevant contracts in the interest of benefit facilitation and in order for contracting parties to comply with the terms.

However, there may be events that can be taken as grounds for termination of a contract or that are a breach of contract. In such cases, although the REIT has a right to terminate a contract or to claim any damages, the REIT may not receive benefits as specified. For example, if a contracting party violates relevant terms and refuses to pay the REIT damages as required, the REIT may have to bring the case through administration of justice which can incur expense and take time in the process. The REIT manager cannot predict how long such a process takes, its consequences, as well as what damages the REIT can recover. In addition, although the court may rule that the REIT win the case, the REIT may not be able to enforce the judgment. The unit holders therefore carry a risk of not receiving returns as much as expected.

Damages the REIT can claim from lessors in case of breach of contract have been determined for the key properties the REIT has invested in leases, entering into ground and building leases. The lessors have agreed to pay the REIT damages according to the terms. The terms are reasonable and set in the interests of the unit holders.

1.2 Risks relating to finding tenants near the end of a lease term

Some of the property the REIT has invested in is leasehold property. The REIT, thus, carries a risk of not being able to find tenants when it is near the end of a lease term,

for the remaining lease term is one important factor a tenant considers. However, most leases last no longer than 3 years. This means such risks only occur during the last 3 years of a lease. Also, some tenants demand short-term leases. The REIT manager expects to be able to find tenants during the last 3 years.

1.3 Risks from the REIT's turnover based on the ability of a property manager

The REIT manager has appointed FPIT and FPT as the property manager. The property manager has duties to manage the property and facilitate benefits from the property, for example, finding new tenants, renewing leases, managing service agreements with current tenants, advertising and publicising, maintenance, or developing the property the REIT has invested in so that it is in a good and appropriate condition ready for facilitation of benefits, which directly affects the REIT's turnover.

If FPIT and FPT are unable to perform their duties and the REIT cannot appoint anyone else to assume such duties as well, this may have a significant negative effect on the REIT's turnover and may reflect on the REIT's ability to provide returns. However, the REIT manager has a management team with complete all duties which can manage FTREIT's properties while seeking a new property manager.



1.4 Risks from a conflict of interest between the REIT on the one hand, and FPIT and FPT on the other hand, that may affect the REIT's operation

The REIT manager has appointed FPIT and FPT, the former owner of the properties the REIT has invested in, as the property manager. At the same time, FPIT and FPT continues to administer its own business, investing in developing warehouses and factories, some of which are located near the REIT's properties. The roles of FPIT and FPT may cause a conflict of interest with the REIT, such as when finding new tenants. However, the REIT manager has imposed regulations concerning the administration of FPIT and FPT in order to prevent a conflict of interest in finding tenants as follows:

- FPIT and FPT are required to present prospective tenants with information on warehouses and factories that are freehold owned by FPIT and FPT themselves as well as ones that are the property of the REIT, equally, without revealing the owners of any property. Also, it is required that FPIT and FPT offer comparable lease rates based on size, usable area, location, and type of property.
- FPIT and FPT are required to provide information to the REIT manager each month on prospective clients interested in leasing either property owned by the property manager or the REIT's property. The report provides information on location, usable area, and a description of the warehouse or factory a client wishes to lease. This helps the REIT manager to monitor transparency in the administration of the property manager regarding finding tenants.

2. Risks relating to the ability to facilitate benefits from the property

2.1 Risks from tougher competition that may result in a decrease in the number of leases or reduced lease rates

At present, competition among businesses of the same type as the REIT's has become tougher, both in property investment and in finding tenants. This may result in increased property management costs, a decrease in the number of leases or reduced lease rates, and may affect the REIT's overall outcome as well as returns to be provided to the unit holders.

However, the REIT manager's staff and the property manager have long experience in the leasehold warehouse and factory business. Besides, the REIT's key properties are of high quality and standard. There is also an efficient public utility system that can satisfy tenants' demands on industrial use, now and in the future.

2.2 Risks from economic conditions and domestic politics

Uncertainty of Thai economic conditions and the global economy, including other macroeconomic factors, affect decisions of existing and prospective tenants, especially foreign entrepreneurs, who are major tenants. Additionally, the uncertainty may affect the number of leases and lease rates.

The REIT manager is aware of such risks, and, therefore, gives priority to devising a strategy to build up strengths of the REIT's key properties. For example, investing in high quality properties located in promising locations and offering services that meet the entire business needs of the tenants. This is to gain a competitive advantage and to maintain a client base during any economic downturn. Furthermore, the business of the REIT can also benefit from investment promotion measures targeting development in industrial sectors. For instance, applying for investment promotion through the Board of Investment Office, especially to encourage industrial entrepreneurs in other countries to choose Thailand as their production base.

2.3 Risks from natural disasters, accidents, and sabotage

The REIT's key properties are at risk of being affected by natural disaster, accidents and sabotage. Therefore, in order to ease the burden of loss, the REIT has arranged insurance with the sum insured covering the total value of the REIT's key properties. The insurance is regularly maintained and is divided into all risk insurance, business interruption insurance, and third-party insurance.

2.4 Risks from tenant's ability to pay rents, service fees, or maintenance fees

Rents, service fees and maintenance fees are the REIT's major income. Therefore, the financial status of a tenant may directly affect the operation of the REIT. Generally, a tenant leaves a deposit of 3 to 6 months' worth of applicable rents, service fees and/or maintenance fees (depending on the terms of each lease). The REIT takes a deposit lest a tenant withhold payment for rent, service fees or maintenance fees for a period of 90 days. However, if the REIT has to evict a tenant because of a failure to settle bills or breach of contract, the time taken to complete a move-out process or finding a new tenant may be longer than 3 months. Such a delay may directly affect the REIT's Income. However, it normally takes 3 – 6 months which is close to the period of deposit guarantees from tenants.

2.5 Risks from a tenant not renewing a lease

The REIT is at risk as some tenants may not renew their lease, or may demand a change in lease terms that results in reduction of the REIT's benefits. Also, if many tenants do not renew their leases, and the REIT cannot find new tenants to replace those former tenants straight away or new tenants make shorter leases, the REIT's overall outcome may be directly affected. However, the property manager normally discusses lease renewal with existing tenants in advance and before their leases end. This allows time to find replacement tenants before the vacancy.

2.6 Risks from a high concentration of tenants, tenants in the same industry, or tenants of the same nationality

The REIT may carry risks from a high concentration of tenants in the same industry or of the same nationality, for if any industry is shrinking, or if there are issues in international relations, leases may be terminated or may not be renewed, and the REIT's overall outcome may be affected.

However, the REIT has a policy to make additional investments that help diversify the REIT's sources of income, and help reduce the REIT's dependence on its income from any particular tenant. Information on 30 September, 2019 indicates that the REIT's income from the top 10 tenants accounts for 20% of the total income, with the REIT's income from the top tenant accounting for 4% of the total income. Therefore, the REIT manager considers that risk from the top tenants failing to settle their rents as well as termination of leases or leases not being renewed are rather low.

In addition, FPIT and FPT, as the property managers, believe that the REIT's key properties are of high quality and located in promising locations. Moreover, the tenants' businesses are operated as a business cluster. The public sector has also introduced a policy to strengthen international relations. The property managers believe that these contributing factors will help encourage existing tenants to renew their leases. Also, finding replacement tenants should not be difficult.

2.7 Risks relating to land delivery after a lease ends

Since part of the REIT's property is investment in a ground lease with FPIT or FPT, and the lease requires that the REIT be responsible for demolition of buildings prior to the return of the land when the lease ends, the REIT, thus, carries risk of a demolition burden and costs related to the demolition.

However, the REIT can sell demolished waste from warehouse or factory buildings as compensation for the demolition-related costs. In addition, the REIT has as long as 180 days to return the land. Therefore, it is reasonable to carry out the demolition work without affecting the REIT.

However, there may be changes to such demolition in the future. This may cause the REIT increased demolition-related costs and may have a significant impact on the REIT's financial status in the year the lease ends.

2.8 Risks from the right to early termination being exercised

Some of the REIT's key properties are under the terms of the lease that give a tenant the right to early termination of ground leases, warehouse leases, service agreements, and maintenance service agreements ('client services agreements'). If exercised after 12 months from the date a contract begins, the deposit will not be forfeited. If a tenant exercises such a right, FPIT or FPT agree to compensate the REIT equal to the amount of the deposit specified in a lease. The REIT is thus not affected if a tenant exercises such a right under a lease.

For a property in a warehouse project in which the REIT has made an additional investment, FPIT may grant a tenant the right to early termination of a client service agreement (Option to Early Termination). The tenant can pay part of the fine to the REIT with their deposit.

However, if a tenant exercises such a right and the REIT cannot find a new tenant in good time, or if a new tenant makes a shorter lease, the REIT's cash flow and overall outcome may be affected.

2.9 Risks from granting some tenants the right to 'swap to lease' a warehouse in Frasers Property Project before their existing leases end

Some of the REIT's key properties are under the terms of a lease that grants a tenant the right to 'swap to lease' a warehouse in an FPIT project before an existing lease ends (Option to Swap). In other words, a tenant can exercise such a right to cancel an existing lease, and make a new lease on another warehouse also in an FPIT project. Therefore, to help alleviate the impact of exercising the right, FPIT agrees to compensate the REIT equal to the amount of the deposit specified in a lease.

Nonetheless, if a tenant exercises such a right and the REIT cannot find a new tenant straight away, or if a new tenant makes a shorter lease, the REIT's overall outcome may be affected.

3. Risks from change in property values

The REIT's key properties comprise of property in which the REIT has invested in the forms of leasehold and freehold.

- **Property invested in the form of leasehold**
The value of the REIT's leasehold property depreciates as the remaining lease term decreases, changes take place in the number of leases or lease rates, or from other factors beyond the REIT manager's control; and the value becomes zero when the lease ends. Currently, the REIT has a total of 444,354 sq.m. of leasehold property, equal to 26.5% of all leasehold offered.
- **Property invested in the form of freehold**
The value of the REIT's freehold property may change based on valuation by property valuers. This may be affected by changes in the number of leases or lease rates, or other factors beyond the REIT manager's control.

Such changes may have a significant impact on the property values, the net property value, and the value of the REIT units.



Fraser's Property Logistics Center (Amata City Chonburi), Chonburi

PREVENTION OF CONFLICT OF INTEREST

1. Transaction between ftreit and reit manager or related parties of the reit manager

The REIT manager may make transaction between FTREIT and the REIT manager and connected persons to the REIT manager in the future. It is important that such transaction shall be committed to the maximum benefit of FTREIT and can be verified that the transaction is done at a fair price, under the rules and regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand and the Trust Deed.

1.1 Policy for making transaction between ftreit and the reit manager or its related parties

Trust Deed has a procedure for making transaction between FTREIT and the REIT Manager or its related parties with the following criteria:

(1) Transactions between FTREIT and the REIT Manager or its related parties with the following criteria:

- a. The transaction must be in accordance with the Trust Deed and the related laws;
- b. The transaction must be in the best interest of FTREIT.
- c. The transaction must be justifiable at fair price and fair market conditions.
- d. Expense to be charged from FTREIT (if any) must be in justified rate and reasonable
- e. Persons who have interest in the transaction will not participate in decision making for approval of the transaction.

(2) However, if it is necessary to enter into a transaction that may create conflict of interest, the Company has the following procedure to ensure the best interest of FTREIT / its unitholders:

- a. The transaction must be certified by the Trustee that it is in accordance with the Trust Deed and related laws.

b. For transactions value over THB 1 million or equal to or above 0.03% of the net asset value of FTREIT, whichever is higher, an approval must be obtained from the Board of Directors;

c. For transactions value equal to or over THB 20 million or over 3% of the net asset value of FTREIT, whichever is higher, an approval must be obtained by resolution of a meeting of unitholders by a three-fourth of total votes of unitholders who attend the meeting and are eligible to vote.

(3) If the related party transaction is a transaction to acquire or sell of main properties, the calculation of value will base on acquisition or sell value of all properties of each project that will make it ready to seek benefit, including all properties relating to that project.

(4) In order to seek approval from Trustee or unitholders' meeting, the REIT Manager and Trustee shall have the following responsibilities:

a. The REIT Manager shall prepare a paper requesting for approval or notice for unitholders' meeting with the REIT Manager's opinion on nature of transaction according to clause 1) together with supporting reasons and clear information; and

b. Trustee must attend the unitholders' meeting to provide its opinion whether the transaction is conformed to Trust Deed and relating applicable laws. In case that approval from the unitholders' meeting is required, the notice for meeting must include opinion from an independent financial advisor for such approval.

- (5) In case that the information on related party transaction between FTREIT and the REIT Manager or any person relating to the REIT Manager has been clarified in the information memorandum, such

transaction shall not require approval in clause 2) and does not require to follow procedures to request for approval in clause 4).

1.2 Details of transaction between ftreit and reit manager or related parties of the reit manager

(1) Transaction between ftreit and related parties of the reit manager

Juristic Person that may have a conflict of interest	Nature of Relationship	Nature of Transaction	Necessity and Reasonableness of Transactions	Transactions in 2019
Frasers Property (Thailand) Plc. (FPT)	FPT is a major shareholder of the REIT Manager, by holding 70% of total paid-up shares and control the Company. Also, FPT is a major shareholder of FTREIT.	<ul style="list-style-type: none"> REIT Manager has appointed FPT and FPIT to be the Property Manager. Acquiring additional assets from FPT and FPIT. 	<ul style="list-style-type: none"> FPT and FPIT was the owner of FTREIT's factories and warehouses with skilled personnel and standard operation. Property management fee paid to FPT and FPIT was a normal and appropriate rate in this business. According to FTRIT's investment policy, FIRM considers to invest in the potential properties of FPT and FPIT, including the property valuation processed by an independent appraiser. 	<ul style="list-style-type: none"> Income from rental and service guarantees from FPT of 6.88 million Baht and FPIT of 23.64 million Baht Repair and maintenance expenses from FPT of 5.04 million Baht and FPIT of 17.78 million Baht Investment in properties from FPT of 1,228.84 million Baht and FPIT of 1,315.2 million Baht
Frasers Property Industrial (Thailand) Co., Ltd. (FPIT)	FPIT has the same major shareholder as the REIT Manager. FPT is a major shareholder of the REIT Manager and FPIT since FPT holds the shares of 99.99% in the REIT Manager and FPIT.			
Frasers Property Demco Power 6 Co., Ltd.	FPIT is a major shareholder by holding 51%.	Leasing roof area of FTREIT's warehouse buildings for installation solar roof.	To manage properties area for maximize benefits.	Rental income <ul style="list-style-type: none"> Demco Power 6 of 0.16 million Baht Demco Power 11 of 0.08 million Baht
Frasers Property Demco Power 11 Co., Ltd.	FPIT is a major shareholder by holding 51%.			

(2) Transaction between ftreit and reit manager

Juristic Person that may have a conflict of interest	Nature of Relationship	Nature of Transaction	Necessity and Reasonableness of Transactions	Transactions in 2019
Frasers Property Industrial REIT Management (Thailand) Co., Ltd. (FIRM)	REIT Manager	To be appointed to REIT Manager according to REIT Manager Agreement.	<ul style="list-style-type: none"> FIRM is a subsidiary of FPT who is a leader in managing factories and warehouses for rent, with skilled personnel and standard operation. Directors and Management of FIRM have an experience and a good understanding of rental property business. 	REIT Manager fee of 346.38 million Baht

1.3 Guidelines to prevent conflicts of interest

The REIT manager has a system to prevent conflicts of interest between FTREIT and a person who may have conflicts of interest. The management who responsible for making transactions that may cause a conflict of interest with the Legal and Compliance Department jointly ensure that such transaction is in accordance with the following guidelines:

- (1) Transaction must be complied with the Trust Deed and related laws and incurred to the maximum benefits of FTREIT;
- (2) Transaction must be reasonable and committed on the fair price and fair market conditions;
- (3) Stakeholders of the transaction shall not participate in the approval process of such transaction.

2. Transaction between the trustee and related party of the trustee

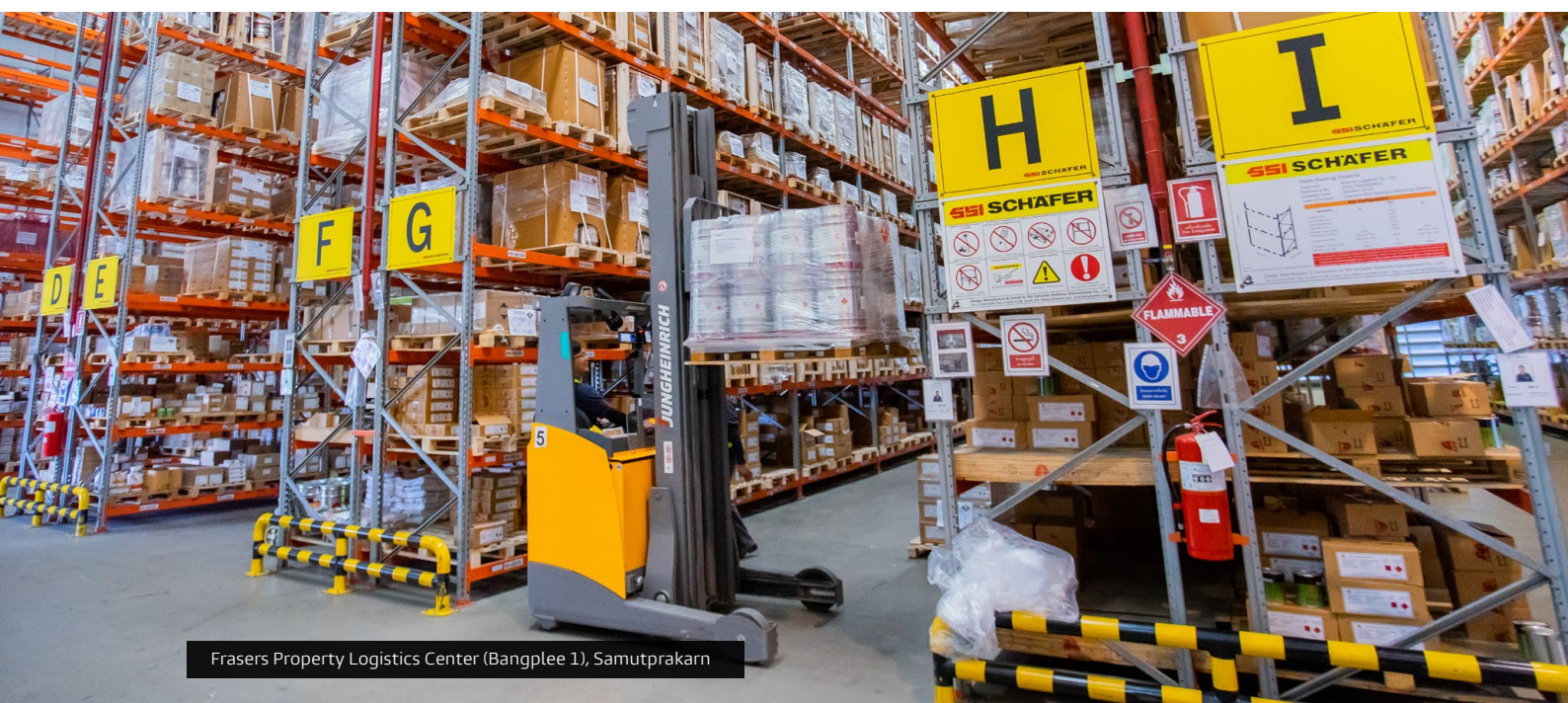
In 2019, FTREIT had transactions between trustee and related party of trustee as follows:

Juristic Person that may have a conflict of interest	Nature of Relationship	Nature of Transaction	Necessity and Reasonableness of Transactions	Transactions in 2019
BBL Asset Management Co., Ltd. (BBLAM)	Trustee	BBLAM oversees and takes necessary actions for FTREIT as trust deed, and receives trustee fee as the trust deed.	Free rate is a normal rate as the same as the other trustees.	Trustee fee of 18.60 million Baht
Bangkok Bank Plc. (Bangkok Bank)	Bangkok Bank is a major shareholder of the Trustee, holding 75% of the issued and paid-up capital of the Trustee.	Bangkok Bank might provide financial products and services to trust. REIT manager shall consider proposal and conditions by comparing with other banks or financial institution.	FTREIT has a saving account for operating activities in Bangkok Bank and receives the interest with the same rate as other bank's customers, such rate was a normal rate of other banks and financial institutions.	Interest income of 0.83 million Baht

3. Soft commission

FTREIT has no any soft commission.

LEGAL DISPUTE AND BENEFIT & LIMITATION OF REAL ESTATE



Legal Dispute

FTREIT has no legal dispute that may significantly and adversely impact to TREIT's business operation.

Benefits and Limitations of Real Estate

Short-term borrowing is required the terms and conditions as follows:

- Negative Pledge on the properties of REIT
- Disposition include transfers and assignments of properties and leasehold right, except the following (a) transactions with option to buy or, (b) transactions of value totaling not exceed 1,600 million Baht per transaction, and not exceed 6,400 million Baht in total transactions unless obtain written consent from a financial institution.

CORPORATE SOCIAL RESPONSIBILITY



1. Policy Overview

The REIT Manager has a policy to manage the Trust with transparency to all related stakeholders for the best interests of the unitholders. The REIT Manager gives priority to the good corporate governance (Please see more details on the topic “Corporate Governance”) as well as business operations with responsibilities to society and environment. The REIT Manager has carried out the policy based on the Stock Exchange of Thailand’s guideline on corporate social responsibilities.

1.1 Business Operation Fairness

Operating the business with fairness is one of business ethics which the REIT Manager gives priority to and always practice when managing the Trust. The REIT Manager shall manage the Trust with strictly compliance to related laws including the Securities and Exchange Act B.E. 2535 (with amendments), the Trust for Transactions in Capital Market Act, B.E. 2550 and Rules and Regulations of

the related regulators as well as to the provisions in the Trust Deed. The Trust shall be managed under good governance principles, avoiding practices or actions that could pose conflicts of interest, promoting free and fair-trade competition. All tenants shall be fairly treated. There shall be no propaganda or false advertisement which may mislead and cause damage to consumers. All the above practices are aimed to be fair to other business operators, the unitholders, business partners and related stakeholders, which will build investor’s confidence in the long term.

1.2 Respect For Human Rights And Fair Treatment To The Labor

The REIT manager focuses on the fundamental rights of individuals including the right to life and liberty, the right to equality under the law, the right to freedom of speech, the right to work, the right to basic healthcare as well as right to social security.

The REIT Manager also provides to staff a chance to show their potential, encourages them to express their idea freely, and provides opportunities to enhance their knowledge and skills continually. The details are as follows:

- (1) Provide work process and system that focuses on proper safety and healthcare in the workplace. Provide a clean workplace to prevent safety hazards that may arise from accidents and disease, including encouraging employees to have a good health through annual health check program;
- (2) Enhance staff's skill and potential by providing an opportunity for employees to learn and to be promoted when the opportunity is right;
- (3) Provide fair employment conditions for employees and provide reasonable compensations that fit their capacity;
- (4) Provide employee's welfare such as annual vacation, medical treatment as necessary and appropriate;
- (5) Provide important information to employees and employee representatives about the actual conditions and operating results of business entities;
- (6) Promote collaborations among employers and employees to improve work life quality.

1.3 Responsibilities To Consumers

The Trust invested in the assets which are land and warehouse and factory buildings and appointed TPARK and TICON as the property manager. (Please see more details on the topic. "Property Manager". In property management, the Property Managers focus on fair and responsible treatment to the tenants, taking into account their health and safety.

- (1) Construction of the buildings done by business partners who are responsible contractor with high standard;

- (2) Deliver products and services with high quality, safe and not harmful to tenant's health;
- (3) Contact the tenants politely, effectively and trustworthy

1.4 Environment Preservation

The REIT Manager recognizes the importance of environment preservation and treats that to preserve the environment is a shared responsibility of everyone. Therefore, the REIT Manager encourages its employees to use resources efficiently, with regards to energy saving measures and recycling and reuse of materials. The REIT Manager also provides knowledge and training to employees on environment, safety and healthcare.

In addition, the Property Managers have a policy to build modern and safe warehouse and factory, with no impact on the environment and with ability to respond to social needs and environmental protection to customers. TICON, one of the Trust's property managers, has developed a green factory building that is environment-friendly (Green Building), which has been certified as a building that is environmental friendly by the standard of "LEED" or Leadership in Energy and Environmental Design from the U.S. Green Building Council (USGBC), a leading certification body of green building standards in the United States. TICON is the first developer of factory and warehouse in Thailand certified with LEED Certification. In addition, the property managers also focus on preserving the environment around its factories and warehouses so that to people who live nearby can live their daily life in a better and quality environment.

2. Soft Commission

- None -



Fraser's Property Logistics Center (Bangplee 1), Samutprakarn

TRUSTEE'S OPINION



BBL ASSET MANAGEMENT CO., LTD.
บริษัทหลักทรัพย์จัดการกองทุนรวม บัวหลวง จำกัด

28th November 2019

To : Unitholders of Frasers Property Thailand Industrial Freehold and Leasehold REIT

Whereas, BBL Asset Management Company Limited ("BBLAM") acting as the Trustee of Frasers Property Thailand Industrial Freehold and Leasehold REIT ("FTREIT") which managed by Frasers Property Industrial REIT Management (Thailand) Company Limited ("FIRM") as the REIT manager during accounting period from 1st October 2018 to 30th September 2019.

In our opinion, FIRM has performed its duties in managing the FTREIT appropriately in accordance with the objectives specified in the Trust Deed and the Trust for Transactions in Capital Market Act B.E. 2550.

Yours Faithfully,

BBL Asset Management Co., Ltd.,

Trustee of Frasers Property Thailand Industrial

Freehold and Leasehold REIT

(Mr. Thawatchai Lueangsurarungse)

Senior Vice President

(Mr. Chukiet Wiriyakorkitkul)

Assistant Managing Director

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Frasers Property Industrial REIT Management (Thailand) Company Limited (the REIT manager) (formerly TICON Management (Thailand) Company Limited)

Opinion

I have audited the financial statements of Frasers Property Thailand Industrial Freehold & Leasehold REIT (formerly TICON Freehold and Leasehold Real Estate Investment Trust) (the "Trust"), which comprise the balance sheet and detail of investments as at 30 September 2019, the statement of income, changes in net assets, cash flows and the significant financial information for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as at 30 September 2019, and its financial performance, changes in net assets, cash flows and the significant financial information for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Trust in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that is relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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

Valuation of investments in freehold and leasehold properties Refer to Notes 4 and 6 to the financial statements.

The key audit matter	How the matter was addressed in the audit
Investments in freehold and leasehold properties are measured at fair value and are material to the Trust's financial statements. The fair value of investments in freehold and leasehold properties is determined by income approach using discounted future cash flows based on future operating results of each property. The Trust engaged independent external valuers to assist in valuing the fair value of these investments.	<p>My audit procedures included</p> <ul style="list-style-type: none">• Understanding the basis upon which the Trust identified and assessed the fair value of each asset.• Evaluating the independence, qualifications and competence of valuers of the Trust.• Using the work of external expert engaged by KPMG in considering the reasonableness of measurement basis and key assumptions used for estimating fair value of assets.

The key audit matter	How the matter was addressed in the audit
Identification and assessment of the fair require significant judgment in determining the key assumptions. This is an area that my audit is particularly concentrated on.	<ul style="list-style-type: none"> Evaluating the appropriateness of the key assumptions used in the valuation by comparing them against historical data and available industry data, considering the reasonableness of significant movement in the property valuation from the prior year sampling check the relevant documents, and recomputing the valuation based on the discounted cash flow. Considering the adequacy of the disclosures in accordance with Thai Financial Reporting Standards.

Other Matter

The Trust changed its financial year-end from 31 December to 30 September in 2018 as described in note 2(e). Consequently, the statements of income, the statement of changes in net assets, cash flows and significant financial information for the year ended 30 September 2019 comprise 12 months whereas the comparative information for the period from 1 January 2018 to 30 September 2018 comprise 9 months, which results in the periods presented being not comparable. Therefore, supplementary information in note 22 has been prepared by the Trust as additional information in the form of unaudited statements of income and cash flows for the period from 1 October to 30 September 2018. I have not audited the supplementary information and do not express any audit opinion on such information.

Other Information

The REIT manager is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to REIT manager and request that the correction be made.

Responsibility of The REIT manager for the Financial Statements

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

In preparing the financial statements, REIT manager is responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless REIT manager either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by REIT manager.
- Conclude on the appropriateness of REIT manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If I conclude

that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with REIT manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide REIT manager with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

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



(Nittaya Chetchotiros)
Certified Public Accountant
Registration No. 4439

KPMG Phoomchai Audit Ltd.
Bangkok
13 November 2019

FINANCIAL STATEMENT

Balance sheet

		30 September	
	Note	2019	2018
		(in Baht)	
Assets			
Investments in freehold and leasehold properties at fair value			
(At cost as at 30 September 2019: Baht 35,369 million,			
30 September 2018: Baht 32,367 million)	6	37,049,372,693	33,987,447,170
Investments in securities at fair value			
(At cost as at 30 September 2019: Baht 837 million,			
30 September 2018: Baht 905 million)		836,597,447	904,544,439
Cash and cash equivalents	5, 7	305,159,688	233,441,920
Rental and service receivables	5, 8	217,497,934	188,704,760
Accrued interest income	5	2,187,546	2,625,042
Other receivables	5	10,174,431	11,550,060
Deferred expenses	9	50,705,200	80,683,395
Other assets		25,002,050	24,328,186
Total assets		38,496,696,989	35,433,324,972

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

		30 September	
	Note	2019	2018
(in Baht)			
Liabilities			
Short-term loans	5, 10	1,302,000,000	1,393,047,170
Accrued property tax		129,636,546	118,367,104
Accrued expenses	5	59,024,071	66,091,475
Accrued interest expenses	5	88,437,618	66,016,579
Withholding taxes payable		31,322,209	30,511,453
Rental and service income received in advance		-	577,125
Deposits from rental and services	5	945,180,074	844,371,309
Debentures	5, 11	8,440,000,000	5,540,000,000
Other liabilities		11,917,331	12,401,757
Total liabilities		11,007,517,849	8,071,383,972
Net assets		27,489,179,140	27,361,941,000
Net assets			
Trust registered capital	12	25,173,622,620	25,173,622,620
Capital from unitholders	12	25,173,622,620	25,173,622,620
Retained earnings	12	2,315,556,520	2,188,318,380
Net assets		27,489,179,140	27,361,941,000
Net asset value per unit		10.5630	10.5141
Number of units issued at the end of year / period (unit)		2,602,387,048	2,602,387,048

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

Detail of investments

Type of investments	Locations	30 September 2019				30 September 2018			
		Area (Rai-Ngan-Sq. Wah)	Cost	Fair value (in Baht)	Percentage of investments	Area (Rai-Ngan-Sq. Wah)	Cost	Fair value (in Baht)	Percentage of investments
Investments in freehold and leasehold properties (Note 6)									
Leasehold on land and freehold on factories									
	Rojana Industrial Park Zone 2, Rojana-Uthai Road, Banchang Sub-district, Uthai District, Ayutthaya Province	16-1-15	189,000,000	190,700,000	0.50	16-1-15	189,000,000	185,700,000	0.54
	Nava Nakorn Industrial Promotion Zone, Phahon Yothin Road, Khlong Nueng Sub-district, Khlong Luang District, Patum Thani Province	7-2-0	80,900,000	89,800,000	0.24	7-2-0	80,900,000	81,800,000	0.23
			<u>269,900,000</u>	<u>280,500,000</u>	<u>0.74</u>		<u>269,900,000</u>	<u>267,500,000</u>	<u>0.77</u>
Leasehold on land and freehold on warehouses									
	Fraser Property Bangna project, Debaratna Road, Bang Samak and Bang Wuua Kanarak Sub-district, Bang Pakong District, Chachoengsao Province	213-0-21	3,323,415,443	3,451,600,000	9.11	213-0-21	3,323,415,443	3,358,200,000	9.62
			<u>3,323,415,443</u>	<u>3,451,600,000</u>	<u>9.11</u>		<u>3,323,415,443</u>	<u>3,358,200,000</u>	<u>9.62</u>
Leasehold on land and factories									
	Hi-Tech Industrial Estate, Asia Road, Ban Len Sub-district, Bang Pa-in District, Ayutthaya Province	17-3-44	201,900,000	222,600,000	0.59	17-3-44	201,900,000	213,800,000	0.61
	Amata City Industrial Estate Chonburi, Sai Debaratna Road, Panthong and Nongkhaka Sub-district, Panthong District and Don Huaro Sub-district, Mueang Chon Buri District, Chonburi Province	47-0-36	539,622,407	552,900,000	1.46	86-3-67	1,183,694,703	1,152,200,000	3.30
	Pinthong Industrial Estate 2, Sai Nong Kho-Laem Chabang Road, Nongkham Sub-district, Si Racha District, Chonburi Province	14-0-18.50	186,600,000	169,100,000	0.45	14-0-18.50	186,600,000	162,500,000	0.47
	Pinthong Industrial Estate 3, Sai Nong Kho-Laem Chabang Road, Bowin Sub-district, Si Racha District, Chonburi Province	9-0-94.2	104,800,000	91,700,000	0.24	9-0-94.2	104,800,000	89,700,000	0.26

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

Type of investments	Locations	30 September 2019				30 September 2018			
		Area (Rai-Ngan-Sq. Wah)	Cost (in Baht)	Fair value (in Baht)	Percentage of investments	Area (Rai-Ngan-Sq. Wah)	Cost (in Baht)	Fair value (in Baht)	Percentage of investments
Leasehold on land and factories (cont')									
	Amata City Industrial Estate Rayong, Sai Chachoengsao-Sattahip Road, Map Yang Phon Sub-district, Pluak Daeng District, Rayong Province	22-3-12.20	406,741,917	427,000,000	1.13	22-3-12.20	386,796,075	382,200,000	1.10
			1,439,664,324	1,463,300,000	3.87		2,063,790,778	2,000,400,000	5.74
Leasehold on land and warehouses									
	Fraser Property Bangpree 1 project, Debaratna Road, Srisa Chorakhe Yai Sub-district, Bang Sao Thong District, Samutprakan Province	101-3-26.3	1,263,447,936	1,222,500,000	3.23	101-3-26.3	1,263,447,936	1,225,100,000	3.51
	Fraser Property Bangpree 3 project, Debaratna Road, Bangpla Sub-district, Bangpree District, Samutprakan Province	116-3-52.89	1,955,288,237	1,970,600,000	5.20	116-3-52.89	1,955,288,237	1,972,982,780	5.65
			3,218,736,173	3,193,100,000	8.43		3,218,736,173	3,198,082,780	9.16
Freehold on land and factories									
	Amata City Industrial Estate Rayong, Sai Chachoengsao-Sattahip Road, Map Yang Phon Sub-district, Pluak Daeng District, Rayong Province	102-3-64	1,485,799,511	1,661,100,000	4.38	102-3-64	1,485,799,511	1,666,000,000	4.77
	Pinthong Industrial Estate 1, Sai Nong Kho-Laem Chabang Road, Nong Kham Sub-district, Si Racha District, Chonburi Province	54-2-39.3	917,000,000	919,800,000	2.43	54-2-39.3	917,000,000	918,300,000	2.63
	Pinthong Industrial Estate 1, Sai Nong Kho-Laem Chabang Road, Nong Kham Sub-district, Si Racha District, Chonburi Province	22-3-36.5	299,179,903	294,100,000	0.78	22-3-36.5	299,179,903	289,900,000	0.83
	Pinthong Industrial Estate 3, Sai Nong Kho-Laem Chabang Road, Bowin and Bueng Sub-district, Si Racha District, Chonburi Province	66-2-28.60	859,034,804	791,600,000	2.09	66-2-28.60	859,034,804	772,400,000	2.21
	Hi-Tech Industrial Estate, Sai Asia Road, Banlane Sub-district, Bangpa-In District, Ayutthaya Province	143-0-58	1,928,401,794	2,078,700,000	5.49	136-2-16	1,809,649,614	1,985,900,000	5.69

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

Type of investments	Locations	30 September 2019				30 September 2018			
		Area (Rai-Ngan-Sq. Wah)	Cost	Fair value (in Baht)	Percentage of investments	Area (Rai-Ngan-Sq. Wah)	Cost	Fair value (in Baht)	Percentage of investments
Freehold on land and factories (cont')									
Rojana Industrial Park,		179-3-99.7	2,523,695,588	2,665,300,000	7.04	174-1-78	2,439,883,528	2,550,200,000	7.31
Rojana-Wangnoi Road, Ban Chang and Uthai Sub-district, Uthai District, Ayutthaya Province									
WHA Industrial Development Chonburi 1,		15-1-22	184,376,044	179,800,000	0.47	15-1-22	184,376,044	187,800,000	0.54
Sai Chachoengsao-Sattahip Road, Bo Win Sub-district, Si Racha District, Chonburi Province									
Amata City Chonburi Industrial Estate,		334-2-96.5	5,245,781,426	6,093,400,000	16.08	276-3-27.6	4,253,100,000	5,052,100,000	14.48
Debaratna Road, Bankao, Panthong and Nongkhaka Sub-district, Panthong District and Don Huaro Sub-district, Mueang Chon Buri District, Chonburi Province									
Bangpa-In Industrial Estate,		46-1-35.1	730,911,670	757,100,000	2.00	39-2-8.26	594,800,000	638,500,000	1.83
Udomsorayut Road, Klongjig Sub-district, Bangpa-In District, Ayutthaya Province									
Bangpu Industrial Estate,		57-2-74.9	919,216,540	1,002,300,000	2.65	50-2-95.18	784,100,000	876,600,000	2.51
Sukhumvit road , Phraek Sa Sub-district, Muang Samut Prakan District, Samut Prakan Province									
Nava Nakorn Industrial Promotion Zone,		77-1-64.5	1,071,741,930	1,090,800,000	2.88	55-1-95.52	712,500,000	753,300,000	2.16
Phahon Yothin Road, Khlong Nueng Sub-district, Khlong Luang District, Patum Thani Province									
			16,165,139,210	17,534,000,000	46.29		14,339,423,404	15,691,000,000	44.96
Freehold on land and warehouses									
Fraser Property Logistics Center project (Amata City Chonburi), Bankao Sub-district, Phan Thong District, Chonburi Province		19-3-88.7	485,500,000	493,800,000	1.30	19-3-88.7	485,500,000	469,900,000	1.35
Fraser Property Eastern Seaboard 2A project, Sai Chachoengsao-Sattahip and Sai Nong kho-Phan Sadej Nok Road, Bo Win Sub-district, Si Racha District, Chonburi Province		16-0-48.40	298,478,563	276,400,000	0.73	16-0-48.40	298,478,563	245,600,000	0.70
Fraser Property Wangnoi 1 project, Phahon Yothin Road, Payom Sub-district, Wang Noi District, Ayutthaya Province		81-1-0	1,452,300,000	1,666,800,000	4.40	81-1-0	1,452,300,000	1,669,700,000	4.79

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

Type of Investments	Locations	30 September 2019			30 September 2018				
		Area (Rai-Ngan-Sq. Wah)	Cost (in Baht)	Fair value (in Baht)	Percentage of investments	Area (Rai-Ngan-Sq. Wah)	Cost (in Baht)	Fair value (in Baht)	Percentage of investments
Freehold on land and warehouses (cont')									
Fraser Property Wangnoi 2 project, Phahon Yothin Road, Payom Sub-district, Wang Noi District, Ayutthaya Province		11-3-59	188,580,000	172,200,000	0.45	11-3-59	188,580,000	171,600,000	0.49
Fraser Property Eastern Seaboard 1A project, Sai Chachoengsao-Sattahip and Sai Nong kho-Phan Sadejnok Road, Bo Win Sub-district, Si Racha District, Chonburi Province		41-2-60.8	602,080,180	636,200,000	1.68	41-2-60.8	602,080,180	615,680,180	1.76
Fraser Property Eastern Seaboard 1B project, Sai Pluak Daen-Wang Ta Phin Road, Pluak Daeng Sub-district, Pluak Daeng District, Rayong Province		36-1-16.6	565,870,079	516,000,000	1.36	12-3-64.5	230,179,559	162,300,000	0.47
Fraser Property Sriracha project, Bangpra and Surasak Sub-district, Si Racha District, Chonburi Province		64-0-2.1	933,415,028	793,819,693	2.10	56-2-5.92	809,295,335	837,200,000	2.40
Fraser Property Laemchabang 1 project, Nong Kham Sub-district, Si Racha District, Chonburi Province		83-2-37.20	1,229,400,000	1,342,100,000	3.54	83-2-37.20	1,229,400,000	1,343,100,000	3.85
Fraser Property Laemchabang 2 project, Nong Kham Sub-district, Si Racha District, Chonburi Province		75-3-94.4	1,531,788,611	1,399,580,307	3.69	55-0-55.24	1,018,908,304	921,400,000	2.64
Fraser Property Phan Thong 1 project, Phan Thong Sub-district, Phan Thong District, Chonburi Province		13-2-11	241,280,000	157,600,000	0.42	13-2-11	241,280,000	153,100,000	0.44
Fraser Property Bangna project, Debaratna Road, Bang Samak and Bang Wua Bang Pakong District, Chachoengsao Province		93-1-51	1,766,300,000	2,011,800,000	5.31	93-1-51	1,766,300,000	1,989,400,000	5.70
Cold Storage CTD - Wangnoi project, Cha Map Sub-district, Wang Noi District, Ayutthaya Province		23-3-25.6	660,872,693	660,872,693	1.74	-	-	-	-
Fraser Property Logistics Center (Rojana Ayutthaya) Zone 2 project, Rojana-Wang noi Road, Uthai Sub-district, Uthai District, Ayutthaya Province		19-0-65	294,000,000	330,900,000	0.87	19-0-65	294,000,000	341,500,000	0.98

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

Type of investments	Locations	30 September 2019				30 September 2018			
		Area (Rai-Ngan-Sq. Wah)	Cost (in Baht)	Fair value (in Baht)	Percentage of investments	Area (Rai-Ngan-Sq. Wah)	Cost (in Baht)	Fair value (in Baht)	Percentage of investments
Freehold on land and warehouses (cont')									
	WHA Industrial Development Chonburi 1 project, Sai Chachoengsao-Sattahip Road, Bo Win Sub-district, Si Racha District, Chonburi Province	26-2-59	359,684,210	363,200,000	0.96	26-2-59	359,684,210	359,684,210	1.03
	Fraser Property Logistics Center (Rojana Prachinburi) project, Sai Chachoengsao-Kabinburi Road, Huawa Sub-district, Srinahabho District, Prachinburi Province	17-0-99	342,545,860	305,600,000	0.81	13-0-8	175,851,296	192,100,000	0.55
			10,952,095,224	11,126,872,693	29.36		9,151,837,447	9,472,264,390	27.15
Total investments in freehold and leasehold properties			35,368,950,374	37,049,372,693	97.80		32,367,103,245	33,987,447,170	97.40

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

Type of investments/ Issuer	30 September 2019				30 September 2018			
	Maturity date	Interest rate (% per annum)	Cost (in Baht)	Fair value (in Baht)	Percentage of investment	Cost (in Baht)	Fair value	Percentage of investment
Investments in securities								
Fixed deposits								
CIMB Thai Bank Public Company Limited	1 October 2018	1.20	-	-	-	300,000,000	300,000,000	0.86
CIMB Thai Bank Public Company Limited	1 October 2018	1.20	-	-	-	200,000,000	200,000,000	0.57
CIMB Thai Bank Public Company Limited	3 October 2018	1.20	-	-	-	100,608,319	100,608,319	0.29
CIMB Thai Bank Public Company Limited	24 October 2018	1.20	-	-	-	102,626,531	102,626,531	0.30
CIMB Thai Bank Public Company Limited	7 December 2018	1.20	-	-	-	201,309,589	201,309,589	0.58
United Overseas Bank (Thai) Public Company Limited	10 October 2019	1.55	106,389,321	106,389,321	0.28	-	-	-
CIMB Thai Bank Public Company Limited	18 October 2019	1.35	100,308,219	100,308,219	0.26	-	-	-
CIMB Thai Bank Public Company Limited	18 December 2019	1.42	223,242,071	223,242,071	0.59	-	-	-
CIMB Thai Bank Public Company Limited	19 December 2019	1.42	150,992,211	150,992,211	0.40	-	-	-
CIMB Thai Bank Public Company Limited	19 December 2019	1.42	100,000,000	100,000,000	0.26	-	-	-
CIMB Thai Bank Public Company Limited	30 December 2019	1.35	155,665,625	155,665,625	0.41	-	-	-
Total investments in securities			836,597,447	836,597,447	2.20	904,544,439	904,544,439	2.60
Total investments			36,205,547,821	37,885,970,140	100.00	33,271,647,684	34,891,991,609	100.00

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

Statement of Income

		For the year ended 30 September 2019	For the period from 1 January 2018 to 30 September 2018
	Note		
<i>(in Baht)</i>			
Investment Income			
Rental and service income	5	2,745,470,907	1,933,737,142
Interest income	5	15,954,201	9,474,425
Income from rental guarantees	5	30,525,230	2,585,748
Income from forfeiture of rental and service deposits		11,227,203	7,095,900
Other income	5	3,960,387	1,001,134
Total income		2,807,137,928	1,953,894,349
Expenses			
Cost of rental and services	5	349,114,605	305,445,821
REIT manager fee	5, 14	346,376,279	235,793,240
Trustee fee	5, 14	18,597,642	12,862,893
Registrar fee	14	6,156,813	6,113,675
Professional fees		1,520,000	1,952,966
Administrative expenses	5	44,922,431	20,615,152
Amortisation of deferred expenses	9	29,978,195	29,317,106
Finance cost	5	271,257,351	132,503,697
Total expenses		1,067,923,316	744,604,550
Net investment income		1,739,214,612	1,209,289,799
Net gains on investments			
Net realised gains from sales of investments in properties		48,122,980	5,380,228
Net unrealised gains on investments in properties	6	60,078,393	1,798,203,925
Total net realised and unrealised gains on investments		108,201,373	1,803,584,153
Net increase in net assets from operations		1,847,415,985	3,012,873,952

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

Statement of changes in net assets

		For the year ended	For the period
		30 September	from 1 January 2018
	Note	2019	to 30 September
			2018
<i>(in Baht)</i>			
<i>Increase in net assets from operations during year / period</i>			
Net investment income		1,739,214,612	1,209,289,799
Net realised gains from sales of investments in properties		48,122,980	5,380,228
Net unrealised gains on investments in properties		60,078,393	1,798,203,925
Increase in net assets from operations		1,847,415,985	3,012,873,952
Distributions to unitholders	13	(1,720,177,845)	(869,197,276)
The reduction of paid-in capital distributed to unitholders	12	-	(249,829,156)
Increase in net assets during year / period		127,238,140	1,893,847,520
Net assets at the beginning of year / period		27,361,941,000	25,468,093,480
Net assets at the end of year / period		27,489,179,140	27,361,941,000

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

Statement of cash flows

		For the year ended	For the period
		30 September	from 1 January 2018
		2019	to 30 September
			2018
			(in Baht)
Cash flows from operating activities			
Net increase in net assets from operations		1,847,415,985	3,012,873,952
<i>Adjustments to reconcile net increase in net assets from operations to net cash used in operating activities:</i>			
Purchases of investments in securities		(4,173,092,136)	(1,949,423,923)
Cash received from sales of investments in securities		4,241,039,128	1,186,692,409
Purchases of investments in properties	6	(3,224,898,425)	(1,785,343,245)
Cash received from sales of investments in properties	6	271,174,275	52,080,228
Net realised gains from sales of investments in properties		(48,122,980)	(5,380,228)
Amortisation of deferred expenses	9	29,978,195	29,317,106
Increase in rental and service receivables		(36,800,273)	(126,890,048)
Decrease in other receivables		1,375,629	4,561,229
Cash paid for deferred expenses	9	-	(14,746,377)
Increase in other assets		(673,864)	(6,803,735)
Increase in accrued property tax		11,269,442	58,655,331
Decrease in accrued expenses		(7,067,404)	(18,895,293)
Increase in withholding taxes payable		810,756	12,007,436
Increase in deposits from rental and services		100,808,765	82,542,355
Decrease in rental and service income received in advance		(577,125)	(1,704,875)
Increase (decrease) in other liabilities		(484,426)	5,370,108
Interest income		(15,954,201)	(9,474,425)
Interest received		16,391,697	7,229,526
Doubtful debts expense	8	8,007,099	9,367,723
Finance costs		271,257,351	132,503,697
Net unrealised gain on investments in properties	6	(60,078,393)	(1,798,203,925)
Net cash used in operating activities		(768,220,905)	(1,123,664,974)

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

		For the year ended	For the period
		30 September	from 1 January 2018
	Note	2019	to 30 September
			2018
<i>(in Baht)</i>			
Cash flows from financing activities			
Cash paid for short-term loans	10	(1,400,127,060)	(3,739,966,268)
Cash received from short-term loans	10	1,309,079,890	1,393,047,170
Cash received from debentures		2,900,000,000	3,740,000,000
Interest paid		(248,836,312)	(85,386,597)
The reduction of paid-in capital distributed to unitholders	12	-	(249,829,156)
Distribution to unitholders	13	(1,720,177,845)	(869,197,276)
Net cash from financing activities		839,938,673	188,667,873
Net increase (decrease) in cash on hand and at bank		71,717,768	(934,997,101)
Cash on hand and at bank at the beginning of year / period		233,441,920	1,168,439,021
Cash on hand and at bank at the end of year / period	7	305,159,688	233,441,920

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

Significant financial information

	For the period				
	For the year ended 30 September 2019	from 1 January 2018 to 30 September 2018	2017	2016	2015
	(in Baht)				
Operating performance (per unit)					
Net asset value at the beginning of year / period	10.5141	9.7864	10.1391	9.8823	10.0232
Income from investing activities					
Net investment income	0.6683	0.4635	0.5824	0.7006	0.8147
Net realised gain from sales of investments	0.0185	0.0032	-	-	0.0006
Net unrealised gains (losses) on investments	0.0231	0.6910	(0.2245)	0.1604	(0.3597)
Total income from investing activities	0.7099	1.1577	0.3579	0.8610	0.4556
Add: Increase (decrease) in capital from unitholders	-	-	(0.0278)	-	0.0894
Less: Distribution to unitholders	(0.6610)	(0.3340)	(0.6828)	(0.6042)	(0.3182)
The reduction of paid-in capital distributed to unitholders	-	(0.0960)	-	-	(0.3677)
Increase (decrease) in net assets during the year / period	0.0489	0.7277	(0.3527)	0.2568	(0.1409)
Net asset value at the end of year / period	10.5630	10.5141	9.7864	10.1391	9.8823
Ratio of increase in net assets from operations to average net assets during the year / period (%)	6.73	11.68	3.07	8.50	4.45

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

	For the year ended 30 September 2019	For the period from 1 January 2018 to 30 September 2018	2017 (in Baht)	2016	2015
Significant financial ratios and additional significant information					
Net assets at the end of year / period (in Baht)	27,489,179,140	27,361,941,000	25,468,093,480	5,746,869,728	5,601,315,216
Ratio of total expenses to average net assets during the year / period (%)	3.89	2.90	3.06	4.51	3.59
Ratio of total investment income to average net assets during the year / period (%)	10.22	7.57	8.06	11.43	11.55
Ratio of weighted average investment purchases and sales during the year / period to average net assets during the year / period (%) *	6.21	11.90	313.20	-	87.81
Average net assets during the year / period (in Baht)	27,461,176,241	25,802,921,923	7,386,241,533	5,739,121,196	3,598,025,066

* Investment trading transactions exclude cash at banks and investment in promissory notes, and must be real purchases or sales of investments which exclude purchases of investments under resale agreements or sales under repurchase agreements.

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

Notes to financial statements

For the period from 1 January 2019 to 30 September 2019

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These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the authorised director of the REIT manager on 13 November 2019.

1 Description of Frasers Property Thailand Industrial Freehold & Leasehold REIT

Frasers Property Thailand Industrial Freehold & Leasehold REIT, the “Trust” is a closed-end trust with specific purpose. The Trust was established as a trust on 12 December 2014, with no project life stipulated.

The Trust’s objectives are to raise funds from general investors and to use the proceeds from such fundraising to acquire, lease and/or sub-lease of immovable properties. The Trust will take the transfer of the ownership and/or leasehold rights and/or sub-leasehold rights therein and seek benefits from those properties by way of lease, sub-lease, transferring and/or disposing of immovable properties the Trust invests in or acquires. The Trust will also improve, modify, construct and/or develop immovable properties by taking the transfer of a construction permit and/or applying for other permits and/or executing any transactions necessary and advisable for immovable properties, with the aim of generating income and returns for the Trust and its unitholders. This includes investment in other properties and/or securities and/or seeks interest by any other means as prescribed by securities laws and/or other relevant law.

The Stock Exchange of Thailand approved the listing of the Trust’s units and permitted their trading from 9 January 2015 onwards.

Frasers Property Industrial REIT Management (Thailand) Company Limited (formerly TICON Management Company Limited) acts as the REIT Manager, BBL Asset Management Company Limited acts as the Trustee, Frasers Property Industrial (Thailand) Company Limited (formerly TICON Logistics Park Company Limited) and Frasers Property (Thailand) Public Company Limited (formerly TICON Industrial Connection Public Company Limited) are hired as the Property Management Managers and Thailand Securities Depository Company Limited acts as the Trust Registrar.

At the Board of Directors meeting of the REIT manager held on 12 December 2018, the Board of Directors approved the change of the Trust’s name and Trust’s seal from TICON Freehold and Leasehold Real Estate Investment Trust to Frasers Property Thailand Industrial Freehold & Leasehold REIT. The REIT manager changed the Trust’s name and amend the trust deed on 28 January 2019.

As at 30 September 2019, The Trust’s major unitholders are Frasers Property Thailand (International) Pte. Ltd. (formerly TICON International Pte. Ltd.) and Social Security Office which holds 22.63% and 15.03%, respectively, of the trust units, according to the latest registry of unitholders (2018: *Frasers Property Thailand (International) Pte. Ltd. (formerly TICON International Pte. Ltd.) and Social Security Office which holds 22.63% and 17.27% of the trust units, respectively*).

2 Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards ("TFRS"); guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission. In addition, the financial statements have been prepared in accordance with TAS No. 106 "Accounting for Investment Companies".

New and revised TFRS are effective for annual accounting periods beginning on or after 1 January 2019. The initial application of these new and revised TFRS has resulted in changes in certain of the Trust's accounting policies. These changes have no material effect on the financial statements.

In addition, the Trust has not early adopted a number of new and revised TFRS which are not yet effective for the current period in preparing these financial statements. Those new and revised TFRS that are relevant to the Trust's operations are disclosed in note 20.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for investments properties and investments in securities are measured at fair value.

(c) Functional and presentation currency

The financial statements are prepared and presented in Thai Baht, which is the Trust's functional currency.

(d) Use of judgements and estimates

The preparation of financial statements in conformity with TFRS requires REIT management to make judgements, estimates and assumptions that affect the application of the Trust's accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties at 30 September 2019 that have a significant risk of resulting in a material adjustments to the carrying amount of assets and liabilities in the next financial year is included in the following note 6 Investments in freehold and leasehold properties.

(e) Change in accounting period

At the Board of Directors meeting of REIT manager held on 22 February 2018, the Board of Directors of the REIT manager approved to change the Trust's accounting period from the period starting from 1 January and ending on 31 December to the period starting from 1 October and ending on 30 September. Subsequently, at the Annual General Meeting of the unitholders held on 5 April 2018, the unitholders approved the amendment to the Articles of Association of the Trust regarding the change of the accounting period, which has effect on the Trust's first change of accounting period ended 30 September 2018. Consequently, the financial statements for the accounting year ended 30 September 2019 comprises 12 months whereas the comparative information presented for the period from 1 January 2018 to 30 September 2018 comprises 9 months. As such, the operating result of comparative information are not directly comparable.

3 Distribution policy

The Trust has a policy to pay distributions to unitholders at least twice a year. However, the REIT Manager might consider paying special dividends to unitholders as it deems necessary and appropriate.

In the event that the Trust has net profit in any accounting period, the REIT Manager shall pay distributions to unitholders not less than 90% of the net profit after deducting unrealised gain on revaluation or valuation review of the properties or leasehold rights of the properties in that accounting period, including other adjustments according to the Notification of the Office of the Securities and Exchange Commission.

In the event that the Trust has accumulated losses remaining, the REIT Manager will not pay distributions to unitholders. Distributions will not be paid from either profit or retained earnings if the payments would result in an increase in the Trust's deficit in the period that payment is made.

In consideration of making a distributions payment, if the value of the interim dividend per unit to be paid during the financial period is equal or below Baht 0.10, the REIT Manager reserves its right to withhold that distributions payment and carry the whole amount over the next distributions payment.

4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) *Measurement of investments*

Investments are recognised as assets at cost on the date which the Trust has rights on investments. The cost of investments comprises the purchase prices and all direct expenses paid by the Trust in order to acquire such investments.

Investments in freehold and leasehold properties

Investments in freehold and leasehold properties are stated at fair value with no depreciation charge.

The REIT manager measured fair value at the first reporting date after the acquisition of the freehold leasehold rights based on the cost of investments, and will remeasure them at subsequent reporting dates, using the appraisal value assessed by an independent appraiser approved pursuant to the Notification of the Securities and Exchange Commission concerning the granting of approval of valuation companies and principle valuers for public use. Valuation will be made when economic conditions change, but at least every two years, commencing from the date of the full appraisal were made. In addition, the valuation will be reviewed within one year after the latest valuation date.

The REIT manager will not appoint same valuer to appraise the leased property for more than two consecutive times.

Gains or losses on valuation of investments in freehold and leasehold properties (if any) are presented as net unrealised gains or losses in the statement of income.

Investments in securities

Investments in securities are presented at their fair value.

The fair value of non-listed investment is based on the net asset value of those investments.

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

Gain or losses on disposal of investment are recognised as income or expense as at disposal date. The cost of disposal investment is calculated by weighted average method.

(b) Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments.

(c) Rental and service receivables

Rental and service receivables are stated at their invoice price less allowance for doubtful accounts.

The recognised revenue which is not yet due under the operating lease agreements has been presented under the caption of "Rental and service receivables" at the end of reporting period.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

(d) Deferred expenses

Deferred expenses comprise the trust unit issuance and offering expenses as incurred which consisted of underwriting fees, Trust deed fees and other directly related expenses. Deferred expenses are amortised as an expense over a period of 5 years on a straight-line basis.

(e) Interest-bearing liabilities

Interest-bearing liabilities are presented at cost.

(f) Revenue

Revenue excludes value added taxes and is arrived at after deduction of trade discounts.

Rental and service income

Rental and service income are recognised as revenue in the statement of income on a straight-line basis over the term of the lease. Other service income which is relevant to the rental is recognised when services are rendered to customer. The recognised revenue which is not yet due under the operating lease agreements has been presented under the caption of "Accrued income under operating leases" at the end of reporting.

Interest income

Interest income is recognised in the statement of income as it accrues.

(g) Finance costs

Interest expenses and similar costs are charged to the statement of income based on the effective interest rate for the period in which they are incurred.

(h) Expenses

Operating lease

Payments made under operating leases are recognised in the statement of income on a straight-line basis over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Other expenses

Other expenses are recognised in the statement of income on accrual basis.

(i) Income tax

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

(j) Distribution to unitholders

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

(k) Related parties

Related parties are a person or entity that has direct or indirect control or joint control, or has significant influence over the financial and managerial decision-making of the Trust; a person or entity that are under common control or under the same significant influence as the Trust; or the Trust has direct or indirect control or joint control or has significant influence over the financial and managerial decision-making of a person or entity.

5 Related parties

Relationships with other related parties that the Trust had significant transactions with during the year were as follows:

Name of Entities	Country of Incorporation	Nature of Relationships	Nature of Transactions
Fraser's Property Thailand (International) Pte. Ltd.	Singapore	The Trust's major unitholder	The Trust's unitholder
Fraser's Property (Thailand) Public Company Limited	Thailand	Property Manager and The parent company of REIT Manager	Entered into the lease agreements on land and factories as the lessor or sub lessor, the selling agreements on land and factories as the seller and Property Management Agreement, as the property manager

Name of Entities	Country of Incorporation	Nature of Relationships	Nature of Transactions
Frasers Property Industrial (Thailand) Company Limited	Thailand	Property Manager	Entered into the lease agreements on land and warehouse as the lessor or sub lessor, the selling agreements on land and warehouses as the seller and Property Management Agreement, as the property manager
Frasers Property Industrial REIT Management (Thailand) Company Limited	Thailand	The REIT Manager	Receive base fee for managing the Trust, fee for managing main Trust's properties, incentive fee and commission from the Trust
BBL Asset Management Company Limited	Thailand	Trustee	Receive Trustee fee from the Trust
TICON Property Fund	Thailand	Common management	Transfer of assets and obligations in exchange of Trust's units
TPARK Logistics Property Fund	Thailand	Common management	Transfer of assets and obligations in exchange of Trust's units
TICON Industrial Growth Leasehold Property Fund	Thailand	Common management	Transfer of assets and obligations in exchange of Trust's units
Bangkok Bank Public Company Limited	Thailand	The major shareholder of Trustee	Receive deposit and provide loan to the Trust
Mitsui & Co. (Asia Pacific) Pte. Ltd.	Singapore	The major shareholder of the REIT manager	The Trust's unitholder
Frasers Property Demco Power 6 Co., Ltd. (formerly TICON Demco Power 6 Co., Ltd.)	Thailand	Joint venture of the Trust's major unitholder	Receive rental income
Frasers Property Demco Power 11 Co., Ltd. (formerly TICON Demco Power 11 Co., Ltd.)	Thailand	Joint venture of the Trust's major unitholder	Receive rental income

The pricing policies for transactions with related parties are explained further below:

Transactions	Pricing Policies
Rental and service income	Contract price
Income from rental guarantees	Contractually agreed prices
Interest income	Interest rate based on the rate as announced by bank
Other income	Market prices
REIT Management fee	Contractually agreed prices (Note 14)
Trustee fee	Contractually agreed prices (Note 14)
Common area service fee	Contractually agreed prices
Repair and maintenance expenses	Market prices
Utility expenses	Market prices
Rental expenses	Contractually agreed prices
Other service expenses	Market prices
Finance cost	Interest at MLR minus a certain percentage
Underwriting fee	Contractually agreed prices
Purchase of investment properties	Contractually agreed prices

Significant transactions for the year ended 30 September 2019 and for the period from 1 January 2018 to 30 September 2018 with related parties were as follows:

	For the year ended 30 September 2019	For the period from 1 January 2018 to 30 September 2018
	<i>(in thousand Baht)</i>	
Revenue		
Rental and service income		
Frasers Property Industrial (Thailand) Company Limited	3,364	4,170
Frasers Property Demco Power 6 Co., Ltd.	163	125
Frasers Property Demco Power 11 Co., Ltd.	76	57
Frasers Property (Thailand) Public Company Limited	36	14
Total	3,639	4,366
Interest income		
Bangkok Bank Public Company Limited	826	1,974
Income from rental and service guarantees		
Frasers Property Industrial (Thailand) Company Limited	23,641	2,586
Frasers Property (Thailand) Public Company Limited	6,885	-
Total	30,526	2,586
Other income		
Frasers Property (Thailand) Public Company Limited	17	-
Frasers Property Industrial (Thailand) Company Limited	26	1
Frasers Property Industrial REIT Management (Thailand) Company Limited	21	-
Total	64	1
Purchase of investment properties		
Frasers Property Industrial (Thailand) Company Limited	1,315,236	1,626,547
Frasers Property (Thailand) Public Company Limited	1,228,844	66,500
Total	2,544,080	1,693,047

	For the year ended 30 September 2019	For the period from 1 January 2018 to 30 September 2018
	<i>(in thousand Baht)</i>	
Expenses		
REIT Management fee		
Frasers Property Industrial REIT Management (Thailand) Company Limited	346,376	235,793
Trustee fee		
BBL Asset Management Company Limited	18,598	12,863
Common area service fee		
Frasers Property Industrial (Thailand) Company Limited	26,432	17,078
Frasers Property (Thailand) Public Company Limited	270	150
Total	26,702	17,228
Repair and maintenance expenses		
Frasers Property Industrial (Thailand) Company Limited	17,778	13,695
Frasers Property (Thailand) Public Company Limited	5,039	3,143
Total	22,817	16,838
Utility expenses		
Frasers Property Industrial (Thailand) Company Limited	104	21
Rental expenses		
Frasers Property Industrial (Thailand) Company Limited	8,727	6,274
Other service expenses		
Frasers Property Industrial (Thailand) Company Limited	274	29
Frasers Property (Thailand) Public Company Limited	150	99
Total	424	128
Finance cost		
Bangkok Bank Public Company Limited	16,241	50,728
Underwriting fee		
Bangkok Bank Public Company Limited	-	1,943

Balances as at 30 September 2019 and 2018 with related parties were as follows:

	2019	2018
	<i>(in thousand Baht)</i>	
Cash on hand and at bank		
Bangkok Bank Public Company Limited	53,854	233,342
Rental and service receivables		
Frasers Property Industrial (Thailand) Company Limited	2,470	2,464
Frasers Property Demco Power 6 Co., Ltd.	14	14
Frasers Property Demco Power 11 Co., Ltd.	6	6
Frasers Property (Thailand) Public Company Limited	-	13
Total	2,490	2,497

	2019	2018
	<i>(in thousand Baht)</i>	
Accrued interest income		
Bangkok Bank Public Company Limited	153	506
Other receivables		
TICON Industrial Growth Leasehold Property Fund	1,620	1,534
Frasers Property Industrial (Thailand) Company Limited	212	2,616
Frasers Property (Thailand) Public Company Limited	-	114
Total	1,832	4,264
Prepaid rental expense		
Frasers Property Industrial (Thailand) Company Limited	114	2,114
Loans from related party		
	Interest rate	
	2019	2018
	<i>(% per annum)</i>	
Loans	2019	2018
	<i>(in thousand Baht)</i>	
Bangkok Bank Public Company Limited	-	-
Movements for the year ended 30 September 2019 and for the period from 1 January 2018 to 30 September 2018 of loans from related party was as follows:		
	For the year ended 30 September 2019	For the period from 1 January 2018 to 30 September 2018
	<i>(in thousand Baht)</i>	
At 1 October / 1 January	-	3,239,966
Decrease	-	(3,239,966)
At 30 September	-	-
	2019	2018
	<i>(in thousand Baht)</i>	
Accrued trust management fee		
Frasers Property Industrial REIT Management (Thailand) Company Limited	32,851	32,202
Accrued trustee fee		
BBL Asset Management Company Limited	1,607	1,526
Accrued expenses		
Frasers Property Industrial (Thailand) Company Limited	5,504	5,634
Frasers Property Industrial REIT Management (Thailand) Company Limited	322	1,218
Frasers Property (Thailand) Public Company Limited	-	600
Total	5,826	7,452
Accrued interest expense		
Bangkok Bank Public Company Limited	8,592	7,362

	2019	2018
	(in thousand Baht)	
Deposits from rental and service		
Frasers Property Demco Power 6 Co., Ltd.	54	54
Frasers Property Demco Power 11 Co., Ltd.	25	25
Total	79	79
Debentures		
Bangkok Bank Public Company Limited	455,000	395,000
Commitments with related party		
Future minimum lease payments required under non-cancellable land sub-lease and common service contracts		
Within one year	25,637	24,383
After one year but within five years	58,384	40,482
After five years	232,734	242,499
Total	316,755	307,364

Significant agreements were as follow;

Agreements with Frasers Property (Thailand) Public Company Limited and Frasers Property Industrial (Thailand) Company Limited

On 21 August 2018, the Trust entered into purchase and sale agreement of land and construction thereon with Frasers Property (Thailand) Public Company Limited by terminated original land and construction lease agreements with Frasers Property (Thailand) Public Company Limited particularly assets to purchase and sale with Frasers Property (Thailand) Public Company Limited transferred to the Trust whereby the Trust agreed to purchase assets from Frasers Property (Thailand) Public Company Limited with a purchasing price totalling Baht 141.90 million. In consideration thereof, the Trust reclassified assets from leasehold on land, factories and warehouses to freehold on land, factories and warehouses. On the same day, the Trust entered into purchase and sale agreements of land and construction thereon in various industrial estates with Frasers Property Industrial (Thailand) Company Limited with a purchasing price totalling Baht 1,551.15 million under the terms and conditions as specified in the agreement.

On 3 December 2018, the Trust entered into purchase and sale agreement of land and construction thereon with Frasers Property (Thailand) Public Company Limited by terminated original land and construction lease agreements with Frasers Property (Thailand) Public Company Limited particularly assets to purchase and sale with Frasers Property (Thailand) Public Company Limited transferred to the Trust whereby the Trust agreed to purchase assets from Frasers Property (Thailand) Public Company Limited with a purchasing price totalling Baht 112.60 million. In consideration thereof, the Trust reclassified assets from leasehold on land and factories to freehold on land and factories. On the same day, the Trust entered into purchase and sale agreements of land and construction thereon in various industrial estates with Frasers Property (Thailand) Public Company Limited and Frasers Property Industrial (Thailand) Company Limited with a purchasing price totalling Baht 1,794.48 million under the terms and conditions as specified in the agreement.

On 17 September 2019, the Trust entered into purchase and sale agreement of land and construction thereon in various projects with Frasers Property Industrial (Thailand) Company Limited with a purchasing price totalling Baht 637 million under the terms and conditions as specified in the agreement.

In consideration thereof, Frasers Property (Thailand) Public Company Limited and Frasers Property Industrial (Thailand) Company Limited agreed to compensate income with the Trust by Frasers Property (Thailand) Public Company Limited and Frasers Property Industrial (Thailand) Company Limited to compensate for rental and service income of vacant or a part of vacant area or lease area that have rental, service and common rates less than the guaranteed rental rate of the sold and leased properties to the Trust for period 12 months from registration date, transferred date, or starting from registration date or transferred date to the date which the Trust entered into lease agreements with new tenant. The guaranteed rental and service rates were the agreed rate as specified in the agreements.

6 Investments in freehold and leasehold properties

During the years 2019 and 2018, the Trust hired an independent appraiser to appraise the fair value of the investments in freehold and leasehold properties using the income approach by using discounted future cash flows. The main assumptions used in the review valuation are average rental rate, discounted rate, capitalised rate and occupancy rate. the Trust has revalued such in investments in freehold and leasehold properties to be as fair value and has recorded net unrealised gains from such investments in the statement of income.

Movement of investments in freehold and leasehold properties for the year ended 30 September 2019 and for the period from 1 January 2018 to 30 September 2018 were as follows:

	Note	2019	2018
		(in thousand Baht)	
Investments in freehold and leasehold properties - at cost			
Investment in freehold and leasehold properties - beginning of year / period		32,367,103	30,628,460
Add Purchase of investments in freehold and leasehold properties during the year / period	5	3,224,898	1,785,343
Less Sales of investments in freehold and leasehold properties during the year / period		(223,051)	(46,700)
Investment in freehold and leasehold properties - end of year / period		35,368,950	32,367,103
Net unrealised gains (losses) from investments in freehold and leasehold properties			
Net unrealised gains (losses) from investments in freehold and leasehold properties - beginning of year / period		1,620,344	(177,860)
Add Net unrealised gains from investments in freehold and leasehold properties during the year / period		60,079	1,798,204
Net unrealised gains from investments in freehold and leasehold properties - end of year / period		1,680,423	1,620,344
Investment in freehold and leasehold properties - end of year / period		37,049,373	33,987,447

Purchase of investment properties

During the year ended 30 September 2019, the Trust entered into purchase and sale agreement of property with a purchasing price totalling Baht 660.87 million under the terms and conditions as specified in the agreement. Besides, the Trust had a project of asset enhancement in investment property in totalling Baht 19.95 million.

During the period from 1 January 2018 to 30 September 2018, the Trust entered into purchase and sale agreement of property with a purchasing price totalling Baht 90 million under the terms and conditions as specified in the agreement and the Trust had a project of asset enhancement in investment property in totalling Baht 2.29 million.

Sales of investment properties

During the year ended 30 September 2019, the Trust entered into purchase and sale agreement of property and equipment with 2 companies with a price totalling Baht 274.95 million under the terms and conditions as specified in the agreements. In order that, the Trust had expenses related to the sales of such investment properties with a price totalling Baht 3.78 million.

During the period from 1 January 2018 to 30 September 2018, the Trust entered into purchase and sale agreement of property with a private company with a purchasing price totalling Baht 55 million under the terms and conditions as specified in the agreements. In order that, the Trust had expenses related to the sales of such investment property with a price totalling Baht 2.92 million.

The Trust has several operating lease agreements in respect of the lease of lands, factories and warehouses buildings. The terms of the agreements are generally between 1 month and 14 years. As at 30 September 2019 and 2018, future minimum rental income to be generated under these operating leases are as follows:

	2019	2018
	<i>(in million Baht)</i>	
Less than 1 year	2,333	2,165
In over 1 and up to 5 years	3,400	2,863
In over 5 years	834	482
Total	6,567	5,510

7 Cash and cash equivalents

	Note	2019	2018
		<i>(in thousand Baht)</i>	
Cash on hand		100	100
Cash at banks	5	119,658	233,342
Highly liquid short-term investments		185,402	-
Total		305,160	233,442

As at 30 September 2019 and 2018, the Trust has cash at banks as follows:

	Interest rate		2019	2018
	2019	2018	2019	2018
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>	
Current account				
Bangkok Bank Public Company Limited	-	-	3,556	539
Saving account				
Bangkok Bank Public Company Limited	0.375 - 0.500	0.375 - 0.500	50,298	232,803
United Overseas Bank (Thai) Public Company Limited	1.00	-	65,804	-
Highly liquid short-term investments				
CIMB Thai Bank Public Company Limited	1.31 - 1.32	-	185,402	-
Total			305,060	233,342

8 Rental and service receivables

	Note	2019	2018
<i>(in thousand Baht)</i>			
<i>Rental and service receivables</i>			
Related parties	5	2,490	2,497
Other parties		185,767	170,826
		188,257	173,323
<i>Accrued income under operating leases</i>			
Other parties		103,850	81,984
Total		292,107	255,307
Less Allowance for doubtful accounts		(74,609)	(66,602)
Net		217,498	188,705
		For the year ended 30 September 2019	For the period from 1 January 2018 to 30 September 2018
<i>(in thousand Baht)</i>			
Bad and doubtful debts expense for the year / period		8,007	9,368

Aging analyses for rental and service receivables were as follows:

	Note	2019	2018
<i>(in thousand Baht)</i>			
Related parties	5		
Within credit terms		2,490	2,497
		2,490	2,497
Other parties			
Within credit terms		88,861	74,792
Overdue:			
Less than 3 months		31,791	38,999
3 - 6 months		4,203	2,119
6 - 12 months		-	8,291
More than 12 months		60,912	46,625
		185,767	170,826
Less Allowance for doubtful accounts		(74,609)	(66,602)
Net		111,158	104,224
Total		113,648	106,721
Accrued income under operating leases		103,850	81,984
Total		217,498	188,705

9 Deferred expenses

The Trust unit issuance and offering expenses are recognised as deferred expenses are amortised as expense over a period of 5 years on a straight-line basis.

Movement of deferred expenses for the year ended 30 September 2019 and for the period from 1 January 2018 to 30 September 2018 were as follows:

	For the year ended 30 September 2019	For the period from 1 January 2018 to 30 September 2018
	<i>(in thousand Baht)</i>	
At 1 October / 1 January	80,683	95,254
Increase during the year / period	-	14,746
Amortised during the year / period	(29,978)	(29,317)
At 30 September	50,705	80,683

10 Short-term loans

	Interest rate			
	2019	2018	2019	2018
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>	
Short-term loans from financial institutions	Fixed rate as specified in the agreement		1,302,000	1,393,047

Movement of short-term loans for the year ended 30 September 2019 and for the period from 1 January 2018 to 30 September 2018 were as follows:

	For the year ended 30 September 2019	For the period from 1 January 2018 to 30 September 2018
	<i>(in thousand Baht)</i>	
At 1 October / 1 January	1,393,047	3,739,966
Increase	1,309,080	1,393,047
Decrease	(1,400,127)	(3,739,966)
At 30 September	1,302,000	1,393,047

At 30 September 2019, the Trust borrowed short-term loans from Bank of Ayudhya Public Company Limited. The principals are payable due for a period of 1 year and pay interest on every 6 months. The short-term loans contained certain restrictions as detail in the agreement.

11 Debentures

Type of debenture	Interest rate (%)	Age (year)	Issued date	Maturity date	Number of debentures		Amount	
					2019	2018	2019	2018
					(unit)		(in thousand Baht)	
Unsubordinated and unsecured debenture								
No. 1/2017								
- Tranche 1	2.98	3	5 April 2017	5 April 2020	800,000	800,000	800,000	800,000
- Tranche 2	4.18	7	5 April 2017	5 April 2024	1,000,000	1,000,000	1,000,000	1,000,000
					1,800,000	1,800,000	1,800,000	1,800,000
No. 1/2018								
- Tranche 1	2.50	3	28 June 2018	28 June 2021	1,800,000	1,800,000	1,800,000	1,800,000
- Tranche 2	2.97	4	28 June 2018	28 June 2022	300,000	300,000	300,000	300,000
- Tranche 3	3.65	7	28 June 2018	28 June 2025	380,000	380,000	380,000	380,000
- Tranche 4	4.06	10	28 June 2018	28 June 2028	1,260,000	1,260,000	1,260,000	1,260,000
					3,740,000	3,740,000	3,740,000	3,740,000
No. 2/2018								
- Tranche 5	2.78	2	19 December 2018	19 December 2020	300,000	-	300,000	-
- Tranche 6	3.14	3	19 December 2018	19 December 2021	1,000,000	-	1,000,000	-
- Tranche 7	4.19	10	19 December 2018	19 December 2028	600,000	-	600,000	-
					1,900,000	-	1,800,000	-
No. 1/2019								
- Tranche 1	2.63	4	8 August 2019	8 August 2023	500,000	-	500,000	-
- Tranche 2	3.14	7	8 August 2019	8 August 2026	500,000	-	500,000	-
					1,000,000	-	1,000,000	-
Total debentures - at face value					8,440,000	5,540,000	8,440,000	5,540,000

Interest on debentures is due for repayment on a semi-annually basis.

The debentures contained certain restriction, such as the limitation of debt-to-total assets ratio of not exceed 60% at the end of year throughout the age of debentures, the resistance of additional borrowing, or obligation except those incurred under normal commercial term or normal business of transactions.

12 Unitholders' trust

	2019		2018	
	Number (in thousand unit)	Amount (/thousand Baht)	Number (in thousand unit)	Amount (/thousand Baht)
Trust registered capital and capital from unit holders	2,602,387	25,173,623	2,602,387	25,173,623
Beginning balance of year / period	2,602,387	25,173,623	2,602,387	25,423,452
Reduction of Trust unit value	-	-	-	(249,829)
Ending balance of year / period	2,602,387	25,173,623	2,602,387	25,173,623

At the Board of directors Meeting of the REIT manager held on 22 February 2018, the Board of Directors approved the reduction of paid-in capital of the Trust by reduction of par value totalling at the rate of Baht 0.0929 per unit totalling Baht 241.76 million. The reduction of paid-in capital was paid to its unitholders in March 2018 which was complied with Trust deed.

At the Board of directors Meeting of the REIT manager held on 14 August 2018, the Board of Directors approved the reduction of paid-in capital of the Trust by reduction of par value totalling at the rate of Baht 0.0031 per unit totalling Baht 8.07 million. The reduction of paid-in capital was paid to its unitholders in September 2018 which was complied with Trust deed.

Movement of retained earnings for the year ended 30 September 2019 and for the periods from 1 January 2018 to 30 September 2018 were as follows:

	Note	For the year ended 30 September 2019	For the period from 1 January 2018 to 30 September 2018
		<i>(in thousand Baht)</i>	
Retained earnings at the beginning of year / period		2,188,318	44,642
Add Increase in net assets resulting from operations during year / period		1,847,417	3,012,873
Less Distribution to unitholders during year / period	13	(1,720,178)	(869,197)
Retained earnings at the end of year / period		2,315,557	2,188,318

13 Distribution to unitholders

For the year ended 30 September 2019

The operation for the year	Approved date	Payment date	Dividend per unit trust	Amount
			<i>(in Baht)</i>	<i>(in thousand Baht)</i>
1 July 2018 - 30 September 2018	20 November 2018	18 December 2018	0.1600	416,382
1 October 2018 - 31 December 2018	14 February 2019	14 March 2019	0.1670	434,599
1 January 2019 - 31 March 2019	14 May 2019	7 June 2019	0.1670	434,598
1 April 2019 - 30 June 2019	14 August 2019	12 September 2019	0.1670	434,599
				1,720,178

For the period from 1 January to 30 September 2018

The operation for the period	Approved date	Payment date	Dividend per unit trust	Amount
			<i>(in Baht)</i>	<i>(in thousand Baht)</i>
1 November 2017 - 31 December 2017	22 February 2018	22 March 2018	0.0171	44,500
1 January 2018 - 31 March 2018	14 May 2018	11 June 2018	0.1600	416,382
1 April 2018 - 30 June 2018	14 August 2018	11 September 2018	0.1569	408,315
				869,197

14 Expenses

Details of the trust management fee, trustee fee and registrar fee are summarised below:

(a) Trust management fee

Base fee	0.25% per annum of the Trust's total assets
Performance fee	3.00% per annum of net income from rental and service agreement
Incentive fee	5.00% per annum of Trust's net operating income
Commission fee for acquiring a new lessee	In proportion to rental and service periods but not over 3 months based on the latest rental and service rate of new lessee
Commission fee for buying/selling/ transferring leasehold/ receiving leasehold	3.00% of the value of buying/selling/transferring leasehold/ receiving leasehold

(b)	Trustee fee	0.060% per annum of total asset value for a portion not exceed Baht 15,000 million
		0.045% per annum of total asset value for a portion that exceed Baht 15,000 million up to Baht 30,000 million
		0.030% per annum of total asset value for a portion that exceed Baht 30,000 million
(c)	Registrar fee	Actual paid but not over Baht 5 million excluding the other relevant expenses

The above fees are calculated and charged to the Trust's account on a monthly basis.

Operating expenses include expenses incurred specifically for the Trust such as the Trust's setting up expenses, utilities, insurance premium, bank charge, postage and various expenses which are incurred legally and others in accordance to the actual payment.

15 Information on investment purchase and sale transactions

The Trust purchased and sold investments during the year ended to 30 September 2019 excluding bank deposits and promissory note, amounted to Baht 3,447.95 million which is 6.21% of the average net asset values during the year.

The Trust purchased and sold investments during the period from 1 January 2018 to 30 September 2018, excluding bank deposits and promissory note, amounted to Baht 1,832.04 million which is 11.90% of the average net asset values during the period.

16 Segment information

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

The one main reportable operating segment of the Trust is to provide the rental of immovable properties. Its operation is carried on only in Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment and geographical area.

17 Financial instruments

Financial risk management policies

The Trust is exposed to normal business risks from changes in market interest rates and from non-performance of contractual obligations by counterparties. The Trust does not hold or issue derivatives for speculative or trading purposes.

Risk management is integral to the whole business of the Trust. The Trust has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The REIT manager continually monitors the Trust's risk management process to ensure that an appropriate balance between risk and control is achieved.

Capital management

The Board of Directors of REIT manager's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors of REIT manager monitors the return on capital, and also monitors the level of dividends to unitholders.

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Trust operations and its cash flows because loan interest rates are mainly fixed.

The effective interest rates of debt securities and loans receivable as at 30 September and the periods in which the loans receivable and debt securities mature or re-price were as follows:

	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years (in thousand Baht)	After 5 years	Total
2019					
Debentures	2.55 - 4.23	<u>800,000</u>	<u>4,900,000</u>	<u>2,740,000</u>	<u>7,640,000</u>
2018					
Debentures	2.55 - 4.23	<u>-</u>	<u>2,900,000</u>	<u>2,640,000</u>	<u>5,540,000</u>

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Trust as and when they fall due.

The Trust has no concentrations of credit risk due to the fact that the Trust has a large number of tenants in various businesses. Additionally, the Trust has a policy to collect in advance the rental deposits from customers as collateral in case of default.

Liquidity risk

The Trust monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Trust operations and to mitigate the effects of fluctuations in cash flows.

Fair values of financial instruments

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying amount	Level 1	Level 2	Level 3	Total
(in Thousand Baht)					
30 September 2019					
Financial liabilities not measured at fair value					
Debentures	8,440,000	-	8,697,183	-	8,697,183
Deposit from rental and service	945,180	-	-	877,793	877,793
30 September 2018					
Financial liabilities not measured at fair value					
Debentures	5,540,000	-	5,553,421	-	5,553,421
Deposit from rental and service	844,371	-	-	790,647	790,647

Fair value of other current finance assets and liabilities are taken to approximate the carrying value due to the relatively short-term maturity.

Fair value of other non-current financial assets and liabilities except the table above is taken to approximate the carrying value because most of these financial instruments bear interest at market rates.

Measurement of fair values

Valuation techniques and significant unobservable inputs

Financial instrument not measured at fair value

Type	Valuation technique	Significant unobservable inputs
Deposit from rental and service	Discounted cash flows	Discounted rate

18 Commitment with non-related party

On 26 September 2019, the Trust entered into purchase and sale agreement of land and construction located on Sahathai 9 project with Sahathai Property & Development Co., Ltd., which is expected to be completed in November 2019. The contractual agreed with the asset price following the purchase and sale agreement totalling Baht 2,050 million under the terms and conditions as specified in the agreement.

19 Event after the reporting period

At the Board of Directors Meeting of the REIT Manager held on 13 November 2019, the Board of Directors approved the appropriation of interim distribution of Baht 0.1670 per unit, totalling amounting to Baht 434.60 million. Such interim distribution will be paid to its unitholders in December 2019.

20 Thai Financial Reporting Standards (TFRS) not yet adopted

New and revised TFRS which expected to have a material impact on the financial statements when initial adopted, and which will become effective in annual reporting periods beginning on or after 1 January in the year indicated in following table:

TFRS	Topic	Year effective
TFRS 7*	Financial Instruments: Disclosures	2020
TFRS 9*	Financial Instruments	2020
TFRS 15	Revenue from Contracts with Customers	2019
TFRS 16	Leases	2020
TAS 32*	Financial Instruments: Presentation	2020
TFRIC 16*	Hedges of a Net Investment in a Foreign Operation	2020
TFRIC 19*	Extinguishing Financial Liabilities with Equity Instruments	2020

**TFRS - Financial instruments standards*

TFRS - Financial instruments standards

These TFRS - Financial instruments standards establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. When these TFRS become effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

REIT manager is currently considering the potential impact from TFRS-Financial instruments standards on the financial statements in the initial period adopted.

TFRS 15 Revenue from Contracts with Customers

Under TFRS 15, the Trust recognises revenue when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Trust expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and after deduction of any trade discounts and volume rebates. Judgement is required in determining the timing of the transfer of control for revenue recognition - at a point in time or over time. When this TFRS becomes effective, some accounting standards and interpretations which are currently effective will be cancelled.

The Trust has assessed the potential initial impact on the financial statements of TFRS 15 and expects that there will be no material impact on the financial statements in the period of initial application.

TFRS 16 Leases

TFRS 16 introduces a single lease accounting model for lessees. A lessee recognises a right-of-use asset and a lease liability. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard, i.e. lessors continue to classify leases as finance or operating leases. When this TFRS becomes effective, some accounting standards and interpretations which are currently effective will be cancelled.

Currently, the Trust recognises payments made under operating leases and relevant lease incentives in profit or loss on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised. Under TFRS 16, the Trust will recognise right-of-use assets and lease liabilities for its operating leases as disclosed in Note 5. As a result, the nature of expenses related to those leases will be changed because the Trust will recognise interest expense on lease liabilities.

Transition

The Trust plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply TFRS 16 to all contracts entered into before 1 October 2019 and identified as leases in accordance with TAS 17.

The preliminary impact assessment of initially applying TFRS 16 on the financial statements is as follows:

Balance Sheet	30 September 2019
	<i>(in thousand Baht)</i>
Increase in right-of-use assets	172,474
Decrease in other assets	(2,626)
Increase in lease liabilities	(169,848)

21 Reclassification of accounts

Certain accounts in the 2018 financial statements have been reclassified to conform to the presentation in the 2019 financial statements as follows:

	2018		
	Before Reclass.	Reclass.	After Reclass.
	<i>(in thousand Baht)</i>		
Balance Sheet			
Rental and service receivables	112,387	76,318	188,705
Other receivables	87,868	(76,318)	11,550
		<u>-</u>	
Statement of Income			
For the period from 1 January 2018 to 30 September 2018			
Selling expenses	2,920	(2,920)	-
Net realised gains from sales of investments in properties	(8,300)	2,920	(5,380)
Cost of rental and services	254,600	50,846	305,446
Administrative expenses	71,461	(50,846)	20,615
		<u><u>-</u></u>	

The reclassifications have been made because, in the opinion of REIT management, the new reclassification is more appropriate to the Trust's business.

22 Supplementary information

As described in Note 2 (e), change in accounting period, the financial statements for the period from 1 January 2018 to 30 September 2018 have been firstly prepared and presented for the period from 1 January 2018 to 30 September 2018, in accordance with the required format of the financial statements presentation.

For the benefit of the users in comparing and analysing the financial information, the Trust has prepared the supplementary information in the form of the unaudited statement of income and cash flows for the period from 1 October 2017 to 30 September 2018, as details below:

Statement of income

	For the period from 1 October to 30 September	
	2019	2018
		(unaudited)
	(in thousand baht)	
Investment Income		
Rental and service income	2,745,471	2,124,327
Interest income	15,954	10,273
Income from rental guarantees	30,525	-
Income from forfeiture of rental and service deposits	11,227	7,096
Other income	3,961	3,587
Total income	2,807,138	2,145,283
Expenses		
Cost of rental and services	349,115	323,679
REIT manager fee	346,376	263,187
Trustee fee	18,598	15,274
Registrar fee	6,157	6,756
Professional fees	1,520	3,302
Administrative expenses	44,922	25,541
Amortisation of deferred expenses	29,978	33,501
Finance cost	271,257	152,132
Total expenses	1,067,923	823,372
Net investment income	1,739,215	1,321,911
Net gains on investments		
Net realised gains from sales of investments in properties	48,123	5,380
Net unrealised gains on investments in properties	60,078	1,705,445
Total net realised and unrealised gains on investments	108,201	1,710,825
Net increase in net assets from operations	1,847,416	3,038,116

Statement of cash flow

For the period from
1 October to 30 September

2019 **2018**
(unaudited)

(in thousand baht)

Cash flows from operating activities

Net increase in net assets from operations	1,847,416	3,038,116
<i>Adjustments to reconcile net increase in net assets from operations to net cash from (used in) operating activities:</i>		
Purchases of investments in securities	(4,173,092)	(2,131,647)
Cash received from sales of investments in securities	4,241,039	1,458,754
Purchases of investments in properties	(3,224,898)	(1,785,343)
Cash received from sales of investments in properties	271,174	52,080
Net realised gains from sales of investments in properties	(48,123)	(5,380)
Amortisation of deferred expenses	29,978	33,501
Increase in rental and service receivables	(36,800)	(128,105)
(Increase) decrease in other receivables	1,376	(7,746)
Cash paid for deferred expenses	-	(73,504)
Increase in other assets	(674)	(17,207)
Increase in accrued property tax	11,269	118,367
Increase (decrease) in accrued expenses	(7,067)	40,174
Increase in withholding taxes payables	810	24,103
Increase in deposits from rental and services	100,809	687,400
Increase (decrease) in rental and service income received in advance	(577)	577
Increase (decrease) in other liabilities	(485)	9,758
Interest income	(15,954)	(10,273)
Interest received	16,392	8,176
Doubtful debts expense	8,007	3,312
Finance cost	271,257	152,132
Net unrealised gains on investments in properties	(60,078)	(1,705,445)
Net cash flows used in operating activities	(768,221)	(238,200)

Cash flows from financing activities

Cash paid for short-term loans	(1,400,127)	(3,739,966)
Cash received from short-term loans	1,309,080	5,133,013
Cash received from debentures	2,900,000	3,740,000
Interest paid	(248,837)	(118,307)
Cash paid in exchange of investment units	-	(1,912,523)
Changes in net assets after receiving the transfers of assets and obligations from the property funds	-	(1,447,288)
The reduction of paid-in capital distributed to unitholders	-	(249,829)
Distribution to unitholders	(1,720,177)	(984,144)
Net cash flows from financing activities	839,939	420,956

Net increase in cash on hand and at bank

Cash on hand and at bank at the beginning of year / period	233,442	50,686
Cash on hand and at bank at the end of year / period	305,160	233,442

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