

# CUSTOMER CENTRIC

Annual Report 2021









# CUSTOMER CENTRIC

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**Mr. Threekwan Bunnag**

Chairman and Independent Director

**Mr. Peerapat Srisukont**

Director and Managing Director



# MESSAGE FROM CHAIRMAN AND MANAGING DIRECTOR

## Dear Unitholders,

On behalf of Frasers Property Industrial REIT Management(Thailand)Co.,Ltd.(“Company”or“REIT Manager”) as REIT Manager of Frasers Property Thailand Industrial Freehold & Leasehold REIT (FTREIT), we would like to present the operating performance of FTREIT for the period October 1, 2020, to September 30, 2021 (fiscal year 2021).

In 2021, under a new spread of COVID-19, many countries around the world, including Thailand, have focused on preventing, controlling, and reducing the epidemic through the development of drugs as well as mobilizing vaccinations for the population in the countries. These are the main factors that help accelerate the situation back to normalcy and the economy to recover which have positive effects on the export, consumption and domestic trade sectors of Thailand. In addition, new normal lifestyles, including work from home, online learning, and various activities via the online platform, along with the transition to the digital economy boosted use of technology products such as computers and communication devices as well as household equipment and appliances. This caused an increasing global demand for electronics products. As a result, the Thai electronics industry that mainly produces for export also benefited, then the export value has continued to grow this year. Such changes in consumer behavior have also resulted in the rapid expansion of e-commerce businesses. Moreover, the global economic recovery has also increased demand in the automotive industry, with growth of global export value of automobiles and parts.

## An Overview of Property Rental

Core assets of FTREIT are properties in a category of land with factory and warehouse utilised for industrial and logistics purposes. The assets are able to support entrepreneurs in the main industries, including manufacturing, transportation,

and logistics services (third party logistics), which have been affected by COVID-19 at a relatively low level. There is also an industrial diversification of tenants in electronics, automotive, logistics, retail, and e-commerce, benefiting from the economic factors mentioned above. Additionally, the growth of electronics, automotive, e-commerce, retail, medicines, and medical supplies industries have received positive factors from changing consumer behavior, economic recovery, trade, and consumption including supply chain disruption, which makes many entrepreneurs focus on supply chain management, in terms of manufacturing, storing and transporting raw materials/parts used in the production process, as well as finished goods inventory. The aforementioned reasons led to continuous increase in demand for FTREIT’s factory and warehouse rental in Northern Bangkok, Eastern Bangkok, and the Eastern Economic Corridor (EEC). In 2021, FTREIT had an average occupancy rate at 85.4%, up from 83.6% of the previous year, and renewal rate at 78%.

## Investment in Additional Assets

The company, as the REIT Manager of FTREIT, continues to focus on investing in additional assets, according to investment policy in trust deed. The company considers investing in quality assets, located on potential locations, and generating regular returns in the long run. In 2021, the company invested in additional assets for five batches which are assets from Frasers Property Thailand and the third party, divided into factory buildings totaling 10 units, and warehouse buildings totaling 17 units with the total leasable area of 194,094 sq.m., and an investment value around TH 3,586 million.<sup>(1)</sup> As of September 30, 2021, FTREIT had a portfolio value approximately THB 44,758 million, with leasable area around 2.1 million sq.m. in total, composed of 341 units of factory with total

**Note :** (1) Excluding expenses related to asset acquisition.



leasable area of 876,285 sq.m., and 301 units of warehouse with total leasable area of 1,188,821 sq.m. The proportion of freehold and leasehold properties calculated by rental area were 72.4% and 27.6%, respectively.

### Operating Results and Distribution Payment

In 2021, FTREIT generated total income of 3,417 million Baht, increased by 12.1% due to higher occupancy rate and additional asset acquisitions during the year. The REIT Manager considered to pay the distribution every quarter, totaling four times, with total amount of 2,064.7 million Baht or 0.6740 Baht per unit, increased by 0.7% as compared to the distribution payment in the previous year despite more trust units from capital increase during the year.

In addition, as of September 30, 2021, FTREIT had total assets of 46,066 million Baht, and total interest-bearing debt of 11,572 million Baht. A gearing ratio was at 25.1%, considered as low level that enhanced flexibility for capital structure management. Net asset value per unit was 10.7433 Baht, increased by 1.2% from the previous year. During the fiscal year, FTREIT received strong support from unitholders in the subscription for additional trust units worth 2,820 million Baht.

FTREIT continues to be rated by TRIS Rating Co., Ltd., at A (stable outlook). The credit rating reflects FTREIT's strong market position and financial status, as well as balanced capital structure. The credit rating is useful in managing financial costs at an appropriate level.

### Sustainability

The REIT Manager enhances the sustainability development which is focusing on the environment, social, and governance (ESG). In 2021, it has joined the Global Real Estate Sustainability Benchmark (GRESB) program, which is an international benchmark, for the first time. The REIT Manager also focuses on reducing greenhouse gas emissions. The process of evaluating and analyzing data has been initiated in order to formulate a Net-Zero Carbon Roadmap with the goal of reducing greenhouse gas emissions in a sustainable manner.

### Future Trend

The spread of COVID-19 in the past 1 - 2 years has led to a decline in global economic growth because of the interruption of economic activities. However, after the epidemic has subsided, the

growth rate of the world and Thai economy tends to be forecasted in the direction of expansion. This results from stimulus policies initiated by many countries around the world, including Thailand. The policies include easing regulations or restrictions on travel, social interaction, and access to public area (lockdown), issuance of remedial measures and economic recovery in the manufacturing and service industries as well as employment, policy to stimulate people's consumption, and reopening the countries to foreign tourists. These will have positive impact on boosting economic activities, also domestic and foreign investments in many sectors, such as consumer goods manufacturing, transportation, import-export and tourism. These factors are driving FTREIT's occupancy rate in the future.

In the fiscal year 2022, the REIT Manager plans to continue investing in additional assets and prepare to meet the demand for rental properties by improving and keeping the properties in good condition and ready for rent, building good relationships with existing tenants, finding potential new tenants, planning a fund for additional investment opportunities. Moreover, the REIT Manager strategizes for effective REIT management adopt to economic fluctuations and higher competition in the property rental market. These are to enhance the return on property rental for stable and sustainable distribution payment to unitholders.

Furthermore, the REIT Manager seeks to do an Asset Enhancement Initiative (AEI) to increase return on properties of FTREIT by putting the concept of green building, for example, the uses of energy-saving lamps and water-saving sanitary wares to reduce greenhouse gas emissions. FTREIT has focused on sustainability management along with business growth. In the year 2022, the REIT Manager plans to continuously develop sustainability in accordance with international standards, including the preparation of the suitable Net-Zero Carbon Roadmap for the REIT's business to set guidelines for sustainable greenhouse gas reduction in the future.



**Mr. Threekwan Bunnag**

Chairman and  
Independent Director



**Mr. Peerapat Srisukont**

Director and  
Managing Director



# 2021 KEY EVENTS

Oct  
2020

Completed the asset acquisition, ownership of land and warehouses from Frasers Property Thailand with value of THB 343 million.

Jan  
2021

- Completed capital increase, received proceeds from unitholders totaling THB 2,820 million.
- Completed the asset acquisition, sub-leasehold right of land and warehouses from Chaichanan Bangplee Parkland Co., Ltd. with value of THB 2,062 million.

Feb  
2021

Completed the asset acquisition, ownership of land and factories from Frasers Property Thailand with value of THB 381 million.

Jun  
2021

Issued debentures No.1/2021 with 4 series for a total of THB 2,500 million.

Sep  
2021

Completed the asset acquisition, ownership of land, factories and warehouses from Frasers Property Thailand with value of THB 800 million.

▲ Frasers Property Logistics Center (Bangplee 2), Samut Prakan



# VISION, MISSION, BACKGROUND AND OBJECTIVE

## VISION

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

## MISSION

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



## BACKGROUND AND OBJECTIVE

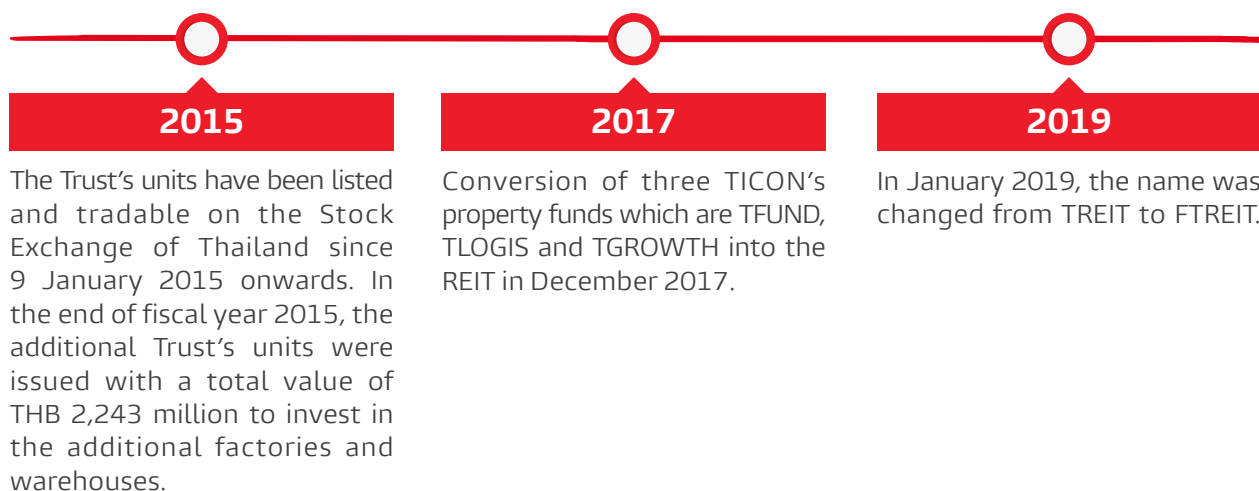
Frasers Property Thailand Industrial Freehold & Leasehold REIT (“FTREIT”), formerly known as TICON Freehold and Leasehold Real Estate Investment Trust or “TREIT” has been established pursuant to the Transactions in Capital Market Act B.E. 2550 on 12 December 2014, with registered capital of THB 3,425 million. 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 Industrial (Thailand) Co., Ltd. are hired as the Property Manager 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 major shareholder of the REIT Manager is Frasers Property (Thailand) Public Company Limited (“FPT”), as a sponsor. FPT is a leading real estate developer spanning in three asset classes across (1) Residential (2) Industrial and Logistics (3) Commercial, moreover, digital business platform including robotics and automation solutions together with the hyperscale data center. As of 30 September 2021, FPT’s total asset value was THB 92,637 million. The combined value of assets under FPT’s management, including FPT, FTREIT, GVREIT and GOLDPF totaled THB 150,903 million. FTREIT is sturdily supported by FPT which grants the Right of First Refusal (ROFR) for industrial and logistics 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 FTREIT. 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.





# KEY INFORMATION

<b>REIT Name</b>	Frasers Property Thailand Industrial Freehold & Leasehold REIT
<b>Abbreviation</b>	FTREIT
<b>REIT Manager</b>	Frasers Property Industrial REIT Management (Thailand) Co., Ltd.
<b>Property Manager</b>	(1) Frasers Property Industrial (Thailand) Co., Ltd. (2) Sahathai Property and Development Co., Ltd.
<b>Trustee</b>	BBL Asset Management Co., Ltd.
<b>Auditor</b>	KPMG Phoomchai Audit Ltd.
<b>Accounting Period</b>	1 October - 30 September

As of 30 September 2021

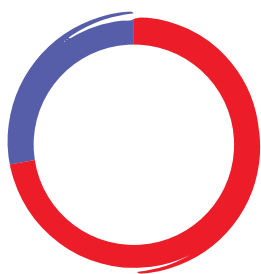
<b>Market capitalization</b>	37,986.00 million Baht	<b>Number of trust units</b>	3,063,387,048 units
<b>Net assets value (NAV)</b>	32,910.93 million Baht	<b>Closing price at the last day of fiscal year</b>	12.40 Baht
<b>Trust registered capital</b>	29,213.38 million Baht	<b>Par value</b>	9.5363 Baht
<b>Capital from unitholders</b>	31,118.59 million Baht	<b>NAV per unit</b>	10.7433 Baht
<b>Establishment date</b>	12 December 2014	<b>Price / NAV</b>	1.15 times
<b>First day trade</b>	9 January 2015	<b>Weighted average land lease expiry</b>	22.1 years

No.	Top 10 Unitholders	Number of units	Percent <sup>(2)</sup>
1	Frasers Property Group <sup>(1)</sup>	815,428,298	26.62
2	Social Security Office	339,689,673	11.09
3	Bangkok Life Assurance Plc.	169,162,856	5.52
4	Bangkok Bank Plc.	123,535,978	4.03
5	K Property Infrastructure Flexible Fund	104,677,382	3.42
6	Principal Property Income Fund	74,361,724	2.43
7	TMB EASTSPRING Property and Infrastructure Income Plus Flexible	63,280,005	2.06
8	Mitsui & Co. (Asia Pacific) Pte. Ltd.	48,800,000	1.59
9	SCB Property and Infrastructure Flexible Fund	40,399,856	1.32
10	MFC Property Dividend Fund	40,376,270	1.32
11	Others	1,243,675,006	40.60
<b>Total</b>		<b>3,063,387,048</b>	<b>100.00</b>

**Remark :** (1) Frasers Property Group = Frasers Property (Thailand) Plc. and Frasers Property Thailand (International) Pte. Ltd.  
(2) Foreign unitholders are capable to hold trust units not exceeding 49% of the issued and paid up units. As of 30 September 2021, the trust units held by foreigner were at 26.58%.



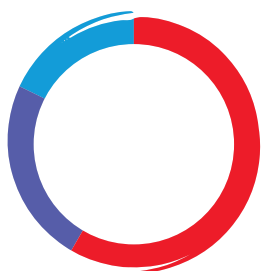
## Portfolio Overview



### Property Tenure

(NLA breakdown)

Freehold	72.4%
Leasehold	27.6%



### Location

(NLA breakdown)

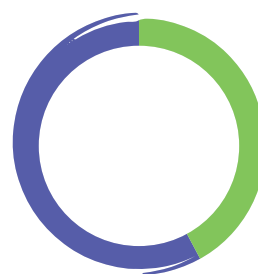
EEC	58.5%
Northern Bangkok	23.8%
Eastern Bangkok	17.7%



### Industry of Tenant

(Revenue breakdown)

Logistics	30.1%
Electronics	25.6%
Automotive	21.7%
Retail	7.8%
E-commerce	2.0%
Others	12.8%



### Property Type

(NLA breakdown)

Factory	42.4%
Warehouse	57.6%

Type of Asset	Number of units	NLA (sq.m.)
Factory	341	876,285
Warehouse	301	1,188,821
<b>Total</b>	<b>642</b>	<b>2,065,106</b>

Assets	Fair Value (million Baht)
Assets acquired before 2021 <sup>(1)</sup>	41,161.45
Assets acquired in 2021 <sup>(2)</sup>	3,596.88

Remark : (1) Appraisal value by 15 Business Advisory Limited  
(2) Fair value as at acquisition date



### Nationality of Tenant

(Revenue breakdown)

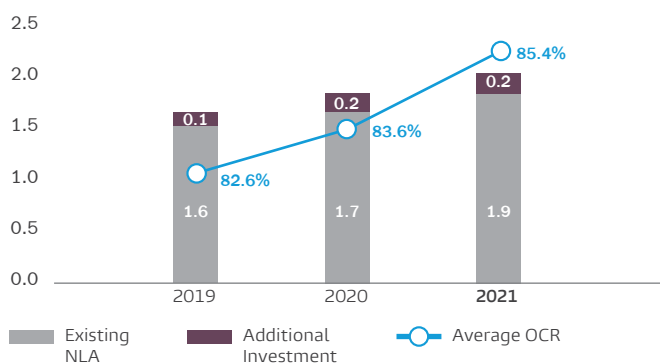
Japanese	39.5%
European	22.5%
Asians (Excluded Japanese)	19.9%
Thai	14.3%
US	3.8%



## Operating Performance

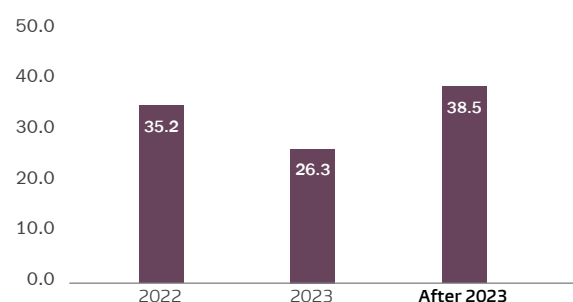
### Growth in NLA and Occupancy Rate

Unit : million sq. m.



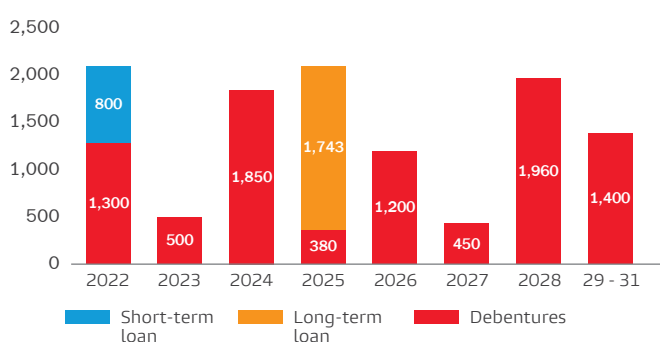
### Lease Expiry Profile

Unit : %



### Debt Maturity Profile

Unit : million Baht



### Capital Structure

Unit : million Baht

Total Assets	46,066.03
Total Liabilities	13,155.10
Capital from Unitholders	31,118.59
Retained Earnings	1,792.34
IBD to Total Assets	25.12 %
Credit Rating	A (Stable Outlook)

## Distribution Payment Policy

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

Performance for fiscal year	Distribution (Baht per unit)		
	Dividend	Capital Reduction	Total
2017 <sup>(1)</sup>	0.5399	0.0929	0.6328
2018 <sup>(2)</sup>	0.4769	0.0031	0.4800
2019 <sup>(3)</sup>	0.6680	-	0.6680
2020	0.6690	-	0.6690
2021	0.6740	-	0.6740

**Remark :** (1) Accounting period : 1 January - 31 December 2017  
 (2) Accounting period : 1 January - 30 September 2018  
 (3) 2019 onwards, accounting period : 1 October - 30 September each year

## Summary of Borrowing

As of 30 September 2021

Total gross borrowings (before net of expenses related to issuance and offering of debentures and loan facilitation) was at 11,582.70 million Baht, consisting of debentures 9,040.00 million Baht, long-term loan 1,742.70 million Baht, and short-term loan 800.00 million Baht (short-term and long-term loan were borrowings from the domestic financial institutions) or 78.05%, 15.04% and 6.91% of total borrowing respectively. The borrowings contained certain conditions and covenants, such as the determination of IBD to

total assets ratio not exceeding 60% as at the end of each quarter and/or year end, the limitation of granting additional loan commitment for financial indebtedness or encumbrance, except under normal business operations.

FTREIT was assigned with an A (Stable Outlook) (Investment Grade) rated by TRIS rating Co., Ltd. at 31 May 2021. As of 30 September 2021, IBD to total assets ratio was at 25.12%.

## Financial Highlight

For the year ended, during 1 October – 30 September

unit : million Baht

Key financial highlight	2019	2020	2021
Rental and service income	2,745.47	2,883.82	3,239.36
Interest income	15.95	12.19	4.58
Income from rental guarantees	30.53	62.18	111.48
Income from forfeiture of rental and service deposits	11.23	1.57	15.21
Net profit on investments before financial cost	2,020.68	2,413.73	2,741.65
Financial cost	271.26	314.74	370.67
Net profit on investments	1,749.42	2,098.99	2,370.99
Increase in net assets resulting from operations	1,847.42	1,194.29	2,152.29
Number of trust units issued and paid up at the end of year (unit)	2,602,387,048	2,822,387,048	3,063,387,048
Earning per unit (EPU) (Baht/unit)	0.7099	0.4231	0.7026
Distribution per unit (DPU) (Baht/unit)	0.6680	0.6690	0.6740
Capital reduction per unit	-	-	-
Net cash used in operating activities	(766.64)	(2,483.27)	(260.19)
Net cash from financing activities	838.36	2,732.33	506.03
Net increase in cash and cash equivalents	71.72	249.06	245.84
Net asset	27,489.18	29,974.65	32,910.93
Net asset value per unit (Baht)	10.5630	10.6203	10.7433
Price / NAV (times)	1.69	1.35	1.15
IBD to total assets (%)	25.30	26.81	25.12
Closing price at the last day of fiscal year	17.90	14.30	12.40
Market capitalization	46,582.73	40,360.13	37,986.00



## Management Discussion and Analysis

In 2021 (1 October 2020 - 30 September 2021), FTREIT had increase in total income of 368.25 million Baht, or 12.08% from the same period of the previous year. The main reasons were increase in rental and service income from higher occupancy rate and more rental and service income from 5 tranches of acquisitions of additional assets in 2021. However, cost of rental and services and trust management fee rose following the increase in rental and service income and larger portfolio from assets acquisition. Furthermore, finance cost was higher, due to additional borrowings for

investments in additional properties as mentioned above.

In addition, in 2021 (1 October 2020 - 30 September 2021), FTREIT had loss on changes in fair value of investments in properties of 218.70 million Baht, from annual revaluation of properties. This improved from losses of 904.71 million Baht of the previous year. These resulted in increase in net assets resulting from operations of 2,152.29 million Baht for 2021, increased by 958.00 million Baht or 80.22% from the previous year.

## Fee and Expenses Payable by the REIT

Fee and Expenses in 2021		Amount (million Baht)	% of net profit on investments
1	Cost of rental and service	214.40	9.04
2	Trust management fee	395.47	16.68
3	Trustee fee	21.05	0.89
4	Registrar fee	5.88	0.25
5	Professional fee	1.96	0.08
6	Consulting fee	14.14	0.60
7	Unit issuance fee	7.28	0.31
8	Amortisation of deferred expenses	14.03	0.59
9	Financial cost	370.67	15.63
10	Other expenses	15.34	0.65
<b>Total</b>		<b>1,060.22</b>	<b>44.72</b>

## Risk Factors in Connection with Investment in REIT

All investors should consider the risks that may impact the REIT as following

### 1. Risks relating to the operation of the REIT

- Risks from compliance with investment-related contracts
- Risks relating to finding tenants near the end of a land lease term
- Risks from the REIT's performance based on the ability of property manager
- Risks from a conflict of interest between the REIT, and FPIT and FPT, that may affect the REIT's operation
- Risks from borrowing

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

- Risks from tougher competition that may affect occupancy rate and rental rate decrease.
- Risks from economic conditions and domestic politics
- Risks from natural disasters, accidents, and sabotage
- Risks from contagious disease outbreak and fear of outbreak or other serious public health problems
- Risks from termination or non-renewal of tenant
- Risks from tenant's ability to pay rental service, and/or common area fees

- g) Risks from a high concentration of tenants in the aspect of lease portion and / or industry and/or nationality
- h) Risks relating to land delivery after a land lease ends
- i) Risks from expropriation of whole or partial properties investments under the immovable property expropriation act, which might affect FTREIT not being able to seek benefits from the property and affect operating performance of the REIT
- j) Risks from a right to early termination exercised

### 3. Risks from changes in property values

- Property invested in the form of leasehold
- Property invested in the form of freehold

## General Information

### REIT Manager

**Frasers Property Industrial REIT Management (Thailand) Co., Ltd.**

Mitrtown Office Tower, 22<sup>nd</sup> - 23<sup>rd</sup> Floor  
944 Rama 4 Road, Wangmai Subdistrict,  
Pathumwan District, Bangkok 10330  
Tel. +662-483-0000

### Trustee

**BBL Asset Management Co., Ltd.**

Sathorn City Tower, 7<sup>th</sup>, 21<sup>st</sup> and 26<sup>th</sup> Floor  
175 South Sathorn Road, Tungmahamek,  
Sathorn, Bangkok 10120  
Tel. +662-674-6400

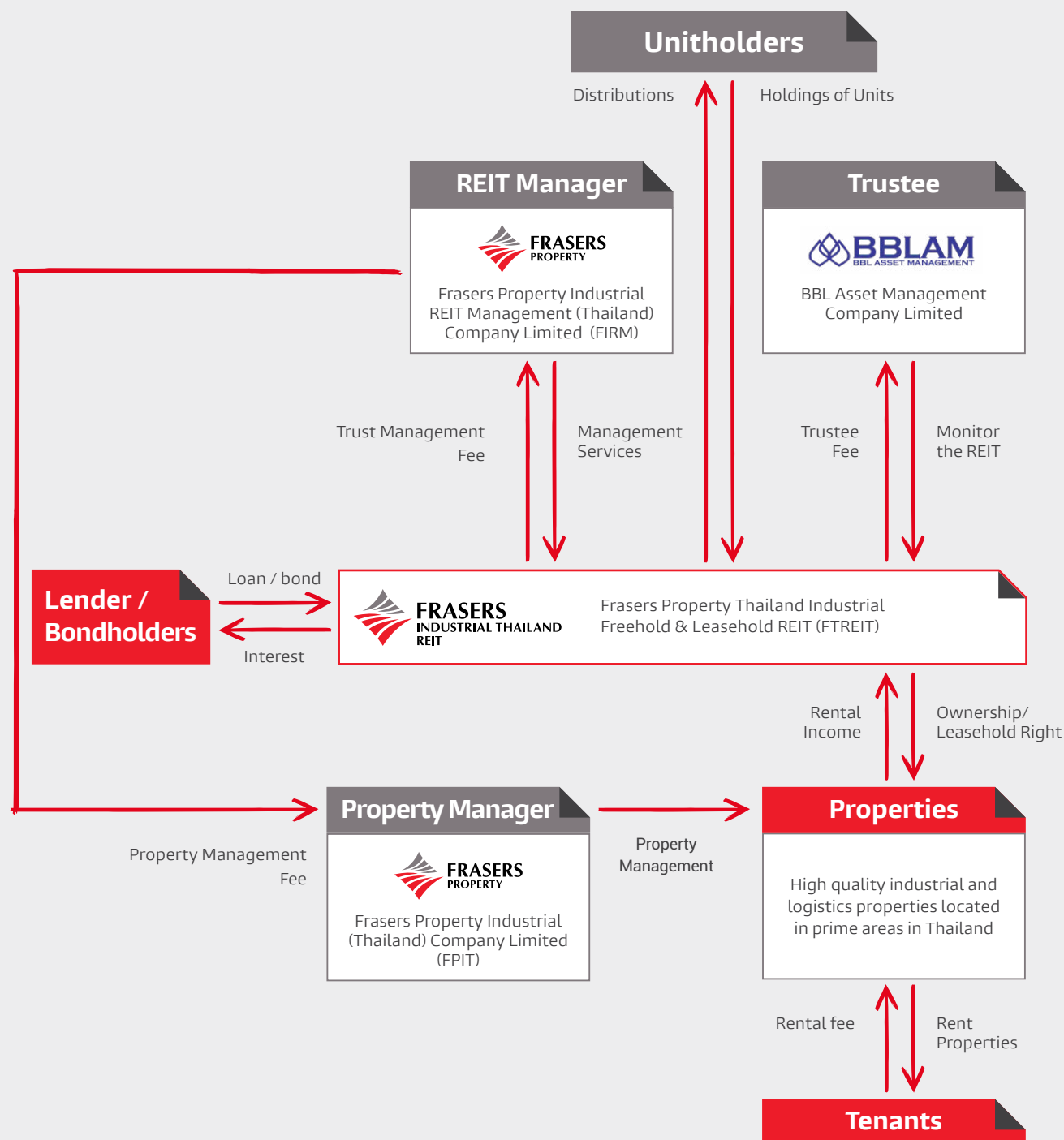


▲ Frasers Property Logistics Center (Bangplee 2), Samut Prakan



# FTREIT STRUCTURE

As of 30 September 2021

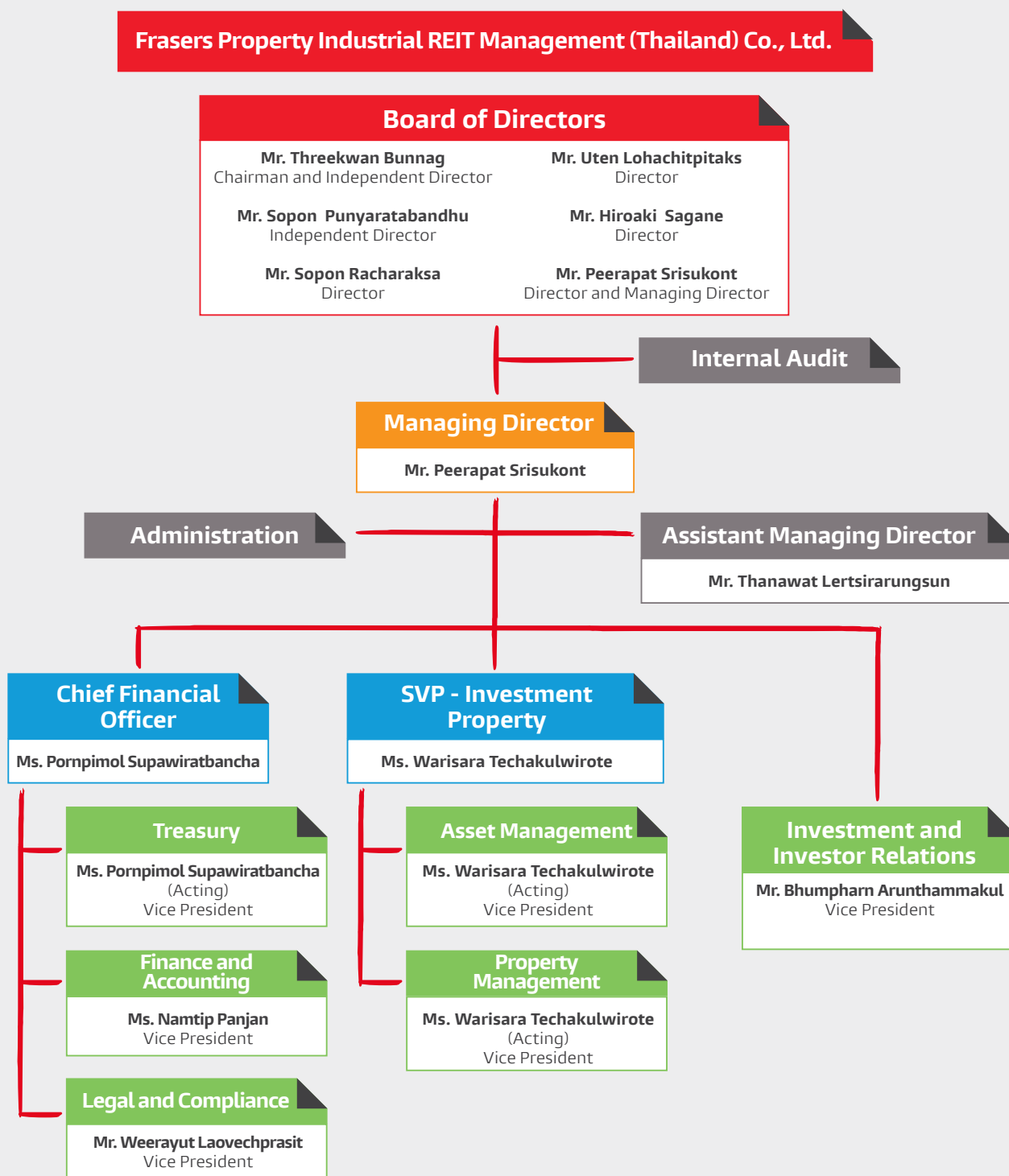


**Note :**

- (1) FIRM and FPIT has a same major shareholder which is Frasers Property (Thailand) Plc. (FPT). As of 30 September 2021, FPT held 70% of FIRM's paid-up capital and 100% of FPIT's paid-up capital.
- (2) FPT and its subsidiary are FTREIT's major unitholders. The total holding of 26.6% of the capital from unitholders, as of 30 September 2021.
- (3) FTREIT management is subject to Trust Deed which the full version is available on the Attachment no. 7 Trust Deed: <https://market.sec.or.th/public/ipos/IPOSDE01.aspx?TransID=290654>

# ORGANISATION STRUCTURE OF REIT MANAGER

As of 30 September 2021





# BOARD OF DIRECTORS

As of 30 September 2021



## Mr. Threekwan Bunnag ( 64 )

Chairman and Independent Director

Appointed on 15 January 2019

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

Direct unitholding : None

Spouse and minor child 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 (AACP) 27/2017
- 2006 Director Accreditation Program (DAP) 58/2006
- 2001 Director Certification Program (DCP) 12/2001

### The brief working experience during the past 5 years :

- Chairman and Independent Director - Frasers Property Industrial REIT Management (Thailand) Co., Ltd.

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



## Mr. Sapon Punyaratabandhu ( 59 )

Independent Director

Appointed on 20 May 2013

Length of service as Independent Director :  
8 Years 4 Months

Direct unitholding : None

Spouse and minor child 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)

- 2020 IT Governance and Cyber Resilience Program (ITG) 15/2020
- 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 - Vnet SG Power Co., Ltd.
- Independent Director and Member of Audit Committee - SVI Plc.

- Chairman - Vnet Power Co., Ltd.
- Independent Director and Chairman of Audit Committee - Asset Plus Fund Management Co., Ltd.
- Independent Director and Member of Audit Committee - Asia Plus Securities Co., Ltd.
- Independent Director - Frasers Property Industrial REIT Management (Thailand) Co., Ltd.
- Executive Director - Copperwired Plc.
- Executive Director - Vintcom Technology Plc.
- Independent Director and Member of Audit Committee - Asia Plus Group Holding Plc.
- Director and President - Vnet Capital Co., Ltd.



## Mr. Uten Lohachitpitaks ( 48 )

Director

Authorized Signatory Director

Appointed on 5 April 2018

Length of service as Director : 3 Years 5 Months

Direct unitholding : None

Spouse and minor child 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)

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

### The brief working experience during the past 5 years :

- Director - STT GDC (Thailand) Co., Ltd.
- Director - Frasers Property Treasury Center (Thailand) Co., Ltd.
- Director - Frasers Property Industrial REIT Management (Thailand) Co., Ltd.
- Director - Frasers Property Technology (Thailand) Co., Ltd.
- Director - Frasers Assets Co., Ltd.
- Director - One Bangkok Holdings Co., Ltd.
- Director - One Bangkok Ventures Co., Ltd.
- Group Chief Investment Officer - Frasers Property Limited
- Director - Frasers Property Thailand (Hong Kong) Limited
- Commissioner - PT SLP Surya TICON Internusa, Indonesia
- Director - Frasers Property Ventures I Pte. Ltd.
- Director - Frasers Property Ventures II Pte. Ltd.
- Director - Frasers Property International Pte. Ltd.
- Director - Frasers Property (Thailand) Plc.
- Director - Frasers Property Holdings (Thailand) Co., Ltd.
- Director - Frasers Property Thailand (International) Pte. Ltd.
- Director - Frasers Property Investments (Europe) SARL
- Director - Frasers (Thailand) Pte. Ltd.
- Director - Singapore Logistics Investments Pte. Ltd.
- Director - Frasers Property Holdings (Vietnam) Co., Ltd.
- Director - Frasers Property Investments (Vietnam) 1 Pte. Ltd.
- Director - Frasers Property Investments (Vietnam) 2 Pte. Ltd.
- Director - Frasers Property Management Services (Vietnam) Pte. Ltd.
- Director - Frasers Property Thailand (Vietnam) Pte. Ltd.
- Director - MLP Co Pte. Ltd.
- Director - SAJV Co Pte. Ltd.
- Director - Amigos An Phu Holding Pte. Ltd.
- Director - Amigos An Phu (Singapore) Pte. Ltd.
- Director - ALPS Ventura Pte. Ltd.
- Director - FCL Imperial Pte. Ltd.
- Director - New Motion Pte. Ltd.
- Director - Grand Trail Holdings Pte. Ltd.
- Director - Grand Trail Investments Pte. Ltd.





## Mr. Sopon Racharaksa ( 49 )

Director

Authorized Signatory Director

Appointed on 27 January 2017

Length of service as Director : 4 Years 8 Months

Direct unitholding : None

Spouse and minor child 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) 282/2019
- 2018 Boardroom Success through Financing & Investment (BFI) 5/2018

#### Institute of Business and Industrial Development

- 2015 Business Development, Industry and Investment for Top Executives 2/2015

### The brief working experience during the past 5 years :

- Director - Frasers Property Thailand (Vietnam) Pte. Ltd.
- Director - PBA Robotics (Thailand) Co., Ltd.
- Director - Automation Asset Co., Ltd.
- Director - Wangnoi Logistics Park Co., Ltd.
- Director - Bangkok Logistics Park Co., Ltd.
- Director - Bangpakong Logistics Park Co., Ltd.
- Director - System Assets Co., Ltd.
- Director - TCC Exhibition and Convention Center Co., Ltd.
- Director - TRA Land Development Co., Ltd.
- Director - Frasers Property Power (Thailand) Co., Ltd.
- Director - Mosho Entertainment Co., Ltd.
- Director - Another Scenario Co., Ltd.
- Director - N.C.C. Management and Development Co., Ltd.
- Director - N.C.C. International Events Co., Ltd.
- Director - N.C.C. Image Co., Ltd.
- Director - N.C.C. Exhibition Organizer Co., Ltd.
- Director - F & B International Co., Ltd.
- Director - SMJC Development Co., Ltd.
- Director - Frasers Property Industrial (Thailand) Co., Ltd.
- Director - Frasers Property Industrial REIT Management (Thailand) Co., Ltd.
- Director - Frasers Property BFTZ Co., Ltd.
- Director - Frasers Property Demco Power 6 Co., Ltd.
- Director - Frasers Property Demco Power 11 Co., Ltd.
- Director - Eco Industrial Services Co., Ltd.
- Director - Frasers Property Thailand (International) Pte. Ltd.
- Director - Frasers Property Thailand (Hong Kong) Limited
- Director - PT SLP Surya TICON Internusa, Indonesia
- Director - PT Surya Internusa Timur, Indonesia
- Director - Amigos An Phu Holding Pte. Ltd.
- Director - Amigos An Phu (Singapore) Pte. Ltd.
- Director - Alps Ventura Pte. Ltd.
- Director - New Motion Pte. Ltd.
- Director - Grand Trail Holdings Pte. Ltd.
- Director - Grand Trail Investments Pte. Ltd.



### **Mr. Hiroaki Sagane** ( 50 )

Director

Authorized Signatory Director

Appointed on 1 December 2018

Length of service as Director : 2 Years 10 Months

Direct unitholding : None

Spouse and minor child 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 - **Frasers Property Industrial REIT Management (Thailand) Co., Ltd.**
- General Manager - **Mitsui & Co. (Asia Pacific) Pte. Ltd.**
- Senior Director - **Advantage Partners Pte. Ltd.**
- General Manager - **Mitsui & Co., Ltd.**



### **Mr. Peerapat Srisukont** ( 52 )

Director and Managing Director

Authorized Signatory Director

Appointed on 1 August 2016

Length of service as Director : 5 Years 2 Months

Direct unitholding : None

Spouse and minor child 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)**

- 2017 Director Certification Program (DCP)  
238/2017

#### **The brief working experience during the past 5 years :**

- Director and Managing Director - **Frasers Property Industrial REIT Management (Thailand) Co., Ltd.**
- Deputy General Manager - **Frasers Property (Thailand) Plc.**



# MANAGEMENT TEAM

As of 30 September 2021



**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, create engagement with stakeholders 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 at that time".

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 MBA from Mahidol University International College.



**Mr. Thanawat Lertsirarungsun**  
Assistant Managing Director

Mr. Thanawat was appointed as Assistant Managing Director in December 2019 assigned by Mitsui & Co. (Asia Pacific) Pte Ltd., a major shareholder of the REIT Manager. He has knowledge and experience in investment in many Assets, including Securities, Funds and Real Estates in both domestic and international markets.

Prior to joining the REIT Manager, he was Senior Financial Analyst in property management company and Credit Analyst in well-known financial institute.

He holds a Bachelor of Engineering from Chulalongkorn University, a Master's Degree in Engineering from RWTH Aachen University, Germany and MBA from Chulalongkorn University.



**Ms. Pornpimol Supawiratbancha**  
Chief Financial Officer

Ms. Pornpimol joined the Company in October 2018. She currently oversees Treasury, Finance and Accounting, Legal and Compliance, and is Company Secretary. She has more than 17 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.



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



**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.

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 Touche Tohmatsu Jaiyos Audit Co., Ltd., leading audit firm and Associate Credit Analyst in well-known financial institutes.

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





**Ms. Namtip Panjan**

Vice President - Finance and Accounting

Ms. Namtip joined the REIT Manager in October 2015. 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 Bachelor of Accounting from Rajamangala University of Technology Suvarnabhumi, and a Master's Degrees of Accounting and Administration from Dhurakij Pundit University. She also passed the Management Development Program 1/2018 conducted by the PacRim Group and Certified Tax Accountant (CTA License) by School of Tax.



**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 of Law and a Master of Science Program in Real Estate Business (Mini MRE) from Thammasat University.



**Ms. Tirakarn Thammasarangkoon**

Assistant Vice President – Asset Management

Ms. Tirakarn joined the Company in October 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 (Bangplee 2), Samut Prakan



# 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.

Fraser's Property (Thailand) group manages assets professionally and has experience in managing occupancy rate, 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.

## 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.

## 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 2021, FTREIT has invested in 27 units of factory and warehouse valued at THB 3,586 million (excluding tax, registration fees and expenses relating to asset acquisition). The total net leasable area of the new properties is 194,094 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 (Stable Outlook) which is rated by TRIS Rating Co., Ltd. and this is the highest rating for industrial and logistics REITs in Thailand.

As of 30 September 2021, FTREIT has LTV ratio at 25.1%, weighted average debt maturity at 4.0 years and weighted average cost of borrowings at 3.2% per annum. The increase in LTV% during the year came from investment in new properties in the period which was funded by loans from financial institutions. However, FTREIT completed capital increase and received capital proceeds from unitholders to prepay the loan. Also, FTREIT prepaid the loan by surplus cash. These led to lower LTV% at the end of 2021 as compared to the previous year.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Independent Auditor's Report

2021	Fiscal year	1 October 2020 - 30 September 2021
	Auditor	Mrs. Wilai Buranakittisopon Certified public accountant registration No. 3920, KPMG Phoomchai Audit Ltd.
	Opinion	The accompanying financial statements present fairly, in all material respects, the financial position of the Trust.
2020	Fiscal year	1 October 2019 - 30 September 2020
	Auditor	Mrs. Wilai Buranakittisopon Certified public accountant registration No. 3920, KPMG Phoomchai Audit Ltd.
	Opinion	The accompanying financial statements present fairly, in all material respects, the financial position of the Trust.
2019	Fiscal year	1 October 2018 - 30 September 2019
	Auditor	Ms. Nittaya Chetchotiros Certified public accountant registration No. 4439, KPMG Phoomchai Audit Ltd.
	Opinion	The accompanying financial statements present fairly, in all material respects, the financial position of the Trust.

## Financial Highlights

Unit: Million Baht

Item	2021	2020	2019
<b>Statement of Comprehensive Income</b>			
Rental and service income	3,239.36	2,883.82	2,745.47
Other income <sup>(1)</sup>	177.30	164.59	61.67
<b>Total income</b>	<b>3,416.66</b>	<b>3,048.41</b>	<b>2,807.14</b>
Cost of rental and service	214.40	191.62	349.11
REIT management fee <sup>(2)</sup>	422.40	400.21	362.56
Other expenses <sup>(3)</sup>	38.20	42.85	74.79
Finance cost	370.67	314.74	271.26
<b>Total expenses</b>	<b>1,045.67</b>	<b>949.42</b>	<b>1,057.72</b>
<b>Net profit on investments</b>	<b>2,370.99</b>	<b>2,098.99</b>	<b>1,749.42</b>



Unit : Million Baht

Item	2021	2020	2019
<b>Statement of financial position</b>			
Investments in freehold and leasehold properties at fair value	44,758.33	41,143.61	37,049.37
Investments measured at fair value through profit or loss	300.00	926.02	836.60
Cash and cash equivalents	800.06	554.22	305.16
Accrued rental and service receivables	130.69	176.47	225.31
Other assets <sup>(4)</sup>	76.95	69.45	78.50
<b>Total assets</b>	<b>46,066.03</b>	<b>42,869.77</b>	<b>38,494.94</b>
Short-term loans	800.00	2,856.15	1,302.00
Deposits from rental and service	1,163.24	1,033.34	945.18
Long-term loan	1,737.64	-	-
Debentures	9,034.42	8,638.27	8,438.24
Other liabilities <sup>(5)</sup>	419.80	367.36	320.34
<b>Total liabilities</b>	<b>13,155.10</b>	<b>12,895.12</b>	<b>11,005.76</b>
Trust registered capital	29,213.38	28,313.42	25,173.62
Capital from unitholders	31,118.59	28,313.42	25,173.62
Retained earnings	1,792.34	1,661.23	2,315.56
<b>Net Assets</b>	<b>32,910.93</b>	<b>29,974.65</b>	<b>27,489.18</b>
Net asset value per unit (Baht)	10.7433	10.6203	10.5630
Number of trust units issued at the end of year (million units)	3,063.39	2,822.39	2,602.39

- Note :** (1) Other income = Interest income + Income from rental guarantees + Income from forfeiture of rental and service deposits + Other income  
(2) REIT Management fee = Trust Management fee + Trustee fee + Registrar fee  
(3) Other expenses = Professional fees + Administrative expenses + Amortisation of deferred expenses  
(4) Other assets = Accrued interest income + Other receivables + Deferred expenses + Other assets  
(5) Other liabilities = Accrued expenses + Accrued interest expenses + Withholding taxes payable + Lease liabilities + Provision for return + Other liabilities

Unit : Million Baht

Item	2021	2020	2019
<b>Statement of cash flows</b>			
Net cash used in operating activities	(260.19)	(2,483.27)	(766.64)
Net cash from financing activities	506.03	2,732.33	838.36
Net increase in cash and cash equivalents	245.84	249.06	71.72
Cash and cash equivalents at the beginning of period	554.22	305.16	233.44
Cash and cash equivalents at the end of period	800.06	554.22	305.16

## Management Discussion and Analysis

Fiscal year ended 30 September 2019 was for financial statements for the period from 1 October 2018 to 30 September 2019 ("FY2019"). Fiscal year ended 30 September 2020 was for financial statements for the period from 1 October 2019 to 30 September 2020 ("FY2020"). Fiscal year ended 30 September 2021 was for financial statements for the period from 1 October 2020 to 30 September 2021 ("FY2021")

### FTREIT performance

#### (1) Key performance in FY2021

During FY2021, FTREIT invested in additional assets for 5 batches i.e. each in October 2020, January, February 2021 and 2 batches in September 2021. The additional assets are from Frasers Property Group and third

party. As at 30 September, 2021, net leaseable area (NLA) was 2,065,106 sq.m. NLA divides into factories area of 876,285 sq.m. and warehouses area of 1,188,821 sq.m. (42.4% : 57.6%). Moreover, NLA also divides into freehold area of 1,496,118 sq.m. and leasehold area of 568,988 sq.m. (72.4% : 27.6%). The additional investment in FY2021 increased FTREIT's NLA from 1,871,012 sq.m. to 2,065,106 sq.m., increased by 10.4%. Also, number of property units under management increased from 615 to 642 units. As of 30 September 2021, the occupancy rate was at 86.4%, higher than 82.2% at the end of previous year. Weighted average lease expiry (WALE) was 1.9 years. The renewal rate and average occupancy rate for 12 months (1 October 2020 – 30 September 2021) were at 77.8% and 85.4% respectively.

### Key information of FY2021 as compared with FY2020

	30 September 2020	30 September 2021	Change (%)
Number of properties (units)	615	642	+4.4
Fair value (million Baht)	41,144	44,758	+8.8
Net leasable area (sq.m.)	1,871,012	2,065,106	+10.4
Occupied area (sq.m.)	1,538,444	1,784,423	+16.0
Occupancy rate (%)	82.2	86.4	+5.1

#### (2) Revenues

In FY2021, FTREIT generated total revenue of 3,416.66 million Baht, increasing by 368.25 million Baht or 12.08% as compared to the same period of previous year. Total income consists of rental and service income of 3,239.36 million Baht, interest income of 4.58 million Baht, income from rental guarantees of 111.48 million Baht, Income from forfeiture of rental and service deposits of THB 15.21 million and other income of 46.03 million Baht.

Rental and service income in 2020 and 2021 amounted to 2,883.82 million Baht and

3,239.36 million Baht, respectively, increasing by 355.54 million Baht or 12.33% from previous year. The increase was driven by rising rental and service income from improved occupancy rate of existing assets and more NLA from 5 batches of additional asset acquisition during the year as mentioned above. Furthermore, in FY2021, FTREIT had income from rental guarantees from asset acquisitions amounting to 111.48 million Baht, mainly from assets acquired from Sahathai in November 2019 together with assets acquired from FPT group in FY2020 and FY2021. Both Sahathai and FPT group sold properties with agreements to compensate for vacant area.

### (3) Expenses

In FY2021, FTREIT had total expenses of 1,045.67 million Baht, increasing by 96.26 million Baht or 10.14% from previous year. Main reasons were increases in cost of rental and services, trust management fee and administrative expenses following higher rental and service income and larger portfolio from additional asset acquisitions. Moreover, increase in finance cost was mainly from additional borrowings to finance the investments in additional assets. In FY2020 and FY2021, finance cost were 314.74 million Baht and 370.67 million Baht respectively, increased by 55.93 million Baht or 17.77%.

### (4) Net profit on investments

In FY2021, FTREIT's net profit on investments increased by 271.99 million Baht or 12.96% as compared to same period of previous year, due mainly to the increase of rental and service income and income from rental guarantees as mentioned above.

In this regard, FTREIT had loss on changes in fair value of investments in properties of 218.70 million Baht from annual revaluation of properties. This improved from losses of 904.71 million Baht of the previous year. These resulted in increase in net assets resulting from operations of 2,152.29 million Baht for FY2021, increased by 958.00 million Baht or 80.22% from the previous year.

### (5) Investments

As of 30 September 2021, FTREIT had Investments in freehold and leasehold properties at fair value of 44,758.33 million Baht increasing from 41,143.261 million Baht as at 30 September 2020. The main

reason was 5 batches of additional asset acquisitions in FY2021.

Investments in securities measured at fair value as of 30 September 2021 amounted to 300.00 million Baht, decreasing by 626.02 million Baht as compared to previous year. This was investment in fixed deposits.

### (6) Loans and Debentures

In FY2021, FTREIT issued and offered debentures at amount of 2,500 million Baht to redeem the ones which matured and prepay the loan. Moreover, long-term and short-term loans from financial institutions were drawdowned in amount of 2,442.70 million Baht and 800.00 million Baht respectively to finance investments in additional assets. As of 30 September 2021, FTREIT had loans and debentures totaling 11,572.06 million Baht, increasing by 77.64 million Baht (net of repayment portion) as compared to at 30 September 2020. As of 30 September 2020 and 2021, IBD to total asset value (LTV%) were at 26.81% and 25.12% respectively. The ratios were lower than the rate of 35% for non-investment credit rating and 60% for credit rating at investment grade announced by the Securities and Exchange Commission (SEC). Remaining the ratio was in accordance with the terms and conditions regarding rights and duties of issuer and debenture holders of FTREIT's debentures, including the terms and conditions of loan agreement with the financial institution.

In addition, FTREIT's credit rating rated by TRIS Rating Co., Ltd. (TRIS) was at level A (Stable Outlook) (at Investment Grade). TRIS provided this rating on 31 May 2021.

Leverage Ratio	As of 30 September	
	2020	2021
Total liabilities to capital from unitholders (times)	0.46	0.42
IBD to total assets value (LTV)(%) <sup>(1) (2)</sup>	26.81	25.12
IBD to EBITDA ratio (times)	4.72	4.20
Current portion of IBD to total IBD (%)	43.12	18.15
Interest coverage ratio (times) <sup>(3)</sup>	7.74	7.43

**Note :** (1) IBD includes issuance of commercial paper or entrance into agreements with substance of borrowing, excludes other debts.

(2) Debenture issuer (FTREIT) shall maintain IBD to total assets value not exceeding 60% of total assets value of the REIT at the end of fiscal year along the term of debentures.

(3) Interest coverage ratio = (Net profit on investments + finance cost + amortisation of deferred expenses) / finance cost.



# DISTRIBUTION PAYMENT

## Distribution Payment Policy

1. The Trust has a policy to pay distributions to unitholders at least twice a year. However, the REIT Manager might consider paying dividends more than twice to unitholders as it deems necessary and appropriate.
2. If 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 excluding 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. If the Trust has accumulated losses remaining, the REIT Manager will not pay distributions to unitholders.

## Historical Payment

	Fiscal Period	Source of Distribution	Unit Rate (Baht)			Payment Date
			Distribution	Capital Return	Total	
<b>2021</b>	1 Jul 21 - 30 Sep 21	Net Profit	0.1690	-	0.1690	2 Dec 21
<b>0.6740</b>	1 Apr 21 - 30 Jun 21	Net Profit	0.1690	-	0.1690	1 Sep 21
Baht/Unit	1 Jan 21 - 31 Mar 21	Net Profit	0.1680	-	0.1680	2 Jun 21
	1 Oct 20 - 31 Dec 20	Net Profit	0.1680	-	0.1680	3 Mar 21
<b>2020</b>	1 Jul 20 - 30 Sep 20	Retained earnings	0.1680	-	0.1680	2 Dec 20
<b>0.6690</b>	1 Apr 20 - 30 Jun 20	Net Profit	0.1670	-	0.1670	3 Sep 20
Baht/Unit	1 Jan 20 - 31 Mar 20	Net Profit	0.1670	-	0.1670	8 Jun 20
	1 Oct 19 - 31 Dec 19	Net Profit	0.1670	-	0.1670	11 Mar 20
<b>2019</b>	1 Jul 19 - 30 Sep 19	Net Profit & Retained earnings	0.1670	-	0.1670	11 Dec 19
<b>0.6680</b>	1 Apr 19 - 30 Jun 19	Net Profit	0.1670	-	0.1670	12 Sep 19
Baht/Unit	1 Jan 19 - 31 Mar 19	Net Profit	0.1670	-	0.1670	7 Jun 19
	1 Oct 18 - 31 Dec 18	Net Profit	0.1670	-	0.1670	14 Mar 19
<b>2018</b>	1 Jul 18 - 30 Sep 18	Net Profit & Retained earnings	0.1600	-	0.1600	18 Dec 18
<b>0.4800</b>	1 Apr 18 - 30 Jun 18	Net Profit & Retained earnings	0.1569	0.0031	0.1600	11 Sep 18
Baht/Unit	1 Jan 18 - 31 Mar 18	Net Profit	0.1600	-	0.1600	11 Jun 18
<b>2017</b>	1 Nov 17 - 31 Dec 17	Net Profit & Retained earnings	0.0171	0.0929	0.1100	22 Mar 18
<b>0.6328</b>	1 Jul 17 - 31 Oct 17	Net Profit & Retained earnings	0.2028	-	0.2028	7 Dec 17
Baht/Unit	1 Apr 17 - 30 Jun 17	Net Profit & Retained earnings	0.1600	-	0.1600	6 Sep 17
	1 Jan 17 - 31 Mar 17	Net Profit & Retained earnings	0.1600	-	0.1600	8 Jun 17

**Note :** The more historical payment is available on [www.ftreit.co.th](http://www.ftreit.co.th)

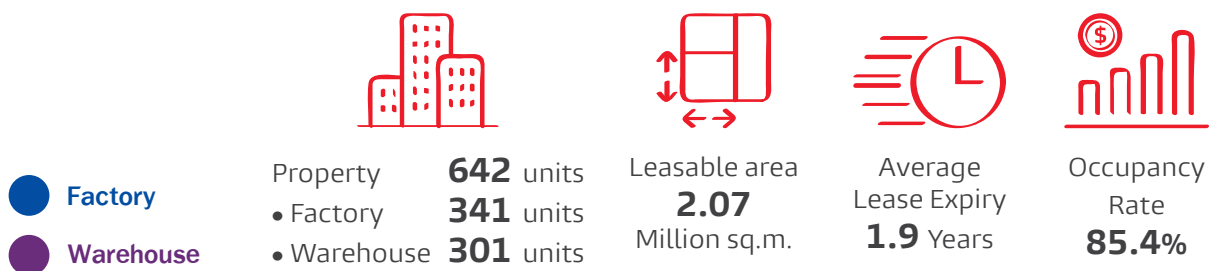
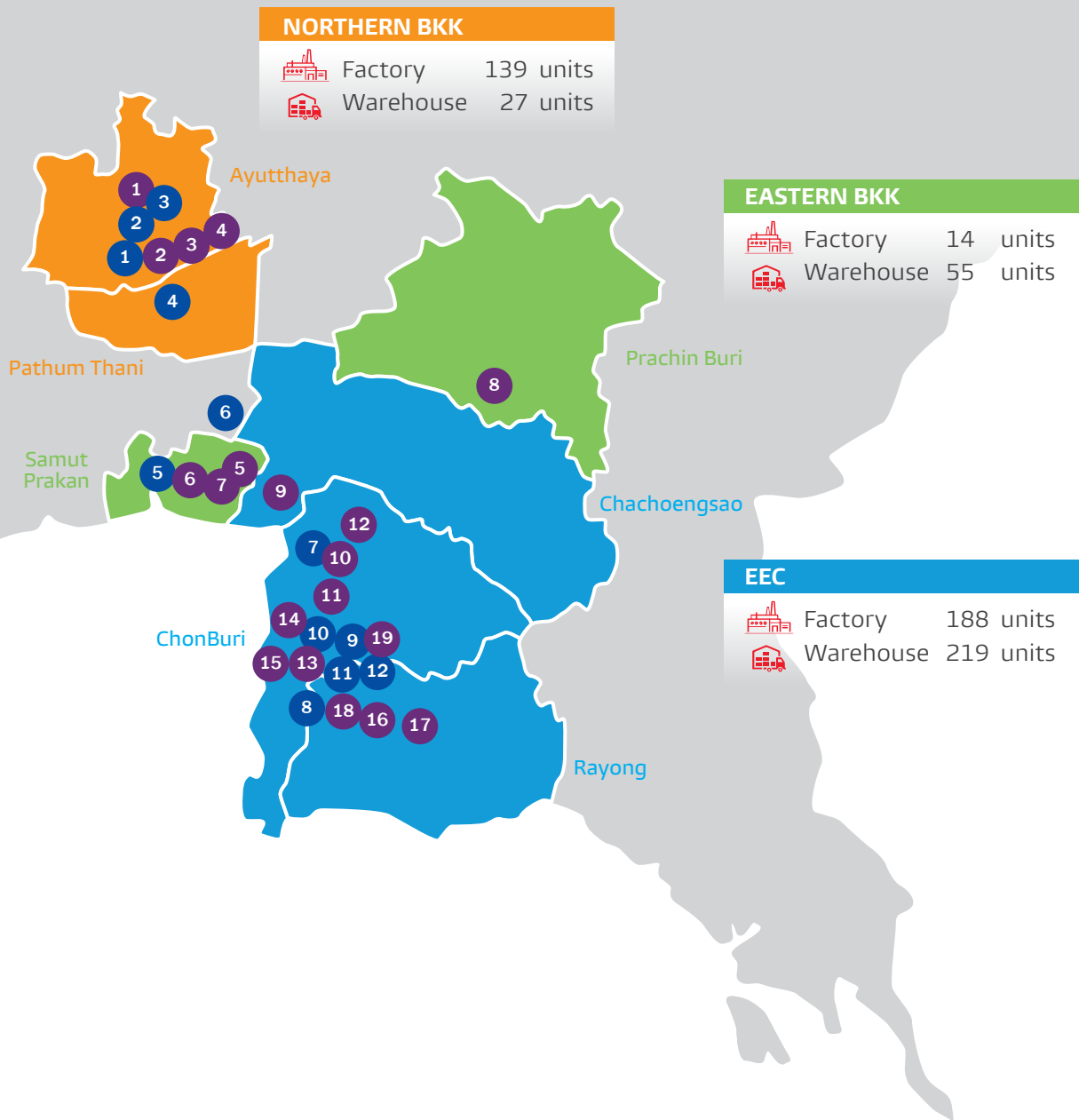




▲ Frasers Property Logistics Center (Amata City Chonburi), Chonburi



# LOCATION FOOTPRINT





## PROPERTY DETAILS

As of 30 September 2021, FTREIT invested in high standard factories and warehouses which located in strategic industrial and logistics area. There are totaling 642 units of factories and warehouses with net leasable area of 2,065,106 sq.m. Details are as follows :

Project / Industrial Estate / Industrial Park / Industrial Promotion Zone	Ownership		No (Unit)	Net Leasable Area (Sq.m.)	Cost (Baht)	Fair Value adjusted based on Thai Accounting Standard <sup>(1)</sup> (Baht)	Investment Year (Based on fiscal year)
	FH	LH <sup>(2)</sup>					
Factory							
1 Bangpa-in Industrial Estate	100%	-	15	32,300	730,911,670	723,148,333	2017, 2018
2 Hi-Tech Industrial Estate	90%	10%	40	111,828	2,337,769,515	2,558,830,078	2014, 2017, 2018, 2020, 2021
3 Rojana Industrial Park - Ayutthaya	93%	7%	61	145,732	3,032,509,647	3,202,108,133	2014, 2015, 2017, 2018, 2021
4 Navanakorn Industrial Promotion Zone	91%	9%	23	56,500	1,194,007,234	1,232,464,375	2017, 2018, 2020
5 Bangpoo Industrial Estate	100%	-	13	40,325	919,216,540	1,058,172,674	2017, 2018
6 Ladkrabang Industrial Estate	100%	-	1	1,300	39,887,357	39,887,357	2021
7 Amata City Chonburi Industrial Estate	91%	9%	103	271,225	6,827,642,866	7,552,221,622	2015, 2017, 2018, 2020
8 Amata City Rayong Industrial Estate	81%	19%	38	100,400	2,387,233,094	2,524,095,469	2014, 2015, 2017, 2020
9 WHA Industrial Development Chonburi 1	100%	-	6	18,300	505,287,630	499,211,586	2014, 2015, 2021
10 Pinthong Industrial Estate (Project 1)	100%	-	19	39,250	917,000,000	976,288,961	2017
11 Pinthong Industrial Estate (Project 2)	59%	41%	9	21,025	485,779,903	465,100,000	2014, 2017
12 Pinthong Industrial Estate (Project 3)	87%	13%	13	38,100	963,834,804	912,150,320	2014, 2017
Total			341	876,285	20,341,080,260	21,743,678,908	
Warehouse							
1 Frasers Property Logistics Center (Rojana Ayutthaya)	100%	-	3	18,324	294,000,000	315,400,000	2017
2 Frasers Property Logistics Center (Wang Noi 1)	100%	-	15	89,616	1,893,632,644	2,107,248,645	2017, 2021
3 Frasers Property Logistics Park (Wang Noi 2)	100%	-	8	19,600	380,399,645	361,000,000	2015, 2020
4 Cold Storage (CTD)	100%	-	1	18,354	668,454,696	657,746,590	2019
5 Frasers Property Logistics Center (Bangplee 1)	-	100%	10	76,477	1,449,601,143	1,398,509,306	2014, 2015
6 Frasers Property Logistics Center (Bangplee 2)	-	100%	9	124,634	2,087,509,328	2,087,509,328	2021
7 Frasers Property Logistics Center (Bangplee 3)	-	100%	28	106,692	1,955,288,238	1,875,826,353	2015, 2018

Project / Industrial Estate / Industrial Park / Industrial Promotion Zone	Ownership		No (Unit)	Net Leasable Area (Sq.m.)	Cost (Baht)	Fair Value adjusted based on Thai Accounting Standard <sup>(1)</sup> (Baht)	Investment Year (Based on fiscal year)
	FH	LH <sup>(2)</sup>					
8 Frasers Property Logistics Center (Rojana Prachinburi)	100%	-	8	14,832	342,545,860	285,200,000	2018
9 Frasers Property Logistics Park (Bangna)	31%	69%	82	258,260	5,117,782,456	5,019,188,214	2014, 2015, 2017
10 Frasers Property Logistics Center (Amata City Chonburi)	100%	-	7	19,650	485,500,000	534,848,008	2017
11 Frasers Property Logistics Park (Siracha)	100%	-	22	99,768	1,845,351,618	1,707,573,906	2014, 2019, 2020, 2021
12 Frasers Property Logistics Center (Phan Thong 1)	100%	-	5	10,600	241,280,000	148,800,506	2015
13 Frasers Property Logistics Center (Laemchabang 1)	100%	-	21	69,404	1,229,400,000	1,373,284,701	2017
14 Frasers Property Logistics Park (Laemchabang 2)	100%	-	26	81,700	1,916,036,201	1,717,788,371	2014, 2015, 2019, 2020
15 Frasers Property Logistics Park (Laemchabang 3)	100%	-	24	80,012	2,127,338,446	1,724,895,993	2019
16 Frasers Property Logistics Center (Eastern Seaboard 1 A)	100%	-	7	35,430	602,080,180	598,834,868	2017, 2018
17 Frasers Property Logistics Center (Eastern Seaboard 1 B)	100%	-	12	28,968	565,870,079	501,197,085	2015, 2018
18 Frasers Property Logistics Center (Eastern Seaboard 2 A)	100%	-	4	15,800	298,478,563	250,898,817	2014
19 Frasers Property Logistics Center (Bowin)	100%	-	9	20,700	359,684,210	348,900,000	2018
<b>Total</b>	<b>301</b>	<b>1,188,821</b>	<b>301</b>	<b>1,188,821</b>	<b>23,860,233,307</b>	<b>23,014,650,691</b>	
<b>Grand Total</b>	<b>642</b>	<b>2,065,106</b>	<b>642</b>	<b>2,065,106</b>	<b>44,201,313,567</b>	<b>44,758,329,599</b>	

Type of Property	No (Unit)	Net Leasable area (sq.m.)	Cost (Baht)	Fair Value adjusted based on Thai Accounting Standard <sup>(1)</sup> (Baht)	Fair Value adjusted based on Thai Accounting Standard / NAV (%)
Factory <sup>(3)</sup>	341	876,285	20,341,080,260	21,743,678,908	66.07
Warehouse <sup>(3)</sup>	301	1,188,821	23,860,233,307	23,014,650,691	69.93
<b>Total</b>	<b>642</b>	<b>2,065,106</b>	<b>44,201,313,567</b>	<b>44,758,329,599</b>	<b>136.00</b>
<b>Net Assets Value (NAV) as of 30 September 2021</b>				<b>32,910,931,686</b>	<b>100.00</b>

**Remark :** 1. Fair value based on Income approach method adjusted based on Thai Accounting Standard No.17 (TAS17), Lease, ("Investment in Freehold and leasehold properties at fair value"), disclosed in statement of financial position as of 30 September 2021.  
2. Average land lease term remaining of 22.1 years  
3. Average age of factory = 14.7 years and average age of warehouse = 8.7 years

## VALUE OBTAINED FROM LATEST REVIEW OF APPRAISAL REPORT

### (1) Appraisal Value of the Main Investment Assets

The appraisal values on the assets for initial investment, the first capital increase, the conversion of TFUND, TLOGIS and TGROWTH and the additional investment during fiscal year 2018 – 2020, totally 615 units composed of factory 331 units and warehouse 284 units were assessed by 15 Business Advisory Co., Ltd., independent appraisal which can be summarized as follow

**Part 1** – Appraisal report dated 1 May 2021, fair value of THB 17,504.30 million

**Part 2** – Appraisal report dated 1 August 2021, fair value of THB 660.40 million

**Part 3** – Appraisal report dated 1 September 2021, fair value of THB 22,932.00 million

Type of asset	No (Unit)	NLA (Sq.m.)	Type of Ownership	Fair Value <sup>(1)</sup> (Baht)	Fair Value adjusted based on Thai Accounting Standard <sup>(2)</sup> (Baht)
Factory	331	847,235	Freehold	19,446,900,000	19,429,365,845
			Leasehold	1,574,600,000	1,571,879,444
Warehouse	284	1,023,777	Freehold	13,853,500,000	13,842,857,621
			Leasehold	6,221,700,000	6,317,351,098
<b>Total</b>	<b>615</b>	<b>1,871,012</b>		<b>36,614,700,000</b>	<b>41,161,454,008</b>

**Remark :** 1. Fair value based on Income approach method.  
2. Fair value based on Income approach method adjusted based on Thai Accounting Standard No.17 (TAS17) LEASE ("Investments in freehold and leasehold properties at fair value" disclosed in statement of financial position as of 30 September 2021).

## Summary of Key Assumptions

### Valuation method

Discounted cash flows; The valuation model considers the present value of net cash flows to be generated from the property, taking into account expected market rental growth rate, occupancy rate and capitalisation rate. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location, tenant credit quality and lease terms.

- **Expected market rental growth rates** = 2.5% - 3.0%
- **Occupancy rates** = 70.0% - 95.0%
- **Discount rates** = 9.0% - 9.5%
- **Capitalisation rates** = 6.0% - 7.0%

For more information, please read the report on website <https://www.ftreit.co.th/th/investor-relations/downloads/appraisal-reports>

### (2) Appraisal Value of the Additional Investment Assets in Fiscal Year 2021

In fiscal year 2021, FTREIT acquired new assets totaling of 5 times. The reasons of investment are to enhance FTREIT's portfolio growth, as well as to diversify investment risks. The fair values of assets are based on Income approach method from appraisal reports of Knight Frank Chartered (Thailand) Co., Ltd. and 15 Business Advisory Limited, Independent appraisers.



Project	Fair Value (Million Baht)		Investment Value <sup>(1)</sup> (Million Baht)	Vendor <sup>(2)</sup>	Investment date
	Knight Frank	15 Business			
<b>(1) Frasers Property Logistics Park (Sriracha)</b> Freehold land and warehouse, 6 units with NLA 18,100 sq.m. Valuation date was 1 October 2020	315.40	369.20	343.13	FPIT	1 Oct 2020
<b>(2) Frasers Property Logistics Center (Bangplee 2)</b> Leasehold land and warehouse, 9 units with NLA 124,634 sq.m. Valuation date was 1 December 2020	1,849.10	1,949.20	2,061.88	CBP	29 Jan 2021
<b>(3) Hi-Tech Industrial Estate</b> Freehold land and factory, 1 unit with NLA 2,750 sq.m. <b>Rojana Industrial Park - Ayutthaya</b> Freehold land and factory, 5 units with NLA 13,900 sq.m. Valuation date was 1 February 2021	346.70	392.50	380.89	FPT	1 Feb 2021
<b>(4) WHA Industrial Development Chonburi 1</b> Freehold land and factory, 3 units with NLA 11,100 sq.m. <b>Ladkrabang Industrial Estate</b> Freehold land and factory, 1 unit with NLA 1,300 sq.m. Valuation date was 1 September 2021	325.60	336.00	360.03	FPT	1 Sep 2021
<b>(5) Frasers Property Logistics Center (Wang Noi 1)</b> Freehold land and warehouse, 2 units with NLA 22,310 sq.m. Valuation date was 1 September 2021	397.90	404.00	439.97	FPIT	23 Sep 2021
<b>Total</b>			<b>3,585.90</b>		

**Remark :**

- Investment value is the fair value before adjusting following on Thai Accounting Standard (excluded registration fees and Tax)
- FPT = Frasers Property (Thailand) Plc., FPIT = Frasers Property Industrial (Thailand) Co., Ltd., CBP = Chaiyana Bangplee Parkland Co., Ltd.
- Source of funds was from borrowings.
- Expenses relating to investment such as Appraisal Fees, Legal Fees, Independent Financial Adviser Fee, totaling of THB 29.07 million.

## Summary of Key Assumptions

### Valuation method

Discounted cash flows; The valuation model considers the present value of net cash flows to be generated from the property, taking into account expected market rental growth rate, occupancy rate and capitalisation rate. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location, tenant credit quality and lease terms.

- **Expected market rental growth rates** = 2.5% - 3.0%
- **Occupancy rates** = 75.0% - 95.0%
- **Discount rates** = 7.75% - 9.5%
- **Capitalisation rates** = 6.00% - 7.25%

## RETURN FROM INVESTMENT PROPERTY

### Revenue Structure

Revenue Structure of FTREIT can be breakdown by type of assets as following detail.

Unit : Million Baht

Type of asset	2021 (1 Oct. 20 – 30 Sep. 21)		2020 (1 Oct. 19 – 30 Sep. 20)	
	Amount	%	Amount	%
1 Factory	1,546.1	47.7	1,437.9	49.9
2 Warehouse	1,693.3	52.3	1,445.9	50.1
<b>Total rental and service income</b>	<b>3,239.4</b>	<b>100.0</b>	<b>2,883.8</b>	<b>100.0</b>

**Remark :** Rental and service income composed of lease income, service income, utility income, insurance income and land and building tax income.

### REVENUE CONCENTRATION OF TOP TEN TENANTS

From the efficient management of tenant groups and additional asset acquisition, as of 30 September 2021, the concentration of the top 10 tenants was at 27.01%.

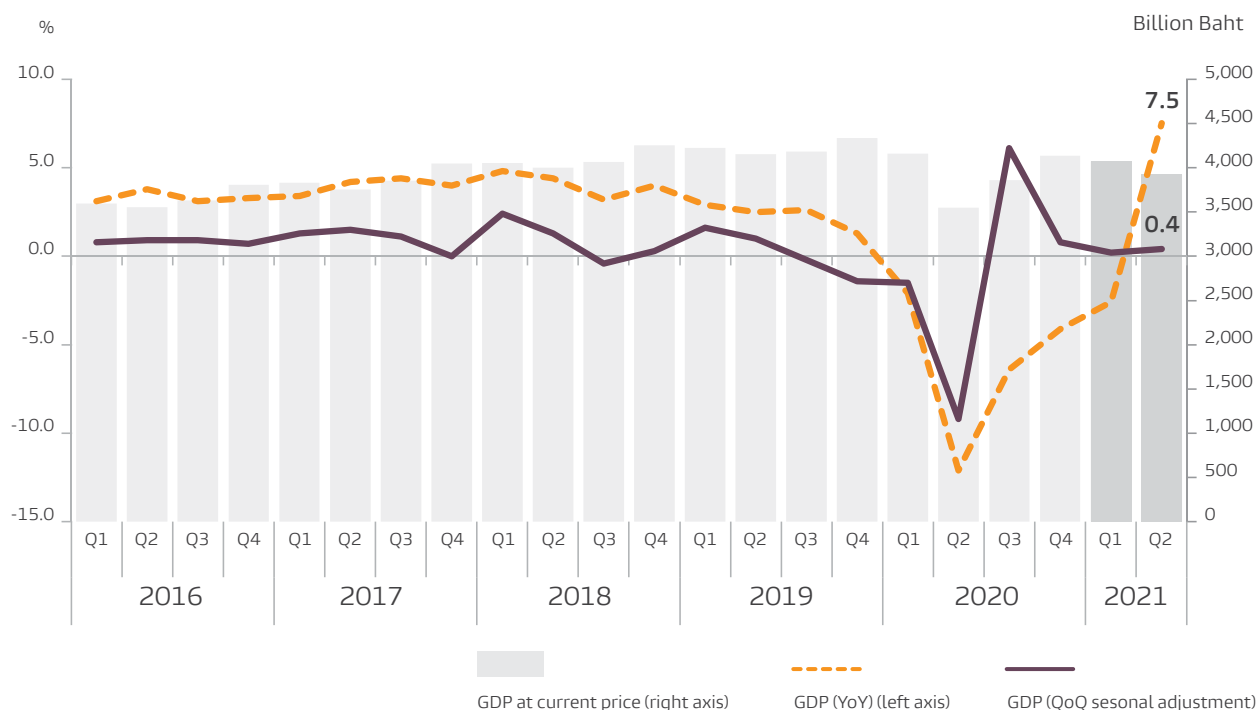
#### List of top 10 tenants

As of 30 September 2021

No.	Name of tenants	% of total rental and service income	Industry
1	DHL Supply Chain (Thailand) Ltd.	7.03%	Logistics
2	Thai Samsung Electronics Co., Ltd.	4.89%	Electronics
3	Siam Makro Plc.	4.18%	Retail
4	Kintetsu Logistics (Thailand) Co., Ltd.	2.01%	Logistics
5	Hi-P (Thailand) Co., Ltd.	1.62%	Electronics
6	Berli Jucker Logistics Ltd.	1.61%	Logistics
7	CT Distribution Co., Ltd.	1.56%	Logistics
8	Denso (Thailand) Co., Ltd.	1.43%	Automotive
9	DKSH (Thailand) Co., Ltd.	1.37%	Retail
10	Lazada Co., Ltd.	1.31%	E-commerce

# INDUSTRY OUTLOOK

## 1. Thai Economy Outlook



The Thai Economy in the second quarter of 2021 increased by 7.5% (%YoY), recovering from a 2.6% contraction in the first quarter and expanding for the first time in six quarters. This was mainly due to an unusually low base expansion in the same period last year which was affected by the first wave of COVID-19 outbreak in April 2020. On expenditure side, Export of goods, Private investment and Private consumption returned to growth. While Public investment and Government expenditure decelerated and Export of services declined. On Production side, the manufacturing sector and the agriculture sector accelerated from the previous quarter. The accommodation and food service activities, the transportation and storage sector, the wholesale and retail trade sector, and the electricity and gas sector recovered, while the construction sector grew at a slower pace. After seasonally adjusted, the economy grew by 0.4% from the first quarter. In the first half of 2021, the Thai economy expanded by 2.0%.

### Private consumption and Government expenditure

Private consumption expenditure returned to growth at 4.6%, improving from a 0.3% drop in the previous quarter. This was partly due to the low base in the same period last year and supports from government's remedial and spending stimulus measures. The expenditure on durable goods expanded by 15.1%, compared with a 10.4% drop in the previous quarter, following by the growth in purchase of vehicles with a 33.9% growth. The expenditure in services grew by 8.1%, accelerating from a 1.5% growth in the previous quarter, following the growth of health, housing, water, electricity, gas and other fuels, and restaurants and hotels. The expenditure in non-durable goods grew by 2.3%, continually expanding from 2.5% in the previous quarter. This was in line with spending on food and non-alcoholic which grew by 2.4%. Meanwhile, the expenditure in semi-durable goods decreased by 7.0%, compared with a 10.8%



decline in the previous quarter, and in line with a 15.3% drop in clothing and footwear expenditure. However, the new wave of COVID-19 pandemic beginning in April 2021 resulted the consumer confidence index on the economic situation fell drastically from 42.5 in the previous quarter to 38.8 in the second quarter.

Government consumption expenditure increased by 1.1%, compared with a 2.1% growth in the previous quarter. Whereas, purchases of goods and services dropped by 0.4%, while compensation of employees (wage and salary) and social transfers in kind increased by 0.5% and 11.6%, respectively. The government budget disbursement rate in this quarter was at 21.0% of the total budget (higher than 20.0% in the previous quarter but lower than 22.9% in same quarter of the last year).

In the first half of 2021, private consumption and government consumption expenditure expanded by 2.1%, and 1.6% respectively.

### Investment

Total investment increased by 8.1%, accelerating from 7.3% in the previous quarter. Private investment increased by 9.2%, compared with a 3.0% growth in the previous quarter. This was due to an increase in investment in machinery and equipment of 12.2%, accelerating from 3.8% in the first quarter. Meanwhile, investment in construction declined by 0.2%. Public investment increased by 5.6%, decelerating from a 19.6% growth in the previous quarter.

Investments of government and state-owned enterprises (SOEs) expanded by 7.7% and 1.6%, respectively, compared with the growths of 28.4% and 9.3% in the prior quarter, respectively. The disbursement rate of capital budget in this quarter was 19.1%, higher than 13.4% in the previous quarter but lower than 19.2% in the same quarter of last year.

In the first half of 2021, total investment expanded by 7.6% with 5.9% and 12.1% growths of private investment and public investment, respectively.

### Exports

Export value in the second quarter of 2021 was recorded at 67.8 billion USD (the historical high level), increasing by 36.2% (the highest recorded in 44 quarters), from a 5.0% growth in the previous quarter. The export volume index and the export price increased by 30.9%, and 4.0%, respectively. Export items with increased value included passenger cars (89.1%), pick up & trucks (190.5%), vehicle parts & accessories (102.2%), parts of electrical appliances (24.6%), computer and parts (37.6%), rubber products (40.0%), rubber (97.3%), and cassava (48.2%), etc. Export items with decreased value included fish canned, prepared, or preserved (-26.3%), rice (-38.8%), and sugar (-21.7%), etc. Meanwhile, exports to key markets showed a positive growth. Exports excluded gold increased by 45.2%. In Baht term, export value increased by 33.6%.

In the first half of 2021, export value was recorded at 131.8 billion USD, increasing by 19.0%. Export volume and prices increased by 15.5% and 3.1%, respectively.

### Thai Economic Outlook in 2022

Thai economy in 2022 is expected to grow in the range of 3.5% - 4.5%, mainly supported by;

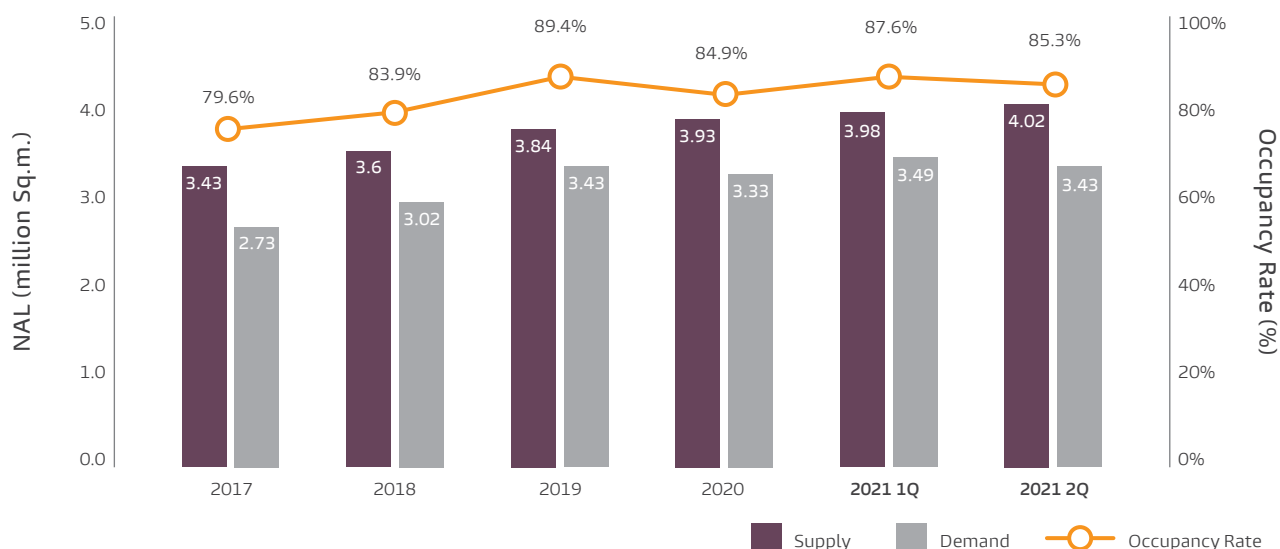
- (1) The recovery in domestic demand and manufacturing production, following improving COVID-19 outbreak condition and the progress on vaccine distribution;
- (2) The regaining of domestic tourism sector following easing international travel policy;
- (3) The expansion of export of goods;
- (4) The support from government disbursement;
- (5) The low growth base of the economy.

Export value of goods in US dollar terms is anticipated to expand by 4.9%. Meanwhile, private consumption expenditure and private investment are expected to increase by 4.3% and 4.2%, respectively. Headline inflation is estimated to be in the range of 0.9% - 1.9% and the current account is projected to record a surplus of 1.0% of GDP.

**Source :** Office of the National Economic and Social Development Council (NESDC) as of 15 November 2021

## 2. Overall Warehouse for Rent Market

### 2.1 Supply and demand of warehouses for rent



The total supply of warehouses was at 4,017,240 sq.m. in the second quarter of 2021 increased by 37,314 sq. m., or 0.9% Q-o-Q and 1.1% Y-o-Y.

The total net take-up in the second quarter of 2021 was at 3,428,433 sq.m. decreased by 59,313 sq. m. which decreased the occupancy rate to 85.3% from 87.6% in the previous quarter.

- Frasers Property (Thailand) Plc. and FTREIT (the REIT)
- WHA Corporation Plc. and WHART (the REIT)
- Prospect Development Co., Ltd. and PROSPECT (the REIT)
- Wyncoast Industrial Park Plc.
- JCK International Plc.

(2) **Small warehouse developers** who develop small and medium size warehouses on specific locations, such as Tip Holdings Limited, Sirikomol Holding, Chodthanawat Co., Ltd. (a subsidiary of K.Group Network) etc.

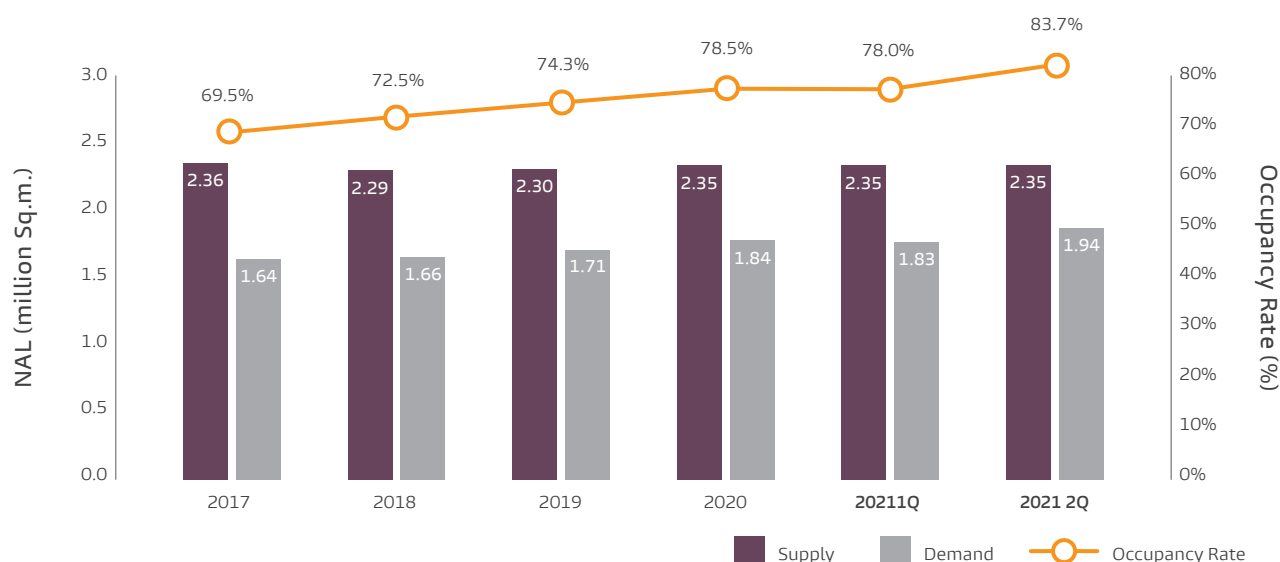
### 2.2 Developers of warehouses for rent

can be classified into 2 categories as follows:

(1) **Large warehouse developers** who develop and maintain warehouses of different types such as ready-built warehouse, and built-to-suit warehouse in form of center or park with infrastructure on diversified locations to cover the various needs of tenants. Most of these are publicly listed companies; for example:

### 3. Overall Factory for Rent Market

#### 3.1 Supply and demand of factories for rent



The total supply of factories for rent was at 2,349,809 sq.m. in the second quarter of 2021 increased slightly 0.15% Q-o-Q.

The total net take-up in the second quarter of 2021 was at 1,942,468 sq.m. increased 6.2% Q-o-Q and 4.9% Y-o-Y. The occupancy rate was at 83.7% increased from 78.0% in the previous quarter.

#### 3.2 Developers of ready-built factory for rent

can be classified into 3 categories as follows:

- Industrial estates/ industrial parks providers who also develop factory on their own industrial land e.g. WHA Industrial Development Plc., Amata Summit Ready Built Co., Ltd., and Pinthong Industrial Park Plc.
- Developers who develop factory on industrial land purchased or leased from the industrial estate providers on various locations such as Frasers Property (Thailand) Plc., JCK International Plc., WHA Corporation Plc.
- Other smaller developers which are not considered direct competitors of the REIT as their tenants are SME businesses with limited rental budget.

#### Industry Outlook for 2022

The online shopping business in Thailand continued to grow in 1H2021 with potential to reach a total

value of 400 billion Baht this year. Despite the effects of COVID-19 on purchasing power of money, it is likely online shopping will grow by about 30.0% by the end of 2021 as consumer behavior shifts to online shopping instead of offline. E-commerce is a catalyst for the logistics business; specifically, the increasing demand for factories and warehouses in Thailand presently.

For the second half of 2021, the warehouse and factory sector will be expected to continue growing due to interest in renting built-to-suit warehouse space or warehouse farm. Foreign investors are still interested in investing and there is strong demand for exports like processed food, medical devices, medical equipment, and packaging design business. With these factors and the behavior shift among consumers turning to online shopping, it's expected that the entire business: e-commerce, logistics, factory and warehouse, will grow accordingly.

In 2022, Thailand's economy is expected to be in a stronger position to attract foreign investors in 2022. It is crucial for developers to think about continuously improving product offerings, integrating innovations, and prioritizing sustainability to compete with international markets. The infrastructure development especially in the EEC area will also be crucial for the ongoing success in attracting new investment to the country.

Source : Corriers Thailand and CBRE Thailand



# MANAGEMENT

Management structure of FTREIT as of 30 September 2021 consists of;



## 1. REIT

### General Information

<b>Name</b>	Frasers Property Thailand Industrial Freehold & Leasehold REIT
<b>Address</b>	Sathorn City Tower, 7 <sup>th</sup> , 21 <sup>st</sup> and 26 <sup>th</sup> Floor, 175 South Sathorn Road, Tungmahamek, Sathorn, Bangkok 10120
<b>Website</b>	<a href="http://www.ftreit.co.th">www.ftreit.co.th</a>
<b>Trust registered and capital from unitholders</b>	3,063,387,048 units, 31,118,590,048 Baht
<b>Par value</b>	9.5363 Baht
<b>Legal structure</b>	Trust
<b>Term and type</b>	Indefinite Maturity and Unredeemable
<b>Type of business</b>	Invest in freehold and leasehold of properties which are land and warehouses, factories and/or offices
<b>Accounting period</b>	1 October – 30 September
<b>Ticker symbol</b>	FTREIT

## Unitholder structure

On the closing date as of 30 September 2021, the top ten unitholders consist of:

No.	Name of natural person / Juristic Person	No. of Units	%
1	Frasers Property Group <sup>(1), (2)</sup>	815,428,298	26.62
2	Social Security Office	339,689,673	11.09
3	Bangkok Life Assurance Plc.	169,162,856	5.52
4	Bangkok Bank Plc.	123,535,978	4.03
5	K Property Infrastructure Flexible Fund	104,677,382	3.42
6	Principal Property Income Fund	74,361,724	2.43
7	TMB Eastspring Property and Infrastructure Income Plus Flexible Fund	63,280,005	2.06
8	Mitsui & Co. (Asia Pacific) Pte. Ltd. <sup>(2)</sup>	48,800,000	1.59
9	SCB Property and Infrastructure Flexible Fund	40,399,856	1.32
10	MFC Property Dividend Fund	40,376,270	1.32
11	Others	1,243,675,006	40.60
<b>Total</b>		<b>3,063,387,048</b>	<b>100.0</b>

**Note :** (1) Frasers Property Group = Frasers Property (Thailand) Plc. (FPT) and Frasers Property Thailand (International) Pte. Ltd.  
 (2) FPT and Mitsui & Co. (Asia Pacific) Pte. Ltd. are the unitholders who have nominated the representatives to be the REIT manager's directors.

## 2. REIT manager

### General Information

**Name** Frasers Property Industrial REIT Management (Thailand) Co., Ltd.

**Address** Mitrtown Office Tower, 22<sup>nd</sup> - 23<sup>rd</sup> Floor, 944 Rama 4 Road, Wangmai, Pathumwan, Bangkok 10330 Tel : +66 2483 0000

**Email** FTREIT.IR@frasersproperty.com

**Registered and Paid-up Capital** 1,000,000 shares,  
10,000,000 Baht

**Type of business** REIT Manager

**Accounting Period** 1 October – 30 September

## Shareholder structure

As of 30 September 2021

No.	Juristic Person	No. of Shares	%
1	Frasers Property (Thailand) Plc.	699,997	69.9997
2	Frasers Property Industrial (Thailand) Co., Ltd.	3	0.0003
3	Mitsui & Co. (Asia Pacific) Pte. Ltd.	300,000	30.0000
<b>Total</b>		<b>1,000,000</b>	<b>100.0000</b>

## Board of Directors

As of 30 September 2021

No.	Name - Surname	Position
1	Mr. Threekwan Bunnag	Chairman and Independent Director
2	Mr. Sopon Punyaratabandhu	Independent Director
3	Mr. Sopon Racharaksa <sup>(1)</sup>	Director
4	Mr. Uten Lohachitpitaks <sup>(1), (2)</sup>	Director
5	Mr. Hiroaki Sagane <sup>(1)</sup>	Director
6	Mr. Peerapat Srisukont <sup>(1)</sup>	Director

**Note :** (1) No. 3 - 6 are the authorized signatory director. Two directors jointly sign together with the Company's seal affixed.  
 (2) Mr. Uten Lohachitpitaks resigned as a director. The Board of Directors Meeting No. 1/2022 resolved appointing Mr. Somboon Wasinchutchawal to replace Mr. Uten, effective on 1<sup>st</sup> November 2021 onward.

## 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 Appoint an internal auditor, monitor, and acknowledge the internal audit report.
- 1.9 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;
- 1.10 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, selection and proposing compensation for an 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. Duty and Responsibility towards FTREIT

- 2.1 Establish significant policies for FTREIT 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;
- 2.4 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 of returns 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 with the 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.

## 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 involved 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.
- (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 30 September 2021

No.	Name - Surname	Position
1	Mr. Peerapat Srisukont *	Managing Director
2	Mr. Thanawat Lertsirarungsun	Assistant Managing Director
3	Ms. Pornpimol Supawiratbancha	Chief Financial Officer
4	Ms. Warisara Techakulwirote	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	Vice President - Legal and Compliance

**Note :** \* Mr. Peerapat Srisukont resigned as Managing Director. The Board of Directors Meeting No.1/2022 resolved appointing Mr. Thanarat Boonyakosol to replace Mr. Peerapat, effective on 1<sup>st</sup> November 2021 onwards.

## 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, relevant rules 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 unitholders;
  - 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 / to 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 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 Industrial (Thailand) Co., Ltd.

**Address** Mitrtown Office Tower, 22<sup>nd</sup> - 23<sup>rd</sup> Floor,  
944 Rama 4 Road, Wangmai, Pathumwan, Bangkok 10330  
Tel : +66 2483 0000

**Registered and  
Paid-up Capital** 1,150,000,000 shares,  
11,500,000,000 Baht

#### Shareholder structure

As of 30 September 2021

No.	Juristic Person	No. of Shares	%
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
<b>Total</b>		<b>1,150,000,000</b>	<b>100.0000000</b>

Frasers Property Industrial (Thailand) Co., Ltd. ("FPIT") has developed factory and warehouse buildings located in industrial estates, industrial parks, and industrial zones in Thailand. The construction of the above-mentioned buildings was carried out by FPIT'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. FPIT 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.

#### 3.2

**Name** Sahathai Property & Development Co., Ltd.

**Address** 79 Moo 3 Phuchao Saming Phray Road, Bang Ya Phraek, Phra Pradaeng District,  
Samutprakan 10130  
Tel : +66 2386 0000

**Registered and  
Paid-up Capital** 4,000,000 shares,  
400,000,000 Baht

## Shareholder structure

As of 30 September 2021

No.	Juristic Person	No. of Shares	%
1	Sahathai Steel pipe Co., Ltd.	3,999,997	99.999925
2	Mr. Somchai Karuchit	1	0.000025
3	Ms. Sauwakun Karuchit	1	0.000025
4	Mr. Chairat Chongyangyuvong	1	0.000025
Total		4,000,000	100.000000

Sahathai Property and Development Co., Ltd. was established in 2013 to develop warehouse buildings for rent, especially in the Laem Chabang port area. Sahathai was appointed to be a property manager for Free Zone area in Frasers Property Logistics Park (Laem Chabang 3). Its responsibility excludes the duty in seeking benefits on REIT's core assets.

## 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 Manager 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 ensuring 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 is 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 prepares other documents such as repair and maintenance report, providing repair and maintenance invoice to the Manager 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 provides 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 supports and coordinates with the Manager for benefit of FTREIT.

## 4. TRUSTEE

### General Information

<b>Name</b>	BBL Asset Management Co., Ltd.
<b>Address</b>	Sathorn City Tower, 7 <sup>th</sup> , 21 <sup>st</sup> and 26 <sup>th</sup> Floor, 175 South Sathorn Road, Tungmahamek, Sathorn, Bangkok 10120 Tel : +66 2674 6400
<b>Website</b>	www.bblam.co.th
<b>Registered and Paid-up Capital</b>	1,000,000 shares, 100,000,000 Baht
<b>Type of business</b>	Asset Management Service

### Shareholder structure

As of 30 September 2021

No.	Juristic Person	No. of Shares	%
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	Ms. Chollada Sophonpanich	2	0.0002
6	Mr. Chone Sophonpanich	1	0.0001
7	Ms. Voravan Tharaphum	1	0.0001
<b>Total</b>		<b>1,000,000</b>	<b>100.0000</b>

### 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 Trust

All 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 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 trust units 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 trust units, 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 trust units, par value, paid-up capital, date of trust units issuance and restriction of unit transfer (if any);
  - 23.2 Details of each unitholder, including name, nationality, address of the unitholder, number of trust units (if any), number of trust units to be hold, date of registration to be or cease to be unitholders, date of cancelling and re-issuing of trust units certificate (if any), and sequence number of requests to add or change records in the book (if any).

In case that the number of trust 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 trust units, 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).

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 includes 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 trust units. 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.



▲ Frasers Property Logistics Center (Bangplee 2), Samut Prakan

# CORPORATE GOVERNANCE

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

## 1. Structure of the Board of Directors

The REIT Manager has one committee, the Board of Directors, consisting of 6 directors (Duties and Responsibilities were disclosed in "Management"). Besides, there are no sub-committees.

No	Name - Surname	Position	No. of Attendance / No. of all meetings in 2021 (times)
1	Mr. Threekwan Bunnag	Chairman and Independent Director	5 / 5
2	Mr. Sopon Punyaratabandhu	Independent Director	4 / 5
3	Mr. Uten Lohachitpitaks	Director	5 / 5
4	Mr. Sopon Racharaksa	Director	5 / 5
5	Mr. Hiroaki Sagane	Director	5 / 5
6	Mr. Peerapat Srisukont	Director and Managing Director	5 / 5

**Note :** Ms. Pornpimol Supawiratbancha, Chief Financial Officer, is the Company Secretary passed the Company Secretary Program (CSP) 105/2020 conducted by Thai Institute of Directors Association (IOD)

### Structure of the Board of Directors

- The Chairman is an independent director, and all Independent Directors account for one-third of the Board of Directors.
- One director who is management is Mr. Peerapat Srisukont, Managing Director.
- 5 Directors are non-management (83% of the Board of Directors)
- No Director has ever 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

The REIT Manager holds the Board of Director Meeting at least once a quarter. In 2021, there were 5 meetings conduct by electronic means. The procedures are as follows:

- (1) Company Secretary 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 time 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 arrangements for unitholder's meeting, investment in additional assets, related party transactions, business and investment plans, funding plans as well as 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 one vote. Any 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) Minutes with the record keeping of all related documents will be recorded accurately, in a complete and checkable manner. The minutes which are certified by 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 transactions of FTREIT, in order to promote equality and fairness towards all unitholders and to prevent Directors, Management or employees who can access material information from taking benefit for themselves or for others.

- (1) Directors, Management and all employees must never utilize material information that has not been disclosed to the public for their own or others' benefit 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 material information, as well as their spouses, partner, or children not having yet become sui juris are prohibited from purchasing, selling, transferring or getting transferred FTREIT's units under the following circumstances:

- Within a one-month period before the financial statement is disclosed to the general public.
- Before considering investment or divestment of assets.
- Before the distribution payment to unitholders.

The Company Secretary will inform the related persons of the silent period. In this regard, if any related persons violate such regulations on the use of inside 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 comply 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 comply with the rules and regulations of information disclosure accurately and completely.
- (3) Every unitholder has equal right to receive the information.

### Channels of Information Disclosure

#### • Investor Relations Department

Investor Relations (IR) fully takes charge of providing information and collecting opinions from unitholders, investors, and analysts on a regular basis, as well as presenting operational performance and compiling comments. In this regard, unitholders or investors can contact IR at 02-483-0529 or email: [ftreit.ir@frasersproperty.com](mailto:ftreit.ir@frasersproperty.com)

FTREIT's information is disclosed on website;

- (1) Website of the Stock Exchange of Thailand at [www.set.or.th](http://www.set.or.th)
- (2) Website of FTREIT at [www.ftreit.co.th](http://www.ftreit.co.th). This is in order to facilitate investors and interested individuals to update information, and is available in both Thai and English

#### • Unitholder Meeting

The REIT Manager held 2021 Annual General Unitholders Meeting on 27 January 2021 at 2.00 p.m. to report operating performance, the business plan, industry and business trends, distribution payment to unitholders, and answered questions.

#### • Investor Meeting

Throughout 2021, the REIT Manager has allowed opportunities for analysts, unitholders, and institutional investors in Thailand and overseas to meet with management via different arrays of activity on a continuous basis, as a way of sharing information operating performance, strategic plan, operational directions, and summarising key events throughout the year.

Due to the situation of Covid-19 outbreak, all meetings in 2021 were held through a video conference, the details are as follows:

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

### IR Events in 2021

Events	No. of times
Annual General Meeting of Unitholders 2021	1
Analyst Meeting	4
Opportunity Day by the Stock Exchange of Thailand	3
Give an interview with AEC Insider by AEC Connect – Bangkok Bank	1
Roadshows to provide the operating performance	3

## 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 the fiscal year. Other meetings of unitholders shall be called Extraordinary General Meetings. The REIT Manager shall hold the Extraordinary General Meeting 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
- (2) When the REIT Manager is required by the Trust Deed to get a 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 debentures 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 TH 20 million 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 significantly impacts the rights of unitholders or the increase of fees 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 for such matter;
  - Any other circumstance required by the Securities and Exchange Commission.

- (3) When unitholders with a total number of units not less than 10% of total units sold make a written request to the REIT Manager to call for a Unitholders Meeting with clear reason stated in the request, the REIT Manager shall arrange a Unitholders' Meeting within 1 month after the date of receiving such request.

### Procedure for the Annual General Meeting of Unitholders 2021

The Annual General Meeting of unitholder 2021 was held on 27 January 2021 at 2.00 p.m. To prevent the spread of Covid-19, the REIT Manager changed the method for convening the meeting to electronic meeting (E-AGM).

#### Before the meeting

- Prior to the meeting, unitholders were involved in proposing the meeting agendas since 21 September - 30 October 2020. Guidelines on meeting agenda proposal were posted on the Stock Exchange of Thailand's channels and the FTREIT website. Nevertheless, proposal for agenda was made for the meeting.
- Kept unitholders informed of the meeting date well ahead of time for full participation. Communication on the matter was made through the Stock Exchange of Thailand's channels and the FTREIT website on 5 November 2020.
- Publishing of the invitation in daily newspaper not less than 3 days before the meeting day during 11 - 13 January 2021.
- Posted the meeting notice both in Thai and English on the FTREIT website on 30 December 2020. Thailand Securities Depository Co., Ltd. (TSD) distributed to unitholders on 12 January 2021; 15 days prior to the meeting. This provided unitholders with enough time to acknowledge the meeting agenda and to examine the information.
- Notified unitholders the change of the method for convening the AGM meeting to electronic meeting via SET's website and FTREIT's website on 7 January 2021.

### On the meeting day

#### Meeting Method:

The meeting was held via electronic means. Unitholders can join the meeting, vote, ask questions, and express opinions in the meeting via a webcast with online voting facility.

#### Meeting Proceeding:

- Unitholders could register their attendance roughly 1 hour ahead of the meeting time.
- 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 is informed the participating unitholders of their rights according to the rules and regulations, meeting proceedings and guidelines on casting votes, as well as the opportunity for unitholders to ask questions and fairly express opinions in the meeting.
- 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 regulations.
- 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 has never been any occasion where documents containing essential information were distributed to the unitholders during the meeting without prior notice, nor the inclusion of additional agendas in the meeting without prior notice, to ensure fairness to unitholders who did not attend the meeting.
- Unitholders were allowed to join in the meeting even after the meeting had already commenced but they could only vote on the agendas that had not yet been voted for.
- Unitholders were encouraged to express their opinions and ask questions. The Chairman of the Board, Management of REIT Manager, the Trustee and the external auditor were also present to answer unitholders' questions.

### After the meeting

- Submitted the meeting's resolutions and accompanying details i.e. the number of votes for each agenda to the Stock Exchange of Thailand and posted on FTREIT's website on the day of the meeting so that absent unitholders could immediately access the information.
- Prepared the meeting minutes and distributed via the Stock Exchange of Thailand's channels and FTREIT's website within 14 days after the meeting. For AGM 2021, the minutes were disclosed on 10 February 2021.

## 5. Consideration of Investment and Management of FTREIT

According to Board of Directors meeting No. 5/2021 on 3 September 2021, REIT Manager's Directors has reviewed and opined that vision, mission, and strategies were still suitable for current business context and were in line with its operational policy.

#### Investment in Core Assets

- (1) Conduct due diligence on assets;
- (2) Organize valuation of assets under investment as specified in the Trust Deed;
- (3) Establish risk prevention measures or remedy measures for potential damage caused by breach of agreement or non-enforcement under lease agreement, and disclose such risk prevention measures to the Trustee and unitholders in case of leasehold investment in the 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 valued over TH 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;
  - For transactions valued equal to or above TH 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;
  - 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, an approval must be obtained by a majority vote of unitholders attending the meeting.
- 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 be 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 means of issuance of a Nor.Sor.3 Kor. In case of leasehold, the property must be acquired by means 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 rights or dispute unless the REIT Manager and the Trustee jointly consider and issue a written opinion that such enforcement under the law on property rights or such dispute has no material effect on making profit from the property and the conditions 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 with a minimum of two appraisers who are approved by the Securities and Exchange Commission;
  - (7) Properties to be acquired must have minimum aggregate value of TH 500 million 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 unitholding 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 mechanisms to enable the Trustee and the REIT Manager to take care of 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 were making 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 for acquisition at such price must be provided.

### Disposal of Core Assets

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

- (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 over and contain transaction details and approval procedures 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 within one year from the date on which the trust acquires such core assets;
  - Disposal of core assets that FTREIT acquired back 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 property in which FTREIT will make investment. The REIT Manager appointed FPIT as the Property Manager for warehouses and FPT as the Property Manager for factories, (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 checks accuracy and completeness of property-related tasks such as rental fee, outstanding payment, marketing activities, property condition, repair expenses, and insurance of core assets.

### 6. Selection of Property Managers

The REIT Manager may appoint one or more juristic person to act as property manager(s) to manage assets of FTREIT. Property Managers must be competent to manage and have knowledgeable people in estate management with not less than 3 years' experience. 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 Manager is appointed, the REIT Manager informs the trustee of the appointment within 15 days of the appointment of the new Property Manager.

Property Managers have a 5-year contract which can be renewed automatically. However, REIT Manager may change or appoint additional Property Managers within the terms outlined in the contract, when one of the following occurs:

- (1) Property Managers do not perform their duties according to terms and conditions of the contract of appointment and Property Managers do not remedy this 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 Manager 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 had 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 all, or a significant proportion, of the properties under the responsibility of the Property Manager.
- (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.
- (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. 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 property management department ensures that Property Managers follow the unpaid process and audit the tracing process include a copy of the notice (if any).

### 7.2 Semi Annual Monitoring

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

### 7.3 Annual Monitoring

- (1) Asset Management Department audits properties with Property Managers and property appraiser to ensure that the core assets of FTREIT are in normal operation. For the purposes of the annual property appraisal, it must be established that no additional construction or extension, except that which has received permission from FTREIT, has been made.
- (2) Property Management Department reviews and audits the quotations, coverage and premium rates and confirms that the primary coverage is included in the main insurance document in order to ensure that the core asset is properly insured as required by the company.

## 7.4 Property Maintenance

Property Management Department reviews and audits the need for the properties' repairs and maintenance. This includes a list of repairers and costs before approval to ensure that the Property Managers perform repairs to the proper standards without any conflict of interest:

- (1) In event of repairs and maintenance, the cost is not allowed to exceed the amount approved by FTREIT for Property Managers to carry out their own procurement. However, every month, Property Management Department reviews and audits the correctness of the repairs and maintenance items prepared by Property Managers.
- (2) In event that repair and maintenance costs are more than the amount approved by FTREIT:
  - For urgent cases, Property Managers must first obtain the approval from Property Management Department, via phone or E-mail.
  - For non-urgent cases, Property Managers send the letter of approval to Property Management Department 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. The supporting documentation must illustrate the necessity and appropriateness of the proposed costs, by including photographs of property damage, or comparison of prices from more than one service provider.
  - Property Management Department prepares a letter of approval of the cost limit for the Property Managers with copies of the letter being kept as evidence and sends the documents to Finance and Accounting Department for further processing.

## 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 the interests 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 and 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 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 the 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 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 a person in the capital market;
- (3) Directors or others who are assigned (depending on circumstances) will select a suitably qualified candidate according to the criteria as specified by Legal and Compliance department together with Investor Relations.

## 10. REIT Manager fee

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	Not more than 3.00% of the value of buying/selling/transferring leasehold/ receiving leasehold

REIT Manager fees in 2020 – 2021 were THB 374.64 million and THB 395.47 million, respectively.

## 11. Trustee fee

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

Trustee fees in 2020 – 2021 were THB 19.79 million and THB 21.05 million, 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 for 2021 according to minutes resolution of Board of Directors Meeting No.1/2021 on 4 November 2020, which was announced in the Annual General Unitholders Meeting 2021 on 27 January 2021.

Details of Audit fees in 2020 - 2021 are as follows:

Transaction	2020	2021
Audit fee	1,545,000	1,845,000
Other service fees	225,000	112,000
<b>Total (Baht)</b>	<b>1,770,000</b>	<b>1,957,000</b>



# RISK FACTORS

## 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, FTREIT enters into contracts of land lease and sub-lease, building lease, to sell and to purchase agreements of buildings/land and buildings and/or other relevant contracts for benefit facilitation on the property. Moreover, FTREIT coordinates with relevant parties to comply with terms and conditions.

However, there may be events that can be taken as grounds for termination of a contract or that are 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 expenses and take time in the process. The REIT manager cannot predict how long such a process takes, its consequences, as well as damages the REIT can recover. In addition, although the court rules that the REIT win the case, the REIT may not be able to enforce the judgment. The unitholders 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 as invested in leases/sub-leases, entering into land 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 unitholders. However, lessors may not compensate to cover some damages from their breach in the aspect of economic value. Also, the compensation maybe less than the investment amount of such assets.

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

A part of the property the REIT has invested is leasehold property with lease term approximately 27 to 30 years from the investment date. The REIT, thus, carries a risk of not being able to find tenants when it is near the end of a lease term since a 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 before the lease contract expires.

#### 1.3 Risks from the REIT's performance based on the ability of property manager

The REIT manager has appointed FPIT as the property manager for factories and warehouses. Property manager is responsible for managing FTREIT's properties assigned by the REIT manager, including facilitate benefits from the property, for example, finding new tenants, renewing leases, managing service agreement and/or common fee agreement with current tenants, advertising and publicising, maintenance, or developing the property the REIT has invested so that it is in a good and appropriate condition ready for facilitation of benefits, which directly affects the REIT's performance.

However, if FPIT is unable to perform their duties as the property manager from any reasons despite suitable and interesting management fee, the REIT may not appoint anyone else to assume such duties as well as FPIT. This may significantly lead negative effects to the REIT's performance and ability to pay distribution. However, personnel of the REIT manager has knowledges and experiences relevant to seeking benefits on industrial properties which enable the REIT manager manage the properties during nominating new property manager.

#### 1.4 Risks from a conflict of interest between the REIT and FPIT and FPT that may affect the REIT's operation

The REIT manager has appointed FPIT as the property manager for factories and warehouses. FPT is the major shareholder of FPIT. Meanwhile, FPT and FPIT are owners of factories and warehouses located on common industrial estate, industrial park, and industrial promotion zone with the REIT's properties. Furthermore, FPT and FPIT offer to sell their factories and warehouses to the REIT. The mentioned roles of FPT and FPIT may cause conflict of interest with the REIT. The conflicts may come from the process of asset selection for sale to the REIT and finding new tenants for the REIT's properties. Moreover, the fact that FPT is a major unitholder of FTREIT and FPIT is a property manager may cause the conflict of interest in conducting property manager role and finding new tenants for FTREIT, FPT and FPIT.

However, the REIT manager has set measures to prevent a conflict-of-interest by imposing criteria and procedure for asset selection and acquisition as well as roles and responsibilities of FPIT as a property manager as follows:

- REIT manager sets measures to govern the property manager in equally presenting prospective clients information of warehouses and factories that are owned by FPIT and FPT themselves as well as the REIT's. Also, it is required that FPIT offer comparable rental rates based on size, usable area, location, and type of property. These are for transparency and providing adequate and equal information to support for client's decision.
- To present information of properties to potential clients, the property manager shall offer vacant units without identifying owner of the properties. This measure leads to equality of information providing. Furthermore, each month, the property manager shall prepare report or submit name list of potential clients who are interested in properties of the property manager and FTREIT. In the report, there is information of location, usable area, and a description of a warehouse or a factory a client wishes to lease. This helps

the REIT manager to monitor transparency in the administration of the property manager regarding finding tenants for FTREIT and/or themselves which are under their management.

- REIT manager sets appropriate types and rates of property management fee to be paid to FPIT as a property manager.
- REIT manager determines guideline to consider performance of the property manager. REIT manager can change the property manager in the following cases.
  - 1) If the annual operating performance of the properties in portfolio is lower than the annual plan proposed by the property manager and approved by REIT manager over than 2 consecutive fiscal years, except in the event of force majeure; and
  - 2) If the occupancy rate is lower than 50% for 3 consecutive months, except in the event of force majeure.

Property manager may consider repairing the REIT's properties by themselves and reimburse as the REIT's expenses in case of small work or work which needs expertise or work with limited time to process. However, in case of work with high value, REIT manager shall consider to have expert to prepare quantities take-off to support consideration.

#### 1.5 Risks from borrowing

As of 30 September 2021, gearing ratio was at 25.1%. Gross borrowing from financial institutes and debentures (before net of issuance cost) totaling 11,582.70 million Baht, consisting of debentures of 9,040.00 million Baht, long-term loan of 1,742.70 million Baht, and short-term loan of 800.00 million Baht.

FTREIT may have risks from borrowing relating to interest and/or principal payment which resulting in breach of loan agreements and/or terms and conditions of debentures. This may lead to cross default. As the REIT has to pay distribution to unitholders not less than 90% of its adjusted net profit for the fiscal year, it's possible that the REIT's liquidity or reserved cash is insufficient for repaying loans and debentures.

REIT manager shall refinance the REIT's outstanding loans from financial institutions and/or debentures with new debentures and/or loans. However, the REIT may not be able to issue and offer new debentures and/or engage new loan agreement and/or obtain new loan with good terms and conditions.

In case of default from inability to repay either whole or partial outstanding of loans from financial institutions and/or debentures which resulted from the abovementioned events, the REIT manager may consider other alternatives to fund such repayments such as issuance and offer of new trust units for capital increase including asset disposal. These may affect return of unitholders. In this regard, the REIT manager shall consider the alternatives which will benefit most to the REIT and unitholders by taking into account leverage status such as interest-bearing-debts to total assets ratio and ability to continuously generate income in the future. However, the REIT manager viewed that the mentioned default risk is at low level.

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

### **2.1 Risks from tougher competition that may affect occupancy rate and rental rate decrease**

At present, competition among businesses of the same type as the REIT's has become tougher, both in property investment and in finding reliable tenants. The tough competition may adversely affect the REIT's operation. Furthermore, the competitors may own strong funding sources and other supportive factors given them competitive advantages. These may result in increased property management costs, decrease in occupancy rate or price reduction.

However, the staff of the REIT manager and the property manager have long experience in the warehouse and factory for rent business. Besides, the REIT's key properties are of high quality and standards. 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, such as economic growth rate, government policies in investment and foreign affairs, monetary policies by the Bank of Thailand and fiscal policies by the government, domestic real estate prices, domestic consumption expenditure, and domestic political uncertainty etc. affect decisions of existing and prospective tenants, especially foreign entrepreneurs, which are major tenants. Additionally, the uncertainty may affect a number of leases and lease rates.

The REIT manager is aware of such risks from economic volatility and microeconomics factors including political uncertainty, 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 entire business needs of the tenants. This is to gain a competitive advantage and to maintain a client base during an 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.

However, in case of global or regional economic recession or domestic political unrest, Thai economic including the stock exchange maybe affected. Also, these may adversely affect demand for warehouse and factory for rent, tenants' performance, the REIT's financial status, and trading price of the trust units. The aforementioned factors are uncontrollable. The REIT manager is not able to assure that current and future Thai economy or government policies will not significantly affect tenants' operations, financial status and performance.

## **2.3 Risks from natural disasters, accidents, and sabotage**

The REIT's key properties are at risk of being affected by natural disasters, accidents, and sabotage. Therefore, in order to ease a 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 (excluding terrorism). Moreover, FTREIT considers doing a business interruption insurance and third-party insurance as appropriate.

Presently, the sum insured covering for flood damage is limited. Therefore, property value may reduce from the damage which over the coverage. Moreover, the REIT may fail to fund the repairing work or construction for replacement of such damaged properties.

However, REIT manager provides the appropriate insurance for the properties with most beneficial to the REIT. As of 30 September 2021, properties of the REIT around 23.84% of total NLA locate in the area which were flooded in 2011. This group of properties generate income to FTREIT approximately 24.15% of total rental and service income of FTREIT in September 2021. Impact from natural disaster is unusual and uncontrollable event such as flood occurred in 2011. Government and the affected industrial land developers have appropriate preventing plan and implementation. Nowadays, none of such affect in the mentioned area. Also, such unusual event is expected to be rare to occur in the future.

## **2.4 Risks from contagious disease outbreak and fear of outbreak or other serious public health problems**

The pandemic influenza A H5N1, severe acute respiratory syndrome (SARS), middle east respiratory syndrome (MERS), coronavirus disease 2019 (COVID-19), other life-threatening diseases, contagious diseases or severe epidemics result in decelerated global economy, which may affect business operations, and solvency to pay rental and service fee of tenants in some industries which may cause a negative impact on the REIT's income or financial position.

FPIT, the property manager, was requested by certain tenants to consider alleviating and helping them survive the impact of COVID-19 outbreak. The REIT Manager in consultation with FPIT, therefore, considered supporting measures to tenants, focusing on consistent approach which is benefit for building a sustainable relationship with the tenants. Therefore, two main measures have been put in place, which are the rental rebate and deferral.

As of 30 September 2021, tenants have been assisted by the REIT representing a total leasable area of 688,713 sq. m. or 33.4% of net leasable area (as of 30 September 2021). The amount of rebate rental was at 0.73% of rental and service income in fiscal year 2021.

## **2.5 Risks from termination or non-renewal of tenant**

The REIT is at risk as some tenants may not renew their leases. The REIT cannot find new tenants to replace those former tenants timely or some renewal cases may request for revised terms and conditions of lease, service and/or common area agreements which less benefit to the REIT as compared to the existing agreements. These may cause direct impact to the REIT's cash flow and performance. However, the property manager normally discusses lease renewal with existing tenants in advance. In case of termination, tenant is required to inform in written in advance. If the tenants renew their leases, the renewal agreements shall be signed before their leases end. Properties of the REIT locate on potential locations which attract new tenants to replace the ones terminating the leases.



## **2.6 Risks from tenant's ability to pay rental, service, and/or common area fees**

Rental, service fees, or common area service fees which FTREIT received from the tenants according to lease agreement, service agreement, and/or common area service agreement (depending on the case) are the REIT's major income. Therefore, a financial status of a tenant may directly affect the operation of the REIT. Generally, a tenant leaves a deposit of 3 - 6 months, worth of applicable rental, service fees, or common service fees (depending on terms of each lease) which the REIT can take a deposit given that rental, service fees, or maintenance fees cannot be collected from a tenant according to the agreement. However, if the REIT has to evict a tenant because of a failure to settle bills or breach of contract, time taken to complete a move-out process or finding a new tenant may be longer than 6 months. Such a delay may directly affect the REIT's income. However, under normal conditions, it takes about 3 - 6 months, which is close to the rental deposit period of tenants.

## **2.7 Risks from a high concentration of tenants in the aspect of lease portion and/or industry and/or nationality**

As of 30 September 2021, income from top-10 tenants accounted for 27.10% of total rental and service income of the REIT in September 2021. The REIT may have risk from default of tenants in paying rent and terminating or not renewing their leases. However, such portion significantly decreased from 55% of the period before conversion of property funds into the REIT.

Besides risks from a concentration of tenants, 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, in effect, may be terminated or may not be renewed, and the REIT's overall outcome may be affected.

In addition, FPIT as the property manager believes 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 manager believes that these contributing factors will help encourage existing tenants to renew their leases. Also, finding replacement tenants will not be difficult either. In addition, the REIT has a policy to invest in additional assets which will reduce dependence on income from a particular tenant.

## **2.8 Risks relating to land delivery after a land lease ends**

Since a part of the REIT's property is an investment in a land lease with FPT and/or FPIT, and the lease agreement requires that the REIT be responsible for demolition of buildings prior to the delivery of the land as the lease ends, the REIT, thus, carries risks of a demolition burden and costs related to the demolition.

However, the REIT can sell demolished waste of warehouses 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 the demolition in the future. This may incur the REIT increased demolition-related costs and may have a significant impact on the REIT's financial status in the year the lease ends.

## **2.9 Risks from expropriation of whole or partial investment properties under the immovable property expropriation act, which might affect FTREIT not being able to seek benefits from the property and affect operating performance of the REIT**

In case that whole or partial properties of the REIT are expropriated following criteria and approach mentioned in the immovable property expropriation act B.E. 2530 including the amendment and other relevant laws ("Expropriation Law"), the REIT may not receive the compensation under the act due to the incompliance with the conditions as set in the Expropriation Law or may receive the compensation in the lower amount than the investment value. These will significantly affect the REIT's business, operation and financial status.

If the leasehold properties which formerly owned by FPIT are expropriated, FPIT agrees to refund partial rental fee of such properties within 30 days since the date that FPIT obtains the compensation from the expropriation as mentioned in the relevant lease agreements. Also, in case that FTREIT has obligation to some tenants who lease on the expropriated properties in paying compensation with actual and suitable amount and trying its best to provide new properties for rent to the tenants and/or constructing new building for tenant, FPIT shall be responsible for conducting the mentioned obligation with its owned expenses.

## 2.10 Risks from a right to early termination exercised

Some of the REIT's key properties are under the terms of the lease that give a tenant a right to early termination of land and/or warehouse leases, and/or service agreements, and/or common area service agreement (if any) ("Tenant Service Agreement") without forfeiture of deposit. However, some of such agreements with option to early terminate has obligation for tenant who exercises the right to pay the fine which may be less than the deposit. If the case occurs with the properties acquired from FPIT and/or FPT, either or both of them (as the case may be) shall compensate to FTREIT with the amount equal to deposit or amount of difference between deposit and fine according to lease agreements (as the case may be). Thus, the early termination exercise shall not impact the REIT in this aspect.

For some warehouse project that the REIT acquired from FPIT, which FPIT has granted a tenant a right to early termination of a client service agreement (Option to Early Termination), tenant can pay part of the fine to the REIT with their deposit. However, the REIT manager views that the compensation of fine even without deposit is considered sufficient for relief the possible impact from the early termination of lease.

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

In the case that tenant would like to renew the lease after the expiry, the REIT manager may consider provide option to early terminate for another term, in order to attract the tenant. Then, if the option is exercised during the term, the REIT may not receive the compensation from FPIT and/or FPT. In this regard, the REIT manager may mitigate the mentioned risks by negotiating directly to tenant or assigning the property manager to do for cancelling the option to early terminate. The other alternative is that the REIT manager may negotiate with the property manager to compensate the deposit according to the renewed lease agreement.

## 3. Risks from changes in property values

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

- **Property invested in the form of leasehold**  
The value of the REIT's leasehold property depreciates due to a remaining lease term decrease, changes in a number of leases or lease rates, or other factors beyond the REIT manager's control, and the value becomes zero when a lease ends. Currently, the REIT has a total of 568,988 sq. m. equal to 27.6% of all leasehold properties.
- **Property invested in the form of freehold**  
The value of the REIT's freehold property may change based on valuation of property valuers. This may be affected by changes in a number of leases or lease rates, or other factors beyond the REIT manager's control.

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

# PREVENTION OF CONFLICT OF INTEREST

## 1. Transactions between FTREIT and REIT Manager including Related Persons of REIT Manager

The REIT Manager may make transactions between FTREIT and the REIT Manager including related persons of the REIT Manager in the future. It is important that such transactions shall be committed to the maximum benefit of FTREIT and can be verified that the transactions are 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 Details of Transactions between FTREIT and REIT Manager including Related Persons of the REIT Manager

#### (1) Transactions between FTREIT and REIT Manager

Related Person / Nature of Relationship	Transaction	Amount (Million Baht)		REIT Manager's Opinion
		2021	2020	
<b>Fraser's Property Industrial REIT Management (Thailand) Co., Ltd. (FIRM)</b>  <b>Nature of Relationship:</b> REIT Manager	Trust management fee	395.47	374.64	The rate of REIT management fee is standard practice in business operations comparable to REIT Management fee of other REITs in Thailand.  <b>Necessity and Reasonableness of Transactions:</b> Directors and Management of FIRM have an experience and a good understanding on factories and warehouses for rent.
	Commission fee			
	from purchase of investment properties	-	35.33	
	Accrued trust management fee	35.58	44.28	
	Accrued expenses	0.77	4.24	

#### (2) Transactions between FTREIT and Related Persons of the REIT Manager

Related Person / Nature of Relationship	Transaction	Amount (Million Baht)		REIT Manager's Opinion
		2021	2020	
<b>Fraser's Property (Thailand) Plc. (FPT)</b>  <b>Nature of Relationship:</b> <ul style="list-style-type: none"> <li>FPT is a major shareholder of FIRM, holding 70% of paid-up capital, as of 30 September 2021</li> <li>FPT group is a major unitholder of FTREIT, holding 26.6% of paid-up units, as of 30 September 2021</li> <li>FPT is a major shareholder of FPIT who is a property manager of FTREIT</li> </ul>	Rental and service income	0.02	0.06	<ul style="list-style-type: none"> <li>Assets acquired from FPT and FPIT are appraised by certified independent appraisers and the investment is in compliance with the Trust deed as well as related laws and regulations including related rules.</li> <li>FIRM engages FPIT to act as the property managers. The management fee is at the market price and reasonable.</li> </ul>
	Income from rental and service guarantees	5.25	2.21	
	Other income	-	0.01	
	Repair and maintenance expenses	0.35	4.19	
	Common area service fee	0.09	0.72	
	Other service expenses	0.45	0.67	
	Utility expenses	0.01	-	
	Investment properties	740.92	1,716.13	
	Rental and service receivables	-	0.57	
	Accrued expenses	0.35	1.08	

Related Person / Nature of Relationship	Transaction	Amount (Million Baht)		REIT Manager's Opinion
		2021	2020	
<b>Frasers Property Industrial (Thailand) Co., Ltd. (FPIT)</b>  <b>Nature of Relationship:</b> <ul style="list-style-type: none"> <li>FPT is a major shareholder of FPIT and a major unitholder of FIRM. As of 30 September 2021, FPT held 100% of paid-up capital of FPIT.</li> <li>FPIT is a property manager of FTREIT</li> </ul>	Rental and service income	0.07	3.38	<b>Necessity and Reasonableness of Transactions:</b> <ul style="list-style-type: none"> <li>To comply with FTREIT's investment policy, FIRM considers investing in the potential properties to generate good returns to unitholders. Properties of FPT and FPIT are located on potential locations and occupied by famous tenants. They are considered to be able to generate returns for FTREIT and unitholders.</li> <li>FTREIT's factories and warehouses were formerly owned by FPT and FPIT. Thus, both of them have knowledge and understanding on properties together with skilled personnel and standard operation.</li> </ul>
	Income from rental and service guarantees	56.70	9.50	
	Other income	0.02	0.06	
	Repair and maintenance expenses	17.59	13.41	
	Common area service fee	33.88	30.85	
	Utility expenses	0.05	0.04	
	Rental expenses	-	8.89	
	Finance cost (Interest under lease liabilities)	5.88	-	
	Other service expenses	2.82	2.10	
	Investment properties	783.10	1,141.87	
	Rental and service receivables	2.28	5.98	
	Prepaid rental expense	-	2.24	
	Accrued expense	8.96	8.79	
	Lease liabilities	183.93	-	
<b>Frasers Property Demco Power 6 Co., Ltd.</b>  <b>Nature of Relationship:</b> FPIT is a major shareholder, holding 51% of paid-up capital, as of 30 September 2021	Rental and service income	0.16	0.16	Rental rate for leasing roof area of FTREIT's warehouse buildings for installation solar roof is reasonableness according to market rate  <b>Necessity and Reasonableness of Transactions:</b> To manage properties area for maximize benefits.
	Deposits from rental and service	0.05	0.05	
<b>Frasers Property Demco Power 11 Co., Ltd.</b>  <b>Nature of Relationship:</b> FPIT is a major shareholder, holding 51% of paid-up capital, as of 30 September 2021	Rental and service income	0.10	0.09	
	Deposits from rental and service	0.03	0.03	

**Note :** Other service expenses consist of Repair and Maintenance, Utilities, Insurance and etc.



## 1.2 Policy for making transactions in the future

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

- (1) Transactions between FTREIT and the REIT Manager or related persons of the REIT Manager with the following criteria:
  - a. The transactions must be in accordance with the Trust Deed and the relevant laws;
  - b. The transactions must be in the best interest of FTREIT;
  - c. The transactions must be reasonable and at fair price and fair market conditions;
  - d. Expenses to be charged from FTREIT (if any) must be at a fair and reasonable rate;
  - e. Any person who have interest in the transactions will not participate in decision making for approval of the transactions.
- (2) However, if it is necessary to enter a transaction that may cause conflict of interest, the below requirements and conditions shall be followed:
  - a. The transaction must be approved by the Trustee that it is in accordance with the Trust Deed and relevant laws;
  - b. In case the value of the transactions exceeds THB 1 million or equal to or over 0.03% of the net asset value of FTREIT, whichever value is higher, an approval of the Board of Directors of REIT Manager is required;
    - c. In case the value of the transactions exceeds THB 20 million or equal to or over 3% of the net asset value of FTREIT, whichever is higher, the resolution of approval of the unitholders' meeting by at least three-fourths majority vote of the attending unitholders with the voting right is required.
- (3) If the related 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 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).

### 1.3 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. Transactions between FTREIT and Trustee Including Related Persons of Trustee

### 2.1 Details of Transactions between FTREIT and Trustee Including Related Persons of Trustee

FTREIT had transactions between Trustee and Related Persons of Trustee as follows:

Related Person / Nature of Relationship	Transaction	Amount (Million Baht)		REIT Manager's Opinion
		2021	2020	
<b>BBL Asset Management Co., Ltd. (BBLAM)</b>	Trustee fee Accrued trustee fee	21.05 1.81	19.79 1.72	Trustee fee is standard practice in business operations comparable to trustee fee of other REITs in Thailand.  <b>Necessity and Reasonableness of Transactions:</b> FTREIT engages BBLAM to act as the Trustee for the purpose of securing TRUST benefit. Trustee shall obtain the Trustee fee for their duties and responsibilities under Trust Deed.
<b>Nature of Relationship :</b> Trustee				
<b>Bangkok Bank Plc. (BBL)</b>	Interest income Financial cost Cash on hand and at bank Accrued interest income Short-term loans Accrued interest expense Debentures	0.25 49.65 144.95 0.05 - - 377.40	0.56 25.50 109.54 0.04 2,856.15 7.91 443.80	<ul style="list-style-type: none"> <li>Terms and conditions of services are standard practice in business operations comparable to other financial institutes.</li> <li>The rate of services fee for financial advisory, underwriter and/or agent for offering and allocation of Trust units as well as issuance and offering of debentures are in accordance with standard practice in business operations comparable to other service providers.</li> </ul> <b>Necessity and Reasonableness of Transactions:</b> <ul style="list-style-type: none"> <li>FTREIT has a saving account for operating activities in BBL 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.</li> <li>BBL has experienced personnel with expertise and understanding in the capital market including related rules and regulations as well as proficiency in their roles as the financial advisory, underwriter and/or agent for issuance and offering of debentures.</li> </ul>
<b>Nature of Relationship:</b> <ul style="list-style-type: none"> <li>BBL is a major shareholder of the Trustee, holding 75% of paid-up capital, as of 30 September 2021</li> <li>BBL held 4.0% of paid-up units of FTREIT, as of 30 September 2021.</li> </ul>				

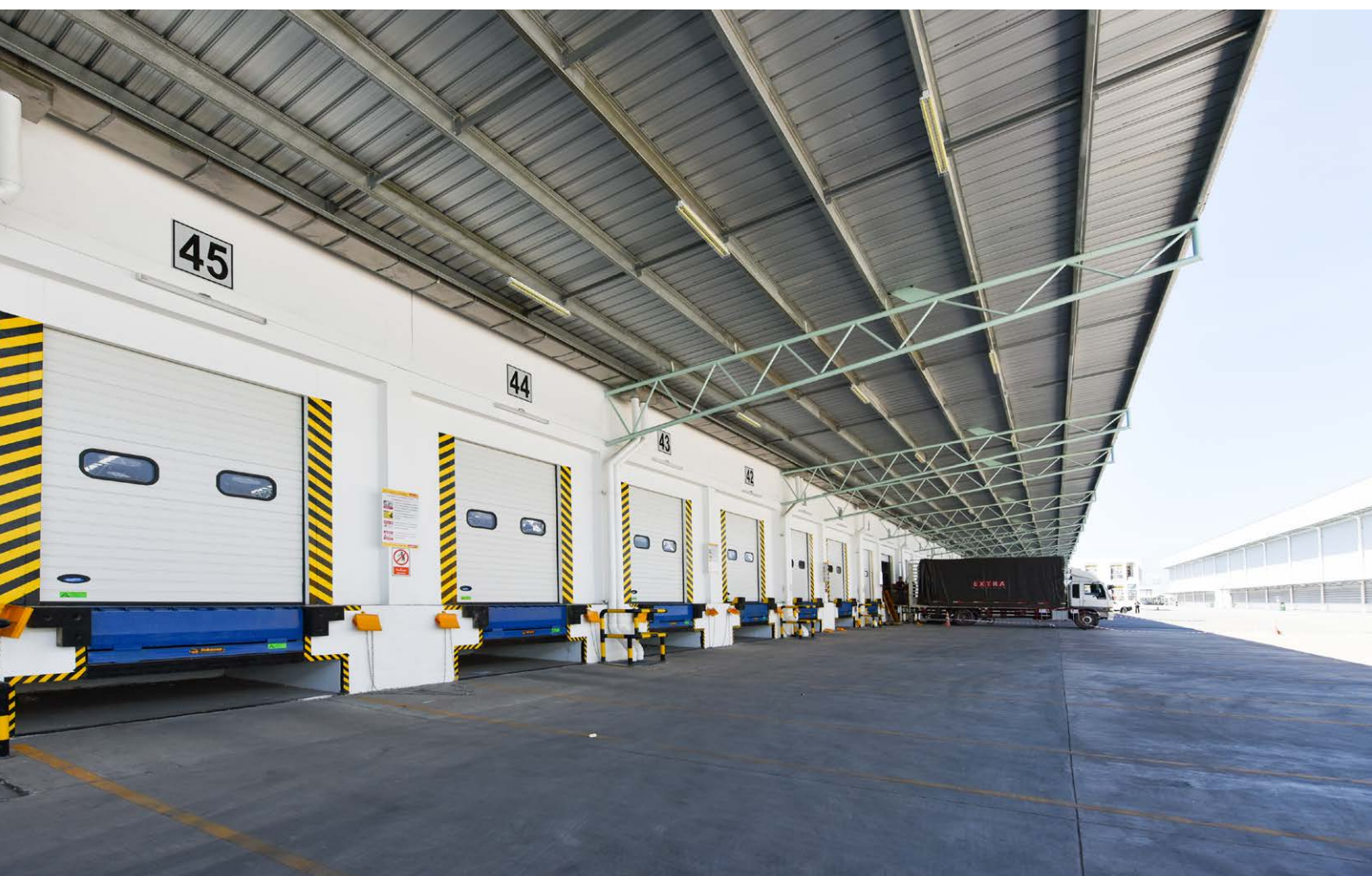
## 2.2 Policy for making transactions in the future

In the event that FTREIT makes related transactions with the Trustee or related persons of the Trustee, the below procedures shall be followed:

- (1) Disclose information through the Stock Exchange of Thailand's website or other channels which are available for the unitholders;
- (2) Period of disclosure shall be reasonable which is not less than 14 days;
- (3) The channels, procedures and period for objection shall be provided for the unitholder which the period for objection shall not less than 14 days, unless in

the event that the resolution of the unitholders is to request for objection against such related person transactions, the objection shall require to be made in such resolutions.

In this regard, if the unitholders made the objection in accordance with the procedure which is provided as specified in (3), exceeding one-fourths of the paid-up capital, Trustee shall not be allowed to make or approve such related person transactions.



▲ Frasers Property Logistics Center (Bangplee 2), Samut Prakan

# LEGAL DISPUTE

## Legal Dispute

As of 30 September 2021, FTREIT has no legal dispute that may significantly and adversely impact to FTREIT's business operation. Notwithstanding, the amount in dispute of all court cases are less than 5% of Net Asset Value (NAV).

# SOCIAL RESPONSIBILITY

The Stakeholder Management Framework has been established according to the business value chain of FTREIT, the procedure are as follows:

1 Identifying the stakeholders	Considered by the engagement relevant to the business chain value of FTREIT.
2 Identifying the impacts of FTREIT towards stakeholders	Evaluated by the impacts and opportunity in term of economy, society, and environment.
3 Rating the influence level of stakeholders towards FTREIT	Evaluated by the influence level arising from other factors such as implementation, rules & regulations, and reputation.
4 Grouping the stakeholders	Divided stakeholders into groups according to the level of impact and influence level of stakeholders towards FTREIT.
5 Prioritizing the importance of stakeholders	Identifying the engagement guidelines appropriate to each group of stakeholders, such as interview, workshop, etc.

In 2021, REIT manager has classified FTREIT's major stakeholders into 9 groups: tenants, suppliers, creditors, unitholders, trustee, property manager, REIT manager, community, and government agencies. Implementation with stakeholders are as follows:

Stakeholders	Expectation	Approaches	Communication Channel
<b>(1) Tenants</b>	<ul style="list-style-type: none"> <li>Fair trade</li> <li>Good Customer Relationship</li> <li>Effective response to customer complaints</li> <li>Risk and Crisis Management</li> </ul>	<ul style="list-style-type: none"> <li>Equal treatment to tenants</li> <li>Complying with trade terms and conditions</li> <li>Operating with business ethics</li> <li>Encouraging tenants to reduce energy consumption in operating activities, for example by proposing to replace energy saving lamps, replacement of water saving sanitary ware, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Annual satisfaction surveys</li> <li>Virtual meeting / Email / Telephone</li> <li>Site visiting and property appraisal</li> <li>Contact the property manager</li> </ul>



Stakeholders	Expectation	Approaches	Communication Channel
<b>(2) Suppliers</b>	<ul style="list-style-type: none"> <li>Fair trade</li> <li>Cooperation for business growth</li> </ul>	<ul style="list-style-type: none"> <li>Equal treatment to suppliers</li> <li>Complying with trade terms and conditions</li> <li>Operating with business ethics</li> <li>Knowledge sharing and supporting to build collaboration process</li> <li>A transparent and fair procurement process</li> </ul>	<ul style="list-style-type: none"> <li>Virtual meeting / Email / Telephone</li> <li>Contact the REIT manager/property manager</li> </ul>
<b>(3) Creditors</b>	<ul style="list-style-type: none"> <li>Debt repayments as scheduled</li> <li>A practice in compliance with terms and conditions of relevant agreements</li> </ul>	<ul style="list-style-type: none"> <li>Debt repayment as scheduled and comply to conditions and covenants</li> <li>Maintaining the major financial ratio as required in conditions of debentures and bank loans covenants.</li> </ul>	<ul style="list-style-type: none"> <li>Virtual meeting / Email / Telephone</li> <li>Contact the REIT manager</li> </ul>
<b>(4) Unitholders</b>	<ul style="list-style-type: none"> <li>Stable and profitable performance and business growth</li> <li>Sustainable growth and return</li> <li>Good corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>Investing in quality assets</li> <li>Managing the REIT for stable and profitable performance and business growth</li> <li>Good corporate governance</li> <li>Appropriate risk management</li> </ul>	<ul style="list-style-type: none"> <li>Unitholder meeting</li> <li>Opportunity day organized by the Stock Exchange of Thailand</li> <li>Contact an investor relations Email : ftreit.ir@frasersproperty.com Website : www.ftreit.co.th</li> </ul>
<b>(5) Trustee</b>	<ul style="list-style-type: none"> <li>REIT manager operates in compliance with trust deed and related laws</li> <li>Prevent, inhibit or limit the damages which might affect the benefits of FTREIT and unitholders.</li> </ul>	<ul style="list-style-type: none"> <li>Operating in compliance with trust deed and related laws</li> <li>Good corporate governance</li> <li>Risk management</li> </ul>	<ul style="list-style-type: none"> <li>Virtual meeting / Email / Telephone</li> <li>Contact the REIT manager</li> </ul>
<b>(6) Property Managers</b>	<ul style="list-style-type: none"> <li>Fair trade</li> <li>Cooperation for business growth</li> </ul>	<ul style="list-style-type: none"> <li>Equal treatment to property managers</li> <li>Operating in compliance with property management agreement and trade term and conditions</li> <li>Operating with business ethics</li> <li>Knowledge sharing and supporting to build collaboration process</li> </ul>	<ul style="list-style-type: none"> <li>Virtual meeting / Email / Telephone</li> <li>Contact the REIT manager</li> </ul>
<b>(7) REIT Manager</b>	<ul style="list-style-type: none"> <li>Fair trade</li> </ul>	<ul style="list-style-type: none"> <li>Operating in compliance with the trust deed, REIT management agreement and related laws</li> <li>Operating with business ethics</li> </ul>	-

Stakeholders	Expectation	Approaches	Communication Channel
<b>(8) Community</b>	<ul style="list-style-type: none"> <li>• Good relationship with the community</li> <li>• Compliance with social and environmental laws</li> <li>• Community economy</li> <li>• Promote the development of a better quality of life in the community and society</li> <li>• Build a network of cooperation to jointly develop communities and society</li> </ul>	<ul style="list-style-type: none"> <li>• Community engagement and social activities</li> <li>• Organizing activities together</li> <li>• Legal compliance</li> </ul>	<ul style="list-style-type: none"> <li>• Community activities</li> <li>• Contact the REIT manager/property manager</li> <li>• <b>Website</b> : <a href="http://www.ftreit.co.th">www.ftreit.co.th</a></li> </ul>
<b>(9) Government agencies</b>	<ul style="list-style-type: none"> <li>• Compliance with laws and relevant regulations</li> <li>• Information disclosure of business conduct transparently</li> <li>• Creating economic value and social value</li> </ul>	<ul style="list-style-type: none"> <li>• Community engagement and social activities</li> <li>• Compliance with laws and relevant regulations</li> <li>• Good corporate governance</li> <li>• Anti corruption</li> <li>• Occupational health and safety in workplace</li> </ul>	<ul style="list-style-type: none"> <li>• Support the activities organized by the government</li> <li>• Virtual meeting / Email / Telephone</li> <li>• Contact the REIT manager/property manager</li> <li>• <b>Website</b> : <a href="http://www.ftreit.co.th">www.ftreit.co.th</a></li> </ul>

Code of conduct and business policies related to REIT Manager's operation for FTREIT management have been published on [www.ftreit.co.th](http://www.ftreit.co.th) under **"Sustainability"** and choosing **"Code of Conduct"**

## Social Activities in 2021

Besides the implementation with stakeholders above, in 2021, FTREIT and Frasers Property Industrial (Thailand) Co., Ltd., property manager of FTREIT, joined hands with Amata Corporation Plc., Maphangporn Subdistrict Administrative Organization and Pluak Daeng Hospital in converting a factory building located in Amata City Rayong Industrial Estate into a community isolation center to support COVID-19 patients in the area. The community isolation center with 309 beds for patients classified in the green group, or those with mild or no symptoms, has been renovated and well-equipped to meet the standards set by the Department of Disease Control under the Ministry of Public Health.



Together giving our utmost support to the community to tide over the crisis. The bed community isolation center offered suitable isolation place and medical treatment for COVID-19 patients which help reduce the spread of outbreak in the vicinity of the Amata City Rayong Industrial Estate.

The community isolation center was well supported in terms of utilities and infrastructure and receives food items and other necessities. For instance, the Provincial Electricity Authority (PEA) has provided electrical transformers and electrical control cabinets, while the CAT Telecom Plc. has facilitated communication systems for the project. SCGP's Paper Field Hospital Bed products were transported to support the project, and many more.

The community isolation center officially opened to accept COVID-19 patients on 4 August 2021. Department of Public Health and Environment, Maphangporn Subdistrict Administrative Organization, Pluak Daeng District, Rayong Province set the criteria for accepting patients.



## Pride and achievements in 2021



- **ESG100**

FTREIT was selected as one of 100 listed companies with outstanding ESG (environmental, social and governance) performance known as the ESG100 in 2021 by Thaipat Institute for the third consecutive year.



- **GRESB**

In 2021, FTREIT has joined the Global Real Estate Sustainability Benchmark (GRESB) program, which is an international benchmark, for the first time.

# TRUSTEE'S OPINION



**BBL ASSET MANAGEMENT CO., LTD.**  
บริษัทหลักทรัพย์จัดการกองทุนรวม บัวหลวง จำกัด

10<sup>th</sup> November 2021

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 1<sup>st</sup> October 2020 to 30<sup>th</sup> September 2021.

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 Unitholders of Frasers Property Thailand Industrial Freehold & Leasehold REIT

### **Opinion**

I have audited the financial statements of Frasers Property Thailand Industrial Freehold & Leasehold REIT (the Trust), which comprise the statement of financial position and details of investments as at 30 September 2021, the statement of comprehensive income, changes in net assets and cash flows 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 2021, and its financial performance, changes in net assets and cash flows for the year then ended in accordance with the accounting guidance for Property Fund, Real Estate Investment Trust, Infrastructure Fund and Infrastructure Trust issued by the Association of Investment Management Companies as approved by the Securities and Exchange Commission.

### **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 7 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"><li>• Understanding and evaluating the basis upon which the Trust identified and assessed the fair value of assets.</li><li>• Evaluating the independence, qualification and competence of valuers of the Trust.</li><li>• 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.</li></ul>

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

### **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 the accounting guidance for Property Fund, Real Estate Investment Trust, Infrastructure Fund and Infrastructure Trust issued by the Association of Investment Management Companies as approved by the Securities and Exchange Commission, 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.



(Wilai Buranakittisophon)  
Certified Public Accountant  
Registration No. 3920

KPMG Phoomchai Audit Ltd.  
Bangkok  
5 November 2021

# FINANCIAL STATEMENTS

## Statement of financial position

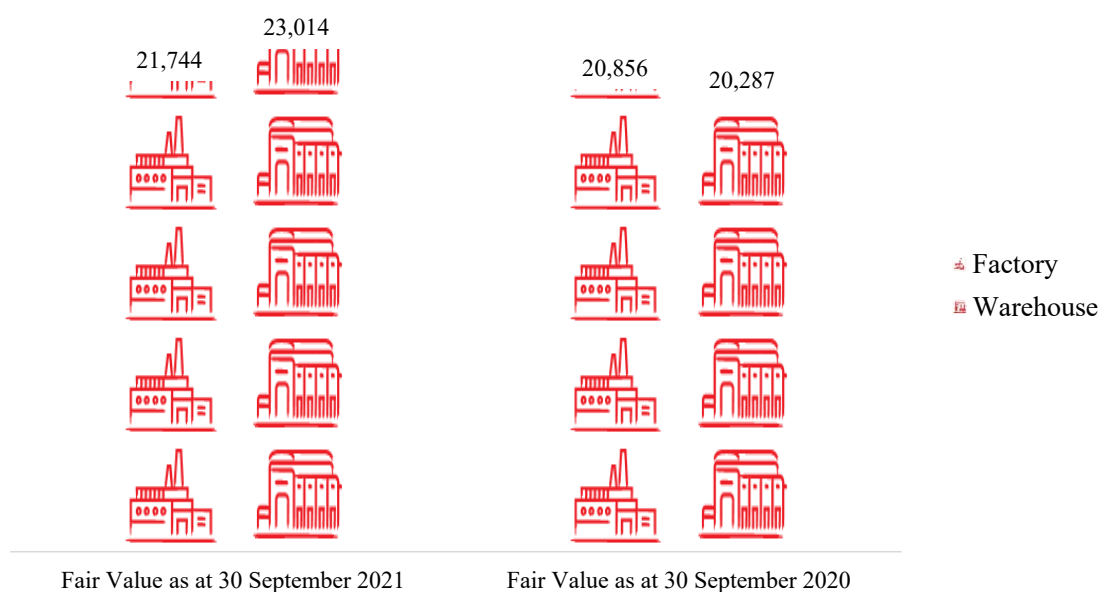
		30 September	
	Note	2021	2020
		(in Baht)	
<b>Assets</b>			
Investments measured at fair value through profit or loss		300,000,000	926,021,928
Investments in freehold and leasehold properties at fair value	7	44,758,329,599	41,143,608,264
Cash and cash equivalents	8, 14	800,056,573	554,218,939
Accrued rental and service receivables	6, 14	130,694,901	176,470,901
Accrued interest income	14	920,471	994,707
Other receivables	14	3,898,855	4,864,076
Deferred expenses	9	15,174,743	29,199,795
Other assets		56,952,557	34,390,220
<b>Total assets</b>		<b>46,066,027,699</b>	<b>42,869,768,830</b>
<b>Liabilities</b>			
Short-term loans	10, 14	800,000,000	2,856,154,384
Accrued expenses	14	79,871,015	96,699,027
Accrued interest expenses	14	99,314,551	90,139,533
Withholding taxes payable		27,140,935	30,616,840
Deposits from rental and service	14	1,163,240,691	1,033,336,072
Lease liabilities	10, 14	183,927,074	-
Long-term loan	10	1,737,643,783	-
Debentures	10, 11, 14	9,034,418,835	8,638,265,944
Provision for return		-	84,022,482
Other liabilities		29,539,129	65,885,362
<b>Total liabilities</b>		<b>13,155,096,013</b>	<b>12,895,119,644</b>
<b>Net assets</b>		<b>32,910,931,686</b>	<b>29,974,649,186</b>
<b>Net assets</b>			
Trust registered capital		29,213,377,906	28,313,422,110
Capital from unitholders	15	31,118,590,048	28,313,422,110
Retained earnings	12	1,792,341,638	1,661,227,076
<b>Net assets</b>		<b>32,910,931,686</b>	<b>29,974,649,186</b>
<b>Net asset value per unit</b>		<b>10.7433</b>	<b>10.6203</b>
<b>Number of trust units issued at the end of year (unit)</b>		<b>3,063,387,048</b>	<b>2,822,387,048</b>

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

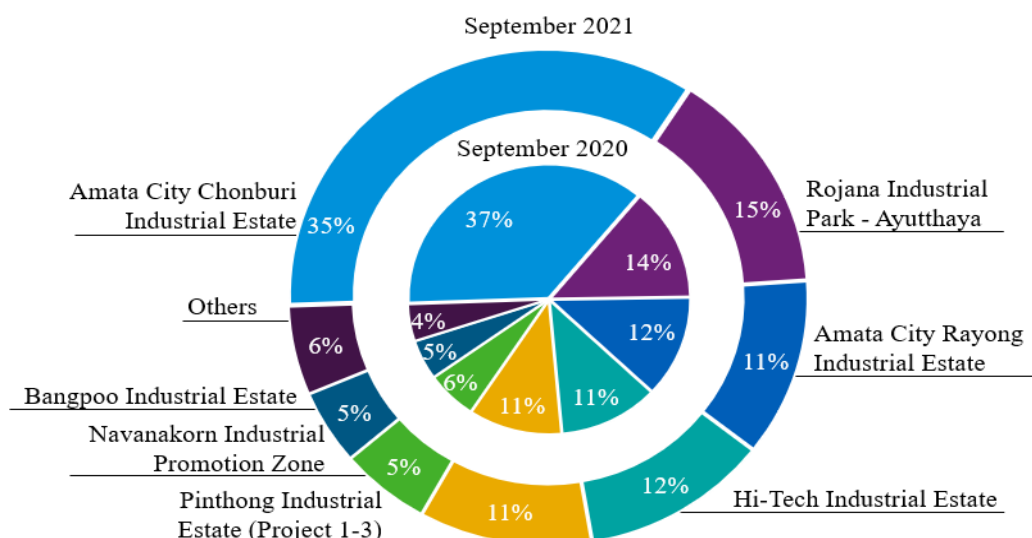


## Details of investments

### Fair Value by asset type (in million Baht)

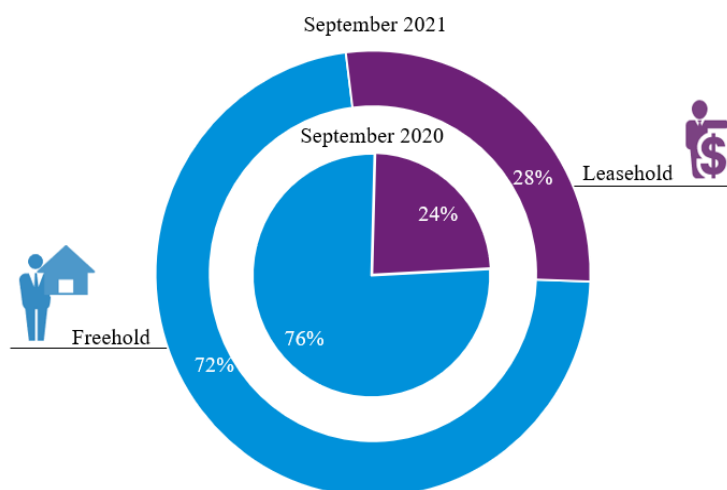


### Fair Value of Factory by location

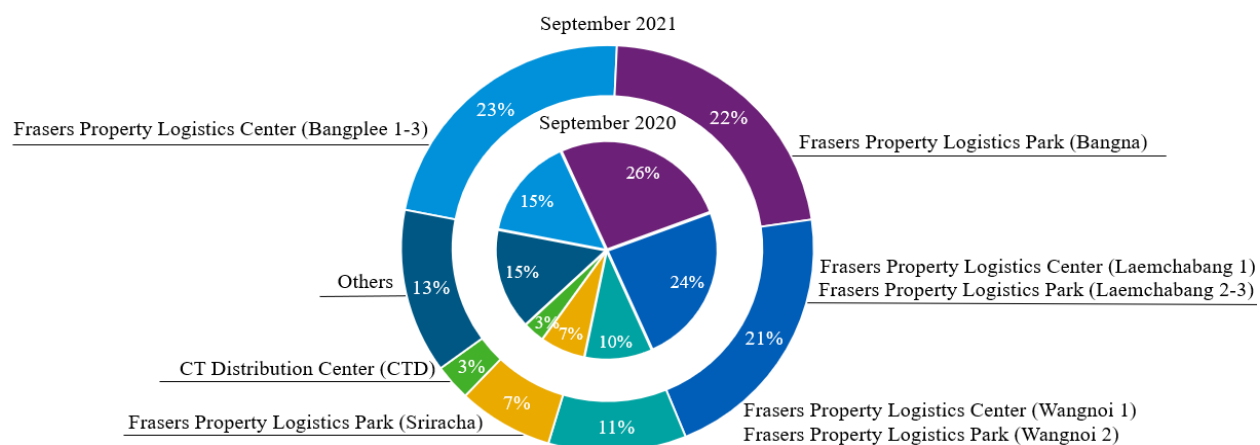


The accompanying notes are an integral part of the financial statements.

## Area size by property ownership (square metre)



## Fair Value of Warehouse by location



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

Type of investments	Locations	30 September 2021				30 September 2020			
		Lease Area (square metre)	Cost (in Baht)	Fair value (in Baht)	Percentage of investments (%)	Lease Area (square metre)	Cost (in Baht)	Fair value (in Baht)	Percentage of investments (%)
Investments in freehold and leasehold properties (Note 7)									
Freehold on land and factories									
	Amata City Industrial Estate Rayong, Sai Chachoengsao-Sattahip Road, Map Yang Phon Sub-district, Phuak Daeng District, Rayong Province	81,750	1,980,491,177	2,145,318,840	4.76	81,750	1,980,490,894	2,147,561,903	5.10
	Pinthong Industrial Estate 1, Sai Nong Kho-Laem Chabang Road, Nong Kham Sub-district, Sri Racha District, Chonburi Province	39,250	917,000,000	976,288,961	2.17	39,250	917,000,000	917,762,719	2.18
	Pinthong Industrial Estate 2, Sai Nong Kho-Laem Chabang Road, Nong Kham Sub-district, Sri Racha District, Chonburi Province	12,300	299,179,903	305,000,000	0.68	12,300	299,179,903	292,800,000	0.70
	Pinthong Industrial Estate 3, Sai Nong Kho-Laem Chabang Road, Bowin and Bueng Sub-district, Sri Racha District, Chonburi Province	33,225	859,034,804	828,750,320	1.84	33,225	859,034,804	789,257,060	1.88
	Hi-Tech Industrial Estate, Sai Asia Road, Banlane Sub-district, Bangpa-In District, Ayutthaya Province	100,128	2,135,869,515	2,356,752,578	5.23	97,378	2,068,781,863	2,190,945,547	5.21
	Rojana Industrial Park, Rojana-Wangnoi Road, Ban Chang and Uthai Sub-district, Uthai District, Ayutthaya Province	134,832	2,843,509,647	3,027,508,133	6.72	120,932	2,524,744,500	2,664,910,822	6.33
	WHA Industrial Development Chonburi 1, Sai Chachoengsao-Sattahip Road, Bo Win Sub-district, Sri Racha District, Chonburi Province	18,300	505,287,630	499,211,586	1.11	7,200	184,376,044	177,872,286	0.42
	Amata City Chonburi Industrial Estate, Debaratna Road, Bankao, Panthong and Nongkhaka Sub-district, Panthong District and Don Hwao Sub-district, Mueang Chonburi District, Chonburi Province	246,975	6,288,020,459	7,058,596,306	15.67	246,975	6,288,019,919	7,097,154,542	16.87
	Bangpa-In Industrial Estate, Udomsoraryut Road, Klongjig Sub-district, Bangpa-In District, Ayutthaya Province	32,300	730,911,670	723,148,333	1.60	32,300	730,911,670	753,210,685	1.79
	Bangpu Industrial Estate, Sukhumvit road, Phraek Sa Sub-district, Mueang Samut Prakan District, Samut Prakan Province	40,325	919,216,540	1,058,172,674	2.35	40,325	919,216,540	998,634,836	2.37
	Nava Nakorn Industrial Promotion Zone, Phahon Yothin Road, Khlong Nueng Sub-district, Khlong Luang District, Patum Thani Province	51,500	1,113,107,234	1,153,164,375	2.56	51,500	1,113,107,203	1,138,066,731	2.71
	Ladkrabang Industrial Estate, Lam Pla Thio Sub-district, Ladkrabang district, Bangkok	1,300	39,887,357	39,887,357	0.08	-	-	-	-
		792,185	18,631,515,936	20,171,799,463	44.77	763,135	17,884,863,340	19,168,177,131	45.56

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

Type of investments	Locations	30 September 2021				30 September 2020			
		Lease Area (square metre)	Cost (in Baht)	Fair value (in Baht)	Percentage of investments (%)	Lease Area (square metre)	Cost (in Baht)	Fair value (in Baht)	Percentage of investments (%)
Freehold on land and warehouses									
Fraser Property Logistics Center project (Amata City Chonburi), Bankao Sub-district, Phan Thong District, Chonburi Province  Fraser Property Eastern Seaboard 2(A) project, Sai Chachoengsao-Sattahip and Sai Nong kho-Phan Sudej Nok Road, Bo Win Sub-district, Sri Racha District, Chonburi Province  Fraser Property Wangnoi 1 project, Phahon Yothin Road, Payom Sub-district, Wang Noi District, Ayutthaya Province  Fraser Property Wangnoi 2 project, Phahon Yothin Road, Payom Sub-district, Wang Noi District, Ayutthaya Province  Fraser Property Eastern Seaboard 1(A) project, Sai Chachoengsao-Sattahip and Sai Nong kho-Phan Sudej Nok Road, Bo Win Sub-district, Sri Racha District, Chonburi Province  Fraser Property Eastern Seaboard 1(B) project, Sai Phluk Daeng-Wang Ta Hin Road, Phluk Daeng Sub-district, Phluk Daeng District, Rayong Province  Fraser Property Siriracha project, Bangpra and Surasak Sub-district, Sri Racha District, Chonburi Province  Fraser Property Laemchabang 1 project, Nong Kham Sub-district, Sri Racha District, Chonburi Province  Fraser Property Laemchabang 2 project, Nong Kham Sub-district, Sri Racha District, Chonburi Province  Fraser Property Phan Thong 1 project, Phan Thong Sub-district, Phan Thong District, Chonburi Province  Saithai Property Laemchabang 3 K9 project, Bangkok-Pattaya Motorway Route 7, Thungsuakla Sub-District, Sri Racha District, Chonburi Province  Fraser Property Bangna project, Debaratna Road, Bang Samak and Bang Wua Kanarak Sub-district, Bang Pakong District, Chachoengsao Province  Cold Storage CTD - Wangnoi project, Cha Map Sub-district, Wang Noi District, Ayutthaya Province  Fraser Property Logistics Center (Rojana Ayutthaya) Zone 2 project, Rojana-Wang noi Road, Uthai Sub-district, Uthai District, Ayutthaya Province	19,650	485,500,000	534,848,008	1.19	19,650	485,500,000	486,094,464	1.16	
	15,800	298,478,563	250,898,817	0.56	15,800	298,479,563	275,800,000	0.66	
	89,616	1,893,632,644	2,107,248,645	4.68	67,306	1,452,300,000	1,655,797,533	3.94	
	19,600	380,399,645	361,000,000	0.80	19,600	380,399,483	361,266,160	0.86	
	35,430	602,080,180	598,834,868	1.33	35,430	602,080,180	635,988,684	1.51	
	28,968	565,870,079	501,197,085	1.11	28,968	565,870,079	505,204,880	1.20	
	99,768	1,845,351,618	1,707,573,906	3.79	81,668	1,501,646,592	1,346,236,390	3.20	
	69,404	1,229,400,000	1,373,284,701	3.05	69,404	1,229,400,000	1,333,751,455	3.17	
	81,700	1,916,036,201	1,717,788,371	3.81	81,700	1,916,035,948	1,738,025,997	4.13	
	10,600	241,280,000	148,800,506	0.33	10,600	241,280,000	155,941,617	0.37	
	80,012	2,127,338,446	1,724,895,993	3.83	80,012	2,127,338,446	1,783,900,000	4.25	
	81,175	1,776,762,116	1,976,172,776	4.39	81,175	1,766,300,000	1,997,152,112	4.75	
	18,354	668,454,696	657,746,590	1.46	18,354	668,454,696	641,697,667	1.53	
	18,324	294,000,000	315,400,000	0.70	18,324	294,000,000	330,200,000	0.78	

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

Type of investments	Locations	30 September 2021					30 September 2020				
		Lease Area (square metre)	Cost (in Baht)	Fair value (in Baht)	Percentage of investments (%)	Lease Area (square metre)	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, Sri Racha District, Chonburi Province Fraser Property Logistics Center (Rojana Prachinburi) project, Sai Chachoengsao-Kabinburi Road, Huawa Sub-district, Srinakharinwirot District, Prachinburi Province		20,700	359,684,210	348,900,000	0.77	20,700	359,684,210	359,302,726	0.85		
		14,832	342,545,860	285,200,000	0.62	14,832	342,545,860	299,708,726	0.71		
		703,933	15,026,814,258	14,609,790,266	32.42	663,523	14,231,315,057	13,906,068,411	33.07		
Right-of-use											
Leasehold on land and freehold on factories											
Rojana Industrial Park Zone 2, Rojana-Uthai Road, Banchang Sub-district, Uthai District, Ayutthaya Province Nava Nakorn Industrial Promotion Zone, Phahon Yothin Road, Khlong Nueng Sub-district, Khlong Luang District, Patum Thani Province		10,900	189,000,000	174,600,000	0.39	10,900	189,000,000	186,800,000	0.44		
		5,000	80,900,000	79,300,000	0.18	5,000	80,900,000	85,200,000	0.20		
		15,900	269,900,000	253,900,000	0.57	15,900	269,900,000	272,000,000	0.64		
Leasehold on land and freehold on warehouses											
Fraser Property Bangna project, Debaratna Road, Bang Samak and Bang Wua Kharak Sub-district, Bang Pakong District, Chachoengsao Province		177,085	3,341,020,340	3,043,015,438	6.75	177,085	3,323,415,443	3,308,519,310	7.86		
		177,085	3,341,020,340	3,043,015,438	6.75	177,085	3,323,415,443	3,308,519,310	7.86		
Leasehold on land and factories											
Hi-Tech Industrial Estate, Asia Road, Ban Len Sub-district, Bang Pa-in District, Ayutthaya Province 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 Pinthong Industrial Estate 2, Sai Nong Kho-Laem Chabang Road, Nongkham Sub-district, Sri Racha District, Chonburi Province		11,700	201,900,000	202,077,500	0.45	11,700	201,900,000	211,683,675	0.50		
		24,250	539,622,407	493,625,316	1.10	24,250	539,622,407	542,777,585	1.29		
		8,725	186,600,000	160,100,000	0.36	8,725	186,600,000	160,809,000	0.38		

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



Type of investments	Locations	30 September 2021				30 September 2020			
		Lease Area (square metre)	Cost (in Baht)	Fair value (in Baht)	Percentage of investments (%)	Lease Area (square metre)	Cost (in Baht)	Fair value	Percentage of investments (%)
Leasehold on land and factories (cont')									
	Prithong Industrial Estate 3, Sai Nong Kho-Laem Chabang Road, Bowin Sub-district, Sri Racha District, Chonburi Province	4,875	104,800,000	83,400,000	0.19	4,875	104,800,000	88,100,000	0.21
	Anata City Industrial Estate Rayong, Sai Chachoengsao-Sattahip Road, Map Yang Phon Sub-district, Pluak Daeng District, Rayong Province	18,650	406,741,917	378,776,629	0.83	18,650	406,741,917	412,569,743	0.98
		68,200	1,439,664,324	1,317,979,445	2.93	68,200	1,439,664,324	1,415,940,003	3.36
Leasehold on land and warehouses									
	Fraser Property Bangplee 1 project, Debaratna Road, Srisa Chorakhe Yai Sub-district, Bang Sao Thong District, Samutprakan Province	76,477	1,449,601,143	1,398,509,306	3.10	76,477	1,263,447,935	1,154,052,777	2.74
	Fraser Property Bangplee 2 project, Bang Sao Thong Sub-district, Bang Sao Thong District, Samutprakan Province	124,634	2,087,509,328	2,087,509,328	4.63	-	-	-	-
	Fraser Property Bangplee 3 project, Debaratna Road, Bangpla Sub-district, Bangplee District, Samutprakan Province	106,692	1,955,288,238	1,875,826,353	4.16	106,692	1,955,288,238	1,918,850,632	4.56
		307,803	5,492,398,709	5,361,844,987	11.89	183,169	3,218,736,173	3,072,903,409	7.30
		2,065,106	44,201,313,567	44,758,329,599	99.33	1,871,012	40,367,894,337	41,143,608,264	97.79
Total investments in freehold and leasehold properties									

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

Type of investments/ Issuer	Maturity date	30 September 2021				30 September 2020			
		Principal (in Baht)	Fair value (in Baht)	Percentage of investments (%)		Principal (in Baht)	Fair value (in Baht)	Percentage of investments (%)	
<b>Investments in securities</b>									
<b>Fixed deposits</b>									
CIMB Thai Bank Public Company Limited	26 November 2020	-	-	-		500,000,000	500,000,000	1.19	
CIMB Thai Bank Public Company Limited	18 December 2020	-	-	-		226,021,928	226,021,928	0.54	
CIMB Thai Bank Public Company Limited	29 January 2021	-	-	-		200,000,000	200,000,000	0.48	
CIMB Thai Bank Public Company Limited	22 November 2021	300,000,000	300,000,000	0.67		-	-	-	
<b>Total investments in securities</b>		<b>300,000,000</b>	<b>300,000,000</b>	<b>0.67</b>		<b>926,021,928</b>	<b>926,021,928</b>	<b>2.21</b>	
<b>Total investments</b>		<b>44,501,313,567</b>	<b>45,058,329,599</b>	<b>100.00</b>		<b>41,293,916,265</b>	<b>42,069,630,192</b>	<b>100.00</b>	

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

## Statement of comprehensive income

		For the year ended 30 September	
	Note	2021	2020
		(in Baht)	
<b>Income</b>			
Rental and service income	14	3,239,354,848	2,883,819,860
Interest income	14	4,579,324	12,188,691
Income from rental guarantees	14	111,478,808	62,177,103
Income from forfeiture of rental and service deposits		15,213,692	1,567,500
Other income	14	46,032,340	88,653,919
<b>Total income</b>		<b>3,416,659,012</b>	<b>3,048,407,073</b>
<b>Expenses</b>			
Cost of rental and service	14	214,402,289	191,624,888
Trust management fee	13, 14	395,474,282	374,643,672
Trustee fee	13, 14	21,047,129	19,793,248
Registrar fee	13	5,876,380	5,769,175
Professional fees		1,957,000	1,770,000
Administrative expenses	14	22,226,266	19,570,578
Amortisation of deferred expenses	9	14,025,052	21,505,405
Finance cost	14	370,665,673	314,737,601
<b>Total expenses</b>		<b>1,045,674,071</b>	<b>949,414,567</b>
<b>Net profit on investments</b>		<b>2,370,984,941</b>	<b>2,098,992,506</b>
<b>Net loss on investments</b>			
Loss on changes in fair value of investments in properties	7	(218,698,894)	(904,707,392)
<b>Total net loss on investments</b>		<b>(218,698,894)</b>	<b>(904,707,392)</b>
<b>Increase in net assets resulting from operations</b>		<b>2,152,286,047</b>	<b>1,194,285,114</b>

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

## Statement of changes in net assets

		For the year ended	
		30 September	
	Note	2021	2020
(in Baht)			
<b><i>Increase in net assets resulting from operations during the year</i></b>			
Net profit on investments		2,370,984,941	2,098,992,506
Net loss on investments	7	(218,698,894)	(904,707,392)
<b>Increase in net assets during the year</b>		<b>2,152,286,047</b>	<b>1,194,285,114</b>
Distributions to trust unitholders	16	(2,021,171,485)	(1,848,614,558)
Increase in capital during the year	15	2,805,167,938	3,139,799,490
<b>Increase in net assets during the year</b>		<b>2,936,282,500</b>	<b>2,485,470,046</b>
Net assets at 1 October 2020 / 2019		29,974,649,186	27,489,179,140
<b>Net assets at 30 September</b>		<b>32,910,931,686</b>	<b>29,974,649,186</b>
<b><i>Changing in number of trust units</i></b>			
<b><i>(Baht 9.5363 per unit)</i></b>			
Trust unit at 1 October 2020 / 2019 (units)		2,822,387,048	2,602,387,048
Issue new trust units	15	241,000,000	220,000,000
<b>Trust unit at 30 September (units)</b>		<b>3,063,387,048</b>	<b>2,822,387,048</b>

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

## Statement of cash flows

For the year ended			
30 September			
	Note	2021	2020
(in Baht)			
<b>Cash flows from operating activities</b>			
Increase in net assets from operations		2,152,286,047	1,194,285,114
<i>Adjustments to reconcile increase in net assets resulting from operations to net cash from (used in) operating activities:</i>			
Losses on change in fair value of investments in properties	7	218,698,894	904,707,392
Purchases of investments in securities		(300,000,000)	(5,212,203,444)
Proceeds from sale of investments in securities		926,021,928	5,122,778,963
Purchases of investments in properties		(3,644,300,397)	(4,998,942,963)
Payment of lease liabilities		(8,901,618)	-
Deferred expense amortisation		14,025,052	21,505,405
Decrease in accrued rental and service receivables		40,850,322	41,419,723
Decrease (increase) in other receivables		(2,038,323)	498,877
Increase in other assets		(22,562,337)	(11,146,160)
Increase (decrease) in accrued expenses		(19,794,637)	37,674,956
Decrease in withholding taxes payable		(3,475,905)	(705,369)
Increase in deposits from rental and service		129,904,619	88,155,998
Increase (decrease) in provision for return		(84,022,482)	84,022,482
Decrease in other liabilities		(35,547,471)	(75,668,515)
Interest income		(4,579,324)	(12,188,691)
Interest received		4,653,560	13,381,530
Expected credit loss		7,929,222	4,418,788
Finance costs		370,665,673	314,737,601
<b>Net cash used in operating activities</b>		<b>(260,187,177)</b>	<b>(2,483,268,313)</b>

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



		For the year ended	
		30 September	
	Note	2021	2020
(in Baht)			
<b>Cash flows from financing activities</b>			
Proceeds from short-term loans		2,943,132,000	4,906,154,384
Repayment of short-term loans		(5,001,122,000)	(3,352,000,000)
Proceed from long-term loan		2,436,325,000	-
Repayment of long-term loan		(700,000,000)	-
Proceeds from debentures		2,495,704,558	1,000,000,000
Repayment of debentures		(2,100,000,000)	(800,000,000)
Proceeds from increase in capital	15	2,805,167,938	3,139,799,490
Interest paid		(352,011,200)	(313,011,752)
Distribution to trust unitholders	16	(2,021,171,485)	(1,848,614,558)
<b>Net cash from financing activities</b>		<b>506,024,811</b>	<b>2,732,327,564</b>
<b>Net increase in cash and cash equivalents</b>		<b>245,837,634</b>	<b>249,059,251</b>
Cash and cash equivalents at 1 October 2020 / 2019		554,218,939	305,159,688
<b>Cash and cash equivalents at 30 September</b>	8	<b>800,056,573</b>	<b>554,218,939</b>
<b>Non-cash transaction</b>			
Payables for purchase of investments in properties		2,966,625	-

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

## Notes to financial statements

For the year ended 30 September 2021

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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 Board of Directors of the REIT manager on 5 November 2021.

## 1 General information

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.

Frasers Property Industrial REIT Management (Thailand) Company Limited acts as the REIT Manager, BBL Asset Management Company Limited acts as the Trustee, Frasers Property Industrial (Thailand) Company Limited is hired as the Property Management and Thailand Securities Depository Company Limited acts as the Trust Registrar.

As at 30 September 2021, the Trust’s major unitholders are Frasers Property Thailand (International) Pte. Ltd. and Social Security Office which hold 21.46% and 11.09% of the trust units, respectively, according to the latest registry of unitholders *(30 September 2020: Frasers Property Thailand (International) Pte. Ltd. and Social Security Office which held 21.46% and 12.16% of the trust units, respectively)*.

The Trust’s dividend payment policy is in accordance with condition and procedures as specified in prospectus.

## 2 Basis of preparation of the financial statements

### (a) Statement of compliance

The financial statements are prepared in accordance with the accounting guidance for Property Fund, Real Estate Investment Trust, Infrastructure Fund and Infrastructure Trust, issued by the Association of Investment Management Companies (“AIMC”) as approved by the Securities and Exchange Commission, issued and announced by AIMC in February 2020. In case this accounting guidance does not specifically state the practical guidance for a transaction, the Trust shall apply Thai Financial Reporting Standard (TFRS) as announced by Federation of Accounting Professions (“Accounting Guidance”).

The application of the Accounting Guidance resulted in changes in accounting policies of the Trust which have material impact on the financial statements as disclosed in note 3.

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

*(b) Functional and presentation currency*

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

*(c) Use of judgements and estimates*

The preparation of financial statements in conformity with an accounting guidance requires REIT manager 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.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Note 4(f) Lease:

- whether the Trust is reasonably certain not to exercise termination options;

Note 4(f) Determining the incremental borrowing rate to measure lease liabilities;

Note 6 Measurement of ECL allowance for accrued rental and service receivables: key assumptions in determining the weighted-average loss rate;

Note 7 Investments in freehold and leasehold properties: key assumptions affecting the valuation.

### **3 Changes in accounting policies**

From 1 October 2020, the Trust has initially applied the Accounting Guidance, for which effect was adjusted at 1 October 2020. As a result, the Trust did not adjust the information presented for the year ended 30 September 2020. Details of changes in accounting policies are in note 3(A) - 3(D).

#### ***A. Financial instruments accounting***

Under the Accounting Guidance, the Trust shall measure its financial assets at fair value, which is not different from previous accounting policy, measure its financial liabilities at amortised costs, and recognise interest expenses using effective interest rate ("EIR"). Previously, the Trust recognises interest expense using contractual interest rate based on accrual basis.

The change in accounting policy as described above has no material impact on the Trust's financial statements.

#### ***B. Lease accounting***

From 1 October 2020, the Trust has initially applied the Accounting Guidance to lease accounting.

Previously, the Trust, as a lessee, recognised payments made under operating leases and relevant lease incentives in profit or loss on a straight-line basis over the term of the lease. Under the Accounting Guidance, the Trust shall recognise right-of-use assets and lease liabilities. The lease liabilities were discounted using interest rate implicit in the lease or lessee's incremental borrowing rate if the interest rate implicit in the lease was not available.

The Trust sub-leases some of its properties. Previously, the head lease and sub-lease contracts were classified as operating leases and recognised lease income and payment in profit or loss on a straight-line basis over the term of the leases. Under the Accounting Guidance, the right-of-use assets recognised from the head leases are presented in investments in freehold and leasehold properties and measured at fair value method. The Trust reassessed the classification of sub-leases contracts with reference to the right-of-use asset rather than the underlying asset which has no effect in classification of sub-leases contracts at 1 October 2020.

<b>Impact from change in lease accounting policy</b>		(in thousand Baht)
<b>At 1 October 2020</b>		
Increase in right-of-use assets		186,153
Decrease in other liabilities		799
Increase in lease liabilities		(186,952)
<b>Measurement of lease liability</b>		(in thousand Baht)
Commitment of non-cancellable land sub-lease and common service contracts at 30 September 2020		294,599
Less Non-cancellable common service contracts		(24,419)
		<b>270,180</b>
Present value of remaining lease payments discounted using the incremental borrowing rate at 1 October 2020		186,952
<b>Lease liabilities recognised at 1 October 2020</b>		<b>186,952</b>
Weighted-average incremental borrowing rate (% per annum)		<b>3.27</b>

### C. Equity issuance cost

Under the Accounting Guidance, the Trust recognised full amount of equity issuance cost arising from 1 January 2020 as a deduction on capital from trust unitholders. For deferred expenses incurred before 1 January 2020, the Trust was allowed to amortise as expenses according to previous accounting policy (see note 9).

### D. Fair value measurement

Under the Accounting Guidance, the objective of fair value measurement is to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions. Previously, the fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's length transaction. In addition, the Accounting Guidance requires to have additional fair value disclosure, which the Trust has disclosed in note 7 and 20.



## 4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except as explained in note 3.

### (a) *Investments measured at fair value through profit or loss*

#### *Accounting policies applicable from 1 October 2020*

Investment are initially recognised at fair value through profit or loss when the Trust becomes a party to the contractual provisions of the instrument. Transaction costs that are directly attributable to acquire investments are recognised in profit or loss.

Gains and losses on measurement, including any interest or dividend income, are recognised in profit or loss.

#### *Derecognition*

The Trust derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Trust neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

#### *Offsetting*

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Trust currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

#### *Accounting policies applicable before 1 October 2020*

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

Gains or losses from investment valuation are presented as net unrealised gains or losses on investment in securities in profit or loss.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount is recognised in profit or loss, presented as “net gain (loss) on investments”. If the Trust disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

### (b) *Investments in freehold and leasehold properties at fair value*

Investments in freehold and leasehold properties include properties that are held as right-of-use assets, as well as properties that are owned by the Trust to earn rental income, or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investments in freehold and leasehold properties are measured at cost, including transaction costs, on initial recognition and subsequently at fair value, with any change recognised in profit or loss and presented as “gain (loss) from changes in fair value of investments in properties” (2020: *presented as net unrealised gains (losses) on investment in properties*).

Cost includes expenditure that is directly attributable to the acquisition of the investments in freehold and leasehold properties. The fair value is based on appraisal value assessed by independent valuers approved pursuant to the notification of the Securities and Exchange Commission. The Trust will conduct appraisal of properties at least every 2 years, commencing from the date of appraisal the acquired properties or the latest date of appraisal properties or the date of disposal properties or there is any indication of impairment and conduct a review of appraisal at least every year after the date of the latest appraisal. The Trust will not appoint any valuers to appraise the properties for more than 2 consecutive times.

Any gains and losses on disposal of investments in freehold and leasehold properties are determined by comparing the proceeds from disposal with the carrying amount of investments in freehold and leasehold properties, recognised in profit or loss and presented as “net gain (loss) on investments”.

**(c) *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.

**(d) *Accrued rental and service receivables***

***Accounting policies applicable from 1 October 2020***

Accrued rental and service receivable is measured at transaction price less allowance for expected credit loss.

Loss allowances for accrued rental and service receivables are measured at an amount equal to lifetime expected credit losses. Expected credit losses are estimated using a provision matrix based on the historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both current and forecast general economic conditions at the reporting date. An expected credit loss is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the loss was recognised in profit or loss.

Accrued rental and service income is presented as part of accrued rental and service receivables.

***Accounting policies applicable before 1 October 2020***

Accrued rental and service receivables are measured at transaction price less allowance for doubtful accounts which is determined based on an analysis of payment histories and future expectations of accrued rental and service receivables payments. Bad debts are written off when incurred.

**(e) *Equity issuance cost***

Equity issuance cost comprise the trust’s unit issuance and offering expenses as incurred which consisted of underwriting fees, Trust deed fees, registered fees and other directly related expenses.

### *Accounting policies applicable from 1 October 2020*

The Trust entirely recognised equity issuance cost as a deduction on capital from trust unitholders.

### *Accounting policies applicable before 1 October 2020*

Equity issuance cost recognised as deferred expenses and amortised as an expense over a period of 5 years on a straight-line basis.

## **(f) Leases**

### *Accounting policies applicable from 1 October 2020*

At inception of a contract, the Trust assesses whether a contract is, or contains, a lease. If a contract contains lease and non-lease components, the Trust has elected not to separate non-lease components and account for the lease and associated non-lease components as a single lease component.

#### *As a lessee*

The Trust recognises a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which is recognised as an expense on a straight-line basis over the lease term.

Right-of-use assets are initially measured at cost and classified as investment in freehold and leasehold properties as described in note 4(b).

The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Trust's incremental borrowing rate and subsequently at amortised cost using the effective interest method. The lease payments included fixed payments less any lease incentive receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under a residual value guarantee. The lease payments also include amount under purchase, extension or termination option if the Trust is reasonably certain to exercise option. Variable lease payments that do not depend on index or a rate are recognised as expenses in the accounting period in which they are incurred.

The lease liability is remeasured when there is a modification, change in lease term, change in lease payments, change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the assessment of purchase, extension or termination options. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

### *Accounting policies applicable before 1 October 2020*

As a lessee, the Trust classified leases that transfer substantially all of the risks and rewards of ownership as finance leases. When this was the case, the leased assets were measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Minimum lease payments were the payments over the lease term that the lessee was required to make, excluding any contingent rent. Subsequently, the assets were accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases were classified as operating leases and were not recognised in the Trust's statement of financial position. Payments made under operating leases are recognised in profit or loss 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.

#### *As a lessor*

The accounting policy for lessor is described in note 4(j).

#### **(g) Interest-bearing liabilities**

Interest-bearing liabilities are measured at amortised cost.

#### **(h) Provisions**

A provision is recognised if, as a result of a past event, the Trust has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

#### **(i) Fair value measurement**

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Trust has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Trust's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When one is available, the Trust measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Trust uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Trust measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Trust determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are based on unobservable input.

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Trust recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

#### **(j) Rental income**

##### ***Accounting policies applicable from 1 October 2020***

When the Trust acts as a lessor, it determines at lease inception whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. When the Trust is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease.

If an arrangement contains lease and non-lease components, the Trust allocates the consideration in the contract to each lease component on the basis of stand-alone prices.

The Trust recognises lease payments received under operating leases as rental income on a straight-line basis over the lease term as part of 'rental income'. Initial direct costs incurred in arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as income in the accounting period in which they are earned. Accrued rental income is presented as part of accrued rental and service receivables.

##### ***Accounting policies applicable before 1 October 2020***

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income. Contingent rentals are recognised as income in the accounting period in which they are earned.

#### **(k) Service income**

Revenue is recognised when a customer obtains control of the 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 is after deduction of trade discounts.

Revenue for rendering of services is recognised over time as the services are provided. The related costs are recognised in profit or loss when they are incurred.



**(l) Interest**

***Accounting policies applicable from 1 October 2020***

***Effective Interest Rate (EIR)***

Interest income or expense is recognised using the effective interest method, except to the extent that they are capitalised as being directly attributable to the acquisition or construction of an asset which necessarily takes a substantial periods of time.

The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

***Accounting policies applicable before 1 October 2020***

Interest income is recognised in profit or loss at the rate specified in the contract.

Interest expenses and similar costs are charged to profit or loss for the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction of an asset which necessarily takes a substantial periods of time to be prepared for its intended use or sale.

**(m) Expenses**

Other expenses are recognised on accrual basis.

**(n) Income tax**

The Trust is exempt from corporate income tax in Thailand so that corporate income tax is not recorded in the financial statements.

**(o) Distribution to unitholders**

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

**(p) Related parties**

A related party is a person or entity that has direct or indirect 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 has significant influence over the financial and managerial decision-making of a person or entity.

**(q) Segment reporting**

Segment results that are reported to the Board of Director of the Trust's REIT manager (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

## 5 Impact of COVID-19 outbreak

Due to the COVID-19 outbreak in 2020, Thailand and many other countries have enacted several protective measures against the outbreak, e.g. the order to temporarily shut down operating facilities or reduce operating hours, social distancing, etc. This has significantly affected world economy, production, supply chain of goods and business operation of many entities in wide areas. The REIT manager is closely monitoring the situation to manage the negative impact on the business as much as possible. The Trust has adopted relief measures with regard of rent payments by tenants who were impacted which has no material impact. At 30 September 2021, the situation of COVID-19 outbreak is still ongoing, resulting in estimation uncertainty on the potential impact.

## 6 Financial risk

### *Credit risk*

The Trust has credit risk which results from the failure of a counterparty to settle its contractual obligations specified in financial instruments. The Trust has only receivables. However, the related financial assets have short-term maturity, therefore, the Trust does not anticipate material losses from its debt collection.

Credit risk is the risk of financial loss to the Trust if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Trust's receivables from customers.

The REIT manager has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

### *Accrued rental and service receivables*

The Trust exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, the REIT manager also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The REIT manager has established a credit policy under which each new customer is analysed individually for creditworthiness before the Trust's standard payment and conditions are offered.

The following table provides information about the exposure to credit risk and ECLs for accrued rental and service receivables.

<i>At 30 September 2021</i>	Accrued rental and service receivables	Allowance for expected credit loss
	<i>(in thousand Baht)</i>	
Within credit terms	6,031	390
Overdue:		
Less than 3 months	11,929	1,649
3 - 6 months	3,383	399
More than 6 months	5,320	1,694
Litigation receivables	75,020	75,020
<b>Total</b>	<b>101,683</b>	<b>79,152</b>
Accrued income under operating leases	108,164	
<b>Total</b>	<b>209,847</b>	
Less allowance for expected credit loss	(79,152)	
<b>Net</b>	<b>130,695</b>	

<i>At 30 September 2020</i>	<i>(in thousand Baht)</i>
Within credit terms	17,750
Overdue:	
Less than 3 months	35,998
3 - 6 months	6,879
More than 6 months	69,068
	<b>129,695</b>
Less allowance for doubtful accounts	(74,226)
<b>Net</b>	<b>55,469</b>
Accrued income under operating leases	121,002
<b>Total</b>	<b>176,471</b>

<i>Movement of allowance for expected credit losses of accrued rental and service receivables</i>	<i>(in thousand Baht)</i>
At 1 October 2020	74,226
Increase	4,926
<b>At 30 September 2021</b>	<b>79,152</b>

Loss rates are based on actual credit loss experience over the past three years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Trust's view of economic conditions over the expected lives of the receivables.

### **Currency risk**

The Trust has no financial assets or financial liabilities denominated in foreign currency, therefore, there is no exposure to currency risk.

### **Market risk**

The Trust has no market risk related to return on investment security because the Trust has no holding of investment in equity and debt security.

### **Interest rate risk**

Interest rate risk is the risk that value of financial assets and financial liabilities is subject to change due to the movement of market interest rates.

The following table summarises the Trust's interest rate risk comprised fair value of assets and categorised by type of interest rates:

<i>Financial assets and financial liabilities</i>	Carrying amount of financial instruments - net			Total
	Floating interest rate	Fixed interest rate	No interest rate	
	<i>(in thousand Baht)</i>			
<i>At 30 September 2021</i>				
Investment measured at fair value through profit or loss	-	300,000	-	300,000
Cash at bank and cash equivalents	294,193	500,000	5,778	799,971
Short-term loans	-	800,000	-	800,000
Long-term loan	1,737,644	-	-	1,737,644
Debentures	-	9,034,419	-	9,034,419

<i>Financial assets and financial liabilities</i>	Carrying amount of financial instruments - net			Total
	Floating interest rate	Fixed interest rate	No interest rate	
<i>(in thousand Baht)</i>				
<i>At 30 September 2020</i>				
Investments measured at fair value				
through profit or loss	-	926,022	-	926,022
Cash at bank and cash equivalents	547,047	-	7,087	554,134
Short-term loan	-	2,856,154	-	2,856,154
Debentures	-	8,638,266	-	8,638,266

### **Liquidity risk**

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

The following table are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

<i>At 30 September 2021</i>	Carrying amount	Contractual cash flows			Total
		1 year or less	More than 1 years but less than 5 years	More than 5 years	
<i>(in thousand Baht)</i>					
Short-term loans	800,000	802,474	-	-	802,474
Deposits from rental and service	1,163,241	489,110	609,502	64,629	1,163,241
Lease liabilities	183,927	9,292	39,990	209,771	259,053
Long-term loan	1,737,644	51,141	1,864,877	-	1,916,018
Debentures	9,034,419	1,571,023	4,758,081	4,112,727	10,441,831
<b>Total</b>	<b>12,919,231</b>	<b>2,923,040</b>	<b>7,272,450</b>	<b>4,387,127</b>	<b>14,582,617</b>

### **Financial risk management policies**

The Trust manages potential risk on investment by setting risk management policy, e.g. investment diversification and analysis of investee's financial position.

## **7 Investments in freehold and leasehold properties at fair value**

Movements of investments in freehold and leasehold properties for the year ended 30 September 2021 and 2020 were as follows:

	Note	2021	2020
<i>(in thousand Baht)</i>			
<b>Investments in freehold and leasehold properties - at cost</b>			
At 1 October 2020 / 2019		40,367,893	35,368,950
Add Adjustments on lease accounting	3(B)	186,153	-
At 1 October 2020 / 2019 (as adjusted)		40,554,046	35,368,950
Addition		3,647,267	4,998,942
<b>At 30 September</b>		<b>44,201,313</b>	<b>40,367,892</b>

	Note	2021	2020
		<i>(in thousand Baht)</i>	
<b>Gains (losses) on changes in fair value of investments in freehold and leasehold properties</b>			
At 1 October 2020 / 2019		775,716	1,680,423
Losses on changes in fair value of investments		(218,699)	(904,707)
<b>At 30 September</b>		<b>557,017</b>	<b>775,716</b>
<b>Investment in freehold and leasehold properties at 30 September</b>		<b>44,758,330</b>	<b>41,143,608</b>

Movements of right-of-use assets which were recognised as investment properties were as follows:

<i>Right-of-use assets</i>	2021
	<i>(in thousand Baht)</i>
At 1 October 2020	8,255,516
Increase	2,105,114
Losses on changes in fair value of investments	(383,890)
<b>At 30 September</b>	<b>9,976,740</b>

The fair value of investments in freehold and leasehold properties was determined by an independent professional valuer, at discounted cash flow using risk-adjusted discount rate, according to the independent professional valuers' report assessed during the third and fourth quarter of year 2021. The fair value of investment properties has been categorised as a Level 3 fair value.

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
<i>Discounted cash flows</i> ; The valuation model considers the present value of net cash flows to be generated from the property, taking into account expected market rental growth rate, occupancy rate and capitalisation rate. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location, tenant credit quality and lease terms.	<ul style="list-style-type: none"> <li>Expected market rental growth rates: 2.5% - 3.0%</li> <li>Occupancy rates: 70.0% - 95.0%</li> <li>Discount rates: 9.0% - 9.5%</li> <li>Capitalisation rates: 6.0% - 7.0%</li> </ul>	<p>The estimated fair value increase (decrease) if:</p> <ul style="list-style-type: none"> <li>Expected market rental growth were higher (lower);</li> <li>Occupancy rate were higher (lower);</li> <li>Discount rate were lower (higher);</li> <li>Capitalisation rate were lower (higher).</li> </ul>

<i>For the year ended 30 September</i>	2021	2020
	<i>(in thousand Baht)</i>	
<b>Amounts recognised in profit or loss</b>		
Rental and service income	3,239,355	2,883,820
Repair and maintenance expense:		
- property that generated rental and service income	42,941	31,790
- property that did not generate rental and service income	44,178	42,568



Significant agreements during the year ended 30 September 2021 and 2020 are as follow:

***Agreements with related parties***

On 23 September 2021, the Trust entered into purchase agreement of land and construction in the Frasers Property Logistics Center (Wangnoi 1) with Frasers Property Industrial (Thailand) Company Limited. Whereby counterparty agreed assets price of Baht 439.97 million according to the terms and conditions as specified in the agreement.

On 1 September 2021, the Trust entered into purchase agreement of land and construction in WHA Industrial Development Chonburi 1 and Ladkrabang Industrial Estate with Frasers Property (Thailand) Public Company Limited. Whereby counterparty agreed assets price of Baht 360.03 million according to the terms and conditions as specified in the agreement.

On 1 February 2021, the Trust entered into purchase agreement of land and construction in Ban Wha Industrial Estate (Hi-Tech) and Rojana Ayutthaya Industrial Park with Frasers Property (Thailand) Public Company Limited. Whereby counterparty agreed assets price of Baht 380.89 million according to the terms and conditions as specified in the agreement.

On 1 December 2020, the Trust has entered into a land and warehouse sub-lease agreement for the period of 19 years from a company whereby Frasers Property Industrial (Thailand) Company Limited which is the previous sub-lessee from a company has agreed to cancel the sub-lease agreement for the Trust to invest in sub-leasehold right directly from a company. The agreed price of sub-leasehold right under the agreement totalling Baht 2,061.88 million. On 29 January 2021, the Trust made a payment and registered leasehold right according to the terms and conditions as specified in the agreement.

On 1 October 2020, the Trust entered into purchase agreement of land and construction in the Frasers Property Logistics Park (Sriracha), Surasak Sub-district, Sriracha District, Chonburi Province with Frasers Property Industrial (Thailand) Company Limited. Whereby counterparty agreed assets price of Baht 343.13 million according to the terms and conditions as specified in the agreement.

At the Extraordinary General Meeting of the trust unitholders held on 11 August 2020, the unitholders approved the investments in factories and warehouses from Frasers Property (Thailand) Public Company Limited, Frasers Property Industrial (Thailand) Company Limited and sub-leasehold right from a company with the total investment value of assets not exceeding Baht 5,940.80 million. In September 2020, the Trust entered into purchase agreement of land and construction in many industrial park properties with Frasers Property Industrial (Thailand) Co., Ltd. and Frasers Property (Thailand) Public Company Limited. Whereby counterparties agreed assets price of Baht 1,141.87 million and Baht 1,716.13 million, respectively, totalling Baht 2,858.00 million as specified in the agreement.

***Compensation for rental and service concession in the contractor's customer service contracts (For the purchase and sale agreement of land and buildings dated 24 August 2020)***

Frasers Property (Thailand) Public Company Limited and Frasers Property Industrial (Thailand) Company Limited agreed to compensate income with the Trust by counterparties agreed to compensate for rental and service income equal to the difference between the rental and service income under that customer's agreement before rental and service reduction and rental and service income under that customer's agreement after rental and service reduction for period of 6 months from the rental and service reduction effective date or from the rental and service reduction effective date until the end of rental and service reduction period, whichever is earlier of the sold properties to the Trust for period from the date that the Trust invested in guarantee properties to 31 March 2021 with total guarantee amount of Baht 130.00 million as specified in the agreements.

### *Guarantee income*

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

### *Agreements with other parties*

On 26 September 2019, the Trust entered into purchase agreement of land and construction thereon Sahathai 9 projects with Sahathai Property & Development Co., Ltd whereby counterparty agreed assets price totalling Baht 2,050.00 million under the terms and conditions as specified in the agreement. The right had been transferred on 14 November 2019. In consideration thereof, Sahathai Property & Development Co., Ltd agreed to compensate income with the Trust by compensating 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 rates of the sold properties to the Trust for period of 6 years from transferred date to the date which the Trust entered into lease agreements with new tenant with total guarantee amount of Baht 100.00 million as specified in the agreements.

### *Leases*

#### *As a lessee*

The Trust leases a number of lands, warehouses and factories for 27 - 28 years. The rental is payable yearly as specified in the contract.

#### *For the year ended 30 September*

2021                      2020

(in thousand Baht)

#### *Amounts recognised in profit or loss*

Interest on lease liabilities	5,877	-
Lease expense	-	8,892

During the year ended 30 September 2021, total cash outflow for leases of the Trust was Baht 8.90 million.

#### *As a lessor*

The leases of investment properties comprise a number of factories and warehouses that are leased to third parties under operating leases. Each of the leases contains an average non-cancellable period of 3 years. Subsequent renewals are negotiated with the lessee. For all investment property leases, the rental income is fixed under the contracts, but some leases require the lessee to reimburse the insurance costs of the Trust.

***Lease payments to be received from operating leases******At 30 September 2021****(in million Baht)*

1 <sup>st</sup> year	2,718
2 <sup>nd</sup> year	1,705
3 <sup>rd</sup> year	919
4 <sup>th</sup> year	427
5 <sup>th</sup> year	305
After 5 <sup>th</sup> year	570
<b>Total</b>	<b>6,644</b>

***Minimum lease payments under operating lease******At 30 September 2020****(in million Baht)*

Within 1 year	2,344
After 1 year but within 5 years	3,069
After 5 years	685
<b>Total</b>	<b>6,098</b>

**8 Cash and cash equivalents**

As at 30 September 2021 and 2020, the Trust has cash and cash equivalents as follows:

	2021		2020	
	(in thousand Baht)	Interest rate (%)	(in thousand Baht)	Interest rate (%)
<b><i>Cash on hand</i></b>	86	-	85	-
<b><i>Cash at banks - current account</i></b>				
Bangkok Bank Public Company Limited	5,778	-	7,087	-
<b><i>Cash at banks - saving account</i></b>				
Bangkok Bank Public Company Limited	139,170	0.125	102,453	0.125 - 0.500
United Overseas Bank (Thai) Public Company Limited	155,023	0.35 - 0.43	444,594	0.40 - 1.00
<b><i>Cash at banks - Fixed deposit account</i></b>				
CIMB Thai Public Company Limited	500,000	0.40	-	-
<b>Total</b>	<b>800,057</b>		<b>554,219</b>	

Cash and cash equivalents of the Trust as at 30 September 2021 and 2020 were denominated entirely in Thai Baht.

## 9 Deferred expenses

Movements of deferred expenses for the year ended 30 September 2021 and 2020 were as follows:

	2021	2020
	<i>(in thousand Baht)</i>	
At 1 October 2020 / 2019	29,200	50,705
Recognised as expenses during the year	(14,025)	(21,505)
<b>At 30 September</b>	<b>15,175</b>	<b>29,200</b>

If the Trust was to recognise the deferred expenses as expenses in full at 30 September 2021, the Trust's net asset value (NAV) would be decreased to Baht 32,895.76 million, and NAV per unit would be Baht 10.7383 per unit.

## 10 Interest-bearing liabilities

Interest-bearing liabilities as at 30 September 2021 and 2020 are as follow:

	Note	2021	2020
		<i>(in thousand Baht)</i>	
Short-term loans			
- Unsecured		800,000	2,856,154
Lease liabilities			
- Unsecured		183,927	-
Long-term loan from financial institutions net with front-end fee			
- Unsecured		1,737,644	-
Debentures			
- Unsecured	11	9,034,419	8,638,266
<b>Total interest-bearing liabilities</b>		<b>11,755,990</b>	<b>11,494,420</b>

On 19 February 2021, the Trust had entered into a long-term loan agreement from a financial institution totalling Baht 2,550.00 million which drawdown totalling Baht 2,442.70 million. The principal is due for repayment in 4 years. The interest is paid on the quarterly basis by THBFIX plus fixed rate per year prescribed in the agreement. The long-term loan contained conditions and certain restrictions, such as the determination of financial ratio, the limitation of the resistance of additional borrowing, or the limitation of obligation except those incurred under normal commercial term or normal business of transactions as detail in the agreement.

On 24 June 2021, the Trust made partial repayment of principal including interest resulting to as at 30 September 2021, the Trust has outstanding long-term loan amounting to Baht 1,737.64 million.

At 30 September 2021, the Trust has short-term loans from financial institution totalling Baht 800.00 million which are payable within one year, and interest is payable on maturity date.

At 30 September 2020, the Trust has short-term loans with Bangkok Bank Public Company Limited totalling Baht 2,856.15 million which are payable for a period of 1 year, and interest is payable on monthly basis. The short-term loans contained certain restrictions as detail in the agreement.

## 11 Debentures

Type of debenture	Interest rate	Age	Issued date	Maturity date	Number of debenture		Amount	
					30 September 2021	30 September 2020	30 September 2021	30 September 2020
	(%)	(year)			(unit)		(in thousand Baht)	
Unsubordinated and unsecured debenture								
No. 1/2017								
- Tranche 2	4.18	7	5 April 2017	5 April 2024	1,000,000	1,000,000	1,000,000	1,000,000
					<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
No. 1/2018								
- Tranche 1	2.50	3	28 June 2018	28 June 2021	-	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
					<u>1,940,000</u>	<u>3,740,000</u>	<u>1,940,000</u>	<u>3,740,000</u>
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	1,000,000	1,000,000
- Tranche 7	4.19	10	19 December 2018	19 December 2028	600,000	600,000	600,000	600,000
					<u>1,600,000</u>	<u>1,900,000</u>	<u>1,600,000</u>	<u>1,900,000</u>
No. 1/2019								
- Tranche 1	2.63	4	8 August 2019	8 August 2023	500,000	500,000	500,000	500,000
- Tranche 2	3.14	7	8 August 2019	8 August 2026	500,000	500,000	500,000	500,000
					<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
No. 1/2020								
- Tranche 1	3.00	7	3 April 2020	3 April 2027	450,000	450,000	450,000	450,000
- Tranche 2	3.30	10	3 April 2020	3 April 2030	550,000	550,000	550,000	550,000
					<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
No. 1/2021								
- Tranche 1	1.69	3	24 June 2021	24 June 2024	850,000	-	850,000	-
- Tranche 2	2.54	5	24 June 2021	24 June 2026	700,000	-	700,000	-
- Tranche 3	3.30	7	24 June 2021	24 June 2028	700,000	-	700,000	-
- Tranche 4	3.97	10	24 June 2021	24 June 2031	250,000	-	250,000	-
					<u>2,500,000</u>	<u>-</u>	<u>2,500,000</u>	<u>-</u>
<b>Total</b>					<u><b>9,040,000</b></u>	<u><b>8,640,000</b></u>	<u><b>9,040,000</b></u>	<u><b>8,640,000</b></u>
Less unamortised cost relating to the issuance of debentures							(5,581)	(1,734)
<b>Debentures - net</b>							<u><b>9,034,419</b></u>	<u><b>8,638,266</b></u>

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 limitation of the resistance of additional borrowing, the limitation of debt or the limitation of obligation except those incurred under normal commercial term or normal business of transactions.

## 12 Retained earnings

	2021	2020
	(in thousand Baht)	
At 1 October 2020 / 2019	1,661,227	2,315,557
Net profit on investments	2,370,985	2,098,992
Loss on changes in fair value of investment in properties	(218,699)	(904,707)
Distributions to trust unitholders	(2,021,171)	(1,848,615)
<b>At 30 September</b>	<u><b>1,792,342</b></u>	<u><b>1,661,227</b></u>



## 13 Expenses

Management fee, trustee fee and registrar fee are calculated as follows:

- (a) Trust management fee
- |   |   |
|---|---|
| Base fee  | 0.25% per annum of the Trust's total assets   |
| Property management 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 | Not more than 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.

## 14 Related parties

Relationships with 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
Frasers Property (Thailand) Public Company Limited	Thailand	Property Manager and the parent company of REIT Manager	Entering 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 managing in properties

Name of Entities	Country of Incorporation	Nature of Relationships	Nature of Transactions
Frasers Property Industrial (Thailand) Company Limited	Thailand	Property Manager	Entering 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 managing in properties
Frasers Property Industrial REIT Management (Thailand) Company Limited	Thailand	The REIT manager	Receive base fee for managing the Trust, fee for managing main properties, incentive fee and commission fee from the Trust
BBL Asset Management Company Limited	Thailand	Trustee	Receive Trustee fee from the Trust
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
Frasers Property Demco Power 6 Co., Ltd.	Thailand	Joint venture of the Trust's property manager	Receive rental income
Frasers Property Demco Power 11 Co., Ltd.	Thailand	Joint venture of the Trust's property manager	Receive rental income

As at 30 September 2021, the Trust has only Frasers Property Industrial (Thailand) Company Limited as the Property Manager (*30 September 2020: the Trust had Frasers Property Industrial (Thailand) Company Limited and Frasers Property (Thailand) Public Company Limited as the Property Manager*).

Significant transactions for the year ended 30 September 2021 and 2020 with related parties were as follows:

<i>For the year ended 30 September</i>	2021	2020	Pricing Policies
	<i>(in thousand Baht)</i>		
<b>Revenue</b>			
Rental and service income			
Frasers Property (Thailand) Public Company Limited Group	<u>347</u>	<u>3,695</u>	Contract price
Interest income			
Bangkok Bank Public Company Limited	<u>250</u>	<u>559</u>	Interest rate based on the rate as announced by bank

<i><b>For the year ended 30 September</b></i>	2021	2020	Pricing Policies
	<i>(in thousand Baht)</i>		
Income from rental and service guarantees			
Frasers Property (Thailand) Public Company Limited Group	<u><b>61,946</b></u>	<u><b>11,711</b></u>	Contractually agreed prices
Other income			
Frasers Property (Thailand) Public Company Limited Group	<u><b>21</b></u>	<u><b>69</b></u>	Market prices
<b>Expenses</b>			
Trust management fee			
Frasers Property (Thailand) Public Company Limited Group	<u><b>395,474</b></u>	<u><b>374,644</b></u>	Contractually agreed prices (see note 13)
Commission fee from purchase of investment properties recognised as cost of investment in properties			
Frasers Property (Thailand) Public Company Limited Group	<u><b>-</b></u>	<u><b>35,333</b></u>	Contractually agreed prices (see note 13)
Trustee fee			
BBL Asset Management Company Limited	<u><b>21,047</b></u>	<u><b>19,793</b></u>	Contractually agreed prices (see note 13)
Common area service fee			
Frasers Property (Thailand) Public Company Limited Group	<u><b>33,971</b></u>	<u><b>31,573</b></u>	Contractually agreed prices
Repair and maintenance expenses			
Frasers Property (Thailand) Public Company Limited Group	<u><b>17,937</b></u>	<u><b>17,596</b></u>	Contractually agreed prices
Utility expenses			
Frasers Property (Thailand) Public Company Limited Group	<u><b>62</b></u>	<u><b>36</b></u>	Contractually agreed prices
Rental expenses			
Frasers Property (Thailand) Public Company Limited Group	<u><b>-</b></u>	<u><b>8,892</b></u>	Contractually agreed prices
Other service expenses			
Frasers Property (Thailand) Public Company Limited Group	<u><b>3,269</b></u>	<u><b>2,771</b></u>	Market prices
Finance cost			
Bangkok Bank Public Company Limited	49,652	25,495	Contract price
Frasers Property (Thailand) Public Company Limited Group	<u><b>5,877</b></u>	<u><b>-</b></u>	Incremental borrowing rate
<b>Total</b>	<u><b>55,529</b></u>	<u><b>25,495</b></u>	

Balances as at 30 September 2021 and 2020 with related parties were as follows:

	2021	2020
	<i>(in thousand Baht)</i>	
<b><i>Cash and cash equivalents</i></b>		
Bangkok Bank Public Company Limited	<u>144,948</u>	<u>109,540</u>
<b><i>Accrued rental and service receivables</i></b>		
Frasers Property (Thailand) Public Company Limited Group	<u>2,282</u>	<u>6,552</u>
<b><i>Accrued interest income</i></b>		
Bangkok Bank Public Company Limited	<u>53</u>	<u>43</u>
<b><i>Other receivables</i></b>		
TICON Industrial Growth Leasehold Property Fund	<u>1,620</u>	<u>1,620</u>
<b><i>Prepaid rental expense</i></b>		
Frasers Property (Thailand) Public Company Limited Group	<u>-</u>	<u>2,238</u>
<b><i>Short-term loans</i></b>		
Bangkok Bank Public Company Limited	<u>-</u>	<u>2,856,154</u>
<b><i>Accrued trust management fee</i></b>		
Frasers Property (Thailand) Public Company Limited Group	<u>35,580</u>	<u>44,276</u>
<b><i>Accrued trustee fee</i></b>		
BBL Asset Management Company Limited	<u>1,805</u>	<u>1,720</u>
<b><i>Accrued expenses</i></b>		
Frasers Property (Thailand) Public Company Limited Group	<u>10,275</u>	<u>14,115</u>
<b><i>Accrued interest expense</i></b>		
Bangkok Bank Public Company Limited	<u>7,264</u>	<u>7,912</u>
<b><i>Deposits from rental and service</i></b>		
Frasers Property (Thailand) Public Company Limited Group	<u>79</u>	<u>79</u>
<b><i>Lease liabilities</i></b>		
Frasers Property (Thailand) Public Company Limited Group	<u>183,927</u>	<u>-</u>
<b><i>Debentures</i></b>		
Bangkok Bank Public Company Limited	<u>377,400</u>	<u>443,800</u>
<b><i>Commitments with related party</i></b>		
<b><i>Future minimum lease payments required under non-cancellable common service contract (2020: land sub-lease and common service contracts)</i></b>		
Within 1 year	5,519	28,437
After 1 year but within 5 years	-	43,542
After 5 years	-	222,620
<b>Total</b>	<u>5,519</u>	<u>294,599</u>

The Trust entered into common service agreement with a related party for period of 3 years which will expire in December 2021.

The Trust purchased properties from related parties. See significant agreements with related parties in note 7.

## 15 Trust unitholders' equity

	2021		2020	
	Number	Amount	Number	Amount
	<i>(in thousand unit/ thousand Baht)</i>		<i>(in thousand unit/ thousand Baht)</i>	
<b>Capital from trust unitholders</b>	<b>3,063,387</b>	<b>31,118,590</b>	<b>2,822,387</b>	<b>28,313,422</b>
Trust units at 1 October 2020 / 2019	2,822,387	28,313,422	2,602,387	25,173,623
Issue new trust units	241,000	2,805,168	220,000	3,139,799
<b>Trust units at 30 September</b>	<b>3,063,387</b>	<b>31,118,590</b>	<b>2,822,387</b>	<b>28,313,422</b>

On 25 January 2021, the Trust has increased capital by 241,000,000 units to the general public who are existing trust unitholder with the par value at Baht 9.5363 per unit and the offering price at Baht 11.70 per unit totalling Baht 2,819.70 million with cost relating to the issuance of trust unit amounting to Baht 14.53 million.

On 24 January 2020, the Trust has increased capital by 220,000,000 units to the general public who are existing trust unitholder with the par value at Baht 9.5363 per unit and the offering price at Baht 14.30 per unit totalling Baht 3,146.00 million with cost relating to the issuance of trust unit amounting to Baht 6.20 million.

## 16 Distribution to trust unitholders

During the year ended at 30 September 2021 and 2020, the Trust has distributed dividends to trust unitholders as follows:

For the year ended 30 September 2021				
The operation for the period	Approval date	Payment date	Dividend rate per unit <i>(in Baht)</i>	Amount <i>(in thousand Baht)</i>
1 July 2020 - 30 September 2020	4 November 2020	2 December 2020	0.1680	474,161
1 October 2020 - 31 December 2020	2 February 2021	3 March 2021	0.1680	514,649
1 January 2021 - 31 March 2021	5 May 2021	2 June 2021	0.1680	514,649
1 April 2021 - 30 June 2021	2 August 2021	1 September 2021	0.1690	517,712
				<b>2,021,171</b>
For the year ended 30 September 2020				
The operation for the period	Approval date	Payment date	Dividend rate per unit <i>(in Baht)</i>	Amount <i>(in thousand Baht)</i>
1 July 2019 - 30 September 2019	13 November 2019	11 December 2019	0.1670	434,599
1 October 2019 - 31 December 2019	11 February 2020	11 March 2020	0.1670	471,338
1 January 2020 - 31 March 2020	11 May 2020	8 June 2020	0.1670	471,339
1 April 2020 - 30 June 2020	5 August 2020	3 September 2020	0.1670	471,339
				<b>1,848,615</b>



## 17 Information on investment purchase and sale transactions

The Trust purchased and sold investments during the year ended to 30 September 2021, excluding bank deposits, amounted to Baht 3,614.98 million which is 7.39% of the average net asset values during the year (2020: Baht 4,998.94 million which was 7.07% of the average net asset values during the year).

## 18 Commitment with non-related party

	2021	2020
	<i>(in thousand Baht)</i>	
<b><i>Future minimum lease payments under non-cancellable common service contracts</i></b>		
Within 1 year	1,680	-
After 1 year but within 5 years	6,720	-
After 5 years	22,121	-
<b>Total</b>	<b>30,521</b>	<b>-</b>

The Trust entered into common service agreement with a company for period of 19 years which will expire in November 2039.

## 19 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.

## 20 Information on fair value level and fair value measurement of investment

The following table shows fair value categorised by measurement approach:

	Level 1	Level 2	Level 3	Total
	<i>(in thousand Baht)</i>			
<b><i>At 30 September 2021</i></b>				
Investment measured at fair value through profit or loss	-	300,000	-	300,000
Investments in freehold and leasehold properties at fair value	-	-	44,758,330	44,758,330
<b><i>At 30 September 2020</i></b>				
Investments measured at fair value through profit or loss	-	926,022	-	926,022
Investments in freehold and leasehold properties at fair value	-	-	41,143,608	41,143,608

The financial instruments traded in non-active markets and measured at obviously quoted market prices, buying and selling prices offered by traders or optional price references with supporting observable data will be categorised as level 2. These financial instruments comprised bank deposits.

Investment in freehold and leasehold properties at fair value categorised in level 3 have significant unobservable data as they are not actively traded.

## **21 Events after the reporting period**

At Board of Directors Meeting of the REIT Manager held on 5 November 2021, the Board resolved to propose to the annual general meeting of trust unitholders of the trust in January 2022 to consider to approve the capital increase of the Trust by means of a general mandate through issuance of trust unit totalling of not exceeding 919,016,114 units.

At the Board of Directors Meeting of the REIT Manager held on 5 November 2021, the Board approved the appropriation of distribution of Baht 0.1690 per unit, totalling Baht 517.71 million. Such distribution will be paid to trust unitholders in December 2021.



▲ Frasers Property Logistics Center (Bangplee 2), Samut Prakan

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## **REIT Manager**

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## **Securities Registrar**

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