



# ANNUAL REPORT 2018

**Hemaraj Leasehold  
Real Estate Investment Trust**

ทรัสต์เพื่อการลงทุนในสิทธิการเช่า  
อสังหาริมทรัพย์เหมราช



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# Message from the REIT Manager

2018 is the year of development and achievement of HREIT from the growth of investment in additional assets exceed two thousand million Baht and consistently distribution to every trust unitholders.

In 2018, HREIT has invested in additional assets twice, in January and December, totalling Baht 2,066.85 million Baht in the form of leasing rights to land, Ready-Built Factory and Ready-Built Warehouse for 30 years with a renewal leasing period of another 30 years, a total leasing year of 60 years. After the aforementioned additional investments, HREIT has an invested property value of Baht 10,041.84 million located in seven industrial estate projects / industrial operation areas / industrial land / logistics park in Rayong, Chonburi and Saraburi, a total leasing area of 332,505 square meters divided into 230,984 square meters of Ready Built Factory and 101,521 square meters of ready built warehouse.

Over the past year, HREIT had a total investment income of Baht 726.04 million, and its net investment income of Baht 526.91 million. In 2018, HREIT has declared four payments of distribution in the form of dividend and capital reduction totalling Baht 0.7620 or 8.58 percent of the par value at the end of the year 2018 (Baht 8.8798 per unit trust) , consisted of dividend of Baht 0.1684 per

unit trust and capital decrease of Baht 0.5936 per unit trust, which reflects the efficiency in the management of the trust.

**WHA Industrial REIT Management Co.,Ltd., as the REIT Manager,** would like to thanks every HREIT trust unit holders for entrusting the Company in managing their assets. The Company is attempt to seek an opportunity of new investments and is determined to manage the best of its ability for its sustainable growth in order to generate benefits continuously and return them to the Trust unit holders

Sincerely yours,

**REIT Manager**

**WHA Industrial REIT Management Co.,Ltd**

## 1. Summary of The REIT

### 1.1 Summary of the REIT

|                  |   |                                                   |
|------------------|---|---------------------------------------------------|
| REIT Name        | : | Hemaraj Leasehold Real Estate Investment Trust    |
| Abbreviation     | : | HREIT                                             |
| REIT Manager     | : | WHA Industrial REIT Management Company Limited    |
| Trustee          | : | SCB Asset Management Company Limited              |
| Property Manager | : | WHA Industrial Development Public Company Limited |
| Term of the REIT | : | Indefinite                                        |
| Paid-up Capital  | : | Baht 6,239,250,423.26                             |
| Type of the REIT | : | Unit trust is not redeemable                      |

Any investors who wish to know further detail information please see Form 56-REIT1 in [www.sec.or.th](http://www.sec.or.th) or [www.hemarajreit.com](http://www.hemarajreit.com)

## 1.2 Summary of Investment Assets

The Trust invest in the assets for the type of leasehold properties which including land, ready build factory and ready built warehouse are located in industrial estate 3 project, Industrial Land 1 project and Logistics Park 3 project as follows :

| Project / Industrial Estate                          | Detail of Investment Assets <sup>/1</sup> |                        |                 |                     | Investment Date                    | Valuation Date               | Value Invested by the REIT <sup>/2</sup> | Asset Valuation*                   |
|------------------------------------------------------|-------------------------------------------|------------------------|-----------------|---------------------|------------------------------------|------------------------------|------------------------------------------|------------------------------------|
|                                                      | Size of Land ( Rai - Ngan - Sq.Wah)       | Building Area ( sq.m.) | Number of units | Rooftop Area (sq.m) |                                    |                              |                                          |                                    |
| WHA Eastern Seaboard Industrial Estate 1 (WHA ESIE1) | 144-1-35.18                               | 127,508                | 32              | 68,419              | 23 November 2016<br>4 January 2018 | 15 June 2018<br>9 March 2018 | 3,706,795,960.79<br>555,810,773.83       | 3,358,950,000.00<br>546,183,000.00 |
| Eastern Seaboard Industrial Estate (Rayong) (ESIE)   | 45-0-25.4                                 | 57,752                 | 41              | 30,082              | 23 November 2016<br>4 January 2018 | 15 June 2018<br>9 March 2018 | 1,363,364,874.95<br>451,357,776.56       | 1,263,640,000.00<br>33,730,328.00  |
| WHA Chonburi Industrial Estate 1 (WHA CIE 1)         | 18-0-29.3                                 | 17,712                 | 19              | 9,072               | 23 November 2016<br>4 January 2018 | 15 June 2018<br>9 March 2018 | 508,371,102.91<br>57,393,503.82          | 472,170,000.00<br>56,562,000.00    |
| WHA Saraburi Industrial Land (WHA SIL)               | 26-0-94                                   | 28,012                 | 16              | 14,861              | 4 January 2018<br>24 December 2018 | 9 March 2018<br>-            | 358,192,698.34<br>477,000,000.00         | 353,600,000.00<br>-                |
| WHA Logistics Park 1 (WHA LP 1)                      | 10-1-75                                   | 16,820                 | 2               | 9,936               | 23 November 2016                   | 15 June 2018                 | 425,780,817.64                           | 393,670,000.00                     |
| WHA Logistics Park 2 (WHA LP 2)                      | 39-2-58                                   | 50,996                 | 11              | 28,440              | 23 November 2016                   | 15 June 2018                 | 1,310,894,761.88                         | 1,194,010,000                      |
| WHA Logistics Park 4 (WHA LP 4)                      | 20-1-37.5                                 | 33,705                 | 10              | 18,838              | 23 November 2016<br>4 January 2018 | 15 June 2018<br>9 March 2018 | 659,783,899.20<br>167,092,998.65         | 610,940,000.00<br>162,944,000.00   |
| <b>Total</b>                                         | <b>301-1-93</b>                           | <b>332,505</b>         | <b>131</b>      | <b>179,648</b>      |                                    |                              | <b>10,041,839,168.57</b>                 |                                    |

Remarks: <sup>/1</sup> Usable rooftop area

<sup>/2</sup> Investment value excluding transaction cost

### 1.3 Beneficiary of the Investment Asset

The Company, as the REIT Manager, has objective to provide appropriate distribution from investment sustainably in the long run for unitholders. After the REIT invested in the said leasehold in property from WHA Industrial Development Public Company Limited, Eastern Seaboard Industrial Estate (Rayong) Co.,Ltd., WHA Eastern Seaboard Industrial Estate Co., Ltd., and WHA Industrial Building Co., Ltd. and has the leasehold rights in lands and factories as well as warehouses, the REIT Manager has a policy to lease out such property to lessees. The REIT Manager shall appoint Hemaraj Land and Development Public Company Limited, who has experience and expertise in managing and administering property in the type of factory and warehouse, as the Property Manager. The Property Manager shall contact and procure customers, seek companies who wish to use the service and/or rent the said property, as well as negotiate the terms with potential lessees. Moreover, the Property Manager shall be in charge of marketing and promotion by contacting targeted customer group directly or through various agents.

### 1.4 The Revenue Guarantee

- None -

### 1.5 Significant Events Regarding Operations of Trust in that Fiscal Year

Additional Assets to be invested during the year 2018 as following

#### 1.5.1 Additional Investment Assets No. 1 on 4 January 2018

| Project / Industrial Estate                             | Detail of Investment Assets            |                           |                    |                                      | Value Invested<br>by the REIT <sup>/2</sup> |
|---------------------------------------------------------|----------------------------------------|---------------------------|--------------------|--------------------------------------|---------------------------------------------|
|                                                         | Size of Land ( Rai<br>- Ngan - Sq.Wah) | Building Area<br>( sq.m.) | Number<br>of units | Rooftop <sup>/1</sup><br>Area (sq.m) |                                             |
| WHA Eastern Seaboard Industrial Estate 1<br>(WHA ESIE1) | 19-0-52.4160                           | 17,632                    | 3                  | 9,859                                | 555,810,773.83                              |
| Eastern Seaboard Industrial Estate (Rayong)<br>(ESIE)   | 13-1-78                                | 15,772                    | 7                  | 8,302                                | 451,357,776.56                              |
| WHA Chonburi Industrial Estate 1<br>(WHA CIE 1)         | 1-0-41                                 | 2,052                     | 2                  | 1,058                                | 57,393,503.82                               |
| WHA Saraburi Industrial Land<br>(WHA SIL)               | 13-0-96                                | 12,096                    | 7                  | 6,394                                | 358,192,698.34                              |
| WHA Logistics Park 4<br>(WHA LP 4)                      | 4-1-78.5                               | 7,579                     | 2                  | 4,268                                | 167,092,998.65                              |
| <b>Total</b>                                            | <b>51-1-45.9160</b>                    | <b>55,131</b>             | <b>21</b>          | <b>29,881</b>                        | <b>1,589,847,751.20</b>                     |

Remarks <sup>/1</sup> Usable rooftop area

<sup>/2</sup> Investment value excluding transaction cost

### 1.5.2 Additional Investment Assets No. 2 on 24 December 2018

| Project / Industrial Estate            | Detail of Investment Assets        |                       |                 |                                   | Value Invested <sup>/2</sup><br>by the REIT |
|----------------------------------------|------------------------------------|-----------------------|-----------------|-----------------------------------|---------------------------------------------|
|                                        | Size of Land (Rai - Ngan - Sq.Wah) | Building Area (sq.m.) | Number of units | Rooftop Area (sq.m) <sup>/1</sup> |                                             |
| WHA Saraburi Industrial Land (WHA SIL) | 12-3-98                            | 15,916                | 9               | 8,467                             | 477,000,000.00                              |
| <b>Total</b>                           | <b>12-3-98</b>                     | <b>15,916</b>         | <b>9</b>        | <b>8,467</b>                      | <b>477,000,000.00</b>                       |

Remarks <sup>/1</sup> Usable rooftop area

<sup>/2</sup> Investment value excluding transaction cost

## 1.6 Borrowings Policy

With respect to the investment of the Main Asset, part of the funding for this came from loans that HREIT obtained from the Commercial Bank in Thailand, which will be a loans of Baht 3,320 million

| Lender                                      | Amount<br>(Million Baht)<br>Principle | Loans and Credit Repayment                                                                                                         |
|---------------------------------------------|---------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|
| Siam Commercial Bank Public Company Limited | 2,325                                 | Facility : Baht 2,325 million long-term loan<br>1 <sup>st</sup> time : To support the first time investment in asset               |
| Siam Commercial Bank Public Company Limited | 575                                   | Facility : Baht 575 million long-term loan<br>2 <sup>nd</sup> time : To support the 1 <sup>st</sup> additional investment in asset |
| CIMB Thai Bank Public Company Limited       | 420                                   | Facility : Baht 420 million long-term loan<br>3 <sup>rd</sup> time : To support the 2 <sup>st</sup> additional investment in asset |

## 1.7 Historical record of the Distribution Payments

The REIT made a distribution payment for 2018. totally of Baht 0.1684 per unit trust. The distribution rate totally 1.90 percent of the par value as of 31 December 2018 (par value Baht 8.8798 per unit trust) or 2.51 percent of the market price as of 28 December 2018 (market price Baht 6.7000 per trust unit)

| No. | Operation Period                   | Payment Date  | Distribution Payment |
|-----|------------------------------------|---------------|----------------------|
| 1   | 21 November 2016 – 31 March 2017   | 31 May 2017   | 0.2647               |
| 2   | 01 October 2018 – 31 December 2018 | 26 March 2019 | 0.1684               |

## 1.8 Historical Record of Capital Reduction

The REIT made 4 times of capital reduction in 2018 totaling Baht 0.5936 per unit trust or 6.68 percent of the par value as of 31 December 2018 (par value Baht 8.8798 per unit trust) or 8.86 percent of the market price as of 28 December 2018 (market price Baht 6.7000 per unit trust)

| No. | Payment Date      | Amount | Par Value after Capital Reduction |
|-----|-------------------|--------|-----------------------------------|
| 1   | 31 August 2017    | 0.1862 | 9.8138                            |
| 2   | 30 November 2017  | 0.1903 | 9.6235                            |
| 3   | 20 December 2017  | 0.0968 | 9.5267                            |
| 4   | 13 March 2018     | 0.0759 | 9.4508                            |
| 5   | 31 May 2018       | 0.1890 | 9.2618                            |
| 6   | 11 September 2018 | 0.1910 | 9.0708                            |
| 7   | 21 December 2018  | 0.1910 | 8.8798                            |
| 8   | 26 March 2019     | 0.0226 | 8.8572                            |

In 2018, The REIT has declared four payments of distribution in the form of dividend and capital reduction totaling Baht 0.7620 or 8.58 percent of the par value at the end of the year 2018 (Baht 8.8798 per unit trust) or 11.37 percent of the market price as of 28 December 2018 (Baht 6.7000 per unit trust)

## 1.9 Fee and Expenses Payable by The REIT

In 2018, The REIT had total expenses Baht 199.13 million which increased of Baht 47.65 million from previous year or 31.46 percent. Such expenses mostly incurred from interest expenses totaling Baht 117.98 million or 59.25 percent

| Fee and Expenses                                                        | 2018 (Unit : Baht)    |
|-------------------------------------------------------------------------|-----------------------|
| Management Fee                                                          | 14,442,615.24         |
| Trustee Fee                                                             | 14,442,615.24         |
| Registrar Fee                                                           | 2,185,264.31          |
| Property Management Fee                                                 | 20,815,491.63         |
| Other Expenses                                                          | 29,266,141.94         |
| Interest Expenses                                                       | 117,977,621.84        |
| <b>Total Expenses</b>                                                   | <b>199,129,750.20</b> |
| <b>Ratio of total expense to average net assets during the year (%)</b> | <b>1.33</b>           |

## 1.10 The REIT Manager's Management Discussion and Analysis

In 2018 the REIT had total investment income of Baht 726.04 million which increased of Baht 149.21 million or 25.87 percent from the previous year. Net investment income of Baht 526.91 million which increased of Baht 101.56 million or 23.88 percent from the previous year. They are mainly from additional investment in assets at 4 January 2018 and 24 December 2018

## 1.11 Risk Factors

- 1) Risk due to the REIT or operation of the REIT is the risk that caused the REIT's performance may not perform as expected such as risk arisen from provision of rental renewal term, risk due to conflict of interest, risk from counterparties may do not comply with related agreements in term of investments, risk which may happen due to the REIT getting loans, Risks which may happen when the REIT provides lessee with lower rental to compensate income during rental compensation period and the REIT may encounter risks which cannot find lessees after the end of rental compensation period according to contract.
- 2) Risks related to properties which the REIT has invested is the risks that could occurred to the investment assets and impact the expected performance such as risk in loss due to impairment of property and the REIT shall decrease capital in order to pay return of investment to unitholders, Risks due to investment in right of leasing real estate which the value shall be reduced according to the remained lease term, Risks due to Land Use and Operation Permit in industrial estate, The trust may be negatively affected by lack of liquidity from investment in real estate and lack of other options to benefit from the trust's main properties.
- 3) Risks Related to Real-Estate Investments is the risks that could occurred to the investment assets and impact the expected performance such as political risks, changes in related accounting or legal standards, risks from natural disasters, floods and disasters

## 2. The REIT

|                  |   |                                                   |
|------------------|---|---------------------------------------------------|
| REIT Name        | : | Hemaraj Leasehold Real Estate Investment Trust    |
| Abbreviation     | : | HREIT                                             |
| REIT Manager     | : | WHA Industrial REIT Management Company Limited    |
| Trustee          | : | SCB Asset Management Company Limited              |
| Property Manager | : | WHA Industrial Development Public Company Limited |
| Term of the REIT | : | Indefinite                                        |
| Paid-up Capital  | : | Baht 6,239,250,423.26                             |
| Type of the REIT | : | Unit trust is not redeemable                      |

### 3. Policy, Business' Overview, and Benefits

#### 3.1 Objective of the REIT

Hemaraj Leasehold Real Estate Investment Trust ("REIT" of "Trust") is incorporated in accordance with the Trust for Transactions in the Capital Market Act, B.E. 2550 on 21 November 2016 with SCB Asset Management Co., Ltd. acting as the trustee of the REIT and WHA Industrial REIT Management Co., Ltd. ("Company") acting as the REIT Manager.

The REIT is incorporated to undertake the transactions in the capital market in accordance with the notification of the Securities Exchange Commission with the objective to issue the real estate investment trust (REIT) units for sale to the public. The REIT Manager as the REIT settlor submitted an application to list the securities with the Stock Exchange of Thailand and the Stock Exchange of Thailand accepted the securities and listed them with abbreviated name "HREIT". The sale and purchase transactions made in the Stock Exchange of Thailand, Section: Real estate investment fund and real estate investment trust, Group: Real estate and construction on 28 November 2016.

The REIT has a policy to invest in main asset in the type of property or leasehold in property (including sub-leasehold in property), and asset which is component or accessory of the said property. The category of assets such as

##### **3.1.1 The letting of land and/or Ready-Built warehouse, distribution center or factory located in the following areas;**

- 1) Industrial estate, industrial zone or industrial park which is established, invested in and/or developed by WHA Industrial Development Public Company Limited and/or WHA Industrial Development Public Company Limited's Subsidiaries ("WHAID") (collectively referred to as "Industrial Area")
- 2) Area developed by WHAID which is adjacent to the Industrial Area. If not adjacent to Industrial Areas, it means the area neighboring or surrounding the Industrial Area, in order to support or promote the Ready-Built warehouse, distribution center or factory business thereof within WHAID Industrial Area;
- 3) Area other than those specified in 1) and 2) in which WHAID have exclusive ownership or possessory right or joint ownership or a possessory right with or WHAID Subsidiaries before 13 October 2015 and still consistently holds such ownership or possessory right whereby the said area is qualified for industrial operation under the city planning laws.

In this regards, such area must only be the area specified in the documents already disclosed to the Trustee and the REIT Manager of WHART and HREIT only.

**3.1.2 The rooftop area or any part of such buildings in the said 3.1.1; and**

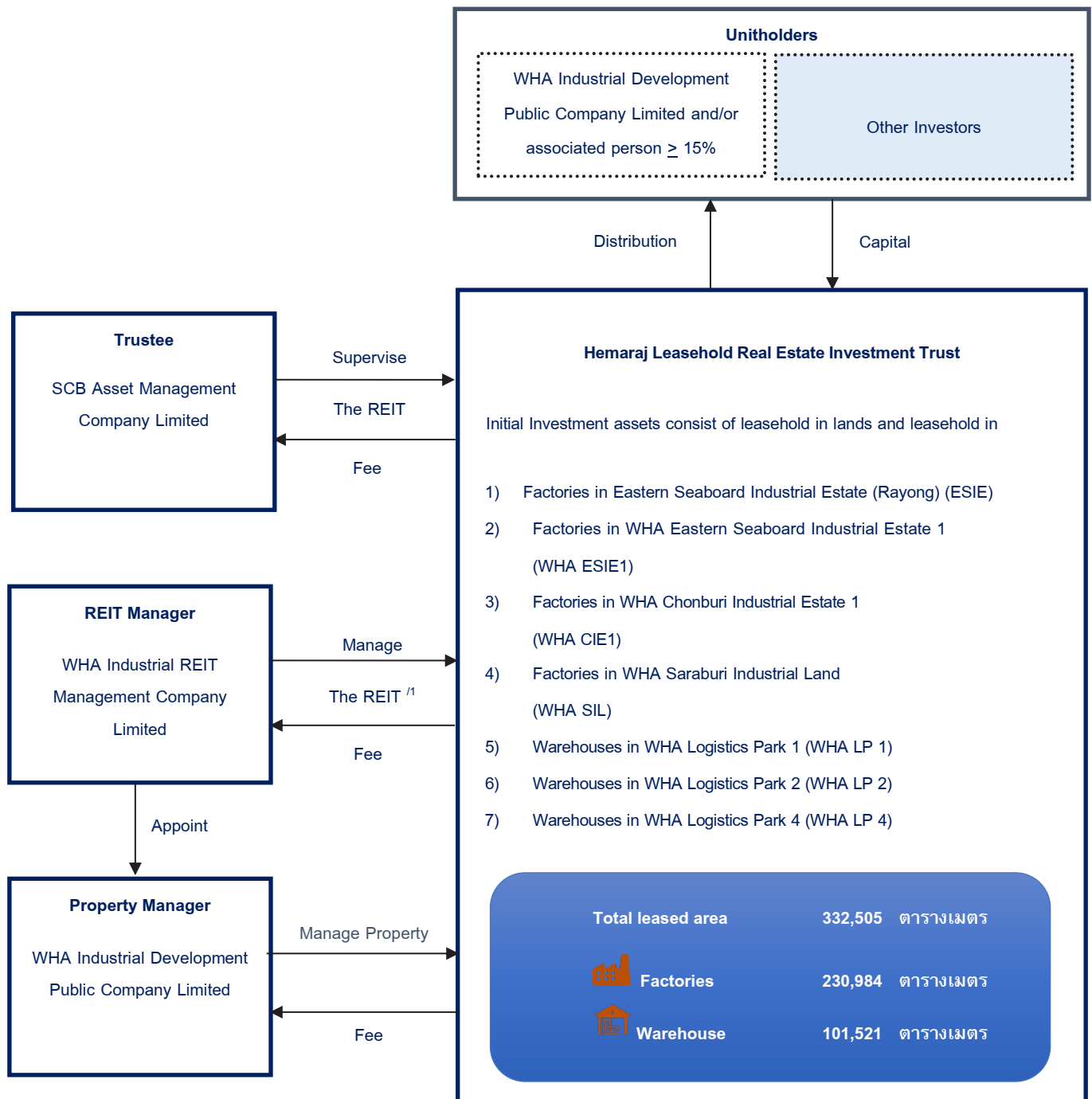
**3.1.3** Other immovable property relating to the supporting and promoting of the property development and leasing business, relating to the said properties in 3.1.1 and 3.1.2 and other property which may support the investment in the Trust's immovable property in relation to the said property in 3.1.1 and 3.1.2.

### **3.2 Significant Change and Development**

According to the meeting of Board of Director 1/2018 on 19 February 2018, Mr. Paeree Ichayapreug was appointed as Managing Director of WHA Industrial REIT Management, which replaced the resignation of Ms. Kanchana Ouaoborm.

### 3.3 REIT Structure

#### 3.3.1 REIT Structure



<sup>/1</sup> Manage the REIT under Trust Deed Agreement

### 3.3.2 Relationship with the Property Manager or Major Shareholders.

As of 31 December 2018 WHA Industrial Development PCL. is major shareholders by holding 15 percent of total unit trust.

Although WHA Industrial Development PCL. is the major shareholders and The Property Manager, and its subsidiary – WHA industrial REIT Management Co., Ltd. as The REIT Manager. However, The REIT has policy and procedure to appoint the Property Manager by concerning the best benefits to Unitholders as indicated in **No. 10 REIT Management**

### 3.3.3 Management under the terms and conditions of the Trust Deed.

WHA Industrial REIT Management Co., Ltd. as The REIT Manager operate under the terms and condition of the Trust Deed. Unitholders may contact the REIT Manager or Trustee during office hours to reach the Trust Deed.

## 3.4 Details of Assets

### 3.4.1 General Information

The REIT is invested in 30 years leasehold rights with the right to renewal additional 30 years. In Ready Built Factory and Ready Built Warehouse

In 2016, the REIT has established and has initial investment at 23 November 2017 with net leasable area of 261,458 sq.m. in Chonburi province and Rayong province.

In 2018, the REIT has invested in additional asset investment twice to enhance benefits to the REIT and Unitholders by increasing rental and service income, increase diversification of tenant profile, reduce concentration risk of major tenants. The REIT manager expect that return on such investments are reasonably investment. Details as follow;

- 1) 4 January 2018, The REIT invested in additional asset investment No. 1 with net leasable area of 55,131 sq.m. in Chonburi province, Rayong province, and Saraburi province from WHA Eastern Seaboard Industrial Estate (Rayong) Co., Ltd. , WHA Eastern Seaboard Industrial Estate Co., Ltd. and WHA Industrial Building Co., Ltd. totaling Baht 1,589,847,751 by issuing unit trust and borrowing from financial institution Value of the assets as follow:

| Appraised Value <sup>/1</sup>                                                                                   | TAP Valuation Co., Ltd. | 15 Business Advisory Limited |
|-----------------------------------------------------------------------------------------------------------------|-------------------------|------------------------------|
| Based on Income Approach <sup>/2</sup>                                                                          | 1,545,070,000           | 1,537,000,000                |
| Based on Replacement Cost (million Baht) (before deduction depreciation and excluding land and foundation cost) | 640.65                  | 480.28                       |

Remarks: <sup>/1</sup> Information of Appraised Value of TAP Valuation Co., Ltd. was made as of 21, 23 March 2017 and 15 Business Advisory Limited was made as of 1 May 2017.

<sup>/2</sup> Appraisal value by discounted cashflow as of 1 January 2018 which is the REIT's expected investment date

- 2) 24 December 2018, The REIT invested in additional asset investment No. 2 with net leasable area of 15,916 sq.m. in Saraburi province from WHA Industrial Building Co., Ltd. totaling Baht 477,000,000 by borrowing from financial institution and internal cashflow. Value of the assets as follow:

| Appraised Value <sup>/1</sup>                                                                                   | Siam City Appraisal Co., Ltd. | บจก. ทีเอพี แวลูเอชั่น |
|-----------------------------------------------------------------------------------------------------------------|-------------------------------|------------------------|
| Based on Income Approach <sup>/2</sup>                                                                          | 464,150,000                   | 460,790,000            |
| Based on Replacement Cost (million Baht) (before deduction depreciation and excluding land and foundation cost) | 162.66                        | 200.15                 |

Remarks: <sup>/1</sup> Information of Appraised Value of Siam City Appraisal Co., Ltd. was made as of 3 September 2018 and TAP Valuation was made as of 18 September 2018.

<sup>/2</sup> Appraisal value by discounted cashflow as of 1 January 2018 which is the REIT's expected investment date

### Map of location of the REIT's investment asset



### 3.4.2 Type of Assets

#### 1) Ready-Built Factories - Detached Building

Detached Building is single-storey building with mezzanine floor to be used as offices overlooking the operation area. The roof is made of metal sheet with insulation and roof ridge ventilator. Construct in a fenced areas with guard towers and a parking space for loading and unloading goods. Moreover, the building was developed as a standard, but can be adapted to serve the needs of each tenant. With a Plus Engineering Structure, "Detached" in large models are designed to allow future expansion to either side-way or back-way without key structural change. Consequently, the expansion can be done while manufacturing process remains uninterrupted. Most Detached buildings area range from 2,500 to 6,000 sq.m. with 32-60 meters wide and 70-124 meters in depth. The floor is made with reinforced concrete slab with maximum live load of 3.5 – 5.0 ton per sq.m.

The external appearance of Ready-Built Factories - Detached Building



The internal appearance of Ready-Built Factories - Detached Building



## 2) Ready-Built Factories - Attached Building

Ready-Built Factories - Attached Building are a roll of factories sharing the wall to the next-door neighbors. The factory is covered with metal sheet roof with the supporting of painted steel truss. Most Attached buildings area range from 500 to 2,500 sq.m, has a width of about 12-48 meters and 24-72 meters in length. The floor is made with reinforced concrete slab with maximum live load of 3.5 – 5.0 ton per sq.m. The buildings are equipped with high soaring truck entrance with rolling shutter door which allow easy access for trucks and containers. Mezzanine floor can be used as an office with utilities including electricity, water supply in placed.

### The external appearance of Ready-Built Factories - Attached Building



### The internal appearance of Ready-Built Factories - Attached Building



### 3) Ready-Built Warehouses

Ready-Built Warehouses are located in strategic location which is suitable for distribution center and logistics. Warehouse are designed to serve the handling and distribution strategy of modern warehouse and logistics companies. The building design takes into account the distance of the pole. The building has a width of about 32 -34 meters and in length of 96-118 meters. The buildings are resistant applications with maximum live load of 5.0 tons per sq.m. The building height of 9 meters allows easy access for trucks and containers. The warehouse building was designed to be a gateway for cargo handling with leveling slope suitable for logistics vehicle.

The external appearance of Ready-Built Warehouses



The internal appearance of Ready-Built Warehouses



### 3.4.3 REIT's Investment Assets

#### 1) By asset type

| ประเภททรัพย์สิน                                                                   | Factory                                                                                                                                       |                                                                                                                                            | Warehouse                       |                                                         |
|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|---------------------------------------------------------|
|                                                                                   | Leasehold in land and building for 30 years from the commencement date of lease period and the right to extend the lease for another 30 years |                                                                                                                                            |                                 |                                                         |
| Nature of the REIT's asset acquisition (overview)                                 | Land                                                                                                                                          | Total area of approximately 233 Rais 2 Ngans 83.88 Sq.Wah                                                                                  | Land                            | Total area of approximately 70 Rai 1 Ngans 70.50 Sq.Wah |
|                                                                                   | Building                                                                                                                                      | 108 Units – Total building Area 230,984 Sq.m.                                                                                              | Building                        | 23 Units – Total building Area of 101,521 Sq.m.         |
| Nature of the REIT's asset acquisition (separated by project / industrial estate) | WHA Eastern Seaboard Industrial Estate 1 (WHA ESIE1)                                                                                          | Total 32 units (127,508 Sq.m.) comprised of 22 Units of Detached Building (110,084 Sq.m.) and 10 Units of Attached Building (17,424 Sq.m.) | WHA Logistics Park 1 (WHA LP 1) | Total 2 Units (16,820 Sq.m.)                            |
|                                                                                   | Eastern Seaboard Industrial Estate (Rayong) (ESIE)                                                                                            | Approximately 68,416 Sq.m. of usable roof area                                                                                             | WHA Logistics Park 2 (WHA LP 2) | approximately 9,936 Sq.m. of usable roof area           |
|                                                                                   |                                                                                                                                               | Total 41 Units (57,752 Sq.m.) comprised of 4 Units of Detached Building (20,694 Sq.m.) and 37 Units of Attached Building (27,230 Sq.m.)    |                                 | Total 11 Units (50,996 Sq.m.)                           |
|                                                                                   |                                                                                                                                               | Approximately 30,083 Sq.m. of usable roof area                                                                                             |                                 | approximately 28,440 Sq.m. of usable roof area          |
|                                                                                   | WHA Chonburi Industrial Estate 1 (WHA CIE 1)                                                                                                  | Total 19 Units of Attached Building (17,712 Sq.m.)                                                                                         | WHA Logistics Park 4 (WHA LP 4) | Total 10 Units (33,705 Sq.m.)                           |
|                                                                                   |                                                                                                                                               | Approximately 9,073 Sq.m. of usable roof area                                                                                              |                                 | approximately 18,839 Sq.m. of usable roof area          |
| Average age of building <sup>1)</sup> (year)                                      | WHA Saraburi Industrial Land (WHA SIL)                                                                                                        | Total 16 units (28,012 Sq.m.) comprised of 3 units of Detached Building (11,200 Sq.m.) and 13 units of Attached Building (16,812 Sq.m.)    |                                 |                                                         |
|                                                                                   |                                                                                                                                               | Approximately 14,861 Sq.m. of usable roof area                                                                                             |                                 |                                                         |
|                                                                                   |                                                                                                                                               | 6.58                                                                                                                                       |                                 | 5.15                                                    |
|                                                                                   |                                                                                                                                               |                                                                                                                                            |                                 | 6.14                                                    |

Remark <sup>1)</sup> Information as of 31 December 2018

## 2) By investment asset

Ready Built Factory - Detached Building

| No. | Project / Industrial Estate                          | Land Plot No. | Building Area Approximately (sq.m.) | Details of Factory                                                                | Investment Date | Land Title Deed No. | Size of Land Approximately |      |        | Building Age Approximately (Years) | Type of Investment |          |
|-----|------------------------------------------------------|---------------|-------------------------------------|-----------------------------------------------------------------------------------|-----------------|---------------------|----------------------------|------|--------|------------------------------------|--------------------|----------|
|     |                                                      |               |                                     |                                                                                   |                 |                     | Rai                        | Ngan | Sq.Wah |                                    | Land               | Building |
| 1   | WHA Eastern Seaboard Industrial Estate 1 (WHA ESIE1) | FZ.11         | 3,900                               | Single-Storey, Reinforced Concrete and Steel Structure Building, 1 Building       | 23 Nov 16       | 17029               | 4                          | 2    | 82.08  | 10.44                              | Partial Lease      | Lease    |
| 2   | WHA Eastern Seaboard Industrial Estate 1 (WHA ESIE1) | FZ.12         | 3,900                               | Single-Storey, Reinforced Concrete and Steel Structure Building, 1 Building       | 23 Nov 16       | 17028               | 4                          | 2    | 82.08  | 10.25                              | Partial Lease      | Lease    |
| 3   | WHA Eastern Seaboard Industrial Estate 1 (WHA ESIE1) | FZ.21         | 11,476                              | Single-Storey, Reinforced Concrete Building, 1 Building                           | 4 Jan 18        | 17031               | 12                         | 0    | 67.10  | 8.59                               | Partial Lease      | Lease    |
| 4   | WHA Eastern Seaboard Industrial Estate 1 (WHA ESIE1) | FZ.25         | 5,640                               | Reinforced Concrete and Steel Structure Building with mezzanine floor, 1 Building | 23 Nov 16       | 17035               | 6                          | 0    | 92.40  | 5.32                               | Partial Lease      | Lease    |
| 5   | WHA Eastern Seaboard Industrial Estate 1 (WHA ESIE1) | FZ.26         | 5,280                               | Single-Storey, Reinforced Concrete Building, 1 Building                           | 23 Nov 16       | 17036               | 7                          | 2    | 60.80  | 6.63                               | Partial Lease      | Lease    |

| No. | Project / Industrial Estate                          | Land Plot No. | Building Area Approximately (sq.m.) | Details of Factory                                                                               | Investment Date | Land Title Deed No. | Size of Land Approximately |      |        | Building Age Approximately (Years) | Type of Investment |          |
|-----|------------------------------------------------------|---------------|-------------------------------------|--------------------------------------------------------------------------------------------------|-----------------|---------------------|----------------------------|------|--------|------------------------------------|--------------------|----------|
|     |                                                      |               |                                     |                                                                                                  |                 |                     | Rai                        | Ngan | Sq.Wah |                                    | Land               | Building |
| 6   | WHA Eastern Seaboard Industrial Estate 1 (WHA ESIE1) | FZ.27A        | 3,820                               | Single-Storey, Reinforced Concrete and Steel Structure Building, 1 Building                      | 23 Nov 16       | 17015               | 4                          | 1    | 96.40  | 9.70                               | Partial Lease      | Lease    |
| 7   | WHA Eastern Seaboard Industrial Estate 1 (WHA ESIE1) | FZ.29         | 6,120                               | Single-Storey, Reinforced Concrete and Steel Structure Building with mezzanine floor, 1 Building | 23 Nov 16       | 17013               | 7                          | 3    | 74.80  | 5.62                               | Partial Lease      | Lease    |
| 8   | WHA Eastern Seaboard Industrial Estate 1 (WHA ESIE1) | D.30          | 2,988                               | Single-Storey, Reinforced Concrete Building, 1 Building                                          | 23 Nov 16       | 23066               | 3                          | 3    | 51.82  | 6.90                               | Partial Lease      | Lease    |
| 9   | WHA Eastern Seaboard Industrial Estate 1 (WHA ESIE1) | D.31          | 7,750                               | Single-Storey, Reinforced Concrete and Steel Structure Building, 1 Building                      | 23 Nov 16       | 23064               | 10                         | 1    | 6.50   | 7.35                               | Lease              | Lease    |
| 10  | WHA Eastern Seaboard Industrial Estate 1 (WHA ESIE1) | D.32          | 8,234                               | Single-Storey, Reinforced Concrete and Steel Structure Building with Roof Deck, 1 Building       | 23 Nov 16       | 23063               | 10                         | 1    | 6.50   | 5.95                               | Lease              | Lease    |

| No. | Project / Industrial Estate                          | Land Plot No. | Building Area Approximately (sq.m.) | Details of Factory                                      | Investment Date | Land Title Deed No. | Size of Land Approximately |      |        | Building Age Approximately (Years) | Type of Investment                |          |
|-----|------------------------------------------------------|---------------|-------------------------------------|---------------------------------------------------------|-----------------|---------------------|----------------------------|------|--------|------------------------------------|-----------------------------------|----------|
|     |                                                      |               |                                     |                                                         |                 |                     | Rai                        | Ngan | Sq.Wah |                                    | Land                              | Building |
| 11  | WHA Eastern Seaboard Industrial Estate 1 (WHA ESIE1) | D.38          | 4,700                               | Single-Storey, Reinforced Concrete Building, 1 Building | 23 Nov 16       | 170696, 26783       | 5                          | 3    | 66.20  | 6.92                               | Lease 26783, Partial Lease 170696 | Lease    |
| 12  | WHA Eastern Seaboard Industrial Estate 1 (WHA ESIE1) | D.39          | 4,700                               | Single-Storey, Reinforced Concrete Building, 1 Building | 23 Nov 16       | 170697, 26784       | 5                          | 1    | 78.36  | 6.90                               | Lease 170697, Partial Lease 26784 | Lease    |
| 13  | WHA Eastern Seaboard Industrial Estate 1 (WHA ESIE1) | D.40          | 3,756                               | Single-Storey, Reinforced Concrete Building, 1 Building | 23 Nov 16       | 26785               | 5                          | 0    | 9.30   | 6.68                               | Partial Lease                     | Lease    |
| 14  | WHA Eastern Seaboard Industrial Estate 1 (WHA ESIE1) | D.41          | 4,700                               | Single-Storey, Reinforced Concrete Building, 1 Building | 23 Nov 16       | 26786               | 5                          | 0    | 71.80  | 6.63                               | Partial Lease                     | Lease    |
| 15  | WHA Eastern Seaboard Industrial Estate 1 (WHA ESIE1) | D.44          | 2,988                               | Single-Storey, Reinforced Concrete Building, 1 Building | 23 Nov 16       | 26789               | 3                          | 3    | 1.52   | 6.30                               | Partial Lease                     | Lease    |

| No. | Project / Industrial Estate                          | Land Plot No.  | Building Area Approximately (sq.m.) | Details of Factory                                                                | Investment Date | Land Title Deed No. | Size of Land Approximately |      |         | Building Age Approximately (Years) | Type of Investment |          |
|-----|------------------------------------------------------|----------------|-------------------------------------|-----------------------------------------------------------------------------------|-----------------|---------------------|----------------------------|------|---------|------------------------------------|--------------------|----------|
|     |                                                      |                |                                     |                                                                                   |                 |                     | Rai                        | Ngan | Sq. Wah |                                    | Land               | Building |
| 16  | WHA Eastern Seaboard Industrial Estate 1 (WHA ESIE1) | D.48           | 4,700                               | Single-Storey, Reinforced Concrete Building, 1 Building                           | 23 Nov 16       | 26796               | 7                          | 1    | 94.00   | 5.90                               | Partial Lease      | Lease    |
| 17  | WHA Eastern Seaboard Industrial Estate 1 (WHA ESIE1) | D.49           | 3,756                               | Single-Storey, Reinforced Concrete Building, 1 Building                           | 23 Nov 16       | 26797               | 5                          | 1    | 23.00   | 6.43                               | Partial Lease      | Lease    |
| 18  | WHA Eastern Seaboard Industrial Estate 1 (WHA ESIE1) | D.49 Expansion | 1,536                               | Single-Storey, Reinforced Concrete Building, 1 Building                           | 4 Jan 18        | 26797               | 1                          | 3    | 79.00   | 1.73                               | Partial Lease      | Lease    |
| 19  | WHA Eastern Seaboard Industrial Estate 1 (WHA ESIE1) | C.09B          | 5,640                               | Reinforced Concrete and Steel Structure Building with mezzanine floor, 1 Building | 23 Nov 16       | 29716               | 6                          | 1    | 19.20   | 5.59                               | Partial Lease      | Lease    |
| 20  | WHA Eastern Seaboard Industrial Estate 1 (WHA ESIE1) | C.09C          | 5,640                               | Reinforced Concrete and Steel Structure Building with mezzanine floor, 1 Building | 23 Nov 16       | 29717               | 6                          | 1    | 19.20   | 4.44                               | Partial Lease      | Lease    |

| No. | Project / Industrial Estate                          | Land Plot No. | Building Area Approximately (sq.m.) | Details of Factory                                                          | Investment Date | Land Title Deed No. | Size of Land Approximately |      |        | Building Age Approximately (Years) | Type of Investment |          |
|-----|------------------------------------------------------|---------------|-------------------------------------|-----------------------------------------------------------------------------|-----------------|---------------------|----------------------------|------|--------|------------------------------------|--------------------|----------|
|     |                                                      |               |                                     |                                                                             |                 |                     | Rai                        | Ngan | Sq.Wah |                                    | Land               | Building |
| 21  | WHA Eastern Seaboard Industrial Estate 1 (WHA ESIE1) | G.09          | 4,620                               | Single-Storey, Reinforced Concrete Building, 1 Building                     | 4 Jan 18        | 25118               | 5                          | 0    | 6.32   | 5.54                               | Partial Lease      | Lease    |
| 22  | WHA Eastern Seaboard Industrial Estate 1 (WHA ESIE1) | H.03          | 4,240                               | Single-Storey, Reinforced Concrete Building, 1 Building                     | 23 Nov 16       | 175591              | 4                          | 3    | 48.80  | 5.36                               | Partial Lease      | Lease    |
| 23  | Eastern Seaboard Industrial Estate (Rayong) (ESIE)   | L.08          | 11,358                              | Single-Storey, Reinforced Concrete Building with Roof Deck, 1 Building      | 23 Nov 16       | 17938               | 12                         | 0    | 7.90   | 7.60                               | Lease              | Lease    |
| 24  | Eastern Seaboard Industrial Estate (Rayong) (ESIE)   | M.07          | 2,936                               | Single-Storey, Reinforced Concrete Building with Roof Deck, 1 Building      | 4 Jan 18        | 8877                | 3                          | 3    | 11.00  | 14.84                              | Lease              | Lease    |
| 25  | Eastern Seaboard Industrial Estate (Rayong) (ESIE)   | R.05-1        | 3,392                               | Single-Storey, Reinforced Concrete and Steel Structure Building, 1 Building | 23 Nov 16       | 26731               | 5                          | 0    | 84.00  | 6.32                               | Partial Lease      | Lease    |
| 26  | Eastern Seaboard Industrial Estate (Rayong) (ESIE)   | R.05-3        | 3,008                               | Single-Storey, Reinforced Concrete Building, 1 Building                     | 4 Jan 18        | 26731               | 4                          | 0    | 80.00  | 4.79                               | Partial Lease      | Lease    |

| No.                                   | Project / Industrial Estate            | Land Plot No. | Building Area Approximately (sq.m.) | Details of Factory                                      | Investment Date | Land Title Deed No. | Size of Land Approximately |      |        | Building Age Approximately (Years) | Type of Investment |          |
|---------------------------------------|----------------------------------------|---------------|-------------------------------------|---------------------------------------------------------|-----------------|---------------------|----------------------------|------|--------|------------------------------------|--------------------|----------|
|                                       |                                        |               |                                     |                                                         |                 |                     | Rai                        | Ngan | Sq.Wah |                                    | Land               | Building |
| 27                                    | WHA Saraburi Industrial Land (WHA SIL) | 136-1         | 4,240                               | Single-Storey, Reinforced Concrete Building, 1 Building | 4 Jan 18        | 50513               | 6                          | 0    | 40.00  | 4.76                               | Partial Lease      | Lease    |
| 28                                    | WHA Saraburi Industrial Land (WHA SIL) | 136-2         | 2,240                               | Single-Storey, Reinforced Concrete Building, 1 Building | 4 Jan 18        | 50514               | 4                          | 0    | 32.00  | 4.76                               | Partial Lease      | Lease    |
| 29                                    | WHA Saraburi Industrial Land (WHA SIL) | 93C           | 4,720                               | Single-Storey, Reinforced Concrete Building, 1 Building | 24 Dec 18       | 50690               | 6                          | 3    | 50.00  | 6.17                               | Partial Lease      | Lease    |
| Total Leased Area - Detached Building |                                        |               |                                     |                                                         |                 |                     | 177                        | 0    | 42.08  |                                    |                    |          |

Remark: Information as of 31 December 2018

### Ready Built Factory – Attached Building

| No. | Project / Industrial Estate                        | Land Plot No.   | Building Area Approximately (sq.m.) | Details of Factory                                                      | Investment Date | Land Title Deed No. | Size of Land Approximately |      |        | Building Age Approximately (Years) | Type of Investment |          |
|-----|----------------------------------------------------|-----------------|-------------------------------------|-------------------------------------------------------------------------|-----------------|---------------------|----------------------------|------|--------|------------------------------------|--------------------|----------|
|     |                                                    |                 |                                     |                                                                         |                 |                     | Rai                        | Ngan | Sq.Wah |                                    | Land               | Building |
| 1   | Eastern Seaboard Industrial Estate (Rayong) (ESIE) | A3 <sup>1</sup> | 1,366                               | Reinforced Concrete Building with mezzanine floor, 1 Building           | 23 Nov 16       | 6770                | 0                          | 2    | 70.00  | 17.42                              | Partial Lease      | Lease    |
| 2   | Eastern Seaboard Industrial Estate (Rayong) (ESIE) | A4 <sup>1</sup> | 1,582                               | Reinforced Concrete Building with mezzanine floor, 1 Building           | 23 Nov 16       | 6770                | 0                          | 3    | 60.00  | 15.35                              | Partial Lease      | Lease    |
| 3   | Eastern Seaboard Industrial Estate (Rayong) (ESIE) | F.1             | 1,152                               | Reinforced Concrete Building with mezzanine floor, 1 Building (Partial) | 23 Nov 16       | 17944               | 0                          | 2    | 52.00  | 6.08                               | Partial Lease      | Lease    |
| 4   | Eastern Seaboard Industrial Estate (Rayong) (ESIE) | F.6             | 900                                 | Reinforced Concrete Building with mezzanine floor, 1 Building (Partial) | 23 Nov 16       | 17944               | 0                          | 1    | 89.00  | 6.08                               | Partial Lease      | Lease    |
| 5   | Eastern Seaboard Industrial Estate (Rayong) (ESIE) | F.9             | 900                                 | Reinforced Concrete Building with mezzanine floor, 1 Building (Partial) | 23 Nov 16       | 17944               | 0                          | 1    | 89.00  | 6.08                               | Partial Lease      | Lease    |
| 6   | Eastern Seaboard Industrial Estate (Rayong) (ESIE) | F.10            | 900                                 | Reinforced Concrete Building with mezzanine floor, 1 Building (Partial) | 23 Nov 16       | 17944               | 0                          | 1    | 89.00  | 6.08                               | Partial Lease      | Lease    |

| No. | Project / Industrial Estate                        | Land Plot No. | Building Area Approximately (sq.m.) | Details of Factory                                                      | Investment Date | Land Title Deed No. | Size of Land Approximately |      |        | Building Age Approximately (Years) | Type of Investment |          |
|-----|----------------------------------------------------|---------------|-------------------------------------|-------------------------------------------------------------------------|-----------------|---------------------|----------------------------|------|--------|------------------------------------|--------------------|----------|
|     |                                                    |               |                                     |                                                                         |                 |                     | Rai                        | Ngan | Sq.Wah |                                    | Land               | Building |
| 7   | Eastern Seaboard Industrial Estate (Rayong) (ESIE) | F.11          | 900                                 | Reinforced Concrete Building with mezzanine floor, 1 Building (Partial) | 23 Nov 16       | 17944               | 0                          | 1    | 89.00  | 6.08                               | Partial Lease      | Lease    |
| 8   | Eastern Seaboard Industrial Estate (Rayong) (ESIE) | F.12          | 900                                 | Reinforced Concrete Building with mezzanine floor, 1 Building (Partial) | 23 Nov 16       | 17944               | 0                          | 1    | 89.00  | 6.08                               | Partial Lease      | Lease    |
| 9   | Eastern Seaboard Industrial Estate (Rayong) (ESIE) | F.13          | 1,152                               | Reinforced Concrete Building with mezzanine floor, 1 Building (Partial) | 23 Nov 16       | 17944               | 0                          | 2    | 52.00  | 6.08                               | Partial Lease      | Lease    |
| 10  | Eastern Seaboard Industrial Estate (Rayong) (ESIE) | F.14          | 972                                 | Reinforced Concrete Building with mezzanine floor, 1 Building (Partial) | 23 Nov 16       | 17944               | 0                          | 2    | 7.00   | 6.08                               | Partial Lease      | Lease    |
| 11  | Eastern Seaboard Industrial Estate (Rayong) (ESIE) | F.15          | 756                                 | Reinforced Concrete Building with mezzanine floor, 1 Building (Partial) | 23 Nov 16       | 17944               | 0                          | 1    | 62.00  | 6.08                               | Partial Lease      | Lease    |
| 12  | Eastern Seaboard Industrial Estate (Rayong) (ESIE) | F.16          | 756                                 | Reinforced Concrete Building with mezzanine floor, 1 Building (Partial) | 23 Nov 16       | 17944               | 0                          | 1    | 62.00  | 6.08                               | Partial Lease      | Lease    |

| No. | Project / Industrial Estate                        | Land Plot No. | Building Area Approximately (sq.m.) | Details of Factory                                                      | Investment Date | Land Title Deed No. | Size of Land Approximately |      |        | Building Age Approximately (Years) | Type of Investment |          |
|-----|----------------------------------------------------|---------------|-------------------------------------|-------------------------------------------------------------------------|-----------------|---------------------|----------------------------|------|--------|------------------------------------|--------------------|----------|
|     |                                                    |               |                                     |                                                                         |                 |                     | Rai                        | Ngan | Sq.Wah |                                    | Land               | Building |
| 13  | Eastern Seaboard Industrial Estate (Rayong) (ESIE) | F.17          | 528                                 | Reinforced Concrete Building with mezzanine floor, 1 Building (Partial) | 23 Nov 16       | 17944               | 0                          | 1    | 8.00   | 6.08                               | Partial Lease      | Lease    |
| 14  | Eastern Seaboard Industrial Estate (Rayong) (ESIE) | F.18          | 528                                 | Reinforced Concrete Building with mezzanine floor, 1 Building (Partial) | 23 Nov 16       | 17944               | 0                          | 1    | 8.00   | 6.08                               | Partial Lease      | Lease    |
| 15  | Eastern Seaboard Industrial Estate (Rayong) (ESIE) | F.19          | 528                                 | Reinforced Concrete Building with mezzanine floor, 1 Building (Partial) | 23 Nov 16       | 17944               | 0                          | 1    | 8.00   | 6.08                               | Partial Lease      | Lease    |
| 16  | Eastern Seaboard Industrial Estate (Rayong) (ESIE) | F.20          | 528                                 | Reinforced Concrete Building with mezzanine floor, 1 Building (Partial) | 23 Nov 16       | 17944               | 0                          | 1    | 8.00   | 6.08                               | Partial Lease      | Lease    |
| 17  | Eastern Seaboard Industrial Estate (Rayong) (ESIE) | F.21          | 528                                 | Reinforced Concrete Building with mezzanine floor, 1 Building (Partial) | 23 Nov 16       | 17944               | 0                          | 1    | 8.00   | 6.08                               | Partial Lease      | Lease    |

| No. | Project / Industrial Estate                        | Land Plot No. | Building Area Approximately (sq.m.) | Details of Factory                                                                          | Investment Date | Land Title Deed No. | Size of Land Approximately |      |        | Building Age Approximately (Years) | Type of Investment |          |
|-----|----------------------------------------------------|---------------|-------------------------------------|---------------------------------------------------------------------------------------------|-----------------|---------------------|----------------------------|------|--------|------------------------------------|--------------------|----------|
|     |                                                    |               |                                     |                                                                                             |                 |                     | Rai                        | Ngan | Sq.Wah |                                    | Land               | Building |
| 18  | Eastern Seaboard Industrial Estate (Rayong) (ESIE) | F.22          | 528                                 | Reinforced Concrete Building with mezzanine floor, 1 Building (Partial)                     | 23 Nov 16       | 17944               | 0                          | 1    | 8.00   | 6.08                               | Partial Lease      | Lease    |
| 19  | Eastern Seaboard Industrial Estate (Rayong) (ESIE) | F.24          | 1,008                               | Reinforced Concrete Building with mezzanine floor, 1 Building (Partial)                     | 23 Nov 16       | 17944               | 0                          | 2    | 16.00  | 6.08                               | Partial Lease      | Lease    |
| 20  | Eastern Seaboard Industrial Estate (Rayong) (ESIE) | R05-4         | 792                                 | Reinforced Concrete and Steel Structure Building with mezzanine floor, 1 Building (Partial) | 23 Nov 16       | 26731               | 0                          | 1    | 62.00  | 5.44                               | Partial Lease      | Lease    |
| 21  | Eastern Seaboard Industrial Estate (Rayong) (ESIE) | R05-5         | 900                                 | Reinforced Concrete and Steel Structure Building with mezzanine floor, 1 Building (Partial) | 23 Nov 16       | 26731               | 0                          | 1    | 89.00  | 5.44                               | Partial Lease      | Lease    |
| 22  | Eastern Seaboard Industrial Estate (Rayong) (ESIE) | R05-6         | 792                                 | Reinforced Concrete and Steel Structure Building with mezzanine floor, 1 Building (Partial) | 23 Nov 16       | 26731               | 0                          | 1    | 62.00  | 5.44                               | Partial Lease      | Lease    |

| No. | Project / Industrial Estate                        | Land Plot No. | Building Area Approximately (sq.m.) | Details of Factory                                                                          | Investment Date | Land Title Deed No. | Size of Land Approximately |      |        | Building Age Approximately (Years) | Type of Investment |          |
|-----|----------------------------------------------------|---------------|-------------------------------------|---------------------------------------------------------------------------------------------|-----------------|---------------------|----------------------------|------|--------|------------------------------------|--------------------|----------|
|     |                                                    |               |                                     |                                                                                             |                 |                     | Rai                        | Ngan | Sq.Wah |                                    | Land               | Building |
| 23  | Eastern Seaboard Industrial Estate (Rayong) (ESIE) | R05-7         | 504                                 | Reinforced Concrete and Steel Structure Building with mezzanine floor, 1 Building (Partial) | 23 Nov 16       | 26731               | 0                          | 1    | 8.00   | 5.44                               | Partial Lease      | Lease    |
| 24  | Eastern Seaboard Industrial Estate (Rayong) (ESIE) | R05-8         | 792                                 | Reinforced Concrete and Steel Structure Building with mezzanine floor, 1 Building (Partial) | 23 Nov 16       | 26731               | 0                          | 1    | 62.00  | 5.44                               | Partial Lease      | Lease    |
| 25  | Eastern Seaboard Industrial Estate (Rayong) (ESIE) | R05-9         | 504                                 | Reinforced Concrete and Steel Structure Building with mezzanine floor, 1 Building (Partial) | 23 Nov 16       | 26731               | 0                          | 1    | 8.00   | 5.44                               | Partial Lease      | Lease    |
| 26  | Eastern Seaboard Industrial Estate (Rayong) (ESIE) | R05-10        | 792                                 | Reinforced Concrete and Steel Structure Building with mezzanine floor, 1 Building (Partial) | 23 Nov 16       | 26731               | 0                          | 1    | 62.00  | 5.44                               | Partial Lease      | Lease    |
| 27  | Eastern Seaboard Industrial Estate (Rayong) (ESIE) | R05-11        | 558                                 | Reinforced Concrete and Steel Structure Building with mezzanine floor, 1 Building (Partial) | 23 Nov 16       | 26731               | 0                          | 1    | 12.50  | 5.44                               | Partial Lease      | Lease    |

| No. | Project / Industrial Estate                        | Land Plot No. | Building Area Approximately (sq.m.) | Details of Factory                                                                          | Investment Date | Land Title Deed No. | Size of Land Approximately |      |        | Building Age Approximately (Years) | Type of Investment |          |
|-----|----------------------------------------------------|---------------|-------------------------------------|---------------------------------------------------------------------------------------------|-----------------|---------------------|----------------------------|------|--------|------------------------------------|--------------------|----------|
|     |                                                    |               |                                     |                                                                                             |                 |                     | Rai                        | Ngan | Sq.Wah |                                    | Land               | Building |
| 28  | Eastern Seaboard Industrial Estate (Rayong) (ESIE) | R05-12        | 792                                 | Reinforced Concrete and Steel Structure Building with mezzanine floor, 1 Building (Partial) | 23 Nov 16       | 26731               | 0                          | 1    | 62.00  | 5.44                               | Partial Lease      | Lease    |
| 29  | Eastern Seaboard Industrial Estate (Rayong) (ESIE) | K13C-03       | 2,160                               | Reinforced Concrete Building with mezzanine floor, 1 Building                               | 4 Jan 18        | 30376               | 1                          | 0    | 86.00  | 5.36                               | Partial Lease      | Lease    |
| 30  | Eastern Seaboard Industrial Estate (Rayong) (ESIE) | K13C-04       | 1,836                               | Reinforced Concrete Building with mezzanine floor, 1 Building                               | 4 Jan 18        | 30376               | 1                          | 0    | 5.00   | 4.61                               | Partial Lease      | Lease    |
| 31  | Eastern Seaboard Industrial Estate (Rayong) (ESIE) | K13C-05       | 1,836                               | Reinforced Concrete Building with mezzanine floor, 1 Building                               | 4 Jan 18        | 30376               | 1                          | 0    | 5.00   | 4.61                               | Partial Lease      | Lease    |
| 32  | Eastern Seaboard Industrial Estate (Rayong) (ESIE) | K13C-06       | 1,836                               | Reinforced Concrete Building with mezzanine floor, 1 Building                               | 4 Jan 18        | 30376               | 1                          | 0    | 5.00   | 4.61                               | Partial Lease      | Lease    |

| No. | Project / Industrial Estate                        | Land Plot No. | Building Area Approximately (sq.m.) | Details of Factory                                                                          | Investment Date | Land Title Deed No. | Size of Land Approximately |      |         | Building Age Approximately (Years) | Type of Investment |          |
|-----|----------------------------------------------------|---------------|-------------------------------------|---------------------------------------------------------------------------------------------|-----------------|---------------------|----------------------------|------|---------|------------------------------------|--------------------|----------|
|     |                                                    |               |                                     |                                                                                             |                 |                     | Rai                        | Ngan | Sq. Wah |                                    | Land               | Building |
| 33  | Eastern Seaboard Industrial Estate (Rayong) (ESIE) | K13C-07       | 2,160                               | Reinforced Concrete Building with mezzanine floor, 1 Building                               | 4 Jan 18        | 30376               | 1                          | 0    | 86.00   | 4.61                               | Partial Lease      | Lease    |
| 34  | Eastern Seaboard Industrial Estate (Rayong) (ESIE) | K14A-01       | 1,152                               | Reinforced Concrete and Steel Structure Building with mezzanine floor, 1 Building (Partial) | 23 Nov 16       | 30381               | 0                          | 2    | 52.00   | 5.36                               | Partial Lease      | Lease    |
| 35  | Eastern Seaboard Industrial Estate (Rayong) (ESIE) | K14A-02       | 1,296                               | Reinforced Concrete and Steel Structure Building with mezzanine floor, 1 Building (Partial) | 23 Nov 16       | 30381               | 0                          | 2    | 88.00   | 5.36                               | Partial Lease      | Lease    |
| 36  | Eastern Seaboard Industrial Estate (Rayong) (ESIE) | K14A-07       | 900                                 | Reinforced Concrete and Steel Structure Building with mezzanine floor, 1 Building (Partial) | 23 Nov 16       | 30381               | 0                          | 1    | 89.00   | 5.36                               | Partial Lease      | Lease    |
| 37  | Eastern Seaboard Industrial Estate (Rayong) (ESIE) | K14A-09       | 1,044                               | Reinforced Concrete and Steel Structure Building with mezzanine floor, 1 Building (Partial) | 23 Nov 16       | 30381               | 0                          | 2    | 25.00   | 5.36                               | Partial Lease      | Lease    |

| No. | Project / Industrial Estate                          | Land Plot No. | Building Area Approximately (sq.m.) | Details of Factory                                                      | Investment Date | Land Title Deed No. | Size of Land Approximately |      |        | Building Age Approximately (Years) | Type of Investment |          |
|-----|------------------------------------------------------|---------------|-------------------------------------|-------------------------------------------------------------------------|-----------------|---------------------|----------------------------|------|--------|------------------------------------|--------------------|----------|
|     |                                                      |               |                                     |                                                                         |                 |                     | Rai                        | Ngan | Sq.Wah |                                    | Land               | Building |
| 38  | WHA Eastern Seaboard Industrial Estate 1 (WHA ESIE1) | FZ/A09 C-08   | 1,008                               | Reinforced Concrete Building with mezzanine floor, 1 Building (Partial) | 23 Nov 16       | 173788              | 0                          | 2    | 16.00  | 4.69                               | Partial Lease      | Lease    |
| 39  | WHA Eastern Seaboard Industrial Estate 1 (WHA ESIE1) | FZ/A09 C-10   | 1,008                               | Reinforced Concrete Building with mezzanine floor, 1 Building (Partial) | 23 Nov 16       | 173788              | 0                          | 2    | 16.00  | 4.69                               | Partial Lease      | Lease    |
| 40  | WHA Eastern Seaboard Industrial Estate 1 (WHA ESIE1) | FZ/A09 C-12   | 1,008                               | Reinforced Concrete Building with mezzanine floor, 1 Building (Partial) | 23 Nov 16       | 173788              | 0                          | 2    | 16.00  | 4.69                               | Partial Lease      | Lease    |
| 41  | WHA Eastern Seaboard Industrial Estate 1 (WHA ESIE1) | FZ/A09 C-02   | 1,440                               | Reinforced Concrete Building with mezzanine floor, 1 Building (Partial) | 23 Nov 16       | 173788              | 0                          | 2    | 88.00  | 4.69                               | Partial Lease      | Lease    |
| 42  | WHA Eastern Seaboard Industrial Estate 1 (WHA ESIE1) | FZ/A09 C-04   | 1,440                               | Reinforced Concrete Building with mezzanine floor, 1 Building (Partial) | 23 Nov 16       | 173788              | 0                          | 2    | 88.00  | 4.69                               | Partial Lease      | Lease    |

| No. | Project / Industrial Estate                          | Land Plot No. | Building Area Approximately (sq.m.) | Details of Factory                                                      | Investment Date | Land Title Deed No. | Size of Land Approximately |      |        | Building Age Approximately (Years) | Type of Investment |          |
|-----|------------------------------------------------------|---------------|-------------------------------------|-------------------------------------------------------------------------|-----------------|---------------------|----------------------------|------|--------|------------------------------------|--------------------|----------|
|     |                                                      |               |                                     |                                                                         |                 |                     | Rai                        | Ngan | Sq.Wah |                                    | Land               | Building |
| 43  | WHA Eastern Seaboard Industrial Estate 1 (WHA ESIE1) | FZ/A09 C-06   | 1,296                               | Reinforced Concrete Building with mezzanine floor, 1 Building (Partial) | 23 Nov 16       | 173788              | 0                          | 2    | 88.00  | 4.69                               | Partial Lease      | Lease    |
| 44  | WHA Eastern Seaboard Industrial Estate 1 (WHA ESIE1) | FZ/A09 C-14   | 1,440                               | Reinforced Concrete Building with mezzanine floor, 1 Building (Partial) | 23 Nov 16       | 173788              | 0                          | 2    | 88.00  | 4.69                               | Partial Lease      | Lease    |
| 45  | WHA Eastern Seaboard Industrial Estate 1 (WHA ESIE1) | FZ/A09 C-05   | 2,484                               | Reinforced Concrete Building with mezzanine floor, 1 Building (Partial) | 23 Nov 16       | 173788              | 1                          | 1    | 31.00  | 4.69                               | Partial Lease      | Lease    |
| 46  | WHA Eastern Seaboard Industrial Estate 1 (WHA ESIE1) | FZ/A09 C-03   | 3,132                               | Reinforced Concrete Building with mezzanine floor, 1 Building (Partial) | 23 Nov 16       | 173788              | 1                          | 3    | 29.00  | 4.69                               | Partial Lease      | Lease    |
| 47  | WHA Eastern Seaboard Industrial Estate 1 (WHA ESIE1) | FZ/A09 C-01   | 3,168                               | Reinforced Concrete Building with mezzanine floor, 1 Building (Partial) | 23 Nov 16       | 173788              | 1                          | 3    | 38.00  | 4.69                               | Partial Lease      | Lease    |

| No. | Project / Industrial Estate                  | Land Plot No. | Building Area Approximately (sq.m.) | Details of Factory                                                                          | Investment Date | Land Title Deed No. | Size of Land Approximately |      |        | Building Age Approximately (Years) | Type of Investment |          |
|-----|----------------------------------------------|---------------|-------------------------------------|---------------------------------------------------------------------------------------------|-----------------|---------------------|----------------------------|------|--------|------------------------------------|--------------------|----------|
|     |                                              |               |                                     |                                                                                             |                 |                     | Rai                        | Ngan | Sq.Wah |                                    | Land               | Building |
| 48  | WHA Chonburi Industrial Estate 1 (WHA CIE 1) | Z55A          | 792                                 | Reinforced Concrete and Steel Structure Building with mezzanine floor, 1 Building (Partial) | 23 Nov 16       | 52833, 52834        | 0                          | 1    | 62.00  | 6.30                               | Lease              | Lease    |
| 49  | WHA Chonburi Industrial Estate 1 (WHA CIE 1) | Z55B          | 528                                 | Reinforced Concrete and Steel Structure Building with mezzanine floor, 1 Building (Partial) | 23 Nov 16       | 52833, 52834        | 0                          | 1    | 8.00   | 6.30                               | Lease              | Lease    |
| 50  | WHA Chonburi Industrial Estate 1 (WHA CIE 1) | Z55C          | 528                                 | Reinforced Concrete and Steel Structure Building with mezzanine floor, 1 Building (Partial) | 23 Nov 16       | 52833, 52834        | 0                          | 1    | 8.00   | 6.30                               | Lease              | Lease    |
| 51  | WHA Chonburi Industrial Estate 1 (WHA CIE 1) | Z55D          | 792                                 | Reinforced Concrete and Steel Structure Building with mezzanine floor, 1 Building (Partial) | 23 Nov 16       | 52833, 52834        | 0                          | 1    | 62.00  | 6.30                               | Lease              | Lease    |
| 52  | WHA Chonburi Industrial Estate 1 (WHA CIE 1) | Z55E          | 528                                 | Reinforced Concrete and Steel Structure Building with mezzanine floor, 1 Building (Partial) | 23 Nov 16       | 52834               | 0                          | 1    | 8.00   | 6.30                               | Lease              | Lease    |

| No. | Project / Industrial Estate                  | Land Plot No.           | Building Area Approximately (sq.m.) | Details of Factory                                                                          | Investment Date | Land Title Deed No. | Size of Land Approximately |      |        | Building Age Approximately (Years) | Type of Investment |          |
|-----|----------------------------------------------|-------------------------|-------------------------------------|---------------------------------------------------------------------------------------------|-----------------|---------------------|----------------------------|------|--------|------------------------------------|--------------------|----------|
|     |                                              |                         |                                     |                                                                                             |                 |                     | Rai                        | Ngan | Sq.Wah |                                    | Land               | Building |
| 53  | WHA Chonburi Industrial Estate 1 (WHA CIE 1) | Z55F                    | 528                                 | Reinforced Concrete and Steel Structure Building with mezzanine floor, 1 Building (Partial) | 23 Nov 16       | 52834               | 0                          | 1    | 8.00   | 6.30                               | Lease              | Lease    |
| 54  | WHA Chonburi Industrial Estate 1 (WHA CIE 1) | Z55G                    | 528                                 | Reinforced Concrete and Steel Structure Building with mezzanine floor, 1 Building (Partial) | 23 Nov 16       | 52834               | 0                          | 1    | 8.00   | 6.30                               | Lease              | Lease    |
| 55  | WHA Chonburi Industrial Estate 1 (WHA CIE 1) | Z55H                    | 528                                 | Reinforced Concrete and Steel Structure Building with mezzanine floor, 1 Building (Partial) | 23 Nov 16       | 52834               | 0                          | 1    | 8.00   | 6.30                               | Lease              | -        |
| -   | WHA Chonburi Industrial Estate 1 (WHA CIE 1) | Common Area of Plot Z55 |                                     | -                                                                                           | 23 Nov 16       | 52833, 52834        | 2                          | 2    | 8.70   | -                                  | Lease              | Lease    |
| 56  | WHA Chonburi Industrial Estate 1 (WHA CIE 1) | Z59A                    | 1,152                               | Reinforced Concrete and Steel Structure Building with mezzanine floor, 1 Building (Partial) | 23 Nov 16       | 52837               | 0                          | 2    | 52.00  | 6.30                               | Lease              | Lease    |

| No. | Project / Industrial Estate                  | Land Plot No. | Building Area Approximately (sq.m.) | Details of Factory                                                                          | Investment Date | Land Title Deed No. | Size of Land Approximately |      |        | Building Age Approximately (Years) | Type of Investment |          |
|-----|----------------------------------------------|---------------|-------------------------------------|---------------------------------------------------------------------------------------------|-----------------|---------------------|----------------------------|------|--------|------------------------------------|--------------------|----------|
|     |                                              |               |                                     |                                                                                             |                 |                     | Rai                        | Ngan | Sq.Wah |                                    | Land               | Building |
| 57  | WHA Chonburi Industrial Estate 1 (WHA CIE 1) | Z59B          | 900                                 | Reinforced Concrete and Steel Structure Building with mezzanine floor, 1 Building (Partial) | 23 Nov 16       | 52837               | 0                          | 1    | 89.00  | 6.30                               | Lease              | Lease    |
| 58  | WHA Chonburi Industrial Estate 1 (WHA CIE 1) | Z59C          | 900                                 | Reinforced Concrete and Steel Structure Building with mezzanine floor, 1 Building (Partial) | 23 Nov 16       | 52837               | 0                          | 1    | 89.00  | 6.30                               | Lease              | Lease    |
| 59  | WHA Chonburi Industrial Estate 1 (WHA CIE 1) | Z59D          | 900                                 | Reinforced Concrete and Steel Structure Building with mezzanine floor, 1 Building (Partial) | 23 Nov 16       | 52837               | 0                          | 1    | 89.00  | 6.30                               | Lease              | Lease    |
| 60  | WHA Chonburi Industrial Estate 1 (WHA CIE 1) | Z59E          | 1,152                               | Reinforced Concrete and Steel Structure Building with mezzanine floor, 1 Building (Partial) | 23 Nov 16       | 52837               | 0                          | 2    | 52.00  | 6.30                               | Lease              | Lease    |
| 61  | WHA Chonburi Industrial Estate 1 (WHA CIE 1) | Z59F          | 1,656                               | Reinforced Concrete and Steel Structure Building with mezzanine floor, 1 Building (Partial) | 23 Nov 16       | 52837               | 0                          | 3    | 60.00  | 6.30                               | Lease              | Lease    |

| No. | Project / Industrial Estate                  | Land Plot No.           | Building Area Approximately (sq.m.) | Details of Factory                                                                          | Investment Date | Land Title Deed No. | Size of Land Approximately |      |        | Building Age Approximately (Years) | Type of Investment |          |
|-----|----------------------------------------------|-------------------------|-------------------------------------|---------------------------------------------------------------------------------------------|-----------------|---------------------|----------------------------|------|--------|------------------------------------|--------------------|----------|
|     |                                              |                         |                                     |                                                                                             |                 |                     | Rai                        | Ngan | Sq.Wah |                                    | Land               | Building |
| 62  | WHA Chonburi Industrial Estate 1 (WHA CIE 1) | Z59G                    | 1,296                               | Reinforced Concrete and Steel Structure Building with mezzanine floor, 1 Building (Partial) | 23 Nov 16       | 52837               | 0                          | 2    | 88.00  | 6.30                               | Lease              | Lease    |
| 63  | WHA Chonburi Industrial Estate 1 (WHA CIE 1) | Z59H                    | 1,296                               | Reinforced Concrete and Steel Structure Building with mezzanine floor, 1 Building (Partial) | 23 Nov 16       | 52837               | 0                          | 2    | 88.00  | 6.30                               | Lease              | Lease    |
| 64  | WHA Chonburi Industrial Estate 1 (WHA CIE 1) | Z59I                    | 1,656                               | Reinforced Concrete and Steel Structure Building with mezzanine floor, 1 Building (Partial) | 23 Nov 16       | 52837               | 0                          | 3    | 60.00  | 6.30                               | Lease              | Lease    |
| -   | WHA Chonburi Industrial Estate 1 (WHA CIE 1) | Common Area of Plot Z59 | -                                   | -                                                                                           | 23 Nov 16       | 23 Nov 16           | 6                          | 0    | 40.60  | -                                  | Lease              | -        |
| 65  | WHA Chonburi Industrial Estate 1 (WHA CIE 1) | A08C                    | 900                                 | Reinforced Concrete Building with mezzanine floor, 1 Building                               | 4 Jan 18        | 90924               | 0                          | 1    | 89.00  | 4.40                               | Partial Lease      | Lease    |

| No. | Project / Industrial Estate                  | Land Plot No. | Building Area Approximately (sq.m.) | Details of Factory                                            | Investment Date | Land Title Deed No. | Size of Land Approximately |      |        | Building Age Approximately (Years) | Type of Investment |          |
|-----|----------------------------------------------|---------------|-------------------------------------|---------------------------------------------------------------|-----------------|---------------------|----------------------------|------|--------|------------------------------------|--------------------|----------|
|     |                                              |               |                                     |                                                               |                 |                     | Rai                        | Ngan | Sq.Wah |                                    | Land               | Building |
| 66  | WHA Chonburi Industrial Estate 1 (WHA CIE 1) | A08A          | 1,152                               | Reinforced Concrete Building with mezzanine floor, 1 Building | 4 Jan 18        | 90925               | 0                          | 2    | 52.00  | 4.40                               | Partial Lease      | Lease    |
| 67  | WHA Saraburi Industrial Land (WHA SIL)       | 3A-01         | 900                                 | Reinforced Concrete Building with mezzanine floor, 1 Building | 4 Jan 18        | 52681               | 0                          | 1    | 89.00  | 4.61                               | Partial Lease      | Lease    |
| 68  | WHA Saraburi Industrial Land (WHA SIL)       | 3A-02         | 900                                 | Reinforced Concrete Building with mezzanine floor, 1 Building | 4 Jan 18        | 52681               | 0                          | 1    | 89.00  | 4.61                               | Partial Lease      | Lease    |
| 69  | WHA Saraburi Industrial Land (WHA SIL)       | 3B-03         | 1,224                               | Reinforced Concrete Building with mezzanine floor, 1 Building | 4 Jan 18        | 52681               | 0                          | 2    | 70.00  | 4.61                               | Partial Lease      | Lease    |
| 70  | WHA Saraburi Industrial Land (WHA SIL)       | 3B-01         | 1,296                               | Reinforced Concrete Building with mezzanine floor, 1 Building | 4 Jan 18        | 52681               | 0                          | 2    | 88.00  | 4.61                               | Partial Lease      | Lease    |

| No. | Project / Industrial Estate            | Land Plot No. | Building Area Approximately (sq.m.) | Details of Factory                                            | Investment Date | Land Title Deed No. | Size of Land Approximately |      |        | Building Age Approximately (Years) | Type of Investment |          |
|-----|----------------------------------------|---------------|-------------------------------------|---------------------------------------------------------------|-----------------|---------------------|----------------------------|------|--------|------------------------------------|--------------------|----------|
|     |                                        |               |                                     |                                                               |                 |                     | Rai                        | Ngan | Sq.Wah |                                    | Land               | Building |
| 71  | WHA Saraburi Industrial Land (WHA SIL) | 3C-05         | 1,296                               | Reinforced Concrete Building with mezzanine floor, 1 Building | 4 Jan 18        | 52681               | 0                          | 2    | 88.00  | 4.34                               | Partial Lease      | Lease    |
| 72  | WHA Saraburi Industrial Land (WHA SIL) | 27A           | 1,152                               | Building of Reinforced concrete two floor                     | 24 Dec 18       | 27149               | 0                          | 2    | 52.00  | 6.26                               | Partial Lease      | Lease    |
| 73  | WHA Saraburi Industrial Land (WHA SIL) | 27B           | 900                                 | Building of Reinforced concrete two floor                     | 24 Dec 18       | 27149               | 0                          | 1    | 89.00  | 6.26                               | Partial Lease      | Lease    |
| 74  | WHA Saraburi Industrial Land (WHA SIL) | 27C           | 900                                 | Building of Reinforced concrete two floor                     | 24 Dec 18       | 27149               | 0                          | 1    | 89.00  | 6.26                               | Partial Lease      | Lease    |
| 75  | WHA Saraburi Industrial Land (WHA SIL) | 27D           | 900                                 | Building of Reinforced concrete two floor                     | 24 Dec 18       | 27149               | 0                          | 1    | 89.00  | 6.26                               | Partial Lease      | Lease    |
| 76  | WHA Saraburi Industrial Land (WHA SIL) | 27E           | 900                                 | Building of Reinforced concrete two floor                     | 24 Dec 18       | 27149               | 0                          | 1    | 89.00  | 6.26                               | Partial Lease      | Lease    |

| No.                                   | Project / Industrial Estate            | Land Plot No. | Building Area Approximately (sq.m.) | Details of Factory                                            | Investment Date | Land Title Deed No. | Size of Land Approximately |      |        | Building Age Approximately (Years) | Type of Investment |          |
|---------------------------------------|----------------------------------------|---------------|-------------------------------------|---------------------------------------------------------------|-----------------|---------------------|----------------------------|------|--------|------------------------------------|--------------------|----------|
|                                       |                                        |               |                                     |                                                               |                 |                     | Rai                        | Ngan | Sq.Wah |                                    | Land               | Building |
| 77                                    | WHA Saraburi Industrial Land (WHA SIL) | 3B-02         | 1,656                               | Reinforced Concrete Building with mezzanine floor, 1 Building | 24 Dec 18       | 52681               | 0                          | 3    | 60.00  | 5.36                               | Partial Lease      | Lease    |
| 78                                    | WHA Saraburi Industrial Land (WHA SIL) | 93E           | 2,394                               | Building of Reinforced concrete two floor                     | 24 Dec 18       | 50690               | 1                          | 1    | 40.00  | 6.17                               | Partial Lease      | Lease    |
| 79                                    | WHA Saraburi Industrial Land (WHA SIL) | 93F           | 2,394                               | Building of Reinforced concrete two floor                     | 24 Dec 18       | 50690               | 1                          | 1    | 40.00  | 6.17                               | Partial Lease      | Lease    |
| Total Leased area - Attached Building |                                        |               |                                     |                                                               |                 |                     | 56                         | 2    | 41.80  |                                    |                    |          |

Remark Information as of 31 December 2018

<sup>/1</sup> Encumbered Registration in the immovable property (without compensation) to HPF

### Warehouse

| No. | Project / Industrial Estate     | Land Plot No. | Building Area Approximately (sq.m.) | Details of Factory                                                                | Investment Date | Land Title Deed No. | Size of Land Approximately |      |        | Building Age Approximately (Years) | Type of Investment |          |
|-----|---------------------------------|---------------|-------------------------------------|-----------------------------------------------------------------------------------|-----------------|---------------------|----------------------------|------|--------|------------------------------------|--------------------|----------|
|     |                                 |               |                                     |                                                                                   |                 |                     | Rai                        | Ngan | Sq.Wah |                                    | Land               | Building |
| 1   | WHA Logistics Park 1 (WHA LP 1) | A1            | 12,980                              | Reinforced Concrete Building with mezzanine floor, 1 Building                     | 23 Nov 16       | 211621              | 8                          | 0    | 45.00  | 4.50                               | Partial Lease      | Lease    |
| 2   | WHA Logistics Park 1 (WHA LP 1) | B6            | 3,840                               | Reinforced Concrete Building with mezzanine floor, 1 Building                     | 23 Nov 16       | 211622              | 2                          | 1    | 30.00  | 5.67                               | Partial Lease      | Lease    |
| 3   | WHA Logistics Park 2 (WHA LP 2) | A1            | 5,134                               | Steel Structure Building, 1 Building                                              | 23 Nov 16       | 193985              | 3                          | 0    | 50.50  | 5.11                               | Lease              | Lease    |
| 4   | WHA Logistics Park 2 (WHA LP 2) | A3            | 5,134                               | Steel Structure Building, 1 Building                                              | 23 Nov 16       | 193985              | 3                          | 0    | 50.50  | 5.11                               | Lease              | Lease    |
| 5   | WHA Logistics Park 2 (WHA LP 2) | A5            | 5,019                               | Reinforced Concrete and Steel Structure Building with mezzanine floor, 1 Building | 23 Nov 16       | 193985              | 3                          | 0    | 21.75  | 5.11                               | Lease              | Lease    |
| 6   | WHA Logistics Park 2 (WHA LP 2) | A7            | 5,019                               | Reinforced Concrete and Steel Structure Building with                             | 23 Nov 16       | 193985              | 3                          | 0    | 21.75  | 5.11                               | Lease              | Lease    |

| No. | Project / Industrial Estate     | Land Plot No.                 | Building Area Approximately (sq.m.) | Details of Factory                                                                | Investment Date | Land Title Deed No. | Size of Land Approximately |      |        | Building Age Approximately (Years) | Type of Investment |          |
|-----|---------------------------------|-------------------------------|-------------------------------------|-----------------------------------------------------------------------------------|-----------------|---------------------|----------------------------|------|--------|------------------------------------|--------------------|----------|
|     |                                 |                               |                                     |                                                                                   |                 |                     | Rai                        | Ngan | Sq.Wah |                                    | Land               | Building |
|     |                                 |                               |                                     | mezzanine floor, 1 Building                                                       |                 |                     |                            |      |        |                                    |                    |          |
| 7   | WHA Logistics Park 2 (WHA LP 2) | A9                            | 3,370                               | Reinforced Concrete and Steel Structure Building with mezzanine floor, 1 Building | 23 Nov 16       | 193985              | 2                          | 0    | 20.00  | 5.11                               | Lease              | Lease    |
| 8   | WHA Logistics Park 2 (WHA LP 2) | A11                           | 3,370                               | Reinforced Concrete and Steel Structure Building with mezzanine floor, 1 Building | 23 Nov 16       | 193985              | 2                          | 0    | 20.00  | 5.11                               | Lease              | Lease    |
| 9   | WHA Logistics Park 2 (WHA LP 2) | A13                           | 3,370                               | Reinforced Concrete and Steel Structure Building with mezzanine floor, 1 Building | 23 Nov 16       | 193985              | 2                          | 0    | 20.00  | 5.11                               | Lease              | Lease    |
| -   | WHA Logistics Park 2 (WHA LP 2) | Common Area in plot WHA LP2-A |                                     | -                                                                                 | 23 Nov 16       | 23 Nov 16           | 8                          | 2    | 40.50  | -                                  | Lease              | -        |
| 10  | WHA Logistics Park 2 (WHA LP 2) | B2                            | 5,145                               | Reinforced Concrete Building with mezzanine floor, 1 Building                     | 23 Nov 16       | 193988              | 3                          | 0    | 53.25  | 4.86                               | Partial Lease      | Lease    |

| No. | Project / Industrial Estate     | Land Plot No. | Building Area Approximately (sq.m.) | Details of Factory                                            | Investment Date | Land Title Deed No. | Size of Land Approximately |      |        | Building Age Approximately (Years) | Type of Investment |          |
|-----|---------------------------------|---------------|-------------------------------------|---------------------------------------------------------------|-----------------|---------------------|----------------------------|------|--------|------------------------------------|--------------------|----------|
|     |                                 |               |                                     |                                                               |                 |                     | Rai                        | Ngan | Sq.Wah |                                    | Land               | Building |
| 11  | WHA Logistics Park 2 (WHA LP 2) | B4            | 5,145                               | Reinforced Concrete Building with mezzanine floor, 1 Building | 23 Nov 16       | 193988              | 3                          | 0    | 53.25  | 4.86                               | Partial Lease      | Lease    |
| 12  | WHA Logistics Park 2 (WHA LP 2) | B6            | 5,145                               | Reinforced Concrete Building with mezzanine floor, 1 Building | 23 Nov 16       | 193988              | 3                          | 0    | 53.25  | 4.86                               | Partial Lease      | Lease    |
| 13  | WHA Logistics Park 2 (WHA LP 2) | B8            | 5,145                               | Reinforced Concrete Building with mezzanine floor, 1 Building | 23 Nov 16       | 193988              | 3                          | 0    | 53.25  | 4.86                               | Partial Lease      | Lease    |
| 14  | WHA Logistics Park 4 (WHA LP 4) | A1            | 3,290                               | Reinforced Concrete Building with mezzanine floor, 1 Building | 23 Nov 16       | 9198, 9199          | 2                          | 0    | 0      | 5.58                               | Partial Lease      | Lease    |
| 15  | WHA Logistics Park 4 (WHA LP 4) | A2            | 3,290                               | Reinforced Concrete Building with mezzanine floor, 1 Building | 23 Nov 16       | 9198, 9199          | 2                          | 0    | 0      | 5.58                               | Partial Lease      | Lease    |
| 16  | WHA Logistics Park 4 (WHA LP 4) | A3            | 3,290                               | Reinforced Concrete Building with                             | 23 Nov 16       | 9198, 9199          | 2                          | 0    | 0      | 5.58                               | Partial Lease      | Lease    |

| No. | Project / Industrial Estate     | Land Plot No. | Building Area Approximately (sq.m.) | Details of Factory                                                                           | Investment Date | Land Title Deed No. | Size of Land Approximately |      |         | Building Age Approximately (Years) | Type of Investment |          |
|-----|---------------------------------|---------------|-------------------------------------|----------------------------------------------------------------------------------------------|-----------------|---------------------|----------------------------|------|---------|------------------------------------|--------------------|----------|
|     |                                 |               |                                     |                                                                                              |                 |                     | Rai                        | Ngan | Sq. Wah |                                    | Land               | Building |
| 17  | WHA Logistics Park 4 (WHA LP 4) | A4            | 4,821                               | mezzanine floor, 1 Building<br>Reinforced Concrete Building with mezzanine floor, 1 Building | 23 Nov 16       | 9198, 9199          | 2                          | 3    | 75.25   | 5.42                               | Partial Lease      | Lease    |
| 18  | WHA Logistics Park 4 (WHA LP 4) | B1            | 1,820                               | Reinforced Concrete Building with mezzanine floor, 1 Building                                | 23 Nov 16       | 9197, 9198          | 0                          | 3    | 90.00   | 5.58                               | Partial Lease      | Lease    |
| 19  | WHA Logistics Park 4 (WHA LP 4) | B2            | 3,180                               | Reinforced Concrete Building with mezzanine floor, 1 Building                                | 23 Nov 16       | 9197                | 1                          | 3    | 72.50   | 5.58                               | Partial Lease      | Lease    |
| 20  | WHA Logistics Park 4 (WHA LP 4) | B3            | 4,665                               | Reinforced Concrete Building with mezzanine floor, 1 Building                                | 23 Nov 16       | 9197                | 2                          | 3    | 43.75   | 5.58                               | Partial Lease      | Lease    |
| 21  | WHA Logistics Park 4 (WHA LP 4) | C1            | 1,970                               | Reinforced Concrete Building with mezzanine floor, 1 Building                                | 23 Nov 16       | 9197, 9198          | 1                          | 0    | 77.50   | 5.58                               | Partial Lease      | Lease    |

| No.                                                 | Project / Industrial Estate     | Land Plot No. | Building Area Approximately (sq.m.) | Details of Factory                                            | Investment Date | Land Title Deed No. | Size of Land Approximately |          |              | Building Age Approximately (Years) | Type of Investment |          |
|-----------------------------------------------------|---------------------------------|---------------|-------------------------------------|---------------------------------------------------------------|-----------------|---------------------|----------------------------|----------|--------------|------------------------------------|--------------------|----------|
|                                                     |                                 |               |                                     |                                                               |                 |                     | Rai                        | Ngan     | Sq.Wah       |                                    | Land               | Building |
| 22                                                  | WHA Logistics Park 4 (WHA LP 4) | C2            | 3,802                               | Reinforced Concrete Building with mezzanine floor, 1 Building | 4 Jan 61        | 9197                | 2                          | 0        | 90.50        | 4.83                               | Partial Lease      | Lease    |
| 23                                                  | WHA Logistics Park 4 (WHA LP 4) | D1            | 3,777                               | Reinforced Concrete Building with mezzanine floor, 1 Building | 4 Jan 61        | 473, 9198           | 2                          | 0        | 88.00        | 4.59                               | Partial Lease      | Lease    |
| Total of Leased Area - Warehouse                    |                                 |               | 101,521                             |                                                               |                 |                     | 70                         | 1        | 70.50        |                                    |                    |          |
| <b>Total of Leased Area – Factory and Warehouse</b> |                                 |               | <b>332,505</b>                      |                                                               |                 |                     | <b>304</b>                 | <b>0</b> | <b>54.38</b> |                                    |                    |          |

Remark Information as of 31 December 2018

## 3.4.4 Asset Value was from latest Report of Appraised Value or Review of Appraised Value

## By location

| Location of Assets                                      | รายละเอียดทรัพย์สินทั้งหมด             |                          |                    |                                        | Investment Date                    | Valuation Date               | Value Invested<br>by the REIT <sup>/2</sup> | Asset<br>Valuation                 |
|---------------------------------------------------------|----------------------------------------|--------------------------|--------------------|----------------------------------------|------------------------------------|------------------------------|---------------------------------------------|------------------------------------|
|                                                         | Size of Land<br>(Rai-Ngan-<br>Sq. Wah) | Building Area<br>(sq.m.) | Number of<br>units | Rooftop areas<br>(Sq.m.) <sup>/1</sup> |                                    |                              |                                             |                                    |
| WHA Eastern Seaboard Industrial Estate 1<br>(WHA ESIE1) | 144-1-35.18                            | 127,508                  | 32                 | 68,419                                 | 23 November 2016<br>4 January 2018 | 15 June 2018<br>9 March 2018 | 3,706,795,960.79<br>555,810,773.83          | 3,358,950,000.00<br>546,183,000.00 |
| Eastern Seaboard Industrial Estate (Rayong)<br>(ESIE)   | 45-0-25.4                              | 57,752                   | 41                 | 30,082                                 | 23 November 2016<br>4 January 2018 | 15 June 2018<br>9 March 2018 | 1,363,364,874.95<br>451,357,776.56          | 1,263,640,000.00<br>33,730,328.00  |
| WHA Chonburi Industrial Estate 1<br>(WHA CIE 1)         | 18-0-29.3                              | 17,712                   | 19                 | 9,072                                  | 23 November 2016<br>4 January 2018 | 15 June 2018<br>9 March 2018 | 508,371,102.91<br>57,393,503.82             | 472,170,000.00<br>56,562,000.00    |
| WHA Saraburi Industrial Land<br>(WHA SIL)               | 26-0-94                                | 28,012                   | 16                 | 14,861                                 | 4 January 2018<br>24 December 2018 | 9 March 2018<br>-            | 358,192,698.34<br>477,000,000.00            | 353,600,000.00<br>-                |
| WHA Logistics Park 1<br>(WHA LP 1)                      | 10-1-75                                | 16,820                   | 2                  | 9,936                                  | 23 November 2016                   | 15 June 2018                 | 425,780,817.64                              | 393,670,000.00                     |
| WHA Logistics Park 2<br>(WHA LP 2)                      | 39-2-58                                | 50,996                   | 11                 | 28,440                                 | 23 November 2016                   | 15 June 2018                 | 1,310,894,761.88                            | 1,194,010,000                      |
| WHA Logistics Park 4<br>(WHA LP 4)                      | 20-1-37.5                              | 33,705                   | 10                 | 18,838                                 | 23 November 2016<br>4 January 2018 | 15 June 2018<br>9 March 2018 | 659,783,899.20<br>167,092,998.65            | 610,940,000.00<br>162,944,000.00   |
| รวม                                                     | 301-1-93                               | 332,505                  | 131                | 179,648                                |                                    |                              | 10,041,839,168.57                           |                                    |

Remark<sup>/1</sup> Usable rooftop area  
<sup>/2</sup> Investment value excluding transaction cost

### 3.5 Benefits from Invested Assets

The Company, as the REIT Manager, has objective to provide appropriate distribution from investment sustainably in the long run for unitholders. After the REIT invested in the said leasehold in property from WHA Industrial Development Public Company Limited, Eastern Seaboard Industrial Estate (Rayong) Co.,Ltd., WHA Eastern Seaboard Industrial Estate Co., Ltd. and WHA Industrial Building Co., Ltd. and has the leasehold rights in lands and factories as well as warehouses, the REIT Manager has a policy to lease out such property to lessees. The REIT Manager shall appoint WHA Industrial Development Public Company Limited, who has experience and expertise in managing and administering property in the type of factory and warehouse, as the Property Manager. The Property Manager shall contact and procure customers, seek companies who wish to use the service and/or rent the said property, as well as negotiate the terms with potential lessees. Moreover, the Property Manager shall be in charge of marketing and promotion by contacting targeted customer group directly or through various agents.

#### 3.5.1 Type of Tenancy Agreement

The REIT, by Trustee, shall become counterparty directly with the lessee. The income and cash flow to be received by the REIT from the REIT's initial investment asset are the rental income from lands and buildings and service fee from the rent of factories and warehouses. Most lease agreements shall be a standard agreement having similar terms and conditions, i.e.

- 1) Monthly rental income comes from leasing of lands and factories or warehouses.
- 2) Income from monthly service fee is the income collected from service agreement relating to maintenance of building, common area and common property.

#### Rental rate before compensation from WHAID and subsidiaries (percentage compare with total rental areas)

| Type      | 31 Dec 17 | 31 Mar 18 | 30 Jun 18 | 30 Sep 18 | 31 Dec 18 |
|-----------|-----------|-----------|-----------|-----------|-----------|
| Factory   | 77.3      | 77.5      | 77.4      | 84.4      | 85.5      |
| Warehouse | 52.6      | 46.4      | 51.5      | 61.6      | 70.1      |
| Total     | 68.4      | 67.6      | 69.1      | 77.1      | 80.8      |

### Contract Expiry

| Contract Expiry (Year) | Percentage of rental area with total rental area |
|------------------------|--------------------------------------------------|
| Within 2019            | 34.17%                                           |
| Within 2020            | 18.46%                                           |
| Within 2521            | 33.95%                                           |
| After 2022             | 13.42%                                           |
| <b>Total</b>           | <b>100.00%</b>                                   |

### 3.5.2 Compensation for the Rental Income

Asset owners agree to compensate for the rental income to the REIT for vacant property and unoccupied leased properties that rental short of the minimum rental rate for the period of 3 years from the commencement date<sup>/1</sup> of lease term. The rate of the rent shall be as follows:

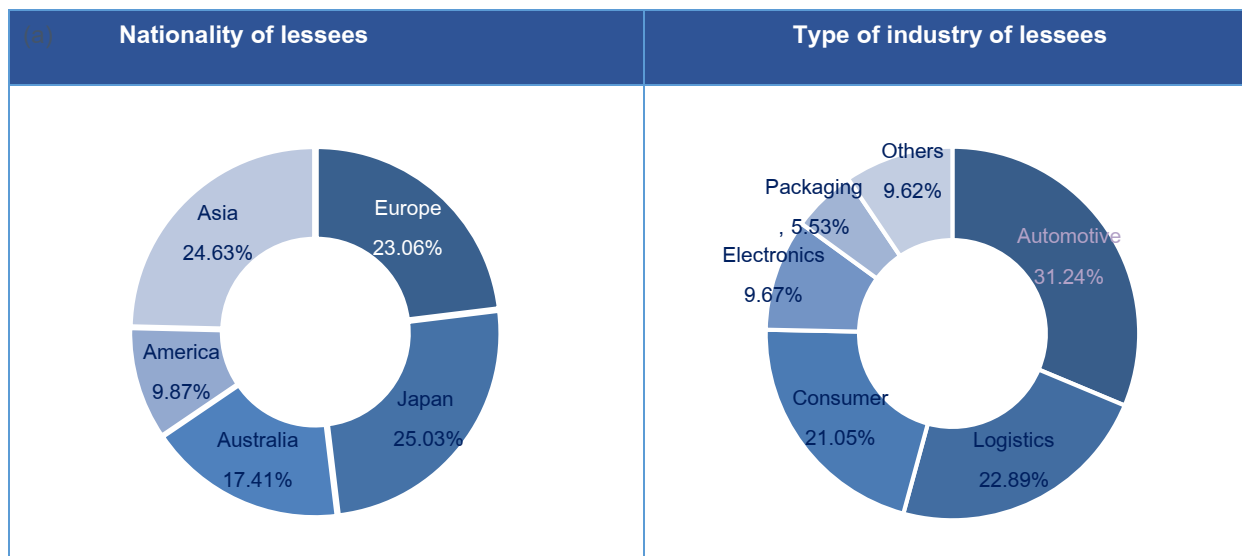
| Type of Rented Property   | Location of Rented Property         | Compensated Rental Rate<br>(Baht/sq.m./month) |
|---------------------------|-------------------------------------|-----------------------------------------------|
| Attached building factory | WHA ESIE 1, ESIE, WHA CIE1, WHA SIL | 185 - 193                                     |
| Detached building factory | WHA ESIE 1, ESIE, WHA SIL           | 200 - 210                                     |
| Warehouse                 | WHA LP1, WHA LP2, WHA LP4           | 147 - 155                                     |

Remark <sup>/1</sup> 1 The REIT's initial investment has entered into the investment on 23 November 2016, 1<sup>st</sup> additional investment on 4 January 2018 and 2<sup>nd</sup> additional investment on 24 December 2018

### 3.5.3 Target Customers

The details of the lessee of the factory and warehouse as of 31 December 2018 are as follows:

### 1) Detail of tenant<sup>1)</sup>



Remark

<sup>1)</sup> The percentage compare with total occupied areas

### 2) Information of top 5 lessees of factories and warehouses

| No. | List of Lessee                          | % to total revenue | Year of lease expiration (A.D.) | Nationality | Type of Business |
|-----|-----------------------------------------|--------------------|---------------------------------|-------------|------------------|
| 1   | Saffron Living Co., Ltd.                | 8.33%              | 2021                            | China       | Consumer         |
| 2   | Futuris Automotive (Thailand) Co., Ltd. | 4.81%              | 2020                            | Australia   | Automotive       |
| 3   | Nittsu Logistics (Thailand) Co., Ltd.   | 3.90%              | 2021                            | Japan       | Logistics        |
| 4   | Visy Packaging (Thailand) Co., Ltd.     | 3.45%              | 2021                            | Australia   | Packaging        |
| 5   | ZF Lemforder (Thailand) Co., Ltd.       | 3.42%              | 2021                            | Germany     | Automotive       |
|     | รวม                                     | 23.91%             |                                 |             |                  |

Remark

<sup>1)</sup> The percentage compare with total occupied areas

### 3.5.4 Channels of Benefit Procurement

REIT Manager have a policy of renting out properties to tenants by engaging WHA Industrial Development Public Company Limited, which has extensive experience and expertise in managing assets, factories and warehouses as a Property Manager. The Property Manager has a responsibility to reach out to customers. For those who wish to use the service and/or rent of such property. Their service includes negotiating contracts with those interested in renting space and is also responsible for marketing and promotion activities both direct with

potential customers or contact through various brokers and agents. Structure of property management fee is consistent to normal business which is the same as the structure of property management fee that WHAID has received from others. The REIT Manager set criteria for evaluation of the Property Manager as indicated in No. 13 Conflict of Interest

WHA Industrial Development PCL. is major shareholders of the REIT Manager by holding 99.99 percent of issued and fully paid-up shares

#### **Additional Asset Investment**

The REIT has the opportunities to invest in additional assets through the Right of First Refusal

Within the period of 7 (seven) years after the first investment, in the events that WHAID and/or WHAID's Subsidiaries wish to sell, dispose of, transfer, let, which is not the letting of land and/or the Ready-Built warehouse, distribution center or factory to general clients in the ordinary course of business, whether in whole or in part of land and/or the Ready-Built warehouse, distribution center or factory exploited in the business conducts of the Warehouse and Factory Project by WHAID and/or WHAID's Subsidiaries, which are located in Thailand, WHAID agrees and procures the REIT, the right of first refusal in the investment of such Warehouse and Factory Project

"Subsidiaries" shall have the same meaning as specified in the Notification of the Securities and Exchange Commission No. KorJor. 17/2551 or as amended.

"WHAID's Subsidiaries" shall not include the following entities;

- 1) The subsidiaries of WHAID that are listed in the Stock Exchange of Thailand which become the subsidiaries of WHAID after the date of this Agreement.
- 2) Eastern Seaboard Industrial Estate (Rayong) Co., Ltd. and the subsidiaries of Eastern Seaboard Industrial Estate (Rayong) Co., Ltd.

In this regards, the offering of the right of first refusal to the REIT hereunder by WHAID or WHAID's Subsidiaries shall not apply to the cases which would result WHAID and/or WHAID's Subsidiaries in the incompliance of any agreements or covenants, or becoming the defaulting party in any agreements which WHAID or WHAID's Subsidiaries entered in to with any persons (a) prior to the signing date of this Agreement or (b) prior to the date when such company become WHAID's Subsidiaries as per the above definition.

### 3.6 Borrowing Policy

The REIT use borrowings to invest in real estate or leasehold rights which are additional to benefits of Unitholders. Borrowings help effectively manage cost of funding of the REIT by lower of cost of acquisition of assets than only offering unit trust to Unitholders which may raise distribution to Unitholders.

#### Summary of the Loan Agreements and Details of the Loan Securities

With respect to this investment of HREIT, part of the funding for this came from loans that HREIT obtained from the Siam Commercial Bank Public Company Limited and CIMB Thai Bank Public Company Limited (the "Lender"), which will be a long-term loans of Baht 3,320 million for the purpose of investment of the Main Asset. Terms and conditions of the loans will be in accordance with the loan agreement, between HREIT and the Lender. The key terms of the loan agreement are as set out in the table below.

##### 1) Loan from Siam Commercial Bank Public Company Limited

|                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Lender</b>              | Siam Commercial Bank Public Company Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Borrower</b>            | SCB Asset Management Co., Ltd. as Trustee of HREIT                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Loan Amount</b>         | 1 <sup>st</sup> : Baht 2,325 million<br>2 <sup>nd</sup> : Baht 575 million                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Interest Rate</b>       | The loan has interest rate MLR less the rate specified in the agreement. Minimum Loan Rate (or MLR) means the lending that the Bank charges its prime major customers on term loans (Minimum Loan Rate, "MLR").                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Loan Term</b>           | 5 years (After the utilization of credit facility)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Principal Repayment</b> | The loan will be repaid in as a bullet payment at the maturity date of loan term (in this regards, HREIT shall be entitled to make early repayment as stated in the loan agreement).                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Interest Payment</b>    | Quarterly interest payment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Collateral</b>          | <ol style="list-style-type: none"> <li>1) Conditional assignment of land and building lease agreement over HREIT's Main Asset as business collateral to the Lender, which will have the value of at least 2 times the loan amount.</li> <li>2) Conditional assignment of insurance, endorsing the Lender as beneficiary and co-insured.</li> <li>3) Conditional assignment of rights under the lease agreements and service agreements with a term of more than 3 years.</li> <li>4) Other security (if any) as may be agreed between HREIT and the Lender in the loan agreement.</li> </ol> |

|                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|--------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Key Covenants</b>           | <ol style="list-style-type: none"> <li>1) The borrower undertakes not to create any encumbrances over the Main Assets which is not already a collateral to the Lender to any other financial institutions (Negative Pledge).</li> <li>2) WHA Industrial Development Public Company Limited agrees that the unitholding ratio in the Trust of WHA Industrial Development Public Company Limited and/or persons in the same group shall not collectively be less than 15 percent of the total trust units in the Trust issued and offer for the initial public offering for a period of 3 years from the date of initial investment of HREIT.</li> <li>3) The borrower shall hire WHA Industrial Development Public Company Limited or its affiliate as a property manager unless such change of property manager is processed as per the trust unitholders' resolution or as stated in the property management agreement.</li> </ol> |
| <b>Key Financial Covenants</b> | <ul style="list-style-type: none"> <li>- The borrower must ensure that the funded interest-bearing debt to the Equity Ratio of HREIT does not exceed 1.0 x</li> <li>- The borrower must ensure that the funded interest-bearing debt to EBITDA ratio is no more than 5.5 times.<br/>( EBITDA = Earnings before interest, tax, depreciation and amortization excluding other adjusted income which are non-cash items such as gain/loss from revaluation of investment value)</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                             |

## 2) Loan from CIMB Thai Bank Public Company Limited

|                            |                                                                                                                                                                                                                                                                                |
|----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Lender</b>              | CIMB Thai Bank Public Company Limited                                                                                                                                                                                                                                          |
| <b>Borrower</b>            | SCB Asset Management Co., Ltd. as Trustee of HREIT                                                                                                                                                                                                                             |
| <b>Loan Amount</b>         | Long term facility: 420 ล้านบาท<br>Short term facility 80 ล้านบาท                                                                                                                                                                                                              |
| <b>Interest Rate</b>       | The loan has interest rate MLR less the rate specified in the agreement.<br>MLR means an average interest rate charged by the 4 commercial banks from its prime major customers                                                                                                |
| <b>Principle Repayment</b> | Long term facility : 5 years<br>Short term facility : 1 year                                                                                                                                                                                                                   |
| <b>Interest Payment</b>    | Quarterly interest payment as identify in loan agreement                                                                                                                                                                                                                       |
| <b>Collateral</b>          | Leasehold right of Additional Investment Assets No. 2 and leasehold right of current assets of HREIT which are free from any encumbrances, whereby the value of collateral during the term of agreement shall be higher than 2 times of the accrual credit amount at any time. |

|                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|--------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                | Assignment of leasehold right as collateral / conditional assignment of insurance policy and endorsement to the lender as beneficiary and co-insured / conditional assignment of lease and service agreements of lessees / registration of leasehold right and/or right of claim and/or insurance policy as collateral under the Business Security Act.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Key Covenants</b>           | <ol style="list-style-type: none"> <li>1) The borrower undertakes not to create any encumbrances over the Main Assets which is not already a collateral to the Lender to any other financial institutions (Negative Pledge).</li> <li>2) WHA Industrial Development Public Company Limited agrees that the unitholding ratio in the Trust of WHA Industrial Development Public Company Limited and/or persons in the same group shall not collectively be less than 15 percent of the total trust units in the Trust issued and offer for the initial public offering for a period of 3 years from the date of initial investment of HREIT.</li> <li>3) The borrower shall hire WHA Industrial Development Public Company Limited or its affiliate as a property manager unless such change of property manager is processed as per the trust unitholders' resolution or as stated in the property management agreement.</li> </ol> |
| <b>Key Financial Covenants</b> | <p>The Borrower shall maintain the Interest Bearing Debt/Equity Ratio to not exceed 1.0.</p> <p>The Borrower shall maintain the Interest Bearing Debt/ EBITDA Ratio to not exceed 6.5.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

## 4. Market Overview for Real Estate Industry of Invested Properties

### 4.1 Thailand's Business Overview

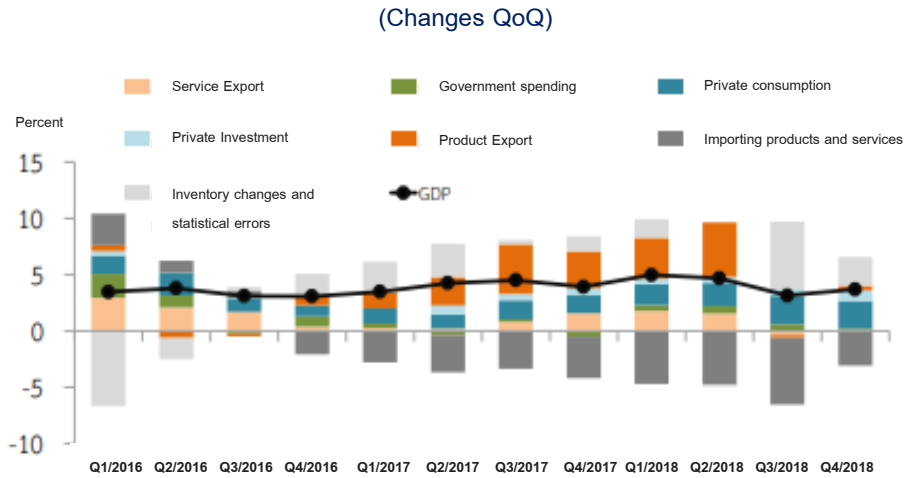
Overall growth in the world economy in 2018 was slowly increase, especially in the second half of the year which mainly factors from trade barrier policy and the counteract by counterparty, European economy has slowly growth from the lower rate of private sector consumption concerned by Eurozone political uncertainty. Japan economy has slowly growth from natural disaster. China economy has slowly growth from strictly credit granting under financial stability policy and the effect from US-China trade war. For Asian economy (exclude Japan and China) has slowly growth from financial tightening in some countries, confidence level of investment caused by US trade barrier policy, relaxing fiscal policy in some countries. However, U.S. economy was significant rise from strong economic fundamental, reflected from labour market, and supporting from fiscal policy.

It is expected in 2019 that world economy tend to slow down to normal growth with some significant risk factors; (1) Uncertainty of US trade barrier policy and its counterparty counteract (2) Uncertainty of Brexit Timeframe (3) Geopolitical risks which may caused to world economy growth

**In the past year, Thai economy grew at 4.1 percent** Economic driven factors are private sector expenditures both consumption and investment factors. Private consumption factor continuously growth which come from the expiry of "First Car Campaign" contingencies and supporting factor from private sector purchasing power from non-agricultural household income growth. High level of household confidence and additional supporting scheme from public sector. Private sector investment is another factor from investment for effectiveness and expand manufacturing scale following to good level of business confidence. Moreover, some industries has relocated manufacturing base to Thailand at the End of 2018. Government expenditures is still stimulate investment in part of infrastructure even though some projects are delayed.

Export shown lower growth from the previous year which reflected from economy growth situation of counterparty and from US-China trade war and decline cycle of electronics products. Some of export products has been effected (both direct and indirect) from US trade barrier policy, washing machine, solar cells, and electronics circuit are example. However, at the end of 2018, some exporters have positive effect, electricity products and tire products, effects from relocation of order to Thailand. Tourism sector is slowly growth from decrease of Chinese tourists from an accident event at Phuket in July while tourists from other countries are continuously growth

Picture 1 Contribution to Growth in Thailand<sup>1</sup>



Remark: <sup>1</sup> GDP is calculated by Chain Volume Measure (CVM) approach

Source: Office of the National Economic and Social Development Council, Calculated by Bank of Thailand

## 4.2 Market Overview

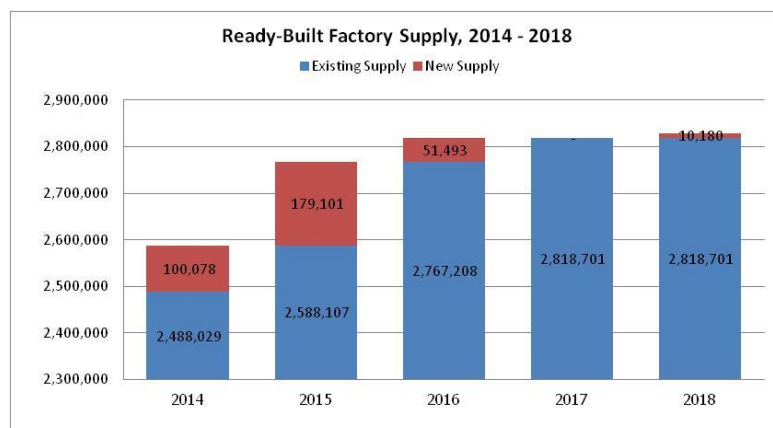
### 4.2.1 Market of Ready-Built Factory and Ready-Built Warehouse in 2018

#### 1) Ready-Built Factory

##### Supply

The total supply of ready-built factory as of December 2018 was recorded at 2,828,881 square metre, increased by 0.4% from the supply as end of 2017, with approximately 10,180 square metre of new supply were added during 2018. During 2014 and 2015, the massive of new supply were added, with approximately 100,078 square metre and 179,101 square metre, respectively. The new supply added in 2016 was only 51,493 square metre.

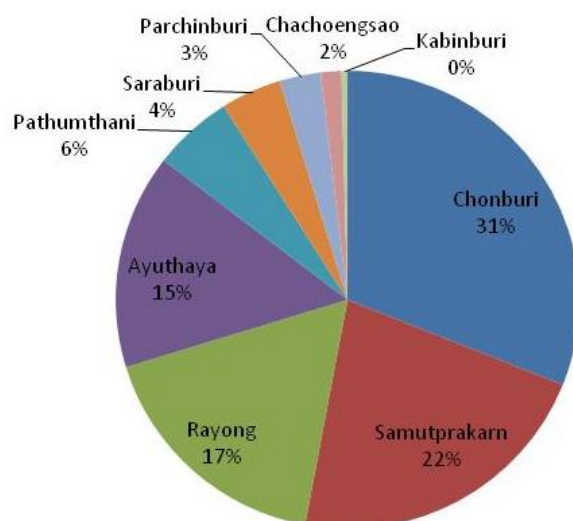
Picture 2 : Ready-Built Factory Supply, 2014-2018



Source: Knight Frank Thailand Research and consulting Department

The majority of supply was located in Chonburi Province, representing by 31% of total. Chonburi is the developing area with high potential for growing. Chonburi is the home of petrochemical industry, electronic industry, food industry and other sectors especially tourism area with many real estate developments in this area. Chonburi is the area where the deep sea port is located. The second rank of majority of ready-built factory supply is located in Samutprakarn Province, representing by 22%. Samutprakarn is situated in the eastern part of Bangkok. There are many industrial estates in this area such as Bangpoo Industrial Estate, Bangplee Industrial Estate. The industrial estates in this area focus on manufacturing industry for consumption in both domestic and export. Samutprakarn is close proximity to Bangkok, and convenient for logistic via road, river and sea due to the location is in proximity to airport and deep sea port. The third rank of majority of ready-built factory supply is in Rayong Province, representing by 17% of total.

**Picture 3 : Ready-Built Factory Supply by Province, 2018**

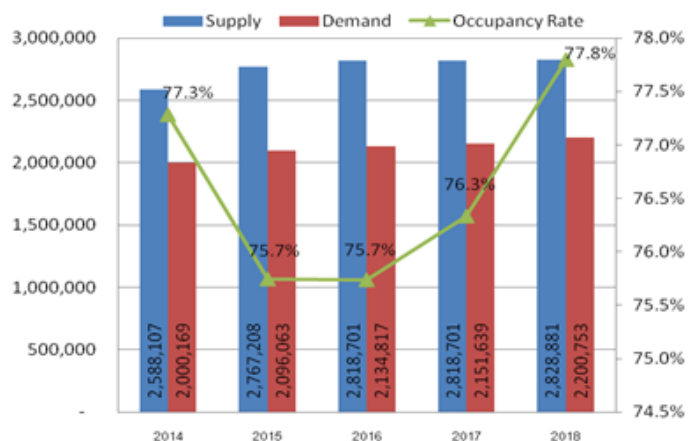


Source: Knight Frank Thailand Research and consulting Department

### Demand

At December 2018, the total occupied space was 2,200,753 square metre out of 2,828,881 square metre. The newly occupied space increased in 2018 from 2017 by 49,114 square metre. The occupancy rate of ready-built factory as end of 2018 has climbed up to 77.8%, comparing to 76.3% in 2017

**Picture 4 : Supply, Demand and Occupancy Rate of Factory, 2014-2018**



Source: Knight Frank Thailand Research and consulting Department

At the end of 2018, Samutprakarn saw the highest occupancy rate for ready-built factory at 91.3%, followed by Chachoengsao and Chonburi, with approximately 88.1% and 85.5%, respectively. Kabinburi has the low occupancy rate, with the occupancy rate of only 0%.

**Supply, Demand and Occupancy Rate of Factory by Location as of December 2018**

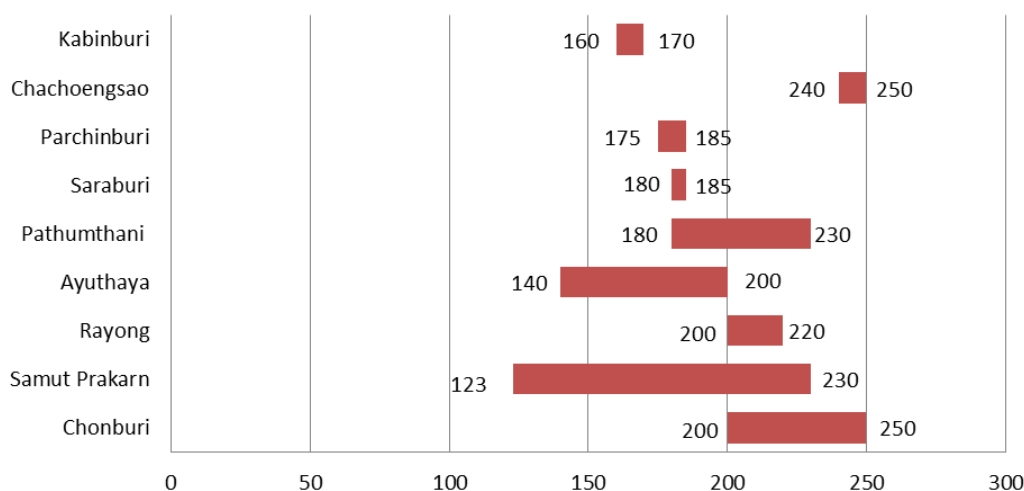
| Province     | Supply           | Demand           | Occupancy Rate |
|--------------|------------------|------------------|----------------|
| Chonburi     | 878,352          | 750,697          | 85.5%          |
| Samutprakarn | 619,415          | 565,542          | 91.3%          |
| Rayong       | 489,582          | 307,878          | 62.9%          |
| Ayuthaya     | 429,293          | 285,880          | 66.6%          |
| Pathumthani  | 158,531          | 127,796          | 80.6%          |
| Saraburi     | 120,000          | 80,980           | 67.5%          |
| Parchinburi  | 81,018           | 46,100           | 56.9%          |
| Chachoengsao | 40,740           | 35,880           | 88.1%          |
| Kabinburi    | 11,950           | -                | 0.0%           |
| <b>Total</b> | <b>2,828,881</b> | <b>2,200,753</b> | <b>77.8%</b>   |

Source: Knight Frank Thailand Research and consulting Department

### Rental Rate

At December 2018, the highest rental rate of ready-built factory was shown in Chachoengsao and Chonburi, with approximately THB 250 per square metre, followed by Pathumthani and Samutprakarn, with the highest rental rate of THB 230 per square metre, equally. Chachoengsao, Chonburi and Rayong are the provinces located in the Eastern Economic Corridor (ECC). The lowest rental rate was shown in Samutprakarn, with approximately THB 123 per square metre. It was ready-built factory where located out of industrial estate, which being developed by a small industrial developer and having low standard specification with old ages.

**Picture 5 : Minimum and Maximum Asking Rental Rate By Location, 2018**

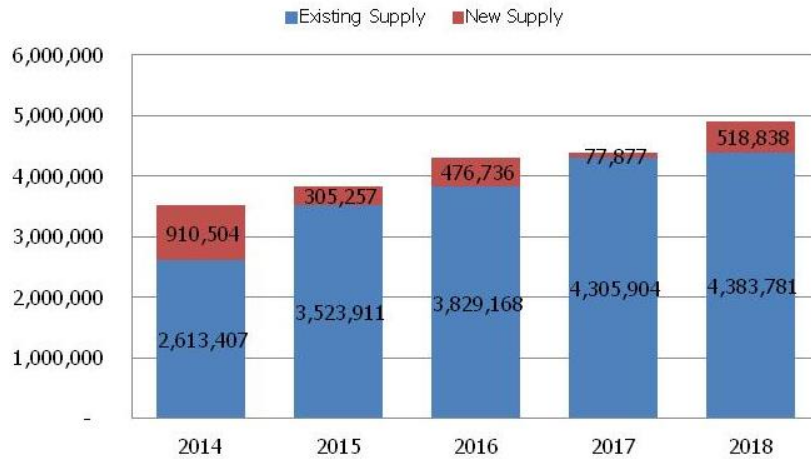


Source: Knight Frank Thailand Research and consulting Department

## 2) Ready-Built Warehouse

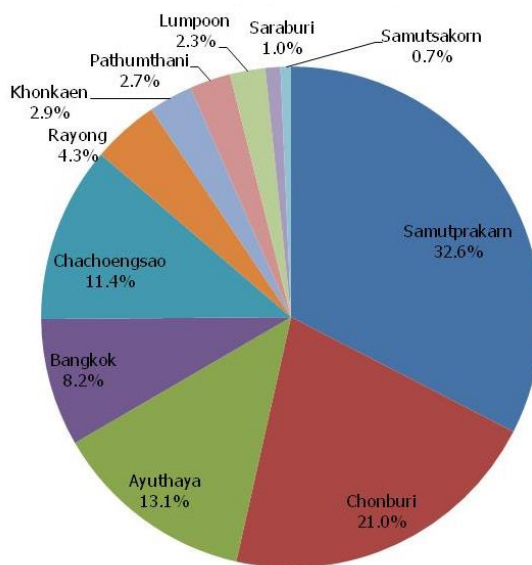
### Supply

At December 2018, the warehouse supply was at 4,902,619 square metre, with approximately 518,838 square metre added to supply. The supply has increased by 11.8% from the previous year. The majority of new supply last year was at Ayuthaya Province, representing by 41% of total new supply last year, followed by Chachoengsao Province and Samutprakarn Province, representing by 30% and 14% of total new supply. The highest amount of new supply was in 2014, with approximately 910,504 square metre added to the stock. In 2015, the new supply amount was only at 305,257 square metre. The new supply in 2016 and 2017 was approximately 476,736 square metre and 77,877 square metre, respectively.

**Picture 6 : Warehouse Supply, 2012-2018**

Source: Knight Frank Thailand Research & Consulting Department

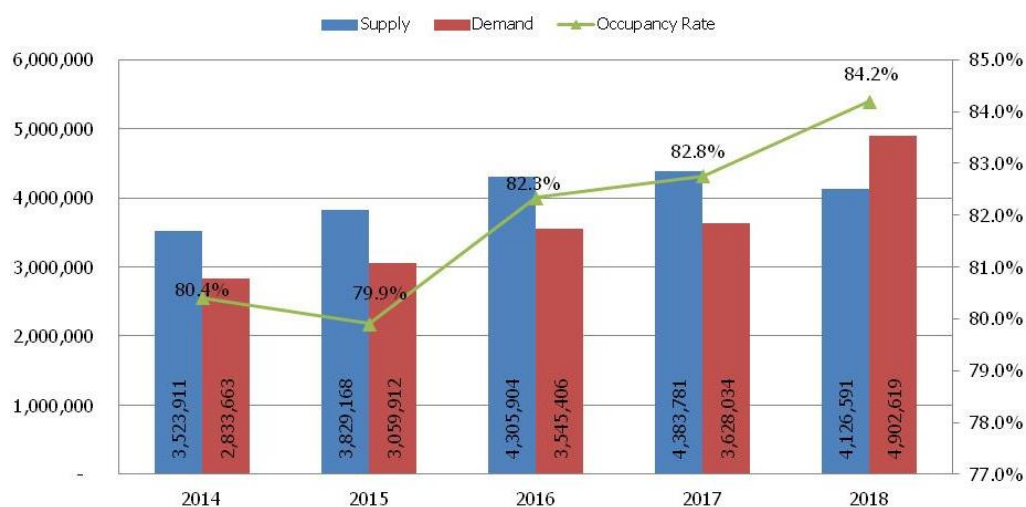
The majority of supply was at Samutprakarn, representing by 32.6% of total. Lying to the East of the Bangkok Metropolitan area, the province of Samutprakarn is home to several large industrial estates where many of the world's leading MNC's have located their manufacturing plants serving both the domestic and international markets. Its prime appeal is the proximity to Bangkok, and that it is served by infrastructure providing convenient transportation to and from major seaports, airports and by rail. The supply in the second rank was at Chonburi province, represented by 21% of total. Chonburi is developing area, growing in wealth and as well as automotives, is also home to major manufacturers in the petrochemical, electronics, food, white goods and other high value sectors to say nothing of the tourism and real estate industries that the area is popularly known for. Chonburi is the province where the deep sea port (Laem Chabang) is located. Ayuthaya ranked in third, represented by 13.1% of total. Ayuthaya province is highly prized by retailers whose fast moving consumer goods are destined for consumption in local markets throughout the country. In the past, the supply in Chachoengsao was less than the supply in Bangkok. With the majority of new supply added in Chachoengsao, with approximately 156,921 square metre being added last year, made the portion of supply in Samutprakarn being higher than the supply in Bangkok and turn up Chachoengsao Province into the fourth rank instead of Bangkok, represented by 11.4% of total

**Picture 7 : Warehouse Supply By Location, 2018**

Source: Knight Frank Thailand Research & Consulting Department

### Demand

As end of 2018, the total occupied space was 4,126,591 square metre out of 4,902,619 square metre. The newly occupied space increased in 2018 from 2017 by 498,557 square metre. The occupancy rate as end of 2018 has climbed up to 84.2%, comparing to 82.8% in 2017.

**Picture 8 : Supply, Demand and Occupancy Rate of Warehouse, 2012-2018**

Source: Knight Frank Thailand Research & Consulting Department

At the end of 2018, Bangkok saw the highest occupancy rate for warehouse at 100%, followed by Pathumthani and Lumpoon, with approximately 97% and 94.8%, respectively. Saraburi has the low occupancy rate, representing at 44.6%.

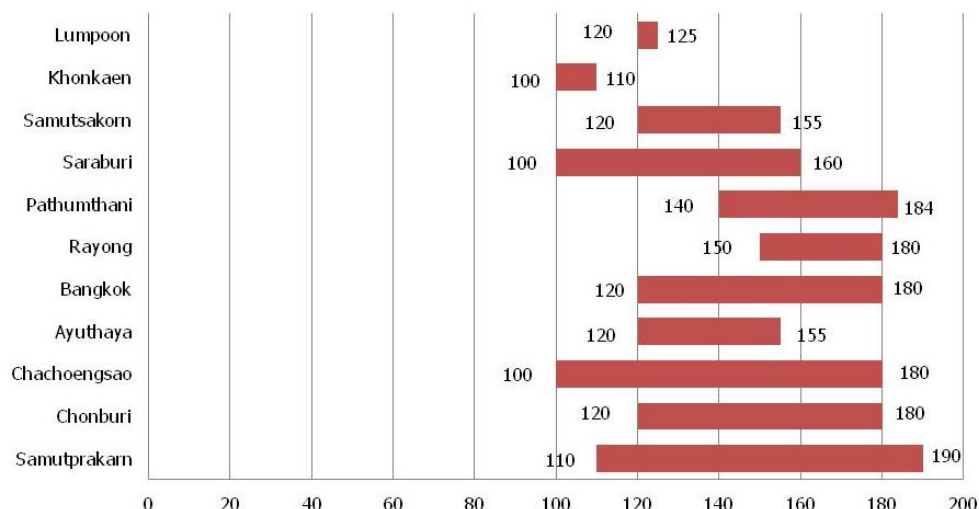
#### Supply, Demand and Occupancy Rate of Warehouse by Location at December 2018

| Province     | Supply    | Demand    | Occupancy Rate |
|--------------|-----------|-----------|----------------|
| Samutprakarn | 1,596,328 | 1,435,067 | 89.9%          |
| Chonburi     | 1,027,763 | 773,278   | 75.2%          |
| Chachoengsao | 557,175   | 414,348   | 74.4%          |
| Ayuthaya     | 642,388   | 557,686   | 86.8%          |
| Bangkok      | 404,426   | 404,426   | 100.0%         |
| Rayong       | 211,166   | 127,626   | 60.4%          |
| Pathumthani  | 130,340   | 126,380   | 97.0%          |
| Saraburi     | 47,615    | 21,256    | 44.6%          |
| Samutsakorn  | 33,516    | 30,162    | 90.0%          |
| Khonkaen     | 139,902   | 130,242   | 93.1%          |
| Lumpoon      | 112,000   | 106,120   | 94.8%          |
| Total        | 4,902,619 | 4,126,591 | 84.2%          |

Source: Knight Frank Thailand Research & Consulting Department

#### Rental Rate

The rental rate varies depending on location. As end of 2018, the highest rental rate was shown in Samutprakarn, with approximately THB 190 per square metre, followed by Pathumthanee, with the highest asking rental rate at THB 184 per square metre. Rayong, Chonburi and Chachoengsao, being located in the Eastern Economic Corridor, the three provinces have the highest asking rental rate of approximately THB 180 per square metre. Warehouse rental rate varies on many factors, such as the condition of the warehouse, age of buildings, and specifications.

**Picture 9 : Minimum and Maximum Asking Rental Rate By Location, 2018**

Source: Knight Frank Thailand Research & Consulting Department

#### 4.2.2 Business outlook of Ready-Built Factory and Ready-Built Warehouse in 2019

The outlook of ready-built factory and ready-built warehouse market is in bright prospect. The result of the recovery of automobile manufacturing in recent years lead to the expansion of automobile spare parts factories which empowered the opportunity of ready-built factory and ready-built warehouse market. Moreover, the US-China trade war seems to be less business threats, as a result of a rise on import tariff between USA and China which potentially attracts several Chinese investors who intend to establish new manufacturing bases in Thailand and export to USA, resulting to the significant increase on warehouse demand. Furthermore, it can be said that Chinese and Thai societies might be quite similar in term of culture, community, food, tourism and religious. The news concerning on potential election in Thailand has also boosted confidence from foreign investors so the business situation on ready-built factory and ready-built warehouse market are expected to be good circumstances.

The progressive in setting up the Eastern Economic Corridor or EEC is estimated to benefit the ready-built factory and ready-built warehouse for rent market, as a consequence of government infrastructures on EEC area such as the development of U-Tapao airport project, the development of dual rail train and high speed train projects and the development of Satahip port, leading to expansion of investor's attraction. Moreover, Laem Chabang port third phase and Map Taphut port third phase will contribute the positive efficiency of logistic system and industrial market in Thailand, in order to become the industrial and logistics centre of Southeast Asia. There are many leading developers who

are interested in establishing many industrial estates in the Eastern Seaboard covering Chonburi, Rayong and Chachoengsao, which providing positive impact on ready-built factory and ready-built warehouse market within Bangkok, Samut Prakan and EEC area, according to the expansion of economy and foreign investment.

It is importance to use technology and IT system upgrade warehouse business because it could help entrepreneurship to improve efficiency in management process and service, respond customer satisfaction and push up competitive advantage with high increasing competitions in future. Furthermore, making an alliance and joint with offshore company or big Thai company will be an opportunity to make business more strength also.

## 5. Risk factors

### 5.1 Risks due to the REIT or operation of the REIT.

#### 5.1.1 Risk arisen from provision of rental for the renewal of 30 years lease term or property lease contract is renewed for another 30 years.

As property lease contract which the REIT has entered into with owner of each property ("the lessor"), the lease term is 30 years. When such lease term is expired, the lessor has agreed that the REIT shall be entitled to renew lease contract for another 30 years, although the REIT is eligible to renew the lease contract as the lessor has specified in the lease contract that rental fee of the renew lease term of property which the REIT has invested initially for another 30 years and registration fee of lease right totally of Baht 505.5 million for the assets has invest initially, totally of Baht 101.1 million for the 1<sup>st</sup> additional investment and totally of Baht 30.33 for the 2<sup>nd</sup> additional investment if the REIT cannot raise fund sufficiently for the defined rental, the trust fund cannot exercise its right to renew such lease contract or there is any cause which the lease cannot be renewed any intentional breach of contract of lessee or there is law amendment or legal practice of lease contract or assignee of the leased property who is the third party, does not require performance of the contract or entering to bankruptcy process or rehabilitation of lessee etc.

However, in providing rental for the renewed lease term, the REIT can decide to renew the lease contract by notifying the lessor for acknowledgement in advance during 21<sup>st</sup> – 25<sup>th</sup> year of the lease term. Therefore, the REIT will have sufficient time in considering fund raising approximately 5-10 years in order to find source of investment funds to pay rental and registration fee of the lease right for the renewed the lease term totally of Baht 505.5 million for the assets has invest initially, totally of Baht 101.1 million for the 1<sup>st</sup> additional investment and totally of Baht 30.33 for the 2<sup>nd</sup> additional investment whether it is loan and/or capital and/or accumulative savings obtained from business profits. if the REIT agrees to raise fund additionally and/or get a loan and/or use accumulative savings which may affect to proportion of the REIT unitholding of the REIT unitholders and/or proportion of debt and/or investment return which the REIT unitholders may obtain.

Moreover, to reduce risks which the REIT cannot exercise its right to renew such lease contract due to other reasons as specified in the foregoing, the REIT has defined conditions of the lease contract that each lessor shall confirm not to sell, distribute or transfer the proprietary right of the leased property in order to maintain status of the lessor according to the lease contract.

Besides, the REIT shall allow the lessor to apply for mortgage with the REIT under mortgage amount which would not exceed the average estimated price of appraisal value between 2 (two) appraisal companies which asset valuation of the leased property is prepared by Income Approach on the date the REIT has invested or in the case of the highest mortgage amount of any plot of land is defined by implacable law for 10 (ten years) from the commenced date of lease term, the parties agree increase mortgage amount equally to the highest amount which is defined by the implacable law at that moment which would not exceed the average estimated price of appraisal value between 2 (two) appraisal companies which asset valuation of the leased property was prepared by Income Approach on the date the REIT has invested initially as guarantee of performance of the lease contract and remedy of any damage which the REIT may be affected in case of the REIT cannot utilize the leased property under the lease contract likewise.

If there is any case as specified in the foregoing, and the lessor cannot remedy within the defined period as specified in the lease contract which caused the REIT cannot exercise its right to renew the lease contract, the REIT is entitled to claim damages due to such cause as well as being eligible to terminate the lease contract and/or enforce of any property which is mortgaged under this lease contract promptly and the lessor shall return the advance rental which is remained in proportion of the remained lease term as well as other money or benefits which the lessor has received on behalf of the REIT including cost of lacking benefits which the REIT may utilize the leased property according to the remained lease term including the renewed lease term. The highest mortgage amount as defined by the current implacable law is as follow:

Industrial Estate Authority of Thailand (IEAT) Law has defined that the highest mortgage amount of land and building is not exceeded the estimated price of land which is used in registration of right and juristic act of Department of Lands including building price as defined by Building Estimated Price of IEAT or the price which is defined or approved by IEAT Committee.

Although the REIT is a preferential creditor over any property which is mortgaged under the mortgage amount (which may be lower than the actual damage), however, in case the REIT's damages are more than the mortgage amount, the REIT is still entitled to claim damages and/or other expenses arisen from the lessor's default if such implementation shall take time and/or the lessor cannot remedy all damage of the REIT.

### 5.1.2 Risk due to conflict of interest

The REIT Manager, which is a subsidiary company of WHA Industrial Development Public Company Limited (“WHAID”) has appointed WHAID as the major shareholder of the REIT Manager to be the Property Manager which the REIT has invested as defined by the company’s strategy and policy and WHAID still has relations with the REIT as the lessor of the REIT’s initial investment, 1<sup>st</sup> additional investment and 2<sup>nd</sup> additional investment. Moreover, WHAID and the others are subsidiary companies of WHAID, possessing lands and warehouse building, distribution center or Ready-Built Factory for lease which are located in the same industrial estate/logistics park where the REIT has invested and WHAID has been the Property Manager of HPF too. WHAID shall conduct administration and providing benefits from HPF’s properties which have similar type and located nearby properties which the REIT has invested. Roles of WHAID towards the REIT both the Property Manager and the lessor of the REIT’s investment, may cause conflict of interest against the REIT whether selection of land and warehouse building, distribution center or Ready-Built factory for lease and providing for the REIT including providing new lessees.

However, the REIT Manager is well aware of conflict of interest which may happen, therefore, the REIT Manager has defined regulatory guidelines in administration of the assets for the Property Manager to prevent such problem may occur. During acting as the Property Manager of the REIT, WHAID shall agree with the REIT every time when there is interested customer in leasing land and warehouse building, distribution center or Ready-Built factory, WHAID shall present all vacant properties which their specifications meet customer requirement for customer to consider and making decision without separation whether such properties belong to either party though as well as rental of buildings can be comparative both in size, location, form and lease term which shall be similar for transparency and providing information for customers sufficiently in order to make decision except the REIT shall consider other implementation which is appropriate for the REIT’s benefits.

Moreover, the property management fee which WHAID shall receive from acting as the Property Manager having the same structure as the property management fee which WHAID receives from HPF as HPF’s Property Manager and WHAID, as the Property Manager, shall prepare reports and present to the REIT Manager as specified in appointment of Property Manager Agreement or as defined concurrently by the REIT and the Property Manager.

**5.1.3 Risks arisen from the REIT cannot utilize from property of the project as the other party does not comply with investment contract and the property management of the REIT.**

In investment and the property management of the REIT, the REIT shall enter into Master Lease Agreement, Movable Sales and Purchase Agreement and Undertaking Agreement with the and/or other agreements that related to investment and management of the REIT for the purpose of providing the REIT's benefits and binding the contractual parties in compliance with provisions of the contract.

Although there are provisions in the foregoing contracts, the other party may be in breach of the contract or there is any situation that caused termination or being in breach of the contract. In this case, the REIT is entitled to terminate the contract, claiming damages including any benefit lacking cost though, causes of the other party's breach of the contract which may cause the REIT lacking any benefit or being unable to force the other party to comply with provisions of such contract such as being unable to force the other party to comply with provisions of the contract or the other party does not pay damages as claimed by the REIT. Therefore, the REIT may bring the case to process of judgment by submission the case to the court for consideration and the company cannot expect the period of legal proceedings until completion and compensation which the REIT may receive for remedy of damage. Moreover, result of the case depends on court judgment, although the court judgment is in the REIT's favor, the REIT shall encounter difficulty in enforcement of judgment. Therefore, the REIT unitholders may have the risk of not to receive return from investment as expected or within the expected period.

As the investment of the REIT is property leasing business by providing such leased area to interested lessee for sublease. Although registration right of lease of such property lease has been registered to related Officer of Department of Lands, the REIT may encounter risk due to breach of the contract in case of the lessors or the s of the properties perform differently from the terms and conditions of the lease agreement which the lease right has been registered though as well as the REIT cannot utilize part or all of the leased properties because the leased properties are seized or confiscated by the court order, the lessor is declared temporary or absolute receivership or bankruptcy by court or being under dissolution or liquidation process or rehabilitation is declared by the court order which the lease contract between the REIT and the s of the property is terminated. Such situation may affect to the REIT as the REIT shall not be entitled to take the leased properties for sublease and the REIT may lose income arisen from sublease rental of lessees in Industrial Estate Project/ WHA Logistics Park Project which the REIT's rate of return may be adversely affected.

To prevent such risks and rendering opportunity for the REIT and to receive indemnification which may happen, the REIT shall provide the implementation to mitigate such risks by specifying the conditions in Master Lease Agreement with the of the lessors that the lessors cannot provide remedy within the defined period as specified in the Master Lease Agreement or if the REIT cannot exercise the right to renew the Master Lease Agreement with the lessors, the REIT is entitled to claim damages from the lessors due to such reasons and/or being eligible to terminate the Master Lease Agreement and/or enforce of the property that mortgaged under the Master Lease Agreement promptly. And the lessors shall return the advance rental which is remained in proportion of the remained lease term including money or other benefits which the lessors have received on behalf of the REIT as well as benefits lacking cost which the REIT cannot utilize the leased property for the remained lease term including the renewed lease term. However, such implementation cannot remedy all damages of the REIT.

Besides, if WHAID, as a contractual party, does not maintain proportion of the REIT unitholding which constitutes the REIT to breach of the REIT's loan agreement, the REIT may have risk which cannot repay principal and/or interest which is due as defined in the loan agreement or if there is any other breach of the loan agreement (which is caused by default, including in case of WHAID and/or the subsidiary company of WHAID is not the Property Manager) which the lessors may bring legal proceedings against the REIT or exercise the right as defined by the agreement due to non-compliance with the loan agreement such as enforcement of the agreement on providing part or all of the REIT's collateral in making loan etc. Such situation may affect to the REIT and caused the REIT is not entitled to sublease the leased properties which constitute the REIT loses income arisen from sublease rental of lessees and the REIT's rate of return may be adversely affected.

#### **5.1.4 Risks arisen from damage of rooftop area lease contract to operate Solar Rooftop Project**

As WHA Utilities and Power Public Company Limited (WHAUP) and its subsidiary companies which are currently the subsidiary company that WHAID holds shares of 68.86%, are developing business regarding Solar Rooftop Project. WHAUP shall sublease rooftop areas of the REIT's properties which the REIT has invested initially for operating business of Solar Rooftop Project.

During modification or installation of Solar Rooftop equipment, it may cause damage to the property which the REIT has invested. Therefore, WHAUP agrees to provide Contractor All Risk Insurance during installation of Solar Rooftop equipment in order to operate Solar Rooftop Project. Such insurance shall cover any damage which may happen during the installation of

equipment or modification of rooftop as well as providing Property All Risk Insurance covering Solar Rooftop Project including Public Liability Insurance. However, the damage amount is more than the sum insured or it is not specified in Insurance Policy, WHAUP, as the sub-lessee, agrees to be responsible for indemnify damage of the property which the REIT has invested. Although the lessors allow sub-lessee to utilize rooftops to operate business of Solar Rooftop Project, the REIT shall notify sub-lessee installation of equipment to operate business of such project in the future as the operation of such project may affect to utilization of the leased areas of lessee because lessee may terminate the contract or the contract is not renewed which will be negative effect to the REIT's income.

**5.1.5 Risks arisen from the s are entitled to construct the expandable area which is connected to the property invested by the REIT.**

The property that invested by the REIT is Detached Building located on some plots of land in WHA Eastern Seaboard Industrial Estate<sup>1</sup> (WHA ESIE1) where the tenant is entitled to construct expandable area. It means Plot of Land for land and building which is consisted of Unexpanded Leased Area and Expandable Area which is an empty land that the tenant can request WHA Eastern Seaboard Industrial Estate Co., Ltd. (WHAESIE Co., Ltd.) to construct building in Expandable Area. If there is an exercise of such right, WHAESIE Co., Ltd. shall conduct construction and collecting rental of the expandable area from the completed date of the construction. In the REIT's case, the REIT shall invest initially particularly in Unexpanded Leased Area while Expandable Area is still belonged to WHAESIE Co., Ltd. as the expandable area has not constituted any income yet.

The asset owners, as the lessors and/or any person, who has been assigned by the lessors as the construction contractor, is entitled to make entry-exit the connected area to construct building in the expandable area which is connected to the leased building of the REIT where the tenant must exercise the right over the expandable area merely under conditions of property lease agreement.

Therefore, when the s are notified by the tenant regarding construction of building in the expandable area which is connected to the leased building of the REIT in the expandable area, the construction of building in the expandable area may affect to utilization of lessee and it may cause damage to the property which is initially invested by the REIT. However, in case of construction of building in the expandable area causes damage to any person or building or in case of the asset owner violates any law, rules, or other regulations of related government authorities, the asset owner shall be liable to pay all damages solely. Moreover, the asset owner

and/or construction contractor shall provide Contractor All Risk Insurance covering any damage caused by such construction.

#### **5.1.6 Risks which may happen due to the REIT getting loans**

Due to this fund raising in initial investment, 1<sup>st</sup> additional investment and 2<sup>nd</sup> additional investment the REIT has required getting long term loan which was approximately Baht 3,320 million or it is equal to 34.26% of total asset value as of HREIT as at 31 December 2018 which the REIT has invested to be used as part of source of investment funds to invest in properties. Therefore, the REIT may have risks due to such loan which may be arisen from the fluctuation of economic situation and interest rate because floating interest rate according to loan agreement may be changed during the duration of loan contract and it shall affect to the performance of the REIT which may cause insufficient liquidity of the REIT in paying interest and principal as well as it shall affect to the REIT's ability in paying return of investment to the REIT unitholders. Moreover, in case of the REIT cannot pay interest and/or principal as defined in loan agreement or the REIT is in breach of other provisions under loan agreement, lender may bring legal proceeding against the REIT or exercise the right to claim as specified in the contract due to non-compliance with loan agreement such as exercising the right in enforcement of the agreement regarding forfeit part or all of collaterals of the REIT's loan etc. Besides, In case of Refinancing, the REIT may have risks because the duration of the new agreement or some provisions in new loan agreement are not as good as the older one or in case of additional loan, it may have some provisions which restrict working performance of the REIT. Risks due to the aforementioned loans may affect to liquidity of the REIT as well as ability of the REIT in paying return of investment to the REIT unitholders or the return of investment of the REIT unitholders shall be reduced.

The REIT Manager is well aware of such risks and shall manage the REIT by considering these risks by preparing procedures in following up the REIT's working performance and other external factors including considering trends of interest rate regularly. Moreover, the REIT Manager shall consider to issue the debenture to reduce the financial cost of the REIT and in using financial instruments to reduce those risks such as interest rate exchange transaction service or any action with creditor such as extension of repayment period request, request for reduction of hindered condition in the REIT's management etc. The REIT shall implement as specified in the foregoing by considering related laws and optimum benefits of the REIT unitholders significantly.

**5.1.7 The REIT shall depend on the asset owner or representative of the asset owners in providing some public utilities services**

Provision of some public utilities services for the property which the REIT has invested in accordance with the standard of developer of Industrial estate project/WHA Logistics Park which is announced in industrial estate project/WHA Logistics Park where the REIT has invested, are located such as provision of central public utilities services of industrial estate project/WHA Logistics Park, water used in industry, wastewater treatment service which are provided by service provider who is either owner of property and acting as developer of industrial estate or developer of logistics park project (as the case may be) or any person who is assigned by owner of property. The REIT Set founder cannot guarantee that developer of industrial estate project/WHA Logistics Park or any person shall comply with its obligation as specified in any service contract perfectly whether or not. If any contractual party is in breach of such contract, the service provider may revoke providing any service to lessee of the property which the REIT has invested initially which shall be an obstruction of utilizing the REIT's properties and it may have negative effect significantly to business, financial position, working performance and business opportunity of the REIT.

**5.1.8 Risks which may happen when the REIT provides lessee with lower rental to compensate income during rental compensation period and the REIT may encounter risks which cannot find lessees after the end of rental compensation period according to contract.**

The asset owner agrees to compensate rental to the REIT when there is not any lessee and unoccupied leased properties that rental short of the minimum rental rate during the period of 3 years from the invested date of the REIT and rate of compensated rental shall be divided into types of the leased property.

However, during the rental compensation period, if the REIT can release the lease property to new lessee whether its rental is higher or lower than the compensated-rental rate, it shall be deemed as risks in implementing the REIT's business to have an opportunity to obtain higher or lower income. In case of new rental is lower than the compensated-rental rate or the rental compensation period is expired but the REIT cannot find new lessee for such leased area or receiving rental which is lower than the compensated rental rate, the REIT may obtain lower income which business performance of the REIT shall be affected.

## 5.2 Risks related to properties which the REIT has invested

### 5.2.1 Risk due to higher competition which provision of new lessee, occupancy rate and rental rate shall be affected

The REIT has main income from lending the leased areas and providing related services to other entrepreneurs who are lessees of warehouse building or Ready-Built factory. Lending business of such of warehouse building or Ready-Built factory has higher competition as other entrepreneurs may construct the same buildings in the area which is near the location of the REIT's properties. Therefore, there is competition in finding new lessees, renewal of lease contract of the existing lessees and reduction of rental rate to attract lessees which are affected significantly to business performance, working performance and financial position of the REIT. However, the REIT's properties, which are located in industrial estate/WHA Logistics Park, Chonburi, Rayong and Saraburi province, are appropriate locations as it is deemed as one of national main industrial centers and having transportation which leads to other regions conveniently. Therefore, such factors can mostly attract interested entrepreneurs to lease the REIT's properties as well as WHAID is the property manager with high experiences and skills in real estate development and management particularly in lending land and warehouse building or Ready-Built factory which shall be the significant factor to enhance potential of the REIT's properties to compete with other entrepreneurs.

### 5.2.2 Risks due to concentration of lessees and/or industry and /or nationality of lessees

Top 5 lessees of properties invested by the REIT account to 28.44 of the total income and the biggest lessee is approximately 8.34 of total income as of 31 December 2018 Therefore, if any of such major lessee unable to pay rental or terminates lease contract or unable to renew lease contract, it shall cause negative effect to the REIT's income. In addition, type of lessee under lease agreement has concentrated to industry and nationality. Most of lessees operate business in automotive industry and logistics which the proportion of income is calculated approximately 31.24 and 22.89 respectively. Also most of lessees are Japanese and Europe which the proportion of income are calculated approximately 25.03 and 23.06 respectively. If there is any changing of industrial structure or international relation problems, it may impact to rental paying ability or lease contract termination of these lessees which depends on automotive industry and Japanese lessees significantly and the REIT's business shall be affected accordingly. However, the REIT Manager believes that the industrial structure of Thailand, particularly in automotive industry and related industries, has gradually developed infrastructures when compared to

neighboring countries. As Thailand is an important Automotive Manufacturing Hub and still having potential investment and investors are still interested to move in and/or to expand production base in Thailand. Therefore, the opportunity that major lessees cannot pay rental, terminate lease agreement or do not renew lease agreement in the same time as well as all major lessees shall be affected by the industrial structure which has been changed in the same time and constituted negative effect to the REIT, is hardly possible.

#### **5.2.3 Risks due to finding new lessees when the REIT's lease term is nearly expired**

As properties invested by the REIT is right of leasing land and building, the REIT shall encounter risks in finding new lessees when the lease term is nearly expired because the lease term is another factor which lessee shall consider in order to enter into the lease contract of land and warehouse building, distribution center or Ready-Built factory. However, in making the lease contract of land and warehouse building, distribution center or Ready-Built factory with lessee which is mostly standard contract and duration of the contract is not exceed 3 years. Such risk may happen merely in the last 3 years before expiry of the lease contract of the REIT's properties, moreover, some lessees require leasing factory and warehouse in short term, executive of real estate expects to find new lessee in the last 3 years before the lease term of the REIT is expired.

#### **5.2.4 Property valuation conducted by appraiser may have risk in loss due to impairment of property and the REIT shall decrease capital in order to pay return of investment to unitholders**

The REIT shall invest in right of leasing real estate totally is not exceeded Baht 10,047 million which is higher than the minimum estimated price conducted by independent appraiser approximately 7.92 as financial consultant and the REIT Manager consider that the maximum investment is appropriate because: 1) Estimation of return of investment in the first is in appropriate level. 2) There is difference between discount rate of appraiser and the estimated rate of return of investors.

However, the determination of terminal value, which the REIT shall invest initially, depends on various factors such as economic condition, capital market, rate of return of the REIT /Property Fund which can be compared, rate of return of similar financial product at the moment and investors demand.

Due to accounting standard, value of the REIT's property in the first year shall refer to value of properties which the REIT has invested but value of the properties in the following years, shall

refer to the estimated price of dependent appraiser. If the value invested by the REIT is higher than the estimated price of dependent appraiser in the following years, the REIT may have risks due to loss arisen from the impairment of property according to accounting valuation and Net Asset Value (NAV) of the REIT reduces accordingly. Such loss is the disclosed loss according to accounting standard which the REIT's cash flow and ability of paying return of investment of unitholders shall not be affected at all as the REIT shall record accounting entry as unrealized net loss and unrealized gain of the REIT and the REIT shall pay part of return of investment the REIT unitholders and some part which obtained from capital decrease in order to repay capital of excessive liquidity arisen from the reduced value of such property and the REIT Manager shall consider appropriately for optimum benefit of the REIT unitholders.

**5.2.5 Risks due to investment in right of leasing real estate which the value shall be reduced according to the remained lease term**

The REIT has invested in right of leasing property which the value shall be reduced according to the remained lease term due to valuation of lease right, changing of lease rate and/or rental rate or due to other causes which are beyond the REIT's control as changing of the lease right value shall affect significantly to value of assets and net value of assets of the REIT.

**5.2.6 Risks due to deteriorated building, utilization throughout the lease right term and renewal of the lease term shall be reduced and/or risk due to the reserved fund used for major repair or renovation of properties which the REIT has invested initially, shall not be sufficient.**

As of 31 December 2018 the average year of factory and warehouse buildings were 6.14 years (there are 2 units of attached and detach factory which invested initially by the REIT are approximately 15 – 17 years) and the REIT shall invest in lease right for 30 years and renewal right for another 30 years (totally 60 years).

If the REIT does not provide maintenance and repair including renovation appropriately, buildings shall be deteriorated or some buildings which are more than 10 years, their current condition is deteriorated than other buildings or buildings, which are obsolete both in form and utilization, cannot utilize throughout the lease right term or renewal of lease right (30+30 years) appropriately and the REIT business performance shall be affected by negative effect. In case of the reserved fund of the REIT is not sufficient for repair and/or renovation of property condition in order to maintain competitive potential, it shall constitute negative effect to business

performance, financial position and ability in paying return of investment to the REIT unit holders.

However, maintenance and repair/renovation of properties in order to maintain their condition for economic utilization appropriately throughout the lease right term or renewal of lease right (30+30 years), the REIT Manager prepares action plan to reserve repair cost and maintenance cost continuously, according to experiences of real estate management in the past, the improvement, repair and/or major maintenance such as building painting, improvement/replacement of air conditioner, fire protection system, rooftop, transformer, shall be made in every 6 – 20 years. The REIT Manager shall prepare budget plan in order to estimate expenses in improvement, repair and/or replacement of property by reserving fund to be used in improvement and repair property condition every year by consideration of action plan of management of real estate and/or related specialists.

In addition, in case of the reserved fund is not sufficient, the REIT shall provide the appropriate source of investment funds (such as loans, bond etc.) to be used in improvement and repairing property in good condition which is appropriate for utilization in order to reduce negative effect to business performance of the REIT and paying return of investment to the REIT unitholders.

#### **5.2.7 Risks due to Land Use and Operation Permit in industrial estate**

The REIT, lessees or sub lessees shall apply for and obtain Land Use and Operation Permit in industrial estate appropriately, if the REIT, lessees or sub lessees cannot obtain such permit or the permit is revoked or the permit is not renewed, it shall constitute negative effect to the REIT, lessees or sub-lessees which means terms, condition as well as provisions of lease contract or sub-lease contract shall not be complied with and the business perform of the REIT may be adversely affected accordingly.

In case of lessee or sub-lessee comply with terms and conditions of lease contract or sub-lease which constituted termination of the contract, the REIT is entitled to terminate lease contract or sub-lease contract. During the period which the REIT is trying to find new contractual party to replace lessee or sub-lessee, in case of can negotiate with new contractual party successfully, the REIT is entitled to claim damages as defined by law due to breach of the contract caused by lessee or sub lessee. If the REIT cannot find new contractual party to lease or to sub lease the invested property within appropriate period or cannot negotiate with new contractual party in new lease contract which specified beneficial provisions for the REIT, income of the REIT shall be interrupted or reduced which may constitute negative effect to the REIT's business performance.

Moreover, in case of WHAID and the other asset owners, who are lessors of properties invested by the REIT, cannot renew Land Use and Operation Permit in industrial estate when such permit is expired and it shall constitute negative effect to the REIT significantly, WHAID and the asset owners cannot utilize lands in lending the REIT and the REIT cannot sub lease such land which shall constitute negative effect to the REIT's business performance. However, the REIT has defined in lease contract and agreement which is entered into between WHAID and the asset owners who shall maintain status of licensee of land Use and Operation Permit in industrial estate. Therefore, if there is any incident, the REIT is entitled to claim damages arisen.

### 5.3 Risks Related to Real-Estate Investments

#### 5.3.1 General Risks from Real Estate Investments

Investment in real estate involves many risks as follows:

- 1) Negative political and economic changes, such as domestic and international economic recession and lower overall consumption demand
- 2) Negative domestic real estate market conditions
- 3) Changes of interest rates, inflation and exchange rates
- 4) Changes of financial policy or other national and foreign economic policies
- 5) Unexpected increase in operating expenses related to real estate
- 6) Changes of laws or environmental regulations, city planning laws and other government regulations as well as financial policy
- 7) Demand for environmental responsibility related to real estate
- 8) Changes of market prices of real estate leasing fees
- 9) Changes of oil prices and other fuels
- 10) Changes of popularity of real estate types and locations leading to an oversupply of leasing areas when compared to demand or lower demand from tenants in any market area for certain types of real estate
- 11) Tenants' actions with potential effects on the business and reputation of the property owner
- 12) Inability to extend the area lease agreements or lease areas to new tenants upon expiration of lease agreements
- 13) Inability to collect leasing fees from tenants within the specified time or inability to collect because the area tenant is bankrupt or has overwhelming debts or other cases

- 14) Insufficient insurance policy coverage or higher insurance premiums
- 15) Real estate managers' inability to render or provide adequate maintenance services and other services
- 16) Damage to real estate requiring correction or repair, as well as maintenance resulting in unexpected investment expenditures
- 17) Lack of investment liquidity in real estate
- 18) High dependence on cash flow to maintain and modify current real estate
- 19) Higher operating expenses, including related taxes
- 20) Other undiscovered or undisclosed stakes or obligations from land examinations by the Land Office involved in examinations
- 21) Force majeure events, damages that cannot be claimed for insurance, and other factors; and
- 22) Changes of tax laws and regulations and other areas

All of the aforementioned factors may be causes of fluctuations in area leasing rates, leasing fees or operating expenses with negative effects on real estate value and income from real estate.

Annual assessments of the Trust's main property value will reflect the aforementioned factors and may cause the Trust's main property values to rise or drop. The Trust's main property investment values may drop significantly, if a negative crisis occurs immediately to real estate prices or the economy in Bangkok Metropolis and other provinces in Thailand where the Trust's main properties are currently located or where the Trust will have future properties.

### **5.3.2 The Trust May be Negatively Affected by Lack of Liquidity from Investment in Real Estate and Lack of Other Options to Benefit from the Trust's Main Properties**

The Trust mainly invests in real estate and properties involving real estate. In general, investment in real estate is made in high-value properties. For example, places where the Trust seeks to invest in may have low liquidity. Low liquidity may affect the Trust's ability to adjust investment portfolios or the ability to convert some property into cash in order to manage changes in economic conditions, the real estate market and other factors, such as the Trust's possible inability to transfer leasing rights of the Trust's main properties within a short period of time or the Trust may be forced to lower prices significantly to be able to transfer leasing rights within a short period of time. Furthermore, the Trust may encounter problems from seeking immediate loan sources under good trading conditions in cases where loans use the Trust's main properties as collateral because real estate property has no liquidity. In addition, the

Trust's main properties may not be changed quickly. And if the Trust's main properties are unable to generate income because of competition, the property's age, lower demand or other factors including extra investments to change uses of the Trust's main properties, these factors may cause impacts on the Trust's financial status and performance while also causing negative impacts on the Trust's ability to pay dividends to trust unit holders.

### **5.3.3 Political Risks**

The Trust's performance, financial status and business opportunities may be partially influenced by Thailand's political situation as evident from Thailand's political instability on several occasions. These incidents influence Thailand's economy and society.

Therefore, the company is unable to guarantee that there will be no further events leading to political instability, which may have significant negative effects on the Trust's operations, financial status, performance and business opportunities.

### **5.3.4 Changes in Related Accounting or Legal Standards**

The Trust may be affected by the enforcement of new accounting standards or modifications in Thailand's laws, rules, regulations, accounting standards and financial reporting standards, which may change. Similarly, accounting standards modified to meet International Financial Reporting Standards (IFRS) may cause the Trust's financial statements to be impacted by enforcement of revised and modified accounting standards. Conditions and times for changing accounting standards are unknown and dependent on related agencies. Therefore, the company is unable to guarantee that these changes will not cause significant effects on the Trust's financial statement preparations or the Trust's performance and financial status. The aforementioned changes may also negatively influence the Trust's ability to pay dividends to trust unit holders. Furthermore, the company is unable to guarantee that any regulation changes will not negatively influence the Trust Manager's ability to carry out the Trust's investment strategy or the Trust's operations and financial status.

### **5.3.5 Risk from Expropriation of the Trust's Property Investments**

The Trust may have risks from expropriation of the Trust's property investments by government agencies, thereby preventing the Trust from using invested properties for business operations. Furthermore, in the aforementioned expropriations, the Trust may not receive compensation from expropriation or receive lower amounts of compensation than the value of investment spent by the Trust to invest in the property, which may cause returns for trust unit holders to not meet expectations from benefits and investment. The amount of compensation that the

Trust will receive is divided by the ratio of property owners and the Trust. The Trust's portion will be calculated at the ratio of lease terms or the remaining renewed lease term (depending on the case) according to calculation principles specified in lease agreements. According to the company's study of information in compliance with the Royal Degree on Land Area Specification, the area which will be expropriated where the Trust's main properties are located in was not found to be inside a specific expropriation area. The company is unable to assess changes of expropriation because land expropriation is dependent on the government's current policy and future needs to use the area.

### **5.3.6 Risks Regarding Potential Increases in Real Estate Expenses for Real Estate Possessed by the Trust Including Higher Operating Expenses**

The Trust's ability to pay benefits to trust unit holders may be negatively impacted by higher real estate expenses and operating expenses without a corresponding rise in income.

Factors with potential for causing higher real estate expenses and operating expenses consist of:

- 1) Increases in property care and maintenance expenses
- 2) Higher taxes related to real estate, including other legal fees
- 3) Higher expenses from compliance with changes in laws, rules, regulations and government policy
- 4) Higher public utility expenses
- 5) Higher service fees for sub-contractors
- 6) Higher inflation rates
- 7) Higher insurance premiums
- 8) Damage or disrepair of real estate or environmental impacts caused by real estate which must be corrected and considered as unanticipated operating expenses; and
- 9) Higher expenses from property repairs than expectations or estimates

### **5.3.7 Risks Regarding the Fact that Compensation from Property Insurance May Not be Worth Economic Benefits Lost by the Trust and Risk of the Trust's Income Loss during Construction in Cases Where Damages Occur**

The Trust's Business Operations have operating risks and risks in using the Trust's main properties. Although the Trust must arrange for adequate and suitable insurance for the Trust's main properties in line with specifications of related laws, compensation for damages to the Trust's main properties, such as losses from war, etc., may be insufficient. Therefore, in cases

where severe incidents occur, the Trust may be at risk for inability to make arrangements for the aforementioned type of insurance, or the Trust may not receive sufficient compensation for damage from insurance. If the insurance claim limit and/or compensation from the aforementioned insurance are inadequate and/or delayed, the Trust may have burdens from repair expenses and/or additional construction and/or construction-related expenses in order to enable real estate to provide benefits, which may directly impact returns expected by trust unit holders.

Nevertheless, the company will arrange for the Trust and the Trust's loan providers (if any) to be joint insurance claimants and joint beneficiaries under the Trust's main property's current insurance policy (except for public liability insurance) in order to provide the Trust and the Trust's loan providers (if any) with all risk insurance.

The Trust did not take out a business interruption insurance policy. Therefore, the Trust is at risk for loss of income during compensation demands from insurance companies and/or during construction in cases where damage occurs to that unit of property. However, because the Trust's main property characteristics are flat, meaning the properties are one-storey factory buildings and leasing warehouses and/or have verandas in addition to being dispersed in a wide area, the company believes that the risk from long repair time for damaged properties in the case of the Trust's main properties is not at a high level. In the meantime, business interruption insurance may incur more insurance premiums as additional expenses for the Trust with effects on unit holders' returns. Therefore, the company believes all risks insurance and public liability insurance is sufficient and suitable for the factory building and warehouse leasing business.

To manage the aforementioned risks, the company may review types of insurance regularly and consider preparing suitable insurance policies for each type of insurance.

#### **5.3.8 Risks from Natural Disasters, Floods and Disasters**

In obtaining benefits from the Trust's main properties, the aforementioned properties may be damaged by natural disasters, such as floods and/or destruction. Therefore, in order to relieve burdens from damage to the Trust's main properties, including compensation for loss of life and property for tenants in addition to obtaining the best insurance conditions, the Trust has arranged to insure the aforementioned properties with a coverage period covering the Trust's main properties throughout leasing periods and renewed leasing periods within a balance consistent with insurance standards for buildings with similar characteristics and uses to the Trust's main properties, such as all risk insurance and third-party insurance.

In 2011, Thailand faced flood disasters causing widespread damage to the economy and society. Floods are an uncontrollable problem for the Trust and may impact the Trust's main property use. Floods may cause damage to properties or prevent tenants from using properties in projects where the Trust invested. This may cause current tenants to consider terminating lease agreements or not to renew lease agreements. In addition, damage to properties may prevent the Trust from seeking replacement tenants. The aforementioned case will have effects on the Trust's income and performance, causing significant differences from estimations.

Nevertheless, the Trust's main properties were not affected by floods in 2011 because the Trust's properties are located on a considerably higher area than sea level (such as WHA Eastern Seaboard Industrial Estate (HESIE) at 126 – 134 meters from sea level). In addition, the Trust's properties are not located on areas with high or regular risk of flooding. Moreover, the properties were constructed on higher land than nearby areas. Furthermore, property owners designed utility systems in the industrial estate to use large drainage grades and the area inside the industrial estate has slopes to help water drained more effectively. The Trust arranges insurance for buildings in the aforementioned project with protection and insurance balance consistent with insurance standards for buildings with similar characteristics and uses. The aforementioned insurance will cover risks from all types of disasters, including floods (limited to no more than 30 percent of the insurance claim) by identifying the Tenant, the Landlord and the Loan Provider (if any) as co-insurance claimants and joint beneficiaries in the insurance policy.

## 6. Legal Controversy and Restrictions on use in Real Estate

- None -

## **7. Other Important Information**

- None -

## 8. Details of Trust Units of the HREIT

### 8.1 Detail of Trust Units and Price

#### 8.1.1 Detail of Trust Units

The REIT has authorized capital as of 31 December 2018 of Baht 6,239,250,423.26 , which is fully paid-up, and 702,634,116 of listed and paid-up share with 8.8798 Baht per trust unit

|                                                       |             |                 |
|-------------------------------------------------------|-------------|-----------------|
| Closing Price <sup>/1</sup>                           | 6.70        | Baht/unit trust |
| High <sup>/1</sup>                                    | 6.70        | Baht/unit trust |
| Low <sup>/1</sup>                                     | 6.65        | Baht/unit trust |
| Market Capitalization                                 | 4,707.65    | Million Baht    |
| Trade Volume <sup>/2</sup>                            | 431,670,204 | Unit trust      |
| Net Asset Value per Unit Trust as of 31 December 2018 | 8.7966      | Baht/unit trust |
| Net Asset Value as of 31 December 2018                | 6,180.82    | Million Baht    |
| Net Asset Value per Unit Trust as of 1 January 2018   | 8.5182      | Baht/unit trust |
| Net Asset Value as of 1 January 2018                  | 5,985.23    | Million Baht    |

Remark: <sup>/1</sup> The information is relied on last working day of 28 December 2018

<sup>/2</sup> Calculate by the whole year's trading value divided by the number of trading days

#### 8.1.2 Capital Reduction

In 2018, the REIT made 4 times of capital reduction from exceeding liquidity by decreasing the value of the trust units

#### Historical Capital Reduction

| Item | Book Closing Date | Payment Date      | Amount         | Reduction of Capital per unit | Par Value of Unit Trust |
|------|-------------------|-------------------|----------------|-------------------------------|-------------------------|
| 1    | 18 August 2560    | 31 August 2560    | 106,014,832.00 | 0.1862                        | 9.8138                  |
| 2    | 20 November 2560  | 30 November 2560  | 108,349,208.00 | 0.1903                        | 9.6235                  |
| 3    | 7 December 2560   | 20 December 2560  | 55,114,048.00  | 0.0968                        | 9.5267                  |
| 4    | 28 February 2561  | 13 March 2561     | 53,329,929.18  | 0.0759                        | 9.4508                  |
| 5    | 23 May 2561       | 31 May 2561       | 132,797,848.50 | 0.1890                        | 9.2618                  |
| 6    | 23 August 2561    | 11 September 2561 | 134,203,115.90 | 0.1910                        | 9.0708                  |
| 7    | 22 November 2561  | 21 December 2561  | 134,203,115.87 | 0.1910                        | 8.8798                  |
| 8    | 4 March 2562      | 26 March 2562     | 15,879,530.76  | 0.0226                        | 8.8572                  |

## 8.2 Structure of Unit Trust Holders

### 8.2.1 Top 10 of Trust Unitholders

As of 28 December 2018 the REIT has major trust unitholders at the Closing Date of the Share Register Book as follows;

| No. | Unitholders                                          | Number of the Units | Unit Holding Proportion (%) |
|-----|------------------------------------------------------|---------------------|-----------------------------|
| 1.  | WHA Industrial Development Public Company Limited    | 105,395,609         | 15.00                       |
| 2.  | South East Life Insurance Public Company Limited     | 31,308,261          | 4.46                        |
| 3.  | TMB Property Income Plus Fund                        | 25,850,500          | 3.68                        |
| 4.  | Mr. Chanin Charisrapong                              | 13,100,000          | 1.86                        |
| 5.  | Thanachart Porperty and Infrastructure Flexible Fund | 11,916,052          | 1.70                        |
| 6.  | Dhipaya Insurance Public Company Limited             | 11,300,000          | 1.61                        |
| 7.  | RAFFLES NOMINEES (PTE) LIMITED                       | 10,000,000          | 1.42                        |
| 8.  | Thanachart Property Sector Fund                      | 8,563,372           | 1.22                        |
| 9.  | Muang Thai Insurance Public Company Limited          | 7,642,500           | 1.09                        |
| 10. | South East Insurance Public Company Limited          | 6,901,412           | 0.98                        |
|     | Top 10 Unitholders                                   | 231,977,706         | 33.02                       |
|     | ผู้ถือหุ้นรายย่อยอื่น                                | 470,656,410         | 66.98                       |
|     | <b>(Total)</b>                                       | <b>702,634,116</b>  | <b>100.00</b>               |

### 8.2.2 Major Trust Unitholders (held more than 10% including related parties)

|    | Major Trust Unitholders                           | Number of Shares   | Percentage   |
|----|---------------------------------------------------|--------------------|--------------|
| 1. | WHA Industrial Development Public Company Limited | 105,395,609        | 15.00        |
|    | <b>(Total)</b>                                    | <b>105,395,609</b> | <b>15.00</b> |

## 8.3 Distribution Payment Policy and Restrictions

### 8.3.1 Regulations, policies and procedures for distribution payment to unitholders

- 1) The REIT Manager shall pay distribution to unitholders no less than 90 (ninety) percent of adjusted net profit of the accounting year. The distribution to be paid to unitholders shall be separated to year-end distribution and interim distribution (if any) in each quarter. In this regard, the REIT Manager shall pay distribution to unitholders no more than 4 (four) times per an accounting year. Unless the REIT has increased its capital, the REIT may pay distribution more than 4 (four) times per an accounting year for the benefit of existing unitholders (payment of distribution shall start during the first accounting period of the REIT, if the REIT has sufficient profit for distribution payment in such accounting period.)

However, adjusted net profit under the previous paragraph shall be profit adjusted by the following items:

- (a) Deduction of unrealized gain from appraisal or appraisal review of the REIT's asset value. And adjustment by other items under the guidelines of the Office of SEC to be in accordance with the REIT's cash status.
  - (b) Deduction of money reserved for settlement of loan or obligation from the REIT's loan under the amount specified in the information statement and prospectus or annual report, as the case may be.
- 2) In case the REIT has deficit, the REIT Manager may not pay distribution to unitholders.
- 3) In case distribution is paid to unitholders in each accounting period, the REIT Manager shall announce distribution payment to unitholders and close the unitholders register book to identify unitholders who are eligible for distribution payment, and shall pay such distribution to unitholders within the following period:

(a) **Year-End Distribution**

The REIT Manager shall pay year-end distribution within 90 (ninety) days from the end of accounting period by paying within 30 (thirty) days from the closing date of unitholders register book to prescribe rights of unitholders who are eligible for distribution payment.

**Additional Condition:**

Unless for distribution payment in the first accounting year, for consideration of annual distribution payment, fixing of distribution rate shall be at the discretion of the REIT Manager. If the value of announced distribution payment per unit trust during any year is lower or equivalent to Baht 0.10 (zero point one zero), the REIT Manager reserves the right to not pay distribution in such occasion and to accumulate such distribution to be paid together with distribution in the next occasion. However, the aforementioned condition shall not contradict Clause 1).

(b) **Interim Distribution**

The REIT Manager shall pay interim distribution in each quarter (if any) within 90 (ninety) days from the end of accounting period for the most recent quarter prior to distribution payment. Payment shall be made within 30 (thirty) days from the closing date of unitholders register book.

Additional condition:

For consideration of interim distribution payment, fixing of distribution rate shall be at the discretion of the REIT Manager. If the value of announced distribution payment per unit trust during any quarter is lower or equivalent to Baht 0.10 (zero point one zero), the REIT Manager reserves the right to not pay such distribution and to accumulate such distribution to be paid together with distribution in the next occasion.

For the said distribution payment policy, the REIT Manager shall act in accordance with this Agreement. Unless the Office of SEC and/or other competent agencies has otherwise amended, added, announced, prescribed, ordered, approved and/or extended, the REIT Manager shall act accordingly.

- 4) Distribution payment to unitholders shall be in accordance with the following rules:
  - (a) Unitholders who are eligible for distribution payment shall be unitholders whose names appear in the unitholders register book of the REIT as of the closing date of unitholders register book for distribution payment in accordance with unitholding of each unitholder. If it appears that any person or group of person holds the REIT's unit trusts exceeding the ratio prescribed by the notifications of the Office of SEC, such person or group of persons shall not be eligible for distribution payment for the portion the exceeds the ratio prescribed by notifications of the Office of SEC only.
  - (b) The REIT Manager shall announce distribution payment to unitholders and close unitholders register book to identify unitholders who are eligible for distribution payment and distribution rate via information disclosure system of the Stock Exchange and may announce by one of the following methods:
    - (1) To deliver notification to unitholders whose names appear in the unitholders register book of the REIT as of the closing date of unitholders register book; or
    - (2) To post announcement in a public location at all offices of the REIT Manager; or
    - (3) To announce via the REIT Manager's website; or
    - (4) To announce in at least 1 (one) newspaper.
  - (c) The REIT Manager shall proceed to withhold tax, at the rate of 10 (ten) percent or other rate prescribed by the law, from the distribution paid to natural person unitholders.

- (d) The REIT Manager shall proceed to pay distribution by crossed cheque payable in the name of unitholder only and deliver via post to the address of unitholder as specified in the unit trust subscription order; or deposit money into unitholder's savings account as informed. Unitholder shall be responsible for the transfer fee incurred and burden of risk from currency exchange (if any). The REIT Manager shall deduct such fees and expenses from the money to be delivered.
- (e) In case unitholder does not exercise the right to receive a certain amount of distribution within the claim enforcement period pursuant to the Civil and Commercial Code, the REIT shall have the title of such money and the REIT Manager shall not use such amount of distribution for business other than for the benefit of the REIT.

### 8.3.2 Restrictions, Conditions and procedures of distribution payment to unitholders

There shall be restriction of right to receive distribution for unitholder or the same group of persons of the said unitholder who holds units exceeding the ratio or inconsistent with the regulations prescribed by securities law. Such unitholder or the same group of persons of unitholder shall receive distribution only in the amount pursuant to unitholding ratio prescribed by securities law. The REIT Manager shall calculate to identify unit trusts eligible for distribution payment of each unitholder in such group of persons. Division by unitholding proportion of each unitholder (Pro Rata Basis) shall be used as calculation base for distribution payment.

However, unless the Office of SEC has otherwise announced, prescribed, ordered or extended, such distribution, which could not be paid to unitholders, shall belong to other unitholder pursuant to unitholding ratio. The REIT Manager shall consider such distribution allocation to unitholder eligible for payment in such occasion or other occasion.

### 8.3.3 Historical Distribution Payments

The REIT made a distribution payment for the year ended 31 December 2018, totally 0.1684 Baht per unit trust. The distribution rate totally was 1.90% of par value at the year ended (par value 8.8798 Baht per unit trust) or 2.51% of market price of the unit trust as at 28 December 2018 (market price 6.7000 Baht per trust unit).

|   | Operation Period                  | Payment Date  | Dividend per unit trust |
|---|-----------------------------------|---------------|-------------------------|
| 1 | 21 November 2016 – 31 March 2017  | 31 May 2017   | 0.2647                  |
| 2 | 1 October 2018 – 31 December 2018 | 26 March 2019 | 0.1684                  |

## 9. Management Structure

### 9.1 REIT Manager

#### 9.1.1 General Information

WHA Industrial REIT Management Co., Ltd. ("Company") (formerly Hemaraj REIT management Co., Ltd., who shall act as manager of the REIT ("REIT Manager"), is a limited company that registered its establishment in Thailand on 31 March 2015, having registered capital of Baht 35,000,000 and called-up registered capital of Baht 30,000,000. Its shares are divided to 3,500,000 ordinary shares, having par value of Baht 10. The main objective is to manage and administer REITs specifically. WHA Industrial Development Public Company Limited (formerly Hemaraj Land and Development Public Company Limited is the major shareholder of the Company, holding 99.99% of the overall sold shares. In this regard, the Office of SEC approves the Company as the REIT Manager on 27 October 2015.

Summary of the Company's key information are as follows:

|                                               |                                                                                                                        |
|-----------------------------------------------|------------------------------------------------------------------------------------------------------------------------|
| <b>REIT Manager</b>                           | WHA Industrial REIT Management Co., Ltd.                                                                               |
| <b>Location of head office</b>                | No. 9, 27 <sup>th</sup> Floor UM Tower, Ramkhamhaeng Road, Suan Luang Sub-district, Suan Luang district, Bangkok 10250 |
| <b>Corporate registration number</b>          | 0105558056893                                                                                                          |
| <b>Telephone</b>                              | 02 717 3901                                                                                                            |
| <b>Facsimile</b>                              | 02 717 3902                                                                                                            |
| <b>Website</b>                                | <a href="http://www.hemarajreit.com">www.hemarajreit.com</a>                                                           |
| <b>Email</b>                                  | ir@whai-rm.com                                                                                                         |
| <b>Nature and scope of business operation</b> | To act as manager of the real estate investment trust (REIT Manager)                                                   |
| <b>Major Shareholder (Shareholding Ratio)</b> | WHA Industrial Development Public Company Limited (99%)                                                                |
| <b>Name of Directors</b>                      | Ms. Jareeporn Jarukornsakul<br>Mr. Krailuck Asawachatroj<br>Mr. Phorntep Rattanatraipop                                |

source : WHA Industrial REIT Management Co., Ltd.

Remark: Information as of 31 December 2018

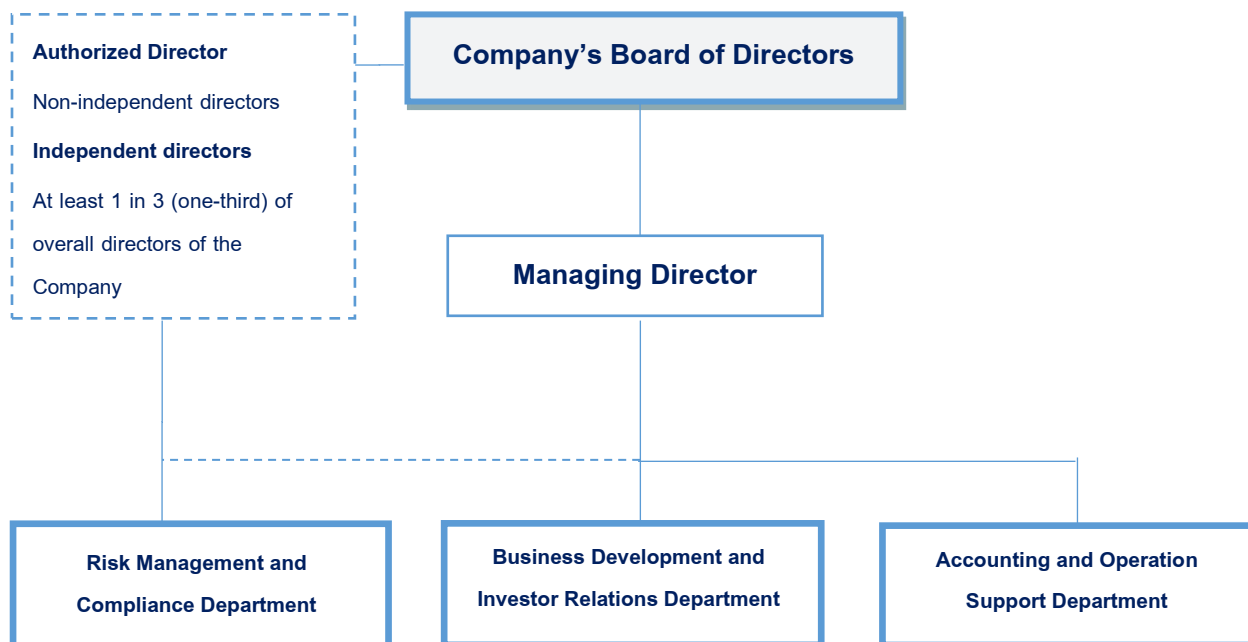
### 9.1.2 Shareholding Structure of REIT Manager

| List of names                                     | Number of share(s) | Ratio (%) |
|---------------------------------------------------|--------------------|-----------|
| WHA Industrial Development Public Company Limited | 3,499,998          | 99.9998   |
| Ms. Chatchamol Anantaprayoon                      | 1                  | 0.0001    |
| Ms. Jareeporn Jarukornsakul                       | 1                  | 0.0001    |
| Total                                             | 3,500,000          | 100.00    |

Source : WHA Industrial REIT Management Co., Ltd.

### 9.1.3 Organization Structure of the REIT Manager

The REIT Manager has 3 main business units which are Risk Management and Compliance Department, Business Development and Investor Relations Department, and Accounting and Operation Support Department



Remark: Information as of 31 December 2018

## Baord of Directors

**Ms. Jareeporn Jarukornsakul**

**Chairman of Board of Directors**

### Education Background :

- Bachelor Degree in Faculty of Public Health, Mahidol University
- Master of Business Administration, Bangkok University
- The Honorary PH.D. Degree, Logistics and Supply Chain Management, Christian University of Thailand

### Training :

- Director Certification Program (DAP 175/2014)

### Experience :

- Chairman WHA Corporation PCL.
- Chairman WHA Utilities and Power PCL.
- Chairman WHA Industrial Development PCL.
- Director WHA Venture Holding Co.,Ltd.
- Director WHA Infonite Co.,Ltd.
- Director WHA Corporation (International) Co.,Ltd.
- Director WHA International Indonesia Co.,Ltd.
- Director Warehouse Asia Alliance Co.,Ltd.
- Director WHA Alliance Co.,Ltd.
- Director Genesis Data Center Co.,Ltd.
- Director Central WHA Alliance Co.,Ltd.
- Director WHA Daiwa Logistics Property Co.,Ltd.
- Director WHA KPN Alliance Co.,Ltd.
- Director WHA Industrial Estate Rayong Co.,Ltd.
- Director WHA Industrial Development Internaitonal Co.,Ltd.
- Director WHA Industrial Development (SG) Co.,Ltd.
- Director WHA Eastern Industrial Estate Co.,Ltd.
- Director Eastern Seaboard Industrial Estate (Rayong) Co.,Ltd.
- Director WHA Eastern Seaboard Industrial Estate Co., Ltd.
- Director WHA Saraburi Industrial Land Co., Ltd.
- Director WHA Rayong Industrial Land Co., Ltd.
- Director Eastern Pipeline Services Co., Ltd.
- Director WHA Industrial Development International (BVI) Co., Ltd.
- Director WHA Industrial International Co., Ltd.
- Director WHA Industrial Development Engineering Co., Ltd.

**Experience :**

- Director The Park Residence Co., Ltd.
- Director WHA Industrial Development International (SG) Co., Ltd.
- Director WHA Rayong 36 Co., Ltd.
- Director Eastern Seaboard Property and Marina Services Co., Ltd.
- Director WHA Eastern Seaboard Industrial Estate 4 Co., Ltd.
- Director WHA Industrial REIT Management Co., Ltd.
- Chairman WHAUP Nghe An Joint Stock Company
- Chairman WHA Solar Co., Ltd.
- Chairman WHAUP (SG) 1 PTE. Limited
- Chairman WHAUP (SG) 2 PTE. Limited
- Chairman WHA Water Co., Ltd.
- Chairman WHA Energy Co., Ltd.
- Chairman WHA Energy 2 Co., Ltd.
- Chairman Eastern Seaboard Clean Energy Co., Ltd.
- Chairman Chonburi Clean Energy Co., Ltd.
- Chairman Rayong Clean Energy Co., Ltd.
- Chairman Glow Hemaraj Wind Co., Ltd.
- Director GHECO - One Co., Ltd.
- Director Gulf JP NLL Co., Ltd.
- Director Gulf Solar Co., Ltd.
- Director Gulf Solar TS 1 Co., Ltd.
- Director Gulf Solar TS 2 Co., Ltd.
- Director Gulf TS 1 Co., Ltd.
- Director Gulf TS 3 Co., Ltd.
- Director WHA Eastern Seaboard NGD 4 Co., Ltd.
- Director WHA Eastern Seaboard NGD 2 Co., Ltd.
- Director Houay Ho Thai Co., Ltd.
- Director B.GRIMM Power (WHA) Co., Ltd.
- Director WHA GUNKUL Green Solar Roof 1 Co., Ltd.
- Director WHA GUNKUL Green Solar Roof 3 Co., Ltd.
- Director WHA GUNKUL Green Solar Roof 6 Co., Ltd.
- Director WHA GUNKUL Green Solar Roof 17 Co., Ltd.
- Director Gulf WHA MT Natural Gas Distribution Co., Ltd.
- Director Gulf Solar BV Co., Ltd.
- Director Gulf Solar KKS Co., Ltd.
- Director Gulf TS 2 Co., Ltd.

**Experience :**

- Director Gulf TS 4 Co., Ltd.
- Director Gulf VTP Co., Ltd.
- Director Gulf NLL 2 Co., Ltd.
- Director WHA GUNKUL Green Solar Roof 2 Co., Ltd.
- Director WHA GUNKUL Green Solar Roof 4 Co., Ltd.
- Director WHA GUNKUL Green Solar Roof 5 Co., Ltd.
- Director WHA GUNKUL Green Solar Roof 8 Co., Ltd.
- Director WHA GUNKUL Green Solar Roof 9 Co., Ltd.
- Director WHA GUNKUL Green Solar Roof 10 Co., Ltd.
- Director WHA GUNKUL Green Solar Roof 16 Co., Ltd.
- Director Supernap (Thailand) Co., Ltd.
- Director Asia Wealth Asset Management Co., Ltd.
- Director Asia Wealth Securities Co., Ltd.
- Director Asia Wealth Holding Co., Ltd.
- Director WHA Holding Co., Ltd.
- Director S & J Holding Co., Ltd.

**Mr. Krailuck Asawachatroj****Director****Education Background :**

- Master of Arts in Financial Engineering, New York University, USA
- Master of Business Administration in Finance, Claremont Graduate University, USA
- Bachelor of Engineering in Industrial Engineering, Thammasat University

**Experience :**

- Director, Executive Committee, Chief Strategy Officer WHA Corporation PCL.
- Director, Executive Vice President, Chief of Financial Officer WHA Industrial Development PCL.
- Executive Vice President and Chief of Financial Officer Thoresen Thai Agencies PCL.
- Executive Vice President and Chief of Financial Officer The Erawan group PCL.
- Senior Vice President, Investment Banking Department, Siam Commercial Bank PCL.
- Director WHA Industrial Development PCL.
- Director WHA Eastern Industrial Estate Co., Ltd.
- Director WHA Eastern Seaboard Industrial Estate (Rayong) Co., Ltd.
- Director WHA Eastern Seaboard Industrial Estate Co., Ltd.
- Director WHA Saraburi Industrial Land Co., Ltd.
- Director WHA Rayong Industrial Land Co., Ltd.
- Director WHA Eastern Pipeline Services Co., Ltd.
- Director The Park Residence Co., Ltd.
- Director H-Construction Management and Engineering Co., Ltd.
- Director WHA Rayong 36 Co., Ltd.
- Director Eastern Seaboard Property and Marina Services Co., Ltd.
- Director WHA Eastern Seaboard Industrial Estate 4 Co., Ltd.
- Director WHA Industrial REIT management Co., Ltd.
- Director WHA Water Co., Ltd.
- Director Eastern Seaboard Industrial Estate (Rayong) Co., Ltd.
- Director WHA Industrial Estate Rayong Co., Ltd.

**Mr. Phorntep Rattanataipop****Independent Director****Education Background :**

- Ph.D. in Accounting at Newcastle University
- Master of Business Administration – Accounting at Thammasat University
- Bachelor of Business Administration – Accounting (Second Class Honors) at Chulalongkorn University
- Bachelor of Business Administration – Finance and Banking at Ramkhamhaeng University
- Bachelor of Political Science – Political Science (Second Class Honors) at Ramkhamhaeng University

**Experience :**

- Lecturer of Accountancy Faculty, Kasetsart University

## Executives

**Mr. Paeree Ichayapreug<sup>†</sup>**

**Managing Director**

**Education Background :**

- Master of Management in Finance, Mahidol University
- Bachelor of Business Administration in Accounting, Faculty of Commerce and Accountancy, Thammasat University
- Bachelor of Law, Chulalongkorn University

**Experience :**

- Head of Compliance and Risk Management  
Bhiraj REIT Management Co., Ltd.
- AVP, Trustee of Real Estate Investment Trust Department  
SCB Asset Management Co., Ltd.
- Compliance officer  
Siam Commercial Bank

**Ms. Linda Anekratchadaporn<sup>/1</sup>**

**Senior Manager - Business Development and Investor Relations**

**Education Background :**

- Master of Science, International Business Management, University of Surrey
- Bachelor of Science, Science, Chulalongkorn University

**Experience :**

- Investor Relations and Business Initiative Executive  
Pruksa Holding Co.
- Analysis Manager  
Lam Soon (Thailand) Co., Ltd.
- Investor Relations Officer  
Banpu Public Co., Ltd.

**Ms. Jarucha Satimanont<sup>/1</sup>**

**Senior Manager - Accounting and Operation Support**

**Education Background :**

- Master of Accountancy (Managerial Accounting), Chulalongkorn University
- Bachelor of Business Administration, Accounting, Rajamangala University of Technology  
Phra Nakhon

**Experience :**

- Assistant Manager - Accounting  
WHA Industrial Development Public Company Limited

**Ms. Bussarin Wattanasuntornsakul**

**Manager - Risk Management and Compliance**

**Education Background :**

- Bachelor of Business Administration, Accounting, Khon Kaen University

**Experience :**

- Audit Manager  
PricewaterhouseCoopers ABAS Ltd.

Remark<sup>/1</sup> Qualified Personnel as prescribed in Notification of the Office of the Securities and Exchange Commissiono. SorChor. 29/2555 Re: Rules, Conditions and Procedures for the Approval of REIT Manager and Standard Conduct

#### 9.1.4 Duties and Responsibilities of REIT Manager

The Company in its capacity as the REIT Manager has duties and main responsibilities in managing the REIT, which includes overseeing the assets investments of the REIT and the operational performance of the Property Manager. The duties and main responsibilities of the Company as the REIT Manager under the supervision of the Trustee are as follows:

##### General Duties

- 1) The REIT Manager shall professionally perform its duty by using knowledge and ability with responsibility, care and honesty. The REIT Manager shall treat unitholders fairly for the utmost benefit of overall unitholders. In addition, the REIT Manager shall comply with related laws, Trust Deed, REIT Manager appointment agreement, information statement, prospectus, objective of REIT establishment and commitment additionally given in the documents disclosed for unit trust offering to investors and unitholders' meeting resolution. Moreover, the REIT Manager shall not act in any way that contradicts or conflicts with benefit of overall unitholders and investors.
- 2) The REIT Manager shall perform its duty in accordance with the principle of business operation as REIT Manager.
  - (a) Having sufficient capital to operate the business and to compensate for any detriment which may occur from performing the duties of the REIT manager
  - (b) Adequately discloses, gives opinion on, or provides importantly relevant information to investors for making investment decision. In this regard, such information shall be clearly and not be distortion or misleading.
  - (c) Do not exploit any information acknowledged from performing as the REIT manager for its own interest, or in manner of damage or impact on the interests of the REIT.
  - (d) Perform its duty carefully in order to avoid conflicts of interests. In case of inevitableness, the REIT manager shall ensure that the trust unitholders' interest will be treated fairly and appropriately.

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

- (1) The REIT manager shall not have any interest which may be in conflict with the best interest of the REIT and in the case where any conflict of interest may arise, there must be a measure in place to ensure that the management of the REIT shall be for the best interest of the REIT and the trust unitholders as a whole.

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

- (4.2.2) Analyse and conduct feasibility study as well as due diligence on the properties in accordance with rules and guidelines on Real Estate Investment Trust (REIT) management as prescribed by SEC and the SEC office as well as assess potential risks that may occur upon such property investment and issue guidelines on risk management. In this regard, the risk management is included risk in relation to construction and development of the properties (if any) such as risks which may incur from late construction and inability to procure benefits from such properties.
- (5) The REIT manager shall arrange a trust unitholders' meeting as specified in the Trust Deed.
- (6) The REIT Manager shall take actions on capital increase and decrease of paid-up capital of the REIT by following the reasons and procedures as specified in the Trust Deed.
- (7) In the event of change of the REIT manager, the former REIT manager shall take any necessary action in order that the new REIT manager would be able to perform its duty successfully.
- (8) In the case where an adviser is appointed to provide consultation or recommendation relating to the investment and management of the properties, the REIT manager shall perform in accordance with guidelines as follows:
- (8.1) Request the adviser to report any conflict of interest on deliberated issues.
- (8.2) Not allowing the adviser, who has direct or indirect interest in the deliberated issue, to participate in the consideration of such issue.
- (9) The REIT manager shall prepare a financial statement in conformity with the financial reporting standards as stipulated by laws on accounting profession and submit such financial statement to the SEC Office within 3 months from the end of fiscal year. The financial statement prepared shall be audited by an auditor who has obtained an approval from the SEC Office.
- (10) Prepare and disclose the REIT's information including information under Section 56 and Section 57 of the Securities and Exchanges Act and other information as specified in the Trust Deed and the Agreement appointing the REIT manager.
- (11) Prepare and disclose the REIT's information to the Trustee, the SEC Office and trust unitholders as prescribed in the Securities and Exchanges Act, the Trust Deed, and other relevant laws including submit an annual report together

with invitation calling for an annual general meeting of trust unitholders. The REIT manager shall provide information and documents related to any act or omission to act as instructed and requested by the SEC Office.

- (12) Avoid any event which may cause the REIT manager to have no independence especially on selection and due diligence of properties, securities and other services in which the REIT will invest. The REIT manager, directors, executives and manager and personnel of the REIT manager are prohibited to receive brokerage fee, service remuneration (soft commission) or other benefits from the former owner of the property, sponsor, securities seller, service provider and brokerage Company as their own income or for their own interest.
- (13) The REIT manager shall disclose conflict of interest, benefits and related persons to the REIT manager or REIT's trading parties in the registration statement, a notice calling for a meeting and the annual report of the REIT in order to obtain an approval on transactions and to support consideration of the REIT manager's independence in entering into such transaction as well as reasonableness of the transactions.

Please noted that related persons with the REIT Manager belong to definition of "related person" under the Notification of the Capital Market Supervisory Board concerning the Rules on Related Party Transaction

#### **Duties in REIT Management**

- 1) The REIT Manager shall properly and efficiently supervise and manage the REIT in compliance with laws, regulations, and the Trust Deed, and protect the interests of the REIT and its unit holders in general. The REIT Manager has the duty to provide a quality operating system with efficient checks and balances that can fully support its work responsibilities. Additionally, its tasks shall cover at least the following aspects:
  - (a) Formulation of REIT's policies
  - (b) System for risk management of the REIT's management and administration risks
  - (c) System for conflict of interest management
  - (d) System for of the REIT Manager's personnel selection and any assigned parties
  - (e) System for the performance supervision of the REIT Manager and its personnel
  - (f) System for Information disclosure of the REIT
  - (g) System for Back office system
  - (h) System for Internal audit and internal control system
  - (i) System for Communications with investors and investors' complaint management
  - (j) System for Legal dispute handling

- 2) To manage REIT in accordance with the requirements of the Trust deed and for the best interest of unitholders
- 3) To perform due diligence of property that the REIT shall invest thoroughly and carefully. Information, documents regarding due diligence and investment decision-making in certain asset shall be recorded and maintained for the REIT. In this regard, for due diligence on property that the REIT shall invest, the REIT Manager shall comply with the guidelines for management of REIT and REIT that invests in property as announced by the Office of SEC. The guidelines shall be adhered and complied as minimum standard of the REIT Manager's performance.
- 4) To ensure that management of financial and economic value of the REIT's assets shall be professional and for the benefit of unitholders.
  - (a) To determine strategies and investment policies and risk management efficiently and in compliance with the requirements provided in the REIT Incorporation Agreement
  - (b) To determine the credit line and to create obligation on the property of REIT and to supervise them within the limit indicated in the REIT Incorporation Agreement
  - (c) To invest in the property corresponding to the objectives of REIT
  - (d) To manage the cash flows of REIT
  - (e) To consider distribution payment to unitholders
  - (f) To arrange insurance with coverage on the damage possibly incurred to the property of REIT and third-party insurance with adequate and suitable coverage to keep the property of REIT into the original condition for REIT to employ such property like it used to employ and to generate the return not less than that in the past.
  - (g) To arrange a plan on the tenant mix and the service customer
  - (h) To supervise the tenant and the service customer to ensure compliance with the conditions of the lease agreement and the service agreement
  - (i) To supervise compliance with rules and regulations applicable to the property invested by REIT
  - (j) To evaluate the leases made in the past to determine the leasing conditions and the service area, to suitably prepare the lease agreement, the space service agreement and the service agreement related to the space and to evaluate the monitoring and collection work on the rent, the space service charge and other expenses for recognition of allowance for doubtful debts or debt write-off or to record doubtful debts collected (if the debt is collected after debt write-off).
  - (k) To arrange a security system for the building and construction invested by REIT such as fire alarm system, communication system and handling measure in case of emergency

- (l) To determine policies and working plans for maintenance and improvement of the buildings and construction invested by REIT to keep the property in the condition similar to that of the industry
- 5) To inspect and ensure that the REIT shall have duly title and right in investment assets, and any agreement that the REIT becomes counterparty shall be executed lawfully and binding or enforceable under the conditions prescribed in the said agreement.
- 6) To provide a system to maintain all documents and proofs relating to the REIT's operation, invitation to unitholders' meeting, information statement, prospectus, the REIT's annual statement, financial statement and supplemental documents for accounting record of the REIT and compliance with various regulations effective to the REIT and investment assets. The said information and documents shall be maintained correctly, completely and verifiable for at least 5 (five) years from the execution date of such documents or information.
- 7) To prepare and publicize financial statement, annual report and other information regarding the REIT correctly and completely. Publication shall be made within the period prescribed by the law, Trust Deed, REIT Manager appointment agreement, information statement and regulations of the SET.  
  
REIT manager, including directors and executives whose duties are related to preparation and disclosure of information related to REIT are jointly responsible for the content of the information notified or distributed to the trust unitholders and other investors by arranging the examination system to ensure that the information disclosed in the information disclosure form on offering of trust units, prospectus, invitation to the meeting of the trust unitholders, advertising documents, published notice or any other distributed documents or any distributed document have been examined on correctness and completeness and with key information available and the information is sufficient for the investment decision and in accordance with the laws, notification and related requirements.
- 8) To supervise for unitholder to receive correct, complete and sufficient information prior to exercising voting right to approve on various matters, and receive such information in advance under the period prescribed in the Trust Deed, information statement, prospectus and the regulations of the SET.
- 9) To supervise for the REIT to comply with the laws or operational guidelines issued by government agencies or other supervising agencies relating to operation of the REIT, as well as regulations of the SET.
- 10) To pay distribution to unitholders as prescribed in the Trust Deed for no less than 90 (ninety) percent of the adjusted net profit of the accounting year, which includes net profit referring to the REIT's cash status. Payment shall be made within 90 (ninety) days

from the ending date of accounting year or accounting period of such distribution payment, as the case may be. Nevertheless, if the REIT has accumulated deficit, no distribution shall be paid to unitholders.

- 11) In case the Trust Deed prescribes that REIT Manager may disburse the REIT's assets, such disbursement shall be made only for disbursement from the day-today operation account under the financial amount approved by the Trustee. A report on disbursement shall be prepared and submitted to the Trustee for the Trustee's inspection of such transaction in due course.
- 12) To prepare and/or deliver and certify correctness of information regarding management of the REIT in the REIT Manager's responsibility pursuant to the REIT Manager appointment agreement, Trust Deed and related laws or as the Trustee deems appropriate, to the Trustee and/or the SEC, including but not limited to, information on calculation of net asset value (NAV) of the REIT and unit trust value. To report asset value appraisal; report on acquisition or disposal of property or leasehold in property of the REIT.

#### **Rules and Conditions of change in the REIT Manager**

Causes of change in the REIT Manager are as follow; However, in case of change in the REIT Manager with reasonably cause have not raised any claim by the Trustee

- 1) The REIT Manager resigns under the rules and conditions as prescribed in Trust Deed or REIT Manager Agreement
- 2) The REIT manager has been revoked under the rules and conditions as prescribed in Trust Deed or REIT Manager Agreement
- 3) SEC has revoked or suspended more than 90 (ninety) days approval as prescribed in Notification of the Office of the Securities and Exchange Commission. SorChor. 29/2555
- 4) The REIT Manager has been dissolved, liquidated, or to be controlled the property whether with or without absolute receivership order or not.

## 9.2 Property Manager

### 9.2.1 General Information

|                                               |                                                                                                                                                                                                                                |
|-----------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Property Manager</b>                       | WHA Industrial Development PCL.                                                                                                                                                                                                |
| <b>Location of head office</b>                | No. 9, 27 <sup>th</sup> Floor UM Tower, Ramkhamhaeng Road,<br>Suan Luang Sub-district, Suan Luang District, Bangkok<br>10250                                                                                                   |
| <b>Corporate registration number</b>          | 0107536000676                                                                                                                                                                                                                  |
| <b>Telephone</b>                              | 02 719 9555, 02 719 9559                                                                                                                                                                                                       |
| <b>Facsimile</b>                              | 02 719 9546-7                                                                                                                                                                                                                  |
| <b>Website</b>                                | www.wha-industrialestate.com                                                                                                                                                                                                   |
| <b>Major Shareholder (Shareholding Ratio)</b> | WHA Venture Holding Co., Ltd. (98.544%)                                                                                                                                                                                        |
| <b>Name of Directors</b>                      | Ms. Jareeporn Jarukornsakul<br>Mr. David Richard Nardone<br>Mr. Vivat Jiratikarnsakul<br>Mr. Somphong Wanapha<br>Mr. Krailuck Asawachatroj<br>Mr. Chavalit Sethameteekul<br>Mrs. Anchalee Chavanich<br>Mr. Prateep Charoneporn |

### 9.2.2 Shareholding Structure of Property Manager

Major shareholder of the Property Manager as of 28 December 2018 (book closing date) as follow:

| List of names                 | Number of share(s) | Ratio (%) |
|-------------------------------|--------------------|-----------|
| WHA Venture Holding Co., Ltd. | 9,563,839,406      | 98.544    |

### 9.2.3 Duties of Property Manager

- 1) Property Manager agrees to manage and operate REIT's assets and other duties which agreed in written form between the REIT Manager and Property Manager. These duties have to comply with annual business plan, the Trust Deed, Prospectus, and relevant laws for the beneficial interest of the REIT and Unitholders. For the compliance of such duties, the REIT Manager inform Property Manager of Prospectus, Filing, and other relevant information as a guideline for perform such duties.
- 2) The Property Manager have additional duties from the REIT Manager which involve the operation of the REIT and/or Property Management Agreement. The additional duty will

caused additional fee to the Property Manager. However, in case of such duty is substantially make heaviness or damage to the Property Manager, the Property Manager can reject that duties. The Trustee may appoint other party to do that outsource duty with expense borne by the REIT. The outsource party may not substantially increase burden to the Property Manager.

- 3) The Property Manager provide sufficient qualified personnel to manage REIT's Assets. As of beginning of the service period, the Property Manager have to send their organization structure for the the REIT Manager consideration. If any materiality change in organization structure occurred, the Property Manager have to send such changes to the REIT Manager for consideration not less than 15 (fifteen) days before those effective date.
- 4) The Property Manager have to prepare and submit annual business plan of REIT's Assets not less than 60 (sixty) days before each year-ended period for approval. The REIT Manager have to submit annual business plan and 5-year major renovation plan to the Trustee not less than 30 (thirty) days before each year-ended period for approval. Except for the 2019 business plan, the Property Manager, the REIT Manager and the Trustee have to mutually agreed within 15 (fifteen) days after Property Management Agreement effective date.

Each party may consider to revise business plan in accordance with;

- (a) Business or political substantially changes or development to REIT's Assets.
- (b) Force Majeure which substantially affects to REIT's Assets.
- (c) Any event which may substantially to the operation of REIT's Assets.

The REIT Manager, the Trustee, and the Property Manager agree to arrange a quarterly meeting for REIT's Assets performance consideration.

- (1) If any business plan argument occurred, each party mutually agree to follow prior year business plan until such argument was settled. Expenses of temporary plan should not increased exceed 10 (ten) percent of prior year business plan. However, each party have to make an effort and agree business plan within 15 (fifteen) days before the beginning of the year or other period under mutually agreed.
- (2) If argument of clause (1) may not settled, the Trustee have the right to make decision. The Trustee have to consider business plan with objective in the Trust Deed, Prospectus, Filing, Agreements, relevant laws, and proper business plan in current business circumstances.

However, the Property Manager may have revision on business plan by concern of the best benefits to the REIT and Unitholders. The revision have to submitted revised plan to the REIT Manager not less than 30 (thirty) days for approval. The REIT Manager have to submitted such plan to the Trustee not less than 15 (fifteen) days for approval. The revised plan should comply with the budget of the REIT and not have effect to capability of distribution to Unitholders.

In case of insufficient budget for the revised plan, the Property Manager can use the revised plan after submitted for approval from the REIT Manager not less than 45 (forty-five) days and the REIT Manager submitted for approval from the Trustee not less than 15 (fifteen) days.

- 5) The Property Manager have to maintain documents and evidences which made or received from the duties of management. These include copy of cash reimbursement, receipts for the period of 5 (five) years in good conditions, completeness, and promptly submitted to the REIT Manager, the Trustee, and other authorized person to review. These documents would be submitted to the REIT whenever the Property Management Agreement is terminated.

## 9.3 Trustee

### 9.3.1 General Information

|                                      |                                                                                                                                       |
|--------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|
| <b>Trustee Name</b>                  | SCB Asset Management Co., Ltd.                                                                                                        |
| <b>Location of office</b>            | SCB Park Plaza 1, 7-8 <sup>th</sup> Floor<br>No. 18 Ratchadaphisek Road, Chatuchak Sub-district,<br>Chatuchak District, Bangkok 10900 |
| <b>Corporate registration number</b> | 0105535048398                                                                                                                         |
| <b>Telephone</b>                     | 02 949 1500                                                                                                                           |
| <b>Facsimile</b>                     | 02 949 1501                                                                                                                           |
| <b>Website</b>                       | <a href="http://www.scbam.com">http://www.scbam.com</a>                                                                               |

### 9.3.2 Structure of Shareholders

Name of major shareholder as follow:

| Name                      | Ratio (%) |
|---------------------------|-----------|
| Siam Commercial Bank PCL. | 99.99     |

### 9.3.3 Duties and Responsibilities of the Trustee

The Trustee has its duties to administer the REIT with professional integrity of honesty, caution, and expertise. It shall equitably treat beneficiaries with intention to provide them with maximum benefits, while performing its duties efficiently and independently in accordance with the Trust Deed, relevant laws, and additional commitments (if any) to investors. The Trustee has the main duties as prescribed in the Trust Deed which are:

- 1) Monitor, supervise, and review that the REIT Manager manages the REIT according to the Trust Deed and relevant laws
- 2) In an event that the REIT Manager acts or refrains from any action and such action or inaction causes damage to the REIT, or the REIT Manager fails to perform its duties as prescribed in the agreements and under applicable laws, the Trustee shall report to the Security and Exchange Commission Office, and shall resolve, restrain, or remedy any damage incurred, as deemed appropriate.
- 3) Attend all unit holder meetings. If a resolution of a unit holder meeting is requested, the Trustee shall answer questions and provide opinions on the REIT operations whether or not such operations are performed according to the Trust Deed of relevant laws. The Trustee shall also oppose and inform unit holders if such operations cannot be carried out, or if such operations are not in compliance with the Trust Deed or applicable laws.
- 4) In an event that the REIT Manager fails to perform its duties, the Trustee shall administer the REIT as necessary to prevent, restrain, or limit any occurrence of severe damage that may impair the benefits of the REIT or unit holders in general. The Trustee is also empowered to find a new REIT manager.
- 5) Prepare its report to be submitted fails to perform its duties, the Trustee shall administer the REIT as necessary to prevent, restrain, or limit any occurrence of severe damage that may impair the benefits of the REIT or unit holders in general. The Trustee is also empowered to find a new REIT Manager.
- 6) Unitholders can find the detailed information on the Trustee's scope of duties and responsibilities in the Trust Deed.

## 9.4 Other Contacts

### 9.4.1 Auditor

|                  |                                                                                                                  |
|------------------|------------------------------------------------------------------------------------------------------------------|
| <b>Name</b>      | PricewaterhouseCoopers ABAS Limited                                                                              |
| <b>Address</b>   | 179/74-80 Bangkok City Tower, South Sathorn Road,<br>Thung Mahamek Subdistrict, Sathon District Bangkok<br>10120 |
| <b>Telephone</b> | 0-2824-5000                                                                                                      |

### 9.4.2 Registrar

|                  |                                                                                                         |
|------------------|---------------------------------------------------------------------------------------------------------|
| <b>Name</b>      | Thailand Securities Depository Co., Ltd.                                                                |
| <b>Address</b>   | The Stock Exchange of Thailand Building<br>93 Ratchadaphisek Road, Dindaeng, Dindaeng,<br>Bangkok 10400 |
| <b>Telephone</b> | 02-009-9000                                                                                             |

### 9.4.3 Appraisals

|                  |                                                             |
|------------------|-------------------------------------------------------------|
| <b>Name</b>      | Siam City Appraisal Co., Ltd.                               |
| <b>Address</b>   | 731 PM Tower 4 Fl., Asoke-Dindaeng Rd., Dindaeng<br>Bangkok |
| <b>Telephone</b> | 0-2247-4715-6 , 0-2248-0116-7                               |

|                  |                                                                         |
|------------------|-------------------------------------------------------------------------|
| <b>Name</b>      | TAP Valuation Co., Ltd                                                  |
| <b>Address</b>   | 121/101, RS Tower, 37th Flr, Ratchadaphisek Road,<br>Din Daeng, Bangkok |
| <b>Telephone</b> | 0-2641-3631-5                                                           |

|                  |                                                                        |
|------------------|------------------------------------------------------------------------|
| <b>Name</b>      | 15 Business Advisory Limited                                           |
| <b>Address</b>   | Suite 36, 8th Fl., RS Tower 121 Ratchadapisek Rd.,<br>Dindang, Bangkok |
| <b>Telephone</b> | 0-2641-3800                                                            |

### 9.4.4 Consultant

#### Legal Advisor

|                  |                                                            |
|------------------|------------------------------------------------------------|
| <b>Name</b>      | RL Counsel Company Limited                                 |
| <b>Address</b>   | 62/15 Thaniya Road, Suriyawongse Bangrak, Bangkok<br>10500 |
| <b>Telephone</b> | 0-2235-3076                                                |

## 10. REIT Management

### 10.1 REIT's Management Policies

In order to perform its duties as REIT Manager in an appropriate and effective manner, the Company has work systems and internal control policies in place to determine the scope of authorities and Company guidelines for the Board of Directors, management, and all company personnel. The goal is to conduct business in an appropriate, transparent, and efficient way as well as to meet the objectives of good corporate governance. It also complies with relevant laws and announcements from the SEC for the best interests of its Unit Holders.

Furthermore, Risk Management and Compliance Department is responsible for supervising and managing risks associated with the REIT's management and investments; making sure they meet contractual obligations prescribed by the Trust Deed and other relevant agreements. They are also responsible for ensuring that the REIT's operations are in accordance with set work systems, internal control policies, the Trust Deed, and relevant laws. This is to instill confidence that the REIT and related entities including REIT Manager or Trustee are aware of any changes in laws and regulations, and performs duties knowledgeably, professionally, responsibly, cautiously, and transparently. All interactions with Unitholders will be based upon their best interests and conducted in a fair manner.

### 10.2 Subcommittee

- None -

### 10.3 REIT Board of Directors Meeting

Board of Directors meeting is arranged at least once in each quarter period. The general agendas are as follow;

#### 10.3.1 Board of Director's Meeting Conditions and Processes

The meeting is arranged at least once in each quarter period. Quorum of the meeting is more than half of directors attend. The resolution is passed by major vote of attending director, except when conflict of interest incurred, the director with direct or indirect interest with that agenda will be absence.

President of the meeting let each director to have an opinion before vote and pass the resolution. Minutes of meeting will be officially made by executives of the REIT Manager. The Minutes of meeting consisted of fact, opinion, and resolution of each agenda and

attached with invitation letter and presentation kept in electronics form for convenient purpose.

### 10.3.2 Important Transactions of the REIT Presented to the Board of Directors

The Company organizes Board of Directors Meeting for directors to review, acknowledge, advise, and authorize to ensure that the Company's operations can be achieved and can solve the obstacle in the manner of time. These are matters of important transactions;

- 1) Operational results of the Company and the REIT
- 2) Assess performance of the Company's business units, namely Risk Management, and Compliance, Business Development and Investor Relations, and Accounting and Operational Support, as well as issues and obstacles occurring at work, and their potential solutions.
- 3) Weaknesses in the Company's Internal Control and Operational System regarding the actions and duties of the REIT Manager, as well as problem rectification and follow-up evaluation.
- 4) Implementation of business and marketing plan asset by the Company regarding the REIT's earnings, as well any relevant problems and obstacles, together with potential solutions provided by the Property Manager.
- 5) Draft of the REIT's annual budget, annual business plans, business strategies for the year asset by the Company as the REIT Manager with assistance of the Property Manager.
- 6) Guidelines for risk mitigation or factors which may impact the REIT's operations
- 7) Practice guidelines on dispute and complaint handling relating to the REIT's business operations which must be reviewed by the Board of Directors.
- 8) Connected transactions and any transactions which may cause conflicts of interest to the REIT's business operations as prescribed in relevant rules and regulations issued by SEC, SET and/or relevant regulators
- 9) Any other matters which need to be considered or approved by the Meeting of the Unit Holders.

Except the above matters, there is significant agenda in 2018 which is consideration of additional investment in assets No.2 of HREIT. The resolution is approval to invest in additional assets. This agenda is also presented as agenda in Extraordinary General Meeting 1/2018

## 10.4 Internal Control System for Information Disclosure

The REIT Manager set the control of Insider Information by limit access of sensitive data or information from each director and employee. The criteria are set from Should-Know Person basis. Directors, Executives, and employee of the REIT Manager are responsible for protect such information from unauthorized person which may cause the effect to benefit of the REIT. Moreover, prohibited from trading securities procedure may be applied.

## 10.5 Investments Approval and Management of the REIT

### 10.5.1 Investment Policy and Factor for investment decision

#### Direct investment in Real Estate

- 1) The REIT shall invest in real estate with the intention to acquire ownership or possessory rights. In the event of acquiring possessory rights of the following:
  - (a) Acquiring of real estate classified as NS-3kor Nor Sor3 Kor.
  - (b) Acquiring leasehold rights of real estate with the land utilization document classified as NS-3k or Nor Sor3 Kor.
- 2) Real estate in which the REIT invests and acquires must not be under any attachment on property rights or any dispute, unless the REIT Manager and Trustee consider that such attachment on property rights or such disputes shall not significantly impact any benefits that can be derived from such real estate and that the acquiring conditions of such real estate still benefit the unit trust holders.
- 3) Contracts made in relation to an acquisition of real estate in which the REIT invests must not carry any clause or obligation that prohibits the REIT from renting out said property at a fair price (in case of disposal)
- 4) The aggregate value of the completed and income-generating real estate acquired by the REIT must account for no less than 75% of the sum of the total value of the units offered for sale plus the total amount of loans and borrowed funds (if any).

The REIT may invest in projects which are under construction, provided that the value of the real estate acquired shall not exceed ten percent (10%) of the REIT's total asset value (after the offer for sale of units), and the REIT shall demonstrate that sufficient working capital can be afforded for the rest of the development without materially affecting the existing concerns of the REIT.
- 5) The values of real estate invested by the REIT must be appraised in accordance with the following guidelines:

- (a) Being a full appraisal with evidence of verification of entitled rights, for the purpose of public use for the disclosure of relevant information to the investors. Such appraisal shall be performed by at least two (2) appraisers and completed no more than six (6) months prior to the date of submission of the application for approval of the sale of units.
  - (b) The appraiser said above shall be those approved by the SEC
- 6) The acquired real estate shall have an aggregate value of no less than 500 million Baht (Baht 500,000,000), and in case the amount of funds raised from the offer for sale of units is less than the value of the real estate, the applicant shall demonstrate that there are other sufficient resources of funds for supporting the acquisition of such real estate.
- 7) In cases that the REIT invests in the sub-lease of any real estate leasehold or the rental rights of any building or structure of which its lessor is not the real estate owner; either being the holder of the land title deed or the holder of unconfirmed certificate of use, the REIT Manager must apply relevant measures for risk protection or indemnity against any losses that the REIT may suffer as a result of such invest, such as: arrange for insurance policies against risk of contract termination by the actual owners of the real estate or persons with such ownership rights, arrange for asset mortgage as a protection for contract compliance, arrange for pledge of contract compliance from related persons to assure contract compliance and payments of damage compensation to the REIT, arrange for surety bond to guarantee compliance with contract, arrange to have clauses or conditions which entitle the REIT with the rights to directly work with real estate owners on the remedy of any breach of any such contracts.
- 8) In the case that the REIT has acquired the ownership interest in the real estate and the REIT Manager intends to generate income from such real estate through a leaseback arrangement, the REIT Manager shall charge the original owner of the real estate at the rental rate that is set on an arm's length principle, and shall treat the transaction in a similar manner to any other ordinary business transaction that it would have transacted with any third-party.

#### **Indirect Investment in Real Estate**

the REIT may indirectly invest and acquire its core properties through its shareholding of a company established with the operational objective similar to that of the REIT. Such investment shall comply with the following guidelines:

The REIT shall hold no less than ninety-nine per cent (99%) of the Company's outstanding shares and no less than ninety-nine percent (99%) of the total voting rights of the Company.

It shall be demonstrated that there is a measure or a mechanism which allows the REIT Manager and Trustee to supervise and control such company operations in accordance with the Trust Deed and the rules prescribed in the Notification No.TorJor.49/2555 and other related notices in the same manner as if such core properties are directly invested in the REIT.

**The essential covenants in part of method for acquiring principal assets and accessories**

Additional process of acquiring assets shall contain at least of the following matters;

- 1) prior to acquisition of the principal asset each time, a REIT manager has to proceed as follows:
  - (a) Verify or audit information and agreements relating to the principal asset and accessories (if any), for instance, a financial and legal information, for the benefit of investment decision-making and disclosure of correct information. In case the owner, the lessor or the transferor of the real estate is a related person of the REIT manager, the REIT manager has to arrange a financial advisor to give an opinion on the analysis of such information;
  - (b) Analyze and feasibility study of acquisition, lease, disposal of assets, transfer in or out of leasehold. The relevant expenses are borne by the REIT
  - (c) Appraise assets value by qualified appraisal to indicate fair value and reasonable acquisition price. The REIT Manager will comply to the rule and guidance of property valuation report as prescribed in the Trust Deed, Guidance of property fund and REIT management as minimum requirement.
  - (d) In case the REIT will invest in the leasehold interest of real estate in the nature of sublease, the REIT manager has to provide measure for preventing risks or be entitled to claim a remedy for damage, which may occur as a result of breach of lease contract or defective rights to claim for specific performance according to the lease contract
- 2) the approval procedure before the acquisition or disposal of assets has to be approved by the trustee and/or the resolution of Unitholders meeting that the transaction is in accordance with the trust instrument and relevant laws

### 10.5.2 Benefits Earning Policy

#### Provision for Benefits

The REIT Manager has objective to provide appropriate distribution from investment sustainably in the long run for Unitholders. The REIT manager has a policy as follow

- 1) Invested in leasehold in property from WHA Industrial Development PCL., Eastern Seaboard Industrial Estate (Rayong) Co., LTD., WHA Eastern Seaboard Industrial Estate Co., Ltd., and WHA Industrial Building Co., Ltd.
- 2) Lease out such property to lessee. The REIT Manager appoint WHA Industrial Development PCL., who has experience and expertise in managing and administering property in the type of factory and warehouse, as the Property. The Property Manager is responsible to contact and procure customers, seek potential lessees. Moreover, the Property Manager is in charge of marketing and promotion by contacting targeted customer group directly or through various agents.

#### Type of Tenancy Agreement

The REIT, by The Trustee, shall become counterparty directly with the lessee. The income and cash flow to be received by the REIT are the rental income from lands and buildings and service fee from the rent of factories and warehouse. Most lease agreements shall be a standard agreement having a similar terms and conditions, i.e.

- 1) Monthly rental income comes from leasing of lands and factories or warehouses.
- 2) Income from monthly service fee is the income collected from service agreement relating to maintenance of building, common area and common property.

Overall tenancy profiles are moderate diversity (rent expiry, tenant industry, tenant nationality) Revenue from the top five tenants accounted for 28.44 percent of total revenue from the invested assets. However, the top tenants are the reputable tenants.

### 10.6 Selection of Property Manager

The REIT Manager is responsible for carefully appoint the Property Manager from the qualification, capabilities, knowledge, expertise, and experience to manage invested assets. The duties include which is prescribed in the Trust Deed, the REIT Management Agreement, and relevant law and regulations for the purpose of the benefits of Unitholders. The minimum procedure as follow;

### **Consideration and selection of Property Manager**

The REIT Manager have to consider these factors for the appointment process of Property Manager

- 1) Evaluate and analyze experience, expertise, past achievement of Property Manager ex. marketing, procuring tenants, revenue collective, care and maintenance of buildings and equipment, lease area management, internal control of expense and reimbursement and other duties to ensure that Property Manager have potential to manage the invested assets as well as make benefits to the REIT and Unitholders. Internal control of the Property Manager is subject to minimum requirement under SEC guidance for manage the REIT.
- 2) Consider the Property remuneration which is proper with the Property Manager capabilities. The REIT Manager may set motivation of the Property Manager by setting remuneration based on revenue or net profit of invested assets.
- 3) Set a condition of changing the Property Manager in case of underperformance or breach the conditions set in Property Manager Agreement.
- 4) Set up procedure to monitor and evaluate internal control of the Property Manager to ensure the effectiveness of internal control and can protect fraud or detect fraud. For an example, the Property Manager have to submit internal audit report from auditors or internal auditors (if any) in part of relevant to the REIT operation. The REIT Manager may consider prescribe that the Property Manager is responsible for any damage incurred from the negligent of the Property Manager
- 5) In case of the REIT Manager found that the Property Manager act or un act which caused reliability of duties of the Property Manager. The REIT Manager have to terminate the Property Manager Agreement for the purpose of replace the Property Manager.

## **10.7 Supervision of the Property Manager's Performance**

### **10.7.1 Monitoring System for rental income and service fee collections by the Property Manager**

The REIT Manager is responsible for verifying the collection of the REIT's rental and service fees by the Property Manager. The procedure to supervise of the Property Manager as follow;

- 1) The REIT Manager have to participate in budget preparation or approve upon budget which the Property Manager prepare.

- 2) Set a motivate condition to attract the Property Manager to outperform and mitigate the risk to the Unitholders.
- 3) Monitor the Property Manager to operate the invested assets comply to the REIT investment policy and strategic plan
- 4) Set a framework of tenant mix planning for the purpose of matching invested assets with client inquiry.
- 5) The REIT Manager have to make an agreement of earning benefits between the REIT and tenants. Agreement of expenses Bourne by the REIT. The REIT Manager have to inform any obligation with the tenants to appraiser for the purpose of value determination of the asset.
- 6) Review and consider on terms and conditions of major tenants to mitigate the concentration risk.
- 7) Review and consider on pricing policy to comply with current market situation.
- 8) Monitor internal control of maintenance expenditures to ensure that expenses occurred properly.
- 9) The REIT Manager have to evaluate the effectiveness of procurement process to ensure that the REIT's expenses are properly and indicated in the Trust Deed and Prospectus.
- 10) The REIT Manager assign the Property Manager to monitor tenants to pay expenses and taxes to comply with relevant laws. The Property Manager have to submit outstanding liabilities report of tenants periodically. The REIT Manager may terminate or revise terms and conditions with tenant.
- 11) The REIT Manager have to analyze abnormal information of the Property Manger duties. The surprise checks and random checks may be apply.
- 12) The REIT manager will have control systems to ensure appropriate operations by the Property Manager according to the following principles:
  - (a) Collection and delivery of income to the REIT in the full amount.
  - (b) Does not exaggerate any expenses charged to the REIT, keeping them in line with the Trust Deed, registration statement, and the prospectus to be collected.
  - (c) Sufficient and appropriate care and maintenance of the REIT's invested properties to ensure benefits in the long-term.
  - (d) Segregations of duties for the significant function.
  - (e) Set a contingency plan for emergency or unexpected event which may cause significantly damage to the Property Manager duties and including invested assets.
  - (f) Proceed conflict of interest procedure between the REIT and the Property Manager.

- 13) Arrange a meeting between the REIT Manager and the Property Manager periodically to evaluate performance and solve the problem in which it may occurred.

#### **10.7.2 The REIT Manager opinion on the Property Manager duties.**

The REIT Manager has opinion that the Property Manager had managed the invested assets according to annual budget with properly and efficiently manner for the period of 2018.

### **10.8 Management of the REIT's Benefits and Earnings**

The REIT Manager has the main objective of managing invested assets for benefits and earnings for Unitholders. The REIT Manager has the guidelines and work procedure for monitoring and managing invested assets as follow;

- 1) The REIT Manager and the Trustee monitors the performance of the REIT yearly. This involves comparing the annual financial budget with the REIT's performance.
- 2) The REIT Manager and/or the Property Manager work together to manage invested assets, supervise, monitor to get full amount of payment of rental income, service income, and relevant tax to as prescribed in relevant laws.
- 3) At minimum, the Company provides the following insurance:
  - (a) Adequate insurance appropriate to any loss incurred by the REIT which affects invested properties or property rights. This is to cover damages which may occur to the REIT that may arise from any losses that may occur to said assets.
  - (b) Third-party insurance which covers responsibilities towards external persons
- 4) Related party transactions are conducted under rules and regulations as prescribed in the Trust Deed and SEC rules and regulations.

### **10.9 Remuneration of the REIT Manager**

Throughout the period of the appointment of the REIT Manager, the REIT Manager will receive a fee for performing duties as a REIT manager at a base fee not exceeding 0.25 percent (zero point five five) of the total asset value of the REIT (TAV) with a minimum fee of not less than 12.5 (twelve points five) million baht per year. The fee will be paid on a monthly basis on the last working day of each month which is specified in the REIT Manager Agreement. In addition, the REIT manager can receive other fees for managing the assets as specified in the fee and expenses charged to REIT.

## 10.10 Information Disclosure and Communication with Unit Holders

The REIT Manager is responsible for prepare and disclose the REIT information to SEC, the Trustee, and Unitholders which is include submit annual report and AGM invitation letter to the Trustee and Unitholders as follows;

- 10.10.1 Audited or reviewed quarterly financial statements submitted within 45 (forty-five) days after the end of each period.
- 10.10.2 Audited annual financial statements submitted within 2 (two) months after the end of accounting period. Except the REIT Manager choose to submitted the fourth quarter financial statements, the submitted period would be within 3 (three) months after the end of accounting period.
- 10.10.3 Interim Management Discussion and Analysis whenever revenue or net profit as stated in any period is 20 (twenty) percent difference from the same period of previous year. The analysis has to show cause and effect of the factor. This information has to submitted attached with financial statements
- 10.10.4 Form 56-REIT1 submitted to SEC and the Trustee within 3 (three) months after the end of accounting period.
- 10.10.5 Annual report with financial statements and AGM invitation letter is submitted to SEC and the Trustee no less than 4 (four) months after the end of accounting period.

Preparation and disclosure of financial statements is subject to comply with Thai accounting standards. The approach of financial statements submission should be consistency

In case of no Thai financial reporting standard for preparation and disclosure of any matters, The REIT have to indicate in part of note to financial statements of accounting policies and comply with any accounting standard acceptance.

- 10.10.6 The REIT Manager is responsible for submit Report on the acquisition or disposition of assets to SEC and the Trustee within 15 (fifteen) days after acquisition or disposition date. The report should have minimum information as follow;
  - 1) Asset details which including name, location, type, area, and any obligation.
  - 2) Date and price of acquisition, name of seller, lessor, assignor, or grantor.
  - 3) Date and price of disposition, name of purchaser, lessee, assignee, or grantee.
  - 4) Date, price, and approach of appraisal report and the name of appraiser

- 5) In case of disposition of assets, if disposition price is lower than highest value than 5 (five) percent from appraisal report with not longer than 1 (one) year. Declaration of fact and reason of the disposition is needed to disclose.

In case of acquisition of assets, if acquisition price is greater than lowest value than 5 (five) percent from appraisal report with not longer than 1 (one) year. Declaration of fact and reason of the acquisition is needed to disclose.

10.10.7 Instant disclosure is needed to disclose to SEC as follow;

- 1) Significant damage incurred to the REIT.
- 2) Cannot earn benefits from the assets of the REIT, partly or whole assets.
- 3) The Trust has changed objective or investment policy.
- 4) When an incident occurs which may cause the REIT to cease operations

10.10.8 Additional disclosure is subject to comply with rules and regulations of SEC and/or SET

10.10.9 Form of submit information to SEC can be in the form of the following approach;

- 1) A set of printed information
- 2) Electronics information submitted via SET portal under SET guidance.

Both kind of information above should be the same information and there is no significant mislead or concealed information.

10.10.10 The REIT may prepare and submit the annual report to SEC and Unitholders in the form of printing or data storage.

Annual report submission to SEC in the form of electronics information via SET portal under SET guidance.

## 10.11 Unit Holders Meeting

The REIT Manager is responsible for arranging a Unitholders Meeting as follows:

- 1) The Annual General Meeting within 4 months after the end of the accounting period.
- 2) An Extraordinary General Meeting are meetings which are not the General Annual Meeting which are organized when the following events or incidents occur:
  - (a) When Unitholders who cumulatively hold no less than 10% of total units come together to send a document requesting that the REIT Manager or Trustee arranges a REIT Unit Holders Meeting. The request will clearly state the reasons for the meeting. Once the request is received, the REIT Manager is responsible for arranging a Unitholders meeting within 1 month of receiving the letter from Unitholders or if notified to do so by the Trustee.
  - (b) In any scenario where the Trustee is of the opinion that it is necessary or advisable to have a Unitholders Meeting to discuss or approve pertinent matters. The REIT Manager is responsible for arranging a Unitholders meeting within 1

month of receiving the request from the Trustee. The Trustee has the right to consult with REIT Manager with regards to this case.

- (c) In any scenario where the REIT Manager is of the opinion that it is necessary or advisable to have a Unitholders Meeting to discuss or approve pertinent matters. The REIT Manager will organize a Unitholders meeting for the benefits of management of the REIT. The REIT Manager has the right to consult with Trustee with regards to this case.

#### **Calling a Unitholder's Meeting**

The REIT Manager is responsible for sending invitation letters to the meeting which indicate the location, date, agendas to be discussed and other matters with sufficient detail. Unitholder's will be informed of the agenda at hand, and will work with REIT Manager to acknowledge, authorize, or consider them, as the case may be. This includes considering the impacts any decision may have on Unitholders, and will inform Invitation letters to Unitholders process as follow;

- 1) Send invitation letters to unitholders before the meeting day as follow;
  - (a) 14 (fourteen) days. In case of agenda need voting from Unitholders not less than 3 out of 4 of all Unitholders attending the meeting and voting.
  - (b) 7 (Seven) days in other case of (a)
- 2) at least 1 (one) announcement will be made in the local daily paper 3 (three) days before the meeting day.

In case of the REIT Manager have not arrange a meeting within 45 (forty-five) days as prescribed in Trust Deed and/or request from the Trustee as the case may be. The Trustee will be able to call and hold a Unitholders meeting. It will also have the right to charge the REIT for any expenses incurred (if any) from organizing the Unitholders Meeting on behalf of the REIT Manager.

#### **Quorum and Chairman of the Unitholders Meeting**

The Unitholders Meeting will require the attendance of no less than 25 Unitholders, or no less than half the number of total unitholders. Furthermore, the Unitholders will own at least one-third of total REIT units. All these components must be in place to establish a quorum allowing the meeting to take place.

In the event that any Unitholders meeting is delayed by 1 hour, the number of unitholders is insufficient to the amount prescribed in paragraph 1, and the meeting was requested by Unitholders as stated in clause 10.11 sub-clause 2 (a), the meeting will be considered void. If the meeting was not requested by Unitholders, it can be rearranged by sending a letter of invitation and request to Unitholders no less than 7 days before the meeting date. In this next meeting it will not be necessary to have a quorum.

Under the provisions of the REIT and related announcements the Trustee will appoint one individual to serve as Chairman of the Unitholders meeting. However, if any Unitholders meeting discusses any agenda which can be considered as a conflict of interest to the Chairman, the Chairman will be asked to leave the meeting area for that specific agenda. The REIT Manager will then provide a shortlist of individuals which may serve as Chairman for those agenda sessions.

In any event that a Unitholders meeting has agendas which may be a conflict of interest for the Trustee or REIT Manager, the REIT Manager and Trustee or the REIT Manager and Trustee representative will be unable to cast a vote for that agenda (in the case that they are also unitholders). In the case that the Trustee has a conflict of interest, the REIT Manager will provide a short-list of individuals that the Unitholders meeting will appoint as Chairman for that agenda. In the event that the Trustee and REIT Manager has a conflict of interest, the Unitholders meeting will consider appointing one individual as Chairman for that session. The Chairman of the Unitholders Meeting shall have the following authority:

- 1) Control and conduct meeting in general to ensure it runs smoothly.
- 2) Determine any which way to proceed during the Unitholder's meeting as the Chairman sees fit or necessary for the Unitholders meeting. Including ensuring the effectiveness and success of the review and approval process for various agendas.
- 3) To ensure that the Unitholders Meeting follows the REIT's and other provisions, the Chairman has the authority to end the Unitholders meeting on any subject.
- 4) In the event that a Unitholders Meeting vote is equal and ends in a draw, the Chairman's decision will be deciding factor.

#### **Delegating a Proxy**

For a Unitholder's meeting, unitholders are able to delegate a proxy to represent them in the meeting and cast a vote in their stead by providing the right documentation. The REIT Manager will provide a proxy request document which is approved by the Trustee to Unitholders.

This proxy request document must be provided to the Chairman or delegated Chairman of the meeting before the meeting commences.

#### **Voting**

Each Unitholder will have 1 vote for each Unit they own. Unitholders eligible to cast a vote must not have any conflict of interest with regards to the agenda being considered.

#### **Unitholder's Resolution**

Unless stipulated in the contract as otherwise, the resolution of the Unitholders will consist of the following voting;

- 1) In general, the majority vote will be the deciding factor.

- 2) In the following cases, there should be no less than 3 out of 4 majority of all Unitholders attending the meeting and voting:
  - (a) The acquisition or disposition of core assets worth at least 30% of the REIT's total assets.
  - (b) The increase or decrease of paid-up capital of the REIT which was not indicated in the REIT's founding agreement.
  - (c) Increased capital as a general mandate granted by the REIT
  - (d) Transactions with the REIT Manager or related entities which equate to 20 million (20,000,000) baht or more than 3% of the REIT's net asset value, whichever is more valuable.
  - (e) Changes in remuneration or dividend payments to Unitholders
  - (f) Changes or withdrawal by the Trustee or REIT Manager.
  - (g) Changes or edits to the REIT's founding agreement which may have significant impacts on Unitholders
  - (h) Termination of the REIT

Unitholder resolutions which will impact the REIT or REIT Manager in a way which obstructs or conflicts the rules set forth in SEC 26/2555, the Securities ACT, or the founding agreement/regulations of the REIT will not have been forced.

#### **REIT Unitholder's Meeting Memorandum**

The REIT Manager records and indexes the meeting's resolutions and organizes all aspects of the meeting for Unitholders each time. The Chairman of the meeting will be responsible for authorizing the details of the memorandum. Furthermore, all expenses with meeting's memorandum will be paid for by the REIT.

## **10.12 Nomination and Appointment of Directors and Senior Executives**

### **Board of Directors**

The Board of Directors consists of 3 directors. One-third of all directors are to be independent directors Independent director is to have the qualification prescribed in Notification of Capital Market Advisory Board re: Issuance and Offering Initial Public Offering Securities. Moreover, directors, executives, and authorized management person are to have the qualifications required and no characteristics prohibited as prescribed in Clause 12 (4) of Notification of the Office of the Securities and Exchange Commission. SorChor. 29/2555 Re: Rules, Conditions and Procedures for the Approval of REIT Manager and Standard Conduct

The appointment of directors will be processed through the Company's Unitholder's Meeting, the Unitholders will appoint the directors through a majority vote. During every annual unitholder

meeting, the Company will replace 1 in 3 directors. Once removed, these directors may return to serve one more at some point in the future

#### **Senior Level Management and Executives**

The board of directors appoints managing director by selecting from a pool of qualified, knowledgeable, and experienced personnel in accordance with guidelines with no aspect which is prohibited by law.

#### **10.13 Audit Fee**

In 2018, the REIT paid the audit fee to the PricewaterhouseCoopers ABAS Limited, totaling 970,000 baht (excluding other expenses).

## 11. Corporate Social Responsibility

### 11.1 Policies and Operations of the REIT regarding Corporate Social Responsibility and Environmental Protection

Hemaraj Leasehold Real Estate Investment Trust was established on the 21<sup>st</sup> of November 2016. The REIT Manager gives significance to and recognizes the importance of being socially responsible towards the society, community, and environment in a sustainable manner of WHA Industrial Development Co., Ltd. under WHA Corporation PCL. which is property developer of Industrial Estate, Ready-Built Factory and Ready-built Warehouse. The policies focus not only “CSR In-Process” information that the REIT Manager is currently operating but also organizing “CSR After-Process” activities, whereby the Company communicates through its annual reports, Code of Conduct, website, brochures, and newsletters, in order to let every stakeholders be informed about the REIT’s Manager vision, mission, and strategies about CSR towards the society and environment. The REIT Manager has involved its CSR concepts into their business operations, both newly developed or current cooperative activities.

Throughout the course of its business operations, the Group of Companies has always been fully aware of the importance in the development of society and environment alongside with business development. The Group of Companies has specified policies that will initiate various projects that will be beneficial to the society continuously. Hence, the Group of Companies has defined 7 policies about “Corporate Social Responsibilities” as follows;

#### 1) Fair Business Operation

Transparency in business undertaking is always the Group of Companies’ priority, emphasizing prevention of transaction that could lead to conflict of interest. The company also imposes policies on employees to treat business partners, creditors, shareholders and customers fairly and without taking advantage in accordance with the Group of Companies’ corporate governance policy.

#### 2) Anti-corruption

The REIT implements policies to deal with corruption in all circumstances. These policies are incorporated in the anti-corruption policies and guidelines section of the corporate governance principles. Employees are provided with knowledge and training with regards to anti-corruption policies

#### 3) Respect for Human Rights

The REIT has in place human right policies and policies to counter violation of human rights in respects to be consistent with the society under the rule of laws. Citizen has the freedom right under the law. The practice of the REIT is as follows:

- (a) The REIT respects and treats all stakeholders with fairness, on the principle of human dignity, without discrimination on origin, citizen, sex, age, skin color, religion, body condition, status, family and promotes monitoring of treatment in accordance with terms on human rights in the REIT.
- (b) To act against any human trade, use of child labour with age under those prescribed by law and not to do any transactions with manufacturer or service provider who does as such.
- (c) To support and respect human right by reviewing and controlling the business transaction of the REIT with third parties not to promote or support the violation of human right and not to violate the staff's right protected by law.
- (d) Fair Labour Treatment policies are applied.

The REIT gives equal opportunity to employees of all races, languages and genders. Every step in providing services is undertaken with honesty and transparency. The REIT also strictly complies with the labor laws. This policy is provided in the section of employment treatment and guidelines and the employee safety and hygiene policies of the corporate governance principles.

#### 4) Consumer Responsibility

The Group of Companies establishes the policy that focuses on doing business and treating customers (also considered consumers) with honesty, adhering to the terms under contracts made with the customers and in compliance with the standards set by law. It has a policy to provide accurate and complete information on use of warehouse building to customers as well as emphasizing keeping of customer data and information. The Group of Companies implements the policy on customer treatment and includes it in the customer policies and treatment section of its corporate governance principles.

#### 5) Environment

The REIT establishes the policy that supports activities that will promote quality of life, occupational hygiene and environment as well as maintaining work environment in such a way to ensure safety of employee health and property.

#### 6) Community and Social Development

The REIT has the policy to support social activities on various occasions aiming at maximizing social and community benefit so as to help and promote sustainable quality of life of the youth and Thai society

#### 7) Innovation and Innovation Dissemination

The REIT has the policy that always focuses on design innovation of environmental friendly warehouses, ranging from energy saving, production of solar energy to environment care. It also implements the policy to educate customers and related agencies about and exchange knowledge of the use of building.

### CSR Activities

In 2018, the REIT Manager has participate with WHA Group PCL. and our clients in the campaign that aim to support school supplies to schools located in the areas that the Group of Companies invested in including 69 local schools, or more than 18,000 students which is strengthen relationship between donators and nearby communities



## 12. Internal Control and Risk Management

For the purpose of the REIT objectives and effectiveness of operations, the REIT Manager executes operational and internal control manual, set risk management policies, monitor and review efficiency of such operational process and internal control by Risk Management and Compliance Department under command of an Independent Director. These controls are aim to protect REIT's assets from being misused or any other unauthorized action by directors or executives.

### 13. Prevention of Conflict of Interest

Investment of the REIT in properties which the REIT has invested initially and the REIT invests in such main properties later; it is expected to have connected transactions between the REIT and WHA Industrial Development Public Company Limited ("WHAID") as well as subsidiary companies of WHAID which are deemed as related persons to the REIT Manager. WHAID is a major shareholder and have authority to control the REIT Manager and acting as the Property Manager. WHAID and its subsidiary companies are also the Assets Owners and Property Manager of Hemaraj Industrial Property and Leasehold Fund ("HPF") Which WHAID manage the assets which similar to the REIT's assets. The various role of WHAID may raises the conflict of interest

However, the Company concerns potential conflict of interest issues. Internal control system and work procedures between the REIT and related parties is set up to prevent the potential conflict of interest. WHAID agree to fully disclose all assets details (Land, Ready-Built factory, Ready-built warehouse) under management which matched to client's specification (size, location, layout, building age, rental rate, etc.). Clients may make decision without any bias except the REIT may propose alternative approach for the best interest of the REIT

Moreover, property management fee is consistent to normal business which is the same as the structure of property management fee that WHAID received from HPF. WHAID as a property manager have to report significant matters to the REIT Manager as prescribed in Property Management Agreement or other form of mutually agree.

Summary of such transactions shall be specified in the following table, juristic person/company which may have conflict in term of relations is as follow:

| Juristic person/company which may have conflict          | Relationship                                                                                                                                                                                                                                                                                                                                    |
|----------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. WHA Industrial Development PCL.                       | <ul style="list-style-type: none"> <li>Being a major shareholder of the REIT Manager as WHAID holds totally 99.99% of the issued and paid shares of the REIT</li> <li>Having authority to control the REIT Manager</li> <li>Being an executive of HREIT's real estate</li> </ul>                                                                |
| 2. WHA Industrial REIT Management Co., Ltd               | <ul style="list-style-type: none"> <li>Being the REIT Manager</li> <li>Being a subsidiary company of WHAID</li> </ul>                                                                                                                                                                                                                           |
| 3. WHA Eastern Seaboard Industrial Estate Co., Ltd.      | <ul style="list-style-type: none"> <li>Being a subsidiary company which is a major shareholder of the REIT Manager as WHAID holds totally 99.99% of the issued and paid shares of the REIT Manager as well as holding totally 99.99% of the issued and paid shares of WHA Eastern Seaboard Industrial Estate Co., Ltd.</li> </ul>               |
| 4. Eastern Seaboard Industrial Estate (Rayong) Co., Ltd. | <ul style="list-style-type: none"> <li>Being a subsidiary company of WHAID which is a major shareholder of the REIT Manager as WHAID holds totally 99.99% of the issued and paid shares of the REIT Manager as well as holding totally 60.00% of the issued and paid shares of Eastern Seaboard Industrial Estate (Rayong) Co., Ltd.</li> </ul> |

| Juristic person/company which may have conflict | Relationship                                                                                                                                                                                                                                                                                                                             |
|-------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 5. WHA Industrial Building Co., Ltd.            | <ul style="list-style-type: none"><li>– Being a subsidiary company which is a major shareholder of the REIT Manager as WHAID holds totally 99.99% of the issued and paid of the REIT Manager totally 99.99% of the issued and paid shares of WHA Industrial Building Co., Ltd.</li></ul>                                                 |
| 6. WHA Utilities and Power PCL. (“WHAUP”)       | <ul style="list-style-type: none"><li>– Being a subsidiary company of WHAID which is a major shareholder of the REIT Manager as WHAID holds totally 68.86% of the issued and paid shares of the REIT Manager as well as holding totally 68.86% of the issued and paid shares of WHA Utilities and Power Public Company Limited</li></ul> |
| 7. SCB Asset Management Co., Ltd, (“SCBAM”)     | <ul style="list-style-type: none"><li>– Being the trustee</li><li>– Being a subsidiary company of SCB which major shareholder as SCB totally 99.99% of the issued and paid of SCBAM</li></ul>                                                                                                                                            |
| 8. Siam Commercial Bank PCL. (“SCB”)            | <ul style="list-style-type: none"><li>– Being a major shareholder of trustee as SCB holds totally 99.99% of the issued and paid shares of SCBAM</li><li>– Being a Lender</li></ul>                                                                                                                                                       |

### 13.1 Connected transactions of investment in all projects of the REIT

| Juristic person/company which may have conflict | Type of transactions                                                    | Necessity and reasonability of transaction                                                                                                                                                                                                                                                                                                                                                                                       | Opinion of the REIT Manager on price and condition                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|-------------------------------------------------|-------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| WHA Industrial Development PCL.                 | The REIT Manager appoints WHAID to be the Property Manager of the REIT. | WHAID operates real estate development business and lending Ready-Built Factory and Ready-Built Warehouse with high standard and highly skilled company with more than 10 years experiences in operating such business. WHAID familiarizes and understands the initial assets which the REIT has invested. Therefore, it is deemed that WHAID the qualified company which is appropriate to be the Property Manager of the REIT. | <p>- WHAID shall collect Property Management fee as the Property Manager of the REIT which is consisted of 1.75% engagement fee of business performance income from year 1-5 and 5% of business performance income from year 6<sup>th</sup> onwards and agent fee in the rate of 0.5 month in case of existed lessee renews lease contract for another 3 years or more, and in the rate of 1.0 month in case of new lessee make lease contract for 3 years or more. (in case of lease term is less than 3 (three) years, the Property Manager is entitled to receive the agent fee by calculating in proportion of the actual lease term which is compared to lease term standard 3 (three) years). And, the Property Manager have no right to get the commission fee for the new agreement for a period of less than 1 (one) year and Property Manager procure the new tenant by themselves without hiring or assigning the property agent or others. The Property Manager have no right to get the commission fee for the existing extended and new tenants to enter into lease and</p> |

| Juristic person/company which may have conflict | Type of transactions | Necessity and reasonability of transaction | Opinion of the REIT Manager on price and condition                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-------------------------------------------------|----------------------|--------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                 |                      |                                            | <p>service agreements for a period of less than or equal to one year without hiring or assigning the property agent or others.</p> <ul style="list-style-type: none"> <li>- Structure of property management fee is consistent to normal business which is the same as the structure of property management fee that WHAID has received from Hemaraj Industrial Property and Leasehold Fund (HPF) and it is in similar level of the property management fee of TICON Freehold and Leasehold Real Estate Investment Trust ( "TICON") ( but commencement of executive appointment contract of both HPF and TREIT are different) which the Property Manager shall be inspired income earning and managing cost efficiently. The REIT shall pay property management fee to WHAID in the rate that reflects normal expense used in normal and actual property management (employment term of the Property Manager is 10 years and renewal of the contract for another 10 years each under condition which is beneficial for the REIT. As it is the appropriate period which the REIT Manager and the Property Manager can prepare plan in utilizing properties continuously. In addition, it is provided that working performance of the Property Manager shall be considered</li> </ul> |

| Juristic person/company which may have conflict                                                                         | Type of transactions                                                                                                                                                                                                                                                                                                                                                       | Necessity and reasonability of transaction                                                                                                                                                                                            | Opinion of the REIT Manager on price and condition                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| WHA Utilities and Power Public Company Limited ("WHAUP") and/or subsidiary company of WHAUP and/representative of WHAUP | The REIT allows WHAUP to sublease rooftop areas of initial investment assets and additional investment assets No.1 to operate business in Solar Rooftop Project ( solar power project which is installed on rooftop located or operated in Solar Rooftop Project area). WHAUP can transfer sub-lease right to entrepreneurs who operate business in Solar Rooftop Project. | The REIT gains benefits from an opportunity to obtain rental from subleasing rooftop areas in operating Solar Rooftop Project. WHAUP agrees to enter rooftop sublease contract in order to operate business in Solar Rooftop Project. | periodically throughout duration of the contract by using criteria and performance indicators which are deemed as reasonable principles which can compare to other REITs and other property funds which have invested in the same property.<br><br>- WHAUP agrees to sublease rooftop areas as rooftop leasing shall refer to the leased rooftop where sub-lessee actually uses at least 85% of the leased rooftop area which can be functional and rate of sublease rental is 3 Baht/square meter/month and the sublease rental shall be increased 6% every 3 years.<br><br>- If sub-lessee and/or entrepreneur, who operates business in Solar Rooftop Project, commences business in Solar Rooftop Project, the contractual party shall allow sub-lessee to renew rooftop lease contract to operate business for 9 occasions (during 8 occasions are 3 years each term and in the 9 <sup>th</sup> occasion is 1 year term) and/or renewal of the contract which is equal to the period of time which sub-lessee and/or entrepreneur of Solar Rooftop Project is entitled to purchase and sales electricity as specified in related contract or |

| Juristic person/company which may have conflict                          | Type of transactions                                                                                                                                                                                                                                                                                    | Necessity and reasonability of transaction                                                                                                                                                                                                         | Opinion of the REIT Manager on price and condition                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|--------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                          |                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                    | <p>renewal of the contract as agreed mutually by the contractual parties.</p> <p>- Conditions of rooftop lease such as rental rate of the actual use area, rental rate, rate of rental increase, renewal of lease contract shall be consistent to the actual business opportunity, these are deemed as general conditions in doing business, rental rate and rental increase shall be consistent to market price and reasonability.</p>                                                                                                                                                                                                 |
| WHA Industrial Development PCL. and/or WHA Industrial Building Co., Ltd. | The REIT agree with WHAID or WHA Industrial Building Co., Ltd. or persons related to WHAID and/or WHA Industrial Building Co., Ltd. to pay the rental to the REIT for the leasable rooftop area for a period of 15 years from the REIT's investment date or until there is a lessee during such period. | The REIT gains benefits from an opportunity to obtain rental from subleasing rooftop areas in operating Solar Rooftop Project from WHAID or WHA Industrial Building Co., Ltd. or persons related to WHAID and/or WHA Industrial Building Co., Ltd. | <p>- HREIT shall give first right to WHAID and/or WHA Industrial Building Co., Ltd. and/or persons related to WHAID and/or WHA Industrial Building Co., Ltd. to lease such rooftop before any third party for a lease term of no less than the remaining warranty period, and the rental rate shall not be less than the rental rate that WHAID and/or WHA Industrial Building Co., Ltd. pays to the REIT at that time and equal to or not less than the rental rate proposed by any third party to the REIT</p> <p>- In case when WHAID or WHA Industrial Building Co., Ltd. and/or persons related to WHAID and/or WHA Industrial</p> |

| Juristic person/company which may have conflict | Type of transactions | Necessity and reasonability of transaction | Opinion of the REIT Manager on price and condition                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|-------------------------------------------------|----------------------|--------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                 |                      |                                            | <p>Building Co., Ltd. has exercised the right to lease rooftop according to the aforementioned conditions on lease term and rental rate, WHAID or WHA Industrial Building Co., Ltd. shall be released from its obligation to pay the rental of rooftop under the Undertaking Agreement.</p> <p>- If WHAID and/or WHA Industrial Building Co., Ltd. is able to procure a lessee to rent the said rooftop area with the rental period of not less than the remaining period of the warranty period of the rental payment of the rooftop pursuant to the terms and conditions and the rental rate that are not inferior than the existing, WHAID or WHA Industrial Building Co., Ltd. does not have to pay the rent for the part that WHAID or WHA Industrial Building Co., Ltd. is able to procure the lessee for the REIT. However, if the lessee procured by WHAID or WHA Industrial Building Co., Ltd. entered into the agreement for rooftop rental with the rental rate lower than the above rate, WHAID or WHA Industrial Building Co., Ltd. is still obligate to pay the rental short for the said rooftop area to the REIT until the expiry of the warranty period.</p> |

| Juristic person/company which may have conflict | Type of transactions                                                                  | Necessity and reasonability of transaction                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Opinion of the REIT Manager on price and condition                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-------------------------------------------------|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| WHA Industrial REIT Management Co., Ltd.        | <p>The REIT appoints WHA Industrial REIT Management Co., Ltd. as the REIT Manager</p> | <p>– Directors and executives of WHA Industrial REIT Management Co., Ltd. have skills and experiences in management of investment and utilization of real estate as well as having knowledge and understanding in properties; factory building and warehouse type thoroughly. Therefore, WHA Industrial REIT Management is appropriate to be the REIT Manager.</p> <p>– WHA Industrial REIT Management Co., Ltd. is a subsidiary company of WHAID which is a leader in real estate development business and lending Ready-Built Factory and Ready-Built Warehouse Project as well as having experiences and skills in such business which can support operating business of WHA Industrial REIT Management Co., Ltd. efficiently.</p> | <p>– WHA Industrial REIT Management Co., Ltd. shall collect REIT Management fee which is consisted of base fee commission fee of the REIT's properties acquisition and sales as follow:</p> <ul style="list-style-type: none"> <li>● Base fee – in the rate which is not exceeded 0.25% per annum of total asset value (TAV) of the REIT and</li> <li>● Commission fee of the REIT's property acquisition <ul style="list-style-type: none"> <li>■ In case of properties of related persons to the REIT Manager – in the rate which is not exceeded 0.75% of the acquired the REIT's properties value</li> <li>■ In case of other person's properties – in the rate which is not exceeded 1.00% of the acquired the REIT's properties value</li> </ul> </li> <li>● Commission fee of selling the REIT's properties – in the rate which is not exceeded 0.50% of the selling the REIT's properties value</li> </ul> |

| Juristic person/company which may have conflict                                                                                                                                                                      | Type of transactions                                                                                                                                                                                                                                                                                                                                                       | Necessity and reasonability of transaction                                                                                                                                                                                                                                                                                                                                                                                                         | Opinion of the REIT Manager on price and condition                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>1. WHA Industrial Development PLC.</p> <p>2. Eastern Seaboard Industrial Estate (Rayong) Co., Ltd.</p> <p>3. WHA Eastern Seaboard Industrial Estate Co., Ltd. and</p> <p>4. WHA Industrial Building Co., Ltd.</p> | <p>Being the asset owners of the REIT's investment and selling movable assets in the projects as follow:</p> <ul style="list-style-type: none"> <li>● Eastern Seaboard Industrial Estate (Rayong)</li> <li>● WHA Eastern Seaboard Industrial Estate</li> <li>● WHA Chonburi 1 Industrial Estate</li> <li>● WHA Logistics Park 1</li> <li>● WHA Logistics Park 2</li> </ul> | <p>– In investing in the REIT's investment, the REIT shall invest in Ready-Built Factory and Ready-Built Warehouse Project which are in strategic location as it is near to major transportation and world class leading customers who are both national and international lessees. Therefore, it shall be deemed that such project has potentially contribute income and return of investment for the REIT and the REIT unitholders including</p> | <p>– Structure of REIT Management fee of the REIT Manager shall be consistent to normal business. REIT Management fee of the REIT Manager both base fee and commission fee of the REIT's properties acquisition and sales, can be compared with the same service fee of other REIT Managers which has invested in the same type of property.</p> <p>– In investing in the REIT's investment, the REIT invests in higher price than the estimated price in the minimum value of property conducted by independent appraiser which is deemed as an acceptable investment as it constitute the REIT can make an investment and being entitled to lend the potential Ready-Built Factory and Ready-Built Warehouse. Therefore, it is deemed that such project has potentially contribute value-added to the REIT and the REIT unitholders in the futures.</p> |

| Juristic person/company which may have conflict        | Type of transactions                                                                                                                                                                                                                                                                                       | Necessity and reasonability of transaction                         | Opinion of the REIT Manager on price and condition |
|--------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|----------------------------------------------------|
| (which are collectively referred to as "Asset Owners") | <ul style="list-style-type: none"> <li>WHA Logistics Park 4</li> </ul> <p>As the asset owners shall be responsible for paying land and property tax related to the leased property before the commenced date of lease term and throughout the period of 3 years from the commenced date of lease term.</p> | properties which the REIT shall invest additionally in the future. |                                                    |

### 13.2 Connected transactions of providing public utilities service in each project

| Juristic person/company which may have conflict                     | Type of transactions                                                                                                                                                                                                                                           | Necessity and reasonability of transaction                                                                                                                                                                                                                                                                                     | Opinion of the REIT Manager on price and condition                                                                                                                                                                                                    |
|---------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Developer of industrial estate project/WHA Logistics Park and/or | Developer of industrial estate project/ WHA Logistics Park and/or WHAUP will be service providers of public utilities and some services such as water used in industry, wasted water treatment service etc. , for properties which the REIT have invest.       | Provision of public utilities and some services of by developer of industrial estate project and/or WHA Logistics Park and/or WHAUP shall be consistent to standard which developer of industrial estate project / WHA Logistics Park has announced to use in industrial estate project / WHA Logistics Park.                  | Developer of industrial estate project/WHA Logistics Park and/ or WHAUP provide services in normal price and condition in doing business and it shall be the same price and condition which has been provided to lessees who are not related persons. |
| 2. WHA Utilities and Power Public Co.,Ltd. ("WHAUP")                | As Developer of industrial estate project/ WHA Logistics Park and/ or WHAUP may request to use or pass through or entering to properties invested by the REIT in order to install or repair public utilities for benefits for properties invested by the REIT. | Request to use or passing through or entering to properties invested by the REIT in order to install or repair public utilities, shall be implemented as developer of industrial estate project / WHA Logistics Park or service provider of such public utility which shall be beneficial for properties invested by the REIT. |                                                                                                                                                                                                                                                       |

### 13.3 Related Transactions between the Trust and Trustees or Persons Connected to Trustees

| Juristic person/company which may have conflict | Type of transactions                                                                                                                                                                                                                                                                                                                                                                                                                 | Necessity and reasonability of transaction                                                                                                                                                                                                                                                                                                                                                                                                                               | Opinion of the REIT Manager on price and condition                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|-------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Siam Commercial Bank PCL.                       | <p>The Trust make a long-term loan amount not exceed than 2,900,000,000 Baht to invest in main properties for the initial investment and additional investment No.1 and use as circulating capital in the Trust.</p> <p>When combined with the Trust's loans, the Trust currently has loans amount not exceed than 60 percent of the Trust's total property value (in case of the REIT has credit rating of "investment grade").</p> | <p>Loan conditions, including interest rates, principal and interest payments, and collateral related to loans will be reasonable and not cause the Trust to lose benefits. Specifications in related contracts are on an arm's length basis, and the expenses for transactions collected from the Trust will be at fair and appropriate levels by comparing interest/remuneration collected from the Trust in the past and the rate collected from other borrowers.</p> | <p>Loans for initial investments and additional investment No.1 in properties will benefit trust unit holders because loans will help the trust have a more effective financial management structure and lower investment cost when compared to only offering trust unit sales, causing trust unit holders' benefits to improve. In the meantime, interest rates the Trust is required to pay to make loans from persons related to trustees are at similar levels to loan rates offered to excellent domestic commercial bank customers in similar industries and under similar conditions (such as issues related to rights between creditors and shareholders/trust unit holders and other risks), which were significantly lower than financial costs in the part of the Trust's capital. The company and the financial advisor rendered the opinion that transactions in which the Trust makes loans from persons connected to Trustees did not create conflicts of interest or cause the Trust to lose benefit because transactions are in line with normal trade on an arm's length basis while benefiting the Trust's unit holders.</p> |

## 14. Financial Highlights

### 14.1 Summary of Independent Auditor's report form certified public accountant for the last three years

| Year | Name of Certified Public Accountant | Accounting Company               |
|------|-------------------------------------|----------------------------------|
| 2018 | Mr. Boonrueng Lerdwiseswit          | PricewaterhouseCoopers ABAS Ltd. |
| 2017 | Mr. Chanchai Chaiprasit             | PricewaterhouseCoopers ABAS Ltd. |
| 2016 | Mr. Chanchai Chaiprasit             | PricewaterhouseCoopers ABAS Ltd. |

The accompanying financial statements that presented though this annual report is audited and given the opinion by certified public accountant for the year ended of 2018, 2017 and 2016, summarized as follows;

"As the auditor, I have an opinion that the financial statements of Hemaraj Leasehold Real Estate Investment Trust (the Trust) present fairly, in all material respects, the financial position and the details of investments of the Trust as at 31 December 2018, 2017 and 2016, and its financial performance, changes in net assets, cash flows and significant financial information and ratios for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs)"

### 14.2 Financial Summary Table

The following are the audited financial reports.

## 14.2.1 Balance Sheet as at 31 December 2018, 2017 and 2016

(Unit : Baht)

|                                                                                                        | 2018                 | 2017                 | 2016                 |
|--------------------------------------------------------------------------------------------------------|----------------------|----------------------|----------------------|
| <b>Assets</b>                                                                                          |                      |                      |                      |
| Investments at fair value                                                                              |                      |                      |                      |
| (at cost in 2018: Baht 10,159 Million and in 2017: Baht 8,092 Million and in 2016: Baht 7,975 Million) | 9,430,069,981        | 7,240,310,553        | 7,974,991,417        |
| Cash and cash equivalents                                                                              | 135,554,906          | 1,160,018,857        | 193,036,872          |
| Accounts receivable and other receivable                                                               | 51,608,314           | 23,407,046           | 18,832,657           |
| Prepaid expenses                                                                                       | 1,357,319            | 751,597              | 1,463,097            |
| Deferred expenses                                                                                      | 49,657,073           | 2,914,684            | 3,663,881            |
| Deferred income from operating lease agreement                                                         | 19,207,676           | 2,914,288            | 9,244,838            |
| Refundable VAT                                                                                         | 483,071              | 194,042              | 136,372              |
| Other assets                                                                                           | 3,433,269            | 3,086,715            | 16,537               |
| <b>Total assets</b>                                                                                    | <b>9,691,371,609</b> | <b>8,433,597,782</b> | <b>8,201,385,671</b> |
| <b>Liabilities</b>                                                                                     |                      |                      |                      |
| Unearned rental and service income                                                                     | 10,291,704           | 7,152,305            | -                    |
| Deposits received from customer                                                                        | 166,810,101          | 134,731,673          | 149,660,670          |
| Borrowing from financial institutions - net                                                            | 3,282,307,418        | 2,293,506,651        | 2,286,224,232        |
| Accrued expenses                                                                                       | 26,678,578           | 11,899,157           | 17,040,873           |
| Other liabilities                                                                                      | 24,461,330           | 1,075,745            | 10,476,078           |
| <b>Total Liabilities</b>                                                                               | <b>3,510,549,131</b> | <b>2,448,365,531</b> | <b>2,463,401,853</b> |
| <b>Net assets</b>                                                                                      | <b>6,180,822,478</b> | <b>5,985,232,251</b> | <b>5,737,983,818</b> |
| <b>Net assets represented by</b>                                                                       |                      |                      |                      |
| Capital received from unitholders                                                                      | 6,062,435,654        | 6,516,969,663        | 5,693,600,000        |
| Retained earnings (deficits)                                                                           | 118,386,824          | (531,737,412)        | 44,383,818           |
| <b>Net assets</b>                                                                                      | <b>6,180,822,478</b> | <b>5,985,232,251</b> | <b>5,737,983,818</b> |
| Net assets value per unit (Baht)                                                                       | 8.7966               | 8.5182               | 10.0779              |
| Unit outstanding at the end of the year (Units)                                                        | 702,634,116          | 702,634,116          | 569,360,000          |

14.2.2 Statement of Income for the year ended 31 December 2018, 2017 and 2016

(Unit : Baht)

|                                                                          | 2018               | 2017                 | 2016              |
|--------------------------------------------------------------------------|--------------------|----------------------|-------------------|
| <b>Investment income</b>                                                 |                    |                      |                   |
| Rental and service income                                                | 519,353,004        | 447,229,592          | 52,774,213        |
| Rooftop rental income                                                    | 5,902,336          | 4,871,459            | 456,399           |
| Undertaking income                                                       | 200,032,241        | 123,777,724          | 8,793,136         |
| Interest income                                                          | 757,016            | 955,014              | 302,011           |
| <b>Total income</b>                                                      | <b>726,044,597</b> | <b>576,833,789</b>   | <b>62,325,759</b> |
| <b>Expenses</b>                                                          |                    |                      |                   |
| Management fee                                                           | 14,442,615         | 13,077,500           | 1,455,440         |
| Trustee fee                                                              | 14,442,615         | 12,183,204           | 1,455,440         |
| Registrar fee                                                            | 2,185,264          | 2,447,783            | 268,944           |
| Property management fee                                                  | 20,815,492         | 13,594,514           | 2,817,155         |
| Other expenses                                                           | 29,266,142         | 13,601,668           | 1,445,062         |
| <b>Total expenses</b>                                                    | <b>81,152,128</b>  | <b>54,904,669</b>    | <b>7,442,041</b>  |
| <b>Net investment income before financial costs</b>                      | <b>644,892,469</b> | <b>521,929,120</b>   | <b>54,883,718</b> |
| <b>Financial costs</b>                                                   |                    |                      |                   |
| Interest expenses                                                        | 117,977,622        | 96,573,980           | 10,499,900        |
| <b>Net investment income</b>                                             | <b>526,914,847</b> | <b>425,355,140</b>   | <b>44,383,818</b> |
| <b>Net gain (loss) from investments</b>                                  |                    |                      |                   |
| Net gain from sale investments                                           | 704,946            | 1,213,630            | -                 |
| Net unrealized gain (loss) from investments valuation                    | 122,504,443        | (851,980,408)        | -                 |
| <b>Total net gain (loss) from investment</b>                             | <b>123,209,389</b> | <b>(850,766,778)</b> | <b>-</b>          |
| <b>Increase (decrease) in net assets from operations during the year</b> | <b>650,124,236</b> | <b>(425,411,638)</b> | <b>44,383,818</b> |

14.2.3 Statement of Changes in Net Assets for the year ended 31 December 2018, 2017 and 2016

(Unit : Baht)

|                                                                          | 2018                 | 2017                 | 2016                 |
|--------------------------------------------------------------------------|----------------------|----------------------|----------------------|
| <b>Increase in net assets from operations during the year</b>            |                      |                      |                      |
| Net investment income                                                    | 526,914,847          | 425,355,140          | 44,383,818           |
| Net gain from sale of investments                                        | 704,946              | 1,213,630            | -                    |
| Net unrealized gain (loss) from investment                               | 122,504,443          | (851,980,408)        | -                    |
| <b>Increase (decrease) in net assets from operations during the year</b> | <b>650,124,236</b>   | <b>(425,411,638)</b> | <b>44,383,818</b>    |
| Issuance of the trust's unit                                             | -                    | 1,092,847,751        | 5,693,600,000        |
| Decrease in value of investment trust from capital reduction             | (454,534,009)        | (269,478,088)        | -                    |
| Distribution payment                                                     | -                    | (150,709,592)        | -                    |
| <b>Increase in net assets during the year</b>                            | <b>195,590,227</b>   | <b>247,248,433</b>   | <b>5,737,983,818</b> |
| Net assets at the beginning of the year                                  | 5,985,232,251        | 5,737,983,818        | -                    |
| <b>Net assets at the end of the year</b>                                 | <b>6,180,822,478</b> | <b>5,985,232,251</b> | <b>5,737,983,818</b> |

14.2.4 Statement of Cash flows for the year ended 31 December 2018, 2017 and 2016

(Unit : Baht)

|                                                                          | 2018                   | 2017                 | 2016               |
|--------------------------------------------------------------------------|------------------------|----------------------|--------------------|
| <b>Increase (decrease) in net assets from operations during the year</b> | <b>650,124,236</b>     | <b>(425,411,638)</b> | <b>44,383,818</b>  |
| Cash flows from operating activities                                     | (1,386,810,516)        | 390,963,882          | (7,772,539,423)    |
| Cash flows from financing activities                                     | 362,346,565            | 576,018,103          | 7,965,576,295      |
| <b>Net increases (decrease) in cash and cash equivalents</b>             | <b>(1,024,463,951)</b> | <b>966,981,985</b>   | <b>193,036,872</b> |
| Cash and Cash equivalents at the beginning of the year                   | 1,160,018,857          | 193,036,872          | -                  |
| <b>Cash and Cash equivalents at the end of the year</b>                  | <b>135,554,906</b>     | <b>1,160,018,857</b> | <b>193,036,872</b> |

#### 14.2.5 Significant financial ratios and additional significant information

|                                                                                                                             | 2018                 | 2017                 | 2016                 |
|-----------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|----------------------|
| <b>Net assets at the end of the year (Baht)</b>                                                                             | <b>6,180,822,478</b> | <b>5,985,232,251</b> | <b>5,737,983,818</b> |
| Ratios of total expense to average net assets during of the year (%)                                                        | 1.33                 | 1.02                 | 0.13                 |
| Ratios of investment income to average net assets during the year (%)                                                       | 11.91                | 10.72                | 1.09                 |
| Ratios of weighted average investment purchases and Sales during the period/year to average net assets during the year (%)* | 33.86                | 0.02                 | 138.99               |
| <b>Weighted average net asset during the year (Baht)</b>                                                                    | <b>6,096,956,919</b> | <b>5,382,249,574</b> | <b>5,737,983,818</b> |

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

## 15. Analysis of Financial status and Operating Results of the REIT

### 15.1 Financial Position

#### Assets

As of 31 December 2018, The REIT had the total assets of THB 9,691.37 million, which were mainly the investments at fair value of THB 9,430.07 million comprising of investment in properties THB 9,335.84 million and investment in securities of THB 94.22 million or 97.30 percent of the total assets and cash and cash equivalents of THB 135.55 million or 1.40, which decreases from 2017 88.31 percent from the cash received from allocate new trust of THB 1,092.85 million.

#### Liabilities

As of 31 December 2018, The REIT had the total liabilities of THB 3,510.55 million, which were mainly long-term borrowing of THB 3,282.31 million or 93.50 percent of the total liabilities, and deposits for rental and service of THB 166.81 million or 4.75 percent of the total liabilities. The long-term loan was provided from Siam Commercial Bank and CIMB Thai Bank for acquiring the properties with the conditions of the principal repayment within November 2021 of THB 2,325 million, within January 2023 of THB 575 million, within December 2023 of THB 420 million. The interest will be repaid quarterly and the interest rate equals to the MLR minus the fixed interest rate per annum.

#### The Net Asset

As of 31 December 2018, The REIT had the total net assets of THB 6,180.82 million that comprised of the unitholder's capital of THB 6,062.44 million and the retained earnings of THB 118.39 million.

### 15.2 Operating results

For the period of 1 January 2018 to 31 December 2018, The REIT had the total income of THB 726.04 million comprised of the rental and service income accounting for THB 519.35 million, the rooftop rental income accounting for THB 5.90 million, the Interest income accounting for THB 0.76 million and compensation of rental income received from WHA Industrial Development Public Company Limited, WHA Eastern Seaboard Industrial Estate Company Limited, Eastern Seaboard Industrial Estate (Rayong) Company Limited and WHA Industrial Building Company Limited accounting for THB 200.03 million. The total expense of THB 81.15 million comprising of Managrment fee of THB 14.44 million, Trustee fee of THB 14.44 million, Property management fee of THB 20.82 million, Registrar fee of THB 2.19 million and other expenses of THB 29.27 million comprising of Property maintenance expenses, Amortisation of deferred expenses, Consulting and professional fee etc. The REIT had the net income before financial costs and net gain from investment in the amount of 644.89 million. After deducting financial costs in the amount of Baht

117.98 million, and additional net gain from investments in the amount of Baht 123.21 million (out of which Baht 122.50 million is the net unrealized gain from investment valuation) from the said net income, The REIT has the increase in net assets from operations during the year (net gain) in the amount of approximately Baht 650.12 million.

### **15.3 The Financial Statement of The REIT**

**HEMARAJ LEASEHOLD REAL ESTATE INVESTMENT TRUST**

**FINANCIAL STATEMENTS**

**31 DECEMBER 2018**



## Independent Auditor's Report

To the Unitholders of Hemaraj Leasehold Real Estate Investment Trust

### My opinion

In my opinion, the financial statements of Hemaraj Leasehold Real Estate Investment Trust (the Trust) present fairly, in all material respects, the financial position and the details of investments of the Trust as at 31 December 2018, and its financial performance, changes in net assets, cash flows and significant financial information and ratios for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

### What I have audited

The Trust's financial statements comprise:

- the balance sheet as at 31 December 2018;
- the statement of details of investments as at 31 December 2018;
- the statement of income for the year then ended;
- the statement of changes in net assets for the year then ended;
- the statement of cash flows for the year then ended;
- the significant financial information and ratios for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

### 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 Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are 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.

PricewaterhouseCoopers ABAS Ltd.  
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T: +66 (0) 2844 1000 F: +66 (0) 2286 5050, [www.pwc.com/th](http://www.pwc.com/th)



## 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 year. I determine one key audit matter that is the valuation of investments in properties. The matter was 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 the matter.

| Key audit matter                                                                                                                                                                                                                                                                                                                            | How my audit addressed the key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Valuation of investments in properties</b>                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Refer to Note 2.5 to the financial statements for accounting policy on investments in properties, Note 4 to the financial statements for critical accounting estimates and judgements and Note 7 to the financial statements for investments at fair value.                                                                                 | I inquired REIT Manager and independent appraisers to understand the basis used for measurement of valuation of investments in properties.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| As at 31 December 2018, the balance of investments in properties amounted to Baht 9,335.84 million contributing to 96.33% of the Trust's total assets. The Trust assessed its fair value of investments in properties using the income approach by the independent appraisers, in accordance with the accounting policy stated in Note 2.5. | I assessed the competence, capabilities and objectivity of the independent appraisers and verified their qualifications.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| I focused on this area because the valuation of investments in properties made by management involved significant judgement and assumptions and management applies estimated future net cash flows which involved assumptions on growth rate, occupancy rate, capitalisation rate and discounted rate.                                      | <p>I assessed the valuation method applied and checked validity of data used in estimation of the expected future cash flows received from leasehold properties as following:</p> <ul style="list-style-type: none"> <li>Evaluated the appropriateness of the estimated future cash flows received from independent appraisers by inspected the data inputs with the supporting documentation as follows; <ul style="list-style-type: none"> <li>the estimated future net cash flows received from leasehold properties which was estimated from revenue, expenses and net income.</li> <li>the growth rate by agreeing historical information and supported documents which includes recent renewals rate on lease contract.</li> <li>the occupancy rate by agreeing average occupancy rate to historical information.</li> <li>the discount rate by considering the basis of discounted rate and benchmarking them against the same business industries.</li> </ul> </li> <li>Recomputed the valuation of investments in properties based on the expected future cash flows received from the leasehold properties and discounted rate which reflected current market assessments, and checked the accuracy of transactions of the accounting records.</li> </ul> <p>Based on the work performed above, I found that the key factors in applying accounting estimates and judgements used by the REIT Manager related to valuation of investments in properties were in the acceptable range.</p> |



### 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 the REIT Manager.

### Responsibilities of the REIT Manager for the financial statements

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

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

The REIT Manager is responsible for overseeing the Trust's financial reporting process.

### Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the REIT Manager.
- Conclude on the appropriateness of the REIT Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the 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 the 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 the REIT Manager, I determine those matters that were of most significance in the audit of the financial statements of the current year 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.

PricewaterhouseCoopers ABAS Ltd.



**Boonrueng Lerdwiseswit**

Certified Public Accountant (Thailand) No. 6552

Bangkok

18 February 2019

**Hemaraj Leasehold Real Estate Investment Trust**  
**Balance Sheet**  
**As at 31 December 2018**

|                                                 | <b>Notes</b> | <b>2018<br/>Baht</b> | <b>2017<br/>Baht</b> |
|-------------------------------------------------|--------------|----------------------|----------------------|
| <b>Assets</b>                                   |              |                      |                      |
| Investments at fair value                       |              |                      |                      |
| (at cost in 2018: Baht 10,159 million           | 6.2, 7       | 9,430,069,981        | 7,240,310,553        |
| and in 2017: Baht 8,092 million)                |              |                      |                      |
| Cash and cash equivalents                       | 8            | 135,554,906          | 1,160,018,857        |
| Accounts receivable and other receivable        | 9            | 51,608,314           | 23,407,046           |
| Prepaid expenses                                |              | 1,357,319            | 751,597              |
| Deferred expenses                               | 10           | 49,657,073           | 2,914,684            |
| Deferred income from operating lease agreement  |              | 19,207,676           | 2,914,288            |
| Refundable VAT                                  |              | 483,071              | 194,042              |
| Other assets                                    |              | 3,433,269            | 3,086,715            |
| <b>Total assets</b>                             |              | <b>9,691,371,609</b> | <b>8,433,597,782</b> |
| <b>Liabilities</b>                              |              |                      |                      |
| Unearned rental and service income              |              | 10,291,704           | 7,152,305            |
| Deposits received from customers                |              | 166,810,101          | 134,731,673          |
| Borrowing from financial institutions - net     | 11, 15       | 3,282,307,418        | 2,293,506,651        |
| Accrued expenses                                |              | 26,678,578           | 11,899,157           |
| Other liabilities                               |              | 24,461,330           | 1,075,745            |
| <b>Total liabilities</b>                        |              | <b>3,510,549,131</b> | <b>2,448,365,531</b> |
| <b>Net assets</b>                               |              | <b>6,180,822,478</b> | <b>5,985,232,251</b> |
| <b>Net assets represented by</b>                |              |                      |                      |
| Capital received from unitholders               | 12           | 6,062,435,654        | 6,516,969,663        |
| Retained earnings (deficits)                    | 12           | 118,386,824          | (531,737,412)        |
| <b>Net assets</b>                               |              | <b>6,180,822,478</b> | <b>5,985,232,251</b> |
| Net assets value per unit (Baht)                |              | 8.7966               | 8.5182               |
| Unit outstanding at the end of the year (Units) |              | 702,634,116          | 702,634,116          |

Hemaraj Leasehold Real Estate Investment Trust  
Statement of Details of Investments  
As at 31 December 2018

| Type of investments                                                                                                         | Areas<br>(Square meters) | Cost<br>Baht          | Fair value<br>Baht   | % of<br>fair value |
|-----------------------------------------------------------------------------------------------------------------------------|--------------------------|-----------------------|----------------------|--------------------|
| <b>Investments in properties (Note 6.2, 7)</b>                                                                              |                          |                       |                      |                    |
| Ownership over leasehold right on land, buildings, and warehouses                                                           |                          |                       |                      |                    |
| 1. WHA Eastern Seaboard Industrial Estate 1 (WHA ESIE 1)<br>(formerly "Hemaraj Eastern Seaboard Industrial Estate (HESIE)") |                          |                       |                      |                    |
| Location Pluak Daeng District, Rayong Province and Sriracha District, Chonburi Province                                     | 127,508                  | 4,269,819,299         | 3,905,133,000        | 41.41              |
| 2. Eastern Seaboard Industrial Estate (Rayong)                                                                              |                          |                       |                      |                    |
| Location Pluak Daeng District, Rayong Province                                                                              | 57,752                   | 1,819,943,072         | 1,704,451,000        | 18.07              |
| 3. WHA Chonburi Industrial Estate 1 (WHA CIE 1)<br>(formerly "Hemaraj Chonburi Industrial Estate (HCIE)")                   |                          |                       |                      |                    |
| Location Sriracha District, Chonburi Province                                                                               | 17,712                   | 566,625,088           | 528,732,000          | 5.61               |
| 4. WHA Saraburi Industrial Land (WHA SIL)<br>(formerly "Hemaraj Saraburi Industrial Land (HSIL)")                           |                          |                       |                      |                    |
| Location Nong Khae District, Saraburi Province                                                                              | 28,012                   | 844,486,383           | 835,963,767          | 8.86               |
| 5. WHA Logistics Park 1 (WHA LP 1)<br>(formerly "Hemaraj Logistics Park 1 (HLP 1)")                                         |                          |                       |                      |                    |
| Location Sriracha District, Chonburi Province                                                                               | 16,820                   | 425,780,818           | 393,670,000          | 4.17               |
| 6. WHA Logistics Park 2 (WHA LP 2)<br>(formerly "Hemaraj Logistics Park 2 (HLP 2)")                                         |                          |                       |                      |                    |
| Location Sriracha District, Chonburi Province                                                                               | 50,996                   | 1,310,894,762         | 1,194,010,000        | 12.66              |
| 7. WHA Logistics Park 4 (WHA LP 4)<br>(formerly "Hemaraj Logistics Park 4 (HLP 4)")                                         |                          |                       |                      |                    |
| Location Pluak Daeng District, Rayong Province                                                                              | 33,705                   | 828,717,047           | 773,884,000          | 8.22               |
| Total investments in properties                                                                                             | 332,505                  | 10,066,266,469        | 9,335,843,767        | 99.00              |
| <b>Investment in securities</b>                                                                                             |                          |                       |                      |                    |
| Investment in mutual funds                                                                                                  | N/A                      | 93,174,836            | 94,226,214           | 1.00               |
| Total investment in securities                                                                                              |                          | 93,174,836            | 94,226,214           | 1.00               |
| <b>Total investments</b>                                                                                                    |                          | <b>10,159,441,305</b> | <b>9,430,069,981</b> | <b>100.00</b>      |

Hemaraj Leasehold Real Estate Investment Trust  
Statement of Details of Investments  
As at 31 December 2017

| Type of investments                                                                                                         | Areas<br>(Square meters) | Cost<br>Baht         | Fair value<br>Baht   | % of<br>fair value |
|-----------------------------------------------------------------------------------------------------------------------------|--------------------------|----------------------|----------------------|--------------------|
| <b>Investments in properties (Note 6.2, 7)</b>                                                                              |                          |                      |                      |                    |
| Ownership over leasehold right on land, buildings, and warehouses                                                           |                          |                      |                      |                    |
| 1. WHA Eastern Seaboard Industrial Estate 1 (WHA ESIE 1)<br>(formerly "Hemaraj Eastern Seaboard Industrial Estate (HESIE)") |                          |                      |                      |                    |
| Location Pluak Daeng District, Rayong Province and Sriracha District, Chonburi Province                                     | 109,732                  | 3,706,795,961        | 3,281,381,650        | 45.32              |
| 2. Eastern Seaboard Industrial Estate (Rayong)                                                                              |                          |                      |                      |                    |
| Location Pluak Daeng District, Rayong Province                                                                              | 41,980                   | 1,363,364,875        | 1,229,909,672        | 16.99              |
| 3. WHA Chonburi Industrial Estate 1 (WHA CIE 1)<br>(formerly "Hemaraj Chonburi Industrial Estate (HCIE)")                   |                          |                      |                      |                    |
| Location Sriracha District, Chonburi Province                                                                               | 15,660                   | 508,371,102          | 461,620,969          | 6.38               |
| 4. WHA Logistics Park 1 (WHA LP 1)<br>(formerly "Hemaraj Logistics Park 1 (HLP 1)")                                         |                          |                      |                      |                    |
| Location Sriracha District, Chonburi Province                                                                               | 16,820                   | 425,780,818          | 380,674,589          | 5.26               |
| 5. WHA Logistics Park 2 (WHA LP 2)<br>(formerly "Hemaraj Logistics Park 2 (HLP 2)")                                         |                          |                      |                      |                    |
| Location Sriracha District, Chonburi Province                                                                               | 50,996                   | 1,310,894,762        | 1,169,553,830        | 16.15              |
| 6. WHA Logistics Park 4 (WHA LP 4)<br>(formerly "Hemaraj Logistics Park 4 (HLP 4)")                                         |                          |                      |                      |                    |
| Location Pluak Daeng District, Rayong Province                                                                              | 26,126                   | 659,783,899          | 599,859,290          | 8.28               |
| Total investments in properties                                                                                             | 261,314                  | 7,974,991,417        | 7,123,000,000        | 98.38              |
| <b>Investment in securities</b>                                                                                             |                          |                      |                      |                    |
| Investment in mutual funds                                                                                                  | N/A                      | 117,300,000          | 117,310,553          | 1.62               |
| Total investment in securities                                                                                              |                          | 117,300,000          | 117,310,553          | 1.62               |
| <b>Total investments</b>                                                                                                    |                          | <b>8,092,291,417</b> | <b>7,240,310,553</b> | <b>100.00</b>      |

**Hemaraj Leasehold Real Estate Investment Trust**  
**Statement of Income**  
**For the year ended 31 December 2018**

|                                                                          | Notes  | 2018<br>Baht       | 2017<br>Baht         |
|--------------------------------------------------------------------------|--------|--------------------|----------------------|
| <b>Investment income</b>                                                 |        |                    |                      |
| Rental and service income                                                |        | 519,353,004        | 447,229,592          |
| Rooftop rental income                                                    | 15     | 5,902,336          | 4,871,459            |
| Undertaking income                                                       | 15     | 200,032,241        | 123,777,724          |
| Interest income                                                          | 15     | 757,016            | 955,014              |
| <b>Total income</b>                                                      |        | <u>726,044,597</u> | <u>576,833,789</u>   |
| <b>Expenses</b>                                                          |        |                    |                      |
| Management fee                                                           | 14, 15 | 14,442,615         | 13,077,500           |
| Trustee fee                                                              | 14, 15 | 14,442,615         | 12,183,204           |
| Registrar fee                                                            | 14     | 2,185,264          | 2,447,783            |
| Property management fee                                                  | 14, 15 | 20,815,492         | 13,594,514           |
| Other expenses                                                           | 16     | 29,266,142         | 13,601,668           |
| <b>Total expenses</b>                                                    |        | <u>81,152,128</u>  | <u>54,904,669</u>    |
| <b>Net investment income before financial costs</b>                      |        | 644,892,469        | 521,929,120          |
| <b>Financial costs</b>                                                   |        |                    |                      |
| Interest expenses                                                        |        | <u>117,977,622</u> | <u>96,573,980</u>    |
| <b>Net investment income</b>                                             |        | <u>526,914,847</u> | <u>425,355,140</u>   |
| <b>Net gain (loss) from investments</b>                                  |        |                    |                      |
| Net gain from sale of investments                                        | 7, 12  | 704,946            | 1,213,630            |
| Net unrealised gain (loss) from investments valuation                    | 7, 12  | <u>122,504,443</u> | <u>(851,980,408)</u> |
| <b>Total net gain (loss) from investments</b>                            |        | <u>123,209,389</u> | <u>(850,766,778)</u> |
| <b>Increase (decrease) in net assets from operations during the year</b> |        | <u>650,124,236</u> | <u>(425,411,638)</u> |

**Hemaraj Leasehold Real Estate Investment Trust**  
**Statement of Changes in Net Assets**  
**For the year ended 31 December 2018**

|                                                                              | <b>Notes</b> | <b>2018<br/>Baht</b> | <b>2017<br/>Baht</b> |
|------------------------------------------------------------------------------|--------------|----------------------|----------------------|
| <b>Increase in net assets from operations during the year</b>                |              |                      |                      |
| Net investment income                                                        |              | 526,914,847          | 425,355,140          |
| Net gain from sale of investments                                            | 7, 12        | 704,946              | 1,213,630            |
| Net unrealised gain (loss) from investments valuation                        | 7, 12        | 122,504,443          | (851,980,408)        |
| <b>Increase (decrease) in net assets<br/>from operations during the year</b> |              |                      |                      |
|                                                                              |              | 650,124,236          | (425,411,638)        |
| Issuance of the trust's unit                                                 | 12           | -                    | 1,092,847,751        |
| Decrease in value of investment trust from capital reduction                 | 12           | (454,534,009)        | (269,478,088)        |
| Distribution payment                                                         | 12, 13       | -                    | (150,709,592)        |
| <b>Increase in net assets during the year</b>                                |              |                      |                      |
|                                                                              |              | 195,590,227          | 247,248,433          |
| Net assets at the beginning of the year                                      |              | 5,985,232,251        | 5,737,983,818        |
| <b>Net assets at the end of the year</b>                                     |              |                      |                      |
|                                                                              |              | <u>6,180,822,478</u> | <u>5,985,232,251</u> |

**Hemaraj Leasehold Real Estate Investment Trust**  
**Statement of Cash Flows**  
**For the year ended 31 December 2018**

|                                                                                                                                           | Notes  | 2018<br>Baht    | 2017<br>Baht  |
|-------------------------------------------------------------------------------------------------------------------------------------------|--------|-----------------|---------------|
| <b>Cash flows from operating activities</b>                                                                                               |        |                 |               |
| Increase (decrease) in net assets from operation during the year                                                                          |        | 650,124,236     | (425,411,638) |
| Adjustments to reconcile net increase (decrease) in net assets from operations to net cash generated from (used in) operating activities: |        |                 |               |
| Purchases of investments in properties                                                                                                    | 7      | (2,091,275,052) | -             |
| Purchases of investments in securities                                                                                                    | 7      | (56,000,000)    | (386,000,000) |
| Sale of investment in securities                                                                                                          | 7      | 80,725,013      | 269,914,086   |
| Increase in accounts receivable and other receivable                                                                                      |        | (29,426,156)    | (4,908,201)   |
| (Increase) decrease in prepaid expenses                                                                                                   |        | (605,722)       | 711,500       |
| (Increase) decrease in deferred income from operating lease agreement                                                                     |        | (16,293,388)    | 6,330,550     |
| Increase in refundable VAT                                                                                                                |        | (289,029)       | (57,670)      |
| Increase in other assets                                                                                                                  |        | (507,642)       | (2,902,465)   |
| Increase in unearned rental and service income                                                                                            |        | 3,139,399       | 7,152,305     |
| Increase (decrease) in deposits received from customers                                                                                   |        | 32,078,428      | (14,928,997)  |
| Increase in accrued expenses                                                                                                              |        | 11,838,012      | 2,208,691     |
| Increase (decrease) in other liabilities                                                                                                  |        | 23,385,585      | (9,400,333)   |
| Amortisation of deferred expenses                                                                                                         | 10     | 10,141,591      | 749,197       |
| Net gain on sale of investment                                                                                                            | 7, 12  | (704,946)       | (1,213,630)   |
| Net unrealised (gain) loss from investment valuation                                                                                      | 7, 12  | (122,504,443)   | 851,980,408   |
| Allowance for doubtful debt                                                                                                               |        | 1,224,888       | 333,812       |
| Interest income                                                                                                                           |        | (757,016)       | (955,014)     |
| Interest received                                                                                                                         |        | 918,104         | 787,301       |
| Financial cost - interest expenses                                                                                                        |        | 117,977,622     | 96,573,980    |
| Net cash generated from (used in) operating activities                                                                                    |        | (1,386,810,516) | 390,963,882   |
| <b>Cash flows from financing activities</b>                                                                                               |        |                 |               |
| Cash received from unitholders                                                                                                            | 12     | -               | 1,092,847,751 |
| Cash received from borrowing financial institutions                                                                                       | 11     | 995,000,000     | -             |
| Cash paid for units issuance                                                                                                              | 10     | (56,883,980)    | -             |
| Cash paid for upfront fee from borrowing                                                                                                  | 11     | (15,759,124)    | -             |
| Cash paid for financial cost - interest expenses                                                                                          |        | (105,476,322)   | (96,641,968)  |
| Cash paid for decrease in value of investment trust from capital reduction                                                                | 12     | (454,534,009)   | (269,478,088) |
| Cash paid for distribution payment                                                                                                        | 12, 13 | -               | (150,709,592) |
| Net cash generated from financing activities                                                                                              |        | 362,346,565     | 576,018,103   |
| <b>Net increase (decrease) in cash and cash equivalents</b>                                                                               |        | (1,024,463,951) | 966,981,985   |
| Cash and cash equivalents at the beginning of the year                                                                                    |        | 1,160,018,857   | 193,036,872   |
| <b>Cash and cash equivalents at the end of the year</b>                                                                                   | 8      | 135,554,906     | 1,160,018,857 |

**Hemaraj Leasehold Real Estate Investment Trust**  
**Significant Financial Information and Ratios**  
**For the year ended 31 December 2018**

|                                                                                                                             |       | For the period from<br>28 November<br>2016<br>(date of registration)<br>to 31 December |               |               |
|-----------------------------------------------------------------------------------------------------------------------------|-------|----------------------------------------------------------------------------------------|---------------|---------------|
|                                                                                                                             | Notes | 2018<br>Baht                                                                           | 2017<br>Baht  | 2016<br>Baht  |
| <b>Information on operating results (per unit)</b>                                                                          |       |                                                                                        |               |               |
| Net assets at the beginning of the year                                                                                     |       | 8.5182                                                                                 | 10.0779       | -             |
| <u>Add</u> Capital from unitholders                                                                                         |       |                                                                                        | -             | 10.0000       |
| Income (expenses) from investing activities:                                                                                |       |                                                                                        |               |               |
| Net investment income                                                                                                       |       | 0.7499                                                                                 | 0.8216        | 0.0779        |
| Net gain from sale of investments                                                                                           |       | 0.0010                                                                                 | 0.0023        | -             |
| Net unrealised gain (loss)                                                                                                  |       |                                                                                        |               |               |
| from investments valuation                                                                                                  |       | 0.1744                                                                                 | (1.6456)      | -             |
| <u>Less</u> Decrease in investment trust value                                                                              |       |                                                                                        |               |               |
| from capital reduction                                                                                                      | 12    | (0.6469)                                                                               | (0.4733)      | -             |
| <u>Less</u> Distribution payment                                                                                            | 13    | -                                                                                      | (0.2647)      | -             |
| Total income (expenses) from investing activities                                                                           |       | 0.2784                                                                                 | (1.5597)      | 0.0779        |
| Net assets at the end of the year                                                                                           |       | 8.7966                                                                                 | 8.5182        | 10.0779       |
| <b>Ratio of net gain (loss) to average net assets during the year (%)</b>                                                   |       |                                                                                        |               |               |
|                                                                                                                             |       | 10.66                                                                                  | (7.90)        | 0.01          |
| <b>Significant financial ratios and additional significant information</b>                                                  |       |                                                                                        |               |               |
| Net assets at the end of the year (Baht)                                                                                    |       | 6,180,822,478                                                                          | 5,985,232,251 | 5,737,983,818 |
| Ratios of total expenses to average net assets during the year (%)                                                          |       | 1.33                                                                                   | 1.02          | 0.13          |
| Ratios of investment income to average net assets during the year (%)                                                       |       | 11.91                                                                                  | 10.72         | 1.09          |
| Ratios of weighted average investment purchases and sales during the period/year to average net assets during the year (%)* |       | 33.86                                                                                  | 0.02          | 138.99        |
| Weighted average net asset during the year (Baht)                                                                           |       | 6,096,956,919                                                                          | 5,382,249,574 | 5,737,983,818 |

**Additional information**

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

**Hemaraj Leasehold Real Estate Investment Trust**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2018****1 Business nature of Hemaraj Leasehold Real Estate Investment Trust**

Hemaraj Leasehold Real Estate Investment Trust (the Trust) is incorporated in accordance with the Trust for Transactions in the Capital Market Act, B.E. 2550 (the Act) in accordance with the Trust Deed signed on 21 November 2016 with WHA Industrial REIT Management Company Limited (formerly "Hemaraj REIT Management Company Limited") acting as the REIT Manager and SCB Asset Management Company Limited acting as the trustee of the trust, with its stated objective of using funds from the offerings (includes Borrowing) after deduct all expenses, to invest in property leasehold rights and moveable property generating benefit from such properties in which the Trust invest or possess whatsoever lease, relevant service or other process for the benefit of the property and create the revenue and return to the Trust and the unitholders. This includes the direct or indirect investment in other asset, and/or other securities and/or seek other interest by other means as stipulated in the Trust deed, securities laws or other relevant laws.

On 28 November 2016, the Stock Exchange of Thailand approved the listing of the Trust's investment trusts and permitted their trading from 28 November 2016 onwards.

The Trust is managed by WHA Industrial REIT Management Company Limited (formerly "Hemaraj REIT Management Company Limited") (the REIT Manager), SCB Asset Management Company Limited acts as the Trustee and WHA Industrial Development Public Company Limited (formerly "Hemaraj Land and Development Public Company Limited") acts as the Property Manager.

These financial statements have been approved by authorised directors of the REIT Manager on 18 February 2019.

**2 Accounting policies**

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

**2.1 Basis of preparation**

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

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

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

When necessary, comparative figures have been adjusted or reclassified to conform with changes in presentation in the current year.

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

**Hemaraj Leasehold Real Estate Investment Trust**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2018**

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

**2.2 Revised accounting standards, revised financial reporting standards, and related interpretations**

2.2.1 The Trust has applied the revised accounting standards, revised financial reporting standards, and related interpretations which were effective on or after 1 January 2018. The application of those accounting standards, revised financial reporting standards, and related interpretations does not have significant impact to the interim financial information of the Trust.

2.2.2 New and revised financial reporting standards and interpretation which have been issued but not yet effective.

2.2.2.1 The Federation of Accounting Profession (FAP) has issued new standard, TFRS No.15 Revenue from contracts with customers. This standard will become effective for annual periods beginning on or after 1 January 2019. The Trust has not early adopted this standard

TFRS No. 15 provide the requirements for the recognition of revenue. This standard will supersede the following standards:

TAS No. 18 (revised 2017)      Revenue

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards

An entity recognises revenue in accordance with that core principle by applying the following steps:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Key changes to current practice are:

- The point at which revenue can to be recognised may change: some revenue that is revenue currently recognised at a point in time at the end of a contract may have to be recognised over the contract term and vice versa.
- There are new specific rules on licenses, warranties, non-refundable upfront fees and consignment arrangements.
- As with any new standard, there are also increased in disclosure requirements.

The Trust will have a choice to apply this standard retrospectively in accordance with TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, subject to the expedients or retrospectively with the cumulative effect recognised as an adjustment to the opening balance of retained earnings of the annual reporting period that includes the date of initial application with additional disclosures.

The REIT Manager is currently assessing the impact of initial adoption of this standard in detail and has identified the following areas that are likely to be affected.

- Accounting for cost incurred in fulfilling a contract - certain costs which are currently expensed may need to be recognised as an asset under TFRS No 15.

## Hemaraj Leasehold Real Estate Investment Trust

### Notes to the Financial Statements

### For the year ended 31 December 2018

## 2 Accounting policies (Cont'd)

### 2.2 Revised accounting standards, revised financial reporting standards, and related interpretations (Cont'd)

#### 2.2.2 New and revised financial reporting standards and interpretation which have been issued but not yet effective. (Cont'd)

2.2.2.2 Revised financial reporting standards will become effect for annual periods beginning on or after 1 January 2019 and are relevant to the Group. The trust has not yet adopt these standards.

TAS No. 40 (revised 2018)      Investment Property

TAS No. 40, the amendments clarify that transfers to, or from, investment property can only be made if there has been a supporting evidences to support a change in the usage of such investment property. A change in the usage of investment property occurs when the property meets, or ceases to meet, the definition of investment property. A change in intention alone is not sufficient to support a transfer.

2.2.2.3 The Trust of financial instruments reporting standards which are effective for annual periods beginning on or after 1 January 2020 consist of the following standards. These standards could be early adopted before the effective date only for the period beginning on or after 1 January 2019.

|            |                                     |
|------------|-------------------------------------|
| TAS No. 32 | Financial instruments: Presentation |
| TFRS No. 7 | Financial Instruments: Disclosures  |
| TFRS No. 9 | Financial Instruments               |

The above new standards and interpretations will supersede the following standards:

|             |                                                          |
|-------------|----------------------------------------------------------|
| TAS No. 101 | Bad and Doubtful Debts                                   |
| TAS No. 105 | Accounting for Investment in Debts and Equity securities |
| TAS No. 106 | Accounting for Investment Companies                      |
| TAS No. 107 | Financial Instruments: Disclosure and Presentation       |

TAS No. 32 Financial Instruments: Presentation, provides the requirements for the presentation of the financial instruments as liabilities or equity and for offsetting financial assets and financial liabilities. It applies to the classification of financial instruments, from the perspective of the issuer, into financial assets, financial liabilities and equity instruments; the classification of related interest, dividends, losses and gains; and the circumstances in which financial assets and financial liabilities should be offset.

TFRS No. 7 Financial Instruments: Disclosures, provides the requirements for the disclosure that are intended to enable users to evaluate the significance of financial instruments for an entity's financial position and performance, and to understand the nature and extent of risks arising from those financial instruments to which the entity is exposed during the period and at the end of the reporting period, and how the entity manages those risks.

**Hemaraj Leasehold Real Estate Investment Trust**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2018**

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

**2.2 Revised accounting standards, revised financial reporting standards, and related interpretations (Cont'd)**

**2.2.2 New and revised financial reporting standards and interpretation which have been issued but not yet effective. (Cont'd)**

2.2.2.3 The Trust of financial instruments reporting standards which are effective for annual periods beginning on or after 1 January 2020 consist of the following standards. These standards could be early adopted before the effective date only for the period beginning on or after 1 January 2019. (Cont'd)

TFRS No. 9 Financial Instruments, establishes principles for the classification, measurement and derecognition of financial assets and financial liabilities, impairment requirement and hedge accounting as follow:

- Classification and measurement:
  - The classification and measurement of debt instrument financial assets are classified into three categories, which are amortised cost, fair value through profit or loss and instrument financial fair value through other comprehensive income. Classification of debt instrument financial assets will be driven by the entity's business model for managing the financial assets and contractual cash flows characteristics of the financial assets.
  - Equity instrument financial assets shall be measured at fair value through profit or loss. An entity can make an irrevocable election to recognise the fair value change in other comprehensive income without subsequent recycling to profit or loss.
  - Financial liabilities are classified and measured at amortised cost. An entity can choose to measure a liability at fair value through profit or loss when the conditions are met.
  - Derivatives are classified and measured at fair value through profit or loss.
- The impairment requirements relating to the accounting for an entity's expected credit losses on its financial assets measured at amortised cost, investments in debt instruments measured at fair value through other comprehensive income, lease receivables, loan commitments and financial guarantee contracts are no longer necessary for a credit event to have occurred before credit losses are recognised. The entity always accounts for expected credit losses which involves a three stage approach. Each stage dictates how the entity measures impairment losses and applies the effective interest rate method. Except for trade receivables and contractual assets which apply in TFRS No. 15 and are no significant financial components and lease receivables, they are permitted to measure by simplified approach for credit impaired consideration.
- The objective of hedge accounting is to represent, in the financial statements, the effect of an entity's risk management activities that use financial instruments to manage exposures arising from particular risks that could affect profit or loss (or other comprehensive income, in the case of investments in equity instruments for which an entity has elected to present changes in fair value in other comprehensive income). This approach aims to convey the context of hedging instruments for which hedge accounting is applied in order to allow insight into their purpose and effect.

The REIT Manager is currently assessing the impact of initial adoption of these standards.

**Hemaraj Leasehold Real Estate Investment Trust**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2018**

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**2 Accounting policies (Cont'd)****2.3 Cash and cash equivalents**

In the statements of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

**2.4 Trade accounts receivable**

Trade accounts receivable are carried at the original invoice amount and subsequently measured at the remaining amount less any allowance for doubtful receivables based on a review of all outstanding amounts at the year-end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written-off during the year in which they are identified and recognised in profit or loss within selling expenses.

**2.5 Investments****Investments in properties**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Investment property is measured initially at its cost, including related transaction costs.

Investments in properties are stated at fair value with no depreciation charge. The initial costs of properties have been stated at fair value of the acquisition price (as described in Thai Accounting Standard No. 106 Accounting for Investment Companies).

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

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

**Investments in securities**

Investments in mutual fund which present in balance sheet are stated at fair value. The fair value is based on net asset value at the close of business on balance sheet date by reference to each management company.

Unrealised gain or loss from investment valuation are recognised in the statement of income.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of income. When disposing of part of the investment's holding of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investments.

**2.6 Deferred expenses**

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

**Hemaraj Leasehold Real Estate Investment Trust**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2018**

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

**2.7 Deposits received from customer**

Customers agree to deposit with the Trust in cash. The security deposit shall be held as security for securing the performance by customers under rental and service agreements. Within 60 days after customers have duly surrendered vacant possession of leased property in clean and good condition to the Trust, the Trust shall return to customer the security deposits without interest, less any unpaid amount and damages occurred to leased property.

**2.8 Borrowing**

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

**2.9 Revenues and expenses recognition**

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

Interest income and expenses are recognised on an accrual basis.

**2.10 Income taxes**

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

**2.11 Distribution**

For distribution payment to unitholders, the REIT manager will approve to pay distribution and set unitholders register's book closed date.

**3 Distribution policy**

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

- (1) The REIT Manager shall pay distributions to unitholders that, in aggregate, amount to not less than 90% of adjusted net profit for the year. The distributions should be divided into a year-end distribution and an interim distribution (if any). The REIT Manager shall pay distributions to unitholders no more than 4 times a year, unless the Trust increases capital.

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

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

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

The REIT Manager will arrange a distribution payment as mentioned to the unitholders within 90 days from the last day of performance assessment period prior to the distribution payment.

**Hemaraj Leasehold Real Estate Investment Trust**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2018**

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**4 Critical accounting estimates and judgements**

Estimates and judgements made by the Trust are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

**Fair value of investments in properties**

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

**5 Capital risk management**

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

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

**6 Financial risk management****6.1 Financial risk factors**

As at 31 December 2018, the principal financial risks faced by the Trust are interest rate risk, credit risk, and liquidity risk. The Trust has no currency risk because there is no transaction in foreign currency.

**6.1.1 Interest rate risk**

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

**6.1.2 Credit risk**

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

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

**6.1.3 Liquidity risk**

The trust maintains sufficient cash to prudently manage its liquidity risk. The Trust manages the availability of funding through an adequate amount of fund obtain from the unitholders and borrowing from financial institution which are sufficient for the Trust's activities.

**Hemaraj Leasehold Real Estate Investment Trust**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2018**

**6 Financial risk management (Cont'd)**

**6.2 Fair value estimate**

The Trust uses the market approach to measure its assets and liabilities that are required to be measured at fair value by relevant financial reporting standards, except that the cost approach or income approach is used when there is no active market or when a quoted market price is not available.

In applying the above-mentioned valuation techniques, the Trust endeavors to use relevant observable inputs as much as possible. TFRS No. 13 Fair Value Measurement establishes a fair value hierarchy and categorise such inputs into three levels as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as market prices) or indirectly (that is, derived from market prices).

Level 3: Inputs for the asset or liability that are not based on observable market data.

The following table presents the assets that are measured at fair value as at 31 December 2018.

|                               | Level 1<br>Baht | Level 2<br>Baht   | Level 3<br>Baht      | Total<br>Baht        |
|-------------------------------|-----------------|-------------------|----------------------|----------------------|
| <b>Assets</b>                 |                 |                   |                      |                      |
| Investments in securities     |                 |                   |                      |                      |
| - Investments in mutual funds | -               | 94,226,214        | -                    | 94,226,214           |
| Investments in properties     | -               | -                 | 9,335,843,767        | 9,335,843,767        |
| <b>Total assets</b>           | <b>-</b>        | <b>94,226,214</b> | <b>9,335,843,767</b> | <b>9,430,069,981</b> |

There were no transfers between levels during the year.

**Valuation techniques used to derive Level 2 fair values**

Level 2 investment in mutual fund are fair valued based on net asset value at the close of business on balance sheet date as reference to each management company.

Changes in Level 2 fair values are analysed at each quarterly reporting date by the REIT Manager and Trustee using inputs that are directly observable (that is, as prices) or indirectly (that is, derived from prices) for the changes in fair value of those assets.

**Fair value measurements using significant unobservable inputs (Level 3)**

|                                                | Investments in<br>properties<br>Baht |
|------------------------------------------------|--------------------------------------|
| Opening balance at 1 January 2018              | 7,123,000,000                        |
| Purchases of investments                       | 2,091,275,052                        |
| Net unrealised gain from investments valuation | 121,568,715                          |
| Ending balance 31 December 2018                | 9,335,843,767                        |

**Valuation processes**

REIT Manager has assessed the valuations of assets required for financial reporting purposes, including Level 3 fair values. The independent appraiser has reported directly to the REIT Manager. The REIT Manager has reviewed and evaluated appropriateness of the assumptions in valuation, then explain the reasons for the changes in fair valuation to Trustee to review those information. In case of changes in the assumptions that would expectedly result in significant changes in fair value of the assets, REIT Manager will consider to adjust the fair value accordingly.

The main information that the appraiser use for fair value assessment Level 3 such as discounted cash flow was determined from the location of project, ability to generate revenue cash flow, competitive market and return rate with no risk. The appraiser applied 9.00% - 10.00% of discounted cash flow for assets that was measured based on yield rate from government bond plus business risk, service, market and economy.

**Hemaraj Leasehold Real Estate Investment Trust**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2018**
**7 Investments at fair value**

The summary of investments at fair value are as follows:

|                                                             | Investments<br>in properties<br>Baht | Investments<br>in securities<br>Baht | Total<br>Baht |
|-------------------------------------------------------------|--------------------------------------|--------------------------------------|---------------|
| Opening balance 1 January 2017                              | 7,974,991,417                        | -                                    | 7,974,991,417 |
| Purchases of investments                                    | -                                    | 386,000,000                          | 386,000,000   |
| Sales of investments                                        | -                                    | (269,914,086)                        | (269,914,086) |
| Net gain from sale of investments                           | -                                    | 1,213,630                            | 1,213,630     |
| Net unrealised gain (loss) from<br>valuation of investments | (851,991,417)                        | 11,009                               | (851,980,408) |
| Ending balance 31 December 2017                             | 7,123,000,000                        | 117,310,553                          | 7,240,310,553 |
| Opening balance 1 January 2018                              | 7,123,000,000                        | 117,310,553                          | 7,240,310,553 |
| Purchases of investments                                    | 2,091,275,052                        | 56,000,000                           | 2,147,275,052 |
| Sales of investments                                        | -                                    | (80,725,013)                         | (80,725,013)  |
| Net gain from sale of investments                           | -                                    | 704,946                              | 704,946       |
| Net unrealised gain from<br>investments valuation           | 121,568,715                          | 935,728                              | 122,504,443   |
| Ending balance 31 December 2018                             | 9,335,843,767                        | 94,226,214                           | 9,430,069,981 |

During the year, the Trust has purchased additional 3 Industrial Estate properties, 1 Industrial Zone projects and 1 Logistic Park project, totalling 30 units.

In addition the Trust has mortgaged such leasehold rights as collateral against loan agreement with the financial institution, as described in note 11.

**Investments in properties**

The Trust has invested in 3 Industrial Estate properties, 1 Industrial Zone project and 3 Logistic Park projects. The details of investments are as follows:

- 1) WHA Eastern Seaboard Industrial Estate 1 (formerly "Hemaraj Eastern Seaboard Industrial Estate")  
Leasehold in lands and factories of 32 units with the total area 127,508 square meters including construction and other properties which are component parts of land, and buildings, tools, equipments, infrastructures and other related and necessary assets for the use of land and buildings in the project and utilisable rooftops 68,419 square meters.
- 2) Eastern Seaboard Industrial Estate (Rayong)  
Leasehold in lands and factories of 41 units with the total area 57,752 square meters including construction and other properties which are component parts of land, and buildings, tools, equipments, infrastructures and other related and necessary assets for the use of land and buildings in the project and utilisable rooftops 30,082 square meters.
- 3) WHA Chonburi Industrial Estate 1 (formerly "Hemaraj Chonburi Industrial Estate")  
Leasehold in lands and factories of 19 units with the total area 17,712 square meters including construction and other properties which are component parts of land, and buildings, tools, equipments, infrastructures and other related and necessary assets for the use of land and buildings in the project and utilisable rooftops 9,072 square meters.
- 4) WHA Saraburi Industrial Land (formerly "Hemaraj Saraburi Industrial Land")  
Leasehold in lands and factories of 16 units with the total area 28,012 square meters including construction and other properties which are component parts of land, and buildings, tools, equipments, infrastructures and other related and necessary assets for the use of land and buildings in the project and utilisable rooftops 14,861 square meters.

## Hemaraj Leasehold Real Estate Investment Trust

### Notes to the Financial Statements

#### For the year ended 31 December 2018

#### 7 Investments at fair value (Cont'd)

##### Investments in properties (Cont'd)

The Trust has invested in 3 Industrial Estate properties, 1 Industrial Zone project and 3 Logistic Park projects. The details of investments are as follows: (Cont'd)

##### 5) WHA Logistics Park 1 (formerly "Hemaraj Logistics Park 1")

Leasehold in lands and factories of 2 units with the total area 16,820 square meters including construction and other properties which are component parts of land, and buildings, tools, equipments, infrastructures and other related and necessary assets for the use of land and buildings in the project and utilisable rooftops 9,936 square meters.

##### 6) WHA Logistics Park 2 (formerly "Hemaraj Logistics Park 2")

Leasehold in lands and factories of 11 units with the total area 50,996 square meters including construction and other properties which are component parts of land, and buildings, tools, equipments infrastructures and other related and necessary assets for the use of land and buildings in the project and utilisable rooftops 28,440 square meters.

##### 7) WHA Logistics Park 4 (formerly "Hemaraj Logistics Park 4")

Leasehold in lands and factories of 10 units with the total area 33,705 square meters including construction and other properties which are component parts of land, and buildings, tools, equipments, infrastructures and other related and necessary assets for the use of land and buildings in the project and utilisable rooftops 18,838 square meters.

During the year, the Trust engaged an independent valuer to appraise and review the investments in properties of the Trust using the Income Approach. The result revealed that fair value of the investments in properties of the Trust as of 31 December 2018 was Baht 9,335.84 million, resulting in unrealised gain from such assessment amounting to Baht 121.57 million which was recorded in the statement of income.

Details of the appraisal/review presented in table below.

| Properties                                                                                                               | Acquisition/<br>previous<br>appraisal<br>date | Acquisition/<br>previous<br>appraisal<br>Baht | The latest<br>appraisal<br>date | Appraisal/<br>review value<br>Baht | Unrealised<br>gain (loss)<br>Baht |
|--------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|-----------------------------------------------|---------------------------------|------------------------------------|-----------------------------------|
| WHA Eastern Seaboard Industrial Estate 1 (WHA ESIE 1)<br>(formerly "Hemaraj Eastern Seaboard Industrial Estate (HESIE)") | 30 June 2017<br>4 January 2018                | 3,281,381,650<br>563,023,338                  | 15 June 2018<br>9 March 2018    | 3,358,950,000<br>546,183,000       | 77,568,350<br>(16,840,338)        |
| Eastern Seaboard Industrial Estate (Rayong) (ESIE)                                                                       | 30 June 2017<br>4 January 2018                | 1,229,909,672<br>456,578,197                  | 15 June 2018<br>9 March 2018    | 1,263,640,000<br>440,811,000       | 33,730,328<br>(15,767,197)        |
| WHA Chonburi Industrial Estate 1 (WHA CIE 1)<br>(formerly "Hemaraj Chonburi Industrial Estate (HCIE)")                   | 30 June 2017<br>4 January 2018                | 461,620,969<br>58,253,986                     | 15 June 2018<br>9 March 2018    | 472,170,000<br>56,562,000          | 10,549,031<br>(1,691,986)         |
| WHA Saraburi Industrial Land (WHA SIL)<br>(formerly "Hemaraj Saraburi Industrial Land (HSIL)")                           | 4 January 2018<br>24 December 2018            | 362,122,616<br>482,363,767                    | 9 March 2018<br>-               | 353,600,000<br>-                   | (8,522,616)<br>-                  |
| WHA Logistics Park 1 (WHA LP 1)<br>(formerly "Hemaraj Logistics Park 1 (HLP 1)")                                         | 30 June 2017                                  | 380,674,589                                   | 15 June 2018                    | 393,670,000                        | 12,995,411                        |
| WHA Logistics Park 2 (WHA LP 2)<br>(formerly "Hemaraj Logistics Park 2 (HLP 2)")                                         | 30 June 2017                                  | 1,169,553,830                                 | 15 June 2018                    | 1,194,010,000                      | 24,456,170                        |
| WHA Logistics Park 4 (WHA LP 4)<br>(formerly "Hemaraj Logistics Park 4 (HLP 4)")                                         | 30 June 2017<br>4 January 2018                | 599,859,290<br>168,933,148                    | 15 June 2018<br>9 March 2018    | 610,940,000<br>162,944,000         | 11,080,710<br>(5,989,148)         |
| Net unrealised gain from investments valuation                                                                           |                                               |                                               |                                 |                                    | 121,568,715                       |

**Hemaraj Leasehold Real Estate Investment Trust**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2018**
**7 Investments at fair value (Cont'd)**

Increase (decrease) in financial asset and (loss) gain in statement of income based on changes significant assumptions are presented as follows:

|                                | 2018<br>Million Baht<br>Increase (decrease) |
|--------------------------------|---------------------------------------------|
| Increase 0.5% on discount rate | (542)                                       |
| Decrease 0.5% on discount rate | 611                                         |

**8 Cash and cash equivalents**

As at 31 December, the details of cash and cash equivalents are as follow:

|                                       | 2018               |                                 | 2017                 |                                 |
|---------------------------------------|--------------------|---------------------------------|----------------------|---------------------------------|
|                                       | Principal<br>Baht  | Interest rate<br>per annum<br>% | Principal<br>Baht    | Interest rate<br>per annum<br>% |
| <b>Bank</b>                           |                    |                                 |                      |                                 |
| Cash at bank                          |                    |                                 |                      |                                 |
| Siam Commercial Bank Public Co., Ltd. | 117,448,416        | 0.375                           | 38,764,687           | 0.375                           |
| Short-term bank deposits              |                    |                                 |                      |                                 |
| Siam Commercial Bank Public Co., Ltd. | 18,106,490         | 1.100                           | 1,121,254,170        | 1.000                           |
| Total cash and cash equivalents       | <u>135,554,906</u> |                                 | <u>1,160,018,857</u> |                                 |

**9 Trade and other receivables**

|                                                           | 2018<br>Baht       | 2017<br>Baht      |
|-----------------------------------------------------------|--------------------|-------------------|
| Trade receivables - third party                           | 5,865,412          | 2,444,608         |
| - related party                                           | 47,299,203         | 21,296,250        |
| <u>Less</u> Provision for impairment of trade receivables | <u>(1,558,701)</u> | <u>(333,812)</u>  |
| Trade receivables - net                                   | 51,605,914         | 23,407,046        |
| Receivables from others                                   | 2,400              | -                 |
|                                                           | <u>51,608,314</u>  | <u>23,407,046</u> |

Outstanding trade accounts receivable as at 31 December can be analysed as follows:

|                                                           | 2018<br>Baht       | 2017<br>Baht      |
|-----------------------------------------------------------|--------------------|-------------------|
| Up to 3 months                                            | 51,828,456         | 23,407,046        |
| 3 - 6 months                                              | 359,419            | 333,812           |
| 6 - 12 months                                             | 976,740            | -                 |
|                                                           | <u>53,164,615</u>  | <u>23,740,858</u> |
| <u>Less</u> Provision for impairment of trade receivables | <u>(1,558,701)</u> | <u>(333,812)</u>  |
|                                                           | <u>51,605,914</u>  | <u>23,407,046</u> |

**Hemaraj Leasehold Real Estate Investment Trust**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2018**

**10 Deferred expenses**

The capital unit issuance costs are recorded as deferred expenses and are amortised as expense over a period of 5 years on a straight-line basis. Details movements are as follows:

|                              | 2018<br>Baht      | 2017<br>Baht     |
|------------------------------|-------------------|------------------|
| Beginning balance            | 2,914,684         | 3,663,881        |
| Addition during the year     | 56,883,980        | -                |
| Amortisation during the year | (10,141,591)      | (749,197)        |
| Ending balance               | <u>49,657,073</u> | <u>2,914,684</u> |

**11 Borrowing from financial institution - net**

As at 31 December 2018, the Trust has borrowings from a financial institution in Thailand in a total amount of Baht 3,320 million according to contract (31 December 2017: Baht 2,325 million). The details are as follows:

On 23 November 2016, the Trust had contracted with a financial institution for acquiring the initial properties with the borrowing facility of Baht 2,325 million with a total maturity period of 5 years and will be matured on 22 November 2021. The principal amount will be repaid in full on the maturity date. (However, the Trust can partially repay the principal as per conditions specified under the agreement) The loan bears interest rate at MLR minus certain rate specified in the agreement and interests are paid quarterly.

On 4 January 2018, the Trust had contracted with a financial institution for acquiring the properties in the first capital increase with the borrowing facility of Baht 575 million with a total maturity period of 5 years and will be matured on 3 January 2023. The principal amount will be repaid in full on the maturity date. (However, the Trust can partially repay the principal as per conditions specified under the agreement) The loan bears interest rate at MLR minus certain rate specified in the agreement and interests are paid quarterly.

On 24 December 2018, the Trust had contracted with a financial institution for acquiring the properties in the second capital increase with the borrowing facility of Baht 420 million with a total maturity period of 5 years and will be matured on 23 December 2023. The principal amount will be repaid in full on the maturity date. (However, the Trust can partially repay the principal as per conditions specified under the agreement) The loan bears interest rate at MLR minus certain rate specified in the agreement and interests are paid quarterly.

The borrowing is secured over the following:

- a) Leasehold rights (Note 7)
- b) The conditional assignment of rights under insurance policies and endorse the lender to have mutually benefits; and
- c) The conditional assignment of transferred collection rights of rental agreement over 3 years to liabilities under borrowing from financial institution.

The Trust is under the debt covenant that requires the Trust to maintain the financial ratio and other requirements as stipulate in the loan agreement.

**Hemaraj Leasehold Real Estate Investment Trust**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2018**

**11 Borrowing from financial institution - net (Cont'd)**

The detail of borrowing from financial institutions is as follows:

|                                                 | 2018                        |                      | 2017                        |                      |
|-------------------------------------------------|-----------------------------|----------------------|-----------------------------|----------------------|
|                                                 | Carrying<br>amounts<br>Baht | Fair value<br>Baht   | Carrying<br>amounts<br>Baht | Fair value<br>Baht   |
| Borrowing from financial institutions           | 3,320,000,000               |                      | 2,325,000,000               |                      |
| <u>Less</u> Deferred upfront fee from borrowing | <u>(37,692,582)</u>         |                      | <u>(31,493,349)</u>         |                      |
| Borrowing from financial institutions - net     | <u>3,282,307,418</u>        | <u>3,282,307,418</u> | <u>2,293,506,651</u>        | <u>2,293,506,651</u> |

The fair value of borrowing equals their carrying amount, as the impact of discounting is not significant.

The borrowing has effective interest rate at the Balance Sheet date of 3.68 - 4.28% (31 December 2017: 4.12%).

The detail of maturity of long-term borrowing from financial institution:

|                             | 2018<br>Baht         | 2017<br>Baht         |
|-----------------------------|----------------------|----------------------|
| Between 2 years and 5 years | 3,320,000,000        | 2,325,000,000        |
|                             | <u>3,320,000,000</u> | <u>2,325,000,000</u> |

The movements in the borrowing can be analysed as follows:

|                                                 | 2018<br>Baht         | 2017<br>Baht         |
|-------------------------------------------------|----------------------|----------------------|
| Beginning balance                               | 2,293,506,651        | 2,286,224,232        |
| Addition                                        | 995,000,000          | -                    |
| <u>Less</u> Upfront fee from borrowing          | <u>(15,759,124)</u>  | <u>-</u>             |
| <u>Add</u> Amortised upfront fee from borrowing | <u>9,559,891</u>     | <u>7,282,419</u>     |
| Ending balance                                  | <u>3,282,307,418</u> | <u>2,293,506,651</u> |

**12 Unitholders' equity**

As at 31 December 2018, there are 702,634,116 trust units, issued and paid-up (31 December 2017: 702,634,116 trust units).

Movements in capital account are as follows:

|                                               | 2018                     |                      | 2017                     |                      |
|-----------------------------------------------|--------------------------|----------------------|--------------------------|----------------------|
|                                               | Number<br>of trust units | Amount<br>Baht       | Number<br>of trust units | Amount<br>Baht       |
| Trust units registered,<br>issued and paid-up | <u>702,634,116</u>       | <u>6,062,435,654</u> | <u>702,634,116</u>       | <u>6,516,969,663</u> |
| Beginning balance                             | 702,634,116              | 6,516,969,663        | 569,360,000              | 5,693,600,000        |
| Issued of trust units                         | -                        | -                    | 133,274,116              | 1,092,847,751        |
| Reduction of investment trust value           | -                        | <u>(454,534,009)</u> | -                        | <u>(269,478,088)</u> |
| Ending balance                                | <u>702,634,116</u>       | <u>6,062,435,654</u> | <u>702,634,116</u>       | <u>6,516,969,663</u> |

**Hemaraj Leasehold Real Estate Investment Trust**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2018**

**12 Unitholders' equity (Cont'd)**

On 19 February 2018, at the Board of Directors' meeting of WHA Industrial REIT Management Company Limited (formerly "Hemaraj REIT Management Company Limited"), the REIT Manager of the Trust approved the capital reduction at the par value of Baht 0.0759 per unit totaling to Baht 53.33 million. The reduction of registered capital was paid to unitholders on 13 March 2018.

On 9 May 2018, at the Board of Directors' meeting of WHA Industrial REIT Management Company Limited (formerly "Hemaraj REIT Management Company Limited"), the REIT Manager of the Trust approved the capital reduction at the par value of Baht 0.1890 per unit totaling to Baht 132.80 million. The reduction of registered capital was paid to unitholders on 31 May 2018.

On 9 August 2018, at the Board of Directors' meeting of WHA Industrial REIT Management Company Limited (formerly "Hemaraj REIT Management Company Limited"), the REIT Manager of the Trust approved the capital reduction at the par value of Baht 0.1910 per unit totaling to Baht 134.21 million. The reduction of registered capital was paid to unitholders on 11 September 2018.

On 8 November 2018, at the Board of Directors' meeting of WHA Industrial REIT Management Company Limited (formerly "Hemaraj REIT Management Company Limited"), the REIT Manager of the Trust approved the capital reduction at the par value of Baht 0.1910 per unit totaling to Baht 134.21 million. The reduction of registered capital was paid to unitholders on 21 December 2018.

Movements in retained earnings (deficits) are as follows:

|                                                                | 2018<br>Baht       | 2017<br>Baht         |
|----------------------------------------------------------------|--------------------|----------------------|
| Beginning balance                                              | (531,737,412)      | 44,383,818           |
| Net investment income                                          | 526,914,847        | 425,355,140          |
| Net gain on sale of investments                                | 704,946            | 1,213,630            |
| Net unrealised gain (loss) from investments valuation (Note 7) | 122,504,443        | (851,980,408)        |
| Distribution payment (Note 13)                                 | -                  | (150,709,592)        |
| Ending balance                                                 | <u>118,386,824</u> | <u>(531,737,412)</u> |

**13 Distributions**

The details of distributions for the year ended 31 December 2017 is as follow:

| No. | The operation for period         | Payment date | Per unit<br>Baht | Total<br>Baht      |
|-----|----------------------------------|--------------|------------------|--------------------|
| 1   | 21 November 2016 - 31 March 2017 | 31 May 2017  | 0.2647           | 150,709,592        |
|     |                                  |              |                  | <u>150,709,592</u> |

**Hemaraj Leasehold Real Estate Investment Trust**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2018**

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**14 Expenses**

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

**Management fee**

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

**Acquisition fee**

The Management Company will receive an acquisition fee at a rate not exceeding 0.75% of the acquired properties of the Trust in case of the properties from related persons of the Management Company and not exceeding 1.00% of the acquired properties of the Trust in case of the properties from others.

**Trustee fee**

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

**Registrar fee**

The fee for the Investment Unit Registrar shall be at a rate not exceeding 0.50% per annum of capital received from unitholders.

**Property management fee**

Fee and expenses of the Property Manager shall be payable to the Property Manager, including commission fee, on a periodically basis according to the Property Management Agreement between the Trust and the Property Manager (exclusive of value added tax). The rate shall not exceed 3.00% per annum of the net assets value of the Trust.

**15 Related party transactions**

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

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

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

- WHA Industrial REIT Management Company Limited (formerly "Hemaraj REIT Management Company Limited") is a REIT manager of the Trust.
- SCB Asset Management Company Limited is the trustee of the Trust.
- Siam Commercial Bank Public Company Limited is a parent company of the Trustee of the Trust.
- WHA Industrial Development Public Company Limited (formerly "Hemaraj Land and Development Public Company Limited") is the unitholder, parent company of the management company and property manager of the Trust.
- WHA Eastern Seaboard Industrial Estate Company Limited (formerly "Hemaraj Eastern Seaboard Industrial Estate Company Limited") is a subsidiary of WHA Industrial Development Public Company Limited (formerly "Hemaraj Land and Development Public Company Limited").
- WHA Industrial Building Company Limited (formerly "SME Factory Company Limited") is a subsidiary of WHA Industrial Development Public Company Limited (formerly "Hemaraj Land and Development Public Company Limited").
- Eastern Seaboard Industrial Estate (Rayong) Company Limited is a subsidiary of WHA Industrial Development Public Company Limited (formerly "Hemaraj Land and Development Public Company Limited").
- WHA Utilities and Power Public Company Limited is a subsidiary of WHA Industrial Development Public Company Limited (formerly "Hemaraj Land and Development Public Company Limited").

**Hemaraj Leasehold Real Estate Investment Trust**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2018**

**15 Related party transactions (Cont'd)**

The following significant transactions were carried out with related parties:

**a) Income and expenses**

|                                                                                                                                         | 2018<br>Baht | 2017<br>Baht |
|-----------------------------------------------------------------------------------------------------------------------------------------|--------------|--------------|
| <b>Income</b>                                                                                                                           |              |              |
| <u>Undertaking income</u>                                                                                                               |              |              |
| WHA Industrial Development Public Company Limited<br>(formerly "Hemaraj Land and Development Public<br>Company Limited")                | 14,999,463   | 14,521,320   |
| WHA Eastern Seaboard Industrial Estate<br>Company Limited<br>(formerly "Hemaraj Eastern Seaboard Industrial<br>Estate Company Limited") | 133,210,283  | 57,399,820   |
| WHA Industrial Building Company Limited<br>(formerly "SME Factory Company Limited")                                                     | 23,680,565   | 23,609,360   |
| Eastern Seaboard Industrial Estate (Rayong)<br>Company Limited                                                                          | 28,141,930   | 28,247,224   |
| <u>Rooftop rental income</u>                                                                                                            |              |              |
| WHA Utilities and Power Public Company Limited                                                                                          | 5,902,336    | 4,871,459    |
| <u>Interest income</u>                                                                                                                  |              |              |
| Siam Commercial Bank Public Company Limited                                                                                             | 757,016      | 955,014      |
| <b>Expenses</b>                                                                                                                         |              |              |
| <u>Management fee</u>                                                                                                                   |              |              |
| WHA Industrial REIT Management Company Limited<br>(formerly "Hemaraj REIT Management<br>Company Limited")                               | 14,442,615   | 13,077,500   |
| <u>Trustee fee</u>                                                                                                                      |              |              |
| SCB Asset Management Company Limited                                                                                                    | 14,442,615   | 12,183,204   |
| <u>Property management fee</u>                                                                                                          |              |              |
| WHA Industrial Development Public Company Limited<br>(formerly "Hemaraj Land and Development Public<br>Company Limited")                | 20,815,492   | 13,594,514   |
| <u>Interest expenses</u>                                                                                                                |              |              |
| Siam Commercial Bank Public Company Limited                                                                                             | 117,564,023  | 96,573,980   |

**Hemaraj Leasehold Real Estate Investment Trust**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2018**
**15 Related party transactions (Cont'd)**

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

**b) Outstanding balances**

|                                                                         | 2018<br>Baht  | 2017<br>Baht  |
|-------------------------------------------------------------------------|---------------|---------------|
| <u>Deposit at bank</u>                                                  |               |               |
| Siam Commercial Bank Public Company Limited                             | 135,554,906   | 1,160,018,857 |
| <u>Accounts receivable and other receivable</u>                         |               |               |
| WHA Industrial Development Public Company Limited                       | 4,227,520     | 1,802,340     |
| (formerly "Hemaraj Land and Development Public Company Limited")        |               |               |
| WHA Eastern Seaboard Industrial Estate Company Limited                  | 32,163,525    | 13,747,590    |
| (formerly "Hemaraj Eastern Seaboard Industrial Estate Company Limited") |               |               |
| WHA Industrial Building Company Limited                                 | 3,701,252     | 2,422,650     |
| (formerly "SME Factory Company Limited")                                |               |               |
| Eastern Seaboard Industrial Estate (Rayong) Company Limited             | 7,206,906     | 3,323,670     |
| <u>Accrued expenses</u>                                                 |               |               |
| WHA Industrial REIT Management Company Limited                          | 2,503,311     | 2,910,442     |
| (formerly "Hemaraj REIT Management Company Limited")                    |               |               |
| SCB Asset Management Company Limited                                    | 2,503,311     | 1,995,802     |
| WHA Industrial Development Public Company Limited                       | 3,146,064     | 2,018,411     |
| (formerly "Hemaraj Land and Development Public Company Limited")        |               |               |
| <u>Borrowing from financial institution - net</u>                       |               |               |
| Siam Commercial Bank Public Company Limited                             | 2,867,409,041 | 2,293,506,651 |

**16 Other expenses**

|                                   | 2018<br>Baht      | 2017<br>Baht      |
|-----------------------------------|-------------------|-------------------|
| Property maintenance expenses     | 11,834,882        | 8,167,592         |
| Amortisation of deferred expenses | 10,141,591        | 749,197           |
| Consulting and professional fees  | 1,176,054         | 1,228,497         |
| Other expenses                    | 6,113,615         | 3,456,382         |
| Total other expenses              | <u>29,266,142</u> | <u>13,601,668</u> |

**17 Information regarding sale and purchase of investments**

During the year ended 31 December 2018, the Trust has purchased and sold investments-net, amounting to Baht 2,066.55 million, representing 33.86% of the weighted average net assets during the year.

**Hemaraj Leasehold Real Estate Investment Trust**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2018**

**18 Segment reporting**

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

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

**19 Commitments**

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

|                      | 2018<br>Baht       | 2017<br>Baht       |
|----------------------|--------------------|--------------------|
| No later than 1 year | 20,500,000         | 20,500,000         |
| 2 - 5 years          | 82,000,000         | 82,000,000         |
| Over 5 years         | 471,500,000        | 492,000,000        |
| Total                | <u>574,000,000</u> | <u>594,500,000</u> |

**20 Events after the reporting period**

On 18 February 2019, at the board of directors' meeting of WHA Industrial REIT Management Company Limited (Formerly "Hemaraj REIT Management Company Limited"), the REIT manager of the Trust has unanimously approved the following agenda;

- To approve the distribution payment for the performance from 1 October 2018 to 31 December 2018 at the rate of Baht 0.1684 per trust unit totaling to Baht 118.33 million. The distribution payment will be paid to the unitholders on 26 March 2019.
- To approve the capital reduction at the par value of Baht 0.0226 per trust unit totaling to Baht 15.88 million. The reduction of registered capital will be paid to the unitholders on 26 March 2019.

#### 15.4 Factors or Incidents that may Significantly Influence Financial Position or operation in the Future

According to Thai economy outlook from Bank of Thailand's monetary policy report, the economy of fourth quarter of 2018, private investment continuing expanded but many business sector spending approximate to previous year for improvement and expansion as a normal business transaction. The many manufacturing sector invest in machinery and equipment to improve the efficiency production including the research and development with low investment budget. However, the large manufacturing increased in operation as the investment plan to expand the production capacity such as petro-chemical business which plan to increase production capacity in East of Thailand, food production plan to construct the factory including the automatics system to support increasing order trend and automotive business invested in mold to support new assembly line. Trade sector increase the number of branches to province and invested in IT system to improve the efficiency production. There are many services sector continue investment approximate to previous year. However, some business sector utilized highly investment funding such as aviation business to establish airline school and purchase simulator, hospital business improved and expanded service areas and restaurant business built-up cool room warehouse. Real-estate sector has the big project to invest especially "Mixed Use" project and project for middle – upper class that correspond with the new plan from properties sector that change the target group from lower – middle class to middle and upper class

During the first quarter of 2019, the overall of private investment is in a good trend especially some of the large entrepreneur in petro-chemical, food, residence and property business are utilized highly investment funding continue from the previous year.

The REIT manager aware of the risks which could be occurred and prepares to deal with any factor that effected the REIT's business. We focus on strategies development of property management consecutively to serve the needs of each tenant that should bring customer's satisfaction up and strengthen competitive advantage attracted target customer either local or foreigner.

## 16. Opinion of the Trustee for the REIT's Operation



### TRUSTEE REPORT

February 1, 2019

To Unitholders of Hemaraj Leasehold Real Estate Investment Trust

SCB Asset Management Company Limited, as the Trustee of Hemaraj Leasehold Real Estate Investment Trust ("REIT") which is managed by WHA Industrial Reit Management Co., Ltd. ("WHAIRM"), formerly known as Hemaraj Reit Management Co., Ltd. ("HRM") who acts as the REIT manager, would like to inform you that for the period of January 1, 2018 to December 31, 2018, WHAIRM had managed the REIT properly and efficiently as well as in compliance with applicable laws, regulations and the trust deeds in a way that protects interests of the REIT and unitholders as a whole.

Yours faithfully,

SCB Asset Management Company Limited



(Mrs. Tipaphan Puttarawigorn, Miss Aon-anong Chaithong)

Trustee

บริษัทหลักทรัพย์จัดการกองทุน ไทยพาณิชย์ จำกัด (สำนักงานใหญ่)  
ชั้น 7-8 อาคาร 1 ไทยพาณิชย์ปาร์ค พลาซ่า เลขที่ 18 ถนนรัชดาภิเษก แขวงจตุจักร เขตจตุจักร กรุงเทพฯ 10900  
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