



Hemaraj Leasehold Real Estate Investment Trust

ANNUAL REPORT 2019



High-quality portfolio of factories and warehouses

Managed by WHA Industrial Development Public Company Limited

Thailand's leading industrial estate developer



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Message from the REIT Manager

The overview of Thai economy in 2019 is decelerated, mainly resulting from the uncertain trade war between China and the United States as well as the appreciation of Thai Baht situation. These factors had directly impacted the country's export segment, which are the primary segment of HREIT's tenants.

However, the aforesaid uncertainty factor had contributed to a positive impact on HREIT where the group of lessees, which are Chinese investors, have started to shift their production bases to Thailand and have higher interests in leasing HREIT's assets, thanks to its asset availability in both the Ready Built Factory and the Ready Built Warehouse type, which could serve the tenants' needs to be able to enter the business within a short period of time, together with the HREIT's location of assets, which are mostly based in the Eastern Economic Corridor or EEC area and considered the location with a high potential of economic growth. Consequently, HREIT could procure for new tenants in 2019 and maintain its majority of existing tenants, resulting in the occupancy rate of higher than 90% in the 3rd quarter throughout the 4th quarter.

As for HREIT's performance in 2019, the total income was at 767.94 Million Baht and the net investment income was at 544.00 Million Baht, for which HREIT had made distribution payments in the form of dividend to its Trust Unitholders for a total number of 4 times, totaling in the distribution per unit at 0.7948 Baht per unit.

WHA Industrial REIT Management Company Limited, as the REIT manager, would like to thank all Trust Unitholders of HREIT for their confidence in the Company in managing your investment. The Company still gives its importance in a policy of additional and continuous investment for the stable and sustainable growth of HREIT, as well as its management commitment to the best of its ability to consistently generate distribution to the Trust Unitholders.

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 6,223,370,892.24 (31 December 2019)
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 or 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			Investment Date	Valuation Date	Value Invested by the REIT ^{1,2}	Asset Valuation
	Size of Land (Rai - Ngan - Sq.Wah)	Building Area (sq.m.)	Number of units				
WHA Eastern Seaboard Industrial Estate 1 (WHA ESIE1)	144-1-35.18	127,508	32	23 November 2016 4 January 2018	17 May 2019 27 February 2019	3,706,795,960.79 555,810,773.83	3,506,080,000.00 552,610,000.00
Eastern Seaboard Industrial Estate (Rayong) (ESIE)	45-0-25.4	57,752	41	23 November 2016 4 January 2018	17 May 2019 27 February 2019	1,363,364,874.95 451,357,776.56	1,281,300,000.00 455,210,000.00
WHA Chonburi Industrial Estate 1 (WHA CIE 1)	18-0-29.3	17,712	19	23 November 2016 4 January 2018	17 May 2019 27 February 2019	508,371,102.91 57,393,503.82	468,700,000.00 57,950,000.00
WHA Saraburi Industrial Land (WHA SIL)	26-0-94	28,012	16	4 January 2018 24 December 2018	27 February 2019 21 May 2019	358,192,698.34 477,000,000.00	359,400,000.00 465,880,000.00
WHA Logistics Park 1 (WHA LP 1)	10-1-75	16,820	2	23 November 2016	17 May 2019	425,780,817.64	399,690,000.00
WHA Logistics Park 2 (WHA LP 2)	39-2-58	50,996	11	23 November 2016	17 May 2019	1,310,894,761.88	1,209,220,000
WHA Logistics Park 4 (WHA LP 4)	20-1-37.5	33,705	10	23 November 2016 4 January 2018	17 May 2019 27 February 2019	659,783,899.20 167,092,998.65	621,350,000.00 168,250,000.00
Total	301-1-93	332,505	131			10,041,839,168.57	

Remarks: ^{1/1} Usable rooftop area
^{1/2}

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) Company Limited, WHA Eastern Seaboard Industrial Estate Company Limited, and WHA Industrial Building Company Limited 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.

1.4 The Revenue Guarantee

- None -

1.5 Significant Events Regarding Operations of Trust in that Fiscal Year

- None -

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

1.7 Historical record of the Distribution Payments

Since the establishment of HREIT on 21 November 2016, HREIT has paid dividend distribution 6 times and capital reduction 8 times

Operating period	Distribution per unit (Baht)			Amount (million Baht)		
	Dividend	Capital Reduction	Total	Dividend	Capital Reduction	Total
21 November 2016 – 31 March 2017	0.2647		0.2647	150.71		150.71
01 April 2017 – 30 June 2017	-	0.1862	0.1862	-	106.01	106.01
01 July 2017 – 30 September 2017	-	0.1903	0.1903	-	108.35	108.35
01 October 2017 – 31 December 2017	-	0.0968 0.0759	0.0968 0.0759	-	55.11 53.33	55.11 53.33
01 January 2018 – 31 March 2018	-	0.1890	0.1890	-	132.79	132.79
01 April 2018 – 30 June 2018	-	0.1910	0.1910	-	134.20	134.20
01 July 2018 – 30 September 2018	-	0.1910	0.1910	-	134.20	134.20
01 October 2018 – 31 December 2018	0.1684	0.0226	0.1910	118.32	15.88	134.20
01 January 2019 – 31 March 2019	0.1987	-	0.1987	139.61	-	139.61
01 April 2019 – 30 June 2019	0.1987	-	0.1987	139.61	-	139.61
01 July 2019 – 30 September 2019	0.1987	-	0.1987	139.61	-	139.61
01 October 2019 – 31 December 2019	0.1987	-	0.1987	139.61	-	139.61

1.8 Fee and Expenses Payable by The REIT

In 2019, The REIT had total expenses Baht 223.94 million which increased of Baht 24.81 million from previous year or 12.46 percent. Such expenses mostly incurred from interest expenses of 137.09 million Baht or 61.22 percent

Fee and Expenses	2019 (Unit : Baht)
Management Fee	15,455,358
Trustee Fee	15,455,358
Registrar Fee	2,081,933
Property Management Fee	13,792,448
Other Expenses	40,065,174
Interest Expenses	137,088,734
Total Expenses	223,939,005
Ratio of total expense to average net assets during the year (%)	1.39

1.9 The REIT Manager's Management Discussion and Analysis

As for the performance of the year ending 31 December 2019 HREIT had total investment income of Baht 767.94 million which increased of Baht 41.89 million or 5.77 percent from the previous year. Net investment income of Baht 544.00 million which increased of Baht 17.08 million or 3.24 percent from the previous year, mainly from increase in rental and service revenue. This was because of higher occupied area.

As of 31 December 2019, The REIT had the total asset of THB 9,913.95 million and total liabilities of THB 3,529.81 million. The net asset of THB 6,384.14 million was represented by capital received from unitholders THB 6,046.56 million and retained earnings at the end of the period of THB 337.58 million. This would result in the net asset value per unit is THB 9.0860.

1.10 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
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Term of the REIT	:	Indefinite
Paid-up Capital	:	Baht 6,223,370,892.24 (31 December 2019)
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

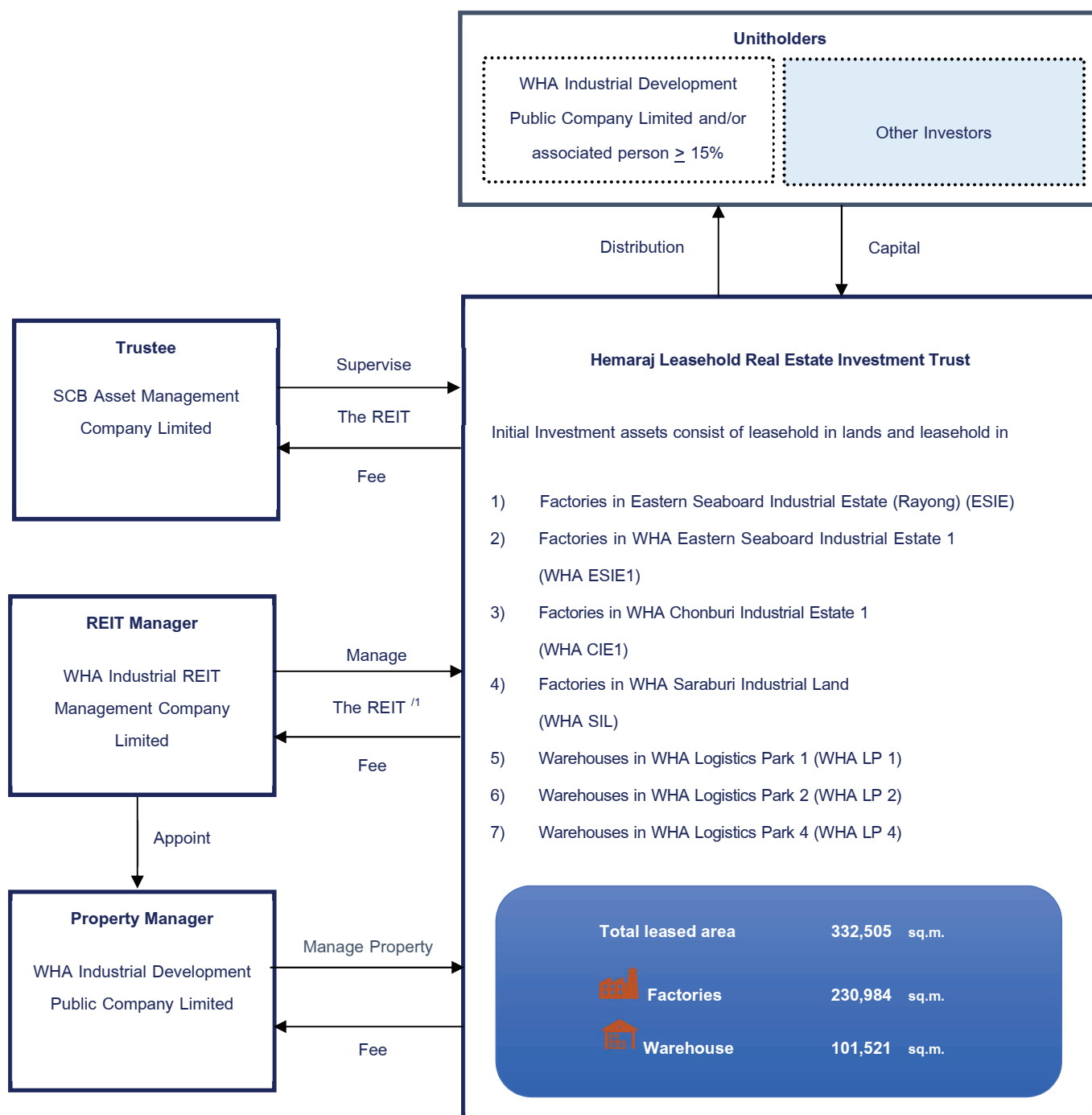
3.1.3 Other immovable property relating to the supporting and promoting of the property development and leasing business, relating to the said properties in 3.1.1 and 3.1.2 and other property which may support the investment in the Trust's immovable property in relation to the said property in 3.1.1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

3.2 Significant Change and Development

According to the meeting of Board of Director 10/2019 on 11 September 2019, Ms. Jarucha Satimanont was appointed as Acting for Managing Director of WHA Industrial REIT Management Company Limited, which replaced the resignation of Mr. Paeree Ichayapreug until a Managing Director is duly appointed.

3.3 REIT Structure

3.3.1 REIT Structure



^{/1} Manage the REIT under Trust Deed Agreement

3.3.2 Relationship with the Property Manager or Major Shareholders.

As of 31 December 2019 WHA Industrial Development Public Company Limited is major shareholders by holding 15 percent of total unit trust.

Although WHA Industrial Development Public Company Limited 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 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.

- 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 some deposits received from current customers.

Map of location of the REIT's investment asset

WHA Chonburi Industrial Estate 1	Total 19 Units, Area 17,712 Sq.m. Average age of building 7.2 years	1
Eastern Seaboard Industrial Estate (Rayong)	Total 41 Units, Area 57,752 Sq.m. Average age of building 8.1 years	2
WHA Eastern Seaboard Industrial Estate 1	Total 32 Units, Area 127,508 Sq.m. Average age of building 7.6 years	3
WHA Saraburi Industrial Land	Total 16 Units, Area 28,012 Sq.m. Average age of building 6.8 years	4
WHA Logistics Park 1	Total 2 Units, Area 16,820 Sq.m. Average age of building 5.8 years	1
WHA Logistics Park 2	Total 11 Units, Area 50,996 Sq.m. Average age of building 6.0 years	2
WHA Logistics Park 4	Total 10 Units, Area 33,705 Sq.m. Average age of building 6.5 years	3



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



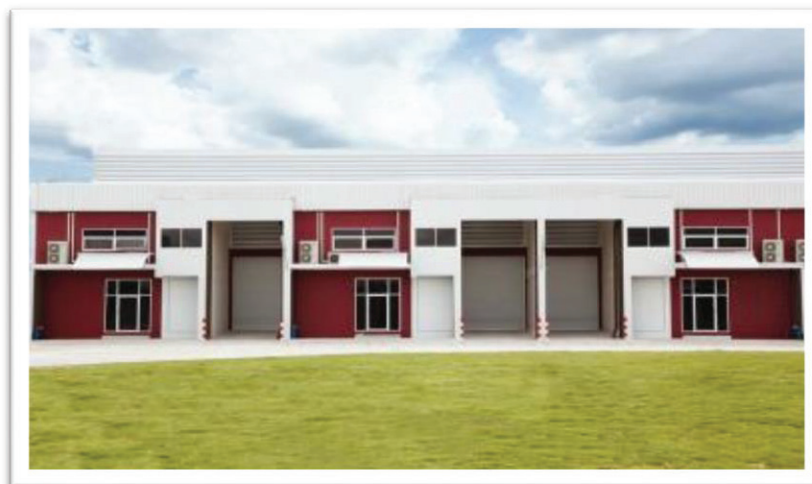
The internal appearance of Ready-Built Factories - Detached Building



2) Ready-Built Factories - Attached Building

Ready-Built Factories - Attached Building are a row 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

Type of assets	Factory		Warehouse	
Nature of the REIT's asset acquisition (overview)	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			
	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		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 (37,058 Sq.m.)	WHA Logistics Park 2 (WHA LP 2)	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 ¹⁾ (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		
		7.23		6.25
				7.06

Remark ¹⁾ Information as of 31 December 2019

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	11.43	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	11.25	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	10.33	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	6.32	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	7.63	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	10.70	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	6.62	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	7.90	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	8.35	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	6.96	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	7.92	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	7.90	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	7.68	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	7.63	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	7.30	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	6.90	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	7.43	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	3.48	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	6.59	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	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
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	7.29	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	6.36	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	8.60	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	16.58	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	7.32	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	6.54	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	6.51	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	6.51	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	7.16	Partial Lease	Lease
Total Leased Area - Detached Building							177	0	42.08			

Remark: Information as of 31 December 2019

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 ¹	1,366	Reinforced Concrete Building with mezzanine floor, 1 Building	23 Nov 16	6770	0	2	70.00	18.41	Partial Lease	Lease
2	Eastern Seaboard Industrial Estate (Rayong) (ESIE)	A4 ¹	1,582	Reinforced Concrete Building with mezzanine floor, 1 Building	23 Nov 16	6770	0	3	60.00	16.35	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	7.08	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	7.08	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	7.08	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	7.08	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	7.08	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	7.08	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	7.08	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	7.08	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	7.08	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	7.08	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	7.08	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	7.08	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	7.08	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	7.08	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	7.08	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	7.08	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	7.08	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	6.44	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	6.44	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	6.44	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	6.44	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	6.44	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	6.44	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	6.44	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	6.44	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	6.44	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	6.36	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	6.36	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	6.36	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	6.36	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
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	6.36	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	6.36	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	6.36	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	6.36	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	6.36	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/A09C-08	1,008	Reinforced Concrete Building with mezzanine floor, 1 Building (Partial)	23 Nov 16	173788	0	2	16.00	5.69	Partial Lease	Lease
39	WHA Eastern Seaboard Industrial Estate 1 (WHA ESIE1)	FZ/A09C-10	1,008	Reinforced Concrete Building with mezzanine floor, 1 Building (Partial)	23 Nov 16	173788	0	2	16.00	5.69	Partial Lease	Lease
40	WHA Eastern Seaboard Industrial Estate 1 (WHA ESIE1)	FZ/A09C-12	1,008	Reinforced Concrete Building with mezzanine floor, 1 Building (Partial)	23 Nov 16	173788	0	2	16.00	5.69	Partial Lease	Lease
41	WHA Eastern Seaboard Industrial Estate 1 (WHA ESIE1)	FZ/A09C-02	1,440	Reinforced Concrete Building with mezzanine floor, 1 Building (Partial)	23 Nov 16	173788	0	2	88.00	5.69	Partial Lease	Lease
42	WHA Eastern Seaboard Industrial Estate 1 (WHA ESIE1)	FZ/A09C-04	1,440	Reinforced Concrete Building with mezzanine floor, 1 Building (Partial)	23 Nov 16	173788	0	2	88.00	5.69	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/A09C-06	1,296	Reinforced Concrete Building with mezzanine floor, 1 Building (Partial)	23 Nov 16	173788	0	2	88.00	5.69	Partial Lease	Lease
44	WHA Eastern Seaboard Industrial Estate 1 (WHA ESIE1)	FZ/A09C-14	1,440	Reinforced Concrete Building with mezzanine floor, 1 Building (Partial)	23 Nov 16	173788	0	2	88.00	5.69	Partial Lease	Lease
45	WHA Eastern Seaboard Industrial Estate 1 (WHA ESIE1)	FZ/A09C-05	2,484	Reinforced Concrete Building with mezzanine floor, 1 Building (Partial)	23 Nov 16	173788	1	1	31.00	5.69	Partial Lease	Lease
46	WHA Eastern Seaboard Industrial Estate 1 (WHA ESIE1)	FZ/A09C-03	3,132	Reinforced Concrete Building with mezzanine floor, 1 Building (Partial)	23 Nov 16	173788	1	3	29.00	5.69	Partial Lease	Lease
47	WHA Eastern Seaboard Industrial Estate 1 (WHA ESIE1)	FZ/A09C-01	3,168	Reinforced Concrete Building with mezzanine floor, 1 Building (Partial)	23 Nov 16	173788	1	3	38.00	5.69	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	7.30	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	7.30	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	7.30	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	7.30	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	7.30	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	7.30	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	7.30	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	7.30	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	7.30	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	7.30	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	7.30	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	7.30	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	7.30	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	7.30	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	7.30	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	7.30	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	7.30	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	-	-	-
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	6.15	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	6.15	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	6.36	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	6.36	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	6.36	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	6.36	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
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	6.09	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	7.26	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	7.26	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	7.26	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	7.26	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	7.26	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	6.36	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	7.16	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	7.16	Partial Lease	Lease
Total Leased area - Attached Building							56	2	41.80			

Remark Information as of 31 December 2019

^{1/} Encumbered Registration in the immovable property (without compensation) to HPF

Warehouse

No.	Project / Industrial Estate (WHA LP 1)	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	5.50	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	6.67	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	6.11	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	6.11	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	6.11	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	6.11	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	6.11	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	6.11	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	6.11	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	-	-	-
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	5.86	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	5.86	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	5.86	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	5.86	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	6.58	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	6.58	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	6.58	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
				mezzanine floor, 1 Building								
17	WHA Logistics Park 4 (WHA LP 4)	A4	4,821	Reinforced Concrete Building with mezzanine floor, 1 Building	23 Nov 16	9198, 9199	2	3	75.25	6.42	Partial Lease	Lease
18	WHA Logistics Park 4 (WHA LP 4)	B1	1,620	Reinforced Concrete Building with mezzanine floor, 1 Building	23 Nov 16	9197, 9198	0	3	90.00	6.58	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	6.58	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	6.58	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	6.58	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	6.58	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	6.34	Partial Lease	Lease
Total of Leased Area - Warehouse			101,521				70	1	70.50			
Total of Leased Area – Factory and Warehouse			332,505				304	0	54.38			

Remark Information as of 31 December 2019

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

By location

Location of Assets	Detail of investment assets				Investment Date	Valuation Date	Value Invested ¹² by the REIT	Asset Valuation
	Size of Land (Rai-Ngan- Sq.Wah)	Building Area (sq.m.)	Number of units	Rooftop areas (Sq.m.)				
WHA Eastern Seaboard Industrial Estate 1 (WHA ESIE1)	144-1-35.18	127,508	32	68,419	23 November 2016 4 January 2018	17 May 2019 27 February 2019	3,706,795,960.79 555,810,773.83	3,506,080,000.00 537,860,000.00
Eastern Seaboard Industrial Estate (Rayong) (ESE)	45-0-25.4	57,752	41	30,082	23 November 2016 4 January 2018	17 May 2019 27 February 2019	1,363,364,874.95 451,357,776.56	1,281,300,000.00 488,440,000.00
WHA Chonburi Industrial Estate 1 (WHA CIE 1)	18-0-29.3	17,712	19	9,072	23 November 2016 4 January 2018	17 May 2019 27 February 2019	508,371,102.91 57,393,503.82	468,700,000.00 57,930,000.00
WHA Saraburi Industrial Land (WHA SIL)	26-0-94	28,012	16	14,861	4 January 2018 24 December 2018	27 February 2019 21 May 2019	358,192,698.34 477,000,000.00	358,900,000.00 465,880,000.00
WHA Logistics Park 1 (WHA LP 1)	10-1-75	16,820	2	9,936	23 November 2016	17 May 2019	425,780,817.64	399,690,000.00
WHA Logistics Park 2 (WHA LP 2)	39-2-58	50,996	11	28,440	23 November 2016	17 May 2019	1,310,894,761.88	1,209,220,000
WHA Logistics Park 4 (WHA LP 4)	20-1-37.5	33,705	10	18,838	23 November 2016 4 January 2018	17 May 2019 27 February 2019	659,783,899.20 167,092,998.65	621,350,000.00 168,250,000.00
รวม	301-1-93	332,505	131	179,648			10,041,839,168.57	

Remark ¹¹ Usable rooftop area

¹² Investment value excluding transaction cost

3.5 Benefits from Invested Assets

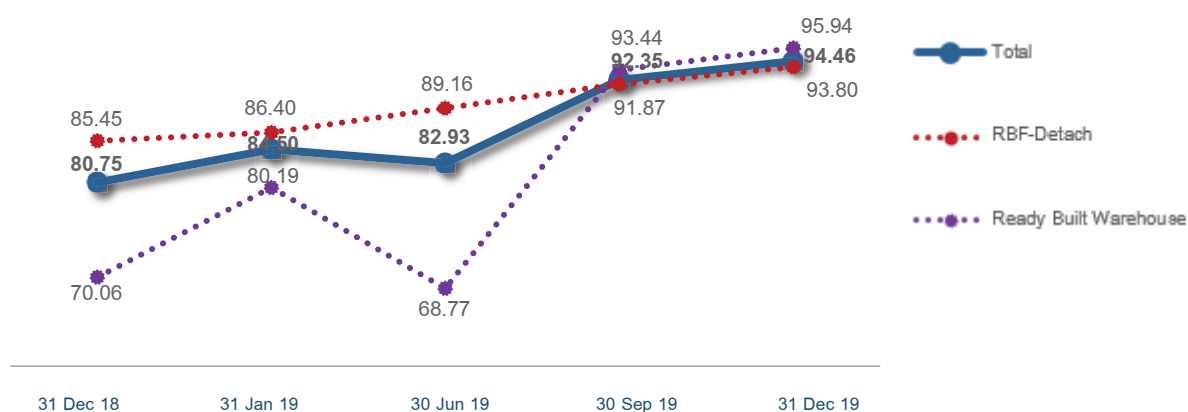
The Company, as the REIT Manager, has objective to provide appropriate distribution from investment sustainably in the long run for unitholders. After the REIT invested in the said leasehold in property from WHA Industrial Development Public Company Limited, Eastern Seaboard Industrial Estate (Rayong) Company Limited, WHA Eastern Seaboard Industrial Estate Company Limited. and WHA Industrial Building Company Limited 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

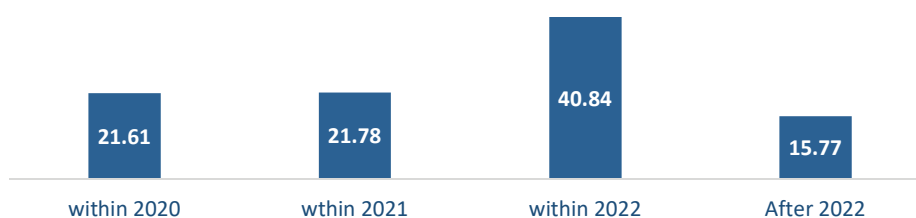
The REIT, by Trustee, shall become counterparty directly with the lessee. The income and cash flow to be received by the REIT from the REIT's initial investment asset are the rental income from lands and buildings and service fee from the rent of factories and warehouses. Most lease agreements shall 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)



Contract Expiry (Percentage of rental area with total rental area)



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 date¹ of lease term. The rate of the rent shall be as follows:

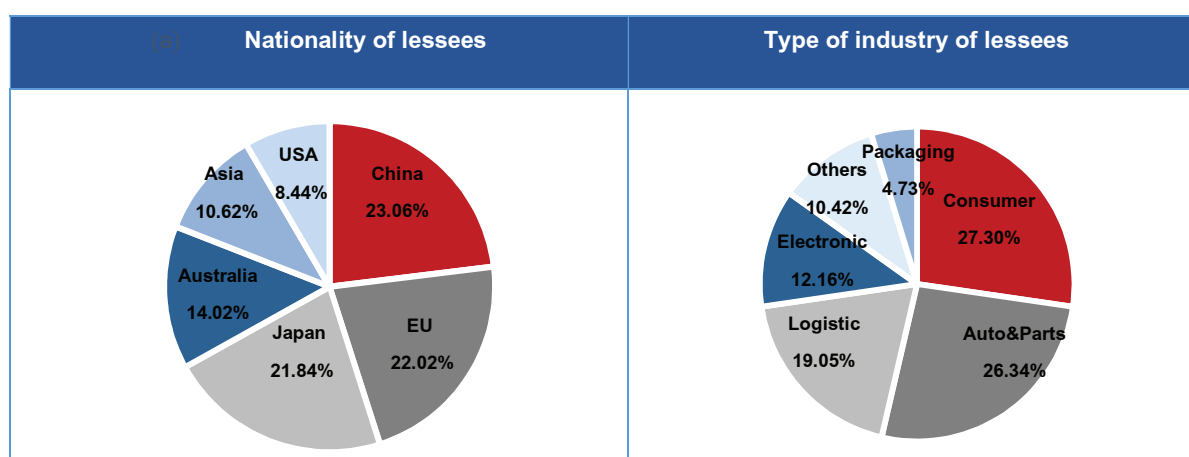
Type of Rented Property	Location of Rented Property	Compensated Rental Rate (Baht/sq.m./month)
Attached building factory	WHA ESIE 1, ESIE, WHA CIE1, WHA SIL	185 - 193
Detached building factory	WHA ESIE 1, ESIE, WHA SIL	200 - 210
Warehouse	WHA LP1, WHA LP2, WHA LP4	147 - 155

Remark ¹ The REIT's initial investment has entered into the investment on 23 November 2016, 1st additional investment on 4 January 2018 and 2nd 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 2019 are as follows:

1) Detail of tenant¹



Remark ¹ The percentage compare with total occupied areas

2) Information of top 10 lessees of factories and warehouses

No.	List of Lessee	percentage compare with total occupied areas	Year of lease expiration (A.D.)	Nationality	Type of Business
1	Saffron Living Co., Ltd.	10.42%	2022	China	Consumer
2	Visy Packaging (Thailand) Co., Ltd.	4.73%	2021	Australia	Packaging
3	Nittsu Logistics (Thailand) Co., Ltd.	4.13%	2021	Japan	Logistics
4	ZF Lemforder (Thailand) Co.,Ltd	3.62%	2023	Germany	Automotive
5	DHL Supply Chain Co.,Ltd	3.28%	2022	Germany	Logistics
6	Happy Foam Co.,Ltd	3.28%	2022	China	Consumer
7	Jelly Belly Candy Company (Thailand) Ltd.	3.13%	2025	America	Consumer
8	Nikon (Thailand) Company limited	3.03%	2022	Japan	Logistics
9	Mektec Precision Component	2.69%	2024	Japan	Electronics
10	Adient & Summit Corporation Ltd.	2.62%	2020	Australia	Automotive
	Total	40.93%			

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 Public Company Limited. 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

Lender	Siam Commercial Bank Public Company Limited
Borrower	SCB Asset Management Co., Ltd. as Trustee of HREIT
Loan Amount	1 st : Baht 2,325 million 2 nd : Baht 575 million
Interest Rate	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").
Loan Term	5 years (After the utilization of credit facility)
Principal Repayment	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).
Interest Payment	Quarterly interest payment
Collateral	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. 2) Conditional assignment of insurance, endorsing the Lender as beneficiary and co-insured. 3) Conditional assignment of rights under the lease agreements and service agreements with a term of more than 3 years. 4) Other security (if any) as may be agreed between HREIT and the Lender in the loan agreement.
Key Covenants	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). 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. 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.

Key Financial Covenants	- The borrower must ensure that the funded interest-bearing debt to the Equity Ratio of HREIT does not exceed 1.0 x - The borrower must ensure that the funded interest-bearing debt to EBITDA ratio is no more than 5.5 times. (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)
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2) Loan from CIMB Thai Bank Public Company Limited

Lender	CIMB Thai Bank Public Company Limited
Borrower	SCB Asset Management Co., Ltd. as Trustee of HREIT
Loan Amount	Long term facility: Baht 420 million
Interest Rate	The loan has interest rate MLR less the rate specified in the agreement. MLR means an average interest rate charged by the 4 commercial banks from its prime major customers
Principle Repayment	Long term facility : 5 years
Interest Payment	Quarterly interest payment as identify in loan agreement
Collateral	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.
Key Covenants	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). 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.

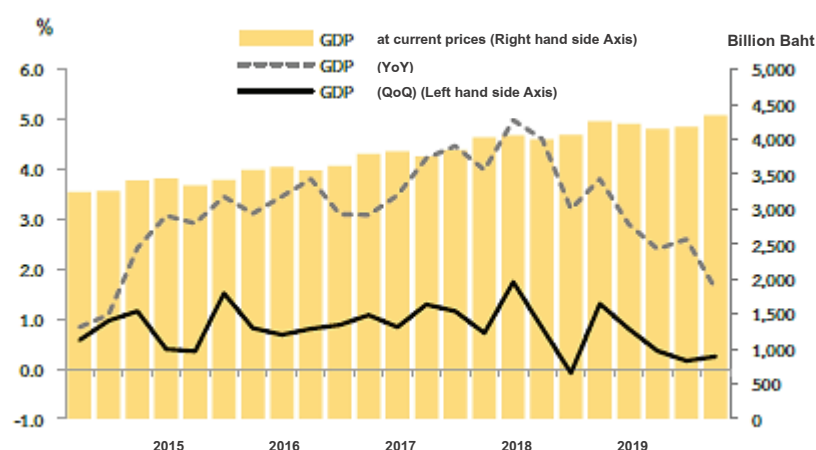
	3) The borrower shall hire WHA Industrial Development Public Company Limited or its affiliate as a property manager unless such change of property manager is processed as per the trust unitholders' resolution or as stated in the property management agreement.
Key Financial Covenants	The Borrower shall maintain the Interest Bearing Debt/Equity Ratio to not exceed 1.0. The Borrower shall maintain the Interest Bearing Debt/ EBITDA Ratio to not exceed 6.5.

4. Market Overview for Real Estate Industry of Invested Properties

4.1 Thailand's Business Overview

The 2019 Thai economy expanded by 2.4 percent, compared with 4.2 percent in 2018. On the expenditure side, private consumption and investment grew by 4.5 and 2.8 percent, expanded continually from 4.6 and 4.1 percent in the prior year, respectively. In addition, government consumption and investment increased by 1.4 and 0.2 percent, compared with 2.6 and 2.9 percent in the previous year, consecutively. However, export value declined by 3.2 percent, compared with 7.5 percent growth last year. On the production side, agricultural production, forestry production and fishery sector, accommodation and food service activities sector, wholesale and retail trade; repair of motor vehicles and motorcycles sector, and transport and storage sector expanded by 0.1, 5.5, 5.7, 3.4, percent, slowing from expansions of 5.5, 7.6, 6.6 and 4.4 percent in the previous year, respectively. The manufacturing sector declined by 0.7 percent, compared with a 3.2-percent growth in 2018. In all, for the year 2019, GDP value at current prices was 16,879.0 billion Baht (543.7 billion US dollar). Economic stability remained favorable, in which headline inflation was 0.7 percent and current account recorded a surplus of 6.8 percent of GDP.

Picture 1 Thailand Economic Overview: GDP



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 2019

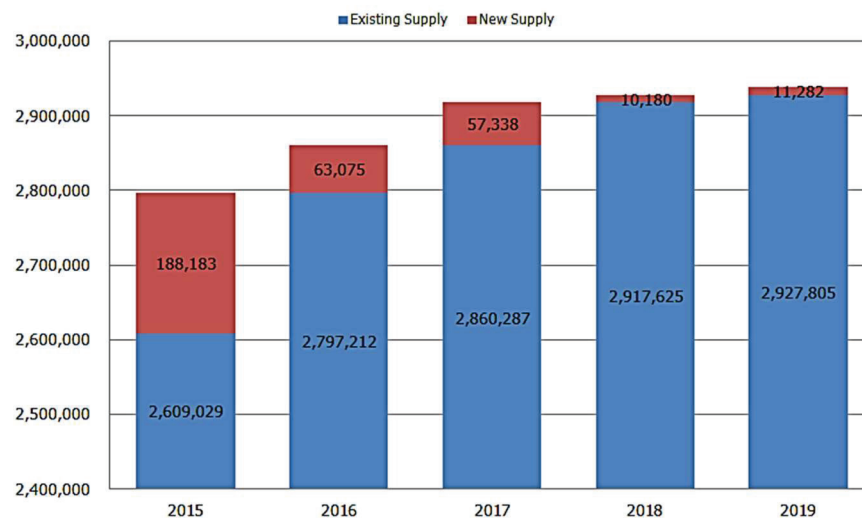
1) Ready-Built Factory

Supply

At the end of 2019, the supply of Ready-built factory totaled 2,939,087 square meters, with a total of 11,282 square meters of new supply. The supply in 2019 increased by

0.4 percent from the year 2018. The number of new supply increases dramatically in 2015 at approximately 188,183 square meters before the new supply began to decrease since 2017 until present.

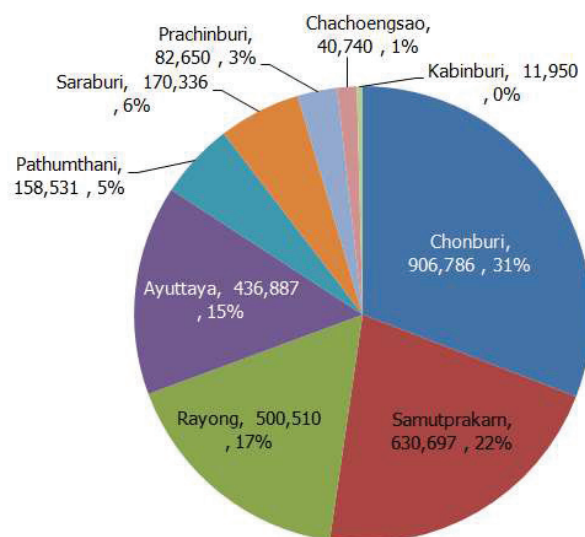
Picture 2 : Ready-Built Factory Supply, 2015 – 2019



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 and food industry. Chonburi is the 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, 2019

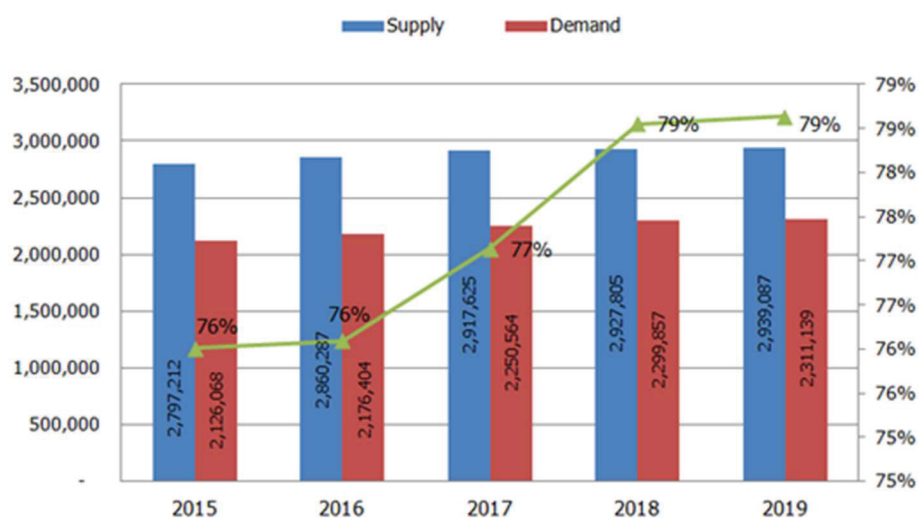


Source: Knight Frank Thailand Research and consulting Department

Demand

At the end of 2019, the total area of Ready-built factory that has been leased is approximately 2,311,139 square meters from the total supply of 2,939,087 square meters, with the demand increasing from the year 2018 by approximately 11,282 square meters. At the rate of 79 percent, which has a fixed rate from the year 2018.

Picture 4 : Supply, Demand and Occupancy Rate of Factory, 2015-2019



Source: Knight Frank Thailand Research and consulting Department

At the end of 2019, Samutprakarn saw the highest occupancy rate for ready-built factory at 91.5%, followed by Chachoengsao and Chonburi, with approximately 88.5% and 85.9%, respectively.

Supply, Demand and Occupancy Rate of Factory by Location as of December 2019

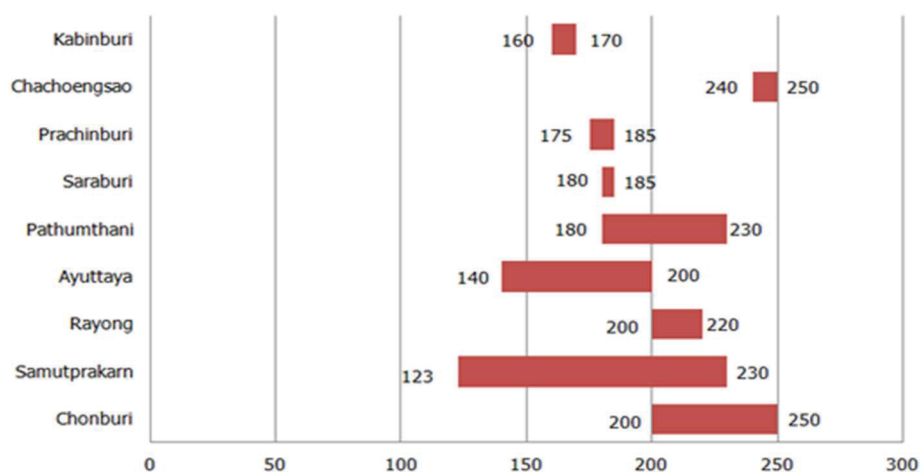
Province	Supply	Demand	Occupancy Rate
Chonburi	906,786	779,131	85.9%
Samutprakarn	630,697	576,824	91.5%
Rayong	500,510	318,806	63.7%
Ayuttaya	436,887	293,474	67.2%
Pathumthani	158,531	127,796	80.6%
Saraburi	170,336	131,316	77.1%
Prachinburi	82,650	47,732	57.8%
Chachoengsao	40,740	36,060	88.5%
Kabinburi	11,950	N/A	N/A
Total	2,939,087	2,311,139	78.6%

Source: Knight Frank Thailand Research and consulting Department

Rental Rate

As end of 2019, the highest rental rate of ready-built factory was shown in Chachoesao 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, 2019



Source: Knight Frank Thailand Research and consulting Department

2) Ready-Built Warehouse

Supply

At the end of 2019, the warehouse supply was at 5,467,125 square metre, with approximately 234,833 square metre added to supply. The supply has decreased by 7.8 percent from the previous year. Total new supply in the past year more in various areas which are Samut Prakan, Nonthaburi, Pathumthani and Chonburi with new supply outside the study area like Prachinburi and Suratthani as well. The highest proportion of new supply occurred in Prachinburi, accounting for 25 percent of total new supply and followed by Chon Buri, accounting for 22 percent respectively. The number of new supply increased the highest in 2016 was approximately 767,199 square meters. The new supply in 2017 totaled 308,786 square meters. New supply in 2018 totaled 254,578 square meters. The number of new supply decreased year on year respectively.

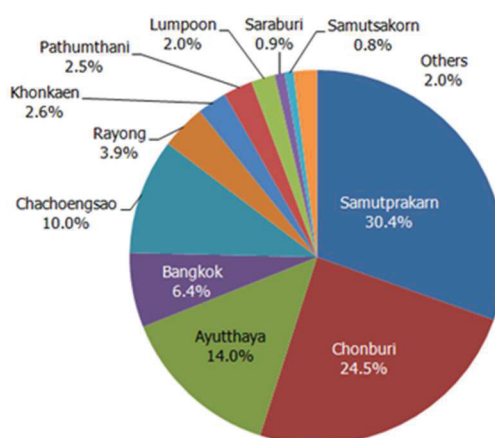
Picture 6 : Warehouse Supply, 2015-2019



Source: Knight Frank Thailand Research & Consulting Department

Much of the 2019 increase in the supply of general purpose warehousing was on the perimeter of the EEC or in surrounding provinces, including Samutprakan, Ayutthaya, Chonburi and Chachoengsao, which are locations that enjoy a number of advantages: these provinces are already home to a large number of industrial estates and distribution centers, are well served by accessible transportation networks, are close to major ports and to Suvarnabhumi Airport, and have access to an inland container depot (ICD). However, general purpose rented warehousing is heavily concentrated in Samutprakan province, which is home to 30.4% of all Thailand's supply, while Chonburi, Ayutthaya, Chachoengsao and Bangkok each have respectively another 24.5%, 14.0%, 10.0% and 6.4% of the total

Picture 7 : Warehouse Supply By Location, 2019

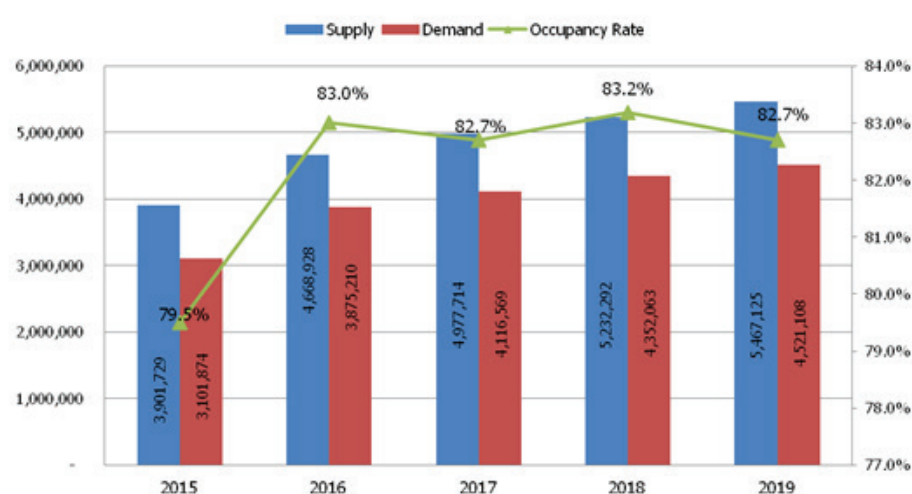


Source: Knight Frank Thailand Research & Consulting Department

Demand

At the end of 2019, the total occupied space was 4,521,108 square metre out of 5,467,125 square metre. The newly occupied space increased in 2019 from 2018 by 169,045 square metre. The occupancy rate as the end of 2018 has plunged to 82.7%, comparing to 83.2% in 2018.

Picture 8 : Supply, Demand and Occupancy Rate of Warehouse, 2015 - 2019



Source: Knight Frank Thailand Research & Consulting Department

At the end of 2019, Bangkok saw the highest occupancy rate for warehouse at 100 percent, followed by Pathumthani and Lumpoon approximately 97 percent and 94.8 percent respectively. Saraburi has the low occupancy rate at approximately 44.6 percent.

Supply, Demand and Occupancy Rate of Warehouse by Location at December 2019

Province	Supply	Demand	Occupancy Rate
Samutprakarn	1,663,132	1,413,772	85.0%
Chonburi	1,340,607	964,184	71.9%
Chachoengsao	545,041	413,802	75.9%
Ayuthaya	765,713	702,241	91.7%
Bangkok	351,467	351,467	100.0%

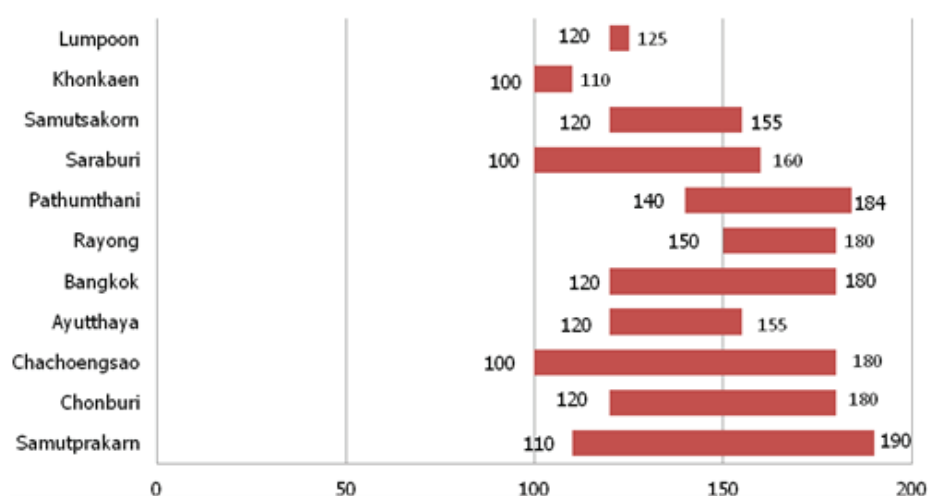
Rayong	211,166	136,387	64.6%
Pathumthani	138,340	134,380	97.1%
Saraburi	47,615	21,256	44.6%
Samutsakorn	41,771	38,810	92.9%
Khonkaen	139,902	130,242	93.1%
Lumpoon	112,000	106,120	94.8%
Total	5,356,754	4,412,661	82.4%

Source: Knight Frank Thailand Research & Consulting Department

Rental Rate

The rental rate varies depending on location. At the end of 2019, the highest rental rate was shown in Samutprakarn, with approximately THB 190 per square metre, followed by Pathumthani, 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. The 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, 2019



Source: Knight Frank Thailand Research & Consulting Department

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

The ready-built factories market tends to be stable from the year 2018 till end of 2019. However, considering the decrease in the production amount of certain types of manufacturing industry e.g. automobile manufacturing in year 2019, this may affect to expansion of automobile spare parts factories which empowered the opportunity of ready-built factory market. Nevertheless, the concern about the trade war between US and China, causing the demand for cars both domestic and exporting to slow down in the short term and may affect in the long run if US and China unable to reach an agreement in the next phase

The outlook of the Ready-Built Warehouse Market, considering the decline in automobile manufacturing at the end of 2019 could lead contraction in the demand of Ready-Built Warehouse. The total number of containers passing through Laem Chabang port representing a 0.3% growth Y-o-Y. However, appreciation of Thai baht may cause affect the number of containers imported and exported through Laem Chabang Port as in the second half of the year 2019 as well. This may affect the demand for Ready-Built Warehouse Eastern Economic Corridor or EEC in the future.

The progressive in setting up the Eastern Economic Corridor or EEC will be benefited to the warehouse projects located in the EEC, as a consequence of government infrastructures on EEC area such as the development of airport, high speed train and huge port in order to support the projects located in Eastern Economic Corridor (EEC) attract many investors to come and invest in the EEC. Moreover, Laem Chabang Port third phase and Map Taphut third phase will contribute the positive efficiency of logistic system and Ready-Built Warehouse Market in Thailand, in order to become the industrial and logistics centre of Southeast Asia. There are many leading developers and foreign investors pay more attention in developing industrial estates in the Eastern Economic Corridor (EEC), thus this will have positive effect to the Ready-Built Warehouse Market located in both EEC area and the area surrounding the EEC area (Bangkok and Samutprakarn). 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 the 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 of REIT's Operating Results from the Reliance on the Company, as the REIT Manager and the Property Manager, in Its Capabilities to Manage and Procure Benefits from the Main Assets of REIT

The Company, as the REIT Manager, shall determine the marketing policies and strategic decisions for the management of HREIT in accordance with the Trust Deed Agreement, in which the Company's conducts as the REIT Manager is under the supervision of the Trustee. The Trust Unitholders may not have the opportunity to evaluate the Company's decisions in HREIT's implementation of strategies or investments, including the conditions of such investments. In the case that the Company cannot conduct business operations to be in accordance with the business strategy of HREIT as planned, it may negatively and materially affect the business conduct, the financial position, the operational performance and the business opportunities of HREIT

An ability of the Company to successfully conduct business operations in accordance with the investment strategy of HREIT depends on several uncertain factors including the ability to seek for appropriate investment opportunities, which is also in line with the investment criteria of HREIT, and the receiving of good financial terms. For these reasons, the Company could not warrant that any proceedings in accordance with the investment strategy by the Company will be accurate as planned or completed in an appropriate time and at an appropriate cost.

In any case, the Company has appointed WHA Industrial Development Public Company Limited ("WHAID") as the Property Manager of HREIT's investment assets, whereby the Company has assigned to WHAID the policy in its capacity as the Property Manager to manage HREIT's main assets under the Property Manager Agreement, which HREIT and the REIT Manager have entered into with the Property Manager in order to manage the said assets in the normal course of business. Therefore, the Property Manager shall have various responsibilities under the supervision of the REIT Manager according to the Property Manager Agreement, which include the aspects concerning HREIT's main assets such as revenue collection and cost management, marketing, and maintenance of assets etc. In case the REIT Manager is unable to successfully implement the strategy or the Property Manager could not appropriately manage HREIT's main assets, it may negatively affect the value of HREIT's main assets and/or the rental revenue that HREIT should have received, and affect the operating results, the ability to make distribution payment to Trust Unitholders, as well as the repayment ability upon its due. In addition, if WHAID

is unable to perform its duties as the Property Manager under the Property Manager Agreement, HREIT may not be able to appoint other party to comparably and effectively manage HREIT's main assets or even unable to appoint any party at all. This would cause a negative impact on the operating results and the financial status of HREIT, which would ultimately affect the ability to make distribution payment to Trust Unitholders. However, the Company has established a measure to mitigate the risk mentioned above by reviewing the operational performance of the Property Manager throughout the period of engagement, which will be proceeded once every 3 years and implementing a routine monitoring and evaluating system for the Property Manager's internal control system, in order to ensure the Trust Unitholders that the Property Manager has performed its duty to effectively manage the property in the projects. In case of a replacement of WHAID with other property manager is needed, the Company will consider the qualifications of the property manager as appropriate for the property management before the appointment thereof.

5.1.2 Risk on the Potential Loss of the REIT Manager and/or the Property Manager, or the Potential Loss of Executives and Personnel of the REIT Manager and/or the Property Manager, Who Have Expertise in the Procurement of Benefits from Properties

The directors and executives of the Company, as the REIT Manager, and of WHAID, as the Property Manager, are the crucial part of the procurement of benefits and the management of utilization of the properties. The loss of the REIT Manager and/or the Property Manager or the loss of such key personnel and/or the Property Manager would be a loss in experienced, knowledgeable and expertise personnel with business connection, and replacement of the same is difficult and may be resulted in less operation efficiency, less profitability or lack of business agility.

However, WHAID, as the Property Manager, has a duty to inform the Company in case of any changes in the key management and property management personnel, and shall replace them with new knowledgeable and experienced personnel in property management, which shall be also considered by the Property Manager as a qualified person to perform the duty in place of the former key personnel, to prevent any impact to the Property Manager's performance of duties, and without further delay in order to continuously manage the invested properties by HREIT.

In addition, the Company, as the REIT manager, has a duty to inform the Trustee in case of any changes in the key management and REIT management personnel, and shall promptly replace them with new knowledgeable and experienced personnel to prevent any impact to the REIT Manager's performance of duties and to continuously manage HREIT.

5.1.3 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 agreement 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 agreement for another 30 years, although the REIT is eligible to renew the lease agreement 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 505.50 million for the assets has invest initially, totally of Baht 101.10 million for the 1st additional investment and totally of Baht 30.33 for the 2nd additional investment if the REIT cannot raise fund sufficiently for the defined rental, the REIT fund cannot exercise its right to renew such lease agreement or there is any cause which the lease cannot be renewed any intentional breach of agreement of lessee or there is law amendment or legal practice of lease agreement 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 fee for the renewed lease term, the REIT can decide to renew the lease agreement by notifying the lessor for acknowledgement in advance during 21st – 25th 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 1st additional investment and totally of Baht 30.33 for the 2nd 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 agreement 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 agreement. 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 agreement and remedy of any damage which the REIT may be affected in case of the REIT cannot utilize the leased property under the lease agreement 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 agreement which caused the REIT cannot exercise its right to renew the lease agreement, the REIT is entitled to claim damages due to such cause as well as being eligible to terminate the lease agreement and/or enforce of any property which is mortgaged under this lease agreement 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.

5.1.4 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 to manage assets 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, 1st additional investment and 2nd 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 manage and procure 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.

5.1.5 Risk from the revenue of REIT's reliance on the financial position of lessees and their renewal decisions of the lease agreement and service agreement upon the expiration thereof

The rental revenue of REIT from the lessees under the lease agreements and service agreements are the primary source of revenue of HREIT, therefore, REIT may face a risk from the financial position and the capabilities of rental payment of lessees. If any one or several key lessees or several lessees have a weakening financial status at any moment, it may result in an overdue or a default of rental payment, and the inability of repayment by the lessees. In any case, every lessee who has entered into a lease agreement and service agreement with REIT is required to place a deposit throughout the term thereof, and REIT is entitled to forfeit such deposit in case of a failure by the lessee to make a rental payment or the early termination under the terms

thereof, in most cases. Such deposit would mitigate the risk and/or the impact on the revenue of HREIT. In addition, REIT may be exposed to a risk that its lessees may not renew their lease agreements or may propose for a renewal with an unfavorable condition to REIT than the conditions in its existing lease agreements, which may have a material adverse effect on the financial status, operating results, and the ability to make distribution payment of REIT. The Company has handled such risk by imposing a policy of negotiating for a lease renewal with the expiring lessees for approximately 3 - 6 months prior to the expiration thereof. In such cases, the Company would have sufficient time to procure for a replacement if the lessee does not wish to renew the lease agreement upon the completion of the lease term.

5.1.6 Risks arisen from the REIT cannot utilize from property of the project as the contractor does not comply with investment and the property management agreement of the REIT.

In investment and the property management of the REIT, the REIT shall enter into Lease Agreement, Real Estate 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 agreement.

Although there are provisions in the foregoing agreement, the other party may be in breach of the agreement or there is any situation that caused termination or being in breach of the agreement. 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 asset owners 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 agreement 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 Lease Agreement or if the REIT cannot exercise the right to renew the 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 of undertaking agreement, 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 lender 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.

5.1.7 Risks arisen from damage of Rooftop Lease Agreement to operate Solar Rooftop Project

As WHA Utilities and Power Public Company Limited (WHAUP) and its subsidiary companies which are currently the subsidiary company of 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 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 agreement or the agreement is not renewed which will be negative effect to the REIT's income.

5.1.8 Risks arisen from the asset owners 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 Estate¹ (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 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 asset owners 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 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.

5.1.9 Risks which may occur due to the REIT borrowing

Due to this fund raising in initial investment, 1st additional investment and 2nd additional investment the REIT had long term loan which was approximately Baht 3,320 million or it is equal to 33.49% of total asset value as of HREIT as at 31 December 2019 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 agreement 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.

5.1.10 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 agreement perfectly whether or not. If any contractual party is in breach of such agreement, 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.

5.1.11 Risks which may occur when the REIT provides lessee with lower rental rate than compensated rental rate 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.

In case of 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

For concentration of lessees, Top 10 lessees of properties invested by the REIT account to 40.93 of the total occupied area as of 31 December 2019. The biggest lessee is approximately 10.42 of total occupied area. Therefore, if any of such major lessee unable to pay rental or terminates lease agreement or unable to renew, it shall cause negative effect to the REIT's income. For the concentration of lessees, are relatively low concentrated to industry and nationality. Most of lessees operate business in consumer, automotive industry and logistics, which the proportion of occupied area is, calculated approximately 27.30, 26.34 and 19.05 respectively. Also most of lessees are Chinese Europe and Japanese which the proportion of occupied area are calculated approximately 23.06, 22.02 and 21.84 respectively which has not concentrated to any nationality. However, in case there is any changing of industrial structure or international relation problems, the REIT may affect to rental paying ability or lease contract termination of these lessees, and the REIT's business shall be affected accordingly.

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 agreement 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 Risk from the value of HREIT's invested asset as appraised by the Appraisers that does not reflect the actual value of the assets and could not be guaranteed that the investment price of the invested asset will be as appraised whether in the present or in the future

In general, the appraisal of assets is considered based on several factors, including particular factors relevant to the main assets of HREIT, such as the market condition, financial strength, competitiveness and physical condition of assets, which could be varied in the future since all or some assumptions may not occur as anticipated or other unexpected circumstances may occur instead. These assumptions are based on the information provided by or on behalf of the Company and the asset owners, including the discussion therewith, and are the forecast and observation on future events, which could be the information that subject to a risk and uncertainty, regardless of the investors' foreseeability. In addition, the information relating to the appraisal may be the information based partly on and comprising predictions, estimations and other forecast statements that subject to a risk and uncertainty. As a result, the future events would subject to a risk, uncertainty and other factors that may contribute to a material difference between the actual results or actions and the future performance as explicitly or implicitly expressed in the forecast statements. This appraisal is neither an explicit nor implicit commentary on the trading price of the Trust Units in the future or the financial position of HREIT upon its listing as a listed security in the SET. Furthermore, such data is not the entire information required or needed for a valuation of the main assets of HREIT or for an investment in HREIT or Trust Units. The information and items relating to the appraiser does not grant any rights or offer any solutions to investors or other persons, are not intended for or be interpreted in any manner as

a guarantee of the financial position or performance of HREIT in the future, or as a forecast statement otherwise. In addition, the Company has reviewed the assumptions applied by the appraiser in its appraisal of the main assets of HREIT, however, the Company could not warrant that the appraisal made by the appraiser would always reflect the actual value of the main assets of HREIT, nor warrant that other independent appraisers would render the same valuation. For these reasons, the Company could not warrant that the selling price of HREIT of any of its entitlements in properties in the future may be lower than the value as determined by the appraiser as of the date of investment by HREIT in its main assets, or may be lower than the investment value of the assets acquired by HREIT. Moreover, the net asset value from the initial appraisal by the appraiser may not always reflect the actual value of the main asset of REIT during the sale or liquidation thereof.

5.2.5 Risk from the value of REIT'S invested asset are higher than appraisal value 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, which is higher than the estimated value conducted by independent appraiser.

However, the determination of terminal value, which the REIT shall invest, 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 value of independent 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 not be affected at all. As the REIT shall record accounting entry as unrealized loss which shall effect to realized gained and unrealized gain on investment of the REIT. 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.

5.2.6 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.

5.2.7 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 2019 the average year of factory and warehouse buildings by the REIT's investment are 7 years which can be divided by building area as follows: 0.46% less than 5 years 59.73% of asset are 5-7 years, 31.09% of asset are 7-10 years, 6.95% are 10 – 15 years and 1.77% older than 15 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 building, 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.

5.2.8 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 cannot 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 REIT's main property value will reflect the aforementioned factors and may cause the REIT's main property values to rise or drop. The REIT'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 REIT's main properties are currently located or where the REIT will have future properties.

5.3.2 The REIT 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 REIT 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 REIT seeks to invest in may have low liquidity. Low liquidity may affect the REIT'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 REIT's possible inability to transfer leasing rights of the REIT's main properties within a short period of time or the REIT may be forced to lower prices significantly to be able to transfer leasing rights within a short period of time. Furthermore, the REIT may encounter problems from seeking immediate loan sources under good trading conditions in cases where loans use the REIT's main properties as collateral because real estate property has no liquidity. In addition, the REIT's main properties may not be changed quickly. And if the REIT'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 REIT's main properties, these factors may cause impacts on the REIT's financial status and performance while also causing negative impacts on the REIT's ability to pay dividends to trust unit holders.

5.3.3 Political Risks

The REIT'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 REIT may be affected by the enforcement of new accounting standards or modifications in Thailand's laws, rules and regulations, accounting standards and financial reporting standards, which may change. Similarly, accounting standards modified to meet International Financial Reporting Standards (IFRS) may cause the REIT'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 REIT's financial statement preparations or the REIT'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 REIT Manager's ability to carry out the REIT's investment strategy or the REIT's operations and financial status.

5.3.5 Risk from Expropriation of the REIT's Property Investments

The REIT may have risks from expropriation of the REIT's property investments by government agencies and may directly affect business operations. Furthermore, in the aforementioned expropriations, the REIT may not receive compensation from expropriation or receive lower amounts of compensation than the value of investment spent by the REIT to invest in the property, which may cause returns for trust unit holders under expectations. The amount of compensation that the REIT will receive divided by the ratio of property owners and the REIT. The REIT'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 REIT's main properties are located in was not found to be inside a

specific expropriation area. However, The REIT is unable to assess probability of expropriation because land expropriation is depend on the government's policy and land use plan.

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

The REIT'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 Loss by the REIT and Risk of the REIT's Income Loss during Construction in Cases Where Damages Occur

The REIT's Business Operations have operating risks and risks in using the REIT's main properties. Although the REIT must arrange for adequate and suitable insurance for the REIT's main properties in line with specifications of related laws, compensation for damages to the REIT's main properties, such as losses from war, etc., may be insufficient. Therefore, in cases where severe incidents occur, the REIT may be at risk for inability to arrange for the aforementioned type of insurance, or the REIT 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 REIT 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 affect returns expected by trust unit holders.

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

The REIT did not take out a business interruption insurance policy. Therefore, the REIT 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 REIT'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 REIT'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 REIT 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 REIT'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 REIT's main properties, including compensation for loss of life and property for tenants in addition to obtaining the best insurance conditions, the REIT has arranged to insure the aforementioned properties with a coverage period covering the REIT'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 REIT'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 REIT and may impact the REIT's main property use. Floods may cause damage to properties or prevent tenants from using properties in projects where the REIT 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 REIT from seeking replacement tenants. The aforementioned case will have effects on the Trust's income and performance, causing significant differences from estimations.

Nevertheless, the REIT's main properties were not affected by floods in 2011 because the REIT'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 REIT'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 REIT 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 2019 of Baht 6,223,370,892.24, which is fully paid-up, and 702,634,116 of listed and paid-up share with 8.8572 Baht per trust unit

Closing Price ¹	8.80	Baht/unit trust
High ¹	8.85	Baht/unit trust
Low ¹	8.75	Baht/unit trust
Market Capitalization	6,183.18	Million Baht
Trade Volume ²	1,089.79	Thousand units
Net Asset Value per Unit Trust as of 31 December 2019	9.0860	Baht/unit trust
Net Asset Value as of 31 December 2019	6,384.14	Million Baht
Net Asset Value per Unit Trust as of 1 January 2019	8.7966	Baht/unit trust
Net Asset Value as of 1 January 2019	6,180.82	Million Baht

Remark : ¹The information is relied on last working day of 30 December 2019

² Calculate by the whole year's trading value divided by the number of trading days

8.1.2 Capital Reduction

Historical Capital Reduction

Item	Book Closing Date	Payment Date	Amount	Reduction of Capital per unit	Par Value of Unit Trust
1	18 August 2017	31 August 2017	106,014,832.00	0.1862	9.8138
2	20 November 2017	30 November 2017	108,349,208.00	0.1903	9.6235
3	7 December 2017	20 December 2017	55,114,048.00	0.0968	9.5267
4	28 February 2018	13 March 2018	53,329,929.18	0.0759	9.4508
5	23 May 2018	31 May 2018	132,797,848.50	0.1890	9.2618
6	23 August 2018	11 September 2018	134,203,115.90	0.1910	9.0708
7	22 November 2018	21 December 2018	134,203,115.87	0.1910	8.8798
8	4 March 2019	26 March 2019	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 30 December 2019 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.	TMB Property Income Plus Fund	35,991,200	5.12
3.	South East Life Insurance Public Company Limited	35,807,761	5.10
4.	Dhipaya Insurance Public Company Limited	22,347,200	3.18
5.	Thanachart Property and Infrastructure Flexible Fund	11,916,052	1.70
6.	LH Property plus1	11,332,800	1.61
7.	Mrs. Nuchara Vayakornvichitr	11,143,000	1.59
8.	Krung Thai Property And Infrastructure Flexible Fund	9,879,200	1.41
9.	LH Thai Property Fund	8,717,400	1.24
10.	Thanachart Property Sector Fund	8,503,372	1.21
	Top 10 Unitholders	261,033,594	37.15
	Others	441,600,522	62.85
	(Total)	702,634,116	100.00

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
	(Total)	105,395,609	15.00

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

Since the establishment of HREIT on 21 November 2016, HREIT has paid dividend distribution 6 times and capital reduction 8 times

Operating period	Distribution per unit (Baht)			Amount (million Baht)		
	Dividend	Capital Reduction	Total	Dividend	Capital Reduction	Total
21 November 2016 – 31 March 2017	0.2647		0.2647	150.71		150.71

Operating period	Distribution per unit (Baht)			Amount (million Baht)		
	Dividend	Capital Reduction	Total	Dividend	Capital Reduction	Total
01 April 2017 – 30 June 2017	-	0.1862	0.1862	-	106.01	106.01
01 July 2017 – 30 September 2017	-	0.1903	0.1903	-	108.35	108.35
01 October 2017 – 31 December 2017	-	0.0968 0.0759	0.0968 0.0759	-	55.11 53.33	55.11 53.33
01 January 2018 – 31 March 2018	-	0.1890	0.1890	-	132.79	132.79
01 April 2018 – 30 June 2018	-	0.1910	0.1910	-	134.20	134.20
01 July 2018 – 30 September 2018	-	0.1910	0.1910	-	134.20	134.20
01 October 2018 – 31 December 2018	0.1684	0.0226	0.1910	118.32	15.88	134.20
01 January 2019 – 31 March 2019	0.1987	-	0.1987	139.61	-	139.61
01 April 2019 – 30 June 2019	0.1987	-	0.1987	139.61	-	139.61
01 July 2019 – 30 September 2019	0.1987	-	0.1987	139.61	-	139.61
01 October 2019 – 31 December 2019	0.1987	-	0.1987	139.61	-	139.61

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:

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

source : WHA Industrial REIT Management Co., Ltd.

Remark: Information as of 31 December 2019

9.1.2 Shareholding Structure of REIT Manager

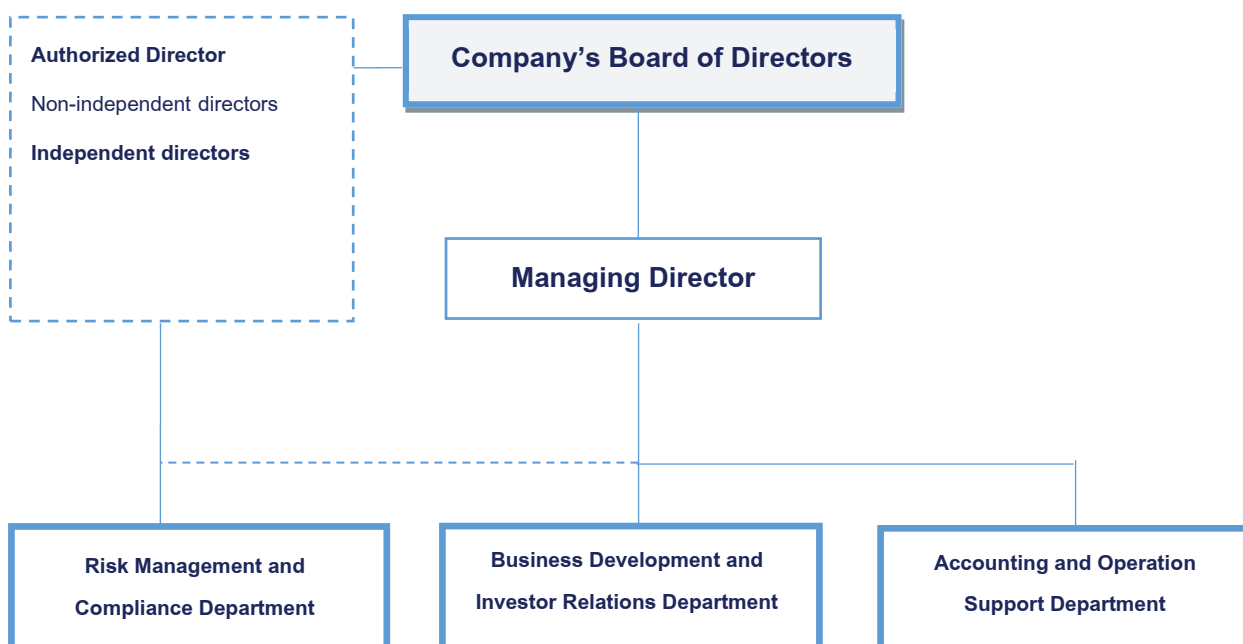
List of names	Number of share(s)	Ratio (%)
WHA Industrial Development Public Company Limited	3,499,998	99.9998
Ms. Chatchamol Anantaprayoon	1	0.0001
Ms. Jareeporn Jarukornsakul	1	0.0001
Total	3,500,000	100.00

Source : WHA Industrial REIT Management Co., Ltd.

9.1.3 Organization Structure of the REIT Manager

In designing its organizational structure, REIT Manager aims to draw a clear line of roles and responsibilities of each functional unit and to enable each department to work independently and systematically corresponds with the principles of trust and good corporate governance. Considerations are also given to: the control against the risks of frauds, and conflicts of interest to ensure REIT Manager is able to fulfill its duty with loyalty, duty of good faith and duty of care and to give precedence to the interest of unitholders over REIT Manager's interest; the prevention against data leak or illegal acts; and the type, size and complexity of the Company's business.

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 2019

Board of Directors**Ms. Jareeporn Jarukornsakul****Chairman of Board of Directors****Education Background :**

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

Training :

- Director Accreditation Program (DAP) 210/2015, Director Certification Program (DCP) 94/2012 and Corporate Governance for Capital Market Intermediaries (CGI) 17/2016, Thai Institute of Directors Association (IOD)
- Senior Executives on Justice Administration Program National Justice Academy, Office of Judiciary (Class 20/2015)
- Capital Market Leader Program (Class 18/2014), Capital Market Academy
- National Defense Course (Class 60/2017), National Defense College of Thailand
- The Executive Program in Energy Literacy for a Sustainable Future (Class 2560), Thailand Energy Academy

Present Position:

- Listed Companies (WHA Group)
 - WHA Corporation Public Company Limited
Chairman of the Board of Directors / Chairman of the Executive Committee / Chairman of the Risk Management Committee / Nomination and Remuneration Committee Member and Group Chief Executive Officer
 - WHA Utilities and Power Public Company Limited
Chairman of the Board of Directors, Chairman of the Executive Committee, Chairman of Risk Management and Nomination and Remuneration Committee Member
- Subsidiary Companies (WHAID Group)
Chairman of the Board of Directors and/or Director in 31 subsidiary companies

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

Training :

- Direction Certification Program (DCP) 175/2014, Thai Institute of Directors Association (IOD)

Present Position :

- Listed Companies (WHA Group)
 - WHA Corporation Public Company Limited
 - Director, Executive Committee Member, Chief Strategic Officer and Chief Financial Officer
- Subsidiary Companies (WHAID Group)
 - Directors in 17 subsidiary companies

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

Present Position:

- Assistant Professor of Accountancy Faculty, Kasetsart University

Executives

Ms. Jarucha Satimanont

Acting Managing Director

Education Background :

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

Phra Nakhon

Experience :

- Assistant Managing Director
WHA Industrial REIT management company Limited
- Senior Manager - Accounting and Operation Support
WHA Industrial REIT management company Limited
- 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.

Mr. Narawut Rattnarungsan**Assistant Manager - Business Development and Investor Relations****Education Background :**

- Master of Business Administration in Finance, National Institute of Development Administration
- Bachelor of Engineering in Civil Engineering, Chulalongkorn University

Experience :

- Assistant Manager – Business Development MBK Public Company Limited
- Assistant Deputy Managing Director – Engineering and Business Development
DCON Product Public Company Limited

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, unless other trust is a convertible trust from property fund
- (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 situations that may cause doubts or concerns in REIT manager 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 management policies, capital structure, investment policies and strategies plan to ensure benefits of properties.
 - (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

Property Manager	WHA Industrial Development PCL.
Location of head office	No. 9, 27th Floor UM Tower, Ramkhamhaeng Road, Suan Luang Sub-district, Suan Luang District, Bangkok 10250
Corporate registration number	0107536000676
Telephone	02 719 9555, 02 719 9559
Facsimile	02 719 9546-7
Website	www.wha-industrialestate.com
Major Shareholder (Shareholding Ratio)	WHA Venture Holding Co., Ltd. (98.54%)
Name of Directors	Ms. Jareeporn Jarukornsakul Mr. David Richard Nardone Mr. Vivat Jiratikarnsakul Mr. Krailuck Asawachatroj Mr. Somphong Wanapha Mr. Chavalit Sethameteekul Mrs. Anchalee Chavanich Mr. Prateep Charoneporn

9.2.2 Shareholding Structure of Property Manager

Major shareholder of the Property Manager as of 15 November 2019 (book closing date) as follow:

List of names	Number of share(s)	Ratio (%)
WHA Venture Holding Co., Ltd.	9,563,839,406	98.54

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.

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

Trustee Name	SCB Asset Management Co., Ltd.
Location of office	No. 18 SCB Park Plaza 1, 7-8 th Floor Ratchadaphisek Road, Chatuchak Sub-district, Chatuchak District, Bangkok 10900
Corporate registration number	0105535048398
Telephone	02 949 1500
Facsimile	02 949 1514
Website	http://www.scbam.com

9.3.2 Structure of Shareholders

Name of major shareholder as follow:

Name	Number of share (s)	Ratio (%)
Siam Commercial Bank PCL.	19,999,998	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

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

9.4.2 Registrar

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

9.4.3 Appraisals

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

9.4.4 Market Researcher

Name	Knight Frank Thailand
Address	65/192, 23rd Fl., Chamnan Phenjati Business Center Rama9 Road Huaykwan District, Bangkok 10310
Telephone	02-643-8223

9.4.5 Consultant

Legal Advisor

Name	RL Counsel Company Limited
Address	62/15 Thaniya Road, Suriyawongse Bangrak, Bangkok 10500
Telephone	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.

In addition to those specified above, there was an important agenda proposed to the Board of Directors' meeting in 2019 i.e. the additional investment of HREIT, in which the Board of Directors has resolved to approve the additional investment and to propose for further consideration and approval by the Extraordinary General Meeting of Trust Unitholders to be held on July 10, 2019. However, as there were some changes to particular investment assets by HREIT as appropriate, the Board of Directors, therefore, resolved to revoke the said Extraordinary General Meeting of Trust Unitholders.

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 reasonably 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.

The leases of the invested main assets are distributed over the life of the lease, industry including the nationality of the tenant, therefore such distribute would mitigate the risk and the impact on the revenue. Revenue from the top ten tenants accounted for 22.90 percent of total revenue from the invested assets. However, in overall, the tenancy profile of main asset that invested are big company and reliable.

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 which shows certain details of revenues and expenses in each year in order to avoid any unnecessary expenses and set targeted annual revenues for the property manager as well as monitor revenues and expenses to be in line with the budget plan
- 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 2019.

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 conduct under rules and regulations as prescribed in the Trust Deed and the rule set forth in SEC rules 26/2555.

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. Except the fourth quarter financial statements.
- 10.10.2 Audited annual financial statements submitted within 2 (two) 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 be 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. Moreover, the approach of audited or reviewed quarterly financial statements and audited annual financial statements submission as prescribed in clause (10.10.1), (10.10.2) 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; in case of annual report shall follow clause as specified in (10.10.10)

- 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 can be in the form of electronics information and submit 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 45 days 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 2019, 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 21st 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 PCL. 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 8 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.
- 4) 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.

5) 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.

6) 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.

7) 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

8) 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

The REIT Manager had participated in an activity for the promotion and development of youth education together with WHA Corporation PCL. on May 30, 2019 and June 6, 2019 in the "2019 Educational Equipment Granting" Project for the education promotion and youth development in the neighboring area of the industrial estate of WHA. There were educational equipment e.g. school bags, notebooks, stationery, drawing and coloring equipment, and sports equipment granted to 19,100 students from 54 schools and 15 child development centers from the neighboring area of the industrial estate of WHA in Rayong and Chonburi provinces e.g. the Eastern Seaboard Industrial Estate (Rayong), WHA Eastern Seaboard Industrial Estate 1, and WHA Chonburi Industrial Estate 1, to create cordial relationship between the participating business operators and the neighboring 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.	– Being a major shareholder of the REIT Manager as WHAID holds totally 99.99% of the issued and paid shares of the REIT – Having authority to control the REIT Manager – Being an executive of HREIT’s real estate
2. WHA Industrial REIT Management Co., Ltd	– Being the REIT Manager – Being a subsidiary company of WHAID
3. WHA Eastern Seaboard Industrial Estate Co., Ltd.	– 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.
4. Eastern Seaboard Industrial Estate (Rayong) Co., Ltd.	– 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.

Juristic person/company which may have conflict	Relationship
5. WHA Industrial Building Co., Ltd.	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.
6. WHA Utilities and Power PCL. ("WHAUP")	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
7. SCB Asset Management Co., Ltd. ("SCBAM")	- Being the trustee - Being a subsidiary company of SCB which major shareholder as SCB totally 99.99% of the issued and paid of SCBAM
8. Siam Commercial Bank PCL. ("SCB")	- Being a major shareholder of trustee as SCB holds totally 99.99% of the issued and paid shares of SCBAM - Being a Lender

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.	- 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 6th 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

Juristic person/company which may have conflict	Type of transactions	Necessity and reasonability of transaction	Opinion of the REIT Manager on price and condition
			service agreements for a period of less than or equal to one year without hiring or assigning the property agent or others. - 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 ("FTREIT") (but commencement of executive appointment contract of both HPF and FTREIT 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

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. - 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. - 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 th 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
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.	renewal of the contract as agreed mutually by the contractual parties. - 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. - 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 - In case when WHAID or WHA Industrial Building Co., Ltd. and/or persons related to WHAID and/or WHA Industrial

Juristic person/company which may have conflict	Type of transactions	Necessity and reasonability of transaction	Opinion of the REIT Manager on price and condition
			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. - 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.

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.	The REIT appoints WHA Industrial REIT Management Co., Ltd. as the REIT Manager	– 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. – 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.	– 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: ● Base fee – in the rate which is not exceeded 0.25% per annum of total asset value (TAV) of the REIT and ● Commission fee of the REIT's property acquisition ■ 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 ■ In case of other person's properties – in the rate which is not exceeded 1.00% of the acquired the REIT's properties value ● 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

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. WHA Industrial Development PLC. 2. Eastern Seaboard Industrial Estate (Rayong) Co., Ltd. 3. WHA Eastern Seaboard Industrial Estate Co., Ltd. and 4. WHA Industrial Building Co., Ltd.	Being the asset owners of the REIT's investment and selling movable assets in the projects as follow: ● Eastern Seaboard Industrial Estate (Rayong) ● WHA Eastern Seaboard Industrial Estate ● WHA Chonburi 1 Industrial Estate ● WHA Logistics Park 1 ● WHA Logistics Park 2	– 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	– 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. – 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.

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")	WHA Logistics Park 4 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.	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 2. WHA Utilities and Power Public Co.,Ltd. ("WHAUP")	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. 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.	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. 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.	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.

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.	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. 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").	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.	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.

14. Financial Highlights

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

Year	Name of Certified Public Accountant	Accounting Company
2019	Mr. Boonrueng Lerdwiseswit	PricewaterhouseCoopers ABAS Ltd.
2018	Mr. Boonrueng Lerdwiseswit	PricewaterhouseCoopers ABAS Ltd.
2017	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 2019, 2018 and 2017, 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 2019, 2018 and 2017, 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 2019, 2018 and 2017

(Unit : Baht)

	31 Dec 2019	31 Dec 2018	31 Dec 2017
Assets			
Investments at fair value :			
(at cost in 2019: Baht 10,162 Million and in 2018: Baht 10,159 Million and in 2017: Baht 8,092 Million)	9,642,374,761	9,430,069,981	7,240,310,553
Cash and cash equivalents	162,812,614	135,554,906	1,160,018,857
Accounts receivable and other receivable	20,729,188	51,608,314	23,407,046
Prepaid expenses	14,492,732	1,357,319	751,597
Deferred expenses	37,537,311	49,657,073	2,914,684
Deferred income from operating lease agreement	33,339,245	19,207,676	2,914,288
Refundable VAT	284,811	483,071	194,042
Other assets	2,374,669	3,433,269	3,086,715
Total assets	9,913,945,331	9,691,371,609	8,433,597,782
Liabilities			
Unearned rental and service income	12,019,659	10,291,704	7,152,305
Deposits received from customer	191,754,504	166,810,101	134,731,673
Borrowing from financial institutions - net	3,293,206,577	3,282,307,418	2,293,506,651
Accrued expenses	19,736,657	26,678,578	11,899,157
Other liabilities	13,088,906	24,461,330	1,075,745
Total Liabilities	3,529,806,303	3,510,549,131	2,448,365,531
Net assets	6,384,139,028	6,180,822,478	5,985,232,251
Net assets represented by			
Capital received from unitholders	6,046,556,123	6,062,435,654	6,516,969,663
Retained earnings (deficits)	337,582,905	118,386,824	(531,737,412)
Net assets	6,384,139,028	6,180,822,478	5,985,232,251
Net assets value per unit (Baht)	9.0860	8.7966	8.5182
Unit outstanding at the end of the year (Units)	702,634,116	702,634,116	702,634,116

14.2.2 Statement of Income for the year ended 31 December 2019, 2018 and 2017

(Unit : Baht)

	2019	2018	2017
Investment income			
Rental and service income	640,833,222	519,353,004	447,229,592
Rooftop rental income	5,901,632	5,902,336	4,871,459
Undertaking income	120,281,495	200,032,241	123,777,724
Interest income	925,337	757,016	955,014
Total income	767,941,686	726,044,597	576,833,789
Expenses			
Management fee	15,455,358	14,442,615	13,077,500
Trustee fee	15,455,358	14,442,615	12,183,204
Registrar fee	2,081,933	2,185,264	2,447,783
Property management fee	13,792,448	20,815,492	13,594,514
Other expenses	40,065,174	29,266,142	13,601,668
Total expenses	86,850,271	81,152,128	54,904,669
Net investment income before financial costs	681,091,415	644,892,469	521,929,120
Financial costs			
Interest expenses	137,088,734	117,977,622	96,573,980
Net investment income	544,002,681	526,914,847	425,355,140
Net gain (loss) from investments			
Net gain from sale investments	1,826,188	704,946	1,213,630
Net unrealized gain (loss) from investments valuation	210,530,994	122,504,443	(851,980,408)
Total net gain (loss) from investment	212,357,182	123,209,389	(850,766,778)
Increase (decrease) in net assets from operations during the year	756,359,863	650,124,236	(425,411,638)

14.2.3 Statement of Changes in Net Assets for the year ended 31 December 2019, 2018 and 2017

(Unit : Baht)

	2019	2018	2017
Increase in net assets from operations during the year			
Net investment income	544,002,681	526,914,847	425,355,140
Net gain from sale of investments	1,826,188	704,946	1,213,630
Net unrealized gain (loss) from investment	210,530,994	122,504,443	(851,980,408)
Increase (decrease) in net assets from operations during the year	756,359,863	650,124,236	(425,411,638)
Issuance of the trust's unit		-	1,092,847,751
Decrease in value of investment trust from capital reduction	(15,879,531)	(454,534,009)	(269,478,088)
Distribution payment	(537,163,782)	-	(150,709,592)
Increase in net assets during the year	203,316,550	195,590,227	247,248,433
Net assets at the beginning of the year	6,180,822,478	5,985,232,251	5,737,983,818
Net assets at the end of the year	6,384,139,028	6,180,822,478	5,985,232,251

14.2.4 Statement of Cash flows for the year ended 31 December 2019, 2018 and 2017

(Unit : Baht)

	2019	2018	2017
Increase (decrease) in net assets from operations during the year	756,359,863	650,124,236	(425,411,638)
Cash flows from operating activities	704,073,541	(1,386,810,516)	390,963,882
Cash flows from financing activities	(676,815,833)	362,346,565	576,018,103
Net increases (decrease) in cash and cash equivalents	27,257,708	(1,024,463,951)	966,981,985
Cash and Cash equivalents at the beginning of the year	135,554,906	1,160,018,857	193,036,872
Cash and Cash equivalents at the end of the year	162,812,614	135,554,906	1,160,018,857

14.2.5 Significant financial ratios and additional significant information

	2019	2018	2017
Net assets at the end of the year (Baht)	6,384,139,028	6,180,822,478	5,985,232,251
Ratios of total expense to average net assets during of the year (%)	1.39	1.33	1.02
Ratios of investment income to average net assets during the year (%)	12.25	11.91	10.72
Ratios of weighted average investment purchases and Sales during the period/year to average net assets during the year (%)*	-	33.86	0.02
Weighted average net asset during the year (Baht)	6,269,947,559	6,096,956,919	5,382,249,574

* 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 2019, The REIT had the total assets of THB 9,913.95 million increase THB 222.58 million or 2.30 percent from previous year. This were mainly the investments at fair value of THB 9,642.37 million increases from previous year THB 212.30 million or 2.25 percent due to appraisal/revalue the investments in properties.

(Unit : million Baht)

Asset	31 Dec 2019	31 Dec 2018	Change (%)
Investments at fair value	9,642.38	9,430.07	2.25
Cash and cash equivalents	162.81	135.55	20.11
Accounts receivable and other receivable	20.73	51.61	(59.83)
Prepaid expenses	14.49	1.36	965.44
Deferred expenses	37.54	49.66	(24.41)
Deferred income from operating lease agreement	33.34	19.21	73.56
Refundable VAT	0.28	0.48	(41.67)
Other assets	2.38	3.43	(30.61)
Total assets	9,913.95	9,691.37	2.30

Liabilities

As of 31 December 2019, The REIT had the total liabilities of THB 3,529.81 million increase THB 19.26 million or 0.55 percent from previous year. This were mainly deposits received from customer of THB 191.75 million increase 24.94 million or 14.95 percent and Borrowing from financial institutions of THB 3,293.21 million increase THB 10.90 million or 0.33 percent due to increased amortization of upfront fee from borrowing with no additional loans. For accrued expenses and other liabilities decrease THB 16.58 million or 36.97 percent from previous year.

(Unit : million Baht)

Liabilities	31 Dec 2019	31 Dec 2018	Change (%)
Unearned rental and service income	12.02	10.29	16.81
Deposits received form customer	191.75	166.81	14.95
Borrowing from financial institutions - net	3,293.21	3,282.31	0.33

Liabilities	31 Dec 2019	31 Dec 2018	Change (%)
Accrued expenses	19.74	26.68	(26.01)
Other liabilities	13.09	24.46	(46.48)
Total Liabilities	3,529.81	3,510.55	0.55

The Net Asset

As of 31 December 2019, The REIT had the total net assets of THB 6,384.14 increase THB 203.32 million or 3.29 percent from previous year, equivalent to the net asset value per unit THB 9.0860.

Net assets value	31 Dec 2019	31 Dec 2018	Change (%)
Net assets value (million Baht)	6,384.14	6,180.82	3.29
Net assets value per unit (Baht)	9.0860	8.7966	3.29
Unit outstanding at the end of the year (Units)	702,634,116	702,634,116	-

15.2 Operating results

For the period of 1 January 2019 to 31 December 2019, The REIT had the total income of THB 767.94 million increase THB 41.90 million or 5.77 percent from previous year. The total income comprising of the rental and service income accounting for THB 640.83 million, the rooftop rental income accounting for THB 5.90 million, the Interest income accounting for THB 0.93 million and undertaking 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 120.28 million. The total expense of THB 86.85 million increase THB 5.7 million or 7.02 percent from previous year. The total expense comprising of Management fee of THB 15.46 million, Trustee fee of THB 15.46 million, Property management fee of THB 13.79 million, Registrar fee of THB 2.08 million and other expenses of THB 40.06 million comprising of Property maintenance expenses, Amortization 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 681.09 million increase THB 36.20 million or 5.61 percent from previous year. After deducting financial costs in the amount of Baht 137.09 million, and additional net gain from investments in the amount of Baht 212.36 million (out of which Baht 210.53 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 756.36 million increase THB 106.24 million or 16.34 percent from previous year.



15.3 The Financial Statement of The REIT

HEMARAJ LEASEHOLD REAL ESTATE INVESTMENT TRUST

FINANCIAL STATEMENTS

31 DECEMBER 2019



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 2019, 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 2019;
- the statement of details of investments as at 31 December 2019;
- 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.

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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 which 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 this matter.

Key audit matter	How my audit addressed the key audit matter
Valuation of investments in properties Refer to Note 2.5 'Accounting policy on investments in properties', Note 6 'Critical accounting estimates and judgements' and Note 7 'Investments at fair value'. As at 31 December 2019, investments in properties were presented at the fair value of Baht 9,545.64 million, contributing to 96.28% of the Trust's total assets. The REIT Manager assessed the fair value of investments in properties using an income approach method by independent appraisers, according to the accounting policy stated in Note 2.5. I focused on this area because the valuation of investments in properties made by REIT Manager involved significant judgement and assumptions, and the REIT Manager applies estimated future net cash flows which involved significant assumptions, such as growth rate, occupancy rate, capitalised rate, estimated future income and expense, and discounted rate.	I discussed with the REIT Manager and independent appraisers to understand the basis used to measure the investments in properties' valuation. I assessed the independent appraisers' competence, capabilities and objectivity and verified their qualifications. I assessed the valuation method applied and checked validity of data used in the estimation of the expected future cash flows received from the properties: - Evaluated the appropriateness of the future cash flow estimates from independent appraisers by reviewing the data inputs with these supporting documentations: - the estimated future net cash flows received from these investment properties by agreeing with the estimated revenue, expenses and net income. - the growth rate of revenue by comparing with the historical information and supported documents which includes recent renewals rate on lease contracts. - the occupancy rate by comparing with the historical average occupancy rate. - the discount rate by considering the basis of the discounted rate and benchmarking it against the rate used by companies within the same industries. - Recomputed the calculation of the investments in properties' valuation based on the expected future cash flows received from these investment properties and the discounted rate which reflected current market assessments and checked the accuracy of the accounting transactions. - Tested the sensitivity analysis and the possible impact if there are changes in key assumptions. 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 the valuation of investments in properties were in the acceptable range of reasonable estimates.



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.



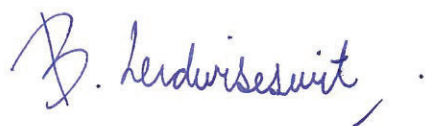
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the REIT Manager.
- Conclude on the appropriateness of the REIT Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether 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 2020

Hemaraj Leasehold Real Estate Investment Trust
Balance Sheet
As at 31 December 2019

	Notes	2019 Baht	2018 Baht
Assets			
Investments at fair value			
(at cost in 2019: Baht 10,162 million	5.2, 7	9,642,374,761	9,430,069,981
and in 2018: Baht 10,159 million)			
Cash and cash equivalents	8, 15	162,812,614	135,554,906
Accounts receivable and other receivable, net	9	20,729,188	51,608,314
Prepaid expenses		14,492,732	1,357,319
Deferred expenses	10	37,537,311	49,657,073
Deferred income from operating lease agreement		33,339,245	19,207,676
Refundable value added tax		284,811	483,071
Other assets		2,374,669	3,433,269
Total assets		9,913,945,331	9,691,371,609
Liabilities			
Unearned rental and service income		12,019,659	10,291,704
Deposits received from customers		191,754,504	166,810,101
Borrowing from financial institutions, net	11	3,293,206,577	3,282,307,418
Accrued expenses		19,736,657	26,678,578
Other liabilities		13,088,906	24,461,330
Total liabilities		3,529,806,303	3,510,549,131
Net assets		6,384,139,028	6,180,822,478
Net assets represented by			
Capital received from unitholders	12	6,046,556,123	6,062,435,654
Retained earnings	12	337,582,905	118,386,824
Net assets		6,384,139,028	6,180,822,478
Net assets value per unit (Baht)		9.0860	8.7966
Unit outstanding at the end of the year (Units)		702,634,116	702,634,116

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

Hemraj Leasehold Real Estate Investment Trust
Statement of Details of Investments
As at 31 December 2019

Type of investments	Areas (Square meters)	Cost Baht	Fair value Baht	% of fair value
Investments in properties (Note 5.2, 7)				
Ownership over leasehold right on land, buildings, and warehouses				
1. WHA Eastern Seaboard Industrial Estate 1 (WHA ESIE 1) <u>Location</u> Pluak Daeng District, Rayong Province and Sriracha District, Chonburi Province	127,508	4,269,819,299	4,058,690,000	42.09
2. Eastern Seaboard Industrial Estate (Rayong) (ESIE) <u>Location</u> Pluak Daeng District, Rayong Province	57,752	1,819,943,072	1,736,510,000	18.01
3. WHA Chonburi Industrial Estate 1 (WHA CIE 1) <u>Location</u> Sriracha District, Chonburi Province	17,712	566,625,088	526,650,000	5.46
4. WHA Saraburi Industrial Land (WHA SIL) <u>Location</u> Nong Khae District, Saraburi Province	28,012	844,486,383	825,280,000	8.56
5. WHA Logistics Park 1 (WHA LP 1) <u>Location</u> Sriracha District, Chonburi Province	16,820	425,780,818	399,690,000	4.15
6. WHA Logistics Park 2 (WHA LP 2) <u>Location</u> Sriracha District, Chonburi Province	50,996	1,310,894,762	1,209,220,000	12.54
7. WHA Logistics Park 4 (WHA LP 4) <u>Location</u> Pluak Daeng District, Rayong Province	33,705	828,717,047	789,600,000	8.19
Total investments in properties	332,505	10,066,266,469	9,545,640,000	99.00
Investment in securities (Note 5.2, 7)				
Investment in mutual funds				
Krungsri Active Fixed Income Fund	N/A	48,000,000	48,409,874	0.50
TMB Aggregate Bond Fund	N/A	48,000,000	48,324,887	0.50
Total Investment in mutual funds		96,000,000	96,734,761	1.00
Total investment in securities		96,000,000	96,734,761	1.00
Total investments		10,162,266,469	9,642,374,761	100.00

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

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

Type of investments	Areas (Square meters)	Cost Baht	Fair value Baht	% of fair value
Investments in properties (Note 5.2, 7)				
Ownership over leasehold right on land, buildings, and warehouses				
1. WHA Eastern Seaboard Industrial Estate 1 (WHA ESIE 1) <u>Location</u> 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) (ESIE) <u>Location</u> 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) <u>Location</u> Sriracha District, Chonburi Province	17,712	566,625,088	528,732,000	5.61
4. WHA Saraburi Industrial Land (WHA SIL) <u>Location</u> Nong Khae District, Saraburi Province	28,012	844,486,383	835,963,767	8.86
5. WHA Logistics Park 1 (WHA LP 1) <u>Location</u> Sriracha District, Chonburi Province	16,820	425,780,818	393,670,000	4.17
6. WHA Logistics Park 2 (WHA LP 2) <u>Location</u> Sriracha District, Chonburi Province	50,996	1,310,894,762	1,194,010,000	12.66
7. WHA Logistics Park 4 (WHA LP 4) <u>Location</u> 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
Investment in securities (Note 5.2, 7)				
Investment in mutual funds				
TMB Ultra- Short Bond Fund	N/A	35,099,543	35,617,285	0.38
TMB Bond Fund	N/A	58,075,293	58,608,929	0.62
Total Investment in mutual funds		93,174,836	94,226,214	1.00
Total investment in securities		93,174,836	94,226,214	1.00
Total investments		<u>10,159,441,305</u>	<u>9,430,069,981</u>	<u>100.00</u>

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

Hemaraj Leasehold Real Estate Investment Trust
Statement of Income
For the year ended 31 December 2019

	Notes	2019 Baht	2018 Baht
Investment income			
Rental and service income		640,833,222	519,353,004
Rooftop rental income	15	5,901,632	5,902,336
Undertaking income	15	120,281,495	200,032,241
Interest income	15	925,337	757,016
Total income		<u>767,941,686</u>	<u>726,044,597</u>
Expenses			
Management fee	14, 15	15,455,358	14,442,615
Trustee fee	14, 15	15,455,358	14,442,615
Registrar fee	14	2,081,933	2,185,264
Property management fee	14, 15	13,792,448	20,815,492
Other expenses	16	40,065,174	29,266,142
Total expenses		<u>86,850,271</u>	<u>81,152,128</u>
Net investment income before financial costs		681,091,415	644,892,469
Financial costs			
Interest expenses		<u>137,088,734</u>	<u>117,977,622</u>
Net investment income		<u>544,002,681</u>	<u>526,914,847</u>
Net gain from investments			
Net gain from sale of investments	7, 12	1,826,188	704,946
Net unrealised gain from investments valuation	7, 12	<u>210,530,994</u>	<u>122,504,443</u>
Total net gain from investments		<u>212,357,182</u>	<u>123,209,389</u>
Increase in net assets from operations for the year		<u><u>756,359,863</u></u>	<u><u>650,124,236</u></u>

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

Hemaraj Leasehold Real Estate Investment Trust
Statement of Changes in Net Assets
For the year ended 31 December 2019

	Notes	2019 Baht	2018 Baht
Increase in net assets from operations during the year			
Net investment income		544,002,681	526,914,847
Net gain from disposal of investments	7, 12	1,826,188	704,946
Net unrealised gain from investments valuation	7, 12	210,530,994	122,504,443
Increase in net assets from operations		756,359,863	650,124,236
Decrease in value of investment trust from capital reduction	12	(15,879,531)	(454,534,009)
Distribution payment	12, 13	(537,163,782)	-
Increase in net assets during the year		203,316,550	195,590,227
Net assets at the beginning of the year		6,180,822,478	5,985,232,251
Net assets at the end of the year		<u>6,384,139,028</u>	<u>6,180,822,478</u>

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

Hemaraj Leasehold Real Estate Investment Trust
Statement of Cash Flows
For the year ended 31 December 2019

	Notes	2019 Baht	2018 Baht
Cash flows from operating activities			
Increase (decrease) in net assets			
from operation during the year		756,359,863	650,124,236
Adjustments to reconcile net increase (decrease) in net assets			
from operations to net cash generated from (used in)			
operating activities:			
Acquisition of investments in properties	7	-	(2,091,275,052)
Acquisition of investments in securities	7	(96,000,000)	(56,000,000)
Disposal of investment in securities	7	96,052,402	80,725,013
Accounts receivable and other receivable, net		30,879,126	(29,426,156)
Prepaid expenses		(13,135,413)	(605,722)
Deferred expenses	10	12,119,762	10,141,591
Deferred income from operating lease agreement		(14,131,569)	(16,293,388)
Refundable value added tax		198,260	(289,029)
Other assets		1,055,512	(507,642)
Unearned rental and service income		1,727,955	3,139,399
Deposits received from customers		24,944,403	32,078,428
Accrued expenses		(9,358,976)	11,838,012
Other liabilities		(11,372,424)	23,385,585
Interest income		(925,337)	(757,016)
Interest received		928,425	918,104
Interest expenses		137,088,734	117,977,622
Allowance for doubtful debt		-	1,224,888
Net gain from disposal of investments	7, 12	(1,826,188)	(704,946)
Net unrealised gain from investments valuation	7, 12	(210,530,994)	(122,504,443)
Net cash generated from (used in) operating activities		704,073,541	(1,386,810,516)
Cash flows from financing activities			
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)
Interest paid		(123,772,520)	(105,476,322)
Cash paid for capital reduction	12	(15,879,531)	(454,534,009)
Cash paid for distribution payment	12, 13	(537,163,782)	-
Net cash generated from financing activities		(676,815,833)	362,346,565
Net increase (decrease) in cash and cash equivalents		27,257,708	(1,024,463,951)
Cash and cash equivalents at the beginning of the year		135,554,906	1,160,018,857
Cash and cash equivalents at the end of the year	8	162,812,614	135,554,906

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

Hemaraj Leasehold Real Estate Investment Trust

Significant Financial Information and Ratios

For the year ended 31 December 2019

	Notes	2019 Baht	2018 Baht	2017 Baht	For the period from 28 November 2016 (date of registration) to 31 December 2016 Baht
Information on operating results (per unit)					
Net assets at the beginning of the year		8,7966	8,5182	10,0779	-
Add Capital from unitholders		-	-	-	10,0000
Net investment income		0,7743	0,7499	0,8216	0,0779
Net gain from sale of investments		0,0026	0,0010	0,0023	-
Net unrealised gain (loss) from investments valuation		0,2996	0,1744	(1,6456)	-
Less Decrease in investment trust value from capital reduction	12	(0,0226)	(0,6469)	(0,4733)	-
Distribution payment	13	(0,7645)	-	(0,2647)	-
Net assets at the end of the year		9,0860	8,7966	8,5182	10,0779
Ratio of net gain (loss) to average net assets during the year (%)					
		12.06	10.66	(7.90)	0.01
Significant financial ratios and additional significant information					
Net assets value at the end of the year (Baht)		6,384,139,028	6,180,822,478	5,985,232,251	5,737,983,818
Ratios of total expenses to average net assets during the year (%)		1.39	1.33	1.02	0.13
Ratios of investment income to average net assets during the year (%)		12.25	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)		6,269,947,559	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.

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

Hemaraj Leasehold Real Estate Investment Trust
Notes to the Financial Statements
For the year ended 31 December 2019

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 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 and permitted their trading from 28 November 2016 onwards.

The Trust is managed by WHA Industrial REIT Management Company Limited (the REIT Manager), SCB Asset Management Company Limited acts as the Trustee and WHA Industrial 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 2020.

2 Accounting policies

The principal accounting policies applied in the preparation at these financial statements of the Trust are set out below.

2.1 Basis of preparation

The financial statements have been prepared in accordance with Thai Financial Reporting Standards (TFRS) and the financial reporting requirements issued under the Securities and Exchange Act. The primary financial information which comprise of the balance sheet, the statement of details of investments, the statements of income, changes in net assets, cash flows and significant financial information and ratio are prepared in the full format which are complied with Thai Accounting Standard No. 106, *Accounting Guide for Investment Companies*.

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 TFRS requires REIT Manager to use certain critical accounting estimates and to exercise its judgement in applying the Trust's accounting policies. The areas involving a higher degree of judgement or complexity, or areas that are more likely to be materially adjusted are disclosed in Note 6.

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 2019

2.2 New and amended financial reporting standards

From 1 January 2019, the Trust has applied the new and amended TFRS which are effective for accounting period beginning on or after 1 January 2019 and relevant to the Trust. The application of these financial reporting standards does not have significant impact to the financial statements of the Trust.

Certain new and amended financial reporting standards which are effective for accounting period on or after 1 January 2020 have not been early adopted by the Trust. The REIT Manager is currently assessing the impact of adoption of these standards.

2.3 Cash and cash equivalents

In the statements of cash flows, cash and cash equivalents includes cash on hand, deposits held at call, short-term highly liquid investments with maturities of three months or less from acquisition date.

2.4 Trade accounts receivable

Trade receivables are amounts due from customers for service performed in the ordinary course of business.

The Trust initially recognises trade receivables at the amount of consideration that has no payment condition. If receivables contain significant financing components, they are recognised at their present value. Subsequently, the Trust presented trade receivables at cost less allowance for doubtful accounts.

2.5 Investments

Investments in properties

Properties held for long-term rental yields or for capital appreciation or both and are not occupied by the Trust are recognized as investments in properties. Investments in properties also includes property that is being constructed or developed for future use as investment property.

Investments in properties including directly attributable costs and borrowing costs are measured initially at cost.

Subsequently, they are carried at fair value. Changes in fair values will be recognised in the statement of income as an unrealised gain or loss as of measurement date.

The fair value is based on the appraisal value determined by the independent professional appraisers licensed by the Securities and Exchange Commission Thailand. The REIT Manager 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 significant 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 REIT Manager will not appoint any Appraiser to appraise the property or leased property for more than two consecutive times.

Hemaraj Leasehold Real Estate Investment Trust
Notes to the Financial Statements
For the year ended 31 December 2019

Investments in securities

Investments in mutual fund presented 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.

The Trust recognises unrealised gain or loss from investment valuation 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.

2.7 Leases*Leases - where the Trust is the lessee*

At the inception of finance lease, the lower of the fair value of the leased property and the present value of the minimum lease payments is capitalised. Each lease payment is allocated between the liability and finance charges to achieve a constant rate on the liabilities balance outstanding. The corresponding rental obligations is presented net of finance charges. Finance cost is charged to profit or loss over the lease period.

Leases - where the Trust is the lessor

Rental income under operating leases (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

2.8 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.

2.9 Borrowing

Borrowings are recognised initially at the fair value, net of directly attributable transaction costs incurred. Borrowings are subsequently stated at amortised cost.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it will be drawn down. The fee is included in effective interest calculation. However, if it is probable that facility will not be drawn down, that portion of the fee paid is recognised as a prepayment and amortised over the period of related facility.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled, or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as finance costs.

Hemaraj Leasehold Real Estate Investment Trust
Notes to the Financial Statements
For the year ended 31 December 2019

2.10 Revenues recognition

Rental and service income

The Trust's main revenue derives from rental income from ordinary business activities and also include relevant service income.

The Trust recognised rental and service contracts with a continuous service provision as revenue on a straight-line basis over the contract term, regardless of the payment pattern. 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" in Balance sheet.

Revenue are recorded net of value added tax. The Trust recognises revenue when collectibility of the consideration is probable.

Multiple element arrangements involving provision of multiple services are separated into distinct performance obligations. The Trust allocates total transaction price of the bundled contract to each performance obligation based on their relative standalone selling prices or estimated standalone selling prices. Each performance obligation is recognised as revenue on fulfillment of the obligation to the customer.

Undertaking income

The Trust receives a minimum rental and service fee compensation for property that has not yet been rented for a period of 3 years accordance to the operating agreement. The revenue is recognised over the contract term, regardless of the payment pattern.

Interest income

Interest income is recognised on a time proportion basis, taking into account of the principal outstanding and the interest rate over the period to maturity, when it is determined that such income will accrue to the Trust.

2.11 Income taxes

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

2.12 Distribution

For distribution payment to unitholders, the REIT Manager will approve the distribution payment and assigned the closing date of the unitholders register's book.

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, 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.

Hemaraj Leasehold Real Estate Investment Trust
Notes to the Financial Statements
For the year ended 31 December 2019

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 has to accumulate such distribution for payment in 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.

4 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.

5 Financial risk management**5.1 Financial risk factors**

The Trust exposes to a variety of financial risks which are market risk (including fair value risk), credit risk and liquidity risk. The Trust's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Trust's financial performance.

5.1.1 Interest rate risk

The Trust has interest rate risk from borrowings at fixed and floating interest rates. The Trust has no significant interest-bearing assets.

5.1.2 Credit risk

The Trust has no significant concentrations of credit risk. The Trust has policies in place to ensure that contracts are made with customers who have an appropriate credit history and are in various businesses. Additionally, the Trust has a policy to collect advance rental deposits from customers as a collateral in case of default. In the REIT Manager's opinion, the Trust does not have credit risk other than the recognition of the allowance for doubtful accounts (if any) as presented in the financial statements. The estimated allowance for doubtful accounts is assessed based on the past collection experiences, customers' deposits and other factors such as the local economic conditions.

5.1.3 Liquidity risk

The Trust maintains sufficient cash to prudently manage its liquidity risk. The Trust invests its cash in market securities. 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 2019

5.2 Fair value estimation

The following table presents financial assets and liabilities that are measured at fair value, excluding where its fair value is approximating the carrying amount.

As at 31 December 2019	Level 1 Baht	Level 2 Baht	Level 3 Baht	Total Baht
Assets				
Investments in properties	-	-	9,545,640,000	9,545,640,000
Investments in mutual funds	-	96,734,761	-	96,734,761
Total assets	-	96,734,761	9,545,640,000	9,642,374,761
As at 31 December 2018	Level 1 Baht	Level 2 Baht	Level 3 Baht	Total Baht
Assets				
Investments in properties	-	-	9,335,843,767	9,335,843,767
Investments in mutual funds	-	94,226,214	-	94,226,214
Total assets	-	94,226,214	9,335,843,767	9,430,069,981

Fair values are categorised into hierarchy based on inputs used as follows:

Level 1: The fair value of financial instruments is based on the current bid price / closing price by reference to the Stock Exchange of Thailand / the Thai Bond Dealing Centre.

Level 2: The fair value of financial instruments is determined using significant observable inputs and reference as little as possible, entity-specific estimates.

Level 3: The fair value of financial instruments is not based on observable market data.

The following table presents the assets that are measured at fair value as at 31 December 2019.

The Trust did not have any transfers between Levels during the period.

Valuation techniques used to measure fair value level 2

Fair value of investments in securities is determined using net asset value at the close of business on the balance sheet date as reference by fair value providing from each management company.

Valuation techniques used to measure fair value level 3

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 that information. In case of changes in the assumptions that is expected to 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 level 3 fair value assessment comprises of discounted cash flow, which determined based on the location of each project, the ability to generate cash flow, competitive market and risk-free rate of return. The appraiser applied 9.00% - 10.00% of discounted cash flow for assets that were assessed based on yield rate from government bond plus business risk, service, market and economy conditions.

Hemaraj Leasehold Real Estate Investment Trust
Notes to the Financial Statements
For the year ended 31 December 2019

6 Critical accounting estimates and judgements

The REIT manager continually evaluated assumptions used in estimates and judgements. These assumptions are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fair value of investment properties

The fair value of investment properties that are not traded in active markets is determined using valuation techniques considering the expected future cash flows to be received from real estate. The discounted rates reflect the risks associated with such real estate. In this regard, the Trust uses an independent valuer to assess fair value of investment properties.

7 Investments at fair value

The summary of investments at fair value are as follows:

	Investments in properties Baht	Investments in securities Baht	Total Baht
As at 1 January 2018	7,123,000,000	117,310,553	7,240,310,553
Acquisition of investments	2,091,275,052	56,000,000	2,147,275,052
Disposal of investments	-	(80,725,013)	(80,725,013)
Net gain from sale of investments	-	704,946	704,946
Net unrealised gain from investments valuation	121,568,715	935,728	122,504,443
As at 31 December 2018	9,335,843,767	94,226,214	9,430,069,981
As at 1 January 2019	9,335,843,767	94,226,214	9,430,069,981
Acquisition of investments	-	96,000,000	96,000,000
Disposal of investments	-	(96,052,402)	(96,052,402)
Net gain from sale of investments	-	1,826,188	1,826,188
Net unrealised gain from investments valuation	209,796,233	734,761	210,530,994
As at 31 December 2019	9,545,640,000	96,734,761	9,642,374,761

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

Hemaraj Leasehold Real Estate Investment Trust
Notes to the Financial Statements
For the year ended 31 December 2019

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 (WHA ESIE 1)

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 of approximately 68,419 square meters.

2) Eastern Seaboard Industrial Estate (Rayong) (ESIE)

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 of approximately 30,082 square meters.

3) WHA Chonburi Industrial Estate 1 (WHA CIE 1)

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 of approximately 9,072 square meters.

4) WHA Saraburi Industrial Land (WHA SIL)

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 of approximately 14,861 square meters.

5) WHA Logistics Park 1 (WHA LP 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 of approximately 9,936 square meters.

6) WHA Logistics Park 2 (WHA LP 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 of approximately 28,440 square meters.

7) WHA Logistics Park 4 (WHA LP 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 of approximately 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 2019 was Baht 9,545.64 million (2018: Baht 9,335.84 million), resulting in unrealised gain from such assessment amounting to Baht 209.80 million (2018: Baht 121.57 million) which was recorded in the statement of income.

Hemaraj Leasehold Real Estate Investment Trust
Notes to the Financial Statements
For the year ended 31 December 2019

Details of the appraisal/review presented in table below.

Properties	Acquisition/ previous appraisal date	Acquisition/ previous appraisal cost Baht	Latest appraisal date	Latest appraisal value Baht	Unrealised gain (loss) Baht
WHA Eastern Seaboard Industrial Estate 1 (WHA ESIE 1)	15 June 2018	3,358,950,000	17 May 2019	3,506,080,000	147,130,000
Eastern Seaboard Industrial Estate (Rayong) (ESIE)	9 March 2018	546,183,000	27 February 2019	552,610,000	6,427,000
WHA Chonburi Industrial Estate 1 (WHA CIE 1)	15 June 2018	1,263,640,000	17 May 2019	1,281,300,000	17,660,000
WHA Saraburi Industrial Land (WHA SIL)	9 March 2018	440,811,000	27 February 2019	455,210,000	14,399,000
WHA Logistics Park 1 (WHA LP 1)	15 June 2018	472,170,000	17 May 2019	468,700,000	(3,470,000)
WHA Logistics Park 2 (WHA LP 2)	9 March 2018	56,562,000	27 February 2019	57,950,000	1,388,000
WHA Logistics Park 4 (WHA LP 4)	9 March 2018	353,600,000	27 February 2019	359,400,000	5,800,000
	24 December 2018	482,363,767	21 May 2019	465,880,000	(16,483,767)
	15 June 2018	393,670,000	17 May 2019	399,690,000	6,020,000
	15 June 2018	1,194,010,000	17 May 2019	1,209,220,000	15,210,000
	15 June 2018	610,940,000	17 May 2019	621,350,000	10,410,000
	9 March 2018	162,944,000	27 February 2019	168,250,000	5,306,000
		<u>9,335,843,767</u>		<u>9,545,640,000</u>	<u>209,796,233</u>

Increase (decrease) in fair value of investments in properties and (loss) gain in statement of income based on changes significant assumptions are presented as follows:

	2019 Million Baht Increase (decrease)
Increase 0.5% on discount rate	(587)
Decrease 0.5% on discount rate	661

The amount related to investments in properties that are recognised in profit or loss are as follow:

	2019 Baht	2018 Baht
Rental income and service income	640,833,222	519,353,004
Direct operating expenses resulting in rental income for the year	35,377,782	32,650,374
Direct operating expenses not resulting in rental income for the year	51,472,489	48,501,754

The total amount of future minimum rental income under operating leases that cannot be canceled are as follows:

	2019 Million Baht	2018 Million Baht
Within 1 year	641	532
Later than 1 year but not later than 5 years	832	750
Later than 5 years	11	40
Total	<u>1,484</u>	<u>1,322</u>

Hemaraj Leasehold Real Estate Investment Trust
Notes to the Financial Statements
For the year ended 31 December 2019

8 Cash and cash equivalents

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

	2019		2018	
	Principal Baht	Interest rate per annum %	Principal Baht	Interest rate per annum %
Bank				
Cash at bank				
Siam Commercial Bank Public Co., Ltd.	151,811,483	0.375	117,448,416	0.375
Short-term bank deposits				
Siam Commercial Bank Public Co., Ltd.	11,001,131	1.200	18,106,490	1.100
Total cash and cash equivalents	162,812,614		135,554,906	

9 Trade and other receivables, net

	2019 Baht	2018 Baht
Trade receivables - third parties	6,657,327	5,865,412
- related parties (Note 15)	15,630,562	47,299,203
<u>Less</u> Provision for impairment of trade receivables	(1,558,701)	(1,558,701)
Trade receivables, net	20,729,188	51,605,914
Receivables from others	-	2,400
Total	20,729,188	51,608,314

As at 31 December, analysis of aging of trade receivables, included in trade and other receivables, net in balance sheet, are as follows:

	2019 Baht	2018 Baht
Up to 3 months	20,729,188	51,828,456
3 - 6 months	-	359,419
6 - 12 months	-	976,740
Over 12 months	1,558,701	-
<u>Less</u> Provision for impairment of trade receivables	(1,558,701)	(1,558,701)
Total	20,729,188	51,605,914

Hemaraj Leasehold Real Estate Investment Trust
Notes to the Financial Statements
For the year ended 31 December 2019

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:

	2019 Baht	2018 Baht
Opening balance	49,657,073	2,914,684
Addition during the period	-	56,883,980
Amortisation during the period	(12,119,762)	(10,141,591)
Closing balance	37,537,311	49,657,073

11 Borrowing from financial institution, net

As at 31 December 2019, the Trust has borrowings from a financial institution in Thailand in a total amount of Baht 3,320 million according to contract (2018: Baht 3,320 million). The details are as follows:

The borrowing are secured over the following:

- 1) The investment in land and building leasehold right (Note 7).
- 2) The conditional assignment of rights under insurance policies and endorse lender as a beneficiary and co-insurer person.
- 3) The conditional assignment of lease and rental services agreement rights more than 3 years.

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

As at 31 December, the detail of borrowing from financial institutions is as follows:

	2019		2018	
	Carrying amounts Baht	Fair value Baht	Carrying amounts Baht	Fair value Baht
Borrowing from financial institutions	3,320,000,000		3,320,000,000	
<u>Less</u> Deferred upfront fee from borrowing	<u>(26,793,423)</u>		<u>(37,692,582)</u>	
Borrowing from financial institutions, net	3,293,206,577	3,293,206,577	3,282,307,418	3,282,307,418

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 - 4.09% (2018: 3.68 - 4.28%).

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

	2019 Baht	2018 Baht
Between 2 years and 5 years	3,320,000,000	3,320,000,000

Hemaraj Leasehold Real Estate Investment Trust
Notes to the Financial Statements
For the year ended 31 December 2019

The movements in the borrowing can be analysed as follows:

	2019 Baht	2018 Baht
Opening balance	3,282,307,418	2,293,506,651
Addition	-	995,000,000
Less Upfront fee from borrowing	-	(15,759,124)
Add Amortised upfront fee from borrowing	10,899,159	9,559,891
Closing balance	3,293,206,577	3,282,307,418

12 Unitholders' equity

As at 31 December 2019, there are 702,634,116 trust units, at par value Baht 8.8572, issued and paid-up (2018: 702,634,116 trust units, at par value Baht 8.8798).

The movements in capital account are as follows:

	2019		2018	
	Number of trust units	Amount Baht	Number of trust units	Amount Baht
Trust units registered, issued and paid-up	702,634,116	6,046,556,123	702,634,116	6,062,435,654
Opening balance	702,634,116	6,062,435,654	702,634,116	6,516,969,663
Reduction of investment trust value	-	(15,879,531)	-	(454,534,009)
Closing balance	702,634,116	6,046,556,123	702,634,116	6,062,435,654

At the Board of Directors' meeting of WHA Industrial REIT Management Company Limited, on 18 February 2019 the REIT Manager of the Trust approved the capital reduction at the par value of Baht 0.0226 per unit totaling to Baht 15.88 million. The reduction of registered capital was paid to unitholders on 26 March 2019.

The movements in retained earnings (deficits) are as follows:

	2019 Baht	2018 Baht
Opening balance	118,386,824	(531,737,412)
Net investment income	544,002,681	526,914,847
Net gain on sale of investments (Note 7)	1,826,188	704,946
Net unrealised gain (loss) from investments valuation (Note 7)	210,530,994	122,504,443
Distribution payment (Note 13)	(537,163,782)	-
Closing balance	337,582,905	118,386,824

Hemaraj Leasehold Real Estate Investment Trust
Notes to the Financial Statements
For the year ended 31 December 2019**13 Distributions**

The details of distributions for the year ended 31 December 2019 is as follow:

No.	The operation for period	Payment date	Per unit Baht	Total Baht
1	1 October 2018 - 31 December 2018	26 March 2019	0.1684	118,323,585
2	1 January 2019 - 31 March 2019	20 June 2019	0.1987	139,613,399
3	1 April 2019 - 30 June 2019	19 September 2019	0.1987	139,613,399
4	1 July 2019 - 30 September 2019	20 December 2019	0.1987	139,613,399
				<u>537,163,782</u>

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, special business tax, or other similar type of 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, special business tax, or other similar type of 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 (exclusive of value added tax, special business tax, or other similar type of tax) of the net asset value of the Trust as calculated by the Management Company and verified by the Trustee.

Property management fee

Fee and expenses of the Property Manager shall be payable to the Property Manager, 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, special business tax, or other similar type of tax). The rate shall not exceed 3.00% per annum of the net assets value of the Trust.

Hemaraj Leasehold Real Estate Investment Trust
Notes to the Financial Statements
For the year ended 31 December 2019

15 Related party transactions

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

- WHA Industrial 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 is the unitholder, parent company of the management company and property manager of the Trust.
- WHA Eastern Seaboard Industrial Estate Company Limited is a subsidiary of WHA Industrial Development Public Company Limited.
- WHA Industrial Building Company Limited is a subsidiary of WHA Industrial Development Public Company Limited.
- Eastern Seaboard Industrial Estate (Rayong) Company Limited is a subsidiary of WHA Industrial Development Public Company Limited.
- WHA Utilities and Power Public Company Limited is a subsidiary of WHA Industrial Development Public Company Limited.

The following significant transactions were carried out with related parties:

a) Income and expenses

	2019 Baht	2018 Baht
Income		
<u>Rooftop rental income</u>		
WHA Utilities and Power Public Company Limited	5,901,632	5,902,336
<u>Undertaking income</u>		
WHA Industrial Development Public Company Limited	7,711,480	14,999,463
WHA Eastern Seaboard Industrial Estate Company Limited	67,789,759	133,210,283
WHA Industrial Building Company Limited	17,762,677	23,680,565
Eastern Seaboard Industrial Estate (Rayong) Company Limited	27,017,579	28,141,930
<u>Interest income</u>		
Siam Commercial Bank Public Company Limited	925,337	757,016
Expenses		
<u>Management fee</u>		
WHA Industrial REIT Management Company Limited	15,455,358	14,442,615
<u>Trustee fee</u>		
SCB Asset Management Company Limited	15,455,358	14,442,615
<u>Property management fee</u>		
WHA Industrial Development Public Company Limited	13,792,448	20,815,492
<u>Interest expenses</u>		
Siam Commercial Bank Public Company Limited	118,257,608	117,564,023

Hemaraj Leasehold Real Estate Investment Trust
Notes to the Financial Statements
For the year ended 31 December 2019

b) Outstanding balances

	2019 Baht	2018 Baht
<u>Deposit at bank</u>		
Siam Commercial Bank Public Company Limited (Note 8)	162,812,614	135,554,906
<u>Accounts receivable and other receivable</u>		
WHA Industrial Development Public Company Limited	217,845	4,227,520
WHA Eastern Seaboard Industrial Estate Company Limited	9,822,053	32,163,525
WHA Industrial Building Company Limited	1,574,609	3,701,252
Eastern Seaboard Industrial Estate (Rayong) Company Limited	4,016,055	7,206,906
<u>Accrued expenses</u>		
WHA Industrial REIT Management Company Limited	2,671,174	2,503,311
SCB Asset Management Company Limited	2,671,174	2,503,311
WHA Industrial Development Public Company Limited	2,761,450	3,146,064
<u>Borrowing from financial institution, net</u>		
Siam Commercial Bank Public Company Limited	2,877,374,801	2,867,409,041

16 Other expenses

	2019 Baht	2018 Baht
Property maintenance expenses	21,585,334	11,834,882
Amortisation of deferred expenses	12,119,762	10,141,591
Consulting and professional fees	1,163,531	1,176,054
Other expenses	5,196,547	6,113,615
Total other expenses	40,065,174	29,266,142

17 Information regarding sale and purchase of investments

During the year ended 31 December 2019, the Trust has purchased and sold investments-net, amounting to Baht 52,402 (2018: 2,066.55 million), representing 0.00 % (2018: 33.86%) of the weighted average net assets during the year.

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 the 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.

Hemaraj Leasehold Real Estate Investment Trust
Notes to the Financial Statements
For the year ended 31 December 2019

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:

	2019 Baht	2018 Baht
Within 1 year	20,500,000	20,500,000
Later than 1 year but not later than 5 years	82,000,000	82,000,000
Later than 5 years	451,000,000	471,500,000
Total	553,500,000	574,000,000

20 Events after the reporting period

On 18 February 2020, at the Board of Directors' meeting of WHA Industrial REIT Management Company Limited, the REIT manager of the Trust, has unanimously approved the distribution payment for the performance from 1 October 2019 to 31 December 2019 at the rate of Baht 0.1987, per trust unit totaling to Baht 139.61 million. The distribution payment will be paid to the unitholders on 30 March 2020.

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

The Thai economy in 2020 is projected to expand by 1.5 – 2.5 percent, softening from 2019 due to impacts from the coronavirus (Covid-19) outbreak, the drought conditions, and the delay in FY2020 budget. Nevertheless, the economy will be supported by (i) a gradual global economic recovery following easing trade tensions and reduced risks of a no-deal Brexit; (ii) a favourable expansions of private consumption and investment of both private and public; (iii) key government stimulus measures; and (iv) a low growth base in the last quarter of 2019. In all, it is expected that export value will expand by 1.4 percent while private consumption and total investment will increase by 3.5 and 3.6 percent respectively. Headline inflation will lie in the range of 0.4 – 1.4 percent and the current account will register a surplus of 5.3 percent of GDP.

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 11, 2020

To Trust Unitholders
Hemaraj Leasehold Real Estate Investment Trust

SCB Asset Management Company Limited (the "Trustee") as the Trustee of Hemaraj Leasehold Real Estate Investment Trust (the "REIT") which managed by WHA Industrial Reit Management Co., Ltd. (the "REIT Manager"), would like to inform you that for the period of January 1, 2019 to December 31, 2019, the REIT manager 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 Trust unitholders as a whole.

Yours faithfully,

SCB Asset Management Company Limited



(Mrs. Tipaphan Puttarawigorn) (Miss Rassamee Ponsukcharoen)
Trustee

บริษัทหลักทรัพย์จัดการกองทุน ไทยพาณิชย์ จำกัด (สำนักงานใหญ่)
ชั้น 7-8 อาคาร 1 ไทยพาณิชย์บิวด์ พลาซ่า เลขที่ 18 ถนนรัชดาภิเษก แขวงจตุจักร เขตจตุจักร กรุงเทพฯ 10900
โทรศัพท์ 0 2949 1500 โทรสาร 0 2949 1501

SCB Asset Management Co.,Ltd. (Head Office)
7th-8th SCB Park Plaza 1 No. 18 Ratchadapisek Rd., Chatuchak, Bangkok 10900 Thailand Tel. 0 2949 1500 Fax 0 2949 1501

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บริษัท ดับบลิวเอชเอ อินดิสทรีแยล รีท แมนเนจเม้นท์ จำกัด
WHA Industrial REIT Management Co., Ltd.

ชั้น 27 อาคารยูเอ็มทาวเวอร์ เลขที่ 9 ถนนรามคำแหง
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