

รายงานประจำปี

2562

Annual Report 2019



GAH REIT
GRANDE HOSPITALITY REIT

บจ.บัวหลวง

ทรัสต์เพื่อการลงทุนในอสังหาริมทรัพย์ แกรนด์ โฮสพิทาลิตี้
Grande Hospitality Real Estate Investment Trust (GAHREIT)



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Part 1 REIT Fact Sheet

Summary of Information of the REIT

1.1. Key Information of the REIT

Name of REIT (Thai)	ทรัสต์เพื่อการลงทุนในอสังหาริมทรัพย์ แกรนด์ โฮสพิทาลิตี้
Name of REIT (English)	Grande Hospitality Real Estate Investment Trust
Abbreviation	GAHREIT
REIT Manager	One Asset Management Limited (“ONEAM”)
Trustee	BBL Asset Management Company Limited (“BBLAM”)
Paid-up Capital	THB 1,755,000,000
Term of REIT	The REIT has indefinite term and is not redeemable.

1.2. Summary of Information of the Core Assets as of Financial Year-end

Investment Summary

Grande Hospitality Real Estate Investment Trust (“REIT”) has been established pursuant to the Trust for Transactions in Capital Market Act B.E. 2550 Act on 10 October 2017 and the trust units were listed in the Stock Exchange of Thailand from 3 November 2017 onwards. In this regard, One Asset Management Limited (“ONEAM”) is appointed to act as the REIT Manager and BBL Asset Management Company Limited (“BBLAM”) act as the Trustee of the REIT.

ONEAM, in its capacity as the REIT Manager, has the objectives to deliver regular and continual long-term return from the investment to the trust unitholders. Moreover, the REIT invests in the freehold right of the land, building and construction and movable properties of the Sheraton Hua Hin Resort & Spa Project on 12 October 2017 with the aggregate value of THB 1,750 million. Furthermore, the REIT seeks benefits of the invested properties by leasing out to Honor Business Company Limited (“Honor Business”) where Honor Business appointed Starwood Asia Pacific Hotels & Resort Pte. Ltd. to act as the Hotel Manager.

Value Derived from the Appraisal Report or the Latest Reviewed Appraisal Report

The detail of the latest reviewed appraised value on the core assets of the REIT's investment by the appraiser are as follows:

Appraiser	Appraisal Value	Date of Appraisal Value	Method	Date of Appraisal Report
Knight Frank Chartered (Thailand) Co., Ltd.	THB 1,769.00 million	26 February 2019	Income Approach	9 May 2018

1.3. Key Summary on Procurement of Benefits from REIT's Assets

Summary of Key Terms of the Property Lease Agreement

The REIT leased out the assets to Honor Business for 3-year lease term. Both parties are entitled with an option exercisable to obtain an additional lease for a further 3-year term for four further successive 3-year terms ("Initial Lease Term"). Moreover, Honor Business agrees to make rental payment on the immovable and movable properties during the Initial Lease Term (excluding VAT) as follows:

Year	Annual rental (THB)
Year 1	116,000,000
Year 2	116,000,000
Year 3	116,000,000
Year 4	122,960,000
Year 5	122,960,000
Year 6	122,960,000
Year 7	130,337,600
Year 8	130,337,600
Year 9	130,337,600
Year 10	138,157,856
Year 11	138,157,856
Year 12	138,157,856
Year 13	146,447,327
Year 14	146,447,327
Year 15	146,447,327
Total Rental	1,961,708,350

Upon the expiry of the Initial Lease Term, and if Honor Business intends to renew the lease, the REIT agrees to grant Honor Business with a right to negotiate an additional lease term before third parties (Right of First Refusal). The term includes five additional 3-year term ("Second Lease Term"). Honor Business is required to notify the REIT in writing prior to the beginning of the second year of the last renewal period of Initial Lease Term under the lease agreement. This content is merely a summary of property lease agreement. Please examine additional details in the Part 2 Topic 2.5.2 "Summary of Key Terms of Property Lease Agreement" of this annual report.

1.4. Key Summary on Income Guarantee of the Invested Assets

Summary of Rental Guarantee Agreement

Topic	Detail
Lessor	BBL Asset Management Company Limited, in its capacity as Trustee of Grande Hospitality Real Estate Investment Trust ("REIT")
Lessee	Honor Business Company Limited ("Honor Business")
Rental Guarantor	Grande Asset Hotels & Property Public Company Limited ("Grande Asset")
Agreement Between Parties	- Grande Asset agrees to be bound as guarantor of the income that REIT will receive from the Lessee and as joint debtor with the Lessee in the amount and for the period specified in the property lease agreement and undertaking agreement ("Guaranteed Income"). As long as Honor Business is the Lessee and in the event that Honor Business cannot pay the rentals or pay in full amount of the rentals pursuant to the property lease agreement, Grande Asset agrees to pay the shortfall rentals to REIT as prescribed in the property lease agreement. - All parties agree that in the event that Grande Asset fails to comply with the undertaking agreement with respect to income guarantee (except in the event of force majeure or not due to Grande Asset's fault pursuant to the details specified in the undertaking agreement), it shall be deemed that the Lessee has defaulted on the property

Topic	Detail
	lease agreement and the REIT shall be entitled to terminate the property lease agreement and/or claim damages from the Lessee.

Information of the Income Guarantor

Grande Asset Hotels and Property Public Company Limited (“Grande Asset”) is registered on 21 April 1988 and listed on in the Stock Exchange of Thailand on 10 February 2004 under services industry and tourism and leisure sector. Currently, Grande Asset has registered capital of THB 5,000,000,000 of which comprises of 5,000,000,000 ordinary shares with par value of THB 1 per share. As of 31 December 2019, Grande Asset has paid-up capital of THB 3,615,929,965 of which comprises of 3,615,929,965 shares with par value of THB 1 per shares.

Grande Asset has put in place a hybrid business strategy (Hybrid) so as to conduct business in (1) real estate development for short-term and medium-term revenue recognition and (2) invest in the hotel business which is investing in property to achieve long-term revenue recognition. The objective is diversify to many businesses for increase stability of the company and increase the long-term value.

Latest Credit Rating of the Income Guarantor

Grande Asset received a company rating at “BB” with “stable” outlook from TRIS Rating Thailand on 13 May 2019. The rating reflects Grande Asset’s experience in property development, its relationships with successful hotel brands and the competitiveness of its hotel properties’ location. The rating has decreased from last since; the management cost increase, the liability level is expected to increase from the large development project. Moreover, the hotel business is highly competitive and sensitive of external factors which unable to control, including the real estate market has also fluctuated.

1.5. Significant Changes and Milestone of The REIT in the Accounting Year

- None -

1.6. Key Summary of Loan Procurement

- None –

1.7. Historical Information of Distribution Payment of the REIT

For the operating period starting from 10 October 2017 (the establishment date of the REIT) to 31 December 2019, the REIT has the following distribution payment:

Operating Period	Distribution Payment (per Trust Units)	Unit	Date of Distribution Payment
1 Jul 2019 – 31 Dec 2019	0.3000	THB	18 March 2020
1 Jan 2019 – 30 Jun 2019	0.3000	THB	16 September 2019
1 Jul 2018 – 31 Dec 2018	0.3000	THB	19 March 2019
1 Jan 2018 – 30 Jun 2018	0.3000	THB	12 September 2018
10 Oct 2017 – 31 Dec 2017	0.1370	THB	20 March 2018

1.8. Fees and Expenses of the REIT for the Year 2019

The REIT has the fees and expenses for the year 2019 as follows

Items	THB Amount	% of Quarterly Avg. NAV
REIT manager fee	6,028,069	0.33
Trustee fee	3,014,035	0.16
Registrar fee	690,242	0.04
Professional fee	250,000	0.01
Operating expenses	977,956	0.05
Amortization of deferred expenses	354,164	0.02

1.9. Management Discussion and Analysis of the REIT Manager on the Operating Results and Financial Position in the Past Years

Financial Highlights			
(unit: THB)	2019 Audited	2018 Audited	2017* Audited
Income Statement			
Rental and service income	130,780,557	130,780,557	28,827,972
Interest income	729,785	491,154	111,969
Total Income	131,510,342	131,271,711	28,939,941
Total Expenses and Fees	(11,314,465)	(11,284,790)	(2,398,562)
Net Income from Investments	120,195,877	119,986,921	26,541,379
Net Gain on Investments	4,105,554	18,493,332	0
Increase in Net Assets Resulting from Operations	124,301,431	138,480,253	26,541,379
Balance Sheet			
Cash and investments in securities at fair value	43,167,433	43,423,363	14,291,733
Investments in properties at fair value	1,769,000,000	1,764,900,000	1,746,409,000
Other assets	139,591,788	125,185,475	111,120,855
Total Assets	1,951,759,221	1,933,508,838	1,871,821,588
Total Liabilities	89,429,658	90,180,706	90,280,209
Net Assets	1,862,329,563	1,843,328,132	1,781,541,379
Significant Financial Ratio			
Number of units issued at the end of year (Units)	175,500,000	175,500,000	175,500,000
Par Value per Trust Unit (THB per trust units)	10.00	10.00	10.00
Net asset value per trust unit	10.6115	10.5032	10.1512
Ratio of total expenses to average net assets during year	0.61%	0.62%	0.14%
Ratio of total investment income to average net assets during year	7.14%	7.21%	1.63%
Ratio of Net Gain to Average Net Asset Value during year	6.53%	6.59%	1.49%

Remark: (*) Operating Period From 10 October 2017 to 31 Dec 2017

Income Statement

In 2019, the REIT had total investment income of THB 131.51 million, an increase of THB 0.24 million or 0.18% from the previous year. Moreover, total investment income consists of rental and service income of THB 130.78 million, equivalent to 99.45% of total investment income. The rental and service income are recorded according to the average value throughout the lease term which is in accordance with accounting standards and interest income in 2019 is THB 0.73 million, equivalent to 0.55%. Furthermore, the REIT had total expenses of THB 11.31 million, which increased from the previous year by THB 0.03 million, or 0.26%. The large amount is mainly contributed by the REIT Manager fees and Trustee fees.

In 2019, the REIT had net investment income of THB 120.20 million, an increase of THB 0.21 million or 0.17% from the previous year. The increase in net assets resulting from operations was THB 124.30 million decrease from the previous year by THB 14.18 million or equivalent to 10.24%. Since the increasing of Net Gain (unrealized) on Investments 2019 has lower than the increasing of Net Gain (unrealized) on Investments 2018 as the appraisal value in 2019.

Balance Sheet

As of December 31, 2019, the REIT has total assets of THB 1,951.76 million, increased from the previous year by THB 18.25 million or 0.94% from December 31, 2018. The main factors are the increase in investments in properties at fair value of THB 4.10 million or 0.23% compared with the investments in properties at fair value as year 2018. The investments in properties at fair value arises is based on the valuation prepared by an independent appraiser using the income approach.

The REIT had total liabilities of THB 89.43 million, decreased from the previous year by THB 0.75 million or 0.83% from 31 december 2018.

The REIT has net assets of THB 1,862.33 million, an increase of THB 19 million or 1.03% from the previous year and net assets value per unit is THB 10.6115, increased from the previous year as of December 31, 2018 which equal to THB 10.5032.

Significant Financial Information

In 2019, the REIT has a ratio of net gain to average net asset value during the year equal to 6.53%, decreasing 0.06% when compared to 2018. Since the increasing of Average Net Asset Value during year 2019 equal to THB 1,843.52 million has increased when compare to Average Net Asset Value during year 2018 equal to THB 1,824.46 million or net increase THB 19.06 million or 1.05%. Consequently, the ratio of Net Gain to Average Net Asset Value during year 2019 has decreased when compare to year 2018. Nevertheless, the REIT has distributed dividend to unitholders total THB 0.6000 per unit, which is from the operating period starting from 1 January 2019 to 31 December 2019, that equal to the distribution of the operation periods of 2018.

Risk Factors of Investment in the REIT

For the investment in the trust unit of Grande Hospitality Real Estate Investment Trust, the investors should consider the following risk factors carefully before investing. However, the information below is merely the summary of the risk factors, please consider the detail of the risk factors as specified in Part 2 Topic 4 “Risk Factors” of this annual report

1.10. Risk Relating to the Core Assets and Operation

- 2.1.1 Risk from Economic Volatility and Domestic Tourism Business Conditions
- 2.1.2 Risk from Higher Competition in The Hotel and Tourism Industry
- 2.1.3 Risk from Natural Disaster, Accidents and Terrorism
- 2.1.4 Risk Related to Compensation from Insurance
- 2.1.5 Risk Related to Hotel Business Licenses
- 2.1.6 Risk of Compliance with Environmental Laws and Order May Result in Significant Cost to the REIT
- 2.1.7 Risk of Compliance with Government Orders Relating to Building and Constructions
- 2.1.8 Risk of Land Expropriation
- 2.1.9 Risk from Renovation of Immovable Properties
- 2.1.10 Risk from Overcosting Than the FF&E's Reserve to Renovate Immovable Properties
- 2.1.11 Risk of Using Walkway to The Beach Access of The Sheraton Hua Hin Resort & Spa Project
- 2.1.12 Risk from Changing Hotel Operator

1.11. Risk Relating to The REIT's Operation

- 2.2.1 Risk That the Lessee Does Not Renew the Lease Agreement at The End of The Term
- 2.2.2 Risk from The Party's Failure to Comply with Relevant Agreements
- 2.2.3 Risk from The Lessee's Capabilities to Make Rental Payment
- 2.2.4 Risk from Changes of Accounting Standard and Relevant Laws
- 2.2.5 REIT's Net Asset Value May Not Be the Actual Value That the REIT Shall Receive from The Asset Disposal or Termination of REIT
- 2.2.6 Risk from Tax
- 2.2.7 Risk from Distribution Payment to Trust Unitholders

1.12. Risk Relating to Investment in Trust Units of the REIT

- 2.3.1 General Risk
- 2.3.2 Risk from The REIT's Operating Results are Subjected to The Ability of Lessee and Hotel Operator in Procuring and Managing the REIT's Initial Investment
- 2.3.3 Risk of Liquidity Inadequacy in Trust Unit's Trading Activities in Secondary Market
- 2.3.4 Risk Resulting from Determining the Trading Price of Trust Unit Based on Net Asset Value (NAV) of the REIT

Part 2 Information of the REIT

General Information

1.13. Key Information of the REIT

Name of REIT (Thai)	ทรัสต์เพื่อการลงทุนในอสังหาริมทรัพย์ แกรนด์ โฮสพิทาลิตี้
Name of REIT (English)	Grande Hospitality Real Estate Investment Trust
Abbreviation	GAHREIT
REIT Manager	One Asset Management Limited (“ONEAM”)
Trustee	BBL Asset Management Company Limited (“BBLAM”)
Paid-up Capital	THB 1,755,000,000
Term of REIT	The REIT has indefinite term and is not redeemable.

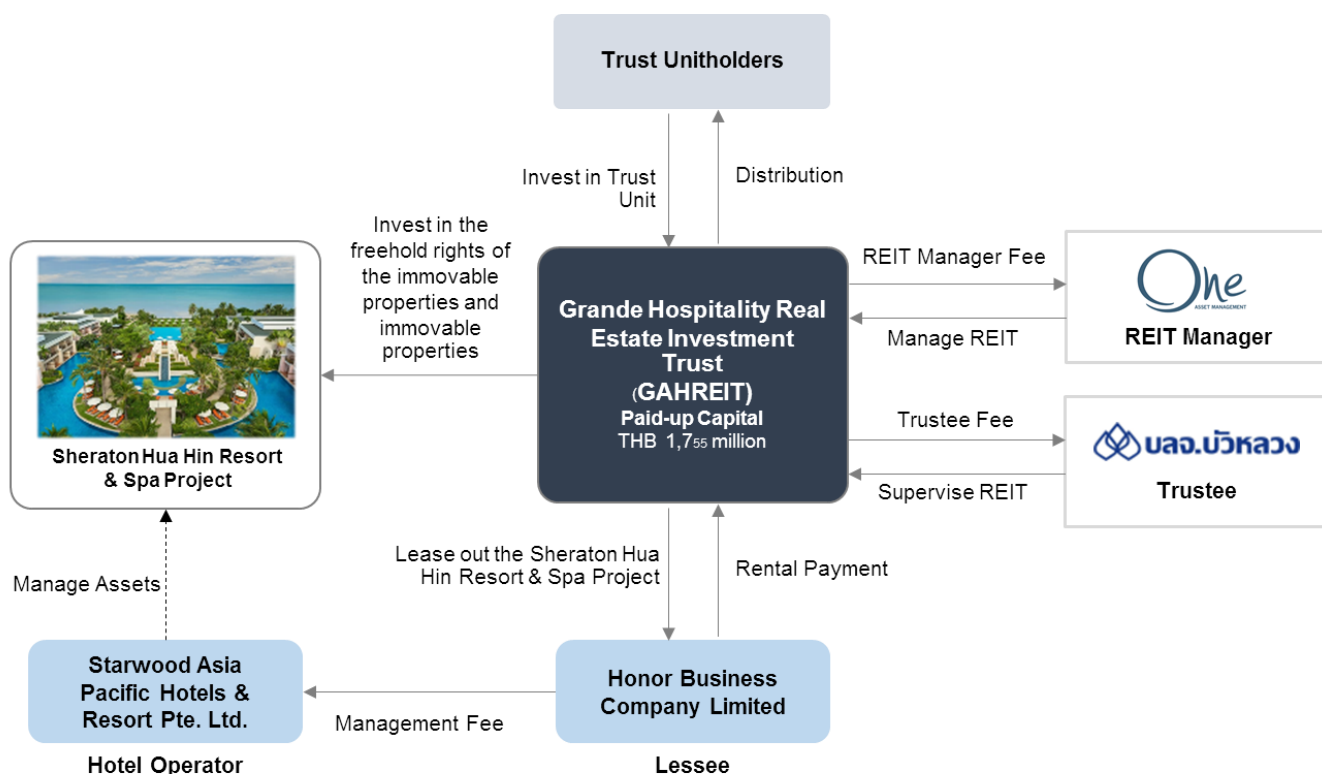
Policies, Overall Business Operations and Procurement of Benefits

1.14. Objectives, Visions, Goals and Strategies for the Operation of the REIT

Background and Objectives of the REIT

Grande Hospitality Real Estate Investment Trust (“REIT”) has been established pursuant to the Trust for Transactions in Capital Market Act B.E. 2550 Act on 10 October 2017 and the trust units were listed in the Stock Exchange of Thailand from 3 November 2017 onwards. In this regard, One Asset Management Limited (“ONEAM”) is appointed to act as the REIT Manager and BBL Asset Management Company Limited (“BBLAM”) act as the Trustee of the REIT.

ONEAM, in its capacity as the REIT Manager, has the objectives to deliver regular and continual long-term return from the investment to the trust unitholders. Moreover, the REIT invests in the freehold right of the land, building and construction and movable properties of the Sheraton Hua Hin Resort & Spa Project on 12 October 2017 with the aggregate value of THB 1,750 million. Furthermore, the REIT seeks benefits of the invested properties by leasing out to Honor Business Company Limited (“Honor Business”) where Honor Business appointed Starwood Asia Pacific Hotels & Resort Pte. Ltd. to act as the Hotel Manager.



The management of the REIT is under the provisions as specified in the Trust Deed, where the summary of Trust Deed is in the attachment 2 of this annual report. The investors may request the REIT Manager to view the copy of the Trust Deed (full version). The contact of the REIT Manager is stated in Part 3 Topic 8.1.1

1.15. Significant Changes and Milestone of The REIT in the Accounting Year

- None -

1.16. Information of the Invested Properties

1.16.1. Detail of the Properties

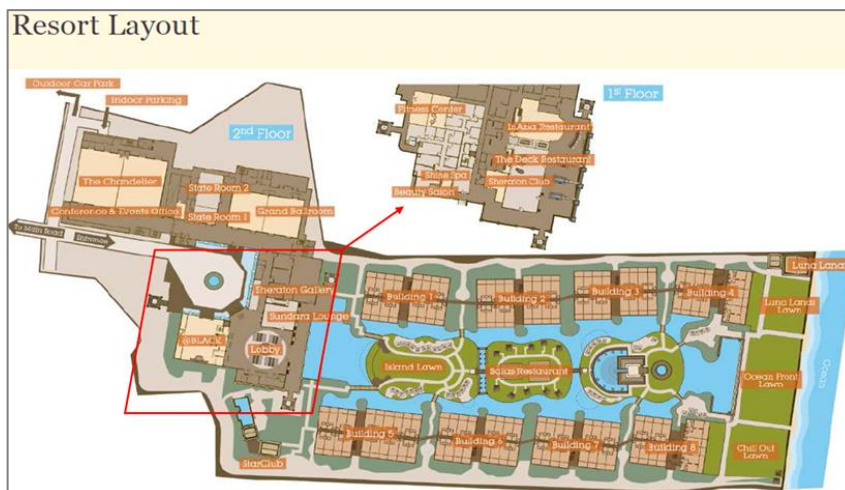
Project Name	The Sheraton Hua Hin Resort & Spa Project
Net Asset Value as of December 31, 2019	1,862,329,563 Baht
Asset Value According to Market or Fair Value	1,769,000,000 Baht
Ratio of Each Category of Asset	94.99%
Value per Net Asset Value of REIT	
Net Asset Value per unit as of December 30, 2019	10.6115

1.16.2. General Information of the Sheraton Hua Hin Resort & Spa Project

Illustration of the Sheraton Hua Hin Resort & Spa Project



Illustration of the Layout of the Sheraton Hua Hin Resort & Spa Project



Source: Grande Asset Hotels & Property Public Company Limited

The Sheraton Hua Hin Resort & Spa Project and began the operation in August 2007. It is situated on Cha-Am beach, approximately 200 kilometers away from Bangkok, comprising of 2 unadjacent lands (land title deed 84312 and land title deed 84321) with total land area of approximately 27 rai 3 ngarn 59 square wah. Moreover, the Sheraton Hua Hin Resort & Spa Project has total building and construction area of approximately 46,205 square meters, comprising of eight 2-storey guest buildings surrounded by lagoon-style swimming pool with the area of 5,700 square meter and 560-meter long.

Location

The Sheraton Hua Hin Resort & Spa Project is located at 1573 Phet Kasem Road (Thailand Route 4), Cha-Am Sub-district, Cha-Am District, Phetchaburi Province 76120, opposite to Fly Now Factory Outlet. Furthermore, the Sheraton Hua Hin Resort & Spa Project is 125-meter wide beachfront project within approximately 4.5 kilometers of Hua Hin's airport and within 10 kilometers of Hua Hin's Railway Station.

As the Sheraton Hua Hin Resort & Spa Project is located 200 kilometers away from Bangkok, it can be reached by private car, shuttle bus or van which takes approximately 2 hours drive or by boarding the train which takes approximately 4-5 hours.

Hotel's Guest Rooms

The Sheraton Hua Hin Resort & Spa Project has a total of 240 guest rooms available for operation which can be categorized into 7 types of guest rooms as follows:

No.	Type of Guest Room	Room Area (sq.m.)	No. of Rooms
	Deluxe Room Type		
1	Garden View	49.00	58
2	Garden Terrace	49.00	56
3	Lagoon View	49.00	52
4	Lagoon Access/Access Club	49.00	54
5	Ocean Front	49.00	8
	Suite Room Type		
6	Lagoon Suite	98.00	4
7	Ocean Suite	98.00	8
Total Guest Rooms			240

Illustration of the Rooms Available for Operation



Source: www.sheratonhuahin.com

Facilities

The details of Sheraton Hua Hin Resort & Spa Project's facilities are as follows:

No.	Facilities	Detail
Meeting and Events		
1	The Chandelier	Open for service in November 2015, comprising a total area of 892 square meter and 7.6-meter-high ceiling, making it a great solution for events as it can accommodate up to 1,000 guests and provides sound proof technology. Moreover, it is certified by the Thai Convention and Exhibition Bureau ("TCEB").
2	Grand Ballroom	The total area is 525 square meter with 7.3 meter high ceiling which can accommodate up to 500 guests.
3	@ Black	Provides private events and parties with a total area of 393 square meters which can accommodate up to 200 guests.
4	State Room	Comprising of 3 small meeting rooms with a total 217.5 square meter.
Restaurant and Bar		
5	The Deck	Offering breakfast buffet and A la carte menu featuring Thai and International dishes for lunch and dinner.
6	InAzia Restaurant	Offering Thai and Asian cuisine which was selected as Thailand's Best Restaurant by Thailand Tatler 5 magazine for

No.	Facilities	Detail
		5 consecutive years.
7	Salas Pool Restaurant	Offering Thai and Italian cuisine by the pool.
8	Luna Lanai Seafront Restaurant	Offering Thai cuisine and seafood BBQ which is companied by a sea view.
9	Sundara Lounge	Offering refreshing drinks and light snacks for welcoming guests.
	Others	Business Center, Mini-bar by the pool, Spa, Fitness, Sauna and steaming room, Kid's Club, Tennis Court, Laundry services

Illustrations of the Chandelier





Source: www.sheratonhuahin.com

Utilities System

The Sheraton Hua Hin Resort & Spa Project's utilities system includes electrical system, communication system, sanitation system, air-conditioning system, elevator system, swimming pool system, fire prevention and response system, safety and security system, gas and laundry system and kitchen and cool room system.

Land and Building

The Sheraton Hua Hin Resort & Spa Project's land is located at Phet Kasem Road (Thailand Route 4), Cha-Am Sub-district, Cha-Am District, comprising of 2 unadjacent lands as follows:

No.	Title Deed No.	Parcel No.	Sub-District No.	Sub-District Name	District	Province	Area (Rai-Ngarn-Square Wah)
1	84312	42	36767	Cha-Am	Cha-Am	Phetchaburi	27-0-2
2	84321	48	36660	Cha-Am	Cha-Am	Phetchaburi	0-3-57
Total							27-3-59

The details of the building and any constructions which are built on the land of the Sheraton Hua Hin Resort & Spa Project are as follows:

No.	Detail	No. of Floors	Size (mxm)	Gross Area (sq.m.)
1	Main Building	2	90.00 x 100.05	13,135
2	Hotel Building Block 1	2	24.80 x 40.50	1,848
3	Hotel Building Block 2	2	24.80 x 40.50	1,848
4	Hotel Building Block 3	2	24.80 x 40.50	1,848
5	Hotel Building Block 4	2	19.30 x 33.35	1,658
6	Hotel Building Block 5	2	24.80 x 49.50	2,270
7	Hotel Building Block 6	2	24.80 x 40.50	1,848
8	Hotel Building Block 7	2	24.80 x 40.50	1,848
9	Hotel Building Block 8	2	19.30 x 33.35	1,658
10	Salas Pool Restaurant	1	6.00 x 20.95	156
11	Luna Lanai Beach Bar & Restaurant	1	9.00 x 25.55	216
12	Kid's Club	1	6.00 x 16.00	152
13	The Chandelier and Parking Lot	5	39.40 x 42.55	5,070
14	Engineering Workshop Building	2	10.00 x 21.00	187
Total Building Area				33,742
15	Other Constructions such as swimming pool, elephant pool, swimming pool for kids, tennis court, concrete field and parking lot, walk way and bridges, concrete wall and dam, and pavilion for kids			12,281
Total Building & Other Constructions Area				46,023
16	Utilities system related to the building and constructions such as electrical system, communication system, sanitation system, fire prevention and response system, air-conditioning system, gas system, swimming pool system, elevator system, waste water system, lighting and sound system.			

Target Customers

The majority of hotel customers are Thai citizens and come from Asia which can be categorized into two main groups as follows:

1. **Group or MICE** includes group of hotel guests travelling for meeting, activities or events and/or for guest room services via agents.

2. **Leisure** includes retail guests that book the hotel through various distribution channels, including via agents.

Type	2016		2017		2018	
	Room	Revenue	Room	Revenue	Room	Revenue
Leisure	51%	52%	49%	45%	38.5%	45%
Mice	47%	47%	50%	54%	61%	54%
Others**	2%	1%	1%	1%	0.5%	1%

Remark: * Group of corporations nearby that have contract in using hotel services with the Sheraton Hua Hin Resort & Spa

Date of Investment and Purchase Price

The REIT has invested in the Sheraton Hua Hin Resort & Spa Project on 12 October 2017 with the total purchased price of THB 1,750,000,000.

Value Derived from the Appraisal Report or the Latest Reviewed Appraisal Report

The detail of the latest reviewed appraised value on the core assets of the REIT's investment by the appraiser are as follows:

Appraiser	Appraisal Value	Date of Appraisal Value	Method	Date of Appraisal Report
Knight Frank Chartered (Thailand) Co., Ltd	THB 1,769.00 million	26 February 2019	Income Approach	9 May 2019

Summary of Immovable Properties' Benefits Procurement

The REIT procure the benefits by leasing out to Honor Business where Honor Business has appointed Starwood Asia Pacific Hotels & Resorts Pte. Ltd., a subsidiary of Marriott International, Inc., as a hotel operator.

Summary of Property Lease Agreement

The REIT leased the assets to Honor Business for 3-year lease term. Both parties are entitled with an option exercisable to obtain an additional lease for a further 3-year term for four further successive 3-year terms ("Initial Lease Term") by notifying the other party in writing within 60

days before the expiry of the lease term. Upon the exercised of option by one party, the other party is obliged to accept the term as aforementioned.

Upon the expiry of the Initial Lease Term, and if Honor Business intends to renew the lease, the REIT agrees to grant Honor Business with a right to negotiate an additional lease term before third parties (Right of First Refusal). The term includes five additional 3-year term ("Second Lease Term"). Honor Business is required to notify the REIT in writing prior to the beginning of the second year of the last renewal period of Initial Lease Term under the lease agreement. This content is merely a summary of property lease agreement. Please examine additional details in the Part 2 Topic 2.5.2 "Summary of Key Terms of Property Lease Agreement" of this annual report.

Income for the Period

In 2019, the REIT's total income was THB 131.51 million where rental income was THB 130.78 million and interest income at THB 0.73 million.

Summary of Property Insurance

For the year 2019, the REIT Manager has arranged for the insurance policies to insure against the assets of the REIT as follows:

No.	Insurance Type	Insured Amount
1	Property All Risks	THB 1,838,152,764 *
2	Business Interruption (for the Rental Income of the REIT)	THB 116,000,000
3	Comprehensive General Liability	USD 10,000,000

Remark * The insurance coverage amount of property all risks inclusive of business interruption for the lessee portion which insured THB 339,358,664

1.16.3. Detail Regarding the Acquisition of Core Assets Occurred During the Accounting Period (If any)

-None-

1.16.4. Detail Regarding the Disposal of Core Assets Occurred During the Accounting Period (If any)

-None-

1.17. Procurement of Benefits

1.17.1. Characteristics of the Procurement of Benefits

The REIT has the objective of investing in properties to procure benefits to the trust unitholders where appropriate management policies are established in order to manage the REIT's assets for the best interests and benefits of the trust unitholders. Furthermore, the REIT shall procure the benefits of the invested properties by leasing out to Honor Business. In addition, Honor Business has appointed Starwood Asia Pacific Hotels & Resorts Pte. Ltd., a subsidiary of Marriott International, Inc., as a hotel operator. The Trustee of the REIT is BBL Asset Management Company Limited.

1.17.2. Summary of The Property Lease Agreement

Topic	Detail
Lessor	BBL Asset Management Co., Ltd. in its capacity as Trustee of Grande Hospitality Real Estate Investment Trust ("REIT")
Lessee	Honor Business Co., Ltd. (the "Lessee" or "Honor Business")
Leased Properties	(1) Land which is located in Cha-Am Sub-district, Cha-Am District, Petchburi Province, having an approximate area of 27 rai 3 ngarn 59 square wah under 2 land title deeds where the Sheraton Hua Hin Resort & Spa Project is located including utilities systems and the component parts of such land which Honor Business is the owner and/or has the right of occupation and use in the operation of the Sheraton Hua Hin Resort & Spa Project. (2) Buildings and any constructions constructed on the land to be purchased where the Sheraton Hua Hin Resort and Spa Project is located, including but not limited to the main building, the hotel building, the Sales Pool Restaurant, the Luna Lanai Beach Bar and Restaurant, Kid's Club building, the Chandelier building, the parking building, the engineering workshop building, the swimming pool, the tennis courts and the component parts of such buildings which the total area is approximately 46,205 square meters. Moreover, including any systems and fixtures, facilities and any

Topic	Detail
	other components of the building and land to be purchased and are currently used for the operation of the Sheraton Hua Hin Resort & Spa Project. (3) Furniture, tools, appliances and equipments that are attached and unattached decorations including any other equipment that are for the purpose of decoration or facilitating the guests and/or the guests of the Sheraton Hua Hin Resort & Spa Project, located in and/or attached inside or outside area of the Sheraton Hua Hin Resort & Spa Project. Furthermore, including any rights regarding to or relating to the movable properties that are necessary and appropriate for use in the operation of the Sheraton Hua Hin Resort & Spa Project such as equipment and appliances in the guestroom, equipment and appliances in the kitchen room, equipment and appliances in the conference room and equipment and appliances for the use of restaurant. The details of movable properties are as specified in the agreement. ((1) - (3) together are the “Leased Properties” under this agreement)
Lease Term	Period of 3 years from the date of signing this agreement (“Lease Term”), unless either party or both parties agree to exercise the right to renew this agreement in accordance with the terms and conditions of this agreement.
Rental Payment	■ The Lessee agrees to pay the rental of leased properties to the REIT on a monthly basis where the Lessee agrees to pay the rental within 45 days of the last day of each month (“Rental Payment Due Date”) where the detail of rental payment and rental calculation for the immovable properties and movable properties are in accordance with this agreement unless both parties agree otherwise. ■ In the event that the Lessee fails to pay the rental within the Rental Payment Due Date under this agreement, the REIT has the right to select the options for proceeding as follows:

Topic	Detail
	(1) The REIT has the right to terminate this agreement but, however, if the Lessee has paid the outstanding rental in full for each period before the REIT exercises the right to terminate this agreement, then it shall be deemed that the REIT does not exercise the right to terminate the agreement for the failure to pay the rental in that period. (2) The REIT has the right to deduct the Deposit (as specified in this agreement) in the same amount in full of the outstanding rental payments as for rental payment to be paid. However, the Lessee has the duty to top-up additional fund to the Deposit so that the total Deposit amount is the same as specified in this agreement within the period and conditions as prescribed in this agreement. In the event that the Lessee does not top-up additional fund to the Deposit so that the total deposit amount is the same within the period as specified in this agreement, the REIT can exercise the right to terminate this agreement immediately. Nevertheless, if the Lessee defaults on the rental payment for 3 or more times (despite whether the REIT exercise the right to deduct the Deposit as for the outstanding rental payment or not), the REIT can exercise the right to terminate this agreement immediately.
Deposit	■ The Lessee agrees to provide Deposit in the form of cash at the date of execution of this agreement in the amount of THB 88,000,000 (eighty eight million baht) where the Deposit is divided into 2 parts, as follows: (1) Part 1: THB 58,000,000 (fifty eight million baht) ("Main Deposit") which will be held by the REIT throughout the lease term (first 3 years) and throughout the renewal term of this agreement. (2) Part 2: THB 30,000,000 (thirty million baht) ("Additional Deposit") which will be held by the REIT throughout the Lease

Topic	Detail
	Term (first 3 years) and throughout the renewal of the Initial Lease Term of this agreement (4 times for 3 years each) where both parties agree that if, within the lease period (first 3 years), the Lessee has not default on any rental payment as prescribed in this agreement and the Lessee's earning before interest, tax, depreciation and amortization (EBITDA) for the period of 2019 and 2020 incurs no loss, then the REIT agrees to return the Additional Deposit to the Lessee upon the last day of the lease period (first 3 year). However, if within the lease period (first 3 years), the Lessee is unable to fulfill all of the conditions for returning of the Additional Deposit, the REIT shall hold the Additional Deposit for each period that the lease agreement is renewed for the Initial Lease Term. If, within the period of renewal of this agreement for the Initial Lease Term, the Lessee has not default on any rental payment as prescribed in this agreement and the Lessee's earning before interest, tax, depreciation and amortization (EBITDA) for the period of 3 years ended incurs no loss, for each renewed period, then the REIT shall return all of the Additional Deposit to the Lessee upon the expiration of the period for which this agreement has been renewed for the Initial Lease Term. For the purpose of clarification, in consideration of the Lessee's earning before interest, tax, depreciation and amortization (EBITDA) for each fiscal year for each period, the REIT shall consider from the audited financial statement. The Lessee shall receive the Additional Deposit back after the REIT has considered the audited financial statement of the Lessee. The Main Deposit and the Additional Deposit collectively referred to as the "Deposit".

Topic	Detail
	In the future, the Lessee may request to change the form of the Deposit into other form under the discretion of the REIT for approval. However, before the approval of the REIT, the REIT shall pass such resolution to the Trust Unitholders' Meeting for approval with the vote of not less than 3/4 (three-fourths) of the total votes of trust unitholders being present at the meeting and entitled to vote. The Lessee agrees to be responsible for expenses related to the Trust Unitholders' Meeting in consideration of this subject. ■ The REIT shall hold the Deposit during the term as prescribed in this agreement as a guarantee of the Lessee's performance of this agreement, including but not limited to the rental payment or any damages or losses that affected the REIT from violation, failure to comply, omission or failure to maintain any provisions in respect to the Lessee's part as provided in this agreement. ■ In the event that the amount of the Deposit that the Lessee provides is lower than the amount specified in this agreement or in the event that the REIT deducts the Deposit in the same amount in full of the outstanding rental payments as for rental payment to be paid. The Lessee has the duty to top-up additional fund to the Deposit so that the total deposit amount is the same as specified in this agreement within the 15 days period from the date of the receipt of the written notice from the REIT or from the date the REIT deducts the Deposit amount for payment as determined in this agreement (as the case may be) ("Deposit Top-up Due Date"). Both parties agree that the REIT will charge interest on the default of Deposit top-up at the rate of 7.5% per annum upon the Deposit Top-up Due Date until the date that the Lessee top-up additional deposit to the amount in full as prescribed in this agreement. ■ The REIT shall pay the interest received from the Deposit to the Lessee equals to the amount that the REIT receives interest from

Topic	Detail
	the Deposit. Moreover, the REIT shall pay the interest on the Deposit to the Lessee at least 1 (one) time each year after deduction of fees, expenses, and tax related to the receipt and/or payment of the said interest on the Deposit (“Interest on Deposit”). ■ The REIT shall return the Deposit at the termination of this agreement (with interest equal to the amount that the REIT received from the Deposit on the day the REIT returns the Deposit to the Lessee) after the deduction of fees, expenses and taxes related to the said Deposit including any amount that is still outstanding to the REIT and after the deduction of damages to the leased properties caused by the violation, failure to comply or omission or failure to maintain any provisions in respect of the Lessee’s part as provided in this agreement.
Renewal of Lease Agreement and Rental in the Event of Renewal of Lease Agreement for the Initial Lease Term	Each party has the option to renew the lease agreement by written notice to the other party at least 6 months in advance before the expiry of the Lease Term under this agreement. Each party has the right to renew the Lease Term for 4 times for 3 years each (“Initial Lease Term”). Each party can require the other party to renew the lease agreement and if the right to renew the lease agreement is exercised, as aforesaid, the other party agrees to renew the lease agreement according to the period mentioned earlier, in accordance with all of the following conditions: 1. The REIT or the Lessee (as the case may be) has complied with the material terms specified in this lease agreement and has not breached the representations given under this lease agreement; 2. In the event that the Lessee exercised the right to renew the lease agreement, Honor Business and Grande Asset, as a party to the Undertaking Agreement between the REIT and Honor Business and as a party to the Undertaking Agreement between the REIT and Grande Asset (as the case may be) or any other agreements

Topic	Detail				
	executed between Honor Business and the REIT in all respects, have complied with the material terms and conditions of the Undertaking Agreement between the REIT and Honor Business and the Undertaking Agreement between the REIT and Grande Asset (as the case may be) or any other agreement executed between Honor Business and the REIT in all respects; 3. Rental for the Initial Lease Term shall be in accordance with the details specified in the <u>Rental and Rental Payment for the Initial Lease Term Clause</u>, unless the parties shall agree otherwise; and 4. Other terms and conditions shall be as specified in this lease agreement, except the calculation of rental rates for the renewal of the lease agreement during such Initial Lease Term shall be in accordance with the details specified in the <u>Rental and Rental Payment for the Initial Lease Term Clause</u>, the terms and conditions shall comply with the regulations of the Office of the SEC.				
Detail of Rental and Rental Payment for the Initial Lease Term	The Lessee agrees to pay rental for the leased properties to the REIT for the use of leased properties as fixed rental. The details of rental are as follows: <u>Rental for Immovable Properties and Movable Properties for the Initial Lease Term</u> The Lessee agrees to pay rental for immovable properties and movable properties for the Initial Lease Term in annual aggregate amount from the date of this lease agreement which comes into effect. The annual rental amounts are payable monthly in proportion to the rental throughout the term of the lease agreement and the renewed lease agreement during the Initial Lease Term in each year as follows: <u>Annual Rental for Immovable Properties and Movable Properties</u> <table border="1"> <thead> <tr> <th>Year</th><th>Annual rental (THB)</th></tr> </thead> <tbody> <tr> <td>Year 1</td><td>116,000,000</td></tr> </tbody> </table>	Year	Annual rental (THB)	Year 1	116,000,000
Year	Annual rental (THB)				
Year 1	116,000,000				

Topic	Detail		
		Year 2	116,000,000
		Year 3	116,000,000
		Year 4	122,960,000
		Year 5	122,960,000
		Year 6	122,960,000
		Year 7	130,337,600
		Year 8	130,337,600
		Year 9	130,337,600
		Year 10	138,157,856
		Year 11	138,157,856
		Year 12	138,157,856
		Year 13	146,447,327
		Year 14	146,447,327
		Year 15	146,447,327
		Total Rental	1,961,708,350
<u>Proportion of Rental Payable of Immovable Properties and Movable Properties in Monthly Basis Based on the Seasonality of the Sheraton Hua Hin Resort & Spa Project's Operation</u>			
		Month	Monthly Rental (Proportion of Annual Rental)
		January	14
		February	12
		March	8
		April	6
		May	6
		June	4
		July	6
		August	4

Topic	Detail										
	<table> <tr> <td>September</td><td>4</td></tr> <tr> <td>October</td><td>10</td></tr> <tr> <td>November</td><td>12</td></tr> <tr> <td>December</td><td>14</td></tr> <tr> <td>Total</td><td>100</td></tr> </table> However, in the event the REIT examined the financial status of the Lessee from documents that the Lessee is obligated to provide to the REIT under this agreement and if the REIT finds out any change which could materially and adversely impact the rental payment by the Lessee, the REIT may consider reducing the number of days that the Lessee shall pay the rental to the REIT to be less than 45 days from the last day of each month. In the event that the lease agreement does not start on the first day of the month and/or does not end at the last day of the month, the rental of that month shall be calculated in proportion to the number of days the lease agreement takes effect for that month relative to the total number of days in that month. The REIT and the Lessee may agree to adjust the monthly fixed rental payment in line with the capability of the Sheraton Hua Hin Resort & Spa Project to generate income for each month.	September	4	October	10	November	12	December	14	Total	100
September	4										
October	10										
November	12										
December	14										
Total	100										
Lease Agreement Renewal and Rental in the Event of Lease Agreement Renewal for the Right to Renew the Lease in the Second Period	Apart from the right to renew the lease agreement upon completion of the Initial Lease Term, if the Lessee desires to renew the lease agreement, the REIT agrees to grant the Lessee the right to request for negotiation with the REIT for renewing the lease agreement prior to other party (Right of First Refusal) by giving a written notice to the REIT prior to the beginning of the 2nd year of the last renewal period of Initial Lease Term under this agreement and will be entitled to renew the term										

Topic	Detail
	at least 5 times for 3 years (“Second Lease Term”). However, if there is a written notice for the request of renewing the lease agreement, the REIT agrees to enter into negotiation with the Lessee under the all conditions as follows: (1) The REIT or the Lessee (as the case may be) has complied with the material terms of this lease agreement and has not breached the representations given under this lease agreement; (2) Honor Business and Grande Asset as the parties to the Undertaking Agreement between the REIT and Honor Business or the Undertaking Agreement between the REIT and Grande Asset (as the case may be) or any other agreements executed between Honor Business and the REIT, has complied with the material terms and conditions of the Undertaking Agreement between the REIT and Honor Business and the Undertaking Agreement between the REIT and Grande Asset (as the case may be) or any other agreements executed between Honor Business and the REIT, in all respects; and (3) Both parties agree to commence negotiations on the terms and conditions which may include rental rates of the Second Lease Term promptly at the discretion of the REIT which shall be considered together with the Lessee. However, in the event that both parties are unable to agree on the terms and conditions which may include the rental rates of the Second Lease Term prior to the beginning of the 3rd year of the last renewal for the period of Initial Lease Term, the right to commence negotiations of the Second Lease Term shall be terminated. Moreover, the terms and conditions shall comply with the regulations of the Office of the SEC.
Right to Use Land and/or Related-Utilities that are Necessary to	From the date of this agreement, as long as the Lessee remains its status as Lessee under this agreement and the lease agreement has been renewed, the Lessee has the right to use the land title

Topic	Detail
Operate the Sheraton Hua Hin Resort & Spa Project	deeds which are land subject to servitude (burdened land) to the land in favor of the land where the leased properties are located (benefited property) ("Servitude Land") so that the REIT has the right to fully use the properties to be purchased and actually use or has the right to use the properties, the common facilities, and any utilities within the Sheraton Hua Hin Resort & Spa Project in the same way before Honor Business transfer the ownership of the Sheraton Hua Hin Resort & Spa Project to the REIT and for the benefit of the operation of the Sheraton Hua Hin Resort & Spa Project in which the REIT received the right of Servitude Land from the Undertaking Agreement between the REIT and Grande Asset and the Undertaking Agreement between the REIT and Honor Business, detail as follows: a) Title Deed No. 5838 with the total area of approximately 3-0-29 rai for the use of roads, walkways, driveways, entrances and exits, electricity, water, telephone, sewers; b) Title Deed No. 84313 with the total area of approximately 0-1-86 rai for the use of roads, walkways, driveways, entrances and exits, electricity, water, telephone, sewers; c) Title Deed No. 84310 with the total area of approximately 0-0-14 rai for the use of roads, walkways, driveways, entrances and exits, electricity, water, telephone, sewers; d) Title Deed No. 58936 with the total area of approximately 1-1-59 rai for the use of roads, walkways, driveways, entrances and exits, electricity, water, telephone, sewers; e) Partial of Title Deed No. 6098 with the area of approximately 0-0-06 rai for the use of tennis court's lamp pole; f) Partial of Title Deed No. 84320 with the area of approximately 0-0-08 rai for the use of tennis court's lamp pole; g) Title Deed No. 62249 with the total area of approximately 0-1-48.9 rai for the use of the Sheraton Hua Hin Resort & Spa

Topic	Detail
	Project's signage where it is located. Details of the Servitude Land are shown in Part 2 of Clauses 2.4 "Servitude Land" of the Prospectus ■ From the date of this agreement, as long as the Lessee remains its status as Lessee under this agreement and the lease agreement has been renewed, the Lessee has the right to use the facilities and any other utilities for the operation of the Sheraton Hua Hin Resort & Spa Project before Honor Business transfers the ownership of the Sheraton Hua Hin Resort & Spa Project to the REIT (collectively as "Utilities"), despite whether there is the registration of burdened properties or not, in which the REIT received the right of Servitude Land from the Undertaking Agreement between the REIT and Grande Asset and the Undertaking Agreement between the REIT and Honor Business. ■ From the date of this agreement, as long as the Lessee remains its status as Lessee under this agreement and the lease agreement has been renewed, the Lessee agrees to be responsible for the utilities expenses, for instance water and electricity expenses, that is used by the Lessee and the Lessee agrees to be responsible for repairing and maintaining the servitude land and utilities in good condition with the expenses incurred by the Lessee. In the case that Lessee does not repair and maintain, the REIT or person assigned by the REIT may carry out maintenance or repairs for the Lessee, the Lessee agrees to reimburse such expenses to the REIT immediately upon the REIT's notification, including compensation for such reimbursement at 7.5% per annum of such reimbursement until the date that the REIT has received such reimbursement from the Lessee in full. For the purpose of this clause, the Lessee shall not refer to the agreements that the REIT has with Honor Business and Grande Asset (in their capacity as the grantor of right of Servitude Land and Utilities) under the Undertaking Agreement

Topic	Detail
	between the REIT and Grande Asset and the Undertaking Agreement between the REIT and Honor Business in the case that the REIT will repair and maintain the Servitude Land and Utilities as the reason for not performing this agreement of repairing and maintaining the Servitude Land and the Utilities that are necessary for the Servitude Land and the Utilities to be in good condition or when requested by the REIT or REIT's agent at the Lessee' expense.
Lease Assignment and Subleasing	During the term of this agreement: - the Lessee shall not assign the rights and/or obligations under this agreement to any other person without having the prior consent in writing from the REIT. - the Lessee shall not allow the whole or part, or material part, of the leased properties to be used by or sublet to other persons for use in the operation of the Sheraton Hua Hin Resort & Spa Project without having the prior consent in writing from the REIT.
Key Terms Under the Agreement	- The Lessee is a limited company duly incorporated and existing under Thai law having registered capital not less than THB 50,000,000. - The major shareholders of the Lessee is Grande Asset Hotels and Property Public Company Limited ("Grande Asset") and any Grande Asset's designated person(s) approved by the REIT. - The Lessee has the authority to enter into agreements, perform agreements, grants rights, create documents and any other things as specified in and in connection with this agreement and the said actions are not contrary to the company's objectives and articles. - During the Lease Term under this agreement or each renewed leased term in case of lease agreement renewal, the Lessee has obtained permits for the transaction of any business required in connection with the operation of the Sheraton Hua Hin Resort & Spa Project and the said permits are obtained lawfully and are still

Topic	Detail
	valid, have not been cancelled, revoked, or expired, and there is not dispute with any government authority whatsoever. Moreover, the Lessee shall fully comply with the terms and conditions set out in the permits and has not carried out any acts in violation of the laws relating to such permits which could pose a risk of such permits being revoked or could cause adverse effect on the leased properties or the parties' performance of this agreement. ■ The Lessee has no legal dispute with any person that has or could have a material adverse impact on the execution and performance of this agreement, including the transaction of the Sheraton Hua Hin Resort & Spa Project and has no cause or conflict, lawsuit and claims for damages by or against other persons, including but not limited to any event that may adversely affect the Lessee's ability to fully perform this agreement or may adversely affect the leased properties. ■ The Lessee agrees to be responsible for property tax, local tax, stamp duty, any other relevant tax and fees and any other expenses (as the case may be) in connection with the lease agreement of the leased properties.
Lessee's Responsibilities	■ To keep the leased properties in good conditions or appropriate for operation as per the objectives specified in this agreement. The Lessee agrees to be responsible for the maintenance (including the major maintenance) and leased properties renovations as well as the procurement of furniture, tools, equipment which are necessary and appropriate for use in the operation of the Sheraton Hua Hin Resort & Spa Project. Furthermore, for minor repairs and repairs that are necessary for use of the leased properties as well as any acts required to keep the leased properties in good condition so that they can be used in the project and as requested by the REIT at the Lessee's own expense. ■ As of the date of the execution of this agreement and while Lessee

Topic	Detail
	has the status as the Lessee under this agreement and renewed lease agreement, the Lessee agrees to carry out any acts which are necessary and appropriate for the procurement of financial support from Grande Asset or any other person (including the procurement of reserves for the expenses incurred in case the Lessee has cash flow problems or does not have enough money for the expenses incurred in the operation of the business under the Sheraton Hua Hin Resort & Spa Project including, but not limited to, the cost of maintenance, repairs or renovation of leased properties) so that the Lessee is able to operate the Sheraton Hua Hin Resort & Spa Project with the objective under this agreement. Honor Business has agreed that any money lent or financial support from Grande Asset shall be deemed as subordinated debt which Honor Business shall pay only when Honor Business has paid all its debt to the REIT and/or other creditors unless obtained the consent from the REIT or Honor Business has sufficient cash flow to operate the Sheraton Hua Hin Resort & Spa Project which Honor Business shall use the cash flow to operate the Sheraton Hua Hin Resort & Spa uninterruptedly or Honor Business has reserved sufficient fund to repay all debts to the REIT and/or other creditors in the period that Honor Business repays such subordinated debt to Grande Asset. ■ The Lessee shall not construct, alter or enlarge any structure that is the main structure, design or building plans on the leased properties except REIT's prior written consent has been obtained and in accordance with any related laws. Further, the REIT and the Lessee shall mutually agree on the terms and conditions in relation to the construction, alternation or enlargement of any structure that is the main structure, design or building plans on the leased properties when the Lessee inform the REIT the intention to proceed.

Topic	Detail
	■ The Lessee shall not create any additional obligation or encumbrance, including encumbrance in connection with the Lessee's properties, including but not limited to subletting, assignment of the lease agreement or any other right as well as selling and/or leasing any other property which would affect the operation of the Sheraton Hua Hin Resort & Spa without the prior consent in writing of the REIT. ■ The Less shall not incur any debt, financial obligation or borrowing from any parties (including financial institutions) in a total amount of THB 5,000,000 (five million baht only) at any one time including guarantee of any persons, except for the loan from Grande Asset or subsidiary of Grande Asset for the normal business operation of the Sheraton Hua Hin Resort & Spa Project and are in accordance with the general conditions. ■ The Lessee shall not declare dividend, pay dividend or declare to pay the shareholders in any forms except the Lessee has sufficient reserves for the payment of rental under this agreement for each accounting period considered for dividend payment. ■ The Lessee shall not reduce the registered capital less than THB 50,000,000 (fifty thousand million baht only), merge with other entity or establish or invest in other entity for operating or cooperating with other juristic person in any case with the prior written consent from the REIT. ■ The Lessee shall procure and maintain any other properties other than the leased properties necessary for the operation of the Sheraton Hua Hin Resort & Spa Project ("Operating Equipment") related to and necessary for the operation of the Sheraton Hua Hin Resort & Spa Project and after the termination of this agreement, the Lessee shall deliver the Operating Equipment to the REIT without any compensations. ■ The Lessee agrees to maintain the permits or any documents from

Topic	Detail
	the relevant government authority required for the operation of the Sheraton Hua Hin Resort & Spa Project and shall comply strictly with such terms and conditions. ■ At the expiry or the termination of this agreement, the Lessee shall return the leased properties to the REIT in good condition including delivery of necessary assets for the operation and management of the Sheraton Hua Hin Resort & Spa Project and assets that at least have the similar design or quality to the leased properties (in the case that there is a replacement to the leased properties) that is appropriate for operation in accordance with the objective of this agreement. However, if (a) the leased properties are lost, decayed or unable to deliver due to force majeure event or (b) the leased properties are totally decayed or unable to deliver due to normal use or expiry date of the leased properties then the Lessee is not required to return back that leased properties to the REIT.
Insurance	As of the date of the execution of this agreement and throughout the term of this agreement, the Lessee shall procure insurance to be taken out with an insurance company that is acceptable to the REIT in an amount that is adequate in accordance with the standard of insurance in the same type of business or in the amount required by the REIT as follows: (1) Property All Risks Insurance by taking out adequate and appropriate insurance cover for the leased properties which the REIT is the owner of or has the right of occupation against the perils to the leased properties with insurance coverage based on replacement costs, excluding cost of land. Whereby, the REIT shall be named as the co-insured and co-beneficiary with the Lessee in the insurance policies made for the leased properties. In case it is allowed under the conditions of the insurance policies the REIT and the Lessee agree that in the event that the amount of money received from a claim under the insurance policies does not exceed 3,000,000, then the REIT agrees and consents that the

Topic	Detail
	insurer shall pay such amount to the Lessee directly, provided that the Lessee shall use such money for the restoration of the leased properties only. (2) Business Interruption Insurance for damage to the leased properties with insurance coverage based on the total income that the Lessee expects to receive coverage period which the insurance coverage shall not be less than the total sum of the rent payable to the REIT and the fixed operating cost and the Lessee's expected net profit not less than 2 years. Whereby, the REIT's name shall be stated as the co-insured and co-beneficiary with the Lessee in the insurance policies for the rental that the REIT is entitled to receive under this agreement. In case it is allowed under the conditions of the insurance policies, the Lessee agrees and consents that the insurer shall pay such rental to the REIT directly. (3) Comprehensive General Liability Insurance with the insured amount based on the agreed terms and conditions among the Lessee, Hotel Operator and the REIT whereby insurance coverage is based on the possibility of damage to the third party and the REIT shall be named as the co-insured and co-beneficiary with the Lessee in the insurance policies for third party liability of the REIT. The Lessee agrees to be responsible for any insurance premiums, expenses or fees incurred as a result of or in connection with the procurement of insurance and/or the assignment of rights under the insurance policies that have been made and are currently in effect as of the date of this agreement.
Leased Properties are Damaged or Destroyed	■ In the event that the leased properties have been fully or materially damaged for any reason to the extent that the leased properties cannot be used for the continued operation of the Sheraton Hua Hin Resort & Spa Project, the REIT reserves the right to: (1) use the primary compensation received from the insurer for the reconstruction and provision of the leased properties so that

Topic	Detail
	the Lessee can use the reconstructed leased properties for the continue of operation of the Sheraton Hua Hin Resort & Spa Project as usual whereby during such reconstruction and provision of the substitute leased properties, the parties agree that the rights and obligations of the parties under this agreement shall remain in effect until the said process are completed; or (2) exercise the right to terminate this agreement whereby the REIT shall not be deemed to be in breach of this agreement and the REIT is not liable to pay any compensation to the Lessee. ■ In the event that the leased properties are partially damaged for any reason and part of the leased properties can still be used for the continued operation of the Sheraton Hua Hin Resort & Spa Project, this agreement shall still be in effect with respect to the undamaged an useable leased properties whereby such properties shall still be deemed as the leased properties under this agreement and the REIT shall consider the suitable rental for the undamaged and still usable leased properties and the REIT agrees to use the compensation received for the restoration of the leased properties to their original condition prior to the damage unless both parties shall agree otherwise. ■ Unless both parties shall agree other otherwise, in the event the construction costs or any expenses relating to or in connection with the construction and/or repairs of the leased properties mentioned above exceed the primary compensation received by the REIT, the REIT may request the Lessee to pay the costs of the construction and/or repairs of the leased properties that exceed the amount of such primary compensation the REIT has received from the insurance company. Whereby, the REIT shall consider reimbursing the Lessee for the said excess by making deductions from the

Topic	Detail
	rental and/or reducing rental and/or other means in accordance with the conditions and period the REIT considers appropriate. However, for the purpose of clarity, this agreement between the REIT and the Lessee does not prejudice the REIT's right to claim damages, leased properties construction and/or repair costs which exceed the amount of such primary compensation that the REIT received from the insurance company from the person causing damage (if any). However, prior to exercising any of the foregoing rights by the REIT, the REIT reserves the right to propose the said under undertakings to the meeting of trust unitholders for their consideration and prior approval. ■ For the purpose of this clause, "primary compensation" means the compensation from the insurance, excluding the compensation for business interruption insurance and/ or any other additional insurance under which each party is the insured at such party's own expense unless both parties shall agree otherwise.
Events of Default	Any of the following events is an event of default which entitles either party to terminate this agreement and/or claim damages from the other party. (1) Events of default by the Lessee's fault ■ In the event the Lessee breaches or fails to comply with the terms or representations specified in this agreement in material respect, or Honor Business or Grande Asset breaches or fails to comply with the obligations under Agreement to Purchase and to Sell Immovable Property, the Movable Property Purchase and Sale Agreement, Undertaking Agreement between the REIT and Honor Business, Undertaking Agreement between the REIT and

Topic	Detail
	Grande Asset or Rent Guarantee Agreement (as the case may be) or any other agreements executed by the REIT and Honor Business or breaches the representations specified in the Agreement to Purchase and to Sell Immovable Property, the Movable Property Purchase and Sale Agreement, Undertaking Agreement between the REIT and Honor Business, Undertaking Agreement between the REIT and Grande Asset or Rent Guarantee Agreement (as the case may be) or any other agreements executed by the REIT and Honor Business. Whereby, the Lessee or Grande Asset (as the case may be) is unable to remedy such breach and comply with the agreement within 60 days from the date it has been notified or learned of the event, or within any such period as agreed between the parties, except for the force majeure events. However, in the event that the Lessee defaults on rental payments and/or Deposit and/or any outstanding payments that the Lessee has the obligation to pay to the REIT under this agreement, the REIT shall have deemed to be entitled to terminate this agreement immediately, however, unless this agreement states otherwise. ■ In the event the Lessee is put into receivership or is ordered bankrupt or is in the process of dissolution, liquidation or an application for the Lessee's business reorganization is submitted to the court or the relevant government agency, which the REIT considers to have an impact on the Lessee's ability to pay debts or perform this agreement. ■ In the event the Lessee ceases the whole or part of business operation which materially prevents REIT or the new lessee from being able to procure benefit from the leased properties.

Topic	Detail
	(2) Events of default by the REIT's fault ■ In the event that the REIT breaches or fails to comply with the material terms or representations under this agreement and the REIT is unable to remedy such breach and comply with the agreement within 60 days from the date it has been notified or learned of the event, or within any such period as agreed between the parties, except for where the failure to comply with the terms and conditions under this agreement results from the Lessee's failure to perform its obligations under this agreement or Honor Business or Grande Asset (as the case may be) as counter party of the Agreement to Purchase and to Sell Immovable Property, the Movable Property Purchase and Sale Agreement, Undertaking Agreement between the REIT and Honor Business, Undertaking Agreement between the REIT and Grande Asset or Rent Guarantee Agreement (as the case may be) fails to comply with the obligations under Agreement to Purchase and to Sell Immovable Property, the Movable Property Purchase and Sale Agreement, Undertaking Agreement between the REIT and Honor Business, Undertaking Agreement between the REIT and Grande Asset or Rent Guarantee Agreement (as the case may be) or breaches the representations specified in the Agreement to Purchase and to Sell Immovable Property, the Movable Property Purchase and Sale Agreement, Undertaking Agreement between the REIT and Honor Business, Undertaking Agreement between the REIT and Grande Asset or Rent Guarantee Agreement (as the case may be).
Termination and Claim for Damages	■ In the event of default by the Lessee's fault or resolution of trust unitholders to dissolve the REIT whereby Grande Asset, as a trust unitholder, and related person of Grande Asset resolved to

Topic	Detail
	approve that the REIT to be dissolved. The REIT has the right to terminate this agreement by giving a written notice to the Lessee or filing a lawsuit for performance of this agreement and/or claiming for damages from the Lessee. The Lessee agrees to pay damages and/or any other expenses incurred as a result of the said event of default or dissolution of the REIT regardless of the REIT's exercise of right to terminate this agreement. ■ In the event of default by the REIT's fault, the Lessee has the right to terminate this agreement by giving a written notice to the REIT or filing a lawsuit for performance of this agreement and/or claiming for damages from the REIT. ■ If the following events occur, this agreement shall be terminated immediately: (1) Upon the expiry of the lease agreement and the lease agreement is not renewed in accordance with terms and conditions of this agreement or upon the expiry of the renewed lease agreement; (2) Upon the parties' mutual agreement on the termination of this agreement; or (3) In the event the leased properties are expropriated according to an announcement or law on expropriation or other law whereby the REIT considers that such event has a material impact on the operation of the Sheraton Hua Hin Resort & Spa Project and nothing can be done to remedy, rectify or mitigate the impact on the operation of Sheraton Hua Hin Resort & Spa Project. In the event of termination of the agreement under clause (2) or (3), each party shall not be entitled to claim for damages, costs or money or any other form of benefit from the other party unless the parties agree otherwise.

Topic	Detail
Force Majeure Events ¹	■ In this agreement a force majeure event means any event that occurs or causes an unpreventable harm even though the party who encounters or almost encounters such an event has taken appropriate care as any person in the same position would have had in the same situation. This also includes any promulgation of laws or any other action by the state that affects the performance of this agreement, and further includes but no limited to natural disasters such as fire, floods, tsunamis, earthquakes, unavoidable accidents, wars, legal restrictions, riots, acts of terrorism, plagues, or any cause having the similar effects which cannot be controlled by the affected party. ■ In the event of force majeure event which materially and adversely affects the business and/or affairs of the Lessee including other business operators in the same industry where the Lessee is not at fault or does not contribute to that force majeure event and as a result the Lessee is unable to pay the rental in the amount or within the period specified in this agreement, the Lessee has the right to request the REIT to consider granting reliefs to the Lessee, including the request for postponements and/or rental reduction and/or rental extension of time to pay rental and/or any other proposals. However, the REIT has the sole discretion in such consideration whereby the REIT may take into consideration any factors it deems appropriate, including but not limited to the Lessee's revenue and that of the other operators in the same industry.

¹ "Force Majeure Events" means any event that occurs or causes an unpreventable harm even though the party who encounters or almost encounters such an event has taken appropriate care as any person in the same position would have had in the same situation. This also includes any promulgation of laws or any other action by the state that affects the performance of this agreement, and further includes but no limited to natural disasters such as fire, floods, tsunamis, earthquakes, unavoidable accidents, wars, legal restrictions, riots, acts of terrorism, plagues, or any cause having the similar effects which cannot be controlled by the affected party.

Topic	Detail
	However, after such examination and consideration, if the request to postponements and/or rental reduction and/or rental extension of time to pay rental and/or any other proposals from the Lessee has a clear rehabilitation plan and period of time to generate income to pay rental to the REIT which shall be the sole discretion the REIT manager and trustee. Nevertheless, if the request to postponements and/or rental reduction and/or rental extension of time to pay rental and/or any other proposals from the Lessee does not have a clear rehabilitation plan and period of time to generate income to pay rental to the REIT, the REIT shall call a meeting of the trust unitholders to approve the said postponements and/or rental reduction and/or rental extension of time to pay rental and/or any other proposals from the Lessee whereby the Lessee shall present clear reasons for the trust unit holder's consideration.

Impact from Changing of Lessee

In the case that the REIT is required to change the lessee or exercise the right to terminate the immovable properties and movable properties lease agreement, the REIT may be exposed to risk in searching for the new lessee or if the REIT can find the new lessee, the REIT may still be exposed to risk in agreeing with the new lessee, provided that terms and conditions of the new lease agreement shall not be worse than the previous lease agreement. Thus, this may have an impact on the REIT's future income.

Nevertheless, in the case that the immovable properties and movable properties lease agreement is terminated before its normal terms, the REIT Manager shall proceed in conducting a process to select new lessee as soon as possible so that the properties of the REIT are continuously leased out with the best interest of the trust unitholders in consideration. Moreover, in the case that the REIT terminates the immovable properties and movable properties lease agreement due to the breach of conditions, as specified in the immovable properties and movable properties lease agreement, of the lessee, in addition to the right that the REIT has to sue the lessee to comply with the agreement and/or claim damages from the lessee, the REIT has the right to collect the deposits

that the lessee has given to the REIT in respect to the immovable properties and movable properties lease agreement in order to minimize the possible impact that may happen to the REIT from losing its opportunity to continuously generate income.

1.17.3. Lessee

(1) General Information

Name	Honor Business Company Limited
Address	Exchange Tower, 32th Floor, Sukhumvit Road,
Company Registration No.	Klongtoey Sub-area, Klongtoey Area, Bangkok 10110
Telephone	0105532062276
Facsimile	02-204-9900
Registered Capital	02-204-9999
Paid-up Capital	THB 125,000,000

(2) Experience of Management

Name	Mr. Amarin Narula
Position	Director and Executive Director
Job Experience	2018 - Present Director Royal Orchid Hotel (Thailand) PLC. 2018 - Present Director Sheraton Royal Orchid Co., Ltd. 2018 - Present Director Thai Royal Orchid Real Estate Co., Ltd. 2002 – Present Director and Executive Director Grande Asset Hotels and Property PCL. 2000 – 2002 Assistant to Managing Director Quality Inn Co., Ltd. 1998 – 2000 Assistant to Managing Director Tower Center (Thailand) Co., Ltd.
Education	- Bachelor Degree in Finance, Boston University, Massachusetts, U.S.A - Thai Institute of Directors Association (IOD) : 2004 Certificate, Directors Accreditation Program (DAP)

(3) Past Performance of Lessee

Balance Sheet (unit: THB)	As of December 31,		
	2019	2018	2017
Assets			
Total Current Assets	69,362,527	95,310,388	528,830,765
Total Non-current Assets	114,713,619	111,556,217	111,370,214
Total Assets	184,076,146	206,866,605	640,200,979
Liabilities			
Total Current Liabilities	156,742,541	129,017,847	140,252,674
Total Non-current Liabilities	17,791,957	12,992,185	10,886,473
Total Liabilities	174,534,498	142,010,032	151,139,147
Equity			
Total Equity	9,541,648	64,856,573	489,061,832
Total Liabilities and Equity	184,076,146	206,866,605	640,200,979

Source: Financial statement of Honor Business Company Limited

Income Statement (unit: THB)	As of December 31,		
	2019	2018	2017
Revenues from Hotel Operations	373,421,236	378,302,438	423,484,323
Cost of Hotel Operations	(281,587,813)	(282,487,008)	(276,412,745)
Gross Profit	91,833,423	95,815,430	147,071,578
Gain on Sales of Assets to Trust		-	710,385,280
Other Incomes	2,481,186	8,171,952	7,155,059
Selling Expenses	(23,814,615)	(31,907,236)	(37,899,354)
Administrative Expenses	(124,990,221)	(120,435,281)	(142,276,042)
Financing Costs	(824,698)	-	(53,124,914)
Profit (Loss) Before Income Tax	(55,314,925)	(48,355,135)	631,311,607
Income Tax	-	(850,124)	(26,367,793)
Net Profit (loss) for the Year	(55,314,925)	(49,205,259)	604,943,814

Source: Financial statement of Honor Business Company Limited

(4) The REIT Manager's Opinion on the Lessee's Ability to Perform on Lease Agreement

The REIT Manager views that the lessee has experienced team members and staffs in managing the immovable properties. Also, the lessee has standard of operation to continuously

procure benefits from the immovable properties. Moreover, the lessee is the previous owner of the Sheraton Hua Hin Resort & Spa Project before the REIT was established. Thus, the lessee is experienced in managing the properties of the Sheraton Hua Hin Resort & Spa Project than any other lessee.

Since the REIT Establishment and lessee lease the the Sheraton Hua Hin Resort & Spa Project from the REIT, lessee has performed duties as specified in the Lease agreement in all respects. However, the operation result in 2018 and 2019 has loss at THB 49.21 million and THB 55.31 million, respctively. In 2018, lessee had renovated the Sundara Sports Lounge at the Sheraton Hua Hin Resort & Spa Project to increase revenue from food and beverage. In 2019, the tourism situation in Prachuap Khiri Khan Province has occupancy rate at 66%, decease at 2% from the previus year. Moreover, the major clients of Hua Hin market have came from Europe zone; i.e. German, Austria, Denmark, Finland, Italy, Sweden, Switzerland; has decreasd since the appreciation of Thai Baht compared to Euro, therefore the hotels of this segment have changed strategy resulting to increase competitive of the market. The Sheraton Hua Hin Resort & Spa Project has continually adjusted the market strategy to complete the market and still keep the occupancy rate at the same level with last year, but the ADR of the hotel has decreased since the incrasing of the competitive in the market. In addition, the REIT received the rental for the period started from 1 January 2019 to 31 December 2019 under the property lease agreement from the Lessee, detail as follows:

Detail:	For the Period 1 January 2019 to 31 December 2019		
	Contract Amount	Actual Amount	Variance
Immovable Properties Rental	THB 58,000,000	THB 58,000,000	THB 0
Movable Properties Rental (exclude VAT)	THB 58,000,000	THB 58,000,000	THB 0
Total	THB 116,000,000	THB 116,000,000	THB 0

In the event that the lessee is unable to comply with the property lease agreement, the REIT has the following measures:

- In the case that the lessee violates or fails to comply with the key provisions of the property lease agreement and relevant agreements of the REIT and is unable to resolve the issue within the period as specified in the agreements, the REIT has the right to terminate the agreement and/or claim damages from the lessee.
- In the case that the lessee fails to make rental payment to the REIT within the rental payment due date period as specified in the property lease agreement, the REIT has the following rights to proceed as prescribed in the relevant agreements:

(1) Property Lease Agreement

- The REIT has the right to terminate this agreement but, however, if the Lessee has paid the outstanding rental in full for each period before the REIT exercises the right to terminate this agreement, then it shall be deemed that the REIT does not exercise the right to terminate the agreement for the failure to pay the rental in that period.
- The REIT has the right to deduct the Deposit (as specified in the property lease agreement) in the same amount in full of the outstanding rental payments as for rental payment to be paid. However, the Lessee has the duty to top-up additional fund to the Deposit so that the total Deposit amount is the same as specified in this agreement within the period and conditions as prescribed in this agreement. In the event that the Lessee does not top-up additional fund to the Deposit so that the total deposit amount is the same within the period as specified in this agreement, the REIT can exercise the right to terminate this agreement immediately.

Nevertheless, if the Lessee defaults on the rental payment for 3 or more times (despite whether the REIT exercise the right to deduct the Deposit as for the outstanding rental payment or not), the REIT can exercise the right to terminate this agreement immediately.

Please consider the details of the property lease agreement in Part 2

Clause 2.4.2. Summary of the Property Lease Agreement in this annual report.

(2) Rental Guarantee Agreement

Grande Asset Hotels & Property Public Company Limited agrees to be bound as guarantor of the income that REIT will receive from the Lessee and as joint debtor with the Lessee in the amount and for the period specified in the property lease agreement and undertaking agreement (“Guaranteed Income”). As long as Honor Business is the Lessee and in the event that Honor Business cannot pay the rentals or pay in full amount of the rentals pursuant to the property lease agreement, Grande Asset agrees to pay the shortfall rentals to REIT as prescribed in the property lease agreement.

In the event that Grande Asset fails to comply with the undertaking agreement with respect to income guarantee (except in the event of force majeure or not due to Grande Asset’s fault pursuant to the details specified in the undertaking agreement), it shall be deemed that the Lessee has defaulted on the property lease agreement and the REIT shall be entitled to terminate the property lease agreement and/or claim damages from the Lessee.

Please consider the details of the property lease agreement in Part 2

Clause 2.4.4. (1) Summary of Rent Guarantee Agreement in this annual report.

1.17.4. Summary of Rental Guarantee Agreement and Information of Rental Guarantor

(1) Summary of Rental Guarantee Agreement

Topic	Detail
Lessor	BBL Asset Management Company Limited, in its capacity as Trustee of Grande Hospitality Real Estate Investment Trust (“REIT”)
Lessee	Honor Business Company Limited (“Honor Business”)
Rental Guarantor	Grande Asset Hotels & Property Public Company Limited (“Grande Asset”)

Topic	Detail
Agreement Between Parties	- Grande Asset agrees to be bound as guarantor of the income that REIT will receive from the Lessee and as joint debtor with the Lessee in the amount and for the period specified in the property lease agreement and undertaking agreement ("Guaranteed Income"). As long as Honor Business is the Lessee and in the event that Honor Business cannot pay the rentals or pay in full amount of the rentals pursuant to the property lease agreement, Grande Asset agrees to pay the shortfall rentals to REIT as prescribed in the property lease agreement. - All parties agree that in the event that Grande Asset fails to comply with the undertaking agreement with respect to income guarantee (except in the event of force majeure or not due to Grande Asset's fault pursuant to the details specified in the undertaking agreement), it shall be deemed that the Lessee has defaulted on the property lease agreement and the REIT shall be entitled to terminate the property lease agreement and/or claim damages from the Lessee.

(2) Performance of the Immovable Properties when Compared to the Guaranteed Rental Income

Items	For the Period 1 January 2019 to 31 December 2019	
	Performance of the Immovable Properties	Contract Amount
Profit from Operation	THB 70,183,937	THB 116,000,000

Source: Operating Result from Honor Business Company Limited

(3) Performance of Rental Guarantee Agreement in the Previous Year

In 2019, Honor Business has paid rent to the REIT as lease agreement, therefor the REIT has not taken the right with Grande Asset as the Rental Guarantee Agreement.

(4) Information of the Rental Guarantor

Grande Asset Hotels and Property Public Company Limited ("Grande Asset") is registered on 21 April 1988, 7 July 2003 convert to Public Limited Company and listed on in the Stock Exchange of Thailand on 10 February 2004 under services industry and tourism and

leisure sector. Currently, Grande Asset has registered capital of THB 5,000,000,000 of which comprises of 5,000,000,000 ordinary shares with par value of THB 1 per share. As of 31 December 2019, Grande Asset has paid-up capital of THB 3,615,929,965 of which comprises of 3,615,929,965 shares with par value of THB 1 per shares.

Grande Asset has put in place a hybrid business strategy (Hybrid) so as to conduct business in real estate development for short-term and medium-term revenue recognition and invest in the hotel business which is investing in property to achieve long-term revenue recognition. The Objective is diversified business to decrease dependent of single business for stable business and increase long term value.

(5) Latest Credit Rating of the Income Guarantor

Grande Asset received a company rating at “BB” with “stable” outlook from a credit rating agency in Thailand namely TRIS Rating on 13 May 2019. The rating reflects Grande Asset's experience in property development and qualify assets. The credit rating has decreased since the increasing of management expenses and the forecast of increasing of debt level from the large project of the company. Moreover, the credit rating has considered the hotel business which is highly competitive and sensitive with external factors and uncontrollable, also the instability of real estate market.

(6) Summary of Financial Information of Grande Asset for 2017 to 2019

Balance Sheet (unit: THB thousand)	Consolidated as of December 31,		
	2019	2018	2017
Assets			
Total Current Assets	3,444,120	3,945,203	4,332,293
Total Non-Current Assets	11,080,703	9,731,763	4,952,509
Total Assets	14,524,823	13,676,966	9,284,802
Liabilities			
Total Current Liabilities	2,888,164	2,788,913	2,584,530
Total Non-current Liabilities	7,476,204	6,326,452	3,077,067
Total Liabilities	10,364,368	9,115,365	5,661,597
Equity			

Balance Sheet (unit: THB thousand)	Consolidated as of December 31,		
	2019	2018	2017
Paid-up Capital	3,615,930	3,615,930	2,889,039
Retained Earnings	485,676	881,024	734,166
Non-controlling Interests	58,849	64,647	-
Total Equity	4,160,455	4,561,601	3,623,207

Source: Financial Statement of Grande Asset Hotels and Property Public Company Limited

Income Statement (Unit : THB thousand)	Consolidated for the Period Ended December 31,		
	2019	2018	2017
Total Revenue	3,141,522	3,718,441	2,935,803
Total Expenses	3,443,698	3,434,815	2,212,752
Net Profit (Loss)	(302,176)	283,625	723,050

Source: Financial Statement of Grande Asset Hotels and Property Public Company Limited

(7) Analysis of the Financial Position and the Operating Results of the Income Guarantor for the Year 2019

a. Balance Sheet

Total Assets

As of 31 December 2019, Grande Asset's total assets were at THB 14,524.82 million, increased by 6% from THB 13,676.97 million as of the ending period of 2018, mainly due to the Bank deposits pledged as security increase THB 806.87 million, from THB 7.47 million previous year to THB 814.33 million or increase 10,803.75% from 2018. Net of Investment properties in 2019 increase from THB 18.12 million in 2018 to THB 249.33 million or increase 1,276.21%

Current Assets

As of 31 December 2019, Grande Asset's total current assets were at THB 3,444.12 million, decreased by 12.70% from THB 3,945.20 million at the end of 2018, due to Grand Asset has transfer Short-term loans to related parties to Long-term loans to related parties and Cash and cash equivalents has decreased.

Non-current Assets

As of 31 December 2019, Grande Asset's total non-current assets were at THB 11,080.70 million, increased by 13.86% from THB 9,731.76 million at 2018, due to the Bank deposits pledged as security and Net of Investment properties has increased from 2018.

Total Liabilities

As of 31 December 2019, Grande Asset's total liabilities were at THB 10,364.37 million, increased by 13.70% from THB 9,115.36 million at the end of 2018, mainly driven by the increase in current and non-current of portion of debentures and the increase in Employee benefit obligations.

Current Liabilities

The current liabilities increased by 3.56% from as of 31 December 2018 to THB 2,888.16 million as of 31 December 2019, mainly from the increased in the current portion of debentures, Current portion of finance lease liabilities, Current portion of long-term borrowings from financial institutions and Other current liabilities.

Non-current Liabilities

The non-current liabilities have increased by 18.17% from as of 31 December 2018 to THB 7,476.20 million as of 31 December 2019, due to the increase in long-term borrowings from financial institutions, Debentures and Employee benefit obligations.

Shareholders' Equity

As of 31 December 2019, Grande Asset's total shareholder's equity were at THB 4,160.46 million, decrease 8.79% from THB 4,561.60 million at 2018, due to net income from operation of Grand Asset has decreased.

b. Operating Results

Total Revenue

In 2019, Grande Asset's total revenues were at THB 3,141.52 million, reduce by 15.52% from 2018 at THB 3,718.44 million, mainly driven from the decreasing of Revenues

from sales of real estate 2019 at THB 413.18 million decrease from THB 1,586.10 million at 2018 as the transferring of the Hype Sukhumvit 11 has decrease.

Total Expenses

In 2019, Grande Asset's total expenses were at THB 3,443.70 million, increased by 0.26% or THB 8.88 million from 2018, mainly due to the increased in cost of sales of hotel operations increase THB 373.59 million from the previous year as Revenues from hotel operations has increased also. The cost of sale of hotel operations has increase THB 131.11 million from the previous year due to the increase in new hotel management expenses and the increase of Finance costs as the increasing of financing. Also, the interest rate of the company has increased. Moreover, in the fourth quarter of 2018, the Hyatt Regency Sukkhumvit hotel has finised in construction and opened the hotel. Hence, the interest expense of the borrowing to construction during 2019 has recorded in interest expense in income statement, while the intesest expense of 2018 has recorded in cost of the project.

Net Profit

In 2019, Grande Asset's loss was at THB 302.18 million compare to 2018 Grand Asset's Net profit was at 283.63, primarily due to the increased in total expenses.

1.18. Loan and Related Information

-None-

Market Overview of the Business of Benefits Procurement from REIT Investment

1.19. Thailand Business Overview

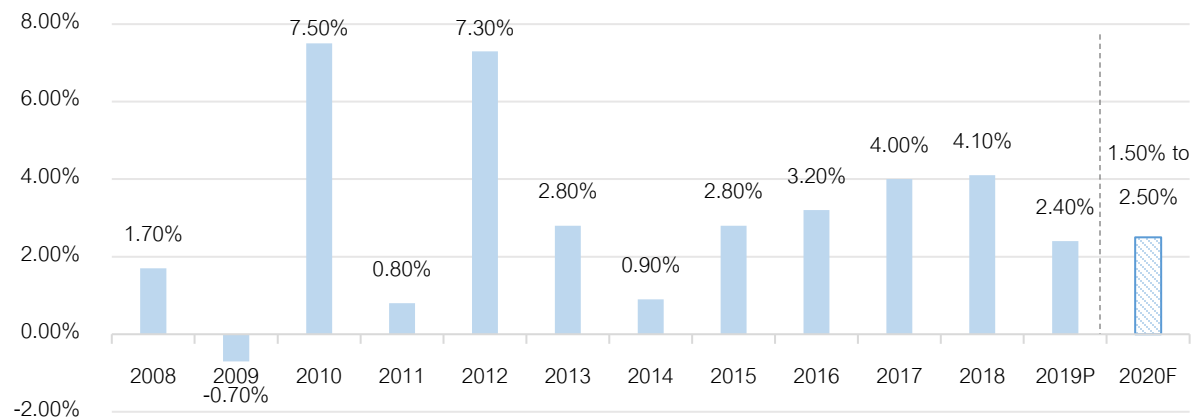
In 2019, Office of the National Economic and Social Development Council (NESDC) report that Thai economy grew by 2.4% which is below expectation and compared with 4.2 percent in 2018 due to (1) slow global economic growth rate, uncertain directions of trade measures; the intensified trade measures and the uncertainty of US-China trade which caused producers and exporters in the supply chain to continue slowing their production and trade activities, and the Baht appreciation, (2) the delay in 2020's budgeting process and the lower-than-assumed disbursement rate of Stated-owned Enterprises (SOEs) capita budget which led to pubic investment expand at slower rate than previously expected and was consistent with some delays of

key infrastructure projects for example a high-speed train from Bangkok to Nakhon Ratchasima, and (3) impacts from the drought as well as temporary factors disrupting production in some manufacturing products

However, Thai economy stability (1) Decreasing of interest rate; On 7 August 2019, the Monetary Policy Committee (MPC) decided to lower the policy interest rate by 25 basis points to 1.50% per annum and again on 6 November 2019, the Monetary Policy Committee (MPC) decided to lower the policy interest rate by 25 basis points to 1.25% per annum to support the lower than expected economic growth. (2) The Headline Inflation rate 2019 is lower than expected at 0.70%, which is low level (3) The Unemployment rate is low rate, furthermore the government measures to support low-income people, and farmers.

For 2020, NESDC forecast that 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 (1) a gradual global economic recovery following easing trade tensions and reduced risks of a no-deal Brexit; (2) a favourable expansions of private consumption and investment of both private and public; (3) key government stimulus measures; and (4) a low growth base in the last quarter of 2019.

Figure 3.1 Thailand's GDP Growth (2008-2020F)

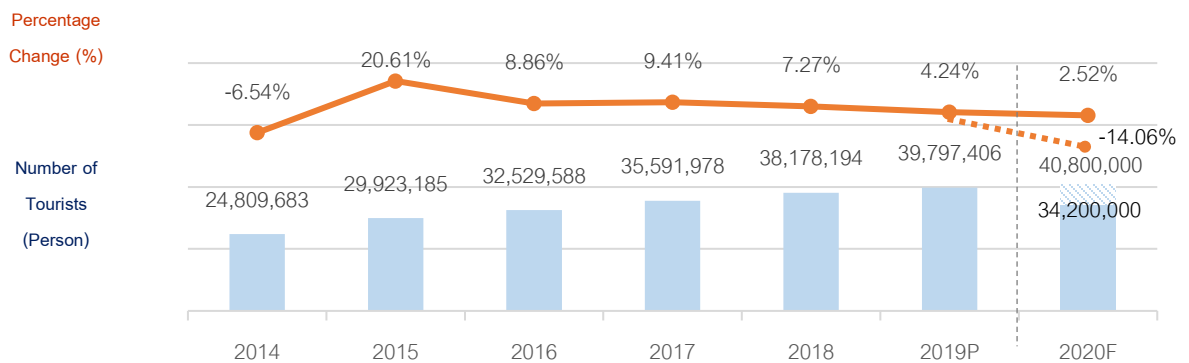


Source: Macroeconomic Strategy and Planning Office

Thailand Tourism Industry

In 2019, Thailand recorded a number of foreign tourists by 39.8 million tourists, an increase of 4.24% when compared to 2018. This can be attributed to the increase in tourist from most regions. In 2020, Ministry of Tourism and Sports forecast that Thailand expect attract foreign tourists by more than 40.8 million tourists. However, the forecast had published before the coronavirus (Covid-19) outbreak around the world, Tourism Authority of Thailand expect that number of foreign tourists of 2020 shall decrease to 34.20 million tourists.

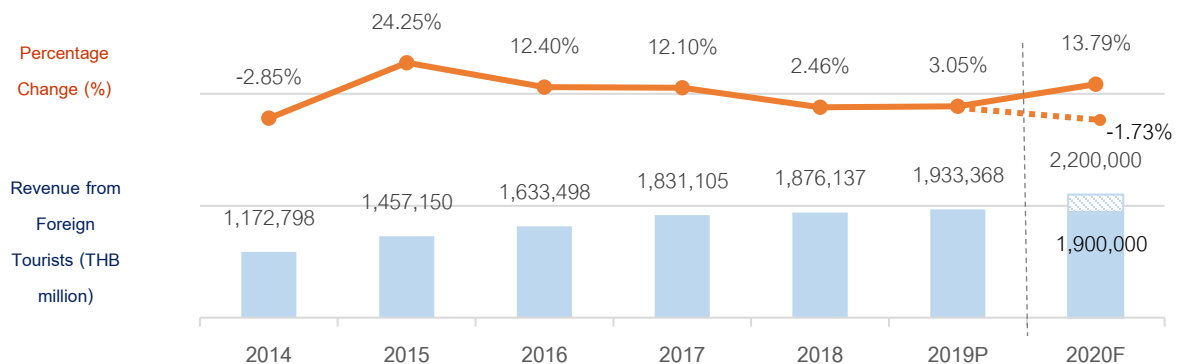
Figure 3.2 Number of Foreign Tourists Arrival (2014-2020F)



Source: Ministry of Tourism and Sports

For the revenue from foreign tourists in 2019, Thailand generated a total revenue of THB 1,933,368 million, up by 3.05% compared to 2018. The tourists from Europe generated revenue of approximately THB 461,479 million, decreased by 2.43% when compared to 2018. Moreover, the tourists from China generated revenue of approximately THB 543,707 million, up by 4.78% from 2018. Furthermore, it is expected that in 2020, there will be a total revenue from foreign tourists of THB 2,200,000 million. Nevertheless, the forecast had published before the coronavirus (Covid-19) outbreak. Ministry of Tourism and Sports primarily estimate that Thailand tourists's revenue shall be lost approximate at THB 300,000 million.

Figure 3.3 Revenue from Foreign Tourist (2014-2020F)



Remark: P means Preliminary Information as of January 2020

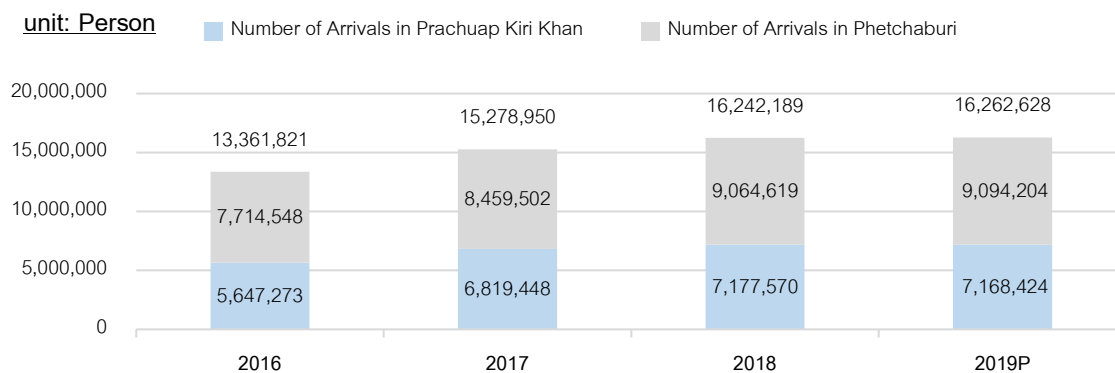
Source: Ministry of Tourism and Sports

For Thailand's international tourism trend in 2020, it is expected to increase in term of revenue and number of visitor due to, the government's continual measures to promote tourism sector, especially the extension of the temporary waiver on the visa-on-arrival (VOA) fee, including the cooperation between Public sector and Private sector promote the Responsible Tourism program, which is trend of tourism in 2020 that is Environmental Friendly. However, there are some factors might impact to the Thai Tourism industry for example; the intensified trade measures and the uncertainty of US – China trade; Disruptive Technology, the entrepreneur should update and adjust themselves all the time and also the appreciaion of Thai Baht shall impact to the Thai Tourism. Based on the above factors, it is expected that tourism in Thailand will continue to expand in 2020, where the total revenue from tourism will be approximately THB 2,200,000 million, up by 13.79 % from 2019 and expected that in 2020 there will be 40,800,000 foreign tourists visiting Thailand. However, the forecast had published before the coronavirus (Covid-19) outbreak around the world, in 2020 the number of foreign tourists is expected decrease to approximately 34.2 million tourists and the tourist's revenue expected to loss at approximately THB 300,000 million.

1.20. Overview of Hospitality Industry in Prachuap Khiri Khan Province and Phetchaburi Province

According to the Ministry of Tourism and Sports, in 2019, there were a total number of Thai and foreign visitors of 7,168,424 persons and 9,094,204 persons that traveled to Prachuap Khiri Khan Province and Phetchaburi Province, respectively. The provinces experienced a continual growth in tourist arrivals throughout the period with a compound annual growth rate (CAGR) between 2016 and 2019 of 8.28% and 5.64%, respectively. Furthermore, the Prachuap Khiri Khan Province and Phetchaburi Province were able to generate revenue from tourism by THB 43,417 million and THB 32,531 million, respectively. The provinces experienced a continual growth in revenue from tourism throughout the period with a compound annual growth rate (CARG) between 2016 and 2019 of 11.80% and 8.55%, respectively.

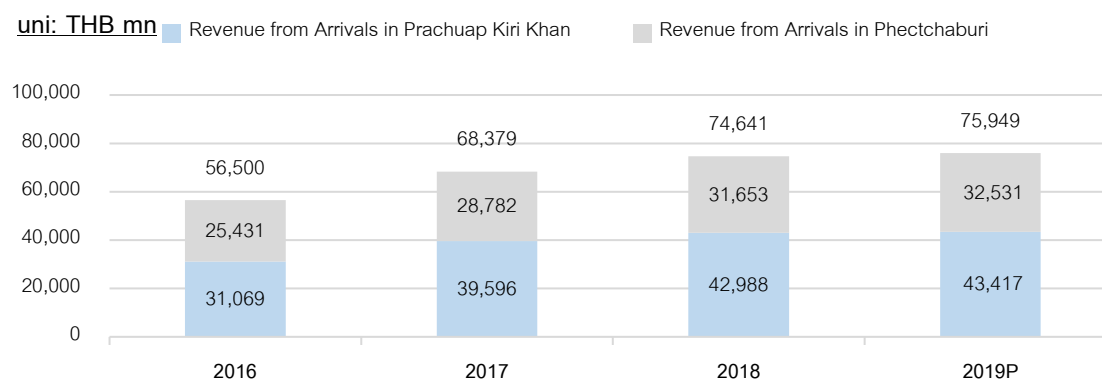
Figure 3.4 Number of Arrivals in Prachuap Khiri Khan Province and Phetchaburi Province (2016-2019P)



Remark: P means Preliminary Information as of January 2020

Source: Ministry of Tourism and Sports

Figure 3.5 Revenue from Arrivals in Prachuap Khiri Khan Province and Phetchaburi Province (2016-2019P)

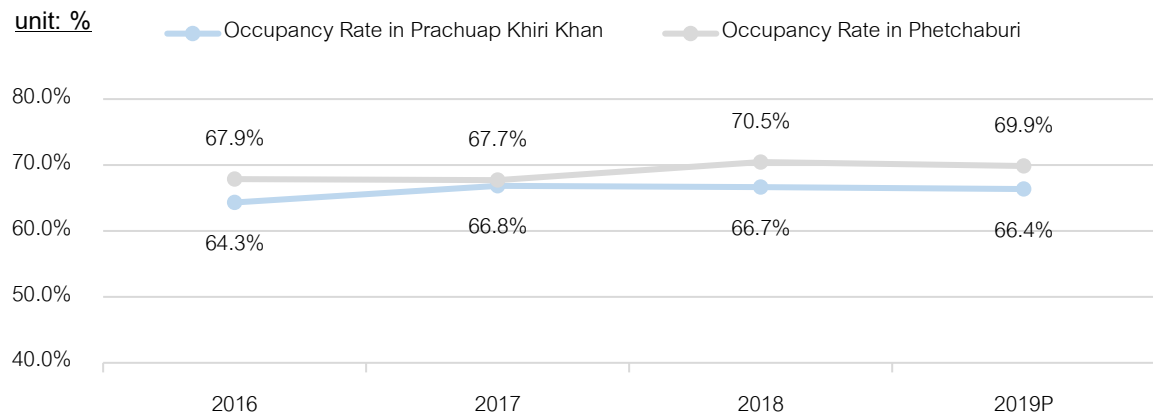


Remark: P means Preliminary Information as of January 2020

Source: Ministry of Tourism and Sports

According to the Ministry of Tourism and Sports in 2019, the average occupancy rate in Prachuap Khiri Khan Province and Phetchaburi Province were 66.40% and 69.90%, respectively. There was a total of 16,262,628 visitors from Prachuap Khiri Khan Province and Phetchaburi Province, which generated a total revenue of THB 75,949 million in 2019.

Figure 3.6 Occupancy Rate in Prachuap Khiri Khan Province and Phetchaburi Province (2016-2019P)



Remark: P means Preliminary Information as of January 2020

Source: Ministry of Tourism and Sports

For the outlook in 2020, the hospitality sector in Prachuap Khiri Khan Province and Phetchaburi Province has the tendency to slightly expand mainly driven by the factors such as the government's continual measures to promote tourism sector. Moreover, the political situation in Thailand is expected to foresee a stable outlook after the successful of election in 2019. However, there are some factors that might impact to the hospitality business for example, the intensified trade measures; especially, the uncertainty of US – China trade and the appreciation of Thai Baht. Especially, the outbreak of COVID-19 shall significantly to impact the Thailand tourism industry.

The Sheraton Hua Hin Resort & Spa project has the highlight that it is a quality asset with facilities and utilities in accordance with international standards and is a hotel with 125-meter wide beachfront. Moreover, there is also a space for organizing meetings or events with the room such as the Chandelier, a large meeting and event room which is open for service since November 2014 which are accommodative for activities such as banquets, meeting, seminars, concert. In addition, the room is tall, wide and spacious and is certified by the Thailand Convention and Exhibition Bureau (Public Organization) or "TCEB". This make the room interesting for the Group or MICE domestic and international customers. Thus, this make the Sheraton Hua Hin Resort & Spa project to implement sales strategy that focuses on penetrating customers comprising of (1) Group or MICE customers who come to organize various events and/or use the hotel room service by contacting the hotel sales representative and (2) Leisure (leisure, recreation and tourism) consists of general retail customers who book rooms through various channels and agencies.

Risk Factors

1.21. Risk Relating to the Core Assets and Operation

1.21.1. Risk from Economic Volatility and Domestic Tourism Business Conditions

The operating result of Sheraton Hua Hin Resort & Spa Project may encounter risks resulted from economic volatility and domestic tourism industry's condition. Moreover, the tourism industry may be affected various factors such as volatility of Thai Baht, terrorism, politics, war, riot, protest, urban planning, demographic change, natural disaster, epidemics and etc.

However, the Sheraton Hua Hin Resort & Spa Project has diversified customers' allocation where the proportion of Thai and foreign customers are similar. Furthermore, the Sheraton Hua Hin Resort & Spa Project has collaborated with Thailand Convention and Exhibition Bureau ("TCEB") to attract foreign group customers to hold a meeting in Thailand. As a result, this may mitigate the risk arising from economic volatility and domestic tourism business conditions.

1.21.2. Risk from Higher Competition in The Hotel and Tourism Industry

The operating result of Sheraton Hua Hin Resort & Spa Project may encounter risks from the condition of the real estate market and/or increase in players in the market. This leads to a higher supply of accommodations units in the market and, therefore, resulting in higher competition. Currently, there are one direct competitor located nearby and four other competitors located in Hua Hin District with similar service quality. Nevertheless, the Sheraton Hua Hin Resort & Spa Project has remarkable features such as beachfront hotel and lagoon-style swimming pool with the area of 5,700 square meter and 560-meter-long that surround the guest building which attract customers of all age groups. Moreover, the Sheraton Hua Hin Resort & Spa Project has large meeting and event facilities which are the key competency of the hotel.

1.21.3. Risk from Natural Disaster, Accidents and Terrorism

The chances of natural disaster, accidents and terrorism to occur are low. However, if the incidents occurred at the location of the Sheraton Hua Hin Resort & Spa Project, then it may damage

the properties of the REIT and may cause a loss of life and damages to properties of lessee and guests of the Sheraton Hua Hin Resort & Spa project.

However, the REIT will arrange for insurance policies to cover damages caused by natural disasters, accidents and other force majeure events to the invested properties with adequacy and appropriateness in accordance with the relevant laws at all time.

1.21.4. Risk Related to Compensation from Insurance

Despite that the REIT has arranged for insurance policies for the invested properties of the REIT, adequately and appropriately, in accordance with the relevant laws, the REIT may not be able to exercise the right to claim as provided in the insurance policies, whether in whole or in part, or there may be a delay in compensating for the damage as provided in the insurance policies, which is not the fault of the REIT.

Nevertheless, the REIT Manager shall act to arrange the REIT to be beneficiary or co-beneficiary under the insurance policies.

The REIT Manager views that the minimum coverage amount is adequate and appropriate as the minimum insured amount under the insurance policies cover the appraised value, using full replacement cost method before depreciation. It is sufficient to replace the properties if the properties are damaged. In addition, the insured amount under the business interruption insurance policy is adequate and appropriate as it covers the projected income of the properties and the rental to be received by the REIT from the lessee in accordance with the lease agreement.

1.21.5. Risk Related to Hotel Business Licenses

According to the law, the hotel business licenses shall be renewed upon the expiry date. However, in the case that the Lessee's hotel business license is terminated, not renewed or the Lessee is unable to obtain the license, this may result in an adverse effect to the Lessee. For instance, the Lessee will not be able to operate the hotel business anymore, hence not being able to pay the rental to the REIT and not performing on the terms and responsibilities under the property lease agreement. If the Lessee cannot resolve this issue by obtaining the hotel business license,

then the REIT has the right to terminate the agreements and claims for damages in accordance with the law due to the default until the REIT can find the new lessee.

Apart from rules or regulations and guidelines for approval by agencies related to the hotel business license's renewal process, there may be changes in the future which may cause delay on application and not able to renew the license.

1.21.6. Risk of Compliance with Environmental Laws and Order May Result in Significant Cost to the REIT

The REIT may incur various expenses relevant to complying with environmental laws that relates to the operation of the Sheraton Hua Hin Resort & Spa Project. Furthermore, in the event of a change in the relevant environmental laws, the REIT may be charged for complying with such laws. However, currently, the Sheraton Hua Hin Resort & Spa Project has no disputes related to the environmental law.

1.21.7. Risk of Compliance with Government Orders Relating to Building and Constructions

The property of the REIT's investment which is part of the constructions received a construction permit from the relevant government agencies with conditions. The property is called the dam retaining wall and it is permitted under the construction permit and is registered as the structures built over waterways under the category as the seawall from the Marine Department with conditions.

However, there may be a chance of revocation of the registration or permit in some cases that lead to the demolition of the structures built over waterways. Therefore, the REIT, in its capacity as the owner of the property, may incur some expenses to comply with the orders of the relevant government agencies. Such expenses are expected to be low where the REIT has reserved sufficient capital.

Nevertheless, as long as Honor Business is the lessee under the lease agreement, Honor Business will be responsible for the annual fee to be paid to the relevant government agencies throughout the lease term. Currently, the fee costs about 5,000 – 6,000 baht per year.

1.21.8. Risk of Land Expropriation

The REIT may be exposed to risk in the event that the core properties are expropriated by the government officials, in which the REIT may not be able to procure benefits from the core properties.

Moreover, in the event of land expropriation, the REIT may not be compensated or fully compensated as for the amount invested in the properties which could adversely affect the return of trust unitholders. Thereby, the return of the investment may not be in accordance with forecasted profit distributions and capital reduction.

According to the current information, the area in which the core properties are located is not specifically subject to such expropriation. Nevertheless, the REIT Manager cannot predict the probability of expropriation because the land expropriation depends on the government policy and the need for particular land areas at a certain time.

1.21.9. Risk from Renovation of Immovable Properties

If there is a renovation or maintenance of the immovable properties, during the operation of the Sheraton Hua Hin Resort & Spa Project, it may have an effect on the operating performance. However, the hotel operator and the lessee shall plan and assign specific areas for renovation or maintenance to minimize the impact to the operation of the Sheraton Hua Hin Resort & Spa Project. In addition, the renovation or maintenance shall be according to the informed and approved notification from lessee or capital expenditures plans and estimate that the lessee has been approved by the REIT.

1.21.10. Risk from Overcosting Than the FF&E's Reserve to Renovate Immovable Properties

According to the Lease Agreement of the Sheraton Hua Hin Resort & Spa Project, Honor Business, in its capacity as lessee, is responsible for the maintenance and renovation in every year so that it is secure, modern and consistent with customer satisfaction. However, if the aforementioned expenses are over the FF&E reserve, then it may adversely affect the operation of the Sheraton Hua Hin Resort & Spa Project and the ability of the lessee to pay rentals to the REIT.

Nevertheless, the Sheraton Hua Hin Resort & Spa Project is currently in good condition with consistent maintenance and refurbishment of the properties. Honor Business plans to periodically reserve funds for maintenance and renovation, image enhancement and purchase of furniture, fixtures and equipment in every year to maintain the assets in good condition and for operation. The REIT Manager and Trustee shall verify and review the assets every year after the REIT's investment.

1.21.11. Risk of Using Walkway to The Beach Access of The Sheraton Hua Hin Resort & Spa Project

As the REIT has not invest in the (1) roads, walkways, driveways, entrances and exits, electricity, water, telephone and sewers that are located on the land title deeds no. 5838 with the total area of approximately 3-0-29 rai and the land title deeds no. 84313 with the total area of approximately 0-1-86 rai and (2) roads, walkways to the sea, walkways to the beach, entrances and exits, electricity, water, telephone and sewers that are located on the title deeds no. 84310 with the total area of approximately 0-0-14 rai and the title deeds no. 58936 with the total area of approximately 1-1-59 rai, in which Honor Business has the freehold right on these aforementioned land. In addition, Honor Business has registered the servitude right in the above land to the REIT with unlimited period of time and without any compensation for the use of roads, walkways, walkways to the sea, walkways to the beach, driveways, entrances and exits (as the case may be) ("the entrance-exit and the walkways to the sea") according to the Undertaking Agreement between the REIT and Honor Business. The REIT agrees to be responsible for maintaining and repairing the servitude land, utilities and any necessary actions for the servitude land and utilities to be in good condition with the expenses incurred by the REIT. However, in the case that Honor Business (in its capacity as the grantor of the entrance-exit and the walkways to the sea) uses the entrance-exit and the walkways to the sea for the its own benefits, the REIT and Honor Business agree to negotiate the cost of maintenance and repair of the entrance-exit and the walkways to the sea in proportion that the REIT and Honor Business agree together in the future, with the consideration mainly on the benefit of trust unitholders.

However, as long as Honor Business remains its status as the lessee under the Property Lease Agreement and the extended Property Lease Agreement, Honor Business (in its capacity as

the lessee) agrees to be responsible for the maintenance and repair of the entrance-exit and the walkways to the sea with the expenses incurred by Honor Business.

Moreover, if the entrance-exit and the walkways to the sea are damaged and Honor Business (in its capacity as the lessee) does not carry out the maintenance and repair of the entrance-exit and the walkways to the sea, then the REIT or person designated by the REIT may carry out such actions on behalf of Honor Business. Furthermore, Honor Business agrees to be responsible and provide reimbursement of such expenses to the REIT immediately upon the notice of the REIT. This shall include the compensation for such advance payment at the rate of 7.5% per annum.

In addition, as the REIT and the lessee must use the entrance-exit and walkways to the sea together with other parties that Honor Business has registered the servitude right for. These parties are the owner of villas of the Hua Hin Blue Lagoon Resort Project, which is located near by the site of the Sheraton Hua Hin Resort & Spa. Therefore, the REIT may not have the convenience of using the entrance-exit and the walkways to the sea.

However, the Sheraton Hua Hin Resort & Spa has another entrance-exit which is normally used by the hotel. This entrance-exit is connected to the public road which is then connects to the Phet Kasem Road. Thus, this reduces the inconvenience of using the entrance-exit and roads that is located partially on the land title deeds no. 5838.

1.21.12. Risk from Changing Hotel Operator

Honor Business has appointed Starwood Asia Pacific Hotels & Resort Pte. Ltd. which is a subsidiary of Marriott International, Inc. for managing the Sheraton Hua Hin Resort & Spa Project. As a result, the Sheraton Hua Hin Resort & Spa Project has continuously attracted customers to use its services despite of having many competitors in Hua Hin district. However, if there is change in the hotel operator in the future from Starwood Asia Pacific Hotels & Resort Pte. Ltd. to other hotel operators, then it may adversely affect the hotel's ability to generate income and to compete.

1.22. Risk Relating to The REIT's Operation

1.22.1. Risk That the Lessee Does Not Renew the Lease Agreement at The End of The Term

The risk that the lessee may not renew the lease agreement upon the expiry of the short-term lease agreement with period of 3 years within the Initial Lease Term

The procurement of benefit from the REIT's investment is by leasing out the core properties to the lessee. The REIT and Honor Business enter into the lease agreement of immovable properties and movable properties with a period of 3 years. Each party has the option to renew the lease by written notice to the other party at least 6 months in advance before the expiry of the lease term under the lease agreement and has the right to renew 4 times for 3 years each ("Initial Lease Term"). Each party can require the other party to renew the lease and if the right to renew the lease is exercised as aforesaid, the other party agrees to renew the lease according to the period mentioned earlier in accordance with the property lease agreement which is a short-term lease agreement.

Nevertheless, for this type of short-term lease agreement (where each party has the option to renew the lease), the REIT may be exposed to the risk that even if the REIT has exercised the right to renew the lease under the provisions set forth in the lease agreement and Honor Business, in its capacity as the lessee, refuses to renew such term which is considered as a breach of the lease agreement resulting in the REIT to have the right to terminate the agreement, file a lawsuit for performance of this agreement and/or claim for damages from the lessee. In addition, even if there is no court's judgement as a precedent case for the enforcement of promise to lease as the same as the promise to lease out but the promise to lease shall be usable as the promise to lease out. This is in accordance with the principle of freedom of agreements which is not prohibited by law. In such event, despite that the REIT has the right to terminate the agreement and/or claim for damages including any loss of benefits, but the event of default by Honor Business may result in loss of REIT's benefits or unable to enforce the compliance with the provisions of the agreement such as unable to enforce Honor Business to renew the lease term in accordance with the provisions of the agreement or Honor Business may not pay for any damages and/or losses of benefits as claimed by the REIT. Thus, the REIT may proceed on such matters through the legal enforcement by filing a lawsuit to the court. The REIT Manager may not be able to predict the timing of until the completion of the process

and the amount of money that the REIT will be compensated for the damages. In addition, the outcome of the case is at the discretion of the relevant court and even if the REIT wins the case upon the judgement of the court, the REIT may face difficulty in enforcing the judgement of the court, such as the REIT may be compensated for the losses of benefits from the not renewing the lease agreement for only 3 years or less.

However, if the REIT is unable to renew the lease term and/or unable to claim from Honor Business or in full amount, then the REIT Manager shall search for the new lessee which may be exposed to delayed or unable to find one. Thus, the REIT loses the opportunity to generate return and this affects the cash flow and performance of the REIT. Thus, the trust unitholders are exposed to the risk of not receiving the return or within the expected time period.

The risk that the Lessee may not renew the Second Lease Term

Apart from the right to renew the lease agreement upon completion of the Initial Lease Term, if the lessee desires to renew the lease agreement, the REIT agrees to grant the lessee the right to request for negotiation with the REIT for renewing the lease agreement prior to other party (Right of First Refusal) by giving a written notice to the REIT prior to the beginning of the 2nd year of the last renewal period of Initial Lease Term under the lease agreement and will be entitled to renew the term at least 5 times for 3 years each ("Second Lease Term"). However, if there is a written notice for the request of renewing of the said lease agreement, the REIT agrees to negotiate with the lessee under the provisions specified under the lease agreement. Both parties agree to commence negotiations on the terms and conditions which may include the adjustment of rental rates in the Second Lease Term promptly at the discretion of the REIT. This shall be considered together with the lessee.

Despite in the case of the renewal of the Second Lease Term which the lessee has the right to request for negotiation with the REIT for renewing the lease agreement prior to other party (Right of First Refusal), there is a risk that both parties may not have agreed on the terms and conditions which may include the subject of rental rates of the Second Lease Term prior to the period as prescribed in the lease agreement. This may result in the termination of the right to commence negotiations of the Second Lease Term. However, in the case that there are other parties offering

better terms such as better rental rates than the lessee, during the negotiation of the Second Lease Term, the REIT has the right to select other party to be the new lessee with the best benefit of trust unitholders.

In the case that the REIT Manager is required to search for the new lessee of the core properties, there may be a delay or an inability to find one. As a result, the REIT loses the opportunity to generate return and this affects the cash flow and performance of the REIT. Thus, the trust unitholders are exposed to the risk of not receiving the return or within the expected time period.

In the event that both parties cannot agree on the terms and conditions which may include the rental rate of the Second Lease Term to be complete before the beginning of the 3rd year of the last renewal period of Initial Lease Term. If it cannot be completed prior to that, then the Right of First Refusal to renew the lease agreement for the Second Lease Term shall be ended. It is expected that the REIT will be able to find new lessee within a year. The terms and conditions of the lease agreement shall be in accordance with the regulations of the Office of SEC. Moreover, whether the REIT will renew the lease agreement with the original lessee or the new lessee, the REIT is exposed to the risk of receiving the rentals and/or the risk that the new terms are inferior to the original property lease agreement. However, the REIT Manager will put its best effort to bargain for the rental rates and conditions of the new lease agreement not to be inferior to the original lease agreement.

1.22.2. Risk from The Party's Failure to Comply with Relevant Agreements

For the investment and management of the immovable properties of the REIT, the agreements related to the properties of the REIT are the Agreement to Purchase and to Sell of Immovable Properties, the Purchase and Sell of Movable Properties, the Property Lease Agreement, the Undertaking Agreement, the Rent Guarantee Agreement and/or other agreements relevant to the investment and management of the properties of the REIT. This is for the benefit of the REIT to procure benefits from the immovable properties and to bind the counter party(s) to comply with the provisions and conditions in the agreements.

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In the case as above mentioned, despite that the REIT has the right to terminate the agreements, claim for the damages, claim for the loss of benefits and to claim for the properties that the REIT has paid in full amount, but the REIT may not be able to enforce its rights under the provisions and conditions under the agreements or the counter party(s) may refuse to pay for the damages that the REIT claimed. Therefore, the REIT may proceed on such matters through the justice process by filing a lawsuit to the relevant court. The REIT Manager may not be able to predict the timing and impact of the action, including the amount of money that the REIT will be compensated for the damages. In addition, the outcome of the case is at the discretion of the relevant court and even if the REIT wins the case upon the judgement of the court, the REIT may not be able to enforce in accordance with the judgement of the court. Thus, the trust unitholders are exposed to the risk of not receiving the return or within the expected time period.

Moreover, in the case that the REIT exercises its rights to terminate the agreement under the property lease agreement, the REIT may be exposed to the risk of searching for the new lessee or even if the REIT is able to find the new lessee, the REIT may be exposed to risk of negotiating with the new lessee on the provisions and conditions under the new property lease agreement not to be inferior to the original property lease agreement.

1.22.3. Risk from The Lessee's Capabilities to Make Rental Payment

The primary source of income of the REIT is from rental from the lessee under the lease agreement. The REIT's income may have direct impact if the lessee has financial problem, which affects the lessee's capabilities to pay for rental or the lessee defaults or terminates the lease agreement prior to the expiry date and the REIT is unable to find the new lessee.

However, the REIT has guidelines to reduce the risk as follows:

1. The REIT has entered into an undertaking agreement with Grande Asset where it is prescribed that as long as Honor Business is the lessee under the immovable and movable properties lease agreement, Grande Asset agrees to provide financial support to Honor Business. Moreover, Grande Asset shall provide reserves for expenses in case that Honor Business lacks financial liquidity or inadequate fund to pay for operating expenses from operation of the Sheraton Hua Hin Resort & Spa Project or including any amount as requested by the lessee or the REIT as for the lessee to be able to operate Sheraton Hua Hin Resort & Spa Project for the purpose and highest benefit as agreed between the lessee and the REIT.
2. The REIT has entered into a rent guarantee agreement with Grande Asset where it is prescribed that Grande Asset agrees to be bound as guarantor of the income to be received by the REIT from the lessee and as joint debtor with the lessee in the amount and period as set forth in the property lease agreement and undertaking agreement.
3. The REIT has specified in the property lease agreement between the REIT and the lessee that the Lessee shall place a deposit in the form of cash at the amount of THB 88.0 million where the deposit is divided into 2 parts as follows:
 - Part 1** The main deposit amount is at THB 58.0 million which will be held by the REIT throughout the lease term for each period and throughout the renewal term of the property lease agreement for the period of Initial Lease Term.
 - Part 2** The additional deposit amount is at THB 30.0 million will be held by the REIT throughout the lease term for each period. There is a condition to return this deposit to the lessee after the expiry date of the first period of lease agreement if the lessee has not default on any rental payments as prescribed in the property lease agreement and the lessee's earnings before interest, taxes, depreciation and amortization (EBITDA) for the accounting periods of 2019 and 2020 incur no losses.

However, if the lessee is unable to fulfill all of the stated conditions, the REIT shall continue to hold the additional deposit as for collateral for the next 3 years. The REIT shall return the additional deposit after the expiry date of the lease term if the lessee has not default on any rental payments as prescribed in the property lease

agreement and the lessee's earnings before interest, taxes, depreciation and amortization (EBITDA) for each accounting period incurs no losses.

Nevertheless, if the lessee still breaches on such conditions, the RETI shall continue to hold on the deposit and consider returning such deposit with the conditions as mentioned in the above paragraph. Furthermore, this condition will be binding throughout each lease term until the expiry of the Initial Lease Term.

The deposits shall be used as a collateral to ensure that the lessee performs its duties in accordance with the immovable properties and movable properties lease agreement, which includes but is not limited to rental payment or any damages or losses incurred by the REIT due to breaches, non compliance, omission or do not keep any promises in respect to the lessee's part, as provided in the immovable properties and movable properties lease agreement. Moreover, in the event that the lessee does not pay the rent within the due date of rental payment as specified in the immovable properties and movable properties, the REIT can deduct such deposits with the same amount in full of the outstanding rent as for the rental payment to be paid.

In the event that the amount of the said deposit that the lessee provides is lower than the amount as specified in the immovable properties and movable properties lease agreement or in the event that the REIT deducts the deposits in the same amount in full of the outstanding rental payments as for the rental payments to be paid. The lessee has the duty to top-up additional fund to the deposit so that the total deposit amount is the same as specified in the immovable properties and movable properties lease agreement within 15 days from the date received of the written notice from the REIT or from the date that the REIT deducts the deposit amount as for rental payment as specified in the immovable properties and movable properties lease agreement (as the case may be). Both parties agree that the REIT will charge interest for the default of deposit top-up at the rate of 7.5% per annum from the due date of deposit top-up until the date that the lessee top-up the deposit to fulfill the amount in full as specified in the immovable properties and movable properties lease agreement.

The REIT has various measures to control the operation of the lessee which is the duty of the lessee to comply with under the lease agreement. For example, the lessee shall not lend or give any money in any form to other party except receiving consent from the REIT. Moreover, the lessee will not guarantee any person except for normal business operations of the Sheraton Hua Hin Resort & Spa Project, or with consent from the REIT. The REIT shall be able to exercise the right to terminate the existing lease agreement with the lessee in the event that the lessee breaches the agreement and shall be able to rent out the REIT's investment to another person.

In addition, in the event of force majeure event which materially and adversely affects the business and/or affairs of the lessee including other business operations in the same industry where the lessee is not at fault or does not contribute to that force majeure event and as a result the lessee is unable to pay the rentals in the amount or within the period specified in the lease agreement, the lessee has the to request the REIT to consider granting reliefs to the lessee, including request for postponements and/or rental reduction and/or extend the due date of rental payment and/or any other proposals. However, the REIT has the sole discretion in such consideration whereby the REIT may take into consideration any factors it deems appropriate, including but not limited to the lessee's revenue and other operators in the same industry.

Furthermore, after such examination and consideration, if the request for postponements and/or rental reduction and/or extend the due date of rental payment and/or any other proposals from the lessee has clear rehabilitation plan and period of time to generate income to pay rental to the REIT, the REIT Manage and Trustee shall have the sole discretion on such consideration.

However, after such examination and consideration, if the request for postponements and/or rental reduction and/or extend the due date of rental payment and/or any other proposals from the lessee has no clear rehabilitation plan and period of time to generate income to pay rental to the REIT, the REIT shall call for the trust unitholders' meeting to approve the said postponements and/or rental reduction and/or extend the due date of rental payment and/or any other proposals.

1.22.4. Risk from Changes of Accounting Standard and Relevant Laws

The REIT's operating performance and dividend distribution may be affected by the enforcement of new accounting standards or revised accounting standards. This is the factor that the Settlor cannot control or predict for the amendments to the laws, notifications, regulations, rules, policies and/or government officials' orders or any authorized legal entities that is consider unpredictable. Thus, the Settlor are not able to evaluate the impact of such changes and guarantee that such changes will not affect the operation and dividend distribution of the REIT.

1.22.5. REIT's Net Asset Value May Not Be the Actual Value That the REIT Shall Receive from The Asset Disposal or Termination of REIT

The REIT's net asset value is calculated using information from the asset appraisal report. Therefore, in the event that the REIT is required to dispose of the properties either for restructuring purposes or for dissolution purposes, the value may not be the real value that the REIT will receive if all or part of the property is sold or the REIT is terminated.

1.22.6. Risk from Tax

In the future, the REIT may purchase, sale, transfer or receive of the freehold right or the leasehold right (in the case that the REIT invests in leasehold right of the immovable properties) in the immovable properties, where the REIT could incur taxes and fees arising from the purchase, sale, transfer or receive. The REIT may be subject to pay such taxes and fees in full or partial amount at the rates that could be differ from the current rates.

In the future, the REIT may purchase, sale, transfer or receive of the freehold right or the leasehold right (in the case that the REIT invests in leasehold right of the immovable properties) in the immovable properties, where the REIT could incur taxes and fees arising from the purchase, sale, transfer or receive. The REIT may be subject to pay such taxes and fees in full or partial amount at the rates that could be differ from the current rates.

1.22.7. Risk from Distribution Payment to Trust Unitholders

The distribution payment of the REIT is determined based on the performance of the REIT which depends on several factors such as the economic condition of the domestic and foreign countries, the competency of the lessee, the cost of managing the immovable properties, the operating expenses, the competition among operators, the occupancy rate of the REIT's investment, the change in laws and regulations relating to the assets, the natural disaster and political situation. Therefore, the investors are exposed to the risk of not receiving the distribution payment as projected or the REIT is unable to make such distribution payment.

1.23. Risk Relating to Investment in Trust Units of the REIT

1.23.1. General Risk

The economic and business condition, both nationally and globally, includes the inflation rate, interest rate, foreign exchange rate, consumer goods price, immovable property's price and the monetary and fiscal policies of the Government, Bank of Thailand and other government agencies may have an impact on the operating performance, financial position and investment of the REIT. Moreover, the economic recession including the decrease in demand of the consumers may have a negative impact to the REIT's operating performance. This may affect the trading price of the REIT in the Stock Exchange of Thailand which may be higher or lower than the offered price.

In addition, the price of the trust units that are traded in the Stock Exchange of Thailand may be affected by external factors which cannot be control by the REIT Manager such as the movement or changes in the stock exchange in the country and abroad, foreign exchange rates, policies or measures directly or indirectly affecting import or export, tourism industry's condition, foreign currencies, economic condition in the domestic and international, risk factors relating to the normal operation and business, fluctuation in the consumer goods market, regulations, tax duties and other government policies. There is no guarantee that the changes in the external factors will not have a significant impact on the price of the trust units, return from investment and the management of the immovable properties of the REIT.

1.23.2. Risk from The REIT's Operating Results are Subjected to The Ability of Lessee and Hotel Operator in Procuring and Managing the REIT's Initial Investment

The lessee and the hotel operator are the parties that determine the marketing policies and strategy in managing the core properties of the REIT to be in accordance with the Trust Deed. The trust unitholders may not be able to evaluate the decision of the lessee and the hotel operators in relation to the strategies in managing the core properties. However, if the hotel operator is unable to execute the operation in accordance with the plan set forth together with the lessee, then there may be a significant negative impact to the business operation, financial position and operation, including the business opportunities. Moreover, it may affect the core properties' appraisal value and distribution payment of the REIT.

Nevertheless, the REIT Manager has the system to control and monitor the operation of the lessee and/or hotel operator. The lessee shall submit the annual operating budget and capital expenditure plan to the REIT for approval. Furthermore, the lessee shall provide monthly financial report, monthly capital expenditure, annual financial statement or other reports as requested by the REIT Manager. In the case that the operating performance of the lessee and/or the hotel operator is not according to the annual operating budget that the REIT Manager received, the REIT Manager shall coordinate with the lessee and the hotel operators in minimizing the impact of the operation of the REIT.

1.23.3. Risk of Liquidity Inadequacy in Trust Unit's Trading Activities in Secondary Market

As the trust units are listed on the stock exchange of Thailand, the trading liquidity is measured by the frequency and trade volume of the trust units in the stock exchange. This is based on the bid-offer volume which depends on several factors that cannot be control by the REIT Manager such as the market demand of the trust units. Therefore, there is a risk that the REIT will lack the liquidity in trading on the secondary market.

1.23.4. Risk Resulting from Determining the Trading Price of Trust Unit Based on Net Asset Value (NAV) of the REIT

The calculation of the Net Asset Value (NAV) of the REIT that the REIT Manager reports is calculated by using the latest report of value appraisal or reviewed report of value appraisal as a basis for determining the immovable properties value. The NAV as mentioned may not be the market value that is trading in the stock exchange as the market value depends on other factors as well such as the demand and supply of the securities, foreign investors fund inflow, etc.

The REIT Manager has disclosed information in this annual report in compliance with the Office of SEC's regulations and is precautionous with the statements and does not cause any mislead. Moreover, there is no reasons to think that there is information that may affect the decision of the investor who has not been disclosed yet.

Legal Dispute or Limitation of Rights in Procuring Benefits of the Immovable Properties

- None -

Other Relevant Information

- None -

Part 3 Management and Corporate Governance

Detail of the Trust Units and Trust Unitholders

1.24. Trust Units

1.24.1. Information of Trust Unit

Investment Capital	THB 1,755,000,000
Par Value of the Trust Unit	THB 10.00
Total Trust Units	175,500,000 units
Type of Trust Units	Name of trust unitholders specified, full amount paid and unredeemable
Initial Public Offering (IPO) Price	THB 10.00

1.24.2. Information of Trust Units' Price

Closing Price as of 30 December 2019	THB 9.10
Highest Price in 2019	THB 9.60
Lowest Price in 2019	THB 8.85
Market Capitalization as of December 30, 2019	THB 1,597.05 million
Trading Value in 2019	THB 86.63 million
Net Asset Value per Trust Unit as of 31 December 2018	THB 10.5032
Net Asset Value per Trust Unit as of 31 December 2019	THB 10.6115

1.24.3. Capital Reduction

- None -

1.25. Structure of Trust Unitholders

1.25.1. Top 10 Major Trust Unitholders on the Book Closing Date as of 30 December 2019

No.	Name of Trust Unitholders	No. of Trust Units	% of Total Trust Units
1	Social Security Office	37,876,100	21.58%
2	Grande Asset Hotels and Property Public Company Limited	17,550,000	10.00%
3	Bangkok Life Assurance Public Company Limited	12,173,000	6.94%
4	Thai Life Public Company Limited	10,000,000	5.70%
5	Principal Property Income Fund	4,816,000	2.74%
6	FWD Life Insurance Public Company Limited	3,000,000	1.71%
7	Muang Thai Insurance Public Company Limited	1,778,800	1.01%
8	Dhipaya Insurance Public Company Limited	1,360,800	0.78%
9	คุณ ดาราวรรณ ศิริวิทย์ปรีชา	1,000,000	0.57%
10	คุณ สว่างจิตต์ เกษสุขเจริญ	1,000,000	0.57%

1.26. Distribution Payment of the REIT

1.26.1. Distribution Payment Policy

- The REIT Manager shall pay distribution payment to the trust unitholders no less than 90 percent of adjusted net profit of the accounting year. The distribution payment to be paid to the trust unitholders consist of year-end distribution and interim distribution (if any) in each quarter. In this regard, the REIT Manager shall pay distribution payment to the trust unitholders no more than 4 times per an accounting year. Only when the REIT has increased its capital, the REIT may pay distribution payment more than 4 times per an accounting year for benefit of the existing trust unitholders (distribution payment shall start during the first accounting period of the REIT, if the REIT has sufficient profit for distribution payment in such accounting period.)
- The adjusted net profit under the previous paragraph shall be adjusted by the following items:

- Deduction of unrealized gain from appraisal or appraisal review of the REIT's asset value as well as the adjustment by other items under the guidelines of the Office of SEC to be consistent with the REIT's cash position.
 - Deduction of money reserved for settlement of loan or obligation from the REIT's loan under the amount specified in the filing and prospectus or annual report, as the case may be.
- In the case that the REIT has accumulated profit based on the REIT's adjusted net profit of each year as specified above the REIT Manager may pay distribution payment to the trust unitholders from such accumulated profit.
 - In the case that the REIT has accumulated loss, the REIT Manager will not make any distribution payment to the trust unitholders.
 - In the case that the distribution payment is paid the first accounting year, if the REIT has the operating period of less than 3 months, the REIT manager reserves the right to consider accumulate such distribution payment to be paid together with the first distribution payment in the next accounting period.

In considering of annual distribution payment and rate of distribution payment, the REIT Manager shall have the discretion on such matters. If the value of announced distribution payment per trust unit during any year is lower or equivalent to THB 0.10, the REIT Manager reserves the right not to pay distribution payment in such occasion and to accumulate such distribution payment to be paid together with the next occasion.

Procedures and Methodology of Distribution Payment

For the distribution payment to the trust unitholders, it shall be as the following rules:

- (1) The trust unitholders who have the right to receive distribution must be the trust unitholders whose names appear on the trust unit's registrar as of the book closing date for distribution payment according to the proportion of the trust units held by each trust unitholders. If the trust unitholders or the associated parties of the trust unitholders that hold the trust units

exceeding the limitation of rate as prescribed in the Notification of the SEC, such trust unitholders or the associated shall be subject to the restriction on the distribution of returns only in the proportion that exceeds the rate specified by the SEC.

- (2) The REIT Manager will announce the distribution payment before the book closing date of the trust unitholders in accordance to the specified by the law for the determination of rights to receive distribution and rate of distribution.

1.26.2. Limitation and Method of Distribution Payment

The REIT Manager shall make distribution payment to each trust unitholder according to the proportionate ratio of its holding. In this regard, the REIT Manager reserves the right not to make distribution payment to the trust unitholders whose holding exceed a proportion or being not in accordance with is the rules specified in the Notification No. Tor Jor. 49/2555. Such distribution payment which cannot be distributed to the trust unitholders, as mentioned, shall be distributed to other trust unitholders in proportion to their holding.

1.26.3. Historical Distribution Payment and/or Capital Reduction

For the operating period starting from 10 October 2017 (the establishment date of the REIT) to 31 December 2019, the REIT has the following distribution payment:

Operating Period	Distribution Payment (per Trust Units)	Unit	Date of Distribution Payment
1 Jul 2562 – 31 Dec 2562	0.3000	THB	18 March 2020
1 Jan 2562 – 30 Jun 2562	0.3000	THB	16 September 2019
1 Jul 2561 – 31 Dec 2561	0.3000	THB	19 March 2019
1 Jan 2561 – 30 Jun 2561	0.3000	THB	12 September 2018
10 Oct 2560 – 31 Dec 2560	0.1370	THB	20 March 2018

Management Structure

1.27. REIT Manager

1.27.1. General Information

Name	One Asset Management Limited
Address	989 Siam Piwat Tower Building, 9th and 24th Floor, Rama 1 Road, Patumwan Sub-area, Patumwan Area, Bangkok, 10330
Company Registration Date	19 March 1992
Company Registration No.	0105535050244
Registered Capital	THB 105,000,000 (Consisting of 10,500,000 common shares with par value of THB 10.00)
Nature and Scope of Business	Acting as the REIT Manager of the Real Estate Investment Trust
Telephone	02-659-8888
Facsimile	02-659-8860
Website	www.one-asset.com
E-mail	reitmanager@one-asset.com

One Asset Management Limited (the “Company”), in its capacity as the REIT Manager of Grande Hospitality Real Estate Investment Trust, is a limited company incorporated in Thailand on 19 March 1992. The Company has its paid-up capital of THB 105,000,000, consisting of 10,500,000 common shares at the par value of THB 10. The primary business objective of the Company is to provide investment management service as well as the REIT Manager services.

1.27.2. Major Shareholders of the REIT Manager as of 9 December 2019

Top 10 Shareholders

No.	Name	No. of Shareholding (Shares)	Holding (%)
1	KGI Securities (Thailand) Public Company Limited*	10,410,251	99.15
2	Mr. Wong Sai Hung	25,000	0.24
3	Ms. Chanphen Choowonges	11,381	0.11
4	Ms. Umaporn Paevorakhun	9,574	0.09
5	Ms. Porn-uma Dhevahudee	9,041	0.09
6	Ms. Auranuch Aswaprecha	6,919	0.07
7	Ms. Benjamartt Suriyadet	6,028	0.06
8	Mr. Winyoo Siriwiriyanon	4,960	0.05
9	Ms. Sakara Chatsuthipan	3,254	0.03
10	Mr. Soontorn Thamaset	3,165	0.03
	Total	10,489,573	99.92

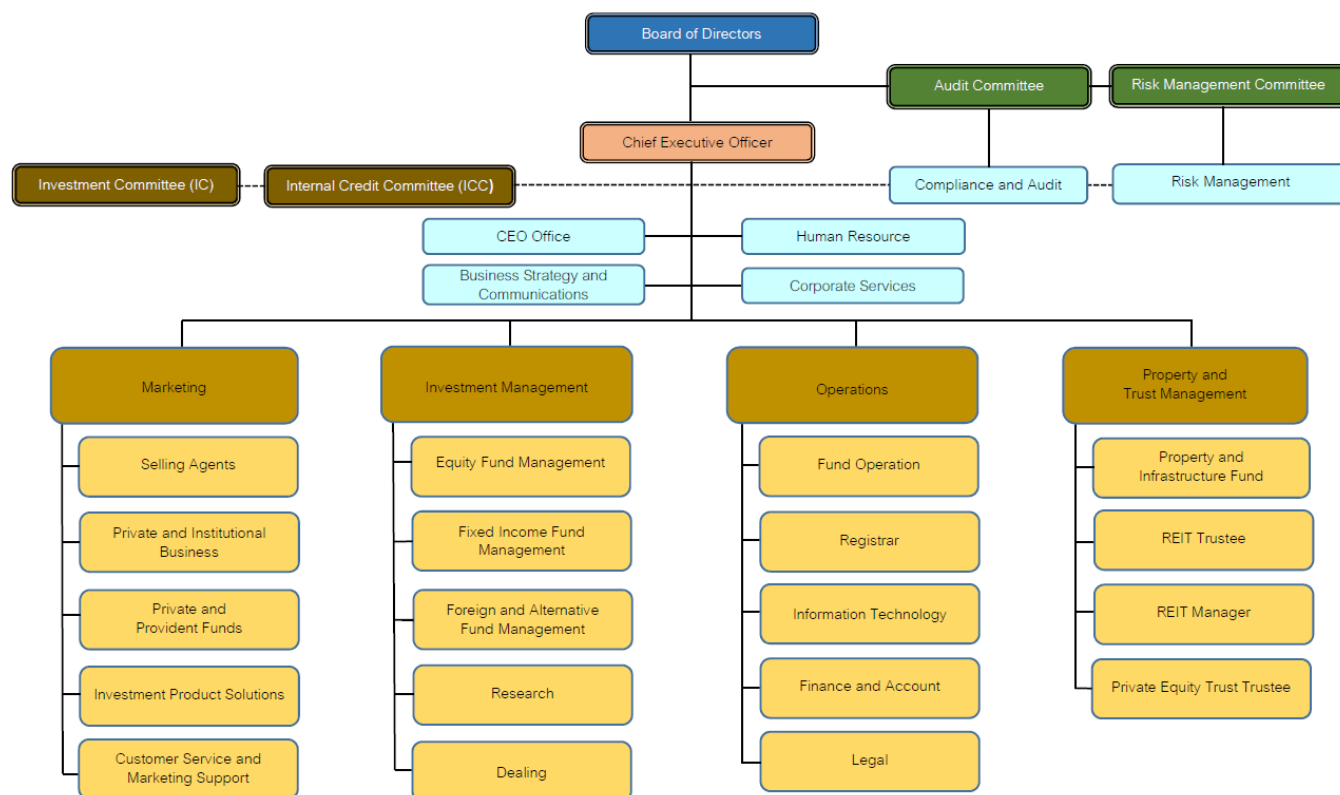
Remark: *KGI Asia (Holdings) Pte. Ltd. is the major shareholder of KGI Securities (Thailand) Public Company Limited holding 34.97% of total shares. The Investors can study the general information of KGI Securities (Thailand) Public Company Limited on the Stock Exchange of Thailand's website (www.set.or.th)

7.2.2. Group of Major Trust Unitholders with Significant Influence on The Management Policy or Business Conduct of The REIT Manager

KGI Securities (Thailand) Public Company Limited is the major shareholder and has appointed its representative as directors of the REIT Manager

1.27.3. Organization Structure of the REIT Manager

The organization structure of One Asset Management Limited, in its capacity as the REIT Manager, consists of the Board of Directors and Management as follows:



1.27.4. Board of Directors and Management

Name and Position	Education Background	Current Position
Mr. Chih-Hung Lin <i>Director</i>	Doctor of Philosophy in Engineering, Economics Systems and Operations Research, Leland Stanford Junior University, U.S.A.	- Authorized Director of One Asset Management Limited - Chief Operating Officer of KGI Securities (Thailand) PCL.
Mrs. Nantarat Surakkhaka <i>Director</i>	Master of Laws in Corporate law and Finance from the School	- Authorized Director of One Asset Management Limited - Executive Vice President of KGI

Name and Position	Education Background	Current Position
	of Law, Widener University, U.S.A.	Securities (Thailand) PCL.
Mrs. Ching Ching Li <i>Director</i>	Master of Business Administration, Ohio State University, U.S.A.	- Director and Chairperson of Audit Committee of One Asset Management Limited - Chairman of the Executive Board of Directors of KGI Securities Investment Trust Co., Ltd.
Mr. Wong Sai Hung <i>Director</i>	Higher Diploma in Business Studies from Hong Kong Polytechnic University, Hong Kong	- Director and Director of Audit Committee of One Asset Management Limited - Chairman of the Executive Board of Directors of China-Bio-Med Regeneration Technology Ltd. - Director of Hong Kong Exchange & Clearing Ltd.
Mr. Chin-Lung Tseng <i>Director</i>	Bachelor's degree Major: International Trade from Tamkang University, Taiwan, R.O.C	- Director of One Asset Management Limited - Authorized Director of KGI Securities (Thailand) PCL.
Mr. Pote Harinasuta <i>Chief Executive Officer / Director</i>	- Master Degree of Business Administration of Sasin Graduate Institute of Business Administration - Master Degree of Science - International Management, King's College, University of	Chief Executive Officer and Authorized Director of One Asset Management Limited

Name and Position	Education Background	Current Position
	London • Director Certification Program (DCP 206/2015)	
Mr. Sakda Manavapat <i>Chief Operating Officer / Director</i>	• Master Degree of Accounting, Chulalongkorn University • CPA, Tax Auditor • Director Certification Program (DCP 163/2012)	• Chief Operating Officer and Authorized Director of One Asset Management Limited
Mr. Monthol Junchaya <i>Chief Investment Officer</i>	• Master Degree of Business Administration, University of the Thai Chamber of Commerce • Director Certification Program (DCP 200/2015)	• Chief Investment Officer of One Asset Management Limited
Mr. Alongkorn Prathanrasnikorn <i>Senior Executive Vice President</i>	• Master Degree of Business Law, McGeorge School of Law, University of the Pacific, U.S.A. • Director Certification Program (DCP 114/2009)	• Senior Executive Vice President of Property and Trust Management Group of One Asset Management Limited

Note* Mr. Chin-Lung Tseng has appointed to Director on 14 November 2019 and approved by Securities and Exchange Commission of Thailand on 16 December 2019.

1.27.5. Duties and Responsibilities of Departments of the REIT Manager

In its capacity as the REIT Manager of the real estate investment trust, the REIT Manager shall assign its relevant department with the responsibilities as follows:

1. **REIT Manager Department** under the Property and Trust Management Group has the following responsibilities:

- (1) Evaluate the investment or the agreements related to the immovable properties of the REIT is correct and in accordance with the law. Moreover, the REIT Manager Department shall

ensure that the REIT has the lawful right in the investment and is binding or enforceable as prescribed in the Trust Deed.

- (2) Proceed in the investment of immovable properties which is appropriate by performing as follows:
 - a. Assess self-readiness for managing the investment in immovable property of REIT before accepting the position as the REIT Manager or before making additional investment in such immovable properties, as the case may be.
 - b. Conduct analysis and feasibility study and due diligence of the immovable properties including the assessment of various risks that may arise from the investment in the immovable properties with guidelines for risk management. Such risks exposures shall be referring to as the risk of development or construction of immovable properties (if any). For instance, the risk that may arise from the delay of construction and the inability to procure benefits from the property, etc.
- (3) Manage the REIT to ensure that it is in compliance with the Trust Deed and the Notification of SEC.
- (4) Monitor and supervise, in the case where there is an appointment of property manager, to ensure that it is in compliance with the Trust Deed for the benefit of trust unitholders.
- (5) Perform the financial and economic activities of the REIT to be in accordance with the Trust Deed such as setting the strategy and investment policy in accordance with the framework set out in the Trust Deed, determining the credit limit in accordance with the Trust Deed, managing of the REIT's cash flow, determining of REIT's distribution and arrange for the insurance to cover the damage to the properties.
- (6) Retain, review, disburse and monitor the benefits of the REIT's assets.
- (7) Prepare the report and financial statement of the REIT.
- (8) Arrange and prepare the trust unitholders' meeting.

2. **Fund Operation Department** under the Operations Group has the following responsibilities:

- (1) Provide and calculate the REIT's net asset value (NAV) for the REIT to be in accordance with financial reporting standards relating to the Notification of the Office of SEC and the Notification of the Association of Investment Management Companies.
 - (2) Perform various duties which include coordinating with the registrar, custodian, and/or trustee to achieve the objective of the management of the REIT.
3. **Fixed Income Fund Management Department** under the Investment Management Group has the responsibility to manage the liquidity of the REIT which maximizes the benefits.
4. **Registrar Department** under the Operations Group has the following responsibilities:
 - (1) Coordinate with the registrar (which is the Thailand Securities Depository Company Limited) in various tasks relating to the register information of the REIT such as depositing the trust units.
 - (2) Proceed in notifying, submitting or changing the register information of the REIT with the registrar. Such as in the case that there is a change of the trust unitholder's information and in the case that relates to the operation of the REIT, i.e. capital increase/reduction, organizing of trust unitholders meeting and issuing or changing of the trust receipt.
5. **Investment Product Solution Department** under the Marketing Group has the following responsibilities:
 - (1) Prepare the prospectus of the REIT and submitting the filing documents with the Office of SEC to approve for the issuing and offering of the trust units of the REIT together with the REIT Manager.
 - (2) Arrange for the underwriters which includes the commercial banks and securities companies (if any).
 - (3) Proceed in listing the issued trust units in the Stock Exchange of Thailand.
6. **Business Strategy and Communications Department** under the Chief Executive Office has the following responsibilities:

- (1) Prepare documents such as prospectus, offering documents of trust units, subscription form.
 - (2) Organize seminar(s) to present the REIT project to the investors via various medias (if any).
 - (3) Communicate the REIT project through the company websites.
 - (4) Organize for open house as a site visit opportunity for the investors (if any).
7. **Legal Department** under the Operations Group has the following responsibilities:
- (1) Prepare and review the agreements and memorandum of understanding relating to the REIT to be done correctly and legally.
 - (2) Conduct due diligence on the immovable properties along with the REIT Manager Department to ensure that the REIT has the lawful right in the investment and is binding or enforceable as prescribed in the Trust Deed and not against the law.
8. **Selling Agents Department** under the Marketing Group has the responsibilities of offer trust units of the REIT to individuals that are interested in purchasing the trust units.
9. **Marketing of Mutual Fund Department** under the Marketing Group has the responsibility to offer and sale of trust units of the REIT to the individual, corporate, or institutions.
10. **Private and Institution Business Department** under the Marketing Group, has the responsibilities to offer trust units of the REIT to individuals, organizations and institutions that are interested in purchasing the trust units.
11. **Private and Providence Funds Department** under the Marketing Group, has the responsibilities to offer trust units of the REIT to individuals, organizations and institutions that are interested in purchasing the trust units.
12. **Customer Service and Marketing Support Department** under the Marketing Group has the responsibilities to assist in providing preliminary information of the REIT to the customers that is interested in purchasing the trust units and provide answers to them. Moreover, the department shall accept the complaints and queries to inform the responsible departments to further proceed.

13. Compliance and Audit Department has the following responsibilities:

- (1) Identify the risk of compliance with the new development or transaction procedures.
- (2) Identify and evaluate factors that may result in the inability to perform the task in accordance with the regulations and also provide guidelines to resolve.
- (3) Examine and review the operation to be in compliance with the regulations and report the results of the examination and review to the Audit Committee.
- (4) Coordinate and report to the SEC in the case that the practice is materially found to be, may violate or fail to comply with the regulations.

Detail of Personnel of REIT Manager Department and Other Related Department Managers

Name of Department and No. of Personnel	Name-Surname	Work Experience
REIT Manager Department (REIT Manager) Personnel: 3	Mr. Alongkorn Prathanrasnikorn	Senior Executive Vice President, Property and Trust Management Group; 23 years' experience in finance field and property fund/real estate investment business.
	Mr. Sutanin Theparruk	Vice President, REIT Manager Department; 10 years' experience in finance field and property fund/real estate investment business.
	Ms. Narumon Suwanpinit	Manager, REIT Manager Department, 8 years' experience in finance field and 2 year in real estate business.
Fund Operation Department Personnel: 16	Ms. Warangkana Sirichotevanich	Head of Fund Operation Department; 26 years' experience in mutual fund business and finance field.
Fixed Income Fund Management	Ms. Porn-uma Dhevahudee	Head of Fixed Income Fund Management Department; 33 years' experience in fixed

Name of Department and No. of Personnel	Name-Surname	Work Experience
Department Personnel: 6		income mutual fund business and finance field.
Registrar Department Personnel: 10	Ms. Rungrat Niyathirakul	Head of Registrar Department with 29 years' experience.
Investment Product Solution Personnel: 9	Mr. Surasak Dhammo	Head of Business and Product Development Department with 20 years' experience in finance field.
Business Strategy and Communication Department Personnel: 5	Mr. Annop Boonkananurak	Head of Business Strategy and Communications Department with 12 years of experience.
Legal Department Personnel: 2	Mr. Parinya Kaewmanee	Assistant Vice President, Legal Department; 15 years of experience in legal field.
Customer Service and Marketing Support Department Personnel: 7	Ms. Thitiporn Siripan	Head of Customer Service and Support Department with 28 years of experience.
Compliance and Audit Department Personnel: 5	Mrs. Nawarat Puangphairoite	Head of Compliance and Audit Department with 25 years of experience in compliance and audit.

1.27.6. Duties and Responsibilities of REIT Manager

The REIT Manager has the primary duties and responsibilities to manage the REIT which includes the investment in the properties of the REIT and to supervise the operation of the lessee. The REIT Manager shall perform its duties under the supervision of the Trustee where the duties and responsibilities as follows:

1. General duties of the REIT Manager are as follows:

- a. Perform its duties with knowledge and skills that may reasonably be expected as a professional, and with diligence, care and loyalty. The REIT Manger shall respond to the

trust unitholders fairly for the best interest of the trust unitholders, as a whole. Moreover, the REIT Manager shall comply with the Trust Deed, the REIT Manager Agreement, information memorandum, prospectus, objective for establishment of the REIT, resolution of the trust unitholders and regulations and the relevant laws.

- b. Comply with the Trust Act, Securities Act and laws related to the operation of the REIT and the code of ethics and standards of professional conduct as defined by the associations related to the securities business or by organizations in connection with securities business recognized by the Office of the SEC., mutatis mutandis. In addition, the REIT Manager shall not conspire, employ or collaborate with anyone to violate such laws and regulations.
- c. Maintain sufficient capital to operate the business and to compensate for any detriment which may occur from performing the duties as the REIT Manager, continuously.
- d. Arrange for the REIT to have liability insurance that may arise from business or operations as well as the performance of directors, executives and employees.
- e. Manage the property to be in accordance with the Trust Deed, the REIT Manager Agreement, information memorandum, prospectus, objective for establishment of the REIT, resolution of the trust unitholders and regulations and the relevant laws.
- f. Do not take information from the operation of the REIT Manager to inappropriately use for themselves, cause damage or affect the interest of the REIT, as a whole.
- g. Perform its duties carefully in order to avoid conflicts of interests. In the case that the conflicts are inevitable, the REIT Manager shall proceed to ensure that the trust unitholders' interest will be treated fairly and appropriately
- h. Arrange for the trust unitholders' meeting in accordance with the regulations as prescribed in the Trust Deed, order and the relevant laws.
- i. Proceed in capital increase or reduction in accordance with the Trust Deed, order and the relevant laws

2. Duties to prepare report and disclose information

- a. Prepare the financial statement of REIT Manager to comply with the financial reporting standards as prescribed in the law on accounting profession and submit the financial statement to the Office of SEC and SET within the specified period of time.
- b. Disclose, give opinion or provide information that are material, relevant and sufficient for the investor to make decision.
- c. Prepare and disclose information of the REIT according to the Securities Act and other information as prescribed in the Trust Deed, information memorandum, prospectus, SET regulation, and relevant laws and regulations which is to be amended such as the calculation and disclosure of the asset values of the REIT and value of trust units.
- d. Cooperate with the Trustee and the Office of SEC to perform their duties which include the preparation and disclosure of any information as requested by the Trustee or the Office of SEC.
- e. Ensure that trust unitholders receive complete, accurate and adequate information before making decision. The information shall be received in advance as set forth in the Trust Deed, information memorandum, prospectus and laws and regulations that are relevant and that will be amended.
- f. Prepare and submit information and/or various documents to the Trustee and/or the Office or SEC within a specified period of time

3. Prepare and submit information and/or various documents to the Trustee and/or the Office or SEC within a specified period of time

- a. Ensure that the investment in the core assets and other assets is appropriate where the REIT Manager will conduct a self-readiness assessment in managing the investment and to follow the investment policy of the REIT Manager and the Trust Deed.
- b. Ensure that the sale, payment, transfer of immovable properties or entering into agreements related to the immovable properties for the REIT to be done correct and enforceable by the law.

- c. Arrange for the due diligence of the immovable properties and assess the risks in various areas that may arise from the investment and also conduct risk management guidelines.
 - d. Arrange for the value appraisal of the core properties in accordance with the regulation as prescribed and to be amended.
 - e. Maintaining core properties in good conditions for procuring benefit at all time where the REIT Manager shall arrange for repair, improvement and maintenance of the core properties in good conditions.
 - f. Arrange for the REIT to maintain insurance covering the core properties invested by the REIT which covers all risks insurance that may arise from the immovable properties and public liability insurance that may arise from the immovable properties or operation of the immovable properties, including any other appropriate insurances.
 - g. Arrange for the investment plan and risk management that is relevant to the REIT and the REIT's assets, loan plan and the annual financial management plan of the REIT.
- 4. Duties relating to the maintenance of benefits of the REIT**
- a. Coordinate with the Trustee or other person designated from the Trustee to facilitate the inspection of the core properties.
 - b. Manage the financial budget and working capital of the REIT.
 - c. Prepare the financial statement of the REIT to comply with the financial reporting standards in accordance prescribed in the law on accounting profession and disclosure such financial statement as prescribed in the regulation as well as to be amended.
 - d. Disburse the expense of the REIT, in the case that the disbursement is from the daily operating account or for other objectives that agreed with the Trustee under the approved credit limit from the Trustee.
 - e. Arrange for the distribution payment to the trust unitholder in accordance with the condition specified in the Trust Deed, rules, the relevant laws and the resolution of the trust unitholders' meeting.

f. In the case that the REIT requires the trust unitholders' resolution to proceed in any actions, the REIT Manager shall provide opinions and analysis of the effect for the trust unitholders to make decision.

g. Arrange for the storage of documents related to the operation of the REIT.

5. Duties in the case that the transactions may cause the conflicts of interest

In the case that the transactions may cause the conflicts of interest, the REIT Manager shall consider the reason and necessity for entering into such transaction. The REIT Manager shall seek the approval of the Trustee whether the transaction is in accordance with the Trust Deed and relevant laws. If the Trustee does not approve, then the REIT Manager shall not proceed with such transaction unless receive approval from the Trustee as set out above. If the transaction is subject to the approval by the Board of Directors of the REIT Manager and/or the trust unitholders' meeting, then the REIT Manager shall proceed to obtain approval in accordance with the relevant regulations.

Moreover, the transaction that has conflict of interest between the REIT and the Trustee shall not be made except it is the transaction that the Trustee call for the compensation for performing the trustee position or the Trustee proves that management of the REIT is in fair manner and has disclosed relevant and sufficient information to the trust unitholders, and the trust unitholders did not make any objection in accordance with the relevant regulations.

6. Duties in the case of appointment of advisors

In the case of appointment of advisors (not including financial advisors or legal advisors) for the advisory and recommendation services relating to the investment in the immovable properties and management of the REIT, the REIT Manager shall perform according to the following guidelines:

- (1) Arrange for the advisor to declare the conflicts of interest in the issue under consideration;
- (2) If the advisor has direct or indirect conflicts of interest in the issue under consideration, then the advisor shall not be allowed to get involved on that issue.

7. Duties to cooperate with the Trustee

- a. The REIT Manager has the duties to prepare and store information and documents for the management of internal control and disclosure of information to the Trustee. When the Trustee intends to investigate on any matters, the REIT Manager shall cooperate in providing information and documents including site visit of the immovable properties as requested by the Trustee. This is for the Trustee to ensure that the REIT Manager does not violate the law or the provisions of the REIT or not protecting the interest of the trust unitholders.
- b. During the period before the REIT is established, the Trustee need to acknowledge and understand the detail of the REIT to be established (such as the REIT's structure, leasing out method, procurement of benefits, expenses that can be charge with the REIT, REIT Manager Agreement or any persons, etc.) in order to plan for supervising and reviewing the management, internal control or disclosure of information as effectively. Thus, the REIT Manager has the duties to provide information and related documents so that the Trustee can plan for the operation. In addition, the REIT Manager and the Trustee shall cooperate and agree on the characteristic of the information, documents of evidence for transactions such as additional investment, sale of the immovable properties, debt burden and other reports (such as trade receivables and report of the value appraisal). Moreover, including the frequency and time period that the REIT Manager shall submit the information and documents as such to the Trustee. This is for the purpose of supervising and monitoring the operations of the REIT.

8. System to monitor the benefit of the REIT

The core properties of the REIT are the immovable properties that the REIT invested which include the system and equipment related to the immovable properties that the REIT invested in for the control, supervision and maintenance of the immovable properties. The REIT Manager department with the support from the lessee shall be authorized to make decision and take various actions in accordance with the Trust Deed and the REIT Manager Agreement as follows:

- a. Arrange for the register of the properties which specifies information such as the summary of characteristics of the properties (such as brand, size and etc.), the complete record and control of the number of properties, location or the storage of the properties. The REIT Manager, by the REIT Manager Department, hotel operator and the Trustee shall keep the register of the properties (the important documents of rights on property such as land title deed, certificate of stock, etc. shall be kept by the trustee. The verification of properties' register for accuracy and completeness shall be conduct by the REIT Manager department with the assistance and support from the hotel operator at least once a year. In case that the information of the properties listed in the properties' register is incomplete and/or incorrect, the REIT Manager Department and hotel operator shall cooperate to review and resolve such issues in a timely manner.
- b. Prepare the record of the properties inspection which specifies the date of inspection, location of assets, person in charge of the inspection and the approver's name and his/her signature.
- c. Prepare and approve of the annual maintenance plan where such plan shall be considered and approved by the Trustee and will be kept at the REIT Manager and the hotel operator. The REIT Manager Department shall supervise and oversee the hotel operator to carry out the annual plan under the budget for the inspection and maintenance of the assets of the REIT. This shall be conducted by the REIT Manager Department with the support of the hotel operator and was considered and approved by the Trustee.
- d. Supervise the hotel operator to support the REIT Manager to comply with the manual, various policies of the REIT Manger as specified by the investment committee, hotel management agreement, Trust Deed, information memorandum and prospectus.

The REIT Manager has performed in compliance with the system to monitor the benefit of the REIT. The Compliance and Audit Department, an independent unit, has reviewed and evaluated the work system and gave the opinion that it is in compliance with relevant

regulations. Moreover, the REIT Manager has reported such result to the auditor and the Trustee.

1.27.7. Procedures and Conditions for Change of the REIT Manager

8.1.7.1. Causes of Change in the REIT Manager shall consist of the following

- (1) The REIT Manager will be removed from the duties if the following situation occurred
 - a. the REIT manager fails to manage the REIT in accordance with the duties as specified in the Trust, REIT Manager Agreement, Trust Act, Notification of the Office of the SEC or any other relevant notifications and does not perform its duties which cause serious damage to the REIT, such as in the case that the REIT Manager does not arrange for insurance of the core assets resulting in the inability of the REIT to recover the asset when there is significant damage to the core assets and/or the trust unitholders. Moreover, the REIT Manager cannot remedy the damage within the period as specified in REIT Manager Agreement.
 - b. When it appears that the characteristics of the REIT Manager is not in accordance or in violation with the criteria in Chapter 1 or not in compliance with the criteria in Chapter 2 of the Notification SorChor. 29/2555 and do not comply with the SEC's order or comply with orders but cannot be modified within the time specified by the Office of the SEC.
 - c. When it appears that the approval of the REIT Manager by the Office of SEC has ended and the REIT Manager has not received the renewal from the Office of SEC as announced in the Notification SorChor. 29/2555 and cannot be resolved within 90 days.
- (2) The Office of the SEC revokes or suspends the approval of the REIT manager for more than 90 days in accordance with the Notification No. SorChor. 29/2555
- (3) The REIT Manager ceases its status as juristic person, in the liquidation process or receiving order whether in absolute state or not.

8.1.7.2. Procedures of Changing a New REIT Manager

- (1) In the event that the cause of changing the REIT Manager being as specified in the clause 8.1.7.3, clause 8.1.7.1 (b) or (c) or 8.1.7.1 (2) or 8.1.7.1 (3), the Trustee is authorized to remove the REIT Manager without having to request for the resolution of the trust unitholders. Furthermore, for appointing of a new REIT Manager, the Trustee shall request for the resolution from the trust unitholders within 60 days from the date of incident as specified in clause 8.1.7.3, clause 8.1.7.1 (b) or (c) or 8.1.7.1 (2) or 8.1.7.1 (3). The appointment of the new REIT Manager shall be within 30 days from the date of the trust unitholders' resolution. However, in the event that the new REIT Manager cannot be appointed by the aforementioned methods, the Trustee shall appoint a new REIT Manager by itself, taking into account the best interests of the trust unitholders as a whole, in accordance with the period as deem necessary and appropriate.

In the event that the cause of changing the REIT Manager being as specified in the clause 8.1.7.1 (1) (a), the Trustee shall call the trust unitholders' meeting to request for the resolution of the meeting to remove the REIT Manager from duty and appoint the new REIT Manager within 60 days from the date of the occurrence of the reasons under clause 8.1.7.1 (1) (a). The appointment of the new REIT Manager after the approval shall be within 30 days from the date of the resolution. However, in the event, requesting for the resolutions to remove the REIT Manager and to appoint a new REIT manager, but it is unable to be proceed with the appointment in accordance with the aforementioned methods, the Trustee shall proceed in removal of the former REIT Manager and appoint the new REIT Manager by itself, taking into account the best interests of the trust unitholders as a whole, in accordance with the period as deem necessary and appropriate.

The removal of the REIT Manager shall be effective when the Trustee terminates the REIT Manager Agreement. The Trustee shall not be liable for any damage that happened to the REIT Manager because of the removal of the REIT

Manager by virtue of the Trust Deed, and/or Trust Act and any other relevant notifications.

- (2) The former REIT Manager has to proceed as necessary so that the Trustee or the new REIT Manager, as the case may be, would be able to manage the REIT continuously. In this regard, such proceeding has to include affixing signature on documents to certify that the materials passed on to the trustee or the new REIT manager are accurate and complete.

8.1.7.3. Resignation of the REIT Manager

If the REIT Manager has the intention to resign, the REIT Manager shall inform the resignation in writing to the trust unitholders, by disclosing the news via the new release system of the SET, and the Trustee in advance not less than 120 days before the effective date of the resignation. During the period before the effective of resignation, the REIT Manager shall provide reasonable assistance to the Trustee in appoint a new person (which is qualified and approved by the Office of the SEC) to be the REIT Manager of the REIT instead of the former REIT Manager. Moreover, while the Trustee is unable to appoint the new REIT Manager, the former REIT Manager will continue to be on duty until the new REIT Manager is able to completely perform the duties as a REIT Manager in accordance with the Trust Deed.

1.28. Trustee

1.28.1. General Information

Name	BBL Asset Management Company Limited
Address	175, Sathorn City Tower, 7th, 21st and 26th Floor, South Sathorn Road, Thung Maha Mek Sub-area, Sathorn Area, Bangkok 10120
Business Type	Management of mutual fund, private fund (non-provident fund and provident fund) and Trustee under the Trust for Transactions in Capital Market Act B.E. 2550

Trustee Authorization Date	16 July 2014
REIT Trustee Authorization Date	21 July 2014
Telephone	0-2674-6488
Facsimile	0-2679-6882
Website	www.bblam.co.th
E-mail	thawatchai.lu@bblam.co.th, phatthanan.ph@bblam.co.th

1.28.2. Shareholder Structure as of 26 October 2018

No.	Name	No. of Shareholding (Shares)	Proportion (%)
1	Bangkok Bank Public Company Limited	749,996	74.9996
2	Bangkok Life Assurance Public Company Limited	100,000	10.0000
3	Asia Financial Holdings Ltd.	100,000	10.0000
4	Bangkok Insurance Public Company Limited	50,000	5.0000
5	Mr. Cherdchoo Sophonpanich	3	0.0003
6	Mrs. Voravan Tarapoom	1	0.0001
	Total	1,000,000	100.00

Source: BBL Asset Management Company Limited

1.28.3. Duties and Responsibilities of Trustee

The Trustee shall perform its duties with integrity and professional cautiousness by using its knowledge, ability and expertise to treat the trust unitholders fairly. The Trustee shall manage and carry out the administration properly and efficiently under the adequate risk management and with professional standards for the best benefit of the trust unitholders. All investment activities carried out are to be in line with the Trust Deed and complied with related laws and obligations as prescribed below:

1. Ensure that the Trust Deed contains material information required by related laws. In the case that there are any changes in the Trust Deed, the Trustee shall perform the procedures in accordance with the following criteria:
 - a. Ensure that the changes in the Trust Deed are in accordance with the criteria and procedures as defined in the Trust Deed and related laws.
 - b. In the case that there are any changes that are not in accordance with 1 (a), the Trustee shall take actions by using its authority specified in the Trust Deed and in the Trust for Transactions in Capital Market Act, B.E. 2550 to protect the rights and interests of the trust unitholders.
 - c. In the case that where the rules related to the offering of trust units or the management of REIT under the Securities Act and in accordance with Trust Act, which has been amended at a later date and provisions in the Trust Deed not in compliance with such rules, the Trustee shall make adjustment to the Trust Deed to be in accordance with such rules. The method shall be according to the specified methods set forth in the Trust Deed or as the SEC has ordered under Section 21 of Trust Act.
2. The Trustee agrees to delegate the management of non-core properties to the REIT Manager. However, if the REIT Manager cannot perform the duty, then it shall be in accordance with provisions in the Trust Deed and the management of REIT shall be performing by the new REIT Manager approved by the Office of Securities and Exchange Commission throughout the term of the REIT.
3. The Trustee agrees to delegate the management of non-core properties to the REIT Manager. However, if the REIT Manager cannot perform the duty, then it shall be in accordance with provisions in the Trust Deed and the management of REIT shall be performing by the new REIT Manager approved by the Office of Securities and Exchange Commission throughout the term of the REIT.
4. In the case where the Trustee fails to perform the duty under the aforementioned clause 3 which causes the REIT's property to be commingled with the property held in its own account that it is

unable to distinguish the REIT's property from those held in its own account, it shall be assumed as follows:

- a. The commingled property is held by the REIT;
- b. The damage and liability arising from the management of commingled property are bear by the Trustee;
- c. The benefit arising from the commingled property belongs to the REIT

The aforementioned in the above regarding commingled property shall include the property that have been transformed into a different form or state.

5. In the case where the Trustee fails to perform the duty under the aforementioned clause 3 which causes the REIT's property to be commingled with other REIT's property that it is unable to distinguish to which respective REIT the property belongs, it shall be assumed that the commingled property, including property that have been transformed into a different form or state, and any benefits or obligations incurred from the management of such commingled property shall belong to each REIT in proportion of an amount brought to commingle.
6. The authorities and duties of Trustee in the management of the REIT is the sole responsibility of Trustee. The trustee shall not delegate its duty to other persons except where:
 - a. The transaction that is not personal in nature and needs no capability of Trustee's profession;
 - b. The transaction that the owner of the property, which own the property and has the same purpose of management in the same manner as the REIT, delegate to another person to manage.
 - c. It is the function of safekeeping of assets, preparation of trust unitholder's register, follow-up of the profit distribution or support of operations which includes coordination, providing of information, filing of documents, payment of fees and taxes on land and property arising from the immovable properties of the REIT that is obliged to pay the withholding tax due to such management and/or other taxes related to the immovable properties and/or

management of the REIT to the relating government officials to the REIT Manager, other registrar that is approved by Stock Exchange of Thailand or any other party that is qualified for the assignment. However, the REIT Manager, other registrar that is approved by Stock Exchange of Thailand or any other party that is qualified for the assignment, may delegate to another person to perform such duties, in accordance with the conditions set forth in the Trust Deed.

- d. Any other matters that the REIT Manager is responsible for and in compliance with the terms of the Trust Deed or the rule in Notification No. TorJor. 49/2555, Notification No. GorRor. 14/2555 and Notification No. SorChor. 29/2555 or announcement or any other relevant regulations.
- e. When the Trustee assign other parties to manage the REIT in accordance with the Trust Deed and in addition to the matters of the REIT Manager as specified in the Trust Deed or the rules in Notification No. TorJor. 49/2555, Notification No. GorRor. 14/2555 and Notification No. SorChor. 29/2555 or announcement or any other relevant regulation, the Trustee shall delegate with prudent and careful and shall oversee and inspect the performance of delegated duties adequately by establishing measures related to the delegation of duties in accordance with the regulations stipulated in the Notification No. KorKhor.1/2553.

In the delegations of duties, the Trustee shall determine measures for matters as follows:

- Selection of appropriate persons for delegation of duties which takes into account the readiness of the work system and of the delegated persons as well as any possible conflict of interest between the delegated persons and the REIT's property;
- Control and monitoring of performance of the delegated persons;
- Actions to be taken by the Trustee in the event that the delegated persons become inappropriate for further delegation of duties.

7. The Trustee is responsible to monitor and oversee the management of REIT Manager to ensure that the REIT Manager perform their functions in compliance with the Trust Deed and other relevant agreements.
8. The Trustee is responsible to attend every trust unitholders' meeting and undertake the following actions if there is any of the trust unitholders' resolution:
 - a. Respond to inquiries or give opinions whether such actions or proposed resolution is in compliance with the Trust Deed or the relevant laws or not;
 - b. Lodge a protest and notify the trust unitholders that such proposed action or proposed resolution could not be pursued if it is in contradiction with the Trust Deed or the relevant laws or not

In the case where the Trustee is the trust unitholder of the REIT, the Trustee shall cast any vote or take any action by taking into account the best interest of the trust unitholders by adhering to the principles of good faith and care, including avoidance of any conflict with or affect the performance of its duties as Trustee of the REIT.

9. The Trustee is responsible to enforce the repayment of debts or supervise the enforcement of debt repayment to comply with the agreements between the REIT and other parties.
10. The Trustee shall be prohibited from the settlement of its liabilities with third parties as the role of either creditors or debtors that is not related to the performance as the Trustee. However, if the Trustee violates this prohibition, then the action is considered as void.
11. In the case that the Trustee proceed with a juristic act or a transaction with a third party, the Trustee shall notify the third party in writing that it acts as the trustee, and clearly specify in the evidence of that juristic act or transaction that it acts as the trustee.
12. The Trustee shall prepare the Trust Unitholders' Register, or assign a licensed securities registrar under the Securities Act to prepare such register on behalf of the Trustee. When the Trustee assigned the Trust Registrar, the trustee is responsible for ensuring that the assigned entity comply with the terms of the Trust Deed except where the evidence is provided by the system of a securities depository center.

13. The Trustee or the Securities Registrar is responsible to provide evidence representing rights in trust units or trust receipt to the trust unitholders under the rule specify in the Trust Deed.
14. The Trustee is responsible for giving the trustee's opinion on the performance of REIT Manager by specifying in the annual report of the REIT where the REIT Manager is responsible to prepare for the trust unitholders. The Trustee must provide an opinion about whether the performance of the REIT Manager in managing the REIT corresponds to the regulations of Trust Deed, law, notification and other related regulations or not. If the REIT Manager does not comply with the Trust Deed, law, notifications and other related regulations, then the Trustee shall specify such issue and the action of Trustee to make correction.
15. The Trustee is responsible for certifying the net asset value of the REIT and the value of the trust unit as of the last business day of each quarter in accordance with the rules prescribed by the relevant regulations. The trustee will use the report to disclose the report to the SEC within 45 days of the last day of each quarter.
16. The Trustee is responsible to prepare an account of the REIT's property separately from any other accounts under its responsibility. In the case where the Trustee manages many REITs, the Trustee shall prepare the account of REIT's properties of each REIT separately and shall be recorded correctly and up-to-date. In terms of REIT management, the Trustee shall segregate the REIT's property from those held in its own account and any property in its possession. In the case where the Trust manages many REITs, the Trustee shall segregate the property of each REIT from one another.
17. The Trustee shall supervise, control and monitor the REIT Manager or any other assigned person (if any) to ensure compliance with the Trust Deed, other relevant agreements and the relevant laws as follows:
 - a. Ensure that the REIT is managed by the REIT Manager whose approval from the SEC Office shall last throughout the entire existence of the REIT.
 - b. Supervise, monitor and proceed as necessary to ensure that the assigned person is qualified and perform duties in compliance with the Trust Deed and the relevant laws, which

include the dismissal of the current assigned person and the appointment of the new person.

- c. Supervise that the investment of the REIT is in accordance with the Trust Deed and the relevant laws.
- d. Supervise that the disclosure of the REIT's information is accurate and complete in compliance with the Trust Deed and the relevant laws.
- e. Provide opinion in relation to the management or execution of transactions for the REIT by the REIT Manager or other assigned person (if any) in support of seeking resolutions of the Trust Unitholders' meetings, disclosing information of the REIT to trust unitholders or upon request of the SEC Office.
- f. In the case that is necessary, for the benefit of the REIT and the trust unitholders, the Trustee assign the REIT Manager to take any appropriate actions which does not cause a liability to the REIT Manager beyond the duties set out in the Trust Deed or the relevant laws. The assignment of action to the REIT Manager must not be oppose to or contradict with the Trust Deed, laws, principles, rules, regulations, and guidelines set by government agencies. In addition, if such action causes too much burden and expenses to the REIT Manager, then the Trustee and the REIT Manager shall continue to agree.
- g. In the case that the REIT Manager acts or refrains from any actions resulting in any damage to the REIT, or fails to perform its duties as specified in the Trust Deed or the relevant laws, the Trustee has the following responsibilities:
 - (1) Report to the Office of SEC within 5 business days as from the date of the occurrence of such event becomes known or should have been known;
 - (2) Rectify, restrain or mitigate such damage to the REIT as deemed appropriate.
- h. In the absence of the REIT Manager or when the REIT Manager cannot perform its duties, the Trustee shall manage the REIT until the new REIT Manager is appointed under the regulations as prescribed in the notification of the SEC no. KorRor.14/2555. The Trustee is

responsible to manage the REIT as necessary to prevent, refrain or limit severe damage to the REIT or the trust unitholders. Furthermore, the Trustee shall proceed in accordance with the authorities and duties as specified in the Trust Deed and the Trust Act. In proceeding with such action, the Trustee may delegate any other person to manage the REIT within the scope, regulations and conditions specified in the Trust Deed, including authority to arrange for the new REIT Manager by the authority prescribed in the Trust Deed and Trust Act.

In addition, in the case that the Trustee consider that the REIT Manager fails to perform its duties correctly and completely as set forth in the Trust Deed, Trust Act, Notification of the Office of SEC or any other relevant notification which cause severe damage to the REIT and/or the trust unitholders and cannot be remedy within the appropriate period of time. The Trustee shall replace the REIT Manager as deemed appropriate by the Trustee for the benefit of the REIT and trust unitholders.

1.29. Investment Committee

The REIT Manager has the Investment Committee Property & Trust as follows

Name-Surname	Position	Role
Mr. Alongkorn Prathanrasnikorn	Top Executive of Property and Trust Management Group	President
Mr. Pote Harinasuta	Chief Executive Officer	Director
Mr. Sakda Manavapat	Chief Operating Officer	Director
Mrs. Nawarat Puangphairoite	Head of Compliance and Audit	Director
Mr. Sutanin Theparruk	Head of REIT Manager Department	Director
Mr. Parinya Kaewmanee*	Legal Department	Director

Remark: (*) Mr. Parinya Kaewmanee is in the acting position of the Chief Legal Officer

The Investment Committee Property and Trust is responsible for considering and acknowledging various matters and approving the operations necessary for the REIT, in capacity as REIT Manager.

1.30. Information of Other related parties

1.30.1. Auditor

Name	SP Audit Company Limited
Address	503/31 KSL Tower, 18th Floor, Si-Ayutthaya Road, Phaya Thai Sub-area, Ratchathewi Area, Bangkok 10400
Telephone	0-2642-6172-4

1.30.2. Registrar

Name	Thailand Securities Depository Company Limited
Address	93 The Stock Exchange of Thailand Building, Ratchadaphisek Road, Dindaeng Sub-area, Dindaeng Area, Bangkok 10400
Telephone	0-2009-9999

1.30.3. Appraiser

Name	Knight Frank Chartered (Thailand) Company Limited
Address	65/192 23 rd Floor Chamnan Phenjati Business Center, Rama 9 Road, Huaykwang District, Bangkok 10320
Telephone	0-2643-8223

REIT Supervision

1.31. REIT Supervision Policies

The REIT Manager has policies to manage the REIT for maximizing the benefits of trust unitholders. The REIT Manager has the objective to generate more returns from investment by pursuing high quality assets investment and managing the assets of the REIT. Moreover, the REIT Manager has managed the REIT in accordance to the Trust Deed, Trust Act and other relevant notifications of the Security Exchange Commission and the Stock Exchange of Thailand.

1.32. Sub-Committee

1.32.1. Authorized Duties of the Sub-Committee of the REIT Manager

The detail of the REIT Manager's sub-committee is as follows:

- **Management Committee**
 - (1) Determine the target, policies and strategies for the operation of the company.
 - (2) Consider and evaluate internal control measures of the company to improve the efficiency of the internal control system of the company.
 - (3) Evaluate the work system and scope of work in each department to be in accordance with the company structure.
 - (4) Determine guidelines for resolving issues from each department.
 - (5) Approve the purchasing and procurement transactions of the company in the case that the transaction value exceeds THB 1,000,000.
 - (6) Carry out other tasks as assigned by the Board of Directors.
- **Investment Committee**
 - (1) Determine the investment frameworks and strategies of the mutual funds in the country.
 - (2) Monitor the risk assessment and determine guidelines for corrective action (if any) of the fund as proposed by the Risk Management Committee.
 - (3) Review the securities in the country in which the fund is able to invest as approved by the ICC Board (at least 1 time every quarter).
 - (4) Approve the attendance of shareholder meetings (proxy voting) of the invested securities in the country.
 - (5) Approve the dividend payment and automatic redemption (AR) of the assets under management.

- **Investment Committee Property and Trust**

- (1) Determine the policies and approve the issuance of REIT(s).
- (2) Establish criteria for the selection process of other service providers and legal service providers such as custodian, property appraiser company, insurance company and property manager.
- (3) Monitor, supervise and manage on the performance, income and expenses of REIT to comply with the prospectus and regulations as prescribed by the law.
- (4) Consider the distribution payment, capital increase or capital decrease of REIT.

1.32.2. Independent Director and their Duties

-None-

1.33. REIT Manager Meeting

1.33.1. Meeting Terms and Procedures

The REIT manager has arranged the meeting of Investment Committee Property and Trust at least one time in each quarter to acknowledge and approve the operation of the REIT regarding with the following procedures:

(1) Proposed Agendas for the Meeting

The Investment Committee Property and Trust shall consider the following agendas:

- **Agendas for Investment Committee Property and Trust's Acknowledgement**
 - a. Operations of REIT;
 - b. Progress in the implementation of the business and marketing plan;
 - c. Guidelines for risk management or any other factors that may affect the performance of the REIT;
 - d. Performance of related departments of REIT Manager.
- **Agendas for Investment Committee Property and Trust's Approval**
 - a. Annual budget of REIT and annual business plan as well as the of REIT's annual business strategy;
 - b. Guidelines for handling disputes and important complaints regarding the operation of the REIT;
 - c. Related transactions or any other that may have conflict of interest in the operation of the REIT;
 - d. Distribution payment or any other benefits to the trust unitholders;
 - e. Any other matters which required consideration and approval of the trust unitholders' meeting;
 - f. Any other matters that are significant and relevant to the operation of the REIT.

(2) Meeting Quorum and Voting on Resolution

In every Investment Committee Property and Trust's meeting, the number of attending directors shall be not less than half of total directors. Moreover, a resolution of the Investment Committee Property and Trust shall be passed by a majority of votes from the attending directors. The director who has a conflict of interest in any matter shall have no right to vote on such matter. However, the director who represents compliance and audit department shall consider mainly on the regulations of the investment and shall no right to vote on commercial issue of the REIT.

In addition, in the case that the votes of the meeting of Investment Committee Property and Trust are equal, then the chairman of the meeting shall have another vote as the decisive vote in the meeting of Investment Committee Property and Trust. The chairman shall allow all directors to express their opinions before voting and summarizing the resolutions of the meeting for each agenda. Moreover, the REIT Manager shall prepare Investment Committee Property and Trust's meeting minutes in writing. The original version of minutes will be kept together with related supporting documents while the copied version will be store electronically as evidence for future reference.

(3) Conflict of Interest

The Investment Committee Property and Trust recognizes the importance of transactions that may create conflict of interests with the interest of the REIT and the REIT Manager or its related parties. Thus, the Investment Committee Property and Trust will have procedures to prevent the conflict of interest for any business transactions performed by the REIT Manager and its employee by adhering to the principle of maximizing benefits of the REIT and avoiding transactions that may create the conflict of interest. Moreover, the directors and executive of the REIT Manager have the responsibilities to report their and related parties' interests in the transactions related to the operation of the REIT or the company. This is for the purpose of informing the relationship and interest of related parties of the transactions.

1.33.2. Significant Transactions of REIT which has proposed to Investment Committee Property and Trust's Meetings

For the fiscal year 2019, the significant transactions of REIT which has been proposed to the Investment Committee Property and Trust's meetings are as follows:

Meeting No.	Date of Meeting	Agenda Items	Meeting Resolutions and Detail
2/2019	18 Feb 19	- To consider and approve on distribution payment (for the period 1 July 2018 to 31 December 2018) and determine book closing date. - To consider and approve the schedule of the 2019 annual general meeting of trust unitholders and agenda items.	- The meeting approved the distribution payment to trust unitholders. - The meeting approved of the schedule of the 2019 annual general meeting of trust unitholders and agenda items to comply with the trust deed and relevant regulations.
11/2019	19 Aug 19	- To consider and approve on distribution payment (for the period 1 January 2019 to 30 June 2019) and determine the book closing date.	- The meeting approved the distribution payment to trust unitholders.

1.34. Control of Inside Information

The REIT Manager has established the following measures to prevent inside information between the departments and personnel to ensure that the operation of REIT Manager's personnel is efficient and in accordance with the relevant regulations:

- In every Investment Committee Property and Trust meeting, in the event that there is any agenda items or issues of consideration that may result in conflict of interest or knowing of information between the same

REITs, other REITs and property fund (in the case of having the same asset type), the persons that has conflict of interest shall not attend the meeting and have no voting rights on such matter.

- The REIT Manager has a policy not to appoint the same property manager to manage more than one of the REIT and property fund which have the same type of asset under management of the REIT Manager.
- The REIT Manager has a policy to not allow the REIT Manager's personnel in the REIT Manager department and Property Fund and Infrastructure department to have the same management which have the same type of asset under management of the REIT Manager.
- The REIT Manager has a clear separation policy of each department in order to prevent exchanges or communication of information between each department.
- The REIT Manager has arranged to have a system to prevent exchanges of information for each business type between the Property and Infrastructure Fund department, REIT Trustee department and REIT Manage department. Moreover, there will be a system to prevent other personnel that are not from the REIT Manager department to access REITs' data that are stored in the computer by assigning rights for Username, Log file, browsing, editing or copying of data
- The Compliance and Audit department is responsible for periodically reviewing and evaluating the efficiency of the system that prevent the exchanges or communication of information for each business type and report to the Audit Committee.

The REIT Manager strictly abides in restricting the usage of clients' information and sensitive information by the management and/or employees of the REIT Manager to compete against the REIT Manager's clients. The REIT Manager does not encourage its employees to act on any matters that may result in potential conflict of interest as well the exploitation of benefits. The REIT Manager has clearly defined the rules and regulations for such matters by the announcement of the REIT Manager regarding the regulations on securities trading of employees and related person. Furthermore, the REIT Manager has guidelines for buying / selling of securities in the watch list / restricted list account. The employees are restricted not to buy or sell such securities and they are prohibited from disclosing such securities to third parties. These rules and regulations are fully defined regarding the securities trading, disclosure on holding of securities and include the acknowledgement of restriction and penalty.

1.35. Investment Consideration and REIT Management

1.35.1. Procedure and Factor for Investment Consideration

Investment Policy of the REIT

In the future, the REIT may consider making additional investment in real estate. The investment shall be in accordance with the criteria specified in the Trust Deed or as prescribed in the notifications of the SEC.

Investment Process

The REIT Manager takes the following actions before acquisition of each core asset.

- (1) Conduct a due diligence on the core assets and equipment (if any) regarding the following matters:
 - Characteristics of the real estate, for instance, location, entrance and exit, opportunities for generating income and various encumbrances of such real estate;
 - Legal issues of the real estate and the ability of the counterparty to perform a juristic act along with the completeness, accuracy and enforceability of the documents of entitled right or relevant contracts
 - In case the immovable properties to be invested by the REIT is in a foreign jurisdiction, a due diligence shall be conducted on the ability of the REIT to acquire and hold the real estate in compliance with the law of such foreign jurisdiction and the opinion of a legal advisor who is an expert in the law of such foreign jurisdiction shall accompany the due diligence.
 - Financial information of the real estate and appropriate reasons for investing in such real estate.

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.

Moreover, for the verification and audit process of the core asset and equipment, the purpose is for the benefit of investment decision-making and disclosure of correct information.

- (2) Organize valuation of assets under investment as specified in the Trust Deed;
- (3) In the case of investment in leasehold right, the REIT Manager will establish risk prevention measure or remedy measure for potential damage caused by breach of agreements or non-enforcement under lease agreements;
- (4) For acquisition of additional core assets, it shall be complied with the following procedures:
 - a. The essences of the transactions shall contain at least the following matters:
 - be in compliance with the trust instrument and relevant laws;
 - be for the best interest of the REIT;
 - be reasonable and at fair price;
 - have expenses collected from the REIT (if any) at a fair and reasonable rate;
 - be decided by any person who does not have special interest with regard to the transaction of acquisition thereof.
 - b. The approval procedure before the acquisition has to:
 - be approved by the trustee that the transaction is in accordance with the trust instrument and relevant laws
 - be approved by the board of directors of the REIT manager in case of acquiring additional principal asset with value at 10% of the total asset value of the REIT or more
 - be approved by the resolution of the unitholders' meeting with at least three-fourth majority votes of the attending unitholders with the voting right, in case of acquiring additional core asset with value at 30% of the total asset value of the REIT or more.

The calculation of the value of the principal asset as mentioned in sub clause 1. 2. or 3. has to use the acquired value of the total assets of each project being ready to take advantage of income, including any asset relating to such project.

(5) For seeking an approval from the trustee or the unitholders, the REIT manager and the trustee have duties as follows:

- the duty of the REIT manager to prepare the documents for seeking an approval or calling notice for trust unitholders' meeting, as the case may be, and to give an opinion on the characteristics of transactions on the acquisition of the additional core assets together with rationale and clear supplementary information;
- The duty of the trustee to attend the unitholders' meeting and give an opinion on the characteristics of transactions regarding compliance with the trust deed and relevant laws.

1.35.2. The Procurement of Benefits of the REIT

The REIT Manager has established the following policies of the benefits procurement to generate commercial income for the best interest of trust unitholders'

- (1) The REIT Manager will seek benefits from the core assets through lease, sub-lease, arrange for the using of area and provide services relevant to leasing or using area. However, the REIT Manager will not proceed in making the REIT to enter into operating any business such as hotel or hospital business;
- (2) In case the REIT will let a business operator to lease its real estate which is business premises, for instance, hotel or hospital, there shall be an agreement stipulating the mainly exact amount of the rental fee. In case of having extra rental fee referred to the operating results of the lessee's business, the maximum of the extra rental fee thereof shall not exceed 50% of such exact rental fee;
- (3) The REIT Manager will not lease the REIT's real estate to any person who has the suspicious ground of using the real estate for immoral or illegal business. Accordingly, the REIT Manager

will include the term that would allow the REIT to be entitled to terminate the lease agreement if it appears that the lessee uses its real estate for such business;

- (4) The REIT Manager will maintain the core assets in good condition and ready to seek benefits and to procure sufficient insurance throughout the possession of such property. The purpose is for the REIT to always be ready to seek benefits throughout the investment period. Moreover, there shall be sufficient insurance policies at least to cover property insurance and public liability insurance. The insurance coverage limit for property insurance shall be no less than the asset's full replacement cost. On the other hand, the insurance coverage limit for public liability insurance shall be at sufficient and appropriate amount;
- (5) In the case that the REIT acquires the freehold right in the real estate and the REIT Manager seeks benefits from the real estate by leasing to the former owner, the REIT Manager will determine the rental rate in a matter that it is a normal practice as if it were a transaction with a general counterpart which is a third party.

The REIT Manager has established the following procedures in searching for lessee:

- (1) Consider the appropriate qualification and past performance such as registered capital, work system or readiness of personnel to perform duties and/or work;
- (2) Consider the appropriate rental rate and structure to incentivize the lessee which benefits both parties. Moreover, the consideration shall incorporate the information of operators in the industry;
- (3) In the case of having a single lessee
 - a. The Investment Committee Property and Trust shall consider and approve to be the lessee of the REIT;
 - b. The REIT Manager shall notify the Trustee to approve such consideration after the approval of the Investment Committee Property and Trust;
 - c. The REIT Manager shall prepare relevant agreements after the receiving consent from the Trustee.

(4) In the case of having multiple lessees

- a. The REIT Manager will consider the appropriateness of seeking for lessees and determine the terms of the lease agreement.
- b. The REIT Manager may consider proposing some lessees to the Investment Committee Property and Trust for approval as a lessee of the REIT.
- c. The REIT Manager shall prepare relevant agreements after the agreed on terms.

1.36. Monitoring and Supervising Benefits of the REIT

The REIT Manager has the following guidelines and systems in monitoring and supervising the benefits of the real estate invested by the REIT:

- (1) Manage the REIT to be in accordance with the Trust Deed and related notification of the Office of SEC;
- (2) Prepare the budget plan with the cooperation of the property manager that cover the REIT Manager's duties as specified in the REIT Manager Agreement, Trust Deed, information memorandum, prospectus and relevant laws. The REIT Manager will submit the budget plan for Trustee's approval. Moreover, the REIT Manager will monitor the actual expenses charged as received from the property manager in each accounting period. The REIT Manager will compare the actual operating result with the approved budget plan. Additionally, such result will be used as a guideline for next year budget plan;
- (3) Determine the strategy and investment policies with the cooperation of the property manager or lessee;
- (4) Prepare checklist for monitoring and overseeing the performance of the REIT to be in accordance with the Trust Deed and relevant regulations;
- (5) Arrange for annual general meeting of trust unitholders as prescribed in the Trust Deed;
- (6) Control the proportion of borrowing and/or obligation of the REIT to in accordance with the Trust Deed;
- (7) Control and monitor the REIT's income and expenses for consideration and approval of property manager's income and expenses to achieve the REIT's target return and best benefits of the trust unitholders;

- (8) Arrange for property insurance and public liability insurance policies at sufficient and reasonable coverage limit amount (such as covering for buildings and constructions, building structure, water system, electrical system, machinery and operating equipment, decoration and furniture) to restore the assets to its original condition. Thus, the REIT will be able to procure benefits and receive returns not less than the previous condition, with the cooperation of the property manager.

1.37. Remuneration of REIT Manager

The REIT Manager shall receive a rate of remuneration as per specified in the REIT Manager agreement as following details:

1.37.1. Base Fee

The base fee is determined at the rate not more than 1% of the total asset value (TAV). Moreover, the Trustee will make monthly payment for the base fee to the REIT Manager.

Currently, the actual charged amount of base fee is at 0.30 (exclusive of VAT) of total asset value (TAV).

1.37.2. Commission fee for Acquisition or Disposal of New Assets

(1) Acquisition Fee

- In the case of the assets of the connected person to the REIT Manager: the rate does not exceed 1% of total asset value (TAV).
- In the case of the assets of third parties: the rate does not exceed 1% of total asset value (TAV).

(2) Disposal Fee

- The rate does not exceed 1% of total asset value (TAV).

1.38. Disclosure of Information to Trust Unitholders

The REIT manager has emphasized the importance of information disclosure to trust unitholders in a sufficient, accurate, complete, timely and transparent manner. The information disclosed by the REIT shall be in compliance with rules and guidelines of information disclosure of the Securities and Exchange Commission and the Stock Exchange of Thailand, detail as follows:

	Type of Information	Disclosure Period
Information Disclosure Based on Accounting Period	Total asset value, net asset value, and trust unit value	Within 45 days from the last day of each quarter
	- Financial Statement - Quarterly (reviewed) - Annually (Audited) - Interim Management Discussion and Analysis	45 days from the end of the accounting period 60 days from the end of the fiscal year
	- Report on progress of investment project - Investment in green-field project - Change in investment in core assets	- Within 30 days from the last day of the six-month period - Delivered with quarterly financial statements
	Annual Registration Statement	3 months from the end of the accounting period
	Annual report	120 days from the end of the accounting period
Event Disclosure	Price-sensitive Information	Disclosed immediately
	Important information (should be disclosed)	Within 3 business days
	Other relevant information	Within 14 days from the date of the event

Channels of Information Disclosure

The REIT manager has various channels for information disclosure as follows:

1. Report to the Stock Exchange of Thailand, which is the main channel of information disclosure for the REIT (www.set.or.th).
2. Report via website of REIT Manager's (www.one-asset.com).

1.39. Trust Unitholders' Meeting

The REIT Manager shall arrange for the trust unitholders' meeting as follows:

- a. An annual general meeting shall be held within 4 months from the end of the accounting period of the REIT;
- b. An extraordinary general meeting is a meeting that is held upon occurrence of the following events:
 - (1) When trust unitholders with a total of not less than 10% of the total trust units offering make a request to the REIT Manager in writing to call for Trust Unitholders Meeting with clear reason stated, the REIT manager shall arrange for the meeting within 1 month after the date receiving such request.
 - (2) When the Trustee considers that it is appropriate to call the trust unitholders' meeting, the REIT manager shall arrange for the meeting within 1 month after the date receiving such request in writing from Trustee. Nevertheless, the Trustee is not disqualified to consult with REIT manager in relation to such request.
 - (3) When the REIT Manager considers that it is appropriate to call the trust unitholders' meeting for the benefits of the REIT. Nevertheless, the Trustee is not disqualified to consult with REIT manager in relation to such request.

Call of Trust Unitholders' Meeting

The calling of trust unitholders' meeting shall be a minimum of the following criteria

- a. Prepare calling notice which are sufficient for unitholders to review and make decision. The information in the letter shall at least include the explanation of meeting method and voting, the detailed agenda and matters to be proposed to the meeting with appropriate detail together with appropriate details and clearly identifying whether such matter is for acknowledgment, approval or consideration, as the case

may be, including the opinion of the REIT Manager on such matter. In the case of approval matter, the information will include any possible impact on the unitholders as a result of passing a resolution on such matter.

- b. Distribute calling notice to the trust unitholders prior to the meeting date within the following period
 - (1) 14 days in the case that the trust unitholders' meeting include agenda items that not less than three fourths of the total number of votes of the unitholders who attend the meeting and have the right to vote;
 - (2) 7 days in cases that are other than (1).
- c. Announce on at least 1 local daily newspaper for not less than 3 days prior to the meeting date.

In the case that the REIT Manager has not call for trust unitholders' meeting within 1 month after receiving letter from trust unitholders and/or trustee as the case may be, the Trustee shall call for trust unitholders' meeting in accordance with the method as specified in the first paragraph under this topic. Moreover, the trustee has right to reimburse the expenses (if any) from the trust unitholders' meeting in lieu of REIT Manager.

Moreover, in the case that there are specific rules as prescribed in the Notification regarding the resolution and trust unitholders' meeting, then such rules should be complied.

Quorum and Chairman of the Trust Unitholders' Meeting

The trust unitholders' meeting shall consist of not less than 25 (twenty-five) person or proxies, or not less than half of the total number of the trust unitholders and shall have the aggregate trust units of at least one third of the trust units offering in order to consider as a quorum.

In the case that a quorum is not present within 1 hour after the appointed time for the commencement of the meeting where the total number of trust unitholders attended the meeting does not meet the requirement of the quorum as stated above. If the meeting is convened upon the request of the trust unitholders, the meeting shall be dissolved in that case. However, if the meeting is not convened at the request of the trust unitholders, the REIT Manager shall call another meeting by sending the calling notice to the trust unitholders not less than 7 days prior to the meeting. In this latter case, a quorum is not required.

The meeting shall be in accordance with the following procedures:

- a. The meeting shall be in accordance with the order of the agenda items as specified in the meeting's invitation letter unless the meeting has the resolution on to change the order of the agenda items by a vote of not less than 2 of 3 of the number of trust unitholders attending the meeting.
- b. When the meeting has ended in accordance with (a), the trust unitholders with not less than 1 of 3 of the total number of trust units issued may request the meeting to consider any matters other than those specified in the meeting's invitation letter.
- c. In the case that the meeting considers the matters not in an orderly manner in accordance with (a) or not considering the matters that the trust unitholders have proposed in accordance with (b), as the case may be, and it is necessary to postponed the meeting. The meeting shall determine the place, date and time for the next meeting and the REIT Manager shall send out the meeting invitation letter specifying the place, date, time and agenda items to the trust unitholders not less than 7 days prior to the date of the meeting. In addition, the notice of the meeting shall be published in the newspaper not less than 3 days prior to the meeting.

The REIT Manager shall appoint a person to act as the chairman of the trust unitholders' meeting. However, in considering any agenda items of the trust unitholders' meeting that the chairman has an interest in, the chairman shall leave the meeting for that agenda item and the REIT Manager shall proposed the names to act as the chairman of the trust unitholders' meeting for that particular agenda.

In the event that the REIT Manager has an interest in any agenda, the Trustee shall propose a person name to trust unitholders' meeting for appointing that person to be the chairman of the meeting for that particular agenda. However, in the event that both the REIT Manager and the Trustee have interest in any agenda, then the meeting shall consider appointing any person to be the chairman of the trust unitholders' meeting in that particular agenda.

Furthermore, in the case that the Trustee or REIT Manager has the interests in the agenda under consideration in the trust unitholders' meeting, the Trustee or REIT Manager and the representative of Trustee or REIT Manager shall have no right to vote on such agenda (in the case that Trustee or REIT Manager and the representatives of the Trustee or REIT Manager are the trust unitholder)

The Chairperson of the trust unitholders' meeting shall have the authorities and duties as follows:

- (1) Supervise the meeting to ensure that the meeting proceed orderly.
- (2) Determine any other methods in conducting the meeting as the Chairperson deemed appropriate or necessary to hold the trust unitholders' meeting along with the process of considering and passing resolution on any matters appropriately and efficiently.
- (3) Ensure that the trust unitholders' meeting performed according to relevant laws and other relevant laws. However, the Chairperson has the authority to terminate the debate or any consideration during the trust unitholders' meeting on any subject.
- (4) In the event that vote of the resolution of the trust unitholders' meeting is tie, the Chairperson of the trust unitholder's meeting cast a deciding vote where the decision cast by the Chairperson is deemed as the final vote of the trust unitholders' meeting.

Proxy Authorization

For the trust unitholders' meeting, the trust unitholders may authorize a proxy to other person or Trustee, as prescribed in the proxy form, to attend the meeting and vote on their behalf. The REIT Manager shall prepare proxy form attached along with the meeting invitation letters to trust unitholders.

Thus, the proxy shall submit the proxy form and supporting documents as specified in the meeting invitation letter to the Chairperson before the meeting begins.

Vote Counting

The trust unitholder has 1 vote per 1 trust unit as per holding. Moreover, the trust unitholders who have the voting right must not hold a special interest in the matter under consideration.

Trust Unitholders' Resolution

1. For an ordinary issue, the resolution shall be passed by the majority vote of the trust unitholders who attend the meeting and have the right to vote;
2. For the following issues, the resolution shall be passed by not less than three fourths of the total number of votes cast by the trust unitholders who attend the meeting and have the right to vote:

- (1) An acquisition or disposal of the core properties with value not less than 30% of total asset value of the REIT;
- (2) A capital increase or decrease of the paid-up capital which has not been specified in the Trust Deed in advance;
- (3) An increase of capital by general mandate;
- (4) In the case of transaction with the value exceeding 20,000,000 baht (twenty million baht) or 0.03 percent of total asset value of the REIT, whichever is greater;
- (5) A change in the dividend distribution and capital reduction to trust unitholders;
- (6) A change in Trustee or REIT Manager;
- (7) An amendment to Trust Deed regarding a matter that affects the right of trust unitholders materially;
- (8) A dissolution of the REIT; and
- (9) A change of the form of the deposit as prescribed in the lease agreement between the REIT and the lessee into other form of deposit other than in the form of cash.

The resolution of the trust unitholders which will cause the REIT or management of the REIT to be contrary with rules prescribed in the Notification of Capital Market Supervisory Board Sor-Ror 26/2555 or other related notifications and orders as prescribed in the Security and Exchange Act or the Trust Act shall not take into effect.

1.40. Recruitment and Appointment of Directors and Top Management

1.40.1. Recruitment and Appointment of Directors

Process, Factor and Principal for Recruitment and Nomination of Directors

- (1) In consideration for recruitment and appointment of directors, the major shareholder or Board of Directors will select qualified candidates in compliance with the regulations.
- (2) In consideration and approval for the appointment of directors of the REIT Manager shall be considered with appropriateness and best benefits of the Company's operations.
- (3) As the REIT Manager is a securities company under the supervision of the SEC, the appointment of directors shall be approved by the SEC.

Guidelines for Appointment of Directors

- (1) Has full qualifications as prescribed in the laws and regulations of the SEC and SET including good corporate governance of the company.
- (2) Being qualified, knowledgeable and experienced in various fields that are beneficial to the Company.
- (3) Has no conflicts of interest with the Company either directly or indirectly.

1.40.2. Recruitment and Appointment of Top Management

Procedures for Appointment of Top Management

- (1) In consideration for recruitment and appointment of top management, the major shareholder or Board of Directors will select qualified candidates in compliance with the regulations.
- (2) In consideration and approval for the appointment of top management of the REIT Manager shall be considered with appropriateness and best benefits of the Company's operations.
- (3) As the REIT Manager is a securities company under the supervision of the SEC, the appointment of top management shall be approved by the SEC.

Guidelines for Appointment of Top Management

- (1) Has full qualifications as prescribed in the laws and regulations of the SEC and SET including good corporate governance of the company.
- (2) Being knowledgeable, capable and able to perform the top management's duties of the REIT with care and loyalty.
- (3) Has knowledge of managing REIT, for instance, property management, accounting & finance, or legal.

1.41. Remuneration of Auditor

The REIT has appointed SP Audit Company Limited to be the auditor for the accounting period of 31 December 2019 where the detail of remuneration of auditor are as follows:

Items	THB Amount
Audit Fee	250,000
Non-audit Fee	0

Social Responsibilities

1.42. Policy and Operation of REIT that Demonstrate Responsibilities to Society and Environment

ONEAM, in capacity as the REIT Manager, has determined a policy that demonstrate responsibilities to society and environment for the sustainability of society as a whole. ONEAM has carried out the policies that support the learning process and management through various activities resulting in a stronger community. ONEAM provides supports on children's education opportunities and development of school and society through community services. Moreover, ONEAM provides support on financial aid and donation as well as having employees that are devoted for benefits of public.

For the year 2019, ONEAM's management and employees have joined "This Smile is for the Children and Elderly Year 2" Project at Bang Nong Sai School, Prachuap Khiri Khan on 28 September 2019. The project includes activities such repairing of school and bathroom, lunch for children and provide scholarship to students.



1.43. Guidelines Concerning Prevention of Involvement in Corruption Activities (If Any)

Policy

ONEAM, in capacity as REIT Manager, manages the REIT by adhering adheres to the principles of corporate governance in organizational management. ONEAM is always committed to operating its business with honesty, transparency, integrity, and responsibility to the society as well as its stakeholders; and adopts the policy of zero tolerance to any corruption which is considered as a key risk to its business trustworthiness. ONEAM has therefore joined the Private Sector Collective Action Coalition against Corruption (CAC) to proclaim its intention to combat against corruption.

ONEAM has formulated the policy statement on Anti-Corruption which provides clear-cut operating guidelines for its business operations and the development towards an organization of sustainability. Importance has been placed on building the culture of countering all forms of corruption and conveying this cultural value throughout the Company to ensure that the Board of Directors, management, employees, related parties, clients, all groups of business associates, and the stakeholders have understanding and are jointly committed to working against corruption in all forms. Such endeavor shall result in high standard of business conduct that is transparent and corruption-free as well as proper standard operating procedures among employees at all levels; and promote the value of integrity, ethics, transparency, and accountability in investment management in the performance and business operations of the Company. (please find the Anti-corruption Policies at www.one-asset.com)

Operation

In order to ensure that the Anti-Corruption Policy is effective and advantageous to the whole organization and business associates as well, the Company's personnel must acknowledge and realize the importance of such policy and strictly comply with it. The Company shall proceed to communicate and disclose the Policy as follows:

- (1) Post the hard copy of the Anti-Corruption Policy at a convenient and apparent location within the Company and communicate the Policy via internal electronic communication channels so that all employees can access and read it easily.
- (2) Organize staff training on Anti-Corruption Policy at least once a year.
- (3) Organize training on Anti-Corruption Policy for new staff on the first day at work.

- (4) Publicize the Anti-Corruption Policy among external parties and business associates via the Company's website.

Moreover, ONEAM designates the Compliance and Audit Department to monitor and review the Anti-Corruption Policy and Guidelines at least once a year or whenever there are changes in the business environment, standards of business conduct, risk exposure, rules and regulations, and significant legal provisions; to decide whether a revision of the existing policy and guidelines is necessary.

In this respect, if there is any revision of the policy and guidelines, ONEAM will communicate the revision to all personnel as well as external parties through the channels determined by the Company. The Compliance and Audit Department shall supervise and monitor the compliance with the Anti-Corruption Policy and Guidelines by properly reviewing related internal control policies and measures to ensure that the business is conducted appropriately and the employees at all levels abide to the Anti-Corruption Policy and Guidelines as well as related laws. Besides, the Compliance and Audit Department directly reports to the Audit Committee and the Board of Directors.

Internal Control and Risk Management

ONEAM, in capacity as REIT Manager, has appointed compliance and audit department to supervise, audit and monitor the operation of the REIT Manager Department and relevant department to strictly perform in accordance with the laws, regulations, notifications and Trust Deed or relevant laws. The compliance and audit department are responsible for preparing an annual compliance operation plan, providing consultation and guidance related to the laws for the operation of the REIT Manager to ensure that the business compliance culture is in accordance with the regulations including prevention system for conflict of interests arising from transactions that violate the regulations of the Securities Exchange Commission Office.

The compliance and audit department are an independent unit that report directly to the Audit Committee and the Board of Directors where the segregation of duties is implemented in the department in accordance with the announcement of Securities Exchange and Commission Office.

In addition, the compliance and audit department take into account of the importance of risk factors from noncompliance operation or law relating to the responsibility of the REIT Manager (Risk-Based Approach: RBA). The compliance and audit department shall monitor the internal control system, identify the types of risks that may arise

from business operation, evaluate the possible impact factors to determine the period or frequency of each audit and conduct compliance manual to guide the operation in undertaking as REIT Manager. Furthermore, the compliance and audit department have the duties to supervise, audit and monitor in accordance with the compliance manual, assess the adequacy and propose improvement to any of the procedures to the departments in order to comply with related laws and regulations, report to the Audit Committee and Board of Directors and follow up on the department.

Prevention of Conflict of Interests

1.44. Related Transactions in the Previous Accounting Period (if any)

- None -

1.45. Transactions Between the REIT and the REIT Manager or the REIT Manager Connected Person

The transactions between the REIT and the REIT manager or the REIT manager connected person, the compliance with the following terms and conditions:

- a. The essence of the transaction shall be in accordance with term specified in 8.1.4 (1) (B) of the Trust Deed.
- b. The approval process of the transaction between the REIT and the REIT manager or REIT manager's connected person, in addition the information stated in the filing and prospectus, must comply with the following steps:
 - (1) Obtaining the trustee's approval that the transaction is in accordance with the Trust Deed and related laws;
 - (2) In the case of the transaction exceeding THB 1 million or from 0.03% of the REIT's NAV, whichever is higher, must obtain approval from the Board of Directors of the REIT manager.
 - (3) In the case of the transaction exceeding THB 20 million or from 3% of the REIT's NAV, whichever is higher, must obtain approval from the trust unitholders' meeting with at least 3/4 of total votes of the trust unitholders attending the meeting and entitled to vote.

In case of the transaction being the acquisition or disposition of the core properties, the calculation of value shall be in accordance with the value for acquisition or disposition of all assets of each project resulting in that such project is ready to earn income, which includes the assets connected to such project.

- c. The transaction between the REIT and the REIT manager or REIT manager's connected person which has already been clearly stated in the filing and prospectus, the procedures for requesting the approval of the trustee or trust unitholders must be in accordance with the terms specified 8.1.4 (1) (B) of the Trust Deed. Moreover, in the case of request for the trust unitholders' resolution, the notice of the trust unitholders' meeting must contain the financial advisor's opinion to support such request.

Part 4 Financial Position and Operating Results

Significant Financial Highlights

1.46. Summary of Auditor's Report

1.46.1. Name of Auditor Audited or Reviewed the REIT

Year	Auditor	Remark
2017-2019 (10 October 2017 – 31 December 2019)	Mr. Kiatisak Vanithanont	Certified Public Accountant No. 9922 SP Audit Company Limited

1.46.2. Summary of Auditor's Report Audited or Reviewed of the Past 3 Years (the REIT is Established on 10 October 2017)

Auditor's Opinion for the Financial Statement of the Year 2017

The auditor has given the opinion that the accompanying financial statements present fairly, in all material respects, the financial position of Grande Hospitality Real Estate Investment Trust as at December 31, 2017, and its financial performance, changes in its net assets, cash flows and significant financial information for the period start October 10, 2017 (registration date) through December 31, 2017 in accordance with Thai Financial Reporting Standards.

Auditor's Opinion for the Financial Statement of the Year 2018

The auditor has given the opinion that the accompanying financial statements present fairly, in all material respects, the financial position of Grande Hospitality Real Estate Investment Trust as at 31 December 2018, and its financial performance, changes in its net assets, cash flows and significant financial information for the year then ended in accordance with Thai Financial Reporting Standards.

Auditor's Opinion for the Financial Statement of the Year 2019

The auditor has given the opinion that the accompanying financial statements present fairly, in all material respects, the financial position of Grande Hospitality Real Estate Investment Trust as at 31 December 2019, and its financial performance, changes in its net assets, cash flows and significant financial information for the year then ended in accordance with Thai Financial Reporting Standards.

1.47. Financial Statement

1.47.1. Balance Sheet

Grande Hospitality Real Estate Investment Trust			
Balance Sheet			
(Unit: Baht)	31 December 2019 Audited	31 December 2018 Audited	31 December 2017 Audited
Assets			
Investments in properties at fair value	1,769,000,000	1,764,900,000	1,746,409,000
(at cost in 2019: Baht 1,746,409,000.00 2018: Baht 1,746,409,000.00 2017: Baht 1,746,409,000.00)			
Investments in securities at fair value	41,905,975	40,908,121	6,985,537
(at cost in 2019: Baht 41,898,089 2018: Baht 40,905,789 2017: Baht 6,985,537)			
Cash at banks	1,261,458	2,515,242	7,306,196
Accounts receivable:			
From rental and services	50,905,214	36,124,658	21,344,101
From interest	78	258	1,569
Deposit at bank with commitment	88,129,097	88,125,055	88,166,838
Deferred expenses	274,599	628,763	982,927
Other assets	282,800	306,741	625,420
Total Assets	1,951,759,221	1,933,508,838	1,871,821,588
Liabilities			
Accrued expenses	898,152	1,651,779	2,112,613
Deposits from rental and service	88,129,096	88,125,055	88,166,846
Other liabilities	402,410	403,872	749
Total Liabilities	89,429,658	90,180,706	90,280,209
Net Assets:			
Trust capital from the unitholders	1,755,000,000	1,755,000,000	1,755,000,000
Retained earnings	107,329,563	88,328,132	26,541,379
Net Assets	1,862,329,563	1,843,328,132	1,781,541,379
Net asset value per unit	10.6115	10.5032	10.1512
Number of units issued at the end of year (Units)	175,500,000	175,500,000	175,500,000

1.47.2. Income Statement

Grande Hospitality Real Estate Investment Trust			
Income Statement			
	1 Jan - 31 Dec	1 Jan - 31 Dec	10 Oct - 31 Dec
(unit: Baht)	2019	2018	2017
	Audited	Audited	Audited
Investment Income			
Rental and service income	130,780,557	130,780,557	28,827,972
Interest income	729,785	491,154	111,969
Total income	131,510,342	131,271,711	28,939,941
Expenses			
REIT manager fee	6,028,069	5,950,463	1,313,975
Trustee fee	3,014,034	2,975,232	656,987
Registrar fee	690,242	690,242	156,959
Professional fee	250,000	250,000	75,000
Operating expenses	977,956	1,064,689	115,105
Amortization of deferred expenses	354,164	354,164	80,536
Total expenses	11,314,465	11,284,790	2,398,562
Net Income from Investments	120,195,877	119,986,921	26,541,379
Net Gain on Investments			
Net unrealized gain on investments	4,105,554	18,493,332	-
Total Net Unrealized Gain on Investments	4,105,554	18,493,332	-
Increase in Net Assets Resulting from Operations	124,301,431	138,480,253	26,541,379

1.47.3. Statement of Cash Flows

Grande Hospitality Real Estate Investment Trust			
Statement of Cash Flows			
(unit: Baht)	1 Jan - 31 Dec	1 Jan - 31 Dec	10 Oct - 31 Dec
	2019	2018	2017
	Audited	Audited	Audited
Cash Flows from Operating Activities			
Increase in net assets from operations	124,301,431	138,480,253	26,541,379
Adjustments to reconcile net increase in net assets from operations to net cash provided by (used in) operating activities			
Purchases of investments in properties	-	-	(1,746,409,000)
Purchases of investments in securities	(175,287,049)	(225,449,944)	(6,983,132)
Sales of investments in securities	175,000,000	192,000,000	-
(Increase) decrease in deposit at bank with commitment	(4,041)	41,784	(88,166,838)
Increase in accounts receivable from rental and services	(14,780,557)	(14,780,557)	(21,344,101)
(Increase) decrease in accounts receivable from interests	181	1,310	(1,569)
Increase in deferred expenses	-	-	(1,063,463)
(Increase) decrease in other assets	23,940	318,679	(625,420)
Increase (decrease) in accrued expenses	(753,627)	(460,834)	2,112,613
Increase (decrease) in deposits from rental and service	4,042	(41,791)	88,166,846
Increase in other liabilities	(1,462)	403,123	749
Amortization of deferred expenses	354,164	354,164	80,536
Amortization of discount on debt instruments	(705,250)	(470,308)	(2,405)
Net unrealized gain on investment	(4,105,554)	(18,493,332)	-
Net Cash Provided by (Use in) Operating Activities	104,046,216	71,902,546	(1,747,693,804)
Cash Flows from Financing Activities			
Proceeds from issuance of investment units		-	1,755,000,000
Distribution to unitholders	(105,300,000)	(76,693,500)	-
Net Cash Provided by (Used in) Financing Activities	(105,300,000)	(76,693,500)	1,755,000,000
Net Increase (Decrease) in Cash at Banks	(1,253,784)	(4,790,954)	7,306,196
Cash at Banks at Beginning of the Year	2,515,242	7,306,196	-
Cash at Banks at End of the Year	1,261,458	2,515,242	7,306,196

1.47.4. Significant Financial Information

Grande Hospitality Real Estate Investment Trust			
Significant Financial Information			
	1 Jan - 31 Dec	1 Jan - 31 Dec	10 Oct - 31 Dec
(unit: Baht)	2019	2018	2017
	Audited	Audited	Audited
Information on Results from Operation (Per Trust Unit)			
Net Asset Value at Beginning of the Year	10.5032	10.1512	-
Income from investing activities			
Net income from investments	0.6849	0.6837	0.1512
Net unrealized gain on investment	0.0234	0.1053	-
Total income from investing activities	0.7083	0.7890	0.1512
Add: Increase in capital from unitholders	-	-	10.0000
Less: Distribution to unitholders	(0.6000)	(0.4370)	-
Net Asset Value at End of the Year	10.6115	10.5032	10.1512
Ratio of Net Gain to Average Net Asset Value during the Year (%)	6.53	6.59	1.50
Significant Financial Ratio and Additional Information			
Net assets at end of the year (Thousand Baht)	1,862,330	1,843,32	1,781,541
Ratio of total expenses to average net assets during the year (%)	0.61	0.62	0.14
Ratio of total investment income to average net assets during the year (%)	7.14	7.21	1.63
Ratio of weighted average investment turnover to average net assets during the year (%) *	0.44	0.52	98.1

Supplemental information

- * This is not included cash at bank, investment in promissory notes and certificates of deposits and trading investments should be the independent trading transactions which are not included repurchase agreements or resale agreements.

Management Discussion and Analysis of the REIT Manager

1.48. Operating results and Financial Position

Explanation of the operating results and financial position as ended 31 December 2019, compared to 2018.

1.48.1. Overall performance of the REIT

Investment Income

In 2019, the REIT had total investment income of THB 131.51 million, an increase of THB 0.24 million or 0.18% from the previous year. Total investment income consists of rental and service income of THB 130.78 million, equivalent to 99.45% of total income. The rental and service income are recorded according to the average value throughout the lease term which is in accordance with accounting standards. The interest income is THB 0.73 million or 0.55% of total income.

Expenses

In 2019, the REIT had total expenses of THB 11.31 million, which increased from the previous year by THB 0.30 million, or 0.26% due to the increasing of REIT Manager fees and Trustee fees which calculate from the increasing of total asset value of the REIT.

The REIT has a management fee paid to One Asset Management as the REIT Manager, trustee fee paid to BBL Asset Management Company Limited as the Trustee, the registrar fee paid to the Thailand Securities Depository Company Limited as the registrar, and the professional fee paid to SP Audit Company Limited as auditor and paid to Knight Frank Chartered (Thailand) Co., Ltd. as value appraiser. All fees charged from the REIT are within the stated ceiling rate of total asset value of the initial asset of the REIT that is specified in the prospectus of the trust units offering.

Expenses	2018 THB amount	2018 THB amount	% change
REIT Manager Fee	THB 6,02,069	THB 5,950,463	1.30
Trustee Fee	THB 3,014,034	THB 2,975,232	1.30
Registrar Fee	THB 690,242	THB 690,242	0.00
Professional Fee	THB 250,000	THB 250,000	0.00
Operating Expenses	THB 1,332,120	THB 1,418,853	(6.11)
Total Expenses	THB 11,314,465	THB 11,284,790	0.26

Net Income from Investments

In 2019, the REIT had net investment income of THB 120.20 million, an increase of THB 0.21 million or 0.17% from the previous year. The increase in net assets resulting from operations was THB 124.30 million decrease from the previous year by THB 14.18 million or equivalent to 10.24%, due to unrealized gain from investments of the REIT has increased lower than the increasing in 2018 as the valuation in 2019.

1.48.2. Balance Sheet of the REIT

Assets

As of December 31, 2019, the REIT has total assets of THB 1,951.76 million, increased from the previous year by THB 18.25 million or 0.94% from 2018. The important items are as follows:

- Investments in properties at fair value was THB 1,769.00 million, an increase of THB 4.10 million or 0.23% compared with the investments in properties at fair value as of 2018. The investments in properties at fair value arises is based on the valuation prepared by an independent appraiser using the income approach.
- Investment in securities at fair value is THB 41.91 million, an increase of THB 0.10 million or 2.44% from the previous year, which is the investment in Bank of Thailand bonds.
- Accounts receivable from rental and services is THB 50.91 million, an increase of THB 14.78 million or 40.92%. It is a receivable from leasing out the immovable and movable properties which is not yet due and in accordance with accounting standards.

Liabilities

As of December 31, 2019, the REIT had total liabilities of THB 89.43 million, decreased from the previous year by THB 0.75 million or 0.83% from December 31, 2018 due to accrued expenses decrease THB 0.80 million or 45.63%, from THB 1.65 million to THB 0.90 million. The liabilities are REIT manager fee, REIT Trustee fee and professional fee which due in 2020.

Net Assets

As of December 31, 2019, the REIT has net assets of THB 1,862.33 million, an increase of THB 19.00 million or 1.03% from the previous year and net assets value per unit is THB 10.6115, increased from the previous year as of December 31, 2018 which equal to THB 10.5032.

1.48.3. Analysis of Cash Flow of the REIT

For the year ended December 31, 2019, the REIT has cash at bank of THB 1.26 million, mainly due to (1) the REIT has net cash from operating activities of THB 104.04 million, resulting from an Increase in net assets from operations amount of THB 124.30 million and (2) the REIT has net cash used in financing activities in the amount of THB 105.30 million due to the distribution payment to trust unitholders.

Statement of Cash Flows (unit: THB)	For the year ended December 31,	
	2019	2018
Net Cash Provided by (Used in) Operating Activities	104,046,216	71,902,546
Net Cash Provided by (Used in) Financing Activities	(105,300,000)	(76,693,500)
Net Increase (Decrease) in Cash at Banks	1,253,784	(4,790,954)
Cash at Banks at Beginning of the Year	2,515,242	7,306,196
Cash at Banks at End of the Year	1,261,458	2,515,242

1.48.4. Ratio Analysis of the REIT

In 2019, the REIT has a ratio of net gain to average net asset value during the year equal to 6.53%, decrease 0.06% compared to 2018, contributing mainly from the increasing of average net asset value during 2019 which is THB 1,843.52 million compare with the average net asset value during 2018 which is THB 1,824.46 million, increase THB 19.06 million or 1.05%, resulting that the Ratio of Net Gain to Average Net Asset Value during the Year 2019 has decreased when compare with 2018, while Net Income from Investments has increased when compare with 2018. Furthermore, the REIT has distributed dividend of the operation period 1 January 2019 to 31 December 2019 at THB 0.6000 per unit which is the same amount of 2018.

1.49. Factor or Incident that Could Significantly Affect Financial Position or Future Operation (Forward Looking)

In 2019, Office of the National Economic and Social Development Council (NESDC) report that the Thai economy grew by 2.4% which is below expectation and compared with 4.2 percent in Year 2018 due to (1) slow global economic growth rate, uncertain directions of trade measures; the intensified trade measures and the uncertainty of US – China trade which caused producers and exporters in the supply chain to continue slowing their production and trade activities, and the Baht appreciation, (2) the delay in FY2020's budgeting process and the lower-than-assumed disbursement rate of Stated-owned Enterprises (SOEs) capita budget which led to public investment expand at slower rate than previously expected and was consistent with some delays of key infrastructure projects for example a high-speed train from Bangkok to Nakhon Ratchasima, and (3) impacts from the drought as well as temporary factors disrupting production in some manufacturing products

However, Thai economy stability (1) Decreasing of interest rate; On 7 August 2019, the Monetary Policy Committee (MPC) decided to lower the policy interest rate by 25 basis points to 1.50% per annum and again on 6 November 2019, the Monetary Policy Committee (MPC) decided to lower the policy interest rate by 25 basis points to 1.25% per annum to support the lower than expected economic growth. (2) The Headline Inflation rate 2019 is lower than expected at 0.70%, which is low level (3) The Unemployment rate is low rate, furthermore the government measures to support low-income people, and farmers.

For 2020, NESDC forecast that 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 (1) a gradual global economic recovery following easing trade tensions and reduced risks of a no-deal Brexit; (2) a favourable expansions of private consumption and investment of both private and public; (3) key government stimulus measures; and (4) a low growth base in the last quarter of 2019.

Trustee's Opinion on REIT Operation



BBL ASSET MANAGEMENT CO., LTD.
บริษัทหลักทรัพย์จัดการกองทุนรวม บัวหลวง จำกัด

Trustee's Opinion

19th February 2020

To : Unitholders of Grande Hospitality Real Estate Investment Trust

Whereas, BBL Asset Management Company Limited ("BBLAM") acting as the Trustee of the Grande Hospitality Real Estate Investment Trust ("GAHREIT") which managed by One Asset Management Limited ("ONEAM") as the REIT manager during accounting period from 1st January 2019 to 31st December 2019.

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

Yours Faithfully,

BBL Asset Management Co., Ltd.,

Trustee of Grande Hospitality Real Estate Investment Trust

(Mr. Thawatchai Lueangsurarungse) (Mr. Chukiet Wiriyaorkitkul)

Authorized persons

Part 5 Certification of Information

Directors Authorized to Affix Binding Signature of REIT Manager

"The REIT Manager has reviewed the information in this annual report carefully, the REIT Manager hereby certifies that the aforesaid information is correct, complete, true and not misleading or lacking any material information that should have been disclosed." In addition, REIT Manager hereby certifies that:

- (1) The financial statements and the financial information herein have been disclosed completely with regard to the materiality of the financial status and the operating results of the REIT;
- (2) The REIT Manager has arranged an efficient disclosure system to ensure that the material information on the REIT has been disclosed correctly and completely, and the REIT Manager has supervised the compliance with such disclosure system;
- (3) The REIT Manager has arranged, and supervised the compliance with, an efficient internal control system, and REIT Manager has reported the information on assessment of the internal control system as of 3 February 2019 to the auditor of the REIT, which covers deficiencies and significant changes to the internal control system as well as wrongful acts may affect the financial reporting of the REIT;

as the evidence that all of the documents provided herein are identical to those certified by the REIT Manager, the REIT Manager has appointed Mr. Alongkorn Prathanrasnikorn or Mr. Sutanin Theparruk to affix signature on every page of the documents. Any part of the documents not affixed Mr. Alongkorn Prathanrasnikorn or Mr. Sutanin Theparruk signature, shall not be deemed the information certified by the Company.

<u>Name</u>	<u>Position</u>	<u>Signature</u>
1. Mr. Pote Harinasuta	Chief Executive Officer	-Mr. Pote Harinasuta-
2. Mr. Sakda Manavapat	Chief Operating Officer	-Mr. Sakda Manavapat-

In the capacity as the REIT Manager and the Attorney-in-Fact appointed by the Trustee to act on behalf of the REIT.

<u>Name</u>	<u>Position</u>	<u>Signature</u>
1. Mr. Alongkorn Prathanrasnikorn	Senior Executive Vice President	-Mr. Alongkorn Prathanrasnikorn-
2. Mr. Sutanin Theparruk	Vice President	-Mr. Sutanin Theparruk-

Attachment 1 Details of Director, Executive, Deputy Manager, Assistant Manager, Director of Department, and Persons Responsible for Work Unit Related to REIT Management

One Asset Management Limited, in its capacity as REIT Manager of Grande Hospitality Real Estate Investment Trust, has the following directors and management.

Directors of the Company

No.	Name	Position	Education and Training	Experiences
1	Mr. Chih-Hung Lin	Director	<u>Education</u> - Doctor of Philosophy, Engineering-Economic Systems and Operations Research, Stanford University, United States of America <u>Training Program</u> - Corporate Governance for Capital Market Intermediaries 16/2016	<u>Work Experience</u> 2011 – 2016 Executive Vice President, Regional Head of Equity Derivatives, <i>KGI Securities Co. Ltd. (Public Company in Taiwan)</i> 2001 – 2011 Managing Director – Head of Asian Equity Derivative Analytics, <i>The Royal Bank of Scotland N.V. (ABN AMRO Bank N.V.)</i>
2	Mrs. Nantarat Surakkhaka	Director	<u>Education</u> - LL.M., Widener University, Delaware, United States of America <u>Training Program</u> - Director Certification Program Class 199/2015 - Corporate Governance for Capital market Intermediaries 5/2015	<u>Work Experience</u> 2010 – 2013 Senior Vice President – COO Office (Corporate Strategy) <i>KGI Securities (Thailand) Plc.</i> 2005 – 2006 Vice President, Legal and Debt Recovery Division <i>KGI Securities (Thailand) Plc.</i> 1996 – 2005 Legal Officer <i>The Office of the Securities and Exchange Commission</i>

No.	Name	Position	Education and Training	Experiences
			from Thai Institute of Directors Association (IOD) ASCO Compliance Training Program from ASCO	
3	Mr. Pote Harinasuta	Chief Executive Officer / Director	<u>Education</u> - Master Degree of Business Administration of Sasin Graduate Institute of Business Administration - Master Degree of Science – International Management, King's College, University of London <u>Training Program</u> - Executive Program from Capital Market Academy 25/ 2017 - Ultra-Wealth Program 3/ 2017 - CMA-GMS Program 2/ 2017 - Director Certification Program by Institute of Directors Association 206/2016	<u>Work Experience</u> 2016 – Present Chief Executive Officer <i>One Asset Management Limited</i> 2016 Senior Executive Vice President – Group Chief Financial Officer <i>BCPG Co., Ltd.</i> 2009 – 2015 Senior Executive Vice President– Head of Private and Institutional Business Group & Head of Agents Business Group <i>SCB Asset Management Co., Ltd.</i> 2008 – 2009 Senior Vice President – Head of Global Investment Division <i>SCB Asset Management Co., Ltd.</i> 2007 – 2008 Director, FICC, <i>Merrill Lynch Asia Pacific Region</i> 2004 – 2007 Director, South East Asia, <i>The Royal Bank of Scotland</i> 2000 – 2004 Executive – Treasury and Capital Markets <i>The Hongkong and Shanghai Banking Corporation Limited</i> 1998 – 2000 Interbank Trader, Treasury Department <i>The Siam Commercial Bank Public Company Limited</i>
4	Mr. Sakda Manavapat	Chief Operating Officer /	<u>Education</u> Master Degree of Accounting,	<u>Work Experience</u> 2011 – Present Chief Operating Officer <i>One Asset Management Limited</i>

No.	Name	Position	Education and Training	Experiences
		Director	Chulalongkorn University <u>Training Program</u> - Director Certification Program 163/2012 - Corporate Governance for Capital Market Intermediates 7/2015 from Thai Institute of Directors - Executive Development Program 2017 from Fiscal Policy Research Institute Foundation - CPA, TA	2006 – 2011 Executive Vice President of Operation Group <i>SCB Asset Management Co., Ltd.</i> 2003 – 2005 Executive Vice President of Compliance <i>SCB Asset Management Co., Ltd.</i> 1999 – 2003 Manager – Compliance <i>SCB Asset Management Co., Ltd.</i> 1998 – 1999 Manager – Accounting and Fund Operation <i>SCB Asset Management Co., Ltd.</i> 1996 – 1998 Manager – CEO Office <i>SCB Asset Management Co., Ltd.</i> 1983 – 1996 Senior Team Leader – Subsidiary Company Audit Team <i>Siam Commercial Bank Plc</i>
5	Mr. Wong Sai Hung	Director	<u>Education</u> Higher Diploma in Business Studies, Hong Kong Polytechnic University, Hong Kong	<u>Work Experience</u> 2013 – Current Independent Director <i>Ping An Insurance Company of China</i> 2014 – Current Director <i>Chong Sing Fintech Holdings Ltd.</i> 2014 – Current Independent Director <i>JP Morgan Chinese Investment Trust, plc.</i> 1992 – Current Director <i>One Asset Management Limited</i>
6	Mrs. Ching Ching Li	Director	<u>Education</u> MBA, Ohio State University, U.S.A.	<u>Work Experience</u> 2005 – 2006 Vice President <i>KGI Securities Investment Trust Co., Ltd.</i> 2002 – 2005 President <i>KGI Securities Investment Trust Co., Ltd.</i> 1996 – 2002 Vice President <i>KGI Securities Co., Ltd.</i>

No.	Name	Position	Education and Training	Experiences
				1994 – 1996 Assistant Vice President <i>HSBC James Capel</i> 1992 – 1994 Accounting Officer <i>American Express Bank</i> 1990 – 1992 Analyst <i>International Investment Trust Co., Ltd.</i> 1986 – 1988 Officer <i>Chinatrust Commercial Bank</i>
7	Mr. Chin-Lung Tseng	Director	<u>Education</u> Bachelor's degree Major : International Trade from Tamkang University, Taiwan, R.O.C	<u>Work Experience</u> 2019 – Present Director <i>One Asset Maangement Limited</i> 2019 – Present Director <i>KGI Securities (Thailand) Public Company Ltd.</i> 2013 – 2019 President <i>Global Securities Finance Corporation (Company in Taiwan)</i> 2012 – 2019 President <i>KGI Insurance Brokers Co., Ltd (Company in Taiwan)</i> 1999 – 2019 Director <i>KGI Securities Co., Ltd (Company in Taiwan)</i> 2007 –2009 President & CEO <i>KGI Securities Co., Ltd (Company in Taiwan)</i> 2006 – 2007 President <i>KGI Securities Co., Ltd (Company in Taiwan)</i> 2006 – 2015 Director <i>KGI Securities (Thailand) Plc.</i>

Note* Mr. Chin-Lung Tseng has appointed to Director on 14 November 2019 and approved by Securities and Exchange Commission of Thailand on 16 December 2019.

Executive, Deputy Manager, Assistant Manager, Director of Department, and Persons Responsible for Work Unit Related to REIT Management.

No.	Name	Position	Education and Training	Experiences
1	Mr. Alongkorn Prathanrasnikorn	Senior Executive Vice President	<u>Education</u> - Master Degree of Business Law, University of the Pacific, U.S.A. - Bachelor of Laws, Chulalongkorn University <u>Training Program</u> - Director Certification Program (DCP 114/2009)	<u>Work Experience</u> 2016 – Present Senior Executive Vice President – Property and Trust management Group <i>One Asset Management Limited</i> 2012 – 2016 Executive Vice President <i>One Asset Management Limited</i> 2008 – 2012 Senior Vice President – Lawyer and Asset Management <i>Univentures Plc.</i> 1998 – 2007 Senior Fund Manager – Property Fund Department <i>One Asset Management Limited</i>
2	Mr. Sutanin Theparruk	Vice President	<u>Education</u> - Master of Real Estate, Thammasat University - MSc International Management, University of Exeter, United Kingdom - Bachelor of Economics, International Program, Thammasat University	<u>Work Experience</u> 2019 – Present Vice President – REIT Manager Department <i>One Asset Management Limited</i> 2016 – 2019 Vice President – REIT Trustee Department <i>Kasikornasset Asset Management Limited</i> 2011 – 2016 Fund Manager – Property Fund Department <i>MFC Asset Management PLC.</i>

Attachment 2 Key Provisions of Trust Deed

Topics	Description
Parties	1. One Asset Management Limited (“as the Settlor and the “REIT Manager”) 2. BBL Asset Management Company Limited (“Trustee”)
Description of the REIT and Management Mechanism	1. Grande Hospitality Real Estate Investment Trust (“GAHREIT”) is a real estate investment trust under the Trust for Transactions in the Trust Act, established by the operation of this Trust Deed. In this regard, the establishment of GAHREIT shall have full force and effect upon the Settlor’s transferring of the fund from the offering of trust units to the Trustee to manage the assets for the benefits of trust unitholders. 2. The REIT does not have a status of a juristic person, but is a pool of assets under the name and management of the Trustee 3. The Management of the REIT shall be acted by the Trustee and the REIT Manager which is delegated by the Trustee under this Trust Deed. 4. The REIT Manager has the main authorized duties and responsibilities for managing the REIT and investing in core assets of the REIT. Moreover, the Trustee has main authorized duties and responsibilities of supervising the performance of the REIT Manager and other delegated person(s) (if any) to ensure that their performance is in accordance with the agreements and laws and safeguarding the assets of the REIT. However, in the case that the REIT has the policy to invest in non-core assets, the REIT Manager shall be responsible for that which shall be in compliance with this Trust Deed and any relevant agreements. 5. The REIT Manager and Trustee shall perform their duties as entrusted professionals with care, in good faith and with justice for the best interest of the trust unitholders as a whole which shall be in accordance with this Trust Deed and relevant laws as well as commitments additionally given in the disclosed documents for the benefit of the offering of trust units to investors and

Topics	Description
	resolution of trust unitholders.
Name, Term, Type and Objective of the REIT	1. Thai Name of the REIT is ทรัสต์เพื่อการลงทุนในอสังหาริมทรัพย์ แกรนด์โฮสพิทาลิตี้ and English name for the REIT is Grande Hospitality Real Estate Investment Trust or GAHREIT. 2. The REIT is established with indefinite term and with the type as closed-end. 3. The REIT is established under the Trust established pursuant to the Trust for Transactions in Capital Market Act as prescribed by the SEC for issuance and offering for sale of the trust units of the real estate investment trust to the public. The trust unit shall be applied for listing as a security on the SET. 4. In issuance and offering for sale of the trust units, the Settlor shall comply with criteria, procedures and conditions as prescribed in the Notifications of SEC and in each registration statement for issuance and offering of trust units. Additionally, the offering of trust units shall be paid only with cash or cash equivalent. Subsequently, the REIT Manager shall file an application with the SET for listing of the trust units as listed securities within 45 days from the end of the offering period. 5. General Provision a. After the trust units are registered as the listed securities on the Stock Exchange, the trust unitholders may buy/sell such trust units through the system “buy/sell of the listed trust units on the Stock Exchange” by complying with the rules and regulations of the Stock Exchange of Thailand. However, the Settlor will notify the trust unitholders on such schedule by disclosing the information to the Stock Exchange and investors without delay. b. The REIT Manager shall procure benefits from the core assets by means of leasing out, sub-leasing out, granting the use of, or providing services in a similar nature of leasing out of immovable properties, as well as

Topics	Description
	providing related services. 6. The performance of the REIT Manager in managing the assets of the REIT shall be under the supervision of the Trustee in order for the performance of the REIT Manager to be in accordance with the provisions and criteria of this agreement and criteria under the Trust Act as well as other notifications from the SEC, the Office of SEC, SET and other relevant laws. 7. The REIT has accounting period ending on 31 December of every year and the first accounting period ending 31 December 2017
Initial Assets of the REIT	1. Initial assets that are for the REIT is the fund that the Settlor received from the initial offering of the trust unit ("Initial Property"). The Settlor has the duties to appoint the underwriter to transfer the fund that are raised from offering to the Trustee to establish the REIT within 15 days from the closing date of the offering. Moreover, the Settlor will submit the evidence of such transfer along with the result of offering trust units report to the Office of SEC. 2. After the REIT received the Initial Property as aforementioned from the Trustee, the REIT will invest in the core assets. Nevertheless, the REIT may use fund received from the disposal of core assets or loan from commercial bank or financial institution to invest in the core assets. The amount of loan and terms of the loan shall be in accordance with the registration statement. In addition, the assets to be owned by the REIT shall include other assets that the REIT will acquire in addition the terms and conditions of the Trust Deed as well as the rules and notifications of the SEC.
Trust Units	The units are divided equally called the trust units. Each trust unitholders have equal rights and are beneficiary of the REIT. The par value of the REIT shall not exceed THB 10 per trust units and the trust units of the REIT shall not be redeemable. The trust unit of the REIT has the characteristics of specifying the name of the holder and are paid-up in full. Moreover, it has no restriction on

Topics	Description
	transferring the trust unit unless the restriction are in accordance with the law as specified in the Trust Deed.
Capital Increase of the REIT	The REIT may increase capital by issuing new trust units for offering to the investors in general or to the current trust unitholders with the same proportions or placement to specific trust unitholders in accordance with the terms and conditions under the Trust Deed and relevant law. The REIT Manager shall have the duty to take steps in relation to the capital increase of the REIT, including without limitation the holding of meetings of trust unitholders to seek an approval for the capital increase for which trust units shall be issued in full (no fractions of trust units may be issued). In the event of conflict of interests between the REIT Manager and its connected persons caused by the capital increase, the REIT Manager and its connected persons shall abstain from voting in the agenda relating to the capital increase of the REIT and the issuance of trust units. Moreover, the REIT Manager shall have the duty to take reasonable steps to list the newly issued trust units on the Stock Exchange of Thailand within 45 days from the closing of offering.
Causes and Procedures of Capital Increase	1. Causes for the capital increase are as follows: a) For investment in the immovable properties, leasehold right of the immovable properties, or investment in the core properties of the REIT indirectly or additionally to the existing assets of the REIT under the relevant regulations and notifications of the Office of SEC. b) For modification or repairing of the REIT's assets, including the immovable properties of the REIT or the immovable properties of which the REIT owns the leasehold right to be in good condition and ready for profit procurement or in accordance with the market state or changing of customers' demand. c) For modification or construction of the additional building on the land that

Topics	Description
	the REIT owns or has leasehold right to procure profit for the REIT or in accordance with the market state or changing of customers' demand. d) For repayment of loan or obligations of the REIT e) For investment in other assets pursuant to the regulations and ratio announced in related notifications of the Office of SEC. f) For other causes as announced by Office of SEC and/or SEC. g) For other causes as the REIT Manager deemed appropriate and necessary to increase the capital which shall not be against or contradict with the laws or rules of the Office of SEC.\ 2. The capital increase of the REIT must not contravene or contradict with the objective of establishment, provisions of Securities and Exchange Act, the Trust Act and any other notifications, rules, or orders issued by virtue of such laws. Furthermore, the capital increase shall occur only when no less than 3/4 of trust unitholders who attend the meeting and have voting rights in accordance with the following rules have approved the resolution: a. In case of capital increase by way of private placement to certain trust unitholders, no objection is made by trust unitholders who hold unit trusts altogether more than 10 percent of the overall votes of trust unitholders who attend the meeting and have voting rights to the capital increase. b. In case of the request of trust unitholders' resolution for capital increase under the General Mandate shall be made only by explicit indication that allocation of new unit trusts from capital increase shall be in accordance with the ratio and regulations prescribed in related notifications of The SET Board of Governors regarding provisions, conditions and procedures of information disclosure, any other practice as to capital increase of the listed company applying mutatis mutandis and the guidelines given by the Office of SEC which are prescribed in details to be clear in practice (if

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	any). In this regard, capital increase shall be completed within 1 year from the date of trust unitholders' resolution approving capital increase. 3. In the cases of capital increase for acquisition of additional core assets, the procedures must be in accordance with the guidelines for acquisitions of core assets and equipment as specified in the Trust Deed. However, in case of the related party transactions between the REIT and the REIT Manager, or its connected person, the procedures must be taken in accordance with the Trust Deed. 4. The REIT Manager shall seek an approval from the Office of the SEC for the offering of newly issued trust units.
Reduction of Paid-up Capital of the REIT	The REIT Manager shall have the authority to proceed with the reduction of paid-up capital of the REIT in accordance with the criteria and procedure as specified in the Notification of the Office of SEC and to be amended.
Causes and Procedures of the Reduction of Paid-up Capital	1. The REIT may reduce its paid-up capital based upon the following causes: a. The REIT has excess liquidity remaining from the disposal of real estates or the amortization of the leasehold interest of the real estates (if any). In this regard, there shall be certain fact demonstrating that the REIT has no accumulated retained earnings; b. The REIT has increased its capital to acquire additional real estates but due to the issues which causes the inability to acquire some part of the real estates from the relevant agreements which is specified in the registration statement; c. The REIT has increased its capital to acquire additional real estates but a difficulty occurs later which causes the inability to acquire such real estates d. The REIT has non-cash expense items and such items will not be considered as a part of the adjusted net profit as specified in this Trust

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	Deed. e. Other cases where the trust unitholders resolve to approve a reduction of paid-up capital of the REIT; 2. The reduction of the paid-up capital of the REIT shall be proceeded when the reduction does not contradict or is inconsistent with the objectives of the establishment of the REIT, the provisions of the Trust Act and Securities Act including the announcement of rules or orders issued by the virtue of such laws. Moreover, the trust unitholders' meeting passed to the resolution on the reduction of the paid-up capital with the vote of not less than 3/4 of the total votes of the trust unitholders attending the meeting and having the right to vote. The reduction of the paid-up capital has to be proceeded only by reducing unit value. Furthermore, the procedures shall be in accordance with the regulations and procedures as prescribed by the Notification of the SEC including the relevant regulations and procedures that may be notified in the future.
Trust Unitholders	1. Being a trust unitholder does not constitute a juristic relation of principal and agent between the trust unitholders and the Trustee. Neither shall it constitute a juristic relation of partnership or otherwise between the Trustee and the trust unitholders and among trust unitholders themselves. 2. Being a trust unitholder does not make such person liable in the case where the assets of the REIT is insufficient to repay debts to the Trustee, the REIT Manager or the creditor of the REIT. The Trustee, the REIT Manager and creditors of the REIT may only enforce their claims from the assets of the REIT. 3. Trust unitholders shall have the right to require the REIT to make distributions not exceeding the profit after all legal reserve that the REIT is allowed to make under the law, including the unrealized gain from the valuation or review of valuation of assets of the REIT, reserve for the repayment of loan or

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	commitments from the loans of the REIT according to the amount that has been disclosed in the Registration Statement and the Prospectus or the annual disclosure. In addition, trust unitholders shall have the right to require the return of capital that is not in excess of the amount of capital of the REIT adjusted with the premium or the discount of the value of trust units. 4. In any case, the interpretation of this Trust Deed shall not be contrary to the provisions under article 1, 2 and 3. 5. Being a trust unitholder does not entitle the person to have any ownership and the absolute claim over any part of asset of the REIT. Neither shall trust unitholders have the right to require the REIT to transfer any of the REIT's assets to trust unitholders. Trust unitholders shall in accordance with the requirements under the Trust Act have the right to claim for the return of the REIT's assets from third parties in case where the Trustee and/or the REIT Manager does not manage the REIT in accordance with the Trust Deed or the Trust Act thereby resulting in the disposal of assets of the REIT to third parties. 6. Trust unitholders shall not be liable to the REIT Manager or the Trustee in making any further payments to the REIT after they have already fully paid the subscription price for the trust units, and the trust unitholders shall not have any additional liabilities in respect of the trust units held by them. 7. Trust unitholders shall have the right to vote in the meeting of trust unitholders, make enquiries and express their opinion relating to the management of the REIT by the Trustee and the REIT Manager as to whether it is in accordance with the requirements of relevant laws and regulations including the Trust Deed. However, trust unitholders shall not have the right to intervene the day-to-day operation of the REIT Manager and the Trustee to the extent that it is not contrary to or inconsistent with the Trust Deed because it shall be the authority and discretion of the REIT Manager, or the Trustee, as the case may

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	be. 8. Trust unitholders shall have the right to receive distributions from the REIT in accordance with the requirements and methods provided under the Trust Deed. 9. Each trust unitholder shall have the right to vote on the amendment to the Trust Deed or to the methods of REIT management to be in accordance with the terms and conditions provided under the Trust Deed. The Trustee or the REIT Manager shall amend the Trust Deed or the methods of REIT management when they have already obtained the relevant resolution in accordance with the requirements and method provided under the Trust Deed. 10. Trust unitholders shall have the right to receive the return of capital upon dissolution or capital decrease of the REIT. Trust unitholders may only receive the refund when the REIT has remaining assets after deduction of expenses and repayment of debts upon dissolution of the REIT. In case of the capital decrease, the REIT Manager shall return the proceeds from the capital decrease proportionately to trust unitholders. 11. Trust unitholders have the right to transfer the trust units in accordance with the conditions and regulations as specified in this Trust Deed. 12. Trust unitholders shall have the right to other benefits such as pledging their trust units in accordance with the law and with the requirements and methods required by the Trustee and/or the registrar, the right to vote on the matters relating to the management of the REIT in accordance with the conditions and regulations as specified in this Trust Deed and shall not in contrary with the law and the rules and regulations of the Office of the SEC and the SEC. Moreover, it shall not be an additional burden to the Trustee, the Settlor, and the REIT Manager more than as prescribed by the law. Moreover, the trust unitholders have the right to receive return of capital upon capital decrease in

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	accordance rules and procedures as specified in this Trust Deed.
Transfer of Trust Units	Trust unitholders may transfer the trust units except otherwise restricted. Transfer of trust units shall be in accordance with the terms of the Trust Deed.
Investment of the REIT	1. The investment of the REIT shall be in accordance with the provisions as specified in the Notification Tor.Jor. 49/2555 including any relevant notifications and orders of the SEC or the Office of SEC as specified or amended. 2. The investment in the core assets and equipment shall be in accordance with the investment policies and procedures as specified in the Trust Deed. The REIT will focus on its investments in immovable properties, leasehold rights in immovable properties, and sublease hold rights in immovable properties. The REIT will also invest in other types of immovable properties that are related to or complement immovable properties. The investment category that the REIT will invest is related to hotel and any assets that are related or support the hotel business such as immovable properties for retail shop, restaurant, spa and other assets that may support the investment of the REIT. Moreover, other than the investment in the core assets, the REIT has a policy to invest or hold any other assets as specified in the Trust Deed such as government bond, treasury bill, saving deposits. 3. For the acquisition of core assets, the REIT Manager shall proceed in accordance with the provisions in the Trust Deed such as conducting due diligence on information and agreements related to the core assets and equipment (if any), appraisal of value for the core assets at least in accordance with the provisions of the Trust Deed, as well as having the content and approval system as specified in the Trust Deed, for example, must be approved by the Trustee that the transaction is in accordance with the Trust Deed and relevant laws, etc. 4. For the disposal of the core assets, the REIT Manager shall proceed by

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	following the provisions stated in the Trust Deed. For instance, prior to the disposal of the core assets, an evaluation of the core assets has to be done in accordance with the Trust Deed. Moreover, the disposal of core assets has to be in accordance with the following provisions (a) the disposal shall be disclosed and comply with the provisions as specified in the Trust Deed and have the procedure for seeking an approval from the Trustee or a resolution of the trust unitholders' meeting as prescribed in the Trust Deed (b) the disposal of the core assets before 1 year after the REIT acquired that assets or disposal of the core assets of the REIT to the previous other than shall be conducted in accordance with the Trust Deed, such matters shall be necessary and appropriated by receiving the Board of Directors of the REIT Manager approval. 5. Other than the investment in the core assets, the REIT has a policy to invest or hold any other assets as specified in the Trust Deed such as government bond, Treasury bill, saving deposits.
Procurement of Benefits of the REIT	1. The REIT Manager shall procure benefits from the core assets by means of leasing out, sub-leasing out, granting the use of, or providing services in a similar nature of leasing out of immovable properties, as well as providing related services. Moreover, the REIT Managers prohibited from undertaking any act which constitutes the use of the REIT to operate any other business that the REIT itself is unable to undertake directly such as a hotel business or a hospital business, etc. 2. In the case that the REIT Manager lease out any immovable property to any person who will use such immovable property in a business operation that the REIT is unable to undertake, such as a hotel business or a hospital business, etc., provided that a large portion of the rental fee must be fixed in advance, and if there is any portion of the rental fee is based on the operating results of

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	the lessees and/or the sublessees, the maximum rental fee based in the operating results shall not be greater than 50 percent of the rental fee fixed in advance. 3. The REIT shall not lease out any immovable property to any person, and there is reasonable suspicion that person shall use that immovable property in any business operation which is against good morals or is unlawful. There must be a provision that enables the REIT to terminate the lease agreement should the lessee use such immovable property for such business. 4. The REIT Manager has a duty to keep the core assets in a serviceable condition for generating income, as well as to procure sufficient insurance coverage throughout the term the REIT invests in the core assets. The insurances must at least provide coverage against loss to the immovable property in the amount not less than the full replacement cost and third-party liabilities against damage arising out of the immovable property or undertaking any act in the immovable properties. 5. In the case that the REIT has acquired ownership of the immovable properties and the REIT Manager has the intention to procure benefits from such immovable properties by leasing out the previous owner, the REIT Manager must determine the appropriate rental rate to the previous owner by taking into account of the benefits of the REIT.
Loan and Creating an Encumbrance on the REIT's Assets	1. The REIT may obtain loans only with the following objectives: a. To invest in immovable properties or leasehold rights of immovable properties; b. Management of the assets of the REIT. c. To make improvement or repair of the immovable properties of the REIT, or the immovable properties in which REIT has the leasehold rights or possession to ensure that they are in a good and serviceable condition for

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	generating income, as well as to improve the image of the immovable properties; d. To make addition to, or cause additional construction on the buildings located on the existing land which are invested in by the REIT, or the buildings to which the REIT has the leasehold rights or possession for benefit procurement of the REIT or consistent with the market conditions or the change in customers' preference.; e. To make repayment of the loans or encumbrances of the REIT. f. To use as working capital of the REIT. g. To restructure loans for repayment of existing loans or encumbrances (Refinance); h. To restructure the capital of the REIT i. Any other objectives the REIT Manager deems appropriate for the management of the REIT and for the benefit of the trust unitholders. If the REIT invests in the leasehold rights of immovable properties and will obtain loans for make repair, maintenance and improvement of the immovable properties as specified in (c) above, or to make addition to, or cause additional construction on the buildings located on the existing land which are invested in by the REIT or has the leasehold rights for benefit procurement of the REIT as specified in (d), the REIT Manager must consider the remaining lease term under the relevant lease agreement 2. The REIT may obtain loans as by the following methods (a) obtaining loans, applying from financial institutions, commercial banks, finance companies, credit foncier companies insurance companies or any parties that can grant loan to the REIT (b) issuing instruments, debt instruments, whether long term or short term, for offering to individual investors or any juristic persons or enter in the loan agreement or any other agreement that has similar characteristics with

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	loan with the individual investors or any juristic persons that is able to grant loan. Moreover, such loan shall not be contrary to the laws, notifications, orders or any other relevant rules as prescribed by the SEC Office. 3. The REIT may not obtain loans in the following cases (a) the terms and conditions are similar to those of perpetual bonds (b) grant the right to convert into shares (c) has the characteristics of derivatives except for the case that meet the criteria as specified in the Trust Deed (d) has the terms and conditions to convert into securities. 4. The indebtedness amount shall not exceed the proportion as specified in the Trust Deed except where the indebtedness amount which is greater than the specified proportion is not due to additional borrowing. 5. An encumbrance of the REIT shall be created only when it is necessary and related to the management of the assets of the REIT in accordance with the conditions specified this Trust Deed. 6. The REIT Manager is able to obtain loan or create encumbrance over the assets of the REIT for the best interests and benefits of the trust unitholders. The REIT Manager will take into consideration the necessity and suitability in obtaining loans, changing or creating encumbrances over the assets of the REIT in compliance with the criteria and procedures. The REIT Manager will then propose for the Trustee's approval as the case may be. However, if the loan is for the objective as specified in clause 1 (g), then the Trustee will review the reasonableness of such transaction where the Trustee shall sign to bind the REIT in entering into a contract to obtain a loan and/or create encumbrance over the assets of the REIT. The REIT Manager has the responsibilities to manage the REIT to comply with terms after the approval according to the notification of the Office of SEC regarding the approval of the offering of newly issued debt securities of the REIT. In the event that the REIT will issue

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	debentures or any other debt instruments in the future (if any), the REIT shall disclosure the information on the amount of the loan, reserve funds for debt repayment according to the loan agreement or according to the obligation of borrowing in each year until the payment is complete in the information memorandum, prospectus and annual registration statement of the REIT. 7. In the event that the REIT make an indirect investment in the core asset through the company that the REIT holds shares and the company will obtain loan, then the borrowing of such company, either by the any methods, shall have the same characteristics as specified in clause 1, 2, 3 and 5, mutatis mutandis, except in the case of the loan proportion under article 4 which specified only in the REIT level.
Property Valuation and Net Asset Value	1. The valuation of the immovable properties that the REIT invested a. The REIT Manager has the duties to appoint the appraiser which is a person approved by the Office of SEC in accordance with the Notification of the Office of the SEC concerning Granting of Approval for Appraisal Companies and the Principal Appraisers; b. in case of investment in a foreign real estate, being a person on the list of persons eligible to appraise the real estate as provided by an authority or the regulator of the country where the real estate to be invested is located. If such list of persons is unavailable, the person responsible for the appraisal of the real estate shall have any of the following characteristics: - being a provider of asset appraisal services with widely recognized work performance in the country where such real estate is located; - being a person with an international operating standard work system - being an asset appraisal with a widely international network (international firm) c. the appraisal would not be made by the same appraiser for more than two

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	consecutive times; d. in the following cases, the appraisal has to be made in full with verification of entitlement documents and for the purpose of publicly disclosing information: (1) when the REIT is going to acquire or dispose of a principal asset, the appraisal has to be made not more than 1 year in advance; (2) upon the expiration of 2 years as from the date of the latest full appraisal; (3) when there appears any circumstance or change which may significantly affect the depreciation of value of the invested real estate of the REIT; (4) upon request by the trustee or the auditor of the REIT e. The appraisal would be reviewed once every year as from the date of the latest full appraisal. f. In the case that the REIT made indirect investment, the value appraisal or review of the appraisal value in part of the REIT shall consider tax burdens of the company whose shares are held by the REIT and other factors that may affect the price of the real estate indirectly invested by the REIT. 2. The valuation of the other assets that the REIT invested a. Use the fair value in accordance with the criteria for determining the fair value of investments issued by the Association of Investment Management Companies mutatis mutandis. b. In the case where the criteria under clause 2 (a) does not support the determination of fair value of any assets, then use values that are in accordance with accepted academic principles or international standards 3. The regulations for calculation of total asset value, net asset value and trust unit value shall be in accordance with the Trust Deed. The REIT Manager shall

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	prepare and disclose total asset value, net asset value and trust unit value at the last day of each quarter. The disclosure shall be certified by the Trustee and submit to the Office of SEC within 45 days from the last day of each quarter. Moreover, the REIT Manager shall prepare and submit the report of total asset value, net asset and trust unit value to the Trustee for review as specified in the Trust Deed.
The Entering into Transactions between the REIT and the REIT Manager or the connected persons of the REIT Manager	1. The essence of the transaction shall be in accordance with the Trust Deed. 2. For the approval process, the entering into transaction between the REIT and the REIT Manager or related persons of the REIT Manager which is clearly disclosed in the filing document and prospectus, shall be proceed with the approval of the transaction such as approved by the Trustee that the transaction is in compliance with the Trust Deed and relevant laws or in the case the value of the transaction exceeds THB 1 million or is 0.03 percent of the net asset value of the REIT or more, whichever is higher, the approval of the board of directors of the REIT Manager is required or in case the value of the transaction exceeds THB 20 million or more than 3 percent of the net asset value of the REIT, whichever is higher, the resolution of the Trust Unitholders' Meeting with at least 3/4 of the total votes of the Trust Unitholders attending the Meeting and having the right to vote is required.
Transactions that are a conflict of interest between the REIT and the Trustee	1. In managing a REIT, the Trustee shall be prohibited to act in conflict of interest with the REIT regardless of whether such act is done for the benefit of its own or others', except where it is the Trustee's claim for its remuneration or where the Trustee is able to show that the REIT is managed with fairness under which all related information has been sufficiently disclosed to beneficiaries who thereafter hold no objection to the act. The disclosure and objection shall subject to the rules specified in the notification of the SEC Office. 2. Unless the SEC or the Office of SEC declares otherwise, the disclosure of

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	information in the following manner is considered sufficient for the trust unitholders or the investor before entering into a transaction that is in conflict with the interest of the REIT. a. Disclose information through SET in accordance with the regulations of the SET regarding such matters or any other means that the trust unitholders have access to information about the transaction. b. Have a reasonable time period to disclose information which must be not less than 14 days. c. There is clear disclosure of channels, methods and time period for objections where the period shall not be less than 14 days, except in the case of requesting for the trust unitholders' resolution to enter in such transactions, such objection shall be made during requesting for that resolution. 3. In the case that the trust unitholders express objection clearly in accordance with the methods disclosed under 2 (c) above, in the amount exceeding 1 in 4 of the total trust units sold, the Trustee may or may not allow for entering into the transactions that are in conflict with the interests of the REIT.
Disclosure of REIT's Information	1. The REIT Manager has the responsibilities and duties to prepare and disclose information of the REIT to the Office of SEC, SET, the Trustee and the trust unitholders which include the annual report of the REIT to the trust unitholders and trustee along with the invitation letter for the annual general meeting 2. Moreover, to the information as specified above, in the case that there is the notifications or orders of the SET and/or the Office of SEC which required the REIT Manager to disclosure information or submit any information memorandum regarding the management of the REIT and the performance of the REIT Manager on its duties, the REIT Manager shall comply with such notification or orders.

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Distribution Payment to the Trust Unitholders	1. The REIT Manager will pay not less than 90 percent of the adjusted net profit (the adjusted net income means the income adjusted for unrealized gain from the valuation or review of the value of the assets of REIT as well as any other items in accordance with the guidelines of the Office of SEC to be consistent with the cash flow status of the REIT. Moreover, the net income is adjusted for reserve for repayment of the loans or encumbrance of the REIT specified in the registration statement and prospectus or the annual report, as the case may be) of the fiscal year. The distribution payments are divided into year-end distribution and interim distribution (if any). The REIT Manager will make distribution payment to the trust unitholders not more than 4 times in each fiscal year. In the case that the REIT conducts capital increase, the REIT may make more than 4 times of the distribution payment for the benefits to the existing trust unitholders (the distributions will be made during the first fiscal year of the REIT if the REIT has sufficient retained earnings to make such distribution payment). 2. In the case that the REIT has retained earnings from the adjusted net profit for each fiscal year, the REIT Manager may make distribution payment from such retained earnings to the trust unitholders. 3. In the case that the REIT has retained loss, the REIT Manager may not make distribution payment to the trust unitholders. 4. The rules for distribution payment and the trust unitholders that have right to receive the distribution payment from the REIT shall be in accordance with the provisions in the Trust Deed.
Resolution and Trust Unitholders' Meeting	(1) In order to obtain the resolution of any matters for the management and operation of the REIT as prescribed in the Trust Deed and the Trust Act, the trust unitholders' meeting shall be convened or by any procedures in accordance with the notifications of the Office of SEC.

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	(2) The matters for seeking resolution of the trust unitholders are as follows: a. The acquisition or disposal of the principal asset of the REIT with the value not less than 30 percent of the total asset value of the REIT; b. The issuance of debt instruments or debt securities; c. The capital increase or paid-up capital reduction of the REIT, only for the cases that require Trust Unitholders' resolution as specified in the Trust Deed; d. Raising capital by general mandate e. Execution of a transaction with the REIT Manager or related person of the REIT Manager at an amount not less than 20 million baht or more than 3% of the net asset value of the REIT, whichever is higher; f. changing in the distribution and the return of investment to the unitholders; g. Change of Trustee (which shall be in accordance with the causes of changing or removing as specified in the Trust Deed) h. The change or removal of REIT Manager; (which shall be in accordance with the causes of changing or removing as specified in the Trust Deed) i. The amendment of the Trust Deed regarding a matter which materially affects the right of the trust; j. The dissolution of the REIT; k. The change of rental deposit form given by the lessee to the REIT into form other than cash. l. Any other matters that the Trustee and/or the REIT Manager deem necessary or appropriate to propose the trust unitholders' meeting for consideration and resolution; (3) The REIT Manager has duties to arrange for an annual general meeting which has to be held within 4 months as from the end date of the fiscal year of the REIT.

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	(4) The extraordinary general meeting shall be convened when the trust unitholder(s) who hold(s) an aggregate amount of trust units not less than 10 percent of the total trust units sold request(s) the REIT Manager to call a trust unitholders' Meeting in writing with clear reasons for such calling of the meeting. In this regard, the REIT Manager shall arrange the trust unitholders' meeting within 1 month from the date of receipt of request from the trust unitholders. (5) In the case that any matters that the Trustee deems necessary or appropriate to propose for the trust unitholders' meeting for consideration and resolution, the REIT Manager shall arrange the trust unitholders' meeting within 1 month from the date of receipt of request from the Trustee. However, the Trustee is not disqualified in consulting with the REIT for such necessity. (6) The REIT Manager has the duties to arrange for the trust unitholders' meeting by calling for the meeting through the procedures as specified in the Trust Deed. (7) In the case of clause 4 and 5, if the REIT Manager has not proceeded in calling for the trust unitholders' meeting within 1 month as from the date of receiving the request from the trust unitholders and/or from the Trustee (as the case may be), the Trustee shall proceed in calling for the trust unitholders' meeting through the procedures as specified in the Trust Deed. Moreover, the Trustee has the right to charge for actual incurred expenses (if any) from arranging of the trust unitholders' meeting in place of the REIT Manager. (8) For the trust unitholders' meeting, there shall be trust unitholders attending the meeting not less than 25 persons or not less than half of the number of all trust unitholders and there shall be trust units of not less than 1/3 of the total number of trust units sold to constitute the quorum for the meeting. The REIT Manager shall appoint a person to act as the chairman of the trust unitholders'

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	meeting, in which the chairman of the trust unitholders' meeting has the authority and duties as specified in the Trust Deed. If any of the agendas of the trust unitholders' meeting consider any matters that the Trustee and the REIT Manager have interest in, then the Trustee or the REIT Manager and the representative of the Trustee or the REIT Manager shall have no right to vote in such agenda (in the case that the Trustee or the REIT Manager and the representative of the Trustee or the REIT Manager are the trust unitholders). In the case that the REIT Manager has interest on any agendas, the Trustee shall propose a person to the trust unitholders' meeting to consider appointing that person to be the chairman of the trust unitholders' meeting in that particular agenda. In the case that the REIT Manager and the Trustee have interest on any agendas, the meeting shall propose a person to the trust unitholders' meeting to consider appointing that person to be the chairman of the trust unitholders' meeting in that particular agenda. (9) The trust unitholders have the vote of 1 vote per 1 trust unit held by them, whereby the trust unitholders who have the right to vote shall not have special interest in the matter under consideration. (10) Unless stated otherwise in this Trust Deed, the resolution of the trust unitholders are as follows (11) For general matters, the majority vote of the trust unitholders attending the meeting and having the right to vote shall be required. (12) For the following matters, not less than 3/4 of the total number of votes of the trust unitholders attending the meeting and having the right to vote shall be required: - The acquisition or disposal of the principal assets with the value not less than 30 percent of the total asset value of the REIT; - The capital increase or the reduction of the paid-up capital of the REIT,

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	that is not specified in advance in the Trust Deed; c. The capital increase of the REIT by general mandate; d. The entering into transaction with the REIT Manager or related persons of the REIT Manager at an amount not less than Baht 20 million or more than 3 percent of the net asset value of the REIT, whichever is higher; e. The change of the distribution and the return of capital to the Trust Unitholders; f. The change of the Trustee or the REIT Manager; g. The amendment of the Trust Deed regarding a matter which materially affects the right of the Trust Unitholders; h. The dissolution of the REIT; i. Any other matters that the Trustee and/or the REIT Manager deem necessary or appropriate to propose the trust unitholders' meeting for consideration and resolution;
Restrictions of Rights to Receive Distributions of Returns, Management of Returns, and Voting Rights of Unitholders	The allocation of the trust units to any persons, or groups of the associated persons, the Trustee, the Settlor/REIT Manager must comply with the ratio or criteria prescribed in Notification TorJor. 49/2555, Notifications, KorRor. 14/2555 and Notification SorChor. 29/2555 as the case may be. The allocation of trust units to foreign investors shall not exceed 49% of the issued trust units and total trust units due to the provisions of the laws related to real estate investment regarding the ratio of foreign investors in Thailand. The trust unitholders or the associated parties of the trust unitholders that hold the trust units exceeding the limited which is not in accordance with the Notification TorJor. 49/2555, Notifications, KorRor. 14/2555 and Notification SorChor. 29/2555, as the case may be, shall be subject to the restriction on the distribution of returns, that is, the trust unitholder or the associated parties of the trust unitholders be entitled to the distribution of returns from the portion that comply with rate as

Topics	Description
	prescribed in the Notification TorJor. 49/2555, Notifications, KorRor. 14/2555 and Notification SorChor. 29/2555, as the case may be. Any returns not distributed to the unitholder shall be distributed to other unitholders in accordance with their relevant unitholding proportion. For the portion that is not distributed to the trust unitholder or the associated parties of the trust unitholders shall be distributed to other trust unitholders in accordance with their relevant unitholding proportion. However, unless the Office of SEC will notify, order, or waive to be other things else, the portion that is not distributed to such trust unitholders shall be distributed to other trust unitholders in accordance with their relevant unitholding proportion where the REIT Manager will allocate the distribution to the trust unitholders that have the right in that period.
Duties and Responsibilities of Trustee	1. The Trustee is a juristic person which have the authority and legal capacity including having the legal rights over the REIT as the owner of the assets or who has rights over the assets. Moreover, the Trustee has rights, duties and responsibilities to manage the REIT in accordance with the terms and conditions of the Trust Deed, the Trust Act, the Notification SorRor. 26/2555 and the Notification KorRor. 14/2555. 2. In acting as the Trustee, the Trustee shall be prohibited to act in conflict of interest with the REIT regardless of whether such act is done for the benefit of its own or others', except where it is the Trustee's claim for its remuneration or where the Trustee is able to show that the REIT is managed with fairness under which all related information has been sufficiently disclosed to beneficiaries who thereafter hold no objection to the act. The disclosure and objection shall subject to the rules specified in the notification SorRor. 27/2557 and the notification of the Office of SEC. 3. The Trustee has the following responsibilities in managing the assets: a. The trustee shall assign REIT's management to a REIT Manager who

Topics	Description
	obtained an approval from the Office of SEC, unless in case other properties which are not the core assets, the Trustee may manage those assets by itself as prescribed in (b) or assign any other person that is not the REIT Manager or there is a cause that the REIT Manager cannot perform its duties. b. The management of any other assets which are not the core assets of the REIT shall be managed by the REIT Manager except in the case that the REIT Manager cannot perform such duties, then it shall conform with the following rules: (1) In a case the Trustee manages by itself, the trustee shall: - separate operating unit of investment from other operating unit which may has conflicts of interest or duty; - provide a preventive measure for using inside information by separation of operating unit of investment and its personnel from other operating unit and its personnel which may use benefit from such information; (2) In the case that the Trustee has assigned any other person who is now the REIT Manager, the Trustee shall comply with the rules as prescribed in the Notification of the Capital Market Supervisory Board concerning Outsourcing Operational Function relating to Business Operation to Third Party in part of delegation other person for managing investment for a fund, mutatis mutandis. 4. The trustee shall not be for the damages that incurred to the REIT or the trust unitholders or any other person that perform the Trustee duties if the Trustee has performed its duties with integrity, prudence as profession, expertise, treating the trust unitholders fairly in the best interest of trust unitholders and in accordance with the Trust Deed as well as relevant laws, resolutions of the

Topics	Description
	trust unitholders and additional commitments to the trust unitholders (if any). In this regard, even though the Trustee is not liable for any damage incurred to the REIT or the trust unitholders under paragraph one, the Trustee has a duty to make a claim against those who cause damage to the REIT or trust unitholders so that the REIT or trust unitholders will receive compensation for the actual damage. 5. The Trustee shall not be liable for any damaged incurred to the REIT or the trust unitholders or any person from any act or omission of the REIT Manager and the Trustee has performed its duties with integrity and prudence in supervising and examining the performance of the REIT Manager to be in accordance with the Trust Deed, Trust Act and relevant notifications. In such cases, the REIT, by Trustee, has the right to claim directly to the REIT Manager in order for the REIT Manager to compensate the damage incurred to the REIT or the trust unitholders in accordance with the truth. 6. In the absence of the REIT Manager or there is a cause that the REIT Manager cannot perform its duties, the Trustee shall have the authority to appoint the new REIT Manager and has the duties to manage the REIT as necessary to prevent, inhibit, or limit the damage to the interests of the REIT or the trust unitholders as a whole. 7. In the case that the Trustee will hold the trust unit of the REIT, the Trustee and its associated person shall hold total number of trust units no exceeding 50% of all issued trust units of the REIT or any other proportion as specified in or to be amended in the notifications of SEC.
Limitation of Liabilities of the Trustee and Compensation for the Trustee	Liability for any person under the agreements in which the Trustee has acted as the Trustee of the REIT including liability to any person arising from or relating to any properties of the REIT shall be limited. The Trustee shall be liable to such third party for not exceeding the amount of compensation that the Trustee will receive

Topics	Description
	as specified in the Trust Deed. However, in the case where the Trustee does not perform the duties as prescribed by the Trust Act by intent, dishonesty, or gross negligence, the Trustee will have no exception for such liability.
Appointment, Conditions and Procedures for Change, and the Remuneration of the Trustee	1. For the appointment of the new Trustee shall seek for the resolution of the trust unitholders as specified in the Trust Deed regarding the resolution and trust unitholders' meeting 2. The change of the Trustee may occur in the following cases: a. When Trustee voluntarily resigns from its duties as the Trustee; b. When the Trustee is in the status of receivership or ceases its status as juristic person. c. The trustee has dissolved the business and entered the liquidation process d. The Trustee deliberately violates or does not comply with any significant duties or agreements as specified in the Trust Deed or misrepresentation of any important testimonial as provided in the Trust Deed and this has a serious impact on the management of the REIT or the procurement of benefits from the core assets and the Trustee is unable to perform corrective action and comply with the Trust Deed within 90 days from the date of acknowledgment or should be aware of the cause of the breach or within any time period that parties agreed on. However, the parties agreed to jointly discuss in good faith and justice in order to consider such cases on a case by case basis before changing the Trustee. e. The Trustee ceases to operate the business either voluntarily or according to the order of the relevant authorities to temporarily suspend the business operation or revoke the permission to operate the trustee business. f. The trust unitholders have a resolution to change or remove the Trustee. When it appears that the Trustee does not manage the REIT according to the duties specified in the Trust Deed or the Trust Act

Topics	Description
	3. The change of Trustee as specified in the Trust Deed shall not have any impact on the validity of the Trust Deed and does not affect the status of the REIT and it does not terminate the Trust Deed. When the new Trustee replace the former Trustee, the new Trustee shall be bound by the rights and obligations of the parties as specified in the Trust Deed in all respects. Furthermore, the new Trustee does not have liability on any damages caused by the actions of the former Trustee. 4. The remuneration or fee of the Trustee shall be in accordance with the Trust Deed.
Independence of the Trustee and Conflict of Interest of the Trustee	1. The Trustee must act as the Trustee of the REIT with efficiency and independence and shall not take any action that is in conflict with the interest of the REIT. 2. If the Trustee has relationship with the REIT Manager in the manners as specified in the Trust Deed or is related to the person who will dispose, transfer , lease, or grant right on immovable properties to the REIT and causing the Trustee to be unable to independently perform its duties relevant to the immovable properties or procure benefits from the immovable properties with independence, it shall be deemed that the Trustee has lacked independence which the acceptance to be the Trustee of the REIT shall be prohibited. 3. The Trustee shall no act in conflict with the interest of the REIT or in a way that the Trustee may lack of independence to perform its duties unless being the following rules: a. The transaction which has measures or check and balance mechanisms for ensuring the fair treatment. b. In the case of entering into transaction being conflict of interest between the Trustee and the REIT, the Trustee shall disclose adequate information

Topics	Description
	to the trust unitholders in advance. In this regard, the trust unitholders shall not object or they object in the number blow the amount as specified in the Trust Deed or the Notification SorRor. 27/2557. 4. In the case that the conflict of interest arises, the Trustee shall proceed to ensure that the trust unitholders are treated fairly and appropriately by preventing the conflict of interests between the REIT and the Trustee through the following actions. a. The Trustee must not have other interests that may conflict with the best interests of the REIT. If there is a case that may cause conflict of interest, the Trustee must be able to show that there is a mechanism to ensure that the management of the REIT will be for the best benefit of the REIT and the trust unitholders as a whole. b. The REIT will not enter into any transaction that may cause the Trustee to be unable to perform independently, such as purchasing the immovable properties from the connected person with the Trustee, which may cause the Trustee to fail to provide opinions on the due diligence of the REIT Manager independently.
REIT Manager and Duties of the REIT Manager	1. The REIT Manager shall perform the duties by applying knowledge and skills as may reasonably be expected as a professional and with diligence, care and honesty. The REIT Manager shall treat all trust unitholders equally and shall act in the best interests of the trust unitholders as a whole. Moreover, the REIT Manager shall comply with the related laws, this Trust Deed, objective for establishing the REIT and the resolution of the trust unitholders, including any binding terms given that are in the disclosed documents to the investors/trust unitholders (if any). 2. The REIT Manager is responsible to ensure sufficient insurance coverage that may arise from the operation or performance of the REIT Manager including

Topics	Description
	the performance of the directors, executives and employee throughout the approval period as the REIT Manager. However, this shall not include external liabilities caused by the REIT Manager, directors, executives and employees of the REIT Manager that have the intention to violate the third parties or negligence as a result of violations to that third parties. 3. If the Settlor/REIT Manager intended to hold trust units of the REIT, the Settlor/REIT Manager and related parties shall hold total of not exceeding 50% of issued trust units of the REIT or any proportion as specified by the Office of SEC.
Change of the REIT Manager	1. The causes of changing the REIT Manager are as follows: - The REIT Manager Resigns; - The REIT Manager has been withdrawn from the duties in the event of the causes as specified in the Trust Deed; - The Office of the SEC revokes or suspends the approval of the REIT Manager for more than 90 days in accordance with the Notification No. SorChor. 29/2555; - The REIT Manager ceases its status as juristic person, in the liquidation process or receiving order whether in absolute state or not. 2. The Trustee shall seek for a resolution of the trust unitholders to appoint a new REIT Manager within 60 days from the date when the causes occurred and appoint the person approved by the trust unitholders within 300 days from the date that resolution is passed in accordance with the Trust Deed. 3. The former REIT Manager has the duties to proceed as necessary so that the Trustee or the new REIT Manager, as the case may be, would be able to continue to manage the REIT. Furthermore, this shall include signing on the documents to certify that the materials passed on to the Trustee or the new REIT Manager are accurate and complete.

Topics	Description
Conflict of Interest of the REIT Manager	The performance of the duties of the REIT Manager under this Trust Deed shall be with diligence and care to protect the conflict of interest between the REIT and the REIT Manager where the actions are as follows: 1. The REIT Manager shall not have any other benefits that may cause conflict of interest to the REIT. In the event that there is a conflict of interest, the REIT Manager shall have the measure or mechanisms to fairly manage the REIT, not take advantages of the REIT and be in accordance with Notification No. SorChor 29/2555 and Notification No. KorRor. 14/2555. 2. In the case that the REIT Manager has managed other REITs, the core assets of such REITs shall not have the same or similar category with the other core assets.
Fees and Expenses	1. The fees and expenses that are charged to the assets of the REIT have to be necessary and reasonable as specified in the REIT registration statement and information memorandum which related directly to the management of the REIT. The charges to the REIT shall not exceed the rate as specified this Trust Deed. 2. Fees and expenses that are charged to the trust unitholders are as follow: a. Fund transfer fees shall be in accordance with the rates specified by the commercial bank (if any). b. Trust unit transfer fees shall be in accordance with the rate specified by the trust unit registrar. c. Document issuance fees showing the rights in trust units or certificate of trust to be in accordance with the rate set by the trust unit registrar. d. Fees for registering the pledge of trust unit with the trust unit registrar shall be in accordance with the rate set by the trustee and/or the trust unit registrar. e. Other expenses in which the trust unitholders request the REIT Manager

Topics	Description
	or the trust unit registrar to arrange for the trust unitholders for special case other than the normal case, shall be charged as actually paid.
Amendment to the Trust Deed	1. The amendment of Trust Deed shall not be in conflict or contradict to the purpose of the establishment of the REIT, the provisions of the Securities Act, the Trust Act, including the announcement of rules or orders issued by the virtue of such laws. 2. The amendment in the matter which materially affects the rights of the trust unitholders shall require for the resolution of the trust unitholders' Meeting as specified in the Trust Deed, except for the amendment by the order of the Office of the SEC by virtue of Section 21 of the Trust Act. 3. The amendment in the matter which does not affect the rights of the trust unitholders or the amendment of the evident error, both parties can amend without seeking for the resolution from the trust unitholders. 4. In the case that there is a change or amendment of the laws, rules or orders, both parties agree to amend, adjust and add this Trust Deed to be in accordance with such new laws, regulations, notifications, rules and orders that are changed or amended without having to request a resolution from the trust unitholders. 5. If there is a need to amend the Trust Deed in any other case that will be more beneficial to the REIT and the trust unitholders than the original terms and conditions and does not affect the rights of the trust unitholders significantly and the Trustee does not have a conflict of interest in such matter, the Trustee has the authority to amend, change or add to the Trust Deed as it deem appropriate without having to request for a resolution from the trust unitholder. However, the amendment, change, and addition to the Trust Deed that is in the essence of the Trust Deed shall not add burden to the REIT Manager or take away any rights of the REIT Manager

Topics	Description
	that originally exist except for such amendment will receive consent from the REIT Manager. 6. In the case of acquisition or disposal of the core assets of the REIT, if it is in accordance with the investment policy, type of the assets, rules and procedures for acquiring or disposing of core assets including the rules and procedures for the transaction between the REIT and the REIT Manager or the connected person to the REIT Manager (if any) as required by laws, regulations, notifications, related provisions, and as specified in the Trust Deed, then both parties shall have the authority to amend, change or add to the Trust Deed as it deems appropriate. The amendment, change and addition on the detail of the core assets of the REIT as specified in the Trust Deed can be made with having to request for a resolution from the trust unitholders but it must be in accordance with the laws, regulations, notifications, and relevant provisions and has no negative effect to the rights of the trust unitholders. Nevertheless, such amendment, change and addition shall require the approval from the Trustee.
Dissolution of the REIT	The Trustee will dissolve the REIT upon the occurrence of the following circumstances: 1. When the number of the unitholders is less than 35; 2. When the core asset is disposed of and the REIT manager fails to invest in new real estate with an aggregate value of not less than 500 million baht or not less than 75% of the total asset value of the REIT within 1 year as from the date of disposing of such core asset. 3. In the event that there is a change in REIT Manager and the Trustee is unable to appoint a new REIT Manager that is qualified with the period as specified by the SEC from the date on which the performance of the former REIT manager ends. Moreover, the Trustee has made the best effort to call for the resolution of the trust unitholders to appoint a new REIT manager, but is unable to

Topics	Description
	appoint a new REIT Manager. In this case, the Trustee shall request for a resolution from the trust unitholders to dissolve the REIT. 4. In the event that the Trustee shall be change but is unable to appoint a new Trustee due to unavoidable causes and the interested persons have requested the court to appoint a new trustee but unable to do so. 5. When the trust unitholders' meeting has a resolution to dissolve the REIT in accordance with the rules as prescribed in this agreement.

Attachment 3 Financial Statements and Auditor's Report

GRANDE HOSPITALITY REAL ESTATE INVESTMENT TRUST

FINANCIAL STATEMENTS AND AUDITOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019



SP AUDIT CO., LTD.

บริษัท เอส พี ออดิท จำกัด

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INDEPENDENT AUDITOR'S REPORT

To the Unitholders of Grande Hospitality Real Estate Investment Trust

Opinion

I have audited the financial statements of Grande Hospitality Real Estate Investment Trust ("the Trust"), which comprise the balance sheet and the details of investments as at 31 December 2019, and the related statement of income, changes in net assets, cash flows and significant financial information for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Grande Hospitality Real Estate Investment Trust as at 31 December 2019, and its financial performance, changes in its net assets, cash flows and significant financial information for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. 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.

Key Audit Matters

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

► email : spaudit@spaudit.co.th

SP Audit Co., Ltd.

Measurement of Investment in Properties

As discussed in Note 7 to the financial statements, as at 31 December 2019, the Trust had the investments in properties in the amount of Baht 1,769.00 million. The fair value of such investments was a key audit matter, due to the REIT manager therefore determined the fair value of these investments based on the value appraised by an independent appraiser. As the REIT manager is required to exercise significant judgement with respect to the estimation of future operating results and the determination of a discount rate and key assumptions, there is therefore significant risk with respect to the measurement of such investments.

Key audit procedures

I gained an understanding and evaluating the basis upon which the Trust identified and assessed the fair value of investments in properties. I also assessed the competence and independence of the independent appraiser. In addition, I reviewed the data and key assumptions used in the measurement of fair value, by comparing them against historical data, considering the reasonableness of significant movement in the property valuation from the prior year, checked them to the lease agreements, and recalculation of the fair value models.

And I reviewed disclosure the disclosure of information related to the measurement of the fair value of investments in properties, its adequacy and conformity to the requirements of the accounting standards.

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 for correction of the misstatement.

h.

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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 Thai Financial Reporting Standards, and for such internal control as the REIT manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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 REIT manager either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

SP Audit Co., Ltd.

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

SP Audit Company Limited



(Mr. Kiatissak Vanithanont)

Certified Public Accountant (Thailand) No. 9922

Bangkok

18 February 2020

GRANDE HOSPITALITY REAL ESTATE INVESTMENT TRUST

BALANCE SHEET

AS AT 31 DECEMBER 2019

		(Unit : Baht)	
	Note	2019	2018
Assets	5		
Investments in properties at fair value	7	1,769,000,000.00	1,764,900,000.00
(at cost in 2019 : Baht 1,746,409,000.00 2018 : Baht 1,746,409,000.00)			
Investments in securities at fair value		41,905,975.44	40,908,121.45
(at cost in 2019 : Baht 41,898,088.68 2018 : Baht 40,905,789.01)			
Cash at banks	8, 12	1,261,458.33	2,515,242.25
Accounts receivable			
From rental and services	12	50,905,214.48	36,124,657.84
From interest	12	77.80	258.48
Deposit at bank with commitment	9	88,129,096.54	88,125,054.82
Deferred expenses	10	274,598.60	628,762.59
Other assets		282,800.48	306,740.88
Total Assets		1,951,759,221.67	1,933,508,838.31
Liabilities	5		
Accrued expenses	12	898,151.89	1,651,778.93
Deposits from rental and services	12	88,129,096.58	88,125,054.97
Other liabilities		402,409.87	403,872.21
Total Liabilities		89,429,658.34	90,180,706.11
Net Assets		1,862,329,563.33	1,843,328,132.20
Net Assets :	5		
Trust capital from the unitholders		1,755,000,000	1,755,000,000.00
Retained earnings	6	107,329,563	88,328,132.20
Net Assets		1,862,329,563	1,843,328,132.20
Net asset value per unit		10.6115	10.5032
Number of units issued at the end of year (Units)		175,500,000.00	175,500,000.00

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

GRANDE HOSPITALITY REAL ESTATE INVESTMENT TRUST
THE DETAILS OF INVESTMENTS
AS AT 31 DECEMBER 2019

Details of investments are classified by type of investment.

	2019			2018		
	Cost (Baht)	Fair Value (Baht)	Percent of investment	Cost (Baht)	Fair Value (Baht)	Percent of investment
Investments in Properties						
Investment in Sheraton Hua Hin Resort & Spa Project						
Land, building and constructions including utilities systems, movable properties, fixtures tools which relate for hotel operation on the land having an approximate area of 27 Rai 3 Ngan 59 Square Wah (See Note 7)	1,746,409,000.00	1,769,000,000.00	97.69	1,746,409,000.00	1,764,900,000.00	97.74
Total Investments in Properties		1,769,000,000.00	97.69		1,764,900,000.00	97.74
	Par Value (Baht)	Fair Value (Baht)	Percent of investment	Par Value (Baht)	Fair Value (Baht)	Percent of investment
Investments in Securities						
Bank of Thailand Bond						
CB19131A Maturity date 31 January 2019	-	-	-	10,000,000.00	9,987,891.40	0.55
CB19221A Maturity date 21 February 2019	-	-	-	4,000,000.00	3,992,301.96	0.22
CB19307A Maturity date 7 March 2019	-	-	-	27,000,000.00	26,927,928.09	1.49
CB20312A Maturity date 12 March 2020	42,000,000.00	41,905,975.44	2.31	-	-	-
Total Investments in Securities (At cost Baht 41,898,088.68 in 2019 and Baht 40,905,789.01 in 2018)		41,905,975.44	2.31		40,908,121.45	2.26
Total Investments		1,810,905,975.44	100.00		1,805,808,121.45	100.00

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

GRANDE HOSPITALITY REAL ESTATE INVESTMENT TRUST
STATEMENT OF INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

		(Unit : Baht)	
	Note	2019	2018
Investment Income	5		
Rental and services income	12	130,780,556.64	130,780,556.64
Interest income	12	729,785.55	491,154.38
Total Income		<u>131,510,342.19</u>	<u>131,271,711.02</u>
Expenses	5		
REIT Manager fee	11, 12	6,028,069.02	5,950,463.49
Trustee fee	11, 12	3,014,034.55	2,975,231.75
Registrar fee	11	690,241.50	690,241.50
Professional fee		250,000.00	250,000.00
Operating expenses		977,956.32	1,064,689.43
Amortization of deferred expenses	10	354,163.99	354,163.99
Total expenses		<u>11,314,465.38</u>	<u>11,284,790.16</u>
Net Income from Investments		<u>120,195,876.81</u>	<u>119,986,920.86</u>
Net Gain on Investments	5		
Net unrealized gain on investments		<u>4,105,554.32</u>	<u>18,493,332.44</u>
Total Net Unrealized Gain on Investments		<u>4,105,554.32</u>	<u>18,493,332.44</u>
Increase in Net Assets Resulting from Operations		<u>124,301,431.13</u>	<u>138,480,253.30</u>

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

GRANDE HOSPITALITY REAL ESTATE INVESTMENT TRUST
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 31 DECEMBER 2019

		(Unit : Baht)	
	Note	2019	2018
Increase in Net Assets from Resulting Operations during the Year			
Net income from investments		120,195,876.81	119,986,920.86
Net unrealized gain on investment		4,105,554.32	18,493,332.44
Net Increase in Net Assets Resulting from Operations		124,301,431.13	138,480,253.30
Distribution to unitholders	14	(105,300,000.00)	(76,693,500.00)
Net Increase in Net Assets during the Year		19,001,431.13	61,786,753.30
Net Assets at Beginning of the Year		1,843,328,132.20	1,781,541,378.90
Net Assets at End of the Year		1,862,329,563.33	1,843,328,132.20
(Unit : Units)			
<u>Changes in number of investment units</u>			
Trust Units at Beginning of the Year		175,500,000.00	175,500,000.00
Trust Units at End of the Year		175,500,000.00	175,500,000.00

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

GRANDE HOSPITALITY REAL ESTATE INVESTMENT TRUST
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	(Unit : Baht)	
	2019	2018
Cash Flows from Operating Activities		
Increase in net assets from operations	124,301,431.13	138,480,253.30
Adjustments to reconcile net increase in net assets from operations to net cash provided by (used in) operating activities		
Purchases of investments in securities	(175,287,049.27)	(225,449,943.55)
Sales of investments in securities	175,000,000.00	192,000,000.00
(Increase) decrease in deposit at bank with commitment	(4,041.72)	41,783.52
Increase in accounts receivable from rental and services	(14,780,556.64)	(14,780,556.64)
Decrease in accounts receivable from interests	180.68	1,310.26
Decrease in other assets	23,940.40	318,678.80
Decrease in accrued expenses	(753,627.04)	(460,834.22)
Increase (decrease) in deposits from rental and services	4,041.61	(41,791.30)
Increase (decrease) in other liabilities	(1,462.34)	403,122.89
Amortization of deferred expenses	354,163.99	354,163.99
Amortization of discount on debt instruments	(705,250.40)	(470,308.37)
Net unrealized gain on investments	(4,105,554.32)	(18,493,332.44)
Net Cash Provided by Operating Activities	104,046,216.08	71,902,546.24
Cash Flows from Financing Activities		
Distribution to unitholders	(105,300,000.00)	(76,693,500.00)
Net Cash Used in Financing Activities	(105,300,000.00)	(76,693,500.00)
Net Decrease in Cash at Banks	(1,253,783.92)	(4,790,953.76)
Cash at Banks at Beginning of the Year	2,515,242.25	7,306,196.01
Cash at Banks at End of the Year	1,261,458.33	2,515,242.25

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

GRANDE HOSPITALITY REAL ESTATE INVESTMENT TRUST
SIGNIFICANT FINANCIAL INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2019

	(Unit : Baht)		
	For the period started 10 October 2017 (registration date) through 31 December 2017		
	2019	2018	
Information on Results from Operation (Per Unit)			
Net Asset Value at Beginning of the Year	10.5032	10.1512	-
Income from investing activities			
Net income from investments	0.6849	0.6837	0.1512
Net unrealized gain on investment	0.0234	0.1053	-
Total income from investing activities	0.7083	0.7890	0.1512
Add: Increase in capital from unitholders	-	-	10.0000
Less: Distribution to unitholders	(0.6000)	(0.4370)	-
Net Asset Value at End of the Year	10.6115	10.5032	10.1512
Ratio of Net Profit to Average Net Asset Value during the Year (%)	6.53	6.59	1.50
Significant Financial Ratio and Additional Information			
Net assets at end of the year (Thousand Baht)	1,862,330	1,843,328	1,781,541
Ratio of total expenses to average net assets during the year (%)	0.61	0.62	0.14
Ratio of total investment income to average net assets during the year (%)	7.14	7.21	1.63
Ratio of weighted average investment turnover to average net assets during the year (%) *	0.44	0.52	98.11

Supplemental information

- * This is not included cash at bank, investment in promissory notes and certificates of deposits and trading investments should be the independent trading transactions which are not included repurchase agreements or resale agreements.

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

GRANDE HOSPITALITY REAL ESTATE INVESTMENT TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

1. NATURE OF GRANDE HOSPITALITY REAL ESTATE INVESTMENT TRUST

Grande Hospitality Real Estate Investment Trust (“the Trust”) is a real estate investment trust established under the Trust for Transaction in Capital Market Act, B.E.2550 (“Trust Act”) in accordance with the Trust Deed signed on 10 October 2017. The Trust is a closed-end trust with no maturity date. The Trust has registered capital of Baht 1,755 million (Allotted to 175.50 million trust units 10 Baht each).

The Trust’s objectives are to raise funds and to use the proceeds from such fund raising for invest in immovable properties and movable properties of the Sheraton Hua Hin Resort & Spa Project. The Trust will seek benefit from such assets by renting a business operation of the Sheraton Hua Hin Resort & Spa or by performing any other relevant and necessary acts in accordance with the regulations and letters announced by Office of the Securities and Exchange Commission (the “Office of SEC”) the regulations and letters announced by Capital Market Supervisory Board, and other relevant law or other process for the benefit of the property and create the revenue and return to the Trust and the unitholders. This includes investment in other assets and/or securities and/or seeks benefit by any other means as prescribed by securities laws and/or other relevant law.

The Stock Exchange of Thailand approved the listing of the Trust’s investment trusts and permitted their trading from 3 November 2017 onwards.

One Asset Management Limited acts as the REIT Manager, BBL Asset Management Company Limited acts as the Trustee and Thailand Securities Depository Company Limited acts as the Trust Registrar.

2. DISTRIBUTION POLICY

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

- 2.1. The REIT Manager shall pay distributions to the Trust's unitholders that, in aggregate, amount to not less than 90% of adjusted net profit for the accounting period, with such distributions to be divided into a year-end distribution and an interim distribution (if any). The REIT Manager shall pay distributions to unitholders not more than 4 distributions in an accounting period, unless the Trust increases capital.

The adjusted net profit means profits which are adjusted by the followings:

- 1) Deduction of unrealized gain from the value appraisal or review of the Trust's asset value appraisal, including adjustment by other items under the guidelines of the Office of the Securities and Exchange Commission of Thailand in accordance with the Trust's cash status.
 - 2) Deduction by reserve for loan repayment or encumbrances from borrowings by the Trust.
- 2.2. In case the Trust has retained earnings in any accounting period, the REIT Manager may pay the distributions to the Trust's unitholders from the retained earnings.
- 2.3. In case the Trust has accumulated losses remaining, the REIT Manager will not pay distributions to the Trust's unitholders.

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

3. BASIS OF PREPARATION OF THE INTERIM FINANCIAL INFORMATION

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS); guidelines promulgated by the Federation of Accounting Professions Under the Royal Patronage of His Majesty the King ("TFAP"); and applicable rules and regulations of the Thai Securities and Exchange Commission. In addition, the financial statements have been prepared in accordance with the basis and format in Thai Accounting Standard No. 106 "Accounting for Investment Companies".

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

An English version of the financial statements has been prepared from the statutory financial statements that are in 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.

4. NEW FINANCIAL REPORTING STANDARDS

4.1. Financial Reporting Standards that Became Effective in the Current Year

The Trust has adopted the revised (revised 2018) and new financial reporting standards and accounting treatment guidance issued by the TFAC which become effective for fiscal periods beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Trust's financial statements.

4.2. Financial Reporting Standards that will Become Effective in the Future

The TFAC has issued a number of new financial reporting standards and accounting treatment guidance, which are effective for fiscal years beginning on or after 1 January 2020. These new standards involve changes to key principles, which are summarized below.

TFRS - Financial instruments standards

TFRS - Financial instruments standards, consists of five accounting standards and interpretations, as follows:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments
TAS 32	Financial Instruments: Presentation
TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRS establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting.

The REIT Manager is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The REIT Manager is currently evaluating the impact of this standards to the financial statements in the year when they are adopted.

5. SIGNIFICANT ACCOUNTING POLICIES

5.1. Investment Measurement

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

Investments in properties

Investments in properties are stated at fair value with no depreciation charge. The Trust Manager measured their fair value as at the first balance sheet date at the acquisition cost of investments in properties. At subsequent balance sheet dates, they are presented at fair value, using the appraisal value assessed by an independent appraiser approved by Thai Valuer Association and The Valuers Association of Thailand (Pursuant to the Notification of the Office of the Securities and Exchange Commission concerning the granting of approval of valuation companies and principle valuers for public use). Valuation will be made when economic conditions change, but at least every two years, commencing from the date of the appraisal made for the purposes of investing or leasing the properties. In addition, the valuation will be reviewed within one year after the latest valuation date.

Net unrealized gains or losses arising from their revaluation of investments in properties to be fair value are reflected in the statement of income on the measurement date.

Investments in securities

Investments in marketable debt securities which can be freely traded on an open market are presented at fair value, which is based on yield rate from the latest purchase/sale quoted by the Thai Bond Market Association as of the measurement date.

The Trust used the amortized cost method to determine the fair value of debt instruments due within 90 days since the date of investment without any term for renewal when the fair value of the debt instruments is not significantly different from the amortized cost.

Net unrealized gains or losses arising from their revaluation of investments in securities to be fair value are reflected in the statement of income on the measurement date.

The weighted average method is used for computation of the cost of investments.

5.2. Rental and Service Receivables

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

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

5.3. Deferred Expenses

Deferred expenses consist of expenses incurred for application fee and initial listing fee. Amortisation is charged to expense on a straight-line basis for 3 years.

5.4. Revenues and Expenses Recognition

Rental and service income is recognised as revenue in the statement of income on a straight-line basis over the lease term. The recognised revenue which is not yet due per the operating lease agreements has been presented under the caption of "Accounts receivable from rental and service" at the end of reporting year.

Interest income is recognized as revenue on an accrual basis based on the effective interest rate.

The premium (discount) on debt instruments is amortized by the effective rate method. The amortized amount is presented as an adjustment of the interest income.

Expenses are recognized on an accrual basis.

5.5. Related Party Transactions

Related parties of the Trust comprise enterprises and individual which directly or indirectly own a voting interest of at least 10 percent in the Trust or individual management personnel who are responsible for the management of the Trust, determining its policies or making decisions as to how to achieve the Trust's objectives.

In addition, related parties include enterprises and individual that control or are controlled by the Trust or have the significant influence over the Trust or the Trust have significant influence over them.

5.6. Long-Term Leases

Lease of assets not transferred a significant portion of risks and rewards of ownership to lessee are classified as operating leases. The Trust as the lessor, receipts money under operating leases are charged to the income statement on a straight-line basis over the year of the lease.

5.7. Provisions

Provisions are recognized when the Trust has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

5.8. Distributions to Unitholders

The Trust records decreases in retained earnings are recognized as at the date a distribution is declared.

6. RETAINED EARNINGS AT THE BEGINNING OF THE YEAR

	(Unit : Baht)	
	<u>2019</u>	<u>2018</u>
Accumulated net income from investments		
(accumulated since 10 Oct 2017)	146,528,299.76	26,541,378.90
Accumulated unrealized gain on investments		
(accumulated since 10 Oct 2017)	18,493,332.44	-
Accumulated distributions to unitholders	(76,693,500.00)	-
Retained earnings at the beginning of the year	<u>88,328,132.20</u>	<u>26,541,378.90</u>

7. INVESTMENT IN PROPERTIES AT FAIR VALUE

As at 31 December 2019 and 2018, investment in properties at fair value consisted of:

	(Unit : Baht)	
	<u>2019</u>	<u>2018</u>
Investments in properties at beginning of the year	1,746,409,000.00	1,746,409,000.00
Add Net unrealised gain from investment valuation	22,591,000.00	18,491,000.00
Investments in properties at end of the year	<u>1,769,000,000.00</u>	<u>1,764,900,000.00</u>

On 12 October 2017, the Trust entered into Purchase and Sale Immovable Properties and Movable Properties Agreement where the Sheraton Hua Hin Resort & Spa Project with Honor Business Company Limited with a total value of Baht 1,750 million (include value added taxes). Details of investments are as follows:

1. Ownership right in 2 land title deeds which is located in Tambon Cha-Am, Amphur Cha-Am, Petchburi Province, having an approximate area of 27 rai 3 ngarn 59 square wah where the Sheraton Hua Hin Resort & Spa Project is located including utilities systems and the component parts of the such land and use in the operation of the Sheraton Hua Hin Resort & Spa Project.
2. Ownership right in buildings and all of the constructions constructed on the land in the Clause 1 , which is the location of and for the operation of the Sheraton Hua Hin Resort & Spa Project. Total area is approximately 46,205 square meters.
3. Ownership right in furniture, tools, appliances and equipment including any other equipments that are for the purpose of decoration or facilitation for guests including any rights regarding the or relating to the movable properties that are necessary and appropriate for use in the operation of the Sheraton Hua Hin Resort & Spa Project such as equipment and appliances in the guestroom, equipment and appliances in the kitchen room, equipment and appliances in the conference room and equipment and appliances for the use of restaurant.

During the year 2019, the Trust hired an independent appraisal company, Knight Frank Chartered (Thailand) Company Limited, appraised the value of investment in property using the income approach. The main assumptions used in the property rental rate, room rate, occupancy rate, related expense and discount rate. The fair value of the property as at 26 February 2019 was Baht 1,769.00 million. Therefore, the Trust recorded unrealized gain on investments in the income statement in the amount of Baht 4.10 million.

During the year 2018, the Trust hired an independent appraisal company, The Valuation & Consultants Company Limited, appraised the value of investment in property using the income approach. The main assumptions used in the property rental rate, room rate, occupancy rate, related expense and discount rate. The fair value of the property as at 27 February 2018 was Baht 1,764.90 million. Therefore, the Trust recorded unrealized gain on investments in the income statement in the amount of Baht 18.49 million.

The Trust seeks benefits from such investments by entering into Immovable Properties and Movable Properties Agreement with Honor Business Company Limited (“Lessee”) for the year of 3 years and extension of 3 years each for 4 times, totally 15 years.

The Lessee agrees to provide deposit at the date of execution of lease agreement in the amount of Baht 88 million where the deposit is divided into 2 parts, as follows:

- Baht 58 million (Main Deposit) which will be held by the Trust throughout the lease term (first 3 years) and throughout the renewal term of this agreement.
- Baht 30 million (Additional Deposit) which will be held by the Trust throughout the lease term (first 3 years) and throughout the renewal of the Initial Lease Term (4 times for 3 years each) where both parties agree that if, within the lease period (first 3 years), the lessee has not default on any rental payment as prescribed in the lease agreement and the lessee's earnings before interest, tax, depreciation and amortization (EBITDA) for the period 2019 and 2020 incurs no loss, then the Trust agrees to return the Additional Deposit to the Lessee upon the last day of the lease period (first 3 year). However, if the lessee is unable to fulfill all of the conditions for returning of the Additional Deposit within the lease period (first 3 years), then the Trust shall hold the Additional Deposit for each period that the lease agreement is renewed during the Initial Lease Term. Moreover, within the period of renewal of lease agreement for the Initial Lease Term, if the lessee has not default on any rental payment as prescribed in the lease agreement and the lessee's earnings before interest, tax, depreciation and amortization (EBITDA) for the period of 3 years ended incurs no loss, for each renewed period, then the Trust shall return all of the Additional Deposit to the Lessee upon the expiration of the period for has been renewed for the Initial Lease Term.

In consideration to the lessee's earnings before interest, tax, depreciation and amortization (EBITDA) for each fiscal year for each period, the Trust shall consider from the audited financial statement. The Lessee shall receive the Additional Deposit back after the Trust has considered the audited financial statement of the Lessee.

The Trust shall pay the interest received from the deposit to the Lessee equals to the amount that the Trust receives interest from the deposit. Moreover, the Trust shall pay the interest on the deposit to the Lessee at least 1 (one) time each year after deduction of fees, expenses, and tax related to the receipt and/or payment.

As at 31 December 2019 and 2018, future minimum rental income to be generated under these operating leases is as follows.

	(Unit : Million Baht)	
	<u>2019</u>	<u>2018</u>
Less than 1 year	118.26	116.00
After 1 year to 5 year	501.61	489.53
Over 5 year	1,072.19	1,202.53

8. CASH AT BANKS

As at 31 December 2019 and 2018, cash at banks consisted of:

Bank	Principle (Thousand Baht)		Interest rate (%)	
	2019	2018	2019	2018
Bangkok Bank Public Company Limited				
Saving account	1,261,458.33	2,515,242.25	0.375	0.375

9. DEPOSIT AT BANK WITH COMMITMENT

Deposit at bank with commitment are deposit from lessee as a guarantee of the Lessee's performance of this agreement. The Trust shall pay the interest received from the deposit to the Lessee equals to the amount that the Trust receives interest from the deposit deduction of fees, expenses, and tax related.

As at 31 December 2019 and 2018, the Trust has deposit at bank with commitment (include accrued interest received from the deposit from lessee) in the amount of Baht 88.13 million and Baht 88.13 million, respectively.

10. DEFERRED EXPENSES

The capital unit issuance costs are recorded as deferred expenses and are amortized as expense over a period of 3 years on a straight-line basis. Details movements are as follows:

	(Unit : Baht)	
	2019	2018
Beginning balance	628,762.59	982,926.58
Amortisation for the year	(354,163.99)	(354,163.99)
Ending balance	274,598.60	628,762.59

11. EXPENSES

The REIT manager fee, trustee fee and registrar fee are summarized as follows:

<u>Expenses</u>	<u>Percentage</u>
REIT manager fee	Not over 1.07 percent per annum of the Trust's total asset value
Trustee fee	Not over 1.07 percent per annum of the Trust's total asset value
Registrar fee	Rate specified by Thailand Securities Depository Company Limited

The above fees include value added taxes.

12. RELATED PARTY TRANSACTIONS

The Trust had significant business transactions with its related parties which comprise the REIT manager, trustee, the companies which related to the REIT Manager or trustee, and by way of common shareholders unit holders and/or directors and other funds which are managed by the same trustee. Below is a summary of those transactions for the year ended 31 December 2019 and 2018 as follows:

	<u>2019</u>	<u>2018</u>	<u>Pricing Policy</u>
(Unit : Baht)			
One Asset Management Limited			
REIT manager fee	6,028,069.02	5,950,463.49	As specified in the agreement
Honor Business Company Limited			
Rental and services income	130,780,556.64	130,780,556.64	Contractually agreed price
BBL Asset Management Company Limited			
Trustee fee	3,014,034.55	2,975,231.75	As specified in the agreement
Bangkok Bank Public Company Limited			
Interest income	24,535.15	20,846.01	Market rate

As at 31 December 2019 and 2018, the Trust had the significant outstanding balances with the related companies as follows:

	(Unit : Baht)	
	<u>2019</u>	<u>2018</u>
One Asset Management Limited		
Accrued REIT manager fee	532,101.26	1,034,519.29
Honor Business Company Limited		
Accounts receivable from rental and service	50,905,214.48	36,124,657.84
Deposits from rental and services	88,129,096.58	88,125,054.97
BBL Asset Management Company Limited		
Accrued trustee fee	266,050.63	517,259.64
Bangkok Bank Public Company Limited		
Cash at bank	1,261,458.33	2,515,242.25
Interest receivables	77.80	258.48

13. INVESTMENT TRADING INFORMATION

The Trust's investment trading transactions for the year ended 31 December 2019 excluding investments in promissory notes and certificates of deposit amounted of Baht 350.29 million (2018: Baht 417.45 million) which is 19.02 percent (2018: Baht 22.94) of the average net asset value during the year.

14. DISTRIBUTION TO UNITHOLDERS

During the year 2019, the Trust declared distribution to its unitholders as follows.

<u>Announced Date</u>	<u>For the year</u>	<u>Per unit (Baht)</u>	<u>Total (Baht)</u>
18 February 2019	1 July 2018 through 31 December 2018	0.30	52,650,000.00
19 August 2019	1 January 2019 through 30 June 2019	0.30	52,650,000.00
	Total		<u>105,300,000.00</u>

During the year 2018, the Trust declared distribution to its unitholders as follows.

<u>Announced Date</u>	<u>For the year</u>	<u>Per unit (Baht)</u>	<u>Total (Baht)</u>
19 February 2018	10 October 2017 through 31 December 2017	0.137	24,043,500.00
14 August 2018	1 January 2018 through 30 June 2018	0.300	52,650,000.00
	Total		76,693,500.00

15. DISCLOSURE OF FINANCIAL INSTRUMENTS

The Trust does not speculate in or engage in the trading of any derivative financial instruments.

Fair Value

Since the majority of the Trust's financial instruments are short-term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in the balance sheets.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.

Interest Rate Risk

The Trust's exposure to interest rate risk relates primarily to its investments in securities and cash at bank. However, most of the Trust's financial assets bear fixed interest rates which are close to the market rate or floating interest rates, the interest rate risk is expected to be minimal.

As at 31 December 2019, significant financial assets classified by type of interest rates are summarized as follows:

	(Unit : Baht)	
	<u>Floating</u>	<u>Non- interest</u>
	<u>interest rate</u>	<u>bearing</u>
<u>Financial assets</u>		
Investments in securities	-	41,905,975.44
Cash at banks	1,261,458.33	-

As at 31 December 2018, significant financial assets classified by type of interest rates are summarized as follows:

	(Unit : Baht)	
	Floating interest rate	Non- interest bearing
<u>Financial assets</u>		
Investments in securities	-	40,908,121.45
Cash at banks	2,515,242.25	-

Credit risk

Credit risk is the risk that counterparties might not discharge their obligation causing the Trust to incur a financial loss. Credit risk arises from risk in the collectability of lease rental from counterparties. The Trust has a concentration of credit risk with respect to an account receivable as it has only one customer. The carrying amount of financial assets as recorded in balance sheet represents the Trust's maximum exposure to credit risk.

16. COMMITMENTS

The Trust is committed to pay the REIT manager fee, trustee fee and registrar fee under the terms and conditions specified in Note 11.

17. EVENTS AFTER THE REPORTING PERIOD

On 18 February 2020, the meeting of the Board of Directors of the REIT Manager passed a resolution to approve the distribution of Baht 0.30 per unit to the unitholders from the operating results for the period as from 1 July 2019 to 31 December 2019, a total of Baht 52.65 million.

18. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements have been approved for issue by the authorized persons of the Trust on 18 February 2020.

