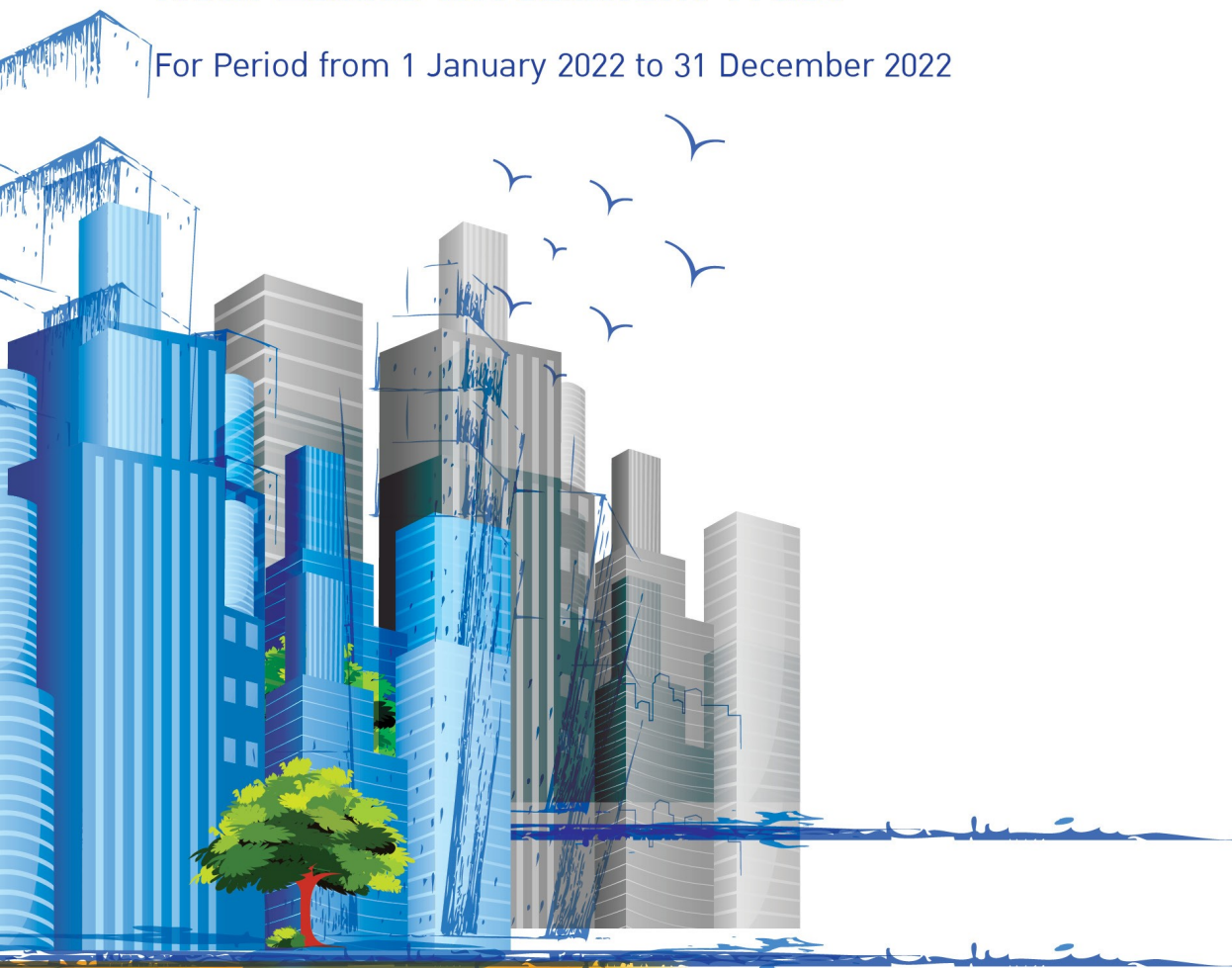




ANNUAL REPORT 2022

Bualuang Office Leasehold Real Estate Investment Trust

For Period from 1 January 2022 to 31 December 2022



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1. Message from the REIT manager

Dear Trust Unitholders,

BBL Asset Management Company Limited, acting as a REIT Manager, would like to submit an Annual Report demonstrating the performance of Bualuang Office Leasehold Real Estate Investment Trust (“B-WORK”) for the fiscal year 2022 (1 January – 31 December 2022) to all trust unitholders.

In 2022, the Thai economy began to recover from the Coronavirus disease 2019 (COVID-19) epidemic that has already started to subside. However, the office building market in Bangkok is still slowing down. Due to the demand pressure, the demand for space from the tenants has changed and decreased from pre-COVID-19, along with new supply that has gradually entered the office building market. As a result, net take-up demand for office space was negative compared to the previous year. REIT manager expected the market conditions of office buildings for rent in the short-medium term will be more competition, and it will expect to see an improvement in the long run.

Meanwhile, REIT Manager still monitored the market situation closely. Including continually focusing on developing and improving the assets invested by the REIT to maintain good service quality. As a result, the occupancy and rental rates of True Tower 1 Project and True Tower 2 Project throughout 2022 remained healthy, with a net investment profit of THB 333.02 million while paying a total dividend of THB 0.7084 per unit delivered to the investors.

REIT Manager remains committed to managing the REIT by considering the best interests of the trust unitholders. We are fully committed to operate the trust under the principles of good governance and corporate governance and continue seeking opportunities to create long-term growth for B-WORK Trust.

Pornchalit Ploykrachang

Deputy Managing Director

Head of Real Estate & Infrastructure Investment


2. Summary of the REIT

As of 31 December 2022

REIT Name (Thai)	ทรัสต์เพื่อการลงทุนในสิทธิการเช่าอสังหาริมทรัพย์บวหลวง ออฟฟิศ
REIT Name (English)	Bualuang Office Leasehold Real Estate Investment Trust
Symbol	B-WORK
REIT Manager	BBL Asset Management Company Limited (“BBLAM”)
Property Manager	True Properties Company Limited (“True Properties”)
Trustee	Krungthai Asset Management Public Company Limited (“KTAM”)
Independent auditor	KPMG Phoomchai Audit Ltd.
Inception Date	6 February 2018
Term of the REIT	Indefinite
Type of the REIT	Not redeemable
Term of Lease	Leasehold in land and building of True Tower 1 Project and True Tower 2 Project for 30 years and expiring on 7 February 2048


Market Cap (Million baht)	3,651.12 MB	Closing price on the last day of the year	9.90 Baht
Number of units	368,800,000	Paid-up Capital (Million baht)	3,620.03 MB
Net Asset Value (NAV)	4,078.93 MB	NAV per unit	11.0600 Baht
Par Value (Baht per unit)	9.8157 Baht	Inception Date	7 Feb 2018
Price/NAV (times)	0.90x	Weighted average land lease term	25.1 Years

Investment Proportion



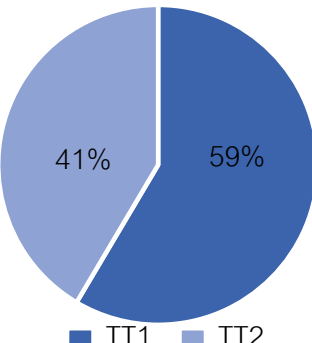
100%
Leasehold

Property Type (Appraisal Value)



100%
Office

Revenue Structure



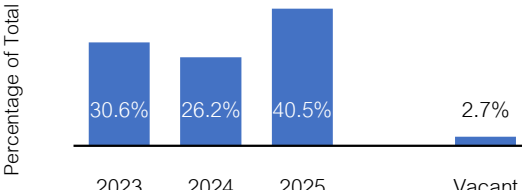
41% 59%

■ TT1 ■ TT2

The REIT’s Capital Structure

Total Asset	5,180.78 MB	Retained earnings	458.90 MB
Liabilities	1,101.85 MB	Debt / Total Asset Value	16.78%
Equities	3,620.03 MB		

WALE* = 2.07 Years



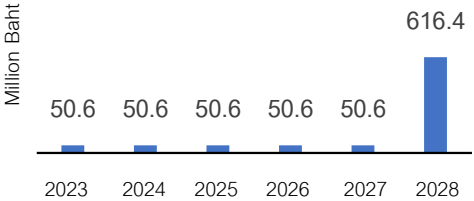
Percentage of Total NLA

30.6% 26.2% 40.5% 2.7%

2023 2024 2025 Vacant

Remark : * WALE = Weighted Average Lease Expiry

Details of loan repayment



Million Baht

50.6 50.6 50.6 50.6 50.6 616.4

2023 2024 2025 2026 2027 2028

Appraisal Value

Investment Property	Appraisal Value	Appraiser
True Tower 1 (TT1)	2,954.00 MB	Nexus Property Consultants Co., Ltd.
True Tower 2 (TT2)	1,777.00 MB	

Remark : The appraisal report can be downloaded at www.bworkreit.com/th/investor-relations/publication-download/appraisal-reports

2. Summary of the REIT

As of 31 December 2022

Major Trust Unitholders

Name		Number of units	Percentage
1. True Properties Company Limited		56,000,000	15.18%
2. Social Security Office		32,585,000	8.84%
3. Allianz Ayudhya Assurance Public Company Limited		28,000,000	7.59%
4. Principal Property Income Fund		25,269,500	6.85%
5. Government Savings Bank		18,896,500	5.12%
Foreign Limit	49.0%	Current Foreign Holding	0.41%

Distribution Payment Policy

The REIT Manager shall make a distribution payment to its unitholders at a rate of no less than 90% of its adjusted net profit for each fiscal year, in not less than two distributions each year, which show in Part 6, Clause 3, The REIT's Distribution Payment.

Items (Baht per Unit)	2018-2020	2021	2022	Total
Dividend	2.0101	0.7825	0.7084	3.5010
Capital Reduction	0.1843	-	-	0.1843
Total	2.1944	0.7825	0.7084	3.6853

Estimated Return of the REIT

Key assumptions for calculating IRR at IPO price	10 Baht/Unit	Expected IRR = 9.84%
- Cash flow from the appraisal report on	1 July 2022	
- Expenses at the REIT level (% of Total Revenue)	12.45%	
- Debt / Total Asset Value*	16.78%	
- Loan Interest Rate Assumptions	MLR-1%	

*As of 31 December 2022

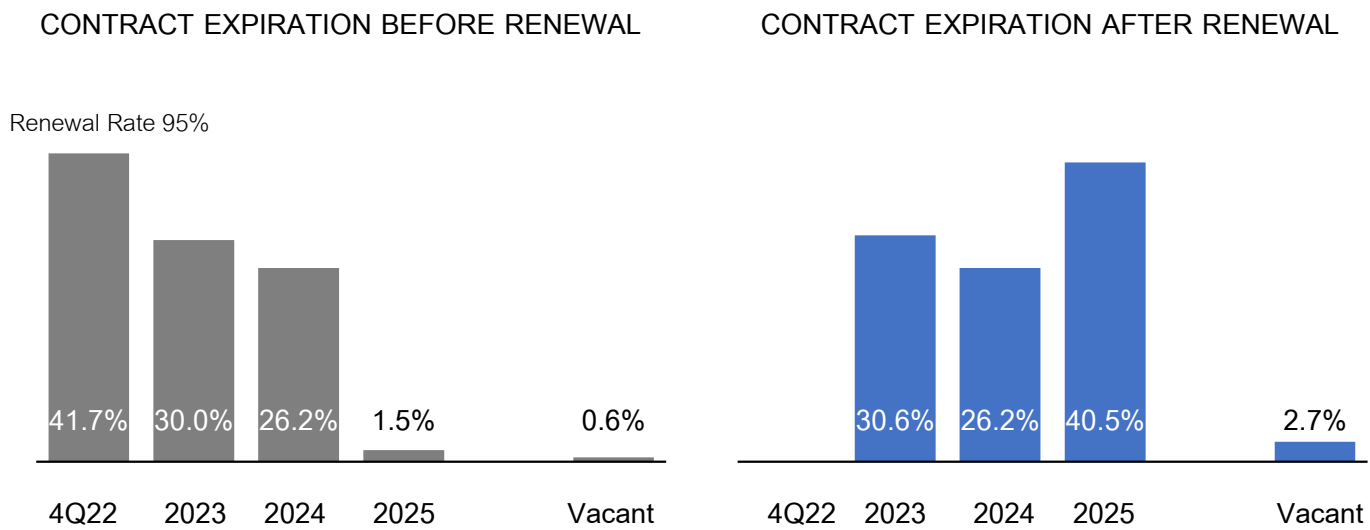
Type of Business of the Tenants

Type of Business	Percentage of Total Occupied Area
Information & Communication Technology	61.6%
Media & Publishing	20.3%
Electronic Components	8.7%
Professional Services	2.5%
Petrochemicals & Chemicals	2.5%
Transportation & Logistics	2.4%
Property Development	1.8%
Food & Beverage	0.2%
Total	100.0%

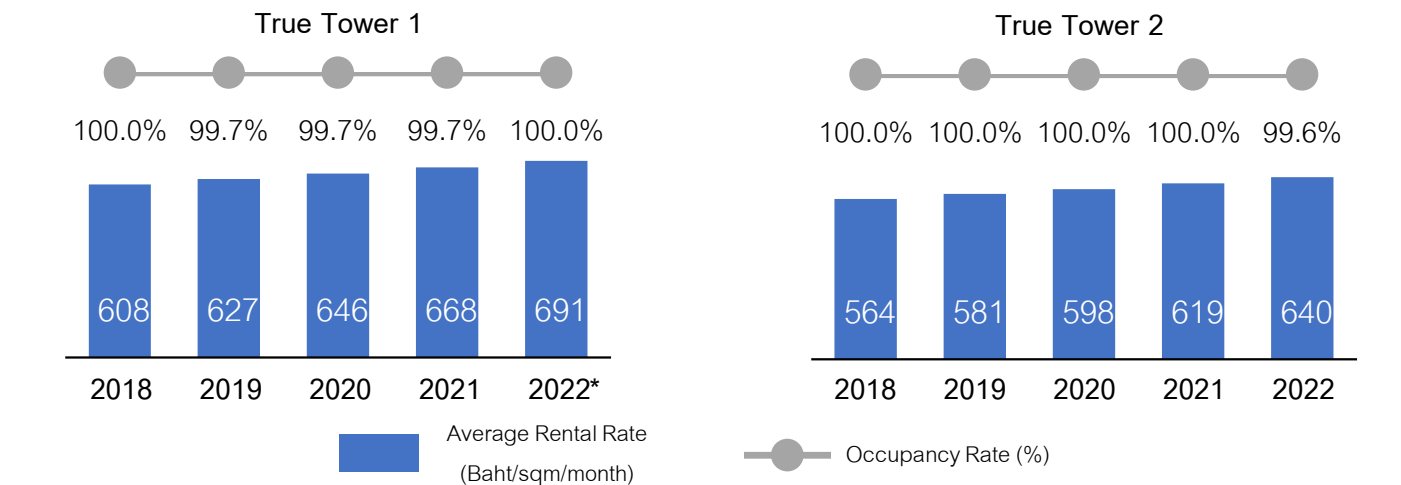
2. Summary of the REIT

As of 31 December 2022

CONTRACT EXPIRATION

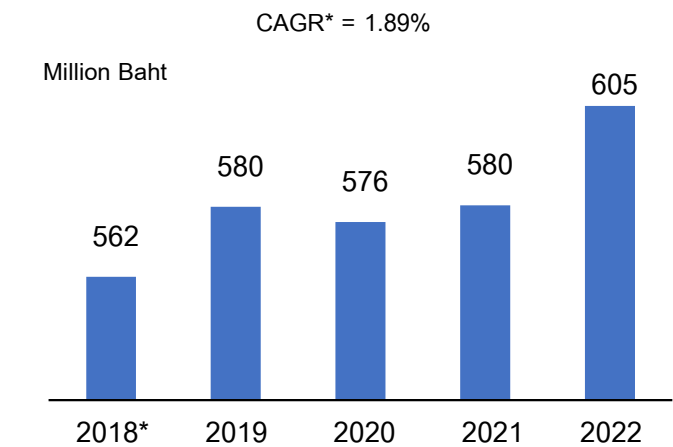


OCCUPANCY RATE AND AVERAGE RENTAL RATE

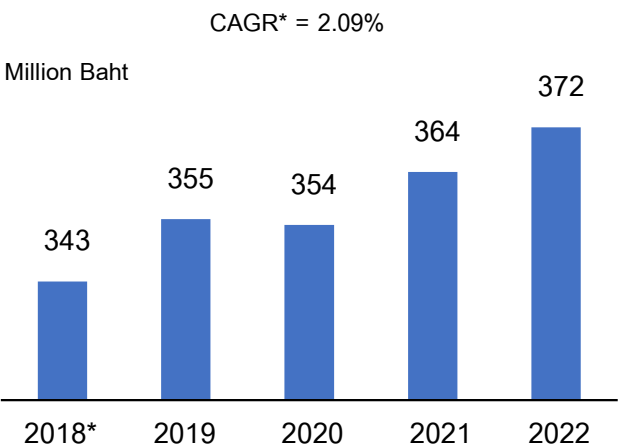


* In 2022, B-WORK reclassified the leased area on the rooftop of True Tower 1 as a non-NLA area, according to the purpose of the area usage, and some of the rental areas had been renovated, resulting in the net lettable area of 37,270 sqm compared to 37,315 sqm as of 31 December 2021

Total Revenue



EBITDA



*Adjusting the numbers for the full year (Annualized).

2. Summary of the REIT

As of 31 December 2022

Financial Statement of the REIT (MB)	2022	2021	2020
Rental and Service Income	593.31	569.03	563.30
Other Income	11.21	10.15	10.25
Earnings before interest, taxes, depreciation and amortization (EBITDA)	372.37	363.79	353.63
Net Increase in Net Assets from Operations	416.84	367.84	434.01
Earning per Units (Baht)	0.90	0.88	0.85
Dividend per Unit (Baht)	0.7084	0.7825	0.7709
Capital reduction (Baht)	0	0	0
Debt / Total Asset Value (Times)	0.21	0.22	0.23
Interest (%)	4.36%	4.25%	4.49%
Net cash from operating activities	304.24	293.17	451.14
Net cash used in financing activities	(355.70)	(327.58)	(329.99)
Cash and cash equivalents on 31 December	121.70	173.16	207.57
Net assets	4,078.93	3,928.64	3,849.28
Price/Net Asset Value (Times)	0.90	1.00	1.07
Dividend Yield (%) (Market price at the end of fiscal year)	7.16%	7.38%	6.88%
Market capitalization	3,651.12	3,909.28	4,130.56
Market price at the end of fiscal year (Baht)	9.9	10.6	11.2

Overview of the REIT’s Operating Results

In FY2022, B-WORK recorded total income of 605.31 MB, increasing 4.4% from last year, which came mainly from rental and service income of 593.31 MB or 98.02% of total income. Total expense for FY2022 was 272.28 MB, which came mainly from cost of rental and services accounted for 52.13% of total expense. As a result, B-WORK recorded the net profit on investment of 333.02 MB, rising 2.7% from last year and net increase in net assets from operations was 416.84 MB, increasing 13.3% from last year, due to the increase in net gain on revaluation of investment in leasehold properties, which was derived from an income approach method from an independent appraiser.

Type of Audited Financial Report - Unqualified Opinion -

2. Summary of the REIT

As of 31 December 2022

Summary of Significant liabilities

Lending Bank	Bangkok Bank Public Company Limited
Credit Applicant	Bualuang Office Leasehold Real Estate Investment Trust
Objective of Borrowing	For an investment in the core assets of the REIT
Credit Line	Long-term credit line of 920,000,000 Baht for investing in leasehold rights and M&E system of True Tower 1 and 2 Projects
Type of Interest Rate	Floating rate
Interest Rate	Not exceeding MLR (Minimum Loan Rate) -1.00% per annum
Payment of Interest	Every 6 months on the last date of the month
Grace Period of Principal	48 months counting from loan reimbursement
Repayment Period	Totaling 13 principal installments, the first principal installment is commenced in the last date after 48 months counting from loan reimbursement, and the next principal installment when the period is due every 6 months

Fees & Expenses Payable by the REIT

Fees & Expenses Payable by the REIT (Baht)	Actual Charge	Percentage of net profit on investments
Management Fee	13,769,319	4.13%
Trustee Fee	8,872,046	2.66%
Registrar Fee	1,177,523	0.35%
Property Management Fee	53,872,931	16.18%
Professional Fee	4,874,401 ⁽¹⁾	1.46%
Financial Advisor Fee	5,350,000 ⁽¹⁾	1.61%
Underwriter Fee	None	-
Cost of Repair and Maintenance	140,525,806	42.20%
Insurance Premium	1,418,963	0.43%
Taxes	None	-
Cost of Sales, Marketing and Advertising	None	-
Other Expenses which amount of value more than 0.01% of NAV	None	-
Other Expenses	3,602,722 ⁽¹⁾	1.08%
Total	233,463,711	70.10%

Remark

(1) Due to the public offering application of the REIT's additional assets (No. 1) ended on September 28, 2022, affecting the REIT to recognized the related expenses including professional fee of 3,318,246 Baht, financial advisory fee of 5,350,000 Baht, and fees for filing the registration statement of 353,100 Baht

Key Risks of Investment in Trust Units

1. Business Operational Risk

Business operational risk of the REIT is related to business operation of the assets invested by REIT in terms of revenue, expense, and competitiveness of the business in relation to various elements such as occupant, property manager, and service provider, including procedure, policy, and management process. This type of risk affects a success of REIT investment.

2. Asset Utilization Risk

The utilization of the assets associated with risks from external factors such as land expropriation risk, environment-related law risk, and natural disaster risk, and risks from internal factors such as risk from ability to pay rental fees of tenants, parking lot inadequacy risk, etc.

3. Investment Risk

This investment risk is related to risk from property information verification process prior to investment whereas at the time after investment, property value confronts with risk from property value invested by REIT according to the appraised value by the asset valuation company whereas the said appraised value is not a representative of an actual value of the property and unable to guarantee that the said property value will be in line with the appraisal either at present or in the future.

4. REIT Unit Investment Risk Exposed by the Investor

REIT unit investment risk may affect distribution rate and unit trust value such as unit trust price risk which may decrease after offering for sale of trust units and limited liquidity in the secondary market for the trading of trust units, actual operating performance risk that may be significantly different from the expected comprehensive income statement based on assumption either explicitly or implicitly, etc.

Information

REIT Manager	BBL Asset Management Company Limited
Address	175 Sathorn City Tower, 7th, 21st and 26th Floor, South Sathorn Road, Thungmahamek, Sathorn, Bangkok 10120
Tel	02-674-6488
URL	www.bworkreit.com

Trustee	Krung Thai Asset Management Public Company Limited
Address	No. 1 Empire Tower, 32nd Floor, South Sathorn Road, Yannawa, Sathorn, Bangkok 10120
Tel	02-686-6100
URL	www.ktam.co.th

2. Summary of the REIT

REIT Name	Bualuang Office Leasehold Real Estate Investment Trust
Symbol	B-WORK
REIT Manager	BBL Asset Management Company Limited
Property Manager	True Properties Company Limited
Trustee	Krungthai Asset Management Public Company Limited
Term of the REIT	Indefinite
Type of the REIT	Unit trust is not redeemable
Leasehold Period	True Tower 1 and True Tower 2, Leasehold rights of the land and the building for 30 years ended on 7 February 2048
Paid-up Capital	3,620,030,160 Baht
Key Information Summary of Revenue Generating from Invested Property	The policy of benefits procurement from core assets invested by REIT by leasing the area of the investment properties to the tenants. REIT Manager by BBLAM procures benefits from REIT assets through establishing the policy and setting the strategy of REIT asset management to generate the best interest for REIT and entrust the duty of property management to True Properties on behalf of Property Manager
Key Information Summary of Borrowing	REIT entered a long-term loan contract with Bangkok Bank Public Company Limited for THB 920,000,000 deployed for investment in the core assets (as of 31 December 2022, the remaining long-term loan balance was equivalent to THB 869,400,000)
Key Information of Property Income Guarantee	- None -
Summary of Significant Events Affecting REIT Operation	- None -

Information of Dividend Payment

For the year ending 31 December 2022, The REIT Manager has announced the distribution of proceeds to the trust unitholders, a total of THB 0.7084 per unit. The total distributed proceeds are THB 261,257,920, equivalent to 71.34% of the net profit adjusted by reserve items as specified in the announcement or 95.62% of the net profit after adjusted accounting items that are inconsistent with REIT cash status, as details show in Part 6, Clause 3.3 History of Dividend Payment

For the year ending 31 December 2021, The REIT Manager has announced the distribution of proceeds to the trust unitholders, a total of THB 0.7825 per unit. The total distributed proceeds are THB 288,586,000, equivalent to 78.45% of the net profit adjusted by reserve items as specified in the announcement or 90.40% of the net profit after adjusted accounting items that are inconsistent with REIT cash status, as details show in Part 6, Clause 3.3 History of Dividend Payment

The details of the dividend payment since the establishment can be summarized as follows:

No.	Operating Period	Payment Date	Dividend (Baht per trust unit)	Total (Baht per trust unit)
1	6 FEB 2018 – 30 JUN 2018	6 September 2018	0.3034	0.4834
2	1 JUL 2018 – 31 DEC 2018	25 March 2019	0.1800	
3	1 JAN 2019 – 31 MAR 2019	11 June 2019	0.1912	0.7558
4	1 APR 2019 – 30 JUN 2019	5 September 2019	0.1810	
5	1 JUL 2019 – 30 SEP 2019	6 December 2019	0.1880	
6	1 OCT 2019 – 31 DEC 2019	26 March 2020	0.1956	
7	1 JAN 2020 – 31 MAR 2020	10 June 2020	0.1951	0.7709
8	1 APR 2020 – 30 JUN 2020	10 September 2020	0.1923	
9	1 JUL 2020 – 30 SEP 2020	8 December 2020	0.1923	
10	1 OCT 2020 – 31 DEC 2020	24 March 2021	0.1912	
11	1 JAN 2021 – 31 MAR 2021	9 June 2021	0.2029	0.7825
12	1 APR 2021 – 30 JUN 2021	8 September 2021	0.1966	
13	1 JUL 2021 – 30 SEP 2021	13 December 2021	0.1915	
14	1 OCT 2021 – 31 DEC 2021	25 March 2022	0.1915	
15	1 JAN 2022 – 31 MAR 2022	13 June 2022	0.1771	0.7084
16	1 APR 2022 – 30 JUN 2022	8 August 2022	0.1771	
17	1 JUL 2022 – 30 SEP 2022	13 December 2022	0.1771	
18	1 OCT 2022 – 31 DEC 2022	24 March 2023	0.1771	
Total			3.5010	3.5010

Information of Capital Reduction

REIT did not announce a capital reduction in FY2022. The remaining par value of the unit trust was 9.8157 Baht per trust unit. The details are as follows:

No.	Payment Date	Capital Reduction (Baht per trust unit)
1	11 December 2018	0.1843
Total		0.1843

2. Key Risks of Investment in Trust Units**2.1 Business Operational Risk**

The business operational risk of the REIT is related to the business operation of the assets invested by the REIT in terms of revenue, expense, and competitiveness of the business about various elements such as occupant, property manager, and service provider, including procedure, policy, and management process. This type of risk affects the success of REIT investment.

2.2 Asset Utilization Risk

The utilization of the assets is associated with risks from external factors such as land expropriation risk, environment-related law risk, and natural disaster risks, and risks from internal factors such as the risk of ability to pay rental fees of tenants, parking lot inadequacy risk, etc.

2.3 Investment Risk

This investment risk is related to risk from the property information verification process prior to investment whereas, at the time after investment, property value confronts with risk from property value invested by REIT according to the appraised value by the asset valuation company whereas the said appraised value is not a representative of an actual value of the property and unable to guarantee that the declared property value will be in line with the appraisal either at present or in the future.

2.4 REIT Unit Investment Risk Exposed by the Investor

REIT unit investment risk may affect distribution rate and unit trust value, such as unit trust price risk, which may decrease after offering for sale of trust units and limited liquidity in the secondary market for the trading of trust units, actual operating performance risk that may be significantly different from the expected comprehensive income statement based on assumption either explicitly or implicitly, etc.

3. Key Financial Statement

Summary of Independent Auditor's Report from certified public accountant

Year	Name of Certified Public Accountant	Accounting Company
2022	Miss Sujitra Masena	KPMG Phoomchai Audit Ltd.
2021	Miss Sujitra Masena	KPMG Phoomchai Audit Ltd.
2020	Miss Sujitra Masena	KPMG Phoomchai Audit Ltd.

This report shown below is financial statements for the year ended 31 December 2022 that has been audited by a certified public accountant, and the opinion of the authorized auditor, which can be summarized as follows:

“The auditor commented that the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as of 31 December 2022, and its financial performance, changes in net assets, cash flows, and the significant financial information for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs) “

1. Financial Statements

Balance sheet (Unit: Baht)	As of 31 December 2022	As of 31 December 2021	As of 31 December 2020
Assets			
Investments in leasehold properties at fair value	4,722,357,711	4,629,225,928	4,578,035,559
Investments measured at fair value through profit or loss	276,729,814	208,022,405	147,894,052
Cash and cash equivalents	121,701,480	173,162,339	207,568,928
Receivables on accrued rental and service income	24,854,300	14,810,195	14,507,151
Receivables on accrued other income	8,352,981	17,603,842	7,865,384
Receivables on accrued interest income	74,077	56,306	45,939
Deferred expenses	52,232	581,807	1,111,382
Refundable deposits	10,523,200	10,523,200	10,523,200
Other assets	16,132,737	13,011,464	23,119,152
Total assets	5,180,778,532	5,066,997,486	4,990,670,747

Balance sheet (Unit: Baht)	As of 31 December 2022	As of 31 December 2021	As of 31 December 2020
Liabilities			
Trade accounts payable	24,971,868	13,450,109	15,419,587
Other payables and accrued expenses	48,996,455	72,695,181	42,928,386
Rental and service income received in advance	25,422,425	23,269,235	38,262,492
Deposits from rental and services	131,058,606	107,102,401	121,871,267
Long-term borrowings	869,400,000	920,000,000	920,000,000
Other liabilities	1,996,124	1,838,475	2,912,303
Total liabilities	1,101,845,478	1,138,355,401	1,141,394,035
Net assets			
Capital from unitholders	3,620,030,160	3,620,030,160	3,620,030,160
Retained earnings	458,902,894	308,611,925	229,246,552
Net assets	4,078,933,054	3,928,642,085	3,849,276,712
Net asset value per unit (Baht)	11.0600	10.6525	10.4373
Number of trust units issued at the end of the year (Units)	368,800,000	368,800,000	368,800,000

2. Statement of income

Statement of income (Unit: Baht)	1 January 2022 - 31 December 2022	1 January 2021 - 31 December 2021	1 January 2020 - 31 December 2020
Investment Income			
Rental and service income	593,305,699	569,034,589	563,298,021
Interest income	786,816	653,512	2,089,892
Other income	11,213,973	10,150,926	10,248,522
Total income	605,306,488	579,839,027	575,636,435
Expenses			
Management fees	13,769,319	13,513,554	13,298,111
Trustee fees	8,872,046	8,739,048	8,627,017
Registrar fees	1,177,523	1,187,153	1,196,782
Property management fees	53,872,931	52,040,542	46,562,495
Professional fees	1,556,155	1,513,300	1,556,800
Amortization of deferred expenses	529,575	529,575	531,026
Costs of rental and services	141,944,769	136,773,883	148,469,436

Statement of income (Unit: Baht)	1 January 2022 - 31 December 2022	1 January 2021 - 31 December 2021	1 January 2020 - 31 December 2020
Administration expenses	11,741,393	2,285,751	2,294,774
Finance costs	38,819,381	39,100,000	41,276,493
Total expenses	272,283,092	255,682,806	263,812,934
Net profit on investments	333,023,396	324,156,221	311,823,501
Net gain (loss) on investments			
Net gain (loss) on changes in fair value of investments in leasehold properties	83,799,910	43,741,175	122,141,165
Net gain (loss) on changes in fair value of investments measured at fair value through profit or loss	14,477	(57,017)	42,921
Net gain (loss) on investments	83,814,387	43,684,158	122,184,086
Net increase in net assets resulting from operations	416,837,783	367,840,379	434,007,587

3. Statement of cash flows

Statement of cash flows (Unit: Baht)	1 January 2022 - 31 December 2022	1 January 2021 - 31 December 2021	1 January 2020 - 31 December 2020
Cash flows from operating activities			
Net increase in net assets resulting from operations	416,837,783	367,840,379	434,007,587
Acquisitions of investments in leasehold properties	(3,963,916)	-	(500,000)
Purchase of investments	(642,017,215)	(652,421,063)	(353,553,430)
Disposal of investments	574,054,665	592,399,773	430,297,393
Amortization of deferred expenses	529,575	529,575	531,025
Amortization of discount on investments in bonds	(730,382)	(164,080)	(297,702)
Decrease (increase) in receivables on accrued rental and service income	(10,044,105)	(303,044)	51,455,411
Decrease (increase) in receivables on accrued other income	9,250,861	(9,738,458)	(426,288)
Decrease (increase) in refundable value add tax	-	-	3,713,678

Statement of cash flows (Unit: Baht)	1 January 2022 - 31 December 2022	1 January 2021 - 31 December 2021	1 January 2020 - 31 December 2020
Decrease (increase) in other assets	(3,121,273)	10,107,688	(6,096,730)
Increase (decrease) in trade accounts payable	7,049,944	(1,969,478)	8,063,924
Increase (decrease) in other payable and accrued expenses	(24,856,293)	22,317,601	(872,026)
Increase (decrease) in rental and service income received in advance	2,153,190	(14,993,257)	(42,880,857)
Increase (decrease) in deposit from rental and services	23,956,205	(14,768,866)	7,466,916
Increase (decrease) in other liabilities	157,649	(1,073,828)	532,069
Interest income	(786,816)	(653,512)	(2,089,892)
Interest received	769,045	643,145	2,700,846
Finance costs	38,819,381	39,100,000	41,276,493
Net gain (loss) on changes in fair value of investments in leasehold properties	(83,799,910)	(43,741,175)	(122,141,165)
Net (gain) loss on changes in fair value of investments measured at fair value through profit or loss	(14,477)	57,017	(42,921)
Net cash from operating activities	304,243,911	293,168,417	451,144,331
Cash flows from financing activities			
Interest paid	(38,557,956)	(39,100,000)	(44,055,397)
Repayment of long-term borrowings	(50,600,000)		
Distribution to trust unitholders	(266,546,814)	(288,475,006)	(285,930,542)
Net cash used in financing activities	(355,704,770)	(327,575,006)	(329,985,939)
Net increase (decrease) in cash and cash equivalents	(51,460,859)	(34,406,589)	121,158,392
Cash and cash equivalents at 1 January	173,162,339	207,568,928	86,410,536
Cash and cash equivalents at 31 December	121,701,480	173,162,339	207,568,928

4. The REIT Manager's Management Discussion and Analysis

1. Operating Performance

1.1 Total Income

Total income for FY2022 was THB 605.31mn, increasing 4.4% from last year, which consists of rental income of THB 232.28mn, service income of THB 361.02mn, interest income of THB 0.79mn, and other income of THB 11.21mn. The details of significant change are as follows:

- Rental income was THB 232.28mn, growing 3.6% from last year, which came from an increase in the rental rate in lease agreements recognized based on a straight-line basis, and the adjustment of accrued income under operating leases arising from the difference between the revenue recognized based on a straight-line basis, and the revenue recognized based on the rental contracts
- Services income was THB 361.02mn, increasing 4.7% from last year. The details are as follows:
 - Service agreement income of THB 271.59mn, increasing 4.3% from last year, which came from an increase in the service rate in service agreements recognized based on a straight-line basis, and the adjustment of accrued income under operating leases arising from the difference between the revenue recognized based on a straight-line basis, and the revenue recognized based on the service contracts
 - Utility income of THB 87.39mn, increasing 5.7% from last year, which is in line with the increase in the utility costs
 - Parking revenue was THB 2.04mn, increasing 22.7% from last year, due to tenants having returned to use more office spaces

Income (Unit: Baht)	1 January 2022 - 31 December 2022	1 January 2021 - 31 December 2021	YoY (%)
Investment Income			
Rental income	232,282,432	224,265,093	3.6%
Service income	361,023,267	344,769,496	4.7%
Interest income	786,816	653,512	20.4%
Other income	11,213,974	10,150,926	10.5%
Total income	605,306,488	579,839,027	4.4%

1.2 Total Expenses

Total expense for FY2022 was THB 272.28mn, increasing 6.5% from last year, which consists of the following:

- Costs of rental and services were THB 141.94mn, increasing 3.8% from last year, came mainly from the increase in utility costs
- Fees and expenses for trust and property management were THB 79.25mn, increasing 2.9% from last year, which came mainly from the increase in property management fee
- Administrative expenses were THB 11.74mn, increasing from last year due to the public offering application of the REIT's additional assets (No. 1) ended on September 28, 2022. As a result, B-WORK has to recognize the related expenses in FY2022
- Finance costs were THB 38.82mn, dropping 0.7% from last year, resulting from the principal loan payment of THB 50.6mn in FY2022

Expenses (Unit: Baht)	1 January 2022 - 31 December 2022	1 January 2021 - 31 December 2021	YoY (%)
Expenses			
Management fees	13,769,319	13,513,554	1.9%
Trustee fees	8,872,046	8,739,048	1.5%
Registrar fees	1,177,523	1,187,153	(0.8%)
Property management fees	53,872,931	52,040,542	3.5%
Professional fees	1,556,155	1,513,300	2.8%
Amortization of deferred expenses	529,575	529,575	0.0%
Costs of rental and services	141,944,769	136,773,883	3.8%
Administration expenses	11,741,393	2,285,751	N/A
Finance costs	38,819,381	39,100,000	(0.7%)
Total expenses	272,283,092	255,682,806	6.5%

1.3 Net Profit on Investments and Net Increase in Net Assets resulting from Operations

B-WORK recorded the net profit on investments of THB 333.02mn, rising 2.7% from last year, and net increase in net assets resulting from operations of THB 416.84mn, rising 13.3% from last year, due to the increase in net gain on revaluation of investment in leasehold properties, which was derived from an income approach method from an independent appraiser.

Statement of income (Unit: Baht)	1 January 2022 - 31 December 2022	1 January 2021 - 31 December 2021	YoY (%)
Total income	605,306,488	579,839,027	4.4%
Total expenses	272,283,092	255,682,806	6.5%
Net profit on investments	333,023,396	324,156,221	2.7%
Net gain (loss) on investments	83,814,387	43,684,158	91.9%
Net increase in net assets resulting from operations	416,837,783	367,840,379	13.3%

2. Balance Sheet

2.1 Total Assets

Total assets of B-WORK as of 31 December 2022 were THB 5,180.78mn. These consist of investment in leasehold properties at fair value of THB 4,722.36mn, investment in securities and cash at financial institutions of THB 398.51mn and other assets of THB 59.92mn.

Statement of financial position (Unit: Baht)	As of 31 December 2022	As of 31 December 2021
Investments in leasehold properties at fair value	4,722,357,711	4,629,225,928
Investments measured at fair value through profit or loss	276,729,814	208,022,405
Cash and cash equivalents	121,701,480	173,162,339
Receivables on accrued rental and service income	24,854,300	14,810,195
Receivables on accrued other income	8,352,981	17,603,842
Receivables on accrued interest income	74,077	56,306
Deferred expenses	52,232	581,807
Refundable deposits	10,523,200	10,523,200
Other assets	16,132,737	13,011,464
Total assets	5,180,778,532	5,066,997,486

2.2 Total liabilities

Total liabilities were THB 1,101.85mn. These consist of account payables, accrued expenses, and rental and services income received in advance of THB 99.39mn, deposits from rental and services of THB 131.06mn, long-term loan of THB 869.40mn and other liabilities of THB 2.00mn.

Statement of financial position (Unit: Baht)	As of 31 December 2022	As of 31 December 2021
Trade accounts payable	24,971,868	13,450,109
Other payables and accrued expenses	48,996,455	72,695,181
Rental and service income received in advance	25,422,425	23,269,235
Deposits from rental and services	131,058,606	107,102,401
Long-term borrowings	869,400,000	920,000,000
Other liabilities	1,996,124	1,838,475
Total liabilities	1,101,845,478	1,138,355,401

2.3 Net Asset Value

Net asset value as of 31 December 2022 was THB 4,078.93mn, or THB 11.0600 per unit.

Statement of financial position (Unit: Baht)	As of 31 December 2022	As of 31 December 2021
Capital from unitholders	3,620,030,160	3,620,030,160
Retained earnings	458,902,894	308,611,925
Net assets	4,078,933,054	3,928,642,085
Net asset value per unit	11.0600	10.6525
Number of trust units issued at the end of the year (units)	368,800,000	368,800,000

3. Statement of cash flows

Cash and cash equivalents of B-WORK as of 31 December 2022 were THB 121.70mn, which consists of the following important items:

(1) Net cash from operating activities were THB 304.24mn, which increased from last year by THB 11.08mn

(2) Net cash used in financing activities were THB 355.70mn, which consisted of distribution to trust unitholders of THB 266.55mn, repayment of long-term borrowings of THB 50.60mn, and interest paid of THB 38.56mn

Statement of cash flows (Unit: Baht)	1 January 2022 - 31 December 2022	1 January 2021 - 31 December 2021
Net cash from (used in) operating activities	304,293,911	293,168,417
Net cash from (used in) financing activities	(355,704,770)	(327,575,006)
Net increase (decrease) in cash and cash equivalents	(51,460,859)	(34,406,589)

Statement of cash flows (Unit: Baht)	1 January 2022 - 31 December 2022	1 January 2021 - 31 December 2021
Cash and cash equivalents at the beginning of the year/period	173,162,339	207,568,928
Cash and cash equivalents at the end of the year/period	121,701,480	173,162,339

4. Financial Ratio

As of 31 December 2022, the financial ratios of B-WORK are shown as follows:

Ratio	As of 31 December 2022	As of 31 December 2021	As of 31 December 2020
Debt to Total Assets (%)	16.78%	18.16%	18.43%
Interest Coverage Ratio (Times)	9.58 Times	9.29 Times	8.55 Times
Return on Capital Employed (ROCE) (%)	7.32%	7.33%	7.21%

5. General information

REIT Name	Bualuang Office Leasehold Real Estate Investment Trust
Symbol	B-WORK
REIT Manager	BBL Asset Management Company Limited
Property Manager	True Properties Company Limited
Trustee	Krungthai Asset Management Public Company Limited
Term of the REIT	Indefinite
Type of the REIT	Unit trust is not redeemable
Leasehold Period	True Tower 1 and True Tower 2, Leasehold rights of the land and the building for 30 years ended on 7 February 2048
Paid-up Capital	3,620,030,160 Baht

6. Detail of Trust Units of the REIT's Issuance

1. Information of Trust Units

Registered Capital Received from Unitholders	3,688,000,000 Baht
Initial Paid-Up Capital	3,688,000,000 Baht
Payment of the 1 st capital reduction	67,969,840 Baht
Current Paid-up Capital	3,620,030,160 Baht
REIT Units	368,800,000Units
Type of Trust Unit	No Redemption of Trust Units
Net Asset Value (as at December 31, 2022)	4,078,933,054 Baht
Net Asset Value per Unit (as at December 31, 2022)	11.0600 Baht per Unit
Net Asset Value (as at December 31, 2021)	3,928,642,085 Baht
Net Asset Value per Unit (as at December 31, 2021)	10.6525 Baht per Unit
Trade Value	415,193,739 Baht
Market Capitalization*	3,651,120,000 Baht

*Remark * Reference information in the last trading day as of 30 December 2022*

2 Information of the Trust Unitholders

2.1 The group of top ten major trust unitholders as of 30 December 2022

No.	Trust Unitholders	No. of Trust Units	% Trust Units
1	True Properties Company Limited	56,000,000	15.18%
2	Social Security Office	32,585,000	8.84%
3	Allianz Ayudhya Assurance Public Company Limited	28,000,000	7.59%
4	PRINCIPAL PROPERTY INCOME FUND	25,269,500	6.85%
5	Government Savings Bank	18,896,500	5.12%
6	Muang Thai Life Assurance Public Company Limited	12,128,900	3.29%
7	Muang Thai Insurance Public Company Limited	7,836,700	2.12%
8	Krungthai-AXA Life Insurance Public Company Limited	7,403,400	2.01%
9	Aioi Bangkok Insurance Public Company Limited	7,323,100	1.99%
10	MFC Property Dividend Fund	6,343,500	1.72%
Total		201,786,000	54.71%

2.2 The major unitholders as at 30 December 2022 (holding trust units from 10% and more including connected person)

No.	Shareholders	Shares	% Shares
1	True Properties Co., Ltd.	56,000,000	15.18%
Total		56,000,000	15.18%

3. The REIT's Distribution Payment

3.1 Distribution Payment Policy

The REIT has the policy to pay distribution to the trust unitholders at least twice a year. Nevertheless, in case where the REIT Manager deems it appropriate, the REIT Manager may consider paying such a distribution to the trust unitholders more than twice a year. Whereas,

(1) The REIT Manager shall make distribution payment to the trust unitholders by no less than 90% of the total adjusted net profit of the fiscal year. The payment shall be made within 90 days from the ending date of the fiscal year or fiscal year period of which such distribution payment is made and shall be paid at least 2 times per year. The distribution to trust unitholders is divided into year-end distribution and interim distribution (if any).

Adjusted net profit means net profit adjusted by reserve items as specified in the SEC's announcement including cash reserve for major renovation and/or refurbishment, and loan principal repayment.

Additional Conditions

- In considering distribution payment to trust unitholders, the REIT Manager and Trustee will consider the necessity and adequacy to maintain the REIT's cash flow as prescribed in the SEC's guidelines.
- In the case that the REIT is unable to pay distribution to trust unitholders, the REIT Manager and Trustee must send the written notice to the SEC and disclose to trust unitholders.
- In considering distribution payment for interim period, if the distribution per trust unit of annual period or interim period is less than or equal to 0.10 Baht, the REIT Manager shall reserve the right not to proceed with any distribution and carry forward such distribution to the next period.
- For the distribution payment policy, the REIT Manager shall proceed accordingly, unless the changes, revision, or addition from Office of the SEC, and/or other legitimated divisions.

(2) In case where the REIT remains having accumulated deficit balance, the REIT Manager shall not make distribution payment to the unitholders.

3.2 Restriction and Procedure of Distribution Payment to the Unitholders

(1) In case where fact is appeared to the REIT Manager that any person or same group of persons holds trust units of any REIT excess of the rules prescribed in Notification TorChor. 49/2555 or in any other proportions that the SEC and/or the SEC Office announced. The REIT Manager shall not pay distribution to the said person or the same group of persons in the portion that excess of the rules prescribed in Notification TorChor. 49/2555 unless otherwise prescribed or indulgent by related laws. Such distribution shall belong to other unitholders in the unitholding proportion. The REIT Manager shall consider allocate such distribution to the unitholders with right to receive in that time

(2) The REIT Manager shall announce the distribution payment on the closing date of the Unitholders' Registration to define the right of the unitholder that has right to receive distribution and the rate of distribution through information dissemination system of the Stock Exchange of Thailand; and may be also announced by any means as follows.

(2.1) Delivery of written notice to the unitholders whose names are appeared in the Unitholders' Registration of the REIT on the closing date or the record date of the Unitholders' Registration; or

(2.2) Publicly posting at every office of the REIT Manager; or

(2.3) Via the website of the REIT Manager; or

(2.4) Publicizing in at least 1 (one) issue of the newspaper

(3) The REIT Manager shall make distribution payment in cash by transferring into the bank deposit account of the unitholder, or in crossed cheque, particularly ordering to pay in the name of the unitholder according to the name list and address presented in the Unitholder's Registration.

(4) In case where the unitholder does not exercise the right to receive any amount of distribution within the acquisitive prescription for the right of claim under the Civil and Commercial Code, the REIT Manager shall not use such amount of distribution for any other purpose apart from for interest of the REIT.

3.3 History of Dividend Payment

For the performance period from January 1, 2022 to December 31, 2022, the REIT has announced the distribution of proceeds to the trust unitholders 4 times, total THB 0.7084 per unit. The total distributed proceeds are THB 261,257,920, equivalent to 71.34% of net profit adjusted by reserve items as specified in the announcement. The REIT Manager would like to clarify the reason why the rate of distribution of proceeds was less than 90% of the net profit adjusted by reserves as specified in the announcement as follows:

1) The net profit before and after adjusted by reserve items as specified in the announcement

The REIT had a net profit of before the adjustment of THB 416,837,783, after reserve loan repayment of THB 50,600,000 as specified in the announcement. As a result, the REIT had a net profit adjusted by reserve items as announced in the amount of THB 366,237,783.

2) The net profit after adjusted accounting items that inconsistent with REIT's cash status

For the year ending December 31, 2022, the REIT recognized a net gain from changes in the fair value of investments in leasehold properties in the amount of THB 83,799,910, which was an accounting item that was inconsistent with the REIT cash status. Hence, the REIT Manager considered the necessity to maintain the adequate REIT's cashflow as prescribed in the related announcement by adjusting with 1) Unrealized gain from valuation, 2) Difference between revenue recognized based on a straight-line basis and revenue recognized based on the contracts, and 3) Other adjustments that are not inconsistent with the cash status accounted for a total of THB 93,014,477. As a result, the REIT has net profit after adjusted accounting items that inconsistent with REIT's cash status in the amount of THB 273,223,306

3) The rate of distribution payment to trust unitholders by considering the net profit adjusted with items from 1) and 2)

For the year ending December 31, 2022, the REIT has announced the distribution of proceeds of THB 261,257,920, equivalent to **71.34% of the net profit adjusted by reserve items as specified in the announcement** or **95.62% of the net profit after adjusted accounting items that inconsistent with REIT's cash status**

For the performance period from January 1, 2021 to December 31, 2021, the REIT did not have any reserve adjustment items as specified in the announcement. As a result, the REIT had a net profit after being adjusted by reserve items as defined in the announcement in the amount of THB 367,840,379. The REIT Manager has announced the distribution of proceeds to the trust unitholders, total of THB 0.7825 per unit. The total distributed proceeds are THB 288,586,000, equivalent to **78.45% of the net profit adjusted by reserve items as specified in the announcement**.

The REIT Manager would like to clarify the reason why the rate of distribution of proceeds for the year ending December 31, 2021, was less than 90% of the net profit adjusted by reserves as specified in the announcement. Since the REIT recognizes net profit from changes in the fair value of investments in leasehold properties in the amount of THB 43,741,175, which was an accounting item that was inconsistent with the REIT's cash status. Thus, the REIT Manager considered the necessity to maintain the adequate REIT's cashflow as prescribed in a related announcement by adjusting with 1) Unrealized gain from valuation, 2) Difference between revenue recognized based on a straight-line basis, and revenue recognized based on the rental contracts, and 3) Other adjustments that are not inconsistent with the cash status, equivalent to THB 48,602,167. As a result, the

REIT's net profit after adjusted accounting items that inconsistent with REIT's cash status of THB 319,238,212. The rate of distribution payment for the year ended December 31, 2021, which is equivalent to **90.40% of the net profit after adjusted accounting items that are inconsistent with REIT cash status.**

The details of the proceeds distribution since the establishment of the REIT are summarized below.

No.	Operating Period	Payment Date	Dividend (Baht per trust unit)	Total (Baht per trust unit)
1	6 FEB 2018 – 30 JUN 2018	6 September 2018	0.3034	0.4834
2	1 JUL 2018 – 31 DEC 2018	25 March 2019	0.1800	
3	1 JAN 2019 – 31 MAR 2019	11 June 2019	0.1912	0.7558
4	1 APR 2019 – 30 JUN 2019	5 September 2019	0.1810	
5	1 JUL 2019 – 30 SEP 2019	6 December 2019	0.1880	
6	1 OCT 2019 – 31 DEC 2019	26 March 2020	0.1956	
7	1 JAN 2020 – 31 MAR 2020	10 June 2020	0.1951	0.7709
8	1 APR 2020 – 30 JUN 2020	10 September 2020	0.1923	
9	1 JUL 2020 – 30 SEP 2020	8 December 2020	0.1923	
10	1 OCT 2020 – 31 DEC 2020	24 March 2021	0.1912	
11	1 JAN 2021 – 31 MAR 2021	9 June 2021	0.2029	0.7825
12	1 APR 2021 – 30 JUN 2021	8 September 2021	0.1966	
13	1 JUL 2021 – 30 SEP 2021	13 December 2021	0.1915	
14	1 OCT 2021 – 31 DEC 2021	25 March 2022	0.1915	
15	1 JAN 2022 – 31 MAR 2022	13 June 2022	0.1771	0.7084
16	1 APR 2022 – 30 JUN 2022	8 August 2022	0.1771	
17	1 JUL 2022 – 30 SEP 2022	13 December 2022	0.1771	
18	1 OCT 2022 – 31 DEC 2022	24 March 2023	0.1771	
Total			3.5010	3.5010

3.4 History of Capital Reduction

No.	Payment Date	Capital Reduction (Baht per trust unit)
1	11 December 2018	0.1843
Total		0.1843

7. Policy, Business's Overview and Benefits Generated from Real Estate Assets

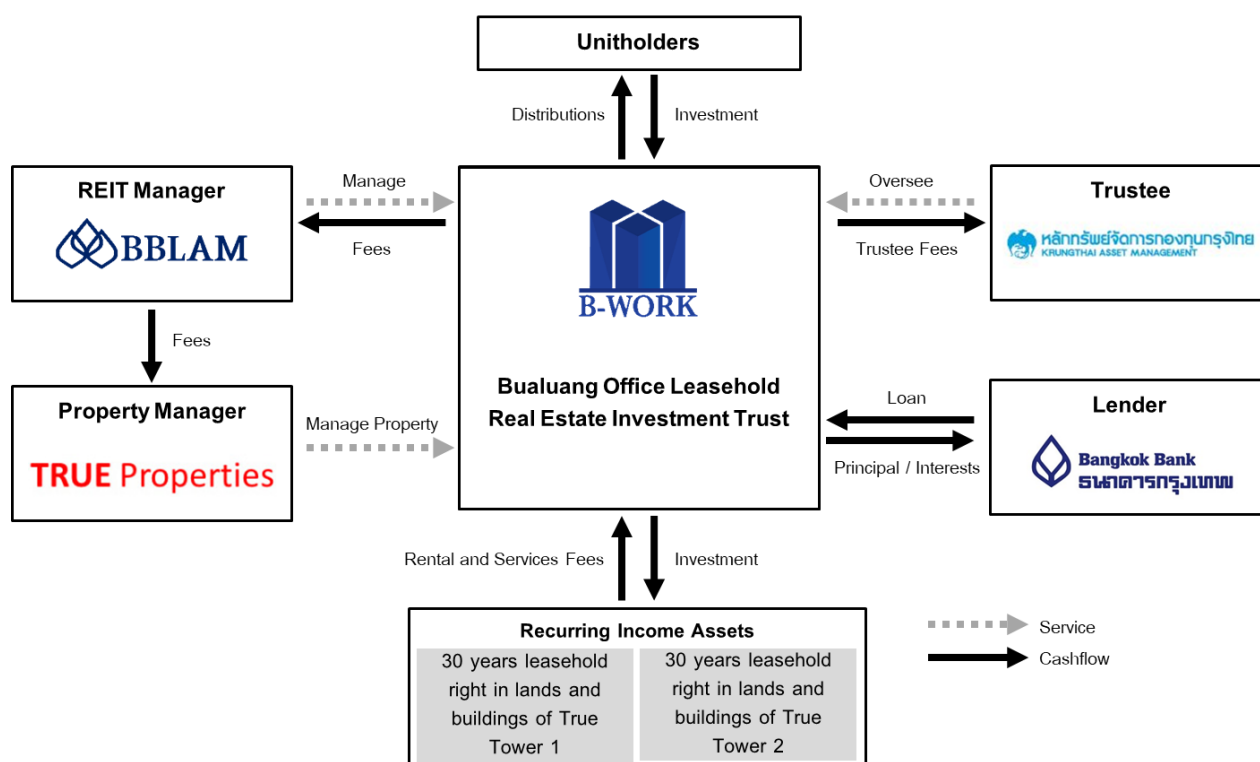
1. Objective of the REIT

Bualuang Office Leasehold Real Estate Investment Trust ("REIT") was established pursuant to the Trust for Transactions in Capital Market Act B.E. 2550 (2007) on 6 February 2018, whereas Krungthai Asset Management Public Company Limited ("KTAM") is the trustee, and BBL Asset Management Co., Ltd. ("BBLAM") is the REIT Manager of the REIT.

REIT was established for benefit of transactions performed in the capital market as prescribed in SEC notifications with the objective to issue and offer for sale of securities in type of trust units of Real Investment Trust ("REIT") for initial public offering (IPO) as per TorJor. 49/2555 Notification and to list trust units in the Stock Exchange of Thailand (SET). When the REIT invested the proceeds from offering for sale of trust units and money received from borrowing in core assets of REIT, BBLAM on behalf of the REIT Manager has appointed True Properties Co., Ltd. ("True Properties") to be the Property Manager for True Tower 1 Project and True Tower 2 Project in order to procure benefits from core assets by leasing and/or subleasing and providing services relating to lease or leased assets. Revenue from procuring benefits from the real estate shall derive from space rental and space service fees, and any other related benefits.

The operation of the REIT Manager shall be monitored and regulated by the Trustee to ensure compliance with the terms and conditions of the Trust Deed, REIT Manager Appointment Agreement, and the criteria prescribed by The Trust for Transactions in Capital Market Act, including any other relevant SEC and SET notifications. The REIT shall procure benefits from the aforementioned core assets by leasing the real estate only and shall not operate in a manner that the REIT is used in other business operations. In addition, none of REIT real estate shall be leased to any persons suspected to be involved in unethical or illegal business operations.

Structure of the REIT can be shown in the diagram as follows.



2. Relationship with Affiliated of the Property Manager or the Major Unitholder

As of 30 December 2022, True Properties has been the major unitholder of the REIT by holding a total of trust units by 15.18%. Even though True Properties is related to the REIT on behalf of the major unitholder, and the Property Manager of the REIT, the mechanism and measure of the REIT on selection of the Property Manager mainly consider the best interest of the unitholders.

3. Details of the Invested Assets of the REIT

3.1 Details of Assets

1.) True Tower 1



True Tower 1 Project is a large office building consisting of 36 storeys height including with 1 ground level. The project is located at No.18 Ratchadapisek Road, Huai Khwang, Huai Khwang, Bangkok, and was completely constructed and opened for using the building in 1993. Gross Floor Area (GFA) under construction permit is 63,615 square meters with 431 parking lots. Currently, True Tower 1 Project is mainly operated as the office building for lease to True Group and CP Group companies, and the said building is regarded as the Head Office building of True Group. The building's interior is equipped with public utilities system consisting of power system, AC system, elevator system, telephone system, and fire protection system, including CCTV camera system installed inside and outside of the building. Facilities are provided to accommodate the employees of the tenants from True Group and CP Group companies. The said facilities include coffee and bakery shops, TRUE Coffee, etc.

Land is the location of True Tower 1 Project as per the following details.

No.	Title Deed No.	Lot No.	Survey No.	Land Area		
				Rai	Ngan	Sq.Wah
1	8027	409 (328)	468	2	1	86.7
2	42843	405 (1857)	2968	1	1	92.0
Total				3	3	78.7

System works and public utilities inside True Tower 1 Project

System works and public utilities	
Electrical and Communication System	<ul style="list-style-type: none"> - High Voltage System - Electrical Emergency - Main Distribution Board, Load Center, and Emergency Distribution Board - Telephone System - Television System - CCTV - Computer Network System
Sanitary and Fire Protection System	<ul style="list-style-type: none"> - Cold Water System - Waste Water Treatment System - Drainage System - Fire Protection System
Air Condition and Ventilation System	<ul style="list-style-type: none"> - Air Condition System (Chiller) - Air Condition System (VRV) - Ventilation system
Elevator System	<ul style="list-style-type: none"> - 6 Passenger Elevators (Low Zone) - 6 Passenger Elevators (High Zone) - 2 Passenger Elevators (Car Park) - 1 Service Elevator

2.) True Tower 2



True Tower 2 project is an office building located at No. 1252, Pattanakarn Road, Suan Luang, Suan Luang, Bangkok. Currently, True Tower 2 Project is operated as an office building for lease to True Group and CP Group companies. The project consists of 4 buildings as follows:

1. Building No. 1 which is a 14-storey office building with 1 ground level
2. Building No. 2 is a 7-storey office building
3. Building No. 3 is a 7-storey car park building with 1 ground level
4. Building No. 4 is a 5-storey office building

Building No. 1 was completely constructed and opened for use in 1991. Building No. 2, Building No. 3 and Building No. 4 were completely constructed and opened for use in 2012. Gross Floor Area (GFA) under construction permit is 25,459 square meters including the approximate GFA of the whole project of 41,417 square meters with 429 parking lots. The interior public utilities system consists of power system, AC system, elevator system, telephone system, and fire protection system, including CCTV camera system installed inside and outside of the building. Facilities are provided to accommodate the employees of the tenants from True Group and CP Group companies. The said facilities include coffee and TRUE Coffee, fitness, etc. Apart from the public utilities system and facilities for the office building, the area of the Project is designed and constructed to specifically address the needs of the tenants as follows.

- Conference Room and Training Center are available at Building No.2, Floors 5-7, with capacity to hold up to more than 250 persons
- Studio Room with height from floor to ceiling equaling 10.5 meters available at Building No.4 including with Editing Room
- Server Area with floor load capacity of 1,000 tons including area for support systems such as backup power generator, UPS and chemical type fire extinguishing system. Ground floor level has been raised 5.4 meters above sea level for flood damage prevention.

Land is the location of True Tower 2 Project as per the following details.

No.	Title Deed No.	Lot No.	Survey No.	Land Area		
				Rai	Ngan	Sq.Wah
1	2923	2822 (61)	99	4	0	56.0
2	90760	2823 (1684)	7111	4	0	57.0
Total				8	1	13.0

System works and public utilities inside True Tower 2 Project

System works and public utilities	Detail
Electrical and Communication System	<ul style="list-style-type: none"> - High Voltage System - Electrical Emergency - Main Distribution Board, Load Center, and Emergency Distribution Board - Telephone System - Television System - CCTV - Computer Network System
Sanitary and Fire Protection System	<ul style="list-style-type: none"> - Cold Water System - Waste Water Treatment System - Drainage System - Fire Protection System
Air Condition and Ventilation System	<ul style="list-style-type: none"> - Air Condition System (Chiller) - Air Condition System (VRV) - Ventilation system

System works and public utilities	Detail
Elevator System	True Tower 2 Building 1 - 3 Passenger Elevators - 1 Service Elevator True Tower 2 Building 2 - 3 Passenger Elevators - 1 Service Elevator True Tower 2 Building 3 - 2 Passenger Elevators (Car Park) True Tower 2 Building 4 - 1 Passenger Elevator - 1 Freight Elevator

3.2 Value from the Latest Appraisal Report

Nexus Property Consultants Co., Ltd., is the asset appraiser company qualified by the SEC, applying criteria of asset valuation by Income Approach/Discounted Cash Flow Analysis in determining asset value. It is the estimation of statement of cash flow throughout the remaining term of lease contract. According to the said approach, the estimated income of assets that is expected to generate income in the future is taken into consideration. Summary of key valuation assumption is as follows.

Details	True Tower 1	True Tower 2
Valuation Method	Income Approach / Discounted Cash Flow Analysis	
Remaining Leasehold Period	25 years 7 months based on the valuation date	
Valuation Date	1 July 2022	
Appraisal Value	Baht 2,954,000,000	Baht 1,777,000,000
Assumptions		
Net Leasable Area (NLA)	36-Storey and 1 underground level NLA 37,208 sqm	- Building 1 NLA 11,624 sqm - Building 2 NLA 7,757 sqm - Building 3 NLA 1,074 sqm - Building 4 NLA 4,629 sqm Total NLA 25,041 sqm
Average Rental Rate	702 THB/sqm/month	651 THB/sqm/month ⁽¹⁾
Growth Rate	3.25% annual increase	
Occupancy Rate	98%	

Details	True Tower 1	True Tower 2
Other revenues	Parking revenue, Utilities revenue, and Other revenue	
Management Expenses	Estimated from actual cost incurred	
Property Management Fee	Details from Property Management Agreement	
Other Expenses	Major renovation expenses 3.0% of rental and services incomes	
Discount Rate	9.75%	

Remark (1) Considering from weighted average method based on the space of each building.

The REIT Manager has reviewed the key assumption of the asset appraiser and deemed that it is reasonable when compared with current turnover, covering trend of office building space business for lease.

Nevertheless, the actual occurred turnover may differ from the said assumption or events may not be in line with prediction since the said opinion is based on current conditions of business operation and economic situation. Therefore, if there is any change in the future, it may affect the opinion of the REIT Manager to be changed in the future.

4. Procurement of Benefit from Real Estate

4.1 Characteristics of Benefit Procurement

BBLAM as the REIT Settlor and the REIT Manager has the policy to procure benefits from the initial invested assets by leasing the assets to the tenants. It appointed True Properties as Property Manager due to its extensive experience and specialization in property management. According to the policy established by the REIT Manager, Property Manager shall seek customers that are interested in renting the space of the properties and shall have a duty in marketing by contacting target customers, whether directly or through an intermediary, including marketing promotions, permission of the visit by the customers that are interested in renting the space to visit the said properties, negotiation with the said interested customers, entering lease contract and renewal of lease contract, collection of rental fees and follow-up on debtors. REIT Manager will pay remuneration to Property Manager at the reference rate based on the project's performance.

4.2 Characteristics of the Lease Contract and Tenants

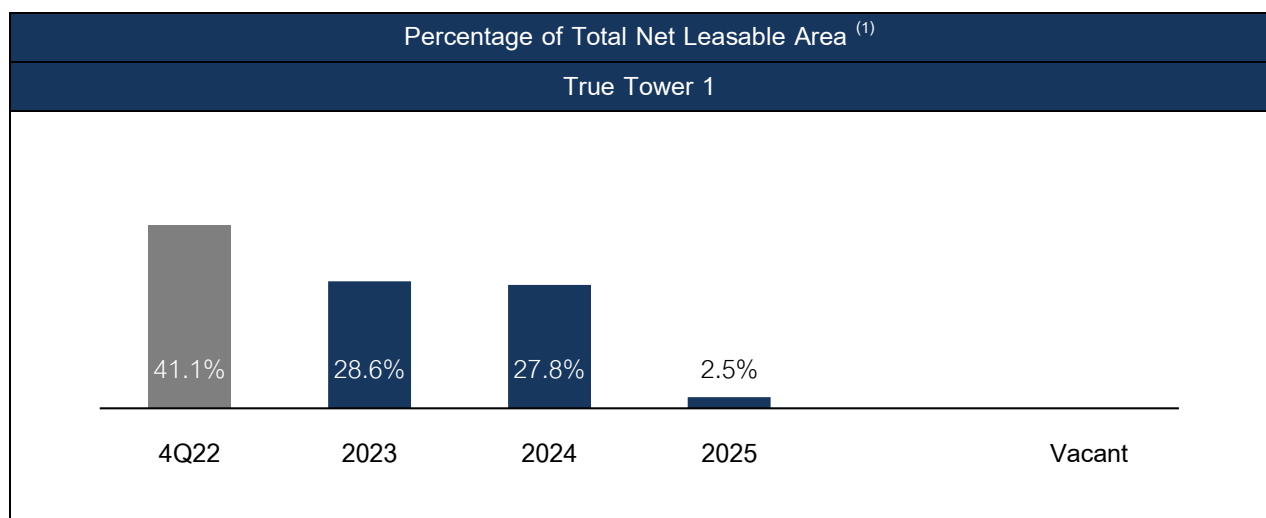
After an investment, the REIT by Trustee became a contract party of the tenants on behalf of True Properties under space lease and service contract which is newly made in replacement of the primary service contract since the REIT is the service provider of space whereas the said service is related to leasing of space only in order to ensure the scope of the REIT service in accordance with the general space service of the office for lease.

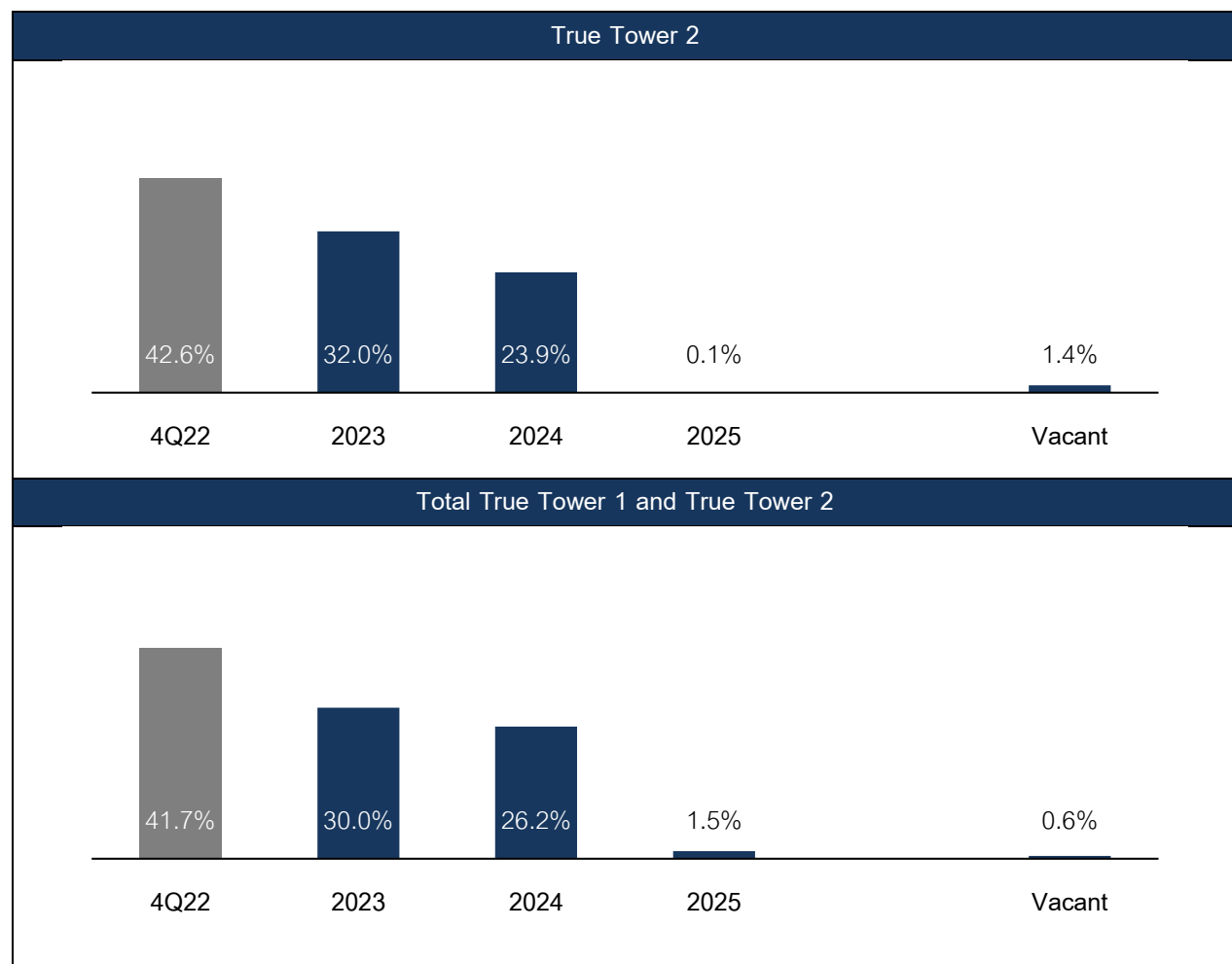
1.) Occupancy Rate at the end of FY2022

Utilization	Net Leasable Area (sqm) (1)	Occupied Area (sqm) ⁽¹⁾	Occupancy Rate
True Tower 1	37,270 ⁽¹⁾	37,270	100.0%
True Tower 2	25,041	24,684	98.6%
Total	62,311	61,954	99.4%

Remark (1) In 2022, B-WORK reclassified the leased area on the rooftop of True Tower 1 as a non-NLA area, according to the purpose of the area usage, and some of the rental areas had been renovated, resulting in the net lettable area of 37,270 square meters

2.) Remaining Term of Lease Agreement





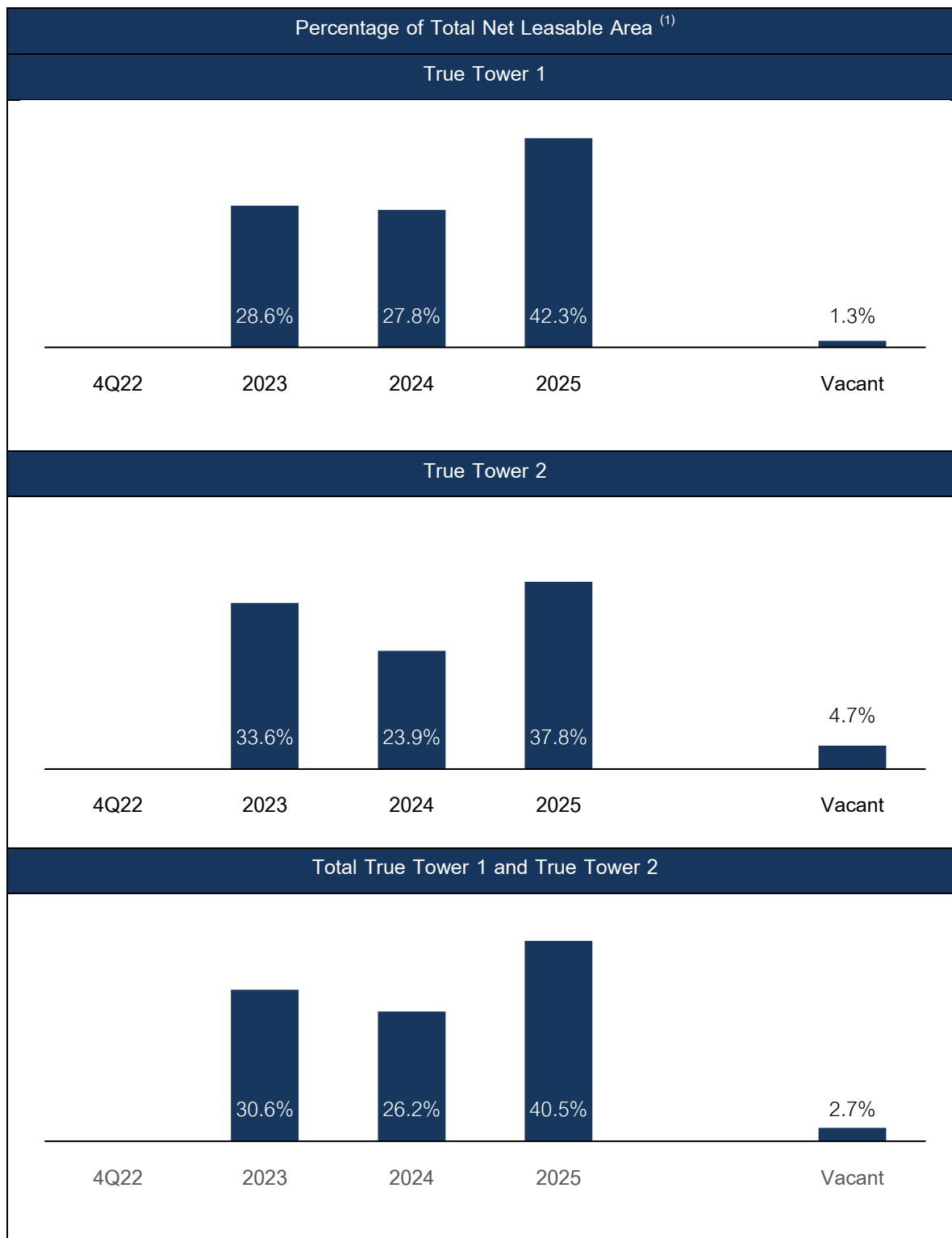
Remark (1) Information as of 31 December 2022 before renewal lease

3.) Lease Renewal Rate of Lease Expiration at the end of 2022

Project	Lease expiration at the end of 2022 (sqm)	Lease renewal rate (%) ⁽¹⁾
True Tower 1	15,333 (41.1% of Total Net Leasable Area)	96.8%
True Tower 2	10,665 (42.6% of Total Net Leasable Area)	92.2%
Total	25,998 (42.0% of Total Net Leasable Area)	94.9%

Remark (1) Information as of 31 December 2022

4.) Remaining Term of Lease Agreement After Renewal



Remark (1) Information as of 31 December 2022

5.) Average Rental Rate

Project	Average Rental Rate (THB/sqm/month) ⁽¹⁾			
	2019	2020 ⁽²⁾	2021 ⁽³⁾	2022
True Tower 1	627	646	668	691
True Tower 2	581	598	619	640
Total	608	627	648	670

Remark

(1) Information as of 31 December

(2) In 2020, ARR without rental rebate due to COVID-19 of True Tower 1 and True Tower 2 were 648 THB/sqm/month and 600 THB/sqm/month, respectively

(3) In 2021, ARR without rental rebate due to COVID-19 of True Tower 1 and True Tower 2 were 669 THB/sqm/month and 620 THB/sqm/month, respectively

5.) Type of Business of the Tenants

Type of Business	Percentage of Total Occupied Area
Information & Communication Technology	61.6%
Media & Publishing	20.3%
Electronic Components	8.7%
Professional Services	2.5%
Petrochemicals & Chemicals	2.5%
Transportation & Logistics	2.4%
Property Development	1.8%
Food & Beverage	0.2%
Total	100.0%

5. Borrowing

B-WORK entered loan contract with Bangkok Bank Public Company Limited under the following important conditions.

Lending Bank	Bangkok Bank Public Company Limited
Credit Applicant	Bualuang Office Leasehold Real Estate Investment Trust
Objective of Borrowing	For an investment in the core assets of the REIT
Credit Line	Long-term credit line of 920,000,000 Baht for investing in leasehold rights and M&E system of True Tower 1 and 2 Projects
Type of Interest Rate	Floating rate
Interest Rate	Not exceeding MLR (Minimum Loan Rate) -1.00% per annum whereas Minimum Loan Rate ("MLR") refers to the interest rate charged to prime customers and is a type of loan with fixed term of the lending bank.
Payment of Interest	Every 6 months on the last date of the month
Grace Period of Principal	The first principal repayment is commenced in the last date after 48 months counting from loan reimbursement.
Repayment Period	Repayment of principal every 6 months 1 st -12 nd Principal instalment Baht 25,300,000 per instalment 13 th Principal instalment Outstanding amount of total loan
Collateral	<ol style="list-style-type: none"> 1) No disposing or incurring encumbrance is allowed with True Tower 1 and True Tower 2 Projects (Negative Pledge) 2) Business security contract registration for True Tower 1 Project leasehold 3) Business security contract registration for rights to receive all rental payment of True Tower 1 Project and True Tower 2 Project 4) Property All Risks Insurance and Business Interruption Insurance whereas the bank is the co-beneficiary with the REIT

8. Management Structure

1. REIT Manager

1.1 General Information

Name	BBL Asset Management Company Limited ("BBLAM")
Type of Business	Management of mutual fund, management of private fund (being non-provident fund and provident fund), and being trustee under the Trust Act
License	Being approved to be the REIT Manager on February 15, 2017
Head Office Location	175 Sathorn City Tower, 7th, 21st and 26th Floor, South Sathorn Road, Thungmahamek, Sathorn, Bangkok 10120
Telephone	02-674-6488
Facsimile	02-679-5996
Website	http://www.bworkreit.com/
E-mail	bworkreit@bblam.co.th
Working Hours	8.30 hrs. to 17.00 hrs.
Registered Capital	100,000,000 Baht
Paid-Up Capital	100,000,000 Baht
Number of Issued and Called Shares	1,000,000 Shares
Par Value	100 Baht per Share

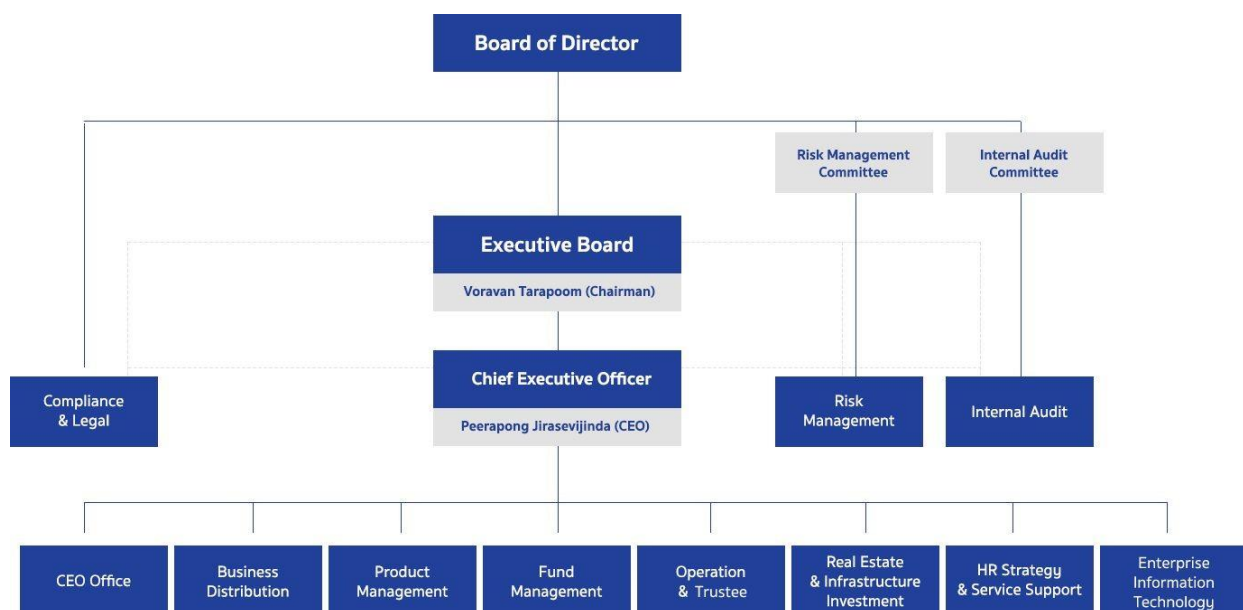
1.2 Management Structure

1.2.1 Shareholding structure of the REIT Manager as of December 31, 2022

No.	Name List	Share	Proportion (%)
1.	Bangkok Bank Public Company Limited	749,996	75.00
2.	Bangkok Life Assurance Public Company Limited	100,000	10.00
3.	Asia Financial Holdings Ltd.	100,000	10.00
4.	Bangkok Insurance Public Company Limited	50,000	5.00
5.	Ms. Chollada Sophonpanich	2	0.00
6.	Mr. Chone Sophonpanich	1	0.00
7.	Mrs. Voravan Tarapoom	1	0.00

1.2.2 The company's organizational structure

The organizational chart of the company, as the REIT Manager, comprises the following Board of Director and Executive Board:



1.2.3 Board of Director

No.	Name	Position	Education	Work Experience
1	Mrs. Voravan Tarapoom	Director / Chairman of Executive Board	- MBA University of North Texas	- Chairman of the Executive Committee, BBL Asset Management Company Limited
2	Mr. Peerapong Jirasevijinda	Director / Chief Executive Officer	- Master of Marketing and Finance Sasin Graduate Institute of Business Administration - Bachelor of Finance, Georgia State University	- Chief Executive Officer, BBL Asset Management Company Limited
3	Mr. Stephen Tan	Director	- Master of Business Administration, St.John's University - BA Rutgers University	- Executive Director, Asia Financial Group - CEO, Asia Commercial Bank Ltd
4	Ms. Suyanee Puripanyawanich	Director	- Master of Finance, National Institute of Development Administration	- Assistant Director, Bangkok Bank Public Company Limited
5	Mr. Paisarn Lertkowitz	Director	- Master of Commerce , Funds Management , University of New Southwales	- Assistant Director, Bangkok Bank Public Company Limited

No.	Name	Position	Education	Work Experience
6	Ms. Piyamart Kumsaikaew	Director	<ul style="list-style-type: none"> - Ph.D. in Industrial Engineering, Iowa State University - Master of Industrial Engineering, Iowa State University - Bachelor of Computer Engineering King Mongkut's Institute of Technology Ladkrabang 	- Vice President, Senior Bangkok Bank Public Company Limited
7	Mr. Wasin Wattanaworakijkul	Director	<ul style="list-style-type: none"> - Master of Marketing, Chulalongkorn University - Bachelor of International Marketing Chulalongkorn University 	- Managing Director, BBL Asset Management Company Limited
8	Mr. Chone Sophonpanich	Director	<ul style="list-style-type: none"> - Master Degree, Johns Hopkins University - Bachelor's degree, University College London 	- Director, Bangkok Life Assurance Public Company Limited
9	Mr. Natthapachara Chiarawongse	Director	<ul style="list-style-type: none"> - Ph.D. in Computer Science and Engineering, The University of Michigan - Ann Arbor, Michigan USA - Master of Computer Information and Control Engineering, The University of Michigan - Ann Arbor, Michigan USA - Bachelor's degree, Chulalongkorn University 	- Specialist Investment Advisor of the office of Insurance Commission

4.) Executive Board

No.	Name	Nationality	Position
1	Mrs. Voravan Tarapoom	Thai	Chairman of Executive Board
2	Mr. Peerapong Jirasevijinda	Thai	Chief Executive Officer
3	Mr. Chone Sophonpanich	Thai	Director
4	Ms. Suyanee Puripanyawanich	Thai	Director
5	Mr. Paisarn Lertkowitz	Thai	Director
6	Mr. Wasin Wattanaworakijkul	Thai	Director
7	Mr. Natthapachara Chiarawongse	Thai	Director

Authorized Signatory Directors on behalf of BBLAM as the REIT Manager

The authorized signatory directors on behalf of BBLAM as the REIT Manager include Mrs. Voravan Tarapoom, Ms. Suyanee Puripanyawanich, Mr. Paisarn Lertkowitz, Ms. Piyamart Kumsaikaew, Mr. Wasin Wattanaworakijkul, and Mr. Peerapong Jirasevijinda. Two of these six directors shall jointly affix the signatures and the company's seal.

Roles, Duties and Responsibilities

Duties and responsibilities of the Board of Directors are divided into two parts consisting of: (a) duty and responsibility of the Company's business operation, and (b) duty and responsibility toward the REIT under management. In part of duties and responsibilities toward the REIT, the Board of Directors has entrusted the duty in considering, reviewing, and approving to the Real Estate Investment Committee (REITCOM) as the operator, except the matter of the approval in accordance with the notification as per the following details.

(a) Duties and Responsibilities of the Board of Directors toward the Company

1. Perform duties in accordance with laws, objectives and Articles of Association of the Company, and resolution of the shareholders' meeting under honesty, diligence, and interest protection, and fair responsibility for the shareholders.
2. Formulate policy and direction of the company's operation, and monitor and supervise the Executive to efficiently and effectively execute in accordance with policies and rules under good corporate governance.

3. Report the shareholders for acknowledgement on the Company's turnover in the shareholders' meeting.
4. Execute to ensure effective and reliable financial report, internal control, and internal audit.
5. Control and supervise the Management for ethical and equitable treatment to all parties of stakeholders.
6. Being ready for independently exercising the discretion in considering determination of strategy of management, appointment of director, and determination of operating standard; and being ready for objection of act of other director or the Management, in the event of contradictory opinion in the matter that affects equality of every shareholder.
7. Consider proposing the meeting agenda in the event where it is deemed that there is the important matter that should be considered by the Board of Directors and has not yet filled in the agenda of the Board of Directors' meeting.
8. Consider selecting, appointing the director in replacement of the existing director who retires, and selecting and proposing the company's shareholders the appointment of the additional director.
9. Consider and approve the matter relating to the significant operation of the company, such as return payment to the company's shareholders, organizing the shareholders' meeting of the company, selection, nomination, and proposal of the remuneration of the company's auditor, etc.

(b) Duties and Responsibilities toward the REIT

1. Formulate the important policy of the REIT such as investment policy, asset leasing, selection of the property manager, etc.
2. Supervise and manage the reporting of the executive on the REIT's turnover, and various important issues, to the Board of Directors every quarter or in reasonable time.
3. Consider approving the entry into transactions in accordance with the notifications relating to acquisition of core assets and equipment of the REIT, and disposal of core assets and equipment of the REIT, and the entry into transactions with the related parties in accordance with the related criteria and regulations. The director who has gain and loss in any matter shall not have voting right on the said matter.
4. Consider approving the operating guideline for managing the potential risks of the REIT.
5. Supervise the REIT to ensure internal control in accordance with the criteria prescribed in internal control system of the REIT.

6. If the director acknowledges the material internal information that will affect change in the price of trust unit of the REIT. The director shall suspend trading of trust units of the REIT in the proper period prior to disclosure of information to public. The material information shall not be disclosed to another person. The violator may be punished according to law

5.) Risk Management Committee

Composition of the Risk Management Committee

- | | |
|---|------------------------|
| 1. Board of Director 1 person | Chairman |
| 2. Head of Risk Management | Director and Secretary |
| 3. Head of Compliance & Legal | Director |
| 4. Head of Research & Portfolio Solutions | Director |
| 5. Head of Business Distribution | Director |
| 6. Head of Operation & System | Director |

List of Risk Management Committee

Name	Position	Education	Work Experience
Mr. Paisarn Lertkowitz	Director	- Master of Commerce, Funds Management, University of New South Wales	- Assistant Director, Bangkok Bank Public Company Limited
Mr. Wasin Wattanaworakijkul	Director	- Master of Marketing, Chulalongkorn University - Bachelor of International Marketing Chulalongkorn University	- Managing Director, Business Distribution, BBL Asset Management Company Limited
Mr. Sutee Khantaruangsakul	Deputy Managing Director	- Bachelor of Laws, Thammasat University	- Deputy Managing Director, Compliance & Legal, BBL Asset Management Company Limited
Mr. Winai Hirunpinoyopard	Director	- Master's degree in Accounting, Ramkhamhaeng University - Bachelor of Accounting,	- Managing Director, Operation & Trustee, BBL Asset Management Company Limited

Name	Position	Education	Work Experience
		Ramkhamhaeng University	
Mr. Peet Yongvanich	Deputy Managing Director	<ul style="list-style-type: none"> - Master's degree in Economics and Finance, Texas A&M University - Commerce - Bachelor of Applied Statistics, Chulalongkorn University 	- Deputy Managing Director, Risk Management, BBL Asset Management Company Limited
Mr. Santi Thananiran	Deputy Managing Director	<ul style="list-style-type: none"> - Master of Business Administration (MBA), University of North Carolina (Chapel Hill) - Bachelor of Accounting, Chulalongkorn University 	- Chief Investment Officer, BBL Asset Management Company Limited

Roles, Duties and Responsibilities

The Risk Management Committee has duty to formulate policy and guideline of the overall risk management of the Company, control the Company's risk management system, and establish the mechanism of the efficient risk indication, measurement, control, and monitoring, and supervision, monitoring, and assessment of risk management process of the Executive to be in line with the determined policy as per the following details.

1. Establish overall risk management policy covering all types of key risks such as credit risk, market risk, liquidity risk, and operational risk, etc.
2. Establish risk management policy in consistency with strategy covering control, monitoring, assessment of risk management result, and supervising the degree of risk to be in proper degree.
3. Control, monitor and assess risk management, and review guideline of risk management, and determine risk control measure and risk tolerance.
4. Review the adequacy of the risk management policy and control, including effectiveness of the system and compliance with the formulated policy.
5. Regularly report performance result to the Board of Directors for improvement and correction in consistency with the formulated risk management policy and criteria.

6.) Internal Audit Committee

The internal audit committee consists of at least 2 directors who are not responsible for the day-to-day operations.

List of Internal Audit Committee

Name	Position	Education	Work Experience
Ms. Suyanee Puripanyawanich	Audit Committee	- Master of Finance, National Institute of Development Administration	- Assistant Director, Bangkok Bank Public Company Limited
Ms. Piyamart Kumsaikaew	Director	- Ph.D. in Industrial Engineering, Iowa State University	- Vice President, Senior Bangkok Bank Public Company Limited

Roles, Duties and Responsibilities

The Internal Audit Committee is responsible for overseeing and reviewing the accuracy of financial reports, evaluating the efficiency and sufficiency of the internal control system, risk management, supervising legal practice and other regulations related as well as giving independent opinions and suggestions for good corporate governance. The details are shown as follows:

1. Review the financial reporting to ensure that the financial reporting is accurate, reliable, and in accordance with generally accepted accounting principles, including an internal control system for the preparation of financial reports.
2. Review and evaluate the efficiency of the internal control system, review of audit work, acknowledge to comply with applicable laws, rules, and regulations, and acknowledge of risk management measures and risk management policies.
3. Preliminary fact checks when notified of suspicious behavior from the auditor regarding fraud or violating the law related to the performance of duties of directors and executives and report the results to the auditor and the office The SEC is informed within the time specified by the law.
4. Receive the facts from the auditor concerning any suspicious circumstances that a director, manager, or person responsible for the company's operations has committed an offense as specified in the Securities Act B.E. 2535 Section 89/25, investigate and report the results to the SEC and the auditor within 30 days from the date of being notified by the auditor

7.) Real Estate Investment Committee (REITCOM)

Composition of Real Estate Investment Committee

The Real Estate Investment Committee is the Committee set up under resolution of the Board of Directors' Meeting No. 3/2559 held on September 7, 2016, and approval of the Board of Directors to perform main duty in considering, reviewing, and approving the entry into transaction relating to acquisition of core assets and equipment of the REIT, disposal of core assets and equipment of the REIT, and entry into transactions with the related parties, prior to proposing to the Board of Directors; and considering, reviewing and approving the entry into other transactions which are significant for the management of the REIT in accordance with the related criteria and regulations.

At present, REITCOM consists of at least three members but not more than five members who are expert in various fields, such as the Chief Executive Officer, the top executive of Real Estate & Infrastructure Investment Unit, and at least another member by appointment but not more than three members. However, this set of Committee shall consist of at least one director.

List of Real Estate Investment Committee

Name	Position	Education	Work Experience
Mr. Peerapong Jirasevijinda	Director / Chief Executive Officer	<ul style="list-style-type: none"> - Master of Marketing and Finance, Sasin Graduate Institute of Business Administration - Bachelor of Finance, Georgia State University 	<ul style="list-style-type: none"> - Chief Executive Officer, BBL Asset Management Company Limited (Present) - EVP, SSEC Asset Management Securities Co.,Ltd. (2006 - 2009) - Vice President, BBL Asset Management Company Limited (2002 - 2004)
Mr. Wasin Wattanaworakijkul	Director	<ul style="list-style-type: none"> - Master of Marketing, Chulalongkorn University - Bachelor of International Marketing Chulalongkorn University 	<ul style="list-style-type: none"> - Managing Director, Business Distribution, BBL Asset Management Company Limited (Present) - Vice President, Marketing Department, Private Fund, MFC Asset Management Public Company Limited (1992 - 2007)

Name	Position	Education	Work Experience
Mr. Kunchid Pisuthichinawong	Deputy Managing Director	<ul style="list-style-type: none"> - Master of Finance and Real Estate, Georgia State University - Bachelor of Engineering Chulalongkorn University 	<ul style="list-style-type: none"> - Deputy Managing Director, Business Strategy, BBL Asset Management Company Limited (Present) - Senior Manager, Property Fund, MFC Asset Management Public Company Limited (2001 - 2008)
Mr. Pornchalit Ploykrachang	Deputy Managing Director	<ul style="list-style-type: none"> - Master of Finance, Long Island University - Bachelor of Accounting, West Virginia University 	<ul style="list-style-type: none"> - Deputy Managing Director, Real Estate & Infrastructure Investment, BBL Asset Management Company Limited (Present) - Senior Vice President, Investor Relations & Business Development, Pruksa Holding Public Company Limited (2012 – 2018)

Roles, Duties and Responsibilities

The scope of duties and responsibilities of REITCOM is as follows.

1. Perform the duty in reviewing and approving the investment strategy, management policy, and capital structure of the REIT under the company's management.
2. Perform the duty in reviewing and approving the significant suggestion on investment issues prior to proposing to the Executive Board as follows.
 - (1) Acquisition of core assets and equipment of the REIT
 - (2) Disposal of core assets and equipment of the REIT
3. Perform the duty in approving the entry into other transaction which is significant for the management of the REIT in accordance with the related rules and regulations such as approval of payment of the REIT distribution, etc.
4. Govern the operation of the REIT under the company's management to ensure investment strategy, management policy and capital structure as approved.
5. Enter transaction which is significant for management of the REIT or perform the duty in reporting the matter for an acknowledgement of the Board of Directors.

1.3 Duties and Responsibilities of the REIT Manager

BBLAM, on behalf of the REIT Manager, has the main duties and responsibilities in supervising and managing the REIT including asset investment of the REIT and controlling the performance of duties of the Property Manager. The REIT Manager shall have the duty to perform the tasks assigned by the Trustee, and as stipulated in the Trust Deed for interest of the unitholders, including but not limited to the following duties:

1.3.1 General Duties

- (1) The REIT Manager shall have the scope of power and duties as specified in the Trust Deed and REIT Manager Appointment Contract or as stipulated by the related laws and notifications. Such scope of power and duties shall be related to managing the REIT including asset investment of the REIT.
- (2) The REIT Manager shall have duty assigned by the Trustee in various matters as specified in the Trust Deed which also includes:
 - (a) Manage the REIT in relation to business operation, including investment, borrowing and incurring of encumbrances to the assets of the REIT, entering into contract agreement and any other operations for the REIT within the scope, rules and conditions stipulated in the Trust Deed and REIT Manager Appointment Contract.
 - (b) Prepare and disclose information of the REIT which also includes information under Section 56 and Section 57 of The Securities and Exchange Act and other information stipulated in the Trust Deed and REIT Manager Appointment Contract.
 - (c) Prepare and keep the information and documentations in relation to management, internal control and disclosure of information of the REIT upon reasonable cause and without effect on the operations of the REIT Manager. In the event where the Trustee wishes to audit any matter, the REIT Manager shall fully cooperate and submit the required information and documentary evidence to the Trustee, including inspecting real estate location as per requested by the Trustee for the Trustee's verification to ensure that the REIT Manager completely follows related laws or the terms and conditions stipulated in the Trust Deed and protects the benefits of the unitholders.
 - (d) Prepare and submit information and documents, including certifying correctness of such information and documents that are related to the revenue structuring of the REIT, procedures for leasing, procurement and collection of revenues and expenses that can be collected from the REIT, agreements in which the REIT Manager entered on behalf of the REIT with a company or other persons. In addition, the REIT Manager and The Trustee must coordinate and settle an agreement on the characteristics of information and

documentary evidence required for entering into transaction including reports, frequency and duration which the REIT Manager needs for submitting such information and documents to the Trustee for the benefits of regulating and auditing the operations of the REIT.

- (e) In the event where the REIT Manager wishes to delegate other persons to perform its duties, the REIT Manager shall be responsible for selecting such person with prudence, including monitoring, controlling, supervising and auditing the performance of duties of such person. Such delegation must not cause any material conflict or contradiction with Notification Sor.Chor. 29/2555 nor any other related laws and notifications.
- (f) Providing insurance approved by the Trustee to insure any potential liabilities possibly occurring from the business operation or duty performance of the REIT Manager, including the duty performance of directors, executives and employees of the REIT Manager throughout the approved period of being the REIT Manager. This, however, excludes liabilities to the third party resulting from intentional violation against such third party by the REIT Manager, director, executive and staff of the REIT Manager or severe intentional negligence which results in violation of the third party. Furthermore, insurance limit shall be as mutually deemed sufficient and appropriate by the Trustee and the REIT Manager.
- (g) In respect to entering into any transactions in relation to the properties of the REIT, the REIT Manager must ensure that the disposal and transfer of such properties or the entering into an agreement related to such properties for the REIT is proper and legally effective, and to ensure that the investment in such properties of the REIT has been carried out in appropriate manner by at least conducting self-evaluation in terms of readiness for management of such properties investment before accepting the position of the REIT Manager or before conducting additional investment in such properties as the case may be, including conducting analysis and feasibility study, and due diligence on such properties and assessment of other potential risks from the investment and setting up risk management guideline. The said risks shall also include risk relating to development or construction of real estate (if any), such as potential risk from delay construction and inability to procure benefits from the real estate, etc. The REIT Manager shall take any actions to acquire the assets or real estate additionally invested by the REIT in the event of capital increase for additional real estate investment within 60 (sixty) days from the date of completion of REIT establishment in the case of initial offering for sale of trust units and no establishment of the REIT or from the closing date of offering for sale of trust units for capital increase following the establishment of the REIT.

- (h) Organize the unitholders' meeting as per stipulated in the Trust Deed and may be authorized as a proxy of the unitholders to exercise voting right in the said meeting on the agenda items in which the REIT Manager has no conflict of interest. In the event of agenda items in which the REIT Manager has conflict of interest, the Trustee may be authorized as the proxy by the unitholders in lieu of the REIT Manager.

In respect to the performance of duties of the REIT Manager as per this Trust Deed and REIT Manager Appointment Contract, the REIT Manager shall have duty to operate with prudence to prevent any conflict of interest between the REIT and the REIT Manager. The REIT Manager must not have any interests that may be conflicting with the best interest of the REIT. In the event where conflict of interest occurs, the REIT Manager must demonstrate the available measures or mechanism for ensuring that the management of the REIT is carried out in fair manner without taking advantage of the REIT and must be in compliance with Notification Sor.Chor. 29/2555 and Notification Gor.Ror. 14/2555.

1.3.2 Management Duties for the REIT and the REIT Assets

1. For appropriate and efficient supervision and management of the REIT as assigned by the Trustee in accordance with related laws and notifications, the Trust Deed, and the REIT Manager Appointment Contract, and maintenance of benefits of the REIT and the overall unitholders, the REIT Manager shall set up quality work system under efficient check and balance on duty performance, and ability to completely support the responsible tasks, at least covering the following matters.
 - (1) Formulation of policies on the REIT management, structuring of the REIT's capital, real estate investment decision, investment selection consideration, determination of policy and strategy of procurement of benefits from real estate so that the assigned investment management prudently and carefully takes place in consistency with the policy of investment under the Trust Deed, and as stipulated in the related laws and notifications for maintaining the interest of the REIT and the overall unitholders.
 - (2) Administration and management of risks relating to supervision and management of the REIT as assigned for efficient risk prevention and management, compliance with the Trust Deed, and related laws and notifications and maintenance of benefits of the REIT and the overall unitholders.

- (3) Management of conflict of related interest particularly between the REIT and the REIT Manager and the related party of the REIT Manager, including operating measure or guideline for maintenance of best interest of the REIT or the overall unitholders upon occurrence of conflict of interest.
- (4) Selection of the REIT Manager's personnel and the delegated person in task in relation to the operation of the REIT (if any) to have the person with knowledge, competence, and qualification which are suitable for performing tasks, as stipulated by the related laws, notifications, Trust Deed and The REIT Manager Appointment Contract.
- (5) Governing the duty performance of the manager and the personnel of the REIT Manager, and monitoring and supervising the delegated person in task in relation to the management of the REIT to ensure the compliance as stipulated in the Trust Deed, The REIT Manager Appointment Contract, the related laws and notifications
- (6) Complete, proper and adequate disclosure of information as stipulated in the Trust Deed, The REIT Manager Appointment Contract, related laws and notifications
- (7) Back Office Operation
- (8) Internal audit and control
- (9) Investor communication and settlement of the investor complaint
- (10) Settlement of legal dispute

The REIT Manager may delegate other person to perform the matter in relation to business operation as the REIT Manager, under the rule prescribed in Clause 2 below.

2. In setting up all of the aforesaid work systems, the REIT Manager may delegate other person to execute the matters relating to business operation as the REIT Manager as necessary to promote more flexible and efficient business operation, as per the following rules.
 - (1) The delegation shall not be in the manner that may affect efficiency of performance of duties of the REIT Manager.
 - (2) The supporting measure shall be available for continuous business operation in the event of failure to further execution by the delegated executor.
 - (3) In the event where delegation of tasks relating to other asset investment of the REIT, the person that can legally execute shall be delegated.

The delegation of other person to be the delegated executor above shall not be the delegation of the systems and tasks under Clause 1 (1),(2), (3), (4) and (9) .

3. The REIT Manager shall administer and manage the REIT in accordance with the requirement of the Trust Deed, The REIT Manager Appointment Contract, and the underwriting of trust units proposition particulars regarding the offer for sale of trust units and prospectus, and maintain the interest of the unitholders.

Nevertheless, if the Trustee on behalf of the Trustee of the REIT enters into any agreement with the third party (such as loan agreement entered between the Trustee on behalf of the REIT's Trustee, and the lender, etc.). Such agreement prescribes that the Trustee on behalf of the REIT's Trustee shall be responsible for compliance with such agreement that may affect the operation of the REIT management of the REIT Manager. The Trustee shall notify terms and conditions of the agreement of which the REIT is bounded with the third party and may affect the operation of the REIT management of the REIT Manager for acknowledgement of the REIT Manager. After the REIT Manager has received such written notice from the Trustee, the REIT Manager shall observe the said terms and conditions as prescribed in the said written notice to avoid the breach of the REIT against any agreement entered by the REIT.

4. The REIT Manager shall select and conduct Due Diligence of properties which will be invested by the REIT with prudence and diligence. The information including documents, evidence in relation to selection, verification, and decision either on investment or not investment in any asset, shall be recorded and filed for the REIT. The selection and Due Diligence of the properties which will be invested by the REIT under this clause of the Trust Deed, the REIT Manager shall comply with the practical guideline of Real Estate Investment Trust Management in the Notification of the SEC and/or Office of the SEC under observance and compliance as minimum standard in perform of duties of the REIT Manager, and as prescribed in the Trust Deed and the REIT Manager Appointment Contract.
5. The REIT Manager shall execute to ensure professional management in finance and economic value of the REIT's assets for interest of the unitholders, for instance:
 - (1) Formulate strategy and policy of investment and risk management to be efficient and consistent with obligation prescribed in the Trust Deed, the underwriting of trust units

proposition particulars regarding the offer for sale of trust units and prospectus.

- (2) Supervise and manage the REIT in part of business operation, including investment, borrowing, and incurring of encumbrances to the assets of the REIT, entering into the contract agreement and any other operations for the REIT within the scope, rules and conditions as specified in the Trust Deed, the underwriting of trust units proposition particulars regarding the offer for sale of trust units and prospectus.
- (3) Invest in real estate which is consistent with objective of the REIT investment and in accordance with the Trust Deed, the underwriting of trust units proposition particulars regarding the offer for sale of trust units and prospectus, rules stipulated in Notification ThorJor.49/2555 as well as any other related notifications and orders as stipulated in the Notification of the SEC or the Office of the SEC.
- (4) Manage cash flow of the REIT.
- (5) Consider distribution payment of the REIT.
- (6) Provide insurance throughout the investment of the REIT in core assets to cover the contingent damage of the REIT's core assets. Such insurance must, at minimum, covers the insurance against loss that may occur to the properties, business interruption insurance, and third party insurance for the liabilities of third parties that may be damaged from the core assets or the operations on core assets in the insurance limit deemed sufficient and appropriate by the Trustee. The insurance must specify the REIT to be the beneficiary in such insurance (unless the event of third party insurance). In the event that the REIT invests to acquire leasehold right over real estate in the nature of sub-leasehold right, the REIT Manager shall execute to ensure the appropriate insurance limit of the assets invested by the REIT. If the REIT is not the beneficiary and the insured of such insurance due to any reason, such as entry to be the beneficiary and the insured of such insurance is in conflict with the requirement under main lease contract, the REIT Manager shall execute to ensure appropriate and adequate measure or mechanism in using indemnity to create assets which are newly invested by the REIT to further seek for benefits and/or compensate the REIT for loss of interest in possession of assets invested by the REIT.
- (7) Control the tenants to comply with the lease contract and service contract.

- (8) Control to ensure compliance with the related laws and notifications applicable with properties invested by the REIT, and supervise and execute to ensure that properties invested by the REIT are not used to operate the immoral or illegal business, as well as not allow the person with reasonable suspicion in using the said properties to use in immoral or illegal business operation, to lease the properties. In each lease, the REIT Manager shall be responsible for making agreement so that the REIT can cancel the lease contract if it appears that the tenant uses properties in such business operation.
 - (9) Manage and administer the space for service and leasable space, such as control the use of space service in high and suitable occupancy rate in accordance with market situation, and supervision of leasing for continuous renewal of the lease contract, or low space vacancy rate; negotiate with the tenant about the lease contract, review rental rate, cancel or renew lease contract for long-term lease, etc. to be in line with the requirement in loan agreement of which the REIT is the contractual party (if any), without depriving of the right of the Trustee to claim for occurred damage with the Trustee if it appears that the REIT Manager enters into such lease contract in the manner of breach of the requirement in loan agreement of which the REIT is the contractual party.
 - (10) Evaluate the past leasing and service to determine the condition of leasing and service, prepare the appropriate lease contract and service contract, evaluate accuracy and collection of revenue, rental fee, expense for recording allowance for doubtful accounts or writing off bad debt or recording bad debt recovery (in the event where money can be collected after writing off bad debt).
 - (11) Establish security system of the building and structure invested by the REIT such as fire alarm system, communication system, and emergency response plan.
 - (12) Formulate policy and action plan on administration, maintenance and renovation of the building and structure invested by the REIT.
6. The REIT Manager shall audit to ensure that the REIT has proper ownership and/or right in properties invested by the REIT, and the contract agreements entered by the REIT as the contractual party is legally prepared, and conditional or applicable in accordance with the

conditions stipulated in such contract agreements.

7. The REIT Manager shall establish filing system of all documentary evidence relating to the operation of the REIT and the company invested by the REIT, including but not limited to meeting invitation notice of the unitholders' meeting, the underwriting of trust units proposition particulars regarding the offer for sale of trust units, prospectus, Form 56-1 of the REIT, financial statements and documentation of bookkeeping of the account of the REIT and the company invested by the REIT, and compliance with the related laws and notifications applicable with the REIT and invested assets. Such information and documents shall be properly and completely stored and verifiable within at least 5 (five) years from the date of which such documents or information are prepared.
8. The REIT Manager shall properly and completely prepare and disseminate financial statements, annual report, and any other information in relation to the REIT. The dissemination shall be performed within the period specified in the Trust Deed, The REIT Manager Appointment Contract, the underwriting of trust units proposition particulars regarding the offer for sale of trust units, prospectus, including the related laws and notifications.

Nevertheless, the REIT Manager including directors and executives of the REIT Manager and the Property Manager with duty in connection with preparation and disclosure of the REIT-related information, shall be mutually responsible on the content of the information announced or disseminated to the unitholders and general investors. Audit system shall be established in order to ensure that the audited information disclosed in the underwriting of trust units proposition particulars regarding the offer for sale of trust units, prospectus, meeting invitation notice of the unitholders' meeting, advertising document, printed matter proclamation, or any other disseminated documents are accurate, complete, up-to-date, not lack of information that should be notified for acknowledgement, or have no statement that may cause misinterpretation on the operation or financial position of the REIT, and provide adequate information for investment decision, in accordance with the Trust Deed, and the related laws and notifications.

9. The REIT Manager shall supervise to ensure that the unitholders acquire proper and adequate information prior to exercise their voting rights in approving matters and acquire

such information in advance in the period specified in the Trust Deed, the underwriting of trust units proposition particulars regarding the offer for sale of trust units, prospectus, including the related laws and notifications.

10. The REIT Manager shall control and supervise to ensure compliance of the REIT with the related laws and notifications, or practical guideline issued by government agencies or other regulating organizations relating to the operation of the REIT.
11. The REIT Manager shall make distribution payment to the unitholders as stipulated in the Trust Deed, in other words, not less than 90 (ninety) percent of adjusted net profit of the fiscal year. The mentioned net profit is adjusted by the following transactions.
 - (1) Deduction of Unrealized Gain from value appraisal or verification of value appraisal of the REIT's assets, including adjustment with other transactions in accordance with the guideline of the Office of the SEC to be consistent with cash position of the REIT.
 - (2) Deduction with reserve transaction for repayment of loan or borrowing obligation of the REIT in financial limit specified in the underwriting of trust units proposition particulars regarding the offer for sale of trust units, prospectus, or Form 56-1 as the case may be.

Moreover, this also includes additional conditions as stipulated in the Trust Deed. The payment shall be made within 90 (ninety) days from the ending date of fiscal year or accounting period of which the distribution payment is made, as the case may be. However, the distribution will not pay to the unitholders in the event where the REIT remains having accumulated deficit balance.

12. In the event where the Trust Deed prescribes that the REIT Manager can disburse assets of the REIT. Such disbursement can be performed particularly in the event of disbursement from daily operation account and Petty cash account under financial limit approved by the Trustee in requisition of expense from the REIT. The REIT Manager is the authorized person of the Trustee to sign on behalf of the Trustee under approval of the Trustee. The REIT Manager shall prepare and submit disbursement report to the Trustee so that the Trustee can audit such transactions within the period deemed appropriate by the Trustee, and submit Invoice, Receipt, and/or evidence indicating details of the list of such expenses to the Trustee. The Trustee that performs on behalf of the REIT shall verify, consider and make

payment into daily operation within 7 (seven) days from the date of which the Trustee has completely received such documentary evidence.

The REIT Manager is responsible for storing documentary evidence in relation to the management of the REIT, including affirmative documentation of petty cash payment, and original of receipts for expenses for at least 5 (five) years period from the date of which such documents are prepared to be in valid and complete condition to be ready for audit of the Trustee.

The REIT Manager and the Trustee may mutually consider extending or reducing financial limit of daily operating account and petty cash account above, by considering the suitability of the REIT's operation for best interest of the REIT.

13. The REIT Manager shall prepare, and/or submit and certify the accuracy of the information relating to the management of the REIT under responsibility of the REIT Manager in accordance with The REIT Manager Appointment Contract, the Trust Deed and the related laws and notifications, or as deemed appropriate by the Trustee, including but not limited to just information relating to calculation of Net Asset Value (NAV), and reporting of real estate appraisal, to the Trustee and/or the Office of the SEC.
14. In the event where the loss of the REIT's asset, the REIT Manager shall be responsible for taking any action to monitor and take back the said asset to be under possession of the REIT as before.
15. The REIT Manager shall be responsible for examining and taking any action as appropriate to make the borrowing proportion of the REIT to be in line with the condition of the loan agreement and consistent with rules in the Notification ThorJor.49/2555 or related laws and notifications.
16. The REIT Manager shall prepare the borrowing plan for the REIT as follows.
 - (1) Prepare a long-term borrowing plan for repayment of the existing loan (refinancing) before the maturity of loan liability under the effective long-term loan agreement at least 1 (one) year.
 - (2) Prepare a short-term working capital credit line review plan for working capital used in business operations in the money market for comparison with the condition of the existing effective loan agreement of short-term working capital credit line.

The REIT Manager shall propose the matter of the borrowing to the Trustee for approval consideration on case by case basis in accordance with the Trust Deed.

17. The REIT Manager shall be responsible for remarking the opinion to the related official about attributes or characteristics of real estate invested by the REIT upon request of the related agencies.
18. The REIT Manager shall change, restore, and modify core assets as necessary and appropriate in the extent that is not in conflict or contradiction with the Trust Deed, the related laws and regulations, and Benefits Procurement Contract of the REIT, under advance notice to the Trustee.
19. The REIT Manager shall control and supervise the management of core assets, and procurement of benefits from core assets, as well as management in the event of an emergency occurrence, and refurbishment of properties as necessary. The REIT Manager shall notify the Trustee for advance notice in the event of major refurbishment.
20. The REIT Manager shall be responsible for managing and procuring benefits from other assets of the REIT apart from core assets, and taking any other necessary actions so that the management of other assets of the REIT apart from core assets is in line with the annual operating plan, the Trust Deed, The REIT Manager Appointment Contract, and related laws and notifications.
21. The REIT Manager shall be responsible for jointly taking any actions together with the Trustee to ensure the Trustee's acquisition of license, permit, indulgence letter, and/or any other related and necessary documents in procurement of benefits from core assets.
22. The REIT Manager shall be responsible for facilitating the Trustee or the person assigned by the Trustee to examine core assets within working days and working hours of the REIT Manager, and providing information, statement, and/or submitting any documents relating to the management of the REIT upon request of the Trustee in case of necessity and appropriateness.
23. The REIT Manager shall be responsible for facilitating the asset valuation company to appraise the assets of the REIT or the person assigned by the said asset valuation company in surveying core assets for appraisal, and providing information, statement and/or submitting any documents relating to the management of the REIT upon request of the asset

valuation company in case of necessity and appropriateness.

24. The REIT Manager shall be responsible for preparing any documentary evidence under possession of the REIT Manager in relation or connection with core assets, and/or under possession on behalf of the REIT, including accounting documentary evidence in relation or connection with the REIT so that the Trustee or the person assigned by the Trustee and/or the auditor can audit within working days and working hours of the REIT Manager. Upon request of the Trustee or the person assigned by the Trustee and/or auditor, the REIT Manager shall submit all of any documents in relation or connection with the REIT upon request of the Trustee and/or the auditor (as the case may be) within 15 (fifteen) working days from the date of which the said request has been acknowledged or should be acknowledged, unless reasonable ground or otherwise agreed by the contractual parties.
25. The REIT Manager shall be responsible for notifying the Trustee for acknowledgement within reasonable period on defect of core assets, including equipment and facilities or upon occurrence of any circumstances that cause significant reduction of value of core assets.
26. The REIT Manager shall be responsible for taking any other actions as the REIT considers and deems necessary and appropriate to make core assets to be in good and available condition for procurement of benefits, or in accordance with the intention of The REIT Manager Appointment Contract in all respects, and providing advices on market situation in the event where the REIT wishes to dispose or transfer leasehold right in core assets.
27. Apart from delegating the Property Manager to execute tasks under responsibility of the REIT Manager, in the event where the REIT Manager wishes to delegate other person to execute tasks under its responsibility apart from the Property Manager, such as delegating other person to manage other assets besides core assets of the REIT, the REIT Manager shall select the delegated executor with prudence and diligence, as well as govern and audit the execution of the delegated executor. The requirement of such delegation must not cause any material conflict with Notification Sor.Chor. 29/2555 nor any other related notifications as prescribed by the SEC or the Office of the SEC.

1.3.3 Duty of Contracting in Procurement of Benefits in Properties of the REIT

- 1 The benefits from core assets which are properties shall be procured by leasing and/or sub-leasing of the properties only. Total value of the properties shall not be less than 75 (seventy-five) of total value of trust units offered for sale, including loan amount (if any).
- 2 The REIT Manager shall be responsible for controlling, supervising and establishing measure of control, supervision, and taking any necessary and appropriate actions on behalf of the REIT Manager to ensure compliance of the tenants, sub-tenants (if any), and/or third parties relating to the management of core assets, with duties, conditions and/or agreements prescribed in the lease contract, sub-lease contract (if any), and/or contract relating to core assets, including rules, criteria, regulations or any other requirements of core assets, or policy relating to core assets.
- 3 The REIT Manager shall be responsible for preparing the lease contract of space, service contract, outsourcing contract for the external service provider, and any other contracts relating to core assets (if any).

1.3.4 Delegating the Property Manager for Operation in Tasks under Responsibility of the REIT Manager

In the event where the REIT Manager wishes to delegate the Property Manager to operate tasks under responsibility of the REIT Manager, the REIT Manager shall be responsible for selecting the Property Manager with prudence and diligence in order to acquire the Property Manager that has keen qualification, knowledge, competence, and experience in property management of the REIT, prepare the Property Manager Appointment Contract in consistency and not in conflict with the Trust Deed, and control, supervise, govern and audit the performance of duties of the said Property Manager so that the performance of duties and responsibilities are in accordance with what are stipulated in this Trust Deed, The Property Manager Appointment Contract, as well as the related laws and notifications in order to maintain the best interest of the unitholders. The following operation shall be at least carried out.

1 Selection of the Property Manager

In respect to the delegation or appointment of the Property Manager to manage properties invested by the REIT, such as daily supervision in sales, marketing, and management on such real estate, the REIT Manager shall carry out at least the following matters.

- (1) Evaluate and analyse the past experience, reputation and achievement of the Property Manager in various matters such as capability to seek for tenants, debt collection,

maintenance of interior assets, administration system of the leasable space, service care for tenants and service users, internal control for prevention of revenue leakage, and circumspect control of expense requisition, etc. Furthermore, the internal control system of the Property Manager shall be in line with the minimum requirement under the practical guidelines of Real Estate Investment Trust Management stipulated by the Notifications of the SEC and/or the Office of the SEC.

- (2) Consider the sustainability of the rate of remuneration for the Property Manager that must be determined based on capability level in duty performance, in order to create an incentive for the Property Manager to attempt to enhance revenues and reduce expenses of the REIT.
- (3) Set up a mechanism to allow the alteration of the Property Manager by the REIT in the event of the Property Manager's breach of conditions, the Trust Deed, The Property Manager Contract, or the related laws and notifications, or unsatisfactory management result.
- (4) Establish a system for regular monitoring, auditing, and assessing the internal control system of the Property Manager to ensure an effectiveness of the existing internal control system, ability to prevent corruption, and easily detect corruption or non-compliance with an internal control system, such as determining the auditor of the Property Manager to assess internal control system of the Property Manager during auditing, and report weakness or fault of the internal control system for acknowledgement of the REIT Manager, etc.

Nevertheless, the REIT Manager may consider prescribing in The Property Manager Appointment Contract that the Property Manager shall be responsible for damage occurred with the REIT's benefits as the result of negligence of the Property Manager in control system, resulting in easy occurrence of corruption.

- (5) In the event where the REIT Manager detects that the Property Manager fails to perform the duties as prescribed in The Property Manager Appointment Contract or performs any act or omits to perform any act, resulting in lack of credibility in performance of duties in accordance with The Property Manager Appointment Contract, the REIT Manager shall cancel The Property Manager Appointment Contract of the said Property Manager so that

the REIT Manager can enter to operate in replacement, or select the new Property Manager to replace the existing one.

Furthermore, in the event where the REIT Manager allows the real estate of the REIT to be leased by single tenant whereas the REIT gains distribution in whole or in part in form of profit sharing, the REIT Manager shall establish selecting, monitoring and auditing system on the duty performance of this single tenant in same manner as delegation or appointment of the Property Manager above in order to ensure that this single tenant can completely pay rental fee to the REIT in accordance with the conditions of the lease contract and non-leakage of revenue, possibly resulting in not gaining full distribution by the REIT as assumed by the REIT.

- (6) In the event where the Trustee detects that the Property Manager fails to perform duties as stipulated in The Property Manager Appointment Contract or perform any acts or omits to perform any acts that cause lack of credibility in performance of duties in accordance with the Property Manager Appointment Contract, the Trustee may notify the REIT Manager for acknowledgement by writing regarding to the said circumstance so that the REIT Manager can cancel The Property Manager Appointment Contract of the said Property Manager, and can enter to operate in replacement or select the new Property Manager in replacement of the existing one.

2 Supervision of Duty Performance of the Property Manager

The REIT Manager shall be responsible for supervising the management and duty performance of the Property Manager to maintain best interest of the unitholders and general investors. The REIT Manager shall be particularly responsible for controlling and managing revenues and expenses of the REIT so that the REIT's distribution is in accordance with the setting target. The measure of supervision and duty performance of the Property Manager is as follows.

- (1) The REIT Manager shall participate in preparing or considering the approval of the annual budget preparation plan of the Property Manager to show details of revenues and expenses that quite certainly occur in each month to avoid undesirable expenses, set target of monthly and yearly revenue generation, and monitoring, controlling and supervising to ensure revenues and expenses of the REIT in line with setting annual budget plan approved by the Trustee.

- (2) The REIT Manager shall consider or review business strategy planning, marketing and underwriting promotion plan, and operating plan in various areas of the property Manager so that the REIT can increase revenue generation, mitigate risk from fluctuation of rental revenue for the REIT, and coordinate, monitor and control the Property Manager to operate in various areas in accordance with the determined strategy and work plan.
- (3) The REIT Manager shall consider or review the selection guideline of the major tenants and service providers and plan the apportionment on type of business of the tenants of assets invested by the REIT. The said guideline and plan are prepared by the Property Manager to restrict and control risk or fluctuation of rental revenue in each year.
- (4) The REIT Manager shall consider and review the formulation of rental fee policy of the Property Manager for suitable rate of rental fee based on leasing and service market situation at that time, govern and monitor the Property Manager to operate in accordance with the said policy, and govern and monitor the Property Manager to operate in accordance with the agreement made with the tenants on calculation and payment of rental fee.
- (5) The REIT Manager shall enter to audit control system of maintenance or refurbishment expense of equipment or building invested by the REIT in order to assess the suitability of refurbishment or replacement in order to ensure that such expense is not wasteful and causes true benefit to the REIT.
- (6) The REIT Manager shall access the suitability of the control system in relation to procurement of the Property Manager so that the REIT can receive goods or services which are worthwhile. Excessive expenses shall not be collected from the REIT and shall be in accordance with the framework stipulated in the Trust Deed, the related laws and notifications, and commitments additionally provided in documents which are disclosed for benefit of offering for sale of trust units to the investors, and resolution of the unitholders.
- (7) The REIT Manager shall assess, monitor and control the revenue collection of the Property Manager for the completed receipt of rental revenue by the REIT.
- (8) The REIT Manager shall determine that the Property Manager shall be responsible for monitoring, controlling and supervising the tenants and the service users to completely

and properly pay taxes required by law, and governing and monitoring the Property Manager to perform such duties.

- (9) The REIT Manager shall analyse irregularity of the management of the Property Manager, and randomly audit the operation of the Property Manager without advance notification.
- (10) The REIT Manager shall regularly select, monitor, audit and assess internal control system of the Property Manager.

Moreover, the REIT Manager shall establish monitoring and controlling system and randomly audit to ensure the compliance of the Property Manager at least with the following rules.

- (a) Completely and properly collect revenue and deliver to the REIT.
- (b) Omit to collect expenses from the REIT more than necessity and within the framework determined by this Trust Deed to be collectible.
- (c) Adequately and properly supervise, refurbish and maintain assets of the REIT so that benefits can be continuously procured in long run.
- (d) Prepare an emergency plan to support emergency or circumstance which is unpredictable or may seriously affect the operation of the REIT or the Property Manager; and
- (e) Take action in accordance with a measure for the prevention of conflict of interest that may occur between the Property Manager and the REIT.

1.4 Administration

BBLAM consists of 11 departments that perform the duties in supporting tasks in relation to being the REIT Manager. The scope and duties and responsibilities can be summarized as follows.

1.) Real Estate and Infrastructure Investment Department

Real Estate and Infrastructure Investment Department is the department under control and supervision by Mr. Pornchalit Ploykrachang, Deputy Managing Director. There are four sections as shown below:

1. Infrastructure Fund Section
2. Property Fund Section
3. Technical Asset Inspection
4. Real Estate Investment Trust (REIT) Section is the section with key responsible duty in the management of the REIT on behalf of the REIT Manager.

2.) Compliance & Legal Department

Compliance & Legal Department is the department under control and supervision by Mr. Sutee Khantaruangsakul, Deputy Managing Director, responsible for auditing the duty performance of the REIT Manager and govern the performance of the REIT Manager to be in accordance with the stipulated guideline under the principle of trust such as establishment of the REIT in accordance with regulations of the Office of the SEC, and tasks in relation to general laws.

3.) Operation & Trustee Department

Operation & System Department is the department under control and supervision by Mr. Winai Hirunpinyopard, Managing Director, responsible for preparing the REIT's financial statements and/or other related works.

4.) Product Management Department

Product Management Department is the department under control and supervision by Ms. Wipharat Setkit, Deputy Managing Director, responsible for planning, preparing, and carrying out the advertising and public relations tasks in relation to REIT management task such as advertising media, the trust unitholders' meeting, and other advertising and public relations tasks upon occasional request, etc.

5.) CEO Office Department

CEO Office Department Communications is the department under control and supervision by Mr. Kunchid Pisuthichinawong, Deputy Managing Director, responsible for preparing the financial statements of the REIT Manager.

6.) Risk Management Department

Risk Management Department is the department under control and supervision by Mr. Peet Yongvanich, Deputy Managing Director, responsible for managing risks, propose risk management policy to the Risk Management Committee and the Board of Directors for consideration and approval, and apply the framework of risk management as basis and guideline of risk assessment and reporting, and transmit to the executives and staffs for acknowledgement.

7.) Internal Audit Department

Internal Audit Department is the department under control and supervision by Ms. Sirima Prapapanich, Deputy Managing Director, responsible for checking and evaluating the adequacy of the internal control system related to the operating system of the REIT Manager.

8.) Enterprise Information Technology Department

Enterprise Information Technology Department is the department under control and supervision by Mr. Chansit Siritanachot, Ph.D., Assistant Managing Director, responsible for Supporting information technology systems as well as fixing problems caused by computers devices and network.

9.) Business Distribution Department

Business Distribution Department is the department under control and supervision by Mr, Wasin Wattanaworakijkul, Managing Director, responsible for answering questions and/or providing information to trust unitholders through the Client Relationship Management system.

10.) Fund Management Department

Fund Management Department is the department under control and supervision by Mr. Santi Thananiran, Deputy Managing Director, responsible for supporting in liquidity management of the REIT.

11.) HR Strategy & Service Support Department

HR Strategy & Service Support Department is the department under control and supervision by Mrs. Ubolrat Busyakanistha, Deputy Managing Director, responsible for the coordination and carry out human resource management.

1.5 Disclosure of Information about the Head of the Compliance Department/ Head of Internal Audit Department

1.5.1 Head of Compliance & Legal Department

- 1) Mr. Sutee Khantaruangsakul is the person with highest responsibility of Compliance & Legal Department to oversee and ensure compliance with the regulations of the supervisory authorities.

Mr. Sutee possesses qualifications of the Head of Compliance & Legal Department as follows:

Name	Educational Background	Work experiences and Related Trainings	Duties and Responsibilities
Mr. Sutee Khantaruangsakul	Bachelor of Laws, Thammasat University	<u>Work experiences</u> Deputy Managing Director, Head of Compliance & Legal BBL Asset Management Co., Ltd. <u>Related Trainings</u> Compliance Refresher Course	Be the center for overseeing the business operations of Management Company to be in compliance with laws, rules, regulations, policies and directives of related authorities such as the Office of the SEC, the SET or other authorities related to the business operations of the Management Company

- 2) The Board of Directors' Meeting No. 6/2012 considered the qualifications, education, work experiences and related trainings of Mr. Sutee Khantaruangsakul and resolved to appoint him as the person with highest responsibility of Compliance & Legal Department to oversee and ensure compliance with the regulations of the supervisory authorities.
- 3) The Compliance & Legal Unit which handles regulatory compliance work shall report directly to the Board of Directors of the Management Company. As such, the appointment, removal, and transfer of the individual appointed to head this unit shall require approval from the Board of Directors.

1.5.2 Head of Internal Audit Department

- 1) Ms. Sirima Prapapanich is the person with highest responsibility of Internal Audit Department to audit and assess the adequacy of the internal system relating to various functional operations. Miss Sirima possesses qualifications of the Head of Internal Audit Department as follows:

Name	Educational Background	Work experiences and Related Trainings	Duties and Responsibilities
Ms. Sirima Prapapanich	<u>Master's degree:</u> Business Administration, Assumption University <u>Bachelor's degrees:</u> Bachelor of Accounting, Assumption University <u>Bachelor's degrees:</u> Bachelor of Laws, Sukhothai Thammathirat Open University	<u>Working Experiences</u> - Assistant Managing Director, Head of Internal Audit, BBL Asset Management Co., Ltd. - Head of Internal Audit Tokio Marine Insurance Thailand PCL. <u>Related Trainings</u> - COSO Internal Control IT risk and IT Governance	Independently audit and assess various operational functions to ensure that the internal control system effectively and efficiently operates as well as to provide suggestions to improve the operations to be concise and appropriate.

- 2) The Board of Directors' Meeting No. 4/2017 considered the qualifications, education, work experiences and related trainings of Ms. Sirima Prapapanich and resolved to appoint her as the person with highest responsibility of Internal Audit Department to audit and assess the adequacy of the Company' internal audit system
- 3) The Internal Audit Department is the independent unit with duties to audit various operational functions and directly controlled by the Audit Committee, therefore, the appointment, dismissal and rotation of this Department Head have to be approved by the Audit Committee

1.6 Functional Fees of the REIT Manager

Throughout the term of the REIT Manager Appointment Contract, the REIT Manager shall receive functional fees of the REIT Manager which are divided into three portions as follows.

Fees and Expenses Collected from the REIT	Ceiling % of NAV	Expected Collection Rate (Excluding VAT)
Portion 1 REIT administration fee	Not exceeding 1.00% per year of NAV	Not exceeding 0.50% of TAV but not lower than 8 million Baht per year
Portion 2 Property Management Fee	See detail of fees of the Property Manager	
Portion 3 Core Asset Acquisition or Disposal	Not exceeding 5.00% per year of NAV	Not exceeding 1.00% of acquired or disposed core asset value

2 The Property Manager

2.1 General Information

Name	True Properties Company Limited
Registration Date of the Company	July 2, 1992
Establishment	
Paid-Up Registered Capital	7,059,000,000 Baht
Type of Business	Engage in the business for space leasing of office buildings in Bangkok, and office buildings in the region, and providing interior services and furniture leasing.

Shareholders The name list of shareholders as of December 31, 2022 is as follows.

Name List	Number of Holding Shares (Shares)	Proportion (Percent)
1. Thana Telecom Co., Ltd.	40,079,998	56.78
2. CP Property Holding Co., Ltd.	30,510,001	43.22
3. Mr. Voravit Chanethanakul	1	0.00

Head Office Location	True Tower 1, No. 18, Ratchadapisek Road, Huai Khwang, Huai Khwang, Bangkok
Telephone	02-858-1188
Facsimile	02-858-1480

The Board of Directors

1. Mr. Suphachai Chearavanont
2. Mr. Kachorn Chiaravanont
3. Mr. Natwut Amornvivat
4. Ms. Narumol Tanedsounthron
5. Mr. Chartiwudh Tanchanpong
6. Mr. Ruengkiarti Choavaratana
7. Mr. Somkiat Vipusanamungkla
8. Mr. Prasert Chiarakul
9. Ms. Netima Urthamapimuk
10. Mr. Thanasorn Jaidee

Board of Directors who signs in binding

The signatory authorized directors of True Properties consisting of Mr.Suphachai Chearavanont, or Mr.Kachorn Chiaravanont, or Mr.Natwut Amornvivat, or Ms.Narumol Tanedsounthron, or Mr.Chartiwudh Tanchanpong, or Mr.Ruengkiarti Choavaratana, or Mr.Somkiat Vipusanamungkla, or Mr.Prasert Chiarakul, or Ms.Netima Urthamapimuk, or Mr.Thanasorn Jaidee, shall counter sign in total of two directors, and affix the company's seal.

2.2 Duties and Responsibilities of the Property Manager**2.2.1. Duty of Property Management**

- 1) Procure benefits from assets invested by the REIT in accordance with the policy of the REIT Manager for the best interest of the REIT
- 2) Refurbish, renovate, and maintain assets invested by the REIT to be in good and available condition in procurement of benefits, and audit the compliance with the related laws
- 3) In respect to preparation of accounting and report, management documents, and internal audit, account and reports shall be prepared as appropriate, and any documentary evidence relating to Gross Operating Revenue of the REIT and Operating Expenses to be submitted to the REIT
- 4) In respect to marketing operation, the necessary advertising plan for the REIT shall be established in accordance with what is stipulated in the approved annual operating plan

2.2.2 Duty of Information Disclosure

Information relating to management and benefits procurement of assets invested by the REIT shall be disclosed to the REIT and the Trustee in accordance with rules and procedures prescribed by the REIT Manager.

2.2.3. Duty of Compliance with Rules Relating to Transaction with the Related Party of the REIT

The rule of the REIT management in the matter of transactions with the related party of the REIT shall be complied whereas the Property Manager shall perform duties under concern on the best benefits of the REIT and the unitholders.

2.2.4. Duty of Cooperation with the REIT Manager and the Trustee

The cooperation shall be given to the REIT Manager or the Trustee in compliance with a supervision system for the Property Manager. Upon a property inspection by the REIT Manager or the Trustee, the Property Manager shall prepare to provide information, statement, and/or submit any documents as requested by the REIT Manager or the Trustee in case of necessity and appropriateness.

2.2.5. Duty of Prevention of conflict of interest

The Property Manager shall have duty to establish, comply with and update the measure for prevention of conflict of interest and maintenance of best interest of the unitholders, and disclose potential conflict of interest that is proper, complete, and consistent to fact for acknowledgement of the REIT Manager and the Trustee. In addition, the Property Manager shall not take any actions that conflict with interest of the REIT as per details stipulated in The Property Manager Appointment Contract.

2.2.6. Delegating Other Person for Performance of Duties and Supervision (Outsourcing)

The Property Manager may delegate other person to perform some part of duties of the Property Manager to the extent that it is not in conflict with the laws, regulations, rules, or any notifications applicable with the REIT, the Property Manager, the REIT Manager, and the Trustee, and in accordance with rules stipulated in the policy in relation to delegation of work and outsourcing.

2.2.7. Work System Relating to Performance of Duties of the Property Manager

The Property Manager shall have duty to comply with, improve and disclose information relating to work systems in relation to performance of duties for efficient performance of duties, and for best benefits of the REIT and the overall unitholders.

2.3 Functional Fee of the Property Manager

The Property Manager shall receive fees for performance of duties of the Property Manager whereas the said fees are divided into three portions as follows.

Fees and Expenses Collected from the REIT	Ceiling % of NAV	Expected Collection Rate (Excluding VAT)
Portion 1 Standard Fee	Not exceeding	Not exceeding 3.00% of operating revenue per project
Portion 2 Additional Fee	3.00% pa of NAV	Not exceeding 10.00% of Adjusted Gross Operating Profit from Real Estate per project
Portion 3 Contract Service Fee		Not exceeding 3-month revenue from space rental and/or service fees in case of new contract or current contract renewal for lease or service provision of space, including procurement of benefits from the REIT's assets within 3-year contract term and varying according to contract term

3 Trustee

3.1 General Information

Name	Krung Thai Asset Management Public Company Limited ("KTAM")
License	KTAM has been granted for Trustee Business License on January 23, 2014
Location of Head Office	No. 1 Empire Tower, 32nd Floor, South Sathorn Road, Yannawa, Sathorn, Bangkok 10120
Telephone	02-686-6100
Facsimile	02-670-0430
Website	www.ktam.co.th

3.2 Duties and Responsibilities of the Trustee

The Trustee shall have duty to manage the REIT with honesty, professional diligence, and expertise, and fairly treat the unitholders for best interest of the overall unitholders in accordance with the Trust Deed, as well as related laws and notifications as follows.

- 1) Oversee the Trust Deed to have materiality in accordance with related laws. In amendment of the Trust Deed, the procedures and conditions prescribed in the Trust Deed, and rules prescribed in related laws, shall be observed. Nevertheless, if the aforesaid is not observed in amendment, the Trustee shall carry

out in accordance with power and duties specified in the Trust Deed, and under Trust Act in order to oversee and maintain the privilege of the overall unitholders. If in the event of subsequent amendment in rule of offering for sale of trust units or management of the REIT issued in accordance with Securities Act and Trust Act, and non-compliance of the Trust Deed's requirement with such rule, the Trustee shall carry out to amend the Trust Deed to comply with the said rule and procedure stipulated in the Trust Deed or as ordered by the Office of SEC under Section 21 of Trust Act.

- 2) Oversee to ensure that management of the REIT is performed by the REIT Manager under consent of the Office of the SEC throughout the establishment term of the REIT unless the event of the REIT Manager's failure to perform duties and the participation of the Trustee in management of the REIT as necessary to prevent, restrain or limit in order to avoid the occurrence of severe damage against the interest of the REIT or overall unitholders, and take action under the authority in this Trust Deed and Trust Act to provide new the REIT Manager.
- 3) Oversee and take any necessary actions so that the REIT Manager and the delegated person (if any) shall have characteristics and comply with rules prescribed in the Trust Deed, other related agreements (if any), and related laws, including discharge of the existing REIT Manager, and appointment of the new REIT Manager or the new delegated person (if any).
- 4) Control the investment of the REIT in accordance with the Trust Deed and related laws.
- 5) Control to ensure the disclosure of proper and complete information of the REIT as stipulated in the Trust Deed and related laws.

3.3 Functional Fee of Trustee

Throughout the term of the Trust Deed, the Trustee shall receive a functional fee as trustee, and custodian of assets in fee rate of not more than 0.50% of total asset value. The minimum rate is defined at 4 million Baht per year.

4. Other Contact

4.1 Registrar

Name	Thailand Securities Depository Company Limited
Address	The Stock Exchange of Thailand Building 93 Ratchadaphisek Road, Dindaeng, Dindaeng, Bangkok 10400
Telephone	0-2009-9000

4.2 Auditor

Name	KPMG Phoomchai Audit Ltd.
Address	50 th – 51 st Floor, Empire Tower 1 South Sathorn Road, Yannawa, Sathorn, Bangkok 10120
Telephone	0-2677-2000

4.3 Appraisals

Name	Nexus Property Consultants Co., Ltd.
Address	31 st floor, Bangkok Insurance Building / Y.W.C.A. 25 South Sathorn Road, Thung Maha Mek, Sathorn, Bangkok 10330
Telephone	0-2286-8899

9. Risk factors

1. REIT business operational risk

- 1.) Risk from compliance with the contract
- 2.) Risk from inability of the space tenant to renew the term of lease contract
- 3.) Risk from ability to pay space rental fee and space service fee of the tenant
- 4.) Risk from renovation and repair of properties that affect benefits procurement
- 5.) Risk from dependence on major tenants
- 6.) Risk of REIT turnover from dependence on capability of the Property Manager
- 7.) Risk relating to trade competitor in REIT business operation
- 8.) Contingent risk from borrowing
- 9.) Occurrence of conflict of Interest between REIT and True Properties
- 10.) Risk from the spread of infectious diseases such as the Covid-19

2. REIT invested asset utilization ability risk

- 1.) Risk from the event of land expropriation
- 2.) Risk from natural disaster, flood, sabotage, and other force majeure
- 3.) Risk from design of some areas of the assets in the manner of specific use

3. REIT real estate investment risk

- 1.) Risk from change in real estate value based on valuation of the asset appraiser
- 2.) Risk from investment in leasehold with decreasing value based on the remaining lease term

4. REIT unit investment risk exposed by the investor

- 1.) Risk relating to price of trust unit that may decrease due to price fluctuation based on market situation
- 2.) Liquidity risk in a secondary market for trading of trust units
- 3.) Risk relating to actual operating performance that may be different from projected income statement based on assumption
- 4.) Risk from impact of change in accounting standards or relevant laws
- 5.) Risk from impact of change in relevant taxes or fees

10. REIT Management

1. The REIT Supervision Policy

In compliance with the stipulated laws, criteria, and Trust Deed, BBLAM shall have the internal control and audit system for duty performance of the REIT Manager and related tasks in accordance with the related rules, notifications, or laws; and clearly determine annual audit plan, controlling and auditing procedure. The person who performs in such duty shall be independent. The clear step, method, and duration for direct reporting audit result to the Board of Directors or other committees entrusted by the Board of Directors such as Audit Committee, shall be determined. Moreover, the rule and procedure for protection of the operating errors that do not comply with the Trust Deed, and related rules, notifications, or laws, shall be established.

2. Sub-Committees

Please see the details in Part 8 Management Structure.

3. The Meeting of the Real Estate Investment Committee

The meeting of the Real Estate Investment Committee (REITCOM) is scheduled in quarterly basis or upon having crucial agenda or as deemed appropriate. Real Estate & Infrastructure Investment Group shall organize the meeting and act as secretariat of the meeting. It is determined that the members of the REITCOM shall attend the meeting by presence for not less than half of total members of the REITCOM. All resolutions shall be judged by majority vote. Meeting invitation notice together with meeting agenda shall be delivered to the Board of Directors for consider prior to the meeting. Generally, the crucial agenda of the meeting consist of the following.

Agenda 1	Consider certifying the minutes of the past Committee's meeting
Agenda 2	Consider acknowledging the report of the operating performance of the REIT
Agenda 3	Consider approving the REIT distribution payment
Agenda 4	Consider other matters (if any)

3.1 Meeting Requirement

1. Schedule of quarterly meeting or upon having crucial agenda or as deemed appropriate, Real Estate & Infrastructure Investment Group shall organize the meeting and act as secretariat of the meeting.

2 . The Chief Executive Officer shall preside over the meeting. In a case where the Chairman of the Meeting is unable to attend the meeting, the members of the Committee who attend the meeting shall select one member to preside over that time of the meeting instead.

3. In the meeting, the quorum will be constituted if not less than half of the members of the Committee can attend the meeting not. The majority vote shall be considered in final judgment of the meeting. One member of the Committee has one vote. If there is tie vote, an additional vote shall be performed by the Chairman of the Meeting as casting vote. However, the member of the Committee who has gain and loss or may have conflict of interest in any matter is not allowed to participate in consideration or resolution in the said matter. The nature of involvement in the stakeholding or conflict of interest shall be recorded in minutes of the meeting.

4 . Properly and completely prepare minutes of the meeting and file meeting-related documents to be verifiable and file the minutes of the meeting certified by the meeting as evidence.

3.2 Crucial Transaction of the REIT Proposed to Real Estate Investment Committee

According to the resolution of the trust unitholders on April 27, 2021, resolved to approve the agenda regarding to the Bualuang Office Leasehold Real Estate Investment Trust ("B-WORK") acquisition of the Bangkok Business Center Project ("the REIT's additional assets No. 1") and use the source of fund from capital raised from the issuance and sale of additional trust units and long-term loan from financial institutions and/or issuance and sale of the debentures. After a significant change in both domestic and international capital markets, and the government bond yield has risen considerably since the beginning of 2022, affecting the current expected rate of return of investors, thereby, may differ from the period of the registration statement for the filing effective version, along with the market conditions of office buildings for rent and the REIT's additional assets No. 1 are currently in the process of recovering from the impact of COVID-19. Therefore, the REIT Manager considers adjourning the issuance and sale of additional trust units and investment in the REIT's additional assets No. 1 until the office building market is in an appropriate condition and in line with the rationale expected rate of return of the investors.

4. Supervision on Use of Inside Information

BBLAM, on behalf of the REIT Manager, has established conflict of interest protection system regarding to storage of inside information as follows.

1. It is prohibited not to disclose confidential information to the third party or to the staff of the company that are not related, and not to use acquired information apart from normal performance of duties or improperly use.
2. Manage the storage system of the confidential documents with carefulness.
3. Beware of conversation or discussion on inside confidential information with the third party of the section to prevent conspiracy of the non-related party in the said information.
4. Being cautious in delivery or receipt of inside information in order to prevent information leakage prior to public disclosure.
5. The non-related party is prohibited to enter in working area of the work unit and the meeting or reception area is separately accommodated.
6. If the staff is in doubt on which information is confidential or whether the information can be disclosed, the staff shall directly inquire his/her superior or Compliance & Legal Department.

5. Processes and Factor Used for Investment Consideration and Decision, and Management of the REIT

5.1 Investment in Core Assets of the REIT

The REIT Manager shall execute the following prior to each acquisition of core assets.

1. Perform Due Diligence on the details of assets including related information and documents.
2. Arrange the appraisal of assets which will be invested as specified in the Trust Deed.
3. In the event of the Trust Deed's investment in real estate leasehold in the manner of sub-lease, the REIT Manager shall establish the measure of risk prevention or contingent damage remedy as the result from breach of the lease contract or failure to enforce under the right in the lease contract and shall disclose such measure of risk prevention to the Trustee and the unitholders.

In the event of acquisition of additional core assets, the REIT Manager shall execute the following.

1. Ask the Trustee to consider giving the consent on asset investment to ensure the compliance with the Trust Deed and related laws.
2. Request the approval of the asset investment as follows.

2.1 Investment in assets owned by the REIT Manager or related party

- In respect to transaction relating to acquisition of core assets, the approval shall be given by the Executive Board of the Company.
- In respect to the transaction with a value from 20 million Baht and more or exceeding 3.00% of net asset value of the REIT, whichever value is higher, shall be resolved by vote not less than 3/4 of total votes of the unitholders who attend the meeting and have voting right.
- Arrange the financial advisor to remark the opinion on the connected transaction of the REIT Manager to be the decision-making supporting information for the Executive Board of the Company and/or the unitholders of the REIT in approval of the investment in such assets.
- The related party of the assets offered for sale is not allowed to be involved in approval of investment in such assets.

2.2 Investment in assets owned by general person that is not the REIT Manager or related party

- In respect to transaction relating to acquisition of core assets, the approval shall be given by the Executive Board of the Company.
- The investment in assets with value from 30.00 % of total asset value of the REIT shall be resolved by votes not less than 3/4 of total votes of the unitholders who attend the meeting and have voting right.

5.2 Disposal of Core Assets of the REIT

The REIT Manager may consider disposing core assets of the REIT as per the following process.

1. The REIT Manager must have the assets to be appraised by the independent appraiser in accordance with the rule stipulated in the Notification of the Office of the Securities and Exchange Commission.
2. The disposal of core assets shall be approved by the Executive Board of the Company.
3. The disposal of core assets shall be openly disclosed with the essence of list of items, under approval system as specified in the Trust Deed, and procedures in place for obtaining consent from the Trustee or resolution of the unitholders' meeting as the acquisition of assets.

5.3 Management of Core Assets of the REIT

In management of core assets of the REIT, the REIT Manager on behalf of the REIT Manager shall hire the Property Manager by selecting from the person who is experienced in asset management in each type of the assets invested by the REIT.

5.4 Selection of Personnel Relating to Management of the REIT

The REIT Manager shall select the personnel to perform duty of the REIT management by mainly considering from working experiences in the related duty. The REIT Manager shall verify that the personnel who are the executives shall have qualifications as specified in the Notification of the Office of SEC as follows.

- Being the experienced person in investment management or benefits procurement from real estate for not less than three years in total, within five years period prior to the employment date for working with the REIT Manager.
- Being the person without prohibited characteristics of the person with power to manage the REIT. The said prohibited characteristics are announced in the Notification of the Capital Market Supervisory Board on prohibited characteristics of the personnel in capital market business mutatis mutandis.

- The Board of Directors or the entrusted person (as the case may be) shall supervise the selection of personnel in accordance with the aforesaid qualifications. The Compliance Department shall participate in verifying the qualifications of the applicant as well.

Nevertheless, the selected personnel in each position are restricted not to perform duties in other position that may conflict with the duty performance in the entrusted key position.

5.5 Investment in Other Assets for Cash Flow Management

The REIT Manager establishes investment control and supervision system for other assets in order to manage cash flow of the REIT. The type of other assets requiring investment and proportion of investment in other assets shall be verified to be in line with the requirement prescribed in the Trust Deed.

6. Selection of the Property Manager

The REIT Manager may appoint other person which is single or several juristic person(s) to perform the duty in managing properties which are assets of the REIT in lieu of the REIT Manager. The Property Manager shall be competent to manage properties in the assigned part and have personnel with knowledge and experiences in property management not less than three years. The REIT Manager shall be responsible for property management fee, and the REIT shall be responsible for other expenses incurred from property management such as public utility expense, cleaning expense, security expense, property maintenance expense, etc. If the new Property Manager is appointed apart from the one specified in this underwriting of trust units proposition particulars regarding the offer for sale of trust units, the REIT Manager shall notify the Trustee about such appointment within 15 (fifteen) days from the appointment date of the new Property Manager.

The REIT Manager may consider defining term of The Property Manager Appoint Agreement as appropriate as the case may be, and the said Agreement can be automatically renewed. However, the REIT Manager may appoint the Property Manager to add or alter the Property Manager or consider determining the discharge condition of the Property Manager in case by case. Preliminarily, the Property Manager of the initially invested assets has determined the condition of The Property Manager Appoint Agreement whereas the REIT Manager is entitled to consider discharging the Property Manager upon occurrence of any circumstances as follows.

- (1) In the event where Adjusted Gross Operating Profit from Real Estate is lower than 95% of the estimate of such profit as specified in annual operating plan proposed by the Property Manager and approved by the REIT Manager for two consecutive years period unless the event of force majeure; or
- (2) In the event where occupancy rate of the initially invested assets managed by the Property Manager is lower than 50% for three consecutive months period unless the event of force majeure.
- (3) If during any year of occurrence of force majeure, the Property Manager may propose the updated annual operating plan to the REIT Manager for consideration and approval. If it appears that Adjusted Gross Operating Profit from Real Estate is lower 95% of the estimate of such profit as specified in the updated annual operating plan for two consecutive years period.

7. Monitoring and Supervising the Operation of the Property Manager

Details		Operation of the Property Manager	Operation Relating to the REIT Manager
1	Receiving-Delivery of Assets and Contracts	<ul style="list-style-type: none"> - Submit document declaring ownership / right in assets, including contracts and important documents to the REIT Manager. - Enter to jointly inspect the condition of invested real estate together with the REIT Manager and the Trustee. - Properly and completely prepare real estate condition recording report, , and send copy of such report to the REIT Manager 	<ul style="list-style-type: none"> - Verify details of assets and contracts received from the asset owner, the Property Manager, and other relevant agencies such as legal consultant, and appraiser, etc. - Prepare 1 set of copy of ownership document of assets and contracts to be retained at the REIT Manager for using as reference and support of the operation; and prepare important document delivery letter to be delivered to the Trustee for storage accordingly. - Enter to jointly inspect the condition of invested real estate together with the

Details		Operation of the Property Manager	Operation Relating to the REIT Manager
			Trustee and the Property Manager; and verify real estate condition recording report.
2	Complete and Proper Collection of Revenue and Delivery to the REIT	<ul style="list-style-type: none"> - The REIT establishes a policy that the tenants shall directly pay rental fee into deposit account of the REIT. However, the event where the tenants deposit money into the account of the Property Manager, the Property Manager shall deposit rental fee money into the account of the REIT. - At the end of every month, the Property Manager shall prepare the collection summary of rental revenue under lease contract, cash of rental fee received in that month, and outstanding receivables of rental fee delivered to the REIT Manager for audit 	<ul style="list-style-type: none"> - At the end of every month, audit the accuracy of revenue amount transferred into the account in comparison with the reports and documentations received from the Property Manager. - In the event of accurate amount of money, collect information and documentations, and prepare financial statements and report to be proposed to the Trustee. - In the event of inaccurate amount of money, notify the Property Manager to clarify reason and revise to be accurate.
3	Collection of Expenses from the REIT	<ul style="list-style-type: none"> - The Property Manager shall prepare budget and propose annual operating plan to the REIT Manager for considering determination of budget prior to the end of fiscal year in each year in advance. - In the event of determination of budget, submit expense requisition and evidence of disbursement to the REIT Manager for audit and consideration of disbursement. - In the event of non-determination of budget, discuss with the REIT Manager and clarify the reason of necessity to 	<ul style="list-style-type: none"> - The REIT Manager shall mutually consider budget preparation plan together with the Property Manager and propose REITCOM to consider approving annual budget. - In the event of determination of budget, if the said expense is in the approved budget, audit the accuracy of disbursement documentation, and notify the audit result to the Trustee for considering ordering to make payment into the account of the related party. - In the event of non-determination of budget,

Details		Operation of the Property Manager	Operation Relating to the REIT Manager
		<p>disburse for determining expense limit required for approval request. If being approved, the Property Manager shall deliver documents to the REIT Manager by specifying 1) details of assets, 2) limit of approval request, 3) Approval Letter No., and 4) others, as the case may be.</p> <p>- In the event of urgency required for approval request, the Property Manager shall call / email to notify for requesting prior-approval from the REIT Manager.</p>	<p>or if such expense is not in the approved budget or in excess of the approved budget, the REIT Manager shall notify the Property Manager to clarify the necessity and appropriateness of such expense, and request for additional documents. If it is deemed that such expense is useful for the REIT, payment order shall be approved. If the REIT Manager deems inappropriate for paying, it shall inform the Property Manager to return such set of documents.</p> <p>- At the end of every month, prepare transaction recording, financial statements and report to be proposed to the Trustee.</p>
4	Adequate and Appropriate Supervision and Refurbishment of Assets of the REIT	<p>- Visually check whether core assets are in the condition ready for benefits procurement. If the significant defect of asset affecting generation of the REIT's revenue is detected, the Property Manager shall record, take photography to support observed physical condition, refurbish, and also notify the REIT Manager for acknowledgement.</p> <p>- In the event where the tenant notifies the intention to request for asset refurbishment in overview, the Property Manager shall consider suitability and necessity of the said refurbishing items by taking into account maintenance of good</p>	<p>- In the event of the Property Manager's request for approval on refurbishment expense, the REIT Manager shall consider the appropriateness of such execution.</p> <p>- If it is deemed to be appropriate for performing transaction, the REIT Manager shall consider the appropriateness of outsourcing the repairer of the significant defective asset to be in available condition, and report progress result for acknowledgement of the Trustee.</p>

Details		Operation of the Property Manager	Operation Relating to the REIT Manager
		<p>relationship with the tenant, and also notify the REIT Manager for acknowledgement.</p> <ul style="list-style-type: none"> - In the event where the tenant desires not to renew the leased contract, the Property Manager shall receive the assets from the tenant and ask the tenant to refurbish and renovate the assets to be available condition for use as the same condition at the time of commencement of the lease contract. 	
5	Arrangement of Annual Appraisal / Review of Asset Price	<ul style="list-style-type: none"> - Submit necessary information to the independent appraiser. - Facilitate appraisal assets of the appraiser. 	<ul style="list-style-type: none"> - Gather the list of total assets of the REIT that will be due for the appraisal cycle in the current year. - Select and appoint two independent appraisers according to the selection criteria for the entrusted appraisers, and notify the Property Manager for acknowledgement in order to prepare appraisal documentation. - Verify the assumption and accuracy of asset appraisal, and submit appraisal report to the Trustee and the SEC. - Conclude the appraised price and disseminate in website of the Stock Exchange of Thailand after disclosure of financial statements and summary of the REIT's operating results.
6	Annual Asset Inspection	<ul style="list-style-type: none"> - Enter to jointly inspect the condition of the REIT's real estate together with the 	<ul style="list-style-type: none"> - Gather the list of assets of the REIT that is

Details		Operation of the Property Manager	Operation Relating to the REIT Manager
		<p>REIT Manager and the Trustee.</p> <p>- Facilitate REIT Manager and Trustee.</p>	<p>nearly due for annual inspection schedule.</p> <p>- Coordinate with the Trustee and the Property Manager to make appointment schedule of the entry date for inspecting the real estate condition</p> <p>- Enter to inspect the condition of the REIT's real estates whether they are really existent and in the condition that are used for procuring benefits.</p> <p>- Complete the preparation of the real estate condition recording report to be proper on fact basis within 30 (thirty) days from the entry date for asset inspection.</p> <p>- Delivery the copy of the real estate condition recording report to the Trustee within 5 (five) working days from the completion date of the said report.</p>
7	Verification of the Copy of Insurance Policy	<p>- In the event where insurance term of insurance policy is nearly expired, the REIT Manager shall be informed to renew insurance policy of the REIT assets.</p>	<p>- Consider adequacy and suitability of the condition of insurance policy that will be renewed.</p> <p>- Verify the beneficiary in the insurance policy to be in line with the criteria.</p> <p>- Verify the type of insurance and insurance limit in each type of Property Damage and insure must not below the Replacement Cost.</p>

8. REIT Manager fee

For the entire agreement period of the REIT Management Agreement, the REIT Manager shall receive management fee for performing its duties as the REIT Manager which are divided into three portions as follows:

Fees and Expenses Collected from the REIT	Ceiling % of NAV	Expected Collection Rate (Excluding VAT)
Portion 1 Management Fee	Not exceeding 1.00% per year of NAV	Not exceeding 0.50% of TAV but not lower than 8 million Baht per year
Portion 2 Property Management Fee	Not exceeding 3.00% per year of NAV	
Base Fee		Not exceeding 3.00% of operating revenue per project
Incentive Fee		Not exceeding 10.00% of Adjusted Gross Operating Profit from Real Estate per project
Contract Service Fee		Not exceeding 3-month revenue from space rental and/or service fees in case of new contract or current contract renewal for lease or service provision of space, including procurement of benefits from the REIT's assets within 3-year contract term and varying according to contract term

Fees and Expenses Collected from the REIT	Ceiling % of NAV	Expected Collection Rate (Excluding VAT)
Portion 3 Core Asset Acquisition or Disposal	Not exceeding 5.00% per year of NAV	Not exceeding 1.00% of acquired or disposed core asset value

9. Information Disclosure to Unitholders

The REIT manager is responsible for prepare and deliver financial statement and operating result of B-WORK to The Securities and Exchange Commission of Thailand, The Stock Exchange of Thailand, Trustee, and unitholders in accordance with the following details:

(1) A quarterly financial report within 45 days after the end of accounting period , except for the fourth quarter financial statements.

(2) Annual financial report which audited by independent auditor within 2 months after the end of accounting period.

(3) Form 56-1 within 3 months after the end of accounting period.

(4) Annual report with an invitation to the Annual General Meeting within 4 months after the end of the accounting period.

(5) In the preparation and disclosure of information in the REIT's financial statements. The REIT manager will provide It complies with the accounting standards prescribed by the Federation of Accounting Professions for each type of transaction.

10. Unitholders Meeting

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

1. The Annual General Meeting within 4 months after the end of the accounting period

2. The Extraordinary General Meeting is meetings that are not the General Annual Meeting which are organized when the following events or incidents occur:

(1) When unitholders who cumulatively hold no less than 10% of total units come together to send a requesting document to the REIT Manager to arrange a REIT Unitholders Meeting. The request will clearly state the reasons for the meeting. Once the request is received, the REIT Manager is responsible for arranging a unitholder meeting within 1 month of receiving the letter from unitholders.

(2) In any scenario where the Trustee is of the opinion that it is necessary or advisable to have a unitholders meeting to discuss or approve pertinent matters. The REIT Manager is responsible for arranging a unitholder meeting within 1 month of receiving the request from the Trustee. The Trustee has the right to consult with REIT Manager with regards to this case.

(3) In any scenario where the REIT Manager is of the opinion that it is necessary or advisable to have a unitholders meeting to discuss or approve pertinent matters. The REIT Manager has the right to consult with Trustee with regards to this case.

11. Auditor's fee

B-WORK appointed KPMG Phoomchai Audit Ltd. as an auditor for the year ended 31 December 2022 with an audit fee of 1,340,000 baht and out-of-pocket expense of 23,500 baht.

11. Internal Control and Risk Management

Internal Audit Department performs the duty of auditing and assessing the adequacy of the internal control system of departments in charge in part relating to the management of the REIT by the determined operating procedure. This internal control system's audit and assessment shall follow the annual audit plan approved by the Audit Committee. As the Internal Audit Department has operational independence, the performance result shall be reported directly to the Audit Committee. According to the assessment of the adequacy of the internal control system, the Internal Audit Department commented that the internal control system, in part relating to REIT management, is circumspect and proper. Adequate personnel has been assigned to perform the duties under clear segregation of duties and responsibilities, resulting in efficient operation in accordance with the internal control system. In addition, the operation of the Property Manager has been monitored and controlled, resulting in circumspect and proper control, and monitoring of the utilization of the REIT's assets.

12. The Detail of REIT's Related Party Transaction

1. Prevention of conflict of interest

Trust Deed specifies the requirement relating to transactions performed between the REIT and the REIT Manager or related party of the REIT Manager as follows.

- 1) The transactions performed between the REIT and the REIT Manager or related party of the REIT Manager shall be the transactions with the following nature of transaction.
 - 1.1) Compliance with Trust Deed and related laws
 - 1.2) Being executed for the best interest of the REIT
 - 1.3) Being reasonableness and use of fair price
 - 1.4) Fair and reasonable rate of transaction expense collected by the REIT (if any)
 - 1.5) Non-involvement in decision making on entering into the transaction with specific stakeholder from entering the said transaction
- 2) Approval of transaction between the REIT and the REIT Manager or related party of the REIT Manager shall be carried out through the following procedure.
 - 2.1) Being approved by the Trustee that it is the transaction in accordance with Trust Deed and related laws.
 - 2.2) In the event of transaction with value more than 1,000,000 Baht or from 0.03% of net asset value of the REIT and more in whichever value is higher, it must be approved by the Board of the REIT Manager.
 - 2.3) In the event of transaction with value from 20,000,000 Baht and more or more than 3.00% of net asset value of the REIT in whichever value is higher, it must be resolved by the unitholders' meeting with votes not less than 3/4 of total votes of the unitholders who attend the meeting and have voting right.
- 3) In the event where the said transaction is acquisition or disposal of the core asset, value calculation shall be performed based on value of acquisition or disposal of total assets of each project that makes the project ready for generating revenue, including assets relating the said project.
- 4) The duties of the REIT Manager and the Trustee in the process of approval request from the Trustee or request of resolution of the unitholders' meeting, are as follows.

- 4.1) The REIT Manager shall prepare the approval request document or meeting invitation notice as the case may be and remark the opinion regarding the nature of transaction in accordance with Item 1) together with clear reason and supporting information.
- 4.2) The Trustee shall attend the unitholders' meeting to remark the opinion regarding the nature of transaction in the aspect whether it is in accordance with Trust Deed and related laws. In the event of request for resolution of the unitholders' meeting, meeting invitation notice shall contain the opinion of the independent financial advisor to support the request for resolution of the unitholders' meeting.
- 5) In the event of clear presentation of information for transactions performed between the REIT and the REIT Manager or related party of the REIT Manager in the underwriting of trust units proposition particulars and the prospectus, such transactions must not be approved under Item 2 and must not be carried out through the process of request for approval under Item 4.

2. Transactions between the REIT and the REIT Manager and Related Party of the REIT Manager

2.1 Transactions between the REIT and the REIT Manager

BBL Asset Management Company Limited ("BBLAM") acting as a REIT Manager

Nature of Related Party Transaction	Trustee on behalf of the REIT appoints "BBLAM" as the REIT Manager
Reason and Necessity of Transactions	<p>1) "BBLAM" is the Settlor and the party submitting permit for offering for sale of trust units for investment in initially invested assets.</p> <p>2) "BBLAM" is engaged in the business of securities management and a subsidiary of Bangkok Bank Public Company Limited. "BBLAM" is known for its extensive experience in managing infrastructure fund, property fund and other mutual funds, including experience as a Trustee of real estate investment trust. In addition, "BBLAM" personnel are equipped with keen experience and expertise in the business, which can efficiently support the business operations of "BBLAM" on behalf of the REIT Manager.</p> <p>3) Directors, executives, and personnel of "BBLAM" have excellent knowledge and experience in capital market business and real</p>

	<p>estate investment.</p> <p>"BBLAM" is therefore suitable to perform the task of REIT Manager.</p>
Reasonableness of Transactions	<p>1) "BBLAM" shall collect payment of REIT Manager fee which consists of three portions as follow:</p> <p>Portion 1: REIT administration fee not exceeding 0.50% of total asset value (TAV) per year.</p> <p>Portion 2: Property management fee which consists of:</p> <ul style="list-style-type: none"> ● REIT property management fee not exceeding 3.00% of operational revenue per year ● Incentive fee not exceeding 10.00% of adjusted gross operating profit from real estate ● Contract service fee not exceeding 3 months of rental revenue and/or service revenue of space in case of new contract or renewal of the primary lease or service contract of space, including procurement of benefits from REIT assets based on 3 (three)-year contract term and varying according to contract term. <p>Portion 3: Core asset acquisition or disposal fee not exceeding 1.00% of total value of the acquired or disposed core assets. Fee structure shall be in accordance with normal business operation which is equivalent to the same fee category of the REIT Manager of other real estate investment trusts.</p> <p>2) "BBLAM", on behalf the REIT Manager, shall collect payment of property management fee not exceeding the rate specified in Part 2-</p>

	<p>10 "Payment of Fees and Expenses". The rate of property management fee shall be determined as deemed appropriate by the REIT Manager based on each Property Manager and project. In addition, "BBLAM" has efficient control and work systems. All fees collected by Property Manager shall be responsible by the REIT Manager, including performing duty or finding replacement in the event that Property Manager was unable to perform his/her duties partially or entirely. Since fee structure of the REIT is based on normal business operation, it is therefore equivalent to the same fee category for REIT Manager or the executive of other real estate investment trusts.</p>
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2.2 Transactions between the REIT and Related Party of the REIT Manager

Major shareholder of the REIT Manager is Bangkok Bank Public Company Limited ("Bangkok Bank")

Relationship	Bangkok Bank is the major shareholder of the REIT Manager by having direct shareholding of 75.00% of total paid-up shares of the REIT Manager.
Nature of Related Party Transactions	Lender of capital for investment in the initial assets, and provided other financial services to the REIT in accordance with general business conditions such as savings account, cash management and etc.
Reasonableness of Transactions	Financial borrowings are in accordance with the Arm's Length Basis and the provision of other financial services shall be in compliance with general business conditions

3. Transactions between the REIT and Trustee and Related Party of the Trustee

3.1 Transactions between the REIT and Trustee

Krungthai Asset Management Public Company Limited ("KTAM") acting as a Trustee

Nature of Related Party Transaction	"KTAM" performs the duty as the Trustee of the REIT.
Reason and Necessity of Transaction	<p>1) "KTAM" is engaged in the business of securities management and is a subsidiary of Krungthai Bank Company Limited which has extensive experience in managing infrastructure fund, property fund and other funds. "KTAM" therefore have a team of personnel with a keen experience and expertise in the business, which can efficiently support its business operations as the Trustee of the REIT.</p> <p>2) Directors, executives, and personnel of "KTAM" has excellent knowledge and experience in capital market business and real estate investment.</p> <p>"KTAM" is therefore suitable to perform the task of Trustee of the REIT.</p>
Reasonableness of Transactions	<p>1) The Trustee shall be responsible for the payment of service fees of the REIT as per the rates and conditions approved by the REIT Manager and must not exceed the rates disclosed in the underwriting of trust units proposition particulars and the prospectus.</p> <p>2) The Trustee has an efficient control system and in compliance with the requirements of SEC.</p> <p>3) The rate of Trustee fee shall be in accordance with normal business transaction conditions and must be equivalent to the rate of Trustee fees of other real estate investment trusts of similar market nature.</p>

3.2 Transactions between the REIT and Major Shareholders of the Trustee

Major shareholder of the Trustee is Krungthai Bank Public Company Limited (“Krungthai Bank”)

Relationship	Krungthai Bank is a major shareholder of the Trustee by having direct shareholding of 99.99% of total paid-up shares of the Trustee.
Nature of Related Party Transactions	Krungthai Bank offer other financial services to the REIT in accordance with general business conditions such as Savings Account, Cash Management, Custodian service, etc.
Reasonableness of Transactions	The provision of other financial services shall be in compliance with general business conditions. In addition, Krungthai Bank has excellent understanding on this transaction. Meanwhile, the use of central system-based management can help to promote flexibility and quick management.

3.3 Policy on Related Party Transactions between the REIT and the Trustee or Related Party of the Trustee

In the event of related party transactions between the REIT and the Trustee or related party of the Trustee occurred in the future, the following procedure shall be applied:

- 1) Disclose information and transaction-related information via the Stock Exchange of Thailand (SET) or any other channels completely accessible by the unitholders.
- 2) Reasonable information disclosure period by no less than 14 days.
- 3) The channel, method and duration for objection must clearly be disclosed and must not be less than 14 days unless in the event of request for resolution from the unitholders for entering into the transaction, an objection should be made against such request.

Furthermore, in the event the unitholders expressed clear objection as per the procedure disclose in Item 3) above by having objection vote of more than 1/4 of underwriting trust units, the Trustee shall not act or permit any transactions between the REIT and the Trustee or related party of the Trustee as aforementioned.

In the event the information necessary for establishment of transactions between the REIT and the Trustee or related party of the Trustee have been clearly disclosed in this document, it shall be considered that such transactions have adequately disclosed related information to the unitholders or investors before entering into any transactions that may be conflicting with the benefits of the REIT.

13. Legal Controversy

- None -

14. Other Important Information

According to the Land Lease Agreement of True Tower 1 Project, the Land Lease Agreement of True Tower 2 Project, the Sale and Purchase Agreement for Movable Properties and Building Systems of True Tower 1 Project, and the Sale and Purchase Agreement for Movable Properties and Building Systems of True Tower 2 Project, dated February 6, 2018, which states that True Properties Co., Ltd. as property owner shall be responsible for the major renovation that specific in each agreement, which scheduled within the first five years from the date of land registration.

In 2022, the spread of the COVID-19 virus has begun to ease. As a result, the operation plan for the major renovation proceeded according to the plan. Therefore, the progress at the end of 2022 can be summarized as follows:

- A project to replace the gear and control system of the elevator system, totaling 15 sets, including the decoration of the passenger elevator room of the True Tower 1 project, has now been completed.
- A project to replace the backup generator 330 KVA of True Tower 1 has been completed.
- A project to replace the backup generator 1,250 KVA of True Tower 2 project. However, the load requirement within the building was much lower than the generator size. Thus, this will result in the REIT having more repair maintenance cost in the future. As a result, the backup generator 825 KVA has been installed instead of the backup generator 1,250 KVA.
- A project to change the existing air conditioning system (Water-Cooled Package) of True Tower 1 project to a Variable Refrigerant Volume System ("VRV"), which True Properties Co., Ltd. has started to change since 2018 and has now been approximately completed 83% of the total work. The project expects to be completed within the year 2023.
- A project to replace the electric transformer of True Tower 2 project, approximately completed 70% of the total work and expected to be completed within the year 2023.
- A project to improve the efficiency of the automatic fire suppression system and change the automated fire extinguishing system (Fire Pump) of True Tower 1 project has now completed approximately 40% of the total work. The projects expect to be completed within the year 2023.

- A project to improve the efficiency of the automatic fire suppression system of the True Tower 2 project has now completed approximately 50% of the total work and is expected to be completed within the year 2023.

During the year 2020 - 2021, there was an epidemic of the COVID-19 virus. Resulting in the contractor could not perform the work as planned. As a result, True Properties Co., Ltd. can only complete mostly of the major renovations within five years of land registration. However, True Properties Co., Ltd. has already renewed the contract appointing the escrow agreement and agent to ensure the REIT that True Properties Co., Ltd. will be responsible for all remaining major renovation tasks.

Investors can study additional information from Form 56-1 as shown in www.sec.or.th or additional information of B-WORK at www.bworkreit.com or the website of the Stock Exchange of Thailand at www.set.or.th.

15. Corporate Social Responsibility

1. Overview Policy

The REIT Manager sets the policy of fund management under fair management, and anti-corruption policy under zero tolerance of any corruption covering all businesses and transactions in every country and every related agency whether by offering, giving promise, asking, demanding, giving or receiving bribe or act of behavior indicating corruption. In compliance with the said principle, the REIT Manager therefore has established the policy and practical guideline for attainment of such principle covering five areas as follows.

1. Political assistance
2. Donation for charity
3. Grant-in-aid
4. Gift expense, service and hospitality expense, and other expenses
5. Bribe and incentive

The unitholders can see additional details of the anti-corruption policy of the management company at www.bblam.co.th.

2. Operation

The REIT Manager has determined the anti-corruption procedure in detail under regular review of the REIT Manager on the operating procedure to be consistent with change of law and business, and maintenance of the company's reputation. All directors, executives, and staffs shall thoroughly comply with this policy.

Guideline of Communication and Disclosure of Anti-Corruption Policy

For effective implementation of anti-corruption policy and overall organizational benefit, all members of the company such as directors, executives, staffs, probationary staffs, permanent employees, and temporary employees, shall acknowledge and realize the significance of such policy. They shall implement and disclose to the related parties of the business such as business partner companies, customers, etc., for acknowledgement.

Guideline of Communication and Disclosure of Anti-Corruption Policy

For effective implementation of anti-corruption policy and overall organizational benefit, all members of the company such as directors, executives, staffs, probationary staffs, permanent employees and temporary employees, shall acknowledge and realize the significance of such policy. They shall implement and disclose to the related parties of the business such as business partner companies, customers, etc., for acknowledgement.

Internal Control and Reporting

The REIT Manager shall verify the financial transaction recording and accountancy process at least once a year to ensure the efficient and continuous implementation of anti-corruption policy and report such verification result report to the Board of Directors for acknowledgement.

Responsible Work Unit

Compliance Department is the work unit that is responsible for operation of work units in accordance with this policy and entrusted to have authority in issuing rules and determining practice and revising details for appropriateness of the management company's operation to attain the established principle.

Penalty

If the executives, directors, staffs, probationary staffs, permanent employees, and temporary employees required for compliance with this policy fail to comply with, the REIT Manager shall consider as violation of regulation or lawful order of the REIT Manager. The REIT Manager shall punish by any or several means without sequential requirement as follows.

- 1) Verbal warning
- 2) Remitting probation and performing written parole
- 3) Removal and alteration of duty and responsibility as deemed appropriate by the company
- 4) Dismissal of the staff without payment of any severance pay

3. Measures to prevent the spread of Coronavirus Disease 2019 (COVID-19)

Due to the coronavirus disease epidemic (COVID-19) situation, the REIT Manager pays attention to the safety and health of the tenants including responsibility to the public with strict screening measures at the entry-exit points of the building. There is a temperature measurement to screen people who come to contact within the building in order to prevent the spread of the COVID-19 and to build confidence among tenants and visitors in the building. The property manager has set strict measures to reduce the risk of viral transmission.

4. Energy conservation

The REIT Manager realizes the importance of energy saving and conservation by cooperating with the Property Manager to do the following: (1) monitoring the energy consumption and recording in the database in order to plan for the future energy usage, and (2) campaigning water saving project inside the Project via media periodically. In part of environmental conservation, the REIT has installed six-blade hydraulic turbine for 2 sets in the area of Khlong Yai Soon in front of True Tower 1 Project to increase oxygen in the water and neutralize the water conditioning. In addition, the REIT replaced fluorescent light bulbs with LED light bulbs and also changed current air conditioning system of True Tower 1 Project to Variable Refrigerant Volume (VRV) system to help saving energy in the buildings that the REIT invested.

Nevertheless, the REIT Manager is confident that doing good via the aforementioned activities will be the crucial power that contributes the Thai society. Although, we are just small part of the society, but if large numbers of small part have united to carry out useful activities, this power will be huge enough to create the sustainable development to Thai society.

16. Market Overview for Real Estate Industry of Invested Properties

1. Economic overview

- The global economy in the fourth quarter of 2022 slowed in line with a significant economic slowdown. The US economy and the eurozone economy significantly increased due to a slowdown in domestic demand as the central bank raised policy rates to reduce inflationary pressures. Industrial production reflected in the Manufacturing Purchasing Managers' Index the Manufacturing Purchasing Manager's Index (PMI) fell below 50 for the first time in several quarters. At the same time, the Chinese economy slowed down. It grew at its lowest level in 46 years due to the impact of the COVID-19 epidemic. in a country that has returned to violence again after starting to relax measures to control the outbreak gradually. At the same time, the slowdown in the significant Chinese economy has affected exports from many Asian countries to decline for the first time in several quarters. Both the Newly Industrialized Countries (NIEs) and ASEAN countries are amid inflation that is still higher than the monetary policy target. As a result, most central banks continued to raise their policy rates. The inflation rate in the fourth quarter of 2022 in many countries, such as the European Union and the United Kingdom, continues to accelerate. And Australia followed the increase in energy and food prices, While the inflation rate of the United States Started to pass the highest point and has a slowing down to the lowest level in the 4th cycle. The quarter has slowed the Federal Reserve's interest rate hike
- ASEAN economies Most of them decelerated following the decline in exports in line with the economic slowdown of trading partner countries. The economy of Indonesia, the Philippines, Malaysia, and Vietnam grew by 5.0%, 7.2%, 7.0%, and 5.9% decelerating from 5.7%, 7.6%, 14.2%, and 13.7% in the previous quarter, respectively. In contrast, the inflation rate of most countries continued to accelerate. As a result, the central banks of ASEAN countries continue to pursue strict monetary policies.
- The Thai economy in the fourth quarter of 2022 grew by 1.4% (%YoY), decelerating from a 4.6% growth in the third quarter of 2022. For the spending side, Service exports accelerated Private consumption, and private investment grew satisfactorily. And public investment returns to expand while the export of goods and Government consumption expenditure declined. On the production side, the agriculture and construction sectors resumed expansion. In addition, the accommodation and food service branches, the wholesale and retail branches, and the repair and transportation and storage sectors expanded satisfactorily in line with the recovery of the tourism sector. Nevertheless, the industrial production sector declined. As a result, the Thai economy in 2022 grew by 2.6%, accelerating from the growth of 1.5% in 2021.

2. Market overview of office sector in Bangkok

- The overall office building market situation in Bangkok at the end of 2022 has a total supply of 5.80 million square meters increase 2.4% from last year. The occupancy rate was at 79.6%, which decreased 2% from the same period of the previous year. The average rental rate was 801 Baht per square meter, a slightly increased 1.1% from last year's period. For strategies to attract new tenants or renew leases from existing customers, most of the building owners were not raising the rental rate but reducing the rental cost by 5-10% or staying free for a specified period, such as 3- 4 months or may combine both discount and free period, etc. During the 3rd-4th quarter of the year 2022, 4 new supplies entered the market, namely Silom Edge project at the corner of Silom Road, the Vanit Place Aree project at Phaholyothin Road near Ari BTS Station, the TPLACE (TL4) project in Soi Thonglor and AIA East Gateway Project in Bangna-Trad Road area.
- New supply from 2023 - 2028, a total of 1.65 million square meters of new office buildings are expected. The new supply in 2023 will be expected to be 638,666 square meters, most of which 68% are in the CBD zone and 32% in the Non-CBD zone. The details of the new supply are shown below;

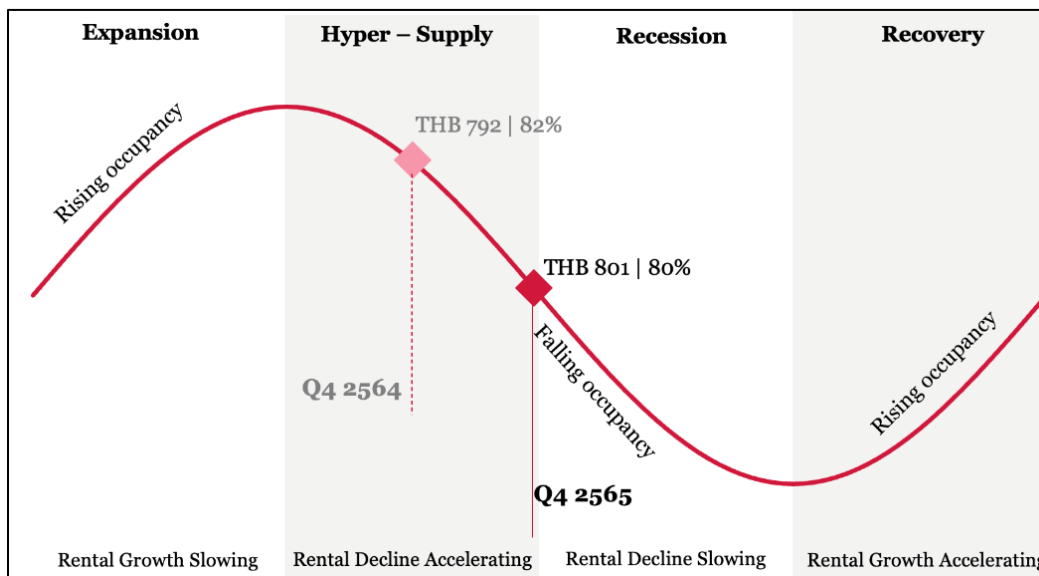
Year	Buildings	Grade	Location	CBD (Sq.m.)	Non-CBD (Sq.m.)	Total (Sq.m.)
2023	JRK Tower	Est.B	Ratchathewi	-	47,000	47,000
	King Bridge Building	Est.B	Rama3	-	39,957	39,957
	One Bangkok (4 & 5)	Est.A	Rama4	195,200	-	195,200
	One City Centre	Est.A	Phloen Chit	61,500	-	61,500
	P23	N/A	Sukhumvit 23	7,500	-	7,500
	Park Silom	Est.A	Silom	56,500	-	56,500
	Pier 111	Est.B	Ratchadamri	40,000	-	40,000
	Punn Tower	Est.A	Rama4	21,700	-	21,700
	Ratchayothin Hills	Est.B	Phahonyothin 24	-	15,000	15,000
	S25	Est.B	Sukhumvit 25	5,170	-	5,170
	Siam Pathumwan House	Est.A	National Stadium	53,688	-	53,688
	Smile Square	Est.B	Phetchaburi	-	22,341	22,341
	Sukhumvit Hills	Est.B	Onnut	-	9,900	9,900
	The Forestias	Est.B	Bangna	-	20,000	20,000

Year	Buildings	Grade	Location	CBD (Sq.m.)	Non-CBD (Sq.m.)	Total (Sq.m.)
	The Rice Tower	Est.B	Saphan Khwai	-	20,711	20,711
	The Unicorn (Phayathai)	Est.B	Phayathai	-	22,499	22,499
Sub-total				441,258	197,408	638,666
2024	APAC Tower	Est.A	Ekkamai	32,178	-	32,178
	Emsphere	Est.A	Phrom Phong	8,000	-	8,000
	JLK Tower	Est.A	NANA	30,957	-	30,957
	One Bangkok (3)	Est.A	Rama4	96,500	-	96,500
	One Origin Sanampao	Est.B	Sanampao	-	32,850	32,850
	Ramkhamhaeng Hills	Est.B	Ramkhamhaeng	-	12,000	12,000
	Supalai Icon Sathorn	Est.A	Sathorn	20,000	-	20,000
	Dusit Central Park	Est.A	Rama4	63,000	-	63,000
Sub-total				250,635	44,850	295,485
2025	Bangkok Mall	Est.B	Bangna	-	100,000	100,000
	Boonmitr Silom	Est.A	Silom	15,430	-	15,430
	BTS Park	Est.B	Jatujak	-	70,000	70,000
	One Bangkok (2)	Est.A	Rama4	97,000	-	97,000
Sub-total				112,430	170,000	282,430
2026	Central Embassy Phase II	Est.A	Phloenchit	143,000	-	143,000
	CPN Siam Square	Est.A	Opposite MBK	25,000	-	25,000
	Intanin Tower	Est.B	Onnut	-	36,000	36,000
	One Bangkok Signature	Est.A	Rama4	145,000	-	145,000
	Tenth Avenue	Est.A	Nana	20,000	-	20,000
Sub-total				333,000	36,000	369,000
2027	Mochit Complex	Est.B	Mochit	-	70,000	70,000
Sub-total				-	70,000	70,000
Total				1,137,323	518,258	1,655,581

*Area based on office rental space

*Estimated office grade based on the location and analysis from Knight Frank Chartered (Thailand) Co., Ltd.

- The overall demand for office buildings slightly increased at a decreasing rate, the increase was at 0.6%. From the average of the past seven years, showed that the average demand for rental space is increasing at a rate of 2.4% per year, indicating that the need for office building rental is limited and slowing down significantly.
- Overall demand in the CBD has slightly increased 0.44% from last year, lower than the average demand of the past seven years of 1.6% per year. However, the overall occupancy rate remained stable at 84% because the supply of new projects was still under construction and not yet come to the market.
- The overall demand in the Non-CBD zone has slightly increased 0.8% from last year, lower than the average demand of the past seven years of 3.6% per year. While the demand in the Non-CBD zone has slowed down, the supply continues to increase. As a result, the overall occupancy rate dropped to 74% by the end of 2022. (In the pre-COVID-19 period, has an average occupancy rate of 85%)
- The overall rental rate of office buildings was 801 Baht per square meter increased slightly by 1.1% from the same period of last year. Due to the rise in grade A office buildings entering the market and the increase in rental price after the renovation of the existing building, affecting the overall rental rate increased. However, if considering grade B and C buildings, the average rental rate decreased by 0.5% and 1.3%, respectively.



- The competition in the office building market has been continuously more intense. As a result, the occupancy rate has decreased for the past three years. At the end of 2022, the overall occupancy rate was 80%. At the same time, grade B building has the lowest occupancy rate at 77% due to higher market competition and

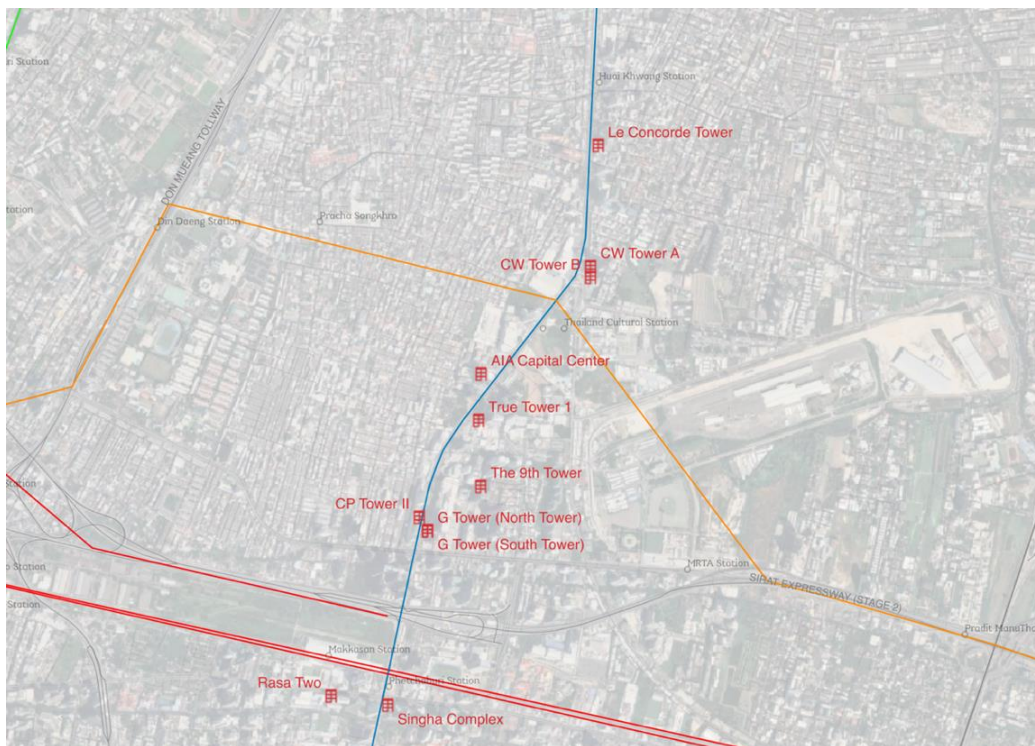
change in consumer behaviour that switched to a new and modern facility that responds to the new forms of work.

- Future trends in the office building market have been highly competitive, especially in grade B buildings, which are the most affected. The lessee will have higher bargaining power in the next three years than the lessor. In the short term, the average rent decreases, and the occupancy rate stays below 80 %. While grade A office buildings are less affected because of the moving of existing lessee from grade B to grade A buildings, along with a demand from new tenants groups such as E-Commerce, Logistics, Health, and the Pharmaceutical, Technology, and Pre-Owned Second Car groups.
- The impact of grade B office buildings during the COVID-19 epidemic has been quite affected by the intense competition as some tenants have reduced the size of their rental space and switched to grade A buildings or buildings with better environments. And about a 20-30% chance to work from home permanently, which may change the usage of the office area to a meeting room that can be reserved.
- The significant factors affecting the lessee's relocation to the new office building can be summarized as follows; 1. Project Located in the CBD, 2. Within 500 meters from the sky train station, 3. The building management is professional, 4. The building structure has no pillars, and the Hall height is 2.7 meters, 5. In addition, the project has retail stores such as coffee shops, restaurants, banks, etc.
- From gathering information on the lessee's opinions when deciding the relocate their offices, the factors that affected their decisions were found as follows: Office space supported by retail stores in the project, the building has sustainability certificate (LEED, WELL), ceiling height of 2.7 meters and has full ceiling windows, passenger lifts that waiting time no more than 30 seconds, the touch-less system in the building to support using a smartphone, such as booking a meeting room, entering-exiting the building, common area for socializing, a luxurious lobby, has a hotel-style hospitality service, a rental space structure without pillars, and one more entrance-exit to avoid the traffic.

3. Summary market overview in project area

3.1 Market overview comparable to True Tower 1 on Ratchadapisek Road

The office buildings around True Tower 1 project have total supply of 396,365 sq.m. with an average occupancy rate of 87%. The average rental price was around 936 Baht/sq.m. which has mostly stayed the same from the last year. Singha Complex has the top average rental price at 1,300 Baht/sq.m., followed by G-Tower with 1,050 Baht/sq.m. and AIA Capital Center with 1,000 Baht/sq.m.



Source : Knight Frank Chartered (Thailand) Co., Ltd.

3.2 Market overview comparable to True Tower 2 on Pattanakarn Road

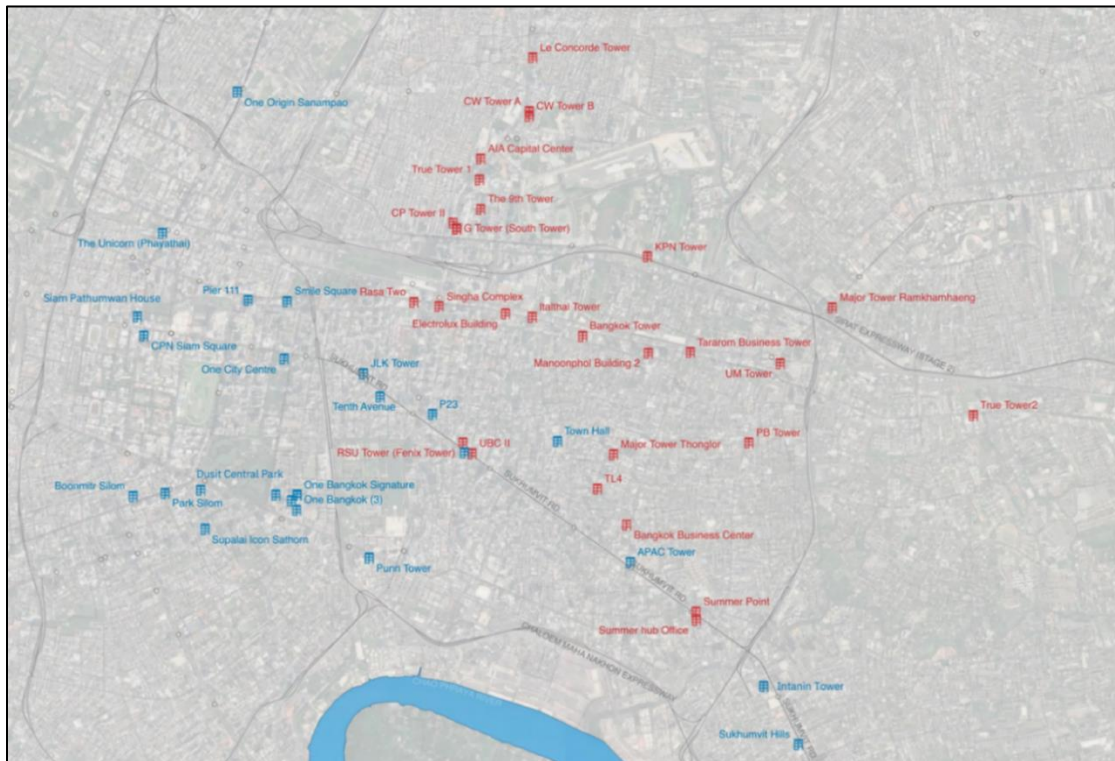
Most similar projects around True Tower 2 project are C grade buildings; only Major Tower Ramkhamhaeng which is B grade building. This zone has total supply of 234,206 sq.m. with an average occupancy rate of 75%. The average rental price stayed around 508 Baht/sq.m. decreased 1% from last year.



Source : Knight Frank Chartered (Thailand) Co., Ltd.

3.3 Office building projects that are being developed or planned to be developed on Ratchadapisek Road and Pattanakarn Road

The new projects that are being developed or planned to be developed near True Tower 1 area or True Tower 2 area have yet to be found. At the same time, the future office supply will mainly be located in the Rama IV Road and Siam-Pathumwan area.



Remark: Future supply shows in blue color

Source : Knight Frank Chartered (Thailand) Co., Ltd.

17. Opinion of the Trustee for the REIT's Operation



หลักทรัพย์จัดการกองทุนของไทย
KRUNGTHAI ASSET MANAGEMENT

Opinion of the Trustee

To Trust unitholders of Bualuang Office Leasehold Real Estate Investment Trust

I, Krung Thai Asset Management Public Company Limited, as the Trustee of Bualuang Office Leasehold Real Estate Investment Trust ('the Trust'), has supervised and monitored the management of the Trust managed by BBL Asset Management Company Limited for the accounting period from 1st January 2022 to 31st December 2022.

I am of the opinion that BBL Asset Management Company Limited has reasonably and appropriately performed its duties in managing the Trust in accordance with the objectives specified in the Trust Deed, the prospectus and provisions under Securities and Exchange Act B.E. 2535, and Trust for Transactions in Capital Market Act B.E.2550.

Trustee

Krung Thai Asset Management Public Company Limited

(Mr. Piraj Migasena)

Executive Vice President

Krung Thai Asset Management Public Company Limited

13 March 2023

Property Fund, Infrastructure and REIT Dept.

Tel : +66 2686-6100 Ext. 6149, 6151, 6446



18. Financial statements for the year ended 31 December 2022 and Independent Auditor's Report

**Bualuang Office Leasehold Real Estate
Investment Trust**

Financial statements for the year ended
31 December 2022
and
Independent Auditor's Report



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Independent Auditor's Report

To the Unitholders of Bualuang Office Leasehold Real Estate Investment Trust

Opinion

I have audited the financial statements of Bualuang Office Leasehold Real Estate Investment Trust (the Trust), which comprise of the statement of financial position and details of investments as at 31 December 2022, the statements of comprehensive income, changes in net assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as at 31 December 2022, and its financial performance, changes in net assets and cash flows for the year then ended in accordance with the accounting guidance for Property Funds, Real Estate Investment Trusts, Infrastructure Funds and Infrastructure Trusts issued by the Association of Investment Management Companies as approved by The Securities and Exchange Commission.

Basis for Opinion

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

Key Audit Matter

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



Valuation of investments in leasehold properties	
Refer to Notes 3 (a) and 6 to the financial statements.	
The key audit matter	How the matter was addressed in the audit
<p>Investments in leasehold properties are measured at fair value and are material to the Trust's financial statements. The fair value of investments in leasehold properties is estimated by income approach using discounted future cash flows based on future operating results of each property. The Trust engaged independent external valuers to assist in valuing the fair value of these investments.</p> <p>Identification and assessment of the fair value require significant judgment in determining the key assumptions. This is an area that my audit is particularly concentrated on.</p>	<p>My audit procedures included</p> <ul style="list-style-type: none"> • understanding and evaluating the basis upon which the Trust identified and assessed the fair value. • evaluating the independence, qualifications and competence of valuers of the Trust and read the terms of engagement letter between the valuer and the Trust. • evaluating the appropriateness of the measurement basis and key assumptions used for estimating the value by comparing them against available industry data, considering the reasonableness of significant change in the fair value from prior year, sampling checked the relevant documents, and recomputing the valuation based on the discounted cash flows. • considering the adequacy of the disclosures in accordance with Thai Financial Reporting 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 and request that the correction be made.



The REIT manager's responsibility for the Financial Statements

The REIT manager is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting guidance for Property Funds, Real Estate Investment Trusts, Infrastructure Funds and Infrastructure Trusts issued by the Association of Investment Management Companies as approved by The Securities and Exchange Commission, and for such internal control as REIT manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by REIT manager.
- Conclude on the appropriateness of REIT manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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

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

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 matter. 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.

A handwritten signature in blue ink, appearing to read 'S. M.' with a stylized flourish.

(Sujitra Masena)
Certified Public Accountant
Registration No. 8645

KPMG Phoomchai Audit Ltd.
Bangkok
24 February 2023

Bualuang Office Leasehold Real Estate Investment Trust

Statement of financial position

		31 December	
	Note	2022	2021
		(in Baht)	
Assets			
Investments in leasehold properties at fair value	6	4,722,357,711	4,629,225,928
Investments measured at fair value through profit or loss	7	276,729,814	208,022,405
Cash and cash equivalents	5, 8	121,701,480	173,162,339
Receivables on accrued rental and service income	4, 5	24,854,300	14,810,195
Receivables on accrued other income	5	8,352,981	17,603,842
Receivables on accrued interest income	5	74,077	56,306
Deferred expenses	9	52,232	581,807
Refundable deposits		10,523,200	10,523,200
Other assets	5	16,132,737	13,011,464
Total assets		5,180,778,532	5,066,997,486
Liabilities			
Trade accounts payable	5	24,971,868	13,450,109
Other payables and accrued expenses	5	48,996,455	72,695,181
Rental and service income received in advance	5	25,422,425	23,269,235
Deposits from rental and services	5	131,058,606	107,102,401
Long-term borrowings	5, 10	869,400,000	920,000,000
Other liabilities		1,996,124	1,838,475
Total liabilities		1,101,845,478	1,138,355,401
Net assets		4,078,933,054	3,928,642,085
Net assets			
Trust registered capital		3,620,030,160	3,620,030,160
Capital from trust unitholders		3,620,030,160	3,620,030,160
Retained earnings	11	458,902,894	308,611,925
Net assets		4,078,933,054	3,928,642,085
Net asset value per unit		11.0600	10.6525
Number of trust units issued at the end of the year (units)		368,800,000	368,800,000

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

Bualuang Office Leasehold Real Estate Investment Trust

Detail of investments

Type of investments	Areas held by the Trust	31 December 2022			31 December 2021		
		Cost <i>(in Baht)</i>	Fair value <i>(in Baht)</i>	Percentage of investments <i>(%)</i>	Cost <i>(in Baht)</i>	Fair value <i>(in Baht)</i>	Percentage of investments <i>(%)</i>
Investments in leasehold properties (Note 6)							
Leasehold rights on land, office buildings and its component parts under 2 projects							
1. True Tower 1 project							
<u>Location</u> 18, Ratchadapisek Road, Kwang							
Huai Khwang, Khet Huai Khwang							
Bangkok 10310							
Leasehold rights on land, office building and its component parts including leaseable areas, common areas and parking areas							
Tool, fixtures, equipment and utility systems							
		63,615 sq.m.	2,721,859,000		2,721,859,000		
			227,729,281		220,203,938		
			2,949,588,281	2,947,882,771	2,942,062,938	2,878,326,385	59.50

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

Bualuang Office Leasehold Real Estate Investment Trust
Detail of investments (Continued)

	Areas held by the Trust	31 December 2022			31 December 2021		
		Type of investments	Cost <i>(in Baht)</i>	Fair value <i>(in Baht)</i>	Percentage of investments <i>(%)</i>	Cost <i>(in Baht)</i>	Percentage of investments <i>(%)</i>
2. True Tower 2 project							
<u>Location</u>	1252, 1252/1 - 1252/3,						
	Pattanakarn Road, Kwang Suan Luang,						
	Khet Suan Luang, Bangkok 10250						
	Leasehold rights on land, office building and its component parts including leasable areas, common areas and parking areas		1,417,325,000			1,417,325,000	
	Tool, fixtures, equipment and utility systems		220,428,379			218,621,850	
			<u>1,637,753,379</u>	<u>1,774,474,940</u>	<u>35.49</u>	<u>1,635,946,850</u>	<u>36.20</u>
			<u>4,587,341,660</u>	<u>4,722,357,711</u>	<u>94.46</u>	<u>4,578,009,788</u>	<u>95.70</u>
Total investments in leasehold properties							

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

Bualuang Office Leasehold Real Estate Investment Trust
Detail of investments (Continued)

Type of investments/ Issuer	Maturity date	Interest rate (% per annum)	31 December 2022			31 December 2021		
			Cost	Fair value (in Baht)	Percentage of investments (%)	Cost	Fair value (in Baht)	Percentage of investments (%)
Investments measured at fair value through profit or loss (Note 7)								
Fixed deposits								
CIMB Thai Bank Public								
Company Limited	27 January 2022	0.30	-	-	-	40,079,889	40,079,889	0.83
CIMB Thai Bank Public								
Company Limited	2 March 2022	0.30	-	-	-	45,000,000	45,000,000	0.93
CIMB Thai Bank Public								
Company Limited	7 April 2022	0.30	-	-	-	43,146,747	43,146,747	0.89
CIMB Thai Bank Public								
Company Limited	10 March 2023	0.55	70,000,000	70,000,000	1.40	-	-	-
Bond								
Bank of Thailand Bond, no. 7/364/64	7 July 2022	-	-	-	-	80,000,000	79,795,769	1.65
Bank of Thailand Bond, no. 1/364/65	5 January 2023	-	40,000,000	39,995,836	0.80	-	-	-
Bank of Thailand Bond, no. 2/364/65	2 February 2023	-	52,000,000	51,953,445	1.04	-	-	-

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

Bualuang Office Leasehold Real Estate Investment Trust
Detail of investments (Continued)

Type of investments/ Issuer	Maturity date	Interest rate (% per annum)	31 December 2022			31 December 2021		
			Cost	Fair value (in Baht)	Percentage of investments (%)	Cost	Fair value (in Baht)	Percentage of investments (%)
Investments measured at fair value through profit or loss (Note 7)								
Treasury bill								
Treasury bill								
no. 20/182/65	4 January 2023	-	25,000,000	24,998,048	0.50	-	-	-
Treasury bill								
no. 23/182/65	15 February 2023	-	50,000,000	49,942,460	1.00	-	-	-
Treasury bill								
no. 3/182/66	10 May 2023	-	20,000,000	19,925,268	0.40	-	-	-
Treasury bill								
no. 4/182/66	24 May 2023	-	20,000,000	19,914,757	0.40	-	-	-
Total investments measured at fair value								
through profit or loss			277,000,000	276,729,814	5.54	208,226,636	208,022,405	4.30
Total investments			4,864,341,660	4,999,087,525	100.00	4,786,236,424	4,837,248,333	100.00

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

Bualuang Office Leasehold Real Estate Investment Trust

Statement of comprehensive income

		For the year ended 31 December	
	Note	2022	2021
		(in Baht)	
Income	5		
Rental and service income	15	593,305,699	569,034,589
Interest income		786,816	653,512
Other income		11,213,973	10,150,926
Total income		605,306,488	579,839,027
Expenses			
Management fees	5, 12	13,769,319	13,513,554
Trustee fees	5, 12	8,872,046	8,739,048
Registrar fees	12	1,177,523	1,187,153
Property management fees	5, 12	53,872,931	52,040,542
Professional fees		1,556,155	1,513,300
Amortisation of deferred expenses	9	529,575	529,575
Costs of rental and services	5	141,944,769	136,773,883
Administration expenses		11,741,393	2,285,751
Finance costs	5	38,819,381	39,100,000
Total expenses		272,283,092	255,682,806
Net profit on investments		333,023,396	324,156,221
Net gain on investments			
Net gain on changes in fair value of investments in leasehold properties	6	83,799,910	43,741,175
Net gain (loss) on changes in fair value of investments measured at fair value through profit or loss	7	14,477	(57,017)
Total net gain on investments		83,814,387	43,684,158
Net increase in net assets resulting from operations		416,837,783	367,840,379

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

Bualuang Office Leasehold Real Estate Investment Trust

Statement of changes in net assets

		For the year ended	
		31 December	
	Note	2022	2021
		(in Baht)	
<i>Increase in net assets resulting from operations during the year</i>			
Net profit on investments		333,023,396	324,156,221
Net gain on changes in fair value of investments in leasehold properties	6	83,799,910	43,741,175
Net gain (loss) on changes in fair value of investments measured at fair value through profit or loss	7	<u>14,477</u>	<u>(57,017)</u>
Increase in net assets resulting from operations during the year		416,837,783	367,840,379
Distribution to trust unitholders	13	<u>(266,546,814)</u>	<u>(288,475,006)</u>
Increase in net assets during the year		150,290,969	79,365,373
Net assets at 1 January		<u>3,928,642,085</u>	<u>3,849,276,712</u>
Net assets at 31 December		<u>4,078,933,054</u>	<u>3,928,642,085</u>
Changes in number of Trust unit			
<i>(Baht 9.8157 per unit)</i>			
Trust unit at 1 January (units)		<u>368,800,000</u>	<u>368,800,000</u>
Trust unit at 31 December (units)		<u>368,800,000</u>	<u>368,800,000</u>

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

Bualuang Office Leasehold Real Estate Investment Trust

Statement of cash flows

		For the year ended	
		31 December	
	Note	2022	2021
		(in Baht)	
Cash flows from operating activities			
Net increase in net assets resulting from operations		416,837,783	367,840,379
<i>Adjustments to reconcile increase (decrease) in net assets from</i>			
<i>resulting from operations to net cash from operating activities:</i>			
Acquisitions of investments in leasehold properties		(3,963,916)	-
Purchases of investments	7	(642,017,215)	(652,421,063)
Disposal of investments	7	574,054,665	592,399,773
Amortisation of deferred expenses	9	529,575	529,575
Amortisation of discount on investments in bonds	7	(730,382)	(164,080)
Increase in receivables on accrued rental and service income		(10,044,105)	(303,044)
Decrease (increase) in receivables on accrued other income		9,250,861	(9,738,458)
(Increase) decrease in other assets		(3,121,273)	10,107,688
Increase (decrease) in trade accounts payable		7,049,944	(1,969,478)
(Decrease) increase in other payables and accrued expenses		(24,856,293)	22,317,601
Increase (decrease) in rental and service income received in advance		2,153,190	(14,993,257)
Increase (decrease) in deposits from rental and services		23,956,205	(14,768,866)
Increase (decrease) in other liabilities		157,649	(1,073,828)
Interest income		(786,816)	(653,512)
Interest received		769,045	643,145
Finance costs		38,819,381	39,100,000
Net gain on changes in fair value of investments in leasehold properties	6	(83,799,910)	(43,741,175)
Net (gain) loss on changes in fair value of investments measured			
at fair value through profit or loss	7	(14,477)	57,017
Net cash from operating activities		304,243,911	293,168,417

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

Bualuang Office Leasehold Real Estate Investment Trust
Statement of cash flows (Continued)

		For the year ended	
		31 December	
	<i>Note</i>	2022	2021
		<i>(in Baht)</i>	
<i>Cash flows from financing activities</i>			
Interest paid		(38,557,956)	(39,100,000)
Repayment of long-term borrowings	10	(50,600,000)	-
Distribution to trust unitholders	13	<u>(266,546,814)</u>	<u>(288,475,006)</u>
Cash used in financing activities		<u>(355,704,770)</u>	<u>(327,575,006)</u>
Net decrease in cash and cash equivalents		(51,460,859)	(34,406,589)
Cash and cash equivalents at 1 January		<u>173,162,339</u>	<u>207,568,928</u>
Cash and cash equivalents at 31 December	8	<u><u>121,701,480</u></u>	<u><u>173,162,339</u></u>
<i>Supplement disclosure of cash flows information:</i>			
Acquisitions of investments in leasehold properties during the year are detailed as follows:			
Increase of investments in leasehold properties during the year	6	9,331,873	7,449,194
<i>Less</i> Changes in payables for acquisitions of investments in leasehold properties		<u>(5,367,957)</u>	<u>(7,449,194)</u>
Investments in leasehold properties paid by cash		3,963,916	-

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

Bualuang Office Leasehold Real Estate Investment Trust

Notes to the financial statements

For the year ended 31 December 2022

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Bualuang Office Leasehold Real Estate Investment Trust

Notes to the financial statements

For the year ended 31 December 2022

These notes form an integral part of the financial statements.

The financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language financial statements, and were authorised for issue by the authorised director of the REIT manager on 24 February 2023.

1 General information

Bualuang Office Leasehold 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 (“the Act”) in accordance with the Trust Deed signed on 6 February 2018 between BBL Asset Management Company Limited (“The REIT Manager”) as the Trust Settlor and KrungThai Asset Management Public Company Limited as the Trustee. True Properties Company Limited is Property manager. On 6 February 2018, the Trust was established as a specific closed-end real estate investment trust with an indefinite term. The Trust’s objectives are to raise funds from investors and use funds to invest in the major leasehold properties by lease and/ or sublease under 2 projects as follows:

1.1 True Tower 1 Project, descriptions of investment were as follows:

Location	18, Ratchadapisek Road, Kwang Huai Khwang, Khet Huai Khwang, Bangkok 10310
Ownership	The land and building are owned by True Properties Company Limited and managed by True Properties Company Limited
Gross floor area	63,615 sq.m.
Net leasable area	37,315 sq.m. (at start of project)
Type of investment	1. Leasehold rights over the land (all) 2. Leasehold rights over building and its component parts (all) which located on land above 3. Freehold rights over tools, fixtures, equipment and utility systems
Investment period	30 years (ended on 7 February 2048)

1.2 True Tower 2 Project, descriptions of investment were as follows:

Location	1252, 1252/1 - 1252/3, Pattanakarn Road, Kwang Suan Luang, Ket Suan Luang, Bangkok 10250
Ownership	The land and building are owned by True Properties Company Limited and managed by True Properties Company Limited
Gross floor area	41,417 sq.m.
Net leasable area	25,072 sq.m. (at start of project)
Type of investment	1. Leasehold rights over the land (all) 2. Leasehold rights over building and its component parts (all) which located on land above 3. Freehold rights over tools, fixtures, equipment and utility systems
Investment period	30 years (ended on 7 February 2048)

On 27 February 2018, the Stock Exchange of Thailand approved the listing of the Trust’s units and permitted their trading from 28 February 2018 onwards.

As at 31 December 2022, the Trust’s major unitholders is True Properties Company Limited, which holds 15.18% (2021: 15.18%). The Company was incorporated in Thailand.

Bualuang Office Leasehold Real Estate Investment Trust
Notes to the financial statements
For the year ended 31 December 2022

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

2 Basis of preparation of the financial statements

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

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

3 Significant accounting policies

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

(a) Investments in leasehold properties at fair value

Investments in leasehold properties include properties that are owned by the Trust to earn rental income but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investments in leasehold properties are measured at cost, including transaction costs, on initial recognition and subsequently at fair value, with any change recognised in profit or loss and presented as "gain (loss) from changes in fair value of investment".

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

Differences between the proceeds from disposal and the carrying amount of investments in leasehold properties, are recognised in profit or loss and presented as "net realised gain (loss) on investments".

(b) Investments measured at fair value through profit or loss

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

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

Bualuang Office Leasehold Real Estate Investment Trust

Notes to the financial statements

For the year ended 31 December 2022

Derecognition

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

Offsetting

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

(c) Cash and cash equivalents

Cash and cash equivalents in the statement of cash flows comprise cash balances, cash at financial institutions and highly liquid short-term investments which has a maturity of three months or less from the date of acquisition.

(d) Receivables on accrued rental and service income

Receivables on accrued rental and service income is measured at transaction price less allowance for expected credit loss.

The Trust estimates lifetime expected credit losses (ECLs), using a provision matrix to find ECLs rate. This method groups the rent receivable based on shared credit risk characteristics and past due status, taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the reporting date. The Trust derecognises a rent receivable as described in note 3 (b).

The recognised revenue which is not yet due under the operating lease agreements has been presented as “Accrued income under operating lease” under the caption of “Receivables on accrued rental and service income” at the end of reporting period.

(e) Receivables on accrued other income

Receivables on accrued other income is the recognised revenue which is not yet issued invoice to customers stated at cost plus margin recognised up to the reporting date less allowance for expected credit loss.

(f) Deferred expenses

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

(g) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

Bualuang Office Leasehold Real Estate Investment Trust

Notes to the financial statements

For the year ended 31 December 2022

(h) *Rental and service income received in advance*

Rental and service income received in advance represents the amount of billings rendered to customers in excess of income recognised, as well as the amount of advance billing for customers' work, for which the Trust had not rendered the service under the conditions stipulated in the contracts. Rental and service income received in advance is stated at cost.

(i) *Provisions*

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

(j) *Interest-bearing liability*

Interest-bearing liability is measured at amortised cost.

(k) *Fair values measurement*

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

When measuring the fair value of an asset or a liability, the Trust uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

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

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

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e., the fair value of the consideration given or received. If the Trust determines that the fair value on initial recognition differs from the transaction price, the financial instrument is initially measured at fair value adjusted for the difference between the fair value on initial recognition and the transaction price and the difference is recognised in profit or loss immediately. However, for the fair value categorised as level 3, such difference is deferred and will be recognised in profit or loss on an appropriate basis over the life of the instrument or until the fair value level is transferred or the transaction is closed out.

(l) *Revenues*

Rental income

At inception or on modification of a contract, the Trust allocates the consideration in the contract to each component on the basis of their relative standalone selling prices.

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At lease inception, the Trust considers classifying a lease that transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to lessees as a finance lease. A lease that does not meet this criteria is classified as an operating lease.

The Trust recognises lease payments received under operating leases in profit or loss on a straight line basis over the lease term as part of 'rental income'. Initial direct costs incurred in arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Service income

Service income is recognised when a customer obtains control of the services at the rate stipulated under the agreement. Service income is recognised over time as the services are provided. The related costs are recognised in profit or loss when they are incurred.

Rental and service income which is not yet due under the operating lease agreements has been presented as "Accrued income under operating lease" under the caption of "Receivables on accrued rental and service income" at the end of reporting period.

Other income

Other income is recognised in profit or loss as it accrues.

(m) Interest

Interest income and expense is recognised in profit or loss using the effective interest rate method. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability.

(n) Expenses

Expenses are recognised in profit or loss as it accrues.

(o) Income tax

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

(p) Distributions to unitholders

The Trust recognises a reduction in retained earnings at the date a distribution is declared.

(q) Related parties

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

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(r) Segment information

Segment results that are reported to the Trust's management (the chief operating decision maker) include items directly attributable to a segment.

4 Financial risks

Credit risk

Credit risk is the risk of financial loss to the Trust if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Trust's receivables from customers and investments in debt securities. However, the related financial assets have short-term maturity, therefore, the Trust does not anticipate material losses from its debt collection.

The Trust has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. The Trust has no concentrations of credit risk due to the fact that the Trust has a large number of tenants in various businesses. Additionally, the Trust has a policy to collect in advance the rental deposits from customers as collateral in case of default. At the reporting date, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

Receivables on accrued rental and service income

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

The Trust limits its exposure to credit risk from receivables by establishing a payment period and outstanding trade receivables are regularly monitored by the Trust. An impairment analysis is performed by the Trust at each reporting date. The provision rates of expected credit loss are based on days past due for individual trade receivables to reflect differences between economic conditions in the past, current conditions and the Trust's view of economic conditions over the expected lives of the receivables.

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

<i>Receivables on accrued rental and service income</i>	Trade accounts receivable - other parties	Trade accounts receivable - related parties (Note 5)	Total carrying amounts
<i>At 31 December 2022</i>			
Within credit terms	176	4,981	5,157
Overdue:			
Less than 3 months	4	6,285	6,289
3 - 6 months	-	2,405	2,405
6 - 12 months	-	2,361	2,361
Total	180	16,032	16,212
Accrued income under operating lease	-	8,642	8,642
	180	24,674	24,854
Less allowance for expected credit loss	-	-	-
Net	180	24,674	24,854

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<i>Receivables on accrued rental and service income</i>	Trade accounts receivable - other parties	Trade accounts receivable - related parties (Note 5) (in thousand Baht)	Total carrying amounts
<i>At 31 December 2021</i>			
Within credit terms	1,067	3,520	4,587
Overdue:			
Less than 3 months	-	1,416	1,416
3 - 6 months	-	23	23
6 - 12 months	-	10	10
Total	1,067	4,969	6,036
Accrued income under operating lease	-	8,774	8,774
	1,067	13,743	14,810
Less allowance for expected credit loss	-	-	-
Net	1,067	13,743	14,810

The normal credit terms granted for receivables on accrued rental and service income of the Trust range from 30 days to 45 days.

Liquidity risk

The following table is the remaining contractual maturities of long-term borrowings at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements

<i>Contractual cash flows at 31 December</i>	2022 (in thousand Baht)	2021
Within 1 year or less	89,648	88,265
More than 1 year but less than 2 years	87,399	86,115
More than 2 years but less than 5 years	247,767	245,534
More than 5 years	618,834	696,138
Total	1,043,648	1,116,052

Currency risk

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

Market risk

The Trust is exposed to market risk due to the holding of investment in debt security for which return on the investment are subject to volatility of economic, political, money market and capital market conditions. Such conditions could have either positive or negative impact on the operation of the company that issues securities, depending on the extent to which the issuers' business type correlates with the market volatility, which could push the security's price up or down.

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Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Trust's operations and its cash flows because cash and cash equivalents and long-term borrowings interest rates (see notes 8 and 10) are partially variable. So the Trust is primarily exposed to interest rate risk.

<i>At 31 December</i>	2022 (in thousand Baht)	2021
<i>Financial instruments with variable interest rates</i>		
Financial assets	112,415	94,839
Financial liabilities	(869,400)	(920,000)
Net statement of financial position exposure	(756,985)	(825,161)
Interest rate swaps	-	-
Net exposure	(756,985)	(825,161)

Cash flow sensitivity analysis for variable-rate instruments

A reasonable possible change of 1% in interest rates at the reporting date; this analysis assumes that all other variables remain constant.

	2022		2021	
<i>Impact to profit or loss</i>	1% increase in interest rate	1% decrease in interest rate	1% increase in interest rate	1% decrease in interest rate
		(in thousand Baht)		
Financial instruments with variable interest rate	(7,470)	8,689	(7,595)	8,988

Financial risk management policies

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

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

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5 Related parties

Other related parties which have material changes in relationships and that the Trust had significant transactions during the year with were as follows:

Name of parties	Country of incorporation	Nature of relationships	Nature of transactions
True Properties Company Limited	Thailand	Property manager Major unitholder holding 15.18% of trust units issued and paid-up	Entered into leasehold rights agreements over land, building and its component parts (<i>Note 6</i>) Receive property management fees from the Trust Rental and service income Receive management fees from the Trust
BBL Asset Management Company Limited	Thailand	REIT manager	Receive trustee fees from the Trust
KrungThai Asset Management Public Company Limited	Thailand	Trustee of the Trust	Depository service Grant loan to the trust Depository service
Bangkok Bank Public Company Limited	Thailand	Parent company of REIT manager	Rental and service income
Krung Thai Bank Public Company Limited	Thailand	Parent company of Trustee of the Trust	Rental and service income
Charoen Pokphand Group Company Limited	Thailand	Ultimate parent company of property manager	Rental and service income
Asia Era One Co., Ltd.	Thailand	Affiliated company of property manager	Rental and service income
Bakehouse Company Limited	Thailand	Affiliated company of property manager	Rental and service income
BFKT (Thailand) Company Limited	Thailand	Affiliated company of property manager	Rental and service income
Charoen Pokphand Foods Public Company Limited	Thailand	Affiliated company of property manager	Rental and service income
Chef Cares Project Company Limited	Thailand	Affiliated company of property manager	Rental and service income
Cineplex Co., Ltd.	Thailand	Affiliated company of property manager	Rental and service income
CP All Public Company Limited	Thailand	Affiliated company of property manager	Rental and service income
CP Future City Development Corporation Limited	Thailand	Affiliated company of property manager	Rental and service income
CPF (Thailand) Public Company Limited	Thailand	Affiliated company of property manager	Rental and service income
Pantavanij Co., Ltd.	Thailand	Affiliated company of property manager	Car parking rental income and costs of rental and services Rental and service income
SM True Co., Ltd.	Thailand	Affiliated company of property manager	

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For the year ended 31 December 2022

Name of parties	Country of incorporation	Nature of relationships	Nature of transactions
Thai News Network Co., Ltd.	Thailand	Affiliated company of property manager	Rental and service income
True Corporation Public Company Limited	Thailand	Affiliated company of property manager	Rental and service income
True Digital Group Co., Ltd.	Thailand	Affiliated company of property manager	Rental and service income
True Digital Plus Co., Ltd.	Thailand	Affiliated company of property manager	Rental and service income
True Distribution & Sales Co., Ltd.	Thailand	Affiliated company of property manager	Rental and service income
True GS Co., Ltd.	Thailand	Affiliated company of property manager	Rental and service income
True Internet Corporation Co., Ltd.	Thailand	Affiliated company of property manager	Rental and service income
True Internet Data Center Co., Ltd.	Thailand	Affiliated company of property manager	Rental and service income
True Leasing Co., Ltd.	Thailand	Affiliated company of property manager	Rental and service income
True Lifestyle Retail Co., Ltd.	Thailand	Affiliated company of property manager	Rental and service income
True Money Company Limited	Thailand	Affiliated company of property manager	Service income
True Move H Universal Communication Co., Ltd.	Thailand	Affiliated company of property manager	Rental and service income
True Touch Co., Ltd.	Thailand	Affiliated company of property manager	Service income
True United Football Club Co., Ltd.	Thailand	Affiliated company of property manager	Rental and service income
True Visions Group Co., Ltd.	Thailand	Affiliated company of property manager	Rental and service income
True4U Station Company Limited	Thailand	Affiliated company of property manager	Rental and service income
Wire & Wireless Company Limited	Thailand	Affiliated company of property manager	Rental and service income

Significant transactions for the year ended 31 December 2022 and 2021 with related parties were as follows:

	2022 (in thousand Baht)	2021
Income		
Rental and service income		
True Corporation Public Company Limited	185,710	177,991
True Internet Corporation Co., Ltd.	119,048	100,926
True Move H Universal Communication Co., Ltd.	94,461	98,193
True Internet Data Center Co., Ltd.	40,861	40,262
True Visions Group Co., Ltd.	27,683	26,787
True Distribution & Sales Co., Ltd.	25,712	27,279
True GS Co., Ltd.	19,620	20,750
Other related parties	78,080	71,466
Total	591,175	563,654

Bualuang Office Leasehold Real Estate Investment Trust

Notes to the financial statements

For the year ended 31 December 2022

	2022 (in thousand Baht)	2021
Interest income		
Other related parties	<u>212</u>	<u>213</u>
Other income		
Other related parties	<u>9,173</u>	<u>8,828</u>
Expenses		
Management fees		
BBL Asset Management Company Limited	<u>13,769</u>	<u>13,514</u>
Trustee fees		
KrungThai Asset Management Public Company Limited	<u>8,872</u>	<u>8,739</u>
Property management fees		
True Properties Company Limited	<u>53,873</u>	<u>52,041</u>
Costs of rental and services		
Pantavanij Co., Ltd.	<u>20</u>	<u>20</u>
Finance costs		
Bangkok Bank Public Company Limited	<u>38,819</u>	<u>39,100</u>

Balances as at 31 December 2022 and 2021 with related parties were as follows:

	2022 (in thousand Baht)	2021
Cash at financial institutions		
Bangkok Bank Public Company Limited	96,109	77,095
Krung Thai Bank Public Company Limited	<u>16,852</u>	<u>17,732</u>
Total	<u>112,961</u>	<u>94,827</u>
Receivables on accrued rental and service income		
Rental and service receivables		
Other related parties	<u>16,032</u>	<u>4,969</u>
	<u>16,032</u>	<u>4,969</u>
Accrued income under operating lease		
Other related parties	<u>8,642</u>	<u>8,774</u>
	<u>8,642</u>	<u>8,774</u>
Total	<u>24,674</u>	<u>13,743</u>
Receivables on accrued other income		
Other related parties	<u>8,193</u>	<u>8,220</u>
Receivables on accrued interest income		
Other related parties	<u>6</u>	<u>1</u>

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	2022 (in thousand Baht)	2021
<i>Prepaid expenses</i>		
True Properties Company Limited	<u>13,074</u>	<u>11,403</u>
<i>Trade accounts payable</i>		
Other related parties	<u>518</u>	<u>1,813</u>
<i>Other payables and accrued expenses</i>		
BBL Asset Management Company Limited	8,817	8,152
True Corporation Public Company Limited	-	23,260
Other related parties	2,211	2,169
Total	<u>11,028</u>	<u>33,581</u>
<i>Rental and service income received in advance</i>		
True Corporation Public Company Limited	11,174	5,776
True Move H Universal Communication Co., Ltd.	6,172	2,988
True Internet Corporation Co., Ltd.	3,123	4,086
Other related parties	4,886	10,362
Total	<u>25,355</u>	<u>23,212</u>
<i>Deposits from rental and services</i>		
True Corporation Public Company Limited	44,843	20,570
True Internet Corporation Co., Ltd.	21,597	19,563
True Move H Universal Communication Co., Ltd.	19,868	19,866
True Visions Group Co., Ltd.	7,174	8,187
True Internet Data Center Co., Ltd.	6,657	6,657
True Distribution & Sales Co., Ltd.	5,681	6,399
True GS Co., Ltd.	3,886	4,241
Other related parties	21,229	20,748
Total	<u>130,935</u>	<u>106,231</u>
<i>Long-term borrowings</i>		
Bangkok Bank Public Company Limited	<u>869,400</u>	<u>920,000</u>

Significant agreement with related parties

The Trust (“the Sublessor”) entered into building area sublease agreement, and service agreement with ultimate parent company and group of affiliated company of property manager (“the Sublessee”), for using in the operation of business for periods of 1 year to 3 years. In this regard, counterparties can renew the agreements for 3 years each under the conditions of the agreement, the Sublessee had to pay the monthly rental throughout the lease agreement period.

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6 Investments in leasehold properties at fair value

Movement of investments in leasehold properties for the year ended 31 December 2022 and 2021 were as follows:

	2022 (in thousand Baht)	2021
Investments in leasehold properties - at cost		
Investments in leasehold properties at 1 January	4,578,010	4,570,560
Add Increase in tools, fixtures, equipment and utility systems during the year	9,332	7,450
Investments in leasehold properties as at 31 December - at cost	4,587,342	4,578,010
Net gain on changes in fair value of investments in leasehold properties		
Net gain on changes in fair value of investments in leasehold properties at 1 January	51,216	7,475
Net gain on changes in fair value of investments in leasehold properties during the year	92,442	52,515
Less Value included in accrued income under operating lease	(8,642)	(8,774)
	83,800	43,741
Net gain on changes in fair value of investments in leasehold properties at 31 December	135,016	51,216
Investments in leasehold properties as at 31 December	4,722,358	4,629,226

The fair value of investments in leasehold properties was determined by independent professional valuers, at income approach by using discounted future cash flows, according to the independent professional valuers' report dated 4 August 2022, and was categorised as a Level 3 fair value.

Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
<ul style="list-style-type: none"> Expected market rental growth (2022 and 2021: 3.25%). Occupancy rate (2022 and 2021: 98.00%). Risk-adjusted discount rates (2022: 9.75% and 2021: 9.50%). 	<p>The estimated fair value increase (decrease) if:</p> <ul style="list-style-type: none"> Expected market rental growth were higher (lower); The occupancy rates were higher (lower); or The risk-adjusted discount rates were lower (higher).

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Leases

As a lessor

The leases with tenants contain an initial non-cancellable period of 1 to 3 years. Subsequent renewals are negotiated with the lessee. These leases are identified as the fixed rental income.

Lease payments to be received from operating leases at 31 December

	2022 (in thousand Baht)	2021
1 st year	297,394	287,711
2 nd year	158,645	108,999
3 rd year	2,142	-
Total	458,181	396,710

7 Investments measured at fair value through profit or loss

Movement of investments measured at fair value through profit or loss for the year ended 31 December 2022 and 2021 were as follows:

	2022 (in thousand Baht)	2021
At 1 January	208,022	147,894
Additions	642,018	652,421
Disposals	(574,055)	(592,400)
Amortisation of discount on investments in bonds	730	164
Net gain (loss) on changes in fair value of investments measured at fair value through profit or loss	15	(57)
At 31 December	276,730	208,022

8 Cash and cash equivalents

The Trust's details of cash and cash equivalents are as follows:

	31 December 2022		31 December 2021	
	Amount (in thousand Baht)	Interest rate (% per annum)	Amount (in thousand Baht)	Interest rate (% per annum)
Cash on hand	619	-	60	-
Cash at banks - current accounts	8,667	-	8,263	-
Cash at banks - savings accounts	112,415	0.05 - 0.35	94,839	0.05 - 0.13
High-liquidity short-term investments	-	-	70,000	0.25
Total	121,701		173,162	

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9 Deferred expenses

Movement of deferred expenses for the year ended 31 December 2022 and 2021 were as follows:

	2022 (in thousand Baht)	2021
At 1 January	582	1,111
Amortisation	(530)	(529)
At 31 December	52	582

If the Trust was to recognise the deferred expenses as expenses in full as at 31 December 2022, the Trust's net asset value (NAV) would be Baht 4,078.9 million, and NAV per unit would be Baht 11.0598 per unit.

10 Long-term borrowings

Long-term borrowings as at 31 December 2022 and 2021 were classified as follows:

	2022 (in thousand Baht)	2021
Current portion of long-term borrowings	50,600	50,600
Long-term borrowings	818,800	869,400
Total	869,400	920,000

Movements of long-term borrowings for the year ended 31 December 2022 and 2021 were as follows:

	2022 (in thousand Baht)	2021
At 1 January	920,000	920,000
Decrease	(50,600)	-
At 31 December	869,400	920,000

On 8 February 2018, the Trust borrowed loans of Baht 920.0 million from Bangkok Bank Public Company Limited ("the bank"). The principal is payable due at the term of agreements for the period of 10 years which repayable during 2022 to 2028. The loan bears interest at MLR-2 to MLR-1 per annum (*Interest rate at 31 December 2022: 4.85% per annum and 31 December 2021: 4.25% per annum*). The principal and interest are semi-annually payable. The borrowings were secured by the followings:

- 1) Leasehold rights of True Tower 1 building.
- 2) Rights of received all rental and service income.
- 3) Insurances including all risk insurances and business interruption insurances in which identified the bank as beneficiary together with the borrower.

Under the borrowing agreement, the Trust must maintain financial conditions which stipulated in the borrowing agreement such as maintenance interest bearing debt to operating profit before interest expenses and financial costs, income tax, depreciation, amortisation adjust by non-cash items (Interest Bearing Debt to EBITDA ratio) to be not more than 4 times etc.

As at 31 December 2022 and 2021, the Trust had no unutilised credit facilities.

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11 Retained earnings

Movements of retained earnings for the year ended 31 December 2022 and 2021 were as follows:

	Note	2022 (in thousand Baht)	2021
At 1 January		308,612	229,247
Add Net profit on investments		333,023	324,156
Net gain on changes in fair value of investments in leasehold properties	6	83,800	43,741
Net gain (loss) on changes in fair value of investments measured at fair value through profit or loss	7	15	(57)
Less Distributions to trust unitholders	13	(266,547)	(288,475)
At 31 December		<u>458,903</u>	<u>308,612</u>

12 Expenses

(a) Management fees

The REIT manager will receive a monthly REIT management fees at a rate not exceed 0.50% per annum of total assets value (excluded value added tax, specific business tax or any other similar tax) but not less than Baht 8 million per year.

(b) Trustee fees

The Trustee of the Trust will receive a monthly trustee fees at a rate not exceed 0.50% per annum of total assets value (excluded value added tax, specific business tax or any other similar tax) but not less than Baht 4 million per year.

(c) Registrar fees

The registrar fees are calculated annually at a rate not exceed 0.05% per annum of the Trust's registered capital or other rate that set by the Trust's registrar.

(d) Property management fees

The Property manager will receive remuneration under the Property Management Agreements which is summarised as follows:

(1) Base fees

At a rate of not exceed 3% of operating income by individual project.

(2) Incentive fee

At a rate of not exceed 10% of adjusted gross profit.

(3) Service fees for agreement arrangement

At a rate not exceed 3 months of rental and/ or service income for entering into new rental service contract or extending the original contract and investing in leased assets according to the term of the agreement for the period of 3 years and variable depending on the term of agreement.

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13 Distributions to trust unitholders

For the year ended 31 December 2022				
The operation for the period	Approval date	Payment date	Amount per unit (in Baht)	Amount (in thousand Baht)
1 October 2021 - 31 December 2021	25 February 2022	25 March 2022	0.1915	70,621
1 January 2022 - 31 March 2022	17 May 2022	14 June 2022	0.1771	65,306
1 April 2022 - 30 June 2022	11 August 2022	8 September 2022	0.1771	65,309
1 July 2022 - 30 September 2022	14 November 2022	13 December 2022	0.1771	65,311
				266,547

For the year ended 31 December 2021				
The operation for the period	Approval date	Payment date	Amount per unit (in Baht)	Amount (in thousand Baht)
1 October 2020 - 31 December 2020	24 February 2021	24 March 2021	0.1912	70,515
1 January 2021 - 31 March 2021	12 May 2021	9 June 2021	0.2029	74,829
1 April 2021 - 30 June 2021	11 August 2021	8 September 2021	0.1966	72,506
1 July 2021 - 30 September 2021	15 November 2021	13 December 2021	0.1915	70,625
				288,475

14 Information on investment purchase and sale transactions

The Trust's purchase and sale transactions during the year ended 31 December 2022, excluding investments in cash at financial institutions, amounted to Baht 295.5 million which was 7.37% of the average net assets values during the year (2021: Baht 312.2 million which was 8.02% of the average net assets values during the year).

15 Segments information and disaggregation of revenue

The Trust's main operations are derived from rental and service income from investing in properties and leasehold rights, seeking the benefits from properties, and properties for rent. The Trust has only one geographical segment because they operate only in Thailand.

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Disaggregation of revenues, timing of revenue recognition and results, based on TFRS 15 *Revenue from Contracts with Customers*, in the financial statements for the year ended 31 December 2022 and 2021 were as follows:

	2022 (in thousand Baht)	2021
Type of revenues		
Revenue from rendering of services	361,023	344,769
Total income	605,306	579,839
Timing of revenue recognition		
Overtime	361,023	344,769

16 Information on fair value level and fair value measurement of investment

<i>Fair value categorised by measurement approach</i>	Level 1	Level 2	Level 3	Total
		<i>(in million Baht)</i>		
At 31 December 2022				
Investments in leasehold properties at fair value	-	-	4,722	4,722
Investments measured at fair value through profit or loss	-	277	-	277
At 31 December 2021				
Investments in leasehold properties at fair value	-	-	4,629	4,629
Investments measured at fair value through profit or loss	-	208	-	208

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

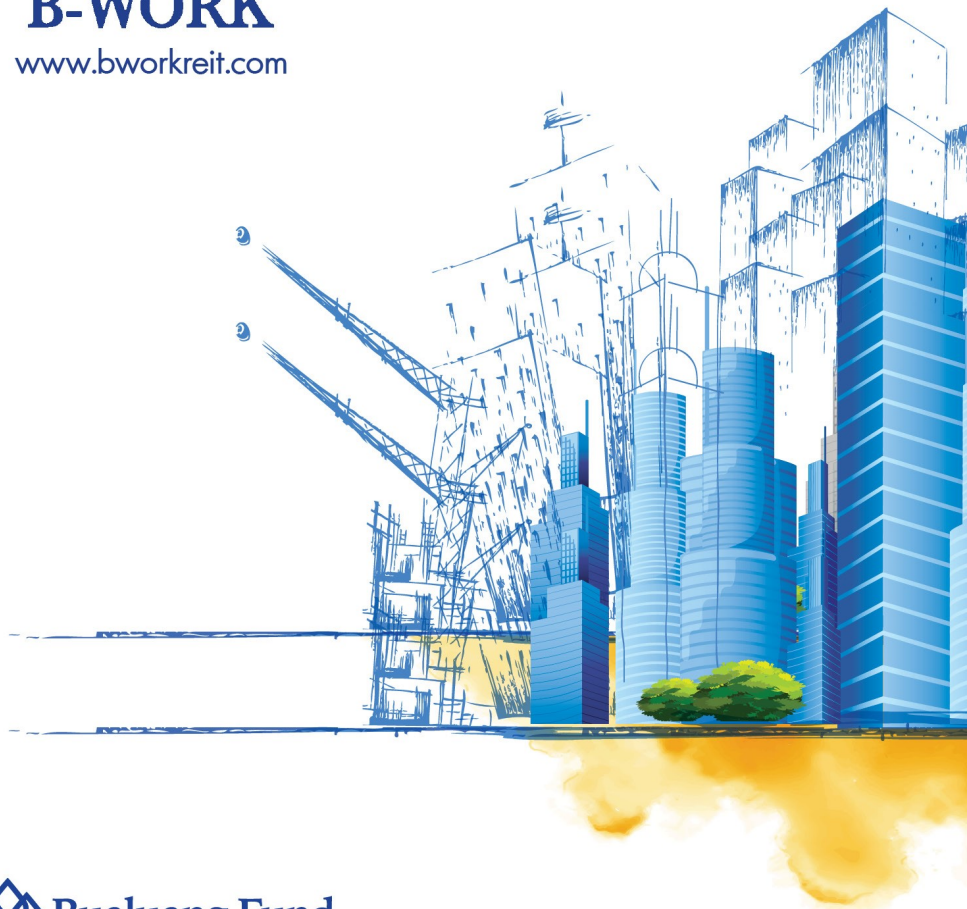
Investments categorised in level 3 have significant unobservable data as they are not actively traded. Valuation method and significant assumptions were disclosed in note 6.

17 Commitments with non-related parties

The Trust is committed to pay service charges and fees to counterparties under the terms and conditions as specified in the Trust Deed.

18 Event after the reporting period

At the Board of Director's meeting of Real Estate Investment Committee of BBL Asset Management Company Limited, act as a REIT Manager of Bualuang Office Leasehold Real Estate Investment Trust held on 24 February 2023, the Board of Directors approved the appropriation of operation for the period from 1 October 2022 to 31 December 2022 of Baht 0.1771 per unit, amounting to Baht 65.3 million, which will be paid to its trust unitholders in March 2023.



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