



# ANNUAL REPORT 2022

ALLY LEASEHOLD REAL ESTATE INVESTMENT TRUST







“Beyond Real Estate,  
ALLY invests in places for people  
and lifestyle of the future”

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# Message from REIT Manager

To ALLY Leasehold Real Estate Investment Trust Unitholders

In 2022, COVID-19 Pandemic Situation has unfolded, and government sector had gradual eased the international travel measures of the countries resulting in both foreign and domestic tourism sector have been recovered continuously as well as there is more economic recovery throughout the country, commercial and service sectors are improved by the economic recovery along with conflict between Russia and Ukraine result to Thai Economy. However, there is the risks that have to monitored including higher rates of inflation and interest, energy cost and cost of living affecting business sector in aspects of income and expense by Thai economic in 2022 is projected to expand at 2.6 percent increasing from previous year with expansion of 1.5 percent.

ALLY REIT MANAGEMENT CO., LTD. as the REIT manager of ALLY Leasehold Real Estate Investment Trust has paid attention to making income, cost management and operation expense control to be efficient, liquidity maintenance and cash flow management to be sufficient for operating business as well as continuous growth under the Synergy Made Growth strategy and aimed to make benefits to trust holders and pay attention to asset management as invested by Trust currently.

## Investment in Additional Asset

In 2022, Trust had invested in 1 project of additional asset, namely The Prime Hua Lamphong, office and commercial building with investment value of 171.8 million baht, resulting in Trust has increased net leased area by 4,346 square meters to be 160,214 square meters.

## Asset Management

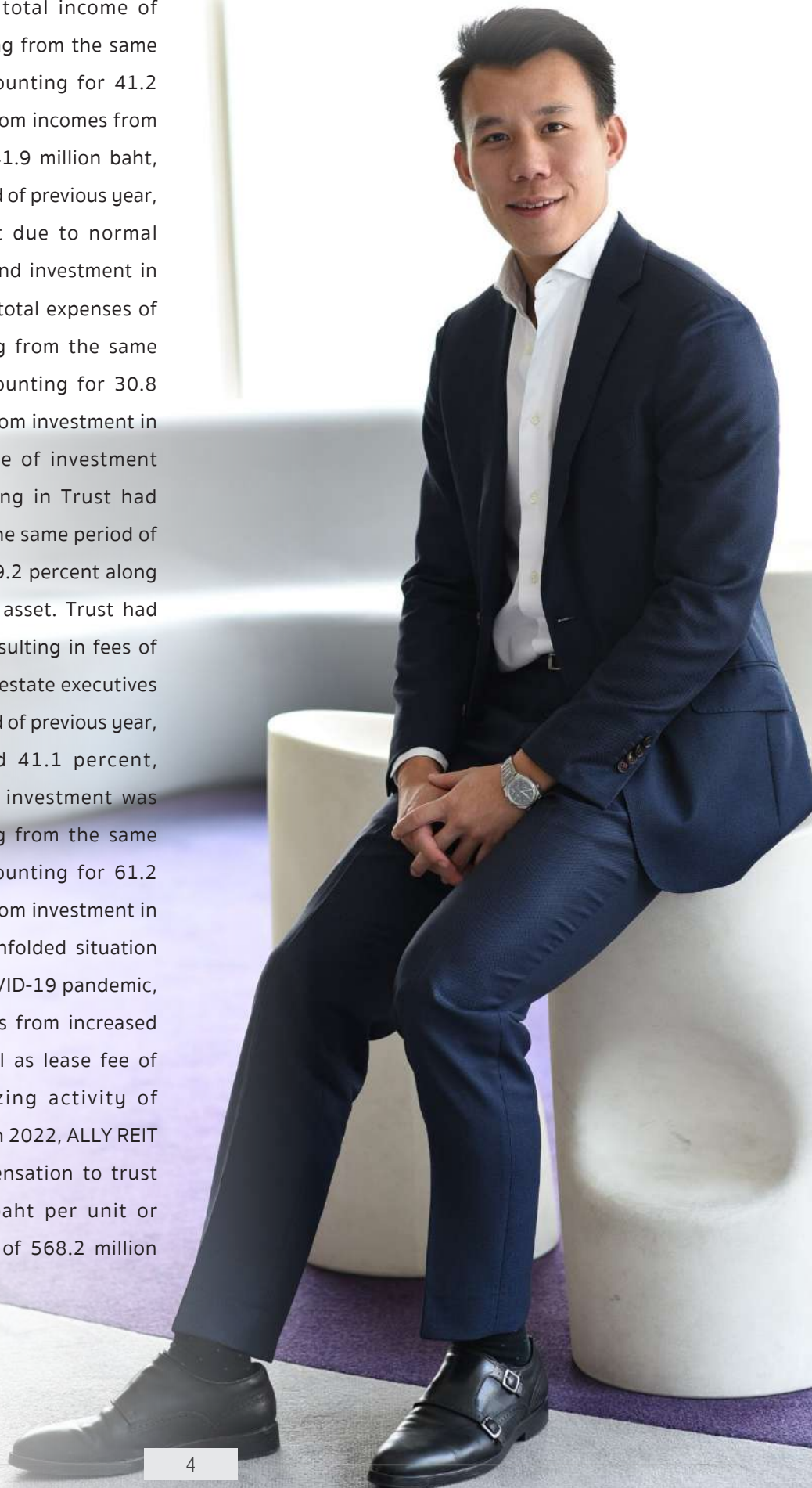
REIT manager has improved and developed asset under the Trust management regularly in order to attract and increase number of shopping center users as well as improve office building image to be interesting for entrepreneurs in business sector after unfolding the COVID-19 pandemic situation. In the last period, shopping center project under the Trust's management had conducted the marketing promotion activities continuously to attract to have more users in shopping center such as ALLY FUN FEST consisted of CDC, Balloon Fun Festival, Street Retro Market at I'm Park Chula and other activities more than 90 events all the year as well as taking leading restaurants such as After Yum and CQK Mala Hotpot into The Crystal Ekamai - Ramindra and organizing EVENT matched to trend and met the customer's needs mainly in order to provide new experiences to customers continuously. In 2022, Trust had average rate of area lease of 93.4 percent, decreasing from the same period of previous year, accounting for 0.3 percent due to investment in a new project including The Prime Hua Lamphong with rate of area lease lower than the average of Trust and average lease fee rate of 546 baht per square meter, increasing from the same period of previous year accounting for 2.0 percent. However, in comparison of only 12 Retail Malls excluding office building, Trust had average rate of area lease of 94.0 percent, increasing from previous quarter and the same period of previous year accounting for 0.2 and 0.4 percent, respectively, and average lease fee rate of 534 baht per square meter per month.





## Performance and Compensation Payment of Trust

For 2022, Trust had total income of 1,592.2 million baht, increasing from the same period of previous year, accounting for 41.2 percent with the main cause from incomes from lease and service fees of 1,441.9 million baht, increasing from the same period of previous year, accounting for 31.7 percent due to normal opening of shopping center and investment in additional asset of Trust with total expenses of 972.8 million baht, increasing from the same period of previous year, accounting for 30.8 percent with the main cause from investment in additional asset which source of investment funds was from loan, resulting in Trust had financial cost increased from the same period of previous year, accounting for 9.2 percent along with investment in additional asset. Trust had increased total asset value, resulting in fees of management, trustee and real estate executives increasing from the same period of previous year, accounting for 7.5, 7.4 and 41.1 percent, respectively. Net profit from investment was 619.4 million baht, increasing from the same period of previous year, accounting for 61.2 percent with the main cause from investment in additional asset along with unfolded situation and protective measure of COVID-19 pandemic, resulting in Trust had incomes from increased lease and service fees as well as lease fee of common area from organizing activity of shopping center, resulting in, in 2022, ALLY REIT announced to pay for compensation to trust holders in rate of 0.6500 baht per unit or accounting as total payment of 568.2 million baht.





At the end of year 2022, Trust had total asset of 13,508.3 million baht, decreasing by 0.1 percent, however, increasing from the same period of previous year, accounting for 3.2 percent with the main cause from investment in addition asset in The Crystal Chaigapruek and The Prime Hua Lamphong with source of investment funds from loan, resulting in Trust had total liabilities of 5,052.4 million baht, decreasing from previous quarter, accounting for 0.3 percent and increasing from the same period of previous year, accounting for 7.5 percent. At the end of year 2022, Trust had net asset of 8,455.9 million baht, accounting as net asset of 9.6738 baht per unit.

However, Trust was rated the reliability by TRIS Rating Affirms Company at BBB+ level with stable outlook, reflecting high quality asset, cash flow from lease and service fees undertaking contract and financial policy carefully, as well as management of quality executives.

#### Potential Enhancement for Making Benefits of Asset

REIT manager remain emphasized on growth of income from operation of all projects, consisting of (1) Management of the leased area and lessee of shopping center to be suitable and matched to customers of target group, (2) Emphasizing on brand of the lessee that is popular and launched its brand as the first time at the asset under ALLY REIT management, (3) Management with low cost and reducing variable cost to be corresponded to situations but there is highest potential of management, and (4) Emphasizing sustainability, community participation and good governance.

As well as paying attention to Environment, Social, Governance, electricity consumption reduction and using renewable energy, namely Solar Rooftop in total 10 projects and chiller refurbishments in order to reduce the cost to be more efficient.

However, REIT manager still emphasizes on the continuous growth of Trust, investment expansion of Trust to reduce income dependency from any type of real estate, emphasizing on asset and lessee in high quality zone in order to increase opportunity of Trust growth as well as seeking for partners with business variety.

Finally, REIT manager would like to thank you all trust holders and partners for supporting. ALLY REIT manager will operate work under the good governance policy in order to Trust to have strong foundation, sustainable growth under the Synergy Made Growth Strategy and make stable compensation to trust holders.

-Kavin Eiamsakulrat-

**Mr. Kavin Eiamsakulrat**

Managing Director

ALLY REIT Management Company Limited  
as the REIT Manager



# Summary of ALLY REIT

as of 31 December 2022

<b>Trust Name</b>	ALLY Leasehold Real Estate Investment Trust
<b>Ticker</b>	ALLY
<b>Registered Capital</b>	8,565,830,360 Bath
<b>Establishment Date</b>	November 26, 2019
<b>Credit Rating</b>	BBB+ (Stable)

<b>REIT Manager</b>	ALLY REIT management Co.,Ltd
<b>Property Manager</b>	K. E. Property Management Co., Ltd. Muensane Property Co., Ltd.
<b>Trustee</b>	SCB asset management Co.,Ltd
<b>Auditor</b>	KPMG Phoomchai Audit Co.,Ltd

<b>Market Cap</b>	6,337,225,000 Bath	<b>Weighted Average Leasehold Period</b>	24 years
<b>Net Investment Value</b>	8,455,935,396 Bath	<b>Par</b>	9.7996 Bath per unit
<b>Trust Unit</b>	874,100,000 Bath	<b>Closing Price</b>	7.25 Bath per unit
<b>NAV per Unit</b>	9.6738 Bath per unit	<b>Price/NAV</b>	0.75





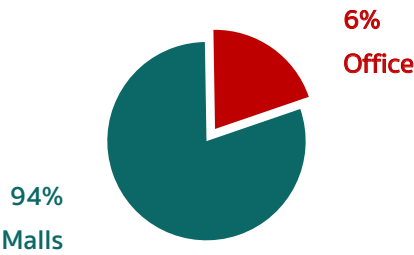
as of 31 December 2022

Investment Ratio



Direct	100%
Leasehold	100%

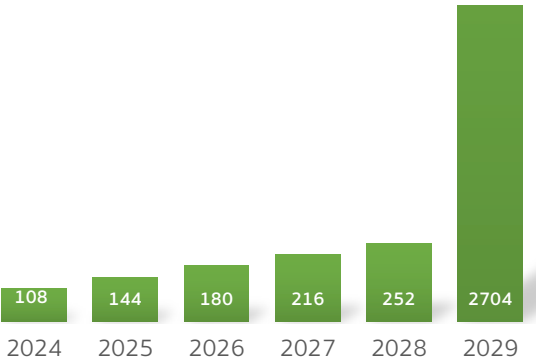
Investment Area (sq.m.)



Trust Capital Structure (THB million)

Total Asset	13,508.3
Total Liability	5,052.4
Capital	8,565.8
Retain Earning	207.6
Dept/TAV	27%

Dept Expiry Profile (THB million)



Asset Type (by appraisal value)

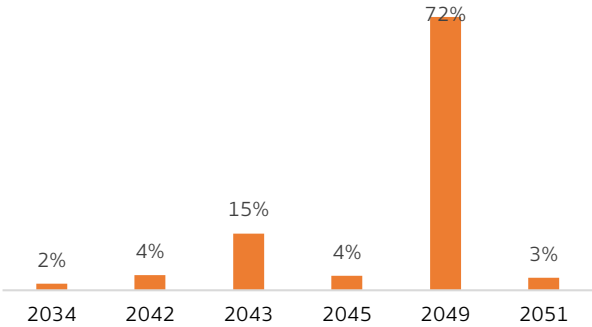


Malls  
98%



Office  
2%

Weighted Average Lease Expiry: WALE







## Asset Detail as of 31 December 2022

Project	Crystal Design Center Project	The Crystal Ekamai-Ramintra Project	The Crystal SB (Ratchapruek) Project	Amorini Ramintra Project	I'm Park Chula Project
<b>Location</b>	1420-1, Praditmanutham Road, Kwang Khlong Chan, Khet Bang Kapi, Bangkok 10240	64/98-99, Praditmanutham Road, Kwang Ladprao, Khet Ladprao, Bangkok 10230	555/9, Moo 1, Ratchapruek Road, Tambol Bang Kanoon, Amphur Bang Kruay, Nonthaburi 11130	1 and 1/1, Suan Siam Road, Kwang Khan Na Yao, Khet Khan Na Yao, Bangkok 10230	353, Charoen Muang Road, Kwang Wang Mai, Khet Pathumwan, Bangkok 10330
<b>GFA (sq.m.)</b>	52,583	69,341	51,635	10,331	14,165
<b>NLA (sq.m.)</b>	36,021	30,778	24,426	5,092	6,601
<b>Holding</b>	Leasehold rights on land, buildings and its component parts (partial)	Leasehold rights on land, buildings and its component parts (partial)	Subleasehold rights on land, leasehold rights on buildings and its component parts (partial)	Leasehold rights on land, building and its component parts	Subleasehold on land, buildings and its component parts (partial)
<b>Appraisal</b>	Jones Lang LaSalle (Thailand)				
<b>Valuation/Reviewed date</b>	15 February 2022				
<b>Appraisal method</b>	Income Approach				
<b>Discount rate</b>	9.0% - 10.0%				
<b>Appraisal period</b>	27 years 10 months 27 days (Expired 2 December 2049)	27 years 10 months 27 days (Expired 2 December 2049)	21 years 1 months 5 days (Expired 10 February 2043)	27 years 10 months 28 days (Expired 3 December 2049)	12 years 7 months 1 days (Expired 6 August 2034)
<b>Appraisal/Reviewed (MB)</b>	3,854.00	2,711.00	1,767.00	285.00	200.00





## Asset Detail as of 31 December 2022

Project	Plearnary Mall Watcharapol Project	Sammakorn Place Ramkhamhaeng (West) Project	Sammakorn Place Rangsit Project	Sammakorn Place Ratchapruek Project
<b>Location</b>	242, 244 and 246, Watcharapol Road, Kwang Tha Raeng, Khet Bang Khen, Bangkok 10220	86, Ramkhamhaeng Road, Kwang Saphan Sung, Khet Saphan Sung, Bangkok 10240	819/1-3, Rangsit-Nakhon Nayok Road, Tambol Prachathipat, Amphur Thanyaburi, Pathum Thani 12130	62/26-32, Ratchapruek Road, Tambol Aom Kret, Amphur Pak Kret, Nonthaburi 11120
<b>GFA (sq.m.)</b>	25,527	22,050	5,211	7,037
<b>NLA (sq.m.)</b>	11,353	10,340	3,413	4,858
<b>Holding</b>	Subleasehold rights on land, leasehold rights on buildings and its component parts (partial)	Rights to use on land, entrance-exit, common areas, leasehold rights over buildings and its component parts (partial)	Subleasehold rights on land (partial), leasehold rights on buildings and its component parts i	Subleasehold rights on land, leasehold rights on buildings and its component parts
<b>Appraisal</b>	Jones Lang LaSalle (Thailand)			
<b>Valuation/Reviewed date</b>	15 February 2022			
<b>Appraisal method</b>	Income Approach			
<b>Discount rate</b>	9.0% - 10.0%			
<b>Appraisal period</b>	27 years 10 months 28 days (Expired 3 December 2049)	27 years 10 months 28 days (Expired 3 December 2049)	27 years 10 months 28 days (Expired 3 December 2049)	27 years 10 months 28 days (Expired 3 December 2049)
<b>Appraisal/Reviewed (MB)</b>	621.00	551.00	191.00	291.00



## Asset Detail as of 31 December 2022

Project	The Scene Town In Town Project	Kad Farang Village Project	The Crystal Chaipayruek Project	The Prime Hua Lamphong Project
<b>Location</b>	1323, Soi Ladprao 94 (Panjamitr), Kwang Phlabphla, Khet Wang Thonglang, Bangkok 10310	225 Moo 13, Chiang Mai-Hod Road, Tambol Baanwaen, Amphur Hang Dong, Chiang Mai 50230	99/9 Moo 5, Chaipayruek Road, Tambol Klongpradom Amphur Pakkred, Nonthaburi 11120	23/34-35 and 358, Trimit Road, Kwang Taladnoi Khet Sampantawong, Bangkok 10100
<b>GFA (sq.m.)</b>	25,527	9,062	11,788	16,100
<b>NLA (sq.m.)</b>	6,931	7,005	16,884	4,347
<b>Holding</b>	Subleasehold rights on land (partial), leasehold rights on building and its component parts	Subleasehold rights on land, leasehold rights on building and its component parts	Subleasehold rights on land, leasehold rights on building and its component part	Subleasehold rights on land, leasehold rights on building and its component parts
<b>Appraisal</b>	Jones Lang LaSalle (Thailand)			KTAC Appraisal and Services Co., Ltd.
<b>Valuation/Reviewed date</b>	15 February 2022	1 September 2022	15 February 2022	1 January 2022
<b>Appraisal method</b>	Income Approach			
<b>Discount rate</b>	9.0% - 10.0%			
<b>Appraisal period</b>	23 years 26 days (Expired 31 January 2045)	28 years 8 months 4 days (Expired 5 May 2051)	20 years 5 months 10 days (Expired 30 June 2042)	20 years 11 months 21 days (Expired 20 December 2042)
<b>Appraisal/Reviewed (MB)</b>	446.0	384.00	274.00	194.00







## 10-major unitholders as at December 30, 2022

No.	Unitholder	Number of Units	Proportion%
1	BENCHAKIT PHATTHANA COMPANY LIMITED	156,672,500	17.9%
2	SOCIAL SECURITY OFFICE	114,870,843	13.1%
3	KIAT FRIENDSHIP COMPANY LIMITED	39,000,000	4.5%
4	MUANG THAI LIFE ASSURANCE PUBLIC COMPANY LIMITED	31,170,900	3.6%
5	BANGKOK INSURANCE PUBLIC COMPANY LIMITED	30,805,643	3.5%
6	PRINCIPAL PROPERTY INCOME FUND	27,850,909	3.2%
7	MUANG THAI INSURANCE PUBLIC COMPANY LIMITED	17,360,000	2.0%
8	GOVERNMENT SAVING BANK	16,667,196	1.9%
9	ALLIANZ AYUDHYA ASSURANCE PUBLIC COMPANY LIMITED	14,641,000	1.7%
10	KRUNGTHAI-AXA LIFE INSURANCE PUBLIC COMPANY LIMITED	12,747,100	1.5%
<b>Total</b>		<b>426,546,968</b>	<b>52.8%</b>

## Distribution Policy

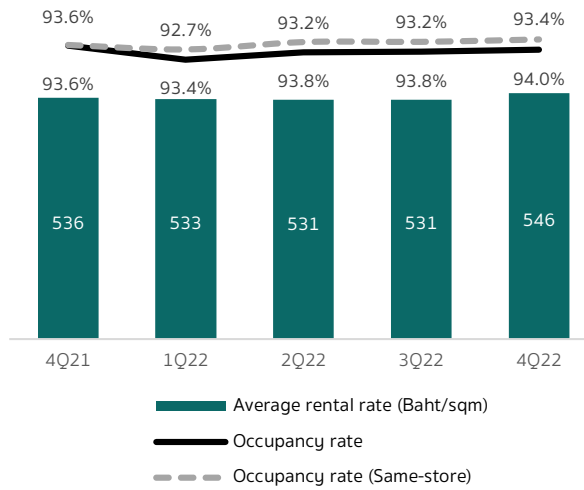
Not less than 90% of adjusted net profit of fiscal year. The payment shall be made for not less than 2 times a year, and made within 90 days from the ending date of fiscal year (with additional conditions)

Item	2019 (26/11/2019- 31/12/2019)	2020	2021	2022	Since Establishment
Dividend (THB per Unit)	0.0600	0.0550	0.3720	0.6500	1.1370
Capital Reduction (THB per Unit)	-	0.3800	-		0.3800
<b>Total</b>	<b>0.0600</b>	<b>0.4350</b>	<b>0.3720</b>	<b>0.6500</b>	<b>1.5170</b>

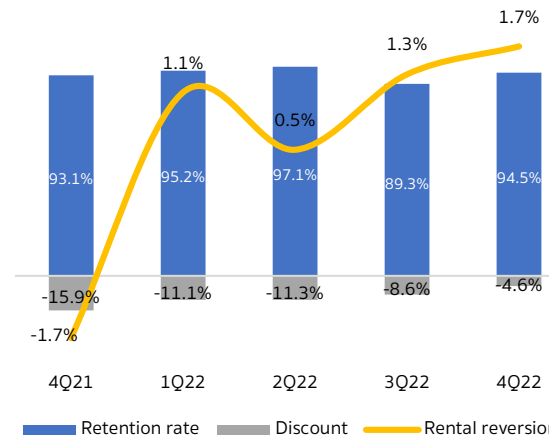


## Performance

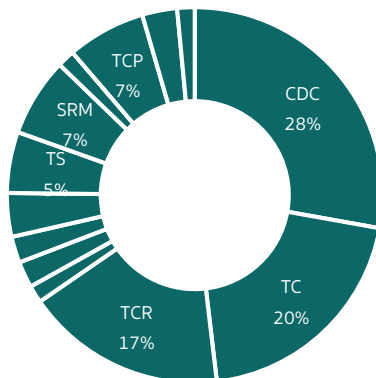
### Occupancy and ARR has steadily increased



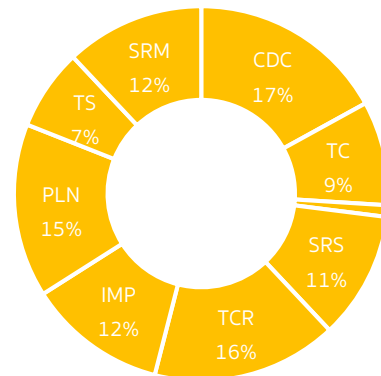
### Lower discounts and higher reversion rate drives performance



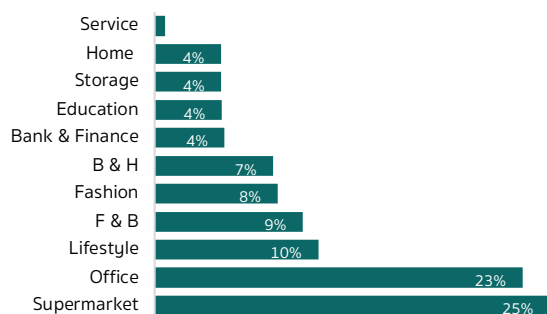
### Renewed lease by property (sq.m.)



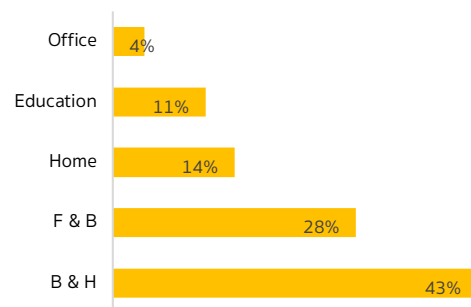
### New lease by property (sq.m.)



### Renewed lease by category (%)



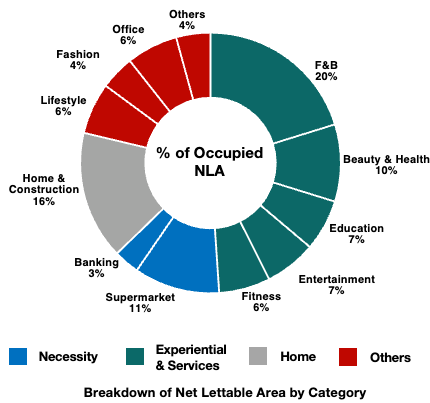
### New lease by category (%)



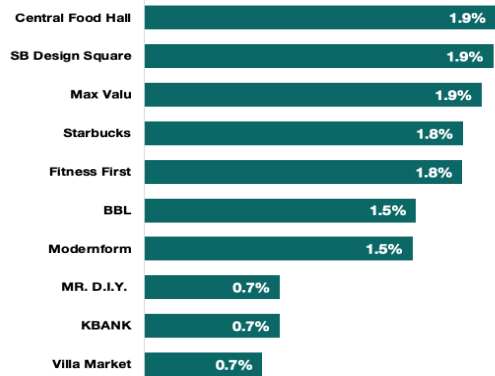


## Performance

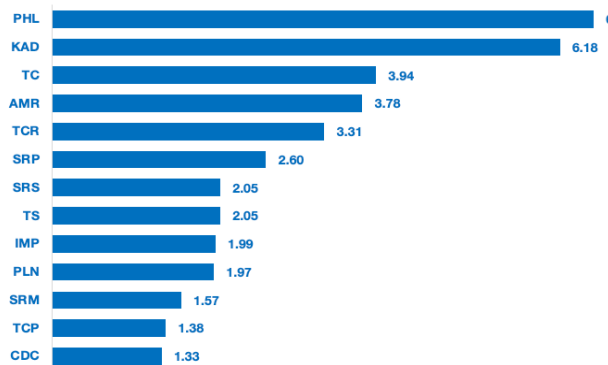
Tenant Mix (sq.m.)



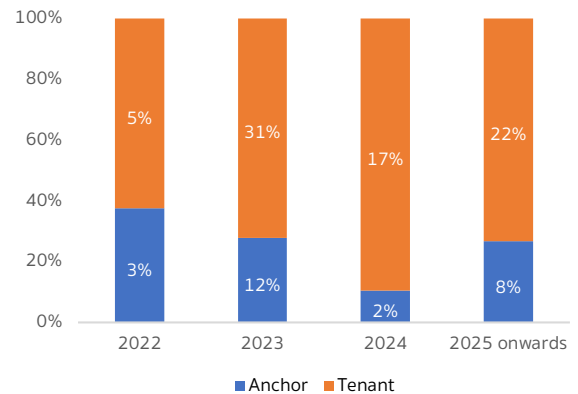
Top-10 tenants of Total Rental Revenue



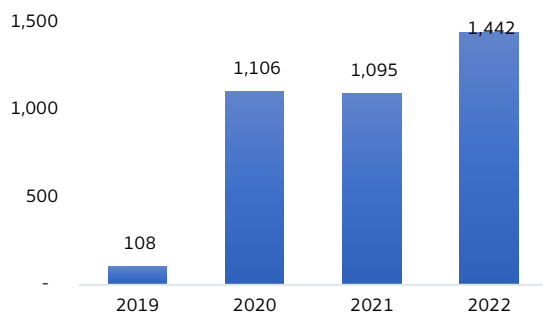
Weighted Average Lease Expiry by property (years)



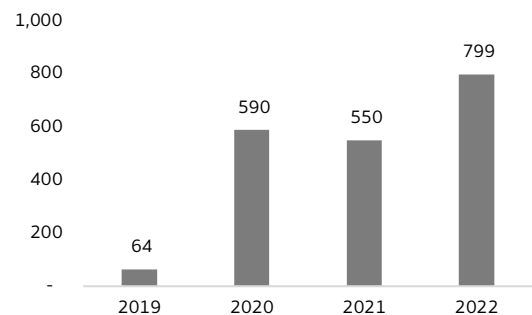
Lease expiry profile by duration



Rental and Service Income (THB million)



EBITDA (THB million)







## Financial Figures Highlights

	2019 (26/12/2019- 31/12/2019)	2020	2021	2022
Revenue (MB)	117.92	1,132.52	1,127.88	1,592.25
Other income (MB)	72.33	26.35	33.05	150.36
EBITDA (MB)	64.22	589.83	550.80	799.35
Net profit (MB)	63.62	434.43	384.30	619.43
EPU (Baht)	0.0728	0.4970	0.4397	0.7087
DPU (Baht)	0.0600	0.0550	0.3720	0.6500
Capital reduction (MB)	-	332.16	-	-
Debt/Total Asset Value (times)	0.23	0.23	0.36	0.58
Interest cost (%)	7.15%	10.13%	10.30%	9.98%
Operating Cashflow	(6,646.59)	197.61	(185.70)	572.92
Financing cashflow	7,384.94	(420.61)	214.24	-475.71
Net cashflow	738.35	515.35	543.90	641.11
NAV (Baht)	8,634.8	8,377.6	8,393.5	8,455.94
NAV per Unit (Baht)	9.8785	9.5843	9.6024	9.6738
P/NAV (times)	0.97	0.63	0.73	0.75
Dividend yield (%) *	6.57%	0.92%	5.3%	9.0%
Market cap (MB)	8,347.66	5,244.60	6,118.70	6,337.23
Closing price (Baht) as of the year ended	9.55	6.00	7.00	7.25

More information is available in the 56-REIT1 on [www.allyreitreit.com](http://www.allyreitreit.com)





## Debt and Capital Management

	As at 31 Dec 2022	As at 30 Sep 2022	As at 31 Dec 2021
Total Credit Facility <sup>1</sup>	4,405.0 MB	4,405.0 MB	4,405.0 MB
Drawn Debt	3,605.1 MB	3,605.1 MB	3,434.0 MB
Undrawn Credit Facility	419.2 MB	419.2 MB	591.0 MB
Cash	614.1 MB	596.6 MB	543.9 MB
Credit Rating (Tris)	BBB+/Stable	BBB+/Stable	-
Gearing	0.27	0.27	0.26
Net Debt/EBITDA	5.0	5.0	6.2
Avg Cost of Debt <sup>2</sup>	4.4%	4.3%	4.2%

As at 31 December 2022, the Trust had unutilised credit facilities for investments in leasehold properties and other credit facilities amounting to Baht 419.2 million and Baht 380.0 million respectively.

### The borrowing was secured by the followings:

- 1) Leasehold rights of Crystal Design Center Project, The Crystal Ekamai-Ramindra Project, Kad Farang Village Project, and Sammakorn Place Ramkhamhaeng (West) Project which registered as the business collateral agreement;
- 2) Subleasehold rights of Plearnery Mall Watcharapol Project and The Prime Hua Lamphong Project which registered as the business collateral agreement; and
- 3) Rights of collection from receivables related to the existing investment assets 1) (project No. 1 to project No. 10) which registered as the business collateral agreement.



# Summary of ALLY REIT

as of 31 December 2022

<b>Trust Name</b>	ALLY Leasehold Real Estate Investment Trust
<b>Ticker</b>	ALLY
<b>Registered Capital</b>	8,565,830,360 Bath
<b>Establishment Date</b>	November 26, 2019
<b>Credit Rating</b>	BBB+ (Stable)

<b>REIT Manager</b>	ALLY REIT management Co.,Ltd
<b>Property Manager</b>	K. E. Property Management Co., Ltd. Muensane Property Co., Ltd.
<b>Trustee</b>	SCB asset management Co.,Ltd
<b>Auditor</b>	KPMG Phoomchai Audit Co.,Ltd

<b>Market Cap</b>	6,337,225,000 Bath	<b>Weighted Average Leasehold Period</b>	24 years
<b>Net Investment Value</b>	8,455,935,396 Bath	<b>Par</b>	9.7996 Bath per unit
<b>Trust Unit</b>	874,100,000 Bath	<b>Closing Price</b>	7.25 Bath per unit
<b>NAV per Unit</b>	9.6738 Bath per unit	<b>Price/NAV</b>	0.75







# Policy and Benefits Generated from Real Estate Assets

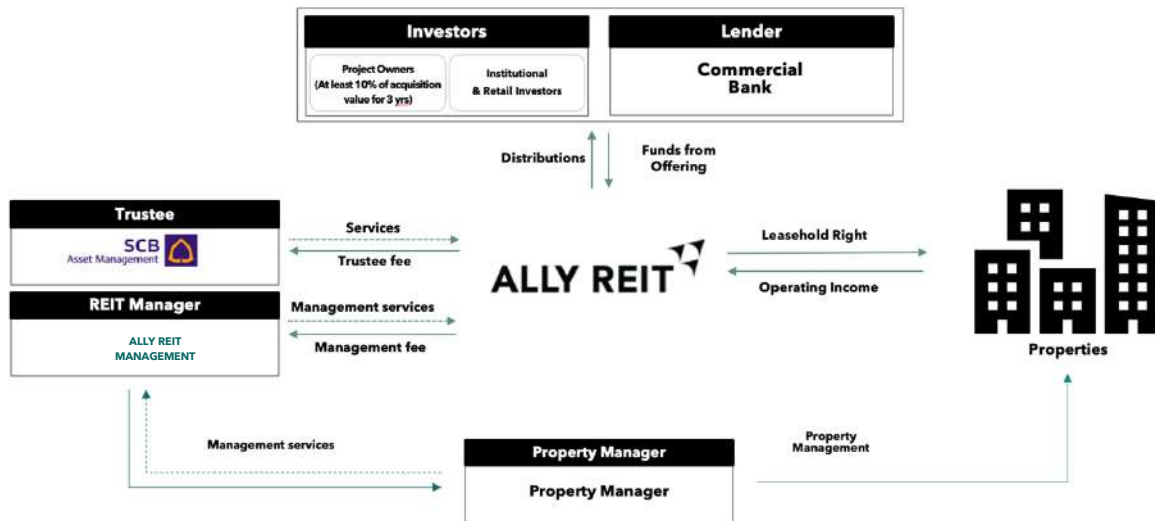
## Objective of the REIT

ALLY Leasehold Real Estate Investment Trust (formerly “Bualuang K.E. Retail Leasehold Real Estate Investment Trust”) is a part of the conversion process of Crystal Retail Growth Leasehold Property Fund (“CRYSTAL”) into ALLY Leasehold Real Estate Investment Trust (formerly “Bualuang K.E. Retail Leasehold Real Estate Investment Trust”) in accordance with the resolution of the 2019 Annual General Meeting of the Unitholders of Crystal Retail Growth Leasehold Property Fund on 30 April 2019. The objective of the ALLY is to invest in core assets which comprise all types of freehold and leasehold real estate and assets that are components, machinery, or equipment of the aforementioned assets, such as shopping mall, department store, community mall and other commercial space (Core component), including other commercial properties (Non-core component), such as convention hall, office building, commercial building, exhibition hall, warehouse and storage that supports other properties which the REIT invests in, parking building, wholesale/retail market, and properties that generate recurring incomes including commercial property and other property that is relevant or supportive of real estate rental business and business that supports the REIT’s investment. The REIT intends to invest in additional investment assets to expand its revenue base, including investing in other assets and/or securities, and/or utilization through any other means as prescribed by the securities laws and/or any other relevant laws.

## Investment Policy

The investment policy of the REIT is to invest in core assets which comprise all types of freehold and leasehold real estate and assets that are components, machinery, or equipment of the aforementioned assets, such as shopping mall, department store, community mall and other commercial space (core component), including other commercial properties (Non-core component), such as convention hall, office building, commercial building, exhibition hall, warehouse and storage that supports other properties which the REIT invests in, parking building, wholesale/retail market, and properties that generate recurring incomes including commercial property and other property that is relevant or supportive of real estate rental business and business that supports the REIT’s investment.

Structure of the REIT can be shown in diagram as follows



## 13 Properties



CRYSTAL DESIGN CENTER



THE CRYSTAL  
EKKAMAI-RAMINTRA



THE CRYSTAL SB  
RATCHAPRUEK



PLEARNARY MALL  
WATCHARAPHOL



SAMMAKORN PLACE  
RAMKAMHAENG



SAMMAKORN PLACE  
RANGSIT



SAMMAKORN PLACE  
RATCHAPRUEK



THE SCENE  
TOWN IN TOWN



AMORINI  
RAMINDRA



I'M PARK



KAD FARANG  
CHIANG MAI



THE CRYSTAL  
CHAIYAPRUEK



THE PRIME  
HUA LAMPHONG



## The Detail of Asset as December 31, 2022

Total Assets Value (Baht)	Net Assets Value (Baht)	Net Assets Value (Baht per unit)	Investments in Leasehold Properties at Fair Value (Baht)
13,508,322,617	8,455,935,396	9.6738	12,497,359,461

## Details of the Invested Assets of the REIT

As of December 31, 2022 there are 13 projects under the management of the Trust as follows:

No.	Project	Investment period		Appraised/Reviewed Appraised Value	Calculation Period (Year)
		Beginning	Ending		
1	Crystal Design Center	3 December 2019	2 December 2049	3,854	27
2	The Crystal Ekamai-Ramintra	3 December 2019	2 December 2049	2,711	27
3	The Crystal SB (Ratchapruet)	3 December 2019	10 February 2043	1,767	20
4	Amorini Ramintra	4 December 2019	3 December 2049	285	27
5	I'm Park Chula	3 December 2019	6 August 2034	200	12
6	Plearnary Mall Watcharapol	4 December 2019	3 December 2049	621	27
7	Sammakorn Place Ramkhamhaeng (West)	4 December 2019	3 December 2049	551	27
8	Sammakorn Place Rangsit	4 December 2019	3 December 2049	191	27
9	Sammakorn Place Ratchapruet	4 December 2019	3 December 2049	291	27
10	The Scene Town in Town	3 December 2019	31 January 2045	446	22
11	Kad Farang Village	6 May 2021	5 May 2051	384	28
12	The Crystal Chaigapruet	1 December 2021	30 June 2042	274	20
13	The Prime Hua Lamphong	1 February 2022	20 December 2042	194	20
Total / Average				11,697	24



## Crystal Design Center Project



- Southeast Asia's largest and most complete design district
- Anchored by SB Furniture, SCG Xperience, Modernform, Starmark, and MaxValu
- 1,000 global brands in home decoration, building materials, furniture, sanitaryware, and design products
- Convenient transportation linked between Ekkamai-Ramintra Highway and CBD area



Gross Floor Area

**52,583 ตร.ม.**



Leasable Area

**35,972 ตร.ม.**



Occupancy Rate

**99.2%**

### Location

888 Praditmanutham, Klongjan sub-district, Bangkokpi district, Bangkok

### Investment type

#### Land

30-year leasehold right (partial) from the date of REIT's establishment (lease agreement expires on 2 December 2049), granted by Benjakij Development Co., Ltd., with an approximate land area 47 rai 2 ngarn and 61.91 square wa

#### Building

30-year leasehold right (partial) from the date of REIT's establishment (lease agreement expires 2 December 2049), granted by Benjakij Development.

#### System works, utilities and movable properties

Ownership in furniture, fixture and equipment and system works used in the operations of CDC shopping center from K.E. Retail Co., Ltd. and Benjakij Development. The assets in which CRYSTAL Property Fund invests include electricity system, water system, air conditioning system, hygiene system, telephone system, life and escalator system, which are installed and used within the CDC shopping center.

#### Other assets

Right to use the parking space (1,440 parking spaces)





## The Crystal Ekamai-Ramindra Project



- An iconic lifestyle shopping center located on Praditmanutham Road
- Designed with a green outdoor walking street as well as indoor plaza area
- Anchored by Central Food Hall, SFX Cinema, and Fitness First
- Convenient transportation linked between Ekkamai-Ramintra Highway and CBD area



Gross Floor Area

**69,341 ๓s.u.**



Leasable Area

**30,805 ๓s.u.**



Occupancy Rate

**98.6%**

### Location

215 Praditmanutham, Ladprao sub-district, Ladprao district, Bangkok

### Investment type

#### Land

30-year leasehold right (partial) from the date of REIT's establishment (lease agreement expires on 2 December 2049), granted by KE KFS CO., LTD., with an approximate land area 25 rai 1 ngarn and 23.93 square wah.

#### Building

30-year leasehold right (partial) from the date of REIT's establishment (lease agreement expires 2 December 2049), granted by KE KFS CO., LTD.

#### System works, utilities and movable properties

Ownership in furniture, fixture and equipment and system works used in the operations of TC shopping center from K.E. Retail Co., Ltd. and KE KFS CO., LTD., The assets in which CRYSTAL Property Fund invests include electricity system, water system, air conditioning system, hygiene system, telephone system, life and escalator system, which are installed and used within the TC shopping center

#### Other assets

Right to use the parking space (382 parking spaces)



## The Crystal SB (Ratchapruek) Project



- Largest lifestyle shopping center located on Ratchapruek Road
- Abundant outdoor green space along with an indoor plaza and event area
- Anchored by Gourmet Market, SF Cinema, Fitness First, and SB Furniture



Gross Floor Area

**51,635 ตร.จ.**



Leasable Area

**24,578 ตร.จ.**



Occupancy Rate

**94.7%**

### Location

No. 555/9 Moo 1, Ratchapruek, Bangkanoon sub-district, Bangkruay district, Nonthaburi province

### Investment type

#### Land

Approximate sub-leasehold period of the land is 23.4 years from the date of REIT's establishment (the expiry date of the contract on 10 February 2043) from The Crystal Ratchapruek Retail and/or S.B. Design Square Co., Ltd. as the holder of the leasehold right of three plots of lands in the approximate area of 14 rai 1 ngan 57.60 square wah. The right to use land and common area as well as entry is 23.4 years period from the date of REIT's establishment from The Crystal Ratchapruek Retail and/or S.B. Design Square Co., Ltd. for one plot in the area under the title document for 8 rai 3 ngan 53.20 square wah.

#### Building

Approximate leasehold period of the partial floor area is 23.4 years (the expiry date of the contract on 10 February 2043) from REIT's establishment from The Crystal Ratchapruek Retail and S.B. Design Square Co., Ltd.

#### Furniture, fixture and equipment, and system works

Ownership in furniture, equipment and systems from The Crystal Ratchapruek Retail

#### Other assets

Right to use the parking space (1,320 parking spaces)







## Amorini Ramintra Project



- Outdoor neighborhood mall located at Ramindra – Suan Siam area
- Architecture inspired by “Santorini, Greece”
- Anchored by Tops Supermarket and Jetts Fitness
- Near Nopparat Station (MRT Pink Line) which is expected to open in 2021



Gross Floor Area

**10,331 ตร.ว.**



Leasable Area

**5,213 ตร.ว.**



Occupancy Rate

**93.2%**

### Location

No. 1, 1/1, Suan Siam Road, Khan Na Yao Sub-district, Khan Na Yao District, Bangkok,

### Investment type

#### Land

Leasehold period of the land is 30 years from the date of REIT's establishment (lease agreement expires on 2 December 2049) from AMR Development in the approximate area of 5 rai 3 ngan 25.40 square wah.

#### Building

Leasehold period of the building is 30 years from the date of REIT's establishment from AMR Development.

#### Furniture, fixture and equipment, and system works

Ownership in furniture, equipment, and systems from AMR Development

#### Other assets

Right to use the parking space (210 parking spaces)



## I'm Park Chula Project



- Community mall located at the center of Chulalongkorn University – Samyan area
- Greenery-themed common areas being adjacent to 100 Years Park
- Anchored by Tesco Lotus and edutainment offerings



Gross Floor Area

**10,331 ตร.ม.**



Leasable Area

**6,715 ตร.ม.**



Occupancy Rate

**88.6%**

ที่อยู่

No. 353, Charoen Muang Road, Wang Mai Sub-district, Prathumwan District, Bangkok

ลักษณะการลงทุน

Land

Approximate sub-leasehold period of the land is 14.7 years from the date of REIT's establishment (the expiry date of the contract on 6 August 2034) from Grand Uniland Co., Ltd. that holds the leasehold right of the land in the approximate area of 4 rai 22.00 square wah.

Building

Approximate sub-leasehold period of the partial floor area is 14.7 years from the date of REIT's establishment (the expiry date of the contract on 6 August 2034) from Grand Uniland Co., Ltd.

Furniture, fixture and equipment, and system works

Approximate sub-leasehold period of furniture, equipment, and systems (excluding Chiller System used for underground floor) from Grand Uniland Co., Ltd.

Other assets

Right to use the parking space (226 parking spaces)





## Plearnary Mall Project



- Lifestyle community mall located in the heart of Watcharaphol district
- Focus on family experience with education zone and children entertainment
- Anchored by Tops Supermarket and The Fitness



Gross Floor Area

**25,527 ตร.ม.**



Leasable Area

**11,342 ตร.ม.**



Occupancy Rate

**88.4%**

### Location

No. 242, 244, and 246, on Watcharapol Road, Tha Raeng Sub-district, Bang Khen District, Bangkok

### Investment type

#### Land

Approximate sub-leasehold period of the land is 30 years from the date of REIT's establishment (lease agreement expires on 2 December 2049) from Plearnary Mall Co., Ltd. which holds the leasehold right of the land from Prinsiri Pcl. in the approximate area of 18 rai 3 ngan 58.00 square wah.

#### Building

Approximate leasehold period of the partial floor area is 30 years from the date of REIT's establishment (lease agreement expires on 2 December 2049) from Plearnary Mall Co., Ltd.

#### Furniture, Equipment, and Systems

Ownership in furniture, equipment, and systems from Plearnary Mall Co., Ltd.

#### Other assets

Right to use the parking space (614 parking spaces)



## Sammakorn Place Ramkhamhaeng (West) Project



- Community mall located on Ramkhamhaeng Road in front of Sammakorn housing village
- Anchored by Villa Market and Fitness
- Near Sammakorn Station (MRT Orange Line)



Gross Floor Area

**22,050 ตร.ม.**



Leasable Area

**10,305 ตร.ม.**



Occupancy Rate

**93.7%**

### Location

No. 86, Ramkhamhaeng Road, Saphan Sung Sub-district, Saphan Sung District, Bangkok

### Investment type

#### Building

Leasehold period of the partial floor area is 30 years from the date of REIT's establishment (lease agreement expires on 2 December 2049) from Pure Sammakorn Co., Ltd. which holds the leasehold right of the land from Sammakorn Pcl. in the approximate usable area of 22,050 sq.m. or the approximate Net Leasable Area (NLA) of 10,305 sq.m. The right to use land and common area including entry is specified for 30 years from the date of REIT's establishment (lease agreement expires on 2 December 2049) from Pure Sammakorn Co., Ltd. In the approximate area of 8 rai 3 ngan 84.40 square wah.

#### Furniture, Equipment, and Systems

Ownership in furniture, equipment, and systems from Pure Sammakorn Co., Ltd.

#### Other assets

Right to use the parking space (300 parking spaces)





## Sammakorn Place Rangsit Project



- Neighborhood retail strip located in the residential Rangsit Khlong 2 area
- Anchored by MaxValu Supermarket and convenience F&B offerings



Gross Floor Area

**5,061 ๓ส.ว.**



Leasable Area

**3,389 ๓ส.ว.**



Occupancy Rate

**94.1%**

### Location

No. 819/1-3, Rangsit-Nakhon Nayok Road, Pracha Thipat Sub-district, Thanyaburi District, Pathum Thani Province

### Investment type

#### Land

Sub-leasehold period of the partial land is 30 years from the date of REIT's establishment (lease agreement expires on 2 December 2049) from Pure Sammakorn Co., Ltd. that holds the leasehold right of the land from Sammakorn Pcl. in the approximate area of 5 rai 3 ngan 48.70 square wah.

#### Building

Leasehold period of the building is 30 years from the date of REIT's establishment (lease agreement expires on 2 December 2049) from Pure Sammakorn Co., Ltd.

#### Furniture, Equipment, and Systems

Ownership in furniture, equipment, and systems from Pure Sammakorn Co., Ltd.

#### Other assets

Right to use the parking space (87 parking spaces)



## Sammakorn Place Ratchapruek Project



- Neighborhood mall located on the northbound side of Ratchapruek Road
- Central court hosts flea market and community events
- Anchored by MaxValu Supermarket



Gross Floor Area

**7,037 ตร.ว.**



Leasable Area

**4,618 ตร.ว.**



Occupancy Rate

**84.0%**

### Location

No. 62/26-32, Village No. 1, Ratachaphruek Road, Pak Kret Sub-district, Pak Kret District, Nonthaburi Province.

### Investment type

#### Land

Sub-leasehold period of the land is 30 years from the date of REIT's establishment (lease agreement expires on 2 December 2049) from Pure Sammakorn Co., Ltd. which holds the leasehold right of the land from Sammakorn Pcl. in the approximate area of 10 rai 7.20 square wah.

#### Building

Leasehold period of the building is 30 years from the date of REIT's establishment (lease agreement expires on 2 December 2049) from Pure Sammakorn Co., Ltd.

#### Furniture, Equipment, and Systems

Ownership in furniture, equipment, and systems from Pure Sammakorn Co., Ltd.

#### Other assets

Right to use the parking space (174 parking spaces)







## The Scene Town In Town Project



- Community mall centrally located in the Town-in-Town area
- 24/7 lifestyle offerings with 24-hour Starbucks and late night food truck zone
- Anchored by MaxValu Supermarket



Gross Floor Area

**10,264 ตร.ม.**



Leasable Area

**6,925 ตร.ม.**



Occupancy Rate

**83.9%**

### Location

No. 1323, Ladprao 94 (Pancha Mit) Alley, Phlapphla Sub-district, Wang Thonglang District, Bangkok

### Investment type

#### Land

Sub-leasehold period of the partial land is 25.2 years from the date of REIT's establishment (the expiry date of the contract on 31 January 2045) from FBD that holds the leasehold right of the land from the group of the natural persons in the approximate area of 8 rai 3 ngan 33.63 square wah.

#### Building

Leasehold period of the building is 25.2 years from the date of REIT's establishment (the expiry date of the contract on 31 January 2045) from FBD.

#### Furniture, Equipment, and Systems

Ownership in furniture, equipment, and systems from FBD

#### Other assets

Right to use the parking space (166 parking spaces)



## Kad Farang Project



- Outdoor community mall located in the Hangdong residential zone of Chiang Mai
- Designed in Lanna architectural style
- Anchored by Rimping Supermarket along with F&B fast food offerings



Gross Floor Area

**9,062 ตร.ม.**



Leasable Area

**7,005 ตร.ม.**



Occupancy Rate

**88.5%**

### Location

No. 225, KM. 13, Moo 13, Chiang Mai-Hod Road, Baanwaen Sub-district, Hang Dong District, Chiang Mai 50230

### Investment type

#### Land

Leasehold period of the partial land is 30 years (i.e. from 6 May 2021 until 5 May 2051) from Muensaneproperty Company Limited that holds the leasehold right of the land from the group of the natural persons in the approximate area of 11 rai 0 ngan 16.50 square wah.

#### Building

Leasehold period of the building is 30 years from the date of REIT's establishment (the expiry date of the contract on 5 May 2051) from Muensaneproperty Company Limited.

#### Furniture, Equipment, and Systems

Ownership in furniture, equipment, and systems from Muensaneproperty Company Limited

#### Other assets

Right to use the parking space (350 parking spaces)





## The Crystal Chaipayruek Project



The place for dining, learning, shopping, bank servicing and chilling on Chaipayruek road



Gross Floor Area

**11,788 ตร.ว.**



Leasable Area

**9,006 ตร.ว.**



Occupancy Rate

**84.2%**

### Location

99/9 Moo 5, Chaipayruek Road, Klong Phra Udom Subdistrict, Pak kred District, Nonthaburi Province 11120

### Investment type

#### Land

Sub-leasehold right period of the partial land is 20 years 7 months from the lease registration date (i.e. from December 1, 2021 until June 30, 2042) from The Crystal Retail Company Limited that holds the leasehold right of the land from the group of the natural persons in the approximate area of 9 rai 9 ngan 65.2 square wah.

#### Building

Leasehold period of the building is 20 years 7 months from the lease registration date (the expiry date of the contract on June 30, 2042) from The Crystal Retail Company Limited.

#### Furniture, Equipment, and Systems

Ownership in furniture, equipment, and systems from The Crystal Retail Company Limited

#### Other assets

Right to use the parking space (300 parking spaces)



## The Prime Hua Lamphong Project



The property is well-situated in an emerging area of Bangkok, with many amenities such as trendy restaurants, hotels, and retail shops and is conveniently located near the MRT Blue Line Hua Lamphong Station and close to China Town (Bangkok).



Gross Floor Area

**16,100 ตร.ม.**



Leasable Area

**4,346 ตร.ม.**



Occupancy Rate

**70.6%**

### Location

No. 23/34-35, Trimit Road, Talat Noi district, Samphanthawong Sub-district, Bangkok and No. 358, Trimit Road, Talat Noi district, Samphanthawong Sub-district, Bangkok

### Investment type

#### Land

Leasehold right period of the partial land is 21 years from the lease registration date (i.e. from February 1, 2022 until December 20, 2042) from Phraram 3 Pattana Co., Ltd. in the approximate area of 3 rai 0 ngan 1.9 square wah.

#### Building

Leasehold period of the building is 21 years from the lease registration date (i.e. from February 1, 2022 until December 20, 2042) from Phraram 3 Pattana Co., Ltd.

#### Furniture, Equipment, and Systems

Ownership in furniture, equipment, and systems from Phraram 3 Pattana Co., Ltd.

#### Other assets

Right to use the parking space (358 parking spaces)

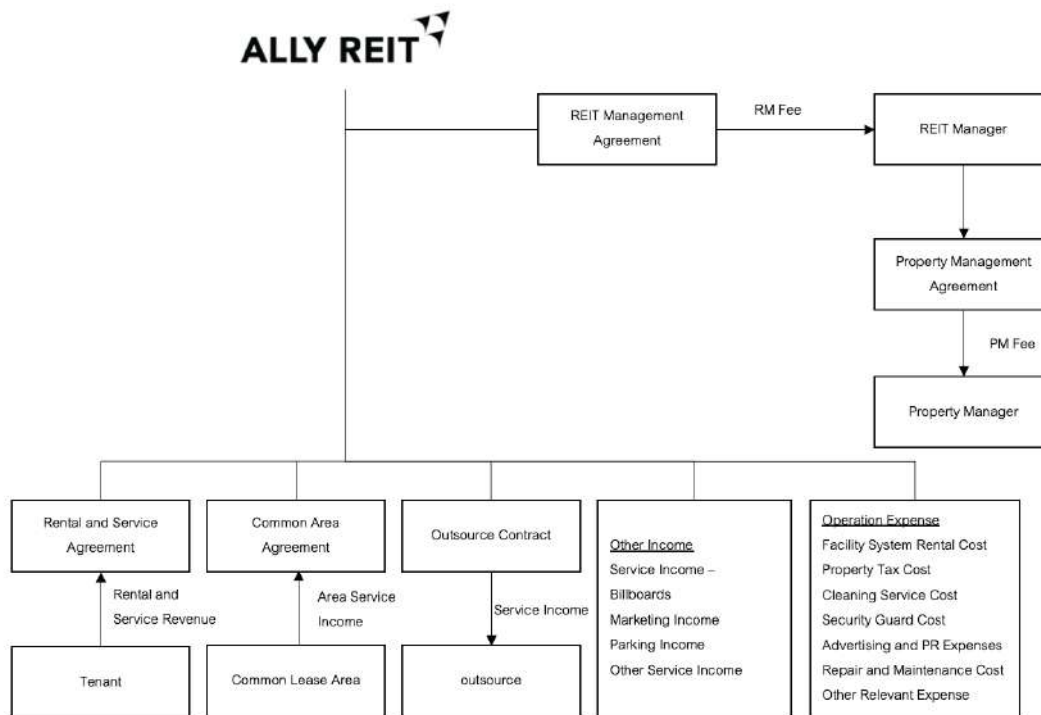




## Benefits Generated from Real Estate Assets

### Characteristics of Benefits Procurement

Main income of ALLY REIT is derived from space rental and service income as the result of entering into the space lease contract and the space service contract between ALLY and the space tenants whereas ALLY is responsible for other operating expenses or costs due to benefit procurement in core assets of ALLY, such as insurance premium, property tax, cleaning expense, etc. ALLY may consider additionally charging these expenses from space service fee from the space tenants as appropriate.





# Policy and Benefits Generated from Real Estate Assets

## Objective of the REIT

ALLY Leasehold Real Estate Investment Trust (formerly “Bualuang K.E. Retail Leasehold Real Estate Investment Trust”) is a part of the conversion process of Crystal Retail Growth Leasehold Property Fund (“CRYSTAL”) into ALLY Leasehold Real Estate Investment Trust (formerly “Bualuang K.E. Retail Leasehold Real Estate Investment Trust”) in accordance with the resolution of the 2019 Annual General Meeting of the Unitholders of Crystal Retail Growth Leasehold Property Fund on 30 April 2019. The objective of the ALLY is to invest in core assets which comprise all types of freehold and leasehold real estate and assets that are components, machinery, or equipment of the aforementioned assets, such as shopping mall, department store, community mall and other commercial space (Core component), including other commercial properties (Non-core component), such as convention hall, office building, commercial building, exhibition hall, warehouse and storage that supports other properties which the REIT invests in, parking building, wholesale/retail market, and properties that generate recurring incomes including commercial property and other property that is relevant or supportive of real estate rental business and business that supports the REIT's investment. The REIT intends to invest in additional investment assets to expand its revenue base, including investing in other assets and/or securities, and/or utilization through any other means as prescribed by the securities laws and/or any other relevant laws.

## Investment Policy

The investment policy of the REIT is to invest in core assets which comprise all types of freehold and leasehold real estate and assets that are components, machinery, or equipment of the aforementioned assets, such as shopping mall, department store, community mall and other commercial space (core component), including other commercial properties (Non-core component), such as convention hall, office building, commercial building, exhibition hall, warehouse and storage that supports other properties which the REIT invests in, parking building, wholesale/retail market, and properties that generate recurring incomes including commercial property and other property that is relevant or supportive of real estate rental business and business that supports the REIT's investment.







## Borrowing

### Leander Borrower Loans

Bangkok Bank Public Company Limited

ALLY LEASEHOLD REAL ESTATE INVESTMENT TRUST

Total amount of loan and credit line not exceeding Baht 4,505,000,000 is classified as follows.

Facility A: Long-term loan line for use in purchase of assets

The amount of not exceeding Baht 2,764,000,000 for use in ALLY's first investing assets

The amount of not exceeding Baht 1,261,000,000 line for use in ALLY's first additional investing asset (Drawdown within 31 January 2024)

Facility B: Short-term loan by issuance of Promissory Note not exceeding Baht 280,000,000 for payment of the relevant expenses for conversion of CRYSTAL into ALLY (if any)

Facility C: Type of letter of guarantee which is revolving credit line by considering on yearly review or extension of the period of the line for not exceeding Baht 100,000,000 as guarantee of debt payment for public utility expenses.

### Interest Rate

Facilities A

1. Fixed interest at 3.85% per annum from the withdrawing date of the first credit facility to 2 December 2021
2. MLR - 2.15 per annum from 3 December 2021 until 2 December 2024; and
3. MLR - 2 per annum from 3 December 2024 onwards until the settlement is completed

Facilities B

1. Fixed interest at 4.25% per annum from the withdrawing date of the second credit facility to 2 December 2021
2. MLR - 2 per annum from 3 December 2021 until 2 December 2024; and
3. MLR - 1.75 per annum from 3 December 2024 onwards until the settlement is completed

### Payment of Interest

Pay interest in every 3 months



## Repayment

Repayment of principal every 3 months

Period	Repayment of principal / period
1 ถึง 4	0.75% of amount of outstanding loan
5 ถึง 8	1% of amount of outstanding loan
9 ถึง 12	1.25% of amount of outstanding loan
13 ถึง 16	1.50% of amount of outstanding loan
17 ถึง 20	1.75% of amount of outstanding loan
21 ถึง 23	2% of amount of outstanding loan
24	Balance remaining

## Grace Period of Principal

The principal is payable due at the term of agreements for the period of 10 years and repayment principle of 24 payable terms. The first repayment due within the last day of the 51<sup>st</sup> month from the first month of borrowings, and then repayment in every 3 months. The repayment of principal is within 120 months since the first date of withdrawing date.

## Collateral

1. Leasehold rights of Crystal Design Center Project and The Crystal Ekamai-Ramindra Project which registered as the business collateral agreement for the first credit facility.
2. Leasehold rights of Kad Farang Village Project and Sammakorn Place Ramkhamhaeng (West) Project which registered as the business collateral agreement for the second credit facility.
3. Leasehold rights of Plearnary Mall Watchrapol Project which registered as the business collateral agreement for the second credit facility; and
4. Rights of collection from receivables related to the existing investment assets 1) (project No. 1 to project No. 10), 2) (project No. 11) and additional investment assets in the future which registered as the business collateral agreement





## Status of borrowing as at the year ended 31 December 2022

Amount of Outstanding Loan	THB 3,605.1 million
Total Asset	THB 13,508.3 million
Dept to Total Asset Value	0.27
The Ratio of Its Repayment Ability	5.01

### Provision for dept repayment

The REIT manager has allocated funds to meet ALLY REIT debt repayment obligations, mainly from committed loans, that come due each year until the debt is properly repaid in full. In 2023, the REIT manager will set aside reserves for the debt repayment in the amount not exceeding THB 110 million and proceed with distribution or capital reduction, or both, per REIT distribution policy, whereby the adjusted net profit reflects the provisions for debt repayment per relevant SEC criteria and announcement.



# Overviews of Economic and Industrial Conditions

## Thai Economic Condition in 2022

In 2022, COVID-19 pandemic situation remains ongoing continuously from 2021, however, in overviews of all the year 2022, it may be deemed that it is the beginning of situation after COVID-19 pandemic due to in the 1<sup>st</sup> quarter of 2022, government had enhanced potential and opportunities to more access mRNA COVID-19 vaccines as well people had more built herd immunity from infection as well, resulting in social returns to live relative normally, corresponding to report of Office of the. National Economic and Social Development Council on Gross Domestic Product higher by 2.2 percent during the 1<sup>st</sup> quarter and higher continuously in rate of 2.5, 4.6 and 2.6 percent in the 2<sup>nd</sup> to 4<sup>th</sup> quarters, respectively.

Overall Gross Domestic Product in 2022 higher by 2.6 percent, higher than in 2021, increasing only 1.5 percent. The situation of tourism was higher from higher consumption of private sector up to 6.3 percent from 0.6 percent in 2021. On the other hand, average inflation situation all the year round is higher by 6.08 percent which is the highest value in 24 years with the main cause from higher energy price and interest rate, resulting in inflation rate is higher in the last year.

## Trends of Economic Condition in 2023

The last 2022, it was the first period after COVID-19 pandemic situation, people started to turn to live and do activities normally along with government had issued many relief measures such as measures for organizing concerts, music festivals, events, festivals and celebrations, and measures for distributing foods and alcohol beverages of restaurants, etc. Bank of Thailand expects that economic trend of Thailand will expand to higher by 3.7 percent with main factors on tourism which it expects that there will be more than 27.5 million foreign tourists and domestic consumption expanded continuously from 2022 at 3.2 percent as well as expansion of agricultural sector at good criteria and general inflation rate may be higher in range of around 3.0 percent.

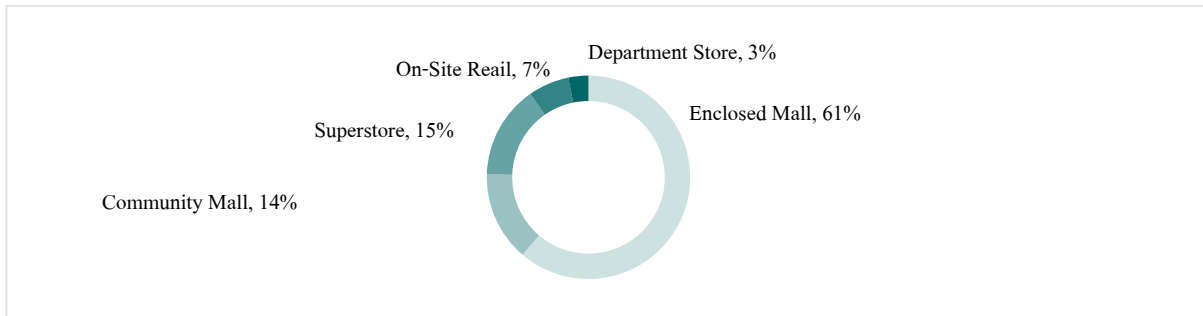
## Overview of Retail Industry in Thailand in 2022

From unfolded COVID-19 pandemic situation and relief measures affect retail industry business in different measures, the report of BCRE (Thailand) Company Limited presented that in 2022, existing retail area in Bangkok and its vicinity is similar to in 2021 at about 8.0 million square meter due to deceleration of industry due to COVID-19 pandemic situation. On the other hand, in 2022, there was retail projects in the plan and in construction process up to 1.5 million square meter or accounting for 18.7 percent of existing retail area which is expected that it will be finished completely by 2026. In 2022, Enclosed Mall business remain possessed the highest proportion in the industry up to 61 percent in format of community malls at proportion of 14 percent and other types such as superstores, department stores and retail stores in the building by mainly retail stores remain locate in suburb zone more than 51 percent,



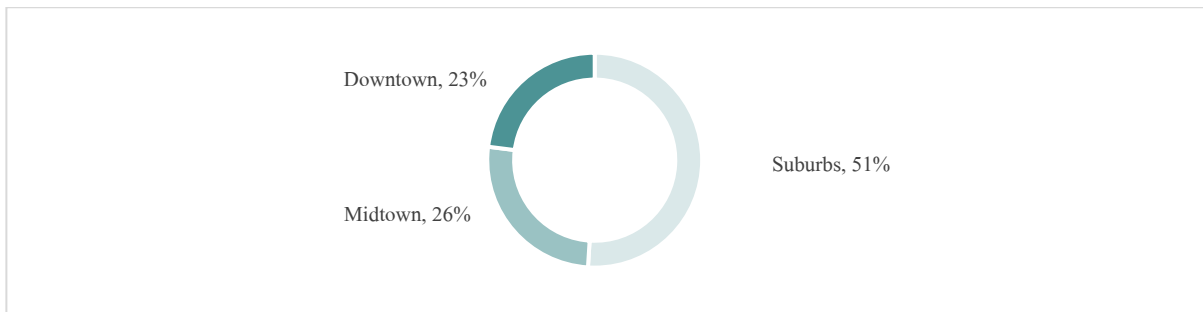
midtown zone of 26 percent and downtown of Bangkok of 23 percent. From the report, it is expected that during 5 years, retail business in suburb zone will further expand continuously.

Diagram: Proportion of Retail Industry in Thailand in 2022 Classified by Types of Shopping Center



Source: CBRE (Thailand) Company Limited

Diagram: Proportion of Location of Retail Industry Business in Thailand in 2022

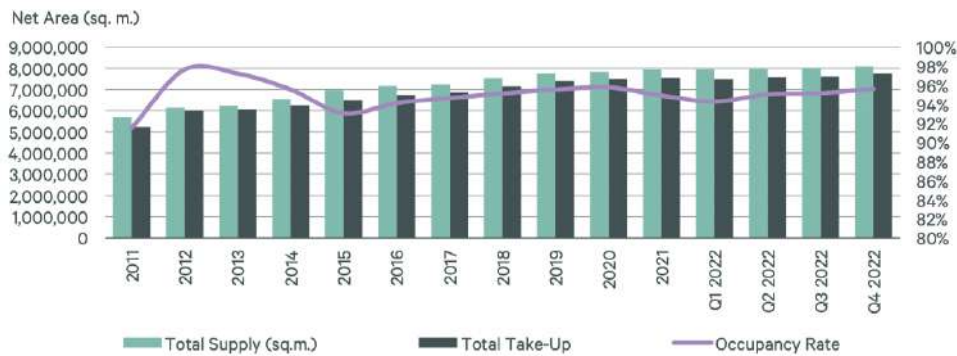


Source: CBRE (Thailand) Company Limited

From Annual Report 2022 of CBRE (Thailand) Company Limited, Total Occupancy Rate is at 96 percent by suburb zone will have the highest Occupancy Rate up to 97 percent and lowest rate in the downtown of Bangkok at 92 percent. If classifying by types of retail business, superstore will have the highest Occupancy Rate up to 99 percent and lowest rate in department store at 85 percent. For the community mall had Occupancy Rate at 91 percent with Occupancy Rate increasing by recovery of industry. At the same time, demands of area lease in retail industry in 2022 increased, observing from higher Occupancy Rate from 2021 at rate of 1.6 percent compared to the rate in 2021 with decreased Occupancy Rate by the lessee mainly emphasized the location in suburb zone with the Occupancy Rate of 97 percent and it is expected that it is likely to increase in the near future.



Graph: Comparison of Demand – Supply and Occupancy Rate of Retail Industry  
in 2011 to 2022 – Bangkok and Its Vicinity



Source: CBRE (Thailand) Company Limited

## Trends of Retail Business in 2023

From turning to live more normally of people after COVID-19 pandemic situation as well as the improved Thai economy and revisit of foreign tourists, retail business is likely to grow up strongly in 2023. It is expected that there will be more new retail area that the construction will be finished in Bangkok and its vicinity about 500,000 square meter, reflecting quick re-expansion of retail entrepreneurs which the finished retail projects in 2023 mainly will be the Enclosed Mall locating in downtown of Bangkok. In addition, consumers have started to increase spending, measuring from the Consumer Confidence Index increased continuously from the end of 2022 to early 2023. In summary, positive trends of retail business will affect to demands and Occupancy Rate of shopping center and community mall area in Thailand positively.







## Risk Factors

Investing in Unit Trust Fund involves several risks. Investors should thoroughly examine the information described in this Prospectus or Filing herein, especially the information regarding the risk factors, before making any decision to invest in the Unit Trust Fund.

The following statements describe several significant risk factors that may affect the Trust or the Unit Trust's value. Besides the risk factors described in this Prospectus or Filing herein, there could be other risk factors that the Settlor may not currently be aware of or risk factors that are currently considered insignificant by the Settlor. However, such risk factors can become significant in the future. The risk factors described in this Prospectus or Filing herein and the potential risk factors in the future may significantly affect the business operation, performance, and financial position of the Trust and the Unit Trust's value.

Forward-looking statements that appear in this Prospectus or Filing herein, such as statements that contain words like "believed to", "expected to", "predicted to", "plan to", "intend to", "may", "approximate", etc, or the future financial estimation of the project, expectation of the business performance, business expansion plan, the real property development plan of the Trust, changes of laws that are related to business operation of the Trust, government's policies, etc; are expectations of future events and opinion of the Settlor, financial consultants, or individuals. Those forward-looking statements are not a certification of the validity of the hypothesis and not a certification of the future performance or events thereof. Those forward-looking statements are also not a warrant and/or guarantee that the actual performance in the future will be consistent with the estimated income statement. The actual performance can be significantly different from the prediction or the expectation.

The Settlor studied the detailed information of properties that will be converted from the CRYSTAL Property Fund to the Trust, as well as the detailed information of properties that the Trust will invest into in its 1<sup>st</sup> additional investment. The Settlor performed due diligence and verified or validated all the related information before making the investment decision, whereas the Settlor studied the reports of the property appraisal companies, the engineering inspection report on properties, inspection report on the properties' legal status, and all the information and agreements that are related to the properties that will be transferred from the CRYSTAL Property Fund to the Trust and the detailed information of properties that the Trust will invest into in its 1<sup>st</sup> additional investment thoroughly. However, the due diligence herein isn't a guarantee that the properties that the Trust is going to invest in aren't damaged or defective in any way that may cost the Trust with the improvement or repairing expenses that can be higher than the amount specified in the Prospectus or the Filing herein. This is because some defects of the real properties are hard or impossible to detect, due to limitations of the inspection process, inspection techniques, or the result of other factors that limit the inspection performed by the property appraisal companies, engineering consultants, and legal consultants.

Moreover, reports submitted from the property appraisal companies, the engineering inspection report on properties and inspection report on the properties' legal status of the properties that the Trust



intends to invest into may also contain some defects or incorrect aspects, whether partly or wholly. This is because some defects of the real properties are hard or impossible to detect, and the properties intended for investment may possess some characteristics, or have been used in any manners, that are contradicted with the related laws, whereas the aforementioned inspection was unable to cover all the possible aspects herein. As a result, the Trust may incur additional expenses or liabilities due to these reasons.

Any information herein that refers to or involves the government, government organization, or economy; where collected from information that was made publicly available or published by the government, government organizations, or other sources. The Settlor didn't verify or certify the validity of such information in any way whatsoever. Since the return on investment from investing in the Unit Trust Fund for real property investment is a long-term yield, the investor should not expect to receive any short-term yield. Moreover, the offer price of the Unit Trust and the Unit Trust's value in the future can be lower or higher than at present and the investor may not make any return on investment. Therefore, the investor who wishes to buy the Unit Trust should study the related information of investing in the Unit Trust Fund before making the decision to do so.

## 6.1 Risk factors regarding the operation and structure of the Trust

### **6.1.1 The risk that the Trust will not be able to utilize the primary properties due to the contracted parties' failure to uphold their contractual obligation regarding the investment and management of the real properties of the Trust**

In order to invest and manage the real properties, the Trust will enter into a lease agreement and/or the sublease agreement for the land, building, and/or part of the building's space; a sublease agreement and/or a purchase and sales agreement of real properties and the building systems; and an undertaking agreement for investing into the real properties and the related properties, in order to invest into the primary properties that the Trust intends to make with the owner of the real properties; and/or other agreements that are related to the investment and management of the Trust, for the benefits of utilizing the Trust and making sure that the contracted parties will uphold their obligation.

However, even though they are governed by the contractual obligation, the contract parties may fail to perform their contractual obligation; or some incidents may occur and create the causes for termination or violation of the agreement. In this case, even though the Trust retains the right to terminate the agreement, to claim for damages, as well as to claims for the compensation for the loss of profits, and/or the paid rent for the remaining proportion of the lease term; the default thereof may cause the Trust to be deprived of the rightful profits from the actions, refrained actions, or the need to compel the contracted parties to uphold their obligation. For example, the Trust may not be able to secure its rights as per the regulations, or in an event where the contracted parties violate the term and conditions of the related agreement, they may also not pay the damages claimed by the Trust. Therefore, the Trust may



have to submit the issue to the legal procedure and file a lawsuit to the related court of jurisdiction. In this regard, the Settlor is unable to expect the length of time involved or the outcome of the procedure, or the amount of compensation that the Trust will be awarded, in relation to the damages thereof. Moreover, the outcome of the issue rests upon the discretion of the court of jurisdiction. And even though the court may deliver a judgment that is in favor of the Trust, the Trust may not be able to successfully enforce the court's judgment. The Unitholder is therefore at risk of not receiving the compensation at the expected amount or time.

#### **6.1.2 The risk from changes in the related accounting standards, laws, or practices of the related organizations.**

The Trust can be affected by the implementation of the new accounting standards, laws, regulations, financial reporting standards, as well as any improvement and update made to the current accounting standards, in order to maintain compliance with the International Financial Reporting Standards (IFRS). Since the term and conditions of these changes are subject to the determination of related organizations, therefore, the Settlor will not be able to guarantee that these changes will not significantly affect the Trust's preparation of financial statements, performance, or financial position. Such changes may also negatively affect the Trust's ability to pay the profits to the Unitholder. Moreover, the Settlor will not be able to guarantee that any changes in related rules and regulations will not negatively affect the REIT Manager's ability to adhere to the investment strategy of the Trust or will not negatively affect the Trust's performance and financial position.

#### **6.1.3 The risk from tax and fee**

Regarding the sales of real properties, or the transferring of the leasehold of real properties, or the sales of shares that the Trust has invested into (in an event where the Trust makes an indirect investment in real properties), and other operations to secure profits out of the Trust's properties in the future, the Trust may incur burden from the related taxes and fees, whether partly or wholly. The rate of such taxes and fees that the Trust will have to pay can be varied from the current rates. Moreover, in the future, the Trust's tax burden, and/or the Unitholder's tax burden regarding the investment in and/or the purchase and sales of the Unit Trust, and/or the operation to secure profits out of the Trust's properties, and the return on investment from the Trust can be varied from the present if there are any changes in the tax-related laws and regulations and other laws and regulations. As a result, the Trust's performance can be affected by the potential changes in the tax burden and/or fine or additional charges.

The Trust can be affected by the promulgation of the Land and Building Tax Act, B.E. 2562, which will become effective on January 1<sup>st</sup>, 2020, and henceforth. This Act significantly changes the format and rate of the land and building tax charges, in comparison to the current format and rate of the land and building tax charges under the original land and building tax law and the local maintenance tax law. The new format and rate of the land and building tax charges will

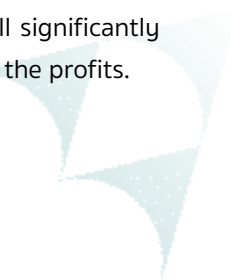


be based on the appraisal value or price of the land and building that will be announced by related government organizations. Therefore, the Settlor will not be able to guarantee that the changes of the new tax scheme will not affect the Trust's financial position, performance, and ability to pay the profits.

Moreover, during the process of converting the CRYSTAL Property Fund into a Trust, as the transferee of the leasehold of properties used in business operations that are subjected to the value-added tax, the Trust can be charged with the value-added tax for the value of the leasehold, if the Revenue Department doesn't consider that the conversion of the Mutual Fund into a Trust can be considered as an Entire Business Transfer (EBT). At present, the REIT Manager, the Mutual Fund Manager, and the tax consultant of the Mutual Fund is discussing this issue with the Revenue Department, in order to find a conclusion and a guideline for the proper procedure regarding this tax. Anyway, if the interpretation and conclusion of the Revenue Department are different from the evaluation and expectation of the CRYSTAL Property Fund Manager, the REIT Manager, and the tax consultants, the CRYSTAL Property Fund and/or the Trust may incur additional expenses, tax burden, and/or additional charges and fines for the incorrect or late payment of tax. Also, in order to create a hypothesis of the financial information in a hypothetical situation, the REIT Manager and the financial consultants have already considered the potential and additional source of capital and financial cost if the Trust must pay such an additional charge of the value-added tax. (The additional charge of the value-added tax is estimated at less than 280 million Baht or approximately 7.0 percent of the total net value of the CRYSTAL Mutual Fund's properties, on the conversion date but not including the related expenses, additional tax burdens, and/or additional charges and fines for the incorrect or late payment of tax.)

#### **6.1.4 The risk from the fact that the Trust's revenue depends on the tenants' decision to renew the lease agreement and the service agreement once those agreements are expired**

Since the primary properties invested by the Trust are in the community mall projects, the Trust's primary revenue hence comes from the rent and service fee received from tenants of those projects. Therefore, at any given moment, if a major tenant or major tenants, whose proportion of leased area and rent is accounted for a significant portion of the Trust's revenue, or if several minor tenants suffer from a reduced financial position, whether due to the overall economic slowdown and/or the business-specific economic slowdown, and/or other factors that are beyond the REIT Manager's ability to control and negatively affect the business operation of such tenants, for example, the road maintenance in the vicinity of the projects, etc. As a result, these tenants may become the default in the rent payment, and/or unable to pay the rent on time, and/or prematurely terminate the lease agreement and the service agreement. Tenants may decide not to renew the lease agreement and the service agreement or agree to renew the agreements with the less favorable term and conditions to the Trust, in comparison to the original lease agreement and the service agreement. As a result, this situation will significantly and negatively affect the Trust's financial position, performance, and ability to pay the profits.





Anyway, in the lease agreement and the service agreement that the Trust will enter into with tenants, there will be clauses that charge the security deposit for the lease. As a result, in an event where tenants become the default in their payment or if tenants violate any term and conditions of the agreements, as well as in an event where the tenants decide to prematurely terminate the agreement, where the Trust isn't the defaulting party, the Trust will be able to forfeit the security deposit, which will partially compensate the Trust's lost revenue. Moreover, as part of the term and conditions of the lease agreement and the service agreement that will be made with the tenants, the agreements will require the tenants to notify the REIT Manager or the Property Managers (as the case may be) for at least 1 or 2 months in advance, before the expiration date, of their wish to renew the agreements. If the tenants do not want to renew the agreements, they will have to continue to pay the rent until the legally terminate date of the agreement, as well as to pay any expenses, damages, and charges. This allows the REIT Manager and the Property Manager (as the case may be) the time to find the new tenants. These measures will reduce the impact on the Trust's performance and ability to pay the profits.

And for this, according to the previous performance, the primary properties of the Trust in these projects regularly showed decent occupancy rates. Whereas the average occupancy rates from 2015 to the first 6 months of 2019 were higher than 80 percent in every project. Moreover, the primary properties of the Trust are well diverse, whether in terms of the locations and the business sectors of the tenants. Also, since the majority of the term of the lease agreement and the service agreement covers the period of 1 to 3 years, this presents quite a decent spread in the expiration date of the lease in the primary properties of the Trust. Therefore, the REIT Manager or the Property Manager (as the case may be) is quite flexible, in terms of the ability to adjust the projects' stores to keep up with the ever-changing situation. This also limits the risk toward the Trust, in terms of the business-specific risks involved with the tenants to a certain level. In addition, the detailed information of the type of business of the tenants, the proportion of the occupancy of each type of tenants, and the expiration date of lease agreements in the individual project are depicted in Chapter 2.1, Article 3 "information regarding investment in the Trust's primary properties".

#### **6.1.5 The risk of losing the major tenants (anchor tenants)**

Anchor tenants are tenants whose proportion of leased area and rent is accounted for a significant portion of the Trust's revenue. If we look at the proportion of the top 10 anchor tenants of the Trust, as of June 30<sup>th</sup>, 2019, these tenants were accounted for approximately 28 percent of the total area of lease of the Trust. These tenants operated various types of business, such as supermarkets, lifestyle stores, furniture and home decoration stores, food and beverages stores, and fashion stores. Also, anchor tenants are one of the factors that attract customers to the projects and, in turn, positively increase the opportunity that customers will further purchase products and services of other tenants in the projects. It suffices to say that the anchor tenants are one of the major factors that make the Trust's primary properties attractive to other tenants, due to the number of customers who visit and spend their money on products and services in the projects. Therefore, the loss of anchor tenants will negatively affect

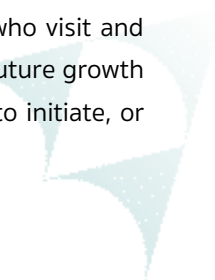


the project's overall image and the project's ability to maintain the occupancy rate among tenants. This will, in turn, significantly and negatively impact the Trust's financial position, performance, and ability to pay the profits.

However, according to the historical data from the past 1 to 3 years, it has been found that the project's tenants tended to renew the lease agreement, with an average renewal rate of 83 percent. And in an event where tenants didn't renew the lease agreement, the average time required for the project's owner to find the new tenant was approximately 6.8 months. In general, anchor tenants were more likely to renew the lease agreement, in comparison to the average renewal rate. This was because they needed to maintain their store fronts in the leased area, in accordance with their business strategy, for example, to maintain the market share, etc. Moreover, anchor tenants tended to invest more capital in the decoration and improvement of the leased area. Also, the lease agreement and the service agreement that the Trust will enter into with anchor tenants will contain a clause that requires tenants to notify the REIT Manager or the Property Manager (as the case may be) for at least 3 to 6 months in advance, before the expiration date of the agreement. The REIT Manager and the Property Manager will be able to use this period to find new tenants to fill the vacancy. Also, because of the centralized management of the Trust where the REIT Manager gathers information of anchor tenants of the individual real property of the Trust, namely, real properties in 10 shopping center projects; and because of the experience of the REIT Manager, which will be responsible for managing most of the projects. The Trust will be able to successfully manage these shopping centers and will have additional channels to find the new tenants to replace the anchor tenants who didn't renew their contract. As a result, it is expected that the risk of losing the anchor tenants and the impact on the Trust's performance will be relatively low.

#### **6.1.6 The risk of renovation or maintenance of the significant part of the real properties and the availability of the reserves required for such a renovation**

In order to ensure the continual revenue stream and excellent performance of the Trust, the Trust's primary properties, namely, real properties in 10 shopping center projects, must be always properly maintained, renovated, and updated, in accordance with the demand of customers who visit and spend their money on products and services of tenants of these projects. At present, real properties in every project are in decent condition. After the additional investment, the REIT Manager or the Property Manager (as the case may be) will ensure that these properties will be properly maintained and renovated on a yearly basis or as appropriate, in order to maintain the primary properties in excellent condition, and readily and properly available for utilization. The expenses of such renovation and maintenance will be considered as an operating cost, which is subject to the REIT Manager's judgment. Also, these expenses will not cause a significant impact on the performance of the Trust's real properties. However, in order to maintain or improve the competitive edge of the Trust's real properties against other shopping centers, in terms of the ability to answer the demands of tenants and customers who visit and buy the products and services of such tenants, as well as to maintain and improve future growth of the Trust's revenue and cash flow in the long term, the REIT Manager will have to initiate, or





cause the Property Manager to initiate, a major renovation. The major renovation includes renovation or reparation which aims to change the external and internal image of the primary properties, in accordance with changes in the market, as well as to significantly improve the work system, in order to maintain or improve the performance of the Trust's primary properties. And for this, the REIT Manager or the Property Manager (as the case may be) will consider the major renovation plan on a yearly basis, and submit the plan for reviewing by the Trust's investment board and the Trustee, respectively. During each major renovation, the REIT Manager will consider and approve the renovation or maintenance of parts of the projects that really need such renovation or maintenance. There will be no total suspension of the entire project's operation, unless the REIT Manager deems that doing so will be more beneficial to the project, instead of partial renovation or maintenance. Therefore, any major renovation or maintenance will involve a temporary entire suspension of the project's operation, whether partially or wholly. This will inevitably affect the Trust's ability to gain profits from its primary properties that have been temporally shutdown, as well as the overall performance of any projects that undergo such renovation or maintenance, and will affect the operation of tenants, as well as customers who visit and purchase products and services from those tenants. As a result, tenants may instead choose to terminate or not to renew the lease agreement or the service agreement. Therefore, if the Trust's primary properties undergo such major renovation or maintenance, it will negatively and significantly affect the Trust's financial position, performance, and ability to pay the benefits.

Anyway, during each major renovation or maintenance, the REIT Manager will ensure that it will cause the least effect tenants and customers of such tenants; and will study the potential effect toward the expected revenue and compensation before initiating such a major renovation or maintenance. Such a study also includes studying the availability and appropriateness of the source of capital for the project, the effect on the Trust's investment structure, as well as the appropriateness of the renovation or maintenance project term. Also, since most shopping centers undergo major renovation or maintenance every 7 to 10 years, the REIT Manager may consider preparing the estimated budget plan and slowly accumulating a reserve for major renovation and maintenance out of the operating cash flow and/or secure other courses of capital; whereas the REIT Manager will consider and choose the method or scheme that causes the least effect toward the Trust's performance, financial position, and ability to pay the benefits and yield the best benefits to Unitholders and the Trust.

At present, due to an investment agreement entered into between the Trust and the project's manager, regarding the furniture, equipment, and work system, the Trust is required to return all the furniture, equipment, and work system to the project owner at the current-operational condition, without charging any compensation. And for this, if the Trust conducts any renovation, reparation, or substitution of such furniture, equipment, or work system of the projects at the end of the lease term, where the Trust is required to return such leased properties to the lessor without charging any compensation, the Trust may not fully receive the economical benefits or be able to fully use those properties. In any case, the REIT Manager will





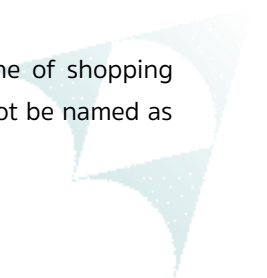
manage the Trust's expense and investment regarding furniture, equipment, and work system of these projects while primarily emphasizing the benefits of the Trust and the Unitholders.

#### **6.1.7 The risk of insurance**

The Trust's business operation involves several risks regarding the operation and utilization of the Trust's real properties. However, the Settlor will cause the Trust to become the Beneficiary of the existing insurance policy of the Trust's real properties, in order to insure the Trust's properties against any and all types of risk (All Risks Insurance), as well as insure against liability for the third party (the Third-Party Liability Insurance), and business interruption (Business Interruption Insurance). For the All Risks Insurance, the sum insured will not be less than the replacement cost but not include the cost of the land. The Settlor deems that determining the sum insured to be not less than the replacement cost but not including the cost of the land for the entire term of the lease, even when the remaining lease term is quite limited, is quite reasonable. This is because the replacement cost herein should be sufficient for the total reconstruction of the entire project if the project suffers a total loss. For the Business Interruption Insurance, the Settlor will cause the Trust to acquire an insurance policy for a sum insured that is deemed appropriate by the Trust and is sufficient to compensate for the Trust's lost revenue, in an event where the Trust's primary properties have to undergo maintenance or total reconstruction. The Business Interruption Insurance will be acquired for a coverage term of 18 to 24 months, or any other period of time deemed appropriate by the Trust, whereas the Trust will be the Beneficiary of such a policy, and/or the Trust will cause the Lender and/or the Owner (for the case of primary properties in which the Trust isn't a direct contractual party with the Owner) to become the Insured or the Co-insured, and/or the Beneficiary of the Co-beneficiary, pertaining to the loan agreement or other related agreements (if any); in order to ensure that the Trust's primary properties will be covered by the insurance policy. For the Third-Party Liability Insurance, the damaged third-party will be the Beneficiary, with the sum insured deemed appropriate by the Trust.

However, though the Trust may sufficiently and appropriately seek and acquire insurance coverage against the Trust's primary property, in accordance with the requirement of the related laws and regulation, the Trust may not be able to acquire insurance coverage against some types of potential risks. Or even if the Trust will be able to secure insurance coverage against those risks, the premium rate may not be worth the potential economic benefits that the Trust may receive, or the Trust may not be able to receive the compensation or there can be some delays during the claim process, whereas such incidents aren't the Trust's faults, in accordance with the related insurance policies, whether partly or wholly. And in the most severe incidents where the Trust may not be sufficiently compensated or it is not possible to acquire insurance coverage against such severe incidents, the Trust may incur financial loss, which will directly affect the expected return on investment to the Unitholders.

Moreover, since some of the Trust's investment projects involved only parts of shopping centers, as a result, the Trust may not be entitled to the compensation or may not be named as





the Beneficiary for the potential damages against the parts that are outside the investment project of the Trust. Therefore, in an event where there are damages of the adjacent parts to the area where the Trust invested, the damages herein may affect the Trust's ability to generate revenue and lease the area, and provide other services. In this situation, even though the Trust has already acquired the Business Interruption Insurance, the Trust may not receive the compensation from the insurance policy, since such a policy may only cover damages against the properties that the Trust has invested into, pertaining to the term and conditions of such an insurance policy. Therefore, in an event the business operation in the area, in which the Trust has invested, must be suspended temporarily (even though the area itself isn't damaged), as a result of incidents occurring to other areas that are outside of the Trust's investment program; or other areas are damaged and cannot be used for conducting any business operation, whereas the incidents also affect the invested area of the Trust, the Trust may not be compensated by the Business Interruption Insurance.

**6.1.8 The risk that the current tenants of the targeted properties will not give their consent to the change of a contractual party from the original Lessor to the Trust**

Once the Trust acquires the transferring of properties from the CRYSTAL Property Fund to the Trust and after the Trust invests into targeted properties for the 1<sup>st</sup> additional investment, the tenants of the targeted properties must give their consent to the change of the contractual party, from the original Lessor to the Trust; and the tenants must pay the rent to the Trust as the new lessor. In this regard, if the tenants refuse to give their consent herein and refuse to pay the rent to the Trust, the Trust will be at risk of not receiving the rent, which is the primary revenue of the Trust. This will directly affect the Trust's revenue and ability to pay the profits to the Unitholders.

Anyway, the Settlor will make sure that, and cause, the managers of the CRYSTAL Property Fund and the Owner of the targeted properties for the 1<sup>st</sup> additional investment to communicate and acquire the consent to the change of the contractual party from the Lessor to the Trust. The Settlor will notify and provide a detailed explanation regarding the Trust's investment to tenants as soon as possible and to the best of its capability, in order to inform the tenants and to persuade them to give their consent to the change of the contractual party. Since no change will be made to other terms and conditions of the lease agreement, the Settlor expects that it is highly unlikely that any tenants will refuse to give their consent.

Moreover, if tenants do refuse to give their consent to the change of the contractual party, the managers of the CRYSTAL Property Fund and the Owner of the targeted properties for the 1<sup>st</sup> additional investment will work on the Trust's behalf to collect the rent or other benefits, which the Trust is entitled to, under the lease agreement from such tenants; and to deliver the benefits herein to the Trust, within the period specified in the related agreement.



#### **6.1.9 The risk that the Trust's performance and turnover depends on the REIT manager's ability to manage the Trust**

In order to efficiently and successfully manage the Trust to achieve its given goals, the REIT manager must possess the required knowledge, ability, experience, and expertise. Since the REIT manager is responsible for determining the management policy and strategy of the Trust, as well as the capital structure, cash flow management, utilization of the primary properties, etc; therefore, if the REIT manager is unable to successfully implement such strategies or appropriately manage the Trust's primary properties, this may negatively affect the value of the Trust's primary properties, and/or the rent revenue, and ultimately will affect the Trust's performance, financial position, and ability to pay profits to the Unitholders, as well as the debt service capacity. Anyway, the REIT manager will be responsible for determining the management policy and strategy of the Trust, and utilization of the Trust's primary properties, in accordance with the Trust Deed, whereas the REIT manager will carry out this task with his best possible effort, with consideration of the best profits of the Trust and the Unitholders in mind.

However, if the Trust will have 2 REIT managers, each REIT manager has different expertise. unable to perform duties Another REIT manager can perform any duties as a replacement. Although the REIT manager cannot guarantee that the performance of replacement duties will not have any effect on the REIT.

In addition, the REIT may be at risk from the fact that the REIT has 2 REIT managers working together to manage the Trust which may have different opinions or approaches to making decisions and cannot agree or come to a common conclusion At the Trust's investment board meeting of the REIT which may affect the operations of the REIT, such as causing delays causing additional expenses, etc. However, the REIT Manager has jointly agreed to determine methods and measures for considering material resolutions related to the operation of the REIT. Such mutual agreements will reduce the possibility of a deadlock situation.

#### **6.1.10 The risk that the Trust's performance and turnover depends on the REIT manager's ability and the Property Manager appointed by the REIT manager to manage the real properties for the purpose of utilizing the Trust's primary properties**

In order to utilize the Trust's primary properties, the REIT manager will determine the appropriate policy and strategy, in order to ensure that the Trust will be able to utilize its primary properties to generate revenue and to maximize the benefits of the Unitholders. The REIT manager will manage the Trust's primary properties as per the Trust Deed and will cause the Property Manager (for the projects where the Property Manager is appointed) to manage the Trust's primary properties as per the real property management agreement that the REIT manager will enter into with each Property Manager. The Property Manager must perform the duty assigned to him by the REIT manager, and observe any policies regarding the Trust's primary properties, for example, finding the new tenants or renewing the area lease agreement and the service agreement with the tenants and customers, advertisement, public relations, and





sales promotion, maintenance and improvement of the Trust's primary properties in a decent and appropriate condition for utilization, etc. Therefore, if the REIT manager is unable to successfully perform his duty as per the given strategy or unable to properly manage the Trust's primary properties; and/or if the Property Manager is unable to properly manage the properties as per the strategy or policy given to them from the REIT manager; or when the real property management agreement, which will be made by and between the REIT manager and the Property Manager (if any) for a term of 3 to 6 years, starting from the day that the Trust initiates the 1<sup>st</sup> additional investment, is expired or prematurely terminated; or if there is any significant change in the staff of the REIT manager and/or the Property Manager; these situations may negatively affect the value of the primary properties and/or the Trust's expected revenue from rent. As a result, this may affect the Trust's performance and ability to pay benefits to Unitholders, as well as the Trust's debt service capacity.

Anyway, the benefit-sharing scheme implemented as part of the compensation structure in the REIT management agreement and the real property management agreement (if any) will specify the fee which the REIT manager and the Property Manager (if any) will receive out of the actual performance of the real properties that they manage. This will provide motivation for them to appropriately manage the lease area and the real properties, in order to ensure that these properties will continually generate revenue. Moreover, the REIT manager will cause the evaluation of the Property Manager's performance (if any) during the entire term of his employment on a yearly basis; and will put in place a system for monitoring and evaluating the Property Manager's internal control system, in order to ensure the Unitholders that the Property Manager (if any) will manage the Trust's primary properties efficiently. Also, in order to engage a Property Manager, the REIT manager will consider various qualifications, with consideration of the applicants' experience and expertise with the property improvement and development in mind.

In this regard, ARM, as a REIT manager, has KE BENJAKIJ CO., LTD and KE KFS CO., LTD. as its indirect major shareholders, who mutually hold ARM's shares, as well as K. E. Retail Co., Ltd. and The CRYSTAL Ratchapruek Retail Co., Ltd. (whose shares was held by K. E. Retail Co., Ltd.), who serve as the current management team of the Trust's primary properties, namely, the CDC project, the TC project, and the TCR project, respectively. Also, ARM has the same executives and directors as and/or major shareholders of Benjakij Development Co., Ltd. and Kiat Friendship Co., Ltd. and/or K. E. Retail Co., Ltd.

In addition, the REIT manager's ability to operate and implement the plants to generate revenue for the Trust as per the given goals depends on several uncertain factors. The REIT manager hence will be unable to guarantee that, in reality, he will be able to adhere to said plans to generate revenue to the Trust, or whether he will be able to do so within the appropriate period of time of under the appropriate expense.



#### **6.1.11 The risk of conflict of interest between the Owner of the real properties and the REIT manager and the Property Manager, who manage the real properties for the purpose of utilizing the Trust's primary properties**

Since the individual that may assume the duty of managing the Trust's real properties after the initial investment, namely, ARM, who will manage the Trust's real properties as a REIT manager, has the same – indirect major shareholders with the CRYSTAL Retail Co., Ltd. ("The CRYSTAL Retail Co., Ltd."), which is a Property Manager of the same type that is also in the vicinity of the targeted properties for the 1<sup>st</sup> additional investment, as per the information described in Chapter 2.1, Article 3.2.4 "Characteristics of the real property utilization", Sub-article (3) "Other real properties under the management of the Property Manager that may become a competitor of the Trust's real properties". Therefore, it is possible that there will be a conflict of interest between the Trust and the Trust's Property Manager.

Anyway, under the Trust Deed and the REIT management agreement, the Trustee will determine the role and scope of the REIT managers, regarding the management of the Trust's business operation, as well as management of the Trust's primary properties. The REIT manager will be responsible for supervising and validating the operation of the Property Manager that has been appointed by the REIT manager to manage the Trust's primary properties (if any). The REIT manager must perform his duties, using the best of his knowledge and ability as a professional, with great responsibility, care, and honesty, while avoiding any possible conflict of interest. In an event where a conflict of interest has occurred, the REIT manager must make sure that the investors will be treated fairly and appropriately and do everything in his power to ensure the benefits of the Unitholders. And for this, the benefit-sharing scheme implemented as part of the compensation structure in the REIT management agreement and the real property management agreement will ensure that the REIT manager and the Property Manager will be compensated as per their actual performance and ability to generate the revenue from the properties that are under their responsibility. As a result, the potential benefits of the REIT manager, the Property Manager, and the Unitholders will be aligned and consistent. This will reduce the risk of conflict of interest.

In this regard, ARM could be responsible for managing the real properties in the same manner used for the Trust's primary properties, that is, areas in the following locations: 1) The CRYSTAL PTT Chaigapruek Shopping Center, which is approximately 7 and 19 kilometers away from the SPRP Project and the TCR project, respectively. The REIT manager deems that these projects are sufficiently far away from the Trust's primary properties, as well as serving a different group of customers. 2) Partial areas of the CRYSTAL Design Shopping Center and the CRYSTAL Ekamai-Ramintra Shopping Center that the Trust hasn't been invested into. 3) Other areas that will be further developed in the vicinity of the CDC project and the TC project. And 4) Other projects that are managed by ARM. And for this, the REIT manager and the Trustee will work together to stipulate a preventive measure against potential conflict of interest, in terms of finding the new tenants for the areas that are the Trust's primary properties and other areas that aren't part of the Trust's investment, as per the detail depicted in Article 10.5.4 "management of other



properties by the REIT manager and the Property Manager”, in Chapter 2-10. The measure herein also includes notifying the Trustee of any potential conflict of interest, fair pricing and offers, and preparation of the summary report on the decision-making of interested individuals.

#### **6.1.12 The risk from the possibility that the Trust will seek a loan**

For the 1<sup>st</sup> additional investment, the Trust intends to seek a long-term loan, for a total amount of not more than 2,875 million Baht, as part of its capital for investing in the primary properties during the 1<sup>st</sup> additional investment. The Trust also intends to seek a short-term loan, in the form of revolving credit (a promissory note), for a total amount of not more than 380 million Baht; and in the form of a Letter of Guarantee, for a total amount of not more than 100 million Baht, as the working capital of the Trust’s management, maintenance, and renovation of the targeted properties, as well as a security deposit for the public utilities used by the Trust’s primary properties, and a security deposit for the acquisition or maintenance of obligation right or investment right in additional properties in the future, for a total of not more than 35 percents of the value of the Trust’s total properties. Please see the detail, term, and conditions of such loans in Chapter 2.1, Article 3.1 “information regarding the targeted properties of the Trust’s 1<sup>st</sup> additional investment”, Sub-article (7) “loans”.

Therefore, the Trust can be at risk from acquiring these loans, as a result of fluctuation of the economy and the interest rate, since the floating interest rate under the loan agreement can be changed during the term of the loan agreement. This may affect the Trust’s performance and ability to pay the benefits to Unitholders. Moreover, in an event where the Trust is unable to pay the interest and/or the principle of the loan agreement, or if the Trust becomes a defaulting party under the loan agreement, the Lender may seek to pursue legal actions against the Trust or exercise his right under the contract, due to the Trust’s failure to honor the loan agreement. For example, the Lender may require the Trust to immediately repay the loan, whether partly or wholly, acquired under any financial instruments; or the Lender may exercise his right against the collateral, whether partly or wholly, including forcing the mortgage of the Trust’s primary properties that have been used as collateral or forcing the transfer of the right of the sum insured from the insurance policy issued on the Trust’s primary properties.

And for this, when the payment is due or as per the conditions of the loan agreement, the REIT manager will consider the Trust’s liquidity and available options of fundraising, such as offering additional Unit Trust, offering debentures, acquiring a loan from commercial banks, financial institutes, insurance companies, and/or other types of juristic persons that are able to provide credit to the Trust, including commercial banks, financial institutes, life insurance companies, insurance companies, and/or financial institutes that are related parties of the Trustee and/or the REIT manager, in order to pay the original loan (Refinance), etc. The Trust can be at risk of requiring time to secure a new loan or unable to secure a new loan with better term and conditions, in comparison to the original loan agreements; or in an event where the Trust acquiring additional loans, the loan agreement may include some terms and conditions that limit the Trust’s operation. All the possible risks from acquiring the loan herein may affect the Trust’s



liquidity and, in turn, the Trust's ability to pay benefits to Unitholders or may reduce the potential yield of the Unitholders. Anyway, after considering the Trust's collateral and the debt service capacity, the risk that the Trust will be able to repay the loan, as a result of failure to gather enough money, is relatively low. Moreover, the targeted real properties are capable of generating a continual revenue stream for the Trust. In the worst-case scenario, if the Trust is really unable to repay the loan, as per the governing terms and conditions of said loan, and if the Trust becomes the defaulting party under the loan agreement where properties are pledged as collateral, the financial institutes may consider enforcing their right over collateral (for example, to sell the collateral in the market) in order to acquire money for the repayment of the debt. After the financial institutes receive money from the aforementioned collateral enforcement action, and after the financial institutes deduct the principle, interest, fine, damage, and related expense out of the amount, the Trust will receive the remaining amount thereof after deducting other debts and expenses.

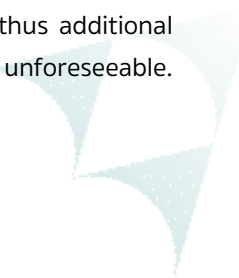
The REIT manager recognizes this particular risk and will manage the Trust by bearing in mind this particular risk, by putting in place measures to regularly monitor the Trust's performance and external factors, such as interest rate, etc. Moreover, the REIT manager may consider the implementation of various financial instruments to reduce said risk, for example, the Interest Rate Swap, or other actions with the creditors, such as requesting the extension of the payment term, leniency on conditions that limit the Trust's management, etc. The Trust will do so by keeping in mind the related laws, rules, and regulations and ensuring the best benefits of Unitholders.

#### **6.1.13 The risk that the Trust may incur increased expenses regarding real properties**

The Trust's ability to pay profits to Unitholders can be negatively affected by the increased expenses, whether the real property-related expenses or other operating expenses, while the revenue isn't increasing at the same, or is increasing at the lower, rate.

Factors that may cause the real property-related expenses and operating expenses to increase are, including:

- The increased maintenance cost for the properties.
- The increased tax expenses and other related expenses involving real properties.
- The changes of related laws, rules, and regulations, as well as the government's policies, will increase the expense required for the Trust to observe and maintain compliance with those changed laws, rules, regulations, and policies.
- The increased cost of public utility.
- The increased service fee of the sub-contractors (if any)
- The increased inflation rate.
- The increased insurance premium.
- The damage or defect of real properties that require rectification and thus additional operating expenses, whereas such additional operating expenses are unforeseeable.







This includes the increased operating expenses regarding other operations involving the real properties and the Trust's utilization of such properties.

## 6.2 Risk factors regarding investment in the Trust's primary properties

### 6.2.1 The general risk involving investment in real properties

Investment in real properties involves several risks, including but not limited to: (1) negative changes in politics or the economy. (2) Negative changes in the local market. (3) The financial positions of tenants, buyers, and sellers of real properties; (4) The changes of capital sources, whether creditors, debt instruments, equity instruments, etc; where such changes affect the Trust's ability to acquire additional real properties or to renovate or repair the current real properties. (5) The changes in interest rate, financial cost, and other operating expenses. (6) The changes of environmental laws, zoning law, government regulations, financial policies, etc. (7) Environmental-related demands involving the real properties. (8) The changes in rent rate in the market. (9) The changes in energy cost. (10) The competition between the Owner of real properties or the Lessor of real properties for customers, namely, the tenants and users of the leased areas; whereas the result of such a competition is a vacant space in the real properties or the inability to market the vacant space under a beneficial agreement. (11) The inability to renew the lease agreement once the current lease agreement is expired. (12) The inability to collect the rent or usage fee from users and/or tenants on time or at all because the users and/or tenants become bankrupt. (13) The inability to sufficiently acquire insurance coverage against properties or have to acquire insurance coverage at a higher premium. (14) The increased inflation rate. (15) The deterioration of real properties that requires renovation and maintenance and presents the Trust with unexpected expenses. (16) The tenants' failure to observe the term and conditions of the lease agreement. (17) The need to depend on cash flow required for renovation and maintenance of real properties. (18) The increased operating expenses, including real property taxes. (19) Any encumbrance or obligation of the real properties that haven't been detected during the investigation or verification of the real properties with the Department of Lands. Lastly, (20) Uninsurable force majeure.

These factors cause fluctuation in the vacancy rate, rent rate, or operating expense, and negatively impact the value of the Trust's real properties and expected revenue from said properties. The value of the Trust's real properties may significantly shrink if the real property market or economy of Thailand has suddenly entered the downturn phase.

Moreover, since the Trust primarily invests in real properties and real property-related assets, especially investment in high-value properties. This may affect the Trust's ability to partially convert the assets into cash or to adjust its investment portfolio, in order to deal with the changes in the economy, real property market, and other factors.



### **6.2.2 The cluster risk from the Trust's investment structure that focuses on real properties, in comparison to other mutual funds and financial instruments**

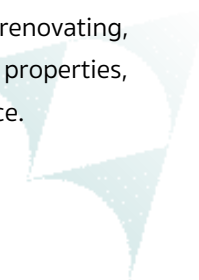
Because a real estate investment trust will have to focus not less than 75 percent of the value of the Unit Trust offered and sold, as well as the loan (if any) to invest in real properties, as a result, the Trust's investment will cluster in real properties. Meanwhile, other mutual funds or financial instruments may have a policy that spreads their investment in various financial instruments or assets. Therefore, any incidents that affect the real property market, for example, the economic downturn, political unrest, etc, will also negatively and significantly affect the Trust's performance and financial position, more severely than the effects felt by other mutual funds and financial instruments, which diversify their investment in a more variety of assets.

Anyway, the properties that will be transferred from the CRYSTAL Property Fund and the targeted properties of the Trust's 1<sup>st</sup> additional investment are geographically spreading all over Bangkok and the vicinity. Therefore, the cluster risk involving the Trust's investment will be somewhat alleviated.

### **6.2.3 The risk that the Trust's primary properties may face from the fiercer competition and the changes in consumers' lifestyle**

Because the Trust's primary properties, after the conversion from the CRYSTAL Property Fund and targeted properties of the 1<sup>st</sup> additional investment, are real properties used in the shopping center business. Therefore, the Trust's performance will be affected by the fiercer competition, whether against the current or the new competitors that constantly open new locations or renovate the existing ones. It will also be affected by the changes in consumers' lifestyle, as a result of various factors, such as technological advancement that challenge traditional shopping center with online shopping, which is able to answer the demands of the next generation of people's lifestyle while presenting them with various competitive edges, including the pricing strategy, variety of products, and convenience. As a result, retailers, which are the anchor tenants of shopping centers, as well as the shopping center entrepreneurs, will have to adapt and adjust their strategies to the ever-changing environment.

In this regard, the REIT manager will work with the Property Manager to conduct any necessary actions, under the scope of authority and responsibility of the REIT manager, as described under the Trust Deed, REIT management agreement, the real property management agreement, and other related agreements, as well as any related rules and regulations, under the supervision of the Trustee, to improve the competitive capability of the Trust's primary properties. The focus will be placed on the improvement and renovation of such real properties, in order to improve the efficiency of property utilization and space utilization and to maintain a good and modernized image of real properties, especially in the shopping centers. The REIT manager will work with the Property Manager to plan the strategy and measure for improving, renovating, and differentiating the shopping centers, and will implement novel ideas to the real properties, in accordance with the consumers' lifestyle, in order to create an impressive experience.





#### **6.2.4 The risk that the Trust's primary properties can be subjected to expropriation**

The Trust can be at risk in an event where the government expropriates the Trust's primary properties where, as a result, the Trust will no longer be able to use or gain any benefits out of such properties. It is not possible for the Settlor to evaluate the possibility of expropriation since it is entirely subjected to the government's policy and need regarding the land. Anyway, the Trust may not receive any compensation from the government or the related organizations, or may receive a lesser amount of compensation, in comparison to the value of an investment that the Trust made in such properties. As a result, the return on investment for the Unitholders will not be consistent with the expectation. Also, the compensation herein will be subject to the related agreement and rules and regulations of the organization that is responsible for the expropriation. Moreover, in an event where the Trust invests in the leasehold and the leased properties have been expropriated, whether partly or wholly, to an extent it is not possible to use the properties properly, in accordance with the agreed-upon objectives of the lease agreement made between the Trust and the Owner, such a lease agreement will be deemed to have been immediately terminated on the expropriation date, whereas the Trust will be entitled to receive the expropriation compensation, as per the calculation method specified in the lease agreement. In this regard, the remaining amount of the expropriation compensation, after the Trust receives its entitled compensation (if any) will belong to the Owner. Anyway, if the properties are partially expropriated and the Trust deems that it is still possible to use the properties as the agreed-upon objectives of the lease agreement, the Trust may deem that the lease agreement is still valid.

#### **6.2.5 The risk that the Trust's targeted properties will be defective, or have been inappropriately maintained, in accordance with the related laws and regulations, or may have any defects in them**

Besides any information disclosed in this Prospectus or Filing herein, the Settlor has inspected the Trust's targeted properties and found that they are in a decent condition for investment. The Settlor hasn't found any significant damage or defect in the targeted properties that require immediate reparation or maintenance. However, the Settlor will not be able to guarantee that there is absolutely no violation of any related laws, rules, and regulations, regarding the targeted properties; or there is no defect in the targeted properties. It is also possible that the reports of the property appraisal companies that the Settlor used for inspection of the targeted properties' value, the building inspection report, and the property appraisal report may be somewhat limited and, as a result, there can be some error in the inspection thereof. Such unknown defects or errors may cause the Trust to have to significantly invest more capital or may burden the Trust with an obligation to other parties. This possibility may cause the Trust an unforeseeable type and amount of expense and will negatively and significantly affect the Trust's income and cash flow.

Warranty, representation, and agreement to be responsible for indemnification provided by the Owner of the targeted properties will be subject to a limited scope of amount and term.



Therefore, the Settlor cannot guarantee that the Trust will be entitled to indemnification under the warrants, represents, and agreements thereof, for any damages incurred to the Trust from investing in the primary properties.

#### **6.2.6 The risk that the Trust's primary properties will be subject to the environmental law, where compliance with such laws causes the Trust to incur additional expense and responsibility**

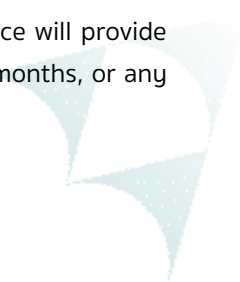
The Trust's primary properties are subjected to environmental laws, such as sanitation laws, pollution control laws regarding air pollution, water pollution, waste disposal, and noise pollution. Under these laws, the Owner or supervisor of the real properties could be responsible, and subject to punishment, including fine and imprisonment, if they violate or fail to observe and follow said laws and regulations. Moreover, the Trust will incur additional expenses for compliance with these laws. And if there is any contamination or pollution or if the Trust is unable to solve any environmental issues herein, the Trust will be liable and this will significantly and negatively affect the Trust's ability to utilize and gain benefits out of the real properties.

Moreover, real properties that comply with the environmental laws and regulations during one particular point in time may fail to comply with the environmental laws and regulations at another point in time if environmental laws and regulations have been modified and updated. Therefore, there is the risk that with the modification and addition of the environmental laws and regulations, the Trust may incur additional expense for compliance with the updated laws and regulations, and, as a result, this may affect the Trust's financial position or performance.

#### **6.2.7 The risk of natural disasters, accidents, and terrorism**

While the Trust uses and gains benefits out of its primary properties, such properties can be subject to damages from natural disasters, accidents, terrorisms, and/or any other force majeure. As a result, the Trust will significantly lose its revenue, and the incident will affect the Trust's performance and financial position.

Anyway, the risks involving the targeted properties are geographically diversified. Therefore, the effects of the aforementioned incident, or incidents, will be limited. Moreover, the Trust acquires the All Risks Insurance, where the Trust is named the beneficiary of the insurance, proportionately to its ownership ratio in the targeted properties. The Trust also acquires the Business Interruption Insurance, where the Trust is named the beneficiary of the co-beneficiary and/or the insured or the co-insured, in order to hedge against any potential damages. Lastly, the Trust acquires the Public Liability Insurance, in order to safeguard the third party and customers against any risks. The Settlor deems that the Trust has appropriately and sufficiently secured insurance coverage for these risks since the sum insured is determined to not be less than the replacement cost, but not including the cost of the land, which is sufficient for the total reconstruction of the entire project. Moreover, the Business Interruption Insurance will provide coverage of the Trust's estimated net average revenue, for a period of 18 to 24 months, or any other period of time deemed appropriate by the Trust.





### **6.2.8 The risk regarding the use of parking space service**

Since the Trust hasn't invested in the entire parking space of the CRYSTAL Design Shopping Center and the CRYSTAL Ekamai-Ramintra Shopping Center, which is the location of the Trust's CDC project. The available parking space, including the outdoor parking lots and the parking garages of the buildings that are part of the Trust's direct investment, will be limited. Anyway, in order to comply with the regulations of the related laws and to facilitate tenants of the Trust's real properties, the Trust will enter into an agreement with the Lessor of the project and the Owner of the land, which is a related entity of the Lessor, so that the Trust may acquire the parking right in the shopping centers where the Trust's project is located. On the other hand, if the Lessor has a development plan for the area herein, the Lessor and/or the Owner will provide the Trust with an additional parking space, for the entire term of the Trust's investment program. In this regard, the Trust will have the right to terminate the investment agreement for the leasehold in the 3 projects and claim for damages against them if the Lessor and/or the Owner violate the agreement. However, it is possible that during the construction and development of the additional projects in the area outside of the Trust's investment program, the tenants and customers of the Trust's projects can experience inconvenience when they visit the projects, or the characteristics of the parking space after the aforementioned construction and development may be less favorable, such as the walking distance between the parking space to the project's shopping area can be greater. As a result, the Trust will be at risk of maintaining the occupancy rate and/or the rent rate, in an event where the tenants experience such inconvenience.

Moreover, for the TCR project, the SPRS project, and the SPRP project where, at present, the Trust enters into a short-term lease agreement for the parking space with the third party, in order to provide an additional parking space to customers of these projects. However, if the third party herein doesn't want to renew the lease agreement for the parking space, the number of available parking spots may not be sufficient to the demands of customers of the projects. As a result, this will cause inconvenience to customers and tenants of the projects. In this regard, the REIT manager will do his best to find/arrange additional parking space for customers, while considering the demands of customers and the appropriate cost of the parking service. However, the REIT manager cannot guarantee that the available parking space arranged and provided by the Trust will be sufficient to match the demand of the projects' customers in the future.

### **6.2.9 The risk regarding failure to acquire the right to connect some of the projects' roads to private roads or public roads and to use them as the projects' entrances and exits**

The Trust's primary properties come from the conversion of properties from the CRYSTAL Property Fund and the targeted properties of the Trust's 1<sup>st</sup> additional investment. In some of these projects, the entrances and exits of these projects are connected to private roads that the Trust hasn't invested in them and, therefore, has no right to use such roads. Despite the fact that the general public has been using these private roads continually and openly but there is no official document from any governmental organization which identifies these roads as public

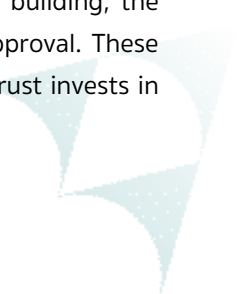


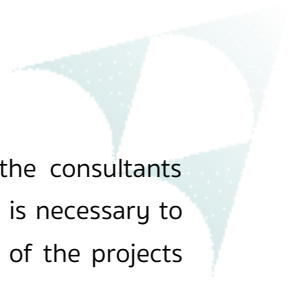
roads. Therefore, there is a risk that the landowners of these private roads may shut down these roads for public use. Moreover, roads in some projects were connected with public roads without a proper permit. Related organizations may instruct the Trust to seek and acquire the road connection permit but if the Trust fails to acquire permits from related organizations, as a result, the Trust may have to shut down these entrances and exits to and from the public roads. Therefore, the Trust is at risk of not being able to use these roads as entrances and exits for its projects. However, regarding the private roads, the Settlor deems that since the general public has been using these private roads openly and continually, it will be troublesome or it may take a while for the landowners to shut down these private roads, since it will affect the right of so many people. Moreover, all of these projects still have other entrances and exits that connect with the public roads and the Settlor has acquired related documents which confirm, and verified that these roads have been legally connected. Therefore, though the Trust may be at risk of maintaining the occupancy rate and/or the rent rate in an event where the tenants experience less convenience because customers are unable to use these entrances and exits, the Settlor deems that the effect of this risk will be relatively low and will not significantly affect the Trust's investment in these properties.

#### **6.2.10 The risk regarding modification of buildings and structures**

The REIT manager, consultants, and experts reviewed properties and the related documents of the targeted projects of the Trust's investment plan and found that some projects have been modified or renovated, in order to utilize the projects' space and facilitate tenants and customers. However, some of the modifications and renovations were made without property approval or are currently awaiting approval from related organizations, for example: (1) the connected walkway between buildings of the SPRM project, the CDC project, the TC project, and the Plearnary project; (2) the roof construction of the Plearnary project; and (3) construction and modification of area for the lease of the SPRM project, the CDC project, and the TC project.

Regarding the construction of the walkway between buildings (of the CDC project, the TC project, the Plearnary project, and the SPRM project), the roof construction (of the Plearnary project), and the renovation of the area for the lease of the CDC project, the TC project, and the SPRM project, the Settlor collaborated and requested the support from the Owners of these projects, asking them to the possibility of rectifying these constructions and modifications, in order to comply with the related regulations, standards, and laws. However, the Settlor was informed by the Owners that these modifications and constructions were completed for quite a very long time and any modification or rectification of these areas (such as removal or demolition of the area) will affect the tenants, customers, and overall operation of these projects. Therefore, the projects will not be able to follow the Settlor's request. Therefore, in order to reduce potential risks toward the Trust regarding failure to comply with the requirements of the laws, the Trust will not invest in the walkway between the building, the domed roof, and any renovated areas that haven't been done without proper approval. These areas will remain under the ownership of the Owners of these projects after the Trust invests in other properties in the projects.





In terms of safety engineering, after further consideration, the Settlor and the consultants deemed that after the Trust invests in the real properties of these projects, if it is necessary to use, construct, renovate, modify, or remove the renovated and modified parts of the projects that haven't been approved, such as the walkway or the domed roof, it will not significantly affect the structure and foundation of the real properties of the projects that the Trust will invest into, whether in terms of the load-bearing beams, columns, and structures. The Settlor and consultants' opinion is consistent with the certification issued by the engineers arranged by the Settlor to inspect the structure and condition of the renovated parts of these projects.

In order to ensure that the Trust's business will proceed smoothly and continually in the future, the Trust will enter into a lease agreement and an undertaking agreement with the Owners and the related parties so the Trust will acquire the right to use the aforementioned renovated areas, in a manner of a common area (for example, the walkway between building) without additional expense; and the Owners will be responsible for any expenses for the maintenance, renovation, modification, or removal that will affect the structure of said parts (including the expenses that are characterized as capital expenditure). Moreover, the related undertaking agreement or lease agreement will describe this as the Owners' responsibility to chiefly consider any effects of any actions on the renovated parts toward the Trust's business operation, while complying with the requirements of the currently enforceable laws; in order to make sure that the renovation of the non-invested parts of the properties will cause as least as possible effects toward the Trust's whether in terms of physical characteristics of properties, utilization of properties in other parts of the projects, and Trust's benefits while preventing any significant effects over the convenience of tenants and customers of the projects. In an event of undesirable incidents or violations of these terms by the Owners, the Trust will reserve the right to claim for the actual damages and expenses against the Owners, as a result of their failure to comply or observe the term and conditions of the related agreements, such as the damages due to the tenants' termination of the lease agreement from the effects thereof, the damages due to the loss of revenue from the Trust's business operation, and the damages due to expense required for mitigation of effects of such renovation, etc.

Moreover, during the entire term of the Trust's investment in the aforementioned projects, the Trust will seek and acquire the All Risks Insurance to cover all properties of the renovated parts that will be available to the trust as a common area, which is outside the Trust's investment plan, through the direct leasehold; in order to make sure that the Trust will be able to use the properties of the renovated parts and able to fully and continually facilitate the tenants and customers if the projects during the entire lease term. The Trust will specify the insured sum that is not less than the replacement cost of the properties of the renovated parts, whereas the Owners will be responsible for the premium, whether wholly or partly, as per further agreement with the Trust.

Anyway, in an event where the properties of the renovated areas are damaged, the Settlor deems that there is the risk of possibility that the insurer may refuse to pay the indemnity to



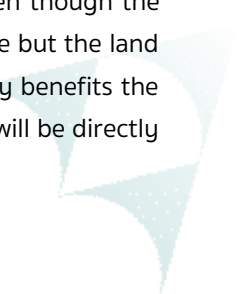


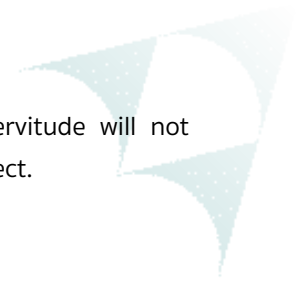
the Trust if the Owners of the projects conduct any actions to the properties of the renovated areas in a manner that violates the insurance policy's term and condition, for example, any modification or renovation that alters the intended purposes of the properties of the renovated areas or any modification or renovation that causes the properties of the renovated areas to be subject to further risk of damage or destruction, etc. In order to reduce this particular risk, the Trust will specify in the lease agreement that it will be the responsibility of the Owners to never alter the intended purpose, or to modify, renovate, or conduct any actions to properties of the renovated parts that are outside of the Trust's investment program for the entire lease term, unless the Owners acquire written consent from the Trust in advance, in order to make sure that the Owners' actions will not affect the Trust's business operation. Moreover, the Trustee and the REIT manager will visit and inspect the invested properties of the Trust at least once a year, in order to make sure that the Trust's properties are in decent condition and comply with the term and conditions of the related agreements.

#### **6.2.11 The risk regarding servitude over the land where the Trust's primary properties are located**

Parts of the land of the CDC project, which is one of the Trust's targeted properties for investment through transferring of properties and conversion of the CRYSTAL Mutual Fund, are under servitude, regarding the walkways, roads, drainages, water supply system, electricity supply system, telephone system, and other public utilities of the adjacent lands owned by other people. Therefore, the Trust is at risk of being unable to fully use these parts. However, the parts of the CDC project that are under the aforementioned servitude are accounted for an area of 1 Ngarn and 48 square Wah only, according to the land title deed. At present, these parts are used as walkways within the CDC project. Actually, these parts aren't being used as a location of the shopping center or any structures within the CDC project, which is the Trust's targeted properties for investment through leasehold. Therefore, the Settlor deems that this servitude will not significantly impede or affect the Trust's ability to use and operate the CDC project.

Moreover, parts of the land of the TCR project, which is one of the targeted properties of the Trust's 1<sup>st</sup> additional investment plan, are also under a similar servitude. This servitude was applied for the benefits of the land under the title deed No. 40319 and 40320. The land under title deed No. 40320 is already part of the targeted properties of the Trust's 1<sup>st</sup> additional investment plan. On the other hand, though the land under the title deed No. 40319 isn't a part of the targeted properties of the Trust's investment plan, still the Trust acquires the right to use this land from the Owners, which are the superficiaries, by way of leasing the land from the landowner, for the purpose of using the land for entering, exiting, commuting to and from, and facilitating visitors, tenants, and customers of, the TCR project. The Trust will have the right to use this land for the entire lease term, without additional expense. Therefore, even though the Trust might be at risk of being unable to fully use the land which is under servitude but the land is currently used as roads and walkways for the TCR project. This servitude directly benefits the targeted properties of the Trust's investment plan or the properties that the Trust will be directly





entitled to use from the Owners. Therefore, the Settlor deems that this servitude will not significantly impede or affect the Trust's ability to use and operate the TCR project.

#### **6.2.12 The risk regarding subleasing the land**

Some of the targeted properties of the Trust's 1<sup>st</sup> additional investment, namely, the TCR project (partially), the I'm Park project, the Plearnary project, the SPRS project, the SPRP project, and the Scene project involve investing in the right to sublease lands and/or the right to sublease buildings, the details are, as follows. Regarding the TCR project, the project is located on four plots of land that are currently under the lease agreement with different landowners. Three plots of land where the project's buildings are located are under the leasehold of the Owners of these real properties that the Trust intends to invest in the right to sublease these three plots of land. (The remaining plot of land is under the land title deed No. 40319, in which the Trust only receives the servitude right to use the land, as described in the following article.) Regarding the I'm Park project, the targeted properties of the Trust's investment plan comprise the lands where the project is located and the internal space of buildings in the project. All of these properties belong to Chulalongkorn University, pertaining to Article 10.14 of the lease agreement, dated October 9<sup>th</sup>, 2012; made by and between Grand Uniland Co., Ltd. and Chulalongkorn University, as well as the amendments thereof. In this regard, as a result of the structure of the right to sublease the land and/or the right to sublease the buildings, the Trust will not be a direct contractual party with the landowner, pertaining to the primary land lease agreement and/or building lease agreement. As a result, the Trust will have no authority to ensure compliance with the primary lease agreement of the Sub-lessor. Therefore, even though the Trust has legitimately invested in the right to sublease, in accordance with the sublease agreement; and/or even if the Trust has registered the sublease agreement with the related authorities, it is still possible that the Sub-lessor will violate the term and conditions of the primary lease agreements that will, as a result, lead to premature termination of the related lease agreements. For example, the Sub-lessor's failure to pay the rent on time, etc. The premature termination of the lease agreements will negatively affect the Trust's ability to use the properties. However, the Settlor has put in place a guideline to mitigate the potential risks from this issue, whereas in every project that involves investment in the sublease, the undertaking agreement will contain additional provisions that require the Sub-lessor to acquire the approval to sublease the land and/or the buildings of the project before the Trust will commence its investment in the project. The Sub-lessor will also be required to observe and honor the primary lease agreements and/or maintain his liquidity ratio at the appropriate level, in order to ensure the Sub-lessor's financial position and his ability to comply with the primary lease agreement. The Settlor will also negotiate the investment agreement to cover the issue of defaulting and termination of the agreement, in order for the Trust to regain the prepaid rent, in an event of premature termination of the lease agreement where the Trust isn't the defaulting party, as well as the premature termination of the primary lease agreement where the Sub-lessor is the defaulting party and, as a result, the Trust is unable to use the project's properties. In this event, the Trust will have the right to claim for damages against the Sub-lessor of the project, as well as the right to regain the unused portion of the prepaid rent from the Sub-lessor, pertaining to the term and



conditions of the related property lease agreements. These are measures for mitigating the Trust's risk, in the event that the sub-lease right under these agreements is prematurely terminated before the expiration of the related lease term or the sublease term. Moreover, the Settlor will consider additional measures to mitigate the specific risk of each project, as follows.

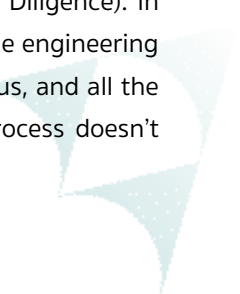
Regarding the SPRM project, since the Lessor and/or the Sub-lessor who leases the project to the Trust, and the landowner of the land where the project is located, are related entities. The Settlor will enter into an undertaking agreement with the related parties, in order to ensure that the Trust will be able to fully utilize the land in question and the issue will not affect the Trust's business operation. The agreement herein will also require the landowner to pledge the land as collateral in an event of the breach of contract where, as a result, the Trust will not be able to use the project's properties; in order to provide the Trust with a guarantee that it will have the right to claim for damages against the Lessor of the project for this issue. The agreement will also give the Trust the right to receive the unused portion of the rent from the Lessor, pertaining to the term and conditions of the related property lease agreement. Also, because the Lessor and/or the Sub-lessor who leases the project to the Trust, and the landowner of the land where the project is located, are related entities, the Settlor deems that the risk of breach of contract will be relatively low since, as a defaulting party, the Sub-lessor will be liable to pay the compensation and the fine to the Trust. This may affect the financial position of the landowner.

Regarding the TCR project, the Settlor deems that since the landowner of the land title deed No. 40319 and the Owner of the real properties have been doing business together for a very long time, the possibility of dispute, concerning the use of the land and surrounding area of the project's buildings will be relatively low. This is because the landowner already acknowledged that the land would be leased for the construction of a shopping center, which is currently operating on this land; and that the use of the land by the Trust will not be different from the previous usage in any way. Therefore, there is no ground for a dispute in this issue. The Settlor will enter into an undertaking agreement with the related parties, in order to guarantee that the Trust will be to fully utilize the land in question and the issue will not affect the Trust's business operation.

Besides, the total area of the building that is located on the sub-leased land, in the SPRM project and the TCR project, was merely accounted for 11 percent of the total area of the targeted properties of the Trust's investment plan. Therefore, it is expected that the effect of any dispute regarding the right to use the land will be very low.

#### **6.2.14 The risk from conducting the due diligence before investment**

Before making an investment in real properties, the Settlor will study the information of such real properties in detail, and compare and verify all the related information (Due Diligence). In this case, the Settlor studied the reports from the property appraisal companies, the engineering inspection report on properties, the inspection report on the properties' legal status, and all the information and agreements that are related to the properties. However, this process doesn't





guarantee that the targeted properties of the Trust's investment plan will be void of any damage or defect in any way that may cost the Trust with the improvement or repair expenses. Also, reports submitted from the property appraisal companies, the engineering inspection report on properties, and the inspection report on the properties' legal status used by the Trust's legal consultants as the foundation for their evaluation and inspection of the real properties may also contain some defects or incorrect aspects. This is because some defects of the real properties are hard or impossible to detect, due to limitations of the inspection process, inspection techniques, or the result of other factors that limit the inspection performed by the property appraisal companies, engineering consultants, and legal consultants.

Moreover, the targeted properties of the Trust's investment plan may violate some rules, regulations, and provisions regarding real properties, whereas the evaluation and inspection of related documents (Due Diligence) conducted by the Settlor may not be able to reveal these issues. As a result, the Trust may incur additional expenses beyond the initial expectation or the Trust may be subject to liability regarding the aforementioned violations.

#### **6.2.15 The risk that the gross profits from real properties or value of the Trust's real properties can be negatively affected by various factors**

The gross profits from real properties or the value of the Trust's real properties can be negatively affected by various factors, namely.

- Vacant space for rent due to expiration or termination of the area lease agreement that leads to reduction of the occupancy rate and the Trust's gross profits.
- The ability of the Property Manager to collect the rent from tenants.
- The amount of rent that the tenants must pay, as well as the less favorable term and agreements of the area lease agreement, whether the renewed agreement or the new agreement.
- Economic and political conditions, both at the national and international level, as well as conditions of the real property market.
- The ability of the REIT manager to arrange or maintain sufficient insurance coverage.
- Changes in related laws and regulations regarding real property supervision, real property usage, zoning, and the government's taxes and fees. These changes may cause an increase in the real property management cost or cause unforeseeable operating expenses. In this regard, in order to comply with these changing laws and regulations, some limitations can be imposed on the right over real properties, as a result of changes of laws concerning the building standard or urban planning, implementation of the new laws concerning real property development, etc.
- Natural disasters, force majeure, terrorist attacks, riots, and other incidents that are beyond the REIT manager's ability to control.



**6.2.16 The risk that the value of the targeted properties of the Trust's investment plan, in accordance with the evaluation of the property appraisal companies, doesn't reflect the actual value of such real properties, and therefore it is not possible to guarantee that the selling price of such real properties will be as expected, whether at present or in the future**

In general, evaluation of the real properties will be based on several factors, including abstract factors involving such properties, for example, the situation of the market, strength of financial position, competitive capability, and condition of the properties, etc. It is possible that some situations will cause these factors to change in the future. And since some situations or some of the hypothesized situations may or may not happen, as per the previous expectation; or some unexpected events or situations that haven't been hypothesized may happen instead. Therefore, the Settlor cannot guarantee that the hypothesized situations will occur as expected. Hence, the selling price of the Trust's real properties in the future can be lower than the evaluation of the property appraisal companies or the total investment price of the Trust in said real properties. As a result, the Trust will incur losses from its investment in such real properties. This will affect the Trust's ability to pay benefits to the Unitholders.

## 6.3 Risk factors regarding investor's investment in the Unit Trust

### 6.3.1 General risks involving investment in the Unit Trust

General economic and business condition, both at the national and international level, as well as the inflation rate, interest rate, currency exchange rate, price of consumers goods, price of real properties, and the monetary and fiscal policies of the government, the Bank of Thailand, and other government organizations, are all having an influence on the Trust's performance, financial status, and investment. Moreover, the economic downturn and the shrinking demand of consumers may significantly and negatively affect the Trust's performance and the price of the Unit Trust in the Stock Exchange of Thailand (SET), where the price can be higher or lower than the offering price.

Moreover, the price of the Unit Trust traded in SET will also be influenced by several external factors, which are beyond the Trust's ability to control, for example, the movement or change of foreign stock markets, domestic and international interest rate, currency exchange rate, direct and indirect policies and measures that affect importing and exporting, tourism market condition, foreign currencies, the domestic economy and international economy, business-specific risks and general risks, fluctuation of the consumer goods market, regulation, tax, and other policies of the government, etc. There can be no means to guarantee that the change of these external factors will not significantly affect the price of the Unit Trust, the return on investment, and the Trust's management of the projects. Anyway, the Settlor, which will also serve as the REIT manager, will regularly monitor these external factors, in order to ensure that the Trust will be efficiently managed.





### **6.3.2 The risk regarding the fact that the Trust is still in the process of setting up and there is no historical performance data that investors can be used as a reference for their decision making**

The Trust is still in the process of setting up, therefore, the Trust has no historical performance data for investors. The only available information is information regarding the historical performance of the CRYSTAL Mutual Trust, including the detailed information of properties that will be transferred from the CRYSTAL Mutual Trust to the Trust and information regarding performance from the financial statements of the company that owns the targeted properties of the Trust's 1<sup>st</sup> additional investment. Also, the properties that will be transferred from the CRYSTAL Mutual Trust to the Trust will be changed, in terms of the characteristics of utilization (see detail in Chapter 2.1, Article 2.2 "important changes and development"). As a result, the information regarding the revenue and expense of properties that will be transferred from the CRYSTAL Mutual Trust to the Trust will be changed. Moreover, the properties' performance, in accordance with the financial statements of the company that owns the properties, may include information concerning other revenues and expenses that aren't related to the targeted real properties. Since the structure of these revenues and expenses will be subject to the accounting standard used by the company, it can be different from the characteristics and structure of the post-investment revenues and expenses of the properties. Therefore, historical performance data based on these financial statements cannot be used as a reference for evaluating future performance. As a result, it will be difficult for investors to evaluate the future performance and it is not possible to guarantee that the expected revenue or expense of the Trust, regarding the targeted properties of the Trust's investment plan, will be consistent with the previous revenue and expense of such properties.

The Settlor cannot guarantee that the Trust's performance or ability to pay profits will be consistent with the rates specified in the attachment "the expected profit and loss statement, based on the assumption, for a period of 12 months, from October 1<sup>st</sup>, 2019 to September 30<sup>th</sup>, 2020." Moreover, the investor shouldn't solely base their decision-making on the financial data, statistical data, and performance data described in this Prospectus or Filing when they evaluate the Trust's performance in the future.

### **6.3.3 The risk regarding changes in the accounting standards or related laws**

The Trust's performance or ability to pay profits can be affected by the enforcement of the new accounting standards or improvement of the accounting standard. This is a factor that is beyond the Settlor's ability to control or foresee. The same goes for modification of laws, announcements, provisions, rules, regulations, legislation, policies, and/or orders of the government organizations or authorities, all of which are also beyond the Settlor's ability to foresee. Therefore, the Settlor cannot evaluate the potential effects of such changes, nor can the Settlor guarantee that such changes will not affect the REIT manager's ability to adhere to the Trust's investment policy or the Trust's performance and ability to pay the profits.



### 6.3.4 The risk regarding the complete cancellation of the Unit Trust offering

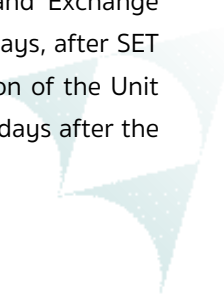
In one of the following situations, the Settlor will completely cancel the Unit Trust offering and return the money to the subscribers:

- (1) Less than two hundred fifty buyers subscribe to the Trust or the dispersion of the Unitholders isn't complying with the SET's regulation regarding registration of the Unit Trust as listed securities.
- (2) The value of the total subscribed Unit Trust and the loan acquired from other entities (if any) is not sufficient for the Trust's investment plan or doesn't meet the required amount that is specified in the Prospectus or Filing.
- (3) Allocation of the Unit Trust to individuals, groups of individuals, the Settlor, the REIT manager, or the foreign investors in a manner that causes the total proportion of the Unit Trust held by these individuals, combined with the existing Unit Trust held by them (if any), to deviate from the specified rate or regulation of the aforementioned announcement. In this case, the cancellation will be limited to the proportion of the Unit Trust that exceeds the specified rate or regulation of the aforementioned announcement.
- (4) Failure to transfer the sum amount from selling the Unit Trust to the Trustee, in order to complete the Trust setting up process, within fifteen (15) days after the conclusion date of the Unit Trust offering.
- (5) As a result of force majeure or significant changes in legislation, finance, economy, stock exchange condition, or politics, whether at the national or international level; or significant changes that affect the targeted properties of the Trust's 1<sup>st</sup> additional investment.
- (6) In an event where SET or related government authorities suspend or cancel the Unit Trust offering or the Settlor is unable to deliver the Unit Trust.
- (7) Any other reasons, in accordance with the provisions regarding termination, are stated in the Underwriting Agreement.

If any of the aforementioned incidents have occurred, the REIT manager will be compelled to completely cancel the Unit Trust offering and return the money to the subscribers. Therefore, subscribers of the Unit Trust may not achieve their intention for investing in the Unit Trust. Please see more detailed information regarding the cancellation of the Unit Trust offering in Chapter 3, Article 2.2.10 "cancellation of the Unit Trust offering."

### 6.3.5 The risk regarding registration of the Unit Trust as listed securities and trading the Unit Trust in the stock market

The REIT manager must register the Unit Trust as listed securities in the SET within 15 days after the conclusion date of the Unit Trust offering. In this regard, the Securities and Exchange Commission of Thailand (SEC) will consider and present their conclusion within 7 days, after SET receives all the related and correct documents. After SET approves the registration of the Unit Trust as listed securities, the Unit Trust can be traded in the SET within 2 working days after the







approval date. Unless there are reasonable causes that prevent the Unit Trust from being traded in the SET within this timeframe. In this regard, the SET manager may specify the initial trading day to other dates. Unless and except the SET approves the registration of Unit Trusts as listed securities, the Unit Trust offered herein cannot be traded in SET and the Unitholders of the Unit Trust may only trade them outside the market.

### **6.3.6 The risk that the price of the Unit Trust may change after the initial offering**

After the Trust's Unit Trust is registered as listed securities in the SET, the Settlor, who will also serve as the REIT manager, cannot predict whether trading of the Unit Trust in the SET will be stable or not. The market price of the Unit Trust may shrink after the initial trading day of the Unit Trust in the SET. The trading price herein may not be consistent with the net value of each Unit Trust and will be subject to various factors, such as the Trust's performance, fluctuation of securities in the SET, and the trading volume of the Unit Trust, etc. Therefore, the investors may not be able to trade the Unit Trust at the initial offering price or the net value of each Unit Trust.

### **6.3.7 The risk regarding income tax of Unitholders after conversion and dissolution of the mutual fund**

Regarding the Unitholders of the CRYSTAL Mutual Fund, after the conversion date of units in an investment trust, there is no clear conclusion about the revenue categorization, for the purpose of calculating the income tax of the Unitholders, as a result of the conversion and dissolution of the mutual fund. This is because the CRYSTAL Property Fund is the first real estate investment trust that will be converted after the expiration of the tax exemption right granted by the Revenue Department. However, at present, the manager and the tax consultants of the CRYSTAL Mutual Fund are discussing the issues with the Revenue Department, in order to reach a conclusion and guideline for the tax-related issue herein. As a result of the Revenue Department's interpretation and conclusion of this issue, the Payer will be responsible for withholding the income tax, in an event where the Revenue Department deems that the value of the Unit Trust granted to the original Unitholders is far greater than the investment value and thus will be considered as profit sharing or the post-dissolution profit sharing. The tax burden of these two types of taxable profits will be subject to different methods of calculation. Moreover, in an event where the Revenue Department's interpretation and a conclusion is different from the opinion or expectation of the CRYSTAL Mutual Fund's consultants; it may affect the method of income tax calculation that will be applied to the Unitholders and will cause additional tax burden to Unitholders, as well as to the CRYSTAL Property Fund and/or the Trust, as the Payer.

In this regard, once the CRYSTAL Property Fund manager receives the clear conclusion or guideline from the Revenue Department, the CRYSTAL Property Fund manager and/or the REIT manager will announce this conclusion to the Unitholders of the CRYSTAL Property Fund through the CRYSTAL Mutual Fund's page in the SET website or the Trust's website, in order to give Unitholders information for the calculation/filing of the personal income tax/corporate income tax of 2019.



### **6.3.8 The risk that the Trust's primary properties may generate loss due to the impairment of the properties' book value**

Since the accounting standard requires the reviewing of the primary properties' value, based on estimation of the property appraisal companies. If the estimated price is lower than the book value then it will be considered a loss due to the impairment of the book value and, as a result, the NAV (Net Asset Value) will be decreased. In this regard, this type of loss is generally disclosed, as required by the accounting standard, whereas the Trust will record this item as unrealized losses of the investment capital. This will neither affect the Trust's cash flow nor the Trust's ability to pay benefits to the Unitholders. Anyway, in this case, the Trust may pay a part of this amount to the Unitholders as benefits and another part as a capital return due to the surplus on revaluation of assets. The Trust will choose its option appropriately, for the best benefits of the Unitholders.

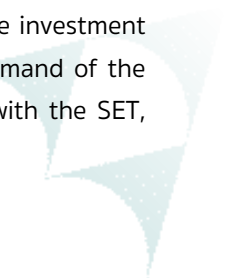
### **6.3.9 The risk that the net asset value of the Trust may not represent the actual amount of money that the Trust will receive after selling all of the Trust's properties or dissolution of the Trust**

The Trust's net asset value was calculated using the information of asset appraisal report or investment capital reappraisal report. Therefore, in an event where the Trust has to sell its properties, in order to adjust the investment structure or has to dissolve the Trust, the net asset value herein may not represent the actual amount of money that the Trust will receive after selling its properties, whether partly or wholly, or after the dissolution of the Trust. Moreover, the net asset value may shrink due to the reduction of the remaining lease term; or the value of the leasehold can be changed due to changes of value of the leasehold right, the rent fee, and the operating expense. As a result, the value of the Unit Trust can be either increased or decreased.

### **6.3.10 The risk from lack of liquidity when trading the Unit Trust in the secondary market**

Because the Unit Trust will be listed securities in the SET, the liquidity of the Unit Trust trading will be evaluated from the trade frequency and the volume in the market. These factors are influenced by the demands of buyers and sellers (Bid-Offer) that, in turn, are subject to various factors which are beyond the REIT manager's ability to control, such as the demand for investment in the Unit Trust of the market at a particular moment. Therefore, there is a risk that the Unit Trust will lose liquidity when they are being traded in the secondary market.

In this regard, the public markets where the general public may trade Unit Trust in Thailand are quite underdeveloped. As a result, there is no benchmark that can be used for comparing the performance of trusts, and, therefore, it is quite difficult to evaluate the real estate investment trust that focuses on domestic and foreign real properties. This will affect the demand of the Unit Trust. Even though the Settlor will register the Unit Trust as list securities with the SET,





doing so cannot guarantee that the market for trading the Unit Trust in Thailand will be further developed; or if the market has been developed, it cannot guarantee the liquidity of the Unit Trust in the market.

#### **6.3.11 The risk regarding the Trust's ability to pay benefits**

Payment of the return on investment of the Trust will be based on the Trust's performance, which is subject to several factors, including national or foreign economy, the ability of tenants and sub-tenants to pay the rent, the cost of real property development, operating expenses, competition, occupancy rate of each project, renovation and maintenance budget, changes of the related laws and regulations, natural disasters, politics, etc.

These factors may affect the Trust's financial position, liquidity, and revenue. Therefore, there is a risk that the investors may not receive the expected benefits in the year that is affected by such factors; or the Trust may not be able to maintain the level of return on investment or payment of benefits of the subsequent years. Moreover, the payable yield from the Trust can be in a form of reduced capital, due to recognition of the unrealized loss from the impairment of the asset's estimated value, which will be prepared by the property appraisal companies.

#### **6.3.12 The risk regarding using the net asset value of the Trust to determine the selling price of the Unit Trust**

Calculation of the net asset value of the Trust, as per the REIT manager's announcement, was made using the latest asset appraisal report or the asset reappraisal report prepared by the property appraisal companies as a basis for determining the real properties' value. This value may not be consistent with the actual selling price in the SET, since the selling price will also be influenced by other factors, such as demand and supply of securities, capital inflow from foreign investors, etc.

In this regard, in order to prepare and publish this Prospectus or Filing, the Settlor has observed and followed the rules and regulations of the SEC. The Settlor also makes sure that the wording is precise and not misleading in any way, and eliminates all the reasons that may convince someone that there is any information that may affect the decision-making of investors but has not yet been disclosed.

#### **6.3.13 The risk regarding the possibility of delay with the registration of the leasehold by the Trust**

Since parts of the targeted properties of the Trust's 1<sup>st</sup> additional investment involves investment in the leasehold of properties, the Trust will not directly invest in the land where these properties are located. Pertaining to the laws that are related to registration of the leasehold to the related authorities, the laws require that before the registration date of the leasehold, the party must put up an announcement board to inform all the stakeholders of such



registration and to give them the opportunity to oppose the registration, for 30 days in advance, before the leasehold can be legitimately registered with the related authorities. Therefore, the Trust will be at risk of not being able to immediately register the leasehold over some properties in these projects, after the Trust has been created. Anyway, the Settlor, who will also serve as the REIT manager, and the Owners of targeted properties of the Trust's 1<sup>st</sup> additional investment will work together with the related land offices in advance, in order to prepare and make sure that the leasehold registration will be legitimately done within the appropriate period of time and that the Trust will be able to use the targeted properties of the Trust's 1<sup>st</sup> additional investment quickly after the Trust has been created.

#### **6.3.14 The risk regarding the dissolution of the Trust, where the distribution of capital can be less than the amount invested by the Unitholders**

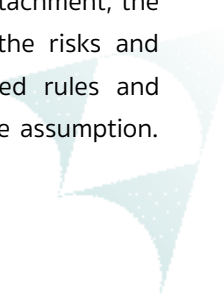
In an event of the dissolution of the Trust, the Settlor cannot guarantee that the Unitholders will receive their invested amount back, whether partly or wholly; depending on the causes and method of dissolution, regulations regarding distribution of the Trust's assets, and the remaining term of the leasehold.

#### **6.3.15 The risk regarding Thailand politics**

At present, though the country's political climate has greatly improved, if any civil unrest or political dispute happens again in the future, it will severely affect the economy of Thailand, as well as the stock market. Such incidents will also cause severe effects on the Trust's financial position. Therefore, the Settlor cannot guarantee that the political condition of Thailand, whether at present or in the future, or the changes of the government's policies, will not gravely affect the Trust's operation, financial position, performance, and growth.

#### **6.3.16 The risk regarding assumption made in the profit and loss statement may involve uncertainty and will be influenced by risks and uncertainty of business operation, economy, finance, related rules and regulations, and competition; where, as a result, the actual performance can be significantly different from the estimated performance and this may affect the value of an investment in the Trust**

According to the assumption made in attachment No. 6, "the expected profit and loss statement, based on the assumption, for a period of 12 months, from October 1<sup>st</sup>, 2019 to September 30<sup>th</sup>, 2020."; the information herein includes the assumption of the Trust's expected performance, benefit-sharing, and capital sharing, for a period of 12 months, from October 1<sup>st</sup>, 2019 to September 30<sup>th</sup>, 2020. This is merely an assumption of the potential future event of the Trust and it cannot affirm the actual performance of the Trust in the future. Anyway, though the Settlor made such as assumption sincerely and cautiously, as described in the attachment, the assumption made herein still involves uncertainty and will be influenced by the risks and uncertainty of business operation, competition, economy, finance, and related rules and regulations. The actual event can be significantly different and changed from the assumption.





Such risks and uncertainty are beyond the Trust's ability to control, for example, an estimation can be made based on expectation or assumption of potential events in the future regarding the real property business, which is uncertain.

And since some situations or some of the hypothesized situations may or may not happen, as per the previous expectation; or some unexpected events or situations that haven't been hypothesized may happen instead. Therefore, the Settlor cannot guarantee that the hypothesized situations will occur as expected and that the Trust will be able to pay benefits as expected. If the Trust's performance doesn't reach the expected performance then the Trust will not be able to pay the benefits or will not be able to pay the expected benefits. As a result, the Unitholders may not receive the expected return on investment and the market value of the Unit Trust will significantly decrease.

**6.3.17 The risk for foreign Unitholders or those who reside in some countries, whose ability to purchase additional Unit Trust in the future will be limited, in an event where the Trust issues a Preferential Public Offering (PPO)**

In an event where the Trust intends to initiate the 2<sup>nd</sup> additional investment, the REIT manager may consider and propose to the meeting of the Unitholders to increase capital and issue additional Unit Trust, by means of Preferential Public Offering (PPO), to the original Unitholders, whose names are recorded on the Book of Unitholders' Registration, on the day specified by the REIT manager. This is because offering the additional Unit Trust to the original Unitholder per the proportion of the Unit Trust held by them (Right Offering) can be considered an actual that violates the laws, rules, and regulations of the supervising authorities in other countries. It may also cause additional liability or expense to the Trust, regarding the necessary actions to issue and offer the additional Unit Trust, in addition to the requirements of Thai law and/or laws of other countries. For example, the requirements for offering or selling securities to American citizens or individuals who typically reside in the United States of America, pertaining to the definition of the US Securities Act of 1933 (and the amendments thereof).

For this reason, foreign Unitholders or those who typically reside in countries with the limited right ("the Limited Unitholders") may not be entitled to subscribe to the additional Unit Trust offered as PPO. They may lose the profit from the difference between the offering price and the current selling price in the market, or lose the right to make additional investment. During the process of requesting approval from the meeting of the Unitholders, the REIT manager will notify the meeting of the list of countries and nationalities of the Limited Unitholders. (The REIT manager will confirm the list of countries after he receives the further information, on the conclusion date.) Presently, this list may include, but is not limited to, the following countries: 1) Cambodia, 2) Greece, 3) Canada, 4) Jordan, 5) Japan, 6) Denmark, 7) Taiwan, 8) Netherlands, 9) Belgium, 10) Brazil, 11) Bangladesh, 12) France, 13) Malaysia, 14) Germany, 15) Russia, 16) Laos, 17) Vietnam, 18) Switzerland, 19) Sweden, 20) USA, 21) People's Republic of China, 22) Austria, 23) Italy, 24) Israel, 25) South Africa, and 26) Ireland.



## Legal Dispute

In managing ALLY REIT, the REIT Manager complies fully with relevant laws, namely Securities and Exchange Act B.E. 2535 (including its subsequent amendments), Trust for Transactions in the Capital Market Act B.E. 2550 (including its subsequent amendments) regulations from regulatory bodies and Trust Deed.

As of 31 December 2021, ALLY REIT had no litigation either as a party or litigant in a lawsuit or dispute in arbitration or other significant legal disputes which directly relates to ALLY REIT's business that the REIT Manager believes will severely and negatively impact ALLY REIT's net asset value more than 5%, financial position, operating performance and operating outlook. Moreover, ALLY REIT has no litigation that would significantly impact the procurement of benefit from properties that ALLY REIT manages.





## Milestones and Other Key Matters

Investors can study additional information of the REIT from the Annual Registration Statement (Form 56-REIT) shown on [www.sec.or.th](http://www.sec.or.th). or other additional information of the REIT at the website [www.allyreit.com](http://www.allyreit.com) or website of the Stock Exchange of Thailand [www.set.or.th](http://www.set.or.th) .





## Other Key

ALLY REIT has no other significant information that affects the operation of the Trust. In addition, investors can study additional information from Form 56-1 as shown in [www.sec.or.th](http://www.sec.or.th) or additional information of ALLY REIT at [www.allyreit.com](http://www.allyreit.com) or the website of the Stock Exchange of Thailand at [www.set.or.th](http://www.set.or.th).





## Information of Trust Units

### Information of Trust Unit as of 31 December 2022

Investment Capital	8,897,988,360 THB
Number of Units	874,100,000 หน่วย
Type of Trust Unit	No Redemption of Trust Units
Net Asset Value as of December 31, 2021	8,393,486,361 THB
Net Asset Value as of December 31, 2022	8,455,935,396
Net Asset Value per Unit as of December 31, 2021	9.6024 THB
Net Asset Value per Unit as of December 31, 2022	9.6738
Market Capitalization as of December 31, 2021	6,118,700,000 THB
Market Capital Capitalization as of December 31, 2022	6,337,225,000 THB
Closing Market Price as of December 31, 2021	7.00 THB
Closing Market Price as of December 31, 2022	7.25 THB
Par Value per Unit as of December 31, 2021	9.7996 THB
Par Value per Unit as of December 31, 2022	9.7996 THB

Remark \* Reference information in the last trading day as of the year ended



## Capital Reduction

Since establishment, ALLY REIT has reduced its paid-up capital 3 times and made payment to unitholders due to the excess amount of liquidity. The details are as follows

No.	Operation period	Capital Reduction (THB)	THB per Unit	Record date	Payment date
1	1/01/2020 - 31/03/2020	139,856,000	0.1600	28/05/2020	11/06/2020
2	1/07/2020 - 30/09/2020	113,633,000	0.1300	26/11/2020	9/12/2020
3	1/10/2020 - 31/12/2020	78,669,000	0.0900	11/03/2020	19/03/2021

## The REIT's Distribution Payment

### Distribution Payment Policy

1. The REIT Manager shall pay distribution to the REIT unitholders for not less than 90% (ninety percent) of adjusted net profit of fiscal year. The payment shall be made for not less than 2 (twice) times a year, and made within 90 (ninety) days from the ending date of fiscal year or accounting period of such distribution payment, as the case may be.
2. In case where ALLY REIT earns retained earnings in any accounting period, the REIT Manager may pay distribution to the investment unitholders from such retained earnings.
3. In case where the REIT Manager fails to pay distribution in such period, the REIT Manager shall notify the REIT unitholders for acknowledgement through the information system of the SET.
4. In case where ALLY REIT remains having deficit balance, the REIT Manager shall not pay distribution to the REIT unitholders.

## Restriction and Procedure of Distribution Payment to the Unitholders

1. In consideration of distribution payment, if the value of distribution per REIT unit which will be declared for payment during accounting year or any fiscal year is below or equal to 0.10 Baht, the REIT Manager reserves its right not to pay distribution in that time and carry forward to pay distribution at the same time in the following period in accordance with the prescribed procedure for distribution payment.
2. According to the rule for distribution payment, the REIT Manager shall execute in accordance with what is specified unless in case where the SEC, the Office of the SEC and/or any other agencies in legal authority have otherwise revised, altered, added, announced, ordered, approved and/or rescripted, the REIT Manager shall executed in accordance with the said act.
3. The REIT Manager shall pay distribution to the REIT unitholders in the unitholding proportion of each REIT unitholder. However, the REIT Manager reserves its right to pay distribution to the REIT unitholders that hold REIT units more than the ratio or not in accordance with the rules prescribed



in the Notification No. TorJor. 49/2555 particularly in excessive portion or not in accordance with such rules, and allow distribution in the portion which is unable to be paid to such REIT unitholders to belong to other REIT unitholders in the REIT unitholding proportion.

In 2023, the REIT Manager plans to reserve for the repayment of the loans not exceeding THB 27.5 million and reserve for repairment, maintenance, and renovation not exceeding THB 50 million.

## Distribution Payments

Historical distribution of returns as follow:

No.	Operation period	Payment date	Rate of Distribution (THB)
1	2/12/2019 – 31/12/2019	26/03/2020	0.0600
2	1/01/2020 – 31/03/2020	11/06/2020	0.1600
3	1/07/2020 – 30/09/2020	9/12/2020	0.1300
4	1/10/2020 – 31/12/2020	19/03/2020	0.1450
5	1/01/2021 – 31/03/2021	11/06/2021	0.1500
6	1/04/2021 – 30/06/2021	17/09/2021	0.0920
7	1/10/2021 – 31/12/2021	31/03/2022	0.1300
8	1/01/2022 – 31/03/2022	15/06/2022	0.1620
9	1/04/2022 – 30/06/2022	14/09/2022	0.1650
10	1/07/2022 – 30/09/2022	16/12/2022	0.1500
11	1/10/2022 – 31/12/2022	31/03/2023	0.1730
Total			1.1517



## Information of the Unitholders

### 1. The group of top ten major unitholders as at December 30, 2022

No.	Unitholder	Number of Units	Proportion%
1	KE BENCHAKIT COMPANY LIMITED	156,672,500	17.9%
2	SOCIAL SECURITY OFFICE	114,870,843	13.1%
3	KE KFS COMPANY LIMITED	39,000,000	4.5%
4	MUANG THAI LIFE ASSURANCE PUBLIC COMPANY LIMITED	31,170,900	3.6%
5	BANGKOK INSURANCE PUBLIC COMPANY LIMITED	30,805,643	3.5%
6	PRINCIPAL PROPERTY INCOME FUND	27,850,909	3.2%
7	MUANG THAI INSURANCE PUBLIC COMPANY LIMITED	17,360,000	2.0%
8	GOVERNMENT SAVING BANK	16,667,196	1.9%
9	ALLIANZ AYUDHYA ASSURANCE PUBLIC COMPANY LIMITED	14,641,000	1.7%
10	KRUNGTHAI-AXA LIFE INSURANCE PUBLIC COMPANY LIMITED	12,747,100	1.5%
<b>Total</b>		<b>426,546,968</b>	<b>52.8%</b>

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

No.	Unitholder	Number of Units	Proportion%
1	Benjakit Development Co., Ltd.	156,672,500	17.9%
2	Social Security Office	114,870,843	13.1%
3	Kiat Friendship Co., Ltd.	39,000,000	4.5%
<b>Total</b>		<b>310,543,343</b>	<b>35.5%</b>

### 3. The major unitholders who has significant influence over policy and administration of REIT - None -





# Management Structure

## General Information

Name	ALLY REIT Management Company Limited
License	Being approved to be the REIT Manager on May 30, 2019
Head Office Location	888 Pradit Manutham Road, Khlong Chan Sub-district, Bang Kapi District, Bangkok
Telephone	02-101-5999
Website	<a href="http://www.allyreit.com/">http://www.allyreit.com/</a>
Working Hours	8.30 hrs. to 17.00 hrs.
Registered Capital	10,000,000 Baht
Paid-Up Capital	10,000,000 Baht
Number of Issued and Called Shares	100,000 Shares
Par Value	100.00 Baht per Share

## Management Structure

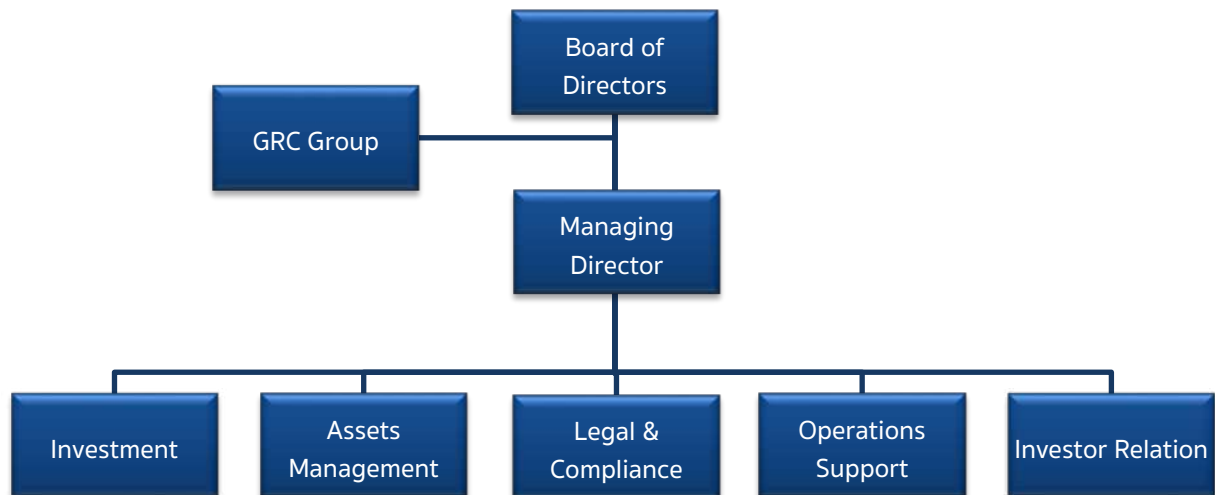
1) Shareholding structure of the REIT Manager as at December 31, 2022

No.	Name List	Shareholding Number (Shares)	Proportion (Percent)
1.	ALLY GLOBAL MANAGEMENT (THAILAND) CO., LTD	99,997	99.9997
2.	Mr. Kaveepan Eiamsakulrat	1	0.0001
3.	Mr. Kavin Eiamsakulrat	1	0.0001
4.	Mr. Yutthana Phuprakai	1	0.0001



## 2. Organizational structure

Structure of ARM's Board of Directors consists of the Board of Directors, and five departments that perform backup office duties relating to function as the REIT Manager under the following structure.







### 3) Board of Directors

Name list of ARM's Board of Directors consists of the following.

No.	Name and Surname	Position	Educational Background	Experiences (5 Retroactive Years)
1	Mr. Teera Phutrakul	Director	<ul style="list-style-type: none"> <li>- B.Sc. Economics, Bradford University, UK</li> <li>- M.A. Economics in Finance &amp; Investment Exeter University, UK</li> </ul>	<ul style="list-style-type: none"> <li>- Independent Director of ALLY REIT Management Co., Ltd.</li> <li>- Independent Director of Sumitomo Mitsui Trust Bank (Thai) Public Company Limited</li> <li>- Founder of JT Financial Planners</li> </ul>
2	Mr. Vorapak Tanyawong	Director	<ul style="list-style-type: none"> <li>- BS. Management Science &amp; Computer System</li> <li>- Oklahoma State University, Stillwater</li> <li>- MBA Finance University of Missouri, Kansas City</li> </ul>	<ul style="list-style-type: none"> <li>- Independent director of ALLY REIT Management Company Limited</li> <li>- Krungthai Bank Plc. - President &amp; CEO</li> <li>- Mckinsey &amp; Co. - Senior Advisor</li> <li>- FIFA - Member of Development Committee</li> <li>- Finansia Syrus Securities Plc. - Director</li> <li>- Digital Government Agency - DGA Strategy sub-committee member</li> <li>- Finansia Capital Plc. - Director</li> </ul>
2	Mr. Kavin Eiamsakulrat	Director	<ul style="list-style-type: none"> <li>- M.S. Real Estate Development, Columbia University</li> <li>- B.A. Financial Economics, Columbia University</li> </ul>	<ul style="list-style-type: none"> <li>- Director of ALLY REIT Management Co., Ltd. / the Group of K.E.</li> <li>- Deputy Managing Director, K.E.Land Company Limited</li> <li>- Business Development Department Director, K.E.Land Company Limited</li> <li>- Internship PwC</li> </ul>



No.	Name and Surname	Position	Educational Background	Experiences (5 Retroactive Years)
3	Mr. Yutthana Phuprakai	Director	<ul style="list-style-type: none"> <li>- Master of Business Administration (Controllershship), Kasetsart University</li> <li>- Bachelor of Accountancy, Faculty of Accounting, Kasetsart University</li> <li>- CPA</li> </ul>	<ul style="list-style-type: none"> <li>- Director of ALLY REIT Management Co., Ltd. /K.E.Land Company Limited / K.E.Retail Company Limited / Luxury At Living Company Limited / K.E.H Company Limited</li> <li>- Chief Operating Officer, the Group of K.E.Retail Company Limited</li> <li>- Director of Accounting and Finance Department, K.E.Retail Company Limited</li> </ul>

#### 4) Executive Board

No.	Name and Surname	Position
1	Mr. Kavin Eiamsakulrat	Managing Director
2	Mr. Kavin Eiamsakulrat	Acting Director of Investment
3	Ms. Nollapan Chu-In	Vice President of Assets Management
4	Ms. Arisara Kongsawang	Vice President of Operations Support and Investor Relation
5	Mr. Kavin Eiamsakulrat	Acting Director Legal & Compliance
6	Mr. Buttra Thoburee	Director of GRC Group

Authorized signatory directors on behalf of ARM as the REIT Manager

The authorized signatory directors on behalf of ARM as the REIT Manager, consisting of Mr. Kavin Eiamsakulrat, and Mr. Yutthana Phuprakai, both of them counter.

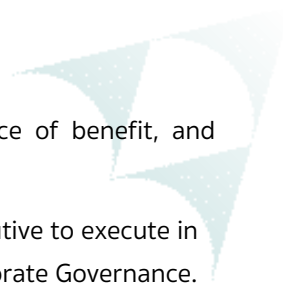
Roles, duties, and responsibilities

Duties and responsibilities of the Board of Directors are divided into two parts consisting of: (a) duties and responsibilities in the company's business operation, and (b) duties and responsibilities on ALLY under management. The details in part of duties and responsibilities on ALLY are as follows.

#### 1. Duties and responsibilities of the Board of Directors on the company

- (1) Perform the duties in accordance with laws, objectives, and Articles of Association of ARM, and resolution of the Board of Directors of ARM, and resolution of the Meeting of





the Shareholders of ARM with honesty, diligence, and maintenance of benefit, and fairness to ARM's shareholders.

- (2) Determine the operating policy of ARM, govern and control the Executive to execute in accordance with the policies and set of regulations under Good Corporate Governance.
- (3) Report ARM's turnover for acknowledgement of the shareholders.
- (4) Control and supervise the departments of ARM for fair and equitable stakeholder treatment.
- (5) Consider and propose the meeting agenda in case where it is deemed that there are significant issues which should be considered by the Board of Directors and have not yet been contained in the agenda of the Meeting of the Board of Directors of ARM.
- (6) Consider, select and appoint ARM's directors in replacement of the former retired directors, and select and propose the appointment of the additional directors to ARM's shareholders.
- (7) Consider and approve the matters relating to significant operation of ARM such as dividend payment to ARM's shareholders, organizing the Meeting of Shareholders of ARM as prescribed by laws, annual audit plan of ARM, selection, nomination, and proposal of remuneration of ARM's auditor, etc.
- (8) Provide knowledge relating to ARM's business operation, including the relevant laws, notifications, and regulations for acknowledgement of the new directors.
- (9) Schedule the Meeting of the Board of Directors of ARM for at least 4 (four) times per year. In each Meeting of the Board of Directors, the directors shall attend the meeting in the number of more than half of total directors. Therefore, a quorum will be constituted. The resolution of the Meeting of the Board of Directors shall adhere the majority votes of the directors who attend the meeting. However, the director with gain and loss in that matters shall not be entitled to vote.
- (10) Establish the position of the Secretary of the Board of Directors in order to propose the agenda of the meeting as proposed by each department, prepare and file the minutes of the Meeting of the Board of Directors of ARM and the relevant documents of such Meeting.
- (11) Evaluate the Managing Director's performance whereas in case where the Managing Director holds the director position, the director who holds the Managing Director position shall not attend for consideration and not participate in making the decision.

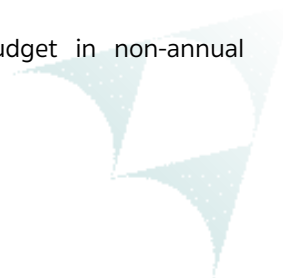
## **2. Duties and responsibilities of the Board of Directors on ALLY**

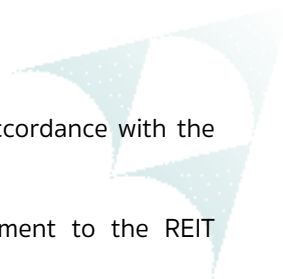
- (1) Consider approving the significant policies in REIT management, such as the policy for REIT management, ALLY capital structuring, real estate investment, benefit procurement from real estate, etc., to be put into practice by the relevant department.
- (2) Consider approving the initial investment or acquisition of real estate or leasehold right of real estate, and additional investment for benefit procurement from such real estate



or leasehold right of real estate; govern to be in accordance with the policy of ARM, Trust Deed, REIT Management Agreement, Registration Statement, Prospectus, the relevant rules and laws; and consider and approve an increase of ALLY's capital as well as application for relevant licenses.

- (3) Consider approving the disposal of ALLY's core assets and equipment in accordance with the policy of ARM, Trust Deed, REIT Management Agreement, Registration Statement, Prospectus, the relevant rules and laws.
- (4) Consider approving the policy for management of risks relating to REIT management, to be put into practice by the relevant agencies.
- (5) Consider approving the policies, practices, and processes in management of the relevant conflict of interests particularly among ALLY, the REIT Manager, and the related parties of the REIT Manager, including measure or guideline for operation to maintain the best interest of ALLY or the REIT unitholders as a whole upon occurrence of conflict of interests.
- (6) Consider approving the entry into the transactions between ALLY and the REIT Manager, and ALLY and the related parties of the REIT Manager, as well as the related parties transaction among ALLY, the Trustee, and the related parties of the Trustee in accordance with the relevant rules and by-laws, whereas the director with gain and loss in such matters shall not have voting right.
- (7) Consider approving the entry into the transactions with the related parties in accordance with the relevant rules and by-laws whereas the director with gain and loss in such matters shall not have voting right.
- (8) Consider selecting the Managing Director of ARM for REIT management.
- (9) Consider approving the appointment, and evaluate the performance of the Property Manager.
- (10) Consider approving the system that will be entrusted to the outsourced service provider to execute in accordance with the relevant sets of regulations, and consider selecting such outsourced service provider.
- (11) Consider approving the hire of the advisor relating to REIT management.
- (12) Monitor, oversee, and manage to ensure the governance on the operation of the REIT Manager and the entrusted parties, in accordance with the policy of ARM, Trust Deed, REIT Management Agreement, Registration Statement, Prospectus, the relevant rules and laws, as well as reporting of the significant issues to the Board of Directors in every quarter, or upon a reasonable ground that the performance of the Managing Director must be reported and evaluated.
- (13) Consider approving annual budget.
- (14) Consider approving special expenditure and/or investment budget in non-annual budget.





- (15) Govern to have the report of the internal audit result (if any) in accordance with the prescribed plan and rule.
- (16) Consider approving operating performance, and distribution payment to the REIT unitholders.
- (17) Consider approving on holding the General Meeting of the REIT Unitholders or upon being deemed appropriate that the meeting shall be held for interest of REIT management or the REIT unitholders that hold total of REIT units of no less than 10% (ten percent) of total sold REIT units, submit the joint letter to request for calling the Meeting of the REIT Unitholders by clearly specifying reason for calling the meeting in such letter.
- (18) Consider approving the guideline for corrective action in the significant disputes and complaints relating to ALLY's operation as deemed necessary and appropriate in order to take corrective action in complaints and disputes relating to ALLY's operation from the third party; or the REIT unitholders performs whatever in accordance with matters of law, regulations, resolutions of the Meeting of the REIT Unitholders, Trust Deed, REIT Management Agreement, Registration Statement, and Prospectus
- (19) ARM's Board of Directors may entrust one director or several directors or any other party to perform any act on behalf of the Board of Directors. However, such authorization excludes authorization, or sub-authorization that the director or the attorney of the director can approve the transactions of which he/she or the person may have conflict, gain and loss or benefit in any other nature that is conflict with ALLY's benefit.
- (20) Consider approving the procedure for legal proceedings for the arisen disputes.

### **3. Roles, duties and responsibilities of Independent Director**

ARM determines that the independent director is part of ARM's Board of Directors and his/her knowledge and expertise are useful for business in performing the duty in monitoring, overseeing, and auditing working of the executives and departments of ARM in accordance with Good Corporate Governance, considering remarking the supporting opinions on the policies which are useful for ALLY and/or the REIT unitholders, or opposing upon deeming that ARM may make decision that negatively affects ALLY and/or the REIT unitholders. The independent director must be independent of the control of the executive, major shareholder, not be involved or have gain and loss with operating decision of ARM, and have the following roles and duties.

- (1) Consider remarking opinions or commenting about the related parties transaction of ALLY or contingent conflict of interests transactions, as well as acquisition or disposal of the significant assets for interest of the REIT unitholders.
- (2) Give advice or remark opinions on the important matters such as capital structure, ARM policy, operating control policy, etc.



- (3) Remark opinions on the policy for management of the occurred risks, and rule and procedure for risk control or abatement.
- (4) Consider, govern, and give advice to ARM in correct and complete preparation of financial statements of ARM and ALLY.
- (5) Suggest the important matters which should be considered in the Meeting of the Board of Directors of ARM
- (6) Appoint, oversee, monitor the operation, verify, give advice, or remark opinions on operating plan and performance evaluation, and give advice or remark opinions on performance evaluation of the internal auditor (if any), as well as suggest and remark opinions on report of the internal audit to the Meeting of the Board of Directors of ARM.
- (7) Consider conducting the quarterly internal audit or prior to quarterly period upon being deemed appropriate.

### **1.1) ARM management**

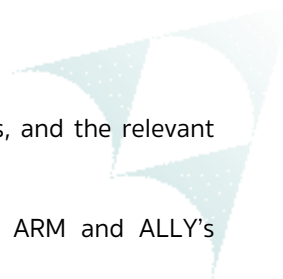
ARM as the REIT Manager has divided departments into 5 (five) departments, whereas the Managing Director performs the management duty to ensure that the performance of the duty as the REIT Manager is in accordance with the policy of ARM, Trust Deed, REIT Management Agreement, Registration Statement, and Prospectus, rules, and relevant laws for REIT supervision and management. The roles, duties and responsibilities of the Managing Director, as well as duties and responsibilities of the departments are as follows.

#### **Roles, duties, and responsibilities**

##### **1. Duties and responsibilities of the Managing Director (MD)**

The Managing Director has authorities, duties and, responsibilities in controlling, monitoring, and overseeing ARM's operation as the REIT Manager. The following duties and responsibilities are determined.

- (1) Establish the operating plan for REIT management, capital structuring, investment decision, formulation of strategy and policy for selection and benefit procurement from real estates under the policy of ARM.
- (2) Consider approving the annual audit and review plan for operation.
- (3) Consider selecting, approving the employment, and approving dismissal, including other matters relating to the personnel employment of ARM.
- (4) Oversee, administer the daily operation and/or management as the REIT Manager, and governance on overall operation of ARM, and assess ARM's personnel performance in accordance with the policy for corporate governance of ARM, resolution of the Board of Directors of ARM, Trust Deed, REIT Management Agreement, FORM 6 9 -REIT,



Prospectus, rules, resolution of the Meeting of the REIT Unitholders, and the relevant laws relating to the REIT Manager's operation.

- (5) Consider approving the disclosure of the information relating to ARM and ALLY's operation.
- (6) Consider approving the legal action procedure for the arisen disputes.
- (7) Being the representative of ARM and authorize the person to execute in contact with the relevant government agencies and regulatory agencies.
- (8) Have authority to issue, alter, add, or revise the rules, orders, and regulations relating to ARM's working as the REIT Manager within the framework of the policy acquired from ARM's Board of Directors.
- (9) Have any authority and responsibility as entrusted or in accordance with the policy entrusted by ARM's Board of Directors.

The Managing Director (MD) has authority to sub-authorize and/or entrust other party to perform specific works on behalf of him. The said sub-authorization and/or entrusting shall be within the scope of authorization under Power of Attorney provided and/or in accordance with the rules, requirements, or orders prescribed by ARM's Board of Directors. However, the entrusting of authorities, duties and responsibilities of the said MD shall not have the nature of authorization or sub-authorization that MD or the authorized person of MD can approve the transactions of which MD or the person that may have conflict of interests may have gain and loss, or may benefit in any nature or may have any other conflict of interests with ALLY.

## **2. Duties and responsibilities of each department of ARM**

### **1. Investment & Risk Management Department**

- (1) Prepare investment plan, capital structure, and investment management, consider and execute to select real estates which will be firstly invested and additionally invested, and investment in other assets relating to real estates which will be firstly invested and additionally invested (if any) with qualification under ARM's policy for ALLY's growth and ability to generate additional benefit to the REIT unitholders.
- (2) Select and conduct Due Diligence on real estates which will be invested by ALLY with prudence and diligence for pre-investment consideration. The information and documentary evidence relating to selection, Due Diligence, and investment or non-investment on any assets shall be recorded and stored for ALLY. The report of Due Diligence shall be proposed to MD and ARM's Board of Directors.
- (3) Prepare plan and propose the appropriate structure and source of capital, and incurrence of ALLY's debts for use in investment in core assets by proposing to ARM's Board of Directors for consideration.



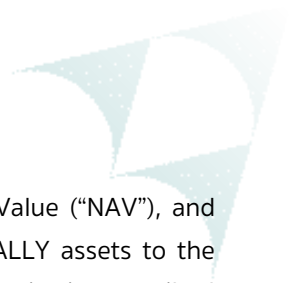


- (4) Consider disposal of the existing core assets by considering in accordance with ARM's investment policy.
- (5) Consider investing in other assets other than core assets.
- (6) Supervise, monitor, audit, and report the risk management result relating to REIT management in accordance with ARM's measure for risk prevention in accordance with ARM's policy for risk management and response, Trust Deed, the relevant laws, notifications, and sets of regulations.

## **2. Assets Management Department**

- (1) Plan marketing, and strategy for benefit procurement from ALLY's assets.
- (2) Prepare ALLY's budget (both quarterly and yearly).
- (3) Prepare ALLY's annual extra expenditure plan and/or non-investment budget expenditure
- (4) Acquire the lessees of assets for ALLY by overseeing and managing for fair acquisition of the lessees for ALLY without any contingent conflict of interests from the involvement of the connected parties in acquisition of the lessees.
- (5) Recruit, select upon change in the Property Manager, and control, audit, and monitor the operating performance of the Property Manager in accordance with ARM's target, policy, Trust Deed, Property Management Agreement, and the relevant contracts.
- (6) Control the supervision on quality of ALLY's core assets that affects the ability to generate additional benefits by improving, repairing and maintaining ALLY's core assets to be in available condition and used for long-term continuous benefit procurement.
- (7) Oversee, administer and manage ALLY's core assets in accordance with ARM's target and policy, and the relevant contracts.
- (8) Support the operations relating to managing ALLY's core assets.
- (9) Audit and supervise the outsourced service provider of the Property Manager to execute in accordance with the relevant rules and conditions for availability of the systems of core assets all the time.
- (10) Oversee the insurance to cover the contingent damage to ALLY's real estates, the Public Liability Insurance for the third party that may be damaged from real estates or from the operation in real estates, and other additional insurances relating to ALLY as deemed appropriate by ARM, such as Business Interruption Insurance.
- (11) Organize the annual evaluation of the Property Manager.
- (12) Reply queries and accept the notification of the problem of the lessee's complaint to find the corrective guideline.





### 3. Operations Support Department

- (1) Calculate and prepare the report for asset value, Net Asset Value ("NAV"), and value of ALLY's REIT units, and disclose the information of ALLY assets to the REIT unitholders, and deliver the report in accordance with the criteria prescribed by law.
- (2) Prepare ALLY's financial statements every month-end, every quarter, and every year-end in accordance with the Generally Accepted Accounting Standards for performing transactions in each nature, and provide ALLY's financial statements which are passed for review and audit by the certified public accountant being approved by the Office of the SEC.
- (3) Efficiently plan finance, manage on income, expenditure of ALLY, and collection of rental fee, and manage ALLY's cash.
- (4) Reply queries and accept the notification of the complaint problems of the REIT unitholders to find the corrective guideline.
- (5) Hold the Meeting of the REIT Unitholders every year or in case of performing the significant transactions, or having the transaction size in accordance with the criteria prescribed by the relevant laws, notifications, and sets of regulations.
- (6) Audit ALLY's turnover in order to propose the Meeting of the Board of Directors of ARM about the distribution payment to the REIT unitholders.
- (7) Prepare filing of the permission application, and FORM 69-REIT, and the result of the offering for sale, as well as prepare and disclose the information as prescribed by the relevant laws, notifications, and sets of regulations to be proposed to MD, and/or the Board of Directors of ARM for approval consideration.
- (8) Valuate the price of core assets which will be invested or disposed, and valuate and review the value of ALLY's core assets in the scheduled period.

### 4. Legal & Compliance Department

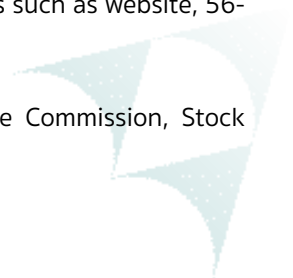
- (1) Provide knowledge, advice, and counsel relating to compliance with the relevant sets of regulations, as well as advices to the department for understanding and ability to perform works as prescribed by sets of regulations.
- (2) Prepare ARM's annual operation audit plan as the REIT Manager for operation of each department in accordance with ARM's policy, Trust Deed, REIT Management Agreement, Registration Statement, Prospectus, the relevant rules and laws, and propose to ARM's Board of Directors.
- (3) Audit gain and loss of ARM's personnel, and execution in accordance with the rules for performing transactions with the connected parties or the related parties of the REIT Manager.

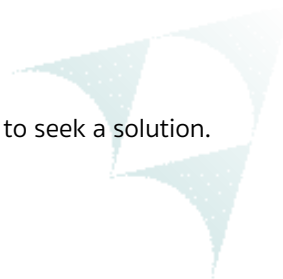


- (4) Prepare the operating guideline for prevention of the inside information utilization, for prevention of the use of information accessible by the persons, and propose to ARM's Board of Directors.
- (5) Prepare the guideline for management of the relevant conflict of interests particularly among ALLY, the REIT Manager, and the connected parties of the REIT Manager, and propose to ARM's Board of Directors.
- (6) Audit, govern, monitor, and prepare the report for the operation audit result of each department to comply with ARM's policy, Trust Deed, REIT Management Agreement, Registration Statement, Prospectus, the relevant rules and laws, and propose to MD.
- (7) Supervise and monitor the operation of the departments in various fields inside ARM as the REIT Manager in accordance with the Good Corporate Governance Policy.
- (8) Audit, control, and supervise REIT management, and operation of the executives of ARM as the REIT Manager to comply with Securities Act, Trust Act, and the relevant sets of regulations, and notifications of the Office of the SEC, the SET, and other relevant agencies.
- (9) Audit the preparation of the report for disclosure of ALLY's information being delivered to the Office of the SEC, the SET, and other relevant agencies, and/or the REIT unitholders in accordance with the relevant requirements of the relevant laws, notifications, and sets of regulations.
- (10) Monitor revision, addition, and alteration of sets of the relevant regulations, and notifications of the Office of the SEC, and correct the Manual for Working System, and Internal Control System to be consistent with the changing sets of regulations and notifications, as well as govern, monitor, and comply with such changes.

## 5. Investor Relations

- (1) Plan and conduct the public relations activities related to Real Estate Investment Trust (REIT), such as advertising media, meetings with unitholders, investors, analysts, mass media, government agencies and general interested parties, including other public relations tasks requested from time to time.
- (2) Disclose REIT's operational and financial information that are complete, accurate, adequate and up-to-date to time and situations to unitholders, investors, analysts, mass media, government agencies and general interested parties.
- (3) Disseminate the REIT's information through various channels such as website, 56-REIT form and annual report.
- (4) Disclose and coordinate with The Securities and Exchange Commission, Stock Exchange of Thailand.





- (5) Answer inquiries and receive complaints from trust unitholders to seek a solution.

## **6. Risk Management and Internal Audit Department**

- (1) Supervise, monitor, audit and report on risk management results related to the REIT management in accordance with the company's risk prevention measures to be in accordance with the company's risk management policy, REIT founding agreement, laws and relevant announcements of rules and regulations.
- (2) Give knowledge, advices and counsels on compliance with relevant rules, including advices to department to understand and be able to work to meet the prescribed rules.
- (3) Prepare an annual operational audit plan of the company as a REIT manager to ensure that the performance of each department meets the company's policy, REIT founding agreement, REIT Manager Appointment Agreement, registration statement, prospectus, regulations, announcements and relevant laws to propose to the Board of Directors.
- (4) Audit the interests of the company's personnel and implementation of rules for conducting transactions with relevant persons or a person who involved to the REIT manager.
- (5) Establish action guidelines to prevent the exploitation of internal information to prevent the use of accessible information to propose to the Board of Directors.
- (6) Establish guidelines for managing conflicts of interest related to especially between the REIT and REIT manager and the person who involved to the REIT manager to propose to the Board of Directors.
- (7) Audit, supervise, monitor and prepare a report on the results of the performance audit of each department in accordance with the company's policy, REIT founding agreement, REIT Manager Appointment Agreement, registration statement, prospectus, regulations, announcements and relevant laws to propose to the Board of Directors.
- (8) Supervise and monitor the operations of various departments of the company, as a REIT Manager to meet the good corporate governance policy.
- (9) Audit and supervise the REIT management and operations of the company's executives, as a REIT manager, to compliance with the Securities Act, REIT Act,
- (10) Including relevant rules and regulations of the SEC Office, the Stock Exchange and other related agencies.
- (11) Inspect the preparation of the REIT's disclosure report submitted to the SEC Office, Stock Exchange of Thailand and other relevant agencies and/or



unitholders in accordance with the law's requirements and relevant announcements of rules and regulations.

- (12) Monitor amendments, additions, changes in relevant rules and regulations of the SEC Office and amend the operating system manual and this internal control system in accordance with the changed rules and regulations, including supervise, monitor and comply with the said amendments.

However, in case where the Department Managers deem appropriate, the said Department Managers may consider agenda for additional comments of the Meeting of the Board of Directors, and/or the independent director from general working process of the Departments.

#### **Duties and responsibilities of the outsourced service provider being entrusted to be the executor**

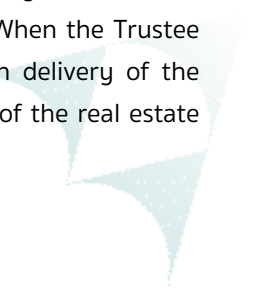
ARM may entrust other party to be the entrusted executor for internal audit and subordinated to the independent director. The entrusted executor shall be independent and separated from the departments, and have main duty in auditing and assessing the internal operation system of ARM, and reporting the audit result to the independent director for good internal control system. The following matters shall be audited.

- Efficiency and effectiveness of the internal control, good corporate governance, and risk management
- Correctness and reliability of the financial information, and non-financial information relating to REIT management.
- Audit on the internal control system for prevention of the conflict of interests and transactions that may have conflict of interests
- Adequacy and effectiveness of the risk management

In addition, ARM may entrust other party to be the entrusted executor in the matters relating to operation of the business as the REIT Manager in the section of information technology, law, procurement, and human resources (excluding the duty in selection of ARM's personnel by observing with sets of regulations same as the in-house staffs of ARM, such as in the matter of access to ALLY's inside information, and recognizing ARM's policy, sets of regulations, and notifications relating to the operation).

#### **Responsibilities of the company in collaboration to the Trustee**

- (1) ARM has duty in preparing and storing information and documentary evidence in management, internal control, and disclosure of ALLY-related information. When the Trustee wishes to audit the management in any matters, ARM shall collaborate in delivery of the information and documentary evidence, and permit to access in the location of the real estate





upon request of the Trustee so that the Trustee can audit to ensure that ARM does not breach laws or requirements of ALLY or does not maintain the interest of the REIT unitholders.

- (2) In the pre-establishment period of ALLY, it is necessary for the Trustee to recognize and understand the details of ALLY which will be established (such as ALLY structuring, procedure for leasing, procurement and collection of income and expenses which can be collected from ALLY, the contract for hire between ALLY and ARM or the parties, etc.) for efficient planning of the operation in governing and auditing management, internal control, and disclosure of ALLY's information. Therefore, ARM has duty in delivery of the relevant documents and information so that the Trustee can plan above operation. Moreover, ARM and the Trustee must cooperate and make an agreement on the characteristics of the information, documentary evidence supporting transaction performing, such as additional investment, real estate disposal, debt incurrence, and reportings (such as outstanding receivables, report for asset valuation, etc.), including frequency and duration of which ARM must deliver such information and documents to the Trustee for interest of governance and audit of ALLY's operation.
- (3) In delivery of ALLY's information to the Trustee, each department shall consider on the relevant information of ALLY to report to the Trustee in accordance with ARM's policy, including Trust Deed, REIT Management Agreement, Registration Statement, Prospectus, and the relevant rules and laws.

### 2.1.2 Duties and responsibilities of the REIT Manager

**The REIT Manager has main duties and responsibilities** in supervising and managing ALLY, including investing in ALLY assets, and controlling the duty performance of the Property Manager. The REIT Manager has duty in any executions as entrusted by the Trustee and as determined in Trust Deed for interest of the REIT unitholders. The following duties are included but not limited to.

#### 1) General duties

- (1) The REIT Manager has the scope of authorities as specified in Trust Deed and REIT Management Agreement or as prescribed in the relevant laws and notifications, whereas the scope of main authorities and responsibilities is related to supervising and managing ALLY, and investing in ALLY assets.
- (2) The REIT Manager has duties and is entrusted by the Trustee in the matters specified in Trust Deed, including the following
  1. Supervise and manage ALLY in portion of the business operation, including investment, borrowing, and incurrence of obligation for ALLY assets, entry into the contract, and operation of the businesses for ALLY within the scope, rules and conditions to extend that are specified in Trust Deed and REIT Management Agreement.



2. Prepare and disclose ALLY's information, including information under Section 56, Section 57 of Securities Act, and other information as prescribed in Trust Deed and REIT Management Agreement.
3. Prepare and store information and documentary evidence in management, internal control, and disclosure of ALLY-related information. Upon the reasonable ground without impact on the REIT Manager's operation, if the Trustee will examine the management in any matter, the REIT Manager has duty in giving cooperation and delivering information and documentary evidence, and giving permission to access for inspecting the location of the real estate upon request of the Trustee so that the Trustee can inspect in order to ensure that the REIT Manager neither breaches the laws or the requirements of Trust Deed nor maintains the interest of the REIT unitholders.
4. Prepare and deliver the information and documents being certified for correctness of the information and documents relating to ALLY income structuring, leasing, procedure of leasing, procurement, and collection of income and expenses which can be collected from ALLY, and REIT Management Agreement entered in the name of ALLY with the companies or persons. In addition, the REIT Manager and the Trustee must cooperate and make the agreement on the characteristics of the information, documentary evidence supporting on performing the transactions, and reports, as well as frequency and duration that the REIT Manager must deliver such information and documents to the Trustee for interest of governance and audit in ALLY's operation.
5. In case where the REIT Manager wishes to assign other party to execute in works under its responsibility, the REIT Manager has duty in selection of the entrusted executor with prudence and diligence, as well as govern, control, supervise, and audit the duty performance of the entrusted executor. However, in entrusting other party to execute on behalf of it, the essence must be in conflict or contradiction with the Notification SorChor. 29/2555, including other significant relevant laws and notifications.
6. Insure with the insurer accepted by the Trustee for the insurance of the contingent liability from its business operation or working as the REIT Manager, as well as working of its directors, executives, and staffs, throughout the period approved to be the REIT Manager. However, it excludes liability against the third party due to intention of the REIT Manager, directors, executives, and staffs of the REIT Manager to violate the third party or seriously neglect until it is the result of the violation against the third party. Furthermore, the insurance limit shall be in line with the mutual opinion of the Trustee and the REIT Manager that it is adequate and appropriate.
7. In performing the transaction relating to real estates for ALLY, the REIT Manager must execute to ensure that disposal of real estates or entry into the contract connected with real estates shall properly take place and be effective according to law, and to ensure the appropriate investment in ALLY's real estates. It must at least assess self-readiness in managing the investment in such real estates before accepting to be the REIT Manager or before additional investment in such real estates for ALLY, as the case may be, including analysis and feasibility study, and Due Diligence on real estates, as well as assessment of contingent risks in various areas from investment in such real





estates, and establish the guideline for risk management. Such risk means risk relating to development or construction of real estates (if any), such as risk that may cause construction delay, and failure to procure benefit from real estates, etc. However, the REIT Manager must execute whatever to acquire assets or real estates which will be additionally invested by ALLY. In case of capital increase of additional real estate investment trust within 60 (sixty) days from the completion date of ALLY's establishment, in case where it has been an initial offering for sale of REIT units, and ALLY has not yet been established or from the closing date of the offering for sale of REIT units in case where it is the offering for sale of REIT units in order to increase capital after establishment of ALLY.

8. Hold the Meeting of the REIT Unitholders as specified in Trust Deed. It may be the proxy from the REIT unitholders to exercise the right in the Meeting of the REIT unitholders particularly in the meeting agenda that the REIT Manager has no conflict of interests. However, in the meeting agenda that the REIT Manager may have conflict of interests, the Trustee may be the proxy of the REIT unitholders on behalf of the REIT Manager.

The duty performance of the REIT Manager under Trust Deed and REIT Management Agreement, the REIT Manager has duty to exercise its prudence and diligence in execution to prevent conflict of interests between ALLY and the REIT Manager. The REIT Manager must not have other benefits that may be in conflict with the best benefit of ALLY. In case where any event causes conflict of interests, the REIT Manager must declare that there is measure or mechanism that can support REIT management to be carried out in the manner of fairness and not taking advantage on ALLY, in accordance with the Notification SorChor. 29/2555 and the Notification KorRor. 14/2555.

## **2) Duties in managing ALLY and ALLY assets**

1. For appropriate and efficient supervising and managing ALLY as entrusted by the Trustee in the relevant laws and notifications, Trust Deed, and REIT Management Agreement, as well as for maintenance of benefits of ALLY and the REIT unitholders as a whole, the REIT Manager must establish work system which is quality, has efficient checks and balance on the operation, and enable to completely support works under responsibility. The following matters must be at least included.
  - (1) Determination of the policy for REIT management, ALLY capital structuring, real estate investment decision, investment consideration and selection, and determination of the policy for benefit procurement from real estates, to ensure the consistency of the entrusted investment management with prudence and diligence with the investment policy as prescribed in Trust Deed and the relevant laws and notifications, and for maintenance of the interest of ALLY and the REIT unitholders as a whole.
  - (2) Risk management relating to ALLY supervision and management as entrusted to ensure the efficient risk prevention and management in accordance with Trust Deed, the relevant



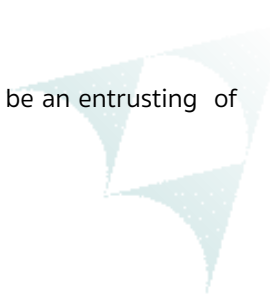
laws and notifications, for maintenance of the benefits of ALLY and the REIT unitholders as a whole.

- (3) Management of the relevant conflict of interests particularly among ALLY, the REIT Manager, and the connected parties of the REIT Manager, including measure or guideline for execution to maintain the best interest of ALLY or the REIT unitholders as a whole after occurrence of conflict of interests.
- (4) Selection of the personnel of the REIT Manager and the entrusted person for works relating to the execution of ALLY (if any) to have the persons with knowledge, competence and appropriate qualification for works which will be performed as prescribed in the relevant laws and notifications, Trust Deed, and REIT Management Agreement.
- (5) Governance on working of the manager and the personnel of the REIT Manager, including examination and supervision on the entrusted person for works relating to REIT management as prescribed in Trust Deed, REIT Management Agreement, and the relevant laws and notifications.
- (6) Disclosure of the complete, correct, and adequate information in accordance with the requirement in Trust Deed, REIT Management Agreement, and the relevant laws and notifications
- (7) Back Office Operation
- (8) Internal audit and control
- (9) Investor communication and management of the investor's complaint
- (10) Management of the legal disputes

The REIT Manager may entrust other party to be the entrusted executor in the matter relating to the operation of the business as the REIT Manager in accordance with the rules prescribed in this Clause 2.

2. In establishing all work systems mentioned above, the REIT Manager may entrust other party to be the entrusted executor in the matter relating to the operation of the business as the REIT Manager as much as necessary to promote more flexible and efficient business operation in accordance with the following rules.
  - (1) An entrusting must not be in the nature that may affect the efficiency of the duty performance of the REIT Manager.
  - (2) There shall be a supporting measure for ability to continuously operate the business in case where the entrusted executor fails to further execute.
  - (3) In case where works relating to the investment in other assets of ALLY are entrusted, the person that can legally execute must be entrusted.

An entrusting to other party to be the entrusted executor above must not be an entrusting of the systems and works under Clause 1 (1), (1), (2), (3), and (8).





3. The REIT Manager must manage and administer ALLY in accordance with the requirement of Trust Deed, REIT Management Agreement, as well as FORM 69-REIT, and Prospectus of the REIT Unit Offering, and maintenance of the interest of the REIT unitholders. However, if the Trustee as the Trustee of ALLY enters into any contracts with the third party (such as loan contract entered by the Trustee as the Trustee of ALLY, with the lender, etc.), such contract prescribes that the Trustee as the Trustee of ALLY has duty in compliance with such contract that may affect the operation in REIT management of the REIT Manager, and the Trustee shall notify the terms and conditions of the contracts of which ALLY is binding with the third party and may affect the operation in 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 terms and conditions as prescribed by the Trustee in such written notice to avoid ALLY's breach of any contracts entered by ALLY.
4. The REIT Manager must select and conduct Due Diligence on real estates which will be invested by ALLY with prudence and diligence. The information must be recorded and retained together with documents, and evidence relating to selection, due diligence, and decision making whether any assets will be invested or not for ALLY. However, selection and Due Diligence of real estates which will be invested by ALLY under this clause of the contract, the REIT Manager shall comply with the practical guideline for management of the fund and trust invested in real estates prescribed in the notifications of the SEC and/or the Office of the SEC by observing and complying with minimum standard in duty performance of the REIT Manager and as prescribed in Trust Deed and REIT Management Agreement.
5. The REIT Manager must execute to ensure the professional management in finance and economic value of ALLY assets for interest of the REIT unitholders, for instance.
  - (1) Formulate strategy and policy for efficient investment and risk management in consistency with the engagement determined in Trust Deed, FORM 69-REIT, and Prospectus.
  - (2) Supervise and manage ALLY in part of the business operation, including investment, borrowing, and incurrence of obligation to ALLY assets, entry into the contract, and operation of businesses for ALLY within the scope, rules and conditions to the extend that they are specified in Trust Deed, FORM 69-REIT, and Prospectus.
  - (3) Invest in real estates in consistency with the objective of ALLY's investment in accordance with Trust Deed, FORM 69-REIT, Prospectus, rules prescribed in the Notification SorJor. 49/ 2555, as well as any other relevant notifications and orders as prescribed in the notifications of the SEC or the Office of the SEC.
  - (4) Manage cash flow of ALLY.
  - (5) Consider distribution payment of ALLY
  - (6) Provide insurance all the time of ALLY's investment in core assets to cover the contingent damage to ALLY's core assets. The coverage must at least include the casualty insurance for the contingent casualty that may be arisen with real estates, Business Interruption Insurance, and Public Liability Insurance for the third party that may be damaged from core assets or from operation of core assets in the financial limit being deemed adequate



and appropriate by the Trustee. ALLY shall be specified to be the beneficiary in such insurance (unless in case of Public Liability Insurance). In case where ALLY will invest to acquire leasehold right of real estates in the nature of sub-lease, the REIT Manager shall execute to ensure that the assets which will be invested by ALLY are insured in suitable limit. If ALLY is not the beneficiary and the insured in such insurances due to any reasons, such as an entry to be the beneficiary and the insured is in conflict with the requirement in the major lease contract, the REIT Manager shall execute to ensure that there is the appropriate and adequate measure or mechanism for use of indemnity to construct assets being newly invested by ALLY for further seeking interest and/or compensate ALLY for loss of interest in possession of the assets invested by ALLY.

- (7) Control and oversee the lessees to comply with the lease contract and the service contract.
  - (8) Control and supervise to ensure the compliance with the relevant laws and notifications for enforcement with the real estates invested by ALLY, and supervise and execute to ensure that real estates invested by ALLY are not used in operation of the business which is immoral or illegal, and the real estates are not leasable to other person with reasonable suspicion that such real estates are used for operation of the business which is immoral or illegal. In each leasing, the REIT Manager has duty in making the agreement to ensure that ALLY can cancel the lease contract if it is apparent that the lessee uses real estates to operate such business.
  - (9) Administer and manage the service area and leasable area, such as control and supervision on use of area service in high and appropriate rental rate in accordance with the market condition, and supervise leasing under continuous renewal of the lease contract or low vacancy rate, negotiate with the lessee about the lease contract, review rental rate, cancel or renew the term of lease contract for long-term lease, etc. in accordance with the requirement of the loan contract entered by ALLY as contractual party (if any), and does not deprive of the Trustee's right to claim for damage arisen with ALLY if it is apparent that the REIT Manager has entered into such lease contract not in accordance with the requirement of loan contract entered by ALLY as the contractual party.
  - (10) Assess the past leasing and service to determine the conditions of leasing and service, and prepare the appropriate lease contract and service contract, and assess correctness, monitor and collect income, rental fee, and expenses for recording allowance for doubtful accounts or writing off bad debts or recording recovered bad debt (in case where income is collected after writing off bad debts).
  - (11) Establish security system for buildings and structures invested by ALLY such as fire alarm system, communication system, and emergency response.
  - (12) Determine policy and action plan for management, maintenance, and renovation of the buildings and structures invested by ALLY.
6. The REIT Manager must verify to ensure that ALLY has ownership and/or right in real estates properly invested by ALLY, as well as contracts being legally entered by ALLY as the contractual parties, and prepared to be binding or enforceable under the conditions prescribed in such contracts.



7. The REIT Manager must establish the filing system of all documentary evidence relating to the operation of ALLY and the companies invested by ALLY, including but not limited to an invitation letter to the Meeting of the REIT Unitholders, FORM 69-REIT, Prospectus, Annual Report of ALLY, financial statements, and documentation for bookkeeping of ALLY and the companies invested by ALLY, and compliance with the relevant laws and notifications which are effective with ALLY and invested assets. Such information and documents shall be properly and completely stored and can be audited within the period of at least 5 (five) years from the preparation date of which such documents or information.
8. The REIT Manager must properly and completely prepare and disseminate financial statements, Annual Report, and any other ALLY-related information, and disseminate within the period specified in Trust Deed, REIT Management Agreement, FORM 69-REIT, Prospectus, as well as the relevant laws and notifications.

However, the REIT Manager, directors and executives of the REIT Manager and the Property Manager that have duty relating to preparation and disclosure of the ALLY-related information must be mutually responsible for content of the information announced or disseminated to the REIT unitholders and the general investors. The audit system must be established to ensure that the information disclosed in FORM 69-REIT, Prospectus, an invitation letter to the Meeting of the REIT Unitholders, advertising documents, promulgation of printed matters or any other disseminating documents, are verified for correctness, completeness, update, without lack of information which should be notified for acknowledgement or without statements that may cause misunderstanding relating to ALLY's operation or financial position. The adequate information shall be provided for investment decision in accordance with Trust Deed, and the relevant laws and notifications.

9. The REIT Manager must supervise to ensure that the REIT unitholders shall acquire the correct, complete, and adequate information prior to exercise of the voting right in approval of matters, and acquire such information in advance in the period specified in Trust Deed, FORM 69-REIT, Prospectus, and the relevant laws and notifications.
10. The REIT Manager must control and supervise ALLY in compliance with the relevant laws and notifications, or the practical guideline issued by other government agencies or regulatory organizations relating to ALLY's operation.
11. The REIT Manager must pay distribution to the REIT unitholders as specified in Trust Deed, in other words, not less than 90% (ninety percent) of the adjusted net profit of the fiscal year. The net profit which is adjusted with the following transactions is meant.
  - (1) Deduction of unrealized gain from valuation or review on valuation of ALLY assets, including adjustment with other transactions in accordance with the guideline of the Office of the SEC in consistency with ALLY's cash position.
  - (2) Deduction with transaction of reserve for repayment of loan or obligation from borrowing of ALLY based on the line specified in FORM 69-REIT and Prospectus or Annual Registration Statement (Form 56-REIT), as the case may be.



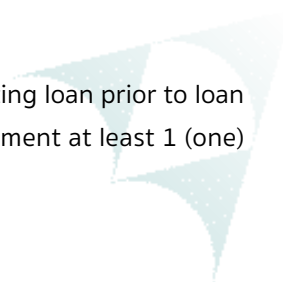
In addition, it includes additional conditions prescribed in Trust Deed. The payment shall be made within 90 (ninety) days from the day-end of the fiscal year or the accounting period for distribution payment, as the case may be. However, in case where ALLY remains having deficit balance, the distribution shall not be paid to the REIT unitholders.

12. In case where Trust Deed determines that the REIT Manager can disburse ALLY assets, such disbursement can be performed particularly in case of disbursement from the account for daily operation and petty cash account under financial limit approved by the Trustee in disbursement of expenses from ALLY. The REIT Manager shall be authorized from the Trustee in signing on behalf of the Trustee under approval of the Trustee, and the REIT Manager can disburse not exceeding 3 (three) times per month. The REIT Manager shall prepare and deliver the disbursement report to the Trustee to ensure that the Trustee can audit such transaction within the period deemed appropriate by the Trustee, and deliver Invoice, Receipt, and/or evidence showing the details relating to the transaction of such expense to the Trustee, and the Trustee that performs in the name of ALLY shall examine, consider and pay into the account for daily operation within 7 (seven) working days from the date of which such documentary evidence has been completely received by the Trustee.

However, the REIT Manager has duty in storage of the documentary evidence relating to REIT management, including documentation for confirmation of petty cash, and original of Receipt of expenses for at least 5 (five) years period from the preparation date of such documents in valid, complete, and available condition for audit of the Trustee.

The REIT Manager and the Trustee may mutually consider increasing or reducing the financial limit of the account for above daily operation and Petty Cash by considering on the appropriateness of ALLY operation for best interest of ALLY.

13. The REIT Manager must prepare and/or deliver, and certify the correctness of the information relating to ALLY management under responsibility of the REIT Manager in accordance with REIT Management Agreement, Trust Deed, and the relevant laws and notifications as deemed appropriate by the Trustee, for the Trustee and/or the Office of the SEC, including but not limited to the information relating to calculation of Net Asset Value (NAV), real estate valuation report.
14. In case of loss of ALLY assets, the REIT Manager has duty to execute whatever to monitor such assets in return to be possessed by ALLY as before.
15. The REIT Manager has duty in examining and executing whatever as appropriate to ensure that the borrowing proportion of ALLY is in accordance with the condition of loan contract and consistent with the rules under the Notification SorJor. 49/ 2555 or the relevant laws and notifications.
16. The REIT Manager must prepare borrowing plan for ALLY as follows.
  - (1) Prepare the long-term borrowing plan for use in refinancing the existing loan prior to loan debt under the effective long-term loan contract will be due for payment at least 1 (one)





year.

- (2) Prepare the short-term working capital line review plan for use in business operation in money market to compare with the condition under the effective loan contract for short-term working capital line for use in business operation.

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

17. The REIT Manager has duty in remarking the opinions toward the relevant official about properties or characteristics of real estates invested by ALLY under request of the relevant agencies.
18. The REIT Manager must alter, restore, and modify core assets as necessary and appropriate to the extent that it is not in conflict or contradiction with Trust Deed, the relevant laws and notifications, and ALLY Benefit Procurement Agreement, under prior-advance notice to the Trustee.
19. The REIT Manager must control and supervise core asset management, and benefit procurement from core assets, as well as management in case of emergency, repair of real estates as necessary. However, the REIT Manager must inform the Trustee for advance acknowledgement in case of major repair.
20. The REIT Manager has duty in management and benefit procurement from other assets of ALLY other than core assets, and any other execution as necessary to ensure that other asset management of ALLY other than core assets is in line with annual operating plan, Trust Deed REIT Management Agreement, and relevant laws and notifications.
21. The REIT Manager has duty in any executions in cooperation with the Trustee to ensure that the Trustee acquires license, permit, letter of respite, and/or any other relevant and necessary documents in benefit procurement from core assets.
22. The REIT Manager has duty in facilitating the Trustee or the entrusted person of the Trustee in inspecting core assets within working date and working hours of the REIT Manager, and providing information, statement, and/or delivering any documents relating to REIT management upon request of the Trustee in case of necessity and appropriateness.
23. The REIT Manager has duty in facilitating the asset valuation company to value ALLY assets or the entrusted person of such asset valuation company in survey of core assets for valuation, and providing information, statement and/or delivering any relevant documents of REIT management, upon request of the asset valuation company in case of necessity and appropriateness.
24. The REIT Manager has duty in preparing any documentary evidence under possession of the REIT Manager relating or connecting with core assets, and/or under possession in the name of ALLY, and accounting documentary evidence relating or connecting with ALLY so that the Trustee or the entrusted person of the Trustee and/or the auditor can audit within working days and hours of the REIT Manager. If the REIT Manager is requested by the Trustee or the entrusted person of the Trustee and/or the auditor, the REIT Manager must deliver all of any



documents relating to connecting to ALLY upon request to the Trustee and/or the auditor (as the case may be) within 15 (fifteen) working days from the date of which such request has been acknowledged or should be acknowledged unless the reasonable ground or otherwise agreed by the contractual parties.

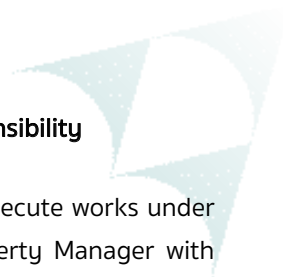
25. The REIT Manager has duty in informing the Trustee for acknowledgement within the reasonable time about breakdown of core assets, and equipment and facilities or upon occurrence of any circumstance that significantly reduces core asset value.
26. The REIT Manager has duty in executing whatever as considered by ALLY to be necessary and appropriate to make core assets to be in good and available condition for benefit procurement or in accordance with the intention of REIT Management Agreement in all respects, and giving advice about market situation in case where ALLY wishes to dispose or transfer leasehold right of core assets.
27. Other than assigning the Property Manager to execute works under responsibility of the REIT Manager, in case where the REIT Manager wishes to assign other party to execute works under its responsibility other than the Property Manager, for instance, assigning other party to manage other assets besides ALLY's core assets, the REIT Manager must select the entrusted executor with prudence and diligence, and govern and audit the execution of the entrusted executor. However, the requirement relating to delegation of work must have none of essence which is in conflict with or contradiction with the Notification SorChor. 29/2555, including other relevant notifications as prescribed by the SEC or the Office of the SEC.

### **3) Duties in entering into Benefit Procurement Agreement for ALLY's Real Estates**

1. Benefit procurement from core assets which are real estates can be only performed by leasing and/or sub-leasing real estates of which their value must not be less than 75% (seventy-five percent) of total offering value of REIT units and borrowing amount (if any).
2. The REIT Manager has duty in controlling, supervising, and creating the measure for control, supervision, and execution of whatever necessary and appropriate as the REIT Manager to ensure that the lessor, the sub-lessor (if any) and/or the third party relating to the management of core assets shall comply with the duties, conditions, and/or agreements prescribed in the lease contract, the sub-lease contract (if any), and/or the contract relating to core assets, as well as rules, sets of regulations, regulations, or any other requirements of core assets, or core assets-related policies.
3. The REIT Manager has duty in preparing the space lease contract, the service contract, the employment contract for the outsourced service provider, and any other core asset-related contracts (if any).







#### 4) Entrusting the Property Manager to execute in works under the REIT Manager's responsibility

In case where the REIT Manager wishes the Property Manager (Property Manager) to execute works under responsibility of the REIT Manager, the REIT Manager has duty in selecting the Property Manager with prudence and diligence, to acquire the Property Manager that is qualified, have knowledge, competence and experience in REIT management of ALLY; and preparing the Property Management Appointment to be consistent and not in conflict with Trust Deed, and control, govern, and audit the duty performance of the said Property Manager to perform duties and responsibilities in accordance with the requirement in Trust Deed, this Contract, the Property Management Appointment, as well as the relevant laws and notifications, to maintain the best interest of the REIT unitholders and the general investors. The following must be at least executed.

##### 1. Selection of the Property Manager

Entrusting or appointing the Property Manager to be the Property Manager for real estates invested by ALLY, such as overseeing sales, marketing, and day to day management on such real estates, the REIT Manager must at least perform the execution in the following matters.

- (1) Assess and analyze the past experiences, reputation, and achievements of the Property Manager in the matters such as ability to acquire lessees, debt collection, maintenance of assets in the building, leasable area management system, supervision of service to the lessees, service providers and service users, and internal control system for prevention of income leakage; and circumspectly control expense disbursement, etc. Furthermore, the internal control system of the Property Manager shall be in line with the minimum requirement in accordance with the practical guideline for management of funds and trusts that invest in real estates prescribed in the Notification of the SEC and/or the Office of the SEC.
- (2) Consider the suitability of the remuneration rate of the Property Manager that must determine the operating capability level to create incentive to the Property Manager, and attempt to increase income and reduce expense of ALLY.
- (3) Establish a mechanism that ALLY can alter the Property Manager. In case where the Property Manager breaches the conditions, Trust Deed, the Property Management Agreement or the relevant laws and notifications, or has unsatisfactory management result.
- (4) Regularly establish monitoring, audit, and assessment of the internal control system of the Property Manager to ensure that internal control system remains effective, and can prevent corruption or easily detect corruption or practice not in accordance with the internal control system, such as the auditor of the Property Manager is determined to necessarily assess the internal control of the Property Manager during accounting audit, and report weaknesses or faults of the internal control system for acknowledgement of the REIT Manager, etc.



However, the REIT Manager may consider prescribing in the Property Management Appointment that the Property Manager must be responsible for damage occurred with ALLY's benefit as the result of negligence of the Property Manager in the control system, resulting in easy corruption.

- (5) In case where the REIT Manager finds that the Property Manager does not perform the duties as prescribed in the Property Management Appointment or performs any act or omits to perform any act that causes lack of reliability in duty performance under the Property Management Appointment, the REIT Manager must cancel the Property Management Appointment of the said property manager so that the REIT Manager can access to operate in lieu of it, or select the new Property Manager in replacement of the existing one.

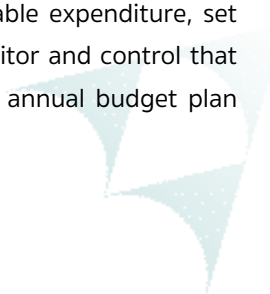
Furthermore, in case where the REIT Manager lets real estates of ALLY to single lessee whereas ALLY receives consideration in whole or in part in form of profit sharing, the REIT Manager must establish selection, monitoring and audit system for the operation of this single lessee in the same nature as entrusting or appointing the Property Manager above to ensure that this single lessee can completely pay rental fee to ALLY in accordance with the condition of the lease contract, without income leakage, possibly causing non-receipt of full distribution by ALLY as ALLY will receive.

- (6) In case where the Trustee finds that the Property Manager does not perform the duties as prescribed in the Property Management Appointment or performs any act or omits to perform any act that causes lack of reliability in duty performance under the Property Management Appointment, the Trustee may notify the REIT Manager for acknowledgement in writing about such circumstance so that the REIT Manager shall cancel the Property Management Agreement of that property manager in order that the REIT Manager can access to operate in lieu of it, or select the new Property Manager in replacement of the existing one.

## 2. **Governance on the Property Manager's operation**

The REIT Manager has duty in governing the management and operation of the Property Manager to maintain best interest of the REIT unitholders and general investors, particularly, the REIT Manager that has duty in controlling and managing income and expenditure of ALLY so that ALLY's distribution shall be on setting target. The measure for governance on the Property Manager's operation is as follows.

- (1) The REIT Manager must participate in preparation or consider approving the annual budgeting plan of the Property Manager to show the details of the rather certain realized income and expenditure in each month to avoid undesirable expenditure, set target of monthly and yearly income procurement, as well as monitor and control that income and expenditure of ALLY shall be in line with the setting annual budget plan under consent of the Trustee.





- (2) The REIT Manager must consider or review the Property Manager's planning of the business strategy, marketing and distribution promotion plan, and action plan in various areas so that ALLY can enhance income procurement and abate risk from fluctuation of rental income to ALLY, and cooperate, monitor and control the Property Manager to execute in various areas in accordance with the determined strategy and plan.
- (3) The REIT Manager must consider or review the guideline for selection of the anchor tenant and service user, and plan to arrange the proportion of the type of business of the lessees of the assets invested by ALLY, being prepared by the Property Manager to limit and control risk or fluctuation of the rental income in each year.
- (4) The REIT Manager must consider and review the determination of the policy for rental fee of the Property Manager so that the rate of rental fee shall be in the appropriate rate based on market situation of leasing and service at that moment, and must govern and monitor the Property Manager to execute in accordance with such policy, and must govern and monitor the Property Manager to execute in accordance with the agreement with the lessee on calculation and payment of rental fee.
- (5) The REIT Manager must access to audit control system for maintenance or repair expense of equipment or building invested by ALLY in order to assess the appropriateness of repair or replacement to ensure that such expense is not wasteful and generate real interest to ALLY.
- (6) The REIT Manager must assess the appropriateness of the control system relating to purchase of the Property Manager for ALLY's acquisition of goods or services which are worthwhile for money paid, without collection of extravagant expenses from ALLY and under framework of this Trust Deed, this contract, and the relevant laws and notifications, as well as additional engagement committed in the documents disclosure for usefulness in offering for sale of REIT units to the investors, and resolution of the REIT unitholders.
- (7) The REIT Manager must value, monitor and control the income collection of the Property Manager so that ALLY shall completely receive rental income.
- (8) The REIT Manager must determine that the Property Manager shall have duty in monitoring and controlling the lessees and the service providers to completely and properly pay taxes as prescribed by law, and must govern and monitor the Property Manager to perform such duty.
- (9) The REIT Manager must analyze abnormality of the Property Manager's management and randomly audit the operation of the Property Manager without advance notification for acknowledgement.
- (10) The REIT Manager must regularly select, monitor, audit and assess the internal control system of the Property Manager.



In addition, the REIT Manager must establish the monitoring, controlling, and random audit system to ensure that the Property Manager at least complies with the following matters.

- (a) Completely and properly collect income and deliver to ALLY.
- (b) Not collect excessive expenses from ALLY and must be within the framework of which collectability is determined in this contract.
- (c) Adequately and appropriately oversee, repair and maintain ALLY assets to ensure that the said assets are used for long-term continuous benefit procurement.
- (d) Formulate emergency plan to support the emergency or unexpected event or contingent serious impact toward the operation of ALLY or the Property Manager; and
- (e) Execute in accordance with the measure for prevention of the contingent conflict of interests between the Property Manager and ALLY.

### 2.1.3 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.

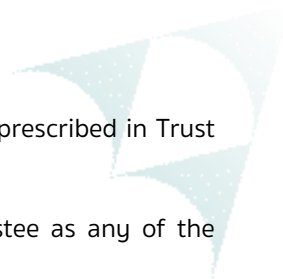
Fees and Expenses Collected from the REIT	Ceiling % of NAV
Portion 1 REIT administration fee	Not exceeding 1.00% per annum of Total Asset Value but not less than 25 million Baht per annum for the first year, whereas increasing rate is 3.00% per annum (excluding VAT, specific business tax, or any other similar taxes)
Portion 1 Outperformance Fee	Not exceeding 30.00% of margin between the adjusted net profit per actual performance-based unit (Actual Performance) in comparison with the adjusted net profit per benchmark-based unit (Benchmark)
Portion 2 Property Management Fee	See detail of fees of the Property Management Fee
Portion 3 Core Asset Acquisition or Disposal	Not exceeding 1.00% of acquired or disposed core asset value

### 2.1.4 Procedure and condition for replacement of the REIT Manager

- 1) Change in the REIT Manager

Change or removal of the REIT Manager can be particularly performed in any of the following cases only.





- (1) The REIT Manager resigns in accordance with rules and procedures prescribed in Trust Deed.
- (2) The REIT Manager is removed from duty performance by the Trustee as any of the following events are apparent.
  1. Upon appearing that the REIT Manager improperly and incompletely manages ALLY on duty as prescribed in Trust Deed, REIT Management Agreement, as well as any other relevant laws and notifications, and fails to perform such duty, the Trustee deems that it causes serious damage to ALLY and/or the REIT unitholders, and fails to remedy such damage within the period specified in REIT Management Agreement.
  2. The REIT Manager breaches any clause of REIT Management Agreement, and in the opinion of the Trustee, such breach of the Agreement causes or may cause serious damage to ALLY and/or the REIT unitholders, and fails to remedy such damage within the period specified by the Trustee as appropriate. The Trustee may cancel REIT Management Agreement by written notice to the REIT Manager for acknowledgement at least 30 (thirty) days in advance.
  3. The fact is apparent to the Trustee that the characteristics of the REIT Manager are not in accordance with the rules in Chapter 1 or violate or breach the rules in Chapter 2 under the Notification SorChor. 29/ 2555 and breach the order of the Office of the SEC or follow the order but the correction is unable to be performed within the period specified by the Office of the SEC.
  4. The fact is apparent that the approval on the REIT Manager status of the Office of the SEC is expired, and the REIT Manager is not renewed for approval from the Office of the SEC under the Notification SorChor. 29/2555
  5. It is apparent that alteration of the relevant laws results in the Trustee's opinion that the REIT Manager fails to perform its own duties in the essential part of this contract and REIT Management Agreement.
  6. The Office of the SEC orders to revoke the approval on the REIT Manager status or order to suspend the performance of the REIT Manager duty for more than 90 (ninety) days under the Notification SorChor. 29/2555.
  7. The REIT Manager is terminated from juristic person status or in the company dissolution stage or liquidation, or receivership, whether being the absolute receivership order or not, or ordered by the court for bankruptcy, or request for rehabilitation of the REIT Manager's business.
  8. In case where the approval on the REIT Manager status is expired, and the REIT Manager does not submit the application for renewal of the approval to the Office of the SEC.
  9. The REIT Manager violates or breaches the duty or has characteristics not in accordance with the relevant laws and notifications as specified in REIT Management Agreement and not follow the order of the Office of the SEC or perform in accordance with the order but the correction is unable to be performed



within the period specified by the Office of the SEC, and the Trustee has made the written notice for cancellation of REIT Management Agreement to the REIT Manager.

## 2) Procedure for appointment of the new REIT Manager

- (1) The Trustee agrees to appoint the REIT Manager, and the REIT Manager agrees to be appointed as the REIT Manager, and perform works and duties as the REIT Manager of ALLY to oversee, manage ALLY assets as entrusted by the Trustee under the scope of authorities, duties, and responsibilities as specified in REIT Management Agreement, and Trust Deed, any additional engagement committed in the documents disclosed to the REIT unitholders ( if any ) , resolution of the REIT unitholders, and any other agreements between the REIT Manager and the Trustee (if any) in accordance with the Manual of Working System and Internal Control System of the REIT Manager under consent of the Office of the SEC and in consistency with the relevant laws and notifications for interest of ALLY and the REIT unitholders.

However, in revision, update or addition of the scope of works, duties, and responsibilities of the REIT Manager, the contractual parties agree to execute only if upon consent from each contractual party, unless being the revision, update or addition of the scope of works, duties, and responsibilities of the REIT Manager in accordance with the relevant laws and notifications. The Trustee is entitled to revise, update or add the scope of works, duties, and responsibilities of the REIT Manager by informing the REIT Manager for acknowledgement in writing. In case where revision and alteration of such scope of works, duties, and responsibilities is the revision in the essence and results in the increase in burden and expenses for the REIT Manager, the REIT Manager is entitled to receive an additional REIT management fee as agreed by the Trustee and the REIT Manager.

- (2) The REIT Manager is entitled to receive operating fee as the REIT Manager and disburse money from ALLY under the terms and conditions of REIT Management Agreement.
- (3) The REIT Manager, the same group of the persons, and the REIT Manager shall hold REIT units of ALLY that they are the co-property manager for not more than 50% (fifty percent) of total sold REIT units.

### 2.1.5 Management of other trusts

ARM has not managed other trusts.





## Property Manager

### General information

Company's name	K. E. Property Management Co., Ltd.
Date of registration	March 28 <sup>th</sup> , 2006
Registered capital	200,000,000 Baht
Head office's address	888, Pradit Manutham Road, Khlong Chan Sub-district, Bang Kapi District, Bangkok
Business	Real property leasing and real property-related activities involving the company's real properties or leased properties, for the non-residential purposes
Board of directors	<ol style="list-style-type: none"><li>1. Mrs. Supanawit Iamsakulrat</li><li>2. Mr. Yuttana Phuprakai</li><li>3. Mr. Tanun Rungwiwattanakool</li><li>4. Mrs. Sunee Trieamkarnlert</li><li>5. Mrs. Aree Umnakmanee</li><li>6. Mr. Chaytad Junkalop</li></ol>
Authorized signatory directors	Two directors jointly sign and seal of the company

Company's name	Muensane Property Co., Ltd.
Date of registration	January 4 <sup>th</sup> , 2004
Registered capital	150,000,000 Baht
Head office's address	225/58, Village No. 13, Chiang Mai – Hod Road, Ba Waen Sub-district, Hang Dong District, Chiang Mai Province
Business	Real property leasing and real property-related activities involving the company's real properties or leased properties, for the non-residential purposes
Board of directors	<ol style="list-style-type: none"><li>1. Miss. Sarisa Mekurai</li><li>2. Mr. Kan Mekurai</li></ol>
Authorized signatory directors	Either director may sign their names and affix the company's seal



## Duty and responsibility of the Property Manager

(1) General duty

The Property Manager agrees to perform the general duty of managing the real properties invested by the Trust, or any other duties that the parties will mutually agree upon in writing. The Property Manager's performance must be consistent with the annual operation plan described in the Trust Deed, the Prospectus, the Filing, and the real property-related laws; for the benefits of the Trust and the Unitholders.

(2) Additional duty

The Property Manager will be responsible for any additional tasks given to him by the REIT manager, as the REIT manager deems appropriate and related to the operation of the real properties invested by the Trust, and/or related to the Property Manager's functions under this agreement, and/or other tasks that will be further required by the related laws; for the benefits of the Trust and the Unitholders. In this regard, the Property Manager will be compensated for such additional duties, which will be further mutually agreed upon by the parties.

(3) The duty to provide appropriate and sufficient personnel

The Property Manager agrees to arrange and provide personnel to work at the real properties invested by the Trust, and to manage and supervise the real properties invested by the Trust, at the appropriate period of time and with an appropriate amount. The personnel provided herein must possess the required knowledge and experience in real property management, and possess the required qualification to serve as a Property Manager. Whereas, on the signing date of this Agreement, the Property Manager will submit the detailed information on the structure of the real property management team to the REIT manager. In an event where the structure of the real property management team (please refer to 'the structure of the real property management team', as depicted in Attachment No. 5) will be significantly changed, the Property Manager must submit the information and underlying reasons for such changes for the consideration and approval of the REIT manager, in writing, for at least 15 (fifteen) days in advance, before each change can be implemented. Moreover, the Property Manager will create agencies and personnel that will be responsible for managing the real properties invested by the Trust, specifically in the aspects involving tenants and customers of the real properties invested by the Trust; as well as agencies and personnel that will be responsible for the financial data of the Trust. These agencies and personnel will be distinctively separated from the other agencies and personnel of the Property Manager. Such a separation will also cover the storing and accessing of any information and documents of the Trust, in order to prevent any conflict of interest, unauthorized access, and utilization of the Trust's information.

(4) The duty to prepare the annual operation plan

- (1) The Property Manager agrees to prepare the annual operation plan for real properties invested by the Trust; and agrees to present the annual operation plan for real properties invested by the Trust for the consideration and approval of the REIT manager for at least 60 (sixty) days in advance, and before the end of each accounting period. The REIT manager will forward the plan for consideration and approval of the Trustee for at least 30 (thirty) days in advance, before the end of each accounting period. This does not include the 2021 annual operation plan, in which all the parties





will mutually consider and conclude the plan within 15 (fifteen) days, after the effective date of this Agreement. The parties agree to prepare the annual operation plan that is consistent with the expected loss and profit and the expected profit-sharing; and agree to implement the proposed plan for the year's operation.

In this regard, the Property Manager will also be responsible for maintaining, renovating, and/or repairing the real properties invested by the Trust under the scope of operation defined in the aforementioned annual operation plan.

- (2) The parties may consider and amend the annual operation plan for any given year so the plan will be more consistent with:
  1. Changes or development in the economy, finance, or politics of Thailand that cause significant effects to the real properties invested by the Trust.
  2. Force majeure significantly affects the real properties invested by the Trust.
  3. Other incidents that may significantly affect the activities or business operation of the real properties invested by the Trust.
- (3) The REIT manager, the Trustee, and the Property Manager agree to arrange a performance interview meeting, for the purpose of interviewing the performance of the real properties invested by the Trust, as per the annual operation plan, on a quarterly basis. The performance interview meeting will be held at the mutually agreed-upon date and time.
- (4) In an event where there are any disputes regarding the preparation of the annual operation plan that cannot be resolved, the parties agree to use the annual operation plan of the previous year as a guideline until the new plan can be agreed upon. And for this, the expected expenses that are described in the annual operation plan (not including the annual operation plan for the major renovation and/or maintenance (the Major Renovation Plan)) can be increased at less than 3 (three) percent of the expected expenses that are described in the annual operation plan of the previous year. Anyway, the parties must resolve the issue and complete the annual operation plan as soon as possible; whereas the annual operation plan must be complete for at least ninety (90) days before the starting date of the new accounting period, or within another period that will be mutually agreed upon by the parties.
- (5) If the parties are unable to reach a conclusion on the annual operation plan together, the Trustee reserves the right to dictate the annual operation plan and the Trustee's judgment is final. In order to make his decision regarding the plan, the Trustee will make sure that the plan will be consistent with the intention of the Trust Deed, the Prospectus, the Filing, and the lease agreement, as well as any related laws, rules, and regulations, the appropriate business strategy, and the current economy. In any case, the Trustee will conclude and issue the annual operation plan within 60 (sixty) days, from the beginning date of the accounting period, unless the parties agree to be otherwise.
- (6) The Property Manager may adjust the annual operation plan as he deems appropriate, with consideration of the best benefits of real properties invested by the Trust, and the condition of the economy, the market, and the industry. In an event where the Property Manager wishes to change the annual operation plan, the Property Manager must present the detail of the change for consideration and approval of the REIT



manager, in writing, for at least 30 (thirty) days in advance. After the REIT manager approves the change, the REIT Manager must inform the Trustee about the change of the annual operation plan, in writing, for at least 15 (fifteen) days in advance. The Property Manager must make sure that the Trust has enough budgets for the changed annual operation plan and that any changes will not affect the Trust's ability to pay benefits.

In an event where the Trust doesn't have enough budgets to cover the annual operation plan that has been changed by the Property Manager, as mentioned in the previous paragraph, the Property Manager may only implement the changed annual operation plan after the Property Manager present the detail of the changed annual operation plan for the consideration and approval of the REIT manager, in writing, for at least 45 (forty-five) days in advance. After the REIT manager approves the changed annual operation plan, the REIT manager must inform the Trustee about the change of the annual operation plan, in writing, for at least 15 (fifteen) days in advance.

- (5) The duty to maintain documents and duplicates The Property Manager must maintain originals and duplicates of documents that are related to the management of real properties invested by the Trust, as necessary and appropriate. The archive must include duplicates of the supporting documents for the payment of petty cash and the receipts of expenses spent by the Property Manager, for a period of at least 5 (five) years, in a good and complete condition. The archive must be maintained in a condition that is readily available for inspection by the REIT manager, the Trustee, and the related authorities. The Property Manager must return these documents to the Trust once this Agreement is terminated.
- (6) Unless specified otherwise in this Agreement, in order for the Property Manager to perform his duty under the Property Management Agreement, the Property Manager will have the right to access and use the working capital account that the Trustee will create, as per the Trust's duty under this Agreement, for the purpose of allowing the Property Manager to perform his duty to manage and supervise the real properties invested by the Trust, as per the underlying intention of this Agreement and the annual operation plan. In this regard, the Property Manager must submit the duplicates and supporting documents of his spending from the working capital account to the REIT manager. Once the REIT manager receives all the related documents completely and correctly, the REIT manager will submit the documents to the Trustee. The Trustee will review the detail and transfer an amount of such spending back to the working capital account.
- (7) The Property Manager must perform his duty under this Agreement with honesty, for the best benefit of the Trust. The Property Manager must carry out his duty in accordance with this Agreement, the lease agreement, and other investment agreements regarding the management and operation of the projects and real properties invested by the Trust, the Trust Deed, the annual operation plan, as well as any related rules, regulations, announcements, and orders.
- (8) The Property Manager acknowledges and agrees that while he serves as the Property Manager of the Trust's real properties under this Agreement, the Property Manager will be supervised by the REIT Manager and the Trustee. The Property Manager will be responsible for collaborating with the REIT manager and the Trustee; and strictly observing the guideline for the Property Manager, as determined by the REIT Manager and the Trustee.



- (9) While performing his duty under this Agreement, the Property Manager will also be responsible for refraining from any actions that may cause a conflict of interest between the best benefits of the Trust and the Unitholders and benefits of the Property Manager, or his related entities/affiliated entities.
- (10) While performing his duty under this Agreement, the Property Manager will be responsible to perform his functions by himself. The Property Manager may assign his functions to other individuals, whether partly or wholly, if the assignment is made in accordance with the provisions described in the policy regarding assignment and outsourcing for the purpose of aiding the Property Manager's operation, as per the annual operation plan. In this regard, after assigning his tasks to other individuals, the Property Manager will still be responsible for supervising such individuals to complete the tasks given to them, in accordance with the term and conditions of this Agreement.
- (11) In an event where the REIT manager and the Trustee appoint another individual as a co-property manager, the Property Manager agrees to perform the new duty that will be assigned to him by the REIT manager. The new duty will be mutually agreed upon by the parties and made in writing.

### **2.2.2 The Property Manager's fees**

ARM, as the REIT manager, will be entitled to compensation for the real property management service, which will be charged to the Trust, in accordance with the REIT Management Agreement, and will be comprised of:

- The management fee, at the rate of less than 2 percent of the operating revenue of the projects.
- The extra fee, at the rate of less than 7 percent of the gross profit from the real properties after renovation.

In this regard, if ARM engages other Property Managers or individuals for specific tasks that are related to real property management, ARM will be responsible for compensating those property managers, in the form of the Property Manager's fees. ARM will be responsible for paying the Property Manager's fees.

### **2.2.3 The Property Manager's duty to manage other properties**

The Property Manager might also be responsible for managing other real properties that are similar to the Trust's primary properties, namely, real properties in the following areas:

1. Some areas of the CRYSTAL Design Shopping Center, the CRYSTAL Ekamai-Ramintra Shopping Center, and the CRYSTAL Chaigapruek Shopping Center aren't part of the Trust's investment.
2. Other areas that will be further developed in the vicinity of the CDC project and the TC project, pertaining to the term and conditions of the undertaking agreement of the 2 projects. The agreement requires that within a period of 3 years after the signing date, if the party, which is a related entity of ARM, wishes to further develop the project, the party must acquire written consent from the Trust first. Moreover, regarding the CDC project, at present, the Owner provides the right to use additional parking space to the Trust, in accordance with the undertaking agreement. In this regard, if the Owner chooses to use this area for other benefits, the Owner will



still be responsible for providing the Trust with enough parking spaces, in accordance with the undertaking agreement.

3. Areas of other projects managed by ARM, under the REIT manager's framework for the management of other projects for the purpose of promoting the investment in the Trust's primary properties and to improve the potential of assets that the Trust may consider for its investment; while considering the best benefits of the Trust. The term and conditions for assuming the responsibility to manage such properties require the Owners of such properties to grant the right to invest in those projects to the Trust, within 5 years after ARM assumes such responsibility. ARM's management of other real properties that aren't part of the Trust's investment program may cover the net lease area (NLA) that isn't exceeding 25 percent of the NLA of the Trust's projects that are managed by ARM.

Anyway, the REIT manager and the Trustee will work together to determine measures to prevent a potential conflict of interest due to competition for new tenants between the real properties invested by the Trust and the real properties that aren't part of the Trust's investment program, as follows.

The REIT manager and/or the Property Manager will immediately notify the Trustee in writing in an event of a possible conflict of interest against the Trust, while they perform their duty of managing the Trust's real properties, in order for the parties to mutually find a fair and honest solution for the issue, on a case by case basis.

The REIT manager and/or the Property Manager agrees to the Trust to undertake the following actions:

- (1) Specify the standard price range for the individual zone, area size, lease term, and other related details for all the areas managed by them (both the areas that are under and outside of the Trust's investment plan) and present the summary to the Trustee.
- (2) With the potential tenant, the REIT Manager and the Property Manager will propose all the real properties (both the areas that are under and outside of the Trust's investment plan) for their consideration, without special treatment with any areas, under the standard price range that is comparable for all the areas, whether in terms of the area size, location, format, and contract term; in order to ensure the transparency and to provide adequate information to support the potential tenant's decision making. The Trust must be able to review the REIT manager and Property Manager's operation and will be provided with a summary report on the potential tenants.
- (3) When a potential tenant discusses or negotiates for a different rate of rent or terms and conditions of the lease, that is more than 5 percent deviated from the Standard Price Range (both the areas that are under and outside of the Trust's investment plan), the REIT Manager and the Property Manager must present the different rate of rent and terms and conditions of the lease for consideration and approval of the Trustee. This is except for the case where the rent rate is higher than the Standard Price Range but is still at a similar rate.
- (4) Whether the potential tenant decides to rent the areas or not, the REIT manager or the Property Manager must prepare and submit the summary report to the Trustee, explaining the underlying reason for the potential tenant's decision.





## Trustee

### General Information

Name of the Trustee	SCB Asset Management Company Limited
Licenses	The Trustee has been granted of License for Trustee Business from the Office of the SEC on 18 September 2013.
Head Office Location	No. 18 Building 1, SCB Park Plaza, Fl. 7-8, Ratchadaphisek Road Chatuchak Sub-district, Chatuchak District, Bangkok 10900
Telephone	02-949-1500
Facsimile	02-949-1501
Website	<a href="http://www.scbam.com/">http://www.scbam.com/</a>

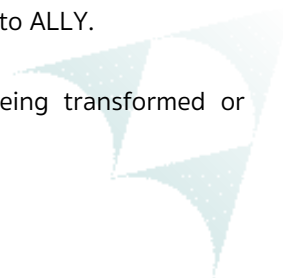
### Duties and responsibilities of the Trustee

- (1) The Trustee has duty in REIT management with honesty and diligence such like professional, and expertise, and fair the REIT unitholder treatment for maximum benefit of the REIT unitholders as a whole, and must comply with the relevant laws, Trust Deed, objective of ALLY establishment, resolution of the REIT unitholders, and engagement additionally committed to the REIT unitholders (if any).
- (2) The Trustee has duty in participation to attend every Meeting of the REIT Unitholders. If the resolution of the REIT unitholders is requested for any execution, the Trustee must perform as follows.
  - (2.1) Reply queries and remark opinions on such execution or matter requesting for resolution whether it is in accordance with Trust Deed or the relevant laws.
  - (2.2) Protest and inform the REIT unitholders for acknowledgement that such execution or matter requesting for resolution is unable to be performed in case of breach of Trust Deed or the relevant laws.
- (3) The Trustee has duty in compulsory performance or oversee to ensure that compulsory performance is in accordance with the contractual provisions between ALLY and other party.
- (4) In case where there is none of the REIT Manager, or there is the event that causes failure of the REIT Manager to perform the duties, the Trustee shall enter to manage ALLY meanwhile prior to appointment of the new REIT Manager under the rule prescribed in the Notification No. KorRor. 14/2555. The Trustee shall have duty in managing ALLY as necessary to prevent, restrain, or limit not to cause serious damage to the interest of ALLY or the REIT unitholders as a whole, and execute under the authority and duty specified in Trust Deed and the Trust Act. In such execution, the Trustee may entrust other party to manage ALLY on behalf of it in the meantime within the scope, rules and conditions specified by Trust Deed, and have authority to have the new REIT Manager under the authority and duty in Trust Deed and the Trust Act or any other relevant notifications or requirements, and their amendment.



- (5) The Trustee has right, duty, and responsibility in managing ALLY in accordance with the requirements and conditions of the Securities Law and other relevant laws.
- (6) In case where ALLY establishes the policy for investment in other non-core assets, the investment in such assets may be managed by the Trustee, the REIT Manager, or other party entrusted by the Trustee or entrusted by the REIT Manager in accordance with what is specified in Trust Deed. In case where other party which is not the REIT Manager is entrusted for execution, the rules prescribed in the notification of the Capital Supervisory Board on entrusting other party to execute in the business operation-related works in part relating to entrusting other party to execute in the fund investment-related works shall be complied with mutatis mutandis.
- (7) In case where the SEC or the Office of the SEC or any other agency in relevant legal authority issues law, rule, notification, regulation, order, circular notice, respite letter, cancellation or alteration, revision, or addition of law, rule, notification, regulation, order which have been currently applied that cause revision and alteration of Trust Deed, the Trustee shall execute as prescribed by Trust Deed for revision, alteration, and addition of Trust Deed in accordance with such altered or revised and added law, rule, notification, regulation, and order without requirement for request from resolution of the REIT unitholders.
- (8) The Trustee is prohibited to set off its debt of which the Trustee is the debtor of the third party not due to duty performance as the Trustee, with the debt of which the third party is the debtor of the Trustee as the result of ALLY management. However, such act that breaches this prohibition shall become invalid.
- (9) In case where the Trustee enters into juristic act or perform any transactions with the third party for interest of ALLY, the Trustee shall inform the third party for written acknowledgement upon entry into juristic act or transaction with the third party whether it is the act as the Trustee.
- (10) The Trustee separately prepares the account of ALLY assets from other assets and accounts of the Trustee. In case where the Trustee manages various trusts, the accounts of ALLY assets must be prepared in separation of each trust, and records the account to be proper, complete and updated. Trust must be separated from the personal assets of the Trustee and other assets under possession of the Trustee.
- (11) In case where the Trustee fails to execute in accordance with Clause 11.3(10) until causing mixture with personal assets of the Trustee until they may not be distinguished that any assets belong to ALLY and any assets are the personal assets of the Trustee, the following is assumed.
  - (11.1) Mixed assets are belonged to ALLY.
  - (11.2) Damage and debt incurred from mixed asset management is the personal damage and debt of the Trustee.
  - (11.3) Benefit generated from the mixed asset management shall belong to ALLY.

The mixed assets under paragraph one means and includes assets being transformed or converted from the mixed assets.





- (12) In case where the Trustee fails to execute in accordance with Clause 11.3(10) until causing mixture of each trust until failure to distinguish that any assets belong to any trust, it shall be assumed that such assets as well as assets being transformed or converted from such assets and any interest or debt incurred from management of such assets shall belong to each trust in the proportion of mixed assets taken to be cost.
- (13) An exercise of power and duty performance of the Trustee in management of ALLY is the specific matter of the Trustee, and the Trustee is unable to entrust other party to manage ALLY unless the following.
- (13.1) It is otherwise specified by Trust Deed.
  - (13.2) The transaction which is not the specific matter and unnecessary for use of profession suchlike the Trustee.
  - (13.3) The transaction of which the asset owner that has assets and objective of management in similar nature as ALLY will be performed in entrusting other party to manage on behalf of it.
  - (13.4) Asset storage, preparation of the REIT Unitholder's Register, and monitoring for dividend payment, back office operation for execution of the affiliated companies of the Trustee or the REIT Manager or other Registrar being licensed from the SET.
  - (13.5) Any other matters under responsibility and execution of the REIT Manager as prescribed in Trust Deed or rules in the Notification No. TorJor. 49/ 2555, the Notification No. KorRor. 14/ 2555, and the Notification No. SorChor. 29/ 2555, or any other relevant notifications or requirements, and their amendment.

In case of the Trustee's breach of legislation under paragraph one, the act in personal binding the Trustee shall not bind with ALLY.

- (14) In case where the Trustee entrusts other party for rightful REIT management under Clause 11.3(13), the Trustee must select the entrusted party with prudence and diligence, adequately control and audit the management on behalf of it, and govern by formulating a measure for operation relating to entrusting works as prescribed in the rules in the Notification of the SEC No. KorKhor. 1/2553 on General Work System, Investor Contact, and Business Operation of the Trustee or any other relevant requirements and their amendment as follows.
- (14.1) Selection of the qualified entrusted party by considering on readiness in work system and personnel of the entrusted party, as well as conflict of interests of the entrusted party and ALLY.
  - (14.2) Control and evaluation of the entrusted party's performance
  - (14.3) Execution of the Trustee upon appearing that the entrusted party is unqualified to entrust works anymore.

However, the SEC may announce to determine the detail of the Trustee's practice in the following cases.



- (15) In case of change in the Trustee, if the new Trustee detects that before the new Trustee will assume its duty, REIT management has not been performed in accordance with the requirement in Trust Deed or the Trust Act until causing damage to ALLY, the new Trustee shall execute the following.

(15.1) Claim damage from the trustee that must be liable.

(15.2) Monitor to take assets back from the third party whether such party will directly acquire from the former trustee, and whether assets in ALLY will be transformed or converted to be other assets, unless such party will honestly acquire such assets, pay consideration, and not know or have unreasonable ground to know that such assets are derived from wrongful REIT management.

- (16) In REIT management and entrusting other party for rightful REIT management under Clause 11.3(13), if expenses incur or the Trustee must rightfully pay cash or other assets to the third party with personal cash or assets of the Trustee as necessary and appropriate, the Trustee is entitled to receive cash or assets in return from ALLY, unless otherwise specified by Trust Deed.

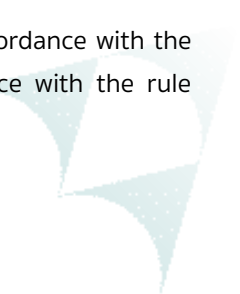
The right to receive cash or assets in return under paragraph one will be the existing preferential right of the Trustee before the REIT unitholders and the third party that have real rights or any rights over ALLY and the rights that may be immediately enforceable without necessity to wait for dissolution of ALLY. In case of necessity to transform or convert assets in ALLY for availability of cash or assets to be refunded to the Trustee, the Trustee shall have such operating power but must be performed in good faith and in accordance with rules, conditions, and procedures prescribed by the SEC or the Office of the SEC.

- (17) The Trustee is prohibited not to exercise the right under Clause 11.3(16) until the Trustee will completely repay the outstanding debt to ALLY, unless it is the debt that may be set off in accordance with the Civil and Commercial Code.
- (18) In case where the Trustee fails to manage ALLY in accordance with the requirement in Trust Deed or the Trust Act, the Trustee must be liable for damage arisen to ALLY.

In case of necessity and reasonable ground for interest of ALLY, the Trustee may request the consent from the Office of the SEC prior to otherwise manage ALLY to be different from the requirement in Trust Deed, and if the Trustee manages in accordance with such consent with honesty for best interest of ALLY, the Trustee is unnecessary to be liable under paragraph one.

- (19) The Trustee has duty in overseeing to ensure that Trust Deed has the essence in accordance with the relevant laws. In case of alteration and revision of Trust Deed, the Trustee shall execute the following rules.

(19.1) Oversee to ensure that revision and alteration of Trust Deed is in accordance with the procedure and condition prescribed in Trust Deed and in accordance with the rule prescribed in the relevant laws.







- (19.2) In case where the revision and alteration of Trust Deed breaches Clause 11.3(19) and (19.1), the Trustee shall execute in accordance with the authority specified in Trust Deed and in the Trust Act to maintain the privilege of the REIT unitholders as a whole.
  - (19.3) In case where the rules relating to offering for sale of REIT units or management of REIT issued in accordance with the Securities Act, and Trust Act, are revised and altered later, and Trust Deed has the requirement not in accordance with such rules, the Trustee shall execute to revise and alter Trust Deed in accordance with such rules and procedures prescribed in Trust Deed or as ordered by the Office of the SEC under Section 21 of the Trust Act.
- (20) The Trustee has duty in monitoring, overseeing, and auditing to ensure that the REIT Manager or other entrusted party (if any) executes in entrusted works in accordance with Trust Deed, other relevant contracts, and other relevant notifications as prescribed by the SEC or the Office of the SEC. The above monitoring, overseeing, and auditing also mean and include the following duty performance.
- (20.1) Oversee to ensure that REIT management.
  - (20.2) It is performed by the REIT Manager under consent of the Office of the SEC throughout the valid establishment period of ALLY.
  - (20.3) Monitor, oversee, and execute as necessary to ensure that the entrusted party has the characteristic and comply with the rules prescribed in Trust Deed and the relevant laws, including removal of the existing entrusted party and appointment of the new entrusted party.
  - (20.4) Control and oversee to ensure that ALLY's investment is in line with Trust Deed and the relevant laws.
  - (20.5) Properly and completely control and oversee the disclosure of ALLY's information as prescribed in Trust Deed and the relevant laws.
  - (20.6) Remark the opinions about the REIT Manager and other entrusted party (if any) about the execution or performing the transactions for ALLY as support on request for resolution of the Meeting of the REIT Unitholders, disclosure of ALLY's information to the REIT unitholders or upon request of the Office of the SEC.
- (21) In case where it appears that the REIT Manager executes or refrains from execution until causing damage to ALLY or does not perform the duties under Trust Deed or the relevant laws, the Trustee shall have the following duties.
- (21.1) Report the Office of the SEC within 5 (five) working days of which such event has been known and will be known.
  - (21.2) Take corrective action, restrain or remedy damage arisen with ALLY as deemed appropriate.



- (22) In case where the Trustee is the REIT unitholder in ALLY, if the Trustee must vote or perform any act on behalf of the REIT unitholder, the Trustee shall take maximum benefit of the REIT unitholders into account and maintain maximum benefit of the REIT unitholders on the whole, and based on honesty, prudence and diligence, and not cause conflict of interests or affect the function as the Trustee of ALLY.
- (23) The Trustee is responsible for preparation of the REIT Unitholder's Register. The Trustee may assign the SET or the licensee to provide service as the Securities Registrar in accordance with Securities and Exchange Act to execute on behalf of it. Upon entrusting other party to be the REIT Unit Registrar, the Trustee has duty in supervising such entrusted party to comply with the rules in Trust Deed and securities law, unless evidence is prepared in accordance with the system and rules and regulations of the TSD in part relating to the securities registrar.
- (24) The Trustee must prepare evidence of the right in new REIT units or REIT certificate and handed over to the REIT unitholders in accordance with the rules prescribed in Trust Deed and Securities Law
- (25) In case where the REIT unitholder requests the Trustee or the Securities Registrar to issue evidence of the right in new REIT units or new REIT certificate in replacement of the old evidence which is lost, vanished, or damaged in the essence, the Trustee is responsible for issuance or execution to issue evidence of the right in new REIT units or REIT certificate to the REIT unitholders within due course.

### **Fee of Trustee**

Throughout the term of the Trust Deed, the Trustee shall receive functional fee as trustee, and custodian of assets in fee rate of not more than 1.00% of total asset value. The minimum rate is defined at 12 million Baht per year.





## Information of other related parties of ALLY

### Registrar

Name	Thailand Securities Depository Company Limited
Address	No. 93, Fl. 14, Ratchadaphisek Road Din Daeng Sub-district, Din Daeng District, Bangkok
Telephone	0-2009-9000

### Auditor

Name	KPMG Phoomchai Audit Ltd.
Address	48 <sup>th</sup> – 51 <sup>st</sup> Floor, Empire Tower 1 South Sathon Road Yannawa, Sathon
Telephone	0-2677-2000

### Appraisals

Name	Jones Lang Lasalle (Thailand) Limited
Address	88 The PARQ, 10 <sup>th</sup> Floor, Ratchadaphisek Road, Klong Toei, Bangkok 10110
Telephone	02-679-6500



# Management Structure

## General Information

Name	ALLY REIT Management Company Limited
License	Being approved to be the REIT Manager on May 30, 2019
Head Office Location	888 Pradit Manutham Road, Khlong Chan Sub-district, Bang Kapi District, Bangkok
Telephone	02-101-5999
Website	<a href="http://www.allyreit.com/">http://www.allyreit.com/</a>
Working Hours	8.30 hrs. to 17.00 hrs.
Registered Capital	10,000,000 Baht
Paid-Up Capital	10,000,000 Baht
Number of Issued and Called Shares	100,000 Shares
Par Value	100.00 Baht per Share

## Management Structure

1) Shareholding structure of the REIT Manager as at December 31, 2022

No.	Name List	Shareholding Number (Shares)	Proportion (Percent)
1.	ALLY GLOBAL MANAGEMENT (THAILAND) CO., LTD	99,997	99.9997
2.	Mr. Kaveepan Eiamsakulrat	1	0.0001
3.	Mr. Kavin Eiamsakulrat	1	0.0001
4.	Mr. Yutthana Phuprakai	1	0.0001





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## Corporate Governance

In compliance with the stipulated laws, criteria and Trust Deed, ALLY REIT Management Company Limited (“ARM”) shall establish the Real Estate Investment Committee to perform the duty in considering and approving the investment policy and strategy, considering and approving asset investment, REIT management in operation and risk, and governance of BKER’s operation in accordance with the established policy. 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.

### The Meeting of the Board of ALLY Leasehold Real Estate Investment Trust

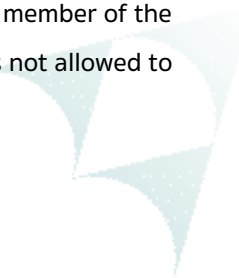
The Real Estate Investment Committee shall schedule the quarterly meeting or upon having significant agenda or as deemed appropriate. It is determined that the members of the BKERIC shall attend the meeting by presence for not less than half of total members of the BKERIC. All resolutions shall be judged by majority 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.

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 financial statements
Agenda 4	Consider approving the REIT distribution payment
Agenda 5	Consider other matters (if any)

### Meeting Requirement

1. Schedule of quarterly meeting or upon having crucial agenda or as deemed appropriate.
2. 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.

3. 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.

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

1. Investment strategy, management policy, and capital structure
2. Appointment of the external entrusted party such as financial advisor, underwriter, and the Property Manager
3. Selection of assets which will be invested in accordance with procedure of acquisition of core assets
4. Disposal of assets in accordance with procedure of disposal of core assets
5. Consideration on audit and transaction within the scope of transaction with the related party of the REIT Manager
6. Determination of annual budget in accordance with procedure of budget determination
7. Capital increase, borrowing, and issuance of debenture in accordance with procedure of financing
8. Entry into other transactions which are significant for management of the REIT in accordance with related rules and regulations such as the REIT distribution payment, etc.

## Supervision on Use of Inside Information

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.

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

### 1. Investment in Core Assets of the REIT

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

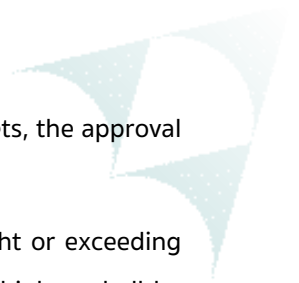
- (1) Perform Due Diligence on the details of assets including related information and documents.
- (2) Arrange the appraisal of assets which will be invested as specified in the Trust Deed.
- (3) In the event of the Trust Deed's investment in real estate leasehold in the manner of sub-lease, the REIT 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.
- (4) For consistency and promotion of the guideline for investment in BKER's core assets under BKER's policy, ARM may additionally consider operating the business relating to real estate management to enhance the potential to the assets which may be considered by BKER for investment under concern on generation of maximum benefit to BKER. Such real estate owners shall agree to grant the right to BKER for project investment in the period of not more than 5 (five) years from ARM management (such 5 (five) years period is not enforced with The Crystal PTT Chaigapruek since it is the joint-venture project with other party). However, in ARM management of other real estates which are not assets being invested by BKER, Total Net Leasable Area (NLA) of those projects shall not exceed 25% of Total NLA of every project entirely managed by ARM.

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 value from 1 million Baht or exceeding 0.03 % of net asset value of the REIT, whichever value is higher, shall be approved by the Executive Board of the Company.
- In respect to the transaction with 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.

## 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.



### **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.

### **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 is restricted not to perform duties in other position that may be in conflict with the duty performance in the entrusted key position.

### **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.





## 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.

### Monitoring and Supervising the Operation of the Property Manager

Details		Operation of the Property Manager	Operation Relating to the REIT Manager	Operation of the Trustee
<b>1) Receiving – Delivery of Assets and Contracts after Establishment of REIT</b>				
1.1	Receiving-Delivery of Assets and Contracts	<ul style="list-style-type: none"> <li>- Submit document declaring ownership / right in assets, including contracts and important documents to the REIT Manager.</li> <li>- Enter to jointly inspect the condition of invested real estate together with the REIT Manager and the Trustee.</li> </ul>	<ul style="list-style-type: none"> <li>- 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.</li> <li>- 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</li> </ul>	<ul style="list-style-type: none"> <li>- Receive assets from the asset owner as per the details of assets invested by the REIT, and review the details of assets, copy of ownership documents and contracts received from the REIT Manager.</li> <li>- Enter to complete the inspection of the condition of the invested real estate</li> </ul>



Details		Operation of the Property Manager	Operation Relating to the REIT Manager	Operation of the Trustee
		<ul style="list-style-type: none"> <li>- Properly and completely prepare real estate condition recording report, within 30 days from the commencement date of inspection, and send copy of such report to the REIT Manager within 5 working days from the completion date of recording.</li> </ul>	<ul style="list-style-type: none"> <li>prepare important document delivery letter to be delivered to the Trustee for storage accordingly.</li> <li>- Enter to jointly inspect the condition of invested real estate together with the Trustee and the Property Manager; and verify real estate condition recording report.</li> </ul>	<ul style="list-style-type: none"> <li>within 30 days from real estate possession date of the Trustee; and verify the real estate condition recording report.</li> </ul>
<b>2) Monitoring and Controlling the Operation of the Property Manager</b>				
2.1	Complete and Proper Collection of Revenue and Delivery to the REIT	<ul style="list-style-type: none"> <li>- 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.</li> <li>- 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</li> </ul>	<ul style="list-style-type: none"> <li>- 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.</li> <li>- In the event of accurate amount of money, collect information and documentations, and prepare financial statements and report to be proposed to the Trustee.</li> <li>- In the event of inaccurate amount of money, notify the Property Manager to clarify reason and revise to be accurate.</li> </ul>	<ul style="list-style-type: none"> <li>- At the end of every month, mutually audit financial statements in comparison with reports and documentations together with the auditor.</li> <li>- In the event where abnormality is not detected, reports and documents shall be filed.</li> <li>- In the event where the abnormality is detected, the REIT Manager shall be notified to verify and correct to be proper.</li> </ul>



Details		Operation of the Property Manager	Operation Relating to the REIT Manager	Operation of the Trustee
		that month, and outstanding receivables of rental fee delivered to the REIT Manager for audit		
2.2	Collection of Expenses from the REIT	<ul style="list-style-type: none"> <li>- 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.</li> <li>- In the event of determination of budget, submit expense requisition and evidence of disbursement to the REIT Manager for audit and consideration of disbursement.</li> <li>- In the event of non-determination of budget, discuss with the REIT Manager and clarify the reason of necessity to disburse for determining expense limit required for approval request. If being approved, the</li> </ul>	<ul style="list-style-type: none"> <li>- The REIT Manager shall mutually consider budget preparation plan together with the Property Manager and propose REITCOM to consider approving annual budget.</li> <li>- 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.</li> <li>- In the event of non-determination of budget, 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</li> </ul>	<ul style="list-style-type: none"> <li>- At the end of every month, jointly audit financial statements in comparison with reports and documentations together with the auditor.</li> <li>- In the event where abnormality is not detected, reports and documents shall be filed.</li> <li>- In the event where the abnormality is detected, the REIT Manager shall be notified to verify and correct to be proper.</li> </ul>



Details		Operation of the Property Manager	Operation Relating to the REIT Manager	Operation of the Trustee
		<p>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>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>	
2.3	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 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</p>	<p>- Verify progress report from the REIT Manager.</p> <p>- In the event where abnormality is not detected, reports and documents shall be filed.</p> <p>- In the event where abnormality is detected, the REIT Manager shall be informed to inspect and correct to be proper.</p>



Details		Operation of the Property Manager	Operation Relating to the REIT Manager	Operation of the Trustee
		<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 relationship with the tenant, and also notify the REIT Manager for acknowledgement.</p> <p>- 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.</p>	acknowledgement of the Trustee.	
<b>3) Fund Management and Disclosure of REIT Information</b>				
3.1	Consideration on Distribution Payment	-	- Verify the operating result and consider approving amount of distribution payment.	- The Trustee shall verify distribution payment report from the REIT Manager.



Details		Operation of the Property Manager	Operation Relating to the REIT Manager	Operation of the Trustee
			<ul style="list-style-type: none"> <li>- Issue letter notifying the schedule of the book closing date in order to define the right to receive distribution within 14 days from the date of which the Stock Exchange of Thailand has been notified.</li> <li>- Schedule distribution payment date within 14 days from the closing date of register.</li> <li>- Notify the said schedule to the related parties for further executing in related part.</li> </ul>	
3.2	Arrangement of Annual Appraisal / Review of Asset Price	<ul style="list-style-type: none"> <li>- Submit necessary information to the independent appraiser.</li> <li>- Facilitate appraisal assets of the appraiser.</li> </ul>	<ul style="list-style-type: none"> <li>- Gather the list of total assets of the REIT that will be due for the appraisal cycle in the current year.</li> <li>- 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.</li> <li>- Verify the assumption and accuracy of asset appraisal, and submit appraisal report to the Trustee and the SEC.</li> </ul>	<ul style="list-style-type: none"> <li>- The Trustee shall verify the report of asset appraisal from the REIT Manager.</li> </ul>





Details		Operation of the Property Manager	Operation Relating to the REIT Manager	Operation of the Trustee
			<ul style="list-style-type: none"> <li>- 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.</li> </ul>	
3.3	Annual Asset Inspection	<ul style="list-style-type: none"> <li>- Enter to jointly inspect the condition of the REIT's real estate together with the REIT Manager and the Trustee.</li> </ul>	<ul style="list-style-type: none"> <li>- Gather the list of assets of the REIT that is nearly due for annual inspection schedule.</li> <li>- Coordinate with the Trustee and the Property Manager to make appointment schedule of the entry date for inspecting the real estate condition</li> <li>- 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.</li> <li>- 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.</li> <li>- Delivery the copy of the real estate condition recording report to the Trustee within 5 (five) working days from</li> </ul>	<ul style="list-style-type: none"> <li>- The Trustee shall verify the real estate condition recording report from the REIT Manager.</li> </ul>



Details		Operation of the Property Manager	Operation Relating to the REIT Manager	Operation of the Trustee
			the completion date of the said report.	
3.4	Investment for REIT Liquidity Management	-	<ul style="list-style-type: none"> <li>- Audit information of cash balance in the account of the REIT.</li> <li>- Consider reserve cash for expense of the REIT around 1 (one) month in advance, and consider investing the remaining for liquidity management as appropriate by notifying the details of investment, amount of investment fund, and duration required for investment, for requesting the Trustee's approval.</li> <li>- Coordinate the related work unit to invest by cash according to the procedure if it is approved.</li> </ul>	- Consider the appropriateness of liquidity management of the REIT Manager.
3.5	Verification of the Copy of Insurance Policy	- 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.	<ul style="list-style-type: none"> <li>- Consider adequacy and suitability of the condition of insurance policy that will be renewed.</li> <li>- Verify the beneficiary in the insurance policy to be in line with the criteria.</li> <li>- Verify the type of insurance and insurance limit in each type of Property Damage and insure must not below the Replacement Cost.</li> </ul>	- Consider the suitability of insurance limit





## Information Disclosure to Unitholders

The REIT manager is responsible for prepare and deliver financial statement and operating result of BKER 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. Form56-1 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.

## 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 arranges a REIT Unit Holders Meeting. The request will clearly state the reasons for the meeting. Once the request is received, the REIT Manager is responsible for arranging a unitholders meeting within 1 month of receiving the letter from unitholders.
  - (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 unitholders meeting within 1 month of receiving the request from the Trustee. The Trustee has the right to consult with REIT Manager with regards to this case.
  - (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.

## Remuneration for Auditors

ALLY has appointed KPMG Phoomchai Audit Ltd. to be the auditor for the accounting period ended 31 December 2022 with an audit fee of 2,100,000 baht.



# Corporate Social Responsibility

## Overview of Policy

ALLY REIT Management Company Limited as the REIT Manager pays attention on Trust management regarding not only on social responsibility but including other dimensions of Trust management to be sustainable for unitholders and/or other Stakeholders. Currently, current sustainability has overview of main factors that have to pay attention to be careful of the risks on environment, social and environment conditions in organization and good governance (Environment , Social & Governance) or ESG, which are the main components that REIT manager pays attention and takes it into practices for preparing as policy for strengthening sustainability of Trust management and developing sustainability to be benefits concretely by REIT manager has operated in dimension of sustainability as follows:

## Environmental Dimension

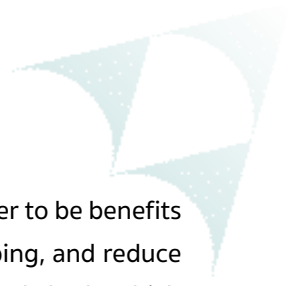
REIT manager remains pay attention to energy conservation and saving by applying energy management system, supporting necessary resource to conserve and manage energy efficiently.

### Sample Projects Regarding Environment

#### 1) Solar Rooftop

Certain real estate projects under Trust's management have area on the rooftop that is able to expose a large amount of solar light which is able to attract the Renewable Cost Reduction Service Providers to install Solar Rooftop without additional expenses at Trust cost, as well as Trust will be entitled to purchase electricity in the economic rate not less than 25 percent of total expenses on electricity of real estate projects installed the Solar Rooftop. In 2022, there were 10 projects of total more than 13 projects that had installed it completely in 2022.





## 2) Green Environment

The Company of Trust manager pays attention to build green environment in order to be benefits for building atmosphere in the projects to be shady, worth for resting and shopping, and reduce temperature in the projects. Each project will have green plants to give shade and shady which real estate executives and REIT manager had paid attention on details of plant maintenance specially by negotiating to service providers to maintain the said plants on giving natural fertilizers or nutrients substitute for chemicals without additional costs, which is the advantages to health of those who use services at shopping center as well as staffs who take care of views and plants of the project in order to avoid direct chemical exposure.



## 3) EV Charging Station

Owing to certain real estate projects under Trust's management have EV charging station for Electric Vehicle for providing services in the project, which are supporting the clean energy use along with supporting pollution reduction and increasing the Traffic in the projects for customer group who uses the said vehicle as well.

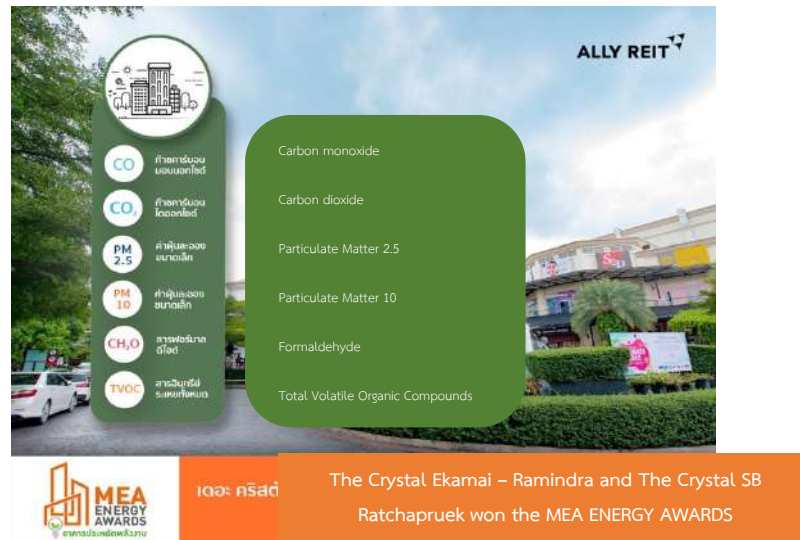






#### 4) MEA ENERGY AWARD: Energy Saving Shopping Center Building Project

Owing to certain real estate projects under Trust's management consisted of The Crystal Ekamai - Ramindra and received award and certification the MEA ENERGY AWARD from Metropolitan Electricity Authority (MEA) on creation of energy saving of the projects under the criteria as prescribed by Metropolitan Electricity Authority.



## Social Dimension

REIT manager had promoted personnel of REIT manager to participate in social responsibility concretely as well as building opportunities to service users in the participation projects as a part of social responsibility as well, by the projects that REIT manager had operated as follows:

#### 1) Blood Donation Project

REIT manager supports social responsibility with Blood Donation Project by Thai Red Cross Society at CDC every quarter in order to give opportunity to personnels, lessees and service users in the projects to share for society together, resulting in building good relationship and commitment on service use in the projects together with social responsibility simultaneously.





## 2) BE MY GUEST Project and Employee's Skill Development

REIT manager has a concept of internal personnel development continuously, corresponding to employee's skill development goals and plan as well as Build Connection with outsiders, therefore, carried out this project by giving opportunities to learn work experiences or innovational work practice and new concepts via experts in each professional field who sharing useful experiences to internal personnel continuously, building awareness on work and good relationship to outsiders and giving opportunities to expand business development as well as development of Trust's management to have better work system as well.

หลักสูตร : COURSE: “Enhance Knowledge on Personal Data Protection Act B.E.2562 (2019) (PDPA)”



COURSE : KE SERVICE MIND  
For FACILITY MANAGEMENT



### 3) Be Clean – Keep Mask – E Payment – Ready Project and Received Symbol of “SHA” (Amazing Thailand Safety & Health Administration)

REIT manager paid attention and took account into standards of real estate business management under Trust’s management to be safe and reduce impacts of COVID-19 pandemic situation by implementing policy of management and administration together with real estate executives for providing services with safety and sterilization. There were protective measures by asking for cooperation from employees and service users in the projects to pass the temperature screening point and wear the hygiene mask during use services in the project in the crisis period of disease pandemic. In addition, REIT manager also promoted service users to pay via E-Payment substitute for cash to reduce the risk of pathogen transmission. Finally, there was work system that was ready to implement at all time by REIT manager looked out and monitored continuously in order to the administered projects were able to provide services normally and received symbol of “SHA” or Amazing Thailand Safety & Health Administration that Tourism Authority of Thailand (TAT), Ministry of Tourism and Sports together with Ministry of Public Health and government sector give to 11 shopping malls under ALLY REIT, the guarantee mark that builds confidence to tourists or service users that everyone will get good experiences, have happiness and hygiene safety from using the services.







## Governance Dimension

### 1) Receiving Enhancement and Certification as Anti-Corruption Organization

REIT manager has policy for Trust management under principles of fair administration, in addition, also has anti-corruption policy by prescribing policies and guidelines to achieve the said principles, including 5 aspects as follows:

- (1) Political Contributions
- (2) charitable Donations
- (3) Subsidies
- (4) Fees for Gifts, Welcome and Other Expenses
- (5) Bribes and Incentives

In addition, REIT manager also support self-development of personnel for learning on anti-corruption. Currently, REIT manager's company has submitted intention to be Collective Action against Corruption to Thai Private Sector Collective Action Against Corruption or CAC, a project established by cooperation of 8 leading organizations of Thai private sector, consisting of Thai Institute of Directors (IOD), Thai Chamber of Commerce, International Chamber of Commerce, Thai Listed Companies Association, The Thai Bankers Association, Federation of Thai Capital Market Organizations, The Federation of Thai Industries and Tourism Council of Thailand. However, all of 8 organizations have assigned IOD to be responsible for being project secretary and been supported for conducting project from Center for International Private located in United States of America in implementation of anti-corruption policy to request for certifying as the company that manages Trust systematically and has transparent work procedures, protecting all formats of corruption under the principles of good governance with sustainability.



ALLY REIT Management Company Limited, as the Trust manager, already has passed certification of system, and Collective Action against Corruption (CAC) aimed to be a part of effort to resolve corruption problems by business sectors of Thailand officially. For more details and agreements, can be seen at:

<https://www.allyreit.com/th/about/corporate-governance/good-corporate-governance>



## **2) Risk Management Policy on ESG Promoted Investment Professionally**

REIT manager implemented the Investment Policy to select asset strictly and concretely, taking ESG Risk to be one of criteria for selecting asset investment into Trust to reduce the Investment Risk.

## **3) Good Governance Policy**

In addition to implementation of policy of Trust management under governance criteria of The Office of the Securities and Exchange Commission, REIT manager also implemented policy under principles of good business governance with transparent and clear guidelines via Code of Conduct as prepared by REIT manager to be business code of conduct as well as taking international principles of risk management and internal control under guidelines of The Committee of Sponsoring Organizations of the Treadway Commission (COSO) to be guidance or frameworks on risk management of REIT manager and Trust under management to have risk management system by supporting and appointing personnel with knowledge and understanding on principles of frameworks to be implemented concretely in line with international guidelines in order to enhance confidence on management approach to protect unitholders and stakeholders from the risks.

Trust unitholders can see more details of policy on environment, social and environment in organization, and good governance (Environment, Social & Governance) or ESG of REIT manager for sustainable Trust management at <https://www.allyreit.com>.





# Corporate Social Responsibility

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## Internal Control and Risk Management

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





## Prevention of conflict of interest

Trust Deed establishes 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 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 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).

**Policy for performing transaction between ALLY and the REIT Manager or the Related Parties of the REIT Manager**

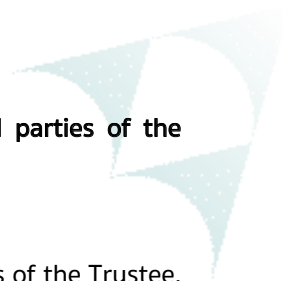
In case where transaction will be performed between ALLY and the REIT Manager or the Related Parties of the REIT Manager ( other than above disclosure and not being commercial transaction normally performed by ALLY for business operation on Arm's Length Basis). The REIT Manager shall execute in accordance with the securities law as follows.

- (1) The related parties of the REIT Manager

The related parties of the REIT Manager are meant as defined in the notification relating to the rule of the related parties transaction performing.

- (2) The general terms and conditions of ALLY in entry into transactions with the REIT Manager or the related parties of the REIT Manager are as follows.

- Transactions between ALLY and the REIT Manager or the related parties of the REIT Manager shall be performed in accordance with Trust Deed and the relevant laws, and take place for best benefit of ALLY.
- Transactions performed between ALLY and the REIT Manager or the related parties of the REIT Manager must be the reasonable transactions using fair price and fair and proper rate of transaction entering expenses charged from ALLY (if any)
- In case where the law prescribes that the entry of ALLY into any transaction must be approved by the Board of Directors' Meeting of the REIT Manager and/or the Meeting of the REIT Unitholders prior to entry into transactions, the REIT Manager shall ask the independent director to remark his/her opinion on such transaction and propose such opinion to the Meeting of the Board of Directors of the REIT Manager and/or the Meeting of the REIT Unitholders to ensure that the entry into transaction as proposed takes place for maximum benefit of ALLY and the REIT unitholders. If the independent director is not expert in consideration the occurred related parties transactions, the independent experts such financial advisor, asset valuer, and auditor, will be provided to remark the opinions on such related parties transactions to be used as support of the consideration and decision of the Board of Directors of the REIT Manager or the REIT Unitholders as the case may be. The special stakeholder is not entitled to vote in the transaction of which he/she has gain and loss. ALLY's transaction performing shall be considered and approved either by the Meeting of the Board of Directors of the REIT Manager, and/or the Meeting of the REIT Unitholders in accordance with the relevant rules. The related parties transactions shall also be disclosed in notes to financial statements audited or reviewed by the auditor of ALLY in accordance with the relevant rules.



## **Policy for performing the transaction between ALLY and the Trustee or the related parties of the Trustee**

In case of ALLY's necessity to perform transaction with the Trustee or the related parties of the Trustee, the REIT Manager shall consider on necessity and reasonableness in entering into transaction. The independent director shall remark the opinions on necessity and benefit acquired by ALLY from entry into transaction. The consideration and approval procedure for performing the transaction shall be carried out in accordance with the relevant rule. The special stakeholder of any matter is unable to vote for approval on performing transaction of which he/she has gain and loss. However, ALLY shall disclose details relating to performing transactions with the Trustee and/or the related parties of the Trustee in accordance with the requirement.



### Transactions between the REIT and the REIT Manager and Related Party of the REIT Manager

Related Juristic Person of ALLY	Nature of the Related Parties Transaction	Necessity and Reasonableness of the Transaction	Opinion of the REIT Manager
ALLY REIT Management Company Limited	ALLY appoint ARM to be the REIT Manager	ARM and the affiliated company are experienced and expert in development and management of real estates in type of community mall for over twelve years period, and the affiliated company is also the current Property Manager of ALLY's investing core assets.	<p>Fees and conditions related to and consistent with duties and responsibilities of the REIT Manager and comparable with market fees of the REIT Manager as per details of fees of the REIT Manager as disclosed in topic "Fees of the REIT Manager"</p> <p>From the information acquired, has remarked none of contradictory opinion and deemed that the entry into transaction has been reasonable and useful for ALLY.</p>
KE BENJAKIJ Company Limited	Land and building floor area lease contract of Crystal Design Center ("CDC") Project between CRYSTAL and BJK will be transferred to ALLY	<p>It is an acceptance of the transfer of contract entered by CRYSTAL for benefit procurement from the invested assets.</p> <p>From the information acquired, has remarked none of contradictory opinion and deemed that the entry into transaction has been reasonable and useful for ALLY.</p>	
	ALLY will use fund acquired from issuance and offering for sale of REIT units and from borrowing from financial institution to invest in the first additional assets for CDC. The said fund is divided into two portions as follows. 1) Extension of the additional leasehold period of CDR Project for another 6.3 years in the transferred portion from CRYSTAL to ALLY, whereas after ALLY has been transferred of assets	<p>Such execution is reasonable due to:</p> <p>1) In extension of the additional leasehold period, ALLY can acquire core assets in type with good location and commercial potential, resulting in the opportunity of ALLY to receive return on investment in real estate for longer period, and contributing to long-term value addition to</p>	The investment value of the first additional investing assets shall be considered and determined by considering from the relevant factors such as (1) cost estimate prepared by the asset valuer approved by the Office of the SEC, (2) money market and capital market situation in the expected period of the investment in additional investing assets, (3) appropriate level of Distribution Rate to be





Related Juristic Person of ALLY	Nature of the Related Parties Transaction	Necessity and Reasonableness of the Transaction	Opinion of the REIT Manager
	<p>from CRYSTAL, ALLY will additionally extend leasehold period of the partial land and the partial building floor area for another approximately 6.3 years, resulting in total leasehold period of 30 years from the date of ALLY's first additional investment</p> <p>2) Investment in leasehold right of the land and the partial building floor area for 30 years period from the date of ALLY's first additional investment, and ownership in furniture, equipment and system works of CDC (other than assets transferred from CRYSTAL to ALLY)</p> <p>However, the last investment value of ALLY's first additional investing assets will not exceed Baht 255 million for extension of leasehold period, and not exceed Baht 1,015 million for additional investment (including VAT, fees and expenses for leasehold registration). The above investment value of Baht 1,015 million includes ownership fee of partial furniture and equipment of CDC, and ALLY will make payment to KER which is the owner of such furniture and equipment.</p>	<p>ALLY and the REIT unitholders.</p> <p>2) In investment in the additional investing assets other than assets transferred from CRYSTAL to ALLY, ALLY can have the opportunity to receive additional return from real estate. In addition, the REIT Manager can also efficiently manage the project due to more extension of shopping mall area from investment in such assets.</p> <p>3) Investment in additional assets will reduce conflict of interests due to ability of the REIT Manager to manage assets of the whole project invested by ALLY.</p>	<p>received by the investors, (4) commercial potential of the assets, (5) interest rate both in the country and world market, (6) Distribution Rate which will be acquired from investment in securities in type of equity instrument, debt instrument, including other alternative investments, and (7) value mutually agreed by the lessee and the lessor</p> <p>From the information acquired, has remarked none of contradictory opinion and deemed that the entry into transaction has been reasonable and useful for ALLY.</p>
KE KFS Company Limited	Land and building floor area lease contract of The Crystal Ekamai-Ramindra ("TC")	It is an acceptance of the transfer of contract/agreement entered by CRYSTAL for benefit procurement from the invested assets	



Related Juristic Person of ALLY	Nature of the Related Parties Transaction	Necessity and Reasonableness of the Transaction	Opinion of the REIT Manager
	Project and permission agreement for use of trademark between CRYSTAL and KFS will be transferred to ALLY	From the information acquired, has remarked none of contradictory opinion and deemed that the entry into transaction has been reasonable and useful for ALLY.	
	<p>ALLY will use fund acquired from issuance and offering for sale of REIT units and from borrowing from financial institution to invest in the first additional assets for TC. The said fund is divided into two portions as follows.</p> <p>1) Extension of the additional leasehold period of TC Project for another 6.3 years in the transferred portion from CRYSTAL to ALLY, whereas after ALLY has been transferred of assets from CRYSTAL, ALLY will additionally extend leasehold period of the partial land and the partial building floor area for another approximately 6.3 years, resulting in total leasehold period of 30 years from the date of ALLY's first additional investment</p> <p>2) Investment in leasehold right of the land and the partial building floor area for 30 years period from the date of ALLY's first additional investment, and ownership in furniture, equipment and system works of TC (other than assets transferred from CRYSTAL to ALLY)</p> <p>However, the last investment</p>	<p>Such execution is reasonable due to:</p> <p>1) In extension of the additional leasehold period, ALLY can acquire core assets in type with good location and commercial potential, resulting in the opportunity of ALLY to receive return on investment in real estate for longer period, and contributing to long-term value addition to ALLY and the REIT unitholders.</p> <p>2) In investment in the additional investing assets other than assets transferred from CRYSTAL to ALLY, ALLY can have the opportunity to receive additional return from real estate. In addition, the REIT Manager can also efficiently manage the project due to more extension of shopping mall area from investment in such assets.</p> <p>3) Investment in additional assets will reduce conflict of interests due to ability of the REIT Manager to manage assets of the whole</p>	<p>The investment value of the first additional investing assets shall be considered and determined by considering from the relevant factors such as (1) cost estimate prepared by the asset valuer approved by the Office of the SEC, (2) money market and capital market situation in the expected period of the investment in additional investing assets, (3 ) appropriate level of Distribution Rate to be received by the investors, (4) commercial potential of the assets, (5) interest rate both in the country and world market, (6 ) Distribution Rate which will be acquired from investment in securities in type of equity instrument, debt instrument, including other alternative investments, and (7 ) value mutually agreed by the lessee and the lessor</p> <p>From the information acquired, has remarked none of contradictory opinion and deemed that the entry into transaction has been reasonable and useful for ALLY.</p>



Related Juristic Person of ALLY	Nature of the Related Parties Transaction	Necessity and Reasonableness of the Transaction	Opinion of the REIT Manager
	value of ALLY's first additional investing assets will not exceed Baht 180 million for extension of leasehold period, and not exceed Baht 1,165 million for additional investment (including VAT, fees and expenses for leasehold registration). The above investment value of Baht 1,165 million includes ownership fee of partial furniture and equipment of TC, and ALLY will make payment to KER which is the owner of such furniture and equipment.	project invested by ALLY.	
The Crystal Retail Company Limited	ALLY will use fund acquired from issuance and offering for sale of REIT units and from borrowing from financial institution to invest in the first additional assets, and ownership of partial furniture and equipment of CDC Project in the portion of ALLY's first additional investment, and TC Project in the portion of ALLY's first additional investment. At present, KER is the owner of such furniture and equipment.	It is part of transaction of the additional investment in leasehold right of land, and leasehold right of the partial building floor area, and ownership of furniture, equipment, and system works of CDC and TC.	
The Crystal Ratchapruek Retail	ALLY will use fund acquired from issuance and offering for sale of REIT units and from borrowing from financial institution to invest in the first additional assets for The Crystal SB Ratchapruek. The said investment includes the investment in sub-leasehold right of land, and leasehold right of partial building floor	Such execution is reasonable due to: 1) ALLY can acquire core assets in type with good location and commercial potential, contributing to long-term value addition to ALLY and the REIT unitholders. 2) Risk from ALLY's	The investment value of the first additional investing assets shall be considered and determined by considering from the relevant factors such as (1) cost estimate prepared by the asset valuer approved by the Office of the SEC, (2) money market and capital market situation in the



Related Juristic Person of ALLY	Nature of the Related Parties Transaction	Necessity and Reasonableness of the Transaction	Opinion of the REIT Manager
	<p>area for approximately 23.4 years period from the investment date of ALLY's first additional investing assets, including ownership of furniture, equipment, and work systems of The Crystal SB Ratchapruek.</p> <p>However, the last investment value of ALLY's first additional investment will not exceed Baht 1,710 million.</p>	<p>operation will be spread, resulting in more secure long-term income of ALLY through spread of risk of benefit procurement from real estates and contribution to reduction of dependence on source of income (Asset Diversification) due to different locations of asset transferred from CRYSTAL to ALLY and the first additional investing assets</p> <p>3) Investment in the first additional investing assets will contribute to abate impact from ALLY's fluctuation of revenue stream in case where leasehold right and sub-leasehold right of some places of assets are terminated.</p>	<p>expected period of the investment in additional investing assets, (3) appropriate level of Distribution Rate to be received by the investors, (4) commercial potential of the assets, (5) interest rate both in the country and world market, (6 ) Distribution Rate which will be acquired from investment in securities in type of equity instrument, debt instrument, including other alternative investments, and (7 ) value mutually agreed by the lessee and the lessor</p> <p>From the information acquired, has remarked none of contradictory opinion and deemed that the entry into transaction has been reasonable and useful for ALLY.</p>
The Crystal Retail Company Limited	<p>ALLY will use fund acquired from borrowing from financial institution to invest in the additional assets for The Crystal Chaigapruek Project. The said investment includes the investment in sub-leasehold right of land, and leasehold right of partial building floor area for approximately 20 years 7 months period from from the lease registration date (i.e. from December 1, 2021 until June 30, 2042), including ownership of furniture, equipment, and work systems</p>	<p>Such execution is reasonable due to:</p> <p>1) ALLY can acquire core assets in type with good location and commercial potential, contributing to long-term value addition to ALLY and the REIT unitholders.</p> <p>2) Risk from ALLY's operation will be spread, resulting in more secure long-term income of ALLY through spread of risk of benefit procurement</p>	<p>The investment value of the first additional investing assets shall be considered and determined by considering from the relevant factors such as (1) cost estimate prepared by the asset valuer approved by the Office of the SEC, (2) money market and capital market situation in the expected period of the investment in additional investing assets, (3) appropriate level of Distribution Rate to be received by the investors,</p>



Related Juristic Person of ALLY	Nature of the Related Parties Transaction	Necessity and Reasonableness of the Transaction	Opinion of the REIT Manager
	<p>of The Crystal Chaipayruek Project.</p> <p>However, the last investment value of ALLY's additional investment will not exceed Baht 280 million.</p>	<p>from real estates and contribution to reduction of dependence on source of income (Asset Diversification) due to different locations of asset transferred from CRYSTAL to ALLY and the first additional investing assets</p>	<p>(4) commercial potential of the assets, (5) Distribution Rate which will be acquired from investment in securities in type of equity instrument, debt instrument, including other alternative investments, and (6) value mutually agreed by the lessee and the lessor</p> <p>From the information acquired, has remarked none of contradictory opinion and deemed that the entry into transaction has been reasonable and useful for ALLY.</p>
Luxury At Living Company Limited	<p>Luxury At Living will enter into lease contract and service contract for partial space of ALLY's assets for use in business operation. CRYSTAL's rental income from leasable area from Luxury At Living in the year 2021 amounted Baht 4.9 million, and in the year 2021 amounted Baht 5.0 million.</p>	<p>It is an execution for benefit procurement from ALLY's assets whereas the price is set using market price, and the condition for space leasing and service provision is prescribed in accordance with the standards applied with other lessees with similar characteristic on Arm's Length Basis.</p>	<p>In lease of the space on ALLY's assets for business operation and execution, such rental and service rate is the condition subject to space lease/service contract that is comparable to normal condition acquired by other lessee in comparison with the space characteristic, site, and size of the space.</p> <p>From the information acquired, has remarked none of contradictory opinion and deemed that the entry into transaction has been reasonable and useful for ALLY.</p>
K.E.H. Company Limited	<p>K.E.H. will enter into lease contract and service contract for partial space of ALLY's assets for use in business</p>	<p>It is an execution for benefit procurement of ALLY's assets whereas the price is set using market price, and</p>	<p>In lease of the space on ALLY's assets for business operation and execution, such rental and service rate</p>



Related Juristic Person of ALLY	Nature of the Related Parties Transaction	Necessity and Reasonableness of the Transaction	Opinion of the REIT Manager
	operation. ALLY's rental income from leasable area from K.E.H. in the year 2021 amounted Baht 0.95 million, and in the year 2021 amounted Baht 0.92 million.	the condition for space leasing and service provision is prescribed in accordance with the standards applied with other lessees with similar characteristic on Arm's Length Basis.	is the condition subject to space lease/service contract comparable with the normal condition granted to other lessee in comparison with the space characteristic, site, and size of the space.  From the information acquired, has remarked none of contradictory opinion and deemed that the entry into transaction has been reasonable and useful for ALLY.





# Management's Discussion and Analysis Financial Results for 2022

As of 4Q2022, the REIT is investing in leasehold rights/sub-leasehold rights of 13 projects as follows 1. The Crystal Design Center 2. The Crystal Ekamai-Ramindra 3. The Crystal SB Ratchapruek 4. Amorini 5. I'm Park 6. Plearnary Mall 7. Sammakorn Place Ramkhamhaen 8. Sammakorn Place Rangsit 9. Sammakorn Place Ratchapruek 10. The Scene 11. Kad Farang Village 12. The Crystal Chaipayruek 13. The Prime Hua Lamphong totaling 160,214 sq.m.

Project	NLA (sqm) <sup>1</sup>	4Q2021		3Q2022		4Q2022	
		OR (%) <sup>1</sup>	ARR <sup>2</sup> (Baht/sqm)	OR (%) <sup>1</sup>	ค่าเช่า พื้นที่ เฉลี่ย <sup>(2)</sup> (บาทต่อ ตรม.)	OR (%) <sup>1</sup>	ARR <sup>2</sup> (Baht/sqm)
Crystal Design Center	35,967.1	98.9%	581	99.1%	597	99.2%	598
The Crystal Ekamai-Ramindra	30,805.4	98.6%	596	98.8%	609	98.6%	645
The Crystal Rachapruek	24,577.7	96.4%	537	96.2%	522	94.7%	548
Amorini	5,212.5	98.5%	380	93.2%	372	93.2%	400
I'm Park	6,714.6	87.1%	532	85.3%	542	88.6%	533
Plearnary	11,342.1	81.6%	400	86.6%	413	88.4%	424
Sammakorn Ramkamhang	10,305.0	91.5%	476	92.4%	478	93.7%	484
Sammakorn Rangsit	3,389.2	86.1%	532	93.3%	527	94.1%	524
Sammakorn Rachapruek	4,618.2	91.0%	532	85.8%	524	84.0%	533
The Scene	6,925.0	84.3%	626	81.9%	653	83.9%	670
Kad Farang Village Project	7,005.1	85.5%	326	87.5%	317	88.5%	356
The Crystal Chaipayruek Project	9,006.3	86.5%	416	85.4%	389	84.2%	367
The Prime Hualumphong	4,346.2	-	-	70.6%	425	70.6%	431
Total/ Average	160,214.4	93.6%	534	93.2%	531	93.4%	546
Total/ Average (Retail Malls)	155,868.2	93.6%	534	93.8%	534	94.0%	526
Rental Reversion Rate		-1.7%		1.3%		1.7%	
Retention rate		93.1%		89.3%		94.5%	
WALE (year)		3.4		2.8		2.7	



As of the end of 2022, ALLY REIT has net spaces for rent at 160,214 square meters, increasing from the same period of previous year. The spaces grow for 4,300 square meters mainly because of the additional investment in property of the REIT including the Prime Hua Lamphong, which is an office building project. As of 31 December 2022, the Trust's average rental rate is 93.4%, decreasing from the same period in previous year, for 0.3% due to the investment in new projects like the Prime Hua Lamphong, with rental rate lower than the average of the trust. The average rent rate of the trust is 546 Baht per square meter, increasing from the same period of previous year for 2.0%. However, compared with retail malls in 12 projects, excluding office buildings, the trust's average rental rate is 94.0%, growing from previous quarter, and the same period of previous year for 0.2% and 0.4%, respectively. The average rent rate is 534 Baht/ square meter/ month, and it is not different from the same period of previous year but decreasing from previous quarter for 1.4%.

The rate of the trust's rent raise is 1.7% on average, and the average rental term is 2.7 years. However, the REIT keeps following the Synergy Made Growth strategy continuously, and that the rate of rental agreement renewal of the REIT is 94.5%. Until present, the mall projects under the administration of the trust provide marketing promotion activities unceasingly to attract more customers in the malls. ALLY FUN FEST is an example, in which CDC Balloon Fun Festival 2565 and Street Retro Market are organized at I'm Park Chula. Furthermore, leading restaurants like Tora Yakniku Café at Crystal Design Center, and After Yum at the Crystal Ekamai- Ramintra, are brought for customers. Moreover, a trendy space of events is provided to respond customers' need to embrace new experiences.

## Financial and Operating Performance in 2022

**Total income of Bath 1,592.2 million increased by 41.2% YoY**

For the year ended 31 December 2022, ALLY REIT has total income of THB 1,592.2 million which increases by 41.2% YoY. Due to the REIT has rental and service income of Bath 1,441.9 million, an increase from the same period of the previous year by 31.7%. Due to the resumption of normal business operations of retail malls that are under the management of the REIT and the additional investment made by the REIT.

**Total expense was Baht 972.8 million, increased by 30.8% YoY**

For the year ended 31 December 2022, ALLY REIT has total expense of THB 972.8 million which increases by 30.8% YoY. Therefore, the financial cost of the REIT has also increased from the same period last year, at 9.2%. Moreover, as a result of the investment in additional properties, the total value of the REIT's properties has increased, as well as the management fee the Trustee fee and the Property management fee that increased from the same period last year, at the rate of 7.5%, 7.4% and 41.1%, respectively.





**Net investment income totaled Baht 619.4 million, increased by Bath 61.2 million.**

For the year ended 31 December 2022, the net investment income of ALLY REIT was Baht 619.4 million. It has increased by 61.2% from the same period last year. The main reasons for this was an additional assets investment, the subsidence of the pandemic, and the relaxation of the anti-COVID-19 measures. As a result, the REIT earned more revenue from the lease fee and the service fee, as well as from the lease fee of the common areas and the activities arranged by retail malls.

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## Summary of change in financial status

**Total asset value of Bath 13,508.3 million increasing by Bath 3.2 million YoY.**

As of December 31, 2022, the total assets of ALLY REIT was Bath 13,508.3 million. It has decreased by Baht 6.8 million, or 0.1%, from the previous quarter; and it has increased by Baht 413.8 million, or 3.2%, from the same period last year. The main reasons for this were the additional investment made in the Crystal Chaipayruek Project and Prime Hua Lamphong Project. In addition, the rental income and accrued service receivables decreased from the previous quarter and the same period of the previous year by Baht 32.7 million and Baht 17.0 million baht, or 12.4% and 6.8%, respectively. Also, the account receivable from the outstanding lease fee and service fee has decreased by Baht 182.5 million, and account receivables from the Straight-Line Basis, for an amount of Baht 79.0 million.

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**Net liability of THB 5,052.4 million decreases 0.3% from the previous quarter**

As of December 31, 2022, ALLY REIT had total liabilities of Baht 5,052.4 million, a decrease of 12.9% or 0.3% from the previous quarter and an increase of Baht 351.4 million or 7.5 % from the same period last year. from withdrawing long-term loans to invest in additional assets in the Kad Farang Village project, Chiang Mai, the Crystal Chaipayruek Project and Prime Hua Lamphong Project, and accounts payable. which increased from the same period last year by Baht 15.9 million baht or 36.4%

As of December 31, 2022, Net Asset Value ("NAV") was recorded at Baht 8,455.9 million or Baht 9.6738 per unit, an increase from Baht 9.6668 per unit as of September 30, 2022, and an increase from Baht 9.6024 per unit as of December 31,2021.

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## The Distribution of Return to Trust Unitholders

ALLY REIT has declared the returns distribution to trust unitholders for the year 2022 in a total amount of THB 0.6500 per unit as a result of the year 2022's operation and the accumulative profits in the form of dividend following the REIT Manager's due consideration on challenging environment of business operation, cash flow, expenses, interest payment from loan agreement, reserve of rent and service deposit from lessees, outstanding rent, and reserve of expense relevant to business operation.

The returns distribution of ALLY REIT for the year 2022 and the cumulative profits are as per below table:

Operation Period	Bath per Unit	Payment Date
1 January – 31 March	0.1620	15 June 2022
1 April 1 – 30 June	0.1650	14 September 2022
1 July 1 – 30 September	0.1500	16 December 2022
1 October – 31 December	0.1730	31 March 2023





# Management's Discussion and Analysis Financial Results for 2022

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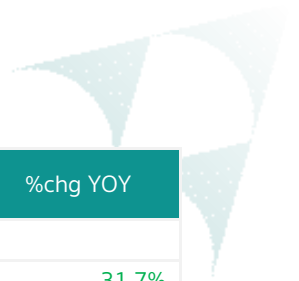
## Financial Summary

This report that shown below is financial statement for a period ended 31 December 2022 which has been audited by a certified public accountant from KPMG Phoomchai Audit Co.,Ltd with opinion that the financial statements of ALLY Leasehold Real Estate Investment Trust as of 31 December 2022 present fairly in accordance with the accounting guidance for property fund, real estate investment trust, infrastructure funds and infrastructure trust.

**Table 1 Balance Sheet**

(in thousand Bath)	2021	2020	%chg YOY
<b>Assets</b>			
Investments in leasehold properties at fair value	12,497.4	12,161.7	2.8%
Cash and cash at banks	641.1	543.9	17.9%
Receivables on accrued rental and service income	231.4	248.4	-6.8%
Receivables on accrued other income	9.1	9.2	-0.5%
Receivables on accrued interest income	0.0	0.0	279.7%
Deferred expenses	40.5	61.5	-34.1%
Refundable value added tax	5.4	5.4	0.0%
Refundable deposits	35.6	34.1	4.5%
Other assets	47.8	30.3	57.6%
<b>Total assets</b>	<b>13,508.3</b>	<b>13,094.5</b>	<b>3.2%</b>
<b>Liabilities</b>			
Trade accounts payable	59.6	43.7	36.4%
Other payables and accrued expenses	98.5	109.7	-10.2%
Rental and service income received in advance	10.3	6.7	55.0%
Current portion of long-term borrowings from financial institution	432.4	411.3	5.1%
Deposits from rental and services	3,608.4	3,431.8	5.1%
Long-term borrowings	828.8	674.4	22.9%
Lease liabilities	14.4	23.4	-38.6%
Other liabilities	5,052.4	4,701.0	7.5%
<b>Total liabilities</b>	<b>8,455.9</b>	<b>8,393.5</b>	<b>0.7%</b>
<b>Net assets</b>	<b>8,565.8</b>	<b>8,565.8</b>	<b>0.0%</b>
Trust registered capital	-317.5	-317.5	0.0%
Discount on trust units	207.6	145.1	43.0%
Net assets	8,455.9	8,393.5	0.7%
<b>Net asset value per unit (Baht)</b>	<b>9.6738</b>	<b>9.6024</b>	<b>0.7%</b>





**Table 2 Income Statement**

(in thousand Bath)	2022	2021	%chg YOY
<b>Income</b>			
Rental and service income	1,441.9	1,094.8	31.7%
Interest income	0.9	0.6	54.0%
Other income	149.4	32.5	360.5%
<b>Total income</b>	<b>1,592.2</b>	<b>1,127.9</b>	<b>41.2%</b>
<b>Expenses</b>			
Management fees	52.1	48.5	7.5%
Trustee fees	13.5	12.5	7.4%
Registrar fees	2.1	2.9	-8.9%
Property management fees	129.4	91.7	41.1%
Professional fees	3.7	3.2	16.9%
Amortisation of deferred expenses	21.0	21.0	0.0%
Costs of rental and services	532.1	385.5	38.0%
Administrative expenses	60.0	33.9	79.4%
Finance costs	159.0	145.5	9.2%
<b>Total expenses</b>	<b>972.8</b>	<b>743.6</b>	<b>30.8%</b>
<b>Net profit on investments</b>	<b>619.4</b>	<b>384.3</b>	<b>61.2%</b>
Total net loss on investments	-26.4	-30.2	-12.5%
<b>Net increase in net assets resulting from operations</b>	<b>593.0</b>	<b>354.1</b>	<b>67.5%</b>
Gross profit margin	63.1%	64.8%	
Operating income margin	45.4%	48.0%	
Net investment income margin	43.0%	35.1%	



## Financial Summary

This report that shown below is financial statement for a period ended 31 December 2022 which has been audited by a certified public accountant from KPMG Phoomchai Audit Co.,Ltd with opinion that the financial statements of ALLY Leasehold Real Estate Investment Trust as of 31 December 2022 present fairly in accordance with the accounting guidance for property fund, real estate investment trust, infrastructure funds and infrastructure trust.

**Table 1 Balance Sheet**

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Receivables on accrued other income	9.1	9.2	-0.5%
Receivables on accrued interest income	0.0	0.0	279.7%
Deferred expenses	40.5	61.5	-34.1%
Refundable value added tax	5.4	5.4	0.0%
Refundable deposits	35.6	34.1	4.5%
Other assets	47.8	30.3	57.6%
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Lease liabilities	14.4	23.4	-38.6%
Other liabilities	5,052.4	4,701.0	7.5%
<b>Total liabilities</b>	<b>8,455.9</b>	<b>8,393.5</b>	<b>0.7%</b>
<b>Net assets</b>	<b>8,565.8</b>	<b>8,565.8</b>	<b>0.0%</b>
Trust registered capital	-317.5	-317.5	0.0%
Discount on trust units	207.6	145.1	43.0%
Net assets	8,455.9	8,393.5	0.7%
<b>Net asset value per unit (Baht)</b>	<b>9.6738</b>	<b>9.6024</b>	<b>0.7%</b>





# Opinion of the Trustee for the REIT's Operation



## TRUSTEE REPORT

March 31, 2023

To: Trust Unitholders

Ally Leasehold Real Estate Investment Trust

SCB Asset Management Company Limited (the "Trustee"), as the Trustee of ALLY Leasehold Real Estate Investment Trust (the "REIT") which managed by ALLY REIT Management Co., Ltd., would like to inform you that for the period of January 1, 2022 to December 31, 2022, the REIT manager had managed the REIT properly and efficiently as well as in compliance with applicable laws, regulations and the trust deeds in a way that protects interests of the REIT and Trust unitholders as a whole.

Yours faithfully,

SCB Asset Management Company Limited

(Mrs. Tipaphan Puttarawigorn) (Miss Rassamee Ponsukcharoen)

Trustee

บริษัทหลักทรัพย์จัดการกองทุน ไทยพาณิชย์ จำกัด (สำนักงานใหญ่)

ชั้น 7-8 อาคาร 1 ไทยพาณิชย์ปาร์ค พลาซ่า เลขที่ 18 ถนนรัชดาภิเษก แขวงจตุจักร เขตจตุจักร กรุงเทพฯ 10900

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SCB Asset Management Co.,Ltd. (Head Office)

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## Summary of Trust Deed (and the amendments)

Topic	Details
Parties	<ol style="list-style-type: none"> <li>1. SCB Asset Management Company Limited ("Trustee"); and</li> <li>2. ALLY REIT Management Company Limited ("REIT Manager")</li> </ol>
Characteristic and management mechanism	<ol style="list-style-type: none"> <li>1. ALLY Leasehold Real Estate Investment Trust is the leasehold real estate investment trust ("REIT") pursuant to the Trust for Transaction in Capital Market Act B.E. 2550 (2007) ("Trust Act"), which was converted from property fund of which name is CRYSTAL Retail Growth Leasehold Property Fund by a result of this Trust Deed. The REIT was completed established as a trust when the settlor transferred the right or any right appertaining to property to the Trustee by entering into an agreement which binds the settlor to provide REIT the property and obligation of the converted property fund in consideration that such converted property fund shall receive the newly issued trust units of REIT;</li> <li>2. REIT is not a juristic person, but is a pool of assets legally owned by the Trustee having power to manage the asset hereof;</li> <li>3. REIT shall be managed by Trustee and REIT Manager appointed under this Trust Deed with the scope of authority, duty and responsibility as stipulated in the authority, duty and responsibility of Trustee and REIT Manager section. In this regard, the REIT Manager shall have its authority, duty and responsibility to manage principally the REIT and undertakes for the REIT to invest in principal asset, meanwhile the trustee has the authority, duty and responsibility to supervise principally the operation of the REIT Manager and other assigned person (if any) and preserve the trust property. Additionally, in case REIT has determined the policy to invest in other assets aside from the principal asset, the management of investment in such property may be proceeded by the Trustee and the REIT Manager as stated in the Trust Deed; and</li> <li>4. REIT Manager and the Trustee shall perform their duties as a trustworthy professional with due care and loyalty for the best interest of the trust unitholders as a whole and in accordance with this Trust Deed and other relevant provisions of laws and commitment obligated by the disclosure</li> </ol>





Topic	Details
Name, Term, Type, and Objective	<p>in offering documents circulated to investors (if any) and/or trust unitholders' resolution.</p> <ol style="list-style-type: none"><li>1. ALLY Leasehold Real Estate Investment Trust;</li><li>2. REIT is established without term and the units are only redeemable on the date of dissolution of the REIT;</li><li>3. REIT is not a juristic person, but is a pool of assets legally owned by the Trustee having power to manage the asset hereof;</li><li>4. Having objective to invest in the principal asset by mean of purchasing and/or leasing and/or having transferred leasehold and/or sub-leasehold of principal assets. In which case shall be used for taking advantage in form of rent or service fee or any other incomes which is equivalent of the aforementioned as well as amending, changing, improving, developing and/or distributing any other assets to generate income and return to REIT for the benefit of trust unitholder in a long run. Further, REIT aims to invest in the additional assets for the continuity of growth of REIT 's income base including other assets and/or other securities and/or interest by other means pursuant to security laws and/or other relevant laws;</li><li>5. The above shall include the additional significant objectives below:<ol style="list-style-type: none"><li>(1) To support the conversion of property fund into REIT;</li><li>(2) To invest in the asset of additional investment no. 1; and</li><li>(3) To invest in principal asset in the future after the investment in the asset of additional investment no. 1.</li></ol></li><li>6. REIT shall be managed by Trustee and REIT Manager appointed under this Trust Deed with the scope of authority, duties and responsibilities as stipulated in the authority, duties and responsibilities of Trustee and REIT Manager section. In this regard, the REIT Manager shall have its authority, duties and responsibilities to mainly manage REIT and undertakes for the REIT to invest in principal asset, meanwhile Trustee has the authority, duties and responsibilities to mainly supervise the operation of REIT Manager and other assigned persons (if any) and preserve the REIT's property. Additionally, in case REIT has determined the policy to invest in other assets aside from the principal assets, the management of</li></ol>



Topic	Details
	<p>investment in such property may be proceeded by the Trustee and the REIT Manager as stated in the Trust Deed;</p> <ol style="list-style-type: none"> <li>REIT Manager and Trustee shall perform their duties as a trustworthy professional with due care and loyalty for the best interest of the trust unitholder as a whole and in accordance with this Trust Deed and other relevant provisions of laws and commitment obligated by the disclosure in offering documents circulated to investors (if any) and/or trust unitholders' resolution; and</li> <li>REIT shall has its fiscal year end on 31 December of each year and the first fiscal year end is 31 December 2019.</li> </ol>
Trust properties	<ol style="list-style-type: none"> <li>The initial property shall be the agreement between the settlor and Trustee which the settlor obligates to entitle the property fund's asset to REIT for consideration of newly issued unit of REIT. In any case, REIT Manager shall issue and order new units in consideration of the property fund's asset within fifteen (15) business days from the closing date of offer;</li> <li>Money received from issuing and offering trust units in order to invest in the assets of the additional investment no. 1;</li> <li>Money borrowed to invest in the assets of the additional investment no. 1; and</li> <li>Any other assets which REIT is entitled to invest under the relevant laws (if any).</li> </ol>
Trust units	<p>Right to receive benefits from REIT shall be divided equally into units, called trust units, and each class of trust units grants the right to the holders equally as beneficially of REIT. In any case, the trust unitholders shall receive benefits from REIT under this terms and conditions of this Trust Deed and other relevant laws and regulations.</p> <p>The trust units are only redeemable on the date of dissolution of REIT.</p> <p>All trust units are fully paid with the name of holder affixed thereon and no transferring restriction imposed except for the holding restriction as stipulated in this Trust Deed.</p>





Topic	Details
Capital raising	<p>REIT Manager shall have duty to consider the amount of raising capital, number of trust units to be issued and offered, and methods of offering and allocating new trust units for the additional offering in according with the objective for raising capital as well as consider specifying assets for the additional investment , study on possibility of investing in the assets of the additional investment, capital raising and methods for acquiring asset of additional in which REIT additionally invests, in which case, REIT Manager is entitled to appoint any consultants in assisting the aforementioned matters. Once the decision of appointment is given, such a decision shall be submitted to the trust unitholders' meeting for further approval. When the approval is granted, REIT Manager is entitled to proceed with any actions to comply with the trust unitholders' resolution.</p>
Objective and methods of raising capital	<ol style="list-style-type: none"><li>1. Objectives for raising capital are as follows:<ol style="list-style-type: none"><li>(1) To invest in the additional principal assets e.g. real estate investment, leasehold investment, sub-leasehold investment, indirect investment of principal assets;</li><li>(2) To maintain, repair or adjust principal assets to be in a good condition and proper for the purpose of use;</li><li>(3) To expand or construct building located on the invested principal assets;</li><li>(4) To pay back loan or liability of REIT;</li><li>(5) To invest in other assets as stipulated under this Trust Deed and Security and Exchange Commission Office's regulation ("SEC Office's regulation");</li><li>(6) For whatever reasons under SEC Office's regulation and/or Security and Exchange Commission's regulation ("SEC's regulation"); and</li><li>(7) In case where the trust unitholders resolve to raise capital in accordance with this Trust Deed and relevant laws.</li></ol></li><li>2. Capital raising methods<p>Raising capital of the REIT is permitted only when it is not contradictory or inconsistent with the intention to establish the REIT and the provisions under the security laws and shall be proceeded under the following methods:</p></li></ol>



Topic	Details
	<p>(1) REIT Manager shall seek an approval for raising capital from the trust unitholders' meeting's resolution in which the seeking for approval and holding unitholders' meeting methods are stipulated in the methods of seeking approval and holding trust unitholders' meeting section.</p> <p>(2) When the trust unitholder has passed resolution from not less than three fourths (3/4) of the total number of votes of the trust unitholders present at the meeting and entitled to vote and under the following conditions:</p> <ul style="list-style-type: none"> <li>i. In case of offering of trust units to some specific trust unitholders, there shall be no trust unitholders, holding an aggregate amount exceeding ten (10) percent of the total present trust unitholders, votes against such raising capital;</li> <li>ii. In case of raising capital by general mandate, the allocation of trust units for raising capital shall be in accordance with the rates and rules as prescribed in the Notification of the Board of Governors of the Stock Exchange of Thailand concerning Rules, Conditions and Procedures for Disclosure of Information and any Operations relating to Raising Capital of a Listed Company, mutatis mutandis, and the guidelines that the SEC Office has announced in detail to ensure clarity in practice (if any);</li> </ul> <p>Nonetheless, the capital raising shall be complete within one (1) year from the date of the resolution to approve capital raising has been given.</p> <p>(3) In case of capital raising for investment in the additional assets and in case of transaction between REIT and REIT Manager or REIT Manager-related person, the methods shall be proceeded in accordance with the Trust Deed.</p> <p>(4) When the resolution approving capital raising is given, REIT Manager shall seek for approval from SEC Office for offering new trust units.</p> <p>(5) When the approval from SEC Office is given, REIT Manager shall proceed with the methods of offering trust unit as stipulated in the statement of information on trust units offering.</p>





Topic	Details
	<p>(6) When the money from the new trust units offering is obtained, REIT Manager shall proceed with the money as per the objective of raising capital written above.</p> <p>(7) In case where the SEC Office, Security and Exchange Commission (“SEC”), Stock Exchange Commission of Thailand (“SET”) and/or other relevant authorities otherwise amends, change, notify, specify, rule, approve and/or relieve the provision, condition and/or capital raising methods , REIT Manager shall proceed as such and shall be deemed as approval from trust unitholders in such the provision, condition and/or capital raising methods do not render materially negative impact on the trust unitholders.</p>
Reduction of paid up capital	REIT Manager shall be an authorized person to consider reducing the paid up capital as stipulated in the reduction of paid up capital section. By this, REIT Manager is authorized to consider at its sole discretion as it thinks appropriate with no trust unitholders’ resolution required.
Cause and methods of reduction of paid up capital	<p>1. Cause of reduction of paid up capital</p> <p>The reduction of paid up capital is permitted only when it is not contradictory or inconsistent with the intention to establish the REIT and the provisions under the security laws and shall be proceeded under the following methods:</p> <p>(1) The REIT has excess cash remaining from the operation prior to the conversion into REIT including cash remaining from accrued income prior to the conversion into REIT and adjusted net profit exceeded the accounted net profit.</p> <p>(2) The REIT has excess liquidity remaining from the disposal of real estate or the leasehold interest of the real estate or the sub-leasehold interest of the real estate (if any). In this regard, it shall be certain fact demonstrating that the REIT is no longer retaining accumulated profit earnings;</p> <p>(3) The REIT has raised the capital to acquire additional real estate but a difficulty occurs later which causes the inability to acquire such real estate;</p>



Topic	Details
Trust unitholders	<ul style="list-style-type: none"> <li>(4) The REIT has non-cash expense items and such items will not be calculated as a part of the calculation for the adjusted net profit of the REIT;</li> <li>(5) Value of real estate or leasehold of real estate is decreased after the value appraisal or verification of value appraisal;</li> <li>(6) Any other cases in which trust unitholders' has resolved to reduce the paid up capital; and</li> <li>(7) Any other causes specified by SEC Office, SEC and Capital Market Supervisory Board ("CMSB").</li> </ul> <p>2. Methods of reduction of paid up capital</p> <ul style="list-style-type: none"> <li>(1) REIT Manager shall at its sole discretion consider reducing the paid up capital without trust unitholders' resolution. Nonetheless, if REIT Manager thinks appropriate, it may proceed to seek for approval from trust unitholders;</li> <li>(2) Following the steps set out above, the REIT Manager shall reduce the paid up capital by mean of decrease in value of trust units;</li> <li>(3) The cash item resulted from reduction of the paid up capital must be paid based on average basis to the trust unitholders whose names appear in the register on the closing date for suspension of units transfer. For the purpose of such payment, the net asset value of the REIT as of the closing date of the register will be used to calculate for reduction of the paid up capital per unit. Moreover, the cash for payment shall not derive from the profit of the REIT;</li> <li>(4) In case where the SEC Office, SEC, SET and/or other relevant authorities otherwise amends, change, notify, specify, rule, approve and/or relieve the provision, condition and/or capital raising methods, REIT Manager shall proceed as such and shall be deemed as approval from trust unitholders in such the provision, condition and/or capital raising methods do not render materially negative impact on the trust unitholders.</li> </ul>
	<p>1. Being trust unitholders does not cause a legal relationship in term of agent and principal between the trust unitholder and Trustee, or in term of partnership or other legal relationship among the trust unitholders;</p>



Topic	Details
	<ol style="list-style-type: none"><li>2. Being trust unitholders does not cause them liable in case the assets of the REIT are insufficient for repayment of debt to Trustee, a REIT Manager or the creditors of the REIT. In this regard, Trustee, the REIT Manager and the creditors of the REIT have the right to claim only from the assets of the REIT;</li><li>3. Unitholders have the right to claim for distribution on the amount not exceeding the profit after deducting reserves, and return of investment on the amount not exceeding the capital of the REIT adjusted by the excess or the under-value of units. In case trust units are divided into classes, such right of each class has to be in conforming to terms and conditions as stated in this Trust Deed for each class as well;</li><li>4. In any case, this Trust Deed shall not be interpreted in such a way that it is in contradiction or inconsistency with the terms and conditions under sub clause (1), (2) and (3) above;</li><li>5. Being trust unitholders does not give rise to them the ownership or claiming right over the pool assets of REIT solely and exclusively irrespective of any parts and trust unitholders have no rights to claim to REIT for the transfer of properties to trust unitholders. Nonetheless, trust unitholders are eligible to claim for the properties against other third persons, where Trustee or REIT Manager does not act in accordance with this Trust Deed or Trust Act resulted in the transfer of properties to the third persons under the provision prescribed in Trust Act;</li><li>6. Trust unitholders are eligible to the return of investment, benefit or any other properties, when REIT is dissolved under this Trust Deed. In this regard, Trustee, person acting on behalf of Trustee or appointed person (as case may be) shall distribute the return of capital, benefit or any other properties to trust unitholders when REIT is dissolved. For whatever reasons, trust unitholders are entitled to the amount not exceeding the capital adjusted by the excess of the under-value of trust units;</li><li>7. Trust unitholders are entitled to the return of money, when the reduction of paid up capital is conducted;</li><li>8. Trust unitholders are entitled to pledge its units under the provision of laws, rules and procedure stipulated by Trustee and/or registrar;</li><li>9. Trust unitholders are entitled to transfer its units under the transfer of trust units section;</li></ol>



Topic	Details
	<ol style="list-style-type: none"> <li>10. Trust unitholders are entitled to attend the meeting and right to vote at the trust unitholders' meeting; and</li> <li>11. Trust unitholders shall not be liable to REIT Manager or Trust for the additional payment to REIT after the trust units have been paid up and shall be held no further responsibility for holding trust units.</li> </ol>
Transfer of trust units	<p>Trust unitholders are entitled to transfer trust units, unless such transfer is subject to restriction on transfer of trust units under this Trust Deed.</p>
Investment	<ol style="list-style-type: none"> <li>1. Investment of REIT shall be according to rules prescribed in the Notification ThorJor. 49/2555 including any other relevant notifications and orders.</li> <li>2. The investment in principal asset and accessories shall be in accordance with policy of investment and methods of acquisition in this Trust Deed. REIT has no policies to invest in other assets besides the assets written herein.</li> <li>3. Acquisition of principal asset must be proceeded in accordance with this Trust Deed e.g. conducting due diligence of information and other relevant agreement (if any) relating to principal assets or accessories, value appraisal of principal asset at least as provided in the provisions of the Trust Deed including the approval process must be according to this Trust Deed and relevant laws etc.</li> <li>4. Distribution of principal assets must be proceeded in accordance with this Trust Deed e.g. prior to the distribution, REIT Manager must appraise the value of asset under this Trust Deed and shall be under the following conditions (1) distribution must be open and must include core essence hereof and approval proceeded as stipulated in this Trust Deed (2) in case of distribution of principal asset before turning one (1) year of acquisition or distribution to the former owner, such distribution must be according to this Trust Deed and must comprises of necessary and appropriate causes approved by the Board of Director of REIT manager.</li> <li>5. Other than investment in principal assets, REIT has its policies to invest or hold any other properties as stipulated in this Trust Deed e.g. government bond, treasury bill and deposit in bank.</li> </ol>



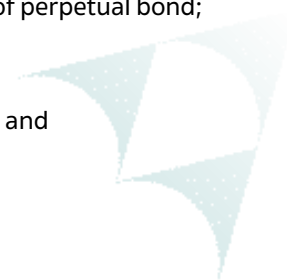




Topic	Details
Exploitation of the investment property	<p>The REIT property may exploit the investment properties in accordance with the following requirements:</p> <ol style="list-style-type: none"><li>1. The REIT will have its principal assets leased, subleased, used, or serviced in a similar manner as leasing including service relating thereto. The property shall not be used for the business operation to which REIT is not entitled e.g., hotel or hospital businesses, unless, REIT has its necessity regarding change in lessee of real estate or is recruiting new lessee, REIT, therefore, may temporarily proceed to use its property for such business operation.</li><li>2. REIT may let a business operator to lease or sublease its real estate for the business operation to which REIT is not entitled e.g. hotel or hospital businesses, in the case where there is a fixed rental and such rental is accounted on the basis of business operator's profit. Nonetheless, the information on agreement shall be disclosed in the statement of information and prospectus, statement of annual information and annual report.</li><li>3. REIT Manager shall not let a person lease REIT's real estate if such person is suspected to use the property in the immoral and illegal business. REIT Manager must provide agreement stipulating the clause to terminate lease agreement if it appears later that the lessee have used its leased premise in such business.</li><li>4. REIT Manager shall have duty to maintain property in a good condition ready to be taken advantage including provide sufficient insurance during the term of investment, the insurance shall cover the non-life insurance and third party liability insurance.</li></ol>
Money borrowing and encumbrances	<ol style="list-style-type: none"><li>1. REIT shall borrow money upon the following objectives:<ol style="list-style-type: none"><li>1. Investment in real estate and/or leasehold of the additional principal assets;</li><li>2. Investment of any other assets under SEC Office, SEC and CMSB's notification;</li><li>3. Asset management;</li></ol></li></ol>



Topic	Details
	<ol style="list-style-type: none"> <li>4. Maintain or repair real estate of REIT or real estate, in which REIT has its leasehold or sub-leasehold, in a good condition ready to be taken advantage including image of REIT;</li> <li>5. Maintain, repair or replace immovable property or relevant equipment with real estate of REIT or real estate, in which REIT has its leasehold or sub-leasehold, in a good condition ready to be taken advantage;</li> <li>6. Expand or construct building located on the existing land of REIT or land in which REIT has its leasehold or sub-leasehold, in a good condition ready to be taken advantage;</li> <li>7. Working capital;</li> <li>8. Loan repayment or encumbrances;</li> <li>9. Restructure loan to repayment of loan and encumbrances (Refinance);</li> <li>10. Capital restructuring;</li> <li>11. Prevent risks relevant to currency exchange and/or interest arising out of loan or debt security; and</li> <li>12. Any other necessities in which REIT Manager deems appropriate for REIT management.</li> </ol> <p>REIT Manager shall take into account the benefit of REIT and trust unitholders. Further, where the REIT invests in leasehold and/or sub-leasehold of the real estate or immovable properties, for the purpose of this clause, REIT Manager shall consider the term of lease when obtain loan for the purposes of (5), (6) and (7) above.</p> <ol style="list-style-type: none"> <li>2. REIT may borrow money from (1) financial institution, commercial bank, capital company, credit foncier company, insurance company or any other persons (2) debt security or security issuances to any other persons or entering into loan agreement or any other agreement having a similar nature of loan, which case shall not be contradictory to laws, notification, order or any other provisions relevant to SEC Office.</li> <li>3. REIT's loan acquisition, by whatever means, shall not: <ol style="list-style-type: none"> <li>(1). Consist of terms and condition in a similar manner of perpetual bond;</li> <li>(2). Render right to convert loan into shares;</li> <li>(3). Have the same characteristics of structured notes; and</li> </ol> </li> </ol>

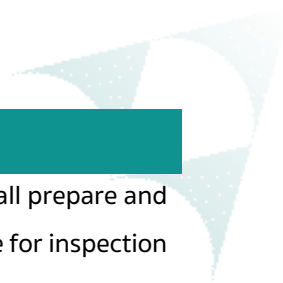




Topic	Details
	<p>(4). Have the same characteristics of securitization.</p> <p>4. Borrowing ratio exceeding the ratio specified in this Trust Deed;</p> <p>5. Incurring encumbrances can be made only if there is necessity in regard to asset management;</p> <p>6. REIT may borrow money from or create encumbrance to the person related to the REIT Manager;</p> <p>7. REIT may borrow or create encumbrance by taking into account the benefit of trust unitholders, in this respect, REIT Manager shall consider necessity and appropriation in borrowing money and/or creating encumbrance over the properties including the methods relating thereto. Afterwards, the rules and procedure to borrow money and creating encumbrance must be submitted to Trustee for the approval and Trustee shall be an authorized person to sign the agreement of such;</p> <p>8. REIT Manager shall have duty to ensure that REIT comply with condition of past-approval period on new issuance of debt security, in case of REIT's issuance of bond or debt security in the future (if any), money borrowing disclosure and reserving money under loan agreement or encumbrance from the loan in each year until the performance of repayment is complete;</p> <p>9. In case where REIT indirectly invest in the principal assets through company in which it hold shares by loan or whatever means, such loan must have a similar manner to this clause on a mutantis-mutandis basis, unless borrowing ratio is considered specifically by REIT.</p> <p>10. Money borrowing of REIT, which is affected by Covid-19 pandemic, shall be entitled to additional borrowing, compared to the provision in Notification NorJor. 49/2555 under the following conditions;</p> <p>(1). Short-term loan agreement executed within 2021 with the maturity date within one (1) year from the date of agreement;</p> <p>(2). Money borrowing in relation to liquidity of REIT and shall not for reduction of paid up capital of REIT or return of benefit of REIT to the trust unitholders;</p> <p>(3). The amount of money shall not exceed expenses or encumbrances of REIT under the current-year financial statement or encumbrances which REIT must comply with the agreement or information disclosed to trust unitholders prior to the date of loan agreement</p>



Topic	Details
Property valuation	<p>e.g. information stipulated in prospectus or annual information statement; and</p> <p>(4). The money borrowing must be approved by Trustee.</p> <ol style="list-style-type: none"> <li>1. REIT Manager shall appoint the appraisal for appraising value of the assets, such appraisal must be duly appointed by the SEC Office;</li> <li>2. The value appraisal shall not be conducted by the same appraisal for consecutively two (2) times;</li> <li>3. The value appraisal shall be conducted in full under this Trust Deed for the purpose of information disclosure to the investor/trust unitholders;</li> <li>4. The verification of value appraisal shall be made each year round from the date of the current appraisal;</li> <li>5. In case where the value appraisal or verification of such, which shall be done and complete in year 2021, cannot be conducted due to the Covid-19 pandemic, REIT Manager shall seek relief for such duty in accordance with the following provisions:               <ol style="list-style-type: none"> <li>(1) Submit the notice of relief with the following information before the expiry date stipulated in the Notification SorRor. 26/2555:                   <ol style="list-style-type: none"> <li>i. Reason and necessity to postpone relieve which are as follows:                       <ol style="list-style-type: none"> <li>1. Impact on income due to the Covid-19 pandemic; and</li> <li>2. Obstacles or restriction on operation or information access which materially affect to the value appraisal that the appraiser is unable to conduct the value appraisal or verification of such.</li> </ol> </li> <li>ii. Any other necessary and useful information which may materially affect the decision of trust unitholders and investors e.g. notice specifying reason of inability to conduct value appraisal or verification of such.</li> </ol> </li> <li>(2) Disclose information under clause (1) via data transfer system of stock exchange as per guideline of stock exchange.</li> </ol> </li> </ol>
Value of total asset, net asset of REIT and value of units report	<p>The rules for calculating the value of net asset shall be specified in this Trust Deed and REIT Manager shall prepare and submit the report of the total asset of REIT, net asset value of REIT, and units value of the end date of each quarter which is certified by Trustee to SEC Office within 45 (forty-five) days as from</p>



Topic	Details
	<p>the end date of each quarter. In addition, the REIT Manager shall prepare and submit the report of net asset of REIT and units value to Trustee for inspection specified in this Trust Deed.</p>
Real estate inspection	<ol style="list-style-type: none"><li>1. Trustee and REIT Manager must provide the inspection of real estate in the investment of REIT within thirty (30) days from the date of the acquisition of such real estate and provide such inspection subsequently at least once (1) a year;</li><li>2. Trustee and REIT Manager must provide a true and correct record of real estate condition within thirty (30) days as from the date of inspection;</li><li>3. In the event that the real estate is materially impaired, such impairment must be informed to the REIT Manager within five (5) days from the date of the detection;</li><li>4. Submit the copy of real estate inspection record to Trustee within five (5) business days as from the completion of the record; and</li><li>5. When the REIT manager detects or is informed that the real estate is materially impaired, the REIT manager must repair the real estate in the conditions of which can be taken advantage as soon as possible.</li></ol>
Transaction between REIT and REIT Manager or related person with REIT Manager	<ol style="list-style-type: none"><li>1. The transaction must conform within this Trust Deed; and</li><li>2. For the approval procedures, the transaction between REIT and REIT Manager or related person with REIT Manager, beside explicitly exhibited in the prospectus, will be proceeded in respect with the approval of entering into the transaction specified in the Trust Deed. For example, having approved by Trustee, or in case the value of the transaction exceeds 1 million baht or is 0.03% of the net asset value of REIT or more, whichever is higher, the approval from the board of directors of the REIT Manager is required. In case the value of the transaction exceeds 20 million baht or more than 3% of the net asset value of the REIT, whichever is higher, the resolution of approval of the unitholders' meeting passed by at least three-fourth majority vote of the attending trust unitholders with the voting rights is required.</li></ol>



Topic	Details
<b>Conflict of Interest of Transaction, between REIT and Trustee</b>	<ol style="list-style-type: none"> <li>1. Managing REIT, Trustee shall not perform any actions with conflicts of interest with REIT, whether such action is for the benefit of Trustee or third person except for the disbursement for the Trustee's duty, or a transaction with measures or control mechanism for the check and balance of such transaction. In addition, Trustee shall declare that he/or she has fairly managed REIT, and disclose the relevant information to the trust unitholders sufficiently in advance without any objection from trust unitholders. The disclosure and objection shall be in accordance with the requirement of SEC;</li> <li>2. Unless SEC or SEC office announces otherwise, the disclosures in the following details shall be deemed sufficient disclosure to trust unitholders or investors before entering into a transaction with conflicts of interest with the REIT:               <ol style="list-style-type: none"> <li>(1) disclose through SET with respect to the SET's regulations regarding such matter, or any other channels accessible by all unitholders before entering into the transaction;</li> <li>(2) provide a disclosure of information periods which is not less than fourteen (14) days; and</li> <li>(3) clearly disclose the mean, method and period for the objection which is not less than fourteen (14) days. Unless a resolution from the unitholders is required before doing a transaction, the objection will be made in such resolution.</li> </ol> </li> <li>3. In case of objections from trust unitholders according to the means disclosed in (3) above exceeding one-fourth of the unit sold, the Trustee shall not execute or grant a permission to execute the transaction with conflicts of interest with the REIT.</li> </ol>
<b>Information disclosure of REIT</b>	<ol style="list-style-type: none"> <li>1. REIT Manager shall have duty and responsibility to prepare and submit the REIT information to SEC Office, SET, Trustee and trust unit holders. including submitting Annual Report and Invitation to the AGM to trust unitholders and the Trustee; and</li> <li>2. In the event that SET and/or SEC announces or orders REIT manager to disclose the information or submit the information relating to REIT</li> </ol>





Topic	Details
Payment of distribution to unitholders	<p>management and the duty of REIT manager, REIT manager will comply accordingly.</p> <p>1. REIT Manager shall pay the distribution to the trust unitholders at an amount not less than ninety (90) percent of the adjusted net profit of the each fiscal period, not less than twice a year, and within ninety (90) days as from the end of fiscal year or the end of accounting period when the payment of distribution is made as the case may be. Except for year 2019, the REIT Manager will not make any payment of distribution to the unitholders. While, the REIT Manager may consider paying the distribution in Year 2020 under the conditions in this clause.</p> <p>Adjusted net profit shall mean the profit adjusted by the following covenants:</p> <ul style="list-style-type: none"><li>(1) Costs for any repair, maintenance, or improvement of the REIT's investment assets per the plan clearly stipulated in the prospectus, statement of annual information, annual report, or those notified by the REIT Manager to trust unitholders in advance;</li><li>(2) Payment of loans or borrowing obligations in the amount specified in the prospectus, statement of annual information, annual report, or those notified by the REIT Manager to trust unitholders in advance;</li><li>(3) Any distributions made to the trust unitholders who are entitled to the dividend or liquidation preference (if any).</li></ul> <p>If the REIT cannot comply with any of the foregoing provisions, the REIT Manager and Trustee must provide clarifications and underlying rationale to the SEC per the SEC's guidelines and must announce the same for the trust unitholders' acknowledgement at the annual general meeting of trust unitholders.</p> <p>In distributing profits to trust unitholders, the REIT Manager shall consider the reasonableness and requirement for the REIT's cash reserve as per the SEC's guidelines.</p> <p>The REIT Manager shall not obtain loans to distribute profits to trust unitholders.</p> <p>2. If REIT has accumulated profits in any fiscal year, the REIT Manager may pay the distribution to unitholders from the accumulated profits.</p>



Topic	Details
Seeking for the resolution and the meeting of unitholders'	<ol style="list-style-type: none"> <li>3. If REIT still retains accumulated deficit, the REIT Manager shall not pay distribution to trust unitholders.</li> <li>1. Trust unitholders' resolution shall be processed through the holding of meeting only;</li> <li>2. The proposed agenda shall be prescribed as follows: <ol style="list-style-type: none"> <li>(1) Annual General Meeting which shall be held within four (4) months as from the end date of fiscal year of the REIT, or within 30 June 2020 whichever is later.</li> <li>(2) Extraordinary General Meeting when: <ol style="list-style-type: none"> <li>i. the REIT Manager deems appropriate to call for a meeting of unitholders for the benefit of managing the REIT.</li> <li>ii. one or more trust unitholder(s) who hold(s) trust units in an aggregate amount of not less than ten (10) percent of the total sold units request(s) the REIT manager to call a trust unitholders' meeting in writing with proper reason for such a calling; The REIT manager has to arrange the extraordinary meeting within forty-five (45) days as from the date receiving the request from the trust unitholders.  If the REIT manager does not arrange the meeting within the period specified the sub-clause (2)i or (2)ii, Trustee may arrange the meeting by himself.</li> </ol> </li> </ol> </li> <li>3. REIT Manager shall perform its duty to call the meeting of trust unitholders. For calling notice, the REIT Manager shall comply with the procedure of calling the meeting of trust unitholders stipulated in the Trust Deed as follows: <ol style="list-style-type: none"> <li>(1) deliver to trust unitholders not less than fourteen (14) days prior to the date of the meeting. In case the meeting of trust unitholders requires the passing of resolution which requires three of fourth of units attending the meeting and entitled to vote.</li> <li>(2) deliver to unitholders not less than seven (7) days prior to the meeting in other cases.</li> <li>(3) in case there is any announcement regarding a period for sending the invitation of the trust unitholders meeting, the</li> </ol> </li> </ol>





Topic	Details
Restriction of right to receive distribution, management of	invitation shall be sent in accordance with the requirement from such announcement.
	4. A quorum of trust unitholders meeting must consist of not less than twenty-five (25) of trust unitholders or proxies from unitholders (if any) attending the or not less than half of the total number of trust unitholders who hold an aggregate amount of not less than one thirds (1/3) of the total units sold
	5. Unless this Agreement specified otherwise, resolution of trust unitholders shall consist of votes as follow:  (1) for an ordinary issue, the simple majority vote of the trust unitholders who attend the meeting and have the right to vote;  (2) for the following issues, not less than three-fourths (3/4) of the total number of votes of the trust unitholders who present at the meeting and entitled to vote;  i. acquisition of disposition of the principal assets with the value not less than thirty (30) percent of the total asset value of the REIT;  ii. raising of reducing of the paid-up capital which has not already been specified in this Trust Deed in advance.  iii. raising capital by general mandate  iv. execution of a transaction with the REIT manager or related person of the REIT manager at an amount not less than 20 million baht or more than three (3) percent of the net asset value of the REIT, whichever is higher;  v. changing in the distribution and the return of investment to the unitholders;  vi. change of trustee;  vii. amendment to the Trust Deed regarding a matter which affects the right of unitholders materially;  viii. dissolution of the REIT
	1. Allocation of trust units to any group of person, group of related person, settlor, Trustee, REIT Manager or foreign investor shall be according to rate and criteria under Notification ThorJor. 49/2555 or any other relevant notification and its amendment;



Topic	Details
undistributed interest, and voting rights	<ol style="list-style-type: none"> <li>2. Due to the fact that REIT will not hold real right of land in Thailand, thus REIT is not subject to the restriction on ratio of trust unitholding of foreign investor. In this regard, foreign investor is entitled to hold trust units up until one hundred (100) percent;</li> <li>3. Trust unitholders, who hold units exceeding the specified proportion in Notification ThorJor. 49/2555 or relevant notification and its amendment, shall not be entitled to the return of interest for such exceeding amount and the undistributed interest shall be distributed to other trust unitholders according to the proportion of unitholding; and</li> <li>4. Trust unitholders per below shall be restricted on voting right:               <ol style="list-style-type: none"> <li>(1) Trust unitholders who hold units exceeding the specified proportion or in contradictory to the relevant criteria; and</li> <li>(2) Trust unitholders who have special interest in the matter sought a resolution.</li> </ol> </li> </ol>
Authority, duties and responsibilities of Trustee	<ol style="list-style-type: none"> <li>1. Trustee shall perform duties with due care and loyalty for the best interest of the unitholders as a whole and comply with this Trust Deed, relevant laws and additional obligations in the documents disclosed to investors (if any). Especially, there shall be no limitation on the liabilities of the trustee in case of failure to perform such duties;</li> <li>2. Trustee shall supervise REIT manager or any other assigned person to perform duties in accordance with this Trust Deed and other relevant agreements;</li> <li>3. Trustee shall attend the meeting of the unitholders and express an opinion on any matter, which is sought the resolution of the unitholders, whether or not such matter is in accordance with the Trust Deed and relevant laws and if the trust unitholders' meeting resolves to proceed with any actions, Trustee shall comply such;</li> <li>4. Trustee shall enforce or supervise for enforcement of performance to comply with the agreement between REIT and other persons;</li> <li>5. Trustee shall manage REIT in lieu of REIT Manager in case there is no REIT manager or there is a ground which causes the REIT manager being unable to perform its duties as stipulated by the Notification KorRor. 14/2555 and other relevant laws;</li> </ol>



Topic	Details
Appointment, condition, and methods to change and consideration of Trustee	<ol style="list-style-type: none"><li>6. Trustee shall have authority, duties and responsibilities as prescribed in Notification KorRor. 14/2555 and other relevant laws;</li><li>7. Trustee shall manage and take advantage of other assets of REIT besides the principal assets including take any necessary actions to manage other assets besides the principal assets under this Trust Deed and relevant laws as well as consider assigning REIT Manager to manage REIT in aspect of investment in other assets besides the principal assets;</li><li>8. Trustee is obliged to amend this Trust Deed as per SEC Office's order;</li><li>9. Trustee shall supervise, manage and inspect REIT Manager or other assigned persons (if any) to perform its duties under this Trust Deed and relevant law;</li><li>10. In case of REIT Manager's inability to perform its duties, Trustee shall manage REIT as necessary to prevent, suppress and minimize material damage to the benefit of REIT or trust unitholder as a whole including perform the authority and duties of REIT Manager as stipulated in this Trust Deed and Trust Act in relation to searching for new REIT Manager;</li><li>11. Where Trustee is the trust unitholder of this REIT, in order to exercise its right to vote or any other actions as a trust unitholder, Trustee shall exercise its right by taking into account the best interest of trust unitholder as a whole and based on loyalty and due care with avoidance of conflict or negative affect of REIT as a Trustee;</li><li>12. Trustee shall provide trust unitholder registration by assigning registrar to act in lieu of itself; and</li><li>13. Trustee shall incur document evidencing right appertaining to trust unit to the trust unitholders.</li></ol>
	<ol style="list-style-type: none"><li>1. Appointment of new Trustee shall be upon the resolution of trust unitholders with the affirmative votes of three-fourths (3/4) from the trust unitholder present at the meeting and entitled to vote.</li><li>2. Trustee shall vacate upon the following incidents:<ol style="list-style-type: none"><li>(1) Trustee resigns from being Trustee of REIT by notifying such resignation in writing to trust unitholders and REIT Manager not less than ninety (90) days prior to the effective date. In any case, such resignation shall not prejudice any trust unitholders;</li></ol></li></ol>



Topic	Details
	<p>(2) Trustee willfully or negligently violates its duties or material clause of obligation as stipulated in this Trust Deed or violates material clauses of representations and warranties given in this Trust Deed and such violation render serious impact to the REIT management or taking advantage of the principal asset and Trust is unable to solve and comply with the Trust Deed within one hundred eighty (180) days from the date of acknowledgement or the date that such acts should have been acknowledged or the date mutually agreed by parties;</p> <p>(3) Trustee is under court's receivership order, rehabilitation plan, and dissolution of juristic person or commercial bank (as case may be);</p> <p>(4) Trust unitholders' meeting resolve to remove Trustee;</p> <p>(5) Revocation or temporary suspension of approval of the Trustee by the SEC;</p> <p>(6) Trustee lacks of qualification to operate business as Trustee under relevant laws; and</p> <p>(7) Trustee cannot maintain capital fund as per rules stipulated in KorKhor. 9/2552</p> <p>Nonetheless, period of changing Trustee in case where Trustee cannot maintain capital fund as per rules stipulated by laws shall be proceeded within ninety (90) days from the date of acknowledgement or should have acknowledged.</p> <p>3. During the course of appointing new Trustee, the former Trustee shall perform its duty, specifically, to taking care of interest or exercising right of REIT to prevent prejudice, depreciation or loss of REIT until the new Trustee shall be appointed in with complete authority over REIT. Nonetheless, period of changing Trustee in case where Trustee cannot maintain capital fund as per rules stipulated by KorKhor. 9/2552 shall be proceeded within ninety (90) days from the date of acknowledgement or should have acknowledged.</p> <p>4. In case of change of Trustee, but the change cannot be made within the period stipulated by laws and relevant notifications of SEC Office or in case of change of Trustee due to the unavoidable cause, the interested person may file for the new Trustee appointment to court. If the appointment cannot be made, it shall be further submitted to court for</p>



Topic	Details
Independence and conflict of interest of Trustee	<p>the REIT's dissolution. In this regard, court may appoint any person to manage REIT with consideration in return thereto.</p> <ol style="list-style-type: none"><li>5. Change of Trustee does not affect the effectiveness of this Trust Deed and status of REIT; and</li><li>6. Consideration or fee of Trustee shall be according to provision written herein.</li><li>1. Trustee shall perform its duty efficiently and freely and shall not proceed any actions which result in conflict of interest with REIT;</li><li>2. If Trustee is a related person to REIT Manager as stipulated in this Trust Deed or is a related person to the potential distributor, assignor, lessor or person to give right appertaining to real estate to REIT in a manner that Trustee is unable to perform its duty freely, it shall be regarded as Trustee's lack of independence and shall have no capacity to be Trustee.</li><li>3. Trustee shall not act in conflict of interest with REIT or shall not lacks of independence except for the transaction below:<ol style="list-style-type: none"><li>(1) Transaction that comprises of measures or mechanism of check and balance the fairness of such transaction; and</li><li>(2) In case of a transaction which is in conflict of interest with REIT, there shall be a disclosure on relevant information to the trust unitholders and no opposition against such transaction is made or the opposition made is less than the number specified in this Agreement and Notification SorRor. 27/2557.</li></ol></li><li>4. In case of conflict of interest, Trustee shall ensure that trust unitholders shall be treated fairly and appropriately<ol style="list-style-type: none"><li>(1) Trustee shall not hold any other benefits that may result in the conflict of interest with REIT. If there is a potential case where the conflict of interest may arise, it shall be ensured that there is a mechanism in solving such in order to ensure that the management of REIT shall be conducted in a manner to adhere the best interest of REIT and trust unitholders as a whole; and</li><li>(2) REIT shall not incur any transaction which may result in Trustee's inability to perform its duty independently e.g. purchasing real estate from the person who is related to Trustee and that the Trustee cannot</li></ol></li></ol>



Topic	Details
REIT Manager and duty of REIT Manager	<p>express an opinion on the matter relevant to due diligence of REIT Manager independently.</p> <ol style="list-style-type: none"> <li>1. REIT Manager shall have its duty as assigned by Trustee to manage and monitor REIT in aspect of business operation which includes investment, borrowing, changes and execution of encumbrance on REIT's properties, entering into agreement and any other activities for the REIT as well as concluding and disclosing information of REIT management and submitting such to Trustee which also comprises of information under section 56 and 57 of the Stock Exchange Act and condition as specified by the REIT Manager Appointment Agreement;</li> <li>2. REIT Manager may assign other persons to perform duties under its responsibilities, such assignment shall be specified scope of authority and duties of the assignee under the relevant agreement. Nonetheless, REIT Manager shall select such assignee with due care and to supervise and examine the performance of the assignee. In this regard, the provision relating to the assignment shall not materially be contradictory to the security laws and other relevant laws;</li> <li>3. REIT Manager may disburse from the REIT's properties but only from the operation account of REIT within the amount approved by Trustee. In this regard, REIT Manager shall provide the list of disbursement to Trustee for the consideration and approval within five (5) working days from the date of submission to the Trustee;</li> <li>4. When seeking a resolution from the trust unitholders, REIT Manager, who hold trust units, shall exercise its voting right in the manner that would benefit the trust unitholders the most;</li> <li>5. In course of business operation as REIT Manager, REIT Manager shall manage REIT as per the business as follows:               <ol style="list-style-type: none"> <li>(1) Perform its duties with professional level, responsibility, due care, loyalty and fair treatment to trust unitholders for the best interest of trust unitholders as a whole and for compliance with laws, this Trust Deed, REIT Manager Appointment Agreement, intention to establish the REIT and resolution of trust unitholders;</li> <li>(2) Comply with rules on maintaining capital fund of asset management company managing real estate mutual fund and infrastructure; and</li> <li>(3) Proceed with any other duties specified in this Trust Deed.</li> </ol> </li> </ol>

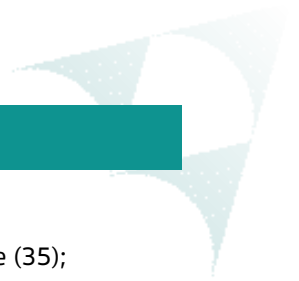


Topic	Details
Change of REIT Manager	<ol style="list-style-type: none"><li>6. Disclose, express an opinion, or provide information which is fairly significant and relevant to the investment decision of the investor, such information shall be clear, true and straightforward;</li><li>7. Entering into a transaction relevant to real estate for REIT, REIT Manager shall ensure that the distributing, purchasing, transferring or entering into agreement in relation to real estate shall be legally lawful and enforceable and shall ensure that the investment in real estate of REIT is conducted in an appropriate manner;</li><li>8. REIT Manager shall hold trust unitholder's meeting as stipulated in this Trust Deed; and</li><li>9. REIT Manager shall be a person to execute and report the disclosure on financial state and result of operation of REIT under the criteria set out in the Notification ThorJor. 51/2555 and other relevant notifications and its amendment and shall submit such report to SEC Office or relevant authority.</li></ol>
	<ol style="list-style-type: none"><li>1. Cause of changing the REIT shall be the following:<ol style="list-style-type: none"><li>(1) REIT Manager notifies SEC Office on its intention to end the operation as REIT Manager approved by SEC Office and SEC Office has approved for such;</li><li>(2) Revocation or suspension of approval of the REIT manager by the SEC Office for more than 90 days;</li><li>(3) Expiration of approval of the REIT Manager and no renewal on approval of the REIT Manager has been filed;</li><li>(4) REIT Manager is under court's receivership, rehabilitation., cessation of status as a juristic person;</li><li>(5) Trust unitholders' meeting resolves to remove REIT Manager due to the REIT Manager's incompliance or violation of its duty or relevant laws as stipulated in the REIT Manager Appointment Agreement and Trustee has concluded termination letter to the REIT Manager;</li><li>(6) REIT Manager has declared its intention to resign as stipulated in the REIT Manager Appointment Agreement;</li><li>(7) REIT Manager has exercised its right to terminate the REIT Manager Appointment Agreement, in case of Trustee's incompliance or</li></ol></li></ol>



Topic	Details
	<p>violation of its duty or material clause or representations and warranties clause as given to REIT Manager; and</p> <p>(8) REIT Manager cannot maintain capital fund as per rules stipulated in SorChor. 29/2555.</p> <ol style="list-style-type: none"> <li>For appointing a new REIT manager, Trustee shall seek a resolution from the meeting of the trust unitholders within 30 days as from the date when the causes as specified above occur and appoint the person who is approved by the unitholders within 30 days as from the date when the trust unitholders passed the resolution or other period specified by SEC Office.</li> <li>In whatever cases, if REIT Manager cannot perform its duty, Trustee shall manage REIT as necessary to prevent, suppress or minimize material damage to the benefit of REIT or trust unitholders, in this case, Trustee may appoint any other persons to manage REIT during the time.</li> </ol>
Fee and Expense	<p>collection of fees, other remunerations or expenses charged to a REIT or the unitholders shall be according to the provision of this Trust Deed. In any case, fee and expenses do not include VAT, business tax and/or tax in a similar manner</p>
Amendment	<ol style="list-style-type: none"> <li>The amendment of this Trust Deed to the matter which may affect the immaterial right of trust unitholders or which is visually beneficial to REIT or trust unitholders or which will not devalue right of trust unitholders or which is to comply which Trust Act, Security and Exchange Act B.E. 2535 (1992) ("Securities and Exchange Act") as amended including notification, rule or order promulgated thereunder, in which case, no resolution of trust unitholders is required if notice to trust unitholders and SEC Office has been publicly made.</li> <li>the amendment to this Trust Deed shall not be contradictory or in contrast to the objectives of the establishment of the REIT and the provisions of the Securities and Exchange Act, the Trust Act as well as Notifications, regulations and orders issued by virtue of such laws</li> <li>The amendment to the Trust Deed in any matter which affects the right of the trust unitholders shall obtain the approval from the unitholders in accordance with the relevant laws and provision of this Trust Deed.</li> </ol>





Topic	Details
Dissolution	<p>Trustee will dissolve the REIT upon the followings:</p> <ol style="list-style-type: none"><li>1. When the number of the unitholders is less than thirty-five (35);</li><li>2. When the principal asset is disposed of and a REIT manager fails to invest in new real estate with an aggregate value of not less than 500 million baht or not less than 75% of the total asset value of the REIT within 1 year as from the date of disposing of such principal asset;</li><li>3. The trust unitholders' meeting resolves to dissolve REIT;</li><li>4. In case of change in REIT Manager but inability to search for the suitable candidate to be a new REIT Manager within period specified by SEC Office from the last day of former REIT Manager's performance and Trustee has used its best effort to seek for resolution of trust unitholder to appoint the new REIT Manager but fail to appoint such. In that case, Trustee shall seek for resolution to dissolve REIT; and</li><li>5. When court renders judgment or order to dissolve REIT. In case of change in REIT Manager with the unavoidable reason, the interested person may request the court to appoint new REIT Manager but fails to request for such.</li></ol>



# **ALLY Leasehold Real Estate Investment Trust**

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



## Independent Auditor's Report

### To the Unitholders of ALLY Leasehold Real Estate Investment Trust

#### *Opinion*

I have audited the financial statements of ALLY 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.



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

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 significant 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"> <li>• understanding and evaluating the basis upon which the Trust identified and assessed the fair value.</li> <li>• evaluating the independence, qualifications and competence of valuers of the Trust and read the terms of engagement letter between the valuer and the Trust.</li> <li>• evaluating the appropriateness of the measurement basis and key assumptions used for estimating the value by comparing them against actual occurrence, 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.</li> <li>• considering the adequacy of the disclosures in accordance with Thai Financial Reporting Standards.</li> </ul>

*Other Information*

The REIT manager is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the REIT manager and request that the correction be made.



# **ALLY Leasehold Real Estate Investment Trust**

## **Notes to financial statements**

### **For the year ended 31 December 2022**

#### *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.



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

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.

(Sujitra Masena)  
Certified Public Accountant  
Registration No. 8645

KPMG Phoomchai Audit Ltd.  
Bangkok  
13 February 2023



# ALLY Leasehold Real Estate Investment Trust

## Statement of financial position

		31 December	
	Note	2022	2021
		(in Baht)	
<b>Assets</b>			
Investments in leasehold properties at fair value	6	12,497,359,461	12,161,748,978
Cash and cash at banks	5, 7	641,111,225	543,895,947
Receivables on accrued rental and service income	4, 5	231,429,575	248,424,263
Receivables on accrued other income	5	9,130,605	9,179,160
Receivables on accrued interest income	5	35,796	9,428
Deferred expenses	8	40,498,431	61,465,707
Refundable value added tax		5,359,141	5,359,140
Refundable deposits		35,635,298	34,101,098
Other assets	5	47,763,085	30,311,256
<b>Total assets</b>		<b>13,508,322,617</b>	<b>13,094,494,977</b>
<b>Liabilities</b>			
Trade accounts payable	5	59,596,559	43,681,073
Other payables and accrued expenses	5	98,506,169	109,693,348
Rental and service income received in advance		10,342,978	6,672,447
Deposits from rental and services	5	432,387,705	411,289,426
Borrowings from financial institution	9	3,608,386,694	3,431,785,192
Lease liabilities		828,760,788	674,442,540
Other liabilities		14,406,328	23,444,590
<b>Total liabilities</b>		<b>5,052,387,221</b>	<b>4,701,008,616</b>
<b>Net assets</b>		<b>8,455,935,396</b>	<b>8,393,486,361</b>
<b>Net assets</b>			
Trust registered capital	10	8,565,830,360	8,565,830,360
Capital from trust unitholders	10	8,565,830,360	8,565,830,360
Discount on trust units		(317,465,475)	(317,465,475)
Retained earnings	11	207,570,511	145,121,476
<b>Net assets</b>		<b>8,455,935,396</b>	<b>8,393,486,361</b>
Net asset value per unit		9.6738	9.6024
Number of trust units issued at the end of the year (units)		874,100,000	874,100,000

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



## ALLY Leasehold Real Estate Investment Trust

## Detail of investments

Details of investments are presented by investment category.

Type of investments	Areas held by the Trust  (Net leasable areas)	31 December 2022			31 December 2021		
		Cost	Fair value	Percentage of investments	Cost	Fair value	Percentage of investments
		(in Baht)		(%)	(in Baht)		(%)
<b>Investments in leasehold properties (Note 6)</b>							
Leasehold rights on land, buildings and its component parts under 13 projects							
1. Crystal Design Center Project							
<u>Location</u> 1420-1, Praditmanutham Road, Kwang Khlong Chan, Khet Bang Kapi, Bangkok 10240							
Leasehold rights on land, buildings and its component parts (partial) including leasable areas, common areas and parking areas							
	36,021 sq.m.	3,610,000,000			3,610,000,000		
		1,737,684			1,737,684		
		21,828,550			17,540,526		
		116,102,885			-		
		<u>3,749,669,119</u>	<u>3,899,645,206</u>	<u>31.20</u>	<u>3,629,278,210</u>	<u>3,662,808,780</u>	<u>30.12</u>
2. The Crystal Ekamai-Ramintra Project							
<u>Location</u> 64/98-99, Praditmanutham Road, Kwang Ladprao, Khet Ladprao, Bangkok 10230							
Leasehold rights on land, building and its component parts (partial) including leasable areas, common areas and parking areas							
	30,778 sq.m.	2,668,000,000			2,668,000,000		
		1,216,543			1,216,543		
		224,264,302			223,413,489		
		<u>2,893,480,845</u>	<u>2,708,396,862</u>	<u>21.67</u>	<u>2,892,630,032</u>	<u>2,783,029,897</u>	<u>22.88</u>

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





# ALLY LEASEHOLD REAL ESTATE INVESTMENT TRUST

## ALLY Leasehold Real Estate Investment Trust

### Detail of investments (Continued)

Type of investments	Areas held by the Trust (Net leasable areas)	31 December 2022			31 December 2021		
		Cost	Fair value	Percentage of investments	Cost	Fair value	Percentage of investments
		(in Baht)	(in Baht)	(%)	(in Baht)	(in Baht)	(%)
3. The Crystal SB (Ratchapruek) Project							
<u>Location</u> 555/9, Moo 1, Ratchapruek Road, Tambol Bang							
Kanoon, Amphur Bang Kruay, Nonthaburi 11130							
Subleasehold rights on land, leasehold rights on buildings and its component parts (partial) including leasable areas, common areas and entrance-exit	24,426 sq.m.	1,535,000,000			1,535,000,000		
Fixtures, equipment and utility systems		170,968,380			170,389,197		
Right-of-use of land		72,082,299			72,082,299		
		<b>1,778,050,679</b>	<b>1,835,078,098</b>	<b>14.68</b>	<b>1,777,471,496</b>	<b>1,745,068,766</b>	<b>14.35</b>
4. Amorini Ramintra Project							
<u>Location</u> 1 and 1/1, Suan Siam Road, Kwang Khan Na Yao,							
Khet Khan Na Yao, Bangkok 10230							
Leasehold rights on land, building and its component parts including leasable areas, common areas and parking areas	5,092 sq.m.	316,923,573			316,923,573		
Fixtures, equipment and utility systems		5,384,891			4,852,781		
		<b>322,308,464</b>	<b>284,890,301</b>	<b>2.28</b>	<b>321,776,354</b>	<b>300,773,529</b>	<b>2.47</b>

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

ALLY Leasehold Real Estate Investment Trust  
Detail of investments (Continued)

	Type of investments	Areas held by the Trust (Net leasable areas)	31 December 2022			31 December 2021		
			Cost (in Baht)	Fair value (in Baht)	Percentage of investments (%)	Cost (in Baht)	Fair value (in Baht)	Percentage of investments (%)
5.	I'm Park Chula Project							
	<u>Location</u> 353, Charoen Muang Road, Kwang Wang Mai, Khet Pathumwan, Bangkok 10330							
	Subleasehold on land, buildings and its component parts (partial) including leasable areas, common areas and parking areas	6,601 sq.m.	267,561,910			267,561,910		
	Subleasehold on fixtures, equipment and utility systems		48,025,803			46,738,657		
	Right-of-use of land		53,364,926			53,364,926		
			<b>368,952,639</b>	<b>242,158,798</b>	<b>1.94</b>	<b>367,665,493</b>	<b>282,169,871</b>	<b>2.32</b>
6.	Pleamary Mall Watcharapol Project							
	<u>Location</u> 242, 244 and 246, Watcharapol Road, Kwang Tha Raeng, Khet Bang Khen, Bangkok 10220							
	Subleasehold rights on land, leasehold rights on buildings and its component parts (partial) including leasable areas, common areas and parking areas	11,353 sq.m.	699,000,000			699,000,000		
	Fixtures, equipment and utility systems		15,236,783			13,763,559		
	Right-of-use of land		216,912,168			216,912,168		
			<b>931,148,951</b>	<b>825,959,566</b>	<b>6.61</b>	<b>929,675,727</b>	<b>886,897,831</b>	<b>7.29</b>

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





**ALLY Leasehold Real Estate Investment Trust**  
**Detail of investments (Continued)**

		31 December 2022	31 December 2021
Type of investments	Areas held by the Trust (Net leasable areas)	Cost (in Baht)	Fair value (in Baht)
		Percentage of investments (%)	Cost (in Baht)
		Percentage of investments (%)	Fair value (in Baht)
7. Sammakorn Place Ramkhamhaeng (West) Project			
Location 86, Ramkhamhaeng Road, Kwang Saphan Sung, Khet Saphan Sung, Bangkok 10240			
Rights to use on land, entrance-exit, common areas, leasehold rights over buildings and its component parts (partial) including leasable areas, common areas and parking areas	10,340 sq.m.	502,467,225	502,467,225
Fixtures, equipment and utility systems		45,563,480	43,260,811
		548,030,705	550,627,404
		4.41	545,728,036
			542,617,714
			4.46
8. Sammakorn Place Rangsit Project			
Location 819/1-3, Rangsit-Nakhon Nayok Road, Tambol Prachathipat, Amphur Thanyaburi, Pathum Thani 12130			
Subleasehold rights on land (partial), leasehold rights on buildings and its component parts including leasable areas, common areas and parking areas	3,413 sq.m.	223,768,467	223,768,467
Fixtures, equipment and utility systems		6,913,182	6,806,738
Right-of-use of land		6,588,168	6,588,168
		237,269,817	196,913,755
		1.58	237,163,373
			212,239,498
			1.75

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

ALLY Leasehold Real Estate Investment Trust  
Detail of investments (Continued)

Type of investments	Areas held by the Trust (Net leasable areas)	31 December 2022			31 December 2021		
		Cost (in Baht)	Fair value (in Baht)	Percentage of investments (%)	Cost (in Baht)	Fair value (in Baht)	Percentage of investments (%)
9. Sammakorn Place Ratchapruek Project							
Location 62/26-32, Ratchapruek Road, Tambol Aom Kret, Amphur Pak Kret, Nonthaburi 11120							
Subleasehold rights on land, leasehold rights on buildings and its component parts including leasable areas, common areas and parking areas	4,585 sq.m.	302,364,480			302,364,480		
Fixtures, equipment and utility systems		30,960,137			28,562,861		
Right-of-use of land		6,604,626			1,114,969		
		339,929,243	297,335,897	2.38	332,042,310	277,751,689	2.28
10. The Scene Town In Town Project							
Location 1323, Soi Ladprao 94 (Panjamitr), Kwang Phlabphla, Khet Wang Thonglang, Bangkok 10310							
Subleasehold rights on land (partial), leasehold rights on building and its component parts including leasable areas, common areas and parking areas	6,931 sq.m.	516,440,000			516,440,000		
Fixtures, equipment and utility systems		12,019,356			11,199,057		
Right-of-use of land		217,578,685			217,578,685		
		746,038,041	659,832,537	5.28	745,217,742	678,723,780	5.58

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





ALLY Leasehold Real Estate Investment Trust  
Detail of investments (Continued)

Type of investments	Areas held by the Trust (Net leasable areas)	31 December 2022			31 December 2021		
		Cost	Fair value (in Baht)	Percentage of investments (%)	Cost (in Baht)	Fair value	Percentage of investments (%)
11 Kad Farang Village Project							
Location 225 Moo 13, Chiang Mai-Hod Road, Tambol Baanwaen, Amphur Hang Dong, Chiang Mai 50230							
Subleasehold rights on land, leasehold rights on building and its component parts including leasable areas, common areas and parking areas	6,974 sq.m.	389,713,145				389,691,730	
Fixtures, equipment and utility systems		4,410,599				4,386,683	
		<b>394,123,744</b>	<b>382,322,845</b>	<b>3.06</b>		<b>385,139,278</b>	<b>3.17</b>
12 The Crystal Chaiyapruet Project							
Location 99/9 Moo 5, Chaiyapruet Road, Tambol Klongpradom Amphur Pakkred, Nonthaburi 11120							
Subleasehold rights on land, leasehold rights on building and its component parts including leasable areas, common areas and parking areas	16,884 sq.m.	253,849,494				253,834,212	
Fixtures, equipment and utility systems		27,844,073				27,621,118	
Right-of-use of land		175,211,942				123,420,406	
		<b>456,905,509</b>	<b>444,105,099</b>	<b>3.55</b>		<b>404,528,345</b>	<b>3.33</b>

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

**ALLY Leasehold Real Estate Investment Trust**  
**Detail of investments (Continued)**

	Type of investments	Areas held by the Trust (Net leasable areas)	31 December 2022			31 December 2021		
			Cost	Fair value (in Baht)	Percentage of investments (%)	Cost (in Baht)	Fair value	Percentage of investments (%)
13. The Prime Hua Lamphong Project								
	<u>Location</u> 23/34-35 and 358, Trimit Road, Kwang Taladnoi							
	Khet Sampantawong, Bangkok 10100							
	Subleasehold rights on land, leasehold rights on							
	building and its component parts including leasable areas,							
	common areas and parking areas	4,347 sq.m.	151,745,683			-		
	Fixtures, equipment and utility systems		21,964,305			-		
			<b>173,709,988</b>	<b>170,093,093</b>	<b>1.36</b>	<b>-</b>	<b>-</b>	<b>-</b>
			<b>12,939,617,744</b>	<b>12,497,359,461</b>	<b>100.00</b>	<b>12,577,602,922</b>	<b>12,161,748,978</b>	<b>100.00</b>
<b>Total investments in leasehold properties</b>								





# ALLY Leasehold Real Estate Investment Trust

## Statement of comprehensive income

		For the year ended	
		31 December	
	Note	2022	2021
		(in Baht)	
<b>Income</b>	5		
Rental and service income	15	1,441,887,896	1,094,830,643
Interest income		924,803	600,432
Other income		149,432,576	32,450,034
<b>Total income</b>		<b>1,592,245,275</b>	<b>1,127,881,109</b>
<b>Expenses</b>			
Management fees	5, 12	52,088,753	48,446,551
Trustee fees	5, 12	13,461,417	12,537,908
Registrar fees	12	2,080,864	2,283,226
Property management fees	5, 12	129,404,050	91,699,049
Professional fees		3,719,712	3,182,918
Amortisation of deferred expenses	8	20,967,275	20,967,275
Costs of rental and services	5	532,093,570	385,459,066
Administrative expenses	4, 5	60,047,424	33,476,254
Finance costs		158,950,136	145,528,802
<b>Total expenses</b>		<b>972,813,201</b>	<b>743,581,049</b>
<b>Net profit on investments</b>		<b>619,432,074</b>	<b>384,300,060</b>
<b>Net loss on investments</b>			
Net loss on changes in fair value of investments in			
leasehold properties	6	(26,404,338)	(30,186,176)
<b>Total net loss on investments</b>		<b>(26,404,338)</b>	<b>(30,186,176)</b>
<b>Net increase in net assets resulting from operations</b>		<b>593,027,736</b>	<b>354,113,884</b>

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



## ALLY Leasehold Real Estate Investment Trust

### Statement of changes in net assets

	<i>Note</i>	For the year ended	
		2022	2021
		31 December	
		<i>(in Baht)</i>	
<b><i>Increase in net assets resulting from operations during the year</i></b>			
Net profit on investments		619,432,074	384,300,060
Net loss on changes in fair value of investments in leasehold properties	6	<u>(26,404,338)</u>	<u>(30,186,176)</u>
<b>Increase in net assets resulting from operations during the year</b>		<b>593,027,736</b>	<b>354,113,884</b>
Distributions to trust unitholders	13	(530,578,701)	(259,607,700)
Capital return to trust unitholders	10	<u>-</u>	<u>(78,669,000)</u>
<b>Increase in net assets during the year</b>		<b>62,449,035</b>	<b>15,837,184</b>
Net assets at 1 January		<u>8,393,486,361</u>	<u>8,377,649,177</u>
<b>Net assets at 31 December</b>		<b><u>8,455,935,396</u></b>	<b><u>8,393,486,361</u></b>

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



**ALLY Leasehold Real Estate Investment Trust****Statement of cash flows**

	<i>Note</i>	For the year ended	
		31 December	
		2022	2021
		<i>(in Baht)</i>	
<b><i>Cash flows from operating activities</i></b>			
Net increase in net assets resulting from operations		593,027,736	354,113,884
<i>Adjustments to reconcile increase (decrease) in net assets resulting from operations to net cash from (used in) operating activities:</i>			
Purchases of investments in leasehold properties	6	(188,630,743)	(701,113,734)
Proceeds from sale of investments		-	60,000,000
Expected credit loss	4	12,402,851	-
Amortisation of deferred expenses	8	20,967,275	20,967,275
Amortisation of discount on investments in bonds		-	(4,882)
Decrease (increase) in receivables on accrued rental and service income		4,591,836	(50,688,914)
Decrease (increase) in receivables on accrued other income		48,556	(9,179,160)
Increase in refundable value added tax		-	(5,359,140)
Increase in refundable deposits		(1,534,200)	(2,363,000)
Increase in other assets		(17,451,829)	(15,940,317)
Increase in trade accounts payable		15,915,485	12,772,243
(Decrease) increase in other payables and accrued expenses		(13,003,419)	10,288,324
Increase (decrease) in rental and service income received in advance		3,670,531	(711,292)
Increase in deposits from rental and services		21,098,279	24,232,781
Decrease in other liabilities		(9,038,261)	(24,940,360)
Interest income		(924,804)	(600,432)
Interest received		898,436	600,314
Finance costs		158,950,136	145,528,802
Payment of lease liabilities	6	(54,471,044)	(33,483,951)
Net loss on changes in fair value of investments in leasehold properties	6	26,404,338	30,186,176
<b>Net cash from (used in) operating activities</b>		<b>572,921,159</b>	<b>(185,695,383)</b>


**ALLY Leasehold Real Estate Investment Trust**
**Statement of cash flows (Continued)**

	<i>Note</i>	For the year ended	
		2022	2021
		31 December	
		<i>(in Baht)</i>	
<b><i>Cash flows from financing activities</i></b>			
Interest paid		(116,583,580)	(116,141,082)
Proceeds from borrowings from financial institution	9	171,800,000	670,000,000
Payment for transaction cost of borrowings			
from financial institution	9	(343,600)	(1,340,000)
Distributions to trust unitholders	13	(530,578,701)	(259,607,700)
Capital return to trust unitholders	10	-	(78,669,000)
<b>Net cash (used in) from financing activities</b>		<b>(475,705,881)</b>	<b>214,242,218</b>
 <b>Net increase in cash and cash at banks</b>		 <b>97,215,278</b>	 <b>28,546,835</b>
Cash and cash at banks at 1 January		543,895,947	515,349,112
<b>Cash and cash at banks at 31 December</b>	7	<b>641,111,225</b>	<b>543,895,947</b>

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



# **ALLY Leasehold Real Estate Investment Trust**

## **Notes to financial statements**

### **For the year ended 31 December 2022**

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# ALLY Leasehold Real Estate Investment Trust

## Notes to 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 statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the authorised director of the REIT manager on 13 February 2023.

## 1 General information

ALLY 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 26 November 2019. The Trust was established from the conversion of CRYSTRAL Retail Growth Leasehold Property Fund (“the Property Fund”) and received the assets and obligations from the Property Fund on 2 December 2019, according to the Rights and Duties Transfer agreement under the Undertaking agreement and have additional investment assets for project No. 1 - 10. 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 purchase and/or lease and/or sublease and/or received the transfer of leasehold rights and/or subleasehold rights on major leasehold properties, then seek benefits from such properties in type of rental and service income. The Trust has ALLY REIT Management Company Limited (formerly “K.E.REIT Management Company Limited”) (“the REIT manager”) as the Trust Settlor and SCB Asset Management Company Limited as the Trustee who appoints the Trust Settlor as the Property manager. In this regard, the REIT manager appoints KE Property Management Company Limited as the main Property manager and appoints Muensaneproperty Company Limited as the CO-Property manager only for project No. 11. Currently, there are 13 projects under the management of the Trust as follows:

Project	Investment period	
	Beginning	Ending
1. Crystal Design Center Project	3 December 2019	2 December 2049
2. The Crystal Ekamai-Ramintra Project	3 December 2019	2 December 2049
3. The Crystal SB (Ratchapruk) Project	3 December 2019	10 February 2043
4. Amorini Ramintra Project	4 December 2019	3 December 2049
5. I'm Park Chula Project	3 December 2019	6 August 2034
6. Plearnary Mall Watcharapol Project	4 December 2019	3 December 2049
7. Sammakorn Place Ramkhamhaeng (West) Project	4 December 2019	3 December 2049
8. Sammakorn Place Rangsit Project	4 December 2019	3 December 2049
9. Sammakorn Place Ratchapruk Project	4 December 2019	3 December 2049
10. The Scene Town In Town Project	3 December 2019	31 January 2045
11. Kad Farang Village Project	6 May 2021	5 May 2051
12. The Crystal Chaipruk Project	1 December 2021	30 June 2042
13. The Prime Hua Lamphong Project	1 February 2022	20 December 2042

The Trust’s major unitholders during the financial year were KE Benjakij Company Limited (formerly “Benchakit Phatthana Company Limited”) (17.9 % trust unitholding) which incorporated in Thailand.

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



# ALLY Leasehold Real Estate Investment Trust

## Notes to financial statements

For the year ended 31 December 2022

### 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 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 held as right-of-use assets, as well as 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 2 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) *Cash and cash at banks*

Cash and cash at banks in the statement of cash flows comprise cash balances and cash at banks.

#### (c) *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.



# ALLY Leasehold Real Estate Investment Trust

## Notes to financial statements

### For the year ended 31 December 2022

The Trust derecognises the rent receivable when the contractual rights to the cash flows from the rent receivable 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 rent receivable 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 rent receivable.

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.

#### (d) *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.

#### (e) *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.

#### (f) *Leases*

At inception of a contract, the Trust assesses whether a contract is, or contains, a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

##### *As a lessee*

At commencement or on modification of a contract, the Trust allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices of each component.

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

Right-of-use assets are initial measured at cost and classify as investments in leasehold property as described in note 3 (a).

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

The lease liability is initially measured at the present value of all lease payments that shall be paid under the lease. The Trust uses the Trust’s incremental borrowing rate to discount the lease payments to the present value. The Trust determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a lease modification, or a change in the assessment of options specified in the lease. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.



# ALLY Leasehold Real Estate Investment Trust

## Notes to financial statements

### For the year ended 31 December 2022

#### *As a lessor*

The accounting policy for lessor is described in note 3 (l).

#### **(g) Trade and other accounts payable**

Trade and other accounts payable are stated at cost.

#### **(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 recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liability is stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

#### **(k) Fair value measurement**

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

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.



# ALLY Leasehold Real Estate Investment Trust

## Notes to financial statements

### For the year ended 31 December 2022

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.

At lease inception, the Trust considers to classify 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 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 on accrual basis.

#### (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.





# **ALLY Leasehold Real Estate Investment Trust**

## **Notes to financial statements**

### **For the year ended 31 December 2022**

**(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.

**(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 risk**

### ***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 and country in which customers operate.

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.



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

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

<i><b>Receivables on accrued rental and service income</b></i>	Trade accounts receivable - other parties	Trade accounts receivable - related parties (Note 5) (in thousand Baht)	Total carrying amounts
<i><b>At 31 December 2022</b></i>			
Within credit terms	28,882	1,698	30,580
Overdue:			
Less than 3 months	58,874	112	58,986
3 - 6 months	27,165	2	27,167
6 - 12 months	26,586	96	26,682
More than 12 months	21,277	118	21,395
<b>Total</b>	<b>162,784</b>	<b>2,026</b>	<b>164,810</b>
Accrued income under operating lease	70,734	8,289	79,023
	<b>233,518</b>	<b>10,315</b>	<b>243,833</b>
Less allowance for expected credit loss	(12,403)	-	(12,403)
<b>Net</b>	<b>221,115</b>	<b>10,315</b>	<b>231,430</b>
<i><b>At 31 December 2021</b></i>			
Within credit terms	20,629	316	20,945
Overdue:			
Less than 3 months	71,001	57	71,058
3 - 6 months	38,170	20	38,190
6 - 12 months	43,948	142	44,090
More than 12 months	17,719	273	17,992
<b>Total</b>	<b>191,467</b>	<b>808</b>	<b>192,275</b>
Accrued income under operating lease	50,993	5,156	56,149
	<b>242,460</b>	<b>5,964</b>	<b>248,424</b>
Less allowance for expected credit loss	-	-	-
<b>Net</b>	<b>242,460</b>	<b>5,964</b>	<b>248,424</b>

The normal credit term granted for receivables on accrued rental and service income of the Trust is 15 days.

<i><b>Allowance for expected credit loss</b></i>	2022 (in thousand Baht)	2021
At 1 January	-	-
Addition	12,403	-
<b>At 31 December</b>	<b>12,403</b>	<b>-</b>

**Liquidity risk**

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



# ALLY Leasehold Real Estate Investment Trust

## Notes to financial statements

For the year ended 31 December 2022

### Contractual cash flows at 31 December

	2022	2021
	(in thousand Baht)	
Within 1 year or less	134,677	107,459
More than 1 year but less than 2 years	241,140	107,459
More than 2 years but less than 5 years	921,168	727,932
More than 5 years	3,158,751	3,280,282
<b>Total</b>	<b>4,455,736</b>	<b>4,223,132</b>

### 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.

### 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 at banks and borrowings from financial institution interest rates (see notes 7 and 9) are partially variable. So the Trust is primarily exposed to interest rate risk.

### At 31 December

	2022	2021
	(in thousand Baht)	
<b>Financial instruments with variable interest rates</b>		
Financial assets	635,101	541,212
Financial liabilities	(3,608,387)	(3,431,785)
<b>Net statement of financial position exposure</b>	<b>(2,973,286)</b>	<b>(2,890,573)</b>
Interest rate swaps	-	-
<b>Net exposure</b>	<b>(2,973,286)</b>	<b>(2,890,573)</b>

### 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	
	1% increase in interest rate	1% decrease in interest rate	1% increase in interest rate	1% decrease in interest rate
	(in thousand Baht)			
<b>Impact to profit or loss</b>				
Financial instruments with variable interest rate	4,845	3,741	2,710	2,130



# ALLY Leasehold Real Estate Investment Trust

## Notes to financial statements

For the year ended 31 December 2022

### *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.

## 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
KE Property Management Company Limited	Thailand	Property manager	Receive property management fees from the Trust Entered into leasehold rights agreement over land, building and its component parts Rental and service income
BBL Asset Management Company Limited*	Thailand	REIT manager	Receive management fees from the Trust
ALLY REIT Management Company Limited (formerly "K.E.REIT Management Company Limited")	Thailand	REIT manager	Receive management fees from the Trust
SCB Asset Management Company Limited	Thailand	Trustee of the Trust	Receive trustee fees from the Trust
Bangkok Bank Public Company Limited*	Thailand	Ultimate parent company of BBL Asset Management Company Limited	Depository service Grant loan to the Trust Rental and service income
Siam Commercial Bank Public Company Limited	Thailand	Ultimate parent company of SCB Asset Management Company Limited	Depository service Rental and service income
KE Benjakij Company Limited (formerly "Benchakit Phatthana Company Limited")	Thailand	Affiliated company of property manager Major unitholder holding 17.9% of trust units issued and paid-up	Entered into leasehold rights agreement over land, building and its component parts Rental and service income

\*Terminated from related parties which was effective since 1 February 2021



## ALLY Leasehold Real Estate Investment Trust

### Notes to financial statements

For the year ended 31 December 2022

Name of parties	Country of incorporation	Nature of relationships	Nature of transactions
KE KFS Company Limited (formerly “Kiat Friendship Company Limited”)	Thailand	Affiliated company of property manager Major unitholder holding 4.5% of trust units issued and paid-up	Entered into leasehold rights agreement over land, building and its component parts Rental and service income
K.E.H. Company Limited	Thailand	Affiliated company of property manager	Rental and service income
Luxury At Living Company Limited	Thailand	Affiliated company of property manager	Rental and service income
The Crystal Ratchapruerk Retail Company Limited	Thailand	Affiliated company of property manager	Entered into subleasehold rights agreement over land, leasehold rights on building and its component parts Rental and service income
The Crystal Retail Company Limited	Thailand	Affiliated company of property manager	Entered into subleasehold rights agreement over land, leasehold rights on building and its component parts
The Sky OS Company Limited	Thailand	Affiliated company of property manager	Purchasing goods and service
ALLY Global Management (Thailand) Company Limited (formerly “The KE Group Company Limited”)	Thailand	Affiliated company of property manager	Rental and service income

During the year, the Trust has significant transactions with management company and other entities with common shareholders and/or common directors with the Property manager, REIT manager, Trustee and the Trust.



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

***Significant transactions with related parties***

***For the year ended 31 December***

	2022	2021
	<i>(in thousand Baht)</i>	
<b><i>Income</i></b>		
Rental and service income		
The Crystal Retail Company Limited	10,496	-
Siam Commercial Bank Public Company Limited	7,739	6,675
KE Property Management Company Limited	7,400	3,687
KE Benjakij Company Limited		
(formerly “Benchakit Phatthana Company Limited”)	5,434	4,950
Luxury At Living Company Limited	4,988	4,932
ALLY Global Management (Thailand) Company Limited		
(formerly “The KE Group Company Limited”)	4,092	-
Bangkok Bank Public Company Limited*	-	1,670
Other related parties	1,939	2,602
<b>Total</b>	<b>42,088</b>	<b>24,516</b>
Interest income		
Other related parties	571	440
Other income		
Luxury At Living Company Limited	1,255	133
Other related parties	1,001	206
<b>Total</b>	<b>2,256</b>	<b>339</b>
<b><i>Expenses</i></b>		
Costs of rental and services		
KE Property Management Company Limited	6,367	1,618
Other related parties	2,241	3,650
<b>Total</b>	<b>8,608</b>	<b>5,268</b>
Administrative expenses		
Other related parties	2,162	-
Management fees		
ALLY REIT Management Company Limited		
(formerly “K.E.REIT Management Company Limited”)	52,089	46,900
BBL Asset Management Company Limited*	-	1,547
<b>Total</b>	<b>52,089</b>	<b>48,447</b>
Trustee fees		
SCB Asset Management Public Company Limited	13,461	12,538
Property management fees		
KE Property Management Company Limited	129,404	91,699
Finance costs		
Bangkok Bank Public Company Limited*	-	9,233

*\*Terminated from related parties which was effective since 1 February 2021*



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

***Balances with related parties at 31 December***

2022                      2021  
*(in thousand Baht)*

***Cash at banks***

Siam Commercial Bank Public Company Limited

**150,329**

**415,477**

***Receivables on accrued rental and service income***

***Rental and service receivables***

Other related parties

2,026

808

**2,026**

**808**

***Accrued income under operating lease***

Other related parties

8,289

5,156

**8,289**

**5,156**

**Total**

**10,315**

**5,964**

***Receivables on accrued other income***

KE Property Management Company Limited

**7,393**

-

***Receivables on accrued interest income***

Siam Commercial Bank Public Company Limited

**8**

**6**

***Prepaid expenses***

ALLY REIT Management Company Limited

(formerly "K.E.REIT Management Company Limited")

**21,677**

**18,027**

***Trade accounts payable***

KE Property Management Company Limited

10,858

46

Other related parties

1,708

2,039

**Total**

**12,566**

**2,085**

***Other payables and accrued expenses***

ALLY REIT Management Company Limited

(formerly "K.E.REIT Management Company Limited")

32,750

28,585

Other related parties

2,950

2,329

**Total**

**35,700**

**30,914**

***Deposits from rental and services***

Siam Commercial Bank Public Company Limited

3,205

2,454

Other related parties

2,496

2,463

**Total**

**5,701**

**4,917**



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

**6 Investments in leasehold properties at fair value**

	2022	2021
	<i>(in thousand Baht)</i>	
<b>Investments in leasehold properties - at cost</b>		
Investments in leasehold properties as at 1 January	12,577,603	11,734,911
Add Investment in leasehold property during the year	151,782	643,526
Add Lease modification during the year	173,384	141,578
Add Increases in fixtures and equipment during the year	36,848	57,588
<b>Investments in leasehold properties as at 31 December</b>	<b>12,939,617</b>	<b>12,577,603</b>
<b>Net loss on changes in fair value of investments in leasehold properties</b>		
Net loss on changes in fair value of investments in leasehold properties as at 1 January	(415,854)	(385,668)
Net loss from revaluation during the year	(101,700)	(109,288)
Less Value included in accrued income under operating lease	(79,022)	(56,149)
Add Value included in leases liabilities relating to right-of-use assets	154,318	135,251
	(26,404)	(30,186)
<b>Net loss on changes in fair value of investments in leasehold properties as at 31 December</b>	<b>(442,258)</b>	<b>(415,854)</b>
<b>Investments in leasehold properties as at 31 December</b>	<b>12,497,359</b>	<b>12,161,749</b>

***Additional investment in leasehold property during the year***

*The Prime Hua Lamphong Project*

On 1 February 2022, the Trust has entered into leasehold rights agreement over land and building of The Prime Hua Lamphong Project approximately 21 years ending on 20 December 2042 together with purchase of freehold rights over fixtures, equipment and utility system with Phraram 3 Pattana Co., Ltd. The Trust paid for the total investment costs of Baht 172.6 million including registration fees, VAT, stamp duty, fees and other related expenses for the land and building of Baht 151.7 million and purchase of freehold rights over fixtures, equipment and utility system of Baht 20.9 million.

The Trust has already registered the leasehold rights with Department of Land on 1 February 2022.

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



**ALLY Leasehold Real Estate Investment Trust****Notes to financial statements****For the year ended 31 December 2022****Significant unobservable inputs**

- Expected market rental growth (2022: 2.0% - 5.0% and 2021: 2.0% - 4.0%).
- Expected renewal rate (2022 and 2021: weighted average 50.0%).
- Average occupancy rate (2022: 78.6% - 99.0%, 2021: 80.0% - 95.0%).
- Risk-adjusted discount rate (2022 and 2021: 9.0% - 10.0%).

**Inter-relationship between key unobservable inputs and fair value measurement**

The estimated fair value increase (decrease) if:

- Expected market rental growth were higher (lower);
- Expected renewal rate were higher (lower);
- The average occupancy rate were higher (lower); or
- The risk-adjusted discount rate were lower (higher).

***Leases******As a lessee***

The Trust leases lands for some projects that the Trust invested for the periods of 15 years to 30 years, with extension options of some contracts at the end of lease term. The rental is payable base on monthly, quarterly and annually basis as specified fixed rate in the contract.

In 2022, additions to the right-of-use assets of the Trust were Baht 173.4 million (2021: Baht 141.6 million).

***Extension options***

The Trust has extension options on property leases exercisable up to one year before the end of the contract period. The Trust assesses at lease commencement date whether it is reasonably certain to exercise the extension options and will regularly reassess so.

***For the year ended 31 December***

2022                      2021  
(in thousand Baht)

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

Interest on lease liabilities	37,147	27,156
-------------------------------	--------	--------

In 2022, total cash outflow for leases of the Trust was Baht 54.5 million (2021: Baht 33.5 million).

***As a lessor***

The leases with tenants contain an initial non-cancellable periods of 1 year to 30 years. Subsequent renewals are negotiated with the lessee. These leases are identified as the fixed and variable rental income.

***For the year ended 31 December***

2022                      2021  
(in thousand Baht)

Variable rental income based on sales	47,190	42,713
---------------------------------------	--------	--------



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

*Lease payments to be received from operating leases  
at 31 December*

	2022	2021
	<i>(in thousand Baht)</i>	
1 <sup>st</sup> year	491,856	485,529
2 <sup>nd</sup> year	283,600	284,225
3 <sup>rd</sup> year	146,088	135,434
4 <sup>th</sup> year	42,597	42,174
5 <sup>th</sup> year	40,513	40,306
After 5 <sup>th</sup> year	947,905	988,419
<b>Total</b>	<b>1,952,559</b>	<b>1,976,087</b>

**7 Cash and cash at banks**

	31 December 2022		31 December 2021	
	Amount	Interest rate	Amount	Interest rate
	<i>(in thousand Baht)</i>	<i>(% per annum)</i>	<i>(in thousand Baht)</i>	<i>(% per annum)</i>
Cash on hand	162	-	150	-
Cash at banks - current accounts	5,848	-	2,534	-
Cash at banks - savings accounts	635,101	0.25 - 0.35	541,212	0.05 - 0.13
<b>Total</b>	<b>641,111</b>		<b>543,896</b>	

**8 Deferred expenses**

	2022	2021
	<i>(in thousand Baht)</i>	
At 1 January	61,466	82,433
Recognised as expense during the year	(20,967)	(20,967)
<b>At 31 December</b>	<b>40,499</b>	<b>61,466</b>

If the Trust was to recognise the deferred expenses as expenses in full at 31 December 2022, the Trust's net asset value (NAV) would be Baht 8,415.4 million, and NAV per unit would be Baht 9.6275 per unit.

**9 Borrowings from financial institution**

	2022	2021
	<i>(in thousand Baht)</i>	
At 1 January	3,431,785	2,760,897
Increases	171,800	670,000
Less Transaction cost of borrowings from financial institution	(344)	(1,340)
Add Amortisation of finance costs by effective interest rate	5,146	2,228
<b>At 31 December</b>	<b>3,608,387</b>	<b>3,431,785</b>

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

On 2 December 2019, the Trust has entered into a loan agreement from Bangkok Bank Public Company Limited (“the bank”) with credit facilities of Baht 4,025.0 million by divided into 2 credit facilities. The first credit facility was amounting to Baht 2,764.0 million and the second credit facility was amounting to Baht 1,261.0 million. The Trust has withdrawn the first credit facility of Baht 2,764.0 million. The principal is payable due at the term of agreements for the period of 10 years and repayment principle of 24 payable terms. The first repayment due within the last day of the 51<sup>st</sup> month from the first month of borrowings, and then repayment in every 3 months. The repayment of principal is within 120 months since the first date of withdrawing date and pay interest in every 3 months. The borrowing bears interests as follows:

- 1) Fixed interest at 3.85% per annum from the withdrawing date of the first credit facility to 2 December 2021;
- 2) MLR - 2.15 per annum from 3 December 2021 until 2 December 2024; and
- 3) MLR - 2 per annum from 3 December 2024 onwards until the settlement is completed.

Later on 6 May 2021, the Trust has withdrawn the second credit facility for investing in Kad Farang Village Project from the bank of Baht 390.0 million. The principal is payable due at the term of agreements for the period of 9 years and on 30 November 2021, the Trust has withdrawn the second credit facility for investing in The Crystal Chaipayruek Project from the bank of Baht 280.0 million. The principal is payable due at the term of agreements for the period of 8 years. On 1 February 2022, the Trust has withdrawn the second credit facility for investing in The Prime Hua Lamphong Project from the bank of Baht 171.8 million. The principal is payable due at the term of agreements for the period of 8 years and repayment the said principals of 24 payable terms. The first repayment due within the last day of the 51<sup>st</sup> month from the first month of the withdrawing date of the first credit facility, and then repayment in every 3 months. The repayment of principal is within 102 months since the first date of withdrawing date of the second credit facility and pay interest in every 3 months. The borrowing bears interests as follows:

- 1) Fixed interest at 4.25% per annum from the withdrawing date of the second credit facility to 2 December 2021;
- 2) MLR - 2 per annum from 3 December 2021 until 2 December 2024; and
- 3) MLR - 1.75 per annum from 3 December 2024 onwards until the settlement is completed.

The borrowing was secured by the followings:

- 1) Leasehold rights of Crystal Design Center Project, The Crystal Ekamai-Ramindra Project, Kad Farang Village Project, and Sammakorn Place Ramkhamhaeng (West) Project which registered as the business collateral agreement;
- 2) Subleasehold rights of Plearnery Mall Watcharapol Project and The Prime Hua Lamphong Project which registered as the business collateral agreement; and
- 3) Rights of collection from receivables related to the existing investment assets 1) (project No. 1 to project No. 10) which registered as the business collateral agreement.

In addition, the Trust agreed to accept existing and future collateral according to business security registration according to the loan agreement and additional amendment and the Trust must provide an insurances including all risk insurances and business interruption insurances for the investments in the existing investment assets 1), 2) and additional investment assets which identified the bank and the Trust as beneficiary.



# ALLY Leasehold Real Estate Investment Trust

## Notes to financial statements

### For the year ended 31 December 2022

Under the loan agreement, the Trust must maintain financial conditions which stipulated in the loan agreement such as 1) maintenance debt to equity ratio not exceed 1.5 times, 2) maintenance interest bearing debt to operating profit before interest expenses and financial costs, income tax, depreciation, amortisation adjusted by non-cash items (Interest Bearing Debt to EBITDA ratio) not exceed 5.5 times, 3) maintenance loan to total assets ratio not exceed 50% and 4) K.E. Group maintain proportion of unitholder holding in direct and/or indirect to be not less than 10% of total investment trust from the first investment etc.

As at 31 December 2022, the Trust had unutilised credit facilities for investments in leasehold properties and other credit facilities amounting to Baht 419.2 million and Baht 380.0 million respectively (2021: Baht 591.0 million and Baht 380.0 million respectively).

## 10 Capital from trust unitholders

	Par value (in Baht)	31 December 2022 Number (in thousand units /thousand Baht)	Amount	Par value (in Baht)	31 December 2021 Number (in thousand units /thousand Baht)	Amount
<b>Trust registered capital and capital from trust unitholders</b>	<b>9.7996</b>	<b>874,100</b>	<b>8,565,830</b>	<b>9.7996</b>	<b>874,100</b>	<b>8,565,830</b>
Trust unit at 1 January	9.7996	874,100	8,565,830	9.8896	874,100	8,644,499
Reduction of Trust unit value	-	-	-	(0.0900)	-	(78,669)
<b>Trust unit at 31 December</b>	<b>9.7996</b>	<b>874,100</b>	<b>8,565,830</b>	<b>9.7996</b>	<b>874,100</b>	<b>8,565,830</b>

At the Board of Directors' meeting of ALLY REIT Management Company Limited (formerly "K.E.REIT Management Company Limited"), act as the REIT manager of ALLY Leasehold Real Estate Investment Trust held on 23 February 2021, the Board of Directors approved the paid-in capital reduction of par value at the rate of Baht 0.0900 per unit totalling Baht 78.7 million. The reduction of paid-in capital was paid to its trust unitholders in March 2021 which was to comply with Trust deed.

## 11 Retained earnings

	Note	2022 (in thousand Baht)	2021
At 1 January		145,121	50,615
Add Net profit on investments		619,432	384,300
Less Net loss on changes in fair value of investments in leasehold properties	6	(26,404)	(30,186)
Less Distributions to trust unitholders	13	(530,578)	(259,608)
<b>At 31 December</b>		<b>207,571</b>	<b>145,121</b>



# ALLY Leasehold Real Estate Investment Trust

## Notes to financial statements

### For the year ended 31 December 2022

## 12 Expenses

### (a) REIT manager fees

#### (1) Management fees

The REIT manager will receive a monthly REIT management fees at a rate not exceed 1.00% per annum of total assets value (excluded value added tax, specific business tax or any other similar tax) but not less than Baht 25 million per year. The increasing rate is at 3.00% per annum.

#### (2) Outperformance fees

The REIT manager will receive annually outperformance fees at a rate of 30.00% of the difference between adjusted net profit rate for outperformance fees calculation and reference yield rate (in case of the difference between adjusted net profit rate for outperformance fees calculation for the accounting period less than reference yield rate, outperformance fees will be not calculated). The outperformance fees will be effective on 1 January 2021 onwards.

### (b) Trustee fees

The Trustee of the Trust will receive annually trustee fees at a rate not exceed 1.00% per annum of total assets value (excluded management fees or other instrument fees that the Trust invests in and considers to invest in due to acting as REIT manager or the issuer is the Trustee, value added tax, specific business tax or any other similar tax) but not less than Baht 12 million per year.

### (c) Registrar fees

The registrar fees are calculated monthly at a 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 by individual project.

#### (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.

#### (4) Acquisition or disposition of Trust's assets fee

At a rate of not exceed 1% of acquisition or disposition of assets



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

**13 Distributions to trust unitholders**

For the year ended 31 December 2022				
Performance for the period	Approval date	Payment schedule	Rate per unit (Baht)	Amount (in thousand Baht)
1 October 2021 - 31 December 2021	23 February 2022	31 March 2022	0.1300	113,633
1 January 2022 - 31 March 2022	13 May 2022	15 June 2022	0.1620	141,604
1 April 2022 - 30 June 2022	11 August 2022	14 September 2022	0.1650	144,226
1 July 2022 - 30 September 2022	14 November 2022	16 December 2022	0.1500	131,115
				<b>530,578</b>

For the year ended 31 December 2021				
Performance for the period	Approval date	Payment schedule	Rate per unit (Baht)	Amount (in thousand Baht)
1 October 2020 - 31 December 2020	23 February 2021	22 March 2021	0.0550	48,076
1 January 2021 - 31 March 2021	13 May 2021	11 June 2021	0.1500	131,115
1 April 2021 - 30 June 2021	16 August 2021	17 September 2021	0.0920	80,417
				<b>259,608</b>

**14 Information on investment purchase and sale transactions**

The Trust's purchase and sale transactions for the year ended 31 December 2022, excluding investments in cash at banks, amounting to Baht 188.6 million which was 2.23% of the average net assets values during the year (2021: Baht 761.1 million which was 9.09% of the average net assets values during the year).

**15 Segment 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.

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

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 was as follows:

	2022	2021
	<i>(in thousand Baht)</i>	
<b>Type of revenues</b>		
Revenue from rendering of services	899,337	675,367
<b>Total income</b>	<b>1,592,245</b>	<b>1,127,881</b>
<b>Timing of revenue recognition</b>		
Overtime	899,337	675,367

**16 Information on fair value level and fair value measurement of investment*****Fair value categorised by measurement approach***

	Level 1	Level 2	Level 3	Total
	<i>(in million Baht)</i>			
<b>As at 31 December 2022</b>				
Investments in leasehold properties at fair value	-	-	12,497	12,497
<b>As at 31 December 2021</b>				
Investments in leasehold properties at fair value	-	-	12,162	12,162

Investments categorised in level 3 have significant unobservable data as they are not actively traded. Methods and assumptions used in the measurement are 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 Events after the reporting period**

At the Board of Directions' meeting of ALLY REIT Management Company Limited (formerly "K.E.REIT Management Company Limited"), acting as a REIT manager of ALLY Leasehold Real Estate Investment Trust held on 13 February 2023, had the resolution approved the appropriation of operation for the period from 1 October 2022 to 31 December 2022 of Baht 0.1730 per unit, amounting to Baht 151.2 million, which will be paid to its trust unitholders in March 2023.





## ALLY LEASEHOLD REAL ESTATE INVESTMENT TRUST

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