



# KTBST MIXED

FREEHOLD AND LEASEHOLD REAL ESTATE INVESTMENT TRUST

## Contents

	Page.
Message from The Chief Executive Officer	
Summary of The REIT	1
General Information for KTBSTMR	11
Policy, Business Overview, and Procurement of Benefits of KTBSTMR	12
Market Overview for Real Estate Industry of Invested Properties	50
Risk Factors	65
Legal Disputes	109
Other Significant Information	109
Information of Trust Unit and Trust Unitholder	110
Management Structure	114
Corporate Governance	153
Social Responsibilities	182
Internal Control and Risk Management	184
Prevention of Conflict of Interest	185
Hightlight of Financial Statement	193
Financial Position and Operating Results of REIT and Management Discussion and Analysis	196
Opinion of the Trustee for the Operation of KTBSTMR	202
Financial Statement	

## Message from The Chief Executive Officer

ทรัสต์เพื่อการลงทุนในอสังหาริมทรัพย์และสิทธิการเช่าอสังหาริมทรัพย์ เคทีบีเอสที มีกซ์

KTBST Mixed Freehold and Leasehold Real Estate Investment Trust



Dear Trust Unitholders

For the year ended 2021, it was a very important year for KTBST Mixed Freehold and Leasehold Real Estate Investment Trust (“REIT or KTBSTMR”) as the trust units were traded on the Stock Exchange of Thailand on the 15 November 2021 as the first day with the initial investment in the leasehold right in 3 types of the properties, which are warehouse, factory, office building and community mall. All projects have high potential growth in the long run, which made the value of KTBSTMR total of 3,015 million Baht. The highlight of KTBSTMR is the diversified portfolio that invested in various types of assets, generated recurring income from many types of businesses for the purpose of risk diversification, and sustainable returns in the long run under all economic conditions.

Overview of the economy over the past year, the real estate has been affected by the spread of the COVID-19. Due to appropriate diversification of investment portfolio consisted of office building, Community malls, warehouses, and factories, KTBSTMR had less effect from the COVID-19 and relatively minimized. In addition, domestic consumptions, manufacturers and exporters were still able to expand and grow over the past year. Such explanation made KTBSTMR able to achieve higher operating results than the targets. Currently, KTBSTMR has total leasable areas of approximately 134,000 square meters and has a variety of tenants. Every investment asset had the occupancy rates continually higher than 90%.

At the beginning of 2022, KTBSTMR made the first additional investment as expected schedule from the results of the approval of the Extraordinary General Meeting of Trust Unitholders held on 16 March 2022, by invested in one project, the Data Center. The investment value not more than 750 million Baht, sourcing fund by debt. Such investment will enhance the long-term potential growth by strengthen the KTBSTMR's structure, and more diversification of the risks. Consequently, KTBSTMR has been invested in potential type of assets that combine more various types of businesses including buildings, warehouses, factories, office buildings, community mall and data center, which located in the strategic areas of Thailand, with a variety of tenants that not concentrated in only one industry. As a result, KTBSTMR is the first independent REIT in Thailand that combines investments in various industries.

The REIT Manager would like to thank you all trust unitholders for your ongoing trust and support. We aim to manage KTBSTMR towards sustainable growth and generate stable returns with our best efforts to ensure the highest benefits to the trust unitholders through business operation under the good governance policy.

Sincerely yours,

Mr. Phonlasit Phumiwasana

Chief Executive Officer

KTBST REIT Management Co., Ltd.

REIT Manager

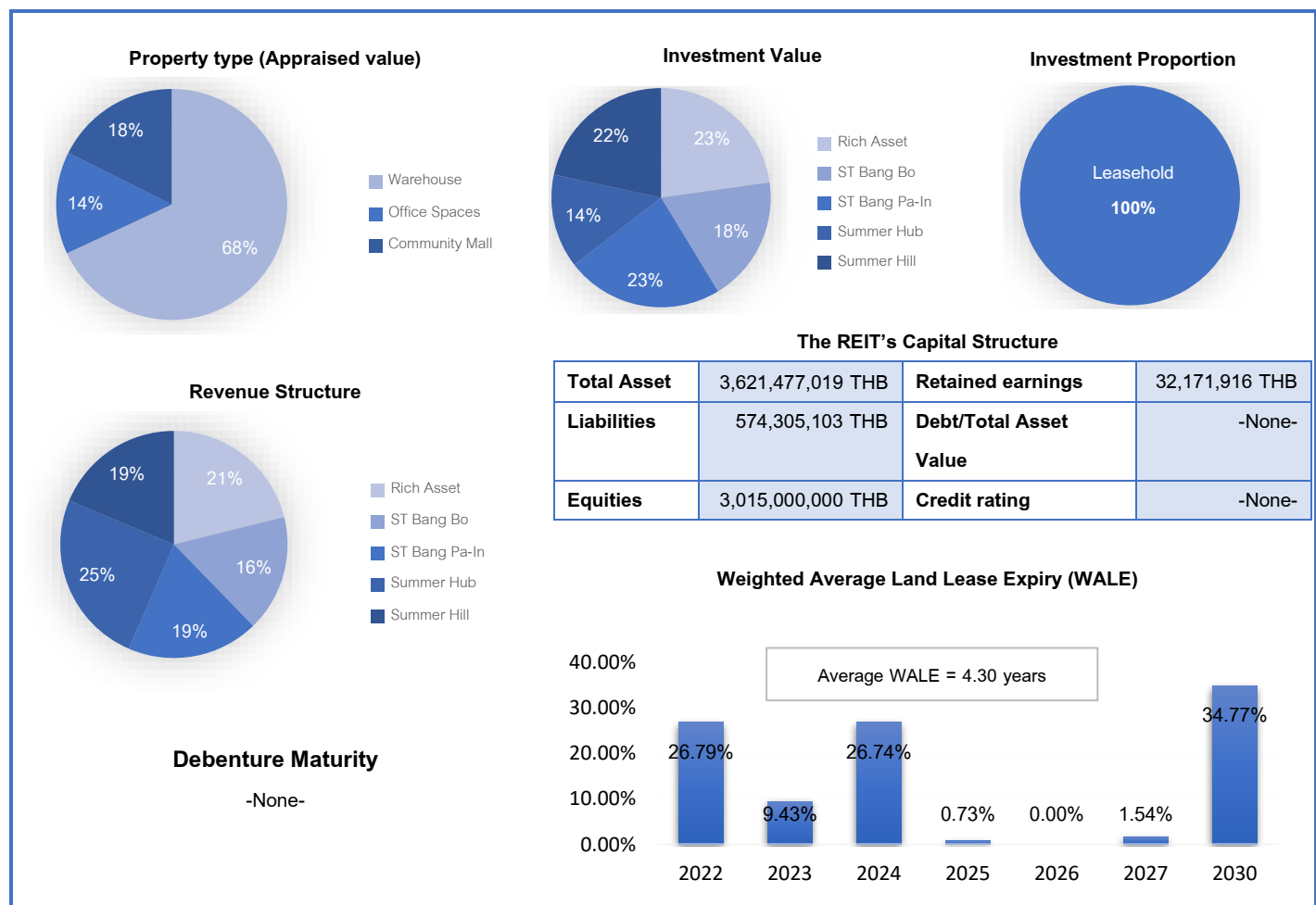
## Summary of KTBSTMR

The information as of 31 December 2021

Caution of leasehold REIT: the REIT will be depreciated to zero at the end of leasehold period, 7 November 2051, if the REIT doesn't have any new investment.

REIT Name (Thai)	ทรัสต์เพื่อการลงทุนในอสังหาริมทรัพย์และสิทธิการเช่าอสังหาริมทรัพย์ เคทีบีเอสที มีกซ์
REIT Name (English)	KTBST Mixed Freehold and Leasehold Real Estate Investment Trust
Abbreviation	KTBSTMR
REIT Manager	KTBST REIT Management Co., Ltd.
Trustee	Kasikorn Asset Management Co., Ltd.
Auditor	SP Audit Co., Ltd.
REIT Establishment Date	2 November 2021
Term of the REIT	Indefinite
Type of the REIT	Unit trust is not redeemable

Market Cap (Million Baht)	2,954.70	Closing price as at 30 December 2021 (Baht per unit)	9.80
Number of Units (units)	301,500,000	Paid-up capital (Million Baht)	3,015
Net Asset Value/NAV (Million Baht)	3,047.17	NAV/Unit (Baht)	10.1067
Weighted Average Land Lease Term (Years)	4.30	Price/NAV (Time)	0.9697
Date of Approval Date	5 February 2021	Par (Baht per unit)	10.00



### Appraised Value

Investment Property	Appraisal Value (Million Baht)		
	KTAC Appraisal and Service Co., Ltd.	The Value and Consultants Co., Ltd.	Year Appraisal Co., Ltd.
Rich Asset Project	632.30		662.00
ST Bang Bo Project	527.40	528.50	
ST Bang Pa-In Project	668.50	668.80	
Summer Hub Project	392.80	385.00	
Summer Hill Project	477.90	476.20	

As of 7 July 2021.

QR Code for Valuation Report 2021



### Major Trust Unitholders

As of 30 December 2021

No.	Name	Number of Units	Percent (%)
1	ST Property and Logistics Co., Ltd.	60,000,000	19.90
2	STP & I Public Company Limited	27,438,700	9.10
3	KTBST Securities Public Company Limited (IB)	15,000,000	4.98
4	Bahama Co., Ltd.	10,000,000	3.32
5	Miss Phattheera Phairatwet	5,000,000	1.66

Foreign Limit	49%
Current Foreign Holding	0.01%

**Estimated Distribution Payment if the REIT raise fund of not exceeding 3,015.00 million Baht**

Estimated Distribution payment from the operation period of 1 October 2021 – 30 September 2022	Estimation based on the reviewed performance by the auditor
Dividend payment from operations	6.75%
Dividend payment from guarantee	-
Capital Reduction	0.27%
<b>Total Distribution Payment</b>	<b>7.02%</b>

### Distribution Payment Policy

The REIT Manager shall make a distribution payment to its unitholders at a rate of no less than 90% of its adjusted net profit for each fiscal year no more than 4 payments of beneficial interest to unitholders during each fiscal year.

Type of Payment (Baht per Unit)	2021	Since Inception date
Distribution excl. income guarantee	0.0860	0.0860
Distribution from income guarantee	0.0179	0.0179
<b>Total</b>	<b>0.1039</b>	<b>0.1039</b>
Capital Reduction	-	-

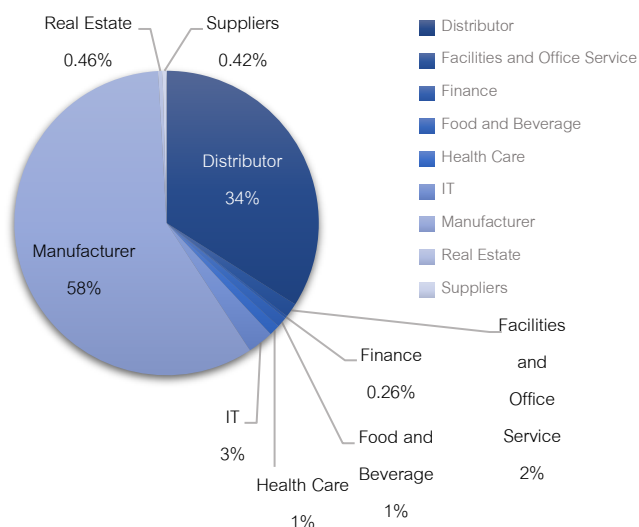
Note: from the operating period of 2 November 2021 – 31 December 2021

Summary of Guarantee

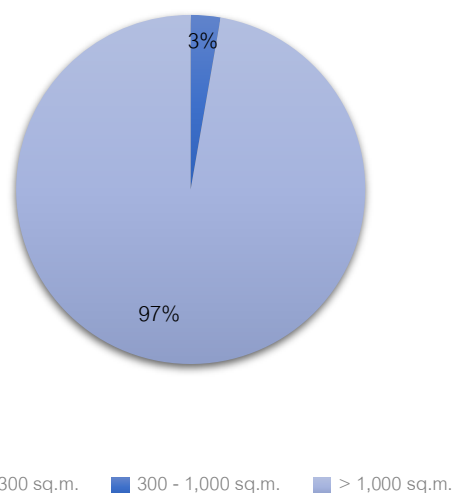
No.	Rich Asset Project	ST Bangbo Project	ST Bang Pa-In Project	Summer Hill Project	Summer Hub Project
Duration	8 November 2021 – 7 November 2022			8 November 2021 – 7 November 2024	
Number of Years	1 year since the inception date			Throughout 3 years. The first time is for 1 year from the date the REIT invests or until the date of the contract of appointing BC as a property manager which ends on 30 June 2023 (Considering the latest day). Recently, the period has been extended for another 2 years.	
Conditions	For the areas in the projects that vacant or where service contracts end regardless of any reason within 1 year (whichever comes first)			<div>- For the areas in the projects that vacant or where service contracts end regardless of any reason within 1 year (whichever comes first</div> <div>- Compensation for the total service fee under the service contract for the event area and corridor</div> <div>- Compensation of income according to the estimations</div>	
Estimated Amount (THB:Million)	10.61	24.80		7.00	26.34
Undertaking Information	RAC or RADP	STPL		STHILL	STHUB
Credit Rating	No rating				

## The Tenants Information

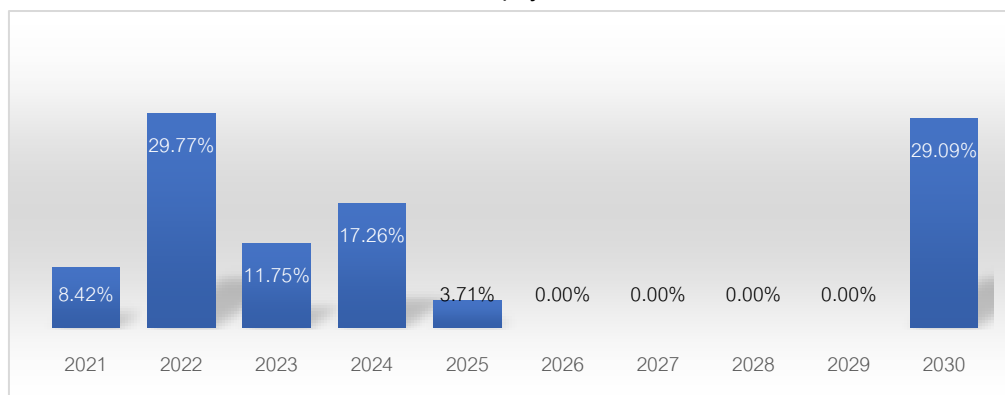
### The Proportion of Tenants by Business Type



### Top 10 Tenants by Revenue



### Lease Expiry Profiles



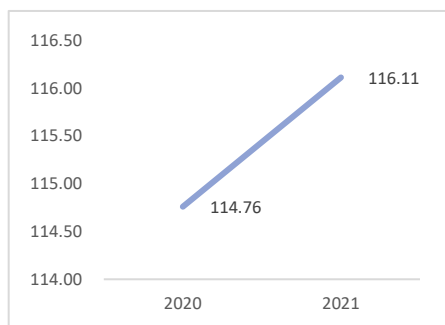
### The Renewal Rate

2021	Percentage
RA	68.97%
STBB	76.42%
STBP	-
STHUB	100.00%
STHUILL	96.88%

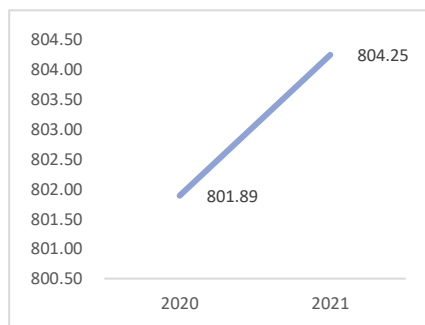
### The operating Results of the REIT

#### Average Rental Rate of investment assets (Baht/sq.m./m.)

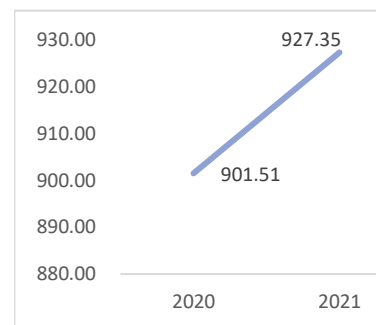
Warehouse



Office Building

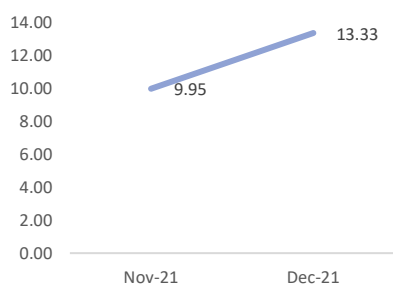


Community Mall

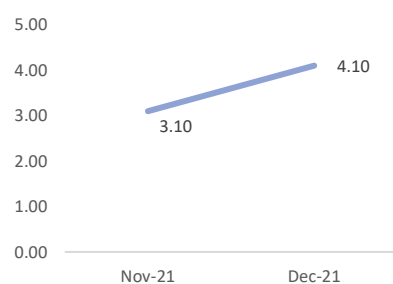


#### Revenue (million Baht)

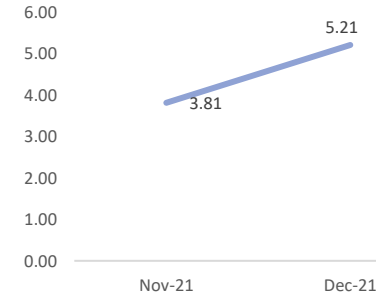
Warehouse



Office Building

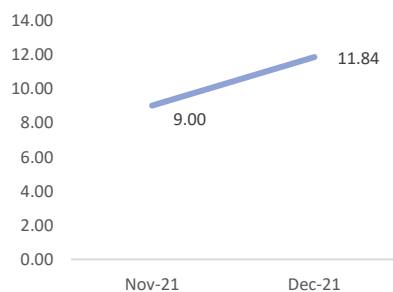


Community Mall

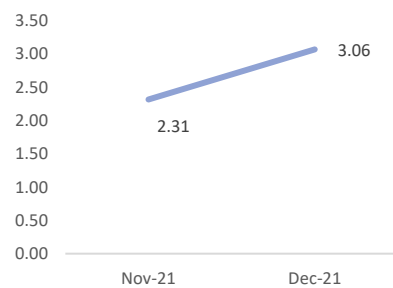


#### Earnings before Interest, Tax, Depreciation, and Amortization (EBITDA) (million Baht)

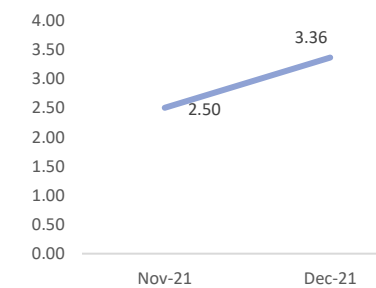
Warehouse



Office Building



Community Mall





### Key Financial Information

Key Financial Information	2 November – 31 December 2021
Rental and Service Income (Baht)	39,764,114
Other Income (Baht)	3,500
Net Investment Income (Baht)	32,171,916
Net Increase in Net Assets from the Operations (Baht)	32,171,916
Earning per Unit (Baht)	0.1067
Distribution per Unit (Baht)	0.1039
Capital Reduction (Baht)	-
Debt to Total Asset (times)	0.16
Interest (Baht)	-
Net Cash Used in Operating Activities (Baht)	(2,987,575,886)
Net Cash from financing Activities (Baht)	3,015,000,000
Cash and Cash Equivalents (Baht)	27,424,114
Net Asset Value (Baht)	3,047,171,916
Price per NAV	0.9697
Distribution per Unit/ Market Price as of 30 Dec 2021 (%)	1.0652
Market Capital Value (Baht)	2,954,700,000
The Closing Price at the end of the Fiscal Year	9.80

### Management Discussion and Analysis for the Operating Results

During 2021, the REIT haven't had any additional investment, so that the REIT had the rental and service income of 39.76 million Baht or 87.79% of the total revenue from the operating period of 2 November (the inception date) – 31 December 2021. The REIT had total expenses of 9.63 million Baht or 73.28%, mostly from SG&A. As the result, the REIT had net investment income of 32.17 million Baht or 71.02% of total revenue.

As of 31 December 2021, the REIT had the total assets of 3,621.48 million Baht. Besides, the net assets value was 3,047.17 million Baht or 10.1067 Baht per unit. Moreover, the REIT haven't had any debt from borrowing.

Type of Audited Financial Report:

- ☒ Unqualified Opinion  
☐ Others

### Summary of Significant Liabilities

- None -

## Risk Factors

### 1. Risks related to the REIT or its operations

- Risk from the operating results that depend on the performance of the REIT manager and property manager
- A risk is that the REIT's performance and operating results depend on the ability of the REIT manager and property manager who may lose senior management personnel and personnel specializing in real estate benefit procurement.

### 2. Risks from Conflicts of interest

- From property managers who compete with assets that the REIT initially invested in.
- The conflict of interest that may arise from using the service marks of the Summer Hill Project and the Summer Hub Project
- Risks that the REIT's income depends on the financial status of the space tenants and the decision to renew the lease and service contracts (if any) when the lease and service contract (if any) of the space tenant expires
- Risks from lack of experiences of property manager in order to manage the asset type of community mall and/or office building
- The REIT may not exercise the right and earn from the investment assets due to the sponsors don't act following related agreement of the investment and management conditions of the REIT
- A risk that may arise from the REIT's dependence on the asset owner company for the provision of certain public facilities and utilities

### 3. Risks from the Investment Assets

- A risk that the REIT's sublease right in the land to be invested in and/or the leasehold right in the building to be invested in which may be terminated if the land lease agreement is canceled or terminated before the expiration of the term.
- A risk of investing in leasehold and sub leasehold rights in real estate, which the right to lease or the right to sublease, It may be canceled or terminated before the expiration date. which causes the REIT to lose the right to use the assets leased or subleased property.
- A risk of investing in leasehold and sub leasehold rights in real estate, whose value decreases with the remaining lease or sublease term.
- A Risk of the REIT when transferring leasehold rights in the land to be invested in and the ownership of the building to be invested in the Summer Hub and Summer Hill projects
- A Risk related to the entrance to the public way of the ST Bang Bo project.

- A risk from non-renewal of land sublease agreements to invest and building leases to invest for Summer Hill and Summer Hub projects after the expiration of the first lease period as the REIT aims to sublease the land to invest and the building to be invested in the Summer Hill Project and the Summer Hub Project for 30 years.
- A REIT's financing risk by allowing ST Hill and ST Hub to use parts of the land to be invested and the buildings to be invested to locate signs within the Summer Hill project and the Summer Hub project.
- A risk related to the entrance and exit of Soi Sukhumvit Soi 46, which is on the side of the Summer Hill and Summer Hub projects.
- A risk from that the building may deteriorate in providing benefits and/or the risk that the reserves for repairs or major improvements for the assets initially invested by the REIT which may not be sufficient.
- The risk from competition may affect the acquisition of tenants, occupancy rates, and rental rates.
- A risk from that the assets initially invested by the REIT may be defective or there may be illegal practices and regulations or other defects
- A risk related to finding tenants of the space when the REIT's leasehold and sublease rights are expiring.
- Risk of losing tenants in the ST Bang Pa-in project, which may cause a negative change of the REIT's income.
- A risk from early termination.
- A risk when the license to operate the business of the tenants of the main area in the ST Bang Pa-in project is canceled, revoked, or not renewed
- A risk from exercising the right to cancel the contract before the expiration is not considered a breach of contract (Option to Early Termination) of the tenant.
- A risk from the ST Bang Pa-In Project having an obligation to pay for the construction of a flood protection dam in Bang Pa-In Industrial Estate.
- A Risk from the REIT's limitation in taking the area in the Summer Hill Project for rent to other tenants whose business competes with the current tenants according to the existing contract with the tenant of that area.
- A risk is that the REIT's main assets are in the air safety zone nearby Suvarnabhumi Airport

#### 4. Risks Related to Investing in Real Estate

- General risks of investing in real estate.
- A risk that the REIT may be affected by the lack of liquidity from investments in real estate and the lack of alternatives for utilizing the REIT's core assets.
- A Political Risk.
- A risk from changes in accounting standards or relevant laws.
- A risk when the assets that the REIT initially invested in have limitations for future utilization.
- A risk when the assets initially invested by the REIT are expropriated.
- The risk when the real estate held by the REIT may incur additional real estate costs and other operating expenses

- A risk of property insurance compensation that may not be worth the economic benefits so the trust may lose and a risk that the REIT may lose income during construction in case of damage.
- The risk from natural disasters, floods, sabotage.
- A risk of the value of the assets invested by the REIT according to the valuation by the asset valuation company is not a measure of the real value of the asset in which it cannot guarantee that the property's price will be in accordance with the appraisal, whether at present or in the future.
- A risk from the impact of emerging diseases (Corona Virus Disease 2019 (COVID-19)) to the REIT's performance

#### 5. Risks Related to Investment in Trust Units of the REIT

- From the price change after the first day trade
- When actual results may differ from earnings estimates whether they are explicit or implicit results which may cause the REIT to not be able to pay the estimated return according to the income statement and profit-sharing based on uncertainty.
- Changes in tax policy related to investment in trust units of the REIT
- Trust unitholders cannot sell back trust units
- The capital return from the dissolution of the trust may be less than the amount invested by the trust unitholders from the offering of trust units at this time.
- Liquidity Risks
- The REIT's tax and fee risk

**Fees and Expenses collected from the REIT**

Fees and Expenses	Actual charge for the year 2021 (Baht)	% of Net profit
REIT Manager Fee	1,578,304	4.91%
Trustee Fee	1,384,478	4.30%
Registrar Fee	156,951	0.49%
Property Manager Fee	2,680,010	8.33%
Professional Fee	240,000	0.75%
Property Operation expenses	3,293,096	10.24%
Other Expenses	297,999	0.93%
Financial Cost	3,493,908	10.86%

Note: Financial Cost was lease liability in accordance with accounting standards.

**Contact Information**

<b>REIT Manager</b>	KTBST REIT Management Company Limited
<b>Address</b>	No. 87/2 CRC Tower, 18th Floor, All Seasons Place, Wireless Road, Lumpini, Pathumwan, Bangkok 10330
<b>Tel</b>	02-351-1800 press 3
<b>Website</b>	<a href="http://www.ktbstmr.com">www.ktbstmr.com</a>

<b>Trustee</b>	Kasikorn Asset Management Company Limited
<b>Address</b>	No. 400/22 Kasikornbank Building, Floors 6 and 12, Phahonyothin Road, Samsen Nai Subdistrict, Phaya Thai District, Bangkok 10400
<b>Tel</b>	02-673-3999
<b>Website</b>	<a href="http://www.kasikornasset.com">www.kasikornasset.com</a>

1. General Information: KTBST Mixed Freehold and Leasehold Real Estate Investment Trust

Name (Thai)	ทรัสต์เพื่อการลงทุนในอสังหาริมทรัพย์และสิทธิการเช่าอสังหาริมทรัพย์ เคทีบีเอสที มิกซ์
Name (English)	KTBST Mixed Freehold and Leasehold Real Estate Investment Trust
Abbreviation	KTBSTMR
Type of Securities	Trust certificate showing the rights of the holder as a beneficiary of the trust (trust unit)
REIT Manager	KTBST REIT Management Company Limited
Trustee	Kasikorn Asset Management Company Limited
Investments	Investments in land leasehold rights, Warehouse/Factory Building, Land Sublease Rights, Leasehold right of building/office system, and community mall for approximately 30 years
Paid-up Capital	3,015,000,000 Baht
Term of the REIT	Indefinite

## 2. Policy, Business Overview, and Benefit Management

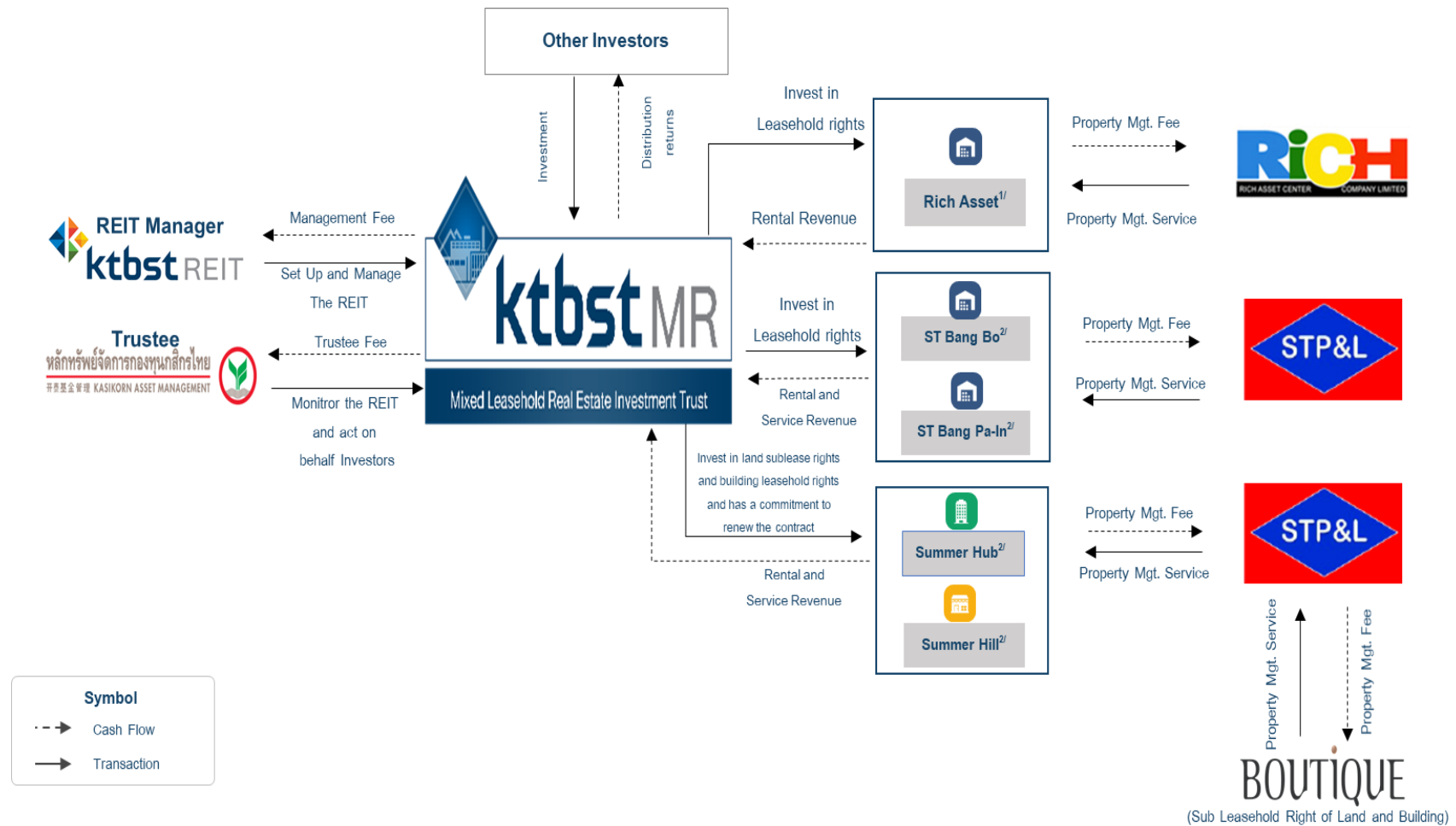
### 2.1 Objectives and Targets of the REIT

The trust was established to conduct transactions in the capital market as specified by the SEC to issue and offer for sale of trust units of Real Estate Investment Trust (REIT) for offering to the public according to announcement No. TorJor. 49/2555 and to list the trust units on the Stock Exchange of Thailand.

When the REIT receives payment from the offering of trust units, the REIT will use such money to invest in the REIT's core assets and bring such assets to seek benefits by renting the use of the premises for rental fee and/or the provision of services with the rental or use of the premises as well as any other related actions and necessary for the benefit of such real estate. To do so, the Company has appointed (1) Rich Asset Center Company Limited or "RAC" and (2) ST Property and Logistics Company Limited or "STPL" to be a property manager (Property Manager) to seek benefits and manage the assets initially invested by the REIT under the supervision and policy of the REIT manager by appointments in accordance with the requirements of the Trust Deeds Agreement, relevant laws and announcements of the SEC Office. Seeking for benefits and management of the REIT's core assets will be under the control and supervision of the Trustee for the operation of the company to ensure that the operations of the Company and property managers are in accordance with the terms and conditions of the REIT Manager Appointment Agreement as well as the criteria that Trust Act including other related announcements of the SEC and the Stock Exchange of Thailand. In addition, the REIT will not sublease the REIT's real estate to any person who has reasonable grounds to suspect that such immovable property will be used for business unethically or unlawfully.

## The Structure of the REIT

The structure of the REIT is as follows:





Kasikorn Asset Management Company Limited (“KASSET”) acts as a trustee is responsible for managing and/or monitoring the REIT Manager's compliance with the Trust Deed and other related contracts to maximize the benefit to the trust unitholders as a whole. KTBST REIT Management Company Limited is the REIT Manager who has duties and responsibilities in overseeing and managing the REIT, including the management of the REIT's core assets, and proceed in accordance with the Trust Deed.

The REIT has invested in long-term leasehold rights, sub-leasehold right of immovable properties and ownership of movable properties and related equipment used in the operation of certain projects in 3 types of real estate, namely, 1) warehouse and factory, 2) office building, and (3) community mall. The REIT Manager has appointed Rich Asset Center Company Limited to act as the Property Manager of the Rich Asset Project and ST Property and Logistics Company Limited to act as Property Manager of ST Bang Bo Project, ST Bang Pa-In Project, Summer Hub Project and the Summer Hill project to manage the assets that the REIT initially invested in under the supervision and policy of the REIT manager. The management of the REIT is subject to the terms of the Trust Deed and other relevant regulations.

## 2.2 Major Changes and Developments

During the operating period from 2 November 2021 to 31 December 2021, the REIT Manager, Trustee and Property Manager did not change power in the management of the trust including management, shareholding structure or business operations and the REIT did not invest in any other real estate as well as there is no amendments or changes in related contracts that may significantly affect the financial position of the REIT

However, the REIT had an approval from the Extraordinary General Meeting No.1/2022 held on 16 March 2022 for the first additional investment in freehold asset, which is data center. The value of the project is not exceed 750 million Baht.

As the result, the REIT had appropriated diversification portfolio that invested in 4 types of assets, which are warehouse & factory, office building, community mall, and data center.

## 2.3 Relationship with the Business Group of Real Estate Managers or Major Unitholders

### 2.3.1 Transactions between the Trust and the REIT Manager and/or persons connected to the REIT manager

#### 2.3.1.1 List of REIT Managers and persons connected to the REIT manager

	REIT Managers and persons connected to the REIT manager	Relations
1.	KTBST REIT Management Company Limited	<ul style="list-style-type: none"> <li>REIT manager</li> </ul>

#### 2.3.1.2 Transaction between the Trust and the REIT Manager and/or Persons Connected to the REIT Manager

REIT Manager or Related Parties to the REIT Manager	Relationship	Necessity and Reasons	Price Opinion and Conditions
REIT Manager	A trustee acting on behalf of the REIT has appointed KTBST REIT Management Company Limited as the REIT Manager.	Directors and Executives of the REIT Manager are experienced persons in investment management and seeking benefits from real estate with knowledge and understanding of asset management especially warehouses, factories, office buildings and shopping centers as well.	The REIT manager will charge the REIT manager's fee which consists of 1) Basic fees for the performance of duties under the REIT Manager based on an appointment agreement. The rate expected to be charged in the first year should not be more than 0.285 percent of the total asset value of the REIT and after that, not more than 0.50% of the total asset value of the REIT. The total asset value of the REIT does not include the value of the right to use the property (Right of Use) according to accounting standards. The minimum fee is not less than 10.00 million baht per year and there is a limitation fee of

REIT Manager or Related Parties to the REIT Manager	Relationship	Necessity and Reasons	Price Opinion and Conditions
			<p>not more than 1.00% of the total asset value of the REIT.</p> <p>2) Fee for acquisition or disposition of property</p> <p>2.1) Acquisition Fee of the REIT's core assets (Acquisition Fee): Not exceeding 3.00 percent of the value of the REIT's acquired assets each time (except for the acquisition of core assets of the initial investment trust)</p> <p>2.2) Disposal Fee of the REIT's core assets (Disposal Fee): Not more than 3.00 percent of the value of the REIT's disposed assets each time.</p> <p>The structure of the REIT manager fee is according to normal business which is based on both the base rate and the fees for the acquisition and disposition of the REIT's assets which can be comparable to similar fees of other real estate investment trusts in the same industry</p>

## 2.3.2 Transactions between the REIT and the Trustee and/or persons connected to the Trustee

### 2.3.2.1 Trustee and the Related Parties

	List of Trustees and Related Parties to the Trustee	Business and Relationships
1.	Kasikorn Asset Management Company Limited (“KASSET”)	<ul style="list-style-type: none"> <li>a trustee of the REIT.</li> </ul>
2.	Kasikorn Bank Public Company Limited (“Kasikorn Bank”)	<ul style="list-style-type: none"> <li>a major shareholder of the Trustee. KBank directly holds 99.99% of the total shares of KASSET.</li> </ul>

### 2.3.2.2 Details of the transaction between the REIT and the trustee and/or persons connected to the Trustee

Trustees and Related Parties to the Trustee	Connected Transactions	Necessity and Reasons	Price Opinion and Conditions
KASSET	KASSET receives fees for performing duties as a trustee of the REIT according to the scope of powers, duties and responsibilities of the trustee in the trust deed.	KASSET expertises in acting as a trustee of a real estate investment trust. KASSET has rights, duties and responsibilities in the management of the trust. in accordance with the terms and conditions of the trust deed and securities law.	<p>KASSET will be charged and custodian fees:</p> <ul style="list-style-type: none"> <li>The rate expected to be charged is not more than 0.35% per annum of the total asset value of the REIT but must not be less than the minimum amount of 5 million baht per year.</li> <li>If the REIT has acquired or disposed of in the REIT's core assets. or have additional duties, the amount of the minimum trustee fee may be changed. Total asset value of the REIT,</li> </ul>

Trustees and Related Parties to the Trustee	Connected Transactions	Necessity and Reasons	Price Opinion and Conditions
			<p>not include the value of the right to use the property (Right of Use) according to accounting standards Trustee fees mentioned above, rate does not include other expenses (out-of-pocket). such as government fees, fees of specialists or other relevant consultants, real estate appraisers' wages, Property inspector's fees, travel expenses, accommodation, and other expenses related to the performance of trustee duties for the REIT, etc. The fee rate must not be more than 1% per year of total asset value (TAV)</p> <p>The structure of trustee fees according to normal business is comparable to the same type of fees of real estate investment trusts.</p>

Trustees and Related Parties to the Trustee	Connected Transactions	Necessity and Reasons	Price Opinion and Conditions
Kasikorn Bank	Kasikorn Bank is a service provider in the Summer Hill project to place 1 ATM. The service contract is for a period of approximately 1 year, with a service fee of approximately 8,000 baht per month and a service fee for the entire contract period of approximately 96,000 baht.	An operation to seek benefits from the REIT's assets. The prices are set using market prices and have conditions for renting space and services that are in accordance with the standards applicable to other tenants with similar characteristics (Arm's Length Basis).	In the lease of space on the REIT's assets for business and operation, rental rates are under the space lease agreement that is comparable to the normal conditions received by other tenants. compared to the nature of the area, location and size of the area

ทรัสต์เพื่อการลงทุนในอสังหาริมทรัพย์และสิทธิการเช่าอสังหาริมทรัพย์ เคทีบีเอสที มีกซ์

KTBST Mixed Freehold and Leasehold Real Estate Investment Trust



## 2.4 Investment Assets

### 2.4.1 The Information of the Investment Asset as of 31 December 2021



	Rich Asset Project	ST Bang Bo Project	ST Bang Pa-In Project	Project Summer Hub	Project Summer Hill Project
Location	Bang Phli District Samut Prakan Province	Bang Bo District Samut Prakan Province	Bang Pa-in District Phra Nakhon Si Ayutthaya Province	Sukhumvit Road, Khlong Toei District, Bangkok	Sukhumvit Road, Khlong Toei District, Bangkok
Property type	Warehouse/Factory	Warehouse/Factory	warehouse	office	community mall
Number of projects	8 projects (Project 1, 2, 3, 6, 7, 9, 10 Phase 1 and 10 Phase 2)	1 project	1 project	1 project	1 project
Number of buildings	41 Warehouse and Factory	9 Warehouse and Factory	3 warehouses 1 cold storage building	1 building	1 building
Approximate land size	30-1-35.4 Rai	41-1-94.3 Rai	40-3-9.0 Rai	1-1-31 Rai	2-1-98 Rai

ทรัสต์เพื่อการลงทุนในอสังหาริมทรัพย์และสิทธิการเช่าอสังหาริมทรัพย์ เคทีบีเอสที มีกซ์

KTBST Mixed Freehold and Leasehold Real Estate Investment Trust



	Rich Asset Project	ST Bang Bo Project	ST Bang Pa-In Project	Project Summer Hub	Project Summer Hill Project
Approximate building area for rent	40,385.67 sq.m.	37,656.00 sq.m.	43,578.00 sq.m.	5,147.36 sq.m.	5,138.45 sq.m.
Investment Type	Land: Leasehold Building: Leasehold	Land: Leasehold Building: Leasehold	Land: Leasehold Building: Leasehold	Land: Sublease right Building and system work: Leasehold Movable assets and equipment: Ownership	Land: Sublease right Building and system work: Leasehold Movable assets and equipment: Ownership
Investment period	30 years	30 years	30 years	Land: Sublease of approximately 29 years with renewal commitment of approximately 1 year (30 years in total). Building and system work: Leasehold for approximately 29 years with a renewed commitment of approximately 1 year (30 years in total).	Land: Sublease of approximately 29 years with renewal commitment of approximately 1 year (30 years in total). Building and system work: Leasehold for approximately 29 years and renewable commitment of approximately 1 year (30 years in total. )
Remaining Period (as of 31 Dec 2021)	29 year 10 month 7 day	29 year 10 month 7 day	29 year 10 month 7 day	29 year 10 month 7 day	29 year 10 month 7 day



ทรัสต์เพื่อการลงทุนในอสังหาริมทรัพย์และสิทธิการเช่าอสังหาริมทรัพย์ เคทีบีเอสที มีกซ์

KTBST Mixed Freehold and Leasehold Real Estate Investment Trust



	Rich Asset Project	ST Bang Bo Project	ST Bang Pa-In Project	Project Summer Hub	Project Summer Hill Project
<b>Investment Date</b>	8 November 2021	8 November 2021	8 November 2021	8 November 2021	8 November 2021
<b>Investment Cost (including VAT)</b>	THB 685,500,000	THB 558,000,000	THB 699,000,000	THB 417,000,000	THB 651,000,000
<b>Appraisal Valuation (as of 2 Aug 2021)</b>	<ul style="list-style-type: none"> <li>- Value 632,300,000 baht by KTAC Appraisal and Service Co., Ltd.</li> <li>- Value 662,000,000 baht by Year Appraisal Company Limited</li> </ul>	<ul style="list-style-type: none"> <li>- Value 527,400,000 baht by KTAC Appraisal and Service Co., Ltd.</li> <li>- Value 528,500,000 baht by The Valuation and Consultants Company Limited</li> </ul>	<ul style="list-style-type: none"> <li>- Value 668,500,000 baht by KTAC Appraisal and Service Co., Ltd.</li> <li>- Value 668,800,000 baht by The Valuation and Consultants Company Limited</li> </ul>	<ul style="list-style-type: none"> <li>- Value 392,800,000 baht by KTAC Appraisal and Service Co., Ltd.</li> <li>- Value 385,000,000 baht by The Valuation and Consultant Company Limited</li> </ul>	<ul style="list-style-type: none"> <li>- Valued at 447,900,000 baht by KTAC Appraisal and Service Co., Ltd.</li> <li>- Value 476,200,000 baht by The Valuation and Consultants Company Limited</li> </ul>
<b>Property Manager</b>	RAC	STPL	STPL	STPL	STPL

1) The assets that the REIT initially invested in have diversification of investment risks. The REIT will invest in various types, locations, rental nature and different tenants of real estate.

The REIT invests in core assets in 5 projects, which are located in 3 provinces, namely Bangkok, Phra Nakhon Si Ayutthaya Province and Samut Prakan Province

The main assets that the REIT initially invested in consisted of 1) warehouse and factory buildings, 2) office buildings, and 3) community malls. The diversity of the types of assets that the REIT initially invested in will reduce the risk of relying on business income. The income of the assets that the REIT initially invested as of 31 December 2021 consisted of rental and service fees from assets in the category of warehouse and factory buildings at 58%, office buildings at 19%, and community mall buildings, 23% of total rental and service fees income in the assets invested by the REIT.

Regarding the proportion of the income of each asset to the total rental income and service fees of all assets that the REIT initially invested as of 31 December 2021, Rich Asset project accounted for 22%, ST Bang Bo project accounted for 15%, ST Bang Pa-in project accounted for 21%, Summer Hub project accounted for 23% and Summer Hill project accounted for 19%.

Therefore, the assets that the REIT initially invested are appropriately diversified. In case there is some effects in one location, other assets can still generate income for the REIT continuously.

## 2) Projects that the REIT will initially invest in are located in a potential location of the assets

Each project that the REIT will initially invest in has a clear highlight, is popular with customers, and is located in potential locations as follows.

- **Rich Asset Project** is a warehouse building and a small factory. Each unit has an area of approximately 725 to 1,500 square meters, making it possible to have a variety of customers. Currently, there are 31 tenants, located in Bang Phli District, Samut Prakan Province which has convenient transportation people can reach the air transport hub or important waterways such as Suvarnabhumi Airport and Bangkok Port (Klong Toey), enabling tenants to manage transportation costs appropriately. In addition, the location is also connected to the main transport route, Bangna-Trad Road, enabling tenants to transport goods and conduct business efficiently.
- **ST Bang Bo Project** is a medium-sized warehouse and factory building. Each unit has an area of approximately 2,200 to 6,300 square meters. Currently, there are 6 tenants, located in Bang Bo District, Samut Prakan Province which is a location with convenient transportation It is located on the main road with access to major air or water transport hubs such as Suvarnabhumi Airport, Bangkok Port (Klong Toei),

Laem Chabang Deep Sea Port, which can help reduce transportation costs for tenants. The location is also connected to the main transport routes connecting to various regions of Thailand such as Bangna-Trad Road, and Asian roads. Thus, tenants can transport goods to Bangkok and perimeter, and provinces that are business centers in various regions or distribute products to other provinces of Thailand, as well as neighboring countries.

- **ST Bang Pa-In project** is a warehouse building developed according to the needs of customers. (Built-to-Suit). The project consists of a small warehouse building with an area of about 2,000 square meters, a medium-sized warehouse building with an area of about 5,000 square meters, and a large warehouse building with an area of about 15,000 - 20,000 square meters. At present, there is 1 tenant who is the long-term contractor for the whole project for 13 years from 20 December 2017 to 31 December 2030 (the remaining lease term is approximately 9 years). It is located in the Bang Pa-In Industrial Estate. This is an important strategy suitable for being a good distribution center reducing transportation costs for tenants within the industrial estate. There is an infrastructure system, utilities and services that meet standards supporting the needs of operators operating in industrial estates
- **Summer Hub Project and the Summer Hill project** are mixed-use projects to meet the needs of the new generation that suit the lifestyle of urban people in Bangkok, especially in terms of convenience in traveling and to aim for maximum and efficient utilization of real estate. It has a distinctive point in terms of location, for people to travel easily, both by public transportation and by car. Because both projects are located only 160 meters from the Phra Khanong BTS station for the Summer Hub project and only 140 meters for the Summer Hill project and located on Sukhumvit Road, it is easy to travel into the heart of the commercial and business district. It is also an important transportation connection center (Location Connectivity).

Thus, each investment projects has its own strength and located in potential areas where will be growth potentially with the local people and target customers very well.

### 3) Focus on finding quality tenants and managing tenants (Tenant Mix) to be appropriately distributed.

We pay attention to the process of selecting tenants from the start of the project for the main assets that the REIT will initially invest in. Consider that the tenant has a history of credibility and has enough potential to be a tenant to reduce the risk of a failure to pay and the turnover rate of tenants. Another important factor in the selection of tenants is to focus on creating a tenant mix that is diversified and appropriately distributed in terms of business type, Industry type and the size of the rental space to reduce dependence on income from a particular tenant or any one group as well as a risk the risk if a specific industry is affected by changes in economic conditions. This may affect the performance of the tenants in that industry.

In addition to the selection process of potential and suitable tenants, the rental management also aims to build flexibility by planning and analyzing the suitability of each rental unit allocation for each tenant in order to be able to accommodate to suit a tenant who wants to increase the rental space in the future

**4) The assets that the REIT will initially invest in are of high quality and high potential and well-designed**

Assets that the REIT initially invested in are well designed and the quality of the materials used and the suitability of each sub-tenant are carefully selected by designing the area of warehouse and factory buildings with a fenced area with guard towers. Distances for parking and loading areas are well measured for the convenience of the sub-lessees of the small area in loading and unloading goods. Warehouse and factory buildings have been developed as standard and can be adapted to suit the needs of each tenant. The building is constructed using a steel roof structure that does not require pillars under the roof to provide maximum usable space and warehouse buildings are designed by taking into account the distance of the columns to support the weight of the building floor and the height of the building. Especially Summer Hub Project and the Summer Hill project which are new and has just opened less than 5 years. They are also modern due to their design for the needs of the customer group. The Summer Hub project is an office for rent and the Summer Hill project is a small community mall consisting of shops, restaurants, cafes, and supermarkets. There is also a co-working space in the Summer Hill project building for groups of people of different professions to gather, share a space to work together. The Summer Hub project and the Summer Hill project are located opposite the Phra Khanong branch post office and near Phra Khanong BTS station, making the project have potential and reach a good group of customers. The Summer Hub project, therefore, is very suitable for office operations.

**5) The trust that will invest for the first time has collateral. If the REIT is unable to utilize the leased assets within the term of the lease agreement caused by the fault of the tenant.**

For assets that the REIT will initially invest in Rich Asset Project, ST Bang Bo Project, and ST Project Bang Pa-In, the property owner company will mortgage the land and buildings to the REIT. For the Summer Hub project and the Summer Hill project, the property owner company will mortgage the office building. and shopping center buildings in the project and will enter into a contract to transfer the right under the lease agreement under the mainland lease agreement of the Summer Hill Project. and the Summer Hub project with special conditions to guarantee the agreement of the property owner in case the property owner company fails to comply with the land and building lease agreement, land sublease agreement and building lease agreement as the REIT has the right to sue the property owner company to comply with the contract or to terminate the contract and to demand the property owner to indemnify and/or enforce the mortgage and/or enforce the collateral under the transfer of the right under the lease agreement under the mainland

lease agreement of the Summer Hill Project and the Summer Hub project with special conditions. This is to prevent in case the property owner fails to comply with the land and building lease agreements, land sublease agreement and building lease agreement. As a result, the REIT cannot use and seek benefits in the assets that the REIT will initially invest in for a full period of time and lacks income in the projects

REIT manager expects the impact of the coronavirus disease 2019 outbreak affecting the Summer Hub and Summer Hill projects to be temporary. Both projects are expected to have a recovery and better performance after the epidemic situation of the coronavirus disease 2019 has subsided. The information of 5 projects for considering the suitability of investment is as follows:

**1) Diversification by investing in commercial assets and office for rent**

Because the REIT's investment consists of 3 projects of warehouse and/or factories, 1 project of office building, and a community mall shopping center project, in which the REIT manager considers an investment of Summer Hub Project and Summer Hill Project will help the REIT to have a variety of assets. It is a diversification of investment risk in other types of assets rather than warehouses and/or factories in the long term of 30 years, which will allow the REIT to have an appropriate investment size in the assets.

**2) Locations**

Summer Hill Project is located next to the Summer Hub project; they are a medium-sized office building for rent. This location is considered as the heart of the integrated project that will support and enhance the potential of both projects together. This is a distinctive feature that is different than other community mall projects of similar size in the same area.

Summer Hill Project is located in with the highest potential for commercial business since it is next to Bangkok's major business roads, Sukhumvit Road and Rama IV Road, and the front area of the Summer Hill project is located next to the Phra Khanong BTS station. It is convenient for users to travel to the project and the Summer Hill project is close to Phra Khanong Pier, about 1.3 kilometers, takes only about 3 minutes by car.

In addition, the Summer Hill project is among the high potential habitats, such as various luxury condominiums various brands, houses on both sides of Sukhumvit Road. This location is considered a potential household group since there are both Thai people in the upper-middle class and Japanese people and foreign immigrants to long-term work Thailand as well as many educational institutions and more than 4 hospitals and nursing homes. Moreover, it is also close to the post office and golf range only 900 meters. For the Summer Hill project, its location is one of the best in the community mall these days.

### **3) Project physical**

The Summer Hill project was constructed by the contractor company JWS Construction Co., Ltd. which is the top construction company in Thailand construction quality assurance. Moreover, the design of this project also won the first prize from Property Guru Thailand Property Award 2018 in the Special Recognition for Community Retail category in 2019 from outstanding design, clear identity, and the attractiveness of the project from commuters. The arrangement of the common areas is attractive, grand, spacious, supporting the development and use of the area. In addition, the corridors are more spacious than the general community malls supporting the opportunity for the growth of commercial business trends in the future as well. There is also a flowing design for customer corridors, good service, and users can walk around the building easily, meet and access every store conveniently.

### **4) Project life**

Summer Hill project just opened in late 2017 which is considered a new project. It is considered one of the advantages of the project. The machinery and equipment of the building of the project are new. The brands of projects chosen by the project are world-class. This reduces the high maintenance costs in the first 15 years.

### **5) Future Growth Opportunities**

From the highlights mentioned above, the Summer Hill project is a medium-sized community mall with great potential and future growth opportunities for the residential group as an opportunity to travel easily with a good mix of tenant types, various types of supporting service integration. The size of the leased space and flexibility in scaling up the rental space reinforces the good design and planning of future business growth trends for a mid-sized community mall in the heart of the city. Lease size and flexibility in scaling the rental space highlight the good design and planning for future business trend growth for a mid-sized community mall in the heart of the city

The assets that the TRUSTs have invested in have a distribution of investment risks i.e., several types of properties, locations, characteristics, and different tenants, as a result, there is a diversification of investment risks in various fields appropriately. In the event of any incident which will affect any asset, the other ones can continue to generate income for the TRUST. The TRUST has the policy to invest in high-quality leasehold assets, which makes it possible to continue to prosper through additional property investment together with the growth from the performance of the assets invested in this time.

Considering the rate of return that investors will receive together with other factors, the financial and Trust Management advisors considered that these Trusts are investment options that are expected to provide investors with satisfactory returns compared to other investment options.

2.4.2 The Information of the Under Construction Assets

- None –

2.4.3 The Information of Indirect Investment through the Holding Company and have the Right to Vote less than 99%

- None –

2.4.4 The Information of Additional Investment during the Fiscal Year

- None –

2.4.5 The Information of Divestment during the Fiscal year

-None-

## 2.5 Benefits and Income generated from the investment assets

The REIT initially invested in various types of assets which are warehouse and factory buildings, office buildings for rent, and a community mall. The REIT also have a diversified tenants, which allow the REIT not to rely on a single tenant. The REIT manager has a strategy for seeking benefits to create a good and long-term rate of return on investment for the trust unitholders as follows:

- To management the assets, the REIT manager will monitor the REIT's performance each year by comparing it with the annual budget including the past performance of the REIT. If the REIT's performance does not meet the target, the REIT manager will analyze to find the cause to improve and develop operational plans with real estate managers to be able to achieve the goals.
- To determine an appropriate rental rates
- To develop the operational efficiency and controlling operating costs
- To Increase the potential of the REIT assets will invest in by maintaining the project area and improving the image of the property

The REIT and the REIT Manager will appoint RAC to act as the Property Manager of the Rich Asset Project and STPL to be the Property Manager of the ST Bang Bo Project, the ST Project. Bang Pa-In Summer Hub Project and the Summer Hill project. STPL will appoint BC as the property manager of the Summer Hub project. and Summer Hill Project under a Management Services Agreement for 3 years from 1 July 2019 to 30 June 2022. The property manager has to seek benefits from the asset in the form of renting space according to the REIT manager's policy as well as collaborate and facilitate the tenants and collect rental fees for submission to the REIT as well as maintain and repair the REIT's real estate to be in good condition and ready to seek benefits. The property manager is responsible for operating in accordance with the policy set by the REIT manager and achieving the objective of managing the assets initially invested by the REIT. Details are as detailed in the Property Manager Appointment Agreement for the investment assets.

From the above-mentioned structure, income and cash flow that the REIT will receive from the investment assets are as follows:

### 1) Rental and Service Income

Rental and service income is income that the REIT will receive from renting out the warehouse and factory spaces with office building area and shop area tenants will use the building area for their own business. The REIT charges rental and service fees (if any) from the tenants according to the size of the area with a fixed rental fee and/or



there is a gradual rent increase during the term of the contract and charges the rent according to the operating results. Most of the standard contracts made with space tenants at present are short-term contracts with a contract term of not more than 3 years, whereby the space tenant will pay rent and service fees (if any) monthly to the REIT. Some of the ST projects Bang Pa-In and the Summer Hill Project are with the contract term of more than 3 years. The REIT will act as a space lessor and service provider directly to the tenant.

## 2) Other Income

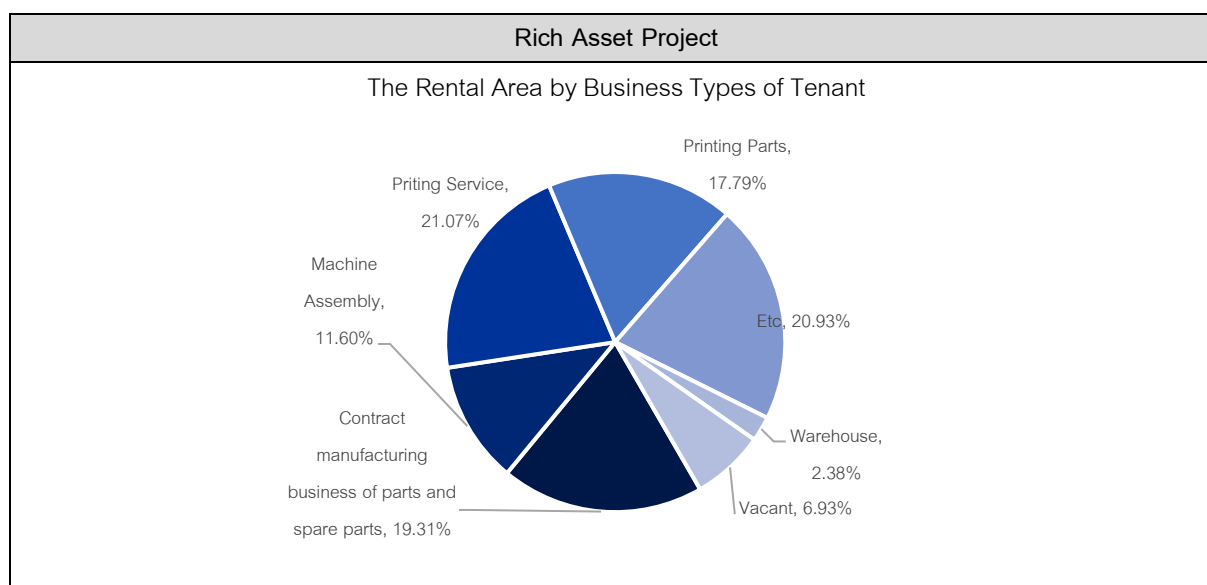
Other income is income related to rental and service income which will come from central service or any other service related to space rentals, such as security, cleanliness, drainage, and wastewater treatment repair and maintenance of central utility areas, parking fees, and revenues. They are variable concerning rent and service charges.

## 3) Business Operation

### Rich Assets Group

RAC and RADP have more than 10 years of experience and expertise in warehouse and factory management with offices, warehouses, and factory buildings with offices for rent.

The Rich Asset Project, which is the property that TRUST will first invest in, has a wide range of the tenants' business types, the remaining duration of the lease agreement, and the proportion of the area of the major tenants which can be showed as follows:



Note: As of 31 December 2021

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The Rich Asset Project, a property that TRUST will first invest in, has a wide range of tenant businesses. The business with the largest proportion of rental spaces is the parts of printing business, and the next ones are manufacturing parts and spare parts, and other businesses such as printing and warehousing services, thus, revealing the diversity of business types of tenants.

Top 10 Tenants Information

No.	Tenants	The proportion of sub-lease area (%)
1	Fujifilm Business innovation (Thailand) Co., Ltd.	9.51
2	King-Good Technology (Thailand) Co., Ltd.	8.03
3	Saikyu (Thailand) Co., Ltd.	5.97
4	Shinko Air Conditioning (Thailand) Co., Ltd.	4.16
5	Connexall Co., Ltd.	2.98
6	Bravo Asia Co., Ltd.	2.98
7	Futaba Engineering (Thailand) Co., Ltd.	2.98
8	Watanabe M&E (Thailand) Co., Ltd.	2.98
9	Aaharn Thai Foods Co., Ltd.	2.31
10	Seiei Industries (Thailand) Co., Ltd.	2.31
Total Rental Areas of Top 10 Tenants		44.22
11	Other Tenants	51.32
12	Vacant Areas	4.46
Total Leasable Area		100.00

Note: as of 31 December 2021

### Expiry Profile

Year of Expiration	The lease expiry Areas (Sq.m.)	The Proportion of Expires Areas compared with Total Leasable Area (%)	Number of Expiry contracts
2022	17,618.67	43.61	17
2023	9,630.00	23.84	10
2024	10,350.00	25.62	11
<b>Total Occupy Areas</b>	<b>37,598.67</b>	<b>93.07</b>	<b>38</b>
Vacant	2,800.00	6.93	3
<b>Total Leasable Areas</b>	<b>40,398.67</b>	<b>100.00</b>	<b>41</b>

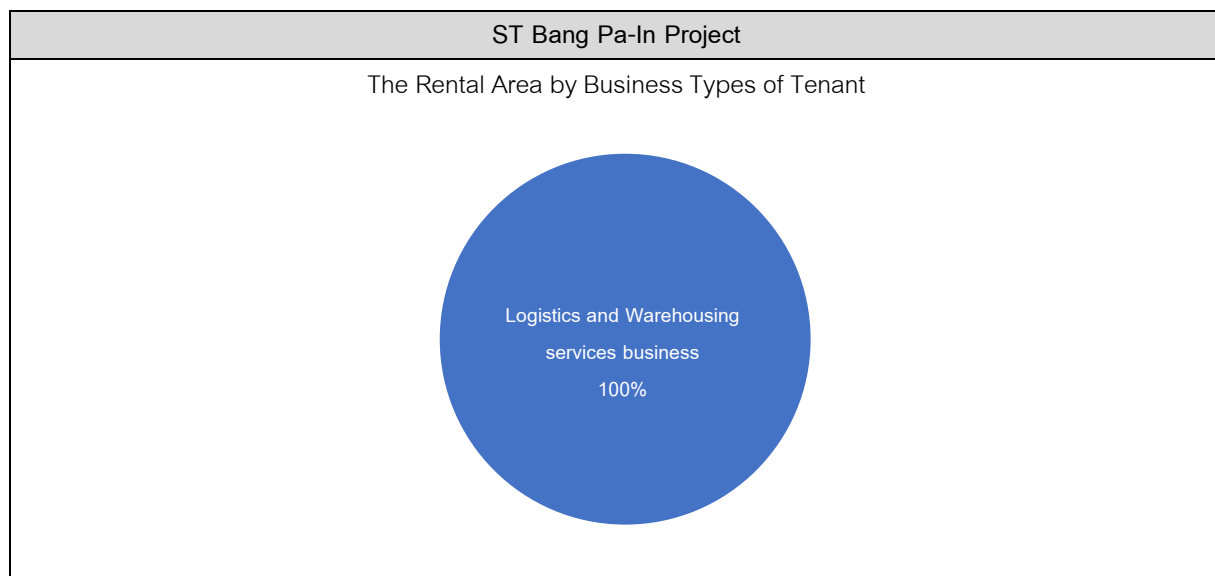
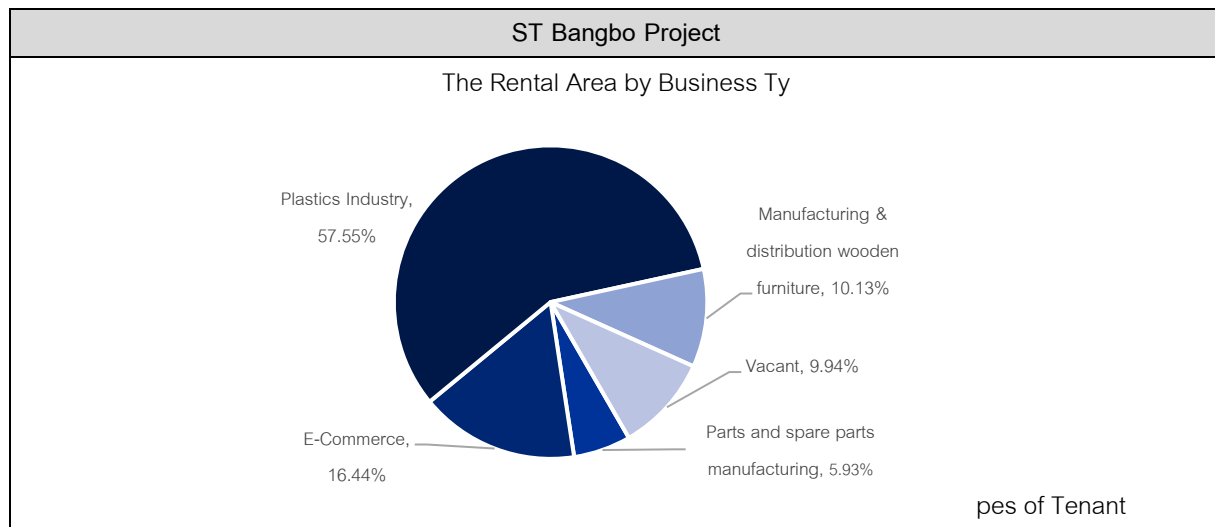
Note: as of 31 December 2021

### Occupancy Rate

Project	Occ. Rate (%)				
	31 Dec 2017	31 Dec 2018	31 Dec 2019	31 Dec 2020	31 Dec 2021
Rich Asset Project	94.03	100.00	100.00	92.16	93.07

### STPL Project

ST Bang Bo project and ST Bang Pa-in project, are assets that TRUST will initially invest in containing a wide range of tenants' business types, the remaining period of the lease agreement, and the proportion of the tenant's lease area, which can be divided as follows:



Note: as of 31 December 2021

ST Bang Bo Project, which is the property that REIT initially invested in, has a wide range of the business type of tenants having the largest proportion of tenants in the rental area in the parts and spare parts manufacturing business followed by the plastics industry business, while ST Bang Pa-In project has only one tenant, operating logistics services.

#### Top 5 Tenants of the ST Bang Bo Project

No.	Tenants	Proportions of Rental Area (%)
1	Nisshinbo Mechatronics (Thailand) Co., Ltd.	42.45
2	Jingzheng Plastics (Thailand) Co., Ltd.	16.44
3	Jingzheng Plastics (Thailand) Co., Ltd.	14.08
4	Thai Megacab Co.,Ltd.	9.45
5	SNC Cooling Supply Co., Ltd.	5.52
Total Rental Areas of Top 5 Tenants		90.06
6	Vacant	9.27
Total Leasable Areas		100.00

Note: as of 31 December 2021

#### Tenant Information of ST Bang Pa-In Project

No.	Tenants	Proportions of Rental Area (%)
1	LF Logistics (Thailand) Co., Ltd.	100.00
Total Rental Areas		100.00

Note: as of 31 December 2021

#### Expiry Profile of the ST Bang Bo Project

Year of Expiration	The lease expiry Areas (Sq.m.)	The Proportion of Expires Areas compared with Total Leasable Area (%)	Number of Expiry contracts
2021	12,132.00	32.22	3
2022	6,084.00	16.16	1
2023	3,816.00	10.13	1
2024	11,880.00	31.55	3
<b>Total Occupied Areas</b>	<b>33,912.00</b>	<b>90.06</b>	<b>8</b>
Vacant	3,744.00	9.94	1
<b>Total Leasable Areas</b>	<b>37,656.00</b>	<b>100.00</b>	<b>9</b>

Note: as of 31 December 2021

#### Expiry Profile of the ST Bang Pa-In Project

Year of Expiration	The lease expiry Areas (Sq.m.)	The Proportion of Expires Areas compared with Total Leasable Area (%)	Number of Expiry contracts
2030	43,578.00	100.00	1
<b>Total Occupied Areas</b>	<b>43,578.00</b>	<b>100.00</b>	<b>1</b>
Vacant	-	-	-
<b>Total Leasable Areas</b>	<b>43,578.00</b>	<b>100.00</b>	<b>1</b>

Note: as of 31 December 2021

Assets that the REIT initially invested in, ST Bang Bo project has standard lease agreement with a lease term of up to 3 years, with a fixed rental rate throughout the lease agreement and/or a gradual rent increase during the term of the contract. ST Bang Pa-In has a 13-year lease term, with a fixed lease and/or a gradual rent increase during the contract life.

## Occupancy Rate

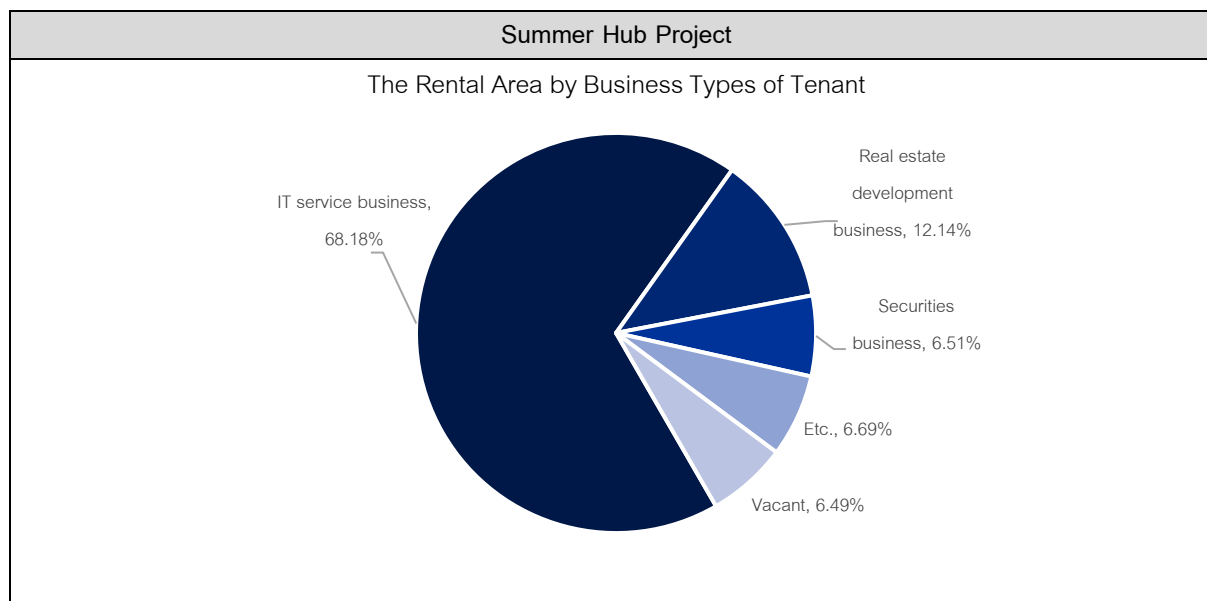
Project	Occ. Rate (%)				
	31 Dec 2017	31 Dec 2018	31 Dec 2019	31 Dec 2020	31 Dec 2021
ST Bang Bo Project	N/A <sup>1</sup>	100.00	100.00	83.56	90.06
ST Bang Pa-In Project	100.00	100.00	100.00	100.00	100.00

Note: <sup>1</sup> STPL has acquired ST Bang Bo Project. In September 2018

## Assets of ST Hub and ST Hill

ST Hub owns the property of the Summer Hub project, and ST Hill owns the property of the Summer Hill project. ST Hub and ST Hill are subsidiaries of STPL (STPL holds approximately 100.00% of the total shares in ST Hub and ST Hill). To manage both projects, STPL will employ BC as the property manager for the Summer Hub project and Summer Hill Project under a Management Services Agreement for 3 years from 1 July 2019 to 30 June 2022.

The Summer Hub and Summer Hill projects have a wide range of tenant mix, the remaining period of the lease agreement, and the proportion of the lease area of the major tenants which can be divided as follows:



Note: as of 31 December 2021

Top 10 Tenants of Summer Hub Project

No.	Tenants	Proportions of Rental Area (%)
1	S.E.W.S.-Asia Co., Ltd. Technical Center Co., Ltd.	35.81
2	Data Wow Co., Ltd.	17.63
3	DBS Vickers Securities (Thailand) Co., Ltd.	6.51
4	Epic AI Marketing Co., Ltd.	4.97
5	Coda Payment (Thailand) Co., Ltd.	3.57
6	Landy Hone (Thailand) Co., Ltd.	3.37
7	Molnlicke Health Care Sales (Thailand) Co., Ltd.	3.30
8	Prukso Real Estate PCL.	3.30
9	SA Future Property Co., Ltd.	3.27
10	Thai Matsuo Co., Ltd.	3.23
Total Rental Areas of Top 10 Tenants		84.96
11	Other Tenants	14.21
12	Vacant Areas	0.83
Total Leasable Area		100.00

Note: as of 31 December 2021



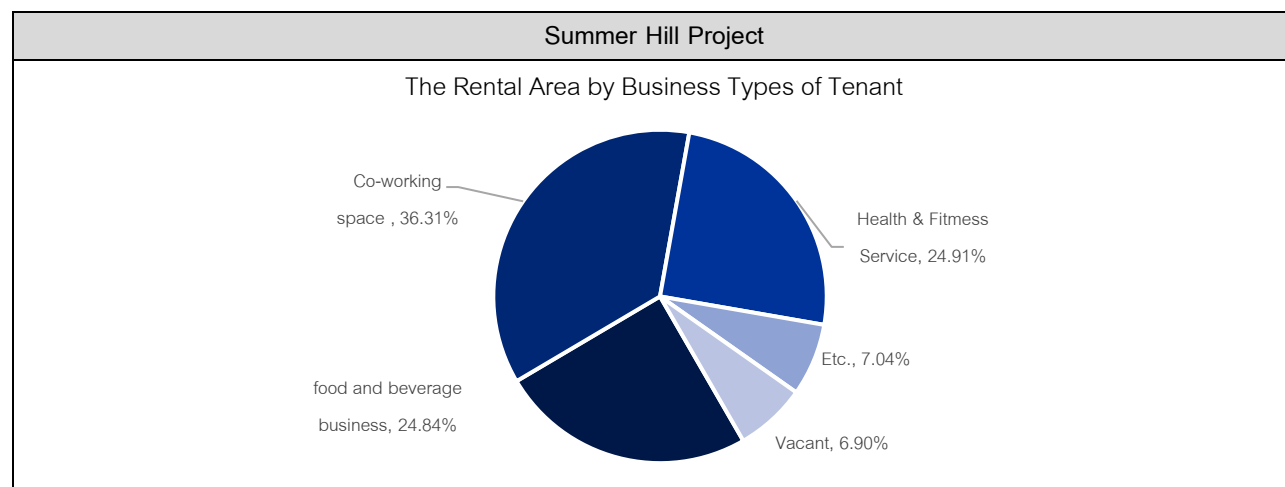
#### Expiry Profiles of Summer Hub Project

Year of Expiration	The lease expiry Areas (Sq.m.)	The Proportion of Expires Areas compared with Total Leasable Area (%)	Number of Expiry contracts
2021	166.40	3.23	1
2022	3,217.50	62.51	10
2023	337.93	6.57	2
2024	173.50	3.37	1
2025	907.30	17.63	1
<b>Total Occupied Areas</b>	<b>4,802.63</b>	<b>93.30</b>	<b>15</b>
Vacant	344.73	6.70	2
<b>Total Leasable Areas</b>	<b>5,147.36</b>	<b>100.00</b>	<b>17</b>

Note: as of 31 December 2021

#### Occupancy Rate

Project	Occ. Rate (%)				
	31 Dec 2017	31 Dec 2018	31 Dec 2019	31 Dec 2020	31 Dec 2021
Summer Hub Project	N/A	6.35	95.56	93.30	93.30



Note: as of 31 December 2021

Top 10 Tenants of Summer Hill Project

No.	Tenants	Proportions of Rental Area (%)
1	Bangkok Phra Khanong Center Co., Ltd.	37.35
2	Fitness24 Seven (Thailand) Co., Ltd.	23.45
3	GL & R Taps & Tiles Co., Ltd.	7.20
4	Central Food Retail Co., Ltd.	5.06
5	Starbucks Coffee (Thailand) Co., Ltd.	4.75
6	Treasure Factory (Thailand) Co., Ltd.	4.31
7	The Coffee Club (Thailand) Co., Ltd.	3.78
8	Thiwadee Co., Ltd.	2.38
9	Semeruze Co., Ltd.	2.26
10	Asian Business Food co., Ltd.	2.22
Total Rental Areas of Top 10 Tenants		87.74
11	Other Tenants	7.20
12	Vacant Areas	5.06
Total Leasable Area		100.00

Note: as of 31 December 2021

#### Expiry Profiles of Summer Hill Project

Year of Expiration	The lease expiry Areas (Sq.m.)	The Proportion of Expires Areas compared with Total Leasable Area (%)	Number of Expiry contracts
2022	369.90	7.20	1
2023	1,769.80	34.44	5
2024	620.65	12.08	7
2025	-	-	-
2026	-	-	-
2027	1,919.00	37.35	1
<b>Total Occupied Areas</b>	<b>4,679.35</b>	<b>91.16</b>	<b>16</b>
Vacant	259.90	5.06	2
<b>Total Leasable Areas</b>	<b>5,138.45</b>	<b>100.00</b>	<b>18</b>

Note: as of 31 December 2021

#### Occupancy Rate

Project	Occ. Rate (%)				
	31 Dec 2017	31 Dec 2018	31 Dec 2019	31 Dec 2020	31 Dec 2021
Summer Hill Project	58.16	96.54	95.08	91.66	91.16

## 2.6 Property Manager

The details of the property managers of each project can be summarized as follows.

Rich Asset Center Company Limited	(1) Rich Asset Project
ST Property and Logistics Company Limited	(1) ST Bang Bo Project (2) ST Bang Pa-In Project (3) Summer Hub Project (4) Summer Hill Project

### General Information of Property Manager and Experience in Property management

#### 1. Rich Asset Center Company Limited

##### A. General Information

Name	: Rich Asset Center Company Limited
Address (head office)	: 2341/2 Village No. 6, Thepharak Road, Thepharak Subdistrict Mueang Samut Prakan District Samut Prakan Province 10270
Company Registration No.	: 0115548000976
Registration Date	: 21 January 2005
Tel	: 02-313-3469
Fax	: -
Website	: www.rich-asset.com
Registered Capital	: 30,000,000 Baht
Paid-up Capital	: 30,000,000 Baht

B. Business Nature and Scope of Business Operations

Rich Asset Center Company Limited ("RAC") was established in 2005 to operate a real estate development business in the category of warehouses and factories by renting or selling to customers who want to start or are interested in expanding warehouses and factories. RAC started the first project with a total usable area of 10,000 square meters and later in 201 established Rich Asset Development Parkland Company Limited ("RADP") to support the operation with expanding rapidly by Managing Director with full qualifications and experience in management for a long time especially in real estate management and development, especially for warehouse and factory buildings. At present, RAC and RADP have a total of 8 projects to take care of.

C. Shareholder

	Name	Number of Share	Shareholding (%)
1	Mr. Niran Khruyanon	5,800,000	96.67
2	Mr. Landscaping Theerathaninan	100,000	1.67
3	Mr. Yuttana Intatecha	100,000	1.67
Total		6,000,000	100.00

Source: Copy of the list of shareholders (BorJor. 5) of RAC, documents as of November 25, 2021

## 2. ST Property and Logistics Company Limited

### A. General Information

Name	:	ST Property and Logistics Company Limited
Address (head office)	:	32/24 Sino-Thai Tower, 3rd Floor, Sukhumvit 21 Road (Asoke), Khlong Toei Nuea Sub-district, Wattana District, Bangkok 10110
Company Registration No.	:	0135560021911
Registration Date	:	16 October 2017
Tel	:	02-260-1181
Fax	:	02-260-1181
Website	:	www.stpi.co.th
Registered Capital	:	440,000,000 Baht
Paid-up Capital	:	440,000,000 Baht

### B. Business Nature and Scope of Business Operations

ST Property and Logistics Company Limited ("STPL") is a subsidiary of STP & I Public Company Limited, logistics, warehouse, and factory buildings for rent, office building for rent, community mall building. STPL currently has 5 projects to manage operating business since 2017, which was established to operate business development, real estate and

### C. Shareholder

	Name	Number of Share	Shareholding (%)
1	STP & I Public Company Limited	43,999,997	100.00
2	Mr. Worarat Phromkhunthong	1	0.00
3	Mrs. Anilrat Nitisarot	1	0.00
4	Mrs. Arthitaya Charnvirakul	1	0.00
Total		44,000,000	100.00

Source: A copy of the list of shareholders (BorOrJor. 5) of STPL, documents as of January 5, 2022.

#### Shareholding Relationship or Business Relationship with the REIT Manager

-None-

#### Other Properties under the Management of the Property Manager that may Compete in Business with the REIT's Investment Assets

RAC will be the property manager of the Rich Asset Project. RAC has nearby properties under its management, Project 11, located on the opposite side of Project 10, Phase 2 in Rich Asset which is a property of the same type as assets within the Rich Asset project. It is currently under construction and expected to be completed and ready to be operational within 2022 by doing business as a warehouse building project and/or factory building for rent with a rental area of approximately 2,000 square meters of 2 units.

In addition, STPL will be the property manager of the ST Bang Bo Project, the ST Bang Pa-In Project, the Summer Hub Project and the Summer Hill project. There is real estate in the category of warehouse and factory buildings under the management of STPL, such as warehouse and factory buildings located at Khu Khot Subdistrict, Lam Luk Ka District, Pathum Thani Province with a rental area of approximately 30,189 square meters which has the nature of seeking benefits through long-term lease agreements. These assets are the same as assets of the ST Bang Bo Project and the ST Bang Pa-In Project and the locations are more suitable for development for housing. In the future, STPL may change how to seek benefits within the said project. As a result, there is no definite action plan. In addition, the warehouse and factory project is approximately 72 kilometers from the ST Bang Bo Project and 35 kilometers from the ST Bang Pa-In Project. This means there is no conflict of interest with projects that the REIT will invest in.

In addition, BC is the real estate manager of the Summer Hill project and the Summer Hub project, and the Summer Point project, a mixed-use project that opened in late 2020. The Summer Point Project program will be managed by BC. The Summer Point project is located on Sukhumvit Road, Phra Khanong Nuea Subdistrict, Watthana District, Bangkok, and near the Phra Khanong BTS station, which is opposite the Summer Hub project and the Summer Hill project. Summer Hill Project distance from the Summer Hub project and the Summer Hill project is about 160 meters, which are both offices for rent and have commercial areas like the Summer Hub project and Summer Hill project with a rental area of approximately 5,780 square meters. The Summer Point project also has the same target group as the Summer Hill project and the Summer Hub project as well. Therefore, it is a project that is a direct competitor to the Summer Hill project and the Summer Hub project since the Summer Point Project is located opposite Summer Hub Project and Summer Hill Project and BC manages the project, Summer Hill Project, and Summer Hub Project. BC, as the REIT's sub-property manager, may present the non-Summer Hill Project and the Summer Hub Project to potential

new sublease owners for consideration first. it may result in a conflict of interest with the REIT. Under the Property Manager Appointment Agreement among the REIT, the REIT manager, and STPL, the rules governing BC will be established. This includes, but is not limited to, requiring that, whenever someone is interested in subletting an office or commercial space, STPL will require BC to offer all vacant assets that meet the customer's requirements to let the customer decide without any discrimination as to the property of any party including determining rental and service charges (if any) for comparable areas in terms of size, location, style, and age to be at the same level. For areas that can be compared in terms of size, location, style, and age, it must be at the same level for transparency and provide sufficient information to customers to make decisions. BC will also prepare a report on the group of tenants who are interested in renting commercial space or office space to STPL and the REIT manager's property management department every month for understanding management of the REIT's real estate in the Summer Hub Project and BC's Summer Hill project closely.

#### Guidelines for Supervising Property Management of Property Managers to Prevent Conflicts of Interest.

Because there may be a conflict of interest between BC and the REIT about the property management of the Summer Hub Project, and the Summer Hill project in case that someone wishes to sublease office space or new commercial space, BC, as the REIT's sub-qualification, may present non-Summer Hill Project and Summer Hub projects to new prospective sublease owners for consideration to prevent potential conflicts of interest. The property manager is responsible for operating and supervising the property managers (if any) to comply with the rules for supervision as follows:

(1) Offering to the tenants (customers) without discriminating whether it is the property of any party

Under the Property Manager Appointment Agreement among the REIT, the REIT manager, and STPL, there will be a provision that throughout STPL's duties as the REIT's property manager, if someone is interested in subletting the office space or commercial space, STPL will offer and manage the sub-property manager (if any) i.e. BC to offer all vacant leased properties to meet the needs of customers (Specification) for the customer to decide without considering whether it is the property of any party including determining rent and service charges (if any) for comparable buildings or areas in terms of size, location, style, and age to be at the same level for transparency and provide sufficient information to customers to make decisions.

(2) A requirement for property managers keeps documents for audit

Under the Property Manager Appointment Agreement among the REIT, the REIT manager and STPL, there will be a provision for a property manager must keep documents, evidence, including any information related to the real estate manager and what real estate manager (BC) presents the assets to the tenants of the



area within the project invested by the REIT and other projects which are not invested by the REIT. In addition, this is for the benefit of the audit and review of transparency in the presentation of such areas. When the REIT has requested the property, they must submit documents, evidence, including any information to the REIT within a reasonable period and the REIT will conduct a random audit of the property and operations of the property manager without prior notice (Surprise Check) at least once a year.

A property manager is responsible for supervising, controlling, the performance of duties and handling of information, documents, including any trade secret related to the assets that the REIT will initially invest in carefully.

(3) Surprise check of performing duties of real estate managers and property inspections

- The REIT manager will conduct a Surprise Check of the property and property manager's operations without prior notice at least once a year.
- The REIT manager will conduct an asset audit at least once a year.
- The REIT manager will randomly test the performance of the property manager at least once per year. The REIT manager will let the property manager present how to operate.
- The REIT manager will randomly audit documents, evidence, and information received from the property manager including what the real estate manager received from the real estate manager. This may be done by calling the property manager without prior notice (Surprise Check) at least once a year.
- The REIT will provide the tenants a channel to contact the REIT manager directly if he/she requests and urgently needs it for the benefit of asset management and to assess the performance of real estate managers.

(4) Property manager have to report about tenants and operating results

- Preparing reports on the operation of the tenants such as for those interested in renting the space new tenants or who have reached maturity vacant leased space, etc., as specified by the REIT manager.
- Attend a joint meeting between trust manager and Property managers (STPL) and real estate managers (BC) to monitor performance at least once a quarter

The REIT will apply the criteria for supervising real estate management of real estate managers above to other property managers of the REIT, such as the Rich Asset Project, to prevent potential conflicts of interest too. Since the Rich Asset Project is in the process of constructing Project 11, which includes a warehouse and/or factory building project, with a usable area of approximately 2,000 square meters, 2 units, and is expected to be completed in 2022, Project 11 is located close to the assets that the REIT will initially invest in the Rich Asset Project.

However, the Summer Hub project and the Summer Hill project have additional risk measures to prevent the seeking of tenants of the projects invested by the REIT. STPL agrees to reimburse the amount of rental and service fees under the lease that is prematurely terminated for 2 months if within 6 months from BC as a sub-property manager has ended the duty and it appears that the tenants of the project area have canceled the lease early and have rented the area in the Summer Point project instead of by either moving in before the project's lease is terminated or after the contract is terminated.

In addition, the REIT manager has a property management department that closely monitors the property manager's work, such as finding new tenants, following up on unpaid rent, periodic property inspections and complaints to determine whether the property manager is doing effectively or not. In addition, there is an internal audit department of the REIT manager who will closely monitor the work of the property management department and report any problems or issues for the independent committee to understand and resolve the issue within a reasonable period. In addition, in case there is a transaction between the REIT and the property manager in the event that it may cause a conflict of interest, individuals who have direct or indirect interests do not take part in the consideration and decision-making of the transaction and it must be approved by the REIT manager's board of directors.

In the past, the REIT manager has to monitor and supervised the work of property managers, including with or without notifying appointments in advance. This ensures that the property managers are effectively performing their duties with their responsibilities in accordance with the duties in the Property Manager Appointment Agreement and any other additional agreements during the work of each project.

#### **Operational Period**

The property manager will have the term as stipulated in the property manager appointment agreement which has a period of 3 years and in case each party agrees to extend the contract at the expiration of the term, this contract will be effective for another 3 years. The parties may review the terms and conditions of the contract every period 3 years or as agreed by the parties.

### Management Fee from the REIT

Property managers are entitled to receive compensation for their duties as property managers from the REIT by collecting from the REIT monthly according to the property manager appointment agreement made between the REIT and the property manager.

#### Details of Property Manager Fees

Fees	Maximum % per annum or after each Transaction (excluding VAT)	Expected rate to be charged (excluding VAT)	Due Date Cycle
property manager fees	<p>1) property manager fees are as follows:</p> <p>Asset Management Fee (Base Fee): Not more than 5.00 percent of operating income</p> <p>Incentive Fee:</p> <p>Not more than 10.00 percent of net income from operations</p> <p>2) Tenant recruitment fee</p> <p>The rate is equal to 1 month of rental and service rates.</p> <p>In the case of the previous tenant renewing the lease and service contracts, the rate is equal to 2 months of the rental and service fees.</p> <p>In the case of a new tenant entering into a lease and service contract which is calculated in proportion to the actual rental period from the 3-year rental period.</p>	as stipulated in the property manager appointment agreement	monthly

## 2.7 The Information of Revenue Guarantee and the undertaker

### Summary of the Revenue Guarantee Conditions

#	Project	Under-taker	Revenue Guarantee			Warranty Period
			Compensation for vacant	Compensation for the total service fee under the service contract for the Event Area and Corridor	compensate income according to estimation	
1	Rich Asset Project (Projects 1, 2, 3, 6, 7, 10 Phase 1 and 10 Phase 2)	RAC	✓	-	-	1 year from the date the REIT invests
2	Rich Asset Project (Project 9)	RADP	✓	-	-	
3	ST Bang Bo Project	STPL	✓	-	✓	
4	ST Bang Pa-in Project	STPL	✓	-	✓	
5	Summer Hub Project	ST Hub	✓	✓	✓	Throughout 1 year from the date the REIT invests or until the date of the employment contract for BC as a property manager during the contract period which is on June 30, 2022, (Consider the later one)
6	Summer Hill Project	ST Hill	✓	✓	✓	

## 2.8 Funding Debt

-None-

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

#### 3.1 Thailand's Economic Outlook

The Fiscal Policy Office is a Department under the Ministry of Finance reported that in Quarter 4/2021, The Thai economy is expected to expand by 1.0 percent in 2021 (within the range of 0.5 to 1.5 percent) due to the third wave of COVID-19 outbreak during the third quarter of 2021. However, economic activities are expected to make strong recovery following improving of COVID-19 situation from lower new infections and progress on vaccination. This would lead the government to relax the containment measures and to reopen the country from 1 Nov 2021 onwards. These circumstances would support the recovery of economic activities, especially tourism, wholesale and retail, transportation, entertainment, and other related sectors. As a result, private consumption is expected to increase by 0.8 percent (within the range of 0.3 to 1.3 percent) along the line with the improved consumer confidence, while private investment is expected to grow by 4.0 percent (within the range of 3.5 to 4.5 percent) following the acceleration of exports. In addition, exports of goods would see robust expansion in line with trading partner economies' growth. However, production and exports in some sectors is likely to be affected by the supply disruption. Consequently, it is expected that the value of Thai merchandise exports would grow at 16.3 percent (within the range of 15.8 to 16.8 percent).

Moreover, the continued support from government measures would be critical to help the recovery of the Thai economy. These stimulus measures in response to COVID-19 include Half-Half Scheme Phase 3, Spend More Get More Scheme, State Welfare Card Holders Phase 3, additional allowances for vulnerable population groups, and financial measures to mitigate the effects of the COVID-19 pandemic on people and businesses through the Specialized Financial Institutions. Furthermore, the continuation of the remaining disbursement on the Emergency Decree Authorizing the Ministry of Finance to Raise Loans to Solve Problems, to Remedy and Restore the Economy and Society as Affected by the Coronavirus Disease Pandemic, B.E. 2563 (2020) of 1 trillion Baht and the Additional Emergency Decree Authorizing the Ministry of Finance to Borrow Money to Address

Economic and Social Issues from the COVID-19 Outbreak with an Authorized Amount of 500 billion Baht, B.E. 2564 (2021) would continue to support domestic consumption, strengthen business sectors and maintain a higher level of employment. Accordingly, public consumption and public investment are projected to grow up by 3.8 percent (within the range of 3.3 to 4.3 percent) and 8.1 percent (within the range of 7.6 to 8.6 percent), respectively.

For the internal stability, headline inflation in 2021 is projected to be at 1.0 percent (within the range of 0.5 to 1.5 percent), owing to the government measure to temporarily reduce electricity bills and excess supply leading to lower fresh food prices. For the external stability, the current account would record a deficit of -18.3 billion US dollars, or -3.7 percent of GDP (within the range of -4.2 to -3.2 percent of GDP) mainly due to a smaller surplus in the trade balance and a deficit in the service balance.

However, the Thai economy in 2022 is projected to pick up and expand at 4.0 percent (within the range of 3.0 to 5.0 percent). This recovery would be driven by increasing foreign tourist admission in the tandem with a gradual decline in COVID-19 cases in Thailand and abroad. Under this projection, the number of foreign tourists is projected to increase to 7 million in 2022. Likewise, merchandise exports would continuously exhibit strong growth at 3.8 percent (within the range of 2.8 to 4.8 percent), facilitating the resumption of economic activities, especially business sectors, employment, and domestic demand. These would restore private sector confidence and boost up private consumption to grow at 4.2 percent (within the range of 3.2 to 5.2 percent). In addition, government expenditure would play an important role in supporting the economic recovery in the period ahead. The FY2022 annual budget of 3.1 trillion Baht and the FY2022 state-owned enterprises' capital budget of 307 billion Baht as well as the additional Emergency Degree of 500 billion Baht would be continuously disbursed. These would lead public consumption and public investment to grow at 1.1 percent (within the range of 0.1 to 2.1 percent) and 5.0 percent (within the range of 4.0 to 6.0 percent), respectively. For the internal stability, headline inflation in 2022 is projected to be at 1.4 percent (within the range of 0.4 to 2.4 percent), following the recovery of domestic demand."

Thailand's economic outlook could be affected by the following relevant factors: (1) prolonged outbreaks and virulent virus mutations both the existing and new variants, which may dampen vaccine effectiveness, (2) supply disruption problems and international transportation (3) the increase in the crude oil price and inflation, and (4) high volatility of exchange rates and capital flows due to global tightening financial conditions.

Amid uncertainties, the coordination between fiscal and monetary policy would help foster a sustainable economic recovery going forward. The Ministry of Finance will closely monitor the situation of the COVID-19 pandemic and its impact on the economy and people to provide adequate and continuous economic stimulus in a timely manner as well as prepare measures to restore the Thai Economy in line with the context of the Next Normal lifestyle.

### 3.2 Market Overview of the invested industry

#### Warehouse/Factory

Warehouses are spaces used for the short- or long-term storage of goods, in the former case usually as part of the distribution process, and these thus support the operation of supply chains connected to manufacturing (for the storage of raw materials, parts, and components) and distribution (for the storage of finished goods). Rented warehouse space therefore forms a part of the logistics sector, and the industry has an important role to play in facilitating business operations in a wide range of industries across the manufacturing, trade and transport sectors.

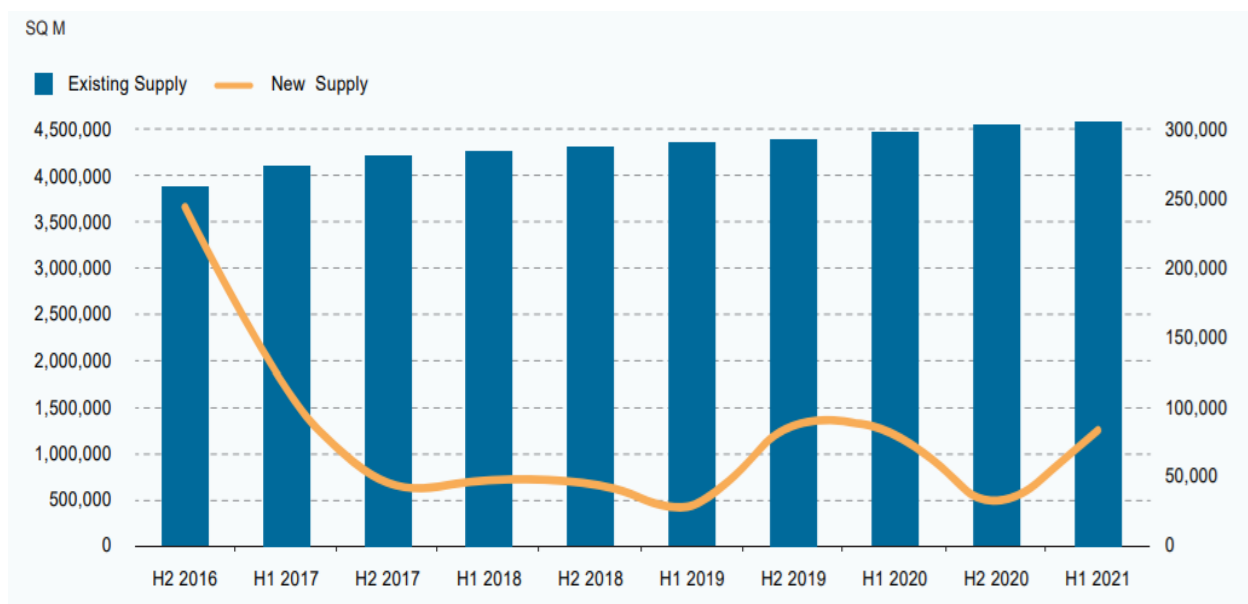
The outlook for the warehouse industry is dependent on the general business conditions prevailing in manufacturing and commerce, together with overall levels of investment and household spending. The industry displays two important characteristics that help to determine its overall features: (i) Returns on investment typically occur over 8-13 years. On the one hand, upfront costs, especially those for land and construction (on average, putting up new warehouses takes 6-18 months, though this depends on the footprint of the building) tend to be high, while on the other, income comes overwhelmingly from rent, which accumulates only gradually over the long term. Generally, rental rates will vary depending on the size of the space, the type of warehouse, its location, and the degree of competition in the area. (ii) The location of any particular warehouse plays a major role in determining its commercial success. Given this, evaluating the potential of different sites and the types of warehouses that ought to be constructed plays an important role in determining long-term growth in income for operators.

*(Source: Krungsri Research Industry Outlook)*

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## Supply

Total supply of ready-built warehouses in Thailand increased by 2.5% Y-o-Y to reach 4.65 million sq m in H1 2021. New projects only accounted for 12% of total supply added in this half, indicating that developers mostly expanded within existing projects. Logistics property players remain committed to maintaining and improving current stock performance over launching new projects unless they received clear and substantial interest from tenants beforehand. As such, there is limited speculative building in the market.

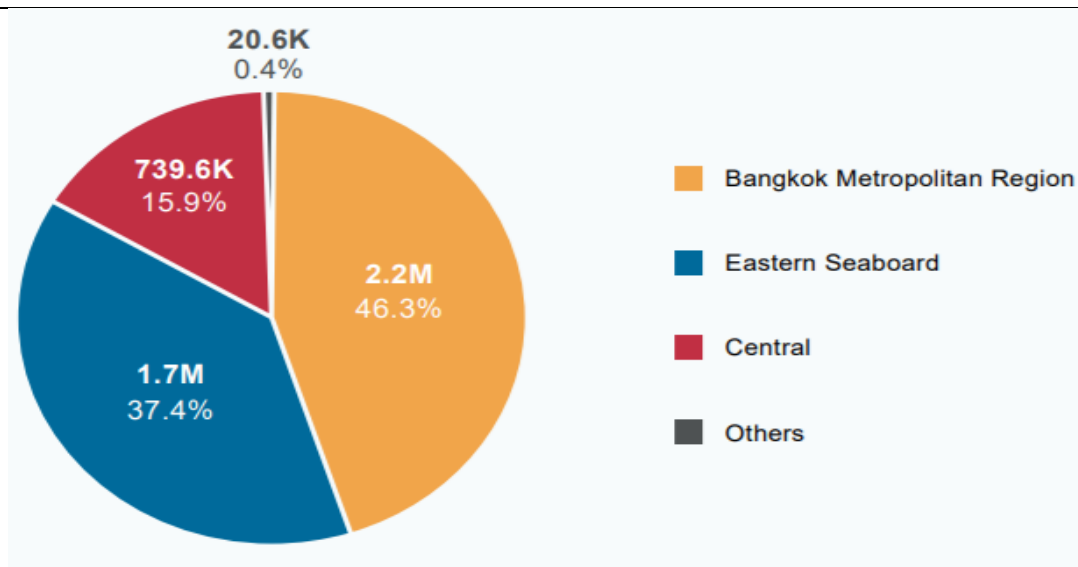


THAILAND READY-BUILT WAREHOUSE SUPPLY

SOURCE: KNIGHT FRANK (THAILAND) – OCCUPIER SERVICES & COMMERCIAL AGENCY

The new supply added in H1 was highly concentrated within the Bangkok Metropolitan Region, which experienced a 4.0% Y-o-Y supply growth to reach 2.2 million sq m. As a result, the region now has a 46% market share. Developers have responded to occupier demand for facilities near the capital city that can facilitate a faster product delivery time to end users. Supply in the Eastern Seaboard, which accounts for 37% of total supply, expanded at a relatively limited pace, growing by 0.8% to reach 1.7 million sq m. Meanwhile, total supply in the central region increased by 2.4% Y-o-Y.





THAILAND WAREHOUSE DISTRIBUTION BY REGION

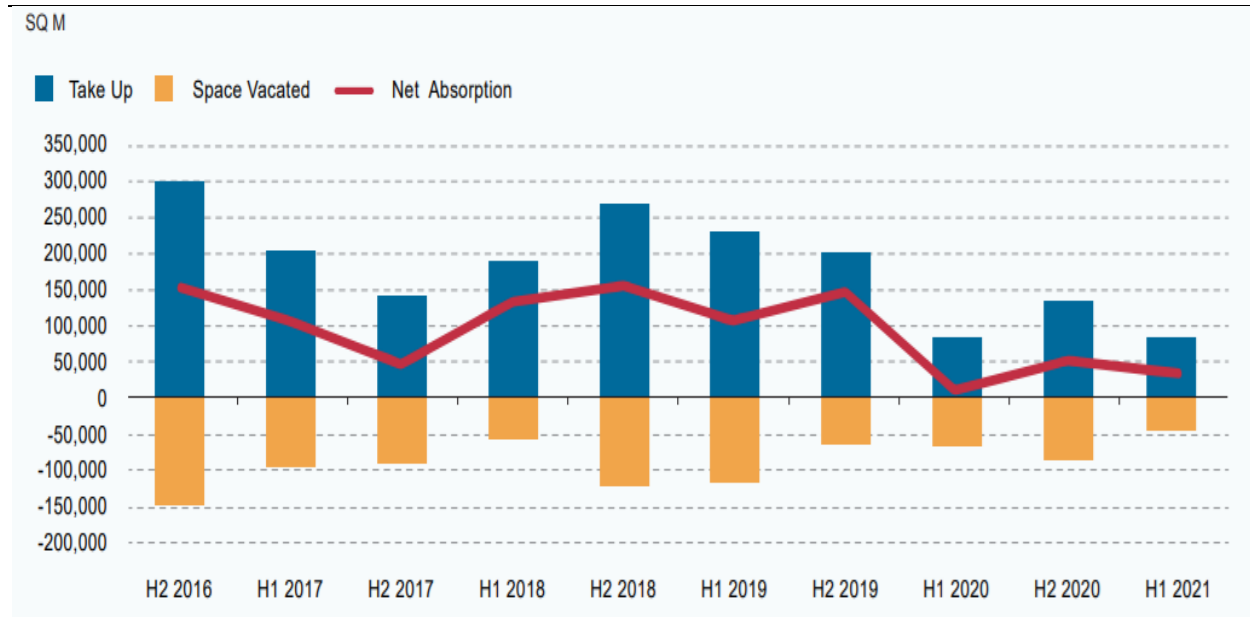
SOURCE: KNIGHT FRANK (THAILAND) – OCCUPIER SERVICES & COMMERCIAL AGENCY

## Demand

Leasing activity dropped as net absorption fell from close to 50,000 sq m in H2 2020 to around 38,000 sq m this half. Nevertheless, a positive net absorption indicates that market demand for ready-built warehouses remains relatively robust. The e-commerce boom and greater adoption of technology propelled growth for online retailers and distribution firms, which in turn drove take up of logistics space as they expanded capacity and raced to secure locations that generate competitive advantages from a fulfilment standpoint. As a result, total occupied space increased by 2.3% Y-o-Y to 3.86 million sq m.

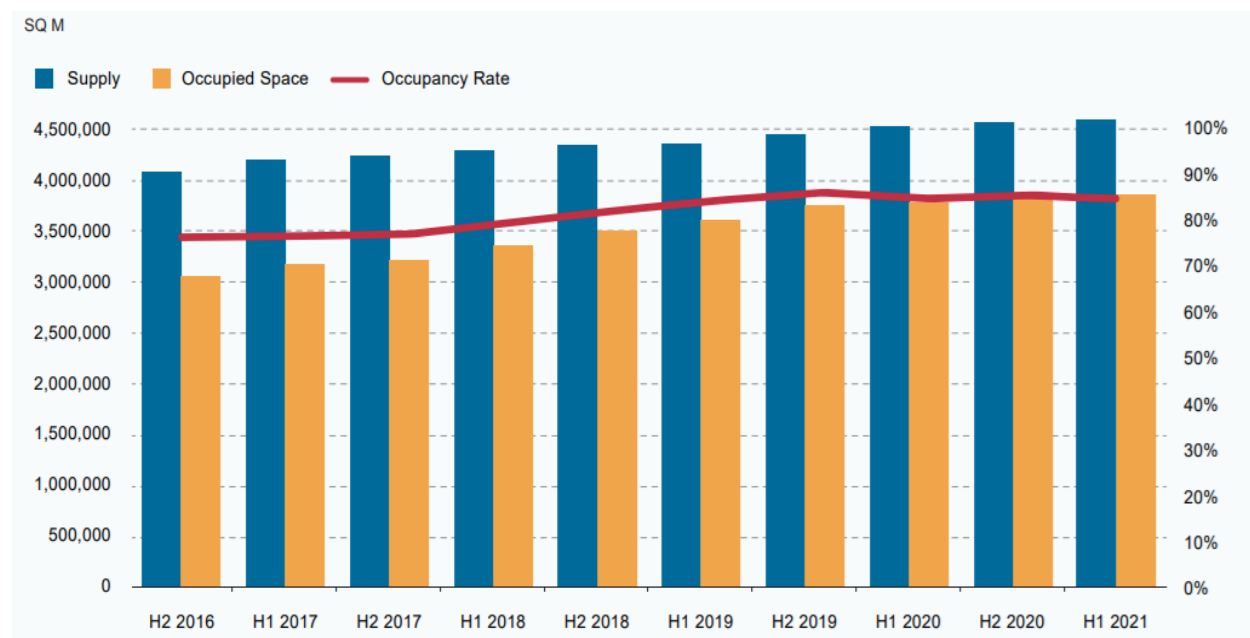
Nonetheless, the significant windfall from the accelerated shift to online was reaped by the built-to-suit warehouse developers. Combined, they have delivered more than 100,000 sq m of BTS space in H1 2021. The intensifying competition for market share in the e-commerce and 3PL spaces has triggered an increased need for specialized automated solutions to maximize efficiency and profitability. As this will require greater differentiation amongst logistics properties, occupiers have turned to developers for more customer-centric solutions that cannot be met with most standard ready-built spaces available today.

KTBST Mixed Freehold and Leasehold Real Estate Investment Trust



THAILAND READY – BUILT WAREHOUSE SUPPLY – DEMAND DYNAMICS

SOURCE: KNIGHT FRANK (THAILAND) – OCCUPIER SERVICES & COMMERCIAL AGENCY



THAILAND READY – BUILT SUPPLY, DEMAND & OCCUPANCY RATE

SOURCE: KNIGHT FRANK (THAILAND) – OCCUPIER SERVICES & COMMERCIAL AGENCY

As net absorption lagged supply growth slightly, the market occupancy rate dropped by 0.6% points. H-o-H to 83%. All sub-markets tracked experienced some level of decline on a quarterly basis. On an annual basis, the Bangkok metropolitan region was the only area in which the market occupancy rate rose, increasing by 1% to 90%,

indicating that available supply in the area remains somewhat limited. In comparison, the occupancy rate in the Eastern Seaboard and Central regions stands at 76% and 79% respectively.

Region	H1 2021	(H-o-H) % Point Change	(Y-o-Y)
<b>Total</b>	<b>83%</b>	▼ 0.6%	▼ 0.1%
Bangkok Metropolitan Region	90%	▼ 0.7%	▲ 0.8%
Eastern Seaboard	76%	▼ 0.5%	▼ 0.7%
Central	79%	▼ 1.4%	▼ 1.8%

THAILAND READY – BUILT WAREHOUSE OCCUPANCY RATE BY REGION

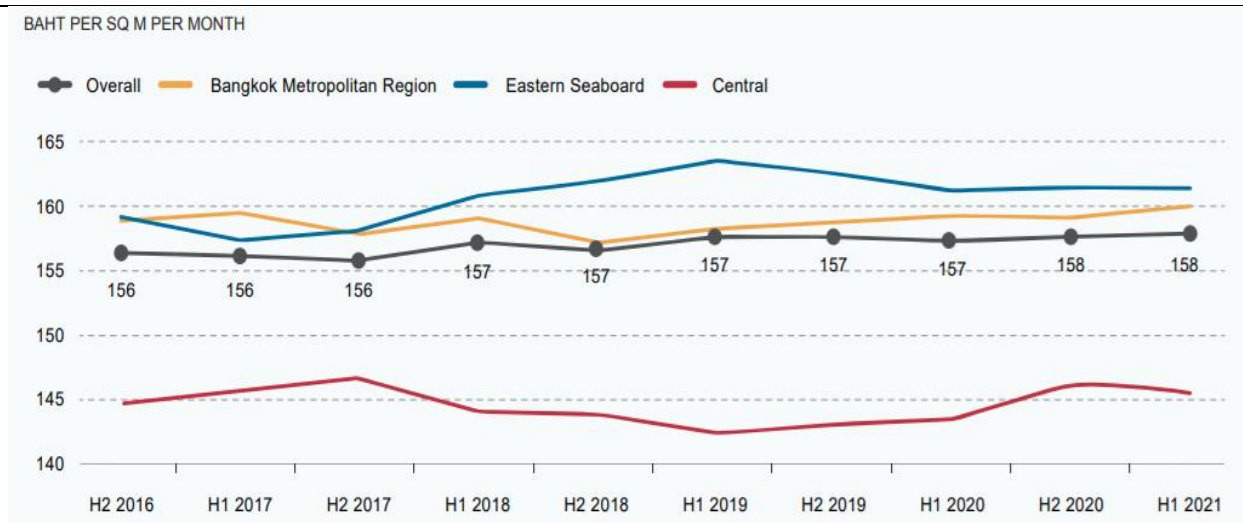
SOURCE: KNIGHT FRANK (THAILAND) – OCCUPIER SERVICES & COMMERCIAL AGENCY

## Rental Rates

The average asking rent for readybuilt warehouses in Thailand remained at 158 baht per sq m per month. Some landlords have granted rental rebates to some tenants to help alleviate financial pressures, but this is done on a case-by-case basis. Split by sub-market, the asking rent for warehouse properties in the Bangkok metropolitan and Eastern Seaboard have almost converged at around 160 to 161 baht. The asking rent in the Bangkok metro has steadily gained on the rate in the Eastern Seaboard over the past few years and may soon exceed it as the capital city continues to grow in importance for occupiers focused on last-mile logistics. The Central region remains the cheapest sub-market, with an average asking rent of 146 baht.

ทรัสต์เพื่อการลงทุนในอสังหาริมทรัพย์และสิทธิการเช่าอสังหาริมทรัพย์ เคทีบีเอสที มีกซ์

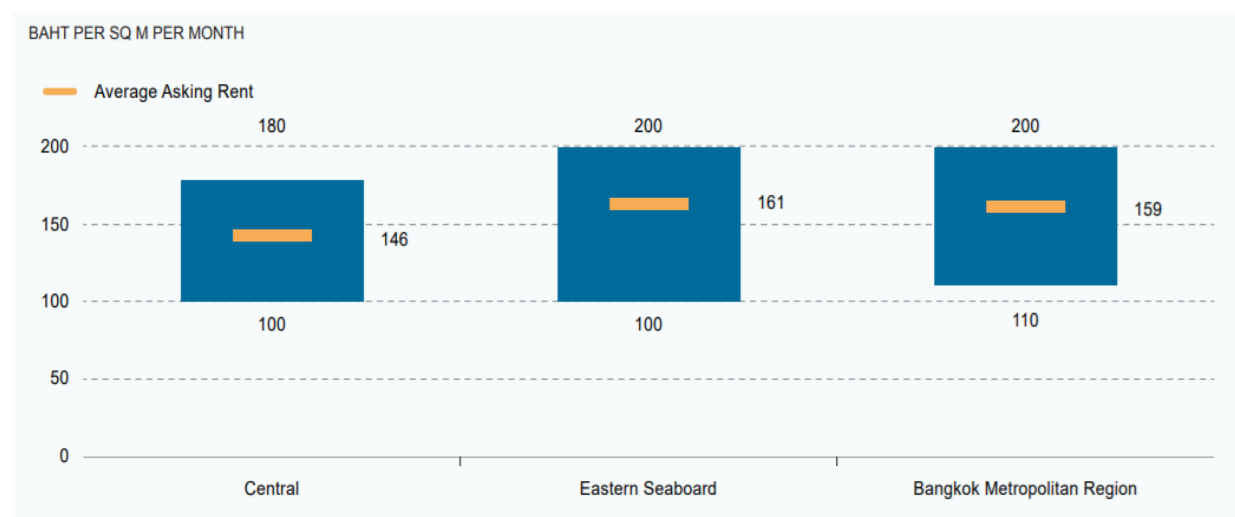
KTBST Mixed Freehold and Leasehold Real Estate Investment Trust



THAILAND READY – BUILT WAREHOUSE AVERAGE ASKING RENT BY REGION

SOURCE: KNIGHT FRANK (THAILAND) – OCCUPIER SERVICES & COMMERCIAL AGENCY

Although there was a noticeable difference in average asking rents, the rental spread was quite similar across the various regions. The most expensive warehouses commanded up to twice as much as their cheapest counterparts, leading to a wide rental spread of 80 baht to 100 baht. It indicates that in all 3 regions, there are warehouses of various qualities ranging from older, competitively priced properties to newer, ‘premium’ warehouses catering to different segments of tenants. The implementation of automation and other technologies such as warehouse management systems is still limited in Thailand in comparison to developed markets. However, greater market adoption of technology in warehousing solutions could result in an even wider spread for warehouse prices going forward.



THAILAND WAREHOUSE ASKING RENT SPREADS

SOURCE: KNIGHT FRANK (THAILAND) – OCCUPIER SERVICES & COMMERCIAL AGENCY

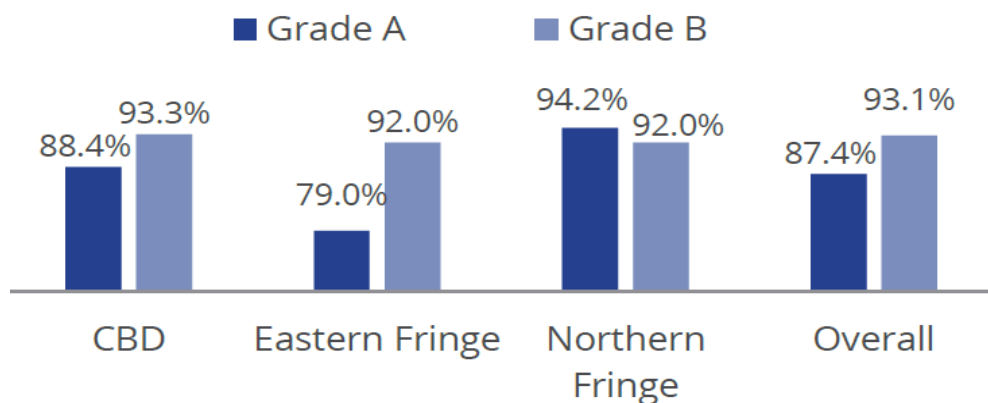
## Office

### Demand

#### Occupancy Rates

As of Q4 2021, over 8.558 million sq.m. of office space in Bangkok was occupied representing a stable rate in Q4 2021 at 92.16%. The Sukhumvit area maintained the highest occupancy rate in the CBD at 94.45%.

This illustrates that demand for office space in the Bangkok area dropped slightly from the previous quarter. Tenants were still likely to request a downsize of the rental space or a temporary rental reduction. Colliers expects occupancy rates to decline in the future as well. As companies implement cost cutting measures and downsize office space, new supply will continue to flood the market over the next 3 years.



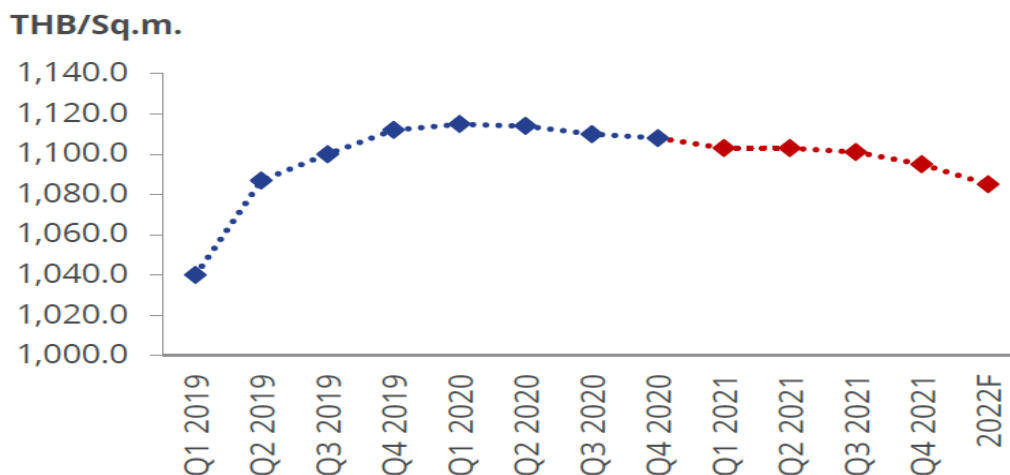
Occupancy Rate by Location, as of Q4 2021

Source: Research and Communication, Colliers Thailand

In Q4 2021, large developers such as SinghaEstate PLC continued to focus on the office market. The S Oasis building, a Grade A 'lifestyle' office building with the total NLA of 54,000 sq.m., is expected to be completed in Q2 2022. Another one is 'King Bridge Tower' developed by SahaCapital Tower Co., Ltd., a new iconic office building on Rama 3 road,

which is expected to be completed in 2024. AIA Thailand Co., LTD is launching an office building 'AIA East Gateway, with 5 floors of retail spaces on BangnaTradRoad, with the total NLA for office of 60,000 sq.m. This office building is expected to be completed in Q3 2022. Lastly, '101 True Digital Park' a 26 floor mixed use project connected to the skywalk. The project comprises Hotel, Retail and office. The total NLA for Office is 45,000 sq.m.

Of the current total office supply in Bangkok, approximately 45.3% is located in the outer city of Bangkok. Though, 58.0% of the office space under construction is located in the CBD area and the vast majority are Grade A office buildings. While Colliers Thailand expects overall occupancy rates to decrease due to an abundance of incoming supply, the new supply is likely to attract tenants due to its premium location and higher quality.



Average Grade A asking rental rate, Q1 2019 –2022F

Source: Research and Communication, Colliers Thailand

Remark: F = Forecast

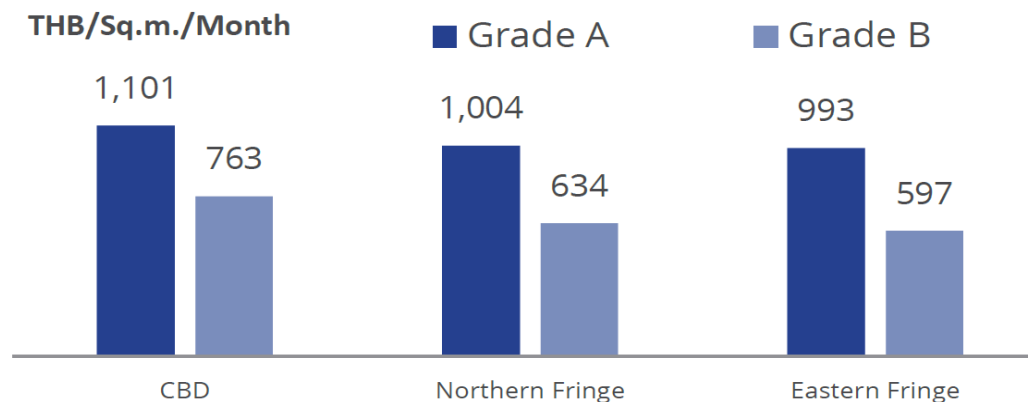
#### Supply :

As of Q4 2021, the supply of office space in Bangkok continued to increase steadily to 9.186 million sq.m. or an increase of 0.72% q-o-q from the launch of 3 new office buildings. Two notable projects are 'VanissaBuilding' Located in Chidlomarea with the total NLA of 24,720 sq.m. and Kronos Sathorn Tower, with the total NLA of 20,165 sq.m. Both are Grade A office buildings located in the CBD area. Another building is Ratchada One, a new office building outside the CBD area which is Grade B office.

Overall average asking rental prices in Bangkok increased 0.40% q-o-q to THB750per sq.m. The rise in rental prices was largely due to the new supply coming into the market have higher rental prices that are a lot higher than the average market price.

The asking price for Grade A office buildings in the CBD areas remained stable at approximately THB1,101. Office buildings in the Lumpini area still have the highest average asking rental rate at THB1,087 per sq.m. per month.

The outer CBD areas benefited slightly as some tenants who previously rented office space in CBD areas began to look for office space outside the city center. Some tenants moved out of the CBD to reduce cost.



Average Asking Rental Rate by Location, as of Q4 2021

Source: Research and Communication, Colliers Thailand

In Q4 2021, there were 6 office buildings with a total NLA of approximately 162,515 sq.m. postponed. In 2022, Colliers Thailand expects that there will be approximately 621,095 sq.m. of additional office supply constructed. Another 589,581 sq.m. in 2023 will also be completed. Approximately 58.6% of all incoming supply is in the CBD area and 92.5% are Grade A office space.

Many tenants are aiming to renew their lease and reduce the size of their rental space in the same transaction. Generally, tenants were offered an initial increase of 15% during renewal. However, tenants with representation can secure more favorable terms as competition is increasing among landlords.

Due to office trends like greater integration of work outside the office space, Colliers expects demand for office space to continue to stagnate over the near term. The functions of future office spaces will shift from traditional space to areas that promote greater collaboration and flexibility to meet the organizational and social needs of employees.

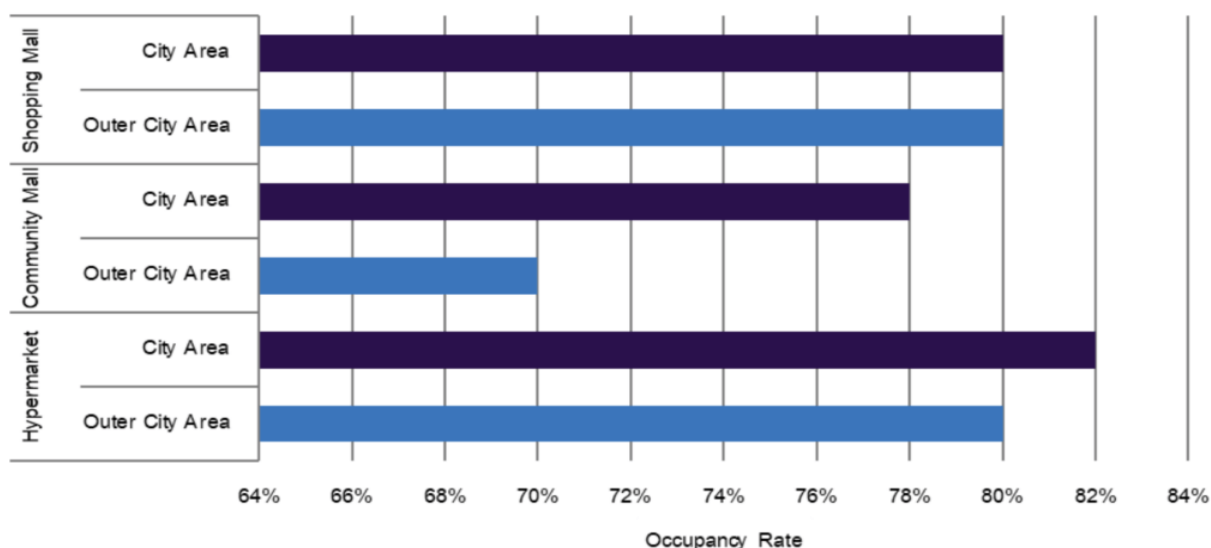
## Community malls

The situation of various retail space projects in the fourth quarter has been in a positive direction throughout the third quarter, continuing until mid-December 2021. Although it has not returned to normal as before the virus surveillance situation were taken.

There are still quite a few tenants or shops to bear the costs during the declining income since 2020. Many tenants have gradually closed the shop or requested to return the leased space. This includes tenants selling fashion items that can be sold online and a small restaurant with few branches. While some brand-name tenants or being a tenant with a large number of branches continue to expand.

Closing of renovations of some areas within the retail project, including the refurbishment of areas within the retail centers is seen continuously. Especially in large shopping centers in the city center, because some of the customers are foreign tourists who disappeared due to the COVID-19 situation. Because the tenants who are shops facing the problem of lack of income. Although some retail project owners agree to reduce their rents by 30 – 60%, there are still some tenants who are requesting to return the leased space.

## Demand:



Average Occupancy Rate of All Retail Projects by Categories and Location

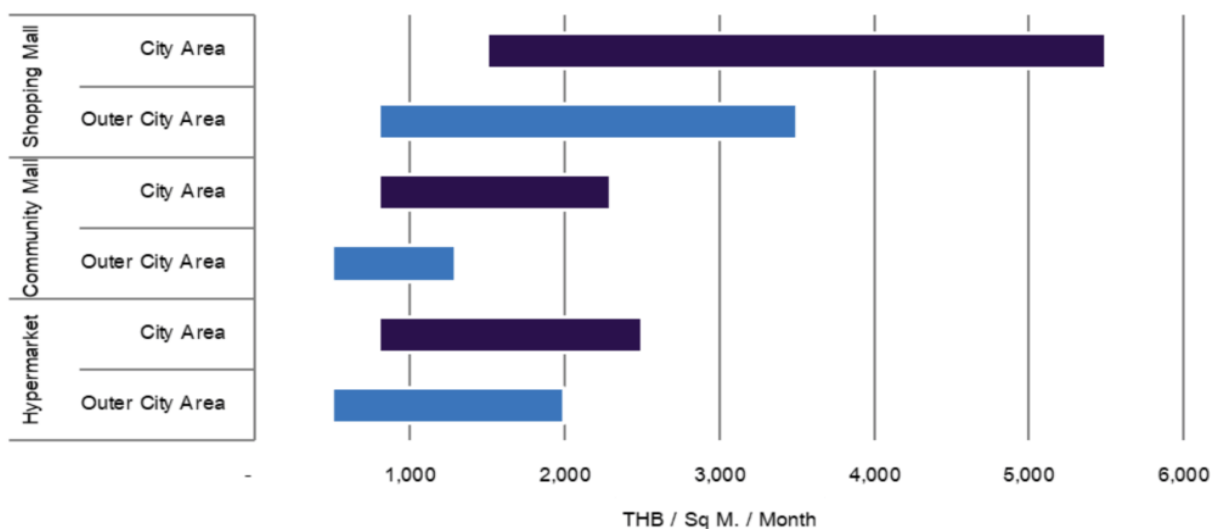
Source: Phoenix Property Development and Consultancy



The occupancy rate in some retail projects, especially small projects or projects with not much rental space, such as community malls, hypermarkets have more vacancy space. Because many tenants have already canceled the lease space. This has continued to reduce the overall average occupancy rate in some areas. Although the overall market, the average occupancy rate of various category of retail projects are still at a relatively high rate. But it's down about 5 – 10% from the previous year, depending on location and retail format.

Some stores or brands that are owned by large operators or have just arrived in Thailand continue to expand branches. While small tenants or shops can't bear expenses in a situation where incomes continue to decline. As a result, the vacant space in the retail project has increased compared to the previous year. Although the end of the year is a festive season, due to the COVID-19 situation, as a result, the atmosphere is not as bustling as it should be. But there is some spending from government stimulus and people who want to relax from Covid-19.

## Rental Rates



Average Rental Rate of Retail projects by Categories

Source: Phoenix Property Development and Consultancy

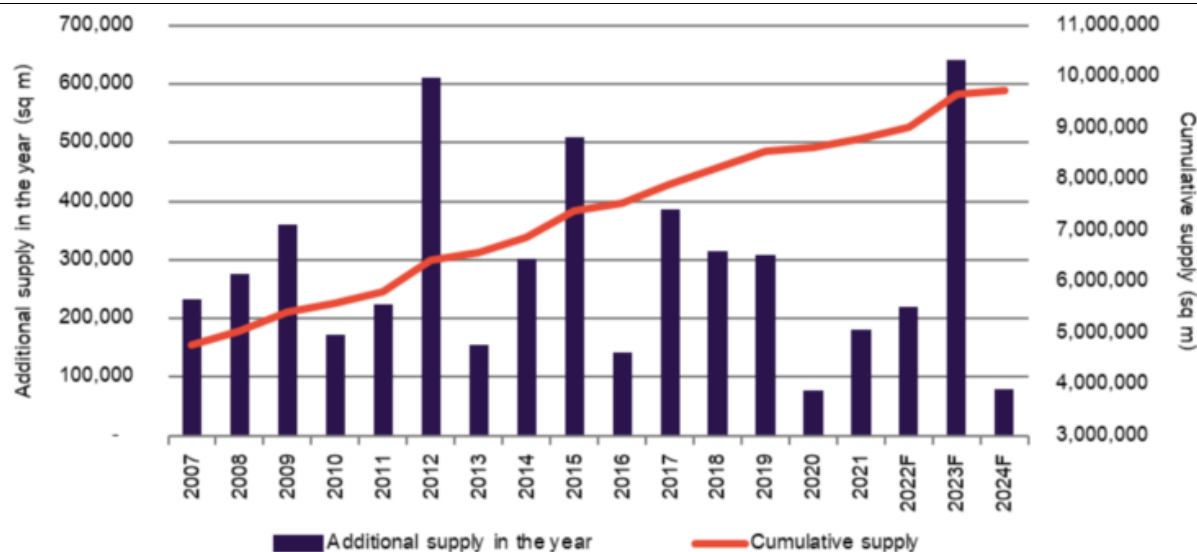
The average rental rate of each category of retail projects is varied and the location of the project also affects the rental. Community malls in the Suburban Bangkok Area or in the surrounding provinces cannot claim high rental rates compared to projects located in the City Area. Many project owners try to maintain rental rates similar to the past. There may be some reductions in rent, but only a temporary reduction or a period of rental reduction for a period of time.

The business of restaurants in the retail project gradually improved in the second half of 2021, although there are still restrictions under Social Distancing conditions, there is a clear increase in revenue compared to the second quarter, but still not comparable to the before Covid-19 period. Retail project owners and retail operators have shifted the rental rate based on Gross Profit (GP) sharing model, both during COVID-19 and over the long term.

#### Supply:

The retail market in Bangkok and surrounding areas in the fourth quarter of 2021 has 41,420 square meters of new retail space opened. Only 94,700 square meters of new retail space has been opened in 2021. Although very few compared to the past few years, but still about 21% more than the past year. But it does not mean that developers are confident in the economy and purchasing power of the Thai people. Because most of the projects are community malls in the Suburban Bangkok area with customer groups that are people in the surrounding area of the project. It does not focus on city center officers or foreign tourists.

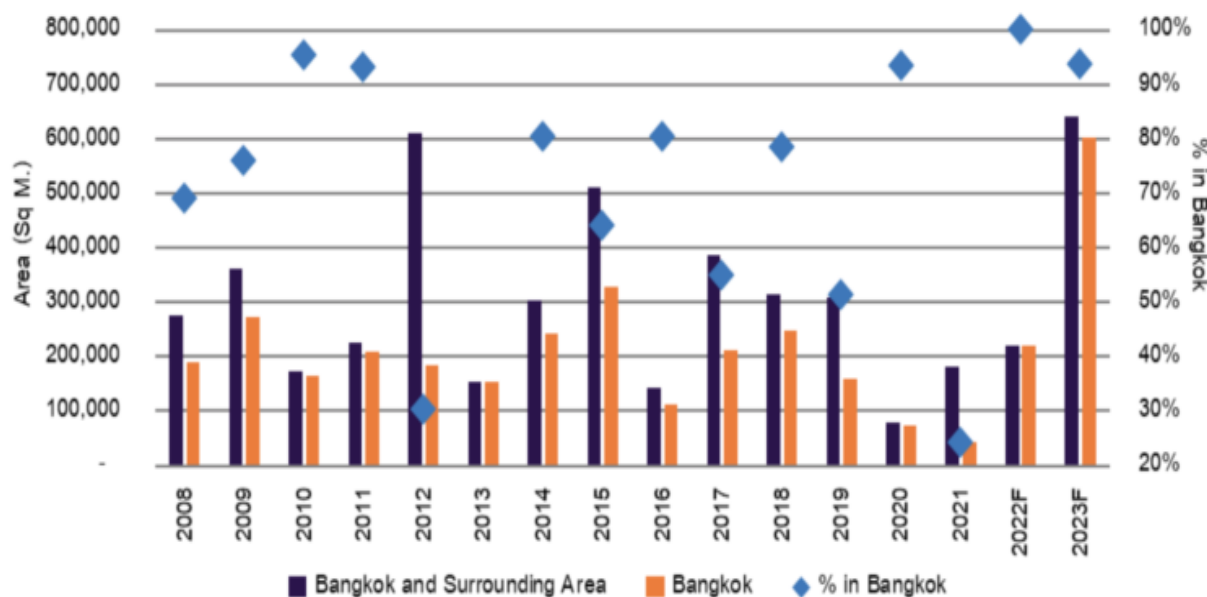
Community malls in the Suburban Bangkok area may face problems with tenants being unable to continue their business in the long term. Because of the impact that has occurred since the previous year, continuing until 2021. The retail projects that were located under a lease may choose not to renew the lease upon expiration of the lease term. Especially the community mall that is not far from the shopping center or other larger retail space projects. Some new shopping malls opened in any province including the renovation of the new area, the layout of the rental area is completely new. Not separating the area between tenant areas and the department store part. Customers may not be able to notice which part of the shopping center they walk and increase the proportion of restaurants more clearly, there are different types of tenant zones more clear.



Bangkok and Surrounding Area Retail Market as of Q4 2021

Source: Phoenix Property Development and Consultancy

Most of the retail projects opened in Bangkok and surrounding areas are in Bangkok. There may be some years when large retail space projects are opened in areas outside of Bangkok that are contiguous or connected to Bangkok. Many new retail projects to be opened in areas outside Bangkok are mostly along Kanchanaphisek road or outer ring road and Ratchaphruek road, where the retail projects opened in the area along those roads in the past 10 years, including in the future, will have both large shopping mall, hypermarkets, specialty stores and community malls.



Comparison of New Retail Spaces Open Yearly

Source: Phoenix Property Development and Consultancy

#### 4. Risks Factors

Investing in trust units of the REIT is risky. Investors should carefully consider the details stated in this document especially the risk factors as follows before deciding to purchase trust units of the REIT.

the following message represents some significant risk factors that may affect the REIT or the price of the trust unit of the REIT. In addition to the risk factors listed in this document, there may be other risk factors that the trust founder may not know at this time, or is it a risk that the trust founder is considering and is not important but maybe a significant risk factor in the future. The risks in this document and risks that may arise in the future may have an impact on the business performance and financial status of the REIT or the value of the trust units of the REIT.

Explanation of management, approaches to prevent risks, measures to prevent risks, and/or the REIT's ability to mitigate any risk are a guarantee that the REIT will implement all or part of the measures to prevent risks as specified, nor is it a confirmation that the risks as stated in this project will be reduced or eliminated.

They are Forward-Looking Statements appeared in the details of this document e.g., the words "believe," "expects", "plans," "intends," "estimates," or financial projections, "future projects", "business performance Forecasts", "business expansion plan", "Changes in-laws" related to the REIT's business operations, government policies, etc. These are anticipating future events which are the current opinion of the trust founder, financial advisors distributors, and or any related persons; these do not constitute a guarantee and/or representation that future actual results will be in line with the projections of the income statement. In addition, actual results and estimates or projections may differ materially from the estimates significantly.

The trust founder has conducted a detailed study of the assets that the REIT initially invested by checking various information related (Due Diligence) before making an investment decision. The trust founder has studied the report of the asset appraisal company and a detailed report of the building condition of the assets that the REIT initially invested in carefully. However, it cannot be guaranteed that the assets that the REIT initially invested in had no damage or defects which may cause some costs for improvement or repair in a greater amount which is more than the amount stated in this information statement. This is because some property defects may be difficult to detect or cannot be detected due to audit restrictions including the techniques used in the inspection or other factors. That is a limitation in the audit of both property valuation firms and engineers.

There may be some defects or inaccuracies in whole or in part due to the deficiencies of the assets that the REIT invests in that may be difficult to detect or cannot be detected. And the assets that the REIT initially invests in may be of any nature or be utilized in any form that is contrary to or inconsistent with various laws. Examining various information related cannot be covered, as a result. The REIT may have expenses or liabilities arising from such

Information in this section deals with information relating to the government economic agency. It may be from published information or from government publications, government agencies, or from other sources which the trust founder does not verify or certify the accuracy of such information in any way

Because the return on investment in real estate trust units is a long-term return. Therefore, investors should not expect to receive a return in the short term. In addition, the offering price of the trust units and the value of the trust units in the future may decrease or rise or investors may not receive a return on investment costs. Therefore, those wishing to purchase trust units should consult a professional and seek advice on investment in trust units of the REIT before deciding to invest in trust units and should study the information related to the trust unit investment of the REIT carefully before deciding to invest in the trust unit.

#### 4.1 Risks Related to the REIT or its Operations

##### 4.1.1 A risk from the REIT's performance and operating results which are based on the ability of the REIT manager and property manager in managing and seeking benefits from the assets initially invested by the REIT

The REIT Manager will determine the marketing policy and strategy for the REIT management as stipulated in the Trust Deed. The performance of duties of the REIT manager will be under the supervision of the Trustee. Unitholders may not have the opportunity to assess the REIT manager's decision regarding the strategy adopted by the REIT manager or the REIT's investment as well as the conditions for such investment. The failure of the REIT manager to operate according to the REIT's strategy as planned may cause the business, financial position, and operating results including significant business opportunities of the REIT. REIT Manager's ability on the implementation of the REIT's investment strategy to be successful or not depends on many uncertain factors including the ability to find investment opportunities that are suitable and in accordance with the REIT's investment criteria, as well as obtaining good financial conditions. Therefore, the company cannot guarantee that the implementation of the Company's investment strategy will be as planned or it can be done within reasonable time and cost.

In addition, the Company will appoint RAC as property manager for Rich Asset Project and STPL for ST Bang Bo Project, ST Bang Pa-In Project, Summer Hill Project. and the Summer Hub project (RAC and STPL: "property manager") and assign a policy to the property managers in managing the assets that the REIT initially invested according to the property manager appointment agreement that the REIT and the REIT manager will enter into with the property manager to perform the duty of managing such assets. As for the assets that the REIT initially invested in the Summer Hill Project and the Summer Hub Project, STPL will appoint Boutique Corporation Public Company Limited ("BC") to be the property manager during the period under the terms of the Management Services Agreement relating to ST Hill between ST Hill (as the appointee) and BC (as the property management service provider) dated on 18 July

2019 and the Management Services Agreement in connection with ST Hub between ST Hub (as the appointee) and BC (as the property management service provider) dated 18 July 2019 (it is called "Service Agreement"). The service agreement specifies the period for appointing BC as a property manager for 3 years from 1 July 2019 to 30 June 2022 in which STPL will accept the transfer of rights and duties under the said service agreement from ST Hill and ST Hub as of the date the REIT invests in the assets that the REIT initially invested. Initially, STPL will appoint BC as a property manager from the date the REIT invests until June 30, 2022, according to the Property Manager Appointment Agreement that the REIT and the REIT manager will enter into with STPL. There will require STPL to be responsible for the duty to control the operations of the property manager in accordance with the policy of the REIT manager.

Therefore, according to the contract appoint the relevant property managers to have various responsibilities under the control of the REIT manager including the sections relating to the REIT's core assets, such as revenue collection and expense management, marketing, maintenance, and repair of property, etc. If the REIT manager is unable to execute the strategy successfully or the property manager is unable to properly manage the REIT's core assets, negative impact on the value of the REIT's core assets and/or the rental income that the REIT should receive may arise. They will affect the operating results and the ability to pay distribution to the trust unitholders as well as repaying debts that are due. In addition, if the property manager is unable to perform his duties as a property manager under the property manager appointment agreement or the REIT may not be able to appoint another person to manage the REIT's core assets with the same efficiency or may not be able to appoint another person at all which may cause operations and financial position of the REIT which in the end may affect the REIT's ability to pay distribution to the trust unitholders.

#### **4.1.2 The risk that the REIT may lose the REIT manager and/or the property manager or a REIT manager and/or property managers may lose senior management personnel and personnel who have expertise in benefiting from property**

Directors and senior management of the Company as a REIT manager and property manager play an important role in sourcing and managing the utilization of each project. Loss of the REIT manager and/or property manager. Or in case the REIT manager and/or the property manager loses such key personnel, it will be a loss of experience and knowledge, business ties, and expertise. Finding a replacement with the same talent is difficult. Therefore, it may result in reduced operational efficiency as well as the REIT's ability to make profits decreasing or causing a lack of flexibility in business operations.

The property manager should notify the Company if there is a change in the asset management structure in which the REIT invests and the list of executive personnel of the property manager. The property manager should send the change information to the Company to consider giving prior approval before each change in the management

structure. A property manager must recruit new key personnel who have knowledge and experience in real estate management and who are considered qualified by the property manager to perform duties in performing duties to replace the former key personnel. It must not affect the performance of various duties of the property manager without delay to continuously manage the assets that the REIT invests in

In addition, the Company, as the REIT manager, is required to notify the trustee if there is a change in key personnel in managing and administering the REIT and to recruit new key personnel with knowledge, capability, and experience as soon as possible in order not to affect the performance of various duties of the REIT manager and run the REIT management.

#### 4.2 Risks from conflicts of interest that may occur with the REIT

##### 4.2.1 Risk from conflict of interest arising from asset owners and property managers competing with assets initially invested by the REIT

After completion of the investment in the assets that the REIT has initially invested in, the Company as the REIT Manager will appoint property owner companies, namely STPL and RAC, as property managers to manage the assets according to the strategies and policies set by the Company. Property managers are also related to the REIT, as a lessor or the major shareholder of the lessor (case by case) of the assets initially invested by the REIT.

In this matter, the sourcing of benefits and management of the REIT's assets by real estate managers may bring conflicts of interest, for instance, a real estate manager may support, manage or invest in assets related to real estate or other transactions. that may have direct competition with the REIT as follows:

- STPL as a property manager still owns warehouse buildings and/or factory buildings located at Khu Khot Subdistrict, Lam Luk Ka District, Pathum Thani Province. The usable area is 30,189 square meters, which is 72 kilometers from the location of the assets initially invested by the REIT in the ST Bang Bo Project and 35 kilometers from the ST Bang Pa-In Project. STPL clarified to the REIT manager the objective of not bringing such assets to the REIT because currently, STPL understands that the location of the project has potential and the location is more suitable for residential development. It depends on the suitability of future situations.
- RAC, as the property manager of Rich Assets, is currently investing in construction which is expected to be completed by the second quarter of 2021 on a project named Project 11, a warehouse and/or factory building containing a usable area of approximately 2,000 square meters, 2 houses and a 3 storey dormitory building of 45 rooms, located on the opposite side of the project 10 Phase 2 in the Rich Asset Project invested by the REIT. For the assets that the REIT initially invested in named Summer Hub project and the Summer Hill project, where

STPL as a real estate manager will be proceeded to appoint BC to be the real estate manager from the date the REIT invests in the assets that the REIT initially invests until June 30, 2022, as mentioned above because BC or a subsidiary of BC acts as the property manager of Summer Point Project which contains a usable area of approximately 5,780 square meters, is located on the opposite side of the Summer Hill project and the Summer Hub project. The distance between the Summer Hill project and the Summer Hub project is about 160 meters. Business characteristics are both offices for rent and commercial space for rent like the Summer Hub project and the Summer Hill project. The Summer Point project also has the same target group as the Summer Hill project and the Summer Hub project. The Summer Point project has approximately 4,797.86 square meters of office space for rent and 998.56 square meters of commercial space for rent which will be ready to open in late 2020. Therefore, it is a project that is a direct competitor to the Summer Hill project and the Summer Hub project. Therefore, from the aforementioned issues, it may cause conflicts of interest with the REIT if there is someone who wishes to sublease a warehouse building or factory building or office space or new commercial areas, a property manager may present areas that are not the assets initially invested by the REIT to the new sublease owners for consideration first.

However, the Company is aware of potential conflicts of interest. Therefore, the rules for supervising real estate management of real estate managers have been established to prevent such problems that may arise. It is stipulated in the property manager appointment agreement throughout the period that the property manager performs duties as the REIT's property manager. Property managers ensure that when someone is interested in subletting a warehouse building or factory building or office space or commercial area, the property manager will present or assign the person to be the property manager during the period (For the Summer Hill Project and the Summer Hub Project, STPL will appoint BC to be the Sub-Property Manager). Offer all vacant properties for rent by considering to meet the needs of customers (Specification) for the customer to decide without regard to the property of any party including determining rent and service charges (if any) for comparable buildings or areas in terms of size, location, style, and age to be at the same level for transparency and provide sufficient information to customers to make decisions unless the REIT considers other appropriate actions for the benefit of the REIT including the property manager will inform the company with written notice as soon as possible if there may be any conflict of interest the REIT in the performance of the property manager under the terms and conditions stipulated in the property manager appointment agreement. In addition, property managers will appoint agencies and personnel responsible for managing assets invested by the REIT for the part related to the retail lessees of the assets invested by the REIT and for the part related to the retail lessees of the assets invested by the REIT which are separated from other agencies and personnel of a property manager to prevent conflicts of interest or knowing and utilizing the REIT's information. In addition, a property manager must prepare reports to propose to the REIT manager as specified in the Property Manager Appointment Agreement or according to the company and property managers which will be determined together.



The REIT will have additional measures that are sufficient and appropriate to supervise the property managers and sub-property manager of the REIT including but not limited to (1) measures for a Surprise Check at least once a year (2) Measures for randomly testing the performance of the property managers at least once per year along with explaining and showing how to operate (3) measures for randomly checking documents, evidence and information received from property managers to verify the authenticity of any information that real estate managers and real estate managers must be submitted or reported to the REIT and (4) measures to require the property manager to keep documents, evidence, including any information related to the property manager and real estate managers to present assets to tenants of the area within the project invested by the REIT and other projects rather than the investment by the REIT.

In addition, in the agreement between the REIT and the asset owner company, there is an agreement that “throughout the period that the REIT invests in the assets that the REIT will initially invest in, if the company owns the property and/or a person related to the company owning the property intends to sell, pay, transfer or rent (which is not the leasing of space in the business of renting land, warehouse and factory buildings or areas of shopping center buildings and office buildings to general customers in the normal course of business) whether all or part of the assets used in the business of warehouse buildings, factory buildings, shopping center buildings and office buildings for rent in which the property owner company and/or persons related to the property owner company, ownership or ownership rights (“Property subject to right of first refusal”) to any person and/or any other real estate investment trust (rather than trusts), property owners companies and/or persons related to the company owning such assets, it will proceed for the REIT to obtain the “Right of First Refusal” to invest in the assets subject to the right of first refusal, excluding the Summer Point project”

For the Summer Hill project and the Summer Hub project, there is a stipulation in the agreement to act between the REIT and the property owner company as “within 6 months from June 30, 2022, which is the expiration date of the contract, if BC is the property manager for the Summer Hill project and the Summer Hub project (Management Services Agreement) with the customer service contract of any tenant of the space termination before the expiration of the term for any reason and whether that tenant has moved out of the Summer Hill project and/or the Summer Hub project to lease the area in Summer Point instead or not, STPL agrees to pay compensation at the rate equal to the latest rental fee of the said customer service contract for 2 months to the REIT.

#### 4.2.2 Risk of Conflict of Interest on Using the Summer Hill and Summer Hub Service Marks

For the assets that the REIT initially invested in the Summer Hill Project and the Summer Hub project, STPL is, a property manager, will appoint BC to be a sub-property manager. BC currently owns the service mark "Summer Hill @BTS Phra Khanong" which is a service mark that has been registered with the Department of Intellectual Property ("Summer Hill Service Mark") and Boutique International Holdings Ltd. ("BIH"), a subsidiary of BC, owns the "SUMMER HUB OFFICES" service mark, which is a service mark in the process of filing an application for registration with the Department of Intellectual Property ("Summer Hub Service Mark"). When the REIT invests in the assets that the REIT initially invested in the Summer Hill Project and Summer Hub Project, BC and BIH will grant the REIT the right to use the said service mark in the Summer Hill Project and the Summer Hub project without compensation for the right to use of the first period of 3 years starting from the date the REIT invests in the Summer Hill Project and the Summer Hub Project. ("Service Mark Permission Period"). The REIT has the right to consider extending the service mark licensing period for 9 more times, 3 years each time according to the terms and conditions for the service mark licensing. For the extended period, it will be the same in all aspects. The extension period must not exceed the period under the Land Sublease Agreement and the Building Lease Agreement of the Summer Hill Project and the Summer Hub Project between the REIT and ST Hill or ST Hub (case by case) ("Summer Hill Project Lease Agreement and the Summer Hub project") and/or the lease term that has been renewed in accordance with the right to renew the lease under the Summer Hill Lease Agreement and the Summer Hub project (if the right to renewal is exercised). If after the expiration of the period for permission to use the service mark or the period is extended, (case by case) the REIT may consider not using the right to extend the service mark license period.

Because BC or BC's subsidiaries are the property manager of the project in the form of an office building, community malls, and others in Bangkok, BC and BIH can also use the Summer Hill Service Mark and the Summer Hub Service Mark in other projects developed by BC or its subsidiaries and/or can perform duties as a project manager in the future. Therefore, it may cause a conflict of interest with the REIT if BC or BC's subsidiaries' project is similar to the Summer Hill Project and/or the Summer Hub project using the same service mark and located in the near area.

The Company is aware of potential conflicts of interest. Therefore, the rules governing the licensing of the Summer Hill Service Mark and the BC and BIH Summer Hub Service Mark have been established by setting in the service mark licensing agreement (for the Summer Hill project) and the service mark license agreement (for the Summer Hub project) as "throughout the License Term, the BC and BIH Service Mark will not be used, nor may any other person use the Summer Hill Service Mark and the Summer Hub Service Mark for the benefit and operation of any other property except for the use and/or permission to use the Summer Hill Service Mark and the Summer Hub Service Mark for the REIT's initial investment in the Summer Hill Project and the Summer Hub Project, property manager of the REIT Property

manager of the REIT (if any) or property owner company for the benefit of acquiring benefits and any actions related to the REIT's business in the Summer Hill Project and the Summer Hub project

**4.2.3 A risk from the REIT's income which depends on the financial status of the tenants and the decision to renew the lease and service contract (if any) when the lease and service contract (if any) of the space tenant expires.**

Rental and service fees (if any) that the REIT will be from the tenants under the lease and service agreements (if any) will be the REIT's main source of income. Therefore, the REIT may be at risk from the financial status and ability to pay rent and service fees (if any) of the space tenants if one or more important tenants or many tenants at any one time have a bad financial position. This may cause the space tenants to delay payment or there is a failure on the payment of rent or service fees of the tenants of the space and causing the tenants to be unable to pay the debt. However, most of the tenants who are in the lease and service contracts (if any) are required to deposit a security deposit for the space rental and service deposit (if any) throughout the contract period to the REIT. Moreover, some space tenants have made their major shareholders a guarantor to guarantee the performance of their duties and liabilities as a tenant under the lease and service contracts. Therefore, if the retail space tenants fail to pay rent or service fees or cancel the contract prematurely under the terms of the lease and service contract (if any), the REIT may seize the security deposit or claim it from the guarantor of the Space can be rented, as a result, this will help reduce risks and/or impact on the REIT's income.

In addition, the REIT may have a risk that tenants may not renew the lease and service contract (if any) or may request to renew the lease and service contract (if any) with conditions that are less beneficial to the REIT than current conditions which may have a significant negative impact on the financial position performance and the ability to pay returns of the REIT. The Company has managed such risks using a policy of negotiating the renewal of lease and service contracts (if any) with tenants who are about to expire 3-6 months in advance before the lease and service contracts (if any) expire. Therefore, when there are tenants of the space for the lease and service contracts (if any) that will be expiring and do not wish to renew such contracts, the Company still has enough time to find new tenants to replace them. In addition, from past operations, the rate of renewal of lease and service contracts (if any) of the assets initially invested by the REIT has always been high. Since 2019, there are contract renewals including (1) Rich Asset Project is approximately 75.12% of the leased area that has expired (2) ST Bang Bo Project has 1 unit out of 9 available in the process of finding new tenants (3) ST Bang Pa-in project has a single tenant and is a long-term lease (4) Summer Hub project since 2019 has no expiring tenants (5) Summer Hill Project, since 2019, there is no tenant by area tenants due to expire. However, some tenants have requested to cancel the contract before the expiration date; they are 4 (as of September 30, 2020) due to the impact of the coronavirus disease 2019 (COVID-19) outbreak situation. The Summer Hill Project has helped tenants in the area during the epidemic situation of the novel coronavirus disease 2019 (COVID-

19). There is a reduction of rent for tenants at a rate of 100 percent for the four tenants who have been affected due to business operations that have been ordered by the government to temporarily suspend their operations and a 50 percent rate for 6 tenants affected by the decrease in customers who use the service due to the limitation of the number of shop users. In May, there was a reduction in rent for tenants at a rate of 100 percent for the tenants who are affected due to business operations that have been ordered by the government to temporarily suspend their operations. And there was only one tenant that has been affected. A 15% deduction rate was offered for tenants affected by the decrease of customers who use the service due to the limitation of the number of shops. Three tenants received a 25% rental reduction and only one tenant received a 15% reduction in rent. The property owner company will consider the rent reduction on a case-by-case basis, and during the past 3 years, the 5 projects that the REIT will initially invest in have not found any lawsuits against the tenants due to the default of the tenant's contract.

The assets that the REIT initially invested in are properties that are distinguished in terms of their suitable location. The Rich Asset Project and the ST Bang Bo Project are warehouse/factory building projects located in Samut Prakan Province which is close to the industrial estate while the ST Bang Pa-In project is located in Bang Pa-In Industrial Estate, Phra Nakhon Si Ayutthaya Province which is a location with convenient transportation routes to other regions. Therefore, it can help reduce the cost of business operations for entrepreneurs who are tenants of the area. Summer Hub project, which is an office project for rent, is located on Sukhumvit Road and adjacent to the main public transportation system, the BTS SkyTrain (BTS), Phra Khanong Station, as well as hotels and residential condominium projects located in the vicinity of the project. All of these factors are important advantages to incentivize the current tenant to renew the lease and service contract (if any) or not decide to terminate the contract before the expiration date. And it could be an advantage in acquiring new tenants.

#### **4.2.4 The risk from inexperienced property managers in asset management on shopping centers, community malls, and office buildings for rent**

Assets that the REIT will initially invest in is the Summer Hill Project a community mall or shopping center property and the Summer Hub project property in the type of office building for rent, ST Hill and ST Hub are currently the owners of the Summer Hill project and the Summer Hub project have hired BC, the former owner, and developer of the said project, to manage the project under the Management Service Agreement between BC and ST Hill for Summer Hill Project and ST Hub for Summer Hub Project and the Summer Hub project. The REIT will appoint STPL, which owns 100 percent of ST Hill and ST Hub, as the property manager of the Summer Hill project and the Summer Hub project. STPL will appoint BC as the property manager throughout the term of the Management Service Agreement between BC and ST Hill for the Summer Hill and ST Hub projects for the Summer Hub project mentioned above (The term expires on June 30, 2022).

Because STPL who will be the property manager of the assets that the REIT will initially invest in for the Summer Hub project Summer Hill Project which is an office building for rental property and a community mall and the ST Bang Pa-in project and the ST Bang Bo project which are warehouse/factory building property has experience in asset management mainly in warehouse/factory buildings and has never had experience in asset management in the community mall and/or office buildings for rent, property owners ST Hill and ST Hub have agreed that STPL will hire BC as a sub-property manager to manage the Summer Hub project and the next Summer Hill project. At present, STPL has appointed STPL personnel to study the work system and work with BC, in addition to defining the work system for STPL to report operational information to the REIT. Judgment and approval of any income and expenses will depend on the trust. This will enable effective project management and understanding of the business of community mall or shopping center assets and office buildings for rent as well. The Property Manager Appointment Agreement is similar to that of other real estate investment trusts investing in the same type of assets which gives the REIT the right to change the property manager if the property manager fails to comply with the said property manager appointment contract. If there is a change in the property manager in the future, the Company can find a property management service provider in the market that is interested in managing the REIT's assets. The service fee is at the rate that the REIT can operate without significantly affecting the operation of the REIT. And when considering STPL's asset management fees compared to other real estate investment trusts' property management fees, they have similar rates.

In addition, in the appointment of real estate managers of the REIT, The REIT has established a system for evaluating the performance of duties in accordance with the contract appointing an appropriate property manager. In addition, the REIT has set a period of management service under the Property Manager Appointment Agreement for 3 year to renew the said contract for another 3 years at a time, which the REIT will consider the performance of the property manager in accordance with the rules stipulated in the said property manager appointment agreement. If it is found that the performance does not meet the goals or criteria set, the REIT has the right to consider recruiting other real estate managers to perform duties in which the REIT can agree to renew the said contract for another 3 years.

The REIT managers have measures to supervise property managers throughout the first management engagement and subsequent periods of management, in considering the performance of real estate managers in the period every 1 year from the first fiscal year that the REIT has completed a full year ("Performance Consideration Period") by considering the performance of the property manager. It is evaluated by net income from operations during the Performance Consideration Period which must not be less than 70 percent of the estimated net income from operations according to the annual operating plan ("Performance Criteria"). If the net income from operations during any performance consideration period is lower than the Performance Criteria, the REIT manager will consider the property manager's performance again in the next fiscal year by considering net income from operations only in the next fiscal year ("Performance Correction Period"). If it appears that net income from any performance during the

Correction Period is lower than the operating performance criteria, the REIT manager has the right to terminate the property manager appointment contract. The Trustee may exercise its right to propose to the unitholders' meeting to consider terminating the Property Manager Appointment Agreement, (See Section 2.1, Clause 3.1.14, Summary of the Draft Property Manager Appointment Agreement with STPL (for projects ST Bang Bo, ST Bang Pa-In Project, Summer Hill Project and the Summer Hub project).

#### **4.2.5 Risks that may arise from the REIT's dependence on the asset owner company for the provision of certain public facilities and utilities**

Facility service and public utilities of some of the assets initially invested by the REIT, such as a central thoroughfare, wastewater treatment system service, may be operated by the property owner company as the project developer. The contract between the REIT and the owner company will stipulate in a case where the assets initially invested by the REIT contain a public road for project operation and any common facilities used for project operation before the date the REIT invested. The property owner company agrees that the REIT has the right to continue using the thoroughfare and common facilities throughout the period that the REIT invests in the assets initially invested by the REIT. In the investment contract of the REIT, the duties of maintenance and repair of the thoroughfares and common facilities are as follows: (1) for the Summer Hill project and the Summer Hub project, it is the REIT's duty (2) for the ST Bang Bo Project and the ST Bang Pa-In Project, designated as the duty of the property owner (3) for the Rich Asset Project, designated as the duty of the asset owner company.

In addition, the Company cannot guarantee that the property owner will fully comply with its obligations under the contract of providing any service. In case the counterparty breaches the said contract, it may cause the tenants of the area to be unable to use the thoroughfare and use the facilities and public utilities of the assets initially invested by the REIT. This may be an obstacle in obtaining benefits from the REIT's core assets and may have an impact on the business, financial position, operating results, and business opportunities of the REIT. However, the REIT has stipulated in the REIT's investment agreement to be the duty and action agreement of the asset owner company to operate for the REIT's tenants and the trust's attendants and space tenants including visitors or service recipients of the project to have the right to use the thoroughfare and public facilities at all times without blocking or enforcing any rights throughout the period that the REIT invests in the assets that the REIT initially invests without compensation. In case that results in the REIT being unable to use the thoroughfare and to use the facilities and public utilities of the assets, it will be considered as a cause of default in the investment contract of the REIT which gives the REIT the right to terminate the contract including demanding the property owner company to compensate for damages and loss of benefits arising from non-performance of duties and agreements made to the REIT.

#### 4.3 Risks Related to Assets Initially Invested by the REIT

##### 4.3.1 The risk that the REIT's sub-leasehold right in the land to be invested in and/or the leasehold right in the building to be invested in may be terminated in case the master land lease agreement is canceled or terminated before the expiration

The REIT will invest in the sublease hold right in the land to be initially invested ("Land to be invested in") and leasehold rights in buildings ("Building to be invested") in the Summer Hill Project and the Summer Hub project (except for all types of signs and signs constructions regardless of whether the sign meets the definition of a building according to the building control law within the project) by entering into a land sublease agreement ("Land Sublease Agreement") and Building Lease Agreement ("Investment Building Lease Agreement") with the property owner. ST Hill and ST Hub have entered into the main lease agreement with B.I.C., the landowner. According to the main lease agreement above, the main conditions have been established for giving the landowner who is the lessor the right to terminate the main lease agreement. Upon the expiration of the main lease agreement, the land sublease agreement to be invested between ST Hill or ST Hub (as the case may be) and the REIT will also be terminated in the following cases:

(1) The tenant's breach of contract only in the main issues, i.e. a Failure of payments for more than two installments in a calendar year.

(2) The tenant's failure to comply with the main lease agreement part from the important issues above and the tenant cannot remedy such breach of contract within 30 days from the date of receiving the notice from the lessor

The main lease agreement states that if the main lease is canceled or terminated before the expiration of the term, the owner of the land has the right to have the building be invested into the owner of the land or to the person designated by the owner of the land demolish or the property owner company may demolish the building that is to be invested.

In case when the main lease contract is terminated and the landowner chooses to let the building be invested into the ownership of the landowner, although according to the Civil and Commercial Code, the land or the person designated by the land will be transferred the rights and duties of the property owner company as a building lessor who will make the same investment according to the building lease agreement to invest that the REIT will have to do with the company that owns the property, in accordance with the relevant Supreme Court rulings, certain terms under the building lease agreement to make such investments may not be transferred to the landowner or to the person designated by the landowner which is the transferee of the building to be invested. Or in the case that the landowner chooses to have the building demolished to be invested as a result, the building to be invested in will no longer exist, resulting in the termination of the building lease agreement to be invested between the REIT and the property owner

company. The risks from such events may have a significant impact on the business, performance, and financial status of the REIT, for example, it may result in the REIT being unable to utilize the leased assets or the sub-leased assets according to the investment objectives or the REIT's expected earnings have declined significantly. Even if the property owner company pays the REIT, such damages may be less than the REIT's changed income or insufficient to cover the actual damage. Considering the total value of the revenue of the Summer Hub project and Summer Hill Project, according to the 9-month financial statements of 2020, it was accounted for approximately 36.65% of the total rental income and service fees of the assets initially invested by the REIT (Refer to the reviewed statement as of September 30, 2020, for each asset). If there is a case that the land sublease agreement to invest and/or the building lease agreement to invest in is terminated before the expiration of the term causing the REIT to be unable to use the leased assets or the sub-leased assets according to the investment objectives Income of the REIT each year, it will decrease according to the said proportion based on the year that the land sublease agreement to invest and/or the building lease agreement to invest in has ended.

However, to prevent the risk that the main agreement will be canceled or terminated before the expiration date, the property owner company and the Trust will enter into a land sublease agreement. for the Summer Hill project and the Summer Hub project ("Land Sublease Agreement") as if the property owner company as the lessee under the main lease contract fails to comply and/or has a breach of the contract under the main lease agreement but such breach of contract is still in the Cure Period, which is not yet considered as a reason for the termination of the contract, the landowner and the property owner company agree to notify the REIT in the written notification as soon as possible and the REIT has the right to remedy the breach of the said contract with the landowner directly on behalf of the property owner company including but not limited to the REIT's right to be a landlord directly with Step-In Right. If the REIT exercises the right to enter into a contract with the landowner directly (Step-In Right) and corrects the breach of the contract on behalf of the property owner company, the landowner will not claim for breach of the main lease agreement of the property owner company as for the termination of the mainland lease agreement with the REIT or causing the REIT to become a defaulter or cause the landowner to fail to comply with the master land lease agreement with the REIT. If correcting the breach of the main lease agreement on behalf of the REIT's property owner company causes the REIT to pay any penalties or damages or expenses to the owner of the land instead of the property owner company, the property owner company agrees to pay the penalty, all damages, and other expenses by the REIT on behalf of the property owner company to remedy the breach of the main lease agreement of the amount plus interest within the period stipulated in the contract relating to the sublease of the said land. The REIT and the landowner will jointly consider amending the terms and conditions of the master land lease agreement about the tenant's ownership of the invested building, taxes, and any other expenses related to the investment, building demolition, and cost of demolition of invested buildings ("Agreement of invested building") by specifying that agreements relating to the invested



buildings remain the rights and obligations of the property owner company as the owner of the invested building to be consistent with the business nature of investment in the assets that the REIT initially invested at that time.

In addition, if the main lease agreement is canceled or terminated before the expiration of the contract period so that the building to be invested in, becomes property of the land or a person designated by the landowner or the owner of the land has the right not to accept the transfer of ownership of the building to be invested with the right to demolish or let the property owner company demolish the building to be invested, the landowner and the property owner company agree to notify the REIT immediately in the written notification. And the landowner agrees that if REIT informs the landowner that the REIT wishes to lease the investment building to the landowner or a person designated by the landowner (depending on the case), and the REIT will jointly negotiate and agree on the terms and conditions regarding the investment building lease agreement, it shall be terminated within 2 months from the date the main lease contract is terminated or terminated before the expiration of such period.

According to the main lease agreement, ST Hill and ST Hub are still to pay the land rent every quarter. To prevent the chance of ST Hill or ST Hub defaulting on the land lease payment which may cause the termination of the main lease agreement. in the above-mentioned land sublease agreement and land sublease agreement for the Summer Hill project and the Summer Hub project between the owner company and the REIT, there is a stipulation starting from the date of the REIT's investment and throughout the REIT's investment as the property, owner company agrees that the REIT will pay the land rent under the main lease agreement on behalf of the asset owner company. and the landowner agrees to pay for the lease of the said land from the REIT according to the agreement in the master land lease agreement to prevent the main lease contract to be canceled.

In entering a contract to invest in the assets that the REIT initially invested in, the REIT will establish an agreement from ST Hill and ST Hub, the owners of the building to be invested in and a land tenant from B.I.C. under the main land lease agreement to allow ST Hill and ST Hub to provide representations and agreements in their respective functions: throughout the sublease term, ST Hill and ST Hub will strictly comply with the duties stipulated in the master land lease agreement and will not do anything which may be a default or breach of contract or breach of any agreement in the main land lease agreement or proceed any action which may cause the main land lease agreement to be terminated or revoked by the land owner and will not allow the land owner to amend or change the terms and conditions , or waive any claim or benefit under the main land lease agreement or cancel the main land lease agreement unless a written consent has been obtained from the REIT as well as not transferring rights and duties under the main land lease agreement to others unless a written consent has been obtained from the REIT.

**4.3.2 The risk from the REIT's investment in leasehold and sublease hold rights in which the leasehold rights or sublease hold rights may be terminated or terminated before the expiration of the term causing the REIT to lose the right to use the leased property or the subleased property**

The REIT will invest in the leasehold rights of land and buildings for the Rich Asset project and the ST project Bang Pa-In and in the leasehold rights of some land and buildings for the ST Bang Bo project by entering a land and building lease agreement from the property owner company. And the REIT will invest in sub-leasehold rights in the land and leasehold rights in buildings (except for buildings of signs and signs of all kinds, regardless of whether the sign meets the definition of a building according to the building control law within the project) or the Summer Hill project and the Summer Hub project by entering into a land sublease agreement and the building lease agreement with the property owner company to utilize the leased assets and the sub-leased assets according to the REIT's investment objectives.

Although the investment in the leasehold and sub-leasehold rights of the REIT will be valid and registered at the relevant land office, the REIT still has risks that may arise because the leasehold rights and sublease rights as contracts may be terminated or terminated before the expiration of the relevant lease or sublease periods. This will result in the REIT being unable to use and/or benefit from the leased property or the sublease Property which will affect the procurement of benefits and income of the REIT.

Conditions or causes that will cause the company to own the property as the lessor or sub-lessor has the right to terminate the contract with the REIT or as a lessee or sub-lessee before the expiration of the lease or sublease period is when a tenant or a sub-lessee breaches the contract e.g. failure to perform duties of the lessee or sub-lessee as stipulated in the lease or sublease agreement of immovable property, to use the leased property or the subleased property including the duty to pay rent or sublease and the REIT does not remedy such breach within the specified period or even from when the contract is terminated due to force majeure. According to the terms of the contract, the REIT will pay rental or sub-lease payments for the entire lease or sub-lease period as of the date of the REIT's investment. Therefore, there is no risk that the contract will be terminated due to the REIT's failure to perform its duties, pay rent, or sublease. In addition, the company will adhere to the principle of caution in management in order not to cause a breach of the above contract

As a guarantee for the management of the contract between the REIT and the property owner, (1) for the Rich Asset Project, the ST Bang Bo Project, and the ST Bang Pa-In Project, the property company will mortgage the land and warehouse buildings and/or Factory building in the said project to the REIT (as a mortgagee) and (2) for the Summer Hub project and the Summer Hill project, the property owner company will mortgage the office building and shopping center buildings in the said project for the REIT (as the mortgagee) and the property owner will enter into a contract to transfer the right under the lease agreement under the main lease agreement of the Summer Hill Project

and the Summer Hub project with some specific conditions. However, if the REIT receives more damage than the mortgage or collateral limit, the REIT still has the right to claim for damages and/or any other expenses arising from the event of default arising from the property owner company as detailed above.

#### **4.3.3 A Risk from investment in leasehold rights and sub-leasehold rights in immovable properties whose value will decrease during the remaining lease or sublease period.**

The REIT invests in leasehold rights and sub-leasehold rights in real estates: the leasehold rights of land and buildings of Rich Asset Project, ST Bang Bo Project, and ST Bang Pa-In Project, and the sub-leasehold right of land to invest in and leasehold rights of buildings to invest in Summer Hill Project and the Summer Hunt project. Value of leasehold rights and sub-leasehold rights of such immovable properties of the REIT will decrease with the remaining lease and sublease periods due to the appraisal of leasehold rights or sub-leasehold rights, Changes in rental or sublease rates, and/or rental or sublease rates or due to any other reasons beyond the REIT manager's control. Thus, any changes in the value of such leasehold or sub-leasehold right may have an impact on the value of the property, the net asset value of the REIT, and the value of the trust units of the REIT. If the REIT does not invest in additional core assets at the expiration date of the lease agreements for all 5 projects, the net asset value of the REIT will be zero.

#### **4.3.4 Risks of the REIT of the transfer of the leasehold right and the ownership of the building to be invested in the Summer Hub Project and the Summer Hill Project**

The master land lease allows ST Hub and ST Hill to transfer the leasehold rights in the land to be invested in and the building owner to be invested in the Summer Hill project and the Summer Hub project to outsiders. If the property owner company transfers the leasehold right in the land to be invested to a third party, not only will they have the right to own and use the land to be invested, but they also have the duties of the property owner company as the original lessee to the landowner as the lessor under the mainland lease agreement. The transfer of the leasehold right in the land to be invested is a change of counterparty, which is the essence of the debt, and a new debt conversion that will cause the debt of the asset owner company under the main lease agreement to be canceled. This will result in the termination of the land sublease agreement that the REIT will enter with the asset owner company for the REIT's investment in the sub-leasehold right in the land to be invested in as well. Therefore, if the property owner company transfers the leasehold right in the land to be invested under the main agreement to a third party, there must be a new debt conversion agreement between the parties involved and a third party assignee of such right for a third party to receive all rights and duties as a lessee under the main lease agreement and as a sublessee under the land sublease agreement to be invested in.

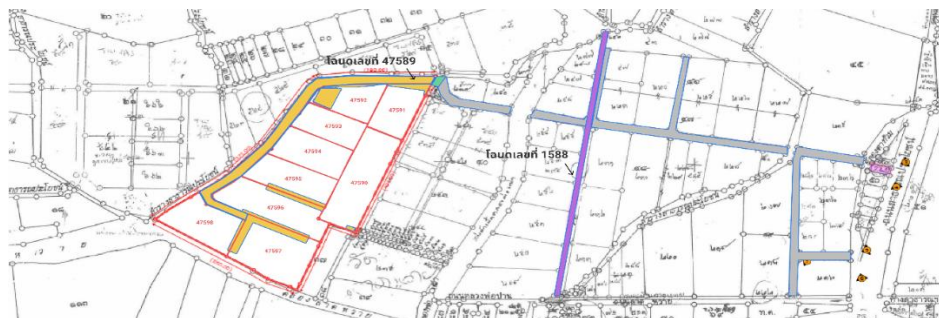
In addition, if the property owner company transfers ownership of the building to be invested to a third party, although the third party has been transferred the rights and duties of the property owner company as the original lessor according to the building lease agreement to invest which the REIT will enter into with the property owner company, certain terms under the lease of the building to be invested in may not be transferred to a third party assignee of the building to be invested in according to the Civil and Commercial Code and the relevant Supreme Court judgments.






in the investment contract of the REIT, the REIT shall stipulate between the property owner company and the REIT that prohibits the asset owner company from transferring the rights and duties under the main lease agreement or transferring ownership or creating any obligations or causing any other rights in the building to be invested to outsiders in any cases unless prior written consent from the REIT is received including specifying conditions for obtaining written consent from the REIT to transfer the leasehold rights in the land to be invested and the transfer of ownership of the building to be invested to third parties as mentioned above before proceeding the transfer of the leasehold right in the land to be invested in and/or the transfer of ownership in the building to be invested. The property owner company must take any necessary action for a third-party assignee of the leasehold in the land to be invested in and/or a third-party assignee of the building to be invested in a writing agreement with the REIT and the property owner company to accept the transfer of all rights and duties of the property owner company as the original sub-lessor under the land lease agreement to invest and/or as the original lessor according to the building lease agreement to be invested

#### 4.3.5 A risk on the entrance to the public way of the ST Bang Bo project

At present, the entrance to the land title deed no. 1588 of the ST Bang Bo project to the public road (Khaha Bang Phli Road) is owned by a third party. There is an official letter asking about the status of private land that is currently a public road, issued by the Bang Phriang Sub-District Administrative Organization, dated October 19, 2020, stating that Bang Phriang Subdistrict Administrative Organization inspected an area according to Title Deed No. 1588 and found that the land has been used as a road for more than 10 years or registered a servitude for the land that is the property to invest in the ST Bang Bo project.

Access Roads to the public way of the ST Bang Bo project



Note:	Area in which the REIT invested in	
	Non-Investment Area	
	Charge on Immovable Property	
	Public Area	
	Land Title Deed No.1588	

In addition, there has been a rule of the Supreme Court on the ceding of land to the public interest as follows: as the landowner allows the people to use the disputed road as a public road and accept the condition of the dispute as a public road and has never prevented the use of such a way until it is understood that it is a public benefit or has already been given to a public benefit means The landowner has given the said way as a public benefit. The reversal of claiming rights over a road that had become in the public interest by default was not effective. The way is therefore a public road (Supreme Court Judgment No. 94/2555). The original landowner's intention to cede the land to the public interest and allow the general public to use the land as a thoroughfare for many decades can be considered as dedicating the land in a public way. When the land becomes a public domain of the country in terms of the property for citizens to be shared under section 1304 (2) of the Civil and Commercial Code, it shall be effective immediately without registering for the public. The characteristics of the public way can be in 2 types: the owner of the land dedicates to the public way or when people using for a long time without restrictions which looks like a public way by default (Judge of Supreme Court No. 4723/2538).

In addition, the Office of the Attorney General has given its opinions in accordance with the consultation file of the Office of the Attorney General Legal Counsel Office No. Hor.186/2017, as for a land which is in the public domain of the state property for citizens to be shared under section 1304 (2) of the Civil and Commercial Code, the owner of the land is not obliged to express intention of consecrating or contributing or registered as a public way to the competent official. However, for further official evidence, it is needed to have an authorized officer to maintain and protect the land which is the public domain of the State for the common use by citizens under the law to register public use land and to amend the relevant documents of rights by requesting to the court in accordance with the Land Code Act B.E. 2497.

From the Supreme Court ruling and opinions according to the consultation case of the Office of the Attorney General, it is considered that the land for entry and exit of Title Deed No. 1588 will be regarded as dedicated to a public way. However, the REIT may still have a risk that the landowners under the title deeds may complain to the court that the landowner does not wish to dedicate the said plot of land in a public way. Therefore, the REIT will arrange for certification by the owner of the property in the land and building lease agreement and in the contract between the asset owner company and the REIT that throughout the rental period the assets that the REIT initially invested in the ST Bang Bo project has good public access roads, suitable size, and condition for use, in which people can access and exit assets invested by the REIT at any time as well as being permitted by law relating to the connection of such thoroughfares with the public and the use of such roads to enter and exit the assets invested by the REIT to the public (if any). The REIT, the space tenants, service recipients, customers, and attendants of the REIT, and such persons who have the right to use the thoroughfare at any time without any blocking or preemption of any rights. In case the REIT is not able to use the thoroughfare to enter and exit the assets invested by the REIT publicly as specified above, the property owner company agrees to procure another thoroughfare that is suitable for use as soon as possible for the REIT to use instead of the aforementioned thoroughfare. The REIT has the right to demand the asset owner company to compensate for damages and loss of benefit arising from the REIT's inability to travel in and out of the REIT's investment assets to the public during the said period. In the case of construction, cutting the pavement, connecting the road to make a thoroughfare in and out of the assets invested by the REIT to a public way causing damage to any person or any other building or illegal act, rules, regulations, and/or any other relevant regulations of the relevant government agencies, the property owner company agrees to be solely liable for all damages, both civilly and criminally, as the operator of the road construction. In addition, the Company considers that since the aforementioned road is public, the area in the vicinity of the aforementioned land title deed No. 1588 is also the location of other warehouse buildings which the traffic in and out must go through this land title deed number 1588 for traveling as well. In addition, the land title deed No. 1588 has a rectangular shape with a narrow entrance that is not suitable for any construction. And there are also legal restrictions on the construction of buildings and structures such as the law relating to the shortening of the building, etc. For these reasons, blocking or limiting the use of such routes is, therefore, less likely to take place since it will cause impact and trouble to residents, residents, and other entrepreneurs who are nearby and use the said route for commuting.

**4.3.6 A Risk from non-renewal of land sublease agreements to be invested in and building lease agreements for Summer Hill Project and Summer Hub Project after the expiration of the first lease period for the REIT to sublease the land and the building to be invested in the Summer Hill Project and the Summer Hub Project for a total period of 30 years.**

For Summer Hill Project and Summer Hub Project on the date the REIT invested in, the REIT will invest in the sub-leasehold right of the land to be invested in and the leasehold right in the building to be invested by the property owner company according to the remaining lease term of the main lease agreement. At present, the main lease agreement has a remaining lease term of approximately 29 years (starting from 15 September 2019 and ending on 14 September 2049).

To let the REIT invest in the assets initially invested in the Summer Hub Project and the Summer Hill Project for a total period of 30 years from the date the REIT invests, in the contract relating to the sublease of land among landowners, property owners, and the REIT, there will be an agreement stating that the landowner agrees that the property owner company has the right to extend the main lease agreement from September 15, 2049, onwards for a period not exceeding 5 years from the date of the expiration of the lease term as specified in the main lease agreement ("Pledge to Renew the Main Land Lease Agreement") for renewing the main lease agreement to enable the REIT to invest in the assets invested by the asset owner company for a total period of 30 years starting from the date the REIT invests in the Summer Hill Project and the Summer Hub. The property owner company must notify the owner of the intention to use the right to renew the main lease by proving a written notice to the landowner from the 7th year onwards but not later than the 10th year of the lease term under the land lease agreement and take any action for the renewal of the main Land Lease Agreement to be legally valid within the period specified in the Main Land Lease Agreement. The landowner and the property owner agree and acknowledge that ownership of the building to be invested will continue to be held by the property owner during the extended lease term. Similarly, in the sublease agreement of the land to be invested in and the lease of the building to be invested in the Summer Hill Project and the Summer Hub project between the asset owner company and the REIT ("investment lease"), the asset owner company has committed to lease it to the REIT to renew the land sublease agreement to invest and the building lease agreement to invest by entering into the term of the renewal of the sublease agreement of the land to be invested in and the renewal of the lease of the building to be invested in of approximately 1 year to make it possible for the REIT to invest in the assets invested by the asset owner company for a total period of 30 years starting from the date the REIT invests in the Summer Hill Project and the Summer Hub Project. ("Renewing Investment Lease Agreement") ("Pledge of Renewal of Investment Lease Agreement"). The REIT must notify the property owner company to exercise the right under the commitment to renew the investment lease agreement within the 10th year of the lease term under the main lease agreement or within any other period mutually agreed upon by the parties to be extended. In addition, the exercise of

the right to renew the lease must be made by May 31, 2029, or any other period as agreed by the parties by specifying the rental fee of the assets that the REIT initially invested in the Summer Hub Project and the Summer Hill Project for the extended lease term at approximately 2 – 4 million baht ("the renewal of the land sublease agreement will invest and the lease of the building to be invested in)

However, the REIT may have a risk that the landowner may not comply with the commitment to renew the main lease agreement that has been given to the property owner company or even the landowner may transfer the land to be invested to a third party before the renewal of the main lease which might result in that it is unable to transfer to the third party. To comply with the commitment to renew the lease of the main case, the asset owner company will not be able to comply with the renewal of the land sublease agreement to invest and the building lease agreement to invest with the REIT. Due to the Civil and Commercial Code, the sublease period cannot be longer than the main lease period. All the above cases will result in the REIT may not be able to exercise its rights under the commitment to renew the land sublease agreement and the building lease agreement to invest. and may not be able to invest in the assets initially invested by the REIT in the Summer Hill Project and the Summer Hub Project for 30 years according to the REIT's investment plan.

To mitigate the risk that the REIT may not be able to exercise the right under the commitment to renew the land sublease agreement to invest and the building lease agreement to invest in, in the contract relating to the sublease of land among landowners, the property owner company and the trust will have an agreement as the landowner agrees that if the landowner sells, pays, transfers or creates an obligation or any other rights in the assets that the REIT initially invested in the Summer Hill Project and the Summer Hub Project or transfer of rights and duties under the main lease agreement, the landowner will notify the REIT in advance in a writing notice. The landowner and/or the property owner company (as the case may be) agrees to proceed to allow the person who acquires the property rights that the REIT initially invested in the Summer Hill Project and the Summer Hub Project to agree with terms in writing a notice to be bound and subject to rights and duties at the landowner or the property owner company (as the case may be) under the main lease agreement (including the renewal of the main lease agreement) and rights and duties that the landowner and/or the property owner company (as the case may be) with the REIT under the land sublease agreement.

To guarantee the agreement of the property owner regarding the right to renew the REIT's lease under the investment lease and guarantee the performance of the contract of the asset owner company that will cause the REIT to enforce the right to renew the investment lease agreement, the REIT will stipulate to have collateral as follows: (1) STPL (which is a major shareholder in the property owner company) to place a security deposit to the REIT in cash of 15 million Baht as of the date the REIT invests in the assets that the REIT initially invests and will be returned to the owner of the property when the REIT exercises the right to renew the lease; 2) STPL to mortgage assets that the REIT initially invested in the ST Bang Bo Project and the ST Bang Pa-In Project as collateral with the REIT by specifying the amount of the



mortgage equal to the rent of the leased assets in the ST Bang Bo Project and the ST Bang Pa-In Project that the REIT invests at the present time; 3) the property owner company to bring the building to be invested in the Summer Hill project and the Summer Hub project Mortgage as collateral with the REIT by specifying a mortgage amount equal to the rent of the land to be invested in and the buildings to be invested in the Summer Hill project and the Summer Hub project that the REIT invests at the present time and 4) the property owner company to enter into a contract to transfer the right under the lease agreement under the main land lease agreement of the Summer Hill Project and the Summer Hub project conditional between the REIT and the property owner company.

If ST Hub and/or ST Hill fail to comply with the renewal of the land sublease contract to invest and the building lease to invest in or fail to comply with the contract under the land sublease agreement which will be invested in and the building lease agreement to invest so that the REIT cannot exercise its rights under the commitment to renew the land sublease agreement to invest and the building lease agreement to invest, the REIT will have the right to claim damages from ST Hub and/or ST Hill from such incidents, to terminate the land sublease agreement to invest and the building lease agreement to invest, the right to forfeit insurance including the right to enforce the mortgage of the mortgaged property and all of the above collateral without having to average the proceeds from the mortgage with other creditors. The maximum compensation that the REIT may receive is likely to cover the damage that the REIT does not have the right to renew the land sublease agreement to invest in and the building lease agreement to invest in which are an opportunity to receive rent from tenants for another year about 1 year from damage to the REIT's investment or normal damage. However, even the REIT is a mortgage creditor If the REIT receives more damage than the mortgage amount and the value of the collateral received by the REIT from the auction, the REIT will have the right to claim damages over the mortgage limit and the value of such collateral as an ordinary creditor. This means the property owner company is still liable for damages in the amount that is still lacking according to the actual damage to the REIT to the full extent. In addition, the litigation process and the mortgage and collateral enforcement process are costly and time-consuming. The duration is unpredictable, and the court will determine the damages to the REIT. This action may not be able to remedy all damages incurred to the REIT.

#### **4.3.7 A REIT's operation risk by allowing ST Hill and ST Hub to use a part of the land to be invested in and the buildings to be invested for a sign inside the Summer Hill project and the Summer Hub project**

As the REIT will invest in the sub-leasehold right in the land and leasehold rights to the building (and agree that ST Hill and/or ST Hub has the right to use the land to be invested in and the building to be invested in for the location of the signs (regardless the definition of signs) including media and equipment used for advertising located in the Summer Hill project and/or the Summer Hub project (as the case may be) (as the "Sign") owned by ST Hill and/or ST Hub for the Summer Hill Project and the Summer Hub Project for advertising services to the customers of ST Hill and

ST Hub, or for any other use as may be agreed upon by the REIT and ST Hill or ST Hub from time to time and throughout the period ST Hill and ST Hub will continue to make use of certain areas of the investment land and buildings to be invested in, ST Hill agrees to pay compensation for the REIT granting ST Hill and/or ST Hub the right to use the area at the rates stipulated in the Summer Hill Investment Lease Agreement and the Summer Hub project, in which ST Hill will pay the REIT a monthly fee for the use of the space.

In this regard, the REIT will determine the terms of use of the aforementioned areas of ST Hill and ST Hub in the Summer Hill Investment Lease Agreement between the REIT and ST Hill and the Summer Hub Investment Lease Agreement between REIT and ST Hub. The agreement indicates that the use of land or building (as the case may be) for the location of the sign of ST Hill or ST Hub (as the case may be) shall not impair the right or prejudice the REIT's right to use the land or buildings to be invested under an investment lease. ST Hill and ST Hub agree to be responsible for maintaining the signs in good condition and providing adequate and appropriate insurance which must at least cover the insurance against damage that may occur with the label and liability insurance against third parties that may be damaged by the sign or from the operation which are to be paid by either ST Hill and/or ST Hub (as the case may be). And ST Hill or ST Hub (as the case may be) shall pay for utility services (such as electricity), signage taxes, and any taxes and duties (if any) and all other costs associated with utilization in signs in the Summer Hill and/or the Summer Hub projects (as the case may be) paid by either ST Hill or ST Hub (as the case may be).

In addition, the investment lease contract for the Summer Hill project and Summer Hub Project and the contract between the REIT and the property owner company will require that to seek benefits from the signs by providing services to ST Hill and/or ST Hub customers shall not be any advertisement to competitors and/or a commercial competition (whether directly or indirectly) with the REIT's tenants in the Summer Hill and Summer Hub projects to affect the operation of the Summer Hill Project and the Summer Hub Project of the REIT.

In addition, as signs will remain in the ownership and possession of the property owner company in which has risks may occur in the future if the property owner makes any modifications, additions, or any other unauthorized actions to do so causing the signs to become inconsistent with the Building Control Act B.E. 2522 (including the amended) ("Building Control Act"). Thus, the REIT allows the property owner company to use some area of the land and the building to be invested as the location of the property owner company's sign. If such a sign is classified as a "building" under the Building Control Act and if the signboard of the property owner company is not constructed in accordance with the Act. Building control or not being allowed in construction according to the Act. Building control, it will cause the REIT to be at risk of being liable under the Act. building control or not. As a result, it may be considered into 2 cases as follows:

(1) A person who constructs a building without permission shall be liable to imprisonment or a fine, or both, according to the Building Control Act. sign of a property owner. If the person who constructs the sign is a company that owns the property, the REIT is not the signboard builder therefore, the REIT not subject to such criminal penalties.

(2) In case of building construction without permission, the local competent official has the power to issue an order requiring the person concerned to rectify or demolish the said building. Even if the local officer has the power to order the owner of the building or the building occupant to demolish the sign, there may be issues regarding that the REIT, as a tenant of the building and is a sub-tenant of the land to be invested in which is the location of the property owner company's sign will be considered as the owner of the building or not. However, the Supreme Court's ruling stated that in case the sub-lease agreement does not specify that the sub-lessee agrees to sub-lease the part of the building that has been modified without permission. In such a case, it cannot be considered that the said sub-lessee is the owner of the building in the modified part. The local office has the power to order the sub-lessor who has the right to occupy the modified part of the building to demolish the modified part under Section 42 of the Building Control Act (Judgement of the Supreme Court No. 3740/2531). Therefore, when compared with the case of the company's property owner sign according to the investment lease agreement that the REIT will enter with the property owner company, there are clear requirements that the property leased by the REIT does not include any type of signboard building (Regardless the definition of the sign according to the Act B.E. building control) in the Summer Hill project and the Summer Hub project. Therefore, it can be said that the REIT is not the owner of the signs in the Summer Hill Project or the Summer Hub project. The local official must issue an order for the owner of the building (sign) to demolish the building. When the local official has issued an order for any person to demolish the constructed building without permission, If it appears that the person is not the owner or occupant of the building, such administrative orders shall be deemed to have been issued improperly and considered unlawful (Judge of the Supreme Administrative Court No. Or. 646/2016). Therefore, the REIT has a low risk of being liable under the Act. Building control because the REIT is neither the owner of the building nor the occupier of the building (signboard) as required by the Building Control Act.

Therefore, to prevent such risks in the investment lease agreement of Summer Hill Project Investment and the Summer Hub Project and the contract between/among the REIT and ST Hill or ST Hub (as the case may be), there is an agreement regarding a construction, setting up, the use or benefitting of the ST Hill or ST Hub signs (as the case may be) (the signs are not a property leased under the Summer Hill Investment Lease Agreement and the Summer Hub project and they are on ownership and ownership rights of ST Hill or ST Hub) are unauthorized or otherwise unlawful, statutory, statute and/or other relevant regulation of the relevant authorities. Or the sign causing damage to the land to be invested or the building to be invested or the building or any other person, ST Hill and/or ST Hub agrees to indemnify the owner solely for all civil and criminal damages. label ownership

#### 4.3.8 Risks on the entrance and exit of Soi Sukhumvit 46 of the Summer Hill and Summer Hub projects

Currently, the Summer Hill project and the Summer Hub project have 2 entrances and exits, which are (1) the entrance and exit at Rama IV Road, which is the main entrance and exit of the project, and (2) the entrance and exit at Soi Sukhumvit 46, which is the additional entrance gateway of the project. The property owner company has received a permit for the cutting of the pavement to form the entrance from the Summer Hill Project and the Summer Hub Project to Rama IV Road from the relevant authorities. However, the permission to cut the sidewalk stone to make the entrance from the project to Soi Sukhumvit 46 has a legal limitation regarding the permission to cut the sidewalk stone, lowering the pavement embankment, and making a connecting walkway in the public places that are currently on the process. Therefore, there may be a risk that in the future the relevant authorities may order the property owner company to demolish the entrance from the project to Sukhumvit Soi 46 so that it can be restored in accordance with the relevant laws, as a result, the number of entrances and exits to the Summer Hill Project and the Summer Hub Project will be reduced and project users who regularly use the entrance and exit of the aforementioned areas to experience some inconvenience in entering and exiting the project from Sukhumvit Road will be affected.

*Pictures of two of the entrances and exits of the Summer Hill project and the Summer Hub project*



However, as the Summer Hill project and the Summer Hub project, do not have a single entrance and exit but another main entrance and exit on Rama IV Road as well as the project is located next to the BTS Sky Train, Phra Khanong Station and users are office workers and residents in that area who mostly use the train regularly and enter and exit the project by foot, the Company, therefore, considers that there may be a risk that the asset owner company may have to close the entrance and exit on Sukhumvit Soi 46 as ordered by the relevant officers in the future but the Summer Hill Project and the Summer Hub Project still have enough and suitable entrances and exits.

In addition, there are other entrances and exits that users can use normally, on Rama IV Road, which is the main entrance and exit of the project that is spacious and convenient to use because it is adjacent to Rama 4 Road, which is one of the main roads in Bangkok. Although project users may be affected by some inconveniences in entering and exiting on Sukhumvit Road, the distance from the entrance at Soi Sukhumvit 46 to the main entrance and exit on Rama IV Road is only about 200 meters. In addition, the collapse of entrances and exits on Sukhumvit Soi 46 will not affect service users traveling by train since they can still use the sidewalk to Sukhumvit Road to access the Summer Hill project and the Summer Hub project as usual. Therefore, the REIT has a low risk of being liable under the relevant laws in the case of applying for permission to collapse the pavement embankment., lower the pavement embankment, and make a connecting walkway in public places of the entrance and exit of Soi Sukhumvit 46 because the REIT is not responsible for the construction of the entrance and exit from the project to Soi Sukhumvit 46.

To hedge the risks for the REIT about the entrance and exit of the Summer Hill Project and the Summer Hub Project, agreements for the Summer Hill Project and the Summer Hub Project that the REIT will enter into with ST Hill and ST Hub include throughout the period that the REIT invests in the Summer Hill Project and the Summer Hub Project, the property owner company agrees to certify that the assets invested by the REIT in the Summer Hill Project and the Summer Hub Project contain entrance and exit access to the public road Size in suitable size and condition and can be entered and exited assets invested by the REIT at any time as well as being permitted by law relating to the connection of such thoroughfares with the public and the use of such roads to enter and exit the assets invested by the REIT to the public (if any).

The REIT, the space tenant, service customers, customers, and attendants of the REIT, and such person have the right to use the aforementioned thoroughfare at any time without any blocking or preemption of any rights. If there is any incident causing that the REIT cannot use the thoroughfare to enter and exit the assets invested by the REIT to the public, the property owner company agrees to take any action to provide another thoroughfare as soon as possible with approval from the REIT for the REIT to continue to instead of the aforementioned thoroughfare paid by the property owner only. The REIT has the right to demand the property owner company to compensate for damages and loss of benefit from the REIT's inability to enter and exit the REIT's investment assets to the public for such period. In case of construction, cutting the pavement embankment, connecting the road to make a thoroughfare in and out of the assets invested by the REIT to a public way or in any case that such action is an offense against the law, rules, regulations, and/or any other relevant regulations of the relevant government agencies, the property owner company agrees to be solely liable for all damages, both civilly and criminally, as the operator of the road construction

**4.3.9 The risk that the building may deteriorate in terms of benefits and/or the risk that reserves for repairs or major improvements for the assets initially invested by the REIT may be inadequate.**

The REIT must maintain, repair, and improve the core assets to ensure the building is in a suitable condition for obtaining benefits. If the REIT does not do so, the building may have deteriorated or some buildings, over 10 years old, (the age of the building is around 15 to 26 years old) may have deteriorated more than others or the building may have outdated styles and functionalities which may not be able to provide benefits throughout the REIT's investment in the core assets appropriately as well as a negative impact on the REIT's performance if the REIT has a problem that the reserves are insufficient for repairs and/or improving the condition of the assets. In order to maintain competitiveness, it may harm operations, financial position, operating results, and the ability to pay the REIT's return to unitholders

Concerning the assets that the REIT will invest in, the ST Bang Pa-in project with an average building life of approximately 21 years, for the REIT to utilize the leased assets throughout its investment life, the Company has arranged for an Engineering audit according to the building inspection report dated 12 March 2020: J.R.M. Company Engineering Co., Ltd., concluded that "The inspected building is in stable condition and can be used safely. No significant defects were found, and the design and construction were made in accordance with international standards. The building was constructed in accordance with international standards for general reinforced concrete buildings and the building will last for another 40 years to 50 years or may have a longer service life if there is proper maintenance and care.

However, to maintain, repair or improve the property to have a condition for procuring appropriate benefits throughout the period that the REIT invests in the core assets, the Company will estimate the costs used to renovate, repair, and/or replace the property in order to reserve funds for the renovation and repair the property every year by considering the property manager's operational plans and/or the work plans of the relevant experts based on the experience of the past renovation and/or replacing most of the assets in major maintenance such as painting the building, renovating the building's floor or the floor in the courtyard in front of the building, improving/changing air conditioner, fire protection systems, roofs, transformers, etc. which will take place every 6-20 years.

In addition, if the aforementioned reserves are insufficient, the REIT may consider procuring an appropriate source of funds (e.g. loans, debt instruments, etc.) for improving and repairing the property to be in good condition and appropriate to provide benefits to reduce the impact on the operation of the REIT and distribution of benefits to unitholders.

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#### 4.3.10 Higher Competition Risks Affecting the finding of tenants, occupancy rates, and rental rates.

The REIT has income from renting spaces and providing related services to various tenants who are operating warehouse buildings, factory buildings, commercial spaces for rent in community malls, and office space for rent. If in the future, the rental business will be more competitive other buildings, factory buildings, and community malls or a new office building for rent in the vicinity of the location of the REIT's main assets may result in various operators causing the numbers of tenants. This will have a significant impact on operating results, business, operating results, and financial status of the REIT.

However, the location of the assets that the REIT initially invested in are all in suitable locations and are the center of transportation. The Rich Asset Project and the ST Bang Bo Project are factories and warehouse projects located in Samut Prakan Province which is close to the industrial estate. The ST Bang Pa-In project is located in Bang Pa-In Industrial Estate Phra Nakhon Si Ayutthaya Province which is a location with convenient transportation routes to other regions. Therefore, it can help reduce the cost of business operations for entrepreneurs who are tenants as well. In addition, the Summer Hill project is a shopping center project of the community mall, and the Summer Hub project is an office project for rent. Both are located on Sukhumvit Road adjacent to the main public transportation system, namely the BTS SkyTrain (BTS) Phra Khanong Station, and there are hotels and residential condominium projects nearby as well. With all such factors, it can attract entrepreneurs to rent space within the assets that the REIT initially invested in as well.

#### 4.3.11 The risk that the assets initially invested by the REIT may be defective or there may be illegal practices and regulations or there may be other defects

In addition to what is disclosed in the document, the Company has examined and reviewed Due Diligence and found that the condition of the assets that the REIT has invested are appropriate, ready to invest and there were no defects in the assets or defects that need to be repaired or maintained (including design, construction, or other invisible defects or defects of the assets or equipment of the assets initially invested by the REIT which results in increased investment costs or requiring special repair or maintenance expenses). However, the property may have defects that are not apparent, making them difficult to detect or cannot be detected. Therefore, the Company cannot guarantee that the immovable property will not be defective, which may incur repair costs or maintenance or pay any other debts to third parties other than those specified in this document and there was no violation of the laws and regulations or no other deficiencies relating to assets that the REIT initially invested.

This building inspection report, which the Company considers and adheres to as part of the audit, may contain some restrictions that may cause discrepancies because it may be not possible to determine some defects as a from the limitation of the technology or techniques used as well as other related factors. Such defects or omissions may



cause the REIT to make significant additional investments or have obligations to third parties that cause expenses of an unforeseen cost and amount that may have an impact on the REIT's revenues and cash flows.

In addition, some properties may not comply with or violate the law or rules and regulations related to real estate or with the requirements of the relevant agencies from the audit of the company. Therefore, the REIT may have additional expenses or duties arising from the immovable property from failing to comply with or violating the law rules and regulations related to real estate.

In addition, the warranties, and liability agreements provided by the property owner to the REIT are under a limited scope, amount, and duration of claims. Thus, the EIT has the right to be compensated for a breach mentioned before.

Thus, the Company cannot guarantee that the REIT will receive indemnification under any representations, warranties, and liability agreements for the damage to the REIT due to the initial investment in the REIT's assets since cases depend on the debtor's repayment and the enforcement of debts under the contract.

#### **4.3.12 Risks related to finding tenants of the REIT's leasehold and sub-leasehold rights when the contract is about to expire.**

The assets that the REIT initially invested in were in the leasehold rights of land and buildings on the Rich Asset Project and the ST Bang Pa-in Project and the leasehold rights of some land and buildings on the ST Bang Bo project and sub-leasehold rights in the land and leasehold rights in buildings (except for buildings of signs and signs regardless of their definition) on the Summer Hill project and the Summer Hub project. Regarding the period that is about the end of the lease or sublease that the REIT has the right to, if the rental period of the REIT's tenor has expired before and the leasehold or sub-lease rights of the REIT has only a short period, the REIT will have a risk in finding tenants of the space during the remaining leasehold or sub-leasehold period of the REIT. This means they may not renew the lease, or the REIT may not be able to find a new one. If the remaining period of the leasehold or sub-leasehold right of the REIT is inconsistent with the requirements of the former tenant who wishes to renew the lease or the new tenant. Thus, such risks may cause operating results and financial position of the REIT as well as the distribution of distributions to the trust unitholders.



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#### 4.3.13 The risk of losing only one tenant of the ST Bang Pa-in project may cause the REIT's income to change.

##### 4.3.13.1 An early termination

At present, the ST Bang Pa-in project, which is part of the assets initially invested by the REIT, is rented to the sole tenant of the main area, LF, which leads to the rental and service income at 22.24% (Sww Section 2, Section 3.1 General information of the assets that the REIT will initially invest in). Therefore, if LF cancels the lease and service contracts before the expiration or does not renew the lease and service contract when the contract expires and the REIT cannot find a new tenant to replace the said operator, it will harm the business performance and financial status and the REIT's income.

However, the Company considers that the ST Bang Pa-In Project is a potential asset in the right location close to convenient transportation routes to other regions. LF, the main tenant that leases the project's space currently, has entered into a long-term lease agreement of is 13 years and 12 days, with registration with the Land Office. including the right to extend the lease for another 5 years. There is a low risk that the tenants of the aforementioned key area will terminate the lease and service contracts before the expiration of the term or not renew the lease and service contract when the contract expires. In addition, if LF terminates the lease and service contracts before the expiration of the term or does not renew the lease and service contracts after the expiration of the lease term, the Company considers that the assets that the REIT initially invested in the ST Bang Pa-in project is a large warehouse building but can be divided into smaller rental areas due to its large warehouse. Considering the potential of the assets and the location as mentioned above, the Company expects that finding a new tenant to replace LF should be easy.

##### 4.3.13.2 A license of the tenants of the main area in the ST Bang Pa-In has been canceled, revoked, or not renewed

The business operation of the tenant of the main area may require a license to operate the business and/or related to the business operation. If the license to operate such a business is canceled, revoked, or not renewed, it may cause an impact on the tenants of the main area. That will make the tenants of the main area unable to continue the business that requires permission. In addition, the lease agreement of the tenant of the main area requires that the tenant of the main area must comply with the law in using the leased area and in doing business including the acquisition of various licenses necessary for the business of the tenants of the main area.

The failure of the tenant of the main area to comply with the terms and conditions under the lease and unable to remedy such breach within the period stipulated in the contract will be regarded as a reason for breaching the lease agreement. The trust (as the lessor) has the right to terminate the lease agreement and the

REIT will have the right to claim legal damages due to breach of contract as well as the right to forfeit the rental deposit and service deposit until the REIT finds a new contractual partner instead of the main tenant and can successfully negotiate an agreement with a new contractual party. Or if the REIT is unable to find a new one to lease the assets initially invested by the REIT within a reasonable time or unable to negotiate with a new counterparty in the new contract with provisions that are beneficial to the REIT, the REIT's income may be interrupted or reduced, which may significantly affect the REIT's operations and financial status and the REIT's income.

#### 4.3.14 Risks from the option to early termination

Some of the assets that the REIT initially invested in have a lease and/or service contract which contains a contract that gives the space tenant the right to cancel the lease and/or service contract before the expiration of the contract period without regard to "Option to Early Termination". In some cases, the space tenant will have to pay a penalty for using the right to terminate the contract before the expiration of the term (Early Termination Penalty) equal to 1 month's rent and in some cases, the lessor has the right to seize security deposit and in some cases, the landlord cannot withhold the security deposit and in some cases, the space tenant exercises the above right within the remaining period of the current lease and/or service contract. Therefore, in order to alleviate the impact on the REIT's operations and income in the event that the space tenant exercises the right to cancel the lease and/or service contract before the expiration of the said period, the REIT will stipulate in the agreement that the owner of the property agrees to compensate the REIT in an amount equal to the security deposit as specified in the lease and/or service agreement of the said tenant or an amount equal to the difference between the Security Deposit and the Early Termination Penalty as specified in the lease and/or service agreement of the tenants of such area (depending on the case) until the termination of the right to terminate the contract before the expiration of the said period (Option to Early Terminate) or until the lease and / or service contract of the tenant of such area is terminated for any reason that is not the space tenant has exercised the right to terminate the customer service contract before the expiration of the term (Option to Early Terminate) (whichever occurs first) (see in Section 2 Section 3.1. 14 Summary of the contract for the acquisition of property).

However, if the space tenant exercises such right and the REIT is unable to find a new tenant to replace the existing tenant in a reasonable time or is unable to find new tenants or the new tenant to replace the space has a shorter lease term than the previous tenant, the above cases may directly affect the cash flow and operating results of the REIT.

In addition, to reduce the impact that may happen for the Summer Hub project, Summer Hill Project, ST Bang Bo Project, and ST Bang Pa-In Project, the property owners have provided additional measures in case the REIT has

the total rental fee from such project which is less than the total rent per year as received ("Total Rental Expected Annual Rental"), the property owner companies agree to pay the deficit from the estimated total annual rental fee to the REIT and agree to pay the difference that the asset owner company has to compensate to the REIT each month. (see Section 2, Section 3.1.14, Summary of the Contract for the Acquisition of Property).

If the tenant wishes to renew the lease and/or service contract after the current lease and/or service contract expires, the REIT manager may negotiate with the space tenants or assign property managers to negotiate with the tenants of the space to request for modifications to such conditions which may consider not giving the right to terminate the customer service contract before the expiration of the term without being considered a breach of contract (Option to Early Termination) to the tenant to reduce such risks which will take into account the benefit of the trust unitholders

#### **4.3.15 A Risk if the ST Bang Pa-In Project is having an obligation to pay for the construction of a flood protection dam in Bang Pa-In Industrial Estate**

The company Bang Pa-In Land Co., Ltd. has sent a letter to STPL requesting payment for the construction of a flood protection dam dated April 30, 2019, stating that STPL as the owner of the land that is the property that the REIT initially invested in the ST project Bang Pa-In, which is located in Bang Pa-In Industrial Estate who is to pay for the construction of a flood protection dam in proportion to the land ownership. According to the Notification of the Industrial Estate Authority of Thailand No. SorNor Bor. 001/2561 regarding the collection of dams to prevent flooding in Bang Pa-In Industrial Estate dated February 28, 2018, the owners or persons who have the right to occupy land in Bang Pa-In Industrial Estate are jointly responsible for paying for the construction of a flood protection dam in proportion to the landholding. It indicates that STPL is responsible for paying for the construction of a flood protection dam in the Bang Pa-In Industrial Estate by giving STPL monthly installments to Bang Pa-In Land Co., Ltd. However, according to the lease and service agreement between LF as the lessee and STPL, the lessor stipulates that the tenant agrees to pay charges related to the use of utilities for the Industrial Estate Authority of Thailand including but not limited to the cost of constructing a dam to prevent floods.

At present, STPL is in the process of making a memorandum of understanding regarding a flood protection dam Bang Pa-In Industrial Estate between Bang Pa-In Land Company Limited and STPL to pay for the construction of the aforementioned dam in 120 monthly installments (with a period of 10 years), starting with the first payment in January 2021 ("Memorandum of Agreement to pay for the construction of a protective dam flood").

Under the regulations of the Board of Directors of the Industrial Estate Authority of Thailand, it indicates the rules, procedures, and conditions for doing business in industrial estates, B.E. 2551 (2008) dealing with the provisions for payment of service fees including the service fees in industrial estates such as wastewater treatment fees service fees for water supply, as well as maintenance costs of facilities by requiring the business operator to pay service fees

according to the rates, periods and conditions announced. If the business operator has the uninterrupted payment of service fees for a period specified by the Industrial Estate Authority of Thailand ("IEAT"), the IEAT may suspend services or facilities until the business operator will pay for all services.

The Company is aware of the risk that the REIT may suspend the use of utilities in the said Bang Pa-In Industrial Estate. This will harm the use of assets and the utilization of assets that the REIT initially invested in the ST Bang Pa-in project. In addition, it is to reduce the risk that the REIT may be interpreted in the future to pay for the construction of a flood protection dam since the REIT has the right to own the land from the land lease in the ST Bang Pa-in Project. If LF fails to comply with the terms of the lease and service contract for payment of fees related to the use of utilities for the Industrial Estate Authority of Thailand, the contract agrees to act. STPL will pay or assign a person designated by STPL to pay for all construction costs, overdue expenses, fines, interest, and any other expenses occurring and related to the construction of flood protection dams in Bang Pa-In Industrial Estate ("dam construction expenses") to Bang Pa-In Land Company Limited at the rates and details specified in the memorandum of agreement to pay for the construction of the flood protection dam until the whole amount is complete, and STPL will submit evidence of payment of the dam construction costs to the REIT within the specified period and in the contract of appointing the real estate manager for ST Bang Bo Project, ST Bang Pa-In Project, Summer Hill Project and the Summer Hub project between the REIT and STPL. The property manager is required to submit evidence of payment for the dam construction costs. for that monthly period to the trust for the trustee to pay administrative fees for that month to the property manager as well.

To guarantee STPL's agreement and the performance of STPL's contractual obligations on expenses related to flood protection dams in Bang Pa-In Industrial Estate, STPL agrees to deposit money to the REIT in the form of cash of 15 million baht on the date the REIT invests in the assets that the REIT initially invested in the ST Bang Pa-in Project

In addition, the contract agrees to act between the REIT and STPL will stipulate the right to act if STPL and/or the person specified by STPL fails to pay the dam construction costs are as follows:

- (1) While STPL continues to perform duties as the REIT's property manager

The REIT has the right to deduct money in the amount equal to the dam construction expenses that STPL and/or the person specified by STPL owes in that period out of the property management fee for the month that STPL is entitled to receive as the REIT's property manager under the Property Manager Appointment Agreement (ST Bang Bo Project and ST Bang Pa-In Project) and/or Property Manager Appointment Agreement (Summer Hill Project and Summer Hub Project) without prior notice to STPL. The REIT or a person designated by the REIT will use the money to pay for the dam construction costs for the unpaid installments to the Bang Pa-In Land Co., Ltd. or the Industrial Estate Authority of Thailand on behalf of STPL.

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(2) When STPL does not act as the REIT's property manager

The REIT has the right to deduct money in the amount equal to the dam construction expenses that STPL and/or the person specified by STPL owes in that period out of the security deposit received by the REIT from STPL under this contract by the REIT or a person designated by the REIT from the aforementioned money to pay for the dam construction costs for the unpaid installments to the Bang Pa-In Land Co., Ltd. or the Industrial Estate Authority of Thailand on behalf of STPL. In addition, STPL will have to pay an amount equal to the dam construction costs for the overdue installment that the REIT has deducted from the said security deposit to the REIT within 30 days from the date that the REIT has deducted the said amount ("the period during which STPL must repay the security deposit") for the REIT to receive the security deposit in the amount of 15 million baht as before.

If it passes the time for STPL due to repay the security deposit, STPL has not yet reimbursed the dam construction costs for the overdue installment that the REIT has deducted from the security deposit to the Trust (whole or in part) ("the dam construction expenses that have not yet been repaid to the REIT"), STPL shall pay interest to the REIT starting from the date the REIT has issued deducted from the collateral until the REIT receives payment for the dam construction expenses that have not been fully repaid to the REIT. If it is found that STPL and/or the person specified by STPL does not pay the dam construction costs within the specified time based on the memorandum of agreement to pay for the construction of a flood protection dam whether in any one period More than 3 times in total, it shall be deemed to be an event of default by default by STPL under the contract to act immediately.

In addition, regarding the payment of dam construction expenses for the overdue installment instead of STPL of the REIT above (Both in case (1) and case (2)), if it appears that the REIT has operated more than 3 times, it shall be deemed that STPL has breached the contract meaning a breach of contract of lease of land and buildings f/or the ST Bang Bo project and the ST Bang Pa-in project and/or the contract attached to the land and building mortgage contract. for the ST project Bang Bo and ST Bang Pa-In Project and/or Property Manager Appointment Agreement including any other contracts that STPL enters a contract with the REIT If the REIT informs STPL to act in accordance with the contract within the specified period, but STPL fails to comply within the period specified by the REIT, the REIT has the right to claim or sue the lessor to comply with the said contract or the REIT can terminate any contracts or all contracts immediately and the REIT has the right to claim for damages and/or any other expenses arising from breach of contract without precluding the REIT's right to enforce the mortgage of the assets that the REIT will initially invest in the ST project Bang Bo and ST Bang Pa-In Project, in which STPL has mortgaged to the REIT as collateral for compliance with the land and building lease agreements for the ST Bang Bo project and the ST Bang Pa-in project under the land and building mortgage contract.

**4.3.16 A Risk from the REIT's limitation in taking the area in the Summer Hill Project for rent to other tenants whose business competes with the current tenant according to the existing contract with the tenant of that area**

The land lease agreement of the Summer Hill Project between ST Hill and certain tenants contains a restriction on the landlord's right to take the area in the Summer Hill Project for rent to other people whose business is in the form of fitness facilities in competition with that tenant. After the REIT invests, the REIT will become a sub-lessor in the lease agreement of such area which will cause the REIT to accept the transfer of the rights and obligations to comply with the contract terms that restrict the rights of the lessor above as well which may affect the utilization of the REIT if the REIT wishes to rent out an area in the Summer Hill Project to a person who wishes to lease a business in the form of a fitness facility that competes with the tenant of such area.

However, since the space lease agreement containing the contract limiting the rights of the lessor is only a short-term lease agreement, and after the REIT invests, if the lessee wishes to renew the REIT lease, the REIT will try its best to negotiate not to impose any contract terms that restrict the trust's right to procure benefits in the new lease agreement which will consider the benefits of the REIT as an important factor as well as the fact that the Summer Hill Project is a community mall-type shopping center comprising tenants of various business areas.

The Company, therefore, expects that the impact on the utilization of the REIT that may arise from the contract limiting the lessor's right to lease the area in the Summer Hill Project to other parties fitness business that competes with tenants, therefore, is at a low level

**4.3.17 A risk from the REIT's Location in an air-safety zone nearby Suvarnabhumi Airport**

Due to the location of the Rich Asset Project, which is the first investment property of the REIT which is located in the air safety zone nearby Suvarnabhumi Airport according to the Air Navigation Act B.E. 2497 (and as amended), it is required for those who will construct or modify buildings or other structures within the safe zone for air navigation, permission must be obtained from the Civil Aviation Authority of Thailand. Therefore, the REIT has potential risks if, in the future, it is not allowed to construct or modify other buildings or structures from the Civil Aviation Authority of Thailand. This may result in the REIT being unable to continue making changes to buildings or structures.

**4.4 Risks related to investing in real estate**

**4.4.1 General risks in investing in real estate**

Investment in real estate may have related risks such as

- (1) Negative changes in politics and economic conditions e.g. domestic and/or international recession and decreased consumer demand.

- (2) Negative conditions of the domestic real estate market.
- (3) Changes in interest rates, inflation, foreign exchange rate
- (4) Changes in monetary policy or other economic policies of the country and other countries
- (5) Unexpected increase in operating expenses related to real estate.
- (6) Changes in environmental laws or regulations town planning law and other government regulations and fiscal policies.
- (7) Claims of environmental responsibility related to real estate
- (8) Changes in the market price of real estate rental rates
- (9) Changes in oil and other fuel prices
- (10) Changes in the popularity of real estate types and locations leading to excess rental space or may cause the demand of space tenants in the market for any some real estate
- (11) Actions of the tenants of the area that may affect the business and reputation of the property owners
- (12) Inability to renew the lease agreement or find a new tenant at the end of the lease term
- (13) Inability to collect rent from the tenant of the area within the specified period or to collect due to bankruptcy or insolvency of the tenant. or in other cases
- (14) The inadequacy of the coverage under the insurance policy or higher insurance premiums
- (15) The property manager's inability to provide or provide services related to maintenance and other services. sufficiently
- (16) Defects of immovable property which need to be corrected or repaired, including maintenance of the immovable property, causing some unexpected capital expenditure
- (17) Lack of liquidity in real estate investment
- (18) Severe reliance on cash flow for the maintenance and improvement of existing properties.
- (19) An increase in operating expenses including related taxes.
- (20) Various interests or obligations which could not be found or not disclosed from the land inspection at the relevant land office at the time of the inspection
- (21) Force majeure, damage that cannot be insured, and other factors
- (22) Changes in in-laws and regulations in terms of taxation and other aspects

Above mentioned factors can cause fluctuations in occupancy rates, rental rates, or operating costs as well as a negative impact on the value of the property and the income received from the property.

The annual appraisal of the REIT's core assets will reflect such factors and result in an increase or decrease in the value of the REIT's core assets. The investment value of the REIT's core assets may decline significantly if there is a sudden negative crisis in real estate prices or the economy in Bangkok and other provinces in Thailand, where the REIT's core assets are located at present or in the future.

#### **4.4.2 A Risk from the REIT affected by lack of liquidity from investment in real estate and lack of alternatives for utilizing the REIT's core assets**

The REIT mainly invests in real estate and assets related to real estate. In general, real estate investments, especially investments in high-value assets, have limitations, e.g., assets that the REIT wishes to invest in may have low liquidity. Thus, such low liquidity may affect the REIT's ability to change its investment portfolio or the ability to turn some assets into cash to accommodate changes in economic conditions regarding the real estate market and other factors. In addition, the REIT may encounter difficulties in finding a source of a loan promptly and under favorable trading conditions when borrowing by using the REIT's core assets as collateral. This is because real estate assets do not have such liquidity. In addition, the REIT's core assets may not be able to change their utilization quickly in case the REIT's core assets are unable to generate profit due to competitive conditions, age of the property or declining demand, or other factors. In addition, changes in utilization of the REIT's core assets generally require additional investment. Thus, these factors may affect the REIT's financial position and performance and cause the REIT's ability to pay distribution to unitholders.

#### **4.4.3 Political risks**

Operations, financial status, results of operations And the REIT's business opportunities may be affected by the political situation in Thailand. As can be seen, the political situation in Thailand has been destabilized many times. There are many events affecting the economy and society of Thailand, therefore, the Company cannot guarantee that there will be no further events leading to political instability which may cause operations, financial position, results of operations and business opportunities of the REIT.

#### **4.4.4 A risk from changes in accounting standards or relevant laws**

The REIT may be affected by the entry into force of the new accounting standards. or amendments to the law, regulations, or accounting standards of Thai, Financial Reporting Standards. There may be changes of the accounting standard to meet International Financial Reporting Standards IFRS. The REIT's financial statements may be affected by the enforcement of the revised accounting standards. The conditions and timing of the changes in accounting



standard are unknown and depend on the relevant authorities. Therefore, the Company cannot guarantee that these changes will not have cause the preparation of the financial statements of the REIT or to the operating performance and financial position of the REIT. Such changes may also cause the REIT's ability to pay distributions to the trust unitholders. There will cause the REIT Manager's ability to implement the REIT's investment strategy or on the REIT's operations and financial position or the REIT's ability to pay distribution to unitholders.

#### **4.4.5 A Risk when the assets that the REIT initially invested in have limitations for future utilization**

The REIT may be affected by risks in the event that the city plan is reorganized in the future or there may be future enforcement of laws that limit the types of businesses that can be operated in the location of the assets initially invested by the REIT which the change in the type of business that is permitted to operate in that area may cause the REIT to have restrictions on the utilization of the assets initially invested by the REIT. To change the tenant of the area to a new one (may be non-continuing land use) or in the case of wishing to change the type of utilization of land and buildings, it can be done by using it as a type and with objectives according to the Ministerial Regulations or ministerial regulations to enforce the comprehensive town plan or according to the city planning law or any other relevant laws in the future or using the assets that the REIT initially invested in in the type and with the same objectives (i.e. to operate the same order and the same category as permitted before the new town planning or before the enforcement of the new law) and the continuous use of land according to the town planning law with a legal base for the legal use of land from the beginning.

#### **4.4.6 A Risk when assets initially invested by the REIT are expropriated**

The REIT may have a risk if a government agency expropriates the assets initially invested by the REIT which prevents the REIT from using the assets initially invested by the REIT for the benefit of its business purposes. In addition, if the expropriation occurs, the REIT may not receive compensation from the expropriation or receive less compensation than the value used by the REIT to invest in the assets, which may cause the trust unitholders's return and cost from the investment is not as expected. The amount of compensation that the REIT will receive depends on the conditions stipulated in the relevant contract based on the remaining lease term of the property after the expropriation or the amount of compensation received from the expropriation. Having researched the information according to the Royal Decree stipulating the area of land to be expropriated in the area where the assets initially invested by the REIT is located, it is not found that the location of the assets initially invested by the REIT are expropriation area. In addition, the Company cannot expect the possibility of expropriation because the expropriation of land is a policy and the need to use the area of the state which will be in the future.

#### 4.4.7 Risks on immovable properties held by the REIT with additional real estate expenses and other operating expenses.

The REIT's ability to pay distributions to unitholders may be affected if a property and operating expenses are incurred while the income does not increase.

Factors that may increase real estate costs and operating expenses include:

- Increases in the cost of maintenance the property.
- Increases in real estate-related taxes and other legal fees.
- Changes in laws, rules, regulations, and government policies in which increase cost of complying with the changing laws, rules, regulations and policies.
- Increases in utility costs.
- Increases in service fees for subcontractors.
- Increases in inflation.
- increases in insurance premiums.
- Damage or defect of immovable property or environmental impacts that need to be remediated as operating expenses and the costs of operating which are unexpected.
- Expenses from property repairs that may beyond the expectation.

#### 4.4.8 The risk on compensation from property insurance which is not worth the economic benefits that the REIT may lose and a risk that the REIT may lose income during construction in case of damage

The REIT's business operations involve operational and utilization risks in the assets initially invested by the REIT. Although the REIT must provide adequate and appropriate insurance for the assets initially invested by the REIT which will comply with the requirements of relevant laws. However, the compensation in case that the REIT's initial investment is damaged may not be worth the economic benefits that the REIT may receive from others. If there is a serious incident, the REIT may have a risk that it may not be able to provide such type of insurance or may not be adequately compensated for damages from insurance. If the insured limit and/or claim received from such insurance is insufficient and/or delays, the REIT may be liable to pay for repairs and/or additional construction and/or related expenses during construction for the benefits. Thus, this may directly affect the benefits that unitholders expect to receive.

The Company will proceed for the REIT to The REIT's lender (if any) is the co-beneficiary and the co-insured under the insurance policy of the assets initially invested by the REI (except Public Liability Insurance, in which the beneficiary is a third party). In addition, the REIT may consider business interruption insurance for the assets initially

invested by the REIT. If the REIT provides business interruption insurance, it means that the REIT have no risk of loss of income during the process of requesting claims from the insurance company and/or during the construction of new assets to replace the damaged assets that the REIT invested. In the event of damage to that property

The Company will arrange for the entry into an insurance policy to cover all assets initially invested by the REIT. An insurance limit of the insurance of property risks is not less than the value of the assets and in order to manage such risks the REIT manager may regularly review the types of insurance and will consider budget the insurance limit for each type of insurance appropriately. The REIT manager may regularly review the types of insurance. and will consider setting up the insurance limit for each type of insurance appropriately.

#### 4.4.9 A Risk from natural disasters, floods, sabotage

In benefiting from the REIT's core assets, they may be damaged by natural disasters such as floods and/or from sabotage which are not likely to occur. If it happens in the location of the main assets that the REIT initially invested, it may cause damage to the assets that the REIT initially invested in and/or cause immeasurable loss to the lives and properties of the space tenants and those who use the service in the assets that the REIT initially invested. Therefore, to alleviate the burden of damage on the REIT's main assets, including compensation for the loss of life and property of the tenants and users of the property, the REIT will have an insurance for such assets in accordance with the relevant laws and notifications. There shall be a period of protection for the REIT's main assets throughout the period that the REIT invests in the assets including the renewed rental period in the amount of insurance that is consistent with the building's insurance standards that are similar with the REIT's main assets, namely All Risk Insurance, which covers all types of non-life risks, floods. and insurance for the benefit of third parties (Public Liability Insurance).

#### 4.4.10 A Risk because the value of the assets invested by the REIT according to the valuation by the asset valuation company is not a measure of the real value of the asset and it cannot be guaranteed that the property's price will be in accordance with the appraisal, at present or in the future.

The valuation report of the main assets that the REIT initially invested in was prepared by referencing and the assumptions assessed at the reporting date. The aforementioned information and assumptions are considered based on the current industry situation and market conditions such as the market conditions of the rental space, the ability to compete, economic conditions. If the factors considered have changed significantly, referenced data and assumptions including the circumstances in the industry considered may change from the date of the assessment report and may affect the value of the property appraised according to the valuation report of this property. Thus, it will not properly reflect the actual value of the initial investment property. Therefore, the Company cannot guarantee that the appraised property value stated in the asset valuation report can reflect the actual value of the asset including in the future. If the

REIT wishes to transfer the leasehold rights or sell the ownership of the invested assets, the transfer price of the assets received by the REIT may be lower than the value appraised in the property valuation report. or lower than the price that the REIT has invested in such assets.

#### 4.4.11 Risks from the impact of disease outbreaks (Corona Virus Disease 2019 (COVID-19)) to the REIT's performance

Due to the emergence of epidemic events (Coronavirus disease 2019 (COVID-19)) that occurred in late 2019 and continues to spread until now, the government has to declare a state of emergency in accordance with the Emergency Decree ("Act of Emergency"), including issuing a temporary closure of some places, policy to refrain from traveling across the province, prohibition of leaving housing at certain times or limiting the activity of many types of activities which affects life and doing business in a wide area both the reduction and the disruption of various economic activities. Such events may cause a negative impact on the space rental business both directly and indirectly from the impact on the business operation of the tenants in the assets that the REIT initially invested mitigation or termination. The company is not yet able to predict how long it will last. However, according to the number of infected people and patients suffering from coronavirus disease 2019 (COVID-19) both in Thailand and in many countries have gradually decreased, respectively. As a result, the Thai government has begun to announce to allow certain types of businesses to be able to operate periodically (see Section 2.1, Clause 4, Industry conditions of real estate benefit procurement.)

As of April 2020, the property owners of the Summer Hill Project have a policy to reduce the rent for tenants who were affected by the Coronavirus Disease 2019 (COVID-19) outbreak in order to mitigate and remedy the impact on the tenants. As a result, the total revenue of the Summer Hill project in April 2020 decreased by approximately 57.53% of the total monthly rental and service income of the Summer Hill project in March 2020 and in May 2020 the Summer Hill project was decreased of approximately 29.82% of the rental income and service fees of Summer Hill Project in March 2020 due to the policy from the government. Until June 2020, there are some tenants requesting early termination of the lease agreement. The tenants who left early were accounted for 10.70 percent of the monthly rental and service income prior to the termination of the contract. In addition, the ST Bang Bo Project had a hundred percent reduction in rent for some retail tenants and 30 per month, only in April 2020 and the ST Bang Pa-in project has no impact as it is a long-term lease.

The aforementioned epidemic situation continues to have negative impacts after the REIT invested in the assets. The REIT may be at risk in terms of receiving lower rents and service fees or the failure to pay rent and service charges due to the tenants' inability to pay the rent and service fees of the affected area which may directly affect the REIT's income and directly affects the REIT's ability to pay returns.

In order to reduce the risk due to the factors above and to ensure that they can cope with various situations that may occur effectively, the REIT managers and property managers therefore assesses and follow up on operating performance and benefit procurement as well as planning, managing and procuring benefits from real estate including taking into account the environment and events continuously without neglect to maintain operating results and obtain benefits in accordance with the set goals or to improve performance and provide benefits. If the plans and goals are not met that may cause negative impacts, the REIT managers together with real estate managers will determine various measures to mitigate and remedy the impact of the situation in order to minimize the impact on the REIT as much as possible.

However, for other types of initial investment assets, in addition to the assets of the community mall shopping center project, the Company expects that the aforementioned circumstances will not materially affect the REIT's performance in other initial investment assets.

#### 4.5 Risks related to investment in trust units of the REIT

##### 4.5.1 Risk from the price change of trust units after the offering of trust units

The offering price of trust units at this time is determined by market conditions, volume of demand from investors and distributors of trust units. The offering price of the trust units may not be the price that represents the market price of the trust units that will be traded in the secondary market after the offering of trust units at this time. After this offering of trust units, the selling price of trust units in the secondary market after the offering of trust units at this time may be traded at a much lower price compared to the offering price of the trust units in this offering, which the Company cannot foresee negative impact on the market price of trust units (Price Dilution). The purchase price of trust units depends on the following factors:

- Business and Investment Opportunities of the REIT including the real estate market conditions in Thailand in the view of investors
- Differences between the REIT's actual performance and expectations from investors and analysts.
- Changes in analyst recommendations or estimates.
- Changes in economic conditions and capital market conditions.
- Market value of the REIT's assets
- The attractiveness of trust units when compared to other equity securities including those that are not in the real estate sector
- Balance between buyer and seller of trust units.
- Size and liquidity of the investment market in future real estate investment trust units in Thailand.

- In the future, relevant rules and regulations may change including the tax system although it is a general change and specifically related to real estate investment trust units in Thailand
- The REIT may not be able to successfully implement the investment plan and business expansion plan.
- Foreign exchange rates
- Equity market volatility, and an increase in interest rates

AS mentioned above, with the factors, trust units may be traded at prices above or below their net asset value per unit. The REIT has operating cash flows for investment purposes as a reserve for operations or for other purposes. Although they add value to the assets, they may not increase the market price of the trust units if the REIT is unable to operate in accordance with the market expectations in terms of generating future income or paying benefits to unitholders thus, the market price of the trust units of the REIT may also be negatively affected.

In addition, the trust units offered for sale are not financial products that protect investments and the trust unitholders' investment in trust units is not a form of entering into a loan agreement or a guarantee that the trust unitholders will get the money they invested in full. If there is a dissolution of the trust or there is a liquidation of the trust account, unitholders may lose some or all of their investment in trust units.

**4.5.2 A risk regarding the actual operating results may differ from the projected earnings implicitly or explicitly. This may cause the REIT to not be able to pay the estimated return according to the projected income statement and profit sharing based on uncertain assumptions**

The projected performance of the REIT for the period from October 1, 2021 to September 30, 2022 is only an estimate of performance in the future work and it cannot be guaranteed future results, even if numbers are indicated in the financial projections. However, the preparation of such financial projections is based on various assumptions and estimates. Although the company will consider it is reasonable, actual results or developments resulting from forecasts stated in earnings estimates may differ due to business, economic, competitive, industry, regulatory, capital and financial uncertainties. Most of the aforementioned factors are beyond the REIT's control. The real future performance of the REIT will be affected by a number of factors, various factors specified in section 2.1, clause 5, risk factors. Therefore, performance or developments or actual earnings may differ from the forecasts stated in the earnings projections and the Company cannot guarantee that the REIT Manager will be able to achieve the goals stated in this document.

Factors that may affect income / profit from operations as well as the value of the assets invested by the REIT such as

- In the case of vacant space from lease and service contracts (if any), expiration or termination of lease and service contracts (if any) that reduce the rental rate. As a result, the REIT's income/profit decreases.

- The property manager's ability to collect compensation or rent and service charges (if any) from the tenants of the space. and the increase in rent and service charges (if any) shall be in accordance with the estimates.
- The property manager's ability to provide or maintain adequate insurance.
- Disasters, accidents or any other events beyond the REIT Manager's control.

Thus. Investors should therefore be cautious in using information about forecasts and profit projections in making investment decisions since the possibility that actual results may differ materially from the underlying estimates and assumptions.

#### 4.5.3 Changes in tax policy related to investment in trust units of the REIT

Trust unitholders may be subject to tax on investment or trading of trust units, to higher tax rates or in the case of returns or benefits paid to investors who are not of Thai nationality may be subject to withholding tax at a different rate. If there are changes in tax laws and regulations or other matters related.

#### 4.5.4 Trust unitholders cannot sell back trust units.

Because the trust does not accept redemption of trust units, there is no guarantee that the unitholders will be able to sell their trust units at the same price as the purchase price or available at any price and there is no guarantee that the trust units can be disposed.

However, trust unitholders have channels to sell trust units in the stock exchange. The liquidity of trading will depend on market conditions.

#### 4.5.5 The capital return from the dissolution of the trust may be less than the amount invested by the trust unitholders from this offering of trust units.

Regarding the dissolution of the trust, the Company cannot guarantee that the trust unitholders will receive their investment back, whether in whole or in part, based on the cause, method of dissolution of trust, criteria for disposal of core assets of the REIT.

#### 4.5.6 Risk from lack of liquidity in trading of trust units on the stock exchange

Since the trust is a closed type of trust (Not accepting redemption of trust units) listed on the Stock Exchange of Thailand, trading liquidity of trust units is determined by the frequency and volume of trust units traded on the stock exchange. This is based on the quantity of demand of buyers - sellers (Bid-Offer), which the amount of demand of buyers - sellers (bid-offer) depends on many factors that the REIT cannot control. Since the REIT is a closed trust, that is, the REIT will not accept redemption of trust units, there is a risk that the trust units will lack liquidity in trading.

#### 4.5.7 Risk from taxes and the REIT's fees

In the future, taxes and fees charged from the REIT's business may differ from the current rates, such as transferring or accepting transfer of leasehold rights or buying, selling, transferring or accepting transfer of ownership of immovable properties. The changes may arise from the purchase, sale, transfer, or acceptance of transfer of ownership or transfer or acceptance of transfer of the leasehold right in immovable property which the REIT may have to consider in whole or in part. The fees and tax rates that the REIT must pay may differ from the rates charged at the present.

#### 5. Legal Disputes

- None –

#### 6. Others Significant Information

- None -



## 7. The Information of Trust Unit and Unitholders

### 7.1 Trust Unit

#### 7.1.1 Information

Paid-up capital	3,015,000,000.00 Baht
Par value per unit trust	10.00 Baht
Number of trust units	301,500,000 Unit
Trust Unit Type	Specify the name of the holder
Price of the initially offered trust unit	10.00 Baht
Net asset value per unit trust as of 31 December 2021	10.1067 Baht
Closing price as of 30 December 2021	9.80 Baht
The highest price of 2021	10.10 Baht
The lowest price of 2021	9.60 Baht
Market Capitalization as of 30 December 2021	2,954,700,000.00 Baht
Trade Value (AOM)	2,321.52 million Baht
Net asset value as of 31 December 2021	3,047,171,915.98 Baht

### 7.2 Financial Instrument issued by the REIT

- None-

### 7.3 Unitholder Structure

#### 7.3.1 Top 10 major unitholders, book closing date on 30 December 2021

No	Name	Units	%
1	ST Property & Logistics Co., Ltd.	60,000,000	19.90%
2	STP and I Public Company Limited	27,438,700	9.10%
3	KTBST Securities Public Company Limited	15,000,000	4.98%
4	Bahoma Co., Ltd.	10,000,000	3.32%
5	Ms. Pattera Pairatwet	5,000,000	1.66%
6	MCCL Co., Ltd.	5,000,000	1.66%
7	Mr. BOWORN RUNGNOOWARAT	4,000,000	1.33%
8	Mrs. HATHAIRAT CHULANGKUL	4,000,000	1.33%
9	Mr. KIAT SRIJOMKWAN	4,000,000	1.33%
10	MFC Property Dividend Fund	3,146,300	1.04%

**7.3.2 Major unitholders (holding 10% or more of investment units, including the same group of individuals)**

No	Name	Units	%
1	ST Property & Logistics Co., Ltd.	60,000,000	19.90%

**7.3.3 A group of major unitholders of the fund that influences the management policy or management or operations of the Company**

-None-

**7.4 Distribution Payment Policies**

**7.4.1 Policies and distribution payment to unitholders**

- (1) The REIT manager shall pay the unitholder at least 90% (ninety) of the adjusted net profit of the fiscal year, with the benefit to be paid to the unitholder which is Year-End Distribution and Interim Distribution (if any) each quarter. The REIT manager will pay the unitholder no more than 4 (four) times per fiscal year unless the REIT has increased the capital. The REIT may pay in return benefits more than 4 (four) times per fiscal year to the benefit of the existing unitholders (by starting to pay the benefit in the first accounting period of the REIT if the REIT has sufficient profit to pay the benefit in return for the period of such accounting period). In addition, the adjusted net profit in accordance with this clause shall refer to the adjusted profit with the following items:
  - Unrealized Gain deductions from the revaluation or review of the REIT's asset valuation, as well as improvements with other items in accordance with the guidelines of the SEC to be consistent with the REIT's cash position.
  - Deductions with reserves for repayment of loans or obligations from repayments of trust loans in accordance with the limits specified in the information statement and prospectus, or annual statement, as the case may be.
- (2) If the REIT has retained earnings based on the adjusted net profit for each year of the REIT, in each accounting period, the REIT manager may also pay the unitholder a benefit from such retained earnings.
- (3) In case the REIT still has accumulated losses, the REIT managers do not pay benefits in return to unitholders.
- (4) If the benefit is paid to the unitholder in each accounting period, the REIT Manager will declare the remuneration paid to the unitholder and set the closing date of the trust unitholder's registration or the date of determining the list of trust unitholders to specify the

name of the unitholder who is entitled to the benefit in return, and will proceed with the remuneration paid to the trust unitholder within the following deadlines:

*A. Year-End Distribution*

The REIT manager will pay the benefit in return for the fiscal year within 90 (ninety) days from the end of the fiscal year

Additional notes: Except the benefit is paid for the first fiscal year, in determining the annual remuneration rate, it will be at the consideration of the REIT manager. If the distribution benefits to be declared per trust unit during any accounting year as the value is less than or equal to 0.10 (zero point one zero) baht, the REIT Manager reserves the right not to pay at that time and to accumulate such benefits to be paid together with the benefits to be paid in the next period. The above conditions must not conflict with clause (1).

*B. Interim Distribution*

The REIT should pay interim distribution each quarter (if any) by 90 (ninety) days from the end of the accounting period for the most recent quarter before remuneration.

Additional Notes: Except the benefit is paid for the first fiscal year, in determining the annual remuneration rate, it will be at the consideration of the REIT manager. If the distribution benefits to be declared per trust unit during any accounting year as the value is less than or equal to 0.10 (zero point one zero) baht, the REIT Manager reserves the right not to pay at that time and to accumulate such benefits to be paid together with the benefits to be paid in the next period.

For such remuneration policies, the REIT Manager shall act as specified in the Trust's founding contract unless the SEC and/or any other legal authority has amended, announced, determined, approved, and/or waived. The trust manager will do as instructed.

**7.4.2 Conditions and methods of the payment to unitholders**

- (1) Unitholders who are entitled to benefits must be unitholders whose names appear on the Unitholder Register of the REIT at the closing date of the unitholder's registration for distribution payment or the date of determining the list of unitholders in proportion to the unitholder's holdings of each unitholder. If it appears that any of the same persons or groups of individuals hold the trust unit of the REIT over the declared rate by the SEC, a person or group of persons will not be eligible for reciprocal benefits only in respect of holding the trust unit beyond the rate announced by the Board of Directors of SEC has set.

- (2) The REIT manager will announce the remuneration before the closing date of the unitholder's registration or the date of determination of the list of unitholders according to the period specified by law to determine the right to receive reciprocal benefits and the rate of reciprocal benefits via the stock exchange's information distribution system and it may also be announced in one of the following ways:
  - a) Send a notice to the unitholder whose name appears on the TRUST unitholder's register at the closing date of the trust unitholder's registration or the date of determination of the list of trust unitholders, or
  - b) Post the announcement in public places at all offices of trust managers, or
  - c) Announce via the REIT Manager's website and/or the REIT's website, or
  - d) Announce in at least 1 (one) newspaper.
- (3) The REIT manager will provide withholding taxes as required by law on the benefits paid to each type of unitholder.
- (4) The REIT manager will make a remuneration payment as a specific cross-sectional cheque, ordered on behalf of the unitholders, and send by mail at the address specified by the trust unitholder in the trust unit reservation or deposited into the deposit account of the trust unitholder as stated by the TRUST. The REIT manager will be responsible for the fees incurred. Unitholders will be burdened with exchange rate risk (if any).
- (5) If the unitholder does not exercise the right to claim any amount in return within the age of exercise of the claim under the Civil and Commercial Code, such funds shall be owned by the REIT manager. The REIT manager will not use such amount for any purpose rather than for the benefits of the REIT.

#### 7.4.3 Historical Information of Distribution Payment

*-None-*

## 8. Management Structure

### 8.1 REIT Manager

KTBST REIT Management Co., Ltd. (the "Company") acts as the REIT Manager of the REIT as a limited company registered in Thailand, on 25 May 2018. The Company have paid-up registered capital of 22,000,000 Baht, which divided into 220,000 ordinary shares at par value of 100 Baht. The company was approved as a REIT manager by the SEC on 28 January 2019, with the following details:

Name	KTBST REIT Management Co., Ltd.
Head Office Location	87/2 CRC Tower, 18th Floor All Seasons Place, Wireless Road, Lumpini, Pathumwan, Bangkok 10330
Company Registration No.	0105561090266
telephone	02-351-1803
Website	www.ktbstreit.co.th/
Email	info@ktbstreit.co.th
Nature and scope of business operations	Real Estate Investment Trust Manager
Fiscal Period	1 January – 31 December

#### 8.1.1 Shareholder Structure

List of Shareholder as of 31 December 2021

No	Name	Number of Share	Percentage (%)
1	KTBST Holding PCL	132,000	60.00
2	Mr. Phonlasit Phumiwasana	53,310	24.23
3	We Capital Holding Co.,Ltd.	19,800	9.00
4	Mr.Weerasit Kairawee	7,445	3.38
5	Miss.Sirinthorn Patrak	7,445	3.38
<b>Total</b>		<b>220,000</b>	<b>100.00</b>

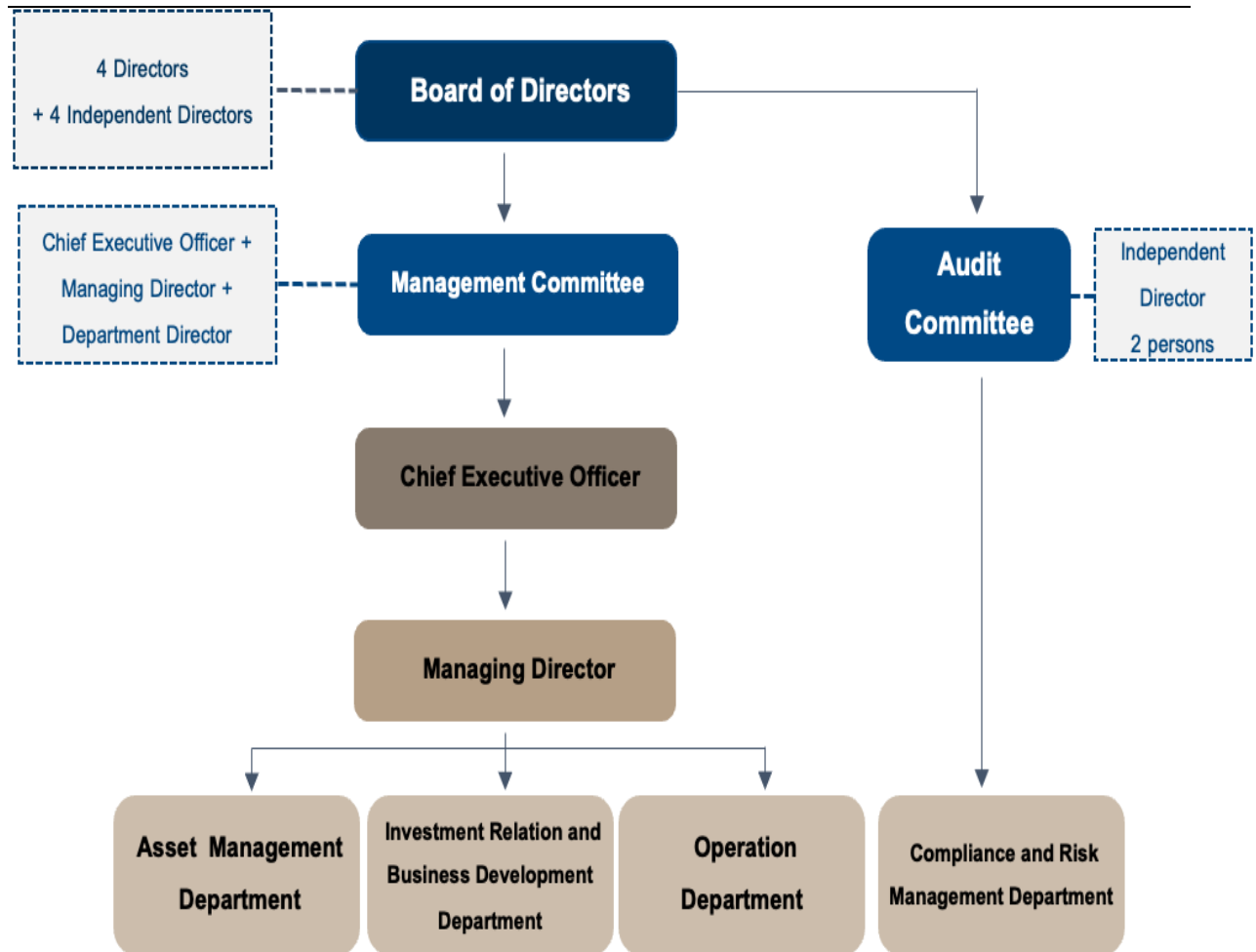
### 8.1.2 Management Structure, Directors, Executives and Managers

As of 31 December 2021, the Company's management structure consists of Board of Directors, Audit Committee, Management Committee, Chief Executive Officer, Managing director, the Vice president of each department and Officers, whose main duties and responsibilities are responsible for managing the REIT, including investing in the assets of the REIT, in accordance with the operational standards and work systems of the REIT manager, applicable laws and regulations, to achieve maximum operational efficiency with transparency and for the benefit of the REIT and trust unitholders.

The Company's management structure consists of 4 main divisions, (1) Operation department, (2) Asset management department, and (3) Investment relations and business development department, which will be directed to the Managing Director, where the Managing Director will be directed to the Chief Executive Officer, Management Committee and Board of Directors respectively, (4) the Compliance and Risk Management Department, who are reported to the Audit Committee and the Board of Directors. The management structure can be summarized as shown below.

Initially, the Company has assigned tasks in the Compliance and Risk Management department and the Operation department to be operated by an external service provider (Outsourced Service Provider) namely, KTBST Securities Public Company Limited ("KTBST SEC"), a subsidiary of KTBST Holding Public Company Limited, in order to provide management flow and help make the Company's system more efficient.

The Company has assigned some supporting tasks, including but not limited to Financial task, Accounting, Information Technology, and Computer Management, Human Resource Management (excluding personnel selection of REIT managers), Purchasing and Legal Affairs. However, if the Company subsequently hires additional personnel with such specific abilities, the Company may consider canceling the assignment to an external service provider (Outsourcing) as an operator and to operate within the Company.



#### Board of Directors of the REIT Managers

The Board of Directors consists of 8 qualified persons (as of 31 December 2021) as follows:

- |                                |   |
|--------------------------------|---|
| 1. Ms. Sopawadee Lertmanaschai | Chairperson and Independent Director              |
| 2. Mr. Phonlasit Phumiwasana   | Director  |
| 3. Mr. Jung Kyu Kim            | Director  |
| 4. Mr. Hakku Lee               | Director  |
| 5. Mr. Win Udomrachtavanich    | Director  |
| 6. Mr. Dong Ho Koh             | Independent Director                              |
| 7. Mr. Kyung Cheon Lee         | Independent Director                              |
| 8. Mr. Yingyong Nilasena       | Independent Director/ Chairman of Audit Committee |

### Scope of Authority of the Board of Directors

The Board of Directors has the following powers, duties, and responsibilities:

- 1) To perform duties in accordance with the laws, objectives, and regulations of the Company, as well as the resolutions of the Board of Directors' meeting and the resolutions of the trust unitholders of the REIT with the duty of loyalty, the duty of care, accountability and ethics.
- 2) To compose a business plan, strategic plan, set up the appropriate organizational structure, supervise business policies such as investment of the REIT, the REIT's performance, draft the annual budget and the REIT's business plan, as well as consider the guidelines, procedures, work processes, and operational manuals, ethics, anti-corruption policies of the Company for the benefit of the TRUST and of the unitholders.
- 3) To consider, supervise and take the necessary actions to conduct a review and update of the important policies and plans related to the up-to-date and appropriate role of REIT manager in accordance with business conditions.
- 4) Supervise and monitor management to deal with problems and obstacles arising from operations in a timely and appropriate manner.
- 5) To consider and appoint executives at the managing director level of the Company, supervise, evaluate the performance of the executives, provide the necessary recommendations to ensure that the management performs the duties assigned to the fullest capacity and in accordance with the laws and regulations and requirements of the contracts related to the REIT.
- 6) To consider, supervise and take the necessary actions to provide the Company with the internal control system, including an effective system of working as a REIT manager.
- 7) Consider risk factors that may affect the management and provision of benefits of the REIT, as well as consider a guideline for risk protection.
- 8) To consider the performance of departments compared to the goals or scorecards in the operation, as well as advice, so that the departments can operate in order to meet the Company's goals.
- 9) Consider issues that may cause conflicts of interest
- 10) Supervise the management of the REIT under the supervision of the trustee in accordance with the trust's founding contract and other related contracts and the law, the regulations and practices of the relevant regulatory authorities as well as to continuously monitor the Company's performance as a REIT manager, supervise and provide the necessary recommendations to executives in order for the company's operations to comply with the policies of the Board of Directors to be in line with contracts relating to the REIT and the rules for performing duties as REIT managers.



- 11) The Board of Directors may assign one or more directors or other persons to perform any of the acts on behalf of the Board of Directors. Such authorization does not include delegation or sub-delegation of powers that allow directors or delegates from directors to approve transactions that they or connected persons in terms of having any other benefits or conflict of interest with the REIT.

This is for efficiency and agility in management. The Board of Directors assigns them to approve the operation about the General Business Operations of the Company in accordance with the scope of authority, duties, and responsibilities that have been set forth. Division of work and responsibilities of each department considers and approves the following include:

- (a) Transactions between the REIT and persons connected to the REIT manager and/or the Trustee;
- (b) Transactions that constitute conflicts of interest between the REIT and/or the trustees;
- (c) The financial statements of the REIT have been reviewed and audited by the auditor;
- (d) Annual budgets and plans relating to regime's operations at the internal control system and the system as shown in this REIT Manager's Operational standards and work system manual that requires the Board of Directors to have the power to consider and approve;
- (e) Other matters as per the Management Committee, Managing Director or Vice president of the Company present for approval and approval from the Board of Directors' meeting.

- 12) To consider and approve the consideration of investment decisions, disposition of the trust's main assets or the management of the REIT of the asset management, investor relations and business development department to comply with applicable laws and regulations and notices and with the REIT's founding contracts and the TRUST's information statements and prospectus with the following criteria:

- a) How to acquire the REIT's main assets and additional equipment;  
If the REIT will invest in additional properties or leasehold rights and provide the benefit of such investments, the REIT will invest in additional properties or leasehold rights. The Board of Directors must consider and supervise to ensure that the Company, as the TRUST Manager, will act in accordance with the law, regulations, and criteria for investing in the assets of the REIT in accordance with the relevant SEC announcements, before each acquisition of the main assets. The Board of Directors shall review to ensure that the acquisition of the REIT's core assets and additional equipment is in accordance with the following criteria:

- following characteristics:

- a) In accordance with the trust's founding contract and related laws.
- b) It is in the best interests of the REIT.
- c) It is a reasonable and fair price compared to fair value.
- d) The cost of entering into transactions charged to the REIT (if any) is at a fair and reasonable rate, compared to market prices
- e) The stakeholders in the transaction have no interest in deciding to enter into the transaction.
- the approval process:
  - a) Approved by the trustee as a transaction in accordance with the trust's founding contract and related laws.
  - b) In the event of the acquisition of a core asset with a value of 10% (ten) or more of the total asset value of the REIT, it must be approved by the board of trust managers.
  - c) In the event of the acquisition of a core asset with a value of 30% (thirty) or more of the total asset value of the REIT, the resolution of the unitholder's meeting must be obtained with a vote of at least 3-quarters (three-quarters) of the total number of votes of the unitholders who attend the meeting and have the right to vote.
- b) Divestment the core assets of the REIT

In the divestment of the core assets of the REIT, the Company will do the following:

  1. Before the divestment of the core assets, the trust manager proceeds a valuation of the core asset as defined in the REIT's founding contract.
  2. Divestment of the core assets shall be in accordance with the following criteria:
    - a) The divestment will be done publicly and with the substance of the items as defined in the trust's founding contract, such as:
      - In accordance with the trust's deed and applicable laws
      - It is in the best interests of the REIT.
      - Be reasonable and use fair price compared to fair value
      - The cost of entering into transactions charged to the REIT (if any) is at a fair and reasonable rate, compared to market prices
    - b) The stakeholders in the transaction have no interest in deciding to enter into the transaction through the approval process and the following actions:

- Approved by the trustee as a transaction in accordance with the trust's founding contract and related laws.
  - In the event of the acquisition of a core asset with a value of 10% (ten) or more of the total asset value of the REIT, it must be approved by the board of trust managers.
  - In the event of the acquisition of a core asset with a value of 30 % ( thirty) or more of the total asset value of the REIT, the resolution of the unitholder's meeting must be obtained with a vote of at least 3 - quarters (three-quarters) of the total number of votes of the unitholders who attend the meeting and have the right to vote.
- c) Divestment of main assets that must not only meet the following characteristics but also comply with the requirements for the disposition of the main assets specified in the preceding paragraph. It must also be the case where it is necessary and deserving, with the approval of the Board of Directors.
- Divestment of the main asset before 1 (one) year from the date the REIT acquires the main asset.
  - The sale of the main assets acquired by the REIT to the former owner.
- c) Procurement of the Company and the REIT shall be as defined in the procurement system as shown in the Operating Standards Manual and the Work System of the Manager of the Real Estate Investment Trust. KTBST REIT Management Co., Ltd.

However, in voting, if any director has any benefit in any agenda, he/she is not eligible to vote on that term.

## Independent Directors

### Qualifications of Independent Directors

The Company will select at least the following qualified independent directors to serve as an independent director of the Company.

- a) Hold no more than 1 % (one) of the total number of voting shares in the Company, its parent company, its subsidiaries, major shareholders, controlling authorities of the Company or connected persons including the shareholdings of related parties under Section 258 of the Securities Act of the independent directors.

- b) Not or has been a director involved in the management nor an employee, consultants who receive regular salaries or control persons of the Company, major companies, subsidiaries Associates, subsidiaries of the same order, or connected persons. There must be no interest or interest in such a way for at least 2 (two) years
- c) Never, or have ever had a business relationship with a company, a large company, a subsidiary. Associates or juristic persons who may be connected may impede the independent exercise of their judgment, including not being or having been a major shareholder. Must not be directors who are not independent directors or executives of those who have business relationships with the Company, its parent company, its subsidiaries, an associate or legal entity that may be a connected person, unless it has been removed from such characteristics not less than 2 (two) years.
- d) Not a person in a blood relationship or by legal registration e.g. parents, spouses. brothers and children, including spouses of children of executives, major shareholders, controlling persons, or persons who will be proposed as executives or controlling persons of the Company or its subsidiaries.
- e) Never been an auditor of the Company, the Company, the Company, its subsidiaries associates or juristic persons who may be connected and not major shareholders, directors who are not independent, executives or managing partners of the Audit company, who has audited of the Company, its parent companies, subsidiaries An associate or legal entity that may be a person with affiliation unless he/she/they have already been freed from such characteristics, not less than 2 (two) years
- f) Not be or have been a professional service provider of providing services as a legal advisor or financial advisor, which receives service fees in over 2 (two) million Baht per year from the Company, its subsidiaries, an associate or legal entity that may be a connected person. However, this is if the professional service provider is a legal entity, including being a major shareholder, directors who are not independent, executives, or managing partners of professional service providers, unless they have been removed for over 2 (two) years.
- g) Not a director appointed to represent the directors of the Company, major shareholders, or shareholders who are related to the Company's major shareholders
- h) Not a person named on the list of persons on the Stock Exchange of Thailand Deemed to be unworthy of executives in accordance with the regulations of the SET and must not have a lack of trustworthiness characteristics in accordance with the Securities and Exchange Commission announcement on the characterization of lack of trustworthiness of directors and executives of the Company.

- i) never been convicted of a crime under securities law, capital business law, securities, and Credit foncier businesses, banking, commerce, non-life insurance laws, anti-money laundering laws, or similar laws relating to financial business no matter it is Thai law or foreign law by a competent authority including related acts which are unfair in connection with securities trading or management of deceptive, fraudulent or fraudulent manner.
- j) Any other characteristics that prevent us from expressing independent opinions on the Company's operations.

Scope, Authority, Duties, and Responsibilities of Independent Directors

The Company requires independent directors to have the following scope, authority, and responsibilities:

- a) consider, supervise and provide necessary advice to the Company to implement the preparation and disclosure process financial reports of the Company and the REIT to be accurate, sufficient, Reliable and promptly
- b) Consider, supervise and provide the necessary advice to the Company. to implement an internal control system and an appropriate working system to act as a REIT manager.
- c) consider and comment on connected transactions or transactions that may have a conflict of interest with the REIT in accordance with applicable laws and requirements to ensure that the transaction is reasonable and in the best interests of the REIT.
- d) Perform any other operations as per the Board of Directors of the Company for the benefit of the REIT.
- e) Assign the Company's relevant departments to report for regular consideration and acknowledgment, to provide the necessary advice on the following matters:
  - 1. Connected transactions or transactions that may have a conflict of interest with the REIT.
  - 2. Weaknesses and points that require improvements regarding internal control systems and operating systems supporting as a REIT manager and to make progress in remediation.

## Executives and Managements

Qualification, Experience related to investment or real estate management of REIT managers:

No	Name	Position	Education	Experiences
1	Mr. Phonlasit Phumiwasana	Chief Executive Officer	<ul style="list-style-type: none"> <li>MBA (Finance), MS (Economic) Claremont Graduate University</li> <li>BBA, La Sierra University</li> </ul>	<ul style="list-style-type: none"> <li>Director, Broadway Media Co., Ltd.</li> <li>Director, Aqua Add Co., Ltd.</li> <li>director, Accomplish Way Holding Co., Ltd.</li> <li>Director and Chief Executive Officer, Thai Consumer Distribution Center Co., Ltd.</li> <li>Director, Executive Director, Aqua Corporation Public Company Limited</li> <li>Director, Mantra Asset Co., Ltd.</li> </ul>
2	Mr.Issara Meechamnan	Managing Director	<ul style="list-style-type: none"> <li>Master of Business Administration, Ramkhamhaeng University</li> <li>Bachelor of Law, Ramkhamhaeng University</li> </ul>	<ul style="list-style-type: none"> <li>Senior Director, One Asset Management Co., Ltd.</li> <li>Assistant Director Krungsri Asset Management Co., Ltd.</li> <li>Assistant Director One Asset Management Co., Ltd.</li> </ul>
3	Mr.Poom Srimakarat	VP – Asset Management	<ul style="list-style-type: none"> <li>MSc Real Estate Management Reading University</li> <li>Civil Engineering Kasetsart University</li> </ul>	<ul style="list-style-type: none"> <li>Fund Manager, Real Estate and Infrastructure Fund Management Kasikorn Asset Management Co., Ltd.</li> </ul>
4	Miss.Kemika Wanichathamkul	VP – Investment Relations and Business Development	<ul style="list-style-type: none"> <li>MSc International Management, Strathclyde University</li> <li>Banking and Finance Chulalongkorn University</li> </ul>	<ul style="list-style-type: none"> <li>Assistant Fund Manager Kasikorn Asset Management Co., Ltd.</li> </ul>

No	Name	Position	Education	Experiences
				<ul style="list-style-type: none"> <li>Assistant Fund Manager One Asset Management Co., Ltd.</li> </ul>
5	Mr.Put Tulyakul	Senior VP – Operations Department	<ul style="list-style-type: none"> <li>Master of Financial Management, Kasetsart University</li> <li>Bachelor of Accounting, Rajamangala Institute of Technology</li> </ul>	<ul style="list-style-type: none"> <li>Senior Vice President, KTB Securities (Thailand) Public Company Limited</li> <li>Assistant Director Kasikorn Asset Management Co., Ltd.</li> </ul>
6	Mr.Saravut Panya	VP – Compliance and risk management	<ul style="list-style-type: none"> <li>Bachelor of Law, Chulalongkorn University</li> </ul>	<ul style="list-style-type: none"> <li>Assistant Managing Director, KTB Securities (Thailand) Public Company Limited</li> </ul>
7	Mr.Chattri Sophonvanit	VP – Compliance and risk management	<ul style="list-style-type: none"> <li>Master of Finance, Thammasat University</li> <li>Bachelor's Degree in Business Administration (Finance), Chulalongkorn University</li> </ul>	<ul style="list-style-type: none"> <li>Senior Vice President, KTBST Holding Public Company Limited</li> <li>Senior Vice President, KTB Securities (Thailand) Public Company Limited</li> </ul>

Note: 1/ The REIT manager has hired KTBST SEC as operator in Operations and supervision, Compliance and Risk Management.

The operation of these department is supervised by the REIT manager for management and helps the Company's system to be more efficient.

The Management Committee consists of Chief Executive Officer, Managing Director and Vice president of each departments, which the Chief Executive Office shall be the Chairman and others shall be the members of the Meeting. The Company requires that the Management Committee to hold at least one meeting per month to consider issues related to the management of the REIT and the duties of the REIT manager. The scope of authority, duties, and responsibilities of the Management Team are as follows:

- 1) To consider and approve transactions between the REIT and the trustee or the person connected to the trustee.
- 2) Follow up on issues related to directors' business competition, executives and employees to consider penalties against those who violate the Company's code of conduct.
- 3) Advise executives and employees to consider issues relating to the interests of trust unitholders.
- 4) Consider real estate investments and real estate exploitation practices.
- 5) Consider the funding structure of the REIT.

- 6) Follow up with executives and employees to cooperate with the SEC and trustees.
- 7) To consider the selection of real estate executives, property appraisers and experts involved in trust management.
- 8) To monitor, control, evaluate and direct the Company's performance as trust manager.
- 9) Monitor, control, evaluate and supervise the performance of duties according to the REIT manager's department.
- 10) To consider the insurance of liability that may arise from the company's business operations or operations as a trust manager, as well as the performance of directors, executives and employees of the Company
- 11) Consider insurance related to the REIT.
- 12) Monitor, analyze and assess risks related to investment and real estate management.
- 13) Control the asset management to monitor the assets of the REIT to be complete, accurate, complete.
- 14) To consider, select and evaluate the performance of the assignee (Outsourced Service Provider)
- 15) Supervise the relevant parties to hold meetings of unitholders and prepare the information for the trust unitholder meeting to be correctly completed within the specified period.
- 16) Consider a legal dispute.
- 17) Consider potentially significant complaints that trigger legal disputes.
- 18) Consider the REIT's expenditure budget.
- 19) To consider and approve special expenditures or off-budget expenses of the REIT
- 20) Consider the REIT's procurement list under the budget framework specified by the procurement system.
- 21) Consider other issues as assigned by the Board of Directors.

#### Chief Executive Officer

Chief Executive Officer has the authority, duties and responsibilities to follow up, control, supervise and oversee the company's operations as a REIT manager to operate effectively, in accordance with laws and regulations, including trust founding contracts and appointment contracts, trust managers as follows:

- 1) Responsible for overseeing, managing and supervising the company's overall operations as trust manager to comply with the regulations, related contracts and resolutions of the Board of Directors' meeting.



- 2) Define the organizational structure, Management, selection, training, hiring and termination of employees of the Company, and set pa rates, salaries, compensation, bonuses, and benefits for employees.
- 3) To represent the Company as well as have the authority to assign a person to contact the relevant government agencies and regulatory authorities.
- 4) Have the power to issue, amend, amend, improve the regulations, orders, and regulations regarding the company's work as a REIT manager.
- 5) Any duties and responsibilities as assigned or in accordance with the policies assigned by the Board of Directors.

### Managing Director

The managing Director has the authority, duties, and responsibilities to follow up, control, supervise and oversee the company's operations as a REIT manager to work effectively, complying with laws and regulations, including trust founding contracts and trust manager appointment contracts. as follows

- 1) Responsible for overseeing, managing the company's daily operations and/or management as trust manager in order to comply with the rules, related contracts, and resolutions of the Board of Directors' meeting.
- 2) Oversee and supervise the company's operations as trust manager, including supervising tasks assigned to be carried out by external service providers.
- 3) Any duties and responsibilities as assigned or in accordance with the policies assigned by the Board of Directors or the Board of Directors.
- 4) The power to authorize subordinates and/or assign other persons to perform specific tasks instead by authorizing such subordinates and/or assignments within the scope of the authorization under the power of attorney provided and/or in accordance with the regulations, regulations, or directives set forth by the Board of Directors. The assignment of the authority, duties and responsibilities of the Managing Director shall not be characterized as a delegation or subordinate of power during which the Managing Director or the Authorized Persons of the Managing Director can approve the transaction that he or any connected person may have a stake in, or may benefit in any manner, or there may be any other conflict of interest with the REIT

### Meeting of the Management Committee of the REIT Managers

A Management Committee should be held at least once a month to consider issues related to REIT management and the duties of the REIT manager as required.

#### 8.1.3 Duties and responsibilities of the Company and REIT Manager

- 1) The Company will provide personnel who perform duties using knowledge and competence as professionals with responsibility and care and integrity. The unitholders must treat the unitholders fairly for the best interests of the unitholders as a whole, as well as to perform their work lawfully in line with rules relating to trust management, trust establishment contracts, trust manager appointment contracts, information statements and trust prospectus, trust establishment objectives and resolutions of trust unitholders.
- 2) The Company will provide sufficient funds for business operations and responsibilities arising from the ongoing duties as a REIT Manager.
- 3) The Company will disclose, comment or provide sufficiently sensitive and relevant information in the investor's investment decision. Such information must be communicated without distorting the information.
- 4) The Company, executives, employees will not use information from the REIT manager's duties to be used inappropriately for themselves or to cause damage or affect the overall interests of the REIT.
- 5) Work with caution not to cause conflicts of interest and in the event of a conflict of interest, the Company will implement the existing system to ensure that investors are treated fairly and appropriately.
- 6) Comply with the Securities and Exchange Act B.E. 2535 (1992), the Capital Market Transaction Trust Act B.E. 2550 (2007) and other laws relating to the REIT's operations, as well as the code of conduct and professional standards set by associations related to securities business or organizations related to securities business accepted by the SEC and does not support, direct or cooperate with any person in violation of such laws or requirements.
- 7) In transactions involving real estate for the REIT, the REIT manager will comply with the following guidelines:
  - 7.1) To ensure that the sale, payment, transfer of a real estate, or entering into contracts related to real estate for the REIT is valid and valid in accordance with the law.
  - 7.2) Assigning a task to another person as a recipient to carry out matters related to business operations as trust managers are necessary to encourage flow and efficient business operations under the following conditions:

- 7.2.1) The assignment must not deal with what may affect the performance of the duties of the REIT manager.
  - 7.2.2) A policy to support the continued operation of the business in case the recipient fails to proceed.
  - 7.2.3) In the event of an assignment relating to investing in other assets of the REIT, it must be assigned to those who can act lawfully.
  - 7.2.4) The Company will not assign tasks or systems to the SEC. The task is not allowed to be assigned to anyone else.
- 8) In case of a change in the REIT Manager, the Company will cooperate and take necessary and appropriate action to transform the work to the person or agency who will be on behalf of the Company.
- 9) In the event of the appointment of an advisor to advise or advise on real estate investment and real estate management, the REIT manager must comply with the following criteria:
- 9.1) Proceed to the advisor to inform the stakeholder in the matters considered.
  - 9.2) Advise stakeholders in matters considered, whether directly or indirectly. They should not participate in such matters.
- 10) Ensure that the trust's investment in real estate is appropriate at least the following must be done:
- 10.1) Assessing their readiness to manage investments in a particular property before becoming a REIT manager or before investing further in such real estate for the REIT, as the case may be. Conduct feasibility analysis and inspection and review (due diligence) of real estate, as well as assess the risks that may arise from investing in the property, as well as provide risk management guidelines. These risks include risks associated with the development or construction of real estate (if any), e.g., risks that may be caused by delayed construction and the inability to provide benefits from real estate.

#### 8.1.4 Division of work and responsibilities of each division

The management structure of the Company is divided into four main departments so that the duties of being the trust manager of the Company are in accordance with the legal obligations, each of which has an authorized director. Duties and responsibilities for the management of each of their lines of work can be summarized as follows:

##### 1) Asset Management

The Asset Management Department has the main duties and mission to manage the REIT and provide benefits from the REIT's assets in accordance with the requirements set out in the trust's deed. Information statements and prospectus for the offering of trust units, including but not limited to keeping the property in good condition and providing benefits, selecting real estate appraisers to manage risks associated with real

estate investment, providing insurance according to the appropriate requirements, preparing revenue and expense estimates of the REIT, supervise and monitor the work of property. managers, oversee the provision of benefits and utilization of the REIT's assets, as well as the care of tenants and service users, maintaining the complete collection of rent and space charges. take care of effective management of the REIT's expense, maintain the cleanliness and safety of the property in the best interests of the REIT.

## **2) Investor Relations and Business Development Department**

Investor Relations and Business Development Department is responsible for the main duties and mission to disclose information to unitholders, the SEC, and the Stock Exchange as defined in the trust's deed, related laws, and notices. It also plays an important role in investment planning, electing and considering investing in real estate and other assets of the REIT, providing an audit or review of the information of the properties invested by the REIT, checking real estate valuation plan and formulating strategies for providing benefits. The Investor Relations and Business Development Department is also responsible for preparing the REIT's annual report and annual information statement, conducting meetings of trust unitholders as well as market planning, investment & promotion, public relations, and competition strategies so that the REIT's real estate can generate returns according to the specified goals, as well as to preparing policies on borrowing money and implementing about the REIT's borrowing (if any) and adding value to the REIT's assets as well as consider paying distribution payment for the REIT, contacting and overseeing unitholders, receiving complaints or disputes.

## **3) Operation Department**

The operations department has duties and missions in accounting and financial statements of the REIT manager, planning and developing human resources Information and communication systems, etc. It also controls, monitors, coordinates and oversees tasks assigned to be prepared and performed by external service providers (outsourced tasks), including but not limited to cleaning work. security jobs, elevator and escalator systems, pest control, hygiene service, repair and maintenance, information technology and computer management, general administration, purchasing, and preparing documents.

However, if it later emerges that the Company has hired personnel with such specific abilities, the Company may consider not assigning the work to an external service provider (Outsource) by assigning the work to an external service provider (Outsource), depending on the suitability and necessity.

If any work which by the condition or in accordance with relevant rules and laws requires a job or task to be performed by the REIT manager or any person who is personally related, such work cannot be performed by an outsourced service provider.

## **4) Compliance and Risk Management Department**

The Audit and Risk Management Department has duties and missions to investigate, monitor, supervise

and evaluate the Company's operations as the REIT manager, including the operation of the Company's personnel and the operation of the REIT Manager's department, in accordance with the work system shown in the Manual of The Standard Operating Standards and Work System of the Manager of the Real Estate Investment Trust, as well as in accordance with the trust's founding contract, rules, and related laws

Each task department is responsible for the company-defined core work systems. Some of which are assigned to external outsourced service providers, as stated above. However, task assignments are performance assignments only. But the duties and responsibilities will still belong to the Company's departments.

Therefore, there must be a system of supervision and quality monitoring of the tasks assigned to the outsourced service providers, which is also defined in the manual. Although the aforementioned work system has a primary department to take care of, consideration and approval of important matters such as the REIT's budget dividend payment consideration are necessary to get approved by the Management Committee or the Board of Directors in order of priority (depending on the case).

Personnel and main responsibilities of the Company's units as of the date of the TRUST's establishment are expected as follows:

Department	Employee	Responsibility	Features and Experience
Asset Management	2	Mr. Poom Srimakarat	<ul style="list-style-type: none"> <li>Asset Management Director, KTBST REIT Management Co., Ltd.</li> <li>Fund Manager, Property Fund and Infrastructure Fund Management Kasikorn Asset Management Co., Ltd.</li> </ul>
Investor Relations and Business Development Department	3	Miss. Kemika Wanichathamkul	<ul style="list-style-type: none"> <li>Investor Relations and Business Development Director, KTBST REIT Management Co., Ltd.</li> <li>Assistant Fund Manager, Property Fund and Infrastructure Fund Management Kasikorn Asset Management Co., Ltd.</li> </ul>
Operations Department <sup>1/</sup>	1	Mr. Put Tulyakul	<ul style="list-style-type: none"> <li>Senior Vice President, KTBST Securities Public Company Limited</li> <li>Assistant Director Kasikorn Asset Management Co., Ltd.</li> </ul>

Department	Employee	Responsibility	Features and Experience
Audit and Risk Management Department <sup>1/</sup>	2	Mr. Saravut Panya  Mr. Chattri Sophonvanit	<ul style="list-style-type: none"> <li>Assistant Managing Director KTBST Securities Public Company Limited</li> <li>Senior Vice President, KTBST Holding Public Company Limited</li> <li>Senior Vice President, KTBST Securities Public Company Limited</li> </ul>

Note: <sup>1/</sup> The REIT manager has hired KTBST Securities PCL ("KTBST SEC") as an operator in Operations and supervision, Compliance and Risk Management. The operation of these department is supervised by the REIT manager for management and helps the Company's system to be more efficient.

#### THE REIT Manager's Work System

Main Work System	Subsystem
Policymaking system for REIT management	<ol style="list-style-type: none"> <li>System and procedures for determining and selecting investments in real estate and sourcing of real estate benefits</li> <li>Systems and procedures for structuring the REIT's capital</li> <li>Appraisal Report Review System and Procedures</li> <li>Cooperation with the SEC</li> <li>Cooperating with trustees</li> </ol>
Risk Control and Management System associated with Investment and REIT management	<ol style="list-style-type: none"> <li>Monitoring, analyzing, and assessing risks related to real estate investment and management</li> <li>Asset Control System</li> <li>Asset Control System</li> </ol>
Conflict of Interest Prevention System	<ol style="list-style-type: none"> <li>Disclosure of Directors' Equity Executives and Employees</li> <li>Transactions between trusts, REIT managers, or persons connected to the REIT manager.</li> <li>Transactions between trustees and trustees or persons connected to the trustee</li> <li>Following up issues related to business competition</li> <li>Monitoring issues regarding the independence of acting REIT managers</li> </ol>

Main Work System	Subsystem
	<p>14. Disclosure of interests or benefits from companies/persons who are partners with the TRUST</p> <p>15. Securities trading of company employees and individuals related to employees</p>
The system of personnel selection of the REIT manager and assignees in tasks related to the operations.	<p>16. System and procedures for determining and selecting the main tenants</p> <p>17. System and procedures for determining and selecting hotel executives</p> <p>18. Systems and procedures for consideration Select a property valuator</p> <p>19. Systems and procedures for consideration Recruit and hire experts involved in trust management</p> <p>20. System and procedures for selecting personnel of REIT managers</p>
System for supervising the operations of REIT managers and personnel of REIT managers	<p>21. Tracking systems and procedures Control, evaluate and supervise the Company's operations as a REIT manager.</p> <p>22. Tracking systems and procedures, control, evaluate and supervise the performance of the Company's personnel (Directors) Executives and employees of REIT managers)</p> <p>23. Tracking systems and procedures, controlling, evaluating, and supervising the performance of duties of each division of the REIT manager.</p> <p>24. Tracking systems and procedures, controlling, evaluating, and supervising the duties of the main tenants.</p> <p>25. Control and supervision system assigned to be performed by external service providers (Outsource)</p>
The REIT's disclosure system supports the trust's disclosure.	<p>26. The system provides and discloses information about the REIT managers and trusts in accordance with contracts and related laws.</p>
Back Office Operations System	<p>27. Support Operations System</p> <p>28. Outsourcing control and supervision system</p>

Main Work System	Subsystem
Internal Audit and Control System	29. The control system for the performance of the duties of the main tenants in accordance with the sub-lease requirements. 30. Hotel Management's Supervision System 31. REIT's Expenditure Budgeting System 32. System for determining and approving extra expenditures or off-budget expenditures 33. Procurement System 34. Reit's Data Collection system for document and evidence 35. Accounting system and financial statements 36. Cash Operations Control System 37. The tracking system for collecting rental income and/or compensation from the main tenants. 38. REIT's monitoring and appraisal system
System of communicating with investors and handling investor complaints	39. System of communicating with investors and handling investor complaints
Legal Dispute Management System	40. Legal Dispute Management System
Unitholder Meeting System	41. System for dealing with legal disputes
Others	42. Other administrative-related control systems

#### Provision of Benefits of the REIT

The provision of benefits from the trust's main assets must contain the following characteristics:

- (1) The REIT manager will provide benefits from the main assets by renting, sub-renting, using the area where compensation is charged, or providing services related to renting or using space. The REIT manager will not operate in any way that uses the REIT to operate other businesses such as a hotel or hospital business.
- (2) If the REIT manager will rent a property to a person who will take the property to a business that the REIT cannot operate on its own, such as a hotel or hospital business, there must be an agreement that configures most of the leases in advance. The maximum rental amount referenced to the turnover will not exceed 50% of the pre-defined rental amount.
- (3) REIT managers are prohibited from renting properties to individuals who have reasonable grounds to suspect that property of using it for business that is morally or unlawful. In every case, the REIT manager



must arrange an agreement so that the REIT can terminate the lease if it appears that the tenant has used the property to operate such a business.

- (4) The REIT manager will maintain the main asset in good condition with the provision of income. The REIT manager is responsible for providing insurance in a limit deemed sufficient and appropriate to restore the REIT's assets. For the REIT to provide the same benefits throughout the period in which the REIT invests in its core assets, such insurance must cover potential non-life insurance for real estate. For insurance limit, it is not less than the amount of replacement cost or replacement cost instead (Full Replacement Cost) and third-party liability insurance that may be damaged by real estate or from real estate operations in sufficient and appropriate amounts. However, in determining the above insurance limits provided by the REIT manager, the Trustee shall not refuse the provision of such insurance and insurance limits without reasonable justification.
- (5) If the REIT acquires ownership of the property and the REIT manager wishes to provide benefits from such property by renting it out to the original owner. Rent values must be set for charging the original owner in both rental price and rental terms as normally trade as if it were a transaction with a common third-party partner.
- (6) In order to provide tenants of the property to the REIT, the REIT manager must ensure that the tenants are provided fairly to the REIT, free from any conflicts of interest that may arise from the presence of connected persons involved in the provision of tenants, and supervise the work of the property management in accordance with the specified details and monitoring the performance of real estate executives

#### Methods and conditions for replacing the REIT managers

The reasons for the change of REIT manager are as follows:

However, a change of REIT manager does not cause the REIT manager to make a claim to the trustee for any damages.

- (1) The REIT manager resigns in accordance with the criteria set out in the trust's founding contract or the contract to appoint a REIT manager.
- (2) The REIT manager is removed from acting in accordance with the criteria set out in the trust's founding contract or appointment contract with a REIT manager.
  - a) When it appears that The REIT manager has not managed the TRUST in accordance with its duties correctly and fully as defined in the trust's founding contract, the contract appoints the REIT manager, the TRUST Act or the SEC's notice or any other relevant notice, including a notice that sets out the criteria regarding the performance of the REIT manager's duties and failure to perform that duty, causing serious damage to the REIT and/or the unitholder and cannot

remedy that damage within the period specified in the contract to appoint a REIT manager.

- b) It appears that the REIT manager is not in accordance with the criteria in Section 1 or violates or fails to comply with the section 2 guidelines as announced, SorChor 29/2555 and fails to comply with secession orders or with orders but cannot be amended within the time period of SEC.
- c) It appears that the approval as the REIT manager of the office by The SEC ends, and the REIT manager does not receive a renewal of approval from the office. The SEC, as announced on SorChor 29/2555, cannot be resolved within 90 (ninety) days

- (3) REIT managers are unable to maintain the funds in accordance with the criteria in the NHS Announcement 29/2012.
- (4) The SEC has revoked its approval as REIT manager or suspended the duties of the REIT manager for more than 90 (ninety) days, according to the NSO Announcement 29/2012.
- (5) The REIT manager desists of juristic persons or liquidation or assets, regardless of a protection order.

#### **Resignation as REIT Manager**

If the REIT manager wishes to resign, he/she must inform the resignation in writing to the unitholder by publishing the news through the set market and trustee's press release system in advance of 120 (one hundred and twenty) days before the date of the resignation and while the resignation has not yet come into force, the REIT manager shall provide reasonable assistance to the trustee in appointing a new person (who is qualified and approved by the office of SEC to be REIT manager of the trust, replacing the former REIT manager. While the trustees have not been able to appoint a new REIT manager, the REIT manager will continue to serve until the new REIT manager can fully enter the duties of the REIT manager in accordance with the Trust Deed.

#### **Processing cases where the REIT manager is unable to perform his duties**

In any case, if the REIT Manager is unable to perform his duties, the Trustee shall manage the REIT as necessary to prevent, deter or limit serious damage to the interests of the REIT or all unitholders. This shall be in accordance with the criteria set out in the Trust Deed.

#### **Duties of the REIT Manager after the contract to appoint a REIT manager ends.**

The contract to appoint a REIT manager ends for any reason, allowing the REIT manager to retain the following duties:

- (1) Hand over the work, the system, client list, accounts, documents, and any information relating to the retention of the REIT manager's duties, to the trustee and/or the REIT manager, as well as to take any action requested by the trustee as appropriate so that the new REIT manager can continue to serve as a REIT manager in the best interests of the TRUST and the unitholder as a whole.
- (2) Take any other reasonable action to enable the new REIT manager to continue his duties in accordance with the trust's founding contract, including signing a letter to certify the full accuracy of what is handed over to the new trustee or REIT manager.

#### **Managing other REITs**

REIT managers do not manage other trusts.

## 8.2 Property Manager

Details of property manager of each project are as follows:

Rich Asset Center Co., Ltd. (Appointed by REIT Manager)	(1) Rich Asset Project
ST Property & Logistics Co., Ltd. (Appointed by REIT Manager)	(1) ST Bang Bo Project (2) ST Bang Pa-In Project (3) Summer Hub Project (4) Summer Hill Project

### Information of the Property Manager

1) Rich Asset Center Co., Ltd.

a) Information

Name	: Rich Asset Center Co., Ltd.
Head Office Location	: 2341/2 Moo 6, Theparak Road, Tumbol Theparak Amphoe Mueang Samut Prakan Samut Prakan 10270
Company Registration No.	: 0115548000976
Date of incorporation	: 21 January 2005
telephone	: 02-313-3469
fax	: -
Web Site	: <a href="http://www.rich-asset.com/">www.rich-asset.com/</a>
Registered Capital	: 30,000,000 Bath
Paid-up Capital	: 30,000,000 Bath

b) Nature and scope of business

Rich Asset Center Co., Ltd. ("RAC") was established in 2005, engaged in real estate development, warehouse and factory by renting or selling to customers who want to start or interested in expanding warehouse and factory branches, which first started with a total living area of 10,000 square meters, and later in 2011 established Rich Asset Development Parkland Co., Ltd. ("RADP"). To support rapidly expanding operations the managing director is qualified with long management experience, especially in real estate management and development especially, warehouse and factory buildings The RAC and RADP currently have eight projects in charge.

c) Shareholders

	Name	Number of Share	Percentage (%)
1	Mr. Niran Khruyanon	5,800,000	96.67
2	Mr. Landscaping Theerathaninan	100,000	1.67
3	Mr. Yuttana Intatecha	100,000	1.67
Total		6,000,000	100.00

Source: Copy of Shareholder's List (Boj. 5) of RAC documents as of 25 November 2021

2) ST Property & Logistics Co., Ltd.

a) Information

Name	:	ST Property & Logistics Co., Ltd.
Head Office Location	:	32/24 Sino-Thai Tower, 3rd Floor, Sukhumvit 21 Road (Asoke), Khlong Toei Nuea Sub-district, Wattana District, Bangkok 10110
Company Registration No.	:	0135560021911
Date of incorporation	:	16 October 2017
telephone	:	02-260-1181
fax	:	02-260-1181
Web Site	:	www.stpi.co.th/
Registered Capital	:	440,000,000 Baht
Paid-up Capital	:	440,000,000 Baht

b) Nature and scope of business

ST Property & Logistics Co., Ltd. ("STPL") is a subsidiary of STP Company Limited & I Public Company Limited Business since 2009 and was established to operate real estate development and logistics business, rent buildings, warehouses and factories, office building for rent, community mall building. There are all 5 projects.

c) Shareholders

	Name	Number of Share	Percentage (%)
1	STP & I Public Company Limited	43,999,997	100.00
2	Mr. Worarat Phromkhunthong	1	-
3	Mrs. Anilrat Nitisarot	1	-
4	Mrs. Arthitaya Charnvirakul	1	-
Total		44,000,000	100.00

Source: Copy of Shareholder's List (Boj. 5) of STPL documents as of 5 January 2022

### Duties and Responsibilities of Real Estate Executives

- (1) Real estate executives agree to perform the general duties of managing and managing assets invested by the REIT, as specified in the contract to appoint a real estate executive, or any duties that the parties will have agreed within writing including such duties to comply with the annual operating plan, the trust's founding contracts, information statements, prospectus and related securities laws for the benefit of the REIT and the trust holders.
- (2) Real estate executives are obliged to take any action as specified by the REIT manager or Trustee to assign additional requests appropriately to specific cases related to the operation of assets invested by the REIT and/or the performance of duties as defined in the contract to appoint a real estate executive or take any action as further required by applicable law.
- (3) Real estate executives are obliged to arrange personnel to perform routine tasks at the assets invested by the REIT and oversee and manage the assets invested by the REIT timely and appropriately. Such personnel must be knowledgeable and experienced in real estate management and qualified to perform duties as real estate executives. Real estate executives have delivered the asset management structure at the Investment Trust and the list of executive personnel of real estate executives for the REIT manager to consider and if there is a significant change in such administration, real estate executives will submit such changes to REIT managers for consideration at least 15 days prior to each change in the management structure.
- (4) Real estate executives agree to prepare an annual plan with an annual budget and will propose an annual plan with the annual budget of the assets invested by the TRUST to the REIT Manager for approval at least 60 days prior to the end of each fiscal year, and the REIT Manager will propose that the REIT consider at least 1 month prior to the end of the next fiscal year each year, by submitting with an annual operational plan for the renovation and/or repair of the large property 3 years in advance (Major Renovation Plan).

- (5) Real estate executives are obliged to maintain copies of documents relating to the management of assets invested by the REIT as necessary and appropriate. This includes a series of documents confirming the sub-payment of cash payments, scanning files, copies of receipts of expenses as operated by real estate executives, for a period of at least 5 years in full condition and ready for REIT managers, trustees, and related parties to review, and will return copies of the documents to the REIT when the contract to appoint a real estate executive end.
- (6) Acting as a real estate executive of the Trust under the contract to appoint a real estate executive, if a real estate executive enters into any transaction on behalf of the REIT that is deemed to be a transaction between the REIT manager and the REIT manager, or a person connected to the REIT manager, and the transaction is a conflict of interest between the REIT and the trustee as defined in securities law, the real estate executive shall be responsible for complying with the criteria as defined in the securities law in such matters by taking into account the best interests of the REIT.

#### Fees received from acting as a property manager

1) Rich Asset Center Co., Ltd.

a) Administration Fee

The REIT agrees to pay administrative fees (vat excluded) to real estate executives on a monthly basis at the rate of 2.00% of operating income<sup>1/</sup> Throughout the administrative hiring period

<sup>1/</sup>Gross Property Operating Revenue means the actual income earned from the provision of benefits from assets that the INVESTMENT TRUST which consists of retail lease income of properties invested by the TRUST, including but not limited to rent and service charges, and other income (excluding income from interest income, unrealized gains/losses from investments and property valuations) that is certified net asset value by REIT managers and trustees.

b) Incentive Fee (VAT excluded) At the following rates:

Period	Administrative fees
Year 1- Year 3	6.00% of net operating income <sup>2/</sup>
4th year onwards	6.75% of net operating income <sup>2/</sup>

<sup>2/</sup>Property EBITDA is all operating income generated from the provision of benefits from assets invested by the REIT, deducting operating expenses such as public area management, utilities, management fees, marketing expenses, etc., and subtractions with fixed expenses such as land and building taxes and/or any other property taxes arising from the assets invested by the REIT that the REIT is obliged to pay by law. Before deducting maintenance reserves (excluding audit expenses, valuations, property inspections, or other expenses related to the REIT which are not related to the operation of the property) that is certified net asset value by REIT managers and trustees

c) Fees for providing retail tenants (VAT exclusive) At the rate:

(1) Fees for providing and processing new retail tenants

- If a new retail tenant enters into a retail lease for a lease period equal to or less than 3 years, the REIT agrees to pay the property management a fee equal to the retail lease rental rate that the REIT will receive from such retail tenant for one month.
- If a new retail tenant enters into a retail lease for a lease period of 1 year or more but less than 3 years, the REIT agrees to pay the fee to the property management in proportion to the actual lease term, compared to the standard rental period of 3 years (the standard fee for the standard 3-year lease term that the REIT will receive on a retail lease from a retail tenant equals 1 month).
- If a new retail tenant enters into a retail lease for less than 1 year, it is not entitled to a fee pursuant to this clause (1).

(2) Processing fees for existing retail tenants to renew retail leases

- If the original retail tenant renews the retail lease for a lease period equal to or more than 3 years, the REIT agrees to pay the property management a fee equal to the retail lease rate that the REIT will receive from such retail tenants for 0.5 months.
- If the original retail tenant renews the retail lease for a period of more than 1 year or more but less than 3 years, the REIT agrees to pay the fee to the property management in proportion to the actual lease term, compared to the standard rental period of 3 years (the standard fee for the standard 3-year lease term that the REIT will receive on a retail lease from a retail tenant is equal to 0.5 months).
- If the original retail tenant renews the retail lease for a lease period less than or equal to 1 year, the estate management is not entitled to the fee under clause (2).



2) ST Property & Logistics Co., Ltd.

a) Administration Fee

ST Bang Bo Project and ST Bang Pa-In Project

The REIT agrees to pay administrative fees (vat excluded) to real estate executives on a monthly basis at the rate of 2.00% of operating income<sup>1/</sup> Throughout the administrative period, the real estate executive must submit proof of payment of the cost of the construction of the dam<sup>2/</sup> For the monthly period to the REIT, the REIT shall pay administrative fees for that month to real estate executives.

Summer Hub and Summer Hill Projects

Period	Administrative fees
Year 1: 30 June 2022	1.00% of operating income <sup>1/</sup>
From 1 July 2022 onwards	2.00% of operating income <sup>1/</sup>

<sup>1/</sup> Gross Property Operating Revenue means the actual income earned from the provision of benefits from assets that the INVESTMENT TRUST which consists of retail lease income of properties invested by the REIT, including but not limited to rent and service charges, and other income (excluding income from interest income, unrealized gains/losses from investments and property valuations) that is certified net asset value by REIT managers and trustees.

<sup>2/</sup> Dam construction costs refer to construction costs, unpaid expenses, fines, interest, and all other expenses incurred and related to the construction of flood-proof dams in Bang Pa-In Industrial Estate to pay Bang Pa-In Land Co., Ltd. by dividing the payment in installments on a monthly basis according to the rates and details set out in the memorandum of agreement between real estate executives, Bang Pa-in Land Co., Ltd. and the Industrial Estate Authority of Thailand.

b) Incentive Fee (VAT excluded) At the following rates:

ST Bang Bo Project and ST Bang Pa-In Project

Period	Administrative fees
Year 1- Year 3	6.00% of net operating income <sup>1/</sup>
4th year onwards	6.10% of net operating income <sup>1/</sup>

Summer Hub and Summer Hill Project

Period	Administrative fees
Year 1: 30 June 2022	4.00% of net operating income <sup>1/</sup>
From July 1, 2022, until the third year	6.00% of net operating income <sup>1/</sup>
4th year onwards	6.10% of net operating income <sup>1/</sup>

<sup>1/0</sup> Property EBITDA is all operating income arising from the provision of benefits from assets invested by the TRUST, deducting operating expenses such as public area management, utilities, management fees, marketing expenses, etc., and deductions of fixed expenses such as land and building taxes and/or any other property taxes arising from assets invested by the REIT that the REIT is obliged to pay by law before deducting maintenance reserves (excluding audit expenses, valuations, property inspections or other expenses related to the REIT which are not related to the operation of the property), that is certified net asset value by REIT managers and trustees.

c) Fees for providing retail tenants (VAT exclusive):

(1) Fees for providing and processing new retail tenants

- If a new retail tenant enters into a retail lease for a lease period equal to or less than 3 years, the REIT agrees to pay the property management a fee equal to the retail lease rental rate that the REIT will receive from such retail tenant for one month.
- If a new retail tenant enters into a retail lease for a lease period of 1 year or more but less than 3 years, the REIT agrees to pay the fee to the property management in proportion to the actual lease term, compared to the standard rental period of 3 years (the standard fee for the standard 3-year lease term that the REIT will receive on a retail lease from a retail tenant equals 1 month).
- If a new retail tenant enters into a retail lease for less than 1 year, the estate management is not entitled to a fee pursuant to this clause (1).

(2) Processing fees for existing retail tenants to renew retail leases

- If the original retail tenant renews the retail lease for a lease period equal to or more than 3 years, the REIT agrees to pay the property management a fee equal to the retail lease rate that the REIT will receive from such retail tenants for 0.5 months.
- If the original retail tenant renews the retail lease for a period of more than 1 year or more but less than 3 years, the REIT agrees to pay the fee to the property management in proportion to the actual lease term, compared to the standard rental period of 3 years (the standard fee for the standard 3-year lease term that the REIT will receive on a retail lease from a retail tenant is equal to 0.5 months).
- If the original retail tenant renews the retail lease for a lease period less than or equal to 1 year, the estate management is not entitled to the fee under clause (2).

### 8.3 Trustee

#### 8.3.1 Information

Trustee's Name	:	Kasikorn Asset Management Co., Ltd.
Head Office Location	:	400/22 Kasikorn Bank Building, 6th, and 12th Floor, Phaholyothin Road, Samsennai, Phayathai, Bangkok 10400
Company Registration No.	:	0105535048487
telephone	:	02-673-3999
fax	:	02-673-3900
Website	:	www.kasikornasset.com
Registered Capital	:	135,771,370 Baht
Paid-up Capital	:	135,771,370 Baht

#### 8.3.2 Shareholders

	Name	Number of Share	Percentage (%)
1	KASIKORNBANK PLC.	27,154,272	100.00
2	Mr. Pratan Atcharawan	1	0.00
3	Ms. Saranya Sirivanasandha	1	0.00
	<b>Total</b>	<b>27,154,274</b>	<b>100.00</b>

Source: Copy of Shareholder's List (Boj. 5) Kasikorn Asset Management Co., Ltd. as of 2 February, 2022

#### 8.3.3 Duties and responsibilities to become a trustee

Trustees are responsible for managing the REIT with integrity and vigilance as professionals, including with expertise by treating trust unitholders fairly in the best interests of the unitholders as a whole, and in accordance with applicable laws, trust's founding contract, the purpose for establishing a REIT, resolutions of the unitholders, and additional obligations made to the unitholders (if any).

In performing such duties, the trustee may seek the opinion of independent professional advice as deemed appropriate by the trustee. In addition, the trustee's duty requires the trustee to refrain from acting in conflicts of interest with the interests of the REIT, whether it is for the benefit of the trustee himself or the benefit of others unless it is a claim for compensation to act as a trustee or a transaction with measures or mechanisms to verify and balance the fairness of the transaction, and the Trustee demonstrates that it has managed the REIT fairly and has disclosed the relevant information to the trust holders beforehand sufficiently and unitholders who have heard the information have not expressed objections. Disclosure of such information

and objections shall be in accordance with the Announcement of Sor. 27/2014 and the relevant rules of the Board of Directors. SEC

Under the Trust Deed, as well as the Trust Act, and the announcement of the relevant rules and regulations of the Board of Directors of the SEC, the SEC, and the Stock Exchange of Thailand, the trustee's duties are as follows:

1) Duties for asset management

(1) Trustees must assign trust management to REIT managers who receive feedback from SEC unless it is the management of other non-primary assets.

(2) The management of other assets that are not the core assets of the TRUST shall be the duty of the REIT manager unless the REIT manager is unable to act in accordance with the following criteria:

(2.1) If the trustee has to do it himself at least the following policy must be provided:

- There is a separation of the agency that arranges investments in such other assets from those that perform functions that may cause conflicts of interest or conflicts of duty.
- Measures to prevent internal information abuse must separate agencies and personnel who are responsible for organizing investments in other assets from other agencies and personnel who have the opportunity to take advantage of such information.

(2.2) If another person who is not the REIT manager is assigned to the operator, in accordance with the criteria set out in the Capital Market Supervisory Board Notice on the supervision of other persons as recipients of operations related to business operations, and in relation to having another person as a recipient, perform the work related to the investment of the fund by a subordinate.

2) Duties to organize the work of trustees

Trustees are responsible for providing an appropriate system in accordance with the Trust Act and as announced by the SEC, at least by providing the trustee's work system to cover a range of matters as follows:

- (1) Regarding separation of trusts from the trustee's private property to preserve the property, the TRUST must be separated under the trust's founding contract from the assets of other trusts or the private property of the trustee.
- (2) Audit of trust management to comply with trust's founding contract and REIT manager's trust act
- (3) Recording of ownership or rights over assets in the REIT, income, expenditures, and liabilities of the REIT, as well as accounts related to the REIT
- (4) Monitoring, supervising, and monitoring the duties of REIT managers for the benefits of the REIT.
- (5) Supervision, audit and prevent the trust from managing the TRUST from complying with the trust's founding contract and the Act. and no fraud in the management of the REIT.

- (6) Accounting the REIT's assets separately from other trustee accounts. If the trustee manages several trusts, the assets of each trust must be separated and recorded correctly, completely and up-to-date, as well as separate the trustees from the trustee's private property and other assets occupied by the trustee, and if the trustee manages several trusts, each trust must be separated.
  - (7) In the event that the Trustee does not comply with Clause (6), the REIT is so mixed with the trustee's private assets that it cannot be separated from which property belongs to the REIT and which is the property that is private to the trustee himself. Let's assume
    - a) The mixed assets belong to the REIT.
    - b) Damages and debts arising from the management of the mixed assets are damages and personal debts of trustees.
    - c) The benefits of managing the mixed assets belong to the TRUST.
    - d) Mixed assets in accordance with the above term shall include property that has been deformed or converted from the mixed property.
  - (8) If the Trustee does not comply with Clause (6), it is the reason that each TRUST is so mixed that it cannot be separated which assets belong to which TRUST. It is assumed that the property, including the property that has been deformed or replaced from that property and any benefit or liabilities arising from the management of such assets, belongs to each trust in proportion to the assets taken as a mixed cost.
- 3) Duties to manage the REIT
- (1) Trustees are obliged to participate in every unitholder meeting. If a resolution is requested by the unitholder of the trust to take one of the actions, the trust will be asked for a resolution. Trustees must:
  - (2) Respond to inquiries and comment on such actions or matters seeking resolutions on whether they comply with the trust's founding contract or applicable laws.
  - (3) Protest and inform the trust unitholders that such action or the matter requesting a resolution cannot be made if the trust's founding contract is not met or the relevant laws
  - (4) If the trustee is the unitholder of the trust in the REIT and any vote or action is required as a unitholder, the trustee shall take into account and maintain the best interests of the unitholder as a whole and be based on the principles of integrity and prudence, caution, as well as not causing conflicts or compromising the trustees' duties as trustees.
  - (5) Trustees are obliged to force repayment or ensure that debt repayment is enforced in order to comply with contractual clauses between the REIT and other persons.
  - (6) It is forbidden for trustees to take debts they owe to third parties that are not due to the duties of trustees to subtract debts to debts owed by third parties, or Trustees due to the management of the TRUST Acts that violate this prohibition shall void such acts.

- (7) If the trustee enters into legal proceedings or makes transactions with a third party, the trustee shall notify the third party in writing when entering into legal or transaction with a third party as an act as a trustee. And it must be clearly stated in the evidence of the law or the transaction as an act as a trustee.
- (8) In trust management, trustees cannot assign others to manage the TRUST unless they enter an exception to give the trustee the right to assign the work as defined in the trust's founding contract.
- (9) The trustee is responsible for the preparation of the registration book of the unitholder, and the trustee may assign it to the Securities Depository (Thailand) Co., Ltd or the licensee to serve as a securities registrar under the Act. Securities can be performed instead. When assigning someone else as a trust registrar, the trustee is responsible for supervising such delegates to comply with the rules in the trust's founding contract and securities laws, unless evidence is provided in accordance with the securities depository's system and regulations in relation to the securities registrar.
- (10) Trustees or trust registrars must provide proof of eligibility in the trust unit or the trust unit certificate to the trust unitholders in accordance with the criteria set out in the trust's founding contract and securities law.
- (11) If the trust unitholder asks the trustee or registrar of trust units to issue proof of eligibility in the new trust unit or the new trust unit certificate instead of the old evidence that has been lost, obliterated, or damaged, the trustee shall be obliged to issue or process the issuance of evidence of eligibility in the trust unit or the new trust unit certificate to the unitholder within a reasonable time.
- (12) The trustee is responsible for providing the trustee's opinion on the duties of the REIT manager. Concerning the trust's annual report, in which the REIT manager is responsible for preparing the report presented to the unitholders, the trustee must comment on how the REIT manager's performance in managing the REIT and comply with the trust's founding contractual requirements, including the laws, notices and other relevant requirements. If the REIT manager does not comply with the terms of the Trust's Founding Contract or the law or any other applicable notices and requirements, such matters shall be specified, as well as the trustee's actions in correcting them.
- (13) The trustee is responsible for certifying the report on the Net Asset Value of the REIT and the value of the unit as of the last business day of each quarter in accordance with the rules announced by the relevant rules so that the REIT manager will use it to disclose the report to the SEC within 45 (forty-five) days from the last day of each quarter
- (14) In addition, trustees are responsible for prudence and caution in order for REIT managers to calculate the Net Asset Value (NAV) of the REIT's assets per unit in accordance with the rules announced by the relevant rules. When a REIT manager issues an annual report in each period, publishing information about net asset value and net asset value per unit in the REIT's annual

report, the REIT manager must submit information relating to the calculation of net asset value (NAV), including but not limited to the real estate valuation report.

- (15) The Trustee may incur any debt and/or expenses under the rules, conditions, and procedures as set out in the Trust's founding contract, the Trust Act announces any other relevant rules, regulations, and regulations.
- (16) The trustee has no duty to provide any collateral to ensure the performance of his duties as a trustee, and the trustee has no other duty to the unitholder and/or any other person. In addition to those specified in the Trust's founding contract and/or as required by law. In addition, the trustee's accession to the trust's establishment agreement does not guarantee the income or performance of the REIT or guarantee the performance of the contracts of any tenant.
- (17) When the REIT ends, the trustee shall continue to act to collect, dispose of and allocate assets to clear the liabilities and expenses when the trust ends in the order set forth in the Trust Act.
- (18) The trustee shall separate the trust's financial statements from the financial statements of other trusts or those of the trustees. It takes into account the standards set by the law on the accounting profession. The financial statements prepared must be audited and expressed by the auditor before submitting to SEC and publicly disclose under the rules announced by the SEC. Such an auditor must be approved by the SEC and must not be a director, employee, or employee of the trustee.
- (19) The trustee shall refrain from exercising the right to receive money or assets back from the REIT for expenses paid to third parties

4) Duties to monitor, supervise and monitor REIT managers or other delegates (if any)

The trustee is responsible for monitoring, maintaining, and monitoring the REIT manager or other delegates (if any) who carry out tasks to comply with the trust's founding contracts, other related contracts, and other relevant notices from the Board of Directors, The SEC. The above schedule, monitoring, supervision, and monitoring includes performing the following functions:

- (1) Ensure that the management of the REIT is done by the REIT manager approved by SEC for the duration of the REIT's position,
- (2) Monitor, supervise, and take the necessary actions in order for the assignee to meet the criteria set out in the trust's founding contract and related laws. This includes the removal of the original assignee and the appointment of a new assignee.
- (3) Supervise the trust's investments in accordance with the trust's founding contracts and related laws.

- (4) Supervise the disclosure of the REIT's information correctly and completely as defined in the trust's founding contract and related laws.
- (5) Comment on the actions or transactions for the REIT manager and other assignees (if any) to request resolutions at the Unitholder's Meeting. Disclosure of trust information to unitholders or when the SEC requests.
- (6) For the benefit of the REIT and the unitholders as a whole, the Trustee may require the REIT Manager to take one of the appropriate actions and not burden him/her beyond the duties set out in the Trust's founding contract or applicable legislation. What requires REIT managers to do so must not be contrary or contradictory to the trust's founding contract or the law. And if such a charge causes unreasonable burdens and costs to the REIT manager, they will be subject to significant burdens and regulations. Trustees and REIT managers will continue to agree.
- (7) if it appears that the REIT Manager acts or refrains from acting, causing damage to the TRUST, or not performing its duties in accordance with the trust's founding contract or related laws, the trustee shall have the following duties:
  - a) Report to the SEC within 5 business days from knowing or knowing of the incident.
  - b) Take action to correct, deter or remedy damage to the RIT as it deems appropriate.
- (8) In the absence of a REIT manager, or there are grounds for the REIT manager's inability to perform his duties, the trustee shall take over the trust until a new REIT manager is appointed. However, this is Under the guidelines as set out in the Notice of July 14/2012, trustees are responsible for managing the REIT as necessary to prevent, deter or limit serious damage to the interests of the REIT or unitholders as a whole and to carry out the authority specified in the Trust Deed and the Trust Act. Trustees may assign others to manage the REIT instead during that time. This is within the scope, rules, and conditions specified by the trust's founding contract including the power to provide a new REIT manager in accordance with the authority in the trust's founding contract and the Trust Act.

In addition, when it is deemed that the REIT manager has failed to perform his duties correctly and fully as defined in the Trust's deed or the Trust Act, the SEC announcement or any other relevant notice, as a result, causing or potentially causing serious damage to the REIT and/or the unitholder and failing to remedy that damage within a reasonable period of time, the Trustee can take over the REIT manager's behalf as the Trustee deems appropriate.



5) Duties relating to the Trust Deed

The trustee is responsible for ensuring that the Trust Deed are in accordance with the relevant laws. In the event of amendments to the Trust Deed, the trustees shall follow the following criteria:

- (1) Ensure that the amendments to the Trust's founding contract are in accordance with the methods and conditions set out in the Trust's founding contract and in accordance with the criteria set out in the relevant legislation.
  - (2) If the amendment to the trust's founding contract does not comply with Clause (1) above, the trustee shall act in accordance with the authority specified in the trust's founding contract and in accordance with the Trust Act to maintain the benefits of the unitholders as a whole.
  - (3) Guidelines regarding the offering of unit trusts or the management of trusts issued under the Act. Securities and the Trust Act is amended at a later date, and the Trust's founding contract contains requirements that do not meet the criteria, the trustee should amend the trust's founding contract to comply with those criteria, in accordance with the methods set out in the trust's founding contract or as specified by the SEC. Ordered under Section 21 of the Trust Act.
- 6) The use of the trustees' authority and duties to manage the REIT is only for the trustee which cannot be assigned to others to manage the REIT unless:
- (1) Transactions that are not subject to a specific matter and do not require a professional as a trustee.
  - (2) Transactions in which the owner of the property, which has the property and the purpose of management in a similar to the REIT, shall be made in assigning another person to manage it instead.
  - (3) The trustee may assign the task of preserving the property, registration of trust unitholders, or supporting the trustees' affiliates or others to do so.
  - (4) Any other matters for which the REIT Manager is responsible for and act as defined in the Trust's establishment Agreement or the criteria in the Notice 49/2012 announced on 14/2012 and announced on NHS 29/2012 or any other relevant notices or requirements.

If the trustee assigns others to manage the REIT in accordance with Article 9.6.4 6), the Trustee must select the assignee carefully, and adequately to supervise and monitor the management instead. The operational measures regarding the assignment must be set in accordance with the criteria in the Board of Directors' notice. SEC No. 1/2010 on the system of work, investor contact, and general business operations of trustees as follows

- (1) Selection of deserving delegates, considering the systematic readiness and personnel of the assigned person, as well as conflicts of interest of the assignees and trusts.
- (2) Controlling and evaluating the performance of delegates
- (3) When it appears that the delegate is no longer suitable to be assigned the task. The action is required.

Trustees can assign property care, the registration of unitholders, or supporting work practices, in which the assignment of such tasks, the trustee assigns the following persons:

- (1) Property preservation must be assigned to someone with the following characteristics:
  - a) Trustees of mutual funds
  - b) Depositor of private funds
  - c) Other Trustees
  - d) The lawful depositor of the property of one of the countries in which the TRUST has invested, or of the country where the depositor is located.
  - e) Any other person authorized by the SEC to keep the trust's assets.
- (2) The registration of unitholders must be assigned to those who can operate the trust registrar business.

In order to assign the above tasks, trustees must assign tasks in a way that ensures that the management of the REIT can continue to operate. There is no damage to the TRUST and the trustee will remain responsible for the damage caused to the TRUST as required by the Trust Act.

7) To manage the TRUST and assign others to manage the TRUST the trust's founding contract. If there is a cost or trustee, the payment or other assets must be made to a third party with the trustee's own private funds or assets with reasonable necessity. The trustee shall be entitled to receive money or assets back from the TRUST unless the trust's founding contract is redefined.

The right to receive the money or assets returned as mentioned above shall be preferred by the trustee before the trust holders and third parties who have any rights or rights above the TRUST, and it is a right that may be enforced immediately without having to wait for the termination of the trust, and if it is necessary to reform or change the assets in the TRUST in order to have the money or assets returned to the trustee, the trustee shall have the authority to do so but must process honestly and in accordance with the rules, conditions, and methods of the Board of Directors The SEC or Sec.

Trustees are prohibited from exercising their right under this clause until the trustee has fully repaid the existing debt to the REIT unless it is a debt that may be deducted in accordance with the Civil and Commercial Code.

8) If the trustee manages the REIT not as required in the Trust's founding contract or the Act., Trustees are liable for damages caused to the REIT.

If it is necessary and reasonable for the benefit of the REIT, the Trustee may seek the SEC's approval before managing the REIT differently from predetermination out in the Trust Deed. And if the trustee has dealt honestly and in the best interests of the REIT, then the trustee will not be able to do so. The trustee is not liable in accordance with the above.

#### Fees received from acting as trustees

Trustees will receive a fee for their duties as trustees at a fee rate of no more than 1% of the total asset value of the REIT.

#### 8.4 Investment Committee

-None-

#### 8.5 Name, address and telephone number of the auditor, Registrar, Appraiser

##### 8.5.1 Auditor

Name : SP Audit Co., Ltd.  
Address : K.S.L. Tower, 18th Floor (A), 503/21 Sri Ayutthaya Road,  
Khwang Phayathai Ratchathewi, Bangkok 10400  
Tel : 02-642-6172-4

##### 8.5.2 Registrar

Name : Securities Depository (Thailand) Co., Ltd.  
Address : 93, 14th Floor, Ratchadapisek Road, Dindaeng, Dindaeng, Bangkok  
10400  
Tel : 02-009-9999

##### 8.5.3 Appraiser

Name	Address
1. KTAC Co., Ltd. Appraisal & Service Co., Ltd. ("KTAC")	972/1 Subin Building, 2nd Floor , Rimkhlong Samsen Road, Bangkok, Huai Khwang, Bangkok 10310 Telephone 02-641-5157-61 Fax 02-641-5162-63
2. Year Appraisal Co., Ltd. ("YA")	47 Rama 9 Road, Huai Khwang, Huai Khwang, Bangkok 10310. Telephone 02-247-9820 Fax. 02-247-9308
3. The Value & Consultants Co., Ltd. ("The V&C")	Zone B-2, 12th Floor, KPN Tower, 719 Rama 9 Road, Bangkok, Huai Khwang, Bangkok 10320 Telephone 02-717-0801-8 Fax. 02-717-0800

##### 8.5.4 Advisors (If any)

-None-

## 9. Corporate Governance

### 9.1 Policy on Trust Governance

The REIT manager has a policy of managing and maintaining the REIT in accordance with the law, rules, relevant notices of the SEC, and the Trust Deed for the benefit of the REIT and the unitholders as a whole

To manage assets invested by the REIT under the supervision and policy of the REIT manager, such assignment or appointment shall be in accordance with the requirements of the trust's founding contract. The operations of the REIT manager and real estate executives in managing the trust's assets will be controlled and supervised by the trustees. In order for the operation of REIT managers and real estate executives, they should comply with the terms and conditions of the trust's founding contract and the criteria under the Trust Act, other notices issued by the Board of Directors of the SEC, the SEC, and the Stock Exchange of Thailand and other relevant laws. The TRUST will not operate in any manner that uses the REIT to operate other businesses such as a hotel or hospital businesses, and the REIT will not lease its properties to individuals who seem to be suspected that the property will be used in business that is morally or unlawful.

### 9.2 Sub-Committee

See details in Clause 8.1.2 Management Structure. Directors List Trust Executives and Managers

### 9.3 Meeting of REIT managers

The Board of Directors must hold a meeting of the Board of Directors. (This will hold at least 1 (one) meeting every 3 (three) months for the Board of Directors to consider and approve the actions necessary to operate the Company. In the following matters:

- a) Matters of the Board of Directors to acknowledge
  - (1) Performance of the Company and the REIT
  - (2) Progress in implementing business and marketing plans established by the Company to provide benefits to the REIT as well as problems and obstacles, including solutions with the support of real estate executives.
  - (3) Guidelines for mitigating risks or other reasons that may affect the REIT's performance.
  - (4) Performance of departments in the Company including Risk Management and Audit and Management Department, Asset Management Department, Investor Relations and Business Development and Operations, as well as problems and obstacles in operations and solutions.
  - (5) Weaknesses in the Company's internal control system and operating system to act as a REIT manager, as well as guidance and progress in remedial issues.
- b) Matters of the Board of Directors for Approval

- (1) Strategies and Business Plans of the REIT and REIT Managers
- (2) The internal management structure of REIT managers
- (3) Business Policy
- (4) Design, placement, and modification of the work system
- (5) Related issues that may pose a risk to the REIT's provision of benefits
- (6) Related issues that may pose a risk of conflict of interest in acting as a REIT manager
- (7) Investment in the trust's main assets
- (8) The REIT's annual business plan may be prepared with the cooperation of real estate executives.
- (9) Guidelines for the implementation of significant disputes and complaints regarding the operation of the TRUST, must be considered by the Board of Directors.
- (10) Any other matters that need to be considered and approved by the Trust Unitholder Meeting
- (11) Other matters that are important and relevant to the operation of the Company and the REIT.

c) Quorum and Votes

In accordance with the Company's regulations at every board meeting, the quorum must consist of at least half of the total number of directors in person, and all resolutions of the Board of Directors shall be decisively determined by the majority of the directors attending the meeting without counting the directors who do not have the right to vote. However, in a vote at that committee meeting, directors with any conflicts of interest, whether directly or indirectly, do not have the right to vote.

In addition, if the votes at the board meeting are equal, the chairman of the meeting shall have one more vote as another vote.

At the Board of Directors' meeting, the chairman of the meeting will allow all directors to express their opinions openly before the vote. The Company will provide a written record of the minutes of the Board of Directors meeting, storing the originals together with the meeting invitations and supporting documents, and storing copies in electronic form for convenience for directors and those involved in the audit.

d) Conflict of Interest

The Board of Directors recognizes the importance of conflicts of interest and interests related to the REIT and the Company and its connected persons. Therefore, the Board of Directors has a policy on preventing conflicts of interest based on the principle to conduct any business activities of the Company and the operations of all personnel of the Company that must be made in the best interests of the REIT only and should avoid actions that may cause conflicts of interest. In addition, both directors and executives of the Company are

obliged to report their interests and connected persons. This is also a stake in connection with the management of the REIT or the Company to know the relationship and interests of those involved in the program.

#### 9.4 Overseeing the use of internal data

The REIT manager has policies and procedures for overseeing directors, executives, and those involved in the trust's management in the use of internal information which has not been made public for personal gain as follows:

- (1) Educate directors and executives about their duties to report their securities, spouses, and underage children to the SEC under Section 59 and penalties under Section 275 of the Securities and Exchange Act B.E. 2535 (including those as amended), including reporting the acquisition or disposition of their securities, spouses and underage children to the SEC under Section 246 and penalties under Section 298 of the Securities and Exchange Act B.E. 2535 (including the amendments)
- (2) The directors and executives of the REIT managers, including spouses and underage children, shall prepare and disclose securities holding reports and report changes in the company's securities holdings to the Securities and Exchange Commission under Section 59 of the Securities Act (including as amended) and send a copy of this report to the Company on the same day as the date the report is submitted to the SEC,
- (3) Directors, executives of the REIT Manager and their employees who are informed of the inside information affecting changes in the price of trust units must be careful when trading trust units regarding the 30 days before the financial statements or internal information being made public and in the 24 hours after the REIT's internal information has been made public, the company has made public. Those involved in internal information must not disclose that information to others until it has been notified to the Stock Exchange of Thailand. Regarding the penalty, if there is a violation of the above protocols, the Company considers a disciplinary offense under the Company's work regulations, including verbal admonition, letters admonition, probation, as well as the termination of employee status due to dismissal. Dismissed or removed, as the case may be, etc.

Directors, executives, and employees of REIT managers and those involved in the management of the REIT and related persons of that person who have been informed or may have been informed of internal information that has not been made public are forbidden to use internal information that contains or may affect changes in the price of the units of trust units, which have not been made public, which they have learned of in such positions or positions, to use them to buy or sell or offer to buy or offer to sell, or to persuade others to buy or sell, or to offer, to buy, or to offer, to sell, to trust units or other securities (if any), whether directly or indirectly, in a way that is likely to cause damage to the Company, whether directly or indirectly and such actions are done in the interests of themselves or others, or to expose such facts to others. It does not matter whether they receive benefits in return or not.

## 9.5 Processes and factors used to consider investment decisions, including REIT management

System and procedures for determining and selecting investments in real estate and sourcing of real estate benefits

### Operating procedures

- (1) Investor Relations and Business Development department deals with both individuals and external entities to acquire investment opportunities, including but not limited to sponsors, property owners, real estate brokers, financial advisors, and other relevant professionals to recruit investment opportunities to the REIT through investor relations and business development.

If other parties know the third party as a person who recommends investment opportunities must inform the Investor Relations and Business Development Department to coordinate and study the initial feasibility of the investment project. The Investor Relations and Business Development Department screens investment projects with good business potential in line with REIT's investment policy.

- (2) When foreseeing the right investment opportunities, the Investor Relations and Business Development Department will assign personnel in the department to conduct preliminary data studies, including the preparation and analysis of project expenditure and return estimates, legality, location, the value of the property when setting up the REIT compared to the sale price of the property required by the property owner, etc., to negotiate initially and determine the conditions and material of the initial investment with the property owner. If the preconditions are perfect, it is acceptable to the owner of the property. The Investor Relations and Business Development Department will provide a summary of asset details and conditions for import investment at the Board of Directors' meeting for co-consideration before presenting to the next board meeting.

- (3) When Investor relations and business development has already been presented the potential investment project to the Board of Directors' Meeting. The meeting will jointly consider carefully the terms of commercial feasibility principles. Commercial Feasibility, including legal feasibility and suitability, is consistent with REIT's investment policy. If the meeting has any questions or concerns that require further clarification or explanation, which has not been resolved whether it is appropriate to invest or not invest in such projects. The Investor Relations and Business Development Department will take the matter to find out more. Before reposing at the next meeting

- (4) At the meeting, if the team with all related parties have a consensus that such investment projects are consistent and appropriate with the REIT's investment policy, the Investor Relations and Business Development Department assigns to one of the individuals in the party to research due diligence, the real estate that the REIT will invest in, and assign a person in the supervisory department assess the risks that may arise from investing in the property, and provide risk management guidelines as well as assigning the operations department to recruit and hire consultants with specialized expertise such as

financial advisors, property valuers, legal advisors or engineering consultants with the careful operation. If the information is completed, advisors will summarize all information and documents and submit such information and documents to the relevant department for further consideration and approval of the results.

For the possibility of investing in such real estate projects, there are detailed studies on the following:

(4.1) To study the ability of the parties to enter the law, as well as the completeness, accuracy, and enforceability of the law of the rights documents or related contract documents. If the real estate to be invested in is overseas, it is required to research the TRUST's ability to acquire, hold, and obligations of real estate in accordance with the laws of such countries, including the relevant laws of that country as well as the opinions of legal advisors, tax advisors who specialize in the laws of that country, which must be reviewed necessarily and appropriately to ensure that the sale, payment, transfer, transfer of a real estate or entering into contracts related to real estate for the TRUST is valid and legally valid.

(4.2) Conditions of the property that the TRUST will invest in, at least with a detailed study on the issue. as follows

(4.2.1) Consider the location, economic conditions, and competitive circumstances of the property market in the past, as well as the trends, continuity, and consistency of income from that type of real estate in the future, such as:

- The Occupancy Rate, both based on estimates and historical data, assesses the competitiveness of the property compared to its competitors.
- The rental rate or price of that property in recent times compared with competitors to assess revenue opportunities and increase future returns.
- Analyze other data relating to real estate market conditions.

(4.2.2) the value of the property which must be large enough to result in an economy of scale in trust management.

(4.2.3) Analyze the financial position and performance of the property based on past performance. The track record includes the performance of each month to assess seasonal effect to consider whether the real estate revenue is affected by seasonal changes, such as:

- Analyze the cost and profitability of leasing or the provision of benefits from historical real estate as higher or lower or close to the same or similar property type. To consider ways to control and improve costs to generate good returns for the REIT.

However, this is information about the performance of nearby properties which may be used from financial statements of companies



engaged in investment or management of nearby types of real estate, or inquiries from market operators or real estate brokers, or compared to funds or trusts investing in similar types of real estate both in Thailand and abroad.

- The real estate case is in a location that has the potential to increase rental income more than past performance. (Track Record) in the past (which may be the result of inefficiency of management and marketing plans) together with buildings and buildings still in good condition. They can be used to provide benefits without a reconstruction.

If the REIT will invest in that real estate, Investor Relations and Business Development will plan a clear roadmap for improving management or marketing plans or how to make real estate more profitable in the future.

However, this is for newly built real estate without a Track Record. The research should lie in the performance of nearby properties in similar locations and demand to assess the risks and fluctuations of income and the suitability of long-term investments.

- (4.2.4) Analyze and evaluate tenants in recent times, such as the history of rent payments (e.g. in due course or long delays). Also. Study how long will it take to find a new tenant when the original one does not renew the lease, how much has the rent increase been done in recent times, business type of tenant, etc. to identify the potential risks of leasing and plan, as well as disclose them as risk factors in the TRUST's information statements and prospectus to investors.

If the real estate has a significant dependence on rental income from a particular group of customers or more than 30 percent of the total rental income, the Investor Relations, and Business Development Department should consider the business trends of these big tenants because if the business condition is not good, a tenant may not renew the lease which will affect the REIT's income. Investor Relations and Business Development will disclose as a risk factor in the registration statement and prospectus.

If the REIT rents the property to only one tenant. Consider setting conditions to maintain the benefits of the REIT, such as requiring sub-tenants to place sufficient rental collateral, risk disclosure of collateral enforcement procedures, and type of payment to prevent default on tenants' rent, etc.

- (4.2.5) Provide inspection of the strength of buildings, and the condition of property within buildings to ensure the good condition and provide immediate benefits. Check the history of repairs or extensions of buildings to be done in accordance with

engineering principles. Check the inspection and maintenance history of utilities and equipment in the building to see if they are fully implemented in accordance with the appropriate period to be able to take advantage of it for a long period of time.

However, this is in the case of old buildings, not modern ones. they cannot compete with the nearby market, or they are long-constructed buildings that are in dilapidated or approaching cycles that need to be renovated in a short time. If the Trust is to buy that property, the Investor Relations and Business Development Department must take into account the cost of repairs, improvements that need to be incurred to deduct from the purchase price (if the purchase price is based on the appraisal price, where the property appraiser sets out too few assumptions about the cost of repairs), as well as to disclose in a clear listing and prospectus about the risks of competitive conditions (as a result of the old building), the liquidity of the REIT to ensure the cost and time required for maintenance after the purchase of the property, which will have an impact on the REIT's return.

- (4.2.6) Check compliance with the law regarding the control of buildings, such as checking whether there is a document of evidence indicating that the construction is correct in accordance with commonly accepted safety standards. Are past repairs or extensions to buildings in accordance with safety standards set by government agencies? If an earthquake occurred in the area or buildings or there was a fire. Special inspections are required for the strength of building structures, indoor utilities (e.g. fire protection, fire escapes, elevators, escalators, indoor air conditioning systems, etc.) which must have been inspected and maintained for the appropriate period.

However, this is after buying or renting a property, property management still needs to conduct annual inspections to ensure that properties invested by the TRUST are invested in are fully implemented in accordance with the requirements in the Building Control Act.

- (4.2.7) Monitor compliance with environmental laws, e.g., check the type of buildings that the REIT will invest in e.g. does the law require that an environmental impact analysis report be prepared presented to government agencies before construction? And is it currently in practice, etc.
- (4.2.8) Check the ownership of the property. The person who will sell the property to the TRUST is a legitimate titleholder, and the documents used to register, transfer,

and transfer, or consent documents for the trading of real estate, are provided in accordance with applicable law.

(4.2.9) Check the scope of land to be purchased or leased, and a land survey to clearly define the boundaries of the land to prevent encroachment on the area or the problem of not getting the land in full according to the land title deed.

(4.2.10) Verify that the property is not legally obligated or contracted or has any disputes that will constrain the provision of benefits in the next phase. For example, if a government agency does not renew the lease of land to the leasehold owner of the property to be sold to the REIT, the provision of benefits on the leasehold rights of the property will have to end or the new benefit provision model must be changed to another or even to check if there is a complaint from the tenant or resident nearby, which will affect the lease of the trust's land in the next phase.

(4.2.11) Check whether the property to be purchased or leased has an entrance and exit. If not, it requires an entrance and exit that belongs to another person. Investor Relations and Business Development Department must arrange the registration of the obligation or any other right that causes the property to use the entrance and exit of another person to the REIT.

However, this is for the case that investor relations and business development receive information that the entrance is public. Investor Relations and Business Development department must verify that the entrance is public as notified.

(4.2.12) Consider the appropriateness of the purchase price of the property or the leasehold price of the property. It must be a price that provides a return for the long-term investment and is in line with the benefits provision conditions agreed with the sponsor, as well as taking into account the various expenses that the REIT will be responsible for after purchase or lease (e.g., the cost of renovation of the building due to the deterioration of the building or due to the deterioration of the benefit after the purchase or the cost of demolishing the building at the end of the lease term) according to the leasehold investment and the discount rate in the current value of the future net income stream to suit the risk of future rental income fluctuations.

(4.2.13) The Investor Relations and Business Development Department will make a clear agreement on the form of sourcing and dividing benefits between the TRUST and the tenant (if any) and charging the REIT's expenses, taking into account the benefits of the REIT and information about the obligations of the property existing

to the tenant under the original lease to the property appraiser to be informed to be used to set a fair appraisal price for that property.

(4.2.14) If the REIT has invested in the leasehold rights of the property; it must consider the determination of conditions to preserve the benefits of the REIT, such as:

- The lease has no conditions that make the REIT more obligated than the normal duties that the tenant must perform.
- The lease does not impose conditions on which the lessor can immediately terminate the lease with the REIT, even if the REIT has not breached any conditions. In lease agreement
- The lease is conditional on giving the REIT the right to terminate the lease with the lessor immediately if the lessor breaks the terms of the lease or when the lessor fails to correct the offending of such conditions after the sufficient maturity period set by the REIT as a tenant.
- The lease is detailed. The terms and conditions are given and give to the REIT the right to renew the lease (if any).
- The lease sets conditions and gives the REIT the right to buy that leased property first at a price no higher than the price at which someone else is not connected to the trust manager offers to buy. If the renter wishes to sell the property
- The lease is conditional and gives the REIT the right to sell the leasehold rights (e.g. if at a later stage, the lease is not allowed to be leased). The property has increased in price, and REIT has a higher profit on sales than the rental profit. The TRUST also has the option to sell.

However, conditions specified in this article do not ground for disqualifying the REIT to invest in real estate which investor relations and business development deem to be beneficial to the REIT, although in leases to invest in real estate may not have certain such terms and in this case, the Company will enter into such lease agreements taking into account the best interests of the REIT and the unitholders.

(4.2.15) Check the tax liabilities or accrued expenses on the property and clearly define it as the responsibility of the REIT or its sponsors.

(4.2.16) To consider setting measures to prevent potential conflicts of interest, e.g. existing property owners have businesses competing with trusts in similar areas.

- (4.2.17) To pay for the purchase or lease of real estate to the REIT. Investor Relations and Business Development department must ensure that the REIT receives the transfer of ownership in the property (in case of freehold investment) or registered leasehold (in case of leasehold investment) as well as being awarded the property as collateral to the REIT, letter of guarantee and or contract of guarantee, as well as registration of various obligations on the property (if any) for the benefit of providing the benefits of the REIT, lawfully and in accordance with the information, disclosed to the investor, then to make such payment. if the property provided by the REIT is provided, the property manager must provide a detailed property registration for the benefit of verifying the completeness and existence of each property that the REIT will receive in the first place, as well as to deliver the registration of such assets to the trustee for the purpose of reviewing the company's operations.
- (4.3) To conduct further real estate investment feasibility studies by the REIT. If the owner, renter, or leaseholder of the property is a person connected to the REIT or the company or trustee in accordance with the Capital Market Supervisory Board's announcement on the criteria for connected transactions, Investor Relations, and Business Development by assigning the operations department, the financial advisors will provide comments on the analysis of information and contracts related to such assets.
- In addition to such cases, Investor Relations and Business Development may coordinate with the Operations Department to hire expert advisors such as financial advisors, property appraisers, auditors, legal advisors, tax advisors (if necessary) to conduct studies on issues related to the consideration of investment decisions in real estate to ensure that Investor Relations and Business Development has fully, accurately and adequately studied and considered important information and factors regarding investment decisions in real estate projects to prepare documents to SET and unitholders (information may be required to consider approving transactions).
- (4.4) To conduct a feasibility study on additional real estate investment by the REIT. Investor Relations and Business Development departments must record and store information, including documents relating to selection, audit, and decision to invest or not invest in a particular property to the REIT.
- (4.5) Once the real estate investment data has been studied in-depth, the investment in real estate will be conducted. The Investor Relations and Business Development Department will consider approving additional investment in such properties.

- (5) If the Investor Relations and Business Development Department considers that investing in additional real estate will create additional benefits and value for the REIT and unitholders in line with the REIT's investment policy, the REIT can raise sufficient amounts of capital (e.g. through the offering of additional units and/or loans) under reasonable financial costs. The Investor Relations and Business Development Department will present the investment in such real estate to the Board of Directors and the Board of Directors for respective approval and to present the opinions of the Investor Relations and Business Development Department for consideration. The Company's independent directors will comment on the appropriateness of investing in such real estate for the Board of Directors to approve and directors who have a stake in investing in such additional real estate will not have the right to vote on this agenda.
- (6) If the Board of Directors approves additional real estate investment, the Company shall notify the Trustee of the investment within 7 working days after the approval of the Board of Directors, and the Company will take legal steps and as defined in the contracts related to the management of the REIT, including the Trust Deed and the contract to appoint the REIT manager to obtain approval for the investment in additional real estate.

#### **Policies for providing benefits and the process of recruiting tenants**

The provision of benefits of the REIT's assets is listed in section 2 part 2.5

#### **The process of finding real estate tenants**

The Company has assigned property managers to be responsible for finding tenants on the investment assets by setting criteria for selecting qualified tenants and complying with the REIT's investment policy, as well as the relevant rules so that REIT continues to grow and can generate appropriate returns for the trust unitholders.

1. Property managers are responsible for finding tenants interested in renting vacant space and ones expected to change from the current lease before the expiration of the initial lease agreement both proactively and passively. Passively, they are responsible for communicating with those interested in renting the space who come in directly to contact the project. As for proactive duty, they should advertise vacant rental spaces through their channels, including coordinating information with brokerage companies or advertising materials to promote and help provide tenants.
2. Apply the allocation criteria as the Company has underlined the scope to have due diligence and commitment regarding the lawsuit and various laws related to the tenant's history financial ability and the type of business the tenant including the suitability of the tenant's leased space with the

current project, as well as examining conflicts of interest and management of rental space with the history of renting space in other previous projects.

3. The Company has considered with property managers in formulating policies by assigning the property managers to consider the appropriateness of the lease agreement both in terms of rental prices and service charges including details and conditions in the lease agreement. If a tenant who is interested in leasing the space has a request to change any conditions in the lease agreement, the property managers must seek approval from the Company before entering into the contract.
4. The Company cooperates with property managers to create advertising materials to attract tenants both online and through signage.

#### **Guidelines for supervising property managers to prevent conflicts of interest**

Due to a potential conflict of interest between BC and the REIT for the management of the Summer Hub and the Summer Hill project in case of a new lease of office or commercial space, BC, as a sub property manager, may offer non-Summer Hill and Summer Hub projects' area to new tenants to consider first to prevent potential conflicts of interest, the REIT manager has established guidelines for overseeing the property management of property managers who are responsible for implementing and supervising the sub-property managers (if any) to comply with such regulatory guidelines as follows :

(1) Presenting the property to tenants (clients) regardless of whether it is the property of any party

Under the contract to appoint a property manager among the REIT, the REIT Manager, and STPL, there will be a requirement for the sub-property manager of the REIT when there is someone interested in renting an office or commercial space, STPL will offer and process the sub-property manager (if any), namely BC, to offer all available rental properties that meet the requirements of the tenant (Specification) to consider regardless of whether it is the property of any party including rental fee and service charge (if any). For buildings or comparable areas in terms of size, location, layout, and age, at a similar level, to ensure transparency and provide customers with sufficient information to make decisions.

(2) Requiring property manager to store documents for audit

Under the property manager appointment agreement among the REIT, the REIT manager, and STPL, there is a requirement that the property manager must store documents, evidence, including any information relating to the fact the property manager and sub-property manager (BC) presenting to tenants of the entire area within the projects invested by the REIT and projects other than those invested by the REIT. For the benefit of monitoring and reviewing transparency in the presentation of such areas, When the REIT has made a request to the property manager, they must submit documents,

evidence, including any information relating to the TRUST within a reasonable period and the REIT will randomize an inspection of the property and operations of the property manager without prior notice (Surprise Check) at least once a year.

(3) Surprise Check of duties of property managers and property inspections

- The REIT managers do a surprise check of the assets and operations of the property manager without prior notice (Surprise Check) at least once a year.
- The REIT manager carries out inspections of assets at least once a year.
- The REIT manager randomly tests at least one real estate executive's operating system per year, and they will have the property manager present, explain, and show how to operate.
- The REIT manager conducts a random audit of documents, evidence, and information provided by the property manager, including documents, evidence, and information received by sub-property managers. This may be done by phoning a property manager without prior notice (Surprise Check) at least once a year
- The REIT manager will provide the tenants with a direct contact channel to the REIT manager if the tenant requests the area and it is a case in urgent need. This is for the benefit of asset management and to assess the duties of real estate executives.

(4) Requiring property managers to report information about tenants and their performance

- Preparation of operating reports on tenants, e.g., those interested in renting space, new tenants, those who have reached the maturity of vacant leased space, etc., as specified by the REIT manager.
- A joint meeting between the REIT Manager, the property manager (STPL), and the sub-property manager (BC) to monitor performance at least once a quarter.

The REIT will apply the criteria for supervising the property managers above to apply to other property managers of the REIT, such as the Rich Asset Project, to prevent potential conflicts of interest too because the Rich Asset project is in the process of construction i.e., Project 11, which is a warehouse and/or factory building project with a usable area of approximately 2,000 square meters, 2 units, and expected to be completed by the end of 2020 and located in the vicinity of the assets that the REIT will initially invest in the Rich Asset Project.

However, Summer Hub and the Summer Hill projects have additional risk mitigation measures to prevent the maintaining tenants of the REIT's investment projects. STPL agrees to compensate the amount of rent and service fees under the lease that is terminated 2 months early if within 6 months from BC as a real estate manager has ended the duty and it appeared that the tenants of the project area have canceled the



lease early and have rented the area in the Summer Point project instead, either moving in before the project's lease is terminated or moving in after the contract is terminated.

In addition, The REIT manager has a property management department that closely monitors the property manager's work such as finding new tenants, following up on unpaid rent, periodic inspection of assets and receiving complaints, etc. to determine whether such property managers are effectively operating. There is also an internal audit department of the REIT managers who will closely monitor the work of the property manager and report problems or issues for the independent committee to acknowledge and resolve the issue within a reasonable period. In addition, if there is a transaction between the REIT and the property manager it may cause a conflict of interest, individuals with direct or indirect interests do not participate in the consideration and decision-making of the transaction and must be approved by the REIT manager's board of directors.

## 9.6 Selection of Property Manager

For the TRUST to invest in any real estate, the Company may appoint and assign a property manager with expertise and experience in real estate management to conduct the management of the TRUST's real estate (e.g. overseeing the marketing and supply of tenants, maintaining and maintaining buildings and equipment to account for rental income and expenses, etc.) under the supervision of the Company in accordance with the strategies and policies set by the Company, with the scope of service as specified in the contract to appoint real estate executives. The Company will select property manager who have at least the following qualifications:

- Has equity and performance that ensures that real estate executives can continue to operate their business.
- Have a system of work or personnel who are ready to perform their duties as real estate executives with knowledge and experience in real estate management for at least 5 (five) years.
- There are no reasonable facts to suspect that the company has a financial position that could cause damage to serve as a real estate executive.

In addition, in considering renewing the contract with the existing real estate executive or entering into a contract with the new real estate executive, the Company by Asset Management will consider and take the following actions:

- (1) Procedures for determining and selecting property manager
  - a) The Property Management Department will evaluate and analyze the experience, reputation, and past performance of each real estate executive (in case of selecting a new real estate executive) or considering past performance (in case of renewing the contract with the former real estate executive) by recruiting real estate executives. The Company will consider the list of real estate executives from the short-listed candidates of 2 (two)

(but an unlimited number of persons). If it turns out that there is only one specialist who can manage the property, the Company will consider important factors such as the ability to provide tenants/ provide income, debt collection, property maintenance, rental space management system, care provided to tenants, internal control system to prevent income leakage and expense control, as well as other important factors, to ensure that the trust's real estate executives can manage the trust's assets well and create added value for the REIT and unitholders.

- b) Consider the appropriateness of the remuneration rate of real estate executives, possibly determined by the level of operational competence, to incentivize hired real estate executives to try to increase the trust's income, such as the return of real estate executives depending on the rental income and actual charges, or the net profit from renting the property, etc.
  - c) The Property Management Department will present a list of candidates for real estate executives to the Management Committee and be selected to become TRUST's real estate executive. Stakeholders will not be eligible to cast their votes.
  - d) The Property Management Department will bring the list of nominees to be real estate executives from the board of directors to inform the trustees within 7 (seven) business days after the approval of the board of directors.
  - e) The trustee acknowledged the appointment of a real estate executive.
  - f) The Company, by property management and trustees, will enter into negotiations and enter into contracts to appoint real estate executives.
- (2) Conditions for the contract to appoint a real estate executive
- a) Provide conditions for the contract to appoint real estate executives that allow the TRUST to modify the real estate executives if the real estate executive does not comply with the conditions or has unsatisfactory management results. Provide conditions stating the real estate manager has no right to claim damages, expenses, money, or any other benefits from the other party if the performance of the management does not meet the operating performance criteria specified in the contract appointing the other party. real estate management
  - b) Provide a system to track, regularly monitor and evaluate the internal control system of real estate executives to ensure that the internal control system of real estate executives remains productive and can easily prevent fraud or make it easy to detect fraud or non-compliant practices.

- The Company may consider in the contract to appoint a real estate executive to be responsible for damages to the trust's interests due to the negligence of real estate executives in the control system causing corruption easily.
- c) Provide conditions in the contract to appoint a real estate executive, which stipulates that if the Company finds that the real estate executive has acted or refrained from acts that cause a lack of credibility in the performance of the contract to appoint a real estate executive. The Company can exercise the right to terminate the contract to appoint such new real estate executives so that the Company can replace or select new real estate executives to replace the existing ones.
  - d) Provide conditions for the contract to appoint a real estate executive, which requires the real estate executive to have a proper internal control system at the discretion of the property management, such as:
    - Manuals and procedures are prepared, as well as training employees to understand and perform their duties appropriately.
    - There is a separation of job duties without a single person doing important work from start to finish, with important tasks requiring the separation of duties and assigning one person to produce and another to review. In addition, someone else must randomly check the work of the producer and reviewer. To be a monitored and balanced system that prevents errors or corruption to some extent.
    - Employees' operations are monitored and monitored to prevent mishandling or non-compliance with the control system.
    - Transactions and transactions are recorded, as well as fully documented for the sake of subsequent investigation and preventing errors or potential fraud.
    - There is a system for supervising prudent payouts effectively to prevent leaks or fraudulent acts
    - There is a control system to prevent redundancy and fraudulent disbursement of expenses.
    - There is a control and security system for data in the computer system.
    - There is a system for storing valuable assets in a safe area.
    - Property supervision is maintained with property registration, property counting is carried out regularly, and property counting records are provided.
  - e) The Company by property management must set the conditions in the contract to appoint a real estate executive which stipulates that the Company and/or its representatives or trustees can inspect the work of real estate executives as follows this manual, contracts to appoint real estate executives, agreements and other related contracts.

### Suitability of compensation rates

Details of property manager fees are listed in Section 3, part 8.2. Property Manager

#### 9.7 Monitoring the operations of property manager

- (1) The Asset Management Department will require real estate executives to prepare a work plan for property managers, and the supervisory department and property management will co-inspect the plans of the real estate executives to cover the duties as defined in the real estate executive appointment contract and whether they meet the requirements in the trust's founding contract and the contract to appoint a trust manager.
- (2) The Company by Asset Management will prepare a checklist of the duties of real estate executives following the requirements of the contract to appoint real estate executives, terms of the trust's founding contract, and the contract to appoint a trust manager for the supervisory and asset management departments to use for determining whether the operation and performance of real estate executives can meet the objectives.
- (3) The Company by the audit and Risk Management and Asset Management will determine and implement the Property Manager Compliance Audit Work Plan, which includes a checklist, as well as an indication of criteria and audit period.
- (4) The REIT managers must establish policies and procedures for providing new tenants so that trust managers and property executives can provide rental space from the TRUST's property to meet the needs of as many interested parties as possible.
- (5) The REIT managers must make an agreement on the form of sourcing and dividing benefits between the REIT and the tenant (if any) and charge the REIT, by considering the benefits of the REIT.
- (6) The REIT managers must consider or review guidelines for selecting large tenants or engage with property executives in planning tenants' business classifications to limit and control the risks of fluctuations in rental income each year.
- (7) The REIT managers must review or consider setting the rental policy of the property management so that the rental rate is at an appropriate rate according to the conditions of the rental market at that time.
- (8) The REIT managers must monitor the system for supervising the cost of maintaining or repairing equipment or buildings of real estate executives to estimate the suitability of repairs or replacements, to ensure that such costs are not wasted and beneficial to the TRUST.
- (9) The REIT managers must assess the suitability of the control system regarding the procurement of property management to ensure that the TRUST receives goods or services that are worth the

money. The REIT is not charged more than necessary and must be under the trust's founding contracts, information statements, and prospectus.

- (10) The REIT managers must require real estate executives to monitor and supervise the tenant to fully pay the costs and taxes regarding payments to the TRUST as required by law, and prepare an annual or monthly, or quarterly report on the tenant's overdue taxes and premiums (depending on the payment cycle) for the benefit of tracking the tenant to pay the full payment as soon as possible, and the REIT managers will consider the need to terminate the lease or modify the lease terms or rental rates for this tenant in the next phase.
- (11) The REIT managers must analyze irregularities in the management of real estate executives with a system to monitor, control, as well as randomly monitor the operations of real estate executives without prior notice to ensure that real estate executives comply with certain guidelines.
- (12) The Company will provide a system for monitoring, control, as well as random inspections to ensure that the duties of real estate executives are in accordance with the following principles:
  - Revenues are collected and delivered to the REIT fully and accurately.
  - No more charges are imposed on the REIT and must be within the framework in which the contract appoints a real estate executive. Trust's founding contracts, listings, and prospectus are required to be charged, as well as subject to the REIT's budget set out each year.
  - No more than necessary expenses are collected from the REIT and must be within the framework of the Property Manager Appointment Agreement, Trust Deed and the prospectus as it can be collected including being under the REIT's expenditure budget set for each year.
  - Store Control and maintain assets in important operations, including adequate and appropriate maintenance of the REIT's assets so that they can be used to provide long-term benefits such as equipment in the building, inspected by skilled technicians in accordance with regular maintenance cycles.
  - The performance of real estate executives is considered in accordance with the appropriate period. In addition to considering such performance, the Company will monitor and collect data on the performance of real estate executives each year.
- (13) To monitor the duties of real estate executives, the Management, Audit and Risk Management Department and Asset Management will jointly consider and collect information on the duties of past real estate executives and present them to the Management Team to consider and evaluate the performance of real estate executives and inform the trustees.

However, as this is about considering the evaluation of the work of real estate executives, stakeholders will not have the right to vote on this matter.

- (14) The Company, by property management, must indicate conditions the contract to appoint a real estate executive, as if the REIT manager finds out that that real estate managers have acted or omitted actions causing a lack of credibility in performing duties under the employment contract, the REIT manager can terminate the contract with that property manager so that the REIT manager will be able to operate on his behalf or select a new real estate manager to replace the original one.

#### Opinion of REIT managers on the performance of property manager

The REIT managers monitor and evaluate the performance of the property manager according to the annual internal audit plan and the results of the audit are concluded with the property managers to determine the guidelines for improvements based on the observations found as well as having to monitor the improvements according to the specified period. From the audit and evaluation of real estate managers' performance for the year 2021, the overall performance was good in accordance with the plans and budget.

#### 9.8 System for monitoring the interests of the REIT

The REIT managers must take into account the interests of the unitholders and perform their duties in the best interests of the unitholders. In determining any actions that may affect the interests of the unitholders, the department responsible for the operation shall consult with the department that oversees the operation, or the Board of Directors (if necessary) to ask for opinions and recommendations that are believed to be in the best interests of the trust unitholders.

To manage the REIT, the Compliance and Risk Management Department is responsible for monitoring. Supervise and evaluate the Company's performance by the Risk Management, Supervision, and Management Department, to monitor and supervise the departments in the Company as follows:

- (1) To ensure that the financial and economic value of the assets of the TRUST is managed professionally and for the benefit of the unitholders., the Investor Relations and Business Development will do the following with the support of property management and real estate executives:
- Determine investment and risk management strategies and policies that are effective and consistent with the obligations set out in the Trust Deed and prospectus
  - Set loan limits and control them not to exceed those in the trust's founding contracts, information statements, and prospectus.
  - Invest in real estate that meets the investment objectives of the trust's founding contract, information statement, and prospectus.

- Consider the remuneration of benefits to unitholders
  - Provide insurance to cover potential damage to the TRUST's properties and insurance for responsibility to third parties in sufficient and appropriate limits to enable the TRUST's assets to be restored so that the TRUST can provide the same benefits and receive no less than the previous returns.
  - The Risk Management, Audit, and Management Department also must ensure that insurance is insured to cover potential damage to properties invested in by the REIT or may be invested in the future, and insurance for comprehensive third-party responsibility Which is not lower than the threshold required by law.
  - Urge real estate executives to ensure that tenants comply with the terms of the lease agreement.
  - Follow up with real estate executives to ensure compliance with the regulations applicable to properties invested by the REIT.
  - Evaluate the results of the past leases to determine the conditions for rent and establish leases appropriately, and evaluate the follow-up of rent collections to record allowances for doubtful or written off bad debts, or record bad debts receives (in case collection after writing off bad debts)
  - Monitor the real estate executives to provide security of the buildings that the REIT has invested in.
  - Monitor real estate executives to establish and implement policies and operational plans for the management, maintenance, and renovation of buildings invested by the REIT.
- (2) The Property Management department will ensure that the REIT has the right ownership of the purchased property, including contracts entered by the REIT as a party, which are legally and binding or applicable to the conditions outlined in such contracts (with the support of the property management).
- (3) The Operations Department will provide a system for storing all evidence relating to the REIT's operations, an invitation to the Trust unitholder meeting, information statement, prospectus, annual report of the REIT, financial statements, and documentation of the REIT's accounting in line with the regulations applicable to the REIT and the invested assets as well as maintaining such information and documents to be accurate, complete and so that it can be inspected within at least 5 (five) years from the date of preparation of such documents or information (with support from real estate managers)
- (4) The Investor Relations and Business Development Department will ensure that trust unitholders receive accurate, complete, and adequate information before exercising their voting rights to approve matters, including receiving that information in advance for a specified period in the

trust's founding contract, information statement, prospectus and related stock exchange regulations (with the support of real estate executives).

- (5) The compliance shall ensure that the TRUST ACTs are in accordance with laws or practices issued by government agencies or other regulatory bodies relating to the REIT's operations, including stock exchange regulations (with the support of real estate executives).

- (6) The property management department is responsible for monitoring, supervising, and managing the REIT's expenditures, including the approval of real estate executives' expenditures for the REIT's return to meet the specified targets, to maintain the best interests of unitholders as follows:

- (6.1) The Property Management will prepare an annual budget plan for real estate executives with support from real estate executives. The plan indicates details of the revenue and expenditures that occur certainly each year. To avoid unwanted expenditures and not overlook expenditures to occur exactly each year, it is required to have revenue provision targets each year, as well as monitor and supervise the REIT's revenues and expenditures in accordance with the budget plan, such as:

- Consider using pre-approve or post-audit measures, depending on the size of each item.
- Monitor lease management that is due each month to ensure a consistent flow of REIT revenue by planning to provide new tenants to accommodate the new tenant to cover the risk that the former tenant will not renew the lease.
- Plan the remuneration of unitholders in accordance with the net cash flow of the REIT.

- (6.2) Property management will try its best to impose conditions that incentivize real estate executives to try to increase value and returns (Yield) to the REIT, as well as reducing risks to unitholders, such as determining real estate executive remuneration based on income or operating profit, or net cash flow from operations or determining remuneration at a fixed rate, etc.

- (6.3) The Property Management Department will consider or review the planning and strategy of real estate executives so that they can increase the provision of income and reduce the risk of rental income fluctuations to the REIT, as well as monitor the real estate executives to follow the plan and strategy (with the support of the real estate executives).

- (6.4) Property Management will establish policies and procedures for providing new tenants, e.g. within a reasonable period before the lease ends. The Company will require property management to provide a written record of the initial needs of the interested person to rent the space, such as specifying the size of the area to be leased so that the Company and real estate executives can provide rental space from the REIT's property to meet the needs of as many interested parties as possible (with the support of real estate executives).



(6.5) Property Management, with the approval of the Managing Director or Vice president of Investor Relations and Business Development, will review or consider setting a rental policy so that the rental rates are at an appropriate rate according to the conditions of the rental market at the time (with the support of real estate executives).

(6.6) The Property Management Department will review the control system, oversee the cost of repairing and maintaining the property (Repair and Maintenance) and administrative expenses Supervise tasks Repair, maintenance, and/or further construction to improve, develop, add value, and/or reconstruct landscape or landscape real estate and/or related assets invested by the REIT (Capital Expenditures) to assess the suitability of repairs or replacements.

To monitor such expenses, the asset management may consider pre-approve or post-audit depending on the size of each item.

(6.7) The Property Management Department will assess the appropriateness of the control system regarding the procurement of real estate executives to ensure that no more charges are imposed on the REIT and it must be within the framework that the Trust Deed, listings, and prospectus require to be charged.

(6.8) The Property Management Department monitors, and evaluates the internal control system of real estate executives in the following areas:

- The Property Management department monitors and controls the collection of income of real estate executives to ensure that the REIT receives the full rent.
- Storage Control and maintain assets in important operations
- A separation of important job functions such as approval of transactions, taking care of assets and recording accounting transactions to achieve checks and balances between them.
- A contingency plan to accommodate emergencies or unforeseen events that may occur and may have serious impacts on the REIT's operations. Real estate executives, including trust assets

(6.9) If a lease requires a tenant of a property from the REIT to pay various taxes or premiums or expenses on behalf of the REIT, the property management shall require the estate executive to monitor and supervise the tenant to pay the expenses in accordance with the law, requiring the estate executive to prepare an outstanding report on the tenant's taxes and premiums annually or monthly or quarterly (depending on the payment cycle) for the benefit of tracking the tenant to pay the full amount as soon as possible (otherwise the REIT may have to pay itself so that the REIT does not be deemed to be illegal on taxes or violates the TRUST's terms regarding non-life insurance), and the Company will consider

the need to terminate the lease or modify the rental terms or rental rates for this tenant in the next phase.

(6.10) The Property Management Department will analyze irregularities in the management of real estate executives and may randomly audit the operations of real estate executives without prior notice, which may lead to irregularities in the business operations.

(6.11) If the REIT will rent the property to a single tenant (e.g. rent the building to a single tenant), the property Management will do the following:

- If a property is rented to a single tenant, the TRUST receives all or almost all or most of the compensation from that tenant. The Investor Relations and Business Development Department must have a system for selecting and monitoring the performance of this single tenant in the same way as hiring a real estate executive, which is also specified in the system and procedures for determining and selecting real estate executives. This ensures that this single tenant can fully pay the lease to the REIT in accordance with the terms of the lease to prevent leakage of income that may prevent the TRUST from receiving the full returns required by the REIT.
- The Asset Management Department, based on the cooperation and support of real estate executives, will consider conditions to protect the benefits of the REIT, such as:
  - Require tenants to place enough tenancy collateral, and such tenancy collateral must be a property that the REIT can immediately request collateral, the Trust does not require the consent of the lessee before enforcing the collateral. However, if the property which is placed as collateral has a legal requirement to have a mandatory collateral lawsuit first, the Company must disclose the risks regarding the procedures, duration, and expenses required to enforce such collateral to investors.
  - Set the terms of the lease agreement for the tenant of the property from the REIT to transfer the right to receive rent from the sub-tenant or the destination tenant to the TRUST without the tenant's prior consent if the tenant defaults on the rent payment to the REIT and to make the change of the rental payee conveniently possible. Property management may pre-designate tenants in sub-lease agreements to sub-tenants or destinations that the leaseholder may change later if the tenant defaults on the lease payment to the REIT, and the property management must monitor the notification of the destination tenant and agree to pay the sub-rent to the REIT instead of paying the leaseholder of the property from the REIT.

- Define payment formats to prevent defaulting on tenants' rent payments, such as requiring sub-tenants or destination tenants. Rent fees must be paid to a joint account between the REIT and the tenant, which is authorized by the REIT's trustees and tenants to withdraw funds from the account. However, a tenant of a property from a Trust or a real estate executive hired by a tenant is still responsible for tracking rent charges, preparing a summary of the received rent, and issuing rental receipts to the sub-tenant or destination tenant.
- Establish the conditions for the REIT to terminate the lease with that single tenant if the tenant strictly fails to comply with the terms of the lease, e.g., not paying the full rent within the contract deadline, not maintaining the property in good condition, etc.

(6.12) If the REIT rents the property to a single tenant as the tenant takes the leased property from the REIT to provide benefits by the tenant, an external real estate executive is hired to manage the property. The Company will have a system for monitoring and regulating to ensure that tenants act adequately and appropriately to control and monitor the performance of such property executives to prevent income leakage or overspending (especially in cases where there is a lease, set a partial lease value in the form of profit-sharing or a share of the rental profit), and the tenants have to take care and maintain the assets of the REIT so that they can be used to procure benefits continuously in the long term.

(6.13) The Company will meet regularly with real estate executives to evaluate the REIT's performance and find appropriate solutions to the problems raised in the REIT's operations and have the asset management present the evaluation results of the REIT's performance along with appropriate solutions to the issue to the Board of Directors to consider acknowledgment.

## 9.9 Remuneration of REIT Managers

REIT Manager fee for the year ended 31 December 2021 was 1,578.304 Baht

### Remuneration of TRUST Managers

Throughout the term of the contract to appoint a REIT manager, the REIT Manager will receive a fee for performing his duties as a REIT Manager under the agreement to appoint a REIT Manager, which consists of a base fee at a rate of not more than 1.00% per year of the total asset value (TAV"), amounting to at least 10.00 million Baht per year for the main assets first invested.

Fees for acquiring or disposing of property

- Acquisition Fee: Not exceeding 3.00% of the value of the REIT's acquired assets at each time.
- Disposal Fee: Not exceeding 3.00% of the value of the REIT's assets sold at each time.

The structure of the TRUST manager fee is based on the usual business, where both the base rate and the fee rate for acquiring and disposing of the trust's assets are comparable to the same types of fees of other real estate investment trusts in the same industry.

9.10 Disclosure of information and information to unitholders

	Information Type	The period for reporting the information to the trust unitholders.
1	Financial Statements of the REIT	
1.1	Quarterly Financial Statements (Reviewed Version)	Within 45 (forty-five) days from the last day of the quarter
	The analysis report and interim explanation of events of the REIT's financial statements or net profit differ from the same financial statements in the same period last year over 20 percent (twenty).	Submit with financial statements
1.2	Financial Statements for fiscal year (Audit Version)	Within a certain period: Within 2 (two) months from the end of the accounting period Within 3 (three) months from the end of the accounting period in case of submitting financial statements Q4 (four)
	The analysis report and interim explanation of events of the REIT's financial statements or net profit differed from the same financial statements in the same period last year over 20 percent (twenty).	Submit with financial statements
2	Report on the net asset value of the TRUST and unit value of the TRUST	Within 45 (forty-five) days from the last day of the quarter
3	Annual Information Statement (56-REIT)	Within 3 (three) months from the end of the accounting period
4	TRUST Annual Report	Within 4 (four) months from the end of the accounting period Note: Delivery of annual reports to be with the invitation to the Annual General Meeting.
5	Report significant events and changes to the TRUST, including the following: - incidents that may affect the resignation of the TRUST.	As soon as possible

	Information Type	The period for reporting the information to the trust unitholders.
	- occurrence of events designated by the TRUST's founding contract as the reason for the termination of the TRUST or other events that make the resignation schedule known in advance.	
6	Report on the acquisition or disposition of real estate or leasehold rights	Reveal as soon as possible on the day the REIT acquired or disposed of its main assets, the trust is acquired or disposed of.
7	Report on the reduction of the REIT's paid-up capital	Continue to expose without delay. On the day the REIT has a resolution to reduce the paid-up capital,
8	Invitation to the Meeting of Trust Unitholders	Disclose the closing date of the trust unit transfer book or the date of determination of the list of unitholders for the meeting of unitholders to the stock exchange in advance of 14 days before the closing date of the registration book, the suspension of the trust units, or the date of determination of the list of trust unitholders to grant such rights.
9	Minutes of the Trust Unitholder Meeting	The document is delivered to the Stock Exchange of Thailand within 14 (fourteen) days from the date of the meeting of the unitholders.

#### 9.11 General Meeting of Unitholders

Trust managers must conduct at least the following meetings of trust unitholders:

- (1) The Annual General Meeting must be held within 4 (four) months from the end of the REIT's fiscal year.
- (2) An extraordinary meeting is another non-annual general meeting that is held as follows
  - When unitholders holding trust units team-up of not less than 10 (ten) percent of the total number of trust units sold sign their names to request the REIT Manager or the Trustee to hold the trust unitholders' meeting. The reason for calling for a meeting shall be clearly stated in that letter. A trust unitholders meeting shall be held within 45 (forty-five) days from the date of receiving a letter from the trust unitholders or being notified by the trustee.

- If the trustee deems it necessary or appropriate to present the matter to the Unitholder's Meeting and have a resolution on the matter. The REIT shall hold a meeting of the unitholders within 1 (one) month from receiving the letter from the trustee. It does not disqualify trustees in consultation with trust managers for such a reason.
- In any other case deemed by the REIT Manager to be necessary or appropriate to present the matter to the Unitholder's Meeting and to make a resolution on the matter for the benefit of managing the REIT. It does not disqualify trustees in consultation with trust managers for such a reason.

#### Meeting request for unitholders

To request a meeting of the unitholders, the REIT manager shall prepare a letter of invitation to the meeting, specifying the location, date, time, agenda, and subject to be presented to the meeting with appropriate details as well as a matter to propose for approval or consideration, as the case may be, including the opinions of the REIT managers on such matters, impact that the trust holders may receive by voting on the matter and disclosing the information to the Stock Exchange of Thailand to determine the list of unitholders who are eligible to attend the meeting by sending a letter of appointment to the trust unitholder in advance for the following period:

- (1) Not less than 14 (fourteen) if the day before the date of the trust unitholder meeting in the event of a meeting of unitholders whose agenda requires a resolution of at least 3-quarters (three-quarters) of the number of trust unitholders attending the meeting and have the right to vote, or
- (2) Not less than 7 (seven) days apart from (1)

The meeting shall be announced in at least 1 (one) day in the local daily newspaper, not less than 3 (three) days before the meeting date.

If the REIT manager does not proceed with organizing the unitholder meeting within a period of 45 (forty-five), on the day after receiving the letter from the unitholder, the trustee shall proceed with the call for the unitholder meeting by following the method of call for the meeting mentioned above one of this clause by mutatis mutandis, and the trustee has the right to charge the expenses incurred (if any) from the meeting of the trust unitholder on behalf of the REIT manager.

#### Quorum

Unitholder meetings require at least 25 unitholders (twenty-five) people or not less than half of the total number of trust unitholders and must have a combined unit of trust not less than 1/3 (one-third) of the total number of units sold as a quorum.

## Proxies

At the trust unitholder meeting, the unitholder may provide a proxy to another person or trustee, or independent director of the REIT Manager as specified in the proxy statement. You can enter the meeting and pronounce it on behalf of yourself in the meeting. To send an invitation to the trust unitholder meeting, the REIT manager shall deliver the proxy statement to the unitholder.

The proxy must submit the proxy statement and proxy documents as defined in the meeting invitation letter to the chairman of the meeting before the start of the meeting.

## Voting

Unitholders have 1 (one) vote per 1 (one) trust unit they hold, and the unitholder who has the right to vote must not be a special stakeholder in the matters considered.

## Resolutions of trust unitholders

- 1) In general, cases, hold the majority of the unitholders who come to the meeting and have the right to vote.
- 2) In the following cases, hold at least 3-quarters (three-quarters) of the total number of votes of trust unitholders who attend the meeting and are eligible to vote.
  - (a) Acquisition or disposition of the main assets with a value of 30% (thirty) of the total asset value of the REIT.
  - (b) Capital increase or reduction of the paid-up capital of the REIT not specified in advance of the Trust Deed;
  - (c) General power of attorney capital increase of the REIT
  - (d) Transactions with the REIT managers or persons connected to them, which has a transaction ranging from 20,000,000 Bah (twenty million Baht) or more than 3 (three) percent of the net asset value of the REIT, (considering the highest one). The number of such transactions is subject to change as required by law, related rules, regulations, and notices.
  - (e) Changes of benefits in return and return of funds to unitholders
  - (f) Changes to trustees or the REIT managers
  - (g) Amendments to the trust's founding contract in respect of significantly affecting the rights of trust unitholders
  - (h) Termination of the REIT

Resolutions of trust unitholders that will result in the trust or its management being inconsistent with or inconsistent with the rules prescribed in Notification No. NSO. 26/2555 or other rules under the Securities and Exchange Act. or the Trust Act shall be deemed that such resolution is ineffective

if the announcement of the criteria regarding the resolution and meeting of the unitholders of the trust unitholder.

If the criteria regarding the resolution and meeting of the trust unitholders are specifically established, the criteria for the matter shall be established.

#### 9.12 Nomination and appointment of directors and executives

REIT managers have criteria for selecting directors and executives who must be qualified with business ethics and without prohibited characteristics in accordance with the SEC.

#### 9.13 Auditor's Remuneration

The Trust has appointed SP Audit Co., Ltd. as an auditor for the accounting period ended 31 December 2021 with audit fee compensation of 240,000 Baht (excluding other expenses or out-of-pocket)



## 10. Corporate Social Responsibility

The Company operates under the framework of good governance, transparency, and verification committed to developing business along with economic balance, society, and environment. The company is determined to maintain being a company that is a good role model for society (Good Corporate Citizen) for sustainable business operations and can manage the business to grow steadily and be accepted in society based on ethics and good corporate governance principles, as well as being able to generate effective returns for shareholders in terms of the impact of business operations on stakeholders related to the company in all aspects

The Company has established social responsibility. The details are as follows:

### 1) Fair business operation

#### - Corporate Governance Policy

The Company is committed to conducting business properly in good faith, fairness, transparency. The Company will take into account the interests and impact on all shareholders, customers, employees, and stakeholders, as well as share the benefits appropriately and fairly.

#### - Corporate Social Responsibility Policy

The Company has a policy of conducting corporate social responsibility. (Corporate Social Responsibility: CSR) under the ethical principles to ensure fairness to all stakeholders involved, as well as adopting good corporate governance principles as a guideline to maintain the balance of operations in economic, community, social and environmental areas, which will lead to sustainable successful business development.

#### - Compliance Policy

The Company values compliance with the law, related regulations, and those relating to the practice of international business ethics by stipulating that directors, executives, and employees must act within the framework of the law, rules, regulations and must not be involved in, helping or doing any act which is violating the law, other related regulations.

#### - Policy to encourage efficient use of resources

The Company encourages directors, executives, and all employees at all levels in the organization to use resources efficiently, appropriately, and adequately, and make the most of their benefits, including communicating, educating, supporting, and raising awareness for employees, including those involved in managing the use of existing resources to benefit the organization.

## 2) Consumer responsibility

The Company has a policy of focusing on conducting business to customers (as one consumer) with integrity, integrity, adherence to comply with the terms of the contract made to the customer, and the standards required by law

### Anti-Bribery and Corruption Policy

Directors, executives, and all employees of the Company must not engage in corruption in giving/receiving bribes to/from Government and private officials such as personnel of various companies with transactions with the company both directly and indirectly to obtain or maintain business or competitive advantages. This Anti-Bribery and Corruption Policy is designed for criteria and guidelines for Comprehensive Company Anti-Bribery and Corruption Practices in the following matters:

1. The Company has a full anti-bribery and corruption policy (Zero-Tolerance Policy) and complies with all laws related to anti-bribery and corruption in Thailand in terms of bribery and corruption both directly and indirectly and is committed to implementing effective systems used to tackle bribery and corruption.

2. Directors, executives, and all employees of the company must not be involved in giving or receiving money or things, entertainment, solicitations, donations, and other benefits to government and private officials, such as personnel of companies that have direct and indirect transactions with the company to obtain or maintain a business or competitive advantage.

3. Directors, executives, and employees of the Company are not allowed to act or accept corruption in all forms, both directly and indirectly related to the services of the company for the Company's business operations and stipulates that there is a regular review of the Anti-Corruption Policy compliance as well as evaluating and reviewing operational guidelines in accordance with the policy, rules, regulations, announcements of relevant laws regularly.

4. Structure the management to have a proper balance of power among the purchasing departments, accounting, management, and audit departments to close the abuse of authority.

5. Provide accurate and transparent financial status reporting mechanisms.

6. Provide training employees to educate employees about the company's anti-corruption policies and practices.

7. Support and cooperate with government organizations to reduce corruption and enhance the development of the country.

8. Encourage employees and stakeholders to express their opinions on the practice, to encourage communication, report or whistleblowing, actions that may be a fraud or corruption, and to

establish measures to protect the communicator, report, or whistleblower not to be punished, unfairly transferred to their job duties, or bullied. The Company has opened channels for stakeholders to provide clues, suggestions, or complaints in cases of fraud or any actions that do not comply with the Company's guidelines directly to the Chairman of the Audit Committee and securities operations supervision department.

#### 11. Internal Control and Risk Management

The Compliance and Risk Management Department is responsible for investigating, monitoring, supervising, and evaluating the Company's operations as a REIT manager, including the operation of the Company's personnel and the performance of the REIT manager's department, in accordance with the work system shown in the Manual of The Standard Operating Standards System and the Work System of the Manager of the Real Estate Investment Trust, as well as in accordance with the trust's establishment contract, rules, and related laws.

Each department is responsible for the company-defined core work systems. Some of which are assigned to external outsourced service providers, as stated above. However, assignments outsourced service providers are for performance but the duties and responsibilities will still be held by the Company's departments. Therefore, there must be a system to supervise and check the quality of the work assigned to the outsourced service providers which are also specified in this operating manual. In addition, although the work systems are already responsible for the main department, the consideration and approval of important matters such as the consideration of the trust's budget dividend payment consideration must necessarily be approved by the Management Committee or the Board of Directors in order of priority. (Depending on the case).

## 12. Prevention of conflicts of interest

To oversee and manage the TRUST, which includes investment management and providing benefits from the trust's assets, as well as controlling the duties of real estate executives, the REIT may make transactions between each other and individuals who may cause conflicts of interest. There may be a conflict of interest in the future. However, the REIT manager will have policies to avoid making connected transactions that may cause conflicts of interest, according to the notice of SEC or SEC for the benefit of the REIT.

In addition, related transactions that may cause conflicts of interest, the REIT manager will ensure that such related party transactions are reasonable and has complied with the Trust Deed, securities law, stock exchange requirements, and the announcement of the SEC Office regarding information disclosure and operations on connected transactions and the acquisition or disposition of assets. as well as with the accounting standards set by the Federation of Accounting Professions.

12.1 12.1 Transaction transactions between the REIT manager and the REIT manager and/or persons connected to the REIT manager.

12.1.1 List of REIT managers and persons connected to trust managers

	REIT managers and persons connected to REIT managers	relationship
1.	KTBST REIT Management Co., Ltd.	<ul style="list-style-type: none"> <li>REIT manager of the REIT</li> </ul>

12.1.2 Details of transactions between the TRUST manager and the TRUST manager and/or persons connected to the TRUST manager

Trust managers or persons connected to trust managers	Line property between them	The necessity and reasonableness of the item	Price reviews and conditions of trust managers and financial advisors
REIT Manager	The trustee, acting on behalf of the REIT, appointed KTBST REIT Management Co., Ltd. as trust manager.	Directors and executives of REIT managers are experienced in managing investments and providing benefits from real estate with an understanding of asset management, warehouse factory, office buildings, and shopping centers.	<p>REIT managers charge trust managers fees, including:</p> <p>1) The basic fee for performing the duties under the contract to appoint a REIT manager, with the expected rate charged in the first year not exceeding 0.285% of the total asset value of the REIT and after that not exceeding 0.50% of the total asset value of the REIT.</p> <p>The minimum fee is not less than 10.00 million baht per annum for the main assets of the first investment trust and a fee cap of not exceeding 1.00% of the total asset value of the REIT.</p>



Trust managers or persons connected to trust managers	Line property between them	The necessity and reasonableness of the item	Price reviews and conditions of trust managers and financial advisors
			<p>2) Fees for acquiring or disposing of property</p> <p>2.1) Acquisition Fee: Not exceeding 3.00% of the value of the REIT's acquired assets (except for the acquisition of the main assets of the first investment trust).</p> <p>2.2) Disposal Fee: Not exceeding 3.00% of the value of the REIT's disposed assets at each time.</p> <p>In addition, the structure of the REIT manager fee is based on the usual business, where both the base rate and the fee rate for acquiring and disposing of the trust's assets are comparable to the same types of fees of other real estate investment trusts in the same industry.</p>

**12.1.3 12.1.3 Policy on transactions between the REIT and the REIT manager and/or persons connected to the REIT manager in the future and guidelines for preventing conflicts of interest**

The Trust may be required to make transactions between the REIT and the REIT manager and/or persons connected to future REIT managers. If the REIT wishes to make a transaction with the REIT Manager and/or a connected person, it must be in the best interests of the REIT and can be verified as a fair transaction at market price, in accordance with the REIT's establishment contract and under the rules and regulations set by the SEC and set the SET.

The trust's founding contract contains requirements regarding transactions between the REIT and the REIT manager and/or persons connected to the REIT manager. as follows

- 1) Persons connected to the REIT manager  
Persons connected to the REIT manager shall mean as defined in the notices relating to the connected transaction criteria.
- 2) General terms and conditions of the REIT entering transactions with the REIT and/or persons connected to the REIT Manager must have the following characteristics:
  - In the Trust's transactions with the REIT manager and/or persons connected to the REIT manager, the REIT will comply with the Trust Deed and related laws for the best interests of the REIT.
  - Transactions made by the REIT with the REIT manager and/or persons connected to the REIT manager must be reasonable and fairly priced transactions, as well as the cost of entering into transactions charged to the REIT. (if any) at a fair and reasonable rate.
  - Those who have a special interest in the transaction, whether directly or indirectly, must not be involved in the decision to enter into the transaction.
- 3) Approval of transactions between the REIT and the REIT manager and/or persons connected to the REIT manager The following steps must be performed.
  - Approved by the trustee as a transaction in accordance with the trust's founding contract and related laws.
  - For transactions with a value of fewer than 20,000,000 Baht or not more than 3% of the net asset value of the REIT, (the highest one), it must be approved by the Board of Directors (Board of Directors) of REIT managers as well.
  - For transactions with a value of 20,000,000 Baht or more or more or more than 3% of the Net Asset Value of the REIT, (the highest one), the resolution of the unitholder's meeting must be obtained with a vote of not less than three-quarters of the total number of votes of trust unitholders attending the meeting and are eligible to vote.

For transactions between the REIT made with the REIT manager and/or persons connected to the REIT Manager, as the acquisition or disposition of the main assets, the value calculation is based on the value of the acquisition or disposition of all assets of each project that makes the project available to earn money, including the assets associated with the project.

- 4) Unless it is a transaction between the REIT and the REIT manager and/or the person connected to the REIT manager who has clearly displayed the information in the information statement and prospectus, the process of seeking the approval of the trustee or the resolution of the unitholder must be as defined in clause 3), and if it requires a resolution of the unitholder, the invitation to the meeting of such unitholders must have the opinion of an independent financial advisor who is on the list at the office of The SEC approved for the resolution from the trust unitholders.



## 12.2 Transactions between trustees and trustees and/or persons connected to trustees

### 12.2.1 List of trustees and persons connected to the trustee

	Trustees and persons connected to the trustees	Business & Relationships
1.	KASIKORN ASSET MANAGEMENT CO., LTD. ("KASSET")	<ul style="list-style-type: none"> <li>a trustee for the REIT</li> </ul>
2.	KASIKORNBANK PUBLIC COMPANY LIMITED ("KASIKORNBANK")	<ul style="list-style-type: none"> <li>Kasikorn Bank holds 99.99% of KASSET's total shareholding.</li> </ul>

### 12.2.2 รายละเอียดธุรกรรมการระหว่างกองทรัสต์กับทรัสต์ และ/หรือบุคคลที่เกี่ยวข้องกันกับทรัสต์

Trustees and persons connected to the trustees	Line property between them	The necessity and reasonableness of the item	Price reviews and conditions of trust managers and financial advisors
KASSET	KASSET receives fees for performing its duties as trustees in accordance with the scope of the trustee's authority, duties, and responsibilities in the Trust Deed	KASSET has experience acting as a trustee of a real estate investment trust. Duties and responsibilities for managing the REIT in accordance with the terms and conditions of the Trust Deed and securities law.	<p>KASSET charges trustee fees and asset keeper fees as follows:</p> <ul style="list-style-type: none"> <li>The rate is expected to be charged with not over 0.35% per annum of the Total Asset Value of the REIT, but not less than the minimum amount of 5 million Baht per year. However, if the REIT has acquired or disposed of the REIT's main assets or has additional duties, the minimum amount of the trustee fee may be changed, but the Total Asset Value of the REIT does not include the right of use according to accounting standards. Fees of experts or other relevant consultants, real estate assessor wages, property inspector wages, travel expenses, accommodation, and</li> </ul>



Trustees and persons connected to the trustees	Line property between them	The necessity and reasonableness of the item	Price reviews and conditions of trust managers and financial advisors
			<p>other expenses related to the duties of trustees for the REIT, etc.,</p> <ul style="list-style-type: none"> <li>- Maximum Fee: not exceeding 1 % per annum of the Total Asset Value (TAV)</li> </ul> <p>The structure of such trustee fees is based on business as usual, which is comparable to the same type of fees of a real estate investment trust.</p>
Kasikorn Bank	Kasikorn Bank is the recipient of space services in the Summer Hill project to place 1 ATM, with a space service contract lasting approximately 1 year at a cost of approximately 8,000 Baht per month and a service fee throughout the contract period of approximately 96,000 Baht.	It is an operation to provide benefits from the REIT's assets, with market price and conditions for renting space and services that meet the standards applicable to other tenants of similar type. (Arm's Length Basis)	To lease space on the trust's property to operate and operate that business. Such rental rates conditions are under an area lease that is comparable to the normal conditions that other tenants receive, which are comparable to the characteristics of the area, location, and size of the area

### 12.2.3 Transaction policy between trust and trustees and/or persons connected to trustees and guidelines for preventing conflicts of interest

Regarding transactions between the Trust and the Trustee and/or the person connected to the Trustee in the future, the Trustee shall not act in conflict of interest between the Trustees, whether it is for the benefit of the Trustee or the benefit of others unless the trustee charges compensation to act as a Trustee or the Trustee demonstrates that the REIT has managed the Trust fairly and will do the followings:

- 1) Disclose through the Stock Exchange of Thailand in accordance with the regulations of the SET relating to any other channel through which the trust unitholders have access to the information to enter into the transaction thoroughly.
- 2) There is a reasonable disclosure period which is not less than 14 days.
- 3) Channels, methods, and periods for expressing objections are disclosed. A period must not be less than 14 days, except in the case where a resolution of the trust unitholders is requested to enter into the said transaction for the unitholders to object to the request for a resolution of the unitholders.

In addition, if the trust unitholders express their objection clearly in accordance with the method disclosed under Clause 3) in the amount exceeding one-fourth of the total number of trust units, the trustee cannot do or allow any transaction that conflicts with the REIT's interests.

### 13. Financial Information

#### 13.1 Audit reports as of 31 December 2021

Annual financial statements 2021 audited by Mr. Kiatisak Vanithanont Certified Public Accountant, Registration Number 9922 from SP Audit Company Limited revealed that the financial statements as of 31 December 2021, a change in net asset performance, cash flow, and key financial information for the period from 2 November 2021 to 31 December 2022 of KTBST Mixed Freehold and Leasehold Real Estate Investment Trust are correct as they should in accordance with Thai Financial Reporting Standards.

#### 13.2 Financial Statement for the year 2021

##### A. Statement of Financial Position

Unit: Baht

Statement of Financial Position	2021 (Audited)
<b>Assets</b>	
Investments in leasehold real estate at fair value	3,458,616,098
Investments in securities that are stated at fair value through profit or loss	124,066,000
Cash and cash equivalents	27,424,114
Debtors from interest	36,565
Rental and service income, and pending debtors	5,213,279
Prepaid expenses	723,248
Other assets	5,397,715
<b>Total assets</b>	<b>3,621,477,019</b>
<b>Liabilities</b>	
Accrued expenses	9,960,999
Rent received in advance	5,612,114
Deposit received from Tenants	80,911,491
Lease liabilities	451,627,015
Other liabilities	26,193,485
<b>Total Liabilities</b>	<b>574,305,103</b>
<b>Net assets</b>	

Unit: Baht

Statement of Financial Position	2021 (Audited)
Capital received from trust unitholders	3,015,000,000
Retained earnings	32,171,916
<b>Net assets</b>	<b>3,047,171,916</b>

Note: Based on the REIT's financial statements for the period from 2 November 2021 (date of inception) to 31 December 2021, and the certified public accountant's report.

## B. Statement of comprehensive income

Unit: Baht

Statement of comprehensive income	2021 (Audited)
<b>Income</b>	
Rental and service income	39,764,114
Compensation income for rent and services under the contract	5,397,209
Interest income	131,838
Other income	3,500
<b>Total income</b>	<b>45,296,662</b>
<b>Expenses</b>	
REIT manager fee	1,578,304
Trustee Fee	1,384,478
Registrar fee	156,951
Property management fee	2,680,010
Professional fee	240,000
Project implementation costs	3,293,096
Other expenses	297,999
Financial cost	3,493,908
<b>Total expenses</b>	<b>13,124,746</b>
<b>Net investment profit</b>	<b>32,171,916</b>
<b>An increase in net assets from operations</b>	<b>32,171,916</b>

Note: Based on the REIT's financial statements for the period from 2 November 2021 (date of inception) to 31 December 2021 and the certified public accountant's report.

C. Statement of cash flows

Unit: Baht

Statement of cash flows	2021 (Audited)
<b>Cash flow from operating activities</b>	
An increase in net assets from operations	32,171,916
An adjustment affects the net increase in net assets from operations.	
Net cash received from (was used in) operating activities	
Buying investments in leasehold real estate	(3,010,482,991)
Buying investments in securities	(124,066,000)
The increase in debtors from interest	(36,565)
An increase in rental income and accrued service receivables	(5,213,279)
An increase in prepaid expenses	(723,248)
An increase in other assets	(5,397,715)
An increase in accrued expenses	9,960,999
The increase in rent received in advance	5,612,114
An increase in the deposit received from the tenant	80,911,491
An increase in other liabilities	26,193,485
Interest expense	3,493,908
<b>Net cash used in operating activities</b>	<b>(2,987,575,886)</b>
<b>Cash flow from financing activities</b>	
Cash received from the sale of trust units	3,015,000,000
<b>Net cash provided by financing activities</b>	<b>3,015,000,000</b>
<b>Net increase in cash and cash equivalents</b>	<b>27,424,114</b>
Cash and cash equivalents at the beginning of the period	0
<b>Cash and cash equivalents at the end of the period</b>	<b>27,424,114</b>

Note: Based on the REIT's financial statements for the period from November 2, 2021 (date of inception) to December 31, 2021 and the certified public accountant's report.

## 14. Management Discussion and Analysis: MD&A

### 14.1 Analysis of management

#### A. Operation of the REIT

For the REIT's performance for the accounting period from 2 November 2021 (date of inception) to 31 December 2021, the REIT has received total revenue of 45.29 million Baht. In the same period, the total expense was 13.12 million Baht or approximately 28.98 percent, resulting in, an increase in net assets from operations of 32.17 million Baht.

#### B. The performance of the projects invested by the REIT

##### (1) Revenue Analysis

In 2021, the REIT has total revenue of 45.29 million Baht. The income is mainly from rental and service income of 39.76 million Baht, compensation for rent and services under the contract of 5.39 million Baht and interest income of 0.13 million Baht. The details of the REIT's income are as follows:

Unit: Baht

Details	2021 (Audited)	Percentage (%)
<b>Income</b>		
Rental and service income	39,764,114	87.79
Compensation income for rent and services under the contract	5,397,209	11.92
Interest income	131,838	0.29
Other income	3,500	0.01
<b>Total income</b>	<b>45,296,662</b>	<b>100.00</b>

(2) Expense Analysis

In 2021, the REIT had total expenses of 13.12 million Baht. Most of which were financial costs of 3.49 million Baht, project operating expenses of 3.29 million Baht and property management fees of 2.68 million Baht. The details of the REIT's expenses are as follows:

Unit: Baht

Details	2021 (Audited)	Percentage (%)
<b>Expenses</b>		
REIT Manager fee	1,578,304	12.03
Trustee Fee	1,384,478	10.55
Registrar fee	156,951	1.20
Property management fee	2,680,010	20.42
Professional fee	240,000	1.83
Operating expenses	3,293,096	25.09
Other expenses	297,999	2.27
Financial cost	3,493,908	26.62
<b>Total expenses</b>	<b>13,124,746</b>	<b>100.00</b>

(3) Net increase in net assets from management

For the REIT's management for the period from 2 November 2021 (date of inception) to 31 December 2021, the REIT has an increase in net assets of 32.17 million Baht or 71.02% of total revenue.



(4) Assets

As of 31 December, 2021, the REIT has total assets of 3,621.48 million Baht. The main assets are investments in leasehold rights of real estate at fair value of 3,458.62 million Baht, 95.50 percent of total assets, which are investments in 1) the leasehold right in land and building of warehouse and/or factory buildings in 3 projects, namely, Rich Asset Project, ST Bang Bo Project and ST Bang Pa-In Project 2) land sublease right, office building lease right and the ownership of movable properties in connection with the Summer Hub Project, and 3) the land sublease right, the leasehold right in the community mall building and ownership of movable properties regarding the Summer Hill projects which are as follows

Unit: Baht

Details	2021 (Audited)	Proportion of the total asset (percent)
<b>Assets</b>		
Investments in leasehold properties at fair value	3,458,616,098	95.50
Investments in securities at fair value through profit or loss.	124,066,000	3.43
Cash and cash equivalents	27,424,114	0.76
Accounts receivable from interest	36,565	0.00
Accounts receivable from rental and service income	5,213,279	0.14
Prepaid expenses	723,248	0.02
Other assets	5,397,715	0.15
<b>Total assets</b>	<b>3,621,477,019</b>	<b>100.00</b>

(5) Liabilities

As of 31 December, 2021, the REIT has total liabilities of 574.31 million Baht. Mainly, it is Lease Liability for 451.63 million Baht or 78.64 percent, which is the remaining amount to be paid under the lease agreement, calculated according to the accounting standard. The deposit received from the lessee is 80.91 million Baht or 14.09% of the total liabilities which is a deposit for renting the tenant's property. The liabilities are as follows:

Unit: Baht

Details	2021 (Audited)	Proportion of the total liabilities (percent)
<b>Liabilities</b>		
Accrued expenses	9,960,999	1.73
rent and service received in advance	5,612,114	0.98
Deposit received from tenants	80,911,491	14.09
Lease liability	451,627,015	78.64
Other liabilities	26,193,485	4.56
<b>Total liabilities</b>	<b>574,305,103</b>	<b>100.00</b>

(6) Net Assets

As of 31 December, 2021, the REIT has net assets of 3,047.17 million Baht which include capital received from trust unitholders 3,015.00 million Baht or 98.94% of net assets and retained earnings of 32.17 million Baht as follows:

Unit: Baht

Details	2021 (Audited)	Proportion of net asset (percent)
<b>Net assets:</b>		
Capital received from trust unitholders	3,015,000,000	98.94
retained earnings	32,171,916	1.06
<b>Net assets</b>	<b>3,047,171,916</b>	<b>100.00</b>

(7) Statement of Cash Flow

As of 31 December, 2021, the REIT has cash and cash equivalents amounting to 27.42 million Baht. The main reasons are (1) the REIT has net cash used in operating of 2,987.58 million Baht and (2) the REIT has net cash from financing of 3,015.00 million Baht. Details of the cash flow statement are as follows:

Unit: Baht

Details	2021 (Audited)
Net cash used in operating	-2,987,575,886
Net cash provided by financing	3,015,000,000
<b>Net increase in cash and cash equivalents</b>	<b>27,424,114</b>
Cash and cash equivalents at the beginning of the period	0
<b>Cash and cash equivalents at the end of the period</b>	<b>27,424,114</b>

#### 14.2 Factors or events that may significantly affect the financial position or operations in the future

Thai economy in 2022 is expected to expand at an accelerated rate in the range of 3.5 percent to 4.5 percent per year by the Macroeconomic Strategy and Planning Division from many factors e.g., (1) the recovery of domestic demand and the manufacturing sector from the situation of the Covid-19 outbreak. (2) the slow recovery of the international tourism sector under the government's policy of opening the country (3) the expansion of product exports (4) government budget disbursement, and (5) low-level expansion base. Exports of goods in the US dollar will expand by 4.9 percent, private investment by 4.3 and 4.2 percent, respectively. Headline inflation will be in the range of 0.9 to 1.9 percent and the current account surplus of 1.0 percent of GDP.

However, there are still limitations and risks that may affect the economic recovery in 2022 such as 1) the uncertainty of the COVID-19 epidemic situation amid the mutation of the virus, 2) financial conditions of households and businesses, 3) expansion of exports and industrial production, and 4) risks from economic volatility and global finance that may affect economic growth and Thai economic stability.

From the above factors, Thai economy in 2022 is likely to recover clearly following a low base expansion in 2021 with the improvement in domestic demand after the epidemic situation, the widespread of vaccines, the recovery tourism business recovery to accept foreign tourists and the expansion of the export sector and industrial production following the recovery of the economy and the volume of global trade. In addition, the Thai economy is driven by the government, both from government disbursement and expenditure framework under the Royal Decree on additional loans. The REIT managers and property manager will cooperate to continually plan and develop real estate management strategies to have a complete service and build good relationships with existing tenants and potential tenants including plans to cope with various uncertain factors and risks that may affect the REIT's operations.

Opinion of the Trustee for the REIT's Operation



หลักทรัพย์จัดการกองทุนกสิกรไทย  
开泰基金管理 KASIKORN ASSET MANAGEMENT



Opinion of the Trustee

To Trust unitholders of KTBST Mixed Leasehold Real Estate Investment Trust ("the Trust")

I, Kasikorn Asset Management Company Limited, as the Trustee of Real Estate Investment Trust, has supervised and monitored the management of the KTBST Mixed Leasehold Real Estate Investment Trust managed by KTBST REIT Management Company Limited for the accounting period from 2 November 2021 to 31 December 2021.

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

Best Regards,



(Mr. Vittawat Ajchariyavanich)  
Deputy Managing Director  
Property Business Management Division

Kasikorn Asset Management Company Limited

9 February 2022

KTBST MIXED LEASEHOLD  
REAL ESTATE INVESTMENT TRUST

FINANCIAL STATEMENTS AND AUDITOR'S REPORT

FOR THE PERIOD STARTED 2 NOVEMBER 2021 (INCORPORATION DATE)  
THROUGH 31 DECEMBER 2021

**INDEPENDENT AUDITOR'S REPORT**

To the Trust's Unitholders of KTBST Mixed Leasehold Real Estate Investment Trust

**Opinion**

I have audited the financial statements of KTBST Mixed Leasehold Real Estate Investment Trust ("the Trust"), which comprise the statement of financial position and the details of investments as at 31 December 2021, and the statement of comprehensive income, changes in net assets and cash flows for the period started 2 November 2021 (incorporation date) through 31 December 2021, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as at 31 December 2021, and its financial performance, changes in its net assets and cash flows for the period started 2 November 2021 (incorporation date) through 31 December 2021 in accordance with accounting guidance for Property Fund, Real Estate Investment Trust, Infrastructure Fund and Infrastructure Trust for investment companies as stipulated by Association of Investment Management Companies and endorsed by the Securities and Exchange Commission.

**Basis for Opinion**

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Trust in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

**Key Audit Matters**

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

Based on my consideration and professional judgement, I have determined that there are no key audit matters to communicate in my report.



## SP Audit Co., Ltd.

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### Other Information

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

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

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

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

### Responsibilities of the REIT manager for the Financial Statements

The REIT manager is responsible for the preparation and fair presentation of the financial statements in accounting guidance for property fund, real estate investment trust, infrastructure fund and infrastructure trust for investment companies as stipulated by Association of Investment Management Companies with approval from the Thai Securities and Exchange Commission., and for such internal control as the REIT manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Trust's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

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





## SP Audit Co., Ltd.

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

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

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

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

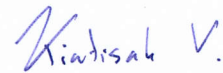


**SP Audit Co., Ltd.**

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

SP Audit Company Limited



(Mr. Kiattisak Vanithanont)

Certified Public Accountant (Thailand) No. 9922

Bangkok

23 February 2022

**KTBST MIXED LEASEHOLD REAL ESTATE INVESTMENT TRUST**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2021**

	Note	(Unit : Baht)
<b>Assets</b>		
Investments in leasehold properties at fair value	5	3,458,616,097.67
Investments in securities at fair value through profit or loss	6	124,066,000.00
Cash and cash equivalents	7	27,424,114.30
Accounts receivable		
From rental and services		5,213,278.68
From interest		36,565.10
Prepaid expenses		723,248.03
Other assets	13	5,397,715.35
Total Assets		<u>3,621,477,019.13</u>
<b>Liabilities</b>		
Accrued expenses	13	9,960,998.67
Rent and service received in advance		5,612,114.02
Deposits received from tenants		80,911,490.65
Lease liability	8	451,627,014.81
Other liabilities	13	26,193,485.00
Total Liabilities		<u>574,305,103.15</u>
Net Assets		<u><u>3,047,171,915.98</u></u>
<b>Net Assets :</b>		
Trust capital from the unitholders		3,015,000,000.00
Retained earnings	9	32,171,915.98
Net Assets		<u><u>3,047,171,915.98</u></u>
Net asset value per unit (Baht)		10.1067
Unit trust outstanding at the end of the period (Units)		301,500,000.00

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

**KTBST MIXED LEASEHOLD REAL ESTATE INVESTMENT TRUST**

**THE DETAILS OF INVESTMENTS**

**AS AT 31 DECEMBER 2021**

Details of investments are classified by type of investment.

<b>Type of investments</b>	<b>Maturity date</b>	<b>Cost (Baht)</b>	<b>Fair Value (Baht)</b>	<b>Percent of investment</b>
<b>Investments in leasehold properties at fair value</b>				
Rich Asset Project				
Location: Bang Phli District, Samut Prakarn province				
Leasehold rights on land, leasehold rights on warehouse building and factories and offices 41 units		685,500,000.00		
		685,500,000.00	685,500,000.00	19.13
ST Bang-Bo Project				
Location: Bang Bo district, Samut Prakarn province				
Leasehold rights on land, leasehold rights on warehouse building and factories 9 units		558,000,000.00		
		558,000,000.00	558,000,000.00	15.58
ST Bang Pa-in Project				
Location: Bang Pa-in district, Ayutthaya province				
Leasehold rights on land, leasehold rights on warehouse building 3 units and cold storage 1 unit		699,000,000.00		
		699,000,000.00	699,000,000.00	19.51
Summer Hub Project				
Location: Sukhumvit Road, Khlong Toei, Bangkok				
Subleasehold right on land, leasehold right on office buildings including utility system 1 unit		416,970,000.00		
Rights-of-use land		292,483,186.67		
Furniture, fixtures and equipment		28,037.38		
		709,481,224.05	709,481,224.05	19.80
Summer Hill Project				
Location: Sukhumvit Road, Khlong Toei, Bangkok				
Subleasehold right on land, leasehold right on community mall buildings including utility system 1 unit		650,770,000.00		
Rights-of-use land		155,649,920.35		
Furniture, fixtures and equipment		214,953.27		
		806,634,873.62	806,634,873.62	22.52
<b>Total investments in leasehold properties at fair value</b>		<b>3,458,616,097.67</b>	<b>3,458,616,097.67</b>	<b>96.54</b>

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

**KTBST MIXED LEASEHOLD REAL ESTATE INVESTMENT TRUST**  
**THE DETAILS OF INVESTMENTS**  
**AS AT 31 DECEMBER 2021**

Details of investments are classified by type of investment.

Type of investments	Maturity date	Cost (Baht)	Fair Value (Baht)	Percent of investment
<b>Investments in securities</b>				
Fixed deposits				
Kasikornbank Public Company Limited	11 Feb 2022	82,066,000.00	82,066,000.00	2.29
Kasikornbank Public Company Limited	13 Mar 2022	27,000,000.00	27,000,000.00	0.75
Kasikornbank Public Company Limited	9 Jun 2022	15,000,000.00	15,000,000.00	0.42
<b>Total investments in securities</b>		124,066,000.00	124,066,000.00	3.46
<b>Total investments</b>		<b>3,582,682,097.67</b>	<b>3,582,682,097.67</b>	<b>100.00</b>

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

**KTBST MIXED LEASEHOLD REAL ESTATE INVESTMENT TRUST**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD STARTED 2 NOVEMBER 2021 (INCORPORATION DATE)**  
**THROUGH 31 DECEMBER 2021**

	Note	(Unit : Baht)
<b>Income</b>		
Rent and service income		39,764,114.01
Compensation income under the undertaking agreement	13	5,397,208.78
Interest income		131,838.43
Other income		3,500.35
Total Income		<u>45,296,661.57</u>
<b>Expenses</b>		
REIT Manager fee	10, 13	1,578,304.42
Trustee fee	10, 13	1,384,477.57
Registrar fee	10	156,951.14
Property management fee	11, 13	2,680,009.61
Professional fee		240,000.00
Operating expenses	12	3,293,095.62
Other expenses		297,999.44
Finance costs		3,493,907.79
Total expenses		<u>13,124,745.59</u>
Net gain from investment		<u>32,171,915.98</u>
Increase in Net Assets from Operations		<u><u>32,171,915.98</u></u>

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

**KTBST MIXED LEASEHOLD REAL ESTATE INVESTMENT TRUST**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**FOR THE PERIOD STARTED 2 NOVEMBER 2021 (INCORPORATION DATE)**  
**THROUGH 31 DECEMBER 2021**

**(Unit : Baht)**

Increase in Net Assets from Operations during the Period	
Net gain from investment	32,171,915.98
Net Increase in Net Assets from Operations	32,171,915.98
Increase in Capital Received from Unitholders during the Period	
Increase in capital during the period	3,015,000,000.00
Net Increase in Capital Received from Unitholders	3,015,000,000.00
Net Increase in Net Assets during the Period	3,047,171,915.98
Net Assets at Beginning of the Period	-
Net Assets at End of the Period	3,047,171,915.98

**(Unit : Units)**

Changes in number of investment units

(Baht 10.00 per unit)

Trust Units at Beginning of the Period	-
Increase in trust units during the period	301,500,000.00
Trust Units at End of the Period	301,500,000.00

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

**KTBST MIXED LEASEHOLD REAL ESTATE INVESTMENT TRUST**  
**STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD STARTED 2 NOVEMBER 2021 (INCORPORATION DATE)**  
**THROUGH 31 DECEMBER 2021**

(Unit : Baht)

Cash Flows from Operating Activities	
Increase in net assets from operations	32,171,915.98
Adjustments to reconcile net increase in net assets from operations to net cash provided by (used in) operating activities	
Purchases of investments in leasehold properties	(3,010,482,990.65)
Purchases of investments in securities	(124,066,000.00)
Increase in accounts receivable from interests	(36,565.10)
Increase in accrued rental and service receivables	(5,213,278.68)
Increase in prepaid expenses	(723,248.03)
Increase in other assets	(5,397,715.35)
Increase in accrued expenses	9,960,998.67
Increase in rent received in advance	5,612,114.02
Increase in deposits received from tenants	80,911,490.65
Increase in other liabilities	26,193,485.00
Interest expenses	3,493,907.79
Net Cash Used in Operating Activities	<u>(2,987,575,885.70)</u>
Cash Flows from Financing Activities	
Cash received from sales of trust units	<u>3,015,000,000.00</u>
Net Cash Provided by Financing Activities	<u>3,015,000,000.00</u>
Net Increase in Cash and Cash Equivalents	27,424,114.30
Cash and Cash Equivalents at Beginning of the Period	<u>-</u>
Cash and Cash Equivalents at End of the Period	<u><u>27,424,114.30</u></u>

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



**KTBST MIXED LEASEHOLD REAL ESTATE INVESTMENT TRUST**  
**NOTES TO THE FINANCIAL STATEMENT**  
**FOR THE PERIOD STARTED 2 NOVEMBER 2021 (INCORPORATION DATE)**  
**THROUGH 31 DECEMBER 2021**

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1. NATURE OF KTBST MIXED LEASEHOLD REAL ESTATE INVESTMENT TRUST

KTBST Mixed 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 (“Trust Act”) in accordance with the Trust Deed signed on 2 November 2021. The Trust is a closed-ended trust with no maturity date. The Trust has registered capital of Baht 3,015 million (Allotted to 301.50 million trust units 10 Baht each).

The Trust’s objective is to raise funds from investor which use the proceeds from the offering of trust units and loan from the financial institution (if any) to invest in main assets. The Trust will seek benefit from such assets by rental, the use of properties areas for rent or compensation is charged, and/or services related to the rental or use areas including any other related actions and necessary for the benefit of such property estate to generate income and returns to the Trust and trust unitholders.

The Stock Exchange of Thailand approved the listing of the Trust’s investment trusts and permitted their trading from 15 November 2021 onwards.

KTBST REIT Management Company Limited acts as the REIT Manager, Kasikorn Asset Management Company Limited acts as the Trustee and Thailand Securities Depository Company Limited acts as the Trust Registrar. Rich Asset Center Company Limited acts as the Property manager for Rich Asset Project. ST Property & Logistics Company Limited acts as the Property manager for ST Bang-Bo Project, ST Bang Pa-In Project, Summer Hub Project and Summer Hill Project.

As at 31 December 2021, the Trust’s major unitholder is STPI Group, which holds 28.05% of the investment units of the Trust.

## 2. DISTRIBUTION POLICY

The Trust has policies to pay distributions to the Trust's unitholders as follows:

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

The adjusted net profit means the net profit of the Trust determined on a cash basis which includes the repayment of the principal as specified in the loan agreement (if any).

- 2.2 In case the Trust has retained earnings in any accounting period, the REIT Manager may pay the distributions to the Trust's unitholders from the retained earnings.
- 2.3 In case the Trust has accumulated losses remaining, the REIT Manager will not pay distributions to the Trust's unitholders.
- 2.4 In case that the Trust has excess liquidity, trust manager may make payment to the unitholders by capital reduction.

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

## 3. BASIS OF PREPARATION OF THE INTERIM FINANCIAL INFORMATION

The financial statements has been prepared in accordance with accounting guidelines for the Property Fund, Real Estate Investment Trust, Infrastructure Fund and Infrastructure Trust established by the Association of Investment Management Companies and endorsed by the Securities and Exchange Commission, Thailand ("Accounting Guidelines"), while for those matters not covered by the Accounting Guidance, the entity is to follow the financial reporting standards issued by the Federation of Accounting Professions Under the Royal Patronage of His Majesty the King ("TFAC") that are effective in that financial reporting period.

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

#### 4. SIGNIFICANT ACCOUNTING POLICIES

##### 4.1 Investments in leasehold properties

Investments in leasehold properties are measured at cost on initial recognition. Cost includes expenditure that is directly attributable to the acquisition of the investments in leasehold properties.

Subsequent to initial recognition, investments in leasehold properties are measured at fair value.

Gains or losses arising from changes in fair values of the investments in leasehold properties are recognized in the statement of comprehensive income in the period in which they arise.

The Trust is determined Fair value at each reporting date, using the appraisal value assessed by an independent appraiser approved by Thai Valuer Association and The Valuers Association of Thailand (Pursuant to the Notification of the Office of the Securities and Exchange Commission concerning the granting of approval of valuation companies and principal valuers for public use). Valuation will be made when economic conditions change, but at least every two years, commencing from the date of the appraisal made for the purposes of investing or leasing the properties. In addition, the valuation will be reviewed within one year after the latest valuation date.

The Trust derecognises the investments in leasehold properties when it has been disposed of or permanently withdrawn from use and no future economic benefit is expected from its disposal.

On derecognition of the investments in leasehold properties, the difference between the carrying amount of the asset and the sum of the consideration received are recognised in the statement of comprehensive income in the year of retirement or disposal.

##### 4.2 Financial instruments

Financial assets and financial liabilities

###### *Recognition and initial investment*

The Trust initially recognise in financial assets and financial liabilities on the trade date - the date on which the Trust commits to purchase or sell the investment.

Financial assets and financial liabilities at fair value are initially recognised at fair value. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value recognised immediately in profit or loss as expense.

*Classification and subsequent measurement*

All financial assets are classified financial assets are subsequently measured at fair value.

All financial liabilities are classified financial liabilities are subsequently measured at amortize cost except derivative liabilities are subsequently measured at fair value.

Gains and losses arising from changes in the fair value of the financial assets or financial liabilities are subsequently measured at fair value are recognised in the statement of comprehensive income.

*Derecognition*

The Trust derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset, the difference between the carrying amount of the asset and the sum of the consideration received and receivable are recognised in the statement of comprehensive income.

The Trust derecognises a financial liability when its contractual obligations are discharge or cancelled, or expire.

On derecognition of a financial liability, the difference between the carrying amount of the financial liability derecognised and the consideration paid and payable are recognised in the statement of comprehensive income.

#### 4.3 Accounts Receivable from Rental and Service

Accounts receivable from rental and service are stated at their invoice value less allowance for expected credit losses.

The Trust applies a simplified approach in calculating expected credit loss to consider impairment of accounts receivable from rental and service.

#### 4.4 Lease

At inception of a contract, the Trust assesses whether a contract is, or contains, a lease.

##### *As a lessee*

##### *Recognition and initial investment*

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 investment in leasehold properties.

The cost of right-of-use asset are comprising the initial amount of the lease liability adjusted for rental payment which paid before or on the commencement date of contract, plus initial direct costs and an estimate of restoration costs

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or incremental borrowing rate.

##### *Subsequence measurement*

After the commencement date of contract, Right-of-use assets are subsequently measured at fair value.

After the commencement date of contract, the lease liability is remeasured when there is a modification, change in lease term, change in lease payments, change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the assessment of purchase, extension or termination options. 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.

##### *As a lessor*

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

#### 4.5 Revenues and Expenses Recognition

Rental and service incomes are recognized as revenues on a straight-line basis over the lease term.

Compensation income under the undertaking is recognised over the agreements term.

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

Expenses are recognised on an accrual basis.

#### 4.6 Related Party Transactions

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

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

#### 4.7 Use of Judgements and Estimates

The preparation of financial statements in conformity with Accounting Guidelines requires management to make adjustment and estimates that affect the reported amounts of assets, liabilities, revenues, expenses and disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

#### 4.8 Distributions to the Trust's Unitholders

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

### 5. INVESTMENTS IN LEASEHOLD PROPERTIES AT FAIR VALUE

As at 31 December 2021, investments in leasehold properties at fair value consisted of:

	(Unit : Baht)
Beginning of the period	-
<u>Add</u> Acquisitions during the period	3,010,482,990.65
<u>Add</u> Rights-of-use assets	448,133,107.02
End of the period	<u>3,458,616,097.67</u>

On 8 November 2021, the Trust entered into lease and/or sub-lease agreements on land and building and other related expenses and other asset. Details of investments are summarised as follows:

Project	Asset Type	Land Area	Utilisable	Type of Ownership	Investment period ending
		(Rai-Ngan-Sq. wah)	area (Sq.m.)		
Rich Asset Project	Warehouse/ factory buildings	30-1-35.4	40,385.67	leasehold rights on land and building	7 November 2051
ST Bang-Bo Project	warehouse/ factory buildings	41-1-94.3	37,656.00	leasehold rights on land and building	7 November 2051
ST Bang Pa-in Project	Warehouse	40-3-9	43,578.00	leasehold rights on land and building	7 November 2051
Summer Hub Project	Office buildings	1-1-31	5,147.36	Sub-leasehold rights on land, leasehold rights on building and purchase equipment and renewal commitment	7 November 2051
Summer Hill Project	Community mall	2-1-98	5,138.45	Sub-leasehold rights on land, leasehold rights on building and purchase equipment and renewal commitment	7 November 2051

Amounts recognised in profit and loss that are related to investments in leasehold properties for the period started 2 November 2021 (incorporation date) through 31 December 2021 are as follows:

	(Unit : Baht)
Rental and services income	39,764,114.01
Direct operating expense that generated rental income during the year	3,293,095.62

As at 31 December 2021, future minimum lease income expected to be received under non-cancellable operating leases were as follows.

	(Unit : Million Baht)
Less than 1 year	215.61
After 1 year to 5 years	423.19
Over 5 years	233.91

6. INVESTMENTS IN SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

Movement of investment in properties at fair value fair value through profit and loss properties for the period started 2 November 2021 (incorporation date) through 31 December 2021 were as follows.

	(Unit : Baht)
Beginning of the period	-
Purchase	124,066,000.00
End of the period	124,066,000.00

7. CASH AND CASH EQUIVALENTS

As at 31 December 2021, cash and cash equivalents consisted of:

<u>Bank</u>	Principle (Baht)	Interest rate (%)
Kasikornbank Public Company Limited		
Saving account	23,227,114.30	0.20
Current account	4,197,000.00	-
Total	27,424,114.30	



8. LEASE LIABILITIES

The movements of lease liabilities for the period started 2 November 2021 (incorporation date) through 31 December 2021 are as follows: -

	(Unit : Baht)
Beginning of the period	-
Increase during the period	448,133,107.02
Increase from interest during the period	3,493,907.79
End of the period	<u>451,627,014.81</u>

The maturity analysis of lease liabilities as at 31 December 2020 are as follows: -

	(Unit : Baht)		
		More than 1 year but	
	<u>Less than 1 year</u>	<u>less than 5 years</u>	<u>More than 5 years</u>
Future minimum lease payments	12,771,807.06	50,625,000.00	1,085,416,270.00
<u>Less:</u> Deferred interest expenses	(24,135,980.83)	(103,563,673.13)	(569,486,408.29)
Lease liabilities	<u>(11,364,173.77)</u>	<u>(52,938,673.13)</u>	<u>515,929,861.71</u>

Expenses relating to leases for the period started 2 November 2021 (incorporation date) through 31 December 2021 are as follows: -

	(Unit : Baht)
Interest expense on lease liabilities	3,493,907.79

9. RETAINED EARNINGS

Movement of retained earnings for the period started 2 November 2021 (incorporation date) through 31 December 2021 are as follows:

	(Unit : Baht)
Beginning of the period	-
Net gain from investment	<u>32,171,915.98</u>
End of the period	<u>32,171,915.98</u>

#### 10. EXPENSES

The REIT Manager fee, trustee fee and registrar fee are summarised as follows:

<u>Expenses</u>	<u>Percentage</u>
REIT Manager fee	Not over 1.07 percent per annum of the Trust's total asset value (Minimum fee of Baht 10.00 million)
Trustee fee	Not over 1.07 percent per annum of the Trust's total asset value (Minimum fee of Baht 5.00 million)
Registrar fee	Rate is specified by Thailand Securities Depository Company Limited

The above fees include value added taxes.

#### 11. PROPERTY MANAGEMENT FEE

The Property manager will receive property manager fee. This agreement covers a period of three years which is summarised as follows:

- (1) Property management fee is charged not more than 5.00 percent operation income.
- (2) Incentive fee is charged not more than 10.00 percent net operation income.
- (3) Commission fees are divided into 2 categories.
  - For new lessees with rental contracts, commission fees are charged not more than 2 months of rental and service rates which is calculated in proportion to the actual rental period from the rental period of 3 years.
  - For current lessees with renewed rental contracts, commission fees are charged not more than 1 months of rental and service rates.

#### 12. OPERATING EXPENSES

Operating expenses comprising repair and maintenance, utilities, insurance premium, land and property tax, postage and other expenses which are incurred legally and in accordance with regulations. Such expenses are charged to the Trust as they are actually paid.

13. RELATED PARTY TRANSACTIONS

The Trust had significant business transactions with its related parties which comprise the REIT manager, trustee, the companies which related to the REIT Manager or trustee, and by way of common shareholders or unitholders and/or directors and other funds which are managed by the same trustee. Below is a summary of those transactions for the period started 2 November 2021 (incorporation date) through 31 December 2021 as follows:

(Unit : Baht)		
<u>Pricing Policy</u>		
KTBST REIT Management Company Limited		
REIT manager fee	1,578,304.42	As specified in the agreement
Kasikorn Asset Management Company Limited		
Trustee fee	1,384,477.57	As specified in the agreement
ST Property & Logistics Company Limited		
Compensation income under the undertaking agreement	1,583,697.82	As specified in the agreement
Commission fees	146,280.00	As specified in the agreement
Property management fee	1,992,519.00	As specified in the agreement
ST Hill Company Limited		
Compensation income under the undertaking agreement	1,879,278.36	As specified in the agreement
ST Hub Company Limited		
Compensation income under the undertaking agreement	1,227,565.92	As specified in the agreement

As at 31 December 2021, the Trust had the significant outstanding balances with the related companies as follows:

	(Unit : Baht)
<b>KTBST REIT Management Company Limited</b>	
Accrued REIT manager fee	1,621,173.09
<b>Kasikorn Asset Management Company Limited</b>	
Accrued trustee fee	1,422,081.66
<b>ST Property &amp; Logistics Company Limited</b>	
Receivable from compensation income under the undertaking agreement	1,583,697.82
Guarantee under the undertaking agreement	15,000,000.00
Accrued property management fee	2,046,638.22
Accrued expenses	332,226.27
<b>ST Hill Company Limited</b>	
Receivable from compensation income under the undertaking agreement	1,879,278.36
Accrued expenses	1,042,420.98
<b>ST Hub Company Limited</b>	
Receivable from compensation income under the undertaking agreement	1,227,565.92
Accrued expenses	591,819.06

#### 14. INVESTMENT TRADING INFORMATION

The Trust's investment trading transactions for the period started 2 November 2021 (incorporation date) through 31 December 2021 excluding investments in promissory notes and certificates of deposit amounted of Baht 3,582.68 million which is 117.92 percent of the average net asset value during the period.

#### 15. COMMITMENTS

As at 31 December 2021, the Trust had commitments to pay as follows:

- Committed to pay the REIT manager fee, trustee fee and registrar fee under the terms and conditions specified in Note 10.
- Committed to pay the property manager fee under the terms and conditions specified in Note 11.
- Committed to pay common area fee as specified in the agreement.
- Commitment to pay for a security service agreement and cleaning service with a monthly of Baht 0.64 million

## 16. SEGMENT INFORMATION

Operating segment information is reported in a manner consistent with the Trust's internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The one main reportable operating segment of the Trust is purchase and lease on property in which the Trust has invested and the single geographical area of its operations is Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment and geographical area.

## 17. FAIR VALUE HIERARCHY AND 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, except there is no active market or when a quoted market price is not available. The Trust endeavors to use relevant observable inputs as much as possible.

The Trust measure fair values using the following fair value hierarchy, which are observable and the significance of the inputs to the fair value measurement as follow:

- Level 1     Use of quoted market prices in an observable active market for such assets or liabilities.
- Level 2     Use of other observable inputs for such assets or liabilities, whether directly or indirectly.
- Level 3     Use of unobservable inputs such as estimates of future cash flows.

As at 31 December 2021, the Trust had the assets that were measured at fair value using different levels of inputs as follows:

	(Unit : Baht)			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Assets measured at fair value</u>				
Investment in leasehold properties	-	-	3,458,616,097.67	3,458,616,097.67
Fixed deposit	-	124,066,000.00	-	124,066,000.00

The Trust estimated the fair value of financial instruments as follow:

- Investment in leasehold properties are estimated their fair value as described in Note 4.1.
- Fixed deposits are estimated their fair value by using amortised cost, which approximates fair value

During the current period, there were no transfers within the fair value hierarchy.

18. DISCLOSURE OF FINANCIAL INSTRUMENTSInterest Rate Risk

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

As at 31 December 2021, significant financial assets and liabilities classified by type of interest rates are summarized as follows:

	(Unit : Baht)		
	Fixed interest rate <u>within 1 year</u>	Floating <u>interest rate</u>	Non- interest <u>bearing</u>
<u>Financial assets</u>			
Investments in securities	124,066,000.00	-	-
Cash at cash equivalents	-	23,227,114.30	4,197,000.00
Accounts receivable from rental and service	-	-	5,213,278.68
Accounts receivable from interest	-	-	36,565.10
<u>Financial liabilities</u>			
Accrued expenses	-	-	9,960,998.67
Rent and service received in advance	-	-	5,612,114.02
Deposits received from tenants	-	-	80,911,490.65

Credit risk

The Trust has credit risk which results from the failure of a counterparty to settle its contractual obligations specified in financial instruments. The Trust has only receivables. 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 rent and service received in advance and deposits from tenant as collateral in case of default. The carrying amount of financial assets as recorded in the statement of financial position represents the Trust's maximum exposure to credit risk.

### Currency risk

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

## 19. EVENTS AFTER THE REPORTING PERIOD

On 7 February 2022, the Board of Directors' meeting of KTBST REIT Management Company Limited, acting as a REIT manager of the Trust, had the resolution to approve the acquisition ownership of a data center in Interlink Data Center Project consist of rights on part of land, buildings, fixtures, and relevant component parts by using the new long-term loan. In addition, the investment committee of Trustee is process of consideration that investment.

On 23 February 2022, the Board of Directors' meeting of KTBST REIT Management Company Limited, acting as a REIT manager of the Trust, had the resolution to appropriation of operation for the period from 2 November 2021 to 31 December 2021 of Baht 0.1039 per unit.

## 20. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements have been approved for issue by the authorised persons of the Trust on 23 February 2022.

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KTBST MIXED FREEHOLD AND LEASEHOLD REAL ESTATE INVESTMENT TRUST

REIT Manager



Trustee

หลักทรัพย์จัดการกองทุนนิกรไทย  
开基基金管理 KASIKORN ASSET MANAGEMENT

