



ทรัสต์เพื่อการลงทุนในอสังหาริมทรัพย์และสิทธิการเช่าดับบลิวเอชเอ พรีเมียม โกรท

Trust Unit Holders of WHA Premium Growth Real Estate Investment Trust

# รายงานประจำปี 2559



Annual Report  
2016



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# Message from the Board of Directors

WHA Real Estate Management Co., Ltd., in its capacity of the REIT Manager



A stylized blue ink signature of Piyapong Pinthuprapa.

Piyapong Pinthuprapa  
Chief Executive Director



A stylized blue ink signature of Kamthorn Tatiyakavee.

Kamthorn Tatiyakavee  
Chairman of Board of Director

Since the end of 2014, which was the year the Trust had been established, the Trust has been in operation for more than two years. The Trust has increased its size of assets from 4,655.54 million Baht from the beginning to 13,922.55 million Baht at the end of 2016, and also expanded its warehouse rental area from 167,332 square meters to 499,236 square meters. In the present, WHART is the leader in the warehouse rental business with the largest warehouse rental space in Thailand. In 2017, profit before interest expense and net profit (loss) from investment to total income ratio was high at 84 percent in both 2015 and 2016. This demonstrated an efficiency of the collaboration in asset management between the REIT Manager and the Property Manager, whereby the management and directors of the REIT Manager had a strong intention to increase the size of assets and the rental areas as well as maintain the efficiency in the asset management of the Trust in order to diversify risk and create stability in respect of the returns to our shareholders.



## WHART (REIT)

### IPO

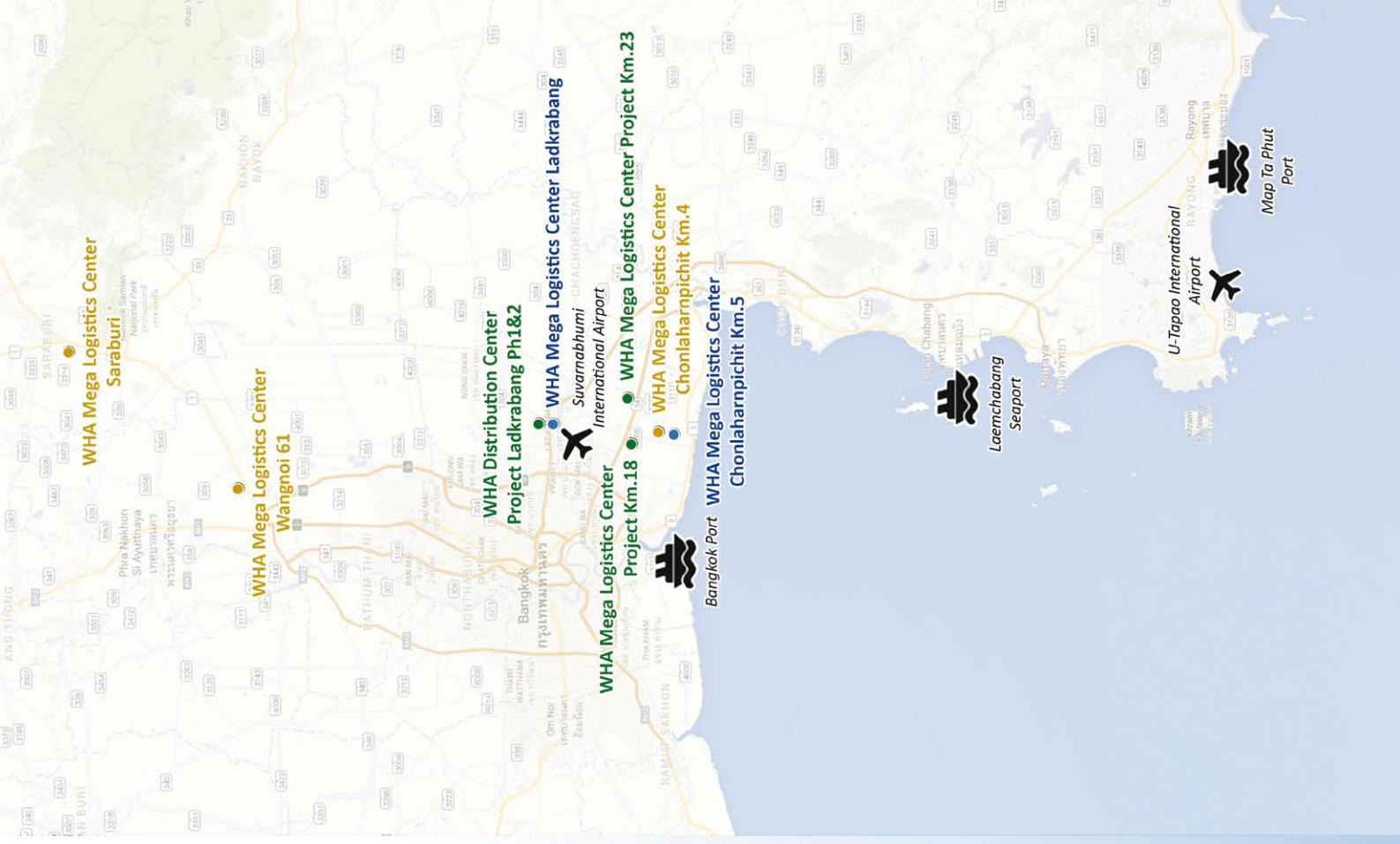
- WHA Distribution Center Project Ladkrabang Ph 1&2
- WHA Mega Logistics Center Project Km.18
- WHA Mega Logistics Center Project Km.23

### 1st Capital Increase

- WHA Mega Logistics Center Chonlaharnpichit Km.4
- WHA Mega Logistics Center Wangnoi 61
- WHA Mega Logistics Center Saraburi

### 2nd Capital Increase

- WHA Mega Logistics Center Ladkrabang
- WHA Mega Logistics Center Chonlaharnpichit Km.5









# WHA Premium Growth Freehold and Leasehold Real Estate Investment Trust

## Financial Overview

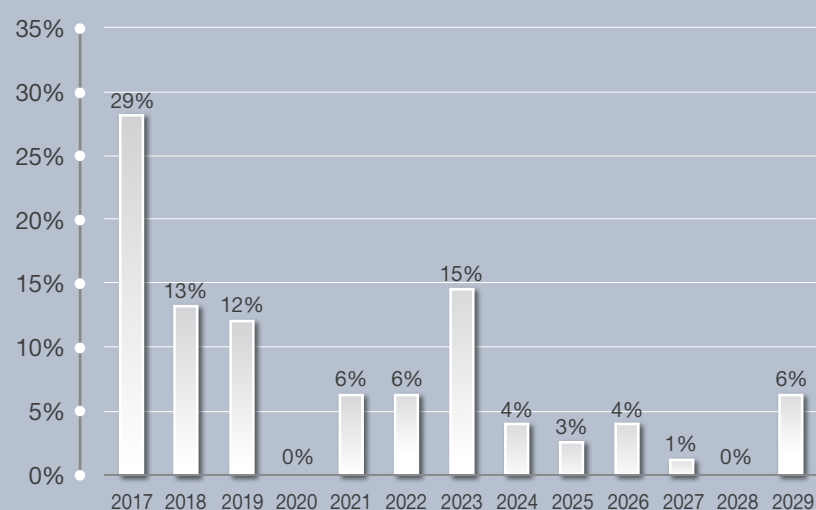
Particulars	2016	2015	2014 *
<b>Statement of Income (million baht)</b>			
Rental and service income	708.93	332.15	14.14
Interest income	0.82	0.32	0.24
Total income	709.75	332.47	14.38
Total expenses	113.76	53.51	4.70
Profit before financial costs and net gain (loss) from investment	595.99	278.96	9.68
Financial costs	120.81	62.33	2.98
Total net gain (loss) from investment	(95.38)	(97.77)	-
Increase in net assets from operations period (Net profit)	379.80	118.86	6.70
<b>Balance Sheet (million baht)</b>			
Investments in properties	13,082.76	8,970.98	4,406.37
Other assets	839.79	624.37	206.93
Total assets	13,922.55	9,595.35	4,613.30
Borrowing from financial institutions	3,970.00	2,720.00	1,370.00
Other liabilities	411.56	332.96	128.70
Total liabilities	4,381.56	3,052.96	1,498.70
Net assets	9,540.99	6,542.39	3,114.60
<b>Financial Ratio</b>			
Unit outstanding at the end of period (units)	972,142,000	661,670,000	310,790,000
Net assets value per unit (baht)	9.8144	9.8876	10.0215
Increase in net assets from operations period per unit (net profit per unit) (baht)	0.3907	0.1796	0.0215
Interest bearing debt to total assets ratio (%)	28.51	28.35	29.70
Total liabilities to total assets (%)	31.47	31.82	32.49
Total liabilities to net assets value ratio (times)	0.46	0.47	0.48
Interest coverage ratio (times)	4.93	4.48	3.25

\* Remark : 2014 is performance from 8 December 2014 - 31 December 2014

## Summary of WHART Tenor Profile

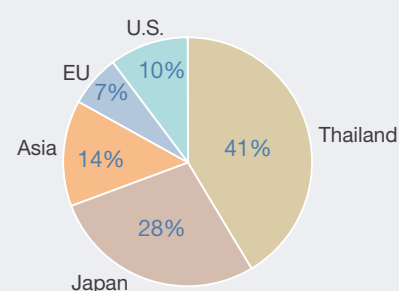
Weighted Average Lease Expiry (WALE) = 3.95 years (data based on 31 December 2016)

Remaining lease period from 31 December 2016

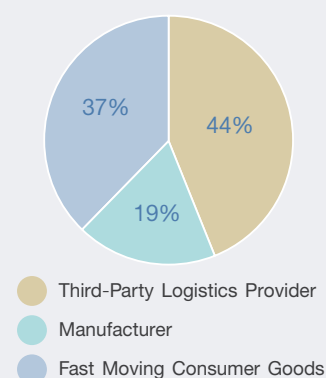


\*Included renewal period (optional)

## Tenant's Nationality

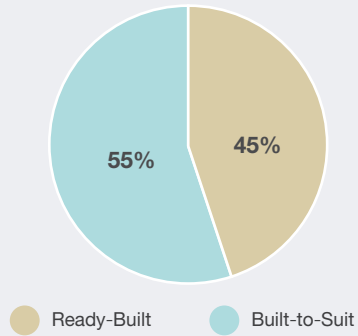


## Tenant's Business

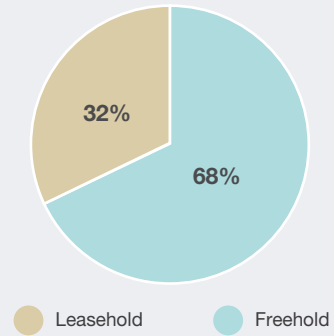




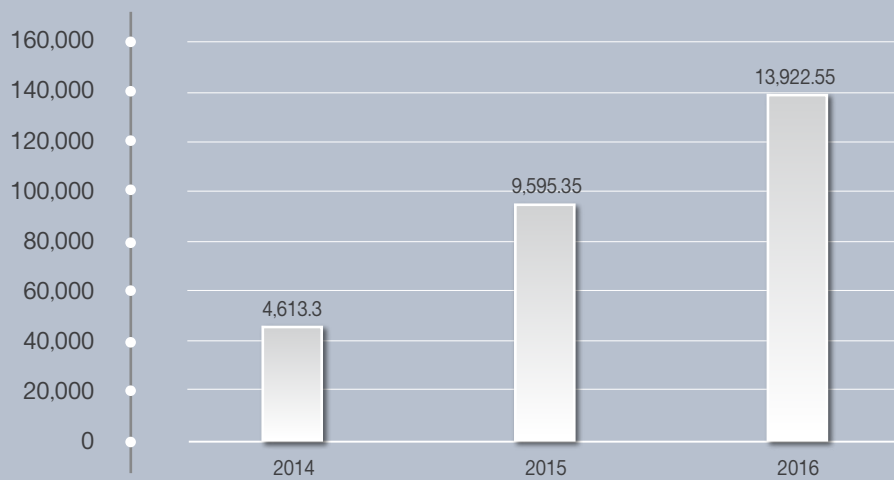
Building Type



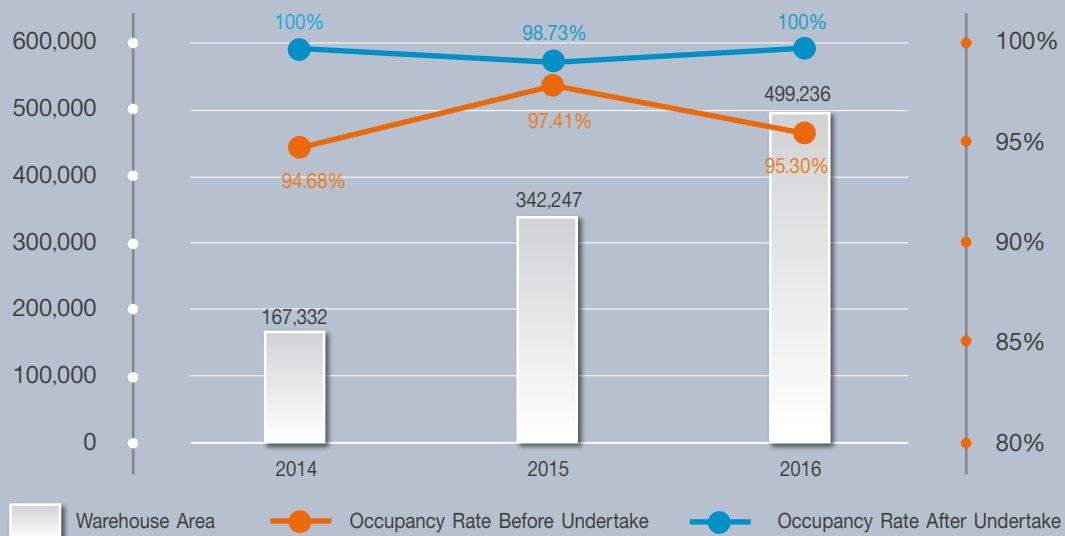
Freehold - Leasehold



Total Assets (Million Baht)

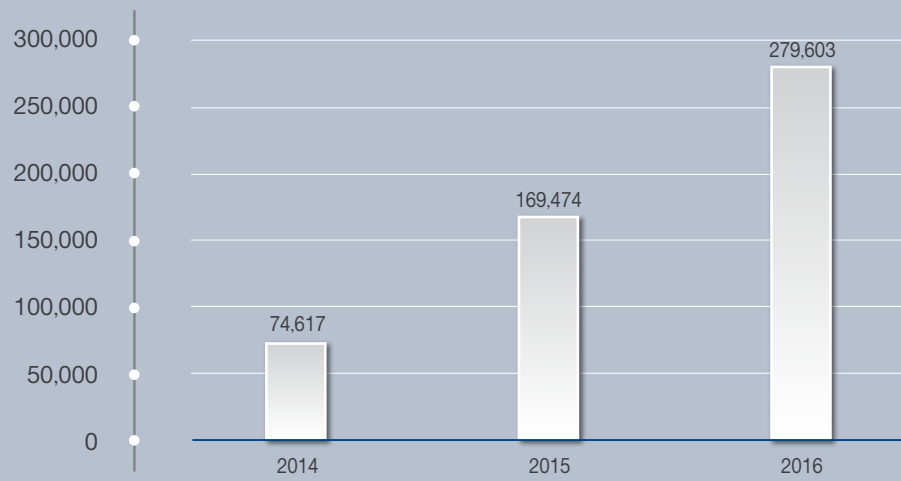


Warehouse Area and Occupancy Rate (Sq.m.)

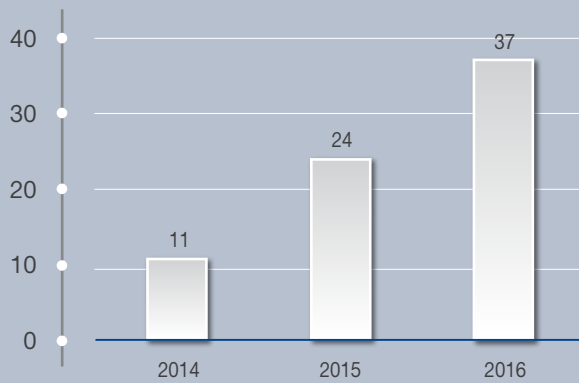




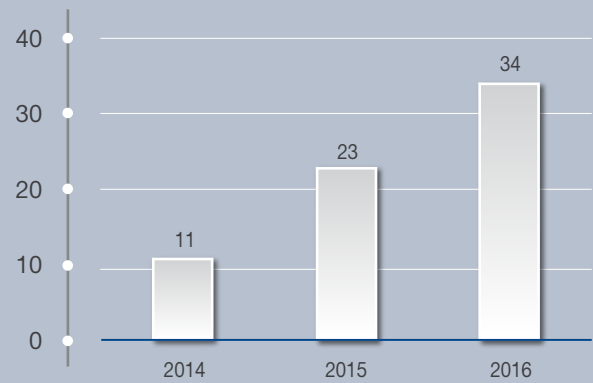
Roof Area (Sq.m.)



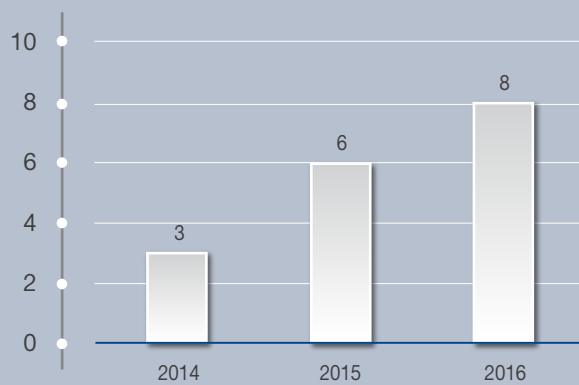
Number of Buildings



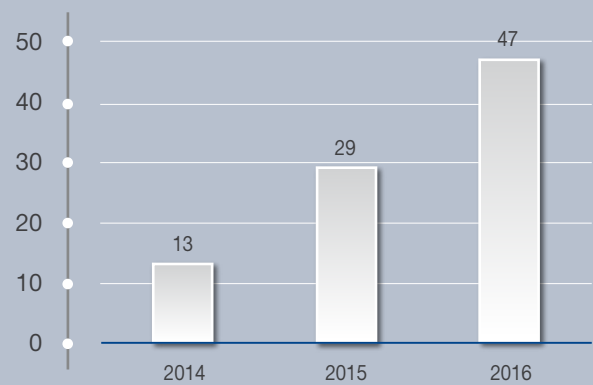
Number of Tenants



Number of Sites



Number of Contracts



# Management Discussion & Analysis

## WHA Premium Growth Freehold and Leasehold Real Estate Investment Trust's performance:

Description	31 December 2016	31 December 2015	Change (%)
Warehouse occupancy rate before WHA's undertaking (%)	95.30%	97.41%	(2.11%)
Rooftop occupancy rate before WHA's undertaking (%)	29.95%	49.41%	(19.46%)
Warehouse occupancy rate after WHA's undertaking (%)	100%	98.73%	1.27%
Rooftop occupancy rate after WHA's undertaking (%)	100%	100%	-
Warehouse rental area (square meters)	499,236.25	342,247.00	45.87%
Rooftop rental area (square meters)	279,603.49	169,473.59	64.98%
Rental and service income (million Baht)	708.93	332.15	113.44%
Interest income (million Baht)	0.82	0.32	155.47%
Total income (million Baht)	709.76	332.47	113.48%
Total expenses (million Baht)	113.76	53.51	112.61%
Net investment income before financial cost (profit before financial cost) (million Baht)	595.99	278.96	113.65%
Net profit before financial cost to total income ratio (%)	83.97%	83.91%	0.06%
Interest expense (million Baht)	120.81	62.33	93.82%
Net investment income (profit before net gain (loss) from investment) (million Baht)	475.18	216.63	119.35%
Profit before net gain (loss) from investment to total income ratio (%)	66.95%	65.16%	0.79%
Total net gain (loss) from investment (million Baht)	(95.38)	(97.77)	(2.45%)
Increase in net assets from operations (net profit) (million Baht)	379.80	118.86	219.54%
Net profit to total income ratio (%)	53.51	35.75%	17.76%

## Analysis of performance

### 1. Overview of the Trust's performance

As for the performance of the year ending 31 December 2016, WHA Premium Growth Freehold and Leasehold Real Estate Investment Trust has a total rental and service income of 708.93 million Baht, increasing of 376.78 million Baht or 113.44% from 2015. Total expenses were 113.75 million Baht, increasing of 60.25 million Baht or 112.61% from 2015 and interest expense was 120.81 million Baht, which increased by 58.48 million Baht or 93.82% from 2015. Net loss from investment (mainly net loss which has not yet incurred from annual asset valuation) was 95.38 million Baht, which is a decrease of 2.39 million Baht or 2.45% from 2015. Due to the investment in assets for the first capital increase dated on 29 December 2015, the Trust's assets increased from 4,406.37 million Baht to 8,970.98 million Baht (revenue was fully recognized in 2016). In 2016, the Trust has additionally invested in assets for the second capital increase dated on 7 December 2016, therefore the Trust's assets increased from 8,970.98 million Baht to 13,082.76 million Baht. As such, the



increase in net assets from operations (net profit) of the Trust in 2016 was 379.80 million Baht or 0.3907 Baht per unit, which is an increase of 260.94 million Baht or 219.54% from the previous year.

As of 31 December 2016, the Trust has total assets in the amount of 13,922.55 million Baht and total liabilities of 4,381.56 million Baht whereby the net assets were 9,540.99 million Baht which comprised of capital received from the Trust unitholders of 9,466.65 million Baht and retained earnings at the end of the period of 74.34 million Baht, equivalent to the net assets value per unit of 9.8144 Baht.

## **2. Significant details on the income statement for the year ended 31 December 2016**

- 1 Investment income comprising of:
  - 1.1) Warehouse rental and service income of 708.93 million Baht, equivalent to 99.88 of total income due to the increase in the assets from the investment on 7 December 2016 of the Trust
  - 1.2) Interest income of 0.83 million Baht, equivalent to 0.12 of total income and return from saving deposit account of 0.37% per annum
2. Expenses comprising of:
  - 2.1) Management fee of 15.14 million Baht, equivalent to 2.13% of the total income and 0.16% of net assets, which was paid monthly to WHA Real Estate Management Company Limited in a rate not exceeding 0.75% per annum of the total net assets (excluding value added tax, specific business tax or other similar taxes)
  - 2.2) Trustee fee of 15.14 million Baht, equivalent to 2.13% of the total income and 0.16% of net assets, which was paid monthly to Kasikorn Asset Management Company Limited in a rate not exceeding 0.75% per annum of the total net assets (excluding value added tax, specific business tax or other similar taxes)
  - 2.3) Registrar fee of 3.11 million Baht, equivalent to 0.44% of the total income which was paid to Thailand Securities Depository Company Limited
  - 2.4) Property Management Fee of 10.10 million Baht, equivalent to 1.42% of the total income which was paid to WHA Corporation Public Company Limited in accordance with the service agreement
  - 2.5) Other expenses of 70.27 million Baht, equivalent to 9.90% of the total income which consisted of:
    - 2.5.1) Land rental expenses of 15.47 million Baht, equivalent to 22% of other total expenses
    - 2.5.2) Amortisation of deferred expenses of 41.59 million Baht, equivalent to 59% of other total expenses
    - 2.5.3) Consulting and professional fee of 1.91 million Baht, which comprised of legal consulting and audit fees, equivalent to 3% of other total expenses
    - 2.5.4) other expenses of 11.30 million Baht, equivalent to 16% of other total expenses
  - 2.6) Financial cost

Interest expenses of 120.81 million Baht from which the Trust loaned the financial institution in the amount of 3,970 million Baht with an interest rate of f Minimum Loan rate (MLR) - (1.5% - 2.00%) per annum
  - 2.7) Net profit (loss) from investment

Net loss which has not yet incurred from investment valuation of 95.38 million Baht resulting in the decrease of the appraisal value of the assets

### 3. Significant details on the balance sheet for the year ending 31 December 2016

#### 1. Assets

As at 31 December 2016, the Trust had total asset value of 13,922.55 million Baht, increasing of 4,327.20 million Baht or 45.10% from the previous year with significant particulars as follows:

- 1.1) Investment at fair value of 13,264.44 million Baht, increasing of 4,213.18 million Baht or 46.55% from the previous year due to the additional investment in assets for the second capital increase on 7 December 2016
- 1.2) Cash and cash equivalents of 285.66 million Baht, increasing of 25.23 million Baht or 9.69 % from previous year
- 1.3) Deferred expenses of 246.30 million Baht, increasing of 66.89 million Baht or 37.28% from the previous year resulting from expenses for the issuance and offer for sale of trust units for the second capital increase

(unit : million Baht)

Assets	31 December 2016	31 December 2015	Change (%)
Investment at fair value	13,264.44	9,051.26	46.55%
Cash and cash equivalents	285.66	260.43	9.69%
Deferred expenses	246.30	179.41	37.28%
Deferred income from operating lease agreement	25.31	12.98	94.99%
VAT Refundable	61.10	74.16	-17.61%
Other assets	39.74	17.11	132.26%
<b>Total assets</b>	<b>13,922.55</b>	<b>9,595.35</b>	<b>45.10%</b>

#### 2. Liabilities

As at 31 December 2016, the Trust had total liabilities of 4,381.56 million Baht, increasing of 1,328.60 million Baht or 43.52% from the previous year with the significant particulars as follows:

- 2.1) Net loans from financial institutions valued at 3,845.62 million Baht, increasing of 1,216.32 million Baht or 46.26% from the previous year due to the fact that the Trust loaned the additional investment in the assets on 7 December 2016

(unit : million Baht)

Liabilities	31 December 2016	31 December 2015	Change (%)
Rental and service income received in advance	8.69	6.95	25.04%
Deposits from customers	373.34	239.89	55.63%
Net loans from financial institutions	3,845.62	2,629.30	46.26%
Accrued expenses	139.88	171.38	-18.38%
Other liabilities	14.03	5.44	157.90%
<b>Total liabilities</b>	<b>4,381.56</b>	<b>3,052.96</b>	<b>43.52%</b>



### 3. Net assets

As at 31 December 2016, the Trust has the net assets value of 9,540.99 million Baht, which is an increase of 2,998.60 million Baht or 45.83% or equivalent to net asset value per unit of Baht 9.8144 from previous year.

Net Assets	31 December 2016	31 December 2015	Change (%)
Net assets (million Baht)	9,540.99	6,542.39	45.83%
Net asset value per unit (Baht)	9.8144	9.8876	-0.74%
Total trust units issued (unit)	972,142,000	661,670,000	46.92%

### 4. Distribution payment

Distribution payment from the operating result for the year 2016

No.	Operating period	Payment Date	Distribution per unit (baht)		
			Dividend	Capital Reduction	Total
1	1 January - 31 March 2016	27 May 2016	0.0292	0.1610	0.1902
2	1 April - 30 June 2016	25 August 2016	0.1733	0.0217	0.1950
3	1 July - 30 September 2016	25 November 2016	0.1696	0.0249	0.1945
4	1 October - 15 November 2016	20 December 2016	0.0930	-	0.0930
5	16 November - 31 December 2016	22 March 2017	0.0741	0.0124	0.0865
	<b>Total</b>		<b>0.5392</b>	<b>0.2200</b>	<b>0.7592</b>

Historical distribution payment

Description	1 January 2016 - 31 December 2016	1 January 2015 - 31 December 2015	8 December 2014 - 31 December 2014
Dividend	0.5392	0.3047	0.0282
Capital reduction	0.2200	0.3719	-
<b>Total distribution</b>	<b>0.7592</b>	<b>0.6766</b>	<b>0.0282</b>

# WHA Premium Growth Freehold and Leasehold Real Estate Investment Trust (WHART)

## 1. Real Estate Investment Trust (“REIT” or “Trust”)

### 1.1 Main Points of the Trust

Name of Investment Trust (Thai)	ทรัสต์เพื่อการลงทุนในอสังหาริมทรัพย์และสิทธิการเช่าดั่งบลิวเอชเอ พรีเมียม โกรท (Thai)
Name of Investment Trust (English)	WHA Premium Growth Freehold and Leasehold Real Estate Investment Trust (English)
Initial	WHART
REIT Manager	WHA Real Estate Management Company Limited (“the Company”)
Property Manager	WHA Corporation Public Company Limited
Trustee	Kasikorn Asset Management Company Limited
Term of the Trust	Indefinite
Paid-up Capital	Baht 9,158,063,711.00
Type of the Trust	Non-redeemable unit trust from the trust unitholders

### 1.2 Objective of the Trust

The Trust was established for the purpose of engaging in transactions in the capital market in accordance with all relevant SEC notifications. The objectives of the Trust are the issuance and offering of securities in the category of trust units of the Real Estate Investment Trust (REIT) to investors in accordance with the Notification Tor Jor. 49/2012 and registration of all trust units in the Securities Exchange (“SET”).

After receiving the proceeds from trust offering as well as the loan proceeds and deposits for rental and service, the Trust has invested such proceeds in the main assets of the Trust, and sought for commercial benefits from such assets by renting/leasing areas in such assets and providing services related to the rental or lease of properties. For the procurement of benefits the Company has assigned or appointed WHA Corporation Public Company Limited as a property manager to seek commercial benefits and manage the main invested assets under the policy and the governance of the REIT manager. Such assignment or appointment is in accordance with the Trust Deed and other relevant laws and regulation of the SEC Office. Procurement of commercial benefits of the Trust’s main assets shall be under the control and supervision of the Trustee, Kasikorn Asset Management Company Limited, in order to ensure that the operation of the Company and the property manager are in accordance with the conditions specified in the Agreements appointing the REIT manager and the property manager as well as the rules and conditions described in the Trust Act B.E. 2550 and all other relevant notifications of the SEC Office and SET. In this regard, the REIT shall not operate in such a manner that the REIT will be used in the operation; for examples, a hotel business or a hospital business. In addition, the REIT shall not lease any immovable assets of the Trust to any person(s) whom the REIT has reason to believe that such person(s) will use the immovable assets in a business that is contrary to public morals or is unlawful.



**1.3 List of the First 10 Trust Unit Holders As at the Closing Date of the Share Register Book (31 December 2016)**

Trust Unit Holders	Number of the Units	Trust Unit Holding Proportion (Approximate%)
WHA Corporation Public Company Limited	145,821,322	15.00
Social Security Office	115,553,880	11.89
Krungthai-AXA Life Insurance Public Company Limited	65,773,386	6.77
Bangkok Life Assurance Public Company Limited	50,036,200	5.15
Southeast Life Insurance Public Company Limited	42,302,003	4.35
Government Savings Bank	40,000,000	4.11
Muang Thai Life Assurance Public Company Limited	28,471,552	2.93
HSBC (Singapore) Nominees Pte Ltd	20,730,409	2.13
Allianz Ayudhya Assurance Public Company Limited	17,342,200	1.78
South East Insurance Company Limited (other instruments)	16,180,363	1.66

## 2. Trustee

### 2.1. General Information

Name	Kasikorn Asset Management Company Limited
Location of Head Office	400/22 KASIKORN Bank Building, 6th and 12th Floor Phaholyothin Road Samsen Nai Sub-District, Phayathai District Bangkok 10400
Type of Business	Asset management company and trustee
Telephone No.	02 673 3999
Fax	02 673 3900
Homepage	<a href="http://www.kasikornasset.com">www.kasikornasset.com</a>

### 2.2. Roles and responsibilities of the Trustee

The Trustee has duty to manage the Trust with integrity and prudence as a professional with expertise by providing fair treatment to the trust unitholders and for the best interests of the trust unitholders, and in accordance with the relevant laws, the Trust Deed, the objectives of establishment of the Trust, and the resolution of a meeting of the trust unitholders as well as additional obligations specified in the statement to the trust unitholders (if any).

For performance of its duties, the Trustee shall omit to do any act which is in conflict with the interest of the Trust, regardless of whether such doing is for interest of the Trustee or others, except in the case where the Trustee demands remuneration for his performance as the Trustee or in the case where the Trustee is able to demonstrate that it has fairly and sufficiently managed the Trust as well as disclosed related information to the trust unitholders in advance. And the trust unitholders who acknowledge the information have no objection. In this regard, disclosure of the said information and objection shall be in accordance with relevant rules and notifications of SEC and the SEC office.

Duties of the Trustee under scope of roles and responsibilities as specified in the Trust Deed are as follows:

- (1) Monitor, supervise and manage the REIT manager in managing the Trust and assets in compliance with the Trust deed and relevant regulations.
- (2) Report to the SEC Office in the case where the property manager takes certain actions or fails to take certain actions that will negatively affect the Trust or fails to comply with duties as specified in the agreement and relevant regulations as well as prevent and provide remedy for any damages which may incur to the Trust as it may deem appropriate.
- (3) Attend every meeting of Trust unitholders. In the case where a resolution of a meeting of trust unitholders is needed, the Trustee must response to questions and give an opinion in relation to the operation whether it complies with the Trust Deed and relevant regulations or not. The Trustee shall object and notify trust unitholders if the operation is not according to the Trust Deed and relevant regulations.
- (4) Manage and operate the Trust as necessary to prevent or cease any damages to the benefits of the Trust and trust unitholders as a whole. In the event that the REIT manager cannot perform his duties, the Trustee has the power to appoint a new REIT manager.
- (5) Give an opinion regarding the performance of the REIT manager in the annual report of the Trust in which the REIT manager has the duty to prepare such report to trust unitholders. In this regard, the Trustee shall provide his opinion on whether the performance of the REIT manager is in accordance with terms and conditions as specified in the Trust Deed and other relevant laws, regulations and notifications or not.

More details of scope of roles and responsibilities of the Trustee can be found in the Trust Deed.

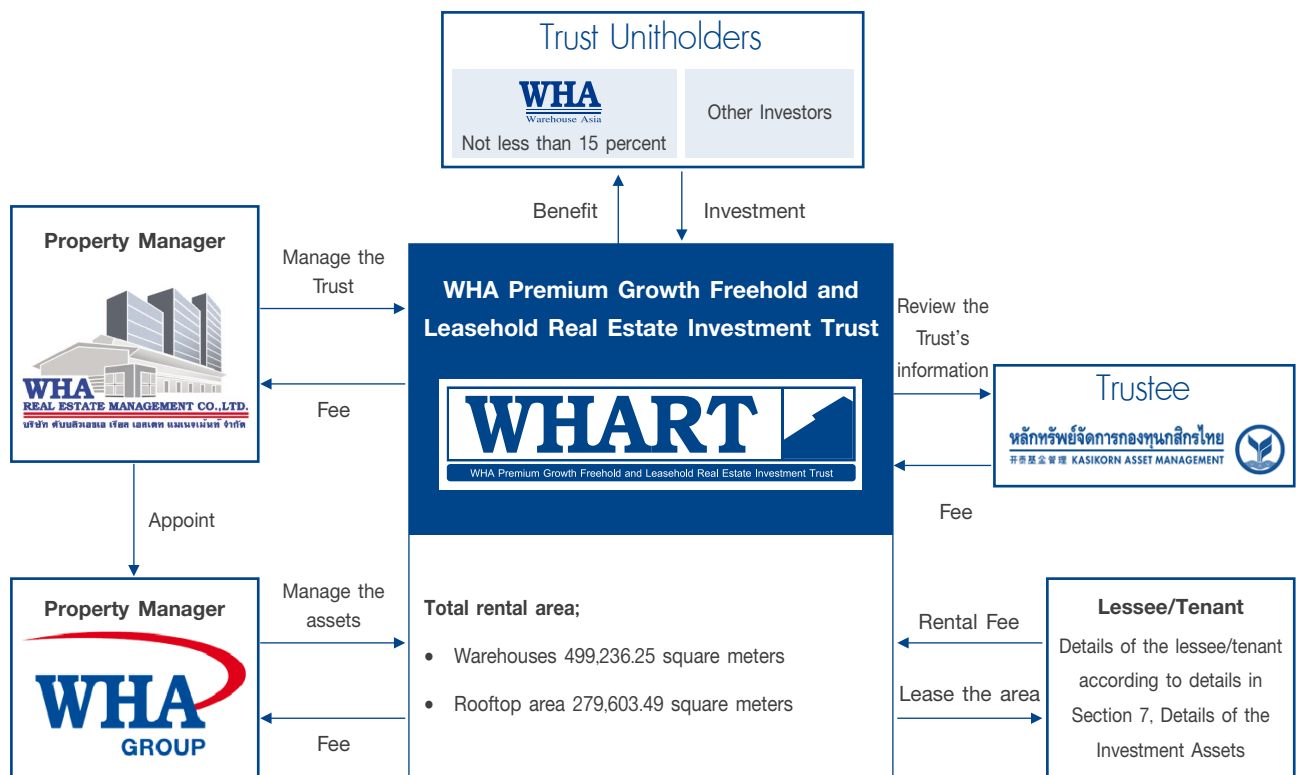
### 2.3 Fee for performing duties as Trustee

The Trustee is entitled to receive a remuneration at a rate not exceeding 0.75% per annum (exclusive of value added tax, specific business tax or any other similar tax) of the net asset value of the Trust



### 3. Structure of the Trust

Structure of the Trust can be depicted in the diagram below.



According to the structure of the Trust, the Trustee, acting on behalf of the Trust, will invest in properties for benefits of the trust unitholders. Also, the Trustee shall manage and supervise the management of the Trust as well as monitor the investment and disclosure of the Trust's information in accordance with the Trust Deed and other relevant laws.

The Company, as the REIT manager, is responsible for managing the Trust and assets of the Trust under the scope of roles and responsibilities as specified in the Trust deed and the Agreement Appointing the REIT Manager such as managing business operation of the Trust which includes formulating policy, investment strategy, acquiring and disposing assets, borrowing and creating any lien on the assets of the Trust, entering into agreements, budgeting, reporting, investor public relations, controlling operation of the Trust and using the capital of the Trust to invest in main assets for benefits of the holders of trust units. Additionally, the Company will acquire benefits from the Trust's main assets by leasing such assets and provide services relating to rental, and distribute benefits deriving from such income to the holders of trust units.

As for the property management, the Company has appointed WHA Corporation as the property manager to manage immovable properties of the Trust such as managing marketing and procurement of tenants, being responsible for minor repair or maintenance, paying property tax, procuring adequate and appropriate insurance coverage, and preparing accounting record of revenue and expenses from rental and service provision under policy and supervision of the Company which is the REIT Manager.

## 4. REIT Manager

### 4.1. Information of the REIT manager

WHA Real Estate Management Company Limited is located at 1121 Moo.3 Thepharak Rd. Thepharak, Muang, Samut Prakan.

The Company, as the REIT manager, is responsible for managing the Trust and assets of the Trust under the scope of roles and responsibilities as specified in the Trust deed and the Agreement appointing REIT Manager. Its scope of roles and responsibilities are such as managing the Trust's business operation including formulating policy, investment strategy, acquiring and disposing assets, borrowing and creating any lien on the assets of the Trust, entering into agreements, budgeting, reporting, investor public relations, controlling operation and utilization of capital to invest in the main assets for benefits of the holders of the Trust units. Additionally, the Company will acquire benefits from the Trust's main assets by leasing such asset and provide services relating to rental. The REIT manager will distribute benefits derived from the main assets to the holders of the Trust units.

### 4.2 Background and nature of business of the Company

The Company is a limited company registered in Thailand on 23 April 2014 and has registered and paid-up capital of Baht 10,000,000.

Key information of the Company can be summarized as follow.

Material information of WHA Real Estate Management Company Limited	
Name	WHA Real Estate Management Company Limited
Registration No.	0115557007350
Date of Incorporation	23 April 2014
Address	1121 Moo.3 Thepharak Rd. Thepharak, Muang, Samut Prakan
Telephone number	0-2753-3159
Fax number	0-2753-3527
Registered Capital	Baht 10,000,000 (Consisting of 100,000 common shares at par value of 100 per share)
Nature and scope of business operation	Act as the REIT manager for investment in properties.
Major shareholder (proportion of shareholding)	WHA Corporation Public Company Limited (99.99%)
List of Directors	(1) Mr.Kamthorn Tatiyakavee (Chairman) (2) Mr. Piyapong Pinthuprapa (Director and Chief Executive Officer) (3) Mr. Ratachai Teratanavat (Independent Director)
Authorized Directors	Mr.Kamthorn Tatiyakavee and Mr. Piyapong Pinthuprapa co-sign and affix the Company's seal.
Accounting period	1 January - 31 December



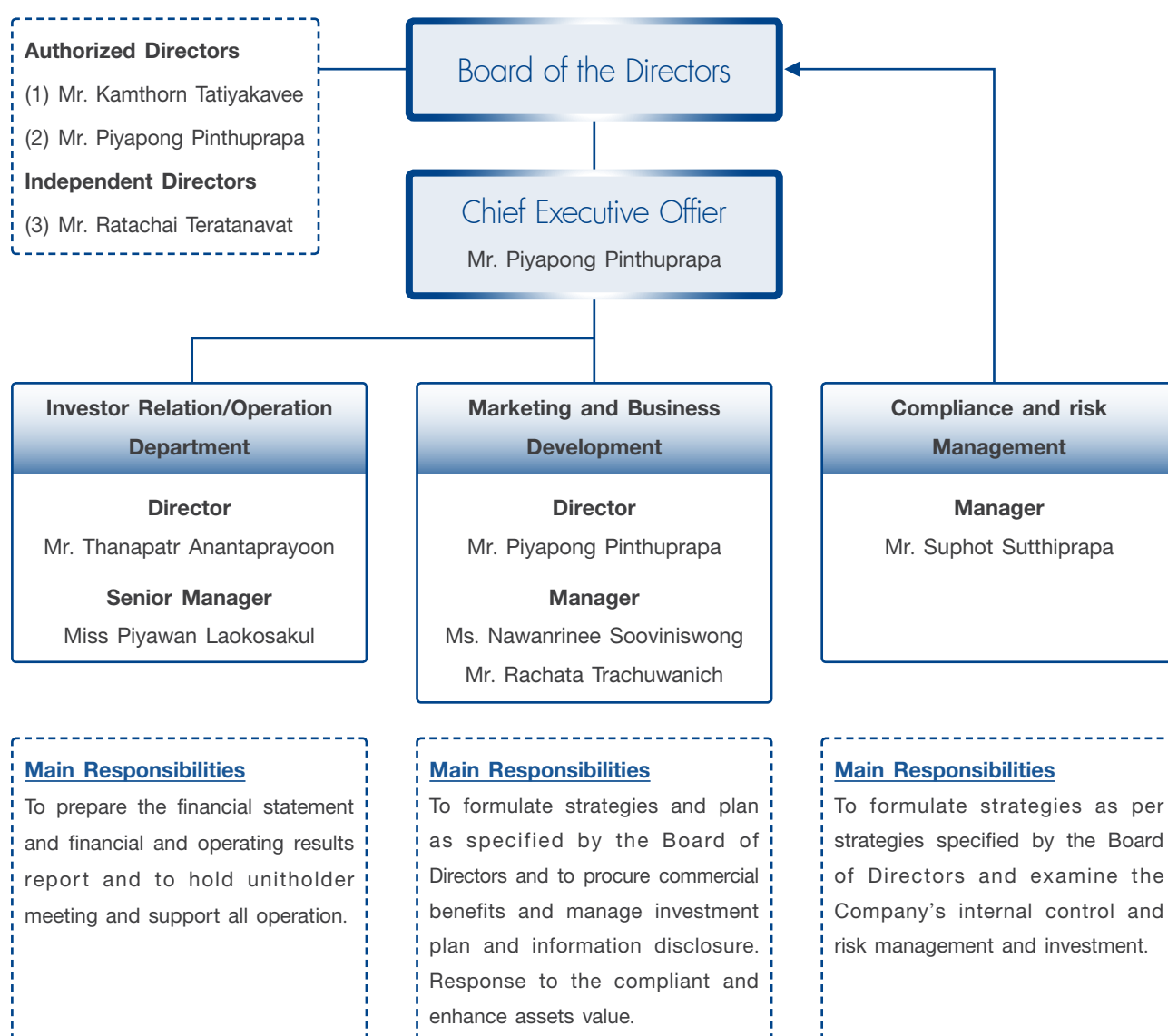
### 4.3 Shareholding structure of the REIT manager

#### Top 10 shareholders

	Name of shareholders	# of shares	# of share to total paid-up shares (%)
1	WHA Corporation Public Company Limited	99,997	99.997
2	Mr. Somyos Anantaprayoon	1	0.001
3	Ms. Jareeporn Jarukornsakul	1	0.001
4	Mr. Piyapong Pinthuprapa	1	0.001
	<b>Total</b>	<b>100,000</b>	<b>100.00</b>

### 4.4. Directors and Executives

Management structure of the Company as the REIT manager is comprised of board of directors and executive officers which can be seen in structure of the management as follow:



#### 4.4.1 Board of Directors

Name	Position	Education	Experience related to investment or properties management
Mr. Kamthorn Tatiyakavee	Chairman (Authorized director)	Master of Business Administration in Finance, Connecticut, United States of America	-
Mr. Piyapong Pinthuprapa	Director (Authorized director)	Master of Science in Real Estate, City University, United Kingdom	<ol style="list-style-type: none"> <li>1. Managed, conducted feasibility studies and analysed investment yield of invested properties.</li> <li>2. Conducted feasibility studies and analysed investment yield from development of new projects.</li> <li>3. Analysed investment yield and submitted reports to SEC.</li> </ol>
Mr. Ratachai Teratanavat	Independent director	Master of Business Administration in Finance, California State University, United States of America	-

#### 4.4.2 Executives

Name	Position	Education	Experience related to investment or properties management
Mr. Piyapong Pinthuprapa	Director and Chief Executive Officer	Master of Science in Real Estate, City University, United Kingdom	<ol style="list-style-type: none"> <li>1. Managed, conducted feasibility studies and analysed investment yield of invested properties.</li> <li>2. Conducted feasibility studies and analysed investment yield from development of new projects.</li> <li>3. Analysed investment yield and submitted reports to SEC.</li> </ol>
Miss Nawanninee Sooviniswong	Investment and Business Development Manager	Master of Business Administration, Ramkhamhaeng University	Managed and procured tenants for office buildings, retail shops and residences in Bangkok and other provinces, prepared annual budgets and supervised the property manager
Mr. Rachata Trachuwanich	Investment and Business Development Manager	Master of Science in Real Estate Management and Development, Heriot-Watt University, United Kingdom	Analysed and evaluated value of assets, advised and analysed the real estate market, contacted customers and set service fees
Mr. Thanapatr Anantaprayoon	Director of Accounting and Operation Support	Master of Business Administration, Sukhothai Thammathirat Open University	Managed, surveyed, procured and evaluated invested assets
Miss Piyawan Laokosakul	Senior Manager	Master of Science in Accounting and Finance, Teesside University, United Kingdom	-
Mr. Suphot Sutthiprapa	Audit Compliance and Risk Management Manager	Bachelor of Accounting, Sukhothai Thammathirat Open University	-

Board of directors and executives who are authorized to manage the Company must not possess characteristics which are prohibited under the Notifications of Capital Market Supervisory Board concerning Prohibited Characteristics of Personnel in Capital Market Industry. Scope of roles and responsibilities of the board of directors, independent directors, chief executive officers including other departments shall be in accordance with the Company's manual of operating system and internal control which is approved by the Office of SEC.

- **Authorized directors**

Mr. Kamthorn Tatiyakavee and Mr. Piyapong Pinthuprapa co-sign and affix the Company's seal.

- **Scope of roles and responsibilities of the board of directors of the REIT manager**

The board of directors plays important roles in approving vision, strategy, and direction and formulating policy relating to long-term and short-term business operational plan, finance risk management and organization overview as well as monitoring and evaluating efficiency of the operation and performance of personnel to be in accordance with policy and business plan and under the scope as specified in the Agreement appointing REIT manager, the Trust Deed, prospectus, objective and articles of association of the Company, resolution of board of directors, resolution of meeting of trust unitholders including other relevant laws by taking the best benefits of the Trust and trust unitholders into account.

Moreover, the board of directors also plays important roles in managing and monitoring the compliance of the operation and disclosure of conflict of interest according to the guidelines of the SEC Office and other relevant regulatory authorities.

- (a) Perform its duties with integrity (duty of Loyalty), prudence (duty of Care), responsibility (accountability) and morality (ethic) and in accordance with laws, objective and articles of association of the Company as well as resolution of a meeting of trust unitholders.
- (b) Being responsible for management of the business of the Company and the Trust under supervision of the Trustee including formulating strategy and long-term business plan, setting up appropriate organizational system structure and monitoring business operating policy such as investment, performance, annual budget and business plan etc. and considering risk factors which may affect procurement for commercial benefits and operating performance of the Trust, and reviewing transactions which may cause conflict of interest etc.
- (c) Monitor and advise as necessary in order to ensure that performance of the executives and personnel assisting the Company's operation is according to the relevant agreements and regulation regarding duties of the REIT manager.
- (d) Monitor and follow up on the operation of the Company as the REIT manager as well as giving advices as necessary in order to ensure that the operation of the Company is according to targeted plan and obstacles which may incur can be appropriately and timely handled.
- (e) Review, monitor and advise as necessary in order that the Company has efficient system for the operation and internal control to perform the REIT manager's duties.
- (f) Constantly revise and improve policies and key plans related to the performance of the REIT manager to be up-to-date and suitable for the business.



- (g) Evaluate executives' performance as well as provide advices in order to ensure that the executives fully perform their duties as assigned and in accordance with the rules and conditions as specified in the relevant regulations, and for the benefits of the Trust.
- (h) The board of directors may assign any of the directors or other persons to perform duties on behalf of the board of directors. This shall not include an authorization which would enable such director or attorney-in-fact to act in conflict of interest with the Trust.
- (i) Approve decisions in relation to investment and management of the Trust in order to be complied with the Trust Deed and other relevant law and regulations as follows:

(1) Additional investment or acquisition of properties or leasehold properties

For investment in new freehold properties or leasehold right and procurement of commercial benefits from such properties or leasehold right, the board of directors shall consider and ensure that the Company as the REIT manager conducts due diligence on relating information and asset appraisal by appraisal firms. Such investment and procurement shall comply with the notification of the SEC Office as follows:

(1.1) Substance and nature of the transactions shall be as follows:

(1.1.1) The transaction must be as prescribed in the Trust Deed and other relevant laws.

(1.1.2) The transaction must be for the best interest of the Trust.

(1.1.3) The transaction must be reasonable and made at a fair price.

(1.1.4) Fees and expenses of entering into transactions which are collected from the Trust (if any) must be just and reasonable expenses.

(1.1.5) Persons who have conflict of interest with the transaction must not involve in making decision in relation to such transactions.

(1.2) Approval system shall be conducted according to the followings:

(1.2.1) In the case that the person for whom a transaction is entered is not a related person to the Company

(1.2.1.1) The Trustee must approve that the acquisition transaction conforms to terms and conditions as specified in the Trust Deed and other relevant laws.

(1.2.1.2) In case of acquisition of the main assets with total transaction size of at least ten (10) % of total assets of the REIT, it is required to be approved by the board of directors.

(1.2.1.3) In case of acquisition of main assets with total transaction size of at least thirty (30) % of total assets of the REIT, it is required to be approved by a resolution passed at a meeting of trust unitholders by a majority of not less than three-fourths (3/4) of total of the trust unitholders who attend the meeting and have the right to vote.

(1.2.2) In the case that the person for whom a transaction is entered to is a related person to the Company

(1.2.1.2) In case of transaction with the value more than Baht one (1) million or (0.03) % of total asset value of the Trust or more, whichever is the greater, it is required to be approved by the board of directors.

(1.2.1.3) In case of the transaction with the value of at least Baht twenty (20) million or three (3) % of total asset value of the Trust or more, whichever is the greater, it is required to be approved by a resolution passed at a meeting of trust unitholders with majority votes of not less than three-fourths (3/4) of total of the trust unitholders who attend the meeting and have the right to vote.

For the consideration of the investment and information disclosure, the Company shall consult with financial advisor to give the opinion regarding such information analysis.

In case where a resolution of a meeting of trust unitholders is required, invitation calling for the meeting of trust unitholders shall contain an opinion of financial advisor to support the trust unitholders' consideration.

- (2) The Company's procurement shall be conducted in accordance with the manual of operating system and internal control.
- (j) Consider and approve the disposal of the main assets and equipment of the Trust whether it is complied with laws, the Trust Deed, notifications and other relevant regulations whereby the board of directors shall consider and ensure that the Company conducts the followings:
  - (1) Prior to the disposal of such main assets, the Company must have the assets to be appraised. Disposal of the main assets must be publicly carried out and contains sufficient information and complies with procedures under the approval system.
  - (2) For disposal of the main assets fallen under following conditions, other than the aforesaid conditions in (J), the disposal must be necessary and reasonable and the approval of the Company's board of directors must also be obtained.
    - (2.1) Disposal of any main assets before the one (1) year from the acquisition date of such main assets.
    - (2.2) Disposal of any main assets of which the Trust has acquired to the previous owner.

#### **4.4.3 Independent directors**

- (1) Regarding selection of independent directors of the Company, the independent directors shall at least meet the following qualifications:
  - (1.1) Holding shares of not exceeding one (1) per cent of total number of shares with voting rights in the Company, parent company, subsidiary company, associate company, major shareholders or persons who may have conflict of interest (including related persons under Section 258 of Securities and Exchange Act).
  - (1.2) Neither being nor used to be an executive director, employee, staff, advisor who receives salary from the Company, parent company, subsidiary company, associate company, same-level subsidiary company, major shareholders or persons who may have conflict of interest, unless the foregoing status has already ended for not less than two (2) years.

- (1.3) Not being a person related by blood or legal registration as a father, mother, spouse, sibling, and child, including spouse of child, executive, major shareholder, controlling person, or person to be nominated as executive or controlling person of the Trust or its subsidiary company.
- (1.4) Neither having nor used to have a business relationship. Having no direct or indirect benefit from, or interest in, the finance and management of the Company, its parent company, subsidiary company, associate company, major shareholder or persons who may have conflict of interest in the manner which may interfere with his independent judgement.
- (1.5) Neither being nor used to be an auditor of the Company, its parent company, subsidiary company, associate company, major shareholder or persons who may have conflict of interest, and not being a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary company, associate company, major shareholder or persons who may have conflict of interest, unless the foregoing relationship has already ended for not less than two (2) years.
- (1.6) Neither being nor used to be a provider of any professional services including those as legal advisor or financial advisor who receives service fees exceeding two (2) million Baht per year from the Company, its parent company, subsidiary company, associate company, major shareholder or persons who may have conflict of interest, and not being a significant shareholder, controlling person or partner of the provider of professional services, unless the foregoing relationship has ended for not less than two (2) years.
- (1.7) Not being a director appointed as representative of directors of the Company, major shareholder or shareholder who is related to major shareholder.
- (1.8) Not undertaking any business in the same nature and in competition to the business of the Company or its subsidiary company or not being a significant partner in a partnership or being an executive director, employee, staff, advisor who receives salary or holding shares exceeding one (1) per cent of total number of shares with voting rights of other company which undertakes business in the same nature and in competition to the business of the Company or its subsidiary company.
- (1.9) Being able to provide independent discretion and objection to any act of other directors or executives as necessary for the benefits of the Company.
- (1.10) Being able to attend the board of directors' meetings of the company to make decision on any significant activities of the company.
- (1.11) Being academically qualified and equipping with proper experiences; or are recognized for their high potentialities and to be well-known.
- (1.12) Not being a person in the list made by the Stock Exchange of Thailand stating that such persons are inappropriate to serve as an executive according to SET regulations.
- (1.13) Has never been convicted of violating securities and exchange laws, laws governing the investment business, securities brokering, or credit fanciers, or commercial banking laws, or life or non-life insurance laws, or money laundering laws, or any other financial laws of a similar nature, whether Thai or foreign, in accused of committing wrongful acts relating to trading in shares or the perpetration of deceptions, embezzlement, or corruption.



- (1.14) Not having any other characteristics which cause the inability to express independent opinions with regard to the Company's business operations.
- (2) Scope of duties and responsibilities of independent directors
  - (2.1) Review, monitor and advise as necessary in order to timely prepare financial report and disclose accurate, sufficient and reliable information in the financial report of the Company.
  - (2.2) Review, monitor and advise as necessary in order to establish suitable internal control and operating system to perform duties as the REIT manager.
  - (2.3) Review and give opinion in relation to connected transactions or transactions which may cause conflict of interest with the Trust to be complied with relevant laws and regulations and ensure that the transactions are reasonable and for the best benefit of the Trust.
  - (2.4) Perform any other act as assigned by the Company's board of directors for the benefit of the Trust.
  - (2.5) Review and be aware in order to give opinion as necessary on the following matters:
    - (2.5.1) Connected transactions or transactions which may cause conflict of interest with the Trust.
    - (2.5.2) Weaknesses and matters which must be improved regarding operating and internal control system to perform duties of the REIT manager and the report of progress on improvement.

#### **4.4.4 Meeting of the board of directors**

- (1) Quorum and voting

In every meeting of the board of directors, a quorum of a board of directors shall consist of more than half of total number of shareholders who attend the meeting themselves. Resolution of the board of directors shall be passed by more than half of the votes of directors who attend the meeting. Directors who have direct or indirect interests must be abstained from voting and must leave the meeting during the deliberation and vote on such matter.

The Chairman will provide opportunity for all directors to express their opinion openly before the voting and concludes resolution of each agenda. Minute of meeting shall be made in written. For convenience of directors and related person, the minute of meeting will be kept in original format together with the invitation calling for the meeting and meeting documentation as well as electronic copy format.

- (2) The board of directors must regularly arrange the meeting of the board of directors, at least once every quarter in order to review, acknowledge and approve necessary operations, specifically for the following matters:
  - (2.1) Performance of the Company and the Trust
  - (2.2) Annual budget, business plan and business strategy of the Trust prepared by the REIT manager with cooperation and support from the property manager.
  - (2.3) Progress of operations relating to procurement of commercial benefits according to business and marketing plan designated by the Company with cooperation and support from the property manager as well as any problems and guidelines for resolving the problems.

- (2.4) Guidelines for alleviating risks and other causes which may affect the operation of the Trust.
- (2.5) Operational performance of the following departments i.e. Compliance & Risk Management, Investment and Investor Relations, Property Management, Accounting and Operational Support including problems and obstacles which incurred during the operation and guidelines for solutions.
- (2.6) Guidelines on receipt of important disputes and complaints relating to operation of the Trust which must be reviewed by the board of directors.
- (2.7) Weaknesses of operating and internal control system for performing duties as the REIT manager including guidelines and improvement progress.
- (2.8) Connected transactions and other transactions which may cause conflict of interest to the operation of the Trust.
- (2.9) Other matters which must be reviewed and approved by a meeting of trust unitholders.
- (2.10) Other significant matters which are relevant to the operation of the Company and the Trust.
- (3) Conflict of Interest

The board of directors realizes importance of conflict of interest, having interest or benefit in the Trust, and related persons to the Company. The board of directors therefore has set up policies to prevent such conflict of interest. The principles are that decision making of the Company as well as operation of the Company's personnel shall be for the best interests of the Trust. Any act which may cause conflict of interest must be avoided. Moreover, the directors and executives must report their conflict of interest and of related persons which may cause conflict to the management of the Trust and the Company.

According to Section 89/1 of Securities and Stock Exchange Act, related persons of directors and executives mean persons as follows:

- (a) In case of an individual, it shall include the spouse, a minor child or an adopted minor child of the director and the executive;
- (b) In case of a juristic person, it shall include a juristic person over which the spouse, a minor child or an adopted minor child of the director and the executive has control.

**“Control” means one or more of the following manners:**

- (a) Holding of shares with voting right of a juristic person in an amount exceeding fifty (50) percent of total number of the voting rights of such juristic person; or
- (b) Having control of the majority voting rights in the shareholders' meeting of any juristic person, whether directly or indirectly; or
- (c) Having control over appointment or removal of at least half of all directors, whether directly or indirectly.

#### 4.5 Remuneration of the REIT manager

During the term of the Agreement appointing the REIT manager, the Company as the REIT manager will obtain a fee at a rate not higher than 0.75% per year of the NAV of the Trust at the last business day of the month prior to payment of the remuneration as specified in the Trust Deed.

##### Acquisition fee

In the case of assets of connected persons to the REIT Manager: Not exceeding 0.75% of the value of assets acquired by the Trust.

In the case of other assets: Not exceeding 1.00% of the value of assets acquired by the Trust.

##### Disposal fees

Not exceeding 0.50% of the value of assets disposed of WHART.

#### 4.6 Policies or strategies of Trust management as assigned by the Trustee

##### 4.6.1 Duties and responsibilities of the REIT manager

The Company, as the REIT manager, is mainly responsible for the management of the REIT which includes investing in the assets and monitoring management of the property manager. The management of the REIT Manager shall be under supervision of the Trustee as follows:

##### General Duties

- (a) The REIT manager shall exercise its duties with knowledge and skills that may reasonably expected as a professional, and with diligence, care, and loyalty. In this regard, the REIT manager shall exercise its power for the best interest of the unitholders as a whole, and in accordance with this agreement, as well as other relevant laws and additional commitments made to the investors in disclosure documents for the benefit of the unit trust offering to the investors and resolutions of the trust unitholders. The REIT manager shall not perform any act which is in conflict with the interest of the trust unitholders and investors as a whole.
- (b) The REIT manager shall perform its duties in conformity with the principles of business conduct as follows:
  - (1) Having sufficient capital to operate the business and to compensate for any detriment which may occur from performing the duties of the REIT manager.
  - (2) Adequately discloses, gives opinion on, or provides importantly relevant information to investors for making investment decision. In this regard, such information shall be clearly and not be distortion or misleading.
  - (3) Do not exploit any information acknowledged from performing as the REIT manager for its own interest, or in manner of damage or impact on the interests of the Trust.
  - (4) Perform its duty carefully in order to avoid conflicts of interests. In case of inevitableness, the REIT manager shall ensure that the trust unitholders' interest will be treated fairly and appropriately.

For purpose of preventing the conflict of interest between the Trust and the REIT manager which may incur upon performance of its duties as specified in the Trust Deed, the REIT manager shall perform the followings:



- (a) The REIT manager shall not have any interest which may be in conflict with the best interest of the Trust and in the case where any conflict of interest may arise, there must be a measure in place to ensure that the management of the Trust shall be for the best interest of the Trust and the trust unitholders as a whole.
  - (b) If the REIT Manager also manages another trust, main assets of such trust shall not be the same type as those of the Trust.
- (5) Comply with the Securities and Exchange Act, the Trust Act and other relevant laws to the operation of the Trust as well as the code of ethics and standards of professional conduct as defined by the associations relating to securities business or by organizations in connection with securities business recognized by the SEC Office. In addition, the REIT manager shall not support, employ or collaborate anyone to violate the laws and regulations.
- (6) Cooperate with the Trustee or the SEC Office in performing their duties, and disclose information which may affect the management of the Trust significantly or other information which should be notified to them, specifically on the followings:
- (6.1) Prepare and maintain information and documents related to the management, internal controlling and information disclosure. In event of verification of the Trustee, the REIT manager shall provide information and documentation and examine locations of the assets as requested by the Trustee in order to ensure that the REIT manager performs in accordance with relevant laws and regulations and protect interest of the trust unitholders.
  - (6.2) Prior to establishment of the Trust, the REIT manager shall provide information and documentation in related to the Trust's structure, method of rent, procurement and collection of revenue and expenses collectible from the Trust, service agreement between the Trust, the Company and other persons etc. in order that the Trustee formulates operation plans to efficiently monitor the management, internal controlling and information disclosure of the Trust.
- (c) A REIT manager shall provide indemnity insurance for its performance, as well as the conduct of its directors, executives and personnel, throughout the period of the Agreement appointing the REIT manager.
- (d) In executing a transaction concerning a real estate for the Trust, the REIT manager shall perform the transaction in accordance with the following rules:
- (1) Ensure that properties disposal agreement or other agreements concerning the properties are prepared correctly and legally binding.
  - (2) Ensure that the investment in properties of the Trust is properly carried out with at least the following procedures:
    - (2.1) assess readiness to manage the properties investment prior to the acceptance to be the REIT manager or prior to the additional investment in properties of the Trust, as the case may be.
    - (2.2) analyse and conduct feasibility study as well as due diligence on the properties in accordance with rules and guidelines on real estate investment trust (REIT) management as prescribed by SEC and the SEC

office as well as assess potential risks that may occur upon such property investment and issue guidelines on risk management. In this regard, the risk management is included risk in relation to construction and development of the properties (if any) such as risks which may incur from late construction and inability to procure benefits from such properties.

- (e) The REIT manager shall arrange a trust unitholders' meeting as specified in the Trust Deed.
- (f) The REIT Manager shall take actions on capital increase and decrease of paid-up capital of the Trust by following the reasons and procedures as specified in the Trust Deed.
- (g) In the event of change of the REIT manager, the former REIT manager shall take any necessary action in order that the new REIT manager would be able to perform its duty successfully.
- (h) In the case where an adviser is appointed to provide consultation or recommendation relating to the investment and management of the properties, the REIT manager shall perform in accordance with guidelines as follows:
  - (1) Request the adviser to report any conflict of interest on deliberated issues.
  - (2) Not allowing the adviser, who has direct or indirect interest in the deliberated issue, to participate in the consideration of such issue.
- (i) The REIT manager shall prepare a financial statement in conformity with the financial reporting standards as stipulated by laws on accounting profession and submit such financial statement to the SEC Office within 3 months from the end of fiscal year. The financial statement prepared shall be audited by an auditor who has obtained an approval from the SEC Office.
- (j) Prepare and disclose the Trust's information including information under Section 56 and Section 57 of the Securities and Exchanges Act and other information as specified in the Trust Deed and the Agreement appointing the REIT manager.
- (k) Prepare and disclose the Trust's information to the Trustee, the SEC Office and trust unitholders as prescribed in the Securities and Exchanges Act, the Trust Deed, and other relevant laws including submit an annual report together with invitation calling for an annual general meeting of trust unitholders. The REIT manager shall provide information and documents related to any act or omission to act as instructed and requested by the SEC Office.
- (l) Avoid any event which may cause the REIT manager to have no independence especially on selection and due diligence of properties, securities and other services in which the Trust will invest. The REIT manager, directors, executives and manager and personnel of the REIT manager are prohibited to receive brokerage fee, service remuneration (soft commission) or other benefits from the former owner of the property, sponsor, securities seller, service provider and brokerage Company as their own income or for their own interest.
- (m) The REIT manager shall disclose conflict of interest, benefits and related persons to the REIT manager or Trust's trading parties in the registration statement, a notice calling for a meeting and the annual report of the Trust in order to obtain an approval on transactions and to support consideration of the REIT manager's independence in entering into such transaction as well as reasonableness of the transactions.

### **Duty to manage the Trust**

- (a) In order to properly and efficiently manage the Trust, as entrusted by the Trustee, the REIT manager shall arrange a qualitative operating system along with a measurement with efficient checking and balancing operation to entirely support the work under its responsibility.
- (b) Manage the Trust to be in compliance with applicable laws, regulations and the Trust Deed, and in order to conduct in a way that protects interests of trust unitholders.
- (c) Duly and carefully conduct due diligence on the properties in which the Trust will invest and maintain records, information and documents related to the due diligence process and the decision to invest or not to invest in any properties. In this regard, the due diligence on properties in which the Trust will invest shall be conducted according to the due diligence guidelines on guidelines on management of fund or real estate investment fund (REIT).
- (d) Perform necessary actions to ensure that financial and economic value of the Trust's properties are professionally managed and for the best benefits of the trust unit holders, for examples;
  - (1) Formulate strategies and policies in relation to risk management and investment in conformity with terms and conditions as specified in the Trust Deed.
  - (2) Determine and control amount of credit facility and creation of obligations of the Trust as specified in the Trust Deed.
  - (3) Invest in properties to meet the objectives of the Trust.
  - (4) Manage cash flow of the Trust.
  - (5) Review benefit distribution policies of the Trust.
  - (6) Provide insurance for any damage which may occur to the Trust's properties of and insurance for the liabilities to third parties at appropriate and sufficient insured amount to ensure that the Trust would be able to seek benefits as before.
  - (7) Formulate plans in relation to apportionment of rental area by type of business of lessors and customers.
  - (8) Undertake any acts to ensure that the lessors and customers comply with the provisions of lease agreements and service agreements.
  - (9) Manage and monitor compliance with laws and regulations relating to invested properties.
  - (10) Manage the rental area such as monitoring the area renting, negotiating lease agreements with the lessors, reviewing rate or rental fee, and terminating and renewing the lease agreements etc.
  - (11) Evaluate and assess any former rental in order to stipulate conditions of rental and services. Prepare lease agreements and service agreements including evaluate accuracy of rental and expenses collection in order to make an accounting entry of allowance for doubtful accounts or bad debt write-off or bad debt recovery (in case rental or service fee is collected after the write-off).
  - (12) Arrange a security system within the invested buildings and assets such as fire alarm system and emergency communication system etc.
  - (13) Formulate policies and plans to manage, maintain and improve the invested buildings and other assets.
- (e) Ensure that the Trust has absolute ownership over the invested assets and leasehold rights including that the agreements into which the Trust enters are correctly prepared, legally binding and enforceable under conditions specified in the agreements.



- (f) Arrange a system for safekeeping of documents and evidence relating to the operation of the Trust, notice calling for a trust unitholders' meeting, registration statement, prospectus, annual report, financial statement and accounting record documents. Monitor the safekeeping of such documents or evidence for its accuracy and completion as well as availability for inspection for the period not less than five (5) years from the date of producing such documents or information.
- (g) Prepare a financial statement, annual report and other information of the Trust for its accuracy and completion and distribute within a specified period of time in the Trust Deed and SECT regulations.

REIT manager shall include directors and executives who have duties in relation to preparation and disclosure of the Trust's information and are jointly responsible for information which is disclosed and distributed to the trust unitholders and investors. The REIT manager must arrange a system to audit and ensure that information in the registration statement, prospectus, notice calling for a trust unitholders' meeting, printed advertisement or other distributing documents are accurate and complete as well as contains sufficient and material information for consideration of investment, and in compliance with relevant laws and regulations.

- (h) Ensure that the trust unitholders obtain accurate and sufficient information in advance prior to vote or approval of any matters within a specified period of time in the Trust Deed and SET regulations.
- (i) Manage and monitor the operation of the Trust to be in accordance with rules or guidelines issued by government entities and other regulatory authorities in connection with the operation of the Trust including SET regulations.
- (j) Distribution the benefits of not less than ninety (90) percent of the adjusted net profit of the financial year to holder of trust units. This shall include net profits based on cash position of the Trust which can deduct repayment of principal of loan and other obligations due to be performed taking into account of cash position (if any). Such distribution shall be made within ninety (90) days from the end of fiscal year or accounting period which the distribution is made, as the case may be. However, if there is accumulated loss, distribution to the trust unitholders cannot be made.

#### **Duty to appoint the property manager to manage properties of the Trust**

In the case where the REIT Manager would like to appoint a person to be a property manager to manage the assets of the Trust on its behalf, the REIT Manager has the duty to select the property manager with prudence, to supervise and to monitor the performance of duties of the property manager sufficiently in order to ensure that the property manager is qualified with knowledge, capability, and experience in managing the properties including monitor performance of the property manager to be complied with the Trust Deed, Trust Act and other relevant regulations for the best benefits of the trust unitholders and other investors. In this regard, the REIT manager shall perform, at least, the following:

(1) Selection of the property manager

Appointing the property manager to manage the Trust's properties such as managing sales and marketing and supervising day-to-day operation. In doing so, the REIT manager shall perform, at least, the following conducts:

- (a) Evaluate reputation and past work and experience of the property manager regarding its ability of finding tenants and customers, debt collection, property maintenance, rental management, service provision and internal control system in order to prevent revenue leakage and control expenses disbursement etc.
- (b) Review a suitable remuneration rate for the property manager which shall be based on work competency and comparable to the market rate in order to motivate or provide incentive for the property manager to improve earnings for the Trust. For example: the remuneration is tied to the actual collection of rental revenue and net profits incurred from such rentals.
- (c) Arrange a system for monitoring and evaluating the internal controlling system of the property manager in order to ensure efficiency of such system and that the system can prevent or detect any corruption or non-compliance such as having an auditor of the property manager evaluating the internal controlling system and report errors to the REIT manager.

The REIT manager may specify in the Agreement appointing the Property Manager that the property manager shall be liable for any damages which may occur to the benefit of the Trust due to the property manager's negligence.

- (d) If it is found by the REIT manager that the property manager takes certain actions or fails to take certain actions that will result in lack of its creditability to perform tasks and duties in accordance with the Agreement appointing the Property Manager, the REIT manager shall terminate the Agreement appointing the Property Manager and operate or appoint a new property manager.

(2) Monitoring of the property manager's performance

The REIT manager shall have duties and responsibilities to manage and monitor the management and performance of the property manager for the best optimum benefit of the Trust and trust unitholders. In doing so, the REIT manager shall perform, at least, the following conducts:

- (a) The REIT manager shall prepare and approve the Trust's budget which shows certain details of revenues and expenses in each month in order to avoid any unnecessary expenses and set targeted annual and monthly revenues for the property manager as well as monitor revenues and expenses to be in line with the budget plan.
- (b) The REIT manager shall create incentives for the property manager to increase value and yield of the Trust and lower the risks for the trust unitholders.
- (c) The REIT manager shall manage and monitor the operation of the property manager in accordance with strategies and policies in connection with the Trust's management in order to increase income and lower fluctuation of rental income.
- (d) The REIT manager shall design and formulate policies and procedures for operating the procurement of new tenants for the property management and

review methods for selecting tenants and customers. The REIT manager shall also formulate plans for tenant's apportionment by types of business (Tenant Mix) and monitor the performance of the property to be in accordance with such policies and plans in order to limit and control risk and the fluctuation of rental income.

- (e) The REIT manager shall consider and review policies regarding rental fee to ensure that it is consistent with current market trend of the rental fee and service fee as well as monitor the performance of the property manager to be in accordance with such policies.
- (f) The REIT manager shall examine expense controlling system for maintaining and repairing equipment and buildings of the property manager to access appropriateness of the repair and replacement and ensure that the expenses are not extravagant and truly benefits the Trust.
- (g) The REIT manager shall access or evaluate appropriateness of procurement controlling system of the property manager to ensure that the payment of goods or services is not extravagant and is worthy. The procurement however shall be made according to the Trust Deed, the registration statement and the prospectus of the Trust.
- (h) The REIT manager shall monitor and control revenue collection operated by the property manager in order to ensure that the Trust fully receives its revenues.
- (i) The REIT manager shall instruct the property manager to monitor and follow up the payment of taxes by tenants and customers according to the laws.
- (j) The REIT manager shall analyze and monitor irregularity of management of the property manager including randomly examine the operation of the property manager without an advanced notice.
- (k) The REIT manager shall regularly monitor and assess internal control system of the property manager.
- (l) The REIT manager shall regularly arrange a meeting with the property manager in order to evaluate and assess the REIT's operation and look for appropriate solutions to resolve such operation problems.

#### **Process and factors in consideration of investment and management of the Trust**

In future, the Trust might invest in freehold or leasehold rights apart from the initially invested assets and seek benefits from such properties or leasehold rights. The Company, as the REIT manager shall manage and operate in accordance with the investment policies as specified in the Trust deed and the principles as follows:

#### **Direct Investment in the main properties and equipment**

- (1) It must be an acquisition of absolute ownership or possessory rights over properties. In case of possessory right, it shall be one of the followings:
  - (a) Acquisition of properties with Nor. Sor. 3 Gor.
  - (b) Acquisition of leasehold rights with document of title or possessory right (Type Nor. Sor. 3 Gor)
- (2) Properties shall not be subject to any property rights, or there shall be no disputes in relation to the properties unless obtaining written opinions from the Trustee and the REIT manager specifying that such real right or dispute will not materially affect benefit procurement of the Trust and conditions of acquisition benefits the trust unitholders as a whole.

- (3) Entering into agreements for assets acquisition shall not incur any obligation which may cause the Trust not being able to sell the properties with fair price (at time of sale) such as agreement giving the right to first purchase with fixed price etc. or may cause more obligations than obligations in general to the Trust at the time when the lease agreement is being terminated.
- (4) Acquired properties shall be ready for seeking benefit at the value of not less than seventy-five (75) percent of the value of trust units additionally applied for offering including loan proceeds (if any).

The Trust may invest in incomplete projects with investment fund for acquisition and property development not exceeding ten (10) percent of total value of the Trust's assets (after the offering of trust units). The Trust however shall demonstrate sufficient circulating fund for such development and prove that there will be no effect to existence of the Trust.

- (5) Invested assets must be evaluated in compliance with the following principles:
  - (a) It must be a full valuation for the public purpose of disclosing information to investors/the trust unitholders within period of not over six (6) months before submission of requested by at least two (2) appraisers, and;
  - (b) The appraisers in (a) shall be approved by the SEC Office.
- (6) Value of the acquired properties shall not be less than five hundred (500) million Baht. In the case where capital from fund raising derived from the offering of trust units is less than value of invested assets, the REIT manager must demonstrate sufficient source of fund for the acquisition of the assets.
- (7) In case of acquisition of possessory rights by subleasing properties, renting buildings which a lessor is not an owner of title deed or has possessory right under certificate of utilization, the REIT manager must arrange and provide insurance for any damage which may incur from termination of agreement by owners of assets or persons with possessory rights. Given that the insurance is not arranged, the REIT manager must disclose the risk to investors by specifying in the registration statement of potential effect which may incur to operation and performance of the Trust if the owners or persons with possessory rights terminate agreements.
- (8) In the case where the Trust acquires ownership of properties and the REIT manager would like to procure benefits from such properties by renting to the former owners, rental fee shall be set in accordance with common trade practice as if entering into a transaction with third party.

#### **Indirect investment in the main assets and equipment**

- (1) Holding share not less than 99.99% of total issued shares and of votes of a company which is specifically set up to operate business in the same manner as the Trust.
- (2) Having measures or systems in place to enable the Trustee and the REIT manager to manage and monitor the operation of the REIT manager to be complied with the Trust Deed, rules specified in the Notification of SEC Tor Jor 49/2555 and other relevant notifications of the SEC Office in the same manner as the direct investment in the main properties and equipment.



Properties to be invested by the Trust must have appraisal values based on a full valuation with verification of documents of title for the public purposes of disclosing information to the investors not exceeding six (6) months prior to the date of filing a request to sell the Trust units, by at least two (2) appraisers whom the property manager and financial advisor (if any) deem appropriate and who have the capabilities to evaluate the value to reflect actual prices as well as possess the following characteristics:

- (a) The appraiser(s) must be approved by the Office of SEC in accordance with notification of the Officer of SEC related to the approval of appraisal companies and the principal appraisers.
- (b) In the case where the properties to be invested are located overseas, the appraiser(s) may be a person on the approved list in which supervisory offices or authorities of its home country approves them to perform the duties as an appraiser. In the case where there is not such an approved list, the appraiser(s) shall possess one of the following characteristics:
  - (1) Being an appraiser whose work is widely accepted in a country where the properties are located
  - (2) Having an universal performance standard and system;
  - (3) Being an international firm

#### **Method of additional acquisition of main properties and equipment of the Trust**

The method of additional acquisition of main properties and equipment of the Trust shall comply with the following criteria:

- (1) Prior to each main properties acquisition, the REIT manager shall perform the followings:
  - (a) Conduct due diligence on information and agreements related to the main assets and equipment (if any) including their financial information and legal form of assets in which the Trust will invest and the Trust's ability to acquire and legally own the properties as per applicable laws and regulations of such countries in case that the asset is in foreign countries, for purpose of supporting the consideration of the investment and information disclosure. In case that the owner or the leasehold right owner is related persons to the REIT Manager, the REIT Manager will consult with the financial advisor to give the opinion regarding such information analysis.
  - (b) Evaluation of the main properties shall be made in accordance with the conditions as follows:
    - (1) Appraiser must be approved by the SEC Office in accordance with the notification of the SEC Office on the approval of asset valuation companies and principal appraisals.
    - (2) Appraisers must not be engaged to perform valuation on more than two (2) consecutive occasions.
    - (3) It must be a full valuation with verification of document of title for public purpose of disclosing information to the investors in the following cases:
      - (3.1) If the Trust acquires or disposes its main properties, evaluation shall be engaged in advance, within a period not longer than one (1) year.

- (3.2) If the period of two (2) years from the latest full evaluation date is over.
  - (3.3) If there is an event or change which may materially affect impairment of invested properties.
  - (3.4) When the Trustee or auditor requests.
  - (4) A valuation must be audited on a yearly basis from the latest full valuation date.
  - (5) In the case where the Trust invests in rights to sublease of properties, there shall be a measure to prevent risks or remedy damages which may incur from breach of the lease agreements or when the right under the lease agreement is unenforceable.
- (2) Additional acquisition or disposal of the main properties shall be conducted under approval system and processes to obtain approvals from the Trustee and resolution of a meeting of the trust unitholders, as the case may be, as well as in conformity with the Trust Deed and relevant notifications of SEC and the SEC Office.

#### 4.7 Internal control systems and processes to prevent and manage the conflict of interest

Division of work and responsibilities of each department under the REIT manager

##### 4.7.1 Classification based on nature of work

The Company has been established with an objective to operate its business as a REIT manager according to the Trust Act. The Company divides into 3 main departments to perform its duties as the REIT manager and in accordance with the Trust Deed, the Agreements appointing the REIT manager, resolutions of the meeting of trust unitholders, and other relevant laws and regulations.

The Company's departments including their scope of work and responsibilities can be summarized as follows:

Compliance and Risk Management	Investment and Investor Relation and Property Management	Accounting and Operational Support
<ul style="list-style-type: none"> <li>Formulate strategies to manage and monitor risks relating to management and investment of the Trust to comply with the Trust Deed and other relevant rules</li> <li>Supervise and prevent conflict of interest between the Trust and persons who may have conflict</li> <li>Set up organizational structures and operational guidelines to protect the best interests of the Trust and the trust unitholders as a whole in the event of conflicts of interest</li> </ul>	<ul style="list-style-type: none"> <li>Formulate plans and strategies and operate for the benefit procurement as well as manage the Trust</li> <li>Plan, select and consider investment in properties by the Trust including investment in other asset</li> <li>Conduct due diligence and examine information on properties to be invested</li> <li>Research and study market conditions for real estate businesses for making investment decisions</li> <li>Select appraisers</li> </ul>	<ul style="list-style-type: none"> <li>Prepare financial statements and financial and operating results reports</li> <li>Control, monitor, coordinate, and oversee outsourcing tasks e.g. document preparation and registrar, trust unitholders and distribution payment etc.</li> <li>Oversee and manage properties and assets</li> <li>Keep and safeguard information, documents, and evidence related to the Trust</li> <li>Provide operational support such as human resource management, information technology management and computer support, general administration, and procurement</li> </ul>

Compliance and Risk Management	Investment and Investor Relation and Property Management	Accounting and Operational Support
<ul style="list-style-type: none"> <li>• Ensure qualifications of personnel related to the Trust's operation to conform with the nature of work and comply with all relevant laws</li> <li>• Evaluate the performance of personnel</li> <li>• Audit the operation of the Trust to be in compliance with the Trust Deed to ensure that all relevant personnel acknowledge changes in all relevant laws and regulations</li> <li>• Review and approve extraordinary expenditure or unbudgeted expenses</li> </ul>	<ul style="list-style-type: none"> <li>• Formulate strategies for benefit procurement from properties</li> <li>• Formulate marketing plans and sale campaigns along with public relations</li> <li>• Set competitively positioned strategies for targeted returns</li> <li>• Manage investment risks for the Trust</li> <li>• Sell properties of for the Trust</li> <li>• Prepare the Trust's income and expenses forecasts</li> <li>• Manage cash flow of the Trust</li> <li>• Oversee the Trust's borrowings (if any) and borrowing policies</li> <li>• Oversee and review performance of the Property Manager</li> <li>• Oversee the utilization, cleanliness, and security of the Trust's properties</li> <li>• Manage tenants and service recipients</li> <li>• Oversee and manage rental and service fee collections, to assure that the payments are made in a timely manner and in full</li> <li>• Oversee and efficiently manage the Trust's expenditures</li> <li>• Manage and seek knowledgeable and expert personnel</li> <li>• Arrange training and knowledge development to improve efficiency of the Trust's management</li> <li>• Prepare and disclose information to the Securities and Exchange Commission Office, the Stock Exchange, the Trustee, the Trust's unit holders, and the contract counterparties as per the conditions described in the Trust Deed, and relevant laws and notifications, or related contracts for instance: preparation of the meetings of the Trust's unit holders, annual reports, the Trust's annual registration statements, as well as information on the REIT Manager and the Trust</li> <li>• Communicate and take care of the Trust unitholders</li> <li>• Handle complaints and dispute resolutions</li> </ul>	

#### 4.7.2 Classifications based on the REIT manager's operating systems

In order for the Company to efficiently carry out its duties as the REIT Manager and be qualified under the conditions set forth in the relevant regulations of the Securities and Exchange Commission, the Company has arranged its operating systems according to the described conditions comprising of:

- (a) A system for formulation of the Trust's management policy
- (b) A system for risk management of the Trust's management and administration risks
- (c) A system for managing conflicts of Interest
- (d) A system for recruitment selection of the REIT Manager's personnel, and a selection process for assignees of tasks related to the Trust's operations (if any)
- (e) A system for governing and supervision of the REIT Manager and its personnel
- (f) A system to support the information disclosure of the Trust
- (g) A back office system
- (h) An internal audit and internal control system
- (i) A system for communication with investors and for the handling of investor complaints
- (j) A system for the handling of legal disputes

In each of the systems there are sub-systems of which their details are provided as follows:

Compliance and risk management	Investment and Investor Relation and Property Management	Accounting and/ Operational Support
<ul style="list-style-type: none"> <li>Processes and procedures for monitoring, controlling, evaluating, and supervising the performance of directors, executives and personnel of the REIT Manager</li> <li>Processes and procedures for considering and approving extraordinary expenditures and unbudgeted expenses</li> <li>Process for buy and sale transactions of employees</li> </ul>	<ul style="list-style-type: none"> <li>Processes and procedures for the consideration and selection of the Property Manager</li> <li>Processes and procedures for the follow up and evaluation of work performance of the REIT Manager and Property Manager</li> <li>Processes for the monitoring of rental income and service fee collections by the Property Manager</li> <li>Processes for the monitoring and assessment of expense payables to the Property Manager by the Trust</li> <li>Communication systems with investors</li> <li>Processes for the handling of investor complaints</li> <li>Processes for the handling of legal disputes</li> </ul>	<ul style="list-style-type: none"> <li>Processes for the supervision and control of assets</li> <li>Processes for the preparation and disclosure of information on the REIT Manager and the Trust in accordance with various agreements and relevant laws</li> <li>Processes for the control and supervision of outsourcing</li> <li>Processes for procurement</li> </ul>
<ul style="list-style-type: none"> <li>Processes and procedures for the consideration and selection of real estate investments</li> <li>Processes and procedures for the review of appraisal reports</li> <li>Processes for keeping and safeguarding information, documents, and evidence related to the REIT</li> <li>Processes for the preparation of income and expense budgets of the Trust</li> </ul>		



Compliance and risk management	Investment and Investor Relation and Property Management	Accounting and/ Operational Support
<ul style="list-style-type: none"> <li>• Processes for monitor, analysis, and assessment of risks related to real estate investment and property management</li> <li>• Cooperation with the Trustee</li> <li>• Processes for the prevention of conflict of interest <ul style="list-style-type: none"> <li>o Information disclosure on directors and executives' conflict of interest</li> <li>o Transactions between the Trust or the related persons of the Trust</li> <li>o Monitoring of business competition</li> <li>o Monitoring of the REIT Manager's independence in performing its duties</li> <li>o Disclosure on conflict of interest or benefits received from a company/ person who is a trading counterparty of the Trust</li> </ul> </li> <li>• Processes and procedures for the consideration and selection of the Property Manager</li> <li>• Processes and procedures for the consideration, selection, and hiring of specialists in various fields related to the management of the Trust</li> <li>• Processes for selection of the REIT Manager's personnel</li> <li>• Processes for the monitor and control of the work performance of the REIT Manager</li> <li>• Processes for the monitor and evaluation of the work performance of the REIT Manager and the Property Manager</li> <li>• Processes for supervising the Property Manager's operations under the Agreement appointing Property Manager</li> <li>• Processes for the monitor and control of the work performance of the Board of Directors, executives, and personnel of the REIT Manager</li> <li>• Processes for controlling the receipt of income and payment of expenses</li> </ul>		

## 5. Investment Policy of the Trust

### Investment Policy

In future, the Trust may additionally invest in other immovable properties apart from the aforesaid main investment assets whereby the future investment of the Trust shall comply with the following guidelines;

### Investment in immovable properties

- (1) The Trust will focus on the investment in warehouse, distribution centres, and factory or other immovable properties in which the Trust may invest. To additionally invest in the assets, the Trust may consider exercising its right of first refusal in order to invest in assets owned by WHA Corporation or its subsidiaries.

Nonetheless, the Company has been notified by WHA Corporation Public Company Limited (“WHA”) to amend the investment policy of the Trust in the Trust Deed and the right of first refusal of the Trust in the Undertaking Agreement in order to be in accordance with the policy of business operation of WHA. The Company deems this matter important and should be considered by the holders of trust units. Therefore, the Company proposes the matter to the Annual General Meeting for the year 2016 of the trust unitholders for consideration.

The said two amendments are significant issues materially affecting the right of trust unitholders as follows:

1. The amendment to the investment policy of the Trust as proposed by WHA will cause the investment policy of the Trust to not include the investment in ready-built warehouses, distribution centers or factories located in the following areas:
  - (a) industrial estates, industrial zones or industrial parks established, invested and/or developed by Hemaraj and/or its subsidiaries (such areas collectively called “Industrial Areas”);
  - (b) areas developed by Hemaraj and/or its subsidiaries located next to the Industrial Areas, or, if not next to the Industrial Areas i.e. the areas which are close to or vicinity of the Industrial Areas, to accommodate or support the business or expansion of ready-built business in the Industrial Areas of Hemaraj and/or its subsidiaries; and
  - (c) the areas other than (a) and (b) which Hemaraj and/or its subsidiaries has sole ownership or possession right or joint ownership or possession rights between Hemaraj and Hemaraj’s subsidiaries before 13 October 2015 and still holds the ownership or possession at all times. The said areas can be operated for industrial business under the zoning laws. In this regard, the said areas shall be in the documents disclosed to the trustee and REIT Manager.

(The areas in (a), (b) and (c), collectively called “Industrial Areas and Surrounding Areas”)

2. The amendment to the right of first refusal in the Undertaking Agreement is to change the right of first refusal of the Trust owed by WHA i.e. to waive the right of first refusal of the Trust to invest in ready-built warehouses, distribution centers, factories of WHA and its subsidiaries located in the Industrial Areas and Surrounding Areas as well as the warehouses, distribution centers, factories of WHA’s subsidiaries which are public companies listed on the Stock Exchange of Thailand and subsidiaries of such public companies.

The amendment to the Trust Deed and Undertaking Agreement requires an affirmative vote from the trust unitholders’ meeting with a vote of not less than three-fourths of the total votes of the trust unitholders attending the meeting and having the rights to vote, whereby the trust unitholders who have special interest in this matter shall not have the rights to vote.

In this regard, if the trust unitholders pass a resolution to not approve the amendment to the said investment policy, the investment policy of the Trust will remain unchanged. On the other hand, if the trust unitholders pass a resolution to approve the said amendment, the investment policy of the Trust will be change and the right of first refusal will be waived.

- (2) The Trust may consider investing in other properties other than warehouses and distribution centres provided that the Company as the REIT Manager conducts feasibility study and other relevant variables, and the result of such study indicates that the additional investment would benefit to holders of trust units.
- (3) To additionally invest in the assets, the Company, as the REIT Manager, will conduct feasibility study and an appropriateness of such investment and evaluate potential risks and other related factors so as to ensure that the additional investment will create long-term return to the holders of trust units. During the additional investment, the Company as the REIT manager will comply with guidelines and conditions specified in the relevant agreements as well as disclose sufficient and accurate information to the trust unitholders in order to obtain an approval for the additional investment.
- (4) The Trust may consider an investment by means of shareholding in a company which is specifically set-up to operate business in the same manner as the Trust. Such investment shall comply with the following guidelines;
  - (4.1) the Trust must hold the shares of not less than ninety-nine (99) percent of the total issued shares and not less than ninety-nine (99) percent of total voting right of such company.
  - (4.2) there must be a measure in place to ensure that the REIT manager would be able to manage and operate the business in accordance with the Trust Deed and guidelines specified in the Notification No. Thor Jor. 49/2555 and other relevant notifications of the SEC Office which is similar to the case of direct investment in main assets and equipment.

### Investment or Possession of Other Assets apart from Investment in Immovable Properties

In the case where the Trust has excess liquidity, the Trust may invest in other assets apart from investing in the main assets which are immovable properties. Such investment however shall be in compliance with key conditions as follows.

Apart from the main assets, the other assets shall be one of the following assets;

- (1) Government bond
- (2) Treasury bills
- (3) Bond or debenture issued by the State Enterprises or juristic persons established under specific law and unconditionally insured by Ministry of finance for all principal and interest.
- (4) Bank deposit or secondary mortgage corporation
- (5) Certificate of deposits issued by a bank or finance institution which is not structured notes.
- (6) Bill of exchange or promissory notes issued, avaled and guaranteed by a bank, finance institution and credit-fonder company.
- (7) Unit trust or warrants to purchase units of fixed income fund or other funds which has investment policy in debt instruments or deposits. In the case of unit trust of foreign investment fund, it shall be complied with the following conditions:
  - (a) Unit trust of a foreign investment fund must be under the policy and governance of securities regulatory authority which is an ordinary member of International Organization of Securities Commission (IOSCO) or must be unit trust of foreign investment fund trading in stock exchange which is a member of World Federation of Exchanges (WFE)

- (b) The foreign investment funds must have investment policy in similar types of assets as the REIT
- (c) The foreign investment funds must be established for public investors.
- (8) Units of real estate investment trust or unit trust of other trusts which are established under Thai laws.
- (9) Instruments of Real Estate Investment Trust established under foreign laws regardless of whether such trust is established as a corporation, trust or other forms. Such Real Estate Investment Trust shall contain the following characteristics:
  - (a) Real Estate Investment Trust is established for public investors and under the policy and governance of securities regulatory authority which is an ordinary member of International Organization of Securities Commission (IOSCO)
  - (b) Its key objective is to invest in immovable properties, ordinary shares of a company listed as a property development company which is a member of World Federation of Exchanges (WFE) and ordinary shares of a company comparable to a real estate development company.
  - (c) Having its securities trading in stock exchange which is a member of World Federation of Exchanges (WFE) or repurchasing by an issuer.
- (10) Future contract only in the case where the purpose of entering into the contract is to prevent the risks of the Trust
  - Ratio of investment in other assets shall be in compliance with guidelines specified in the Notification related to investment ratio in assets of general mutual fund issued under Section 117 and 126 (4) of the Securities and Exchange Act.
  - In a case where debtors of securities in which the Trust have invested is in default or under a circumstance of not being able to repay debt, the REIT Manager shall proceed in accordance with guidelines similar to those designated for mutual funds which are issued under Section 117 of Securities and Exchange Act.

### Investment in Shares of a Juristic Person who is the Tenant of the Trust's Main Assets

The Trust may invest in shares of a corporation who is a tenant of the Trust's main assets. Such investment shall follow conditions stated in a lease agreement which are (i) rental fee shall be designated with reference to the performance of the Trust's main assets, and (ii) it shall be the investment in a preferred share of not over one (1) share which offers preferred right on approvals of the corporation's operation (Golden Share) as stated in such corporation's article of association whereby the article of association shall specify the right of the Golden Share held by the Trust in order to prevent such corporation from not performing its duties under the lease agreement entered with the Trust or to prevent such corporation from causing any impairment or damage to the Trust's main assets.



## 6. Key Events Related to the Operation of the Trust

In fiscal year 2016, the Trust has carried out its first capital increase by investing in two (2) projects which are (i) ownership of land, warehouses, office buildings, other buildings and related assets of WHA Mega Logistics Center Project (Ladkrabang) (ii) leasehold land and ownership over warehouses, other buildings and related assets of WHA Mega Logistics Center Project (Chonlaharnpichit Km.5) and. Details of which are in Item 7, Details of the Investment Assets.

## 7. Details of the Investment Assets

### 7.1 Investment Assets of the Trust

No.	Location	Period of Investment	Site	Rental Area (Sq.m.)	Land Title		Land Area			Type of Investment	Roof Area (Sq.m.)	Car Parking Area (Sq.m.)
					Title Deed No.	Address	Rai	Ngan	Sq.Wah			
1	Ladkrabang Bangkok	Initial Investment (IPO)	WHA Ladkrabang Distribution Center Phase 1 and Phase 2	35,092.97	38139	Klong Sampravet, Ladkrabang, Bangkok	35	0	0	Freehold	-	-
2	Bangna-Trad Km.18 Samutprakarn Province	Initial Investment (IPO)	WHA Mega Logistics Center (Bangna-Trad Km.18)	72,179.48	666	Bang Chalong, Bang Plee	43	3	28	Leasehold	23,976.30	-
					38919	(Bang Plee Yai), Samutprakarn Province	30	3	39			
3	Bangna-Trad Km.23 Samutprakarn Province	Initial Investment (IPO)	WHA Mega Logistics Center (Bangna-Trad Km.23)	59,835.00	5533	Bang Saothong	0	2	63.1	Freehold	50,641.04	-
					5534	(Bang Plee Yai),	0	2	63			
					8504	Bang Plee,	10	2	80			
					18265	Samutprakarn Province	53	0	15.8			
4	Chonlahampichit Km.4 Samutprakarn Province	First Capital Increase	WHA Mega Logistics Center (Chonlahampichit Km.4)	80,745.55	110571	Bang Pla, Bang Plee, Samutprakarn Province	81	0	15.9	Freehold	68,384.20	-
5	Wangnoi Ayudhya Province	First Capital Increase	WHA Mega Logistics Center (Wangnoi)	61,182.00	28892 (10137)	Bo Ta Lo, Wang Noi, Ayudhya province	44	3	10	Leasehold	26,472.05	-
					28895 (40913)		1	2	96			
					28896 (7963)		22	2	10			
6	Nong Khae Saraburi Province	First Capital Increase	WHA Mega Logistics Center (Saraburi)	32,986.00	50692	Nong Pla Mo,	14	3	12	Freehold	-	-
					50693	Nong Khae, Saraburi Province	20	0	0			

No.	Location	Period of Investment	Site	Rental Area (Sq.m.)	Land Title		Land Area			Type of Investment	Roof Area (Sq.m.)	Car Parking Area (Sq.m.)
					Title Deed No.	Address	Rai	Ngan	Sq.Wah			
7	Chonlahampichit Km.5 Samutprakarn Province	Second Capital Increase	WHA Mega Logistics Center (Chonlahampichit Km.5)	62,105.25*	129645	Bang Pla, Bang Plee, Samutprakarn Province	66	2	85	Leasehold	50,143.60	2,378.90
8	Ladkrabang Bangkok	Second Capital Increase	WHA Mega Logistics Center (Ladkrabang)	95,110.00	1482	Klong Sampravit, Ladkrabang, Bangkok	19	1	06	Freehold	59,986.30	1,350.00
					42151		19	1	06			
					42152		19	1	06			
					42153		19	1	06			
					42154		19	1	06			
					44285		0	3	97			
					(12264)							
					44286		1	0	0			
					(12265)							
					42287		1	0	02			
					(12266)							
					45003		0	0	12			
					45005		0	0	10			
			<b>Grand Total</b>	<b>499,236.25</b>			<b>525</b>	<b>2</b>	<b>68.8</b>		<b>279,603.49</b>	<b>3,728.90</b>

Remark : \* The total rental area is approximately 64,031.00 square meters. However, the area according to the rental agreement is approximately 62,105.25 square meters due to negotiation during entering into the rental agreement. The conditions regarding rental area of certain buildings have been agreed prior to the completion of construction; therefore, there are difference between actual rental area and rental area under the rental agreement. The appraisal is calculated based on the rental area under the rental agreement which is 62,105.25 square meters.

## 7.2 Value Obtained for the Appraisal Report or Latest Review of the Appraisal Report

### 7.2.1 Appraisal Value of the Main Investment Assets for Initial Investment and the First Capital Increase of the Trust

The appraised value on the assets for initial investment and first capital increase of the Trust is assessed by the independent appraisal by using the income approach which can be summarized as follows:

Assets	Type/Form of Investment	Appraised Value Based on Income Approach (Million Baht)	Appraised Value Based on Full Replacement Cost (Million Baht)
<b>WHA Ladkrabang Distribution Center Phase 1 and Phase 2</b>	Freehold of land and 1 building (single-story building connected to two-story building)	1,051	709
<b>WHA Mega Logistics Center (Bangna-Trad Road Km. 18)</b>	Leasehold right over the land (ending on 3 August 2041) and ownership of 7 buildings	1,442.4	1,113
<b>WHA Mega Logistics Center (Bangna-Trad Road Km. 23)</b>	Freehold of land and 3 buildings	1,891	1,372
<b>WHA Mega Logistics Center Project (Chonlarnphichit Km. 4)</b>	Freehold of land and 5 buildings	2,427.1	2,240
<b>WHA Mega Logistics Center Project (Wangnoi 61)</b>	Leasehold right over the land (ending on 30 April 2042) and ownership of 5 buildings	1,224.7	1,035
<b>WHA Mega Logistics Center Project (Saraburi)</b>	Freehold of land and 3 buildings	838	665
<b>Total</b>		<b>8,874.2</b>	<b>7,134</b>

Source : SouthEast Asia International Co.,Ltd.

- Note :
- <sup>1</sup> Exclusion of value added tax
  - <sup>2</sup> Appraisal value as of 2 March 2016 for WHA Mega Logistics Center Project (Chonlarnphichit Km. 4)
  - <sup>3</sup> Appraisal value as of 3 March 2016 for WHA Mega Logistics Center Project (Wangnoi 61)
  - <sup>4</sup> Appraisal value as of 4 March 2016 for WHA Mega Logistics Center Project (Saraburi)
  - <sup>5</sup> Appraisal value as of 30 March 2016 for WHA Mega Logistics Center (Bangna-Trad Road Km. 18) and WHA Mega Logistics Center (Bangna-Trad Road Km. 23)
  - <sup>6</sup> Appraisal value as of 31 March 2016 for WHA Ladkrabang Distribution Center Phase 1 and Phase 2

### Methods of Appraisal

As to the full appraisal and review of the appraisal reports for the year 2016, SouthEast Asia International Co.,Ltd. has considered using the Income Approach as their appraisal criterion for preparing the appraisal reports.

## Summary of Key Assumptions

The key assumptions used by the appraiser for appraising the value of the Trust's assets are summarized as follows.

### (1) WHA Ladkrabang Distribution Center Phase 1 and Phase 2

Assumptions	Year 2016
Valuation Method	Income method by using the Discount Cash Flow Method to the Trust's future assets under the structure of the Trust in order to prepare the Cash Flow Statements derived from rental fee(s) and service income by referring to the rental and service agreement whereby the market rate will be adopted after the rental and service agreement expires.
Valuation Period	Freehold
Occupancy Rate	Under the current rental agreement: 91% After expiration of the rental agreement : 97% throughout the estimates
Total rental areas	35,092.97 square meters
Market Rental Rate (Baht per square meter per month) as of the investment date (Baht) which shall be used for calculation after the termination of the rental agreement	Baht 180
Growth of Market Rental Rate	Increase of 10% every 3 years
Rental fee of the State Railway of Thailand for electricity poles planting	Refer to the latest rental agreement with an increase of rental fee of 5% each year
Expenses for repair and maintenance of the assets	1% of total revenue
Reserves for asset improvement	1% of total revenue
Property Manager fee	As specified throughout the period of the Agreement Appointed the Property Manager.
Discount Rate	9.0%
Capitalization Rate	7.0%

### (2) Warehouse Areas of WHA Mega Logistics Center (Bangna-Trad Road Km. 18)

Assumptions	Year 2016
Valuation Method	Income method by using the Discount Cash Flow Method to the Trust's future assets under the structure of the Trust in order to prepare the Cash Flow Statements derived from rental fee(s) and service income by referring to the rental and service agreement whereby the market rate will be adopted after the rental and service agreement expires.
Valuation Period	25 years and 4 months (as of the valuation date)
Occupancy Rate	2016 : 94% 2016 - 2031 : 97% 2032 - 2034 : 90% 2035 - 2037 : 85% 2038 - 2040 : 75% 2041 : 60%
Total rental areas	72,179.48 square meters



Assumptions	Year 2016
Market Rental Rate (Baht per square meter per month) as of the investment date (Baht) which shall be used for calculation after the termination of the rental agreement	Baht 180
Growth of Market Rental Rate	Increase of 10% every 3 years
Land Rental Expenses	As specified throughout the period of the Land Lease Agreement
Expenses for repair and maintenance of the assets	1% of total revenue
Reserves for asset improvement	1% of total revenue
Property Manager fee	As specified throughout the period of the Agreement Appointed the Property Manager.
Discount Rate	10.0%

### (3) Rooftop Areas of WHA Mega Logistics Center (Bangna-Trad Road Km. 18)

Assumptions	Year 2016
Valuation Method	Income method by using the Discount Cash Flow Method to the Trust's future assets under the structure of the Trust in order to prepare the Cash Flow Statements derived from rental fee(s) by referring to the rental agreement
Valuation Period	25-year rental agreement
Occupancy Rate	100% according to the current rental agreement
Total rental rooftop areas	23,976.30 square meters
Rental Fee (per square meter per month)	Baht 3
Growth of Market Rental Rate	Increase of 10% every 5 years
Discount Rate	10.0%

### (4) Warehouse Areas of WHA Mega Logistics Center (Bangna-Trad Road Km. 23)

Assumptions	Year 2016
Valuation Method	Income method by using the Discount Cash Flow Method to the Trust's future assets under the structure of the Trust in order to prepare the Cash Flow Statements derived from rental fee(s) and service income by referring to the rental and service agreement whereby the market rate will be adopted after the rental and service agreement expires.
Valuation Period	Freehold
Occupancy Rate	Under the current rental agreement: 100% After expiration of the rental agreement : 97%
Total rental areas	59,835.00 square meters
Market Rental Rate (Baht per square meter per month) as of the investment date (Baht) which shall be used for calculation after the termination of the rental agreement	Baht 190
Growth of Market Rental Rate	Increase of 10% every 3 years
Expenses for repair and maintenance of the assets	1% of total revenue
Reserves for asset improvement	1% of total revenue
Property Manager fee	As specified throughout the period of the Agreement Appointed the Property Manager.
Discount Rate	9.0%
Capitalization Rate	7.0%

**(5) Rooftop Areas of WHA Mega Logistics Center (Bangna-Trad Road Km. 23)**

Assumptions	Year 2016
Valuation Method	Income method by using the Discount Cash Flow Method to the Trust's future assets under the structure of the Trust in order to prepare the Cash Flow Statements derived from rental fee(s) by referring to the rental agreement
Valuation Period	25-year rental period
Occupancy Rate	100% throughout the rental period
Total rental rooftop areas	50,641.04 square meters
Rental Fee (per square meter per month)	Baht 3
Growth of Market Rental Rate	Increase of 10% every 5 years
Discount Rate	10.0%

**(6) Warehouse Areas of WHA Mega Logistics Center (Chonlaharnphichit Km. 4)**

Assumptions	Year 2016
Valuation Method	Income method by using the Discount Cash Flow Method to the Trust's future assets under the structure of the Trust in order to prepare the Cash Flow Statements derived from rental fee(s) and service income by referring to the rental and service agreement whereby the market rate will be adopted after the rental and service agreement expires.
Valuation Period	Freehold
Occupancy Rate	Under the current rental agreement: 100% After expiration of the rental agreement : 95%
Total rental areas	80,745.55 square meters
Market Rental Rate (Baht per square meter per month) as of the investment date (Baht) which shall be used for calculation after the termination of the rental agreement	Baht 165
Growth of Market Rental Rate	Increase of 10% every 3 years
Expenses for repair and maintenance of the assets	1% of total revenue
Reserves for asset improvement	1% of total revenue
Property Manager fee	As specified throughout the period of the Agreement Appointed the Property Manager.
Discount Rate	9.0%
Capitalization Rate	7.0%

**(7) Rooftop Areas of WHA Mega Logistics Center (Chonlaharnphichit Km. 4)**

Assumptions	Year 2016
Valuation Method	Income method by using the Discount Cash Flow Method to the Trust's future assets under the structure of the Trust in order to prepare the Cash Flow Statements derived from rental fee(s) by referring to the rental agreement
Valuation Period	25-year rental period
Occupancy Rate	100% throughout the rental period
Total rental rooftop areas	68,384.20 square meters
Rental Fee (per square meter per month)	Baht 3
Growth of Market Rental Rate	Increase of 10% every 5 years
Discount Rate	10.0%

**(8) Warehouse Areas of WHA Mega Logistics Center (Wangnoi 61)**

Assumptions	Year 2016
Valuation Method	Income method by using the Discount Cash Flow Method to the Trust's future assets under the structure of the Trust in order to prepare the Cash Flow Statements derived from rental fee(s) and service income by referring to the rental and service agreement whereby the market rate will be adopted after the rental and service agreement expires.
Valuation Period	26 years 1 month (remaining period of the Land Lease Agreement as of the valuation date)
Occupancy Rate	2016 : 100% 2017 - 2032 : 95% 2033 - 2034 : 90% 2035 - 2037 : 85% 2038 - 2040 : 75% 2041 : 60%
Total rental areas	61,182.00 square meters
Market Rental Rate (Baht per square meter per month) as of the investment date (Baht) which shall be used for calculation after the termination of the rental agreement	Baht 160
Growth of Market Rental Rate	Increase of 10% every 3 years
Land Rental Expenses	As specified throughout the period of the Land Lease Agreement
Expenses for repair and maintenance of the assets	1% of total revenue
Reserves for asset improvement	1% of total revenue
Property Manager fee	As specified throughout the period of the Agreement Appointed the Property Manager.
Discount Rate	10%

**(9) Rooftop Areas of WHA Mega Logistics Center (Wangnoi 61)**

Assumptions	Year 2016
Valuation Method	Income method by using the Discount Cash Flow Method to the Trust's future assets under the structure of the Trust in order to prepare the Cash Flow Statements derived from rental fee(s) by referring to the rental agreement
Valuation Period	25-year rental period
Occupancy Rate	100% throughout the rental period
Total rental rooftop areas	26,472.05 square meters
Rental Fee (per square meter per month)	Baht 3
Growth of Market Rental Rate	Increase of 10% every 5 years
Discount Rate	10.0%

**(10) WHA Mega Logistics Center (Saraburi)**

Assumptions	Year 2016
Valuation Method	Income method by using the Discount Cash Flow Method to the Trust's future assets under the structure of the Trust in order to prepare the Cash Flow Statements derived from rental fee(s) and service income by referring to the rental and service agreement whereby the market rate will be adopted after the rental and service agreement expires.
Valuation Period	Freehold
Occupancy Rate	Under the current rental agreement: 100% After expiration of the rental agreement : 95%
Total rental areas	32,986.00 square meters
Market Rental Rate (Baht per square meter per month) as of the investment date (Baht) which shall be used for calculation after the termination of the rental agreement	Baht 155
Growth of Market Rental Rate	Increase of 10% every 3 years
Expenses for repair and maintenance of the assets	1% of total revenue
Reserves for asset improvement	1% of total revenue
Property Manager fee	As specified throughout the period of the Agreement Appointed the Property Manager.
Discount Rate	9.0%
Capitalization Rate	7.0%

**7.2.2 Appraisal Value of the Main Investment Assets for the Second Capital Increase of the Trust**

The appraised value is assessed by the independent appraisal of the investment assets for the second capital increase of the Trust by using the income approach as their appraisal criterion which are summarized as follows:

Assets	Type/Form of Investment	Maximum Investment Value to be Invested by the Trust (Million Baht)	Appraised Value based on Income Approach (Million Baht)		Appraised Value based on Full Replacement Cost (Million Baht)	
			Bangkok Property Appraisal Co.,Ltd.* <sup>1</sup>	Grand Asset Advisory Co.,Ltd.* <sup>2</sup>	Bangkok Property Appraisal Co.,Ltd.	Grand Asset Advisory Co.,Ltd.
WHA Mega Logistics Center Project (Chonlaharnphichit Km. 5)	Leasehold rights over the land and Freehold of the warehouse buildings and other buildings and assets	1,539.00	1,405.00	1,409.00	923.989	816.00
WHA Mega Logistics Center Project (Ladkrabang)	Freehold of the land and warehouse buildings and other buildings and assets	2,651.00	2,603.00	2,421.00	1,803.64	2,020.10
<b>Total</b>		<b>4,190.00</b>	<b>4,008.00</b>	<b>3,830.00</b>	<b>2,727.629</b>	<b>2,836.10</b>

Remark : \*1 The appraised value of Bangkok Property Appraisal Co., Ltd. as per the appraisal report dated on 9 May 2016 and 10 May 2016 for WHA Mega Logistics Center Project (Chonlaharnphichit Km. 5) and WHA Mega Logistics Center Project (Ladkrabang) (Appraised value as of 1 December 2016 which was the date the Trust expected to invest)

\*2 The appraised value of Grand Asset Advisory Co., Ltd. as per the appraisal report dated on 11 May 2016 (Appraised value as of 1 December 2016 which was the date the Trust expected to invest)

(1) Warehouse Areas of WHA Mega Logistics Center Project (Chonlarnphichit Km. 5)

Assumptions	Bangkok Property Appraisal Co., Ltd.	Grand Asset Advisory Co., Ltd.
Valuation Method	Income method by using the Discount Cash Flow Method to the Trust's future assets under the structure of the Trust in order to prepare the Cash Flow Statements derived from rental fee(s) and service income by referring to the rental and service agreement whereby the market rate will be adopted after the rental and service agreement expires.	Income method by using the Discount Cash Flow Method to the Trust's future assets under the structure of the Trust in order to prepare the Cash Flow Statements derived from rental fee(s) and service income by referring to the rental and service agreement whereby market rate will be adopted after the rental and service agreement expires.
Valuation Period	26 years 4 months (remaining period of the Land Lease Agreement from 1 December 2016 which is the date the Trust expected to invest in additional assets)	26 years 4 months (remaining period of the Land Lease Agreement from 1 December 2016 which is the date the Trust expected to invest in additional assets)
Occupancy Rate	<ul style="list-style-type: none"> <li>- Under the current rental agreement: 100%</li> <li>- After expiration of the rental agreement : 92.5% in the 1<sup>st</sup> -24<sup>th</sup> year and 90% throughout the estimates</li> </ul>	<ul style="list-style-type: none"> <li>- Building A1/1, A1/2, A2/1 and A2/2: 95% throughout the estimates</li> <li>- Building B: 100% in 2016 - 2017 and 95% throughout the estimates</li> <li>- Building C1, C2, D1 and D2: 100% in 2016 - 2028 and 95% throughout the estimates</li> <li>- Building E, F and G: 100% in 2016 and 95% throughout the estimates</li> </ul>
Total rental areas	62,105.25 square meters	62,105.25 square meters
Market Rental Rate (Baht per square meter per month) as of the investment date (Baht) which shall be used for calculation after the termination of the rental agreement	Baht 160	<ul style="list-style-type: none"> <li>- Warehouse C1, C2, D1 and D2 : Baht 190</li> <li>- Other warehouses : Baht 150</li> </ul>
Growth of Market Rental Rate	Increase of 10% every 3 years	Increase of 3% every year
Land Rental Expenses	As specified throughout the period of the Land Lease Agreement	As specified throughout the period of the Land Lease Agreement
Property Manager fee	As specified throughout the period of the Agreement Appointed the Property Manager. However, the fee shall not be higher than 3% of the total revenue.	As specified throughout the period of the Agreement Appointed the Property Manager.
Expenses for repair and maintenance of the assets	1% of total revenue	1% of total revenue
Reserves for asset improvement	1% of total revenue	1% of total revenue
Discount Rate	10.5%	10.0%



**(2) Rooftop Areas of WHA Mega Logistics Center Project (Chonlarnphichit Km. 5)**

Assumptions	Bangkok Property Appraisal Co., Ltd.	Grand Asset Advisory Co., Ltd.
Valuation Method	Income method by using the Discount Cash Flow Method to the Trust's future assets under the structure of the Trust in order to prepare the Cash Flow Statements derived from rental fee(s) by referring to the rental agreement	Income method by using the Discount Cash Flow Method to the Trust's future assets under the structure of the Trust in order to prepare the Cash Flow Statements derived from rental fee(s) by referring to the rental agreement
Valuation Period	25-year rental period	25-year rental period
Occupancy Rate	100 % throughout the rental period	100% throughout the rental period
Total rental rooftop areas	50,143.60 square meters	50,143.60 square meters
Rental Fee (per square meter per month)	Baht 3	Baht 3
Growth of Market Rental Rate	Increase of 10% every 5 years	Increase of 10% every 5 years
Discount Rate	10.5%	10.0%

**(3) Warehouse Areas of WHA Mega Logistics Center Project (Ladkrabang)**

Assumptions	Bangkok Property Appraisal Co., Ltd.	Grand Asset Advisory Co., Ltd.
Assumptions	Bangkok Property Appraisal Co., Ltd.	Grand Asset Advisory Co., Ltd.
Valuation Method	Income method by using the Discount Cash Flow Method to the Trust's future assets under the structure of the Trust in order to prepare the Cash Flow Statements derived from rental fee(s) and service income by referring to the rental and service agreement whereby the market rate will be adopted after the rental and service agreement expires.	Income method by using the Discount Cash Flow Method to the Trust's future assets under the structure of the Trust in order to prepare the Cash Flow Statements derived from rental fee(s) and service income by referring to the rental and service agreement whereby the market rate will be adopted after the rental and service agreement expires.
Valuation Period	Freehold	Freehold
Occupancy Rate	<ul style="list-style-type: none"> <li>- Under the current rental agreement: 100%</li> <li>- After expiry of the rental agreement : 95%</li> </ul>	<ul style="list-style-type: none"> <li>- Building A: 100% in 2016 - 2017 and 95% throughout the estimates</li> <li>- Building B, C, D, E, F: 100% in 2016 and 97% in 2017 and 95% throughout the estimates</li> <li>- Building AAL: 100% in 2016 - 2022 and 95% throughout the estimates</li> </ul>
Total rental areas	95,110.00 square meters	95,110.00 square meters
Market Rental Rate as of the investment date (per square meter per month) which shall be used for calculation after the termination of the rental agreement	Baht 160	<ul style="list-style-type: none"> <li>- Warehouse AAL: Baht 180</li> <li>- Other warehouses : Baht 150</li> </ul>
Growth of Market Rental Rate	Increase of 10% every 3 years	Increase of 3% every year
Property Manager fee	As specified throughout the period of the Agreement Appointed the Property Manager. However, the fee shall not be higher than 3.50% of the total income.	As specified throughout the period of the Agreement Appointed the Property Manager.

Assumptions	Bangkok Property Appraisal Co., Ltd.	Grand Asset Advisory Co., Ltd.
Expenses for repair and maintenance of the assets	1% of total revenue	1% of total revenue
Reserves for asset improvement	1% of total revenue	1% of total revenue
Expenses for Sale of Assets	3% of selling price of the land and building in 2025	1.5% of selling price of the land and building in 2031
Discount Rate	9.5%	9.25%
Capitalization Rate	7%	7.5%

#### (4) Rooftop Areas of WHA Mega Logistics Center Project (Chonlarnphichit Km. 5)

Assumptions	Bangkok Property Appraisal Co., Ltd.	Grand Asset Advisory Co., Ltd.
Valuation Method	Income method by using the Discount Cash Flow Method to the Trust's future assets under the structure of the Trust in order to prepare the Cash Flow Statements derived from rental fee(s) by referring to the rental agreement	Income method by using the Discount Cash Flow Method to the Trust's future assets under the structure of the Trust in order to prepare the Cash Flow Statements derived from rental fee(s) by referring to the rental agreement
Valuation Period	15-year rental period	15-year rental period
Occupancy Rate	100% for entire rental period	100% for entire rental period
Total Rental Rooftop Areas	59,986.30 square meters	59,986.30 square meters
Rental Rate (per square meter per month)	Baht 3	Baht 3
Growth of Market Rental Rate	Increase of 10% every 5 years	Increase of 10% every 5 years
Discount Rate	9.50%	9.25%

### Additional information

Discount Rate: Assumption of the discount rate for both appraisers depends on the following factors:

- Return from no-risk investment in government bonds
- Risk from investment in assets, operating warehouses businesses
- Risk from type of business, management, marketing, and economic conditions

Capitalization Rate: Assumption on the capitalization rate for both appraisers depend on the following factors:

- Expectation of returns of investor(s)
- Distribution of returns from the real estate investment trust
- Consideration of location and asset conditions and analysis of transfer of assets
- Consideration of growth of income, operating risk including current and future trend of market situations

The financial advisor and the REIT Manager are of the opinion that the discount rate and capitalization rate of both appraisers reflect the return and risk; however, due to differences in their perspectives and the value of all relevant factors the variables differ slightly but are still considered acceptable.

## 8. Detail of the Assets Invested or Sold in the Accounting Period

### 8.1 Detail of Investment in Immovable Properties or Leasehold Rights

For the second capital increase in 2016, the Trust has invested in two (2) projects which are (1) WHA Mega Logistics Center Project (Chonlaharnphichit Km. 5) and (2) WHA Mega Logistics Center Project (Ladkrabang), thereby the Trust has entered into the agreement with WHA Corporation Public Company Limited ("WHA Corporation") with the following details:

#### (1) WHA Mega Logistics Center Project (Chonlaharnphichit Km. 5)

Subject	Details of the Assets
<b>Seller</b>	WHA Corporation is the owner of freehold right of the warehouse buildings and office buildings, including constructions and other assets. WHA Corporation is the owner of the subleasing right of a plot of land (Title deed no. 129645), according to the land lease agreement between the owner of the land and Arunwongrat Company Limited as a lease. The agreement is dated 25 March 2013 (lease agreement version registered with the Land Department dated 26 March 2013).
<b>Date of investment</b>	7 December 2016
<b>Price</b>	1,539,000,000.00 Baht* 1,546,451,335.00 Baht**
<b>Reason for investment</b>	For increasing the assets and revenues to the trust and diversifying the risk from the investment

\* Exclusion of registration fees and value added tax

\*\* Including registration fees but excluding value added tax

#### (2) WHA Mega Logistics Center Project (Ladkrabang)

Subject	Details of the Assets
<b>Seller</b>	WHA Corporation is the owner of the freehold rights of the land, warehouse buildings and office buildings, including constructions and other assets.
<b>Date of investment</b>	7 December 2016
<b>Price</b>	2,651,000,000.00 Baht* 2,662,108,324.00 Baht**
<b>Reason for investment</b>	For increasing the assets and revenues to the trust and diversifying the risk from the investment

\* Exclusion of registration fees and value added tax

\*\* Including registration fees but excluding value added tax

### 8.1.2 Details of the Appraisal Prior to the Investment by the Appraisal Firm

The details in accordance with the price specified in the latest appraisal report or the latest review of the appraisal report are stipulated in Clause 7.2.

### 8.1.3 Expenses Related to the Investment

Expenses related to the investment	(Baht)*
Trust Unit Offering Application Fee	107,000.00
Trust Unit Offering Registration Statement Submission Fee	338,430.30
Other expenses including Trust Unit registrar fees, legal fees, independent appraiser fees, financial advisor fees, underwriting fee, financing costs, engineering inspector fees, auditor fees, prospectus and subscription form printing cost and expenses for marketing the offering of the Trust Units, etc.	153,253,674.73
<b>Total</b>	<b>153,699,105.03</b>

\* Inclusion of value added tax.

## 8.2 Details of the Disposal of the Assets and Leasehold Rights

8.2.1 Date, price, reason and transferee of the assets or leasehold rights, as the case may be

-None-

8.2.2 Details of the appraisal prior to the disposal by the appraisal firm; for examples, appraisal date, price as stated in the appraisal report, appraisal method and name of the appraisal firm etc.

-None-

8.2.3 Profit or loss from the disposal and other related expenses

-None-

8.2.4 Acquired price from the disposed properties or leasehold rights

-None-

## 9. Loan Policy and Details of the Loan as of the Ending Date of Accounting Year

### 9.1 Loan Policy

The Trust may obtain a loan or create any encumbrances regardless of whether a security is provided or not. However, the Trust must comply with the provisions of the loan and creation of encumbrances, as specified in the relevant laws and the Trust Deed. In addition, the Trust may obtain the loan or create the encumbrances only for the following purposes:

The Trust shall obtain loans only for the following purposes:

- (1) For additional investment in the main assets and leasehold rights.
- (2) For managing the assets of the Trust.
- (3) For maintenance, repair, or improvement of the assets of the Trust, i.e. properties of the Trust or of which the Trust has leasehold right(s), in order to restore them to a good condition to be ready to use for the benefit and procurement of the Trust.
- (4) For adding onto or constructing additional buildings on existing land owned by the Trust or of which the Trust has leasehold right(s) for the benefit and procurement of the Trust.
- (5) For repayment of loan(s) or other encumbrances of the Trust.
- (6) For other necessary causes which the REIT Manager deems appropriate in order to manage the Trust and for the distributions to the trust unitholders.

The loan shall be carried out by taking the benefit of the trust unitholders into consideration. In the case of the loan for maintenance and improvement of the assets of the Trust or of which the Trust has the leasehold rights as stated in the purpose (3) above or for adding onto or constructing additional buildings on existing land(s) owned by the Trust or of which the Trust has leasehold right(s) as stated in the purpose of (4), the Trust shall also consider the remaining duration of the lease agreements.

In terms of the loan ratio, the Trust shall obtain the loan of not exceeding 35% of the total asset value of the Trust. In the case where the Trust is considered investment grade value of the loan shall not exceed 60% of the total asset value of the Trust.

#### Special conditions

The Trust may enter into a sale and purchase agreement for derivatives with the objective to prevent foreign exchange rate risk(s) (hedging) and/or interest rate risk(s) which may incur from the loan either in whole or in part. For examples, the Trust may enter into the interest rate swap agreement with commercial banks to prevent risks from uncertainty of interest rate.

Creation of encumbrances on the assets of the Trust are allowed only in the case where it is necessary and related to the management of the Trust's asset as follows:

- (1) The creation of encumbrances related to the key covenants which the Trust is allowed to carry out in compliance with the provisions under the notification Tor Jor. 49/2555 and related amendments such as in the case that the Trust's assets are provided as a security for the loan under the agreement.
- (2) The creation of encumbrances is in the ordinary course of business and is normal for such type of transaction(s).

#### Method of loan(s) or creation of encumbrances

The Trust shall create the loan or the encumbrance to the Trust's assets by prioritizing the interests of the trust unitholders and shall comply with the following rules and methods for creating the loan and encumbrance as follows:



- (1) The REIT Manager shall consider the necessity and appropriateness for creating the loan or encumbrance over the Trust's assets as well as rules and methods for creating the loan or encumbrance including key commercial terms and conditions. Then, the REIT Manager shall put forward the proposal for the Trustee's approval.
- (2) The Trustee shall be the person who executes and enters into the agreement for creating the loan or encumbrance over the Trust's assets.
- (3) In the event that the Trust is required to provide its assets as a security for the loan, which is considered as creating a new encumbrance over the Trust's assets, it is required to obtain an approval from the resolution of the trust unitholders' meeting.

The Trust is not required to obtain the approval by the resolution of the trust unitholders' meeting in the case of providing an existing security or increasing the security amount over the existing security for the existing lender(s) as specified in the registration statement or the prospectus, or in a case where the existing lender(s) or creditor(s) assigns its right(s) under the Loan Agreement(s) and/or the existing security to an assignee who will become a new lender or creditor.

- (4) In the case that the loan is obtained for maintenance, repair, or improvement of the assets of the Trust or for adding onto or for additional building(s) construction over existing land owned by the Trust or of which the Trust has leasehold right(s) for benefits, The REIT manager shall consider the remaining duration of the lease agreement.

#### **Loan or creation of encumbrances with related person(s) of the Trustee**

The Trust may obtain loan(s) by means of applying for credit facilities from related person(s) of the Trustee who may be commercial banks, life insurance companies, casualty insurance companies and/or other juristic persons, or entering into an agreement which has the nature of a loan(s) or creation of encumbrance(s), and/or entering into transactions with such related persons in accordance with rules and other relevant notifications specified by SEC.

The loan of the Trust, by any means, shall not possess the characteristics as follows:

1. Having terms and conditions in the same manner as a perpetual bond(s);
2. Granting the right to convert into equity;
3. Having characteristics of embedded derivatives; and
4. Having characteristics of securitization.

The REIT Manager shall perform the following duties in relation to loans or creation of encumbrances of the Trust:

1. Undertaking any action in order that the Trust complies with subsequent conditions of the Notification of the Securities and Exchange Commission concerning the application for and Approval of Offer for Sale of Newly Issued Debt Securities in the event that the Trust issues any debenture or other debt securities in the future (if any)
2. Disclosing amount of loan and reserves for repayment of the loan in accordance with the loan agreement or encumbrances incurring from the loan (if any) in the registration statement and prospectus and Form 56-1 every year until all loans are paid off
3. Determination of an appropriate amount of reserve according to Clause 10.8.2 by taking into account the loan amount or encumbrances incurred from the loan, repayment period(s), impact on distribution(s) to the trust unitholders and cash position from unrealized loss(es) incurred from the appraisal or verification of the appraisal of the Trust's assets

4. Allowing the Trust to accumulate reserves over an accounting period which has insufficient liquidity to be carried forward to the next accounting period.

In the case where the Trust indirectly invests in the main asset(s) through a company which the Trust holds shares of, if such a company would like to borrow money, the loan shall possess characteristics as specified above mutatis mutandis.

### Summary of the Loan Agreement(s) and Details of the Loan Securities

For the first investment in the main assets and the first capital increase, part of the Trust's source of funds are from a loan whereby the Trust has entered into the Loan Agreements with domestic commercial banks. Total amount of the loan according to the agreements is Baht 2,720 million.

As for the investment in the main assets for the second capital increase, part of the Trust's source of funds are from loan(s) whereby the Trust has entered into Loan Agreements with domestic commercial banks and domestic insurance companies which are related persons of the Trustee (the "Lenders"). The Lenders have proposed various types of credit facilities in an amount of not exceeding Baht 1,350,000,000. Terms and conditions of the loan are in accordance with the Loan Agreements, Loan Security Agreement(s) and other relevant financial documents between the Trust and the Lenders or between related contracting parties. Preliminary details of the loan for the first investment first capital increase and second capital increase are as follows:

#### Loan for the first investment

<b>Borrower</b>	The Trustee acting on behalf of WHA Premium Growth Freehold and Leasehold Real Estate Investment Trust
<b>Credit facility amount (Million Baht)</b>	Long-term credit facility of Baht 1,370 million - For acquiring the main asset(s) for the first investment and/or for repaying the loan which was used for purchase of the main asset(s) (Refinance) And/or Short-term credit facilities including revolving credit facility of not exceeding Baht 100 million - For supporting the repayment of the security money for the rental, service, and/or for repaying the loan which was used for repaying security money for rental(s) and service (Refinance).
<b>Interest Rate and Fees relating to loan procurement</b>	Interest rate and fees relating to loan procurement during the first 5 years of the loan period per annum shall not exceed MLR of the term loan. In the 1st year, the MRL interest rate shall be -1.5%, except in certain cases as may specified in the Loan Agreement(s).  Minimum loan rate ("MLR") means the average of the interest rates for loans offered to the major customers of the four commercial banks namely, Kasikornbank Public Company Limited, Bangkok Bank Public Company Limited, Krungthai Bank Public Company Limited, and Siam Commercial Bank Public Company Limited, whereby such rate(s) may be subject to change upon the notification of each financial institution.
<b>Period of loan and commencement and termination date of loan</b>	Long-term credit facility in an amount of Baht 1,370 million - Period of not more than 12 years with an exemption to repay the principle during the first 5 years, except in the case of premature repayment of the loan And/or Short-term credit facilities of not exceeding Baht 100 million - Period of not more than 1 year with revision of credit facilities amount every year
<b>Interest payment</b>	Monthly payment
<b>Principle payment</b>	The principle shall be repaid in full on the maturity date and/or shall be partially repaid prior to the maturity date as specified in the Loan Agreements. However, the Trust can refinance the whole or part of the loan. As to the refinancing, the Trustee shall consider all relevant factors such as conditions under the Loan Agreement(s), interest rate(s) including financial situations and cash flows of the Trust for the most benefit to the Trust and the trust unitholders.

<b>Loan security</b>	<p>1. Mortgage and/or transfer of right(s) in the lease agreement for land and structures, including all warehouses and distribution centers in which the Trust initially invests.</p> <p>(Details of the appraisal value by using Depreciated Replacement Cost Approach are in Part 2, Clause 2.3.1, Appraisal Value and Maximum Value which the Trust May Invest)</p> <p>2. Conditional assignment of insurance policy with an endorsement to have the lender acting as the beneficiary and the co-insured.</p> <p>3. Conditional assignment of the lease and service agreement of the lessee with a period of more than 3 years.</p> <p>4. Other securities (if any) as the Trust and the Lenders may specify in the Loan Agreements</p> <p>Any actions relating to 1. - 4. mentioned above shall be carried out within the time period and in accordance with the conditions specified by the Lenders.</p>
<b>Key financial covenants</b>	<ul style="list-style-type: none"> <li>- The Lender shall maintain the ratio of the Funded Interest-Bearing Debt to the total assets of the Trust of not greater than 35 percent.</li> <li>- The Borrower shall maintain the ratio of the Funded Interest-Bearing Debt to EBITDA prior to interest, financial expenses, tax, depreciation and non-cash expenses write-off of not greater than 5.5 times. Such ratio(s) shall be calculated from the annual financial statement which would be audited in the first period after the establishment of the Trust.</li> </ul>
<b>Key covenants of the Borrower</b>	<p>The Borrower agrees that it shall not undertake or conduct any of the following acts, unless it has obtained a prior written consent from the Lender or such act is exempted under the conditions prescribed in the Loan Agreements.</p> <ul style="list-style-type: none"> <li>- Incur any debt with interest or any financial obligations, or create any encumbrances with other financial institutions which may materially affect the capability of repaying the loan to the Lender or the returns to the Trust unitholders.</li> <li>- Create any other encumbrances against the assets in which the Trust has initially invested except in the case(s) of future assets of the Trust or such creation of encumbrances is for the ordinary course of business.</li> </ul> <p>In the case that the Borrower enters into the lease and service agreement with a period of more than three years, the Borrower shall obtain a written consent from the Lender. Except, in certain cases (for example, in a case where the period of the lease and service agreement is more than three years but not exceeding ten years and the monthly rental and service fee of such agreement is higher than those of the previous agreement, as well as there is no advance rental payment, provided that the security money for such lease and service agreement shall not be regarded as an advance payment, etc.) may be undertaken under conditions agreed by the Lender and the Borrower.</p>
<b>Events of default</b>	<p>Events of default in any standard agreements and other defaults as described in the Loan Agreement(s) agreed upon by the parties including an event of default which occurred from the change of the Property Manager (unless such default can be remedied or exempted within the period permitted under the Loan Agreements and/or is under the exceptions specified in the Loan Agreements).</p>
<b>Prematurely repayment fees</b>	None
<b>Other terms and conditions</b>	<p>Apart from the aforementioned conditions, the other terms and conditions with respect to the provision of the loan shall be subject to the conditions described in the Loan Agreement(s) which have been mutually agreed upon by the parties in conformity with the regulations of the Bank of Thailand.</p>

## Loan for the first capital increase

<b>Borrower</b>	The Trustee acting on behalf of WHA Premium Growth Freehold and Leasehold Real Estate Investment Trust
<b>Credit Facility Amount</b>	<p>Total credit facilities of not exceeding Baht 1,400 million which may be divided into:</p> <p><u>Long-term credit facility</u> : A Long-term credit facility not exceeding Baht 1,350 million for investment in main assets for the first capital increase and/or for repaying loan(s) which were used for the purchase of main assets for the first capital increase (Refinance) (Long-term credit facility)</p> <p><u>Short-term credit facility</u> : A Short-term credit facility by issuing a promissory note, which is a revolving credit facility, in an amount not exceeding Baht 50 million in order to support the repayment of security money for the rental and service of main assets for the first capital increase and/or repay the loan which was used for repaying security money for rental and service of main assets for the first capital increase (Refinance), whereby the Lender will review and renew yearly (Short-term credit facility)</p>
<b>Interest Rate and Fees relating to loan procurement</b>	<p><u>Long-term credit facility</u> :</p> <p>Interest rate during the first 5 years per annum does not exceed MLR of term loan whereby during the 1<sup>st</sup> to 5<sup>th</sup> year, the MRL interest rate shall be -1.5%, except in the case of default whereby the default interest rate will be equal to the highest interest rate as declared by the Lender, change of laws, market conditions, or financial situations or any rules and regulations.</p> <p><u>Short-term credit facility</u> :</p> <p>Interest rate during the first 5 years per annum does not exceed MLR of term loan whereby during the 1<sup>st</sup> to 5<sup>th</sup> year, the MRL interest rate shall be -1.5%, except in case of default whereby the default interest rate will be equal to the highest interest rate as declared by the Lender, change of laws, market conditions, or financial situations or any rules and regulations.</p> <p>Minimum Loan Rate ("MLR") means the average of the interest rates for a loan(s) offered to major customers of the four commercial banks namely, Kasikornbank Public Company Limited, Bangkok Bank Public Company Limited, Krungthai Bank Public Company Limited, and Siam Commercial Bank Public Company Limited, whereby such rate(s) may be subject to change upon notification from each financial institution.</p> <p>In this regard, there may be fees relating to loan procurement as may be specified in the Loan Agreements.</p>
<b>Period of loan and commencement and termination date of loan</b>	<p><u>Long-term credit facility</u> :</p> <p>Repayment period of not more than 10 years from the withdrawal date, except in the case of premature repayment</p> <p><u>Short-term credit facility</u> :</p> <p>Repayment period of not more than 180 days from date of issuance of each promissory note or as to be specified in the Loan Agreements. However, the period of the withdrawal shall not exceed 1 year from the date of signing the Loan Agreement(s) or other dates as to be specified in the Loan Agreement(s) whereby the Lender will review and renew yearly. The maturity date of the short-term credit facility shall not exceed the maturity date of the long-term credit facility which will be specified in the Loan Agreement(s).</p>
<b>Interest payment</b>	Monthly Payment
<b>Principle payment</b>	<p><u>Long-term credit facility</u> :</p> <ol style="list-style-type: none"> <li>1. Long-term credit facility for the investment in main assets for the capital increase will be divided and repaid within 5 years from the withdrawal date. Also, within the first 4 years, the principle shall be repaid at a rate of not more than 10% of the long-term credit facility amount and the balance will be repaid on the maturity date.</li> <li>2. Long-term credit facility for the repayment of a loan which was used for the investment into main assets for the first capital increase (Refinancing) will be divided and repaid within 5 years from the withdrawal date whereby during the 1st to 5th year, the principle shall be repaid at a rate of not more than 10% of long-term credit facility amount and the balance will be repaid on the maturity date.</li> </ol> <p><u>Short-term credit facility</u> :</p> <ol style="list-style-type: none"> <li>1. Short-term credit facility for repayment of security money for the rental and service of main assets for the first capital increase: shall be repaid in full on the maturity date as specified in the relevant promissory notes; however, the principle, which is equivalent to the amount of security derived from the tenants/customers according to the rental and/or service agreement related to the utilization of main assets for capital increase, shall be partially repaid prior to the maturity date.</li> </ol>

	<p>2. Short-term credit facility for repayment of the loan which was used for repaying security money for rental and service of main assets for the first capital increase (Refinancing) : shall be repaid in full on the maturity date as specified in the relevant promissory notes; however, the principle, which is equivalent to the amount of security derived from the tenants/customers according to the rental and/or service agreement related to the utilization of main assets for capital increase, shall be partially repaid prior to the maturity date.</p> <p>In this regard, the Trust may refinance the whole or part of the loan prior to the maturity date of each credit facility amount. The Company, as the REIT Manager, may consider alternative fund raising by taking the current economic situations into consideration so as to best serve interests of the Trust; for example: the offering of additional trust units, offering of debentures, loan(s) from a commercial bank, financial institution, life insurance company, casualty insurance company and/or other juristic persons for repaying the loan.</p>
<b>Loan security</b>	<p>1. Mortgage of the land and buildings, including all warehouses and office building in which the Trust has invested for the first capital increase</p> <p>(Details of the appraisal value by using Depreciated Replacement Cost Approach are in Part 2, Clause 2.3.1, Appraisal Value and Maximum Value which the Trust May Invest)</p> <p>2. Conditional assignment of the land lease agreement for the land of WHA Mega Logistics Center (Wangnoi 61)</p> <p>3. Conditional assignment of insurance policies with an endorsement to have the lender(s) acting as the beneficiary and the co-insured, except in the case of a third-party liability insurance</p> <p><u>Remark</u> Under the agreement of conditional assignment of insurance policies, there are absolute and conditional assignments of the insurance policy.</p> <p>4. Conditional assignment of the current lease and service agreement and of lease and service agreement(s) which may have in the future with a remaining period/period of more than 3 years</p> <p>5. Other loan securities (if any) as the Trust and the Lender may have specified in the Loan Agreement(s).</p> <p>Any action(s) relating to No 1. - 5. mentioned above shall be carried out within the time period and in accordance with the condition(s) specified by the Lenders.</p> <p>The assignment of the current land lease agreement of the land of WHA Mega Logistics Center (Wangnoi 61) with a remaining period of more than 3 years, land lease agreement with a period of more than 3 years which may have in the future, relevant insurance policy and the lease and service agreement as stated in No 2. - 4. are conditional assignments. It will be considered as absolute assignment when any of the following event(s) occurs (a) continuously events of default as per the conditions of the Loan Agreements which is agreed on by the parties and (b) the Lender issues a notice to notify that the conditional assignment will be in full force and effect regardless of whether the Lender exercises their right(s) under the financial documents or not.</p> <p>Apart from the conditions mentioned above, other terms and conditions related to loan securities shall be in accordance with the conditions as described in the Loan Agreement(s), Securities Agreement(s) and other relevant financial documents agreed on by the parties.</p>
<b>Key financial covenants</b>	<ul style="list-style-type: none"> <li>- The Lender shall maintain the ratio of the Funded Interest Bearing Debt to the total assets of the Trust of not greater than 35 percent.</li> <li>- The Borrower shall maintain the ratio of the Funded Interest Bearing Debt to EBITDA prior to interest, financial expenses, tax, depreciation and non-cash expenses write-off of not greater than 5.5 times. Such ratios shall be calculated from the annual financial statement which will be audited in the first period after the establishment of the Trust.</li> </ul> <p>Details of the calculation are in accordance with the Loan Agreements.</p>
<b>Key covenants of the Borrower</b>	<p>The Borrower agrees that it shall not undertake or conduct any of the following acts, unless it has obtained a prior written consent from the Lender or such act is exempted under the conditions described in the Loan Agreements.</p> <ul style="list-style-type: none"> <li>- Incur any debt with interest or any financial obligation(s), or create any encumbrances with other financial institutions which may materially affect the capability of repaying the loan to the Lender or the return(s) to the Trust unitholders</li> <li>- Create any other encumbrance(s) against the main assets for the first capital increase including buildings and other immovable properties which may have in the future, except in cases of future assets of the Trust or such creation of encumbrances is for the ordinary course of business whereby it shall be in accordance with the conditions described in the Loan Agreements agreed upon by the parties</li> </ul>



	- In the case where the Borrower enters into the lease and service agreement with a period of more than three years, the Borrower shall obtain a written consent from the Lender. Except, in certain cases (for example, in a case where the period of the lease and service agreement is more than three years but not exceeding ten years and the monthly rental and service fee of such agreement is higher than those of the previous agreement, as well as there is no advance rental payment, provided that the security money for such lease and service agreement shall not be regarded as an advance payment, etc.) may be undertaken under conditions agreed upon by the Lender and the Borrower.
<b>Events of Default</b>	Events of default in any standard agreement(s) and other defaults as described in the Loan Agreements agreed upon by the parties; for examples, an event of default which occurred from the change of the Property Manager, default of maturity payment, breach of procedure(s) under the financial document(s), cross default, total loss, nationalization, bankruptcy, end of the effect or cessation to bind of the security and materially unfavorable changes (unless such default can be remedied or exempted within the period permitted under the Loan Agreement(s) and/or is under the exceptions specified in the Loan Agreement(s)).
<b>Premature repayment</b>	Prior to the maturity date, the loan can be fully or partially repaid without any fee(s) and expenses given that the premature repayment date is the same date as each interest payment date whereby it shall be in accordance with the conditions described in the Loan Agreement(s) agreed upon by the parties.
<b>Other terms and conditions</b>	Apart from the aforementioned conditions, the other terms and conditions with respect to the provision of the loan shall be subject to the conditions described in the Loan Agreement(s), Securities Agreement(s) and other financial documents which have been mutually agreed upon by the parties in conformity with the regulations of the Bank of Thailand.

#### Loan for the second capital increase

<b>Borrower</b>	Kasikorn Asset Management Company Limited, the Trustee of WHA Premium Growth Freehold and Leasehold Real Estate Investment Trust
<b>Credit Facility Amount</b>	Total credit facilities of not exceeding Baht 1,350 million which may be divided into: <u>Long-term credit facility</u> : Long-term credit facility not exceeding Baht 1,300 million for investment in main assets for the second capital increase <u>Short-term credit facility</u> : a promissory note, which has a period not exceeding 180 days and revolving credit facility not exceeding Baht 50 million, to support the repayment of the security money for the rental and service of main assets for the second capital increase, whereby the Lender will review and renew yearly
<b>Interest Rate and Fees relating to loan procurement</b>	The Interest rate per annum shall not be higher than the Minimum Loan Rate (MLR) minus 1.5 percent, except in the event of default, the interest rate may be changed to a default interest rate which is a maximum default rate announced by the Lender. Or the interest rate may be adjusted in the case of changes in market conditions, laws, financial situation or rules and regulations. Minimum loan rate ("MLR") means the average of the interest rates for loans offered to the major customers of the four commercial banks namely, Kasikornbank Public Company Limited, Bangkok Bank Public Company Limited, Krunghthai Bank Public Company Limited, and Siam Commercial Bank Public Company Limited, whereby such rate(s) may be subject to change upon the notification of each financial institution. In this regard, there may be fees related to loan procurement as specified in the Loan Agreements.
<b>Period of loan and commencement and termination date of loan</b>	<u>Long-term credit facility</u> : Repayment period of not more than 5 years from the withdrawal date, except in the case of premature repayment <u>Short-term credit facility</u> : Repayment period of not more than 180 days from date of issuance of each promissory note or as specified in the Loan Agreement(s). However, the period of the withdrawal shall not exceed 1 year from the date of signing the Loan Agreement(s) or other dates as to be specified in the Loan Agreement(s) whereby the Lender will review and renew it yearly. The maturity date of the short-term credit facility shall not exceed the maturity date of the long-term credit facility which will be specified in the Loan Agreement(s).
<b>Interest payment</b>	Monthly payment

<b>Principle payment</b>	<p><u>Long-term credit facility :</u></p> <ol style="list-style-type: none"> <li>1. Long-term credit facility: Long-term credit facility for the investment in main assets for the second capital increase will be fully paid within 5 years from the withdrawal date.</li> <li>2. Short-term credit facility: To be fully paid on the maturity date as specified in the relevant promissory notes; however, the principle, which is equivalent to the amount of security derived from the tenants/customers according to the rental and/or service agreement related to the utilization of main assets for capital increase, shall be partially repaid prior to the maturity date.</li> </ol> <p>In this regard, the Trust may refinance the whole or part of the loan prior to the maturity date of each credit facility amount. The Company, as the REIT Manager, may consider alternative fund raising by taking current economic situations into consideration so as to best serve interests of the Trust; for example: offering of additional trust units, offering of debentures, loan(s) from a commercial bank, financial institution, life insurance company, casualty insurance company and/or other juristic persons for repaying the loan.</p>
<b>Loan security</b>	<ol style="list-style-type: none"> <li>1. First mortgage on securities: land and buildings, as well as other buildings in which the Trust has invested for the second capital increase by having mortgage limit equal to the credit line.</li> <li>2. Conditional assignment or registration of the land sublease agreement for WHA Mega Logistics Center (Chonlahampichit Km.5) are considered business collateral under the Business Collateral Act, B.E. 2558.</li> <li>3. Conditional assignment of an insurance policy with an endorsement to have the lender acting as the beneficiary and the co-insured, except in the case of a third-party liability insurance or registration of an insurance claim, except third party liability insurance, are considered business collateral under the Business Collateral Act, B.E. 2558.</li> <li>4. Conditional assignment or registration of the current lease and service agreement and of lease(s) and service agreement(s) which may have in the future with a remaining period/period of more than 3 years are considered business collateral under the Business Collateral Act, B.E. 2558.</li> <li>5. Other loan securities (if any) as the Trust and the Lender may specify in the Loan Agreement(s).</li> </ol> <p>Apart from the conditions mentioned above, other terms and conditions related to the loan security shall be in accordance with the conditions as prescribed in the Loan Agreements, Security Agreements and other relevant financial documents agreed upon by the parties.</p>
<b>Key financial covenants</b>	<ul style="list-style-type: none"> <li>- The Lender shall maintain the ratio of the Funded Interest Bearing Debt to the total assets of the Trust of not exceeding 35 percent<sup>1</sup>.</li> <li>- The Borrower shall maintain the ratio of the Funded Interest-Bearing Debt to EBITDA prior to interest, financial expenses, tax, depreciation and non-cash expenses write-off of not exceeding 5.5 times. Details of the calculations are in accordance with the Loan Agreement(s).</li> </ul>
<b>Key covenants of the Borrower</b>	<ul style="list-style-type: none"> <li>- The Borrower agrees that it shall not undertake or conduct any of the following act(s), unless it has obtained a prior written consent from the Lender or such an act is exempt under the conditions described in the Loan Agreement(s).</li> <li>- Incur any debt with interest or any financial obligation(s), or create any encumbrances with other financial institutions which may materially affect the capability of repaying the loan to the Lender or the returns to the Trust unitholders;</li> <li>- Create any other encumbrances against the main assets for the second capital increase including buildings and other immovable properties which may have in the future, except in cases of future assets of the Trust or such creation of encumbrances is for the ordinary course of business whereby it shall be in accordance with the conditions described in the Loan Agreement(s) agreed upon by the parties;</li> <li>- In the case that the Borrower enters into the lease and service agreement with a period of more than three years, the Borrower shall obtain a written consent from the Lender. Except, in certain cases (for example, in a case where the period of the lease and service agreement is more than three years but not exceeding ten years and the monthly rental and service fee(s) of such an agreement is higher than those of the previous agreement, as well as there is no advance rental payment, provided that the security money for such lease and service agreement shall not be regarded as an advance payment, etc.) may be undertaken under conditions agreed upon by both the Lender and the Borrower.</li> </ul> <p>Other covenants as specified by the Lender shall be in accordance with the conditions of the Loan Agreements.</p>

<b>Events of Default</b>	Event(s) of default in any standard agreement(s) and other default(s) as described in the Loan Agreement(s) agreed upon by the parties; for example: an event of default which occurred from the change of the Property Manager, default of maturity payment, breach of procedure(s) under the financial document(s), cross default, total loss, nationalization, bankruptcy, end of the effect or cessation to bind of the security and materially unfavorable changes (unless such default can be remedied or exempted within the period permitted under the Loan Agreements and/or is under the exceptions specified in the Loan Agreements).
<b>Premature repayment</b>	Prior to the maturity date, the loan can be fully or partially repaid without any fees and expenses given that the premature repayment date is the same date as each interest payment date whereby it shall be in accordance with the conditions described in the Loan Agreement(s) agreed by the parties.
<b>Other terms and conditions</b>	Apart from the aforementioned conditions, the other terms and conditions with respect to the provision of the loan shall be subject to the conditions described in the Loan Agreements, Security Agreements and other financial documents which have been mutually agreed upon by both parties in conformity with the regulations of the Bank of Thailand.

Combining all of the aforementioned loans for the investment in the main assets, the total loan amount is approximately not more than Baht 3,970 million, equivalent to 28.51% of total asset value for the first investment together with the main assets during the first and second capital increase.

The loan balance as of the end of the accounting period for the year 2016 is Baht 3,970 million, equivalent to 28.51% of the total asset value of the Trust.

## **9.2. Relationship and Necessity of the Loan from Related Persons and Opinion on Conditions of the Loan Agreement**

### **9.2.1 Relationship between the Trustee and the Lender**

Except where the Trust is prohibited to loan from the Trustee's related persons by the notifications of the SEC or other authorities, the Trust may partially or wholly loan from the Trustee's related persons who hold 99.99% of voting shares of the Trust. In doing so, the Trust shall operate in accordance with the relevant notifications.

### **9.2.2 Reason and Necessity of the Loan from the Trustee's Related Persons**

The Company is of the opinion that the loan from related persons of the Trustee must be reasonable and must not affect the benefit of the Trust. It shall be carried out by considering the conditions under the loan agreement which are normal business conditions and benefit the Trust. Moreover, the Lender must have a good understanding in businesses and assets in which the Trust will invest.

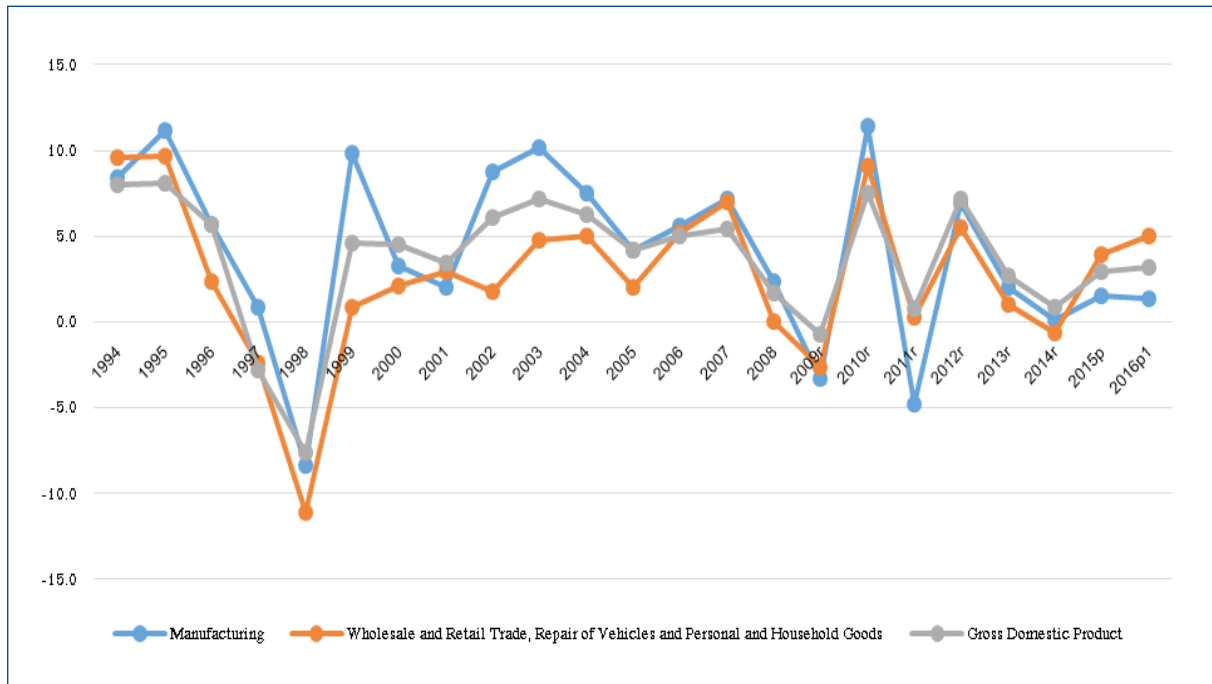
### **9.2.3 Opinion on Conditions under the Loan Agreement**

The loan transaction is a transaction with specific characteristics provided to the Trust. For examples, terms and conditions under the loan agreement are in conformity with the specific characteristics of the Trust, reasonable and have no effect to the benefits of the Trust. The conditions under the loan agreement are specified at arm's length basis whereby comparing such a loan agreement to general conditions of other loan agreements which the Trust entered with other lenders who are not related persons of the Trustee, essence of the agreements are similar. Moreover, the agreements share similar types of securities for debt repayment. This indicates that the conditions of the loan agreement as well as the loan transaction are consistent with normal business practice and do not affect the benefits of the Trust. In this regard, the Trustee is not allowed to interfere or manipulate the approval process and stipulation of the loan agreement.

Moreover, the fact that the lender who is not a related person of the Trustee accepts the conditions under the loan agreement indicates that such conditions are consistent with normal business practice and do not affect the benefits of the Trust.

## 10. Market Overview of Thailand Industrial Property Market

**Thailand economic growth in industrial and trade sector in 1994 - 2016**



r = revised

p = preliminary based annual figure

p1 = without annual figure

Source: Office of the National Economic and Social Development Board

One-third of Thailand's economic value was generated from industrial sector since it has been a major driving force for Thai economy development in term of value and growth. In addition, the high potential of export business combined with auto sales plays the important role for the growth of Thailand's industry and economic which can be seen for the last 10-15 years.

In 2016, the manufacturing sector grew due to the recovery of Thai export sector and the expansion of domestic demand. However, the expansion was concentrated in some industries, such as electronics, while other sectors shrink due to economic contraction and structural constraints.

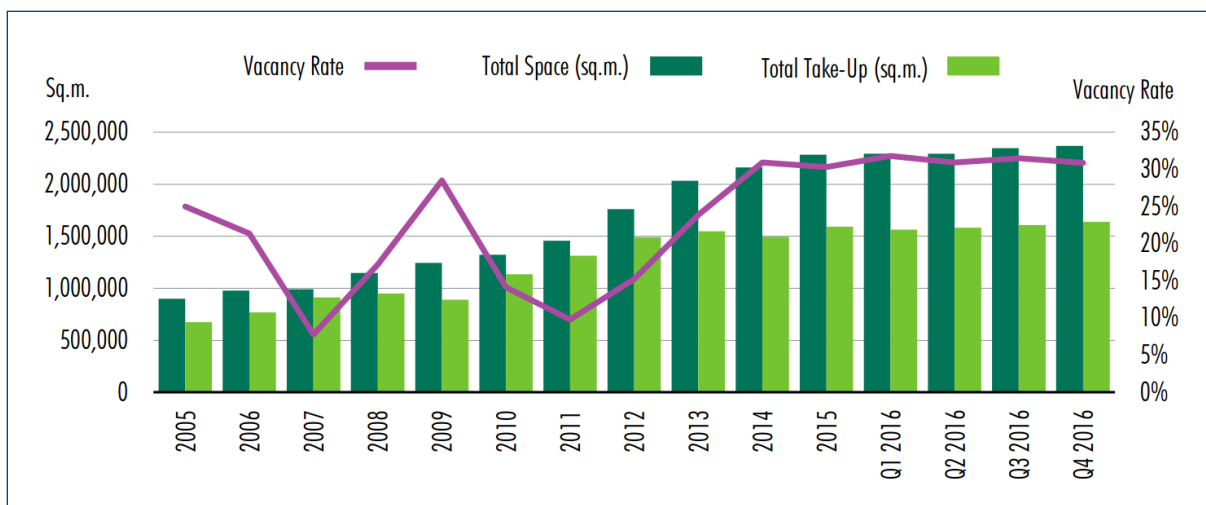
In 2016, Thailand's industrial property market had a better prospect as the recovery in the export sector, the clearer progress of the large-scale infrastructure investment projects, the increase in foreign investment, and the recovery of the US economy. Despite the world economy continuously recovered, there was still fluctuation throughout.

In 2016, export value was at 214,112 million Baht, which was equivalent to last year figure. However, the value improved from a 5.6% decrease in 2015. The growth was mainly driven by the recovery of the main trading partner, and the improvement of world market prices, especially in the commodity product, which has benefited from the increase in oil prices.

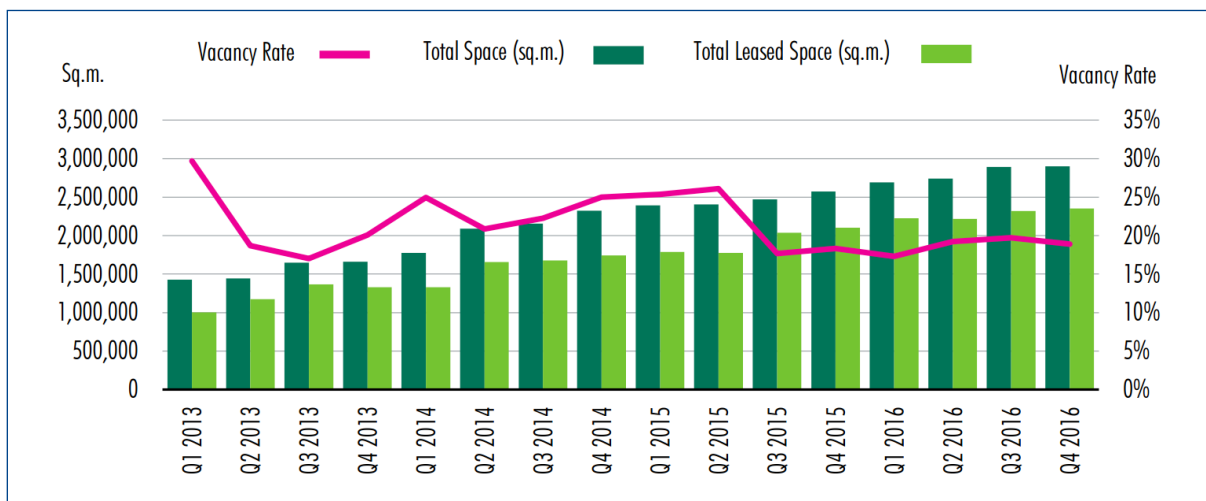
For Ready Built Factories (RBF), the supply of Ready Built Factories (RBFs) in 2016 increased by 3.8% Y-o-Y. The vacancy rate still remained high at approximately 31%. Demand for RBF is expected to continue to be quiet as private investment remains slow.

Modern Logistics Properties (MLPs) saw the vacancy rate was at 19% increased for the last year. However, there will be a healthy demand from the modern retail trades.

**Graph: Total supply and take-up of RBF**

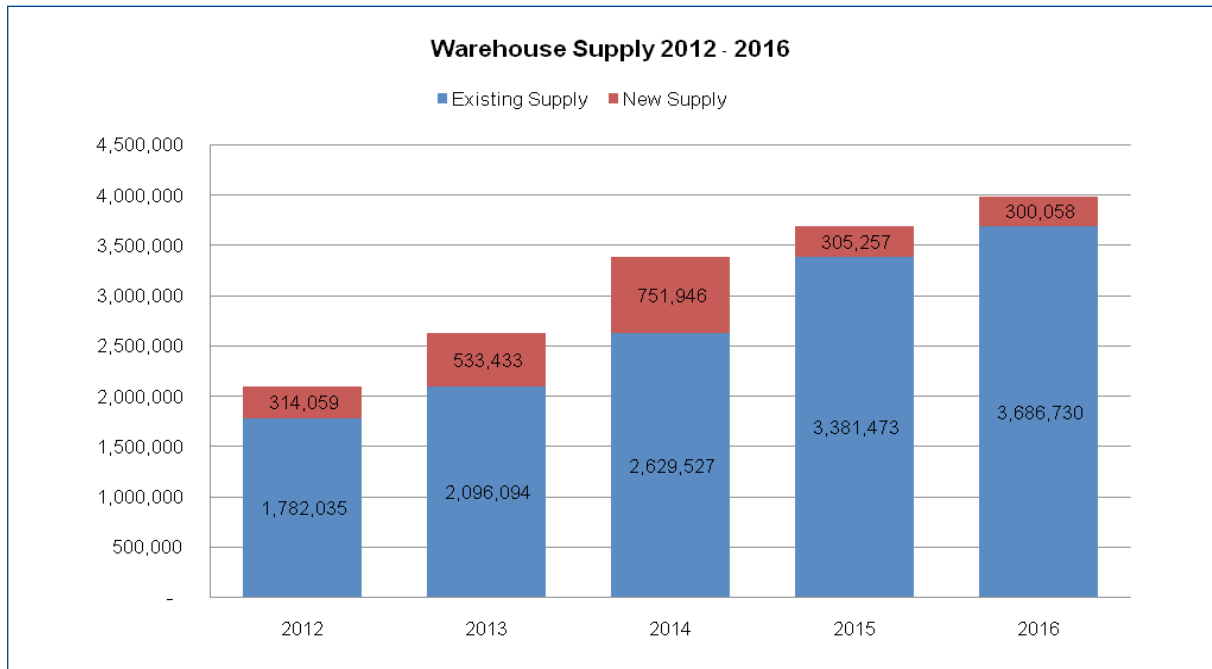


**Graph: Total supply and leased space of MLP**



Source: CB Richard Ellis Research

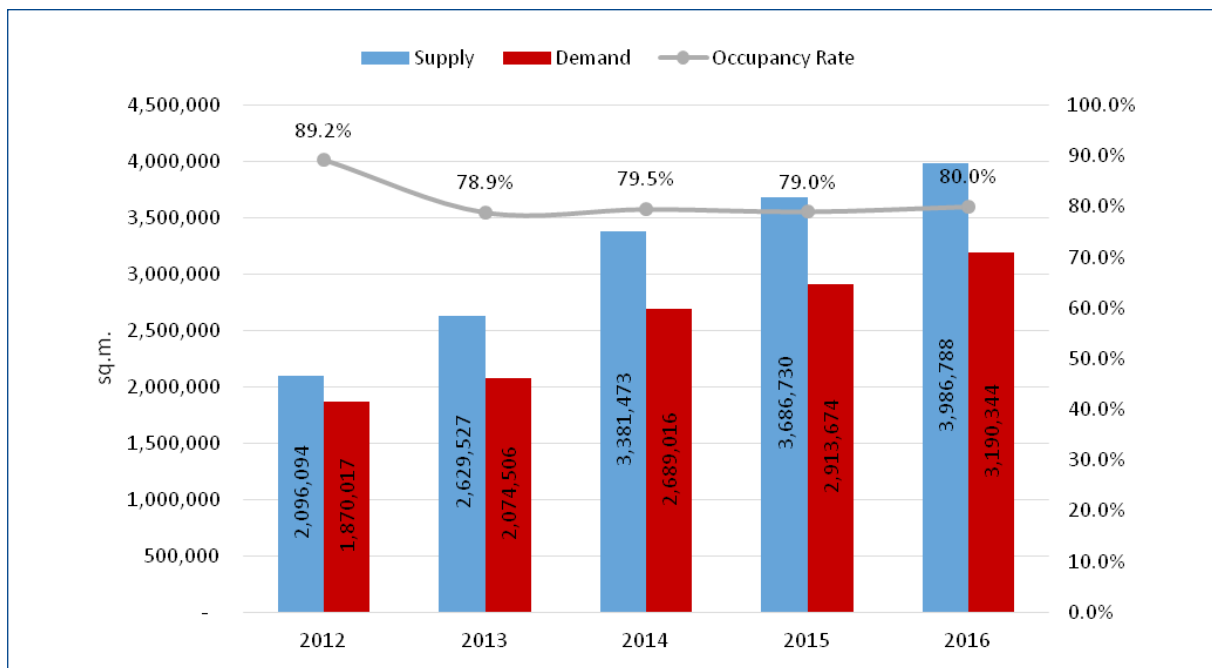
## Warehouse Supply



Source: Knight Frank Thailand Research & Consulting Department

As end of 2016, the warehouse supply was at 3,986,788 square metre, with approximately 300,058 square metre added to the supply. The supply has increased by 8.1% from the previous year. The majority of new supply last year was at Bangkok Province, representing by 30.7% of total new supply last year, followed by Chonburi (23.4%) and Samutprakarn (12.4%). The highest amount of new supply was in 2014, with approximately 751,946 square metre added to the stock. In 2015, the new supply amount was only at 305,257 square metre.

## Demand



Source: Knight Frank Thailand Research & Consulting Department



As end of 2016, the total occupied space was 3,190,344 square metre out of 3,986,788 square metre. The newly occupied space increased in 2016 from 2015 by 276,670 square metre. The occupancy rate as end of 2016 has climbed up to 80%, comparing to 79% in 2015.

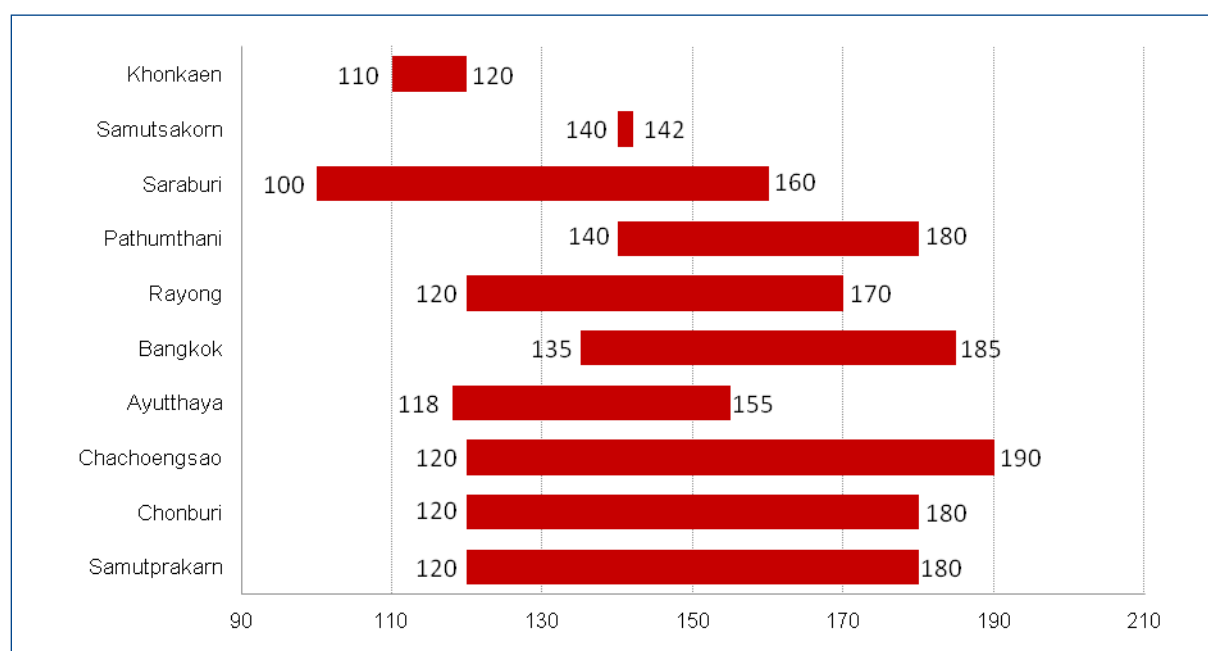
#### Demand and Occupancy by Province

Province	Supply	Demand	Occupancy rate
Samutprakarn	1,355,349	1,166,767	86.1%
Chonburi	954,706	684,841	71.7%
Chachoengsao	400,254	271,329	67.8%
Ayuthaya	427,922	353,654	82.6%
Bangkok	403,248	399,616	99.1%
Rayong	211,166	123,926	58.7%
Pathumthani	130,340	123,830	95.0%
Saraburi	52,907	33,839	64.0%
Samutsakorn	34,516	31,702	91.8%
Khonkaen	9,660	-	0.0%
Lumpoon	6,720	840	12.5%
<b>Total</b>	<b>3,986,788</b>	<b>3,190,344</b>	<b>80.0%</b>

Source: Knight Frank Thailand Research & Consulting Department

At the end of 2016, Bangkok saw the highest occupancy rate for warehouse at 99.1%, followed by Pathumthani and Samutsakorn, with approximately 95% and 91.8%, respectively. Khonkaen and Lumpun has the low occupancy rate due to the warehouse projects have just completed and introduced to the market last year.

#### Warehouse Rental Rate by Provinces



Source: Knight Frank Thailand Research & Consulting Department

The rental rate varies depending on location. As end of 2016, the highest rental rate was shown in Chachoengsao, with approximately THB 190 per square metre, followed by Bangkok, Chonburi and Samutprakarn, with the highest asking rental rate of approximately THB 180 per square metre. Warehouse rental rate varies on many factors, such as the condition of the warehouse, age of buildings, and specifications.

### Warehouse Market Outlook

Warehouse market outlook seems to be positive, especially the warehouse located in Bangkok and Sauvarnabhumi-Bangpakong to Chonburi. The occupancy rate is estimated to climb up in 2017. The industry, which will have high demand of warehouse, will be electronic, automotive and petrochemical industry. The rental rate is forecasted to remain constant due to the balance level of new supply and new demand, putting pressure on price competition and preventing a price rise. In addition, progress on infrastructure, including the Laem Chabang port expansion, and the road and rail network development, is still the key positive factor that drives private investment and logistics space demand.

Thailand shares borders with Cambodia, Laos, Myanmar, and Malaysia and will benefit from improved transportation links with Vietnam through the East West Corridor and with China via Laos with new rail plans, thus it is geographically well placed to play the role of the ASEAN logistics hub in the forthcoming AEC.

## 11. Information about the income guarantee and the person giving guarantee

-None-

## 12. Limitation on Allocation of the Trust Units

### Limitation on Allocation, Holding and Transfer of the Offered Trust Units

- 12.1 In regard to the allocation of the trust units to subscribers, it shall be allocated to a person or persons in compliance with the following ratio:
- (a) Fifty (50) percent of total Trust units which are already sold; and
  - (b) Fifty (50) percent of total sold Trust units in such Trust units type given that there is classification of the Trust units.
- 12.2 In the case where a person to whom the trust units are allocated is the settlor of the Trust, the Trustee or the REIT manager, the allocation of trust units shall be in accordance with ratio and rules prescribed in the Notification of the SEC and SEC office on Rules of Being Settlor and Trustee of Real Estate Investment Trust (REIT) and the Notification of the SEC and SEC office on Rules, Conditions and Procedures of REIT Manager's Approval and Standard of Performance, as the case may be.
- 12.3 In the case where the Trust invests in properties in Thailand and laws and regulations related to the properties specify investment proportion of foreign investors, the REIT manager shall allocate the Trust units in accordance with such laws and regulations. The investment proportion of the foreign investors however shall not exceed forty-nine (49) percent of the total Trust units sold as it is the offering of the Trust units which invest in immovable properties in the manner of acquisition of right in a land under the Land Code.
- 12.4 If it appears that any person(s), underwriter, settlor, trustee, REIT manager or foreign investor holds the Trust units not in accordance with the ratio and rules in the aforesaid Notifications, such person(s) shall not be entitled to the benefit or vote representing the portion in excess of the specified ratio. In this regard, the Trust shall distribute the benefit to other beneficiaries and it may deem that such trust unitholder has been informed and given its consent for such doing.
- 12.5 Underwriters may reserve their rights to refuse and/or suspend subscription of the Trust units either in whole or in part in one of the following cases:
- (a) In the case where information and/or documents which the underwriters receive from the subscriber are incorrect or incomplete.
  - (b) In the case where the underwriters suspect that the purchase of the subscriber is not transparent such as money laundering etc.
  - (c) In the case where the REIT manager views that immovable properties in which the Trust will invest may have total value less than seventy-five (75) percent of total capital derived from fund raising.
  - (d) Underwriters may reserve the rights to refuse the subscription in certain cases which it may deem appropriate; for examples, in a case that the underwriter views that it benefits the Trust or the trust unitholders, in a case that the subscription may cause problems to the Trust's management or may cause damages to the Trust, in a case where subscriber is a citizen or resident of United State and a person whose usual residence is in United States including assets of such person, and corporation or partnership which is set up and operates in the United States etc., so as to mainly protect the benefit of the Trust, trust unitholders and reputation and future legal responsibility of the REIT manager.

- (e) Subscriber who resides overseas is responsible for rules, regulations and taxes related to the trust unit investment of the Trust.
- (f) Underwriters view that the subscriber and/or trust unitholders and/or investor studies, comprehend and is abided by rules and conditions in which the Trust has legally bound by and specified in the registration statement and/or prospectus and/or rules, regulations and notification of the SEC, SEC Office and/or other authorities. This includes rules and conditions which may be amended or added in the future.

### 13. Policy and Limitation of Benefit Distribution

The benefit distribution policy of the Trust shall be in accordance with the following criteria:

13.1 The REIT Manager shall distribute benefits or return of not less than 90% of the adjusted net profit for the fiscal year. The distribution of the benefit shall include annual distribution and interim distribution (if any). The REIT Manager shall make distribution to the holders of trust units of no more than four (4) times per year. Except, in the case that the Trust increases its capital, the Trust is allowed to conduct the benefit distributions of more than 4 times per year for the benefit of the holders of trust units.

Adjusted net profit means net profit referred to cash position of the Trust which is deducted loan principal repayment and other obligations which become due by taking cash position (if any) into consideration.

13.2 In the case where the Trust still has an accumulated loss, the REIT Manager shall make no distribution to the holders of trust units.

13.3 Upon the benefit distribution to the trust unitholders in each accounting period, the REIT Manager shall announce the distribution, close the register of trust unitholders in order to specify names of the trust unitholders who are entitled to receive the benefit, and make distribution within the specified period as follows:

a. For Year-End Distribution,

The REIT Manager shall distribute the benefit within 90 days from the end of the fiscal year. Such benefit shall be distributed within the period of not over 30 days from the closing date of the register of trust unitholders in order to determine the rights of the trust unitholders who are entitled to such benefit.

b. For Interim Distribution,

The REIT Manager shall distribute the interim benefit (if any) within 90 days from the end of the accounting period of the latest quarter prior to such benefit distribution. Such benefit shall be distributed within 30 days from the closing date of the register of trust unitholders who are entitled to the benefit.

13.4 The trust unitholders who are entitled to receive the benefit are those whose names appear in the register of trust unitholders as of the closing date of the register of trust unitholders whereby the benefit to be received must be proportionated to the trust unit holding of each trust unitholder. In the case where it appears that any person(s) holds trust units in excess of the ratio specified in the relevant SEC notifications, such person(s) shall not be allowed to receive the benefit of the trust units which represent the portion in excess of the ratio as specified under the SEC notifications.

### Cash Distribution

Cash distribution from operation period of year 2016.

No.	Operation Period	Payment Date	Cash Distribution (Baht/unit)		
			Dividend	Decreasing Paid-up Capital	Total
1	1 January - 31 March 2016	27 May 2016	0.0292	0.1610	0.1902
2	1 April - 30 June 2016	25 August 2016	0.1733	0.0217	0.1950
3	1 July - 30 September 2016	25 November 2016	0.1696	0.0249	0.1945
4	1 October - 15 November 2016	20 December 2016	0.0930	-	0.0930
5	16 November - 31 December 2016	22 March 2017	0.0741	0.0124	0.0865
<b>Total</b>			<b>0.5392</b>	<b>0.2200</b>	<b>0.7592</b>



## 14. Expenses Collected from the Trust

Fees and expenses collected from the Trust are as follows:

Fees and Expenses	For Period of the Trust			Per One Time	
	Ceiling % of NAV per Year (Excluded value added tax)	Expected Rate (Excluded value added tax)	Collection Period	Ceiling % of NAV after Each Transaction (Excluded value added tax)	Expected Rate (Excluded value added tax)
<b>Total</b>	<b>9.25%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<ul style="list-style-type: none"> <li><b>Fees of the REIT Manager</b></li> </ul>	0.75%	<b>Base Fee :</b> Not over 0.25% per year of the cost of the main assets of the Trust. The cost of the main assets excludes value of the assets sold. And, fee of the main asset leasehold shall be calculated only during the effective period of such leasehold and shall not be over 0.25% per year of values appeared in the account for investment in financial instruments and/or deposit at financial institutions.	Monthly	Actual amount	<b>Acquisition fee</b> <u>In case of related persons of the REIT Manager</u> - Not over 0.75% of value of the assets purchased. <b>Other cases</b> - Not over 1.00% of value of the assets purchased. <b>Disposal fee</b> - Not over 0.50% of value of the assets sold.
<ul style="list-style-type: none"> <li><b>Fee of the Trustee and properties caretaker</b></li> </ul>	0.75%	Not over 0.25% per year of the cost of the main assets of the Trust. The cost of the main assets excludes value of the assets sold. Fee of main asset leasehold is calculated only during effective period of such leasehold and shall not be over 0.25% per year of values appeared in the account for investment in financial instruments and/or deposit at financial institutions.	Monthly	-	-
<ul style="list-style-type: none"> <li><b>Registrar Fee</b></li> </ul>	0.5%	Not over 0.50% per year of the registered capital of the Trust.	Monthly	-	-

Fees and Expenses	For Period of the Trust			Per One Time	
	Ceiling % of NAV per Year (Excluded value added tax)	Expected Rate (Excluded value added tax)	Collection Period	Ceiling % of NAV after Each Transaction (Excluded value added tax)	Expected Rate (Excluded value added tax)
• Fee of the Property Manager	3.0%	According to the Agreement appointing the property manager (the fee of the property manager includes expenses for minor repair and maintenance <sup>1</sup> , commission, marketing and sales promotion, premium, central, public utility maintenance and house and land tax)	Yearly	Actual amount	The fees for monitoring the modification of the buildings and the construction and development of the properties shall not exceed two (2) percent of construction value (Only in the case that the REIT Manager authorizes the Property Manager to monitor the construction and development of additional properties and the modification of the properties which are not derived from the Property Manager and/or the related person of the Property Manager.
• Annual Fees and Expenses for Maintaining the Listed Securities Status	0.05%	Not over 0.05% of paid-up capital	Yearly	-	-
• Fees and Expenses on Auditing and Internal Audit	0.10%	Actual amount	Yearly	-	-
• Fees and/or Expenses in Engineering System Evaluation and for Providing Reports or Research	0.02%	Actual amount	Yearly	-	-

<sup>1</sup> Expenses for minor repair and maintenance mean expenses for maintaining cleanliness, garden maintenance and landscaping, security in the project, including maintenance of equipment within the buildings (during the absence of lessees) and outside the buildings.

Minor repair or maintenance includes its services or outsourcing services of the relevant service providers such as;

- Hiring security staffs or a security company.
- Hiring gardeners and a company that carries out garden maintenance and landscaping, including construction materials for garden maintenance and landscaping.
- Collecting and disposing of garbage.
- Hiring mechanics and project engineers, managers, or project managers.

Excluding the followings:

- Expenses caused by depreciation.
- Cost of consumable supplies.
- Repair and installation of systems additionally necessary.
- Expenses incurred from repairing and maintaining structure of the buildings (such as poles, beams, walls, floors, roofs) etc.

Fees and Expenses	For Period of the Trust			Per One Time	
	Ceiling % of NAV per Year (Excluded value added tax)	Expected Rate (Excluded value added tax)	Collection Period	Ceiling % of NAV after Each Transaction (Excluded value added tax)	Expected Rate (Excluded value added tax)
• Interest and Fees from Loans	4.0%	Actual amount	-	-	-
• Financial Advisor Fee	-	-	-	1.0%	Actual amount
• Consulting Fee for Properties Investment such as Overseas Investment etc.	-	-	-	2.5%	Actual amount
• Other Consulting Fees	-	-	-	1.0%	Actual amount
• Fees for sales of the Trust Units	-	-	-	3.0%	Not over 3.0% of value of the offered trust units
• Fees for Loan Procurement and Issuance of Instruments of the Same Nature	-	-	-	2.0%	Actual amount
• Expenses on Repair and Maintenance of Other Properties Other than Minor Repair or Maintenance according to the Agreement Appointing the Property Manager	-	-	-	Actual amount	Actual amount
• Expenses on Marketing and Public Relations	-	-	-	1.0%	Actual amount
• Expense on Meetings of Trust Unitholders and Document Preparation	-	-	-	Actual amount	Actual amount
• Other Expenses					
(1) Fees and/or Expenses on Evaluation and/or Due Diligence on Properties Evaluation	0.01%	Actual amount	Yearly	-	-
(2) Other Expenses Related to Properties Management such as Sales Promotion, Public Utility, Banking and Gas etc.	0.01%	Actual amount	-	-	-
(3) Preparation and Annual Report Printing and Other Documents Related to Trust Unitholders including Translation and Document Distribution Fee	0.01%	Actual amount	-	-	-

Fees and Expenses	For Period of the Trust			Per One Time	
	Ceiling % of NAV per Year (Excluded value added tax)	Expected Rate (Excluded value added tax)	Collection Period	Ceiling % of NAV after Each Transaction (Excluded value added tax)	Expected Rate (Excluded value added tax)
(4) Expenses on Preparation, Printing and Distribution Notices, Correspondences, Information, Announcement to Trust Unitholders including Publishing in Newspaper	0.01%	Actual amount	-	-	-
(5) Expenses or fees on Distribution of Benefit to Trust Unitholders, Capital Increase and/or Capital Reduction such as Banking Fee, Stamp Duty, Service Fee to Registrar, Postage Stamp, Telephone and Facsimile Bill	0.01%	Actual amount	-	-	-
(6) Document Fees on Registration of Trust Unitholders and Posting Accounting Entry	0.01%	Actual amount	-	-	-
(7) Expenses Related to an Amendment and Addition to the Trust Deed and/or for Compliance with Laws or Notifications of SEC, the SEC Office and/or other Relevant Laws	0.01%	Actual amount	-	-	-
(8) Fees and/or Other Expenses Related to Operation of the Trust	0.01%	Actual amount	-	-	-
(9) Expenses and/or Fees Related to Trust Establishment such as Trust Registration Fee to be Listed Securities and Agreement Preparation etc.	-	-	-	Actual amount	Actual amount

Fees and Expenses	For Period of the Trust			Per One Time	
	Ceiling % of NAV per Year (Excluded value added tax)	Expected Rate (Excluded value added tax)	Collection Period	Ceiling % of NAV after Each Transaction (Excluded value added tax)	Expected Rate (Excluded value added tax)
(10) Agent or Property Brokerage Fee (if any) for Purchase, Disposal and Transfer of Rights	-	-	-	3.0%	Actual amount
(11) Fees or Expenses on Procurement, Acquisition, Disposal or Transfer of the Properties of the Trust such as Expenses on Sale or Transfer of Rights and Transfer Fee etc.	-	-	-	Actual amount	Actual amount
(12) Fees, Taxes and Stamp Duty related to Sales of Immovable Properties or Other Assets of the Trust such as Brokerage Fee, which will be Deducted from the Price upon the Sale, Expenses related to Purchase and Sale of the Properties and Transfer of the Securities or Properties etc.	-	-	-	Actual amount	Actual amount
(13) Fees and/or Expenses on Asset Appraisal	-	-	-	Actual amount	Actual amount
(14) Fees and/or Expenses on Engineering System Evaluation, Fees on Auditor for Auditing Profit and Loss Statement, and on Preparation of Reports or Research	-	-	-	Actual amount	Actual amount
(15) Expenses upon Receipt of the Trust Unit Payment such as Banking Fee, Stamp Duty, Postage Stamp, and Telephone and Facsimile Bill	-	-	-	Actual amount	Actual amount

Fees and Expenses	For Period of the Trust			Per One Time	
	Ceiling % of NAV per Year (Excluded value added tax)	Expected Rate (Excluded value added tax)	Collection Period	Ceiling % of NAV after Each Transaction (Excluded value added tax)	Expected Rate (Excluded value added tax)
(16) Fees on Preparation, Printing of the Subscriptions, Trust Unit Certificates, Receipts, Tax Invoices and Other Forms Related to the Trust, and Expenses on Document Distribution such Documents to Trust Unitholders	-	-	-	Actual amount	Actual amount
(17) Fees on Preparation and Printing of the Prospectus including Translation and Distribution Fees	-	-	-	Actual amount	Actual amount
(18) Expenses on Claim and Proceedings for Debt Collection or Legal Fees for Court Proceedings in order to Protect Rights of Trust Unitholders, the REIT Manager or Trustee which is Related to the Trust	-	-	-	Actual amount	Actual amount
(19) Legal Expenses related to the Operation and Management of the Trust including Expenses for Court Proceedings such as Confiscation fees and Compensation Derived from the REIT Manager for Benefits of Trust Unitholders as a whole, Court Fee, Compensation for Third Parties, Mortgage Registration Fee, Discharge of Mortgage Fee, Registration Fee with Department of Land, transaction fee, and Expenses on Agreement Amendment etc.	-	-	-	Actual amount	Actual amount

Fees and Expenses	For Period of the Trust			Per One Time	
	Ceiling % of NAV per Year (Excluded value added tax)	Expected Rate (Excluded value added tax)	Collection Period	Ceiling % of NAV after Each Transaction (Excluded value added tax)	Expected Rate (Excluded value added tax)
(20) Expenses on Legal Proceedings which the Trustee Files against the REIT Manager for its Performance or Claim for Compensation for Benefits of Trust Unitholders as a whole or upon a Request by SEC	-	-	-	Actual amount	Actual amount
(21) Compensation to Third Parties for Damages Incurred from Operation of the Trust in Excess of Insurance Coverage	-	-	-	Actual amount	Actual amount
(22) Fees and/or Expenses on Dissolution of the Trust or Change of the REIT Manager or the Trustee	-	-	-	Actual amount	Actual amount
(23) Remuneration for Liquidator or Supervisor during Registration of Liquidation and Dissolution Registration of the Trust with SEC	-	-	-	Actual amount	Actual amount
(24) Fees, Taxes and/or Other Expenses Related to the Operation of the Trust	-	-	-	Actual amount	Actual amount



## Opinion of the Trustee



หลักทรัพย์จัดการกองทุนสิทธิไทย  
开泰基金管理 KASIKORN ASSET MANAGEMENT



### Opinion of the Trustee

To Trust unitholders of WHA Premium Growth Freehold and 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 WHA Premium Growth Freehold and Leasehold Real Estate Investment Trust managed by WHA Real Estate Management Company Limited for the accounting period from 1 January 2016 to 31 December 2016.

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

Trustee

Kasikorn Asset Management Company Limited

Mr. Vasin Vanichvoranun

Executive Chairman

Kasikorn Asset Management Company Limited

8 February 2017

## 16. Transaction information between the Trust and the REIT Manager or related persons of the REIT Manager and opinion of the REIT Manager

In 2016, the Trust has invested in the main assets for the second capital increase, a related party transaction between the Trust and WHA Corporation Public Company Limited which is a related person of the REIT manager since WHA Corporation Public Company Limited is a major shareholder and controlling person of the REIT manager. Also, WHA Corporation Public Company Limited acts as the property manager of the Trust. Moreover, there are related party transactions between the Trust and the Company acting as the REIT manager of the Trust. Details of the transactions can be summarized as follows:

### 1) WHA Corporation

- Major shareholder of the REIT Manager by holding 99.99% of the total shares in the REIT Manager
- Controlling person of the REIT Manager
- Property Manager of WHART

#### 1.1) Purchase price of the Main Asset from the Capital Increase No. 2 in 2016

<b>Type of the Related Party Transaction</b>	<ul style="list-style-type: none"> <li>- The Trustee acting on behalf of WHART will enter into the land and building purchase agreement and the agreement to transfer the sublease right on the land with WHA Corporation. Main Assets from the Capital Increase No. 2 comprises of ;</li> <li>(1) WHA Mega Logistics Center Project (Chonlaharnpichit Km. 5)</li> <li>(2) WHA Mega Logistics Center Project (Ladkrabang)</li> </ul>
<b>Necessity and Rationale of the Related Party Transaction</b>	<ul style="list-style-type: none"> <li>- Investment in the Main Assets from the Capital Increase No. 2 is viewed as an investment in potential assets due to the readiness of the projects and lessees. Both projects are completely constructed and the quality of warehouses is of the same standard as the existing warehouses of WHART. The projects are conveniently accessible by transportation. The Ladkrabang Project is located near Suvarnabhumi Airport and Laemchabang Port which are strategic location for logistics. The Chonlaharnpichit Road is the centre of the major transportation in Thailand. The utilisation rate of areas in the projects is higher than 95% comprising of group of leading customers both from Thailand and overseas as lessees. As such, it is a high potential project that will generate income by making rental income and operating results of WHART more stable and can mitigate the risk from the procurement of benefits from Assets and minimize the reliance on source of income of WHART which will create benefit to WHART and Trust Unitholders accordingly.</li> </ul>
<b>Opinion of the REIT Manager and Financial Advisor on Price and Conditions</b>	<ul style="list-style-type: none"> <li>- Investment price for the Main Assets from the Capital Increase No. 2 may be higher than the lowest appraisal price prepared by an independent appraiser, i.e. more than 5% but not exceeding 10%, which is acceptable as it will enable WHART to invest and become the owner of the high quality warehouses having potential to generate income and will create value added to WHART and the Trust Unitholders in the future.</li> <li>- The investment price is reasonable and fair (please see additional details in part 2 clause 2.5.3: opinion of the financial consultant and the REIT Manager for the rationale of the purchase price).</li> </ul>

## 1.2) Management Fee of the Property Manager

<b>Type of the Related Party Transaction</b>	<ul style="list-style-type: none"> <li>- Management Fee of the Property Manager</li> <li>- Trustee, acting on behalf of WHART, hired WHA Corporation as the Property Manager for a period of 30 years</li> </ul>
<b>Necessity and Rationale of the Related Party Transaction</b>	<ul style="list-style-type: none"> <li>- WHA Corporation which is the real estate developer and lessor for Built-to-Suit warehouse, distribution centres and factories and being a service provider for Ready-Built with high standard under Warehouse Farm Project. WHA Corporation has well-rounded experience and expertise in such types of business and its executives have experience in this field for more than 20 years. As such, it is qualified to be the Property Manager of WHART.</li> </ul>
<b>Opinion of the REIT Manager and Financial Advisor on Price and Conditions</b>	<ul style="list-style-type: none"> <li>- WHA Corporation will request management fee from WHART comprising of the actual expenses and an annual fixed profit at the rate not exceeding 3% per annum of the Net Asset Value (NAV) of WHART.</li> <li>- The structure of the management fee for the Property Manager is in line with business standard operations (not higher than the management fee of property managers in other property funds and real estate investment trust), which intends to build motivation for the property manager to generate income and manage the cost effectively. The management fee that WHART will pay to WHA Corporation is the rate that reflects, the actual expenses of property management incurred, which is reasonable and fair.</li> <li>- WHA Corporation is the owner and property manager of the Main Assets. WHA Corporation is one of the most well-rounded experienced and expert in Thailand for the management of warehouses, distribution centres and factories and has expertise in management and operations, know-how and efficient teamwork and familiarity with the Main Assets to be invested by WHART. As such, the appointment of WHA Corporation as the Property Manager for the Main Assets will be for the best benefit of WHART.</li> <li>- The 30-year term for hiring the Property Manager is appropriate and beneficial for WHART as WHA Corporation is the leader in the business of warehouse rental, distribution centres and factories and can support the property management in the projects under WHART. In addition, the Property Manager Appointment Agreement requires the review of the Property Manager's performance throughout the term (please see additional details in part 2 clause 2.5.3: opinion of the financial consultant and the REIT Manager for the rationale of the purchase price).</li> </ul>

## 1.3) Rental Income under the conditions set out in the Undertaking Agreement

<b>Type of the Related Party Transaction</b>	<ul style="list-style-type: none"> <li>- Rental and service income under the conditions set out in the Undertaking Agreement</li> <li>- WHA Corporation will pay WHART the rental for the property to be invested from the Capital Increase No. 2 for areas not being rented according to the Undertaking Agreement as follows:</li> <li>- WHA Mega Logistics Center Project (Chonlaharnpichit Km. 5); for the warehouse and office areas not being rented at the rate of THB 140 per square metre for a period of three years from the date on which WHART invested in such assets, including the payment of water and electricity charges, land and building tax and/or related expenses.</li> <li>- WHA Mega Logistics Center Project (Chonlaharnpichit Km. 5); for the warehouse and office in Building G currently being rented, the lease agreement will expire on 31 August 2017, if the lessee decides not to renew the lease or is under the negotiation process for renewal, with no rental payment, WHA Corporation will pay rental for period after the expiry of the lease agreement at the same rate plus 10% including water and electricity charges, land and building tax and/or any other related expenses until there is a new lessee or the same lessee pays the rent (as the case may be) but not longer than one year from the date on which WHART entered into the investment.</li> </ul>
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	<ul style="list-style-type: none"> <li>- WHA Mega Logistics Center Project (Chonlaharnpichit Km. 5); for the roof rental for a period of 25 years from the date on which WHART entered into the investment at the rate of THB 3 per square metre per month and the rental will be increased by 10% every five years.</li> <li>- WHA Mega Logistics Center Project (Ladkrabang); for the warehouse area and office not being rented at the rate of THB 140 per square metre including the payment of water and electricity charges, land and building tax and/or related expenses for a period of three years from the date on which WHART entered into the investment.</li> <li>- WHA Mega Logistics Center Project (Ladkrabang); for the roof rental for a period of 15 years from the date on which WHART entered into the investment at the rate of THB 3 per square metre per month and the rental will be increased by 10% every five years together with the right to request rental payment for a period of not less than ten years.</li> </ul>
<b>Necessity and Rationale of the Related Party Transaction</b>	<ul style="list-style-type: none"> <li>- On the date WHART entered into the investment, there were certain areas not being rented out and on the process of seeking a lessee, for the benefit of WHART and Trust Unitholders, WHA Corporation will enter into undertaking agreement with WHART and pay WHART rental for building and roof areas not being rented in such project, according to the rate and period specified in the undertaking agreement.</li> <li>- In the case that there is no lessee renting warehouse area and office on the date on which WHART entered into the investment, WHA Corporation will pay the rental at the rate of THB 140 per square metre for WHA Mega Logistics Center Project (Chonlaharnpichit Km. 5) and WHA Mega Logistics Center Project (Ladkrabang) for a period of three years from the date on which WHART entered into the additional investment.</li> </ul> <p>Such rate is equal to the expected rental rate or if the rental during the said three years is lower than THB 140 per square metre, WHA Corporation will pay the remaining amount.</p> <ul style="list-style-type: none"> <li>- For roof areas in WHA Mega Logistics Center Project (Chonlaharnpichit Km. 5) and WHA Mega Logistics Center Project (Ladkrabang) not being rented out on the date on which WHART entered into the investment, WHA Corporation agreed to pay the rental for a period of 25 years for WHA Mega Logistics Center Project (Chonlaharnpichit Km. 5) and 15 years for WHA Mega Logistics Center Project (Ladkrabang) from the date on which WHART entered into the additional investment, according to the rate specified in the standard lease agreement of WHA Corporation specifying rental rate at THB 3 per square metre per month and the rental rate will be increased by 10% every five years.</li> </ul>
<b>Opinion of the REIT Manager and Financial Advisor on Price and Conditions</b>	<ul style="list-style-type: none"> <li>- The rental rate is similar to those of neighbouring areas (not lower than those of) and the market rental rate of the neighbouring warehouses that the appraiser apply for estimation of the value of the assets (please see additional details in part 2 clause 2.3.3: the key assumptions) and the said rental is not less than the rate of rental for area and services under similar conditions collected from other lessees.</li> <li>- Three-year term is a normal business condition for the rental of a warehouse</li> <li>- The security payment for WHART is a normal business condition for the rental of a warehouse</li> <li>- The rental rate of roof areas is the same rate as specified in the standard lease agreement of WHA Corporation. It can be considered appropriate as the rental covers the cost of preparation of the roof structure for the solar panels and the profit is as expected and the 25-year lease term is comparable to the term of the Power Purchase Agreement (PPA) with Metropolitan Electricity Authority which is also appropriate as it can ensure certainty of rental income generated to WHART from the roof areas throughout the said period.</li> </ul>

## 2) WHA Corporation Public Company Limited and/or related party of WHA Corporation Public Company Limited

- Major shareholder of the REIT Manager by holding 99.99% of the total shares in the REIT Manager
- Controlling person of the REIT Manager
- Property Manager of WHART

### 2.1) The right to lease the roof area under the Undertaking Agreement

<b>Type of the Related Party Transaction</b>	<ul style="list-style-type: none"> <li>- WHA Corporation and/or its related party has the right to lease the roof areas under the Undertaking Agreement as follows:</li> <li>- For WHA Mega Logistics Center (Ladkrabang), WHA Corporation and/or its related party has the first right to lease the roof areas for a period of not less than 15 years from the date on which WHART entered into the investment at the rate not lower than the rate that WHA Corporation guarantees to pay to WHART and shall be equal to or not lower than the rate offered by the other lessees (if any) depending on which rate is higher ("first right to lease the roof") and in case WHA Corporation agrees to pay rental for a further period of not less than ten years, WHA Corporation and/or its related party will have the right to lease the roof areas for that ten years or WHA Corporation and/or the related party may use the first right to lease the roof areas from WHART.</li> </ul>
<b>Necessity and Rationale of the Related Party Transaction</b>	<ul style="list-style-type: none"> <li>- The roof area of WHA Mega Logistics Center Project (Ladkrabang) has not yet been rented out. If it has not been rented out until the date on which WHART enters into the investment, WHA Corporation agreed to pay rental for the roof areas for a period of 15 years from the date on which WHART entered into the investment and for a further ten years at the rate specified in the standard lease agreement of WHA Corporation which is 3 Baht per square metre per month and the rent will be increased by 10% every five years.</li> </ul>
<b>Opinion of the REIT Manager and Financial Advisor on Price and Conditions</b>	<ul style="list-style-type: none"> <li>- The rental rate of the roof areas is the same rate as specified in the standard lease agreement of WHA Corporation. It can be considered appropriate as it covers the cost of preparation of the roof structure for the solar panels and the profit is as expected. The 15-year lease term from the date on which WHART entered into the investment plus the further ten-year term is also appropriate as it can ensure certainty of rental income generated from the roof area to WHART throughout the said period.</li> <li>- The change of duty under the Undertaking Agreement to ensure the leasehold right to lease the roof can be done under the conditions as agreed in the Undertaking Agreement at the same rental rate as agreed at that time that is deemed appropriate.</li> </ul>

### 3) WHA Real Estate Management Co., Ltd.

- Subsidiary of WHA Corporation who agreed to hold not less than 15% of the total Trust Units of the total Trust Units to be offered in this Offering.
- REIT Manager

#### 3.1) Management Fee

Type of the Related Party Transaction	- Trustee, acting on behalf of WHART, hired WHA Real Estate Management Co., Ltd. as the REIT Manager
Necessity and Rationale of the Related Party Transaction	<ul style="list-style-type: none"> <li>- WHA Real Estate Management Co., Ltd. is a subsidiary of WHA Corporation who is the business operator of the warehouse, distribution centres and factories having experience and expertise in that business that can support the operations of WHA Real Estate Management Co., Ltd.</li> <li>- The executives of WHA Real Estate Management Co., Ltd. have well rounded experience and expertise in the real estate business, and knowledge and understanding of the warehouse, distribution centre and factories business. As such, WHA Real Estate Management Co., Ltd. is suitable to be the REIT Manager.</li> </ul>
Opinion of the REIT Manager and Financial Advisor on Price and Conditions	<ul style="list-style-type: none"> <li>- Management fee to be paid by WHART to WHA Real Estate Management Co., Ltd. consists of the basic rate and the acquisition and disposition fee of Assets as follows: <ul style="list-style-type: none"> <li>• Basic Rate - at the rate not exceeding 0.75% per annum of WHART's Net Asset Value (NAV); and</li> <li>• the acquisition fee of Assets: <ul style="list-style-type: none"> <li>o the Assets of related person of WHART: at the rate of not exceeding 0.75% of the WHART's acquired Assets value</li> <li>o other Assets: at the rate of not exceeding 1.00% of the WHART's acquired Assets value; and</li> </ul> </li> <li>• the disposition fee of Assets: at the rate not exceeding 0.5% of the WHART's disposed Asset value</li> </ul> </li> <li>- The structure of the management fee of the REIT Manager is standard practice in business operations comparable to management fee of property managers in other property funds and real estate investment trusts in Thailand. The acquisition and disposition fees of WHART's assets are comparable with fees of REIT Manager in other countries.</li> </ul>

### 4) KASIKORNBANK Public Company Limited and/or subsidiary and/or associates of KASIKORNBANK Public Company Limited

- KASIKORNBANK Public Company Limited is the major shareholder of the Trustee by holding 99.99% of shares in the Trustee

#### 4.1) Income from the interest and bank deposit

Type of the Related Party Transaction	- The Trustee, acting on behalf of WHART, may enter into the loan and collateral agreement with KASIKORNBANK Public Company Limited and/or subsidiaries and/or associates of KASIKORNBANK Public Company Limited. In addition, the subsidiaries and/or associates of KASIKORNBANK Public Company Limited, which may be a commercial bank, financial institution, life insurance company, insurance company and/or any juristic person being a related person of the Trustee, may enter into any regular transactions in their normal business as a financial institution relating to other assets having same type as those of WHART.
Necessity and Rationale of the Related Party Transaction	- The Trustee, acting on behalf of WHART, may enter into a loan agreement with a total loan amount of not exceeding THB 1,350 Million. The interest rate and loan procurement fee set out in the loan agreement shall be in accordance with the MLR (Minimum Loan Rate). In the first year, the interest shall not exceed MLR - 1.5% and the interest for the first five years of the loan agreement shall not exceed MLR (Minimum Loan Rate) per annum unless exemption specified in the loan agreement and there will be a collateral, including

	<p>mortgage of the land and/or buildings, warehouses, factories and all offices of the Main Assets to be invested from the Second Capital Increase. The Trustee may assign the right with any conditions under the land lease agreement of Ladkrabang Project, the right under insurance policy with conditions and endorsement of the lender as the beneficiary and co-insurer (except insurance for third party liability), the right with conditions under the current lease and service agreement(s) having the remaining term for more than three years and future lease and service agreement(s) having term more than three years and other collateral for any loan (if any).</p>
<p><b>Opinion of the REIT Manager and Financial Advisor on Price and Conditions</b></p>	<p>- The REIT Manager will consider whether conditions of the loan agreement are to the best benefit of WHART by comparing the proposal from a related party of the Trustee and other financial institutions, such as the interest rate. In case WHART entered into the loan agreement with any related party of the Trustee and other financial institutions, the conditions of such loan shall be comparable or better than those of other financial institutions. The REIT Manager will consider short-term and long-term benefits to WHART and the Trust Unitholders as the first priority.</p>

#### 4.2) Underwriting Fee for offering of Trust Units

<p><b>Type of the Related Party Transaction</b></p>	<p>- KASIKORNBANK Public Company Limited will receive the underwriting fee for offering of Trust Units from the Second Capital Increase</p>
<p><b>Necessity and Rationale of the Related Party Transaction</b></p>	<p>- WHA Real Estate Management Co., Ltd. will pay the underwriting fee to KASIKORNBANK Public Company Limited according to the agreement to appoint the underwriter to offering the Trust Units for the purpose of successful offering.</p>
<p><b>Opinion of the REIT Manager and Financial Advisor on Price and Conditions</b></p>	<p>- The REIT Manager will consider conditions and fee payable to the related securities companies under the management of the Trustee and will compare with the proposal from other securities companies, taking into account WHART and the Trust Unitholders as the first priority.</p>

#### 5) Kasikorn Asset Management Co., Ltd.

- Trustee of REIT

##### 5.1 Trustee Fee

<p><b>Type of the Related Party Transaction</b></p>	<p>- WHA Real Estate Management Co., Ltd., acting as the REIT Manager will invest in relevant mutual fund under the management of the Trustee by using the remaining cash after investment in the Main Assets from the Second Capital Increase</p>
<p><b>Necessity and Rationale of the Related Party Transaction</b></p>	<p>- WHA Real Estate Management Co., Ltd. may use remaining cash after investment in the Main Assets from the Second Capital Increase to invest in the relevant mutual fund under the management of the Trustee to obtain any yield in which investment risk level is not high.</p>
<p><b>Opinion of the REIT Manager and Financial Advisor on Price and Conditions</b></p>	<p>- The REIT Manager will consider conditions and yield from the relevant mutual fund under the management of the Trustee and compare with the proposal from other asset management companies, taking into account WHART and the Trust Unitholders as the first priority.</p>



**WHA PREMIUM GROWTH FREEHOLD AND LEASEHOLD REAL  
ESTATE INVESTMENT TRUST**

**FINANCIAL STATEMENTS**

**31 DECEMBER 2016**



## Independent Auditor's Report

To the Unitholders of WHA Premium Growth Freehold and Leasehold Real Estate Investment Trust

### My opinion

In my opinion, the financial statements of WHA Premium Growth Freehold and Leasehold Real Estate Investment Trust ("the Trust") present fairly, in all material respects, the financial position and the details of investments of the Trust as at 31 December 2016, and its financial performance, changes in net assets, cash flows and significant financial information and ratios for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

### What I have audited

I have audited the accompanying financial statements of the Trust, which comprise the balance sheet and the details of investments as at 31 December 2016, and the related statements of income, changes in net assets, cash flows and significant financial information and ratios for the year then ended, and a summary of significant accounting policies and other notes.

### Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the Trust in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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## Key audit matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. I determine one key audit matter: Valuation of investments in properties. The matter was addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on the matter.

Key audit matter	How my audit addressed the key audit matter
<b>Valuation of investments in properties</b>	
<p>Refer to Note 4 to the financial statements for critical accounting estimates and judgements and Note 7 to the financial statements for investments at fair value.</p> <p>As at 31 December 2016, the balance of investments in properties amounted to Baht 13,082.76 million contributing to 93.97% of the Trust's total assets. The fair value of investments in properties have been performed based on the income approach by the independent appraisers. The REIT Manager will conduct an appraisal of the properties every two years, in accordance with the accounting policy stated in Note 2.4.</p> <p>I focused on this area because the valuation of investments in properties was necessarily involved significant judgement and assumptions made by management in estimating future net cash flows applying assumptions on growth rate, occupancy rate, capitalized rate and discounted rate.</p>	<p>I inquired REIT Manager and independent appraisers to understand the basis used for measurement of valuation of investments in properties.</p> <p>I assessed the competence, capabilities and objectivity of the firm and verified their qualifications of appraiser.</p> <p>I assessed the valuation method applied and checked validity of data used in estimation of the expected future cash flows received from free-hold and leasehold properties as following:</p> <ul style="list-style-type: none"> <li>Evaluated the appropriateness of the estimated future cash flows received from independent appraisers and inspected the inputs with the supporting documentation as follows; <ul style="list-style-type: none"> <li>the estimated future net cash flows received from free-hold and leasehold properties which was estimated from revenue, expenses and net income</li> <li>the growth rate by agreeing historical information and supported documents by recent renewals rate which was within an acceptable range</li> <li>the occupancy rate by agreeing average occupancy rate from historical information which was within an acceptable range</li> <li>the discount rate by reviewing the basis of discounted rate and benchmarking them against the same industries and within an acceptable range</li> </ul> </li> </ul> <p>I recomputed the valuation of investments in properties based on the expected future cash flows received from free-hold and leasehold properties and discounted rate, and check the accuracy of transactions in the accounting records.</p> <p>Based on the work performed, I found that the key factors applied in the management's accounting estimates and judgements related to valuation of investments in properties were applied in the acceptable range.</p>





### Other information

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

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the REIT Manager.

### Responsibilities of the REIT Manager for the financial statements

The REIT Manager are responsible for the preparation and fair presentation of the financial statements in accordance with TFRSs, and for such internal control as the REIT Manager determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The REIT Manager discharge their responsibilities for overseeing the Trust's financial reporting process.

### Auditor's responsibilities for the audit of the financial statements

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

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

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

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

I also provide the REIT Manager with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with the REIT Manager, I determine those matters that were of most significance in the audit of the financial statements of the current 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.

PricewaterhouseCoopers ABAS Ltd.



**Anothai Leekitwattana**  
Certified Public Accountant (Thailand) No. 3442  
Bangkok  
22 February 2017

# WHA Premium Growth Freehold and Leasehold Real Estate Investment Trust

## Balance Sheet

As at 31 December 2016

	Notes	2016 Baht	2015 Baht
<b>Assets</b>			
Investments at fair value (at cost in 2016: Baht 13,458 million and 2015: Baht 9,149 million)	7	13,264,444,700	9,051,265,490
Cash and cash equivalents	8	285,655,648	260,434,824
Deferred expenses	9, 14	246,295,256	179,407,760
Deferred income from operating lease agreement	14	25,314,028	12,975,169
Refundable VAT		61,100,293	74,162,858
Other assets		39,740,360	17,108,402
<b>Total assets</b>		<b>13,922,550,285</b>	<b>9,595,354,503</b>
<b>Liabilities</b>			
Unearned rental and service income	14	8,689,614	6,955,207
Deposits received from customers		373,344,535	239,891,491
Borrowing from financial institutions - net	10, 14	3,845,622,973	2,629,296,443
Accrued expenses	14	139,874,552	171,382,440
Other liabilities		14,032,445	5,437,883
<b>Total liabilities</b>		<b>4,381,564,119</b>	<b>3,052,963,464</b>
<b>Net assets</b>		<b>9,540,986,166</b>	<b>6,542,391,039</b>
<b>Net assets represented by</b>			
Capital received from unitholders	11	9,466,649,931	6,502,733,307
Retained earnings (deficits)	11	74,336,235	39,657,732
<b>Net assets value</b>		<b>9,540,986,166</b>	<b>6,542,391,039</b>
Net assets value per unit (Baht)		9.8144	9.8876
Unit trust outstanding at the ending of the year (Units)		972,142,000	661,670,000

The notes to the financial statements on pages 12 to 28 form an integral part of these financial statements.

**WHA Premium Growth Freehold and Leasehold Real Estate Investment Trust**  
**Statement of Details of Investments**  
**As at 31 December 2016**

Type of investments	Areas	Cost Baht	Fair value Baht	% of fair value
<b>Investments in properties (Note 7)</b>				
Ownership over freehold and leasehold right on land and warehouse buildings				
1. WHA Ladkrabang Distribution Center Phase 1 and Phase 2				
Location Klong Sam Pravat Subdistrict, Ladkrabang District, Bangkok	35-0-0 rai	1,088,210,522	1,051,000,000	7.92
2. WHA Mega Logistics Center (Bangna-Trad Road Km.18)				
Location Bang Chalong Subdistrict, Bangplee District (Bangplee Yai) Samutprakan Province	74-2-67 rai	1,389,338,537	1,442,400,000	10.87
3. WHA Mega Logistics Center (Bangna-Trad Road Km.23)				
Location Bang Saotong Subdistrict, Bangplee District (Bangplee Yai) Samutprakan Province	65-0-21.9 rai	1,928,819,867	1,891,000,000	14.26
4. WHA Mega Logistics Center (Chonlahampichit Km.4)				
Location Bangpla Subdistrict, Bangplee District, Samutprakarn	81-0-15.9 rai	2,504,966,196	2,427,100,000	18.30
5. WHA Mega Logistics Center (Wangnoi 61)				
Location Bo Ta Lo Subdistrict, Wangnoi District, Phra Nakorn Si Ayutthaya	69-0-16 rai	1,290,435,829	1,224,700,000	9.23
6. WHA Mega Logistics Center (Saraburi)				
Location Nong Pla Moh Subdistrict, Nong Kae District, Saraburi	34-3-12 rai	867,580,384	838,000,000	6.32
7. WHA Mega Logistics Center (Chonlahampichit Km.5)				
Location Bangpla Subdistrict, Bangplee District, Samutprakarn	66-2-85 rai	1,546,451,335	1,546,451,335	11.66
8. WHA Mega Logistics Center (Ladkrabang)				
Location Klong Sam Pravat Subdistrict, Ladkrabang District, Bangkok	99-1-51 rai	2,662,108,324	2,662,108,324	20.07
Total investments in properties		13,277,910,994	13,082,759,659	98.63
<b>Investment in securities</b>				
Investment in mutual fund	Maturity date N/A	180,000,000	181,685,041	1.37
Total investment in securities		180,000,000	181,685,041	1.37
<b>Total investments</b>		<b>13,457,910,994</b>	<b>13,264,444,700</b>	<b>100.00</b>

The notes to the financial statements on pages 12 to 28 form an integral part of these financial statements.



**WHA Premium Growth Freehold and Leasehold Real Estate Investment Trust**  
**Statement of Details of Investments**  
**As at 31 December 2015**

Type of investments	Areas	Cost Baht	Fair value Baht	% of fair value
Investments in properties (Note 7)				
Ownership over freehold and leasehold right on land and warehouse buildings				
1. WHA Ladkrabang Distribution Center Phase 1 and Phase 2				
Location	Klong Sam Pravet Subdistrict, Ladkrabang District, Bangkok	1,088,210,522	1,033,000,000	11.41
2. WHA Mega Logistics Center (Bangna-Trad Road Km. 18)				
Location	Bang Chalong Subdistrict, Bangplee District (Bangplee Yai) Samutprakan Province	1,389,338,537	1,392,000,000	15.38
3. WHA Mega Logistics Center (Bangna-Trad Road Km.23)				
Location	Bang Saotong Subdistrict, Bangplee District (Bangplee Yai) Samutprakan Province	1,928,819,867	1,883,000,000	20.80
4. WHA Mega Logistics Center (Chonlaphichit Km.4)				
Location	Bangpla Subdistrict, Bangplee District, Samutprakarn	2,504,966,196	2,504,966,196	27.68
5. WHA Mega Logistics Center (Wangnoi 61)				
Location	Bo Ta Lo Subdistrict, Wangnoi District, Phra Nakorn Si Ayutthaya	1,290,435,829	1,290,435,829	14.26
6. WHA Mega Logistics Center (Saraburi)				
Location	Nong Pla Moh Subdistrict, Nong Kae District, Saraburi	867,580,384	867,580,384	9.58
Total investments in properties		9,069,351,335	8,970,982,409	99.11
Investment in securities				
Investment in mutual fund		80,000,000	80,283,081	0.89
Total investment in securities		80,000,000	80,283,081	0.89
Total investments		9,149,351,335	9,051,265,490	100.00

The notes to the financial statements on pages 12 to 28 form an integral part of these financial statements.

The notes to the financial statements on pages 12 to 28 form an integral part of these financial statements.

**WHA Premium Growth Freehold and Leasehold Real Estate Investment Trust**  
**Statement of Income**  
**For the year ended 31 December 2016**

		<b>2016</b>	<b>2015</b>
	<b>Notes</b>	<b>Baht</b>	<b>Baht</b>
<b>Investment income</b>			
Rental and service income	14	708,934,779	332,150,196
Interest income	14	823,338	322,280
<b>Total income</b>		<b>709,758,117</b>	<b>332,472,476</b>
<b>Expenses</b>			
Management fee	13, 14	15,137,396	3,474,684
Trustee fee	13, 14	15,137,396	7,139,761
Registrar fee	13	3,112,425	1,418,336
Property management fee	13, 14	10,100,727	2,841,441
Other expenses	15	70,274,357	38,633,092
<b>Total expenses</b>		<b>113,762,301</b>	<b>53,507,314</b>
<b>Net investment income before financial costs</b>		<b>595,995,816</b>	<b>278,965,162</b>
<b>Financial costs</b>			
Interest expenses		120,811,380	62,330,304
<b>Net investment income</b>		<b>475,184,436</b>	<b>216,634,858</b>
<b>Net gain (loss) from investment</b>			
Net gain (loss) from sale of investments		-	158,303
Net unrealised gain (loss) from investment valuation	7, 11	(95,380,449)	(97,934,965)
<b>Total net gain (loss) from investments</b>		<b>(95,380,449)</b>	<b>(97,776,662)</b>
<b>Increase (decrease) in net assets from operations during the year</b>		<b>379,803,987</b>	<b>118,858,196</b>

The notes to the financial statements on pages 12 to 28 form an integral part of these financial statements.

**WHA Premium Growth Freehold and Leasehold Real Estate Investment Trust**  
**Statement of Changes in Net Assets**  
**For the year ended 31 December 2016**

	Notes	2016 Baht	2015 Baht
<b>Increase in net assets from operations during the year</b>			
Net investment income		475,184,436	216,634,858
Net gain (loss) from sale investments	11	-	158,303
Net unrealised gain (loss) from investment valuation	7, 11	(95,380,449)	(97,934,965)
<b>Increase in net assets from operations during the year</b>		379,803,987	118,858,196
Capital received from unitholders	11	3,104,720,000	3,508,800,000
Decrease in value of investment trust from capital reduction	11	(140,803,376)	(113,966,693)
Distribution payment	12	(345,125,484)	(85,902,356)
<b>Increase in net assets during the year</b>		2,998,595,127	3,427,789,147
Net assets at the beginning of the year		6,542,391,039	3,114,601,892
<b>Net assets at the ending of the year</b>		<u>9,540,986,166</u>	<u>6,542,391,039</u>

The notes to the financial statements on pages 12 to 28 form an integral part of these financial statements.

**WHA Premium Growth Freehold and Leasehold Real Estate Investment Trust**  
**Statement of Cash Flows**  
**For the year ended 31 December 2016**

		<b>2016</b>	<b>2015</b>
	<b>Notes</b>	<b>Baht</b>	<b>Baht</b>
<b>Cash flows from operating activities</b>			
Increase in net assets from operation during the year		379,803,987	118,858,196
Adjustments to reconcile net increase in net assets from operations to net cash provided by (used in) operating activities:			
Purchases of investments in properties	7	(4,208,559,659)	(4,662,982,409)
Purchases of securities	7	(100,000,000)	(180,000,000)
Sales of securities	7	-	100,150,880
Increase in deferred income from operating lease agreement		(12,338,859)	(12,040,282)
(Increase) Decrease in refundable VAT		13,062,565	(36,823,156)
Increase in other assets		(22,631,958)	(13,445,143)
Increase in unearned rental and service income		1,734,407	1,771,719
Increase in deposits received from customers		133,453,044	82,671,810
Increase (Decrease) in accrued expenses		(44,163,879)	155,043,162
Increase in other liabilities		8,594,562	1,641,923
Decrease in deferred expenses		-	214,000
Amortisation of deferred expenses	9	41,591,238	19,419,242
Net unrealised (gain) loss from investment valuation	7, 11	95,380,449	97,934,965
Financial cost - interest expenses		120,811,380	62,330,304
Net cash provided by (used in) operating activities		<u>(3,593,262,723)</u>	<u>(4,265,254,789)</u>
<b>Cash flows from financing activities</b>			
Cash received from unitholders	11	3,104,720,000	3,508,800,000
Cash received from borrowing from financial institutions	10	1,250,000,000	1,350,000,000
Cash paid for units issuance	9	(108,478,734)	(104,068,884)
Cash paid for upfront fee from borrowings	10	(41,400,000)	(46,576,103)
Cash paid for financial cost - interest expenses		(100,428,859)	(52,614,991)
Cash paid for decrease in value of investment trust from capital reduction	11	(140,803,376)	(113,966,693)
Cash paid for distribution payment	12	<u>(345,125,484)</u>	<u>(85,902,356)</u>
Net cash provided by (used in) financing activities		<u>3,618,483,547</u>	<u>4,455,670,973</u>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>25,220,824</b>	<b>190,416,184</b>
Cash and cash equivalents at the beginning of the year		<u>260,434,824</u>	<u>70,018,640</u>
<b>Cash and cash equivalents at the ending of the year</b>	<b>8</b>	<b><u>285,655,648</u></b>	<b><u>260,434,824</u></b>

The notes to the financial statements on pages 12 to 28 form an integral part of these financial statements.

**WHA Premium Growth Freehold and Leasehold Real Estate Investment Trust**  
**Significant Financial Information and Ratios**  
**For the year ended 31 December 2016**

	31 December 2016 Baht	31 December 2015 Baht	8 December 2014 (date of registration) to 31 December 2014 Baht
<b>Information on operating results (per unit)</b>			
Net assets value at the beginning of the period/year	9.8876	10.0215	-
<u>Add</u> Capital from unitholders	-	-	10.0000
Income (expenses) from investing activities:			
Net investment income	0.8272	0.9281	0.0215
Net gain (loss) from sale of investments	-	0.0007	-
Net unrealised gain (loss) from investment valuation	(0.1660)	(0.4196)	-
<u>Less</u> Decrease in value of investment trust			
from capital reduction	(0.2128)	(0.3667)	-
<u>Less</u> Distribution payment	(0.5216)	(0.2764)	-
Total income (expenses) from investing activities	(0.0732)	(0.1339)	0.0215
Net assets value at the ending of the period/year	9.8144	9.8876	10.0215
<b>Ratio of net profit to average net assets value during the period/year (%)</b>			
	5.64	3.52	0.22
<b>Significant financial ratios and additional significant information</b>			
Net assets at the ending of the period/year (Baht)	9,540,986,166	6,542,391,039	3,114,601,892
Ratios of total expenses to average net assets during the period/year (%)	-1.69	-1.59	-0.15
Ratios of investment income to average net assets during the period/year (%)	10.54	9.85	0.46
Ratios of weighted average investment purchases and sales during the period/year to average net assets during the period/year (%)*	61.76	137.36	141.47
Average net asset value during the period/year (Baht)	6,736,364,316	3,375,622,773	3,114,601,892

**Additional information**

\* The value of investment purchases and sales during the year does not include cash at bank and is calculated by a weighted average basis over the accounting year.

The notes to the financial statements on pages 12 to 28 form an integral part of these financial statements.

**1. Business nature of WHA Premium Growth Freehold and Leasehold Real Estate Investment Trust**

WHA Premium Growth Freehold and Leasehold Real Estate Investment Trust (“the Trust”) is a real estate investment trust established under the Trust for Transaction in Capital Market Act, B.E.2550 (“the Act”) in accordance with the Trust Deed signed on 8 December 2014 between WHA Real Estate Management Company Limited as the Trust Settlor and Kasikorn Asset Management Company Limited as the Trustee, with its stated objective being to seek funds from investors, investing mostly in property or property leasehold rights and generating benefit from such properties including to improve, alter, develop or dispose other assets in which the Trust invest or possess whatsoever lease, sub-lease or sale or other process for the benefit of the property and create the revenue and return to the Trust and the unitholders. This includes the investment in other asset or other securities or seek other interest by other means as stipulated in the securities laws or other relevant laws.

On 18 December 2014, the Stock Exchange of Thailand approved the listing of the Trust’s investment trusts and permitted their trading from 18 December 2014 onwards.

The Trust is managed by WHA Real Estate Management Company Limited (“the REIT Manager”), Kasikorn Asset Management Company Limited acts as the Trustee and WHA Corporation Public Company Limited acts as the Property Manager.

These financial statements have been approved by authorised directors of the REIT Manager on 22 February 2017.

**2. Accounting policies**

The principal accounting policies adopted in the preparation of these financial statements are set out below:

**2.1 Basis of preparation**

These financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Professions Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission. In addition, the financial statements have been prepared under the basis and format as required by the Thai Accounting Standard No.106 “Accounting for Investment Companies. The primary financial statements (i.e. balance sheet, statement of details of investments, statements of income, changes in net assets, cash flows and significant financial information) are prepared in the full format as required by the Securities and Exchange Commission.

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

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires REIT Manager to exercise its judgement in the process of applying The Trust’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

An English version of the financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

**WHA Premium Growth Freehold and Leasehold Real Estate Investment Trust**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2016**

**2. Accounting policies (Cont'd)**

**2.2 Revised accounting standards, revised financial reporting standards, and related interpretations**

Revised accounting standards, revised financial reporting standards, and related interpretations are effective on 1 January 2016 and relevant to the Trust.

a) Financial reporting standards, which are significantly changed and relevant to the Trust are as follows:

TAS 40 (revised 2015)	Investment property
TFRS 13 (revised 2015)	Fair value measurement

TAS 40 (revised 2015), 'Investment property' clarifies that TFRS 3 should be applied when determining whether an acquisition of an investment property is a business combination. This standard has no impact to the financial information of the Trust.

TFRS 13 (revised 2015), 'Fair value measurement' is amended to clarify that the portfolio exception in TFRS 13 applies to all contracts (including non-financial contracts) within the scope of TAS 39 (when announced) or IFRS 9 (when announced). The standard has no impact to the financial information of the Trust, except for the disclosures which have been disclosed in Note 5.

b) Financial reporting standards with minor changes

There are 40 financial reporting standards with minor changes which do not have impact to the Trust.

Revised accounting standards, revised financial reporting standards, and related interpretations are effective for annual periods beginning on or after on 1 January 2017. These standards are relevant to the Trust and not early adopted.

a) Financial reporting standards, which are significantly changed and relevant to the Trust are as follows:

TAS 1 (revised 2016)	Presentation of financial statements
TAS 34 (revised 2016)	Fair value measurement

TAS 1 (revised 2016), the amendments provide clarifications on a number of issues, including:

- Materiality - an entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance.
- Disaggregation and subtotals - line items specified in TAS 1 may need to be disaggregated where this is relevant to an understanding of the entity's financial position or performance. There is also new guidance on the use of subtotals.
- Notes - confirmation that the notes do not need to be presented in a particular order.
- OCI arising from investments accounted for under the equity method - the share of OCI arising from equity-accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Each group should then be presented as a single line item in the statement of other comprehensive income.

This standard has no impact to the financial information of the Trust.

TAS 34 (revised 2016), the amendments clarify that what is meant by the reference in the standard to 'information disclosed elsewhere in the interim financial report'; entities taking advantage of the relief must provide a cross-reference from the interim financial statements to the location of that information and make the information available to users on the same terms and at the same time as the interim financial statements. This standard has no impact to the financial information of the Trust.

b) Financial reporting standards with minor changes

There are 47 financial reporting standards with minor changes which do not have impact to the Trust.



**2. Accounting policies (Cont'd)**

**2.3 Cash and cash equivalents**

Cash and cash equivalents include savings and current account deposits with banks. The Trust defines cash equivalents as deposits with financial institutions with maturity of three months or less from the date of acquisition.

**2.4 Investments**

**Investments in properties**

Investments in properties are stated at fair value with no depreciation charge. The initial costs of properties have been stated at fair value of the acquisition price.

The fair value is based on the appraisal value determined by the independent professional appraisers licensed by the Securities and Exchange Commission Thailand. The REIT Manager will conduct an appraisal of the properties every two years from the date of the appraisal for the purchase or lease of the properties or when there are changes that materially affect the value of such Investment properties and will update appraisals with a review every year after the date of the latest appraisal. The REIT Manager will not appoint any Appraiser to appraise the property or leased property for more than two consecutive times.

A change in the fair value of investment property will be recognised in the statement of income as an unrealised gain or loss as of measurement date.

**Investments in securities**

Investments in mutual fund which present in balance sheet are stated at fair value. The fair value is based on net asset value at the close of business on balance sheet date by reference to each management company.

Unrealised gain or loss from investment valuation are recognised in the statements of income.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statements of income. When disposing of part of the investment's holding of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investments.

**2.5 Deferred expenses**

Deferred expenses comprise the capital unit issuance costs and other directly related expenses as incurred. Deferred expenses are amortised as an expense over a period of 5 years on a straight line basis.

**2.6 Deposits received from customer**

Customers agree to deposit with the Trust in cash. The security deposit shall be held as security for securing the performance by customers under rental and service agreements. Within 30 days after customers have duly surrendered vacant possession of leased property in clean and good condition to the Trust, the Trust shall return to customer the security deposits without interest, less any unpaid amount and damages occurred to leased property.

**2.7 Borrowing**

Borrowing is recognised initially at the fair value, net of transaction costs incurred. Borrowing is subsequently stated at amortised cost using the effective yield method.

**WHA Premium Growth Freehold and Leasehold Real Estate Investment Trust**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2016**

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**2. Accounting policies (Cont'd)**

**2.8 Revenues and expenses recognition**

Rental income and service income under operating lease agreement are recognised by using the straight-line method over the rental and service term agreement. Rental and service income which is recognised by straight-line method but is not due for collection is presented under "Deferred income from operating lease agreement" at the end of year.

Land rental expense is recognised by using the straight-line method over the rental term agreement. Land rental expense which is recognised by straight-line method but is not due for payment is presented under "Accrued expense".

Interest income and expenses are recognised on an accrual basis.

**2.9 Income taxes**

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

**2.10 Distribution**

For distribution payment to unitholders, The REIT manager will approve to pay Distribution and set unitholders register's book closed date.

**3. Distribution policy**

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

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

The adjusted net profit means the net profit of the Trust determined on a cash basis including loan repayments made in accordance with loan agreements and other due commitment (if any).

- (2) In case the Trust has accumulated losses, the REIT Manager will not pay the distributions to the unitholders.

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.

The REIT Manager will arrange to pay distribution as mentioned to the unitholders by 90 days after the closing of the financial year.

**4. Critical accounting estimates and judgements**

The Trust makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

Fair value of investments in properties

The fair value of investments in properties that are not traded in an active market is determined by using discounted expected future cash flows received from investments in properties by the appropriate discount rate which reflect related risks. The Trust engages independence appraiser to assess the fair value of properties.

## **5. Capital risk management**

The Trust's objectives when managing capital are to safeguard the Trust's ability to continue as a going concern in order to provide returns for unitholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Trust may adjust the amount of distribution paid to unitholders, return capital to unitholders, issue new shares or sell assets to reduce debt.

## **6. Financial risk management**

### **6.1 Financial risk factors**

As at 31 December 2016, the principal financial risks faced by the Trust are interest rate risk, credit risk, and liquidity risk. The Trust has no currency risk because there is no transaction in foreign currency.

#### **6.1.1 Interest rate risk**

Interest rate risk is the risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial instruments. The financial assets that potentially subject the Trust to the interest rate risk deposit with banks and borrowing from financial institutions.

#### **6.1.2 Credit risk**

Credit risk is the risk that counterparties might not discharge their obligation causing the Trust to incur a financial loss. Credit risk arises from risk in the collectability of lease rental from counterparties.

The Trust has no significant concentrations of credit risk because the Trust has tenants who are in various business and good financial position. Additionally, the Trust has a policy to collect in advance rental deposits from customers as a collateral in case of default. The REIT Manager is of opinion that the Trust does not have credit risk other than that provided in the allowance for doubtful accounts as presented in the financial statements. The estimate for allowance for doubtful accounts (if any) encompasses consideration of past collection experiences, customers' deposits and other factors such as the local economic conditions.

#### **6.1.3 Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of funding from the unitholders and borrowing from financial institution which are sufficient for the Trust's activities.

### **6.2 Fair value**

#### **Fair value estimate**

The Trust uses the market approach to measure its assets and liabilities that are required to be measured at fair value by relevant financial reporting standards, except that the cost approach or income approach is used when there is no active market or when a quoted market price is not available.

In applying the above-mentioned valuation techniques, the Trust endeavors to use relevant observable inputs as much as possible. TFRS 13 Fair Value Measurement establishes a fair value hierarchy categorising such inputs into three levels as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data.

**WHA Premium Growth Freehold and Leasehold Real Estate Investment Trust**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2016**

**6. Financial risk management (Cont'd)**

**6.2 Fair value (Cont'd)**

**Fair value estimate (Cont'd)**

The following table presents the assets that are measured at fair value at 31 December 2016.

	<b>Level 1 Baht</b>	<b>Level 2 Baht</b>	<b>Level 3 Baht</b>	<b>Total Baht</b>
<b>Assets</b>				
Investments in securities				
- Investment in mutual fund	-	181,685,041	-	181,685,041
Investment properties	-	-	13,082,759,659	13,082,759,659
<b>Total assets</b>	<b>-</b>	<b>181,685,041</b>	<b>13,082,759,659</b>	<b>13,264,444,700</b>

There were no transfers between Levels during the year.

**Valuation techniques used to derive Level 2 fair values**

Level 2 investment in mutual fund are fair valued based on net asset value at the close of business on balance sheet date be reference to each management company.

Changes in Level 2 fair values are analysed at each quarterly reporting date by the REIT Manager and Trustee using inputs that are directly observable (that is, as prices) or indirectly (that is, derived from prices) for the changes in fair value of those assets.

**Fair value measurements using significant unobservable inputs (Level 3)**

	<b>Investment properties Baht</b>
Opening balance at 1 January 2016	8,970,982,409
Purchases of investments during the year	4,208,559,659
Net unrealised gain (loss) from investment valuation	(96,782,409)
<b>Ending balance at 31 December 2016</b>	<b>13,082,759,659</b>

**Valuation processes**

REIT Manager has assessed the valuations of assets required for financial reporting purposes, including Level 3 fair values. The independent appraiser has reported directly to the REIT Manager. The REIT Manager has reviewed and evaluated appropriateness of the assumptions in valuation, then explain the reasons for the changes in fair valuation to Trustee to review those information. In case of changes in the assumptions that would expectedly result in significant changes in fair value of the assets, REIT Manager will consider to adjust the fair value accordingly.

The main information that the appraiser use for fair value assessment Level 3 such as discounted cash flow was determined from the location of project, generated cash flow, competitive market and return rate with no risk. The appraiser applied 9.00% - 10.00% of discounted cash flow for assets that was measured by base on yield rate from government bond plus business risk, service, market and economy.

## 7. Investments at fair value

As at 31 December 2016, the summary of investments at fair value is as follows:

	<b>Investments in properties Baht</b>	<b>Investment in securities Baht</b>	<b>Total Baht</b>
At 1 January 2015	4,406,368,926	-	4,406,368,926
Purchases of investments	4,662,982,409	180,000,000	4,842,982,409
Sales of investments	-	(100,150,880)	(100,150,880)
Net unrealised gain (loss) from investment valuation	(98,368,926)	433,961	(97,934,965)
At 31 December 2015	8,970,982,409	80,283,081	9,051,265,490
At 1 January 2016	8,970,982,409	80,283,081	9,051,265,490
Purchases of investments	4,208,559,659	100,000,000	4,308,559,659
Net unrealised gain (loss) from investment valuation	(96,782,409)	1,401,960	(95,380,449)
At 31 December 2016	13,082,759,659	181,685,041	13,264,444,700

### Investment in properties

The Trust has invested in land, warehouse building and office building. The details of investments are as follows:

#### 1) WHA Ladkrabang Distribution Center Phase 1 and Phase 2 Project

Type of Assets	-	1 plot of free-hold land with total area of 35 Rai.
	-	1 free-hold warehouse building and office building. (Single-storey building connected to two-storey building)
	-	Freehold right in construction and other properties which are component parts of land, and buildings, tools, equipments, infrastructures and other assets related to and necessary for the use of land and buildings in the project.
Specification of Buildings	-	A warehouse building and office building (Single-storey building connected to two-storey building). Total utilisable area of WHA Ladkrabang Distribution Center Phase 1 is 18,155.97 square metres and Phase 2 is 16,937 square metres. Total utilisable area is 35,092.97 square metres.

The Trust invests its Baht 1,088,210,522 in acquiring these properties.

#### 2) WHA Mega Logistics Center (Bangna-Trad Road Km. 18) Project

Type of Assets	-	2 plots of leasehold land with total area of 74-2-67 Rai.
	-	7 free-hold warehouse buildings.
	-	Freehold right in construction and other properties which are component parts of land, and buildings, tools, equipments, infrastructures and other assets related to and necessary for the use of land and buildings in the project.
Specification of Buildings	-	7 warehouse buildings with the total utilisable area of buildings 72,179.48 square metres and rooftops 23,976.30 square metres.

The Trust invests its Baht 1,389,338,537 in acquiring these leasehold properties.

**WHA Premium Growth Freehold and Leasehold Real Estate Investment Trust**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2016**

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**7. Investments at fair value (Cont'd)**

**Investment in properties (Cont'd)**

**3) WHA Mega Logistics Center (Bangna-Trad Road Km. 23) Project**

- |                            |  |
|----------------------------|--|
| Type of Assets             | - 4 plots of free-hold land with the total area of 65-0-21.9 Rai.<br>- 3 free-hold warehouse buildings and office buildings.<br>- Freehold right in construction and other properties which are component parts of land, and buildings, tools, equipments, infrastructures and other assets related to and necessary for the use of land and buildings in the project. |
| Specification of Buildings | - 3 warehouse buildings and office buildings with the total utilisable area of buildings 59,835.00 square metres and rooftops 50,641.04 square metres.   |

The Trust invests its Baht 1,928,819,867 in acquiring these properties.

**4) WHA Mega Logistics Center (Chonlaharnpichit Km. 4) Project**

- |                            |  |
|----------------------------|--|
| Type of Assets             | - 1 plots of free-hold land with the total area of 81-0-15.9 Rai.<br>- 5 free-hold warehouse buildings and office buildings.<br>- Freehold right in construction and other properties which are component parts of land, and buildings, tools, equipments, infrastructures and other assets related to and necessary for the use of land and buildings in the project. |
| Specification of Buildings | - 5 warehouse buildings and office buildings with the total utilisable area of buildings 80,745.55 square metres and rooftops 68,384.20 square metres.   |

The Trust invests its Baht 2,504,966,196 in acquiring these properties.

**5) WHA Mega Logistics Center (Wangnoi 61) Project**

- |                            |  |
|----------------------------|--|
| Type of Assets             | - 3 plots of leasehold land with total area of 69-0-16 Rai.<br>- 5 free-hold warehouse buildings and office buildings.<br>- Freehold right in construction and other properties which are component parts of land, and buildings, tools, equipments, infrastructures and other assets related to and necessary for the use of land and buildings in the project. |
| Specification of Buildings | - 5 warehouse buildings and office buildings with the total utilisable area of buildings 61,182.00 square metres and rooftops 26,472.05 square metres.   |

The Trust invests its Baht 1,290,435,829 in acquiring these leasehold properties.

**6) WHA Mega Logistics Center (Saraburi) Project**

- |                            |  |
|----------------------------|--|
| Type of Assets             | - 2 plots of free-hold land with the total area of 34-3-12 Rai.<br>- 3 free-hold warehouse buildings and office buildings.<br>- Freehold right in construction and other properties which are component parts of land, and buildings, tools, equipments, infrastructures and other assets related to and necessary for the use of land and buildings in the project. |
| Specification of Buildings | - 3 warehouse buildings and office buildings with the total utilisable area of buildings 32,986.00 square metres.  |

The Trust invests its Baht 867,580,384 in acquiring these properties.

**7. Investments at fair value (Cont'd)**

**Investment in properties (Cont'd)**

During the year, the Trust purchased the investments. The details of investments are as follows:

**7) WHA Mega Logistics Center (Chonlaharnpichit Km. 5) Project**

Type of Assets	-	1 plot of leasehold land with total area of 66-2-85 Rai.
	-	5 free-hold warehouse buildings and office buildings.
	-	Freehold right in construction and other properties which are component parts of land, and buildings, tools, equipments, infrastructures and other assets related to and necessary for the use of land and buildings in the project.
Specification of Buildings	-	5 warehouse buildings and office buildings with the total utilisable area of buildings 64,031.00 square metres, parking lot 2,378.90 square metres and rooftops 50,143.60 square metres.

The Trust invests its Baht 1,546,451,335 in acquiring these leasehold properties.

**8) WHA Mega Logistics Center (Ladkrabang) Project**

Type of Assets	-	10 plot of free-hold land with total area of 99-1-51 Rai.
	-	8 free-hold warehouse buildings and office buildings.
	-	Freehold right in construction and other properties which are component parts of land, and buildings, tools, equipments, infrastructures and other assets related to and necessary for the use of land and buildings in the project.
Specification of Buildings	-	8 warehouse buildings and office buildings with the total utilisable area of buildings 95,110.00 square metres, parking lot 1,350.00 square metres and rooftops 59,986.30 square metres.

The Trust invests its Baht 2,662,108,324 in acquiring these properties.

In addition the Trust has mortgaged such properties as collateral against loan agreements with the financial institutions, as described in note 10.

During the year, the Trust hired an independent valuer for the value appraisal/review of the investments in properties of the Trust by employing the Income Approach. The result revealed that the fair value of the investments in properties of the Trust as of 31 December 2016 was Baht 13,082.76 million, resulting in unrealised loss from such assessment amounting to Baht 96.78 million which was recorded in the statement of income income. Details of the appraisal/review presented in table below.

Properties	Acquisition/ latest review date	Acquisition/ latest review cost Baht	The latest appraisal/ review date	Appraisal/ Review value Baht	Unrealised gain (loss) Unrealised Baht
WHA Ladkrabang Distribution Center Phase 1 and Phase 2 Project	3 April 2015	1,033,000,000	31 March 2016	1,051,000,000	18,000,000
WHA Mega Logistics Center (Bangna-Trad Road Km. 18) Project	3 April 2015	1,392,000,000	30 March 2016	1,442,400,000	50,400,000
WHA Mega Logistics Center (Bangna-Trad Road Km. 23) Project	3 April 2015	1,883,000,000	30 March 2016	1,891,000,000	8,000,000
WHA Mega Logistics Center (Chonlaharnpichit Km.4) Project	29 December 2015	2,504,966,196	2 March 2016	2,427,100,000	(77,866,196)
WHA Ladkrabang WHA Mega Logistics Center (Wangnoi 61) Project	29 December 2015	1,290,435,829	3 March 2016	1,224,700,000	(65,735,829)
WHA Mega Logistics Center (Saraburi) Project	29 December 2015	867,580,384	4 March 2016	838,000,000	(29,580,384)
WHA Mega Logistics Center (Chonlaharnpichit Km. 5) Project	7 December 2016	1,546,451,335	-	-	-
WHA Mega Logistics Center (Ladkrabang) Project	7 December 2016	2,662,108,324	-	-	-
					(96,782,409)



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**7. Investments at fair value (Cont'd)**

**Investment in properties (Cont'd)**

Increase (Decrease) in financial asset and (loss) gain in statement of income for significant assumption.  
The details are as follows:

	<b>2016</b> <b>Million Baht</b> <b>Increase (decrease)</b>
Increase 0.5% on discount rate	(337.70)
Decrease 0.5% on discount rate	355.90
Increase 0.5% on capitalised rate	(203.00)
Decrease 0.5% on capitalised rate	236.00

**8. Cash and cash equivalents**

As at 31 December 2016 and 2015, the Trust has the details of cash and cash equivalents as follow:

	<b>2016</b>		<b>2015</b>	
	<b>Principal Baht</b>	<b>Interest rate per annum %</b>	<b>Principal Baht</b>	<b>Interest rate per annum %</b>
<b>Bank</b>				
Saving accounts				
Kasikorn Bank Public Co., Ltd.	285,646,970	0.37	260,426,360	0.37
Bank of Ayidhuya Public Co., Ltd.	400	-	-	-
Current accounts				
Kasikorn Bank Public Co., Ltd.	8,278	-	8,464	-
Total cash and cash equivalents	<u>285,655,648</u>		<u>260,434,824</u>	

**9. Deferred expenses**

The capital unit issuance costs are recorded as deferred expenses and are amortised as expense over a period of 5 years on a straight-line basis. Details movements are as follows:

	<b>2016 Baht</b>	<b>2015 Baht</b>
Beginning balance	179,407,760	94,972,118
Addition during the year	108,478,734	104,068,885
Decrease during the year	-	(214,000)
Amortisation during the year	(41,591,238)	(19,419,243)
Ending balance	<u>246,295,256</u>	<u>179,407,760</u>

###### 10. Borrowing from financial institutions - net

As at 31 December 2016, the Trust has the borrowings from many financial institutions in Thailand in a total amount of Baht 3,970 million (31 December 2015: Baht 2,720 million). The details are as follows:

On 12 December 2014, the Trust had contracted with two financial institutions for acquiring the initial properties and/or refinancing the borrowings that the Trust used for acquiring the initial properties. The borrowing facility is not over than Baht 1,470 million. Total maturity period is not over than 12 years and no repayment required for the first 5 years and the maturity date is on 15 December 2026. The borrowings have interest rates for years 1<sup>st</sup> - 5<sup>th</sup> not over than MLR - 2.00% per annum and at the year 6<sup>th</sup> - 12<sup>th</sup> equal MLR +/- the spread be further agreed, with the repayment for principal and interest within specified period in agreement.

On 25 December 2015, the Trust had contracted with two financial institutions for the purpose of financing part of the acquisition by the Trust of the first additional main assets and/or supporting deposit return for lease and/or service of the area in the first additional main assets to be invested by the Trust and/or refinancing the borrowings of the Trust. The borrowing facility is not over than Baht 1,400 million. Total maturity period is not over than 10 years and no repayment required for the first 5 years and the maturity date is on 29 December 2025. The borrowings have interest rates for years 1<sup>st</sup> - 5<sup>th</sup> not over than MLR - 1.50% per annum and at the year 6<sup>th</sup> - 10<sup>th</sup> equal MLR +/- the spread be further agreed, with the repayment for principal and interest within specified period in agreement.

On 2 December 2016, the Trust had contracted with a financial institution for the purpose of financing part of the acquisition by the Trust of the second additional main assets and/or supporting deposit return for lease and/or service of the area in the second additional main assets to be invested by the Trust and/or refinancing the borrowings of the Trust. The borrowing facility is not over than Baht 1,350 million. Total maturity period is not over than 5 years and the maturity date is on 6 December 2021. The borrowings have interest rates for years 1<sup>st</sup> - 5<sup>th</sup> not over than MLR - 1.50% per annum, with the repayment for principal and interest within specified period in agreement.

The borrowings are secured over the following:

- Secured by mortgage the Trust's lands, warehouse buildings and office buildings and constructions (Note 7).
- Secured by mortgage leasehold rights (Note 7).
- The conditional assignment of transferred collection rights of rental agreement under long-term lease agreement to liabilities under borrowing from financial institutions.
- The conditional assignment of rights under insurance policies.

The Trust is under the debt covenant criteria over the borrowing agreement which requires the Trust to maintain the financial ratio and other requirement in accordance with the borrowing agreement.

The borrowing from financial institutions is as follows:

	2016		2015	
	Carrying amounts Baht	Fair value Baht	Carrying amounts Baht	Fair value Baht
Borrowing from financial institutions	3,970,000,000		2,720,000,000	
<u>Less</u> Deferred upfront fee from borrowings	(124,377,027)		(90,703,557)	
Borrowing from financial institutions - net	<u>3,845,622,973</u>	<u>3,845,622,973</u>	<u>2,629,296,443</u>	<u>2,629,296,443</u>

The fair value of borrowings equal their carrying amount, as the impact of discounting is not significant.

The borrowings have effective interest rate at the Balance Sheet date of 4.07% - 4.60% (As at 31 December 2015: 4.60%).

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**10. Borrowing from financial institutions - net (Cont'd)**

Maturity of the borrowing from financial institutions:

	2016 Baht	2015 Baht
Less than 5 years	1,295,541,770	19,471,000
Between 5 years and 10 years	2,674,458,230	1,508,629,000
More than 10 years	-	1,191,900,000
	<u>3,970,000,000</u>	<u>2,720,000,000</u>

The movements in the borrowings can be analysed as follows:

	2016 Baht	2015 Baht
Beginning balance	2,629,296,443	1,322,720,308
Addition	1,250,000,000	1,350,000,000
<u>Less</u> Upfront fee from borrowings	(41,400,000)	(46,576,103)
<u>Add</u> Amortised upfront fee from borrowings	7,726,530	3,152,238
Ending balance	<u>3,845,622,973</u>	<u>2,629,296,443</u>

**Borrowing facilities**

The Trust has the following undrawn committed borrowing facilities:

	2016 Baht	2015 Baht
Floating rate		
- expiring less than 1 year	200,000,000	150,000,000

**11. Unitholders' equity**

As of 31 December 2016, there are 972,142,000 trust units of Baht 9.4205 par value registered, issued and paid-up and 31 December 2015, there are 661,670,000 trust units of Baht 9.6333 par value registered, issued and paid-up.

Movements in capital account are as follows:

	2016		2015	
	Number of trust units	Amount Baht	Number of trust units	Amount Baht
Trust units registered, issued and paid-up	<u>972,142,000</u>	<u>9,466,649,931</u>	<u>661,670,000</u>	<u>6,502,733,307</u>
Beginning balance	661,670,000	6,502,733,307	310,790,000	3,107,900,000
Issue of trust units	310,472,000	3,104,720,000	350,880,000	3,508,800,000
Reduction of investment trust value	-	(140,803,376)	-	(113,966,693)
Ending balance	<u>972,142,000</u>	<u>9,466,649,931</u>	<u>661,670,000</u>	<u>6,502,733,307</u>

# **11. Unitholders' equity (Cont'd)**

The meeting of the Board of Directors of WHA Real Estate Management Co., Ltd. which is the REIT Manager of the Trust held on 12 February 2016 approved the capital reduction of par value at the rate of Baht 0.0052 per unit totaling Baht 3,440,684. The REIT Manager paid the reduction of registered capital to unitholders on 15 March 2016.

The meeting of the Board of Directors of WHA Real Estate Management Co., Ltd. which is the REIT Manager of the Trust held on 26 April 2016 approved the capital reduction of par value at the rate of Baht 0.1610 per unit totaling Baht 106,528,870. The REIT Manager paid the reduction of registered capital to unitholders on 27 May 2016.

The meeting of the Board of Directors of WHA Real Estate Management Co., Ltd. which is the REIT Manager of the Trust held on 27 July 2016 approved the capital reduction of par value at the rate of Baht 0.0217 per unit totaling Baht 14,358,239. The REIT Manager paid the reduction of registered capital to unitholders on 25 August 2016.

The meeting of the Board of Directors of WHA Real Estate Management Co., Ltd. which is the REIT Manager of the Trust held on 26 October 2016 approved the capital reduction of par value at the rate of Baht 0.0249 per unit totaling Baht 16,475,583. The REIT Manager paid the reduction of registered capital to unitholders on 25 November 2016.

Movements in retained earnings are as follows:

	<b>2016 Baht</b>	<b>2015 Baht</b>
Beginning balance	39,657,732	6,701,892
Net investment income	475,184,436	216,634,858
Net gain (loss) from sale of investments	-	158,303
Net unrealized gain (loss) from investment valuation (Note 7)	(95,380,449)	(97,934,965)
Distribution payment (Note 12)	(345,125,484)	(85,902,356)
Ending balance	<u>74,336,235</u>	<u>39,657,732</u>

# **12 Distributions**

The details of distribution payment for the year ended 31 December 2016 are as follow:

<b>No.</b>	<b>The operation for period</b>	<b>Payment date</b>	<b>Per trust unit Baht</b>	<b>Total Baht</b>
1	1 November 2015 - 31 December 2015	15 March 2016	0.0565	37,384,071
2	1 January 2016 - 31 March 2016	27 May 2016	0.0292	19,320,765
3	1 April 2016 - 30 June 2016	25 August 2016	0.1733	114,666,372
4	1 July 2016 - 30 September 2016	25 November 2016	0.1696	112,218,966
5	1 October 2016 - 15 November 2016	20 December 2016	0.0930	61,535,310
				<u>345,125,484</u>

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**13. Expenses**

The management fee, trustee fee, registrar fee and property management fee, are calculated as follows:

**Management fee**

The REIT Manager is entitled to receive a monthly management fee from the Trust at a rate not exceeding 0.75% per annum (exclusive of value added tax, specific business tax or any other similar tax) of the net asset value of the Trust as calculated by the REIT Manager and verified by the Trustee.

**Acquisition fee**

The REIT Manager will receive an acquisition fee at a rate not exceeding 0.75% of the acquired properties of the Trust in case of the properties from related persons of the REIT Manager and not exceeding 1.00% of the acquired properties of the Trust in case of the properties from others.

**Trustee fee**

The Trustee is entitled to receive a monthly remuneration at a rate not exceeding 0.75% per annum (exclusive of value added tax, specific business tax or any other similar tax) of the net asset value of the Trust as calculated by the REIT Manager and verified by the Trustee.

**Registrar fee**

The fee for the Investment Unit Registrar shall be at a rate not exceeding 0.50% per annum (exclusive of value added tax, specific business tax or any other similar tax) of the net assets value of the Trust as calculated by the REIT Manager and verified by the Trustee.

**Property management fee**

Fee and expenses of the Property Manager shall be payable to the Property Manager on a yearly basis according to the Property Management Agreement between the Trust and the Property Manager (exclusive of value added tax, specific business tax or any other similar tax). The rate shall not exceed 3.00% per annum of the net assets value of the Trust.

#### 14. Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Trust, including holding entities, subsidiaries and fellow subsidiaries are related parties of the Trust. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Trust that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Trust and close members of the family of these individuals and entities associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

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

- WHA Real Estate Management Company Limited is a REIT Manager of the Trust.
- Kasikorn Asset Management Company Limited is the Trustee of the Trust.
- WHA Corporation Public Company Limited is the unitholder, parent company of the REIT Manager and property manager of the Trust.
- WHA Gunkul Green Solar Roof 1, 3, 6, 17 Company Limited are joint ventures of WHA Corporation Public Company Limited.
- Kasikorn Bank Public Company Limited is a parent company of the Trustee of the Trust.
- Kasikorn Securities Public Company Limited is a subsidiary of Kasikorn Bank Public Company Limited.

The following significant transactions were carried out with related parties:

##### a) Income and expenses

	2016 Baht	2015 Baht
<b><u>Income</u></b>		
<b><u>Rental and service income</u></b>		
WHA Corporation Public Company Limited	57,825,228	18,481,579
WHA Gunkul Green Solar Roof 1 Company Limited	323,446	322,562
WHA Gunkul Green Solar Roof 3 Company Limited	369,371	368,361
WHA Gunkul Green Solar Roof 6 Company Limited	369,198	368,189
WHA Gunkul Green Solar Roof 17 Company Limited	406,956	3,335
<b><u>Interest income</u></b>		
Kasikorn Bank Public Company Limited	823,338	322,280
<b><u>Expenses</u></b>		
<b><u>Management fee</u></b>		
WHA Real Estate Management Company Limited	15,137,396	3,474,684
<b><u>Trustee fee</u></b>		
Kasikorn Asset Management Company Limited	15,137,396	7,139,761
<b><u>Property management fee</u></b>		
WHA Corporation Public Company Limited	10,100,727	2,841,441

**WHA Premium Growth Freehold and Leasehold Real Estate Investment Trust**  
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**14. Related party transactions (Cont'd)**

The following significant transactions were carried out with related parties: (Cont'd)

**b) Outstanding balances**

	<b>2016 Baht</b>	<b>2015 Baht</b>
<u>Deposit at bank</u>		
Kasikorn Bank Public Company Limited	285,655,248	260,434,824
<u>Deferred income from operating lease agreement</u>		
WHA Corporation Public Company Limited	-	-
WHA Gunkul Green Solar Roof 1	123,260	-
WHA Gunkul Green Solar Roof 3	140,762	-
WHA Gunkul Green Solar Roof 6	140,696	-
WHA Gunkul Green Solar Roof 17	79,288	-
<u>Other assets</u>		
WHA Corporation Public Company Limited	18,403,409	9,246,424
<u>Unearned rental and service</u>		
WHA Gunkul Green Solar Roof 1	21,907	-
WHA Gunkul Green Solar Roof 3	25,017	-
WHA Gunkul Green Solar Roof 6	25,005	-
WHA Gunkul Green Solar Roof 17	27,363	-
<u>Accrued expenses</u>		
WHA Real Estate Management Company Limited	14,347,757	52,220,715
WHA Corporation Public Company Limited	1,255,788	6,829,946
Kasikorn Asset Management Company Limited	3,057,598	1,298,621
Kasikorn Bank Public Company Limited	81,923,963	58,919,847
Kasikorn Securities Public Company Limited	-	38,822,685
<u>Borrowing from financial institutions - net</u>		
Kasikorn Bank Public Company Limited	1,250,000,000	-

**15. Other expenses**

	<b>2016 Baht</b>	<b>2015 Baht</b>
Land rental expenses	15,468,142	14,211,382
Amortisation of deferred expenses	41,591,238	19,419,243
Consulting and professional fee	1,909,502	2,047,587
Other expenses	11,305,475	2,954,880
Total other expenses	<u>70,274,357</u>	<u>38,633,092</u>

**16. Information regarding sale and purchase of investments**

During the year ended 31 December 2016, The Trust has purchased investments amounting to Baht 4,309 million and representing 61.76% of the average net asset value during the year.



## **17. Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as that makes strategic decisions.

The Trust operates in business which is the investment in property and the business is only operated in Thailand. Income and expenses from this segment are the same amount with the statement of income. Therefore, the presentation of segment information is not necessary.

## **18. Commitments**

As at 31 December 2016 and 2015, the Trust entered into the long-term agreement for property management fee and leasehold land. The future aggregate minimum payments under these agreements are as follows:

	<b>2016 Baht</b>	<b>2015 Baht</b>
No later than 1 year	35,859,284	20,981,080
2 - 5 years	151,305,318	89,669,337
Over 5 years	1,137,587,171	721,678,922
<b>Total</b>	<b>1,324,751,773</b>	<b>832,329,339</b>

## **19. Events after the reporting period**

On 22 February 2017, the meeting of the Board of Directors of WHA Real Estate Management Company Limited, which is the REIT Manager of the Trust unanimously approved.

- The Meeting resolved to approve the capital reduction of par value at the rate of Baht 0.0124 per trust unit totaling Baht 12.05 million. The REIT Manager will pay the reduction of registered capital to unitholders on 22 March 2017.
- The Meeting resolved to approve the payment dividend at the rate of Baht 0.0741 per trust unit totaling Baht 72.04 million, for the performance from 16 November 2016 to 31 December 2016 and retained earnings. The REIT Manager will pay dividend to unitholders on 22 March 2017.



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