

Objective and reason in regard to the capital increase and the allocation of additional trust units issued and offered in the offering

Objective of establishment of WHA Premium Growth Freehold and Leasehold Real Estate Investment Trust (“WHART”) is to raise funds from investors to acquire and/or lease the real properties as well as to adjust, modify and improve the potentiality of such real properties and procure benefits from them and/or distribute other assets in which WHART has invested or has acquired, either by lease, sublease and/or sale or any other execution for benefits of the assets in order to generate income and return to WHART and the trust unitholders.

In order to accomplish the said objective, WHA Real Estate Management Company Limited (the “Company”) in its capacity of the REIT Manager of WHART has a purpose to carry out the second capital increase of WHART by issuing and offering the additional trust units. The capital received from this fundraising including the loan obtained and the deposit received from lease agreements and service agreements will be used to invest in the additional assets through the receipt of transfer from WHA Corporation Public Company Limited (“WHA”) of the sub-leasehold right of lands and the ownership of warehouses, factories, office buildings and other buildings which situated on such lands including other assets which are component parts of the lands and buildings, tools, equipments, systems of the buildings and assets which are related to, relevant to, and necessary for the usage of the lands, warehouses and office buildings and factories. The details in regard to the characteristics of the investment in real properties of WHART are as follows:

(1) WHA Mega Logistics Center Chonlaharnpichit Km. 5, located at Bang Pla Subdistrict, Bang Phli District, Samut Prakan

- (a) WHART will receive the transfer of sub-leasehold right of land represented by 1 title deed (title deed no. 129645) as per the sublease agreements dated 26 March 2013, for an area of 66 rai 2 ngan 85 square wah, with a term of 30 years from 1 April 2013 to 31 March 2043 and the remaining lease term of approximately 26 years and 4 months (commencing from 1 December 2016 which is the expected investment date of WHART).
- (b) WHART will receive the transfer of ownership of warehouses and office buildings at WHA Mega Logistics Center Chonlaharnpichit Km. 5, with a total leasable area of approximately 64,031.00 square meter¹, and a total leasable car parking area of approximately 2,378.90 square meters, and a total leasable rooftop area of approximately 50,143.60 square meters.
- (c) WHART will receive the transfer of ownership of other structures and assets which are component parts of the land, buildings, equipment, systems, and any assets relevant and necessary for the use of the land, warehouses, and office buildings of WHA Mega Logistics Center Chonlaharnpichit Km. 5.

Remarks:

1. Currently, the areas of warehouses and office buildings, and the leasable rooftop area of WHA Mega Logistics Center Chonlaharnpichit Km. 5 are not entirely leased to tenants. In this regard, WHART will request WHA to pay rent to WHART for the areas that have not been leased to

¹ The total area according to the lease agreements with current tenants is approximately 62,105.25 square meters. Subsequent to entering into the lease agreements with tenants, warehouses C, D, E and F have been modified and resulted in a total usable area of 64,031.00 square meters. In this regard, WHA has submitted applications for building modification permits which are currently under consideration for the issuance of the permits and building certificates.

tenants for a period of 3 years for warehouses and office buildings², and 25 years for the leasable rooftop area, or until such time the area is leased to a tenant within the given period. The conditions are to be as agreed upon by WHART and WHA in the undertaking agreement.

2. In addition, WHART will request WHA to pay rent to WHART for the warehouse building G in WHA Mega Logistics Center Chonlaharnpichit Km. 5 which currently has a tenant (whereby the lease agreement will expire on 31 August 2017) with condition that; in case when such lease agreement expires on 31 August 2017 and the tenant for building G does not renew the lease agreement for building G or under the negotiation period to renew such lease agreement but does not pay rent, WHA will pay rent to WHART for the period after such expiration date of lease agreement until there is a tenant or until a tenant pay rent (as the case may be) but shall not exceed 1 year from WHART investment date. The conditions are to be as agreed upon by WHART and WHA in the undertaking agreement.
3. The additional investment in WHA Mega Logistics Center Chonlaharnpichit Km. 5 will be executed through agreements as follows
 - 3.1. Agreement to transfer of sub-leasehold rights with WHA (who has right to sublease from Aroonwongrath Co., Ltd. (which is owned by the land owner) as sub-lessor and lessee from the land owner) for WHART to become a sub-lessee with Aroonwongrath Co., Ltd.;
 - 3.2. Agreement to sale and to purchase of assets (warehouses and offices) with WHA as owner of warehouses and buildings; and
 - 3.3. Sale and purchase agreement of assets with WHA as owner of other assets of the said project.

(2) WHA Mega Logistics Center Ladkrabang, located at Khlong Sam Pravet Subdistrict, Ladkrabang District, Bangkok

- (a) WHART will receive the transfer of ownership of land represented by 10 title deeds (title deed nos. 1482, 42151, 42152, 42153, 42154, 44285, 44286, 44287, 45003 and 45005) with an area of 99 rai 1 ngan 51 square wah.
- (b) WHART will receive the transfer of ownership of warehouses and office buildings at WHA Mega Logistics Center Ladkrabang, with a total leasable area of approximately 95,110.00 square meters, and a total leasable car parking area of 1,350.00 square meters, and a total leasable rooftop area of approximately 59,986.30 square meters³
- (c) WHART will receive the transfer of ownership of other structures and assets which are component parts of the land, buildings, equipment, systems and any assets relevant and necessary for the use of the land, warehouses and office buildings of WHA Mega Logistics Center Ladkrabang.

Remarks:

² WHA will pay rent to WHART for the leasable areas which have not been leased, according to the lease agreements with the current tenants which is approximately 62,105.25 square meters.

³ The total leasable rooftop area of 59,986.30 square meters (exclude rooftop of building nos. 7/1 (AAL Phase 1 Building) and 7/2 (AAL Phase 2 Building)) of WHA Mega Logistics Center Ladkrabang is for generation and sale of electricity from photovoltaic system on rooftop (Solar Rooftop).

1. Currently, the areas of warehouses and office buildings of WHA Mega Logistics Center Ladkrabang are entirely leased by tenants (Contracts with Osotspa Co., Ltd. and LF Logistics (Thailand) Limited are under signing process). However, should there be any leasable areas which have not been leased by tenants on WHART investment date, WHART will request WHA to pay rent to WHART for remaining leasable areas of warehouses and office buildings for a period of 3 years. Also, for the areas of leasable rooftop areas of WHA Mega Logistics Center Ladkrabang which are not leased by tenants, WHART will request WHA to pay rent to WHART for the leasable rooftop areas that have not been leased to tenants³ for a period of 15 years, or until such time the area is leased to a tenant within the given period. In this regard, during such payment of rent period by WHA, WHART shall give first right to WHA and/or persons related to WHA to lease the leasable rooftop areas before any third party for a period of no less than 15 years from the Additional Investment Assets acquisition date, and such rental rate shall not be less than the rental rate that WHA currently pays to WHART and equal to or not less than the rental rate proposed by any third party to WHART (if any) (“**Right to Lease Rooftop Areas**”).

In the case when WHA and/or persons related to WHA has exercised the Right to Lease Rooftop Areas accordingly to the aforementioned conditions on lease terms and rental rate, WHA shall be released from obligations to pay rent to WHART under the undertaking agreement. Nevertheless, should there be no tenant of the leasable rooftop areas after the 15-year period of the Right to Lease Rooftop Areas and WHA and/or persons related to WHA has not exercised the Right to Lease Rooftop Areas, WHA has an option to extend the period of obligation to pay rent for the leasable rooftop areas for no less than 10 years whereas the Right to Lease Rooftop Areas shall remain the same during the said 10-year period or WHA and/or persons related to WHA may exercise its Right to Lease Rooftop Areas from WHART. The conditions are to be as agreed upon by WHART and WHA in the undertaking agreement.

2. The additional investments in WHA Mega Logistics Center Ladkrabang will be executed through agreements as follows:
 - 2.1. Agreement to sale and to purchase of assets (warehouses and offices building) with WHA as owner of land, warehouses and buildings; and
 - 2.2. Sale and purchase agreement of assets with WHA as owner of other assets of the said project.

Nonetheless, additional details of asset’s value of WHA Mega Logistics Center Ladkrabang, in which WHART will invest, will be in accordance with registration statement and prospectus for offering of trust units for WHART capital increase.

Assets to be additionally invested according to (1) and (2) are collectively referred as the “**Additional Investment Assets**”. The details of the Additional Investment Assets are as specified in Enclosure 2 and the details states in the registration statement and prospectus for offering of trust units for WHART capital increase will be deemed as details of assets to be additionally invested by WHART.

In this respect, the Company expects that the said investment in the Additional Investment Assets will generate benefits to WHART and the trust unitholders as follows:

1. **The investment in the Additional Investment Assets is consistent with the objective and investment policy of WHART**

This investment in the Additional Investment Assets through the receipt of transfer of the ownership and the sub-leasehold right of lands and the receipt of transfer of the ownership of warehouses and office buildings of WHART are consistent with the objective of establishment of WHART which is to seek for the opportunities in the additional investment in real properties that can enhance the asset value of WHART in order to generate revenue and return to WHART and the trust unitholders.

2. The investment in the assets which have potentials in generating income that can increase benefits to WHART

The Company believes that this additional investment through the receipt of transfer of the ownership and sub-leasehold right of lands and the receipt of transfer of the ownership of the Additional Investment Assets has the advantages which can increase benefits to WHART as follows:

▪ Strategic location

Situating on a location where is right and appropriate is one of the factors for the successful logistic business. It will impact the project to be able to maintain the occupancy rate of warehouses in order to sustainably and consistently generate income and good return to WHART in the future.

The Additional Investment Assets consist of (1) WHA Mega Logistics Center Chonlaharnpichit Km. 5, located at Bang Pla Subdistrict, Bang Phli District, Samut Prakan and (2) WHA Mega Logistics Center Ladkrabang, located at Khlong Sam Pravet Subdistrict, Ladkrabang District, Bangkok. All of these projects are situated in the potential locations. The location around the roads next to the Chonlaharnpichit canal, Samut Prakan, is expected to be the centre of important transportation of Thailand in the future as there is increase in numbers of large warehouses developed to serve demand of the tenants who are the service providers for logistics and transportation. For the location around warehouses in Ladkrabang, it is strategic location for logistic business as it is near Suvarnabhumi airport and Laemchabang port.

Briefly, the Additional Investment Assets in which WHART will invest are all situated on appropriate locations which are suitable for transportation both domestically and internationally. They are located on the main route for the distribution and the delivery of goods to regional areas and also not far from Bangkok which eases the travel and the delivery of goods to the other transportation centers resulting in the significant lower transportation costs for the tenants.

▪ Quality and characteristic of the Additional Investment Assets

The warehouses in which WHART will invest are Warehouse Farm Projects under the name of “Mega Logistics Center”. The projects consist of Built-to-Suit and Ready-Built warehouse with high standard. The rental areas of Built-to-Suit warehouse in warehouse farm are more than 7,500 square meters while the rental area of Ready-Built warehouse are smaller, their average size are around 3,000 to 5,000 square meters. Even though, their rental areas and the size of buildings are smaller than Built-to-Suit’s ones, Ready-Built warehouse is still maintained the pattern and high standard of the warehouses and factories. Warehouse Farm projects will support the demand in expanding areas of the current customers and expand the customer base to the new tenants who are interested in short-term rent for now but have potential to increase the rental areas and may demand Built-to-Suit type of projects in the future.

Warehouse Farm projects are able to serve customers' need in the present and also those anticipated in the future. The lease agreements of Built-to-Suit warehouse mostly are long-term agreements (inclusive of the period according to the renewal rights in lease agreement) which are more than 5-10 years while the lease agreements of Ready-Built warehouse are short-term agreements which are approximately 3 years, nevertheless they also have an option for the customers to renew the lease agreements like Built-to-Suit warehouse.

Warehouse Farm projects also provide the service for the use of assets in common areas of the projects; for examples, electricity fee for common areas, security service fee, road maintenance fee, utility fee and public fee etc.

Besides, nowadays, Thailand is one of countries which are base for industrial productions in Asia. The products are including consumer products, medical supplies, and etc. because the country has qualified labor with appropriate wage rate. Furthermore, Thailand is a strategic location for transportation business which is convenient for distributing products to other countries. Such factors make the cost of production, transportation and the management more efficient and competitive. As all mentioned reasons, warehouses for lease; both Built-to-Suit and Ready-Built warehouse, can perfectly serve the requirement of the tenants. They are interesting alternative as well as in tremendous demand of the tenants especially foreign companies.

- **Potential of the property manager**

WHA is one of companies in WHA GROUP which is a real estate developer. The company aim to develop warehouses and factories to be international-standardized distribution center by constructing and designing warehouses to meet required standard and quality as per specific demand of customers. Their Board of Executives has experiences more than 20 years which makes them earn trust from leading international companies such as Europe, America and Asia.

In 2015, the total area of projects which are invested and developed by and/or under the management of WHA GROUP is more than 1,975,000 square meters. It well reflects the potential and expertise in regard to the management of warehouses and factories. Moreover, the main group of customers is the group who has a stable business in the international level; for examples, DKSH (Thailand) Limited (previous name is Diethelm Company Limited) which is the manufacturer, packager, distributor of consumer products and medical supplies and the service provider for merchandise transport system and one-stop service for distribution, DSG International (Thailand) Public Company Limited which operates business in manufacture and distribution of baby and adult diaper, and Mitsubishi Electric Consumer Products (Thailand) Company Limited which is the lead manufacturer and distributor of electrical equipment and home electrical appliance, etc. The additional details can be found at www.wha.co.th. According to the potential in management of WHA's Board of Executives, the high standard in construction and design which is accepted in the international level as well as the growth of WHA GROUP, it ensures that WHA can definitely maintain the existing tenants and efficiently manage the assets of WHART including increase the opportunities in expanding the investment in the prospect assets which are able to generate return to WHART in the future.

- **Potential of the tenants**

The tenants of WHA Mega Logistics Center Chonlaharnpichit Km. 5 have strong potential and reputation in various aspects; for examples, Sino-Pacific Trading (Thailand) Company Limited which is the largest company in Thailand operating business in import and distribution of confectionary, grocery and beverage, Yusen Logistics (Thailand) Company Limited and LF Logistics (Thailand) Limited which is an entrepreneur operating logistic business both domestically and internationally, etc. In regard to WHA Mega Logistics Center Ladkrabang, it has an important tenant which is Osotspa Company Limited which is a lead company in Thailand operating the consumer product business. This project also has tenants which are major entrepreneurs operating logistic business both domestically and internationally; for examples, Menlo Worldwide (Thailand) Company Limited and Honda Logistics Asia Company Limited, etc. Therefore, WHART believes that the Additional Investment Assets to be invested by WHART will maintain occupancy rate of rental area to be entirely rented out in order to sustainably and consistently generate income in the future. The details of the tenants of warehouses and office buildings and the details of the rental proportion of areas in which WHART will additionally invest shall be in accordance with the Enclosure 2.

3. Increase of diversification of the source of income and opportunity in growing income from investment in additional assets

The investment in the Additional Investment Assets will help WHART to have more diversification of the source of income because the additional investment would increase the diversification of the source of income which the Company anticipates to make more profit for WHART from the income receiving from this investment in the Additional Investment Assets and generate return at the satisfactory rate in the form of Cash Distribution per Unit (“DPU”) as follows:

Projected DPU

	<u>Baht Million</u> Existing Immovable Properties ^{*1}	<u>Baht Million</u> Immovable Properties after Additional Investment ^{*2}
Rental and service revenues	716.09	1,061.65
Interest revenue	2.44	4.23
Total revenue	<u>718.53</u>	<u>1,065.87</u>
Land rental expenses	15.24	22.24
Property management related expenses ^{*3}	10.28	19.76
Net profit of immovable properties	<u>693.02</u>	<u>1,023.87</u>
REIT Management Fee	55.75	80.77
Amortized Issuance Costs	42.00	67.37
Financial expenses	122.63	171.58
Net profit to be distributed through dividends	<u>472.62</u>	<u>704.16</u>
<u>Add</u> Excess liquidity from amortized Issuance Costs	42.00	67.37
<u>Add</u> Non-cash land rents	(34.74)	(58.14)

(Translation)

<u>Add</u> Accrued interest and pre-paid financial fees	2.74	4.94
<u>Deduct</u> Non-cash rental and service revenues	20.63	31.92
Net cash that can be distributed through dividends and capital reduction	503.26	750.25
<u>Add</u> Value added tax receivable	16.76	24.52
Total net cash distributable through dividends and capital reduction including value added tax receivable	520.02	774.77
Expected distributable through dividends and capital reductions (%)	99.80	99.80
Expected distributable through dividends and capital reductions including value added tax receivable	518.98	773.22
Number of trust units* ⁴ (Million units)	661.67	977.96
Expected distributable through dividends and capital reduction per unit (Baht)		
- Distribution of profit per unit (Baht)	0.76	0.77
- Distribution of capital per unit (Baht)	0.02	0.02
Distribution of profit and capital per unit (Baht)	0.78	0.79
In case WHART has Unrealised Loss from straight-line impairment of leasehold		
- Distribution of profit and capital per unit (Baht)	0.63	0.62
- Pay back by Straight-line Method per Unit (Baht)* ⁵	0.15	0.17
Distribution of profit and capital reduction per unit (Baht)	0.78	0.79

- Remark**
- *¹ Existing immovable properties refers to immovable properties invested by WHART in 6 projects.
- *² Immovable properties after additional investment refers to existing immovable properties and new immovable properties in which WHART will additionally invest.
- *³ Expenses consist of immovable property management in the capital increase portion including property tax expenses in an amount of approximately Baht 1.1 million and expenses involving common area management, i.e., public utilities expenses and cleaning fees, etc., at the amount of Baht 1.7 Million.
- *⁴ Number of trust units is a reference number for calculation only. Calculation is made based on the Additional Investment Assets value of Baht 4,190 Million and trust unit price of Baht 9.80. The final number of trust units at which WHART will invest may be more, less or equal to this estimation.
- *⁵ In case the appraisal values of existing assets invested by WHART in the leasehold right in WHA Mega Logistics Center (Bang Na-Trad Road Km. 18) and WHA Mega Logistics Center (Wang Noi 61) with addition of WHA Mega Logistics Center (Chonlarnpichit Km. 5) for immovable properties after investment, has lower appraised value of ending leasehold right and unrealized loss from amortization of leasehold right, by assuming impairment value to be equal to the outstanding sum of lease agreement which are generally amortized by straight-line method according to the lease term. However, value of leasehold right as of the end of accounting period will depend on appraised value made by independent appraisers. Calculation of leasehold right value will take into account many relevant factors, i.e., rental rate and growth of rent revenue and discount rate, etc., which may cause the calculated leasehold right value to increase, remain or decrease. Thus, the above calculation of distribution through dividends and capital reduction by straight-line method per unit (decrease leasehold value to equal amount per the lease term) is merely to demonstrate a possible effect in case future leasehold right value decreases at equal rate throughout the term of lease agreement.

The relation between the estimated DPU which is expected that the trust unitholders will receive after WHART has invested in the Additional Investment Assets and the change of:

- Value of the real properties in which WHART will invest, which is equal to the price of real properties exclusive of expenses relating to the capital increase and
- Price of trust units issued and offered additionally in this occasion.

However, information regarding estimated DPU and increase rate of DPU which is described in the table is the estimation only for demonstrating its relation with the other information in the table. Moreover, the determination method for the final offering price of trust units which will be additionally issued and offered in this time will comply with the details stipulated in this notice of meeting. The Company, owners of real properties, property manager, financial advisor, underwriters of trust units or any persons do not guarantee the operating results of WHART or the estimated DPU which the trust unitholders anticipate to receive.

The analysis of the relation between the changes and the estimated DPU

Price per Unit	9.50	9.60	9.70	9.80	9.90 ^{*1}	10.00 ^{*1}	
Trust size (Million Baht)	13,810.96	13,842.59	13,874.22	13,905.84	13,905.84	13,905.84	
Asset value (Million Baht)	13,128.53	13,159.40	13,190.28	13,221.15	13,221.15	13,221.15	
T' equity (Million Baht)	9,621.47	9,653.10	9,684.73	9,716.35	9,716.35	9,716.35	
The current amount of trust units	661.67	661.67	661.67	661.67	661.67	661.67	
Liabilities (Million Baht)	3,970.00	3,970.00	3,970.00	3,970.00	3,970.00	3,970.00	
The estimated DPU (after the capital increase)							
The offering price (Baht)	9.50	0.7910	0.7882	0.7854	0.7827	0.7825	0.7824
	9.55	0.7923	0.7895	0.7868	0.7840	0.7839	0.7838
	9.60	0.7937	0.7909	0.7881	0.7854	0.7852	0.7851
	9.65	0.7950	0.7922	0.7894	0.7867	0.7866	0.7865
	9.70	0.7963	0.7935	0.7908	0.7880	0.7879	0.7878
	9.75	0.7976	0.7948	0.7921	0.7893	0.7892	0.7891
	9.80	0.7989	0.7961	0.7934	0.7906	0.7905	0.7904
	9.85	0.8002	0.7974	0.7947	0.7919	0.7918	0.7917
	9.90	0.8015	0.7987	0.7960	0.7932	0.7931	0.7930
	9.95	0.8027	0.8000	0.7972	0.7945	0.7944	0.7943
10.00	0.8040	0.8012	0.7985	0.7958	0.7957	0.7956	

Remark^{*1} Calculated from the value of Additional Investment Assets not exceeding Baht 4,190,000,000.

4. Increase of opportunities of capital increase in the future

Since the assets to be additionally invested are the assets under the management of WHA, then the additional investment of WHART in this transaction increases the opportunities of WHART to invest in other projects of WHA which will provide a good opportunity for WHART to enhance its growth of income, trading liquidity and also return to the trust unitholders in the future.

5. Increase of liquidity in trading of trust units which may be increased

This additional issuance and offering of trust units will increase the amount of trust units of WHART from 661,670,000 units to the amount not exceed 977,960,000 units (from the issuance and offering of trust units which increase the amount to not exceeding 316,290,000 units). The Company expects that the increase of trust units of WHART will enhance the trading liquidity of the trust units in the Stock Exchange of Thailand.