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**Opinions of the Independent Financial Advisor
on HREIT's Acquisition of Assets and Related Party Transactions
(Persons Related to the REIT Manager)**

Propose to



The Trust Unitholders of Hemaraj Leasehold Real Estate Investment Trust

Prepared by



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Abbreviations and Terms

“Additional Investment Assets No. 2”	<p>The additional investment assets comprises of leasehold right of lands and factory buildings as follows:</p> <ol style="list-style-type: none"> 1. 8 units of attached building factory with a land area of approximately 6-0-48 rai, a building area of approximately 11,196 square meters; 2. 1 unit of detached building factory with a land area of approximately 6-3-50 rai, a building area of approximately 4,720 square meters; 3. A usable leased rooftop area of approximately 8,467 square meters.
“Asset Owner’s Company” or “WHA IB”	WHA Industrial Building Company Limited
“Company” or “WHA IRM” or “REIT Manager”	WHA Industrial REIT Management Co., Ltd.
“HREIT”	Hemaraj Leasehold Real Estate Investment Trust
“Independent Appraisers”	TAP Valuation Co., Ltd. (“TAP”) and Siam City Appraisal Co., Ltd. (“SCA”)
“WHA ID” or “Property Manager”	Public Company Limited
“BBL”	Bangkok Bank Public Company Limited
“BOI”	The Board of Investment
“BOL”	Business Online Public Company Limited
“BTCAS” or “IFA”	Baker Tilly Corporate Advisory Services (Thailand) Co., Ltd.
“DCF”	Discounted Cash Flow Approach
“EBITDA”	Earnings before interest, tax, depreciation and amortization
“ESIE”	Eastern Seaboard Industrial Estate
“FCF”	Free Cash Flow
“KBANK”	Kasikorn Bank Public Company Limited
“KTB”	Krung Thai Bank Public Company Limited
“MLR”	Minimum Lending Rate
“NAV”	Net Asset Value
“NPV”	Net Present Value
“REIT”	Real Estate Investment Trust
“SCB”	The Siam Commercial Bank Public Company Limited

“SET”	The Stock Exchange of Thailand
“SEC”	The Securities and Exchange Commission, Thailand
“SCBAM” or “Trustee”	SCB Asset Management Company Ltd.
“TAV”	Total Asset Value
“Transaction-Related Notifications”	<p>1) The Notification of the SEC No. SorRor. 26/2555 Re: Provisions relating to Particulars, Terms and Conditions in a Trust Instrument of Real Estate Investment Trust (Codified) as of 21 November 2012</p> <p>2) The Regulations of SET Re: Listing, Disclosure of Information and Delisting of Investment Trust Units B.E. 2558 (2015) (BorJor/Ror 29-00)</p>
“TSD”	Thailand Securities Depository Co., Ltd.
“WACC”	Weighted Average Cost of Capital
“WHA CIE1”	WHA Chonburi Industrial Estate 1
“WHA ESIE1”	WHA Eastern Seaboard Industrial Estate 1
“WHA LP1”	WHA Logistic Park 1
“WHA LP2”	WHA Logistic Park 2
“WHA LP4”	WHA Logistic Park 3
“WHA SIL”	WHA Saraburi Industrial Land

23 November 2018

Subject Opinions of the Independent Financial Advisor regarding HREIT's Acquisition of Assets and Related Party Transactions (Persons Related to the REIT Manager)

To Unitholders of Hemaraj Leasehold Real Estate Investment Trust

Attachment: 1) Economic and Industry Overview

- 2) Information on Hemaraj Leasehold Real Estate Investment Trust
- 3) Performance of Sub-Lessees of the Additional Investment Assets No. 2
- 4) The Financial Projection of the Investment in the Additional Investment Assets No. 2

Reference: 1) Resolutions of the Board of Directors' Meetings of WHA Industrial REIT Management Co., Ltd. of HREIT's Acquisition of Assets and Related Party Transactions (Persons Related to the REIT Manager) on 8 November 2018

- 2) Information Memorandum of HREIT's Acquisition of Assets and Related Party Transactions (Persons Related to the REIT Manager) on 8 November 2018
- 3) Summary of the relevant draft agreements which are Lease Agreement, Movable Properties Sale and Purchase Agreements, Addendum Agreement Attached to the Mortgage Agreement, Undertaking Agreement (WHA Industrial Development), Undertaking Agreement of the Asset Owner's Company, Property Management Agreement and Indicative Term Sheet
- 4) Appraisal Report prepared by Siam City Appraisal Co., Ltd. dated 3 September 2018
- 5) Appraisal Report prepared by TAP Valuation Co., Ltd. dated 3 September 2018
- 6) Draft legal due diligence report prepared by Chandler MHM Limited dated 7 November 2018
- 7) Building and Land Lease Agreement and Service Agreement with sub-lessees of HREIT and the Additional Investment in Assets No. 2
- 8) Audited financial statements of HREIT as at 31 December 2016, 31 December 2017 and reviewed financial statements as at 30 September 2018
- 9) Company Affidavit, Memorandum of Association and other information and documents, including interview with the management of WHA IRM and concerned officials
- 10) Form 56-1 of HREIT 2017
- 11) Annual Report of HREIT 2017

The Meeting of Board of Directors of WHA Industrial REIT Management Company Limited (the “Company” or “WHA IRM” or “REIT Manager”) in its capacity of the REIT Manager of Hemaraj Leasehold Real Estate Investment Trust (“HREIT”) on 8 November 2018 passed a resolution to hold an Extraordinary General Meeting No. 1/2018 of the Trust Unitholders of HREIT on 18 December 2018 to consider and approve HREIT to invest in the Additional Investment in Assets No. 2 by leasing lands with factory buildings, offices and other buildings located on such lands, including its component parts for 30 years from the commencement date of the lease period from WHA Industrial Building Company Limited (the “Asset Owner’s Company” or “WHA IB”), a subsidiary of WHA ID. The investment in the Additional Investment Assets No. 2 by HREIT shall be no more than THB 477 M (exclusive of value added tax, registration fee and specific business tax, including other relevant fees and expenses which shall be borne by HREIT). HREIT shall have the right to extend the lease for another 30 years, where the rental for the renewed period shall be THB 30 M (which shall be paid when the lease agreement is renewed exclusive of value added tax, registration fee and specific business tax, including other relevant fees and expenses which shall be borne by HREIT).

HREIT will make an additional investment in immovable property no. 2 by leasing lands with factory buildings, offices and other buildings located on such lands, including its component parts for 30 years from the commencement date of the lease period with the right to extend the lease for another 30 years, and purchasing any relevant movable properties used for the business operation within the leased properties as follows:

1. Leasehold right of land and 8 units of detached building factory with a land area of approximately 6-0-48 rai, a building area of approximately 11,196 square meters
2. Leasehold right of land and 1 unit attached building factory with a land area of approximately 6-3-50 rai, a building area of approximately 4,720 square meters.

Leasehold right of lands and factory buildings has the total land area of approximately 12-3-98 rai or 5,198 square wah, the total factory building area of approximately 15,916 square meters, and the usable leased rooftop area of approximately 8,467 square meters.

At present, the area of the factory and office buildings has been fully occupied by lessee. However, HREIT will request WHA IB to pay rental for the unoccupied leased properties or to pay rental short of the minimum rental rate of the factory and office buildings to HREIT for the period of 3 years from the date of HREIT’s investment or until there is a lessee during such period. The conditions are in accordance with the undertaking agreement that HREIT will enter into with WHA IB.

In addition, HREIT will request WHA ID or WHA IB to pay the rental to HREIT for the leasable rooftop area for a period of 15 years from the date of HREIT’s investment or until there is a lessee during such period (the “Warranty Period”). The conditions are in accordance with the undertaking agreement that HREIT will enter

into with WHA ID or WHA IB. In this regard, during such Warranty Period, HREIT shall give first right to WHA ID or WHA IB and/or persons related to WHA ID or WHA IB to lease such rooftop before any third party for a lease term of no less than the remaining Warranty Period, and the rental rate shall not be less than the rental rate that WHA ID or WHA IB pays to HREIT at that time and equal to or not less than the rental rate proposed by any third party to HREIT.

The funds to be used for the investment in the Additional Investment Assets No. 2 will be obtained from long-term loan in the amount of not exceeding THB 420 M and security deposits for lease and service which HREIT received from current lessees in the amount of not exceeding THB 80 M. HREIT will procure short-term credit facility from financial institution for being a source of working capital (in the amount of not exceeding THB 80 M) reserved in case that HREIT is required to return the security deposits for lease and service used for the investment in the additional investment assets and may not have sufficient liquidity. Moreover, if HREIT is unable to procure such short-term credit facility in the amount of not exceeding THB 80 M from financial institution prior to HREIT's additional investment No. 2, the REIT Manager will request WHA ID or group companies of WHA ID to support the working capital reserved in case that HREIT is required to return the security deposits for lease and service used for the investment in the Additional Investment Assets No. 2. The request for financial support from WHA ID or group companies of WHA ID is subject to consideration of WHA ID or group companies of WHA ID.

In addition, the Company wishes to appoint WHA ID, being one of the major trust unitholders of HREIT (as of 23 August 2018, WHA ID held 15% of HREIT's sold trust units) and the Property Manager for HREIT's current investment assets, as the Property Manager of the Additional Investment Assets No. 2 and enter into the undertaking agreement with WHA ID and/or WHA IB in relation to the Additional Investment Assets. Furthermore, the Company wishes to give first right to WHA ID or WHA IB and/or persons related to WHA ID or WHA IB to lease the rooftop of the Additional Investment Assets No. 2 from HREIT before any third party.

For the investment in the Additional Investment Assets No. 2, there will be a Related Party Transactions (Persons Related to the REIT Manager) as follows:

- a) WHA IB is the owner of the assets in which HREIT will make an additional investment No. 2 and is a subsidiary of WHA ID
- b) WHA IB has relationship with HREIT, whereby WHA ID is the shareholder in the Company, who acts as the REIT Manager of HREIT, at the ratio equivalent to 99.99% and is one of the major trust unitholders of HREIT (as of 23 August 2018, WHA ID held 15% of HREIT's sold trust units), including being the current Property Manager of HREIT

WHA ID is the interested person by being one of the major trust unitholders of HREIT and being the party whom HREIT wishes to appoint as the Property Manager of the Additional Investment Assets No. 2 after the acquisition of such assets, and the Asset Owner's Company who is the owner of the additional investment assets is the subsidiary of WHA ID.

Therefore, the investment in the Additional Investment Assets No. 2 has the total transaction value of THB 560.89 M or equal to 9.08% of HREIT's NAV and is considered as HREIT's Acquisition of Assets and Related Party Transactions (Persons Related to the REIT Manager) of a value equivalent to or greater than THB 20,000,000 or exceeding 3% of the net asset value of HREIT. Such transactions must be disclosed to SET and approved by the trust unitholders according to 1) the Notification of the SEC No. SorRor. 26/2555 Re: Provisions relating to Particulars, Terms and Conditions in a Trust Instrument of Real Estate Investment Trust (Codified) on 21 November 2012 and 2) The Regulations of SET RE: Listing, Disclosure of Information and Delisting of Investment Trust Units B.E. 2558 (2015) (BorJor/Ror 29-00) (collectively referred to as "Transaction-related Notifications") and is according to the trust deed. Such transaction requires the approval from trust unitholders' meeting by affirmative votes of not less than three – fourths of the total number of votes of the trust unitholders who attend the meeting and have the right to vote, whereby the trust unitholders who have special interest in the transaction shall not be entitled to cast vote thereon.

The board of directors of the Company has appointed Baker Tilly Corporate Advisory Services (Thailand) Ltd. ("Independent Financial Advisor - IFA" or "BTCAS"), which is an independent financial advisor approved by the SEC and is independent of HREIT, WHA ID, WHA IB and the REIT Manager, to render opinions to the trust unitholders concerning HREIT's Acquisition of Assets and Related Party Transactions (Persons Related to the REIT Manager).

In preparing this report, the IFA has taken into consideration the information and documents available publicly, the information on industry analysis and forecast, the information and documents obtained from the Company, the financial information of HREIT, the appraisal report of the independent appraisers, including the management interview of the Company. The IFA may not certify the accuracy or completeness of the information obtained.

In addition, the IFA's opinion is based solely on the economic environment and the information prevailing at the time of preparing this report. As such, any significant change in these factors could have an impact on the IFA's opinion. In preparing this opinion report, the IFA has considered all information thoroughly and reasonably in line with professional standards and has given all rationales based on the fair and impartial information and analysis by paying regard primarily to the interest of the trust unitholders.

Executive Summary

The Meeting of Board of Directors of WHA Industrial REIT Management Company Limited (the “Company” or “WHA IRM” or “REIT Manager”) in its capacity of the REIT Manager of Hemaraj Leasehold Real Estate Investment Trust (“HREIT”) on 8 November 2018 passed a resolution to hold an Extraordinary General Meeting of the Trust Unitholders of HREIT to consider and approve HREIT to invest in the Additional Investment in Assets No. 2 by leasing lands with factory buildings, offices and other buildings located on such lands, including its component parts for 30 years from the commencement date of the lease period from WHA Industrial Building Company Limited (the “Asset Owner’s Company” or “WHA IB”), a subsidiary of WHA ID. The investment in the Additional Investment Assets No. 2 by HREIT shall be no more than THB 477 M and HREIT shall have the right to extend the lease for another 30 years, where the rental for the renewed period shall be THB 30 M (which shall be paid when the lease agreement is renewed exclusive of value added tax, registration fee and specific business tax, including other relevant fees and expenses which shall be borne by HREIT).

The funds to be used for the investment in the Additional Investment Assets No. 2 will be obtained from 1) long-term loan in the amount of not exceeding THB 420 M (after entering into the transaction, the interest bearing debt to Total Assets of HREIT will increase from 31.09% to 34.10% from the reviewed financial statement as of 30 September 2018) and 2) security deposits for lease and service which HREIT received from current lessees in the amount of not exceeding THB 80 M. HREIT will procure short-term credit facility from financial institution for being a source of working capital (in the amount of not exceeding THB 80 M) reserved in case that HREIT is required to return the security deposits for lease and service used for the investment in the additional investment assets and may not have sufficient liquidity. Moreover, if HREIT is unable to procure such short-term credit facility in the amount of not exceeding THB 80 M from financial institution prior to HREIT’s additional investment no. 2, the REIT Manager will request WHA ID or group companies of WHA ID to support the working capital reserved in case that HREIT is required to return the security deposits for lease and service used for the investment in the Additional Investment Assets No. 2. The request for financial support from WHA ID or group companies of WHA ID is subject to consideration of WHA ID or group companies of WHA ID.

HREIT will request WHA IB to pay rental for the unoccupied leased properties or to pay rental short of the minimum rental rate of the factory and office buildings to HREIT for the period of 3 years from the date of HREIT’s investment or until there is a lessee during such period. HREIT will also request WHA ID or WHA IB to pay the rental to HREIT for the leasable rooftop area for a period of 15 years from the date of HREIT’s investment or until there is a lessee during such period. The conditions are in accordance with the undertaking agreement that HREIT will enter into with WHA IB and WHA ID.

In addition, the Company wishes to appoint WHA ID, being one of the major trust unitholders of HREIT (as of 23 August 2018, WHA ID held 15% of HREIT’s sold trust units) and the Property Manager for HREIT’s

current investment assets, as the Property Manager of the Additional Investment Assets No. 2 and enter into the undertaking agreement with WHA ID and/or WHA IB in relation to the Additional Investment Assets. Furthermore, the Company wishes to give first right to WHA ID or WHA IB and/or persons related to WHA ID or WHA IB to lease the rooftop of the Additional Investment Assets No. 2 from HREIT before any third party. Therefore, The aforementioned transaction will be considered as HREIT's Acquisition of Assets and Related Party Transactions (Persons Related to the REIT Manager) of a value equivalent to or greater than THB 20,000,000 or exceeding 3% of the net asset value of HREIT. Such transactions must be disclosed to SET and approved by the trust unitholders according to the Transaction-related Notifications and requires the approval from trust unitholders' meeting by affirmative votes of not less than three – fourths of the total number of votes of the unitholders who attend the meeting and have the right to vote, whereby the trust unitholders who have special interest in the transaction shall not be entitled to cast vote thereon.

The board of directors of the Company has appointed Baker Tilly Corporate Advisory Services (Thailand) Ltd. ("Independent Financial Advisor - IFA" or "BTCAS", which is an independent financial advisor approved by the SEC and is independent of HREIT, WHA ID, WHA IB and the REIT Manager, to render opinions to the trust unitholders of the said transactions.

The IFA views that the entering into the investment transaction in the Additional Investment Assets No. 2 with WHA IB (a subsidiary of WHA ID) is reasonable since the investment is in accordance with objectives and investment policy of HREIT. The Additional Investment Assets No. 2 is relatively new, ready to use, and fully occupied by lessee (as of 30 June 2018). This would enhance HREIT the ability to generate rental income within a short period. Also, all of 9 additional units are situated in strategically location which is the center of logistics to other regions, making them attractive to the tenants. The acquisition of the additional assets would also increase the average age of the lease term and reducing the expenses per unit of HREIT.

Moreover, WHA IB agrees to pay rental for the unoccupied leased properties or to pay rental short of the minimum rental rate for the period of 3 years from the date of HREIT's investment or until there is a lessee during such period. The minimum rental rate for the attached building factory equals to THB 193/sq.m. and the detached building factory equals to THB 210/sq.m. which is in accordance with the undertaking agreement. Also, WHA ID or WHA IB agrees to pay the rental to HREIT for the leasable rooftop area for a period of 15 years from the date of HREIT's investment or until there is a lessee during such period. The Company wishes to give first right to WHA ID or WHA IB and/or persons related to WHA ID or WHA IB to lease the rooftop of the Additional Investment Assets No. 2 from HREIT before any third party. The rental rate is in accordance with the undertaking agreement.

The IFA has determined the appropriateness of the acquisition price based on the book value approach, the valuation by independent appraisers, and the discounted cash flow approach. Value of the

Additional Investment Assets No. 2 appraised by the book value approach is equal to THB 263.71 M. Value of the Additional Investment Assets No. 2 appraised by the independent appraisers is in the range of THB 460.79 – 464.12 M.

The IFA opines the book value approach is not appropriate given it reflects the assets' value at a certain point of time, but does not take into account the future cash flow generating ability of those assets. By comparing the appraised value by the independent appraisers (THB 460.79 – 464.12 M) with the acquisition price of not exceeding THB 477 M, the acquisition price is higher than the appraised value by the independent appraisers by 2.78% - 3.52%, or approximately THB 12.88 - 16.21 M.

In conducting the investment feasibility test of the Additional Investment Assets No. 2, the IFA has evaluated the assets' ability to generate future cash flows based upon the assumptions established under the actual lease agreement and service agreement with the current sub-lessees, information and historical performance of HREIT and also interviewing the REIT Manager, to estimate the net present value ("NPV") of the future cash flow from the Additional Investment Assets No. 2. If the NPV of the Additional Investment Assets No. 2 is positive, the investment is considered worthwhile and increases value to HREIT. In contrast, if the NPV of the Additional Investment Assets No. 2 is negative, the investment is considered not worthwhile and will decrease the value to HREIT.

The IFA has prepared the cash flow projection for the investment in the Additional Investment Assets No. 2 over a period of 60 years (lease period 30 years + the right to extend the lease for another 30 years, or from 1 January 2019 – 31 December 2078), using revenue and expense assumptions and applying Weighted Average Cost of Capital ("WACC") as a discount rate to calculate the present value of such cash flow. The IFA then calculated the NPV of cash flow by using such present value minus the expenses which will be borne by HREIT for the acquisition of assets and acquisition price of not exceeding THB 477 M as follows:

Summary of the Net Present Value (NPV) of cash flow from the Additional Investment Assets No. 2

Details	Amount (THB M)
Present value of cash flow from the Additional Investment Assets No. 2	526.70
Expenses associated to the acquisition of assets (Set Up Cost)	(23.00)
Expenses associated the issuance and offering additional trust units	503.70
Acquisition price of the Additional Investment Assets No. 2	(477.00)
NPV of cash flow from the Additional Investment Assets No. 2	26.70

From the above feasibility of the investment in the Additional Investment Assets No. 2, the NPV of cash flow from the Additional Investment Assets No. 2 is equal to THB 26.70 M. As the NPV is positive, the IFA opines that the acquisition price of the transaction of not exceeding THB 477 M is appropriate.

Therefore, the IFA recommends that the trust unitholders should approve the transaction in relation to HREIT's Acquisition of Assets and Related Party Transactions (Persons Related to the REIT Manager). However, the decision to approve or disapprove the transaction shall be at own discretion of the trust unitholders. It is recommended that the trust unitholders additionally study information in all documents enclosed with the notice of the trust unitholders' meeting so as to use judgement and discretion for proper voting decision.

The IFA certifies that we have considered and analyzed all the obtained information and rendered our opinions in a careful and impartial manner in compliance with the professional standards and principles, with due regard to the trust unitholders' benefits. The opinions of the IFA are provided based on the publicly available data and documents, the information from the industry analysis and forecast, the information and documents obtained from the Company and the interview with the management of the Company. The IFA may not certify the accuracy or completeness of the information obtained from the Company and from the interview with the management of the Company. In addition, the IFA has provided the opinion to the trust unitholders regarding the reasonableness of HREIT's Acquisition of Assets and Related Party Transactions (Persons Related to the REIT Manager) and the appropriateness of the acquisition price, based solely on the economic environment and the information prevailing at the time of preparing this report. As such, any significant change in these factors could have an impact on the IFA's opinions.

Opinions of the Independent Financial Advisor regarding HREIT's Acquisition of Assets and Related Party Transactions (Persons Related to the REIT Manager)

For the investment in the Additional Investment Assets No. 2, HREIT will make an additional investment by leasing lands with factory buildings, offices and other buildings located on such lands, including its component parts for 30 years from the commencement date of the lease period with the right to extend the lease for another 30 years, and purchasing any relevant movable properties used for the business operation within the leased properties in the project of WHA Saraburi Industrial Land from WHA IB (the "Assets Owner's Company"). The Company wishes to appoint WHA ID as the Property Manager of the Additional Investment Assets No. 2.

WHA ID is the shareholder in the REIT Manager at the ratio equivalent to 99.99% and is the major shareholder of WHA IB. In this regards, the WHA IB and WHA ID are the related persons with the REIT Manager. Thus, this transaction of HREIT is considered a related party transaction (Persons Related to the REIT Manager) with the transaction size equivalent to or greater than THB 20,000,000 or exceeding 3% of the net asset value of HREIT (whichever is higher). Hence, entering into the transaction of HREIT requires the approval from trust unitholders' meeting by affirmative votes of not less than three – fourths of the total number of votes of the unitholders who attend the meeting and have the right to vote.

1. Nature and Details of the Transaction

The Meeting of Board of Directors of WHA Industrial REIT Management Company Limited (the "Company" or "WHA IRM" or "REIT Manager") in its capacity of the REIT Manager of Hemaraj Leasehold Real Estate Investment Trust ("HREIT") on 8 November 2018 passed a resolution to hold an Extraordinary General Meeting of the Trust Unitholders of HREIT to consider and approve HREIT invest the funds received from the loan and the security deposits (More details in 1.3 Source of Fund) to invest in the Additional Investment in Assets No. 2 by leasing lands with buildings and purchasing any relevant movable properties used for the business operation within the leased properties for 30 years from the commencement date of the lease period with the right to extend the lease for another 30 years and the ownership in other properties, which are related to the Additional Investment Assets No. 2 from WHA IB. The total value of the transaction is not exceeding THB 477 M (to be paid on the date of HREIT's investment in the additional investment assets), which consists of the rental of lands and buildings and the purchase price of the relevant movable properties used for the business operation within the leased properties (exclusive of value added tax, registration fee and specific business tax, including other relevant fees and expenses which shall be borne by HREIT). HREIT shall have the

right to extend the lease for another 30 years. The rental for the renewed period will be at the amount of THB 30 M.

The Appointment of Property Manager

HREIT will appoint WHA ID to be the Property Manager of the Additional Investment Assets No. 2 which WHA ID will charge a Property Management Fee (exclusive of value added tax). which consists of management fee and lessee procurement as follows:

Section 1 Property Manager Fee

Year	Property Manager Fee
Year 1 - 5	1.75% of Operating Revenue
Year 6 - 10	5% of Operating Revenue

However, upon the expiration of the Management Term or the subsequent term (as the case may be) and the REIT Manager or Trustee does not notify any ground of defaults to the Property Manager during the management term, the Parties agree to automatically renew this Agreement for an additional term of 10 (ten) years each with the same terms and conditions as specified herein, except for the management fee of the Property Manager which shall be at the rate of 5 (five) percent of the Gross Property Operating Revenue.

Section 2 Commission (In case of recommendation or procurement)

Types of Operation	Commission
Agreement Renewal	0.5 month of Sublease Agreement*
Recommendation or Procurement	1 month of Sublease Agreement*

Remark: * 3 years term and above, in case of the term less than 3 years, the commission will be calculated by the real proportion comparing with standard 3 years (1 month of revenue based on the agreement)

Rental Income Received from the Asset Owner's Company

At present, the area of the factory and office buildings has been fully occupied by lessee. However, HREIT will request WHA IB to pay rental for the unoccupied leased properties and rental short of the minimum rental rate to HREIT for the period of 3 years from the date of HREIT's investment or until there is a lessee during such period. The conditions are in accordance with the Undertaking Agreement that HREIT will enter into with WHA IB. The minimum rental rate is as follows:

Type of Leased Properties	Minimum Rental Rate (THB/Sq.m./Month)
Attached Building Factory	193
Detached Building Factory	210

However, the rental income shall not apply to the lease agreement and service agreement made or renewed before or on the date this agreement becomes effective.

Rooftop Rental Income Received of the Leased Properties

HREIT will request WHA ID or WHA IB to pay the rental to HREIT for the leasable rooftop area for a period of 15 years from the date of HREIT's investment or until there is a lessee during such period (the "Warranty Period"). The conditions are in accordance with the undertaking agreement that HREIT will enter into with WHA ID or WHA IB. In this regard, during such Warranty Period, HREIT shall give first right to WHA ID or WHA IB and/or persons related to WHA ID or WHA IB to lease such rooftop before any third party for a lease term of no less than the remaining Warranty Period, and the rental rate shall not be less than the rental rate that WHA ID or WHA IB pays to HREIT at that time and equal to or not less than the rental rate proposed by any third party to HREIT.

1.1 Type and Size of Transactions

Transactions of HREIT's Acquisition of Assets from Persons Related to the REIT Manager

The total value of the Additional Investment Assets No. 2 shall be no more than THB 477 M and HREIT shall have the right to extend the lease for another 30 years. The transaction size is equal to 7.72% of HREIT's NAV at THB 6,176,678,996 as at 30 September 2018. Details of the calculation are as follows:

$$\text{Transaction Size} = \frac{\text{Value of Assets' Acquisition} \times 100}{\text{NAV of HREIT}} = \frac{\text{THB 477 M}}{\text{THB 6,176.68 M}} = 7.72\%$$

Transactions of Rooftop Rental Income Received from Persons Related to the REIT Manager

WHA ID or WHA IB will pay the rental to HREIT for the leasable rooftop area at the rate of THB 3 per month and increase 6% every 3 years for a period of 15 years from the date of HREIT's investment or until there is a lessee during such period. The estimated rooftop rental income over 15 years will be approximately THB 3.89 M or equal to 0.06% of HREIT's NAV at THB 6,176,678,996 as at 30 September 2018. Details of the calculation are as follows:

$$\text{Transaction Size} = \frac{\text{Value of 15-year Rental Income} \times 100}{\text{NAV of HREIT}} = \frac{\text{THB 3.89 M}}{\text{THB 6,176.68 M}} = 0.06\%$$

Transactions of Financial Support from Persons Related to the REIT Manager

The REIT Manager will request WHA ID or group companies of WHA ID to support the working capital reserved in case that HREIT of HREIT in the amount of not exceeding THB 80 M reserved in case that HREIT is

required to return the security deposits for lease and service used for the investment in additional assets. The conditions are in accordance with the Undertaking Agreement that HREIT will enter into with WHA ID. The transaction size is equal to 1.30% of HREIT's NAV at THB 6,176,678,996 as at 30 September 2018. Details of the calculation are as follows:

$$\text{Transaction Size} = \frac{\text{Value of Financial Support} \times 100}{\text{NAV of HREIT}} = \frac{\text{THB 80 M}}{\text{THB 6,176.68 M}} = 1.30\%$$

As such, the total transaction value of HREIT's Acquisition of Assets and Related Party Transactions (Persons Related to the REIT Manager) is **THB 560.89 M** or equal to **9.08%** of HREIT's NAV as at 30 September 2018.

1.2 Date of the Transaction

The REIT Manager expects to enter into the transaction after obtaining the approval from the trust unitholders' meeting of HREIT, and the parties to the agreements in relation to the acquisition of assets of HREIT have already satisfied all of the condition precedents of such agreements. The resolution from the trust unitholders' meeting will last 1 year from the resolution date.

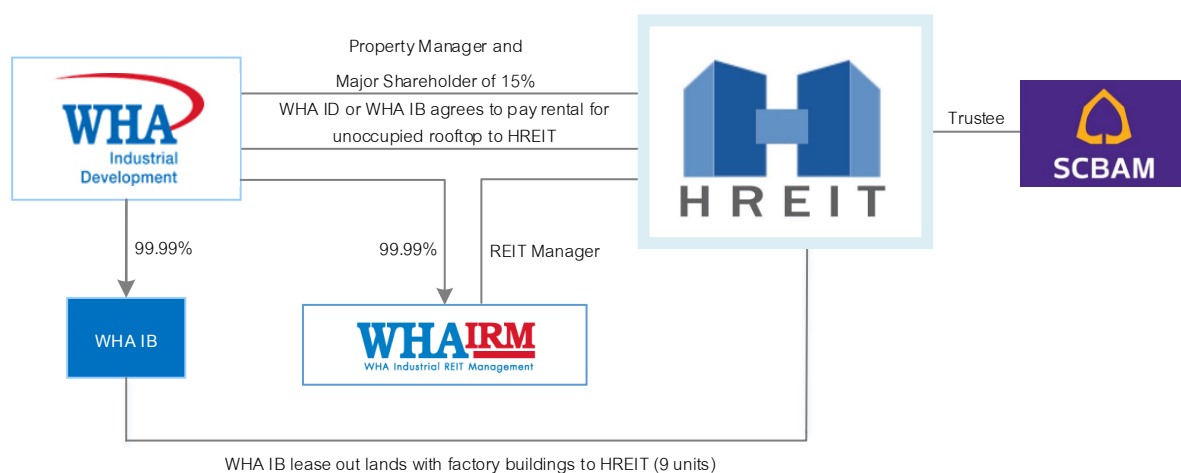
1.3 Source of Fund

The board of directors meeting dated 8 November 2018 has approved the source of funds for the investment in the Additional Investment Assets No.2 of HREIT from (1) long-term loan in the amount of not exceeding THB 420 M and (2) the security deposits for lease and service which HREIT received from current lessees in the amount of not exceeding THB 80 M.

HREIT will procure short-term credit facility from financial institution for being a source of working capital (in the amount of not exceeding THB 80 M) reserved in case that HREIT is required to return the security deposits for lease and service used for the investment in the additional investment assets and may not have sufficient liquidity. Moreover, if HREIT is unable to procure such short-term credit facility in the amount of not exceeding THB 80 M from financial institution prior to HREIT's additional investment no. 2, the REIT Manager will request WHA ID or group companies of WHA ID to support the working capital reserved in case that HREIT is required to return the security deposits for lease and service used for the investment in the Additional Investment Assets No. 2. The request for financial support from WHAID or group companies of WHA ID is subject to consideration of WHA ID or group companies of WHA ID.

1.4 Relevant Parties and Nature of Relationship

Management Structure and Related Structure of HREIT



Remarks:

WHA ID: WHA Industrial Development Public Company Limited

WHA IB: WHA Industrial Building Company Limited

WHA IRM: WHA Industrial REIT Management Company Limited

SCBAM: SCB Asset Management Company Limited

Lessee	WHA Industrial Development Public Company Limited ("HREIT")
Lessor	WHA Industrial Building Company Limited
Nature of Relationship	<ol style="list-style-type: none"> WHA ID is a major shareholder of WHA IRM, holds 24,499,998 shares or 99.99% of the total voting shares. WHA IB is a subsidiary of WHA ID, holds 29,399,998 shares or 99.99% of the total voting shares. WHA ID is the property manager of HREIT and directly hold 105,395,609 units of HREIT, representing 15% of HREIT's sold trust units as of 23 August 2018 (the latest closing date of the book of Trust Unit Registration) from the SET.

1.5 Details of HREIT's Additional Investment Assets No. 2

1.5.1 General Information of the Major Assets to be Invested

1. Leasehold right of lands and factory buildings in WHA Saraburi Industrial Land for 30 years from the commencement date of the lease period. The total land area is approximately 6-0-48 Rai with building area of approximately 11,196 square meters. 8 units of attached building factory are 27A, 27B, 27C, 27D, 27E, 3B-02, 93E and 93F.
2. Leasehold right of lands and factory buildings in WHA Saraburi Industrial Land for 30 years from the commencement date of the lease period. The total land area is approximately 6-3-50 Rai with building area of approximately 4,720 square meters. 1 unit of detached building factory is 93C.
3. A usable leased rooftop area of approximately 8,467 square meters.

However, HREIT will invest in the Additional Investment Assets No. 2 at a total value of not exceeding THB 477 M (exclusive of value added tax, registration fee and specific business tax, including other relevant fees and expenses which shall be borne by HREIT). HREIT shall have the right to extend the lease for another 30 years. The rental for the renewed period will be at the amount of THB 30 M (which shall be paid when the lease agreement is renewed, exclusive of value added tax, registration fee and specific business tax, including other relevant fees and expenses which shall be borne by HREIT).

Details of HREIT's Additional Investment Assets No. 2 is shown in the table below.

Factory Building

No.	Location	Unit	Rental Area (Sq. m.)	Description	Type of Factory	Title Deed No.	Approx. Land Area			Building Age (Year)	Investment Type		Occupied
							Rai	Ngan	Sq. Wah		Land	Building	
1	WHA Saraburi Industrial Land (WHA SIL)	27B	900	Single-storey factory building and 2- storey of office building	Attached ^{/1}	27149	9	1	46	6.26	Lease	Lease	✓
2		27C	900							6.26			✓
3		27D	900							6.26			✓
4		27E	900							6.26			✓
5		27A	1,152							6.26			✓
6		3B-02	1,656			5.36	✓						
7		93E	2,394	50690	19	3	76.3	6.17	✓				
8		93F	2,394					6.17	✓				
9		93C	4,720					Single-storey factory building and Single-storey of office building	Detached ^{/2}	6.17			✓
Total Factory Building			15,916				88	0	51.3	6.13			

Source: The Company

Remark: * The building age is calculated as of 31 December 2018

/1 Detached Building is a single-storey with mezzanine for the office

/2 Attached Building is a group of single-storey with mezzanine for the office

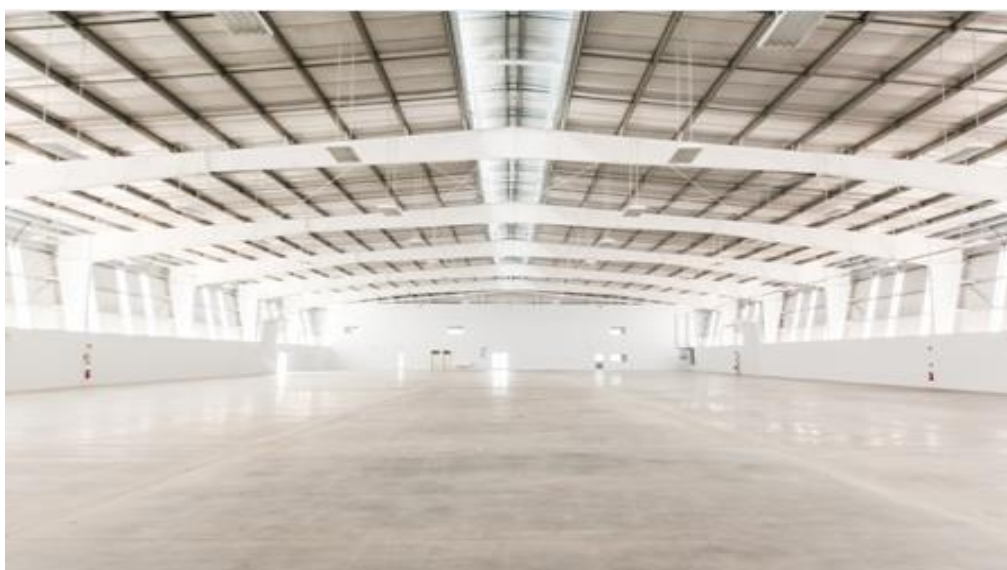
1.5.2 Characteristics of HREIT's Additional Investment Assets No. 2

Detached Building Factory

Detached building factory is a single-storey concrete and steel reinforced structure building, fenced in private area. It has mezzanine to be used as an office. The factories come with a guard house, parking space and docking space. The additional detached factory invested by HREIT were developed and built according to the factory standard but can also be customized to meet the tenant's needs. The detached factory building area of HREIT's Additional Investment Assets No. 2 is 4,720 sq.m. and the loading capacity for the floor is 3.5 - 5 tons per sq. m.



Source: The Company



Source: The Company

Attached Building Factory

Attached building factory is a group of single-storey concrete and steel reinforced structure building with mezzanine to be used as an office. All units are adjacent and the walls are shared, tall shutter is to accommodate the truck. The attached factory building area of HREIT's Additional Investment Assets No. 2 range from 900 – 2,394 sq.m. and the loading capacity for the floor is 3.5 - 5 tons per sq.m.



Source: The Company



Source: The Company

1.5.3 Guarantee of Occupancy

The investment in the Additional Investment Assets No. 2, the Asset Owner's Company agrees to pay the rental for the unoccupied leased properties to HREIT for the period of 3 years from the date of HREIT's investment or until there is a lessee during such period. The minimum rental rate for the attached building factory is THB 193 / sq.m. and detached building is THB 210 / sq.m. Moreover, the Asset Owner's Company also agrees to pay the rental short of the minimum rental rate for the period of 3 years if the rental rate of the lessees of the leased properties is lower than the minimum rental rate

In addition, WHA ID or WHA IB will pay the rental to HREIT for the leasable rooftop area for a period of 15 years from the date of HREIT's investment or until there is a lessee during such period (the "Warranty Period"). The rental rate is THB 3 / sq.m. / month and increase 6% every 3 years. In this regard, during such Warranty Period, HREIT shall give first right to WHA ID or WHA IB and/or persons related to WHA ID or WHA IB to lease such rooftop before any third party for a lease term of no less than the remaining Warranty Period, and the rental rate shall not be less than the rental rate that WHA ID or WHA IB pays to HREIT at that time and equal to or not less than the rental rate proposed by any third party to HREIT.

1.5.4 Age of Factories

The assets to be acquired are attach building factory and detached building factory which 89.60% of assets are more than 6 years and 10.40% are less than 6 years as at 31 December 2018 as follows:

Age Range (Year)	Total Rental Area (Sq.m.)	% of Total Rental Area
Less than 6	1,656	10.40
6 - 7	14,260	89.60
Total	15,916	100.00

Source: The Company

However, HREIT has major maintenance schedule according to the factory age as follows:

Details	Major Maintenance according to the Factory Age
Repainting	every 6 years
Air Conditioning	every 12 years
Fire Alarm	every 15 years
Roof	every 20 years
Transformer	every 20 years

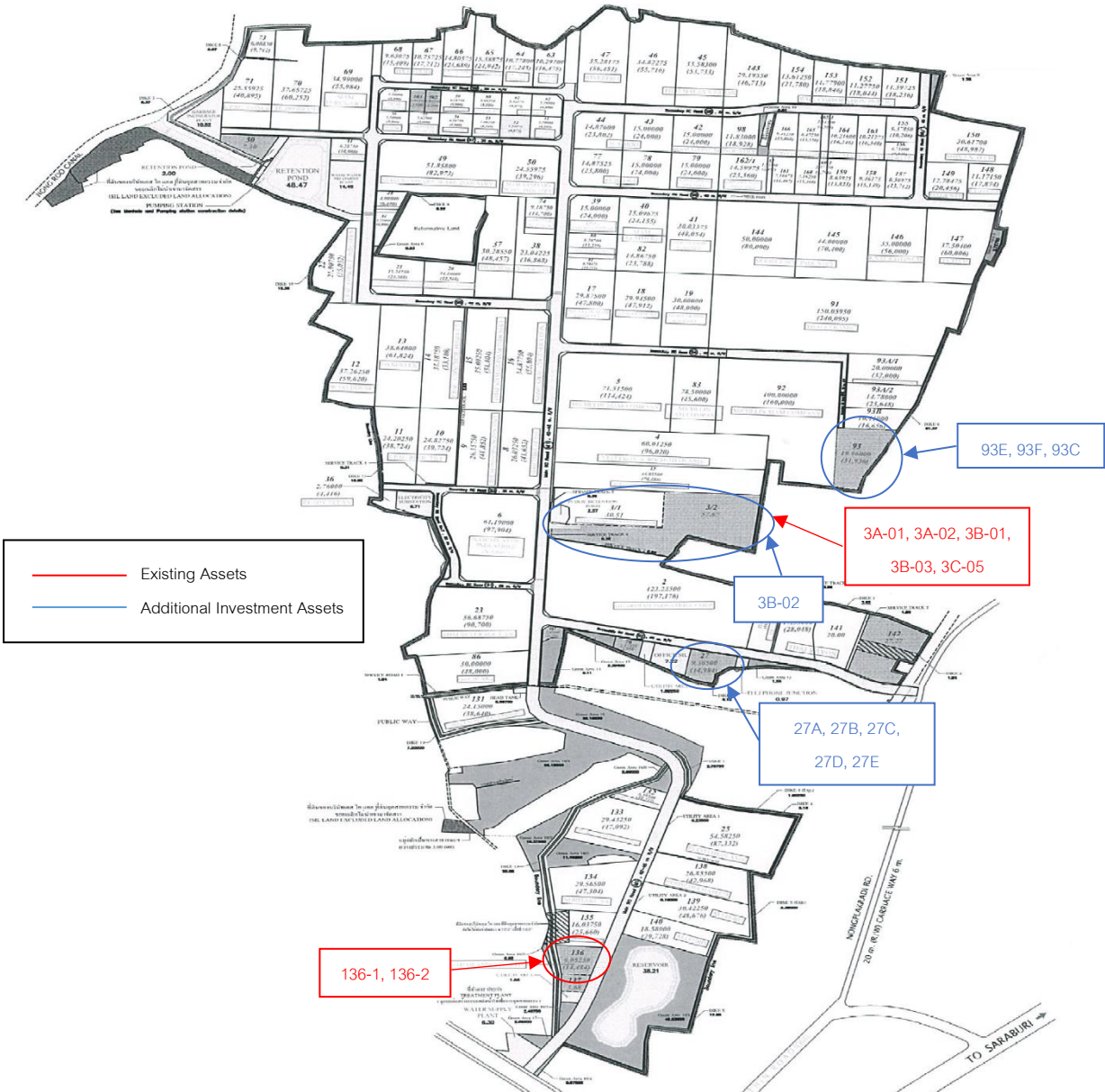
1.5.5 Location

The factories to be acquired are situated in WHA Saraburi Industrial Land with detail as follows:

Project	WHA Saraburi Industrial Land		
Developer	WHA Industrial Building Company Limited		
Address	Tambol Nong Pla Mo, Amphur Nong Khae, Saraburi Province		
Approximate Distance from Places (km)	Place	Real Distance	Driving Distance
	Bangkok	70	76
	Suvarnabhumi airport	150	183
	Laem Chabang deep-sea port	80	97
	Maptaphut deep-sea port	29	48
No. of Unit	9 units		

Source: The Company

Map of Additional Investment Asset No. 2 Location in WHA Saraburi Industrial Land



Source: The Company

1.5.6 Historical Occupancy Rate

The investment in Addition Investment Assets No. 2 comprise of 9 units of factories. The historical of occupancy rate is as follows:

Building Type	Occupancy Rate (%)			
	31 Dec 2015	31 Dec 2016	31 Dec 2017	30 Jun 2018
Factory	71	60	71	100

Source: The Company

Remarks: Occupancy rate was calculated from the occupied assets at the end of the year

1.5.7 Remaining Lease Term

The investment in Addition Investment Assets No. 2 has the lease expiry detail as follows:

Lease Expiry (Year) ^{/1}	Contribution to Each Asset Income (%)		
	Detached Building Factory	Attached Building Factory	% to the Total Rental Income
Within 2018 ^{/2}	-	43	30
Within 2020	-	45	31
Within 2022	100	-	31
Within 2023	-	12	8
Total	100	100	100

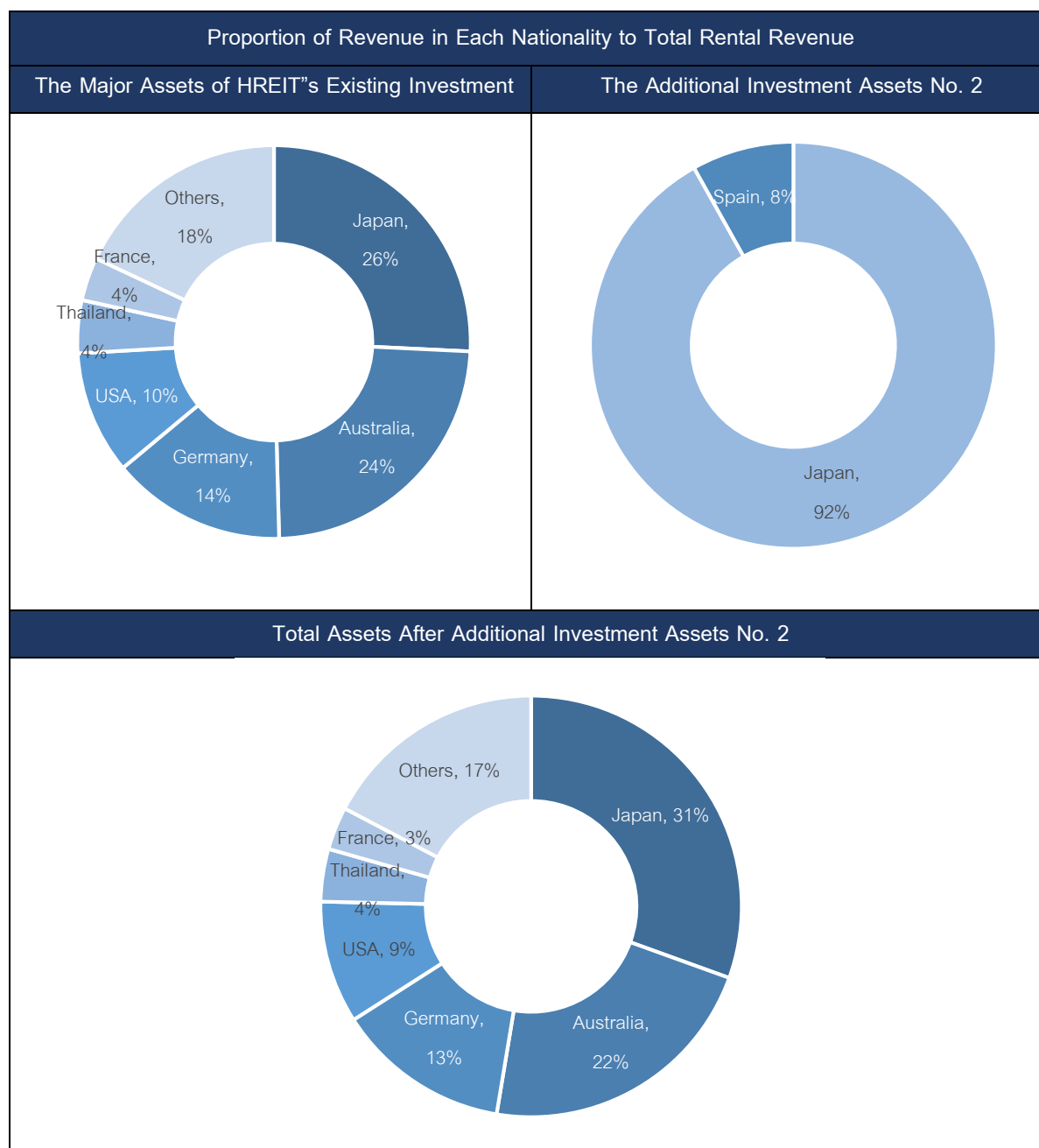
Source: The Company as at 30 June 2018

Remarks: /1 By ignoring the right of early termination.

/2 Based on the management interview of the Company, the lease agreement expire in 2018 is in the process of renewal with the tenant.

1.5.8 Information of the Tenants

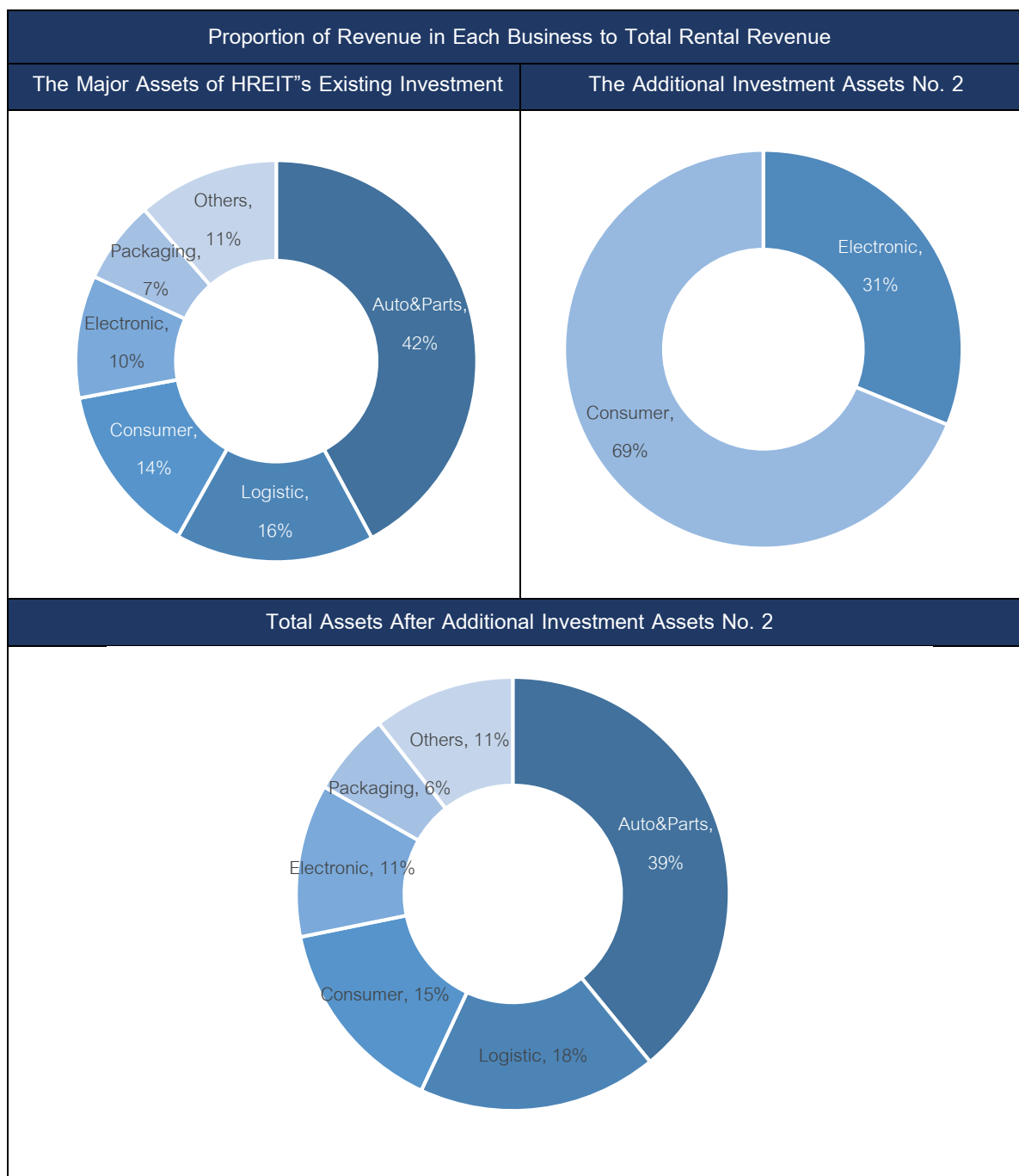
Information of the Tenants Classified by Nationality



Remark: 1. Only occupied units' revenues as of 30 June 2018.

2. Others comprise of England, India, Mexico, Italy, Switzerland, Indonesia, Belgium, Denmark, China, Spain, Singapore and Malaysia.

Information of the Tenants Classified by Business



Remark: 1. Only occupied units' revenues as of 30 June 2018.

2. Others comprise of chemical, battery and steel.

Summarized Details of Tenants of the Additional Investment Assets No. 2

No.	Project	Unit	Lease Expiry (Year)	Business Sector	Nationality	Registered Capital (THB)	Registration Date
1	WHA SIL	27A, 27B, 27C, 27D, 27E	2020	Electronics	Japan	11,552,000,000	1 Apr 2010
2	WHA SIL	3B-02	2020	Consumer	Spain	4,000,000	21 Jun 2013
3	WHA SIL	93E, 93F	2018	Consumer	Japan	115,000,000	24 Dec 2010
		93C	2019				

Source: The Company and BOL

Remark: More information in Appendix 3: Performance of the Additional Investment Assets No.2's Tenants

1.5.9 Structure of Rental Revenue and Main Expenses of Factories

Most of the three-year standard lease agreements charge a constant rental and service rate throughout the lease term, while most of the five-to-ten-year lease agreements charge a constant rate or a step up rate in accordance with the term of the agreements. Revenue and main expenses structure of the factory that HREIT will invest are as follows:

(Unit: THB)

Factory	2015	2016	2017	Q2 / 2018
Rental Revenue	18,510,534	13,623,830	15,810,854	11,354,558
Service Revenue	7,404,214	5,449,532	6,324,342	4,541,823
Total Revenue	25,914,748	19,073,363	22,135,196	15,896,382
Repairs and Maintenance Expenses ^{/1}	420,950	639,981	1,129,665	207,073

Source: The Company

Remark: ^{/1} Repairs and Maintenance Expenses consist of preventive maintenance, general repair, building maintenance, security guard, electricity, common expense and cleaning.

1.5.10 Historical Operating Results

HREIT plans to invest in 9 units of factories. The information regarding the historical occupancy rate, average rental fee and rental area are shown in the table below:

Details	2015	2016	2017	Q2 / 2018
Occupancy Rate (%) ^{/1}	71	60	71	100.0
Average Rental Fee (THB/sq. m./Month) ^{/2}	194.5	199.4	198.2	198.2
Rental Area (sq. m.)	15,916	15,916	15,916	15,916

Source: The Company

Remarks: ^{/1} Occupancy rate was calculated from the occupied assets at the end of the year

^{/2} The average rental fee was calculated according to the actual lease agreements with no regard to the compensation from the Rent-free Period (Grace period).

1.6 Summary of the Related Draft Agreements

Entering into the Acquisition of Assets and Related Party Transactions (Persons Related to the REIT Manager), there will be 6 transaction agreements and preliminary Term Sheet from a commercial bank. However, these summary of key provisions of the draft agreements may subject to further revisions to be further agreed by the counterparties.

1.6.1 Summary of the Drafted Lease Agreement

The Lessee	SCB Asset Management Company Limited as the Trustee of Hemaraj Leasehold Real Estate Investment Trust (the "Lessee")
Objectives of the Rent	The Lessee agrees to take possession of, utilise, exploit or perform any other act on the Leased Property associated with the lease of land, Ready-Built warehouse, distribution centre or factory business, including the lease of rooftop area and/or relating area for the project of electricity generation from solar energy on rooftop for sales (Solar Rooftop Project) to be in accordance with the Lessee's objectives or the Lessor's trust unitholders resolution unless otherwise agreed by both Parties and subject to the provisions of the laws, public order and public morality.
Lease Term	The Lessor agrees to let the Leased Property to the Lessee for the period of 30 (Thirty) years commencing on the commencement date of the lease term (the "Lease Term").
Leasehold Right Registration	The Parties agree to register the lease at the relevant Land Office or government agencies within the date and time to be mutually agreed by the Parties (the "Leasehold Right Registration Date"). The Parties agrees that the said registration shall take place within 30 (Thirty) days from the receipt date of the Lessee's written notice by the Lessor. Any exercise of right or performance of any obligation pursuant to this Agreement shall commence on the commencement date of the Lease Term.
Rental Payment	<ol style="list-style-type: none"> 1. The Lessee agrees to pay the rent of the Leased Property to the Lessor on the commencement date of the Lease Term. 2. Any rental payment and any payment pursuant to this Agreement made by cheque, instrument, or any other bill of exchange shall be deemed completed only after the Lessor has received the sum paid by said cheque, instrument, or any other bill of exchange. If the rental payment or any payment pursuant to this Agreement is made by bank account wire transfer, the payment shall be deemed completed only when the Lessor received the confirmation from the relevant bank of the sum transferred in full rental amount to the receiving bank account. The Lessor shall withhold any withholding tax at the rate prescribed by applicable law.
Right to Renew the Lease Agreement of the Lessee	<ol style="list-style-type: none"> 1. Upon the expiration of the Lease Term, the Lessor promises that the Lessee shall have an option to renew the Lease Term for a further period of 30 (Thirty) years (the "Renewed Lease Term") under the same terms and condition specified herein (the "Right to Renew the Lease Agreement"), provided that the provisions related to the following cases shall not be enforced with the Renewed Lease Term: <ol style="list-style-type: none"> 1.1. The rent as specified in the agreement about the rent and rental repayment; 1.2. The Right to Renew the Lease Agreement of the Lessee; 1.3. The performance security of the Lessor;

	<p>1.4. the Lessor's obligation not to sell, dispose of, assign, or create encumbrance of any kind over the Leased Property; and</p> <p>1.5. The Event of Default caused by the Lessor due to any sale, disposing of, assign of the Leased Property.</p> <p>2. Terms and conditions regarding the rent and the Lessor's obligations for the Renewed Lease Term shall be as follows:</p> <p>2.1. The rent shall be as specified in the Agreement regarding the rent for the Renewed Lease Term;</p> <p>2.2. The Lessor's obligation stipulated in Clause 4. for the Renewed Lease Agreement shall be as follows:</p> <p>The Lessor shall have the right to sell, dispose of, assign or create encumbrance of any kind over the Leased Property to any third party including the right to create any encumbrance or charge over the Leased Property, provided that such third party transferee of the Leased Property agrees in writing with the Lessee to abide and subject to all the rights and obligations of the Lessor pursuant to this Agreement</p> <p>3. The Lessee may exercise its Right to Renew the Lease Agreement by providing the Lessor with a prior written notice within the 21st (Twenty-first) to 25th (Twenty-fifth) year of the Lease Term.</p> <p>4. The Parties shall cooperate to procure any approval from the Securities and Exchange Commission and/or any relevant government agencies (if any), including to proceed with any action to assure that the renewed lease term complies with the rules and regulations of the Securities and Exchange Commission and complies with the rules and regulations regarding the Trust's investment in the property specified in the Trust Deed and the relevant Law.</p> <p>5. Upon providing a notice to exercise the Right to Renew the Lease Agreement by the Lessee to the Lessor, the Parties agree to register the leasehold right of the Leased Property for the Renewed Lease Term at the relevant Land Office or the relevant government agencies within 15 (Fifteen) days prior to the expiry date of the Lease Term specified in this Agreement unless otherwise agreed by the Parties (the "Leasehold Right Registration Date of the Renewed Lease Term").</p> <p>6. The Lessee agrees to pay the rent for the Lease Property for the Renewed Lease Term to the Lessor on the Leasehold Right Registration Date of the Renewed Lease Term.</p>
The Lessor's Performance Security	<p>1. The Lessor agrees to register the mortgage of the property to secure the covenant of the Lessor regarding the Right to Renew the Lease Agreement of the Lessor under this Lease Agreement and to secure the performance of the Lessor which may prevent the Lessee from exercising its Right to Renew the Lease Agreement. The Lessor allows the Lessee to hold the mortgaged land title deed as security from the date of the mortgage registration.</p> <p>2. The Parties agree to register the mortgage at the relevant Land Office or government agencies on the same day as the Leasehold Right Registration Date. The mortgage limit to be specified shall not exceed the approximate appraised value of the Leased Property invested by the Lessee, which is evaluated by 2 (two) appraisers, or in the case where the mortgage limit is</p>

	<p>highly set pursuant to the relevant law, the maximum mortgage limit permitted shall be in accordance with the relevant law, provided that such limit shall not exceed the approximate appraised value of the Leased Property invested by the Lessee, which is evaluated by 2 (two) appraisers. In the case where there is a maximum limit stipulated by law for any land, the Parties agree to, every 10 (ten) years from the commencement date of the Lease Term, increase the mortgage limit to be equivalent to the maximum limit permitted by law at that time, provided that such limit shall not exceed the approximate appraised value of the Leased Property invested by the Lessee, which is evaluated by 2 (two) appraisers. In the case where the registration of the mortgage of the Leased Property cannot be done on the same day as the Leasehold Right Registration Date due to any government procedure required, the Parties agree to submit the application for the mortgage registration to the Land officer at the relevant Land Office or the officer of the relevant government agencies on the same day as the Leasehold Right Registration Date in order to proceed with and acquire approval for the said mortgage registration in accordance with respective government procedures, rules and approaches. In such case, it is agreed that the mortgage registration of the Leased Property shall be completed within 30 (Thirty) days from the Leasehold Right Registration Date unless otherwise agreed by the Parties.</p> <p>3. The Parties agree to redeem the mortgage on the Leasehold Right Registration Date of the Renewed Lease Term and the Lessee agrees to return the land title deed of the mortgaged land to the Lessor on the said redemption date.</p>
The Lessee's Right to Use the Trade Name	<p>Strictly for the purpose stipulated in this Agreement regarding the utilization of the Leased Property and without additional cost, the Lessee is entitled to use the trade name and/or trademark associated with the WHA Saraburi Industrial Land for the Lessee's full and valid operations in the WHA Saraburi Industrial Land.</p>
Obligation of the Lessee	<p>1. The Lessee agrees to operate, manage, or otherwise proceed with any matter in accordance with the terms and conditions prescribed in this Agreement.</p> <p>2. Unless otherwise stipulated in the Undertaking Agreement with regard to the <u>Obligation of the Lessor to Pay for the Development/Alteration of the Property</u>, the Lessee agrees, at its own expense, to procure substitution for or renovate and maintain, repair, and develop the Leased Property or proceed in any manner in order for the Leased Property to be in good condition or suitable to be utilized for the purpose pursuant to this Agreement throughout the Lease Term and the Renewed Lease Term.</p> <p>3. The Lessee agrees not to construct any structure or any component part on the Leased Property, and not to modify any part of the leased property which shall render the leased property to be damaged, or alter the Leased Property which requires an approval from the relevant government agencies unless the Lessee has entered into the discussion with the Lessor and the Lessee shall have the right to do so when the prior written consent has been obtained from the Lessor. In consideration of the foregoing, the Lessor agrees not to deny the same without proper reason.</p>

The Lessor acknowledges that the solar cell will be installed on the Leased Rooftop Area, including the installation of the required accessories for the operation of the Solar Rooftop Project on some part of the Trust's Leased Property. If such installment is not subject to prior approval of the relevant government agencies, The Lessee and the sub-lessee shall notify the Lessor prior to such installment.

Upon the expiration of the Lease Term or the Renewed Lease Term (as the case may be), both Parties agree that all component parts installed on the Leased Property (including the component part of the Solar Rooftop Project installed by the Solar Rooftop Project Operator (if any) shall belong to the Lessor at the suitable condition with regular wear and tear at the expiry date of the Lease Term or the Renewed Lease Term (as the case may be). In such event, the Lessee shall not be entitled to claim for any compensation from the Lessor.

For the avoidance of doubt, the Lessor acknowledges and agrees that all relevant accessories shall belong to the Sub-Lessee of the Solar Rooftop Project area and/or a person designated by the Sub-Lessee and/or Solar Rooftop Project Operator, and shall not be considered as component part(s) of the Leased Property.

4. The Lessee, as a possessor of the Leased Property, undertakes to solely responsible for any damage occurred for both civil and criminal liabilities, as a result of a damage, in the case where the construction of any building or component part, or any alteration of any part of the Leased Property as aforesaid in the previous Clause, to any person or building, including in the case where the damage occurs as a result of the Lessee's breach of any applicable laws, orders, rules, and/or any other regulations of any relevant government agency.
5. Throughout the Lease Term or the Renewed Lease Term (as the case may be), the Lessee agrees to pay the management fee and the common public utility maintenance fee for the Leased Property to the developer of WHA Saraburi Industrial Land on quarterly basis and in advance, at the rate as specified by the developer of WHA Saraburi Industrial Land and it shall be in accordance with the standard set by the developer of WHA Saraburi Industrial Land for such WHA Saraburi Industrial Land. The Lessee shall pay the management fee and the common public utility maintenance fee pursuant to either one of the following terms and conditions:
 - (a) In the case of the untenanted Leased Property or in the case where there is no agreement between the Lessee and the tenants in the Lease Agreement specifying that such tenants shall be responsible for the management fee and the common public utility maintenance fee (Attached Building), the Lessee undertakes to pay the said management fee and the common public utility maintenance fee of the Leased Property to the Lessor or the service provider in relation to the management and the maintenance of the common public utility or the developer WHA Saraburi Industrial Land;
 - (b) In the case where the area in the Leased Property is leased by the tenants and there is an agreement between the Lessee and the tenants in the Lease Agreement specifying that such tenants shall be responsible for the management fee and the common public utility maintenance fee (Detached Building), the Lessor or the service provider in relation to the

	<p>management and the maintenance of the common public utility or the developer of WHA Saraburi Industrial Land undertakes to procure the payment of the management fee and the common public utility maintenance fee directly from the tenants. To proceed with the foregoing, the Lessee shall use its endeavour to procure the payment of the management fee and the common public utility maintenance fee from the tenants. For the avoidance of doubt, if the area in the Leased Property is leased by the tenants, the Lessee is not obligated to pay the management fee and the common public utility maintenance fee.</p> <p>6. The Parties agree and acknowledge that the Lessee will lease the Leased Property to the tenants after the Leasehold Right Registration Date. Lessee will appoint the property management to supervise the tenants to utilize the Leased Property in good faith.</p>
The Obligations of the Lessor	<p>1. The Parties agree that the possession of the Leased Property is deemed to have handed over to the Lessee on the commencement date of the Lease Term.</p> <p>2. On the execution date of this Agreement, the Lessor agrees to execute all other relevant documents as agreed by the Parties (if any), including but not limited to the Addendum Agreement attached to the Mortgage Agreement.</p> <p>3. The Lessor hereby agrees that the Lessee shall have the right to fully utilize the Leased Property in accordance with the purpose and objectives of this Agreements without any interfering of such right, encumbrance, or any act that shall affect or cause the Lessee to be unable to utilize the Leased Property whether in whole or in part.</p> <p>In the case that it is necessary for the Lessee, regarding any lease of any Leased Property in WHA Saraburi Industrial Land, to use a pathway in the plot of land which is not the Leased Property as a n ingress-egress pathway only (hereinafter referred to as the "Charged Land"), the Lessor agrees to register an encumbrance on the Charged Land in favour of the Lessee in order for the Lessee and/or its dependents and/or any person designated by the Lessee, including but not limited to the tenants of the Lessee in the Leased Property to be able to utilize the Charged Land throughout the Lease Term and the Renewed Lease Term without any cost. Both Parties agree to register the said encumbrance on the said Charged Land at the relevant Land Office or the relevant government agencies on the same day of the Leasehold Right Registration Date or Leasehold Right Registration Date of the Renewed Lease Term (if the Lessee exercises its right to renew the Lease Term), provided that said registration of the encumbrance on the Charged Land shall have the same term as the Lease Term or the Renewed Lease Term (as the case may be). If either Party (in case of the Lessee, it shall include its dependents and the person designated by the Lessee) fails to comply with the purpose of the utilization of the Charged Land as stipulated herein, the other Party shall have the right to claim for any damages as a result of the said incompliance with any term regarding the purpose of the utilization of the Charged Land. Furthermore, regarding the registration of the encumbrance on the Charged Land in favour of the Lessee, if the Lessee assigns the leasehold right to any third party pursuant to terms stipulated in this Agreement, the Parties agree to deregister the encumbrance on the Charged Land registered in favour of the Lessee, and the Lessor agrees to register an encumbrance on the Charged Land in favour of such assignee in</p>

	<p>order for the said assignee to be able to utilize the Charged Land throughout the Lease Term or the Renewed Lease Term (if any) without any cost. The Lessor shall not be responsible for any expense regarding the registration of such encumbrance.</p> <p>4. Upon the execution date of this Agreement and throughout the entire Lease Term, the Lessor shall not sell, transfer, assign or create any encumbrance over the Leased Property unless in the event where:</p> <p>4.1. It is a mortgage of the property in favour of the Lessee as stipulated in this Agreement; or</p> <p>4.2. In any other event that the Lessor acquires prior written consent from the Lessee whereby the third party to whom the Lessor assign the ownership of the Leased Property agrees in writing to abide by and subject to all rights and obligations of the Lessor under this Agreement.</p> <p>5. The Lessor shall proceed to notify all tenants who have leased any leased area from the Lessor prior to or on the commencement date of the Lease Term of the amendment of the Party to this Agreement and shall use its best endeavor to procure consents from such tenants by signing in the Novation Letter and/or other necessary and relevant document or agreement between the Lessor, the tenants and the Lessee. In the event where certain tenant fails to sign the Novation Letter to become a party to the agreement directly with the Lessee and the Lessee is unable to procure rental payment and service fee directly from such tenant, the Lessor undertakes to be responsible for such tenant including deliver to the Lessee benefits and security deposit for the lease from said tenant without any deduction of expense within 7 (seven) business days from the day the Lessor receive the same from the tenants until the said tenant has become the direct party to the agreement with the Lessee. Additionally, upon expiration of the current Lease Agreement and the current Service Agreement, if the said tenant wishes to continue to lease the land and building, the Lessor undertakes to arrange for such tenant to execute the Lease Agreement and the Service Agreement directly with the Lessee.</p> <p>6. The Lessor agrees to use it endeavor to proceed with the following within 60 (sixty) days from the commencement date of the Lease Term, provided that the Lessor shall forthwith notify the Lessee of any hindrance (if any) in order for the Parties to mutually consider a respective solution:</p> <p>6.1. deliver to the Lessee a list including any document (if any) associated with the details of the tenants and the service user of the Leased Property; and</p> <p>6.2. proceed with any necessary and appropriate action to ensure that the Lessee is able to utilize the Leased Property and has the complete rights and obligations pursuant to the Lease Agreement and the Service Agreement.</p>
Insurance	<p>To be in conformity with the rules and regulations of the Securities and Exchange Commission, by the virtue of this Agreement, the Parties agree that the proceedings in regards of the insurance and the use of the indemnity obtained from the insurance company, for the construction and/or repair of the Leased Property pursuant to this Agreement, shall be as follows:</p>

	<ol style="list-style-type: none"> 1. The Lessee agrees to arrange for the Public Liability Insurance and undertakes to be responsible for any expenses or fee arisen or in connection with the aforesaid proceeding and the payment of the premium for the said insurance policy. 2. The Lessor and the Lessee shall arrange for the Property All Risk insurance which shall be a building insurance that sufficiently and properly covers the risks that may occur to the leased building. The insured amount shall be calculated based on the Replacement Cost exclusive of any cost of land. The Lessee and/or the creditor of the Lessee (if any) shall be specified as the co-assured and co-beneficiaries in the insurance policy for the leased building or as the insurance has been arranged proportionately based on the sized of area occupied or owned by the Lessee and the Lessor. The Lessee and/or the creditor of the Lessee (if any) and the Lessor shall be entitled to receive the indemnity on pro rata basis based on the size of area occupied or owned by each Party. In this regards, The Lessee and/or the creditor of the Lessee (if any) shall be entitled to receive all indemnity for the leased building to be used pursuant to the terms stipulated herein. Additionally, the Lessee and the Lessor agrees to be responsible for the expenses or fees occurred or associated with the aforementioned procedures and for the premium payable per the insurance policy on pro rata basis based on the size of the area occupied or owned by such respective Party. 3. In the event where the Leased Property is partially damaged (as defined in <u>the Damage or Destruction of the Leased Property</u>), this agreement shall remain in full force and effect only for the undamaged and functional part of the leased property. Said partially undamaged Leased Property shall continue to be the Leased Property under this Agreement. For the avoidance of doubt, the damage on each Leased Property shall be considered separately.
Assignment of Leasehold Right and Sublease	<ol style="list-style-type: none"> 1. During the Lease Term and/or the Renewed Lease Term of this Agreement, the Lessor agrees that the Lessee may assign any of its rights and obligations regarding the lease of the leased building under the Lease Agreement, whether in whole or in part of the Leased Property, to any person, including but not limited to the use of rights and obligations under this Agreement as a security for any loan from any financial institution, provided that the Lessee has provided the Lessor a prior written notification of the same. The assignment of rights and obligations under this Agreement shall not be done in any way that will affect any rights and obligations of the Lessor under this Agreement and shall be subject to the Lease Term or the Renewed Lease Term (as the case may be). In the event where it is an assignment to any operator with competitive nature of business to the Lessor's and/or to any person in the same group of the Lessor, the Lessee shall obtain the prior written consent from the Lessor. 2. During the Lease Term and/or the Renewed Lease Term of this Agreement, the Lessor agrees that the Lessee may assign any of its rights and obligations regarding the lease of the leased land under the Lease Agreement, whether in whole or in part of the Leased Property, to any person upon obtaining a prior written consent from the Lessor. The Lessor agrees that the Lessee may use its rights and obligations under this Agreement as a security for any loan from any financial institution, provided that the Lessee has provided the Lessor a prior written notice of the same. The assignment under this Agreement shall not be done in any way that will affect

	<p>any rights and obligations of the Lessor under this Agreement and shall be subject to the Lease Term or the Renewed Lease Term (as the case may be).</p> <p>3. For the benefit of the lease of land, factory building, and/or Solar Rooftop Project business, the Lessor agrees that the Lessee may sublease the building and/or the land which are a part of the Leased Property and/or the Solar Rooftop Project area, whether in whole or in part, to any person without obtaining prior consent of the Lessor provided that such sublease shall not be given to any tenant operating prohibited business pursuant to the relevant law.</p> <p>However, the sublease term or the condition of the renewal of the lease term shall be subject to the Lease Term and the Renewed Lease Term (as the case may be). If any tenant wishes to renew the term of the Lease Agreement or the Service Agreement beyond the Lessee's Lease Term and Renewed Lease Term (as the case may be), when notified by the Lessee, the Lessor may enter into a Lease Agreement and a Service agreement for the term beyond the Lessee's Lease Term or Renewed Lease Term (as the case may be) on the same date as the renewal date of such Lease Agreement and Service Agreement with the Lessee subject to an agreement with each tenant. The Lessor agrees to use it endeavor to, and will not unreasonably deny the entering into the said agreements with any tenant.</p>
<p>Tax and Revenue Stamp with Regard to the Leased Property</p>	<ol style="list-style-type: none"> 1. The Lessor undertakes to be responsible for the land and building tax in relation to the Leased Property prior to the commencement date of the Lease Term and throughout the period of 3 (three) years from the commencement date of the Lease Term. 2. The Lessee undertakes to be responsible for the land and building tax, and fees or any other tax that the government may additionally stipulate or enforce in regards to the land and building and/or proceeds or benefit from occupying the Leased Property from the date subsequent to the end date of such aforementioned period of 3 (three) from the commencement date of the Lease Term. 3. In the event where one of the Party has paid any land and building tax, and/or any tax in lieu of the other Party, the Party liable for such land and building taxes agrees to reimburse to the paying Party within 5 (five) working days from the receipt date of a notice of the same from such paying party. 4. The Lessor undertakes to be responsible for any revenue stamps relating to the execution of this Agreement and the Renewed Lease Term Agreement.
<p>Fees and Expenses</p>	<ol style="list-style-type: none"> 1. Unless otherwise stipulated in other part of this Agreement for the fees and expenses, the Lessor agrees to be responsible for any other fees and expenses in relation to the Leased Property including all expenses associated with the initial registration of the leasehold right pursuant to this Agreement. <p>Except for any other fees and expenses otherwise stipulated in other part of this Agreement, the Lessee agrees to be responsible for any relevant fees and expenses associated with the Leased Property throughout the Lease Term and/or the Renewed Lease Term (as the case may be) pursuant to this Agreement, including but not limited to other fees and expenses associated with the registration of the leasehold right of the Renewed Lease Term.</p>

	<ol style="list-style-type: none"> 2. The Lessor agrees to be responsible for any other fees and expenses with regard to the mortgage of the property, including other expenses in relation to the registration of all mortgages (the first mortgage and the other if there is an increase of mortgage limit pursuant to The Lessor's Performance Security Clause) per the terms of this Agreement. 3. The Lessor agrees to be responsible for fees regarding the registration of encumbrance on the Charged Land and any expenses arisen from or relating to all registrations of encumbrance on the Charged Land (the first registration and for the Renewed Lease Term) per the terms of this Agreement. 4. The Lessor agrees to be responsible for any outstanding indebtedness, expenses, maintenance cost, and encumbrance in relation to, or associated with the maintenance of the Leased Property arisen and still outstanding prior to the commencement date of the Lease Term. Furthermore, the Lessor agrees to be responsible for any indebtedness, expenses, maintenance cost, and encumbrance in relation to, or associated with the maintenance of the Leased Property arisen throughout the Lease Term and/or the Renewed Lease Term (as the case may be) pursuant to this Agreement. In the event where any Party obtains any such money or benefit which it is not entitled to, such Party agrees to deliver such money or benefit to the entitled Party.
Event of Default	<p>Upon the occurrence of any of the following event, it shall be deemed the Event of Default of the Party related to such event:</p> <ol style="list-style-type: none"> 1. Event of default by the Lessor <ol style="list-style-type: none"> 1.1. In the event where the Lessor intends to breach or to not comply with any terms of this Agreement or Undertaking Agreement (Owner of the Properties), and fails to remedy such breach or noncompliance within 90 (ninety) days from the date of being notified of or acknowledged of such default or within any period as agreed by the Parties unless such default is a result of any force majeure or any breach of any terms and conditions stipulated in this Agreement by the Lessee. 1.2. In the event where the Lessor fails to uphold to its offer granted to the Lessee regarding the renewal of this Lease Agreement for the Renewed Lease Terms as stipulated in the Right to Renewal the Lease Agreement, it shall immediately be deemed as an Event of Default of this Agreement. 1.3. In the event where the Lessor sell, distribute of, or assign the Leased Property during the Lease Term without obtaining prior consent from the Lessor, it shall immediately be deemed as an Event of Default of this Agreement. 1.4. In the event where the Leased Property is confiscated pursuant to the court order as a result of the Lessor's fault by a person who has lawfully exercised its right and consequently caused the Lessor to no longer be able to fully utilize the Leased Property pursuant to the purpose and objective of this Agreement. 1.5. In the event where the Lessor is ordered by a competent court to be under receivership or to become bankrupt or being placed under dissolution, liquidation or a rehabilitation

	<p>process and the Lessee considers that it will affect the Lessor's ability to repay the debts or to comply with this Agreement.</p> <p>2. Event of default of the Lessee</p> <p>2.1. In the event where the Lessee intends to breach or to not comply with any terms of this Agreement, or warranties pursuant to this Agreement and fails to remedy such breach or incompliance within 90 (ninety) days from the date of being notified of or acknowledge of such default or within any period as agreed by the Parties, unless such default is a result of any force majeure or any breach of any terms and conditions stipulated in this Agreement by the Lessor, or unless such incompliance of any terms and conditions of this Agreement was a consequent of (a) wilful misconduct or negligence in performing its obligation under Property Management Agreement by WHA Industrial Development Public Company Limited and/or (b) wilful misconduct or negligence in performing its obligation under Property Management Agreement by the Property Manager who is a person in the same group as the Lessor.</p>
Termination of the Agreement	<ol style="list-style-type: none"> 1. It has reached the expiration of the Leased Term or the Renewed Lease Term (as the case may be). 2. The Parties mutually agree to terminate the Agreement. 3. The withdrawal or revocation of the status of the Trust by law and/or orders of any relevant government agencies, including the Securities and Exchange Commission and/or the Capital Market Supervisory Board provided that such withdrawal or revocation is not a result of the Lessor's, Lessee's or Trustee's fault. 4. In the event where the entire or material part of each plot of the leased land is subject to a expropriation, or is part of the nature reserve, or part of the land under survey regarding the expropriation pursuant to any notification or law associated with the expropriation or any other relevant law which shall materially cause the Lessee to be incapable of utilizing such certain plot of land of the Leased Property. The Lessee has the right to consider whether this Agreement shall be terminated upon the only plot of Leased Property which affected from such event or not.

1.6.2 Summary of the Drafted Movable Properties Sale and Purchase Agreements

The Party	<p>SCB Asset Management Co., Ltd. as trustee of Hemaraj Leasehold Real Estate Investment Trust (the "Buyer")</p> <p>WHA Industrial Building Company Limited (the "Seller")</p>
The Sell and Purchase of Movable Properties	<p>The Buyer agrees to buy movable properties (the list of movable properties is attached to the Agreement) (the "Property") from the Seller, and the Seller agrees to sell the Properties to the Buyer at the agreed price and under the terms provided herein.</p> <p>Provided that, the sales and purchases hereunder shall become effective between the Parties hereof on the Lease Date as specified in the Lease Agreement (the "Effective Date")</p>
Purchase Price	<ol style="list-style-type: none"> 1. The Parties agree to buy and sell the Property at the total price of Baht 7,679,721.61 (excluding VAT). The Buyer shall make a payment of the said price in whole within the Effective Date as defined bellow. Provided that such payment may be made in the form of a bank cashier's cheque or a wire-transfer to the Seller's account, as the Seller shall notify the Buyer prior to the Effective Date, or by any other mutually agreed methods. The Seller shall provide a receipt to the Buyer as evidence. 2. Any payments of the purchase price or other payments hereunder by cheque, instrument or any other bill of exchange, except for the cashier's cheque, shall be deemed complete only upon the Seller being paid from such cheque, instrument or bill of exchange.
Transfer of Ownership in the Property	<p>The Parties agree that the transfer of ownership in the Property hereunder shall be effective on the Effective Date and upon the Seller being paid for the purchase price in the full amount as required hereunder (the "Transfer of Ownership Date"). The possession of the Property shall be deemed delivered by the Seller to the Buyer at the location of such Property. The Seller further agrees to be answerable for any remaining liabilities, costs, maintenance fees, and any obligations relating to or in connection with the maintenance of the Property, sold by the Seller which is outstanding and incurred prior to the Transfer of Ownership Date. In case of any Party receives any money or other benefits without legal entitlement, the Party receiving such money or benefit shall return such money or benefit to the other Party.</p>
Taxes and Fees	<p>The Buyer shall be responsible for all fees incurred or may incurred from any proceedings of transfer of Property's ownership to the Buyer, as well as being responsible for any value-added taxes from the sales of Property.</p>
Warranties of Property	<p>On the Property delivery date, the Seller warrants that the Property are free from any encumbrances and any evictions, including but not limited to the Property being pledged or hire-purchased, or being used as security by any other means to any third parties, as well as the cause of any right of claim against the Property, or the Buyer's right to acquire the Property being inferior or second to others.</p>

1.6.3 Summary of the Drafted Addendum Agreement Attached to the Mortgage Agreement

Mortgagee	<p>SCB Asset Management Co., Ltd. as trustee of Hemaraj Leasehold Real Estate Investment Trust (the "Mortgagee" or "Trust")</p> <p>WHA Industrial Building Company Limited (the "Mortgagor")</p>
Obligations Mortgaged As Security	<p>The following obligations incurred or to be incurred under the Lease Agreement, for example, prepaid rental fee, the loss of benefit in using the leased property under the Lease Agreement, any sums of money to be returned according to the Lease Agreement, damages or any expenses incurred or may incurred in relation to the claim against the Mortgagor to comply with the Lease Agreement, or a call for money debt payment or any actions according to the Lease Agreement, a call to comply with the Mortgagor's covenant, as a Lessor, regarding the right of the Mortgagee, as a Lessee, to renew the Lease Agreement thereunder, and the Mortgagor is liable under the Lease Agreement.</p>
Enforcement of Mortgage	<p>The Mortgagee shall be entitled to enforce the mortgage upon the Mortgagor's breach of the Lease Agreement and the Mortgagee has exercised its rights to terminate the Lease Agreement, or upon the Mortgagor's breach of promise to the Mortgagee under the Lease Agreement to renew the Lease Agreement and the Mortgagor is liable under the Lease Agreement.</p>
Redemption of Mortgage	<p>When the registration of the leasehold right during the renewed term under the Lease Agreement, where the Mortgagor has performed its duty as provided above, or when the Lease Agreement is extinguished or terminated prior to the expiration of the lease term by any other reasons excluding the Mortgagor's incompliance to the above terms, the obligations of Mortgagor hereunder shall be deemed extinguished on the date of the leasehold right registration during the renewed term under the Lease Agreement or on the date of such termination or extinguishment of the Lease Agreement, and the Mortgagee agrees to redeem the mortgaged properties to the Mortgagor on the said date of the leasehold right registration during the renewed term under the Lease Agreement, or on the said date of termination or extinguishment of the Lease Agreement.</p>

1.6.4 Summary of the Drafted Undertaking Agreement (WHA Industrial Development PLC.)

The Parties	<p>WHA Industrial Development Public Company Limited (“WHAID”) and</p> <p>SCB Asset Management Co., Ltd. as trustee of Hemaraj Leasehold Real Estate Investment Trust (the “Trust”)</p>
<p>The Retaining of Trust</p> <p>Unitholding Ratio</p>	<ol style="list-style-type: none"> 1. To comply with the Loan Agreement, during a period of 5 (five) years from on the effective date of the term of the Trust’s Leased Property under the Lease Agreement (the “Unit Holding Term”), WHAID agrees that the unitholding ratio in the Trust of WHAID and/or persons in the same group shall not collectively be less than 15 (fifteen) percent of the total trust units in the Trust. Provided that “the persons in the same group” shall also include any persons who have any of the following relationships: <ol style="list-style-type: none"> (1) Spouse and minor children; (2) Juristic person and shareholders or partners of the juristic persons who hold the shares or hold partnership in such juristic person of not less than 50 (fifty) percent of the total shares sold or total partnership; (3) Private Fund of the persons in (1) or (2) but not including the Provident Fund. 2. During the Unit Holding Term as mentioned above, WHAID agrees that WHAID and/or the persons in the same group as WHAID will not sell, dispose of or transfer the units or pledge the units or create any encumbrances which causes WHAID and/or persons in the same group as WHAID to hold the units in less than the proportion as set forth as above, except for the case of any pledge or creation of encumbrances for the sake of the Trust’s benefit which are approved by the Trustee in prior written consent. 3. WHAID shall be relieved from the obligations regarding the retaining trust unit holder ratio on the date of the such conditions under the Loan Agreement is termination or extinguished.
Covenants in Managing the Conflict of Interest	<p>During the term of being the REIT Manager by WHAID, WHAID agrees to the Trust that in every case of anyone interested in the leasing of the factory and/or warehouse, it shall offer the customers all of the properties for their consideration regardless of whose parties the properties belong to, including the rent setting at the comparable rate in size, location, form, and age of the similar range for the sake of transparency and for the sufficient information in consideration of the customers.</p>

1.6.5 Summary of the Drafted Undertaking Agreement of the Asset Owner's Company

The Parties	<p>WHA Industrial Building Company Limited (the "Property Owner")</p> <p>and</p> <p>SCB Asset Management Co., Ltd. as trustee of Hemaraj Leasehold Real Estate Investment Trust (the "Trust")</p>						
Obligation of the Property Owner to Compensate the Rent	<p>1. The Property Owner shall be responsible to compensate for the loss of rent and service fee (collectively the "Rent") from the <u>untenanted</u> Leased Property for the period of 3 (three) years commencing on the start date of the Lease Term under the Lease Agreement (the "Compensation Period") with the following Rent rate;</p> <table border="1" data-bbox="534 689 1257 869"> <thead> <tr> <th>Type of Leased Property</th><th>Compensate Rent Rate (Baht/Square Metre)</th></tr> </thead> <tbody> <tr> <td>Factory with Attached Building</td><td>193</td></tr> <tr> <td>Factory with Detached Building</td><td>210</td></tr> </tbody> </table> <p>In this regards, the Parties agree that the compensated Rent shall be payable by the Property Owner to the Trust in every quarter under the terms specified in the <u>Article 2 to 5</u>.</p> <p>2. During the Compensation Period, the Property Owner shall be responsible to compensate the Rent at the rate specified in the table in Clause 1 for the untenanted Leased Property (whether the Leased Property has been untenanted throughout the Compensation Period or has been tenanted Leased Property that was subsequently untenanted) (the "Untenanted Leased Property").</p> <p>3. Under clause 6, in the events that the Untenanted Leased Property is leased by any tenants during the Compensation Period, the Property Owner shall be relieved from the obligations to compensate for the Rent to the Trust commencing from the start date of the lease term of the Untenanted Leased Property by the tenants.</p> <p>4. Provided that during such Compensation Period, in case of the lease term of any lease agreement and service agreement (collectively the "Lease Agreement and Service Agreement") of any tenants on the Leased Property expire thereunder and the Lease Agreement and Service Agreement are not renewed, the Property Owner shall be responsible to compensate the Rent at the rate specified in the table of Article 1 from the lease expiration date of the Lease Agreement and Service Agreement of respective tenants up to the expiration date of the Compensation Period or until the lease date of the tenanted Leased Property which was untenanted and subsequently leased by other tenant (whichever earlier) regardless of the rent rate that the Trust may obtain from such tenants whether more or less than the compensated Rent rate specified in the table of Clause 1.</p> <p>5. Provided that during such Compensation Period, in case of defaults by any tenants on the Leased Property or failure to pay rent under the Lease Agreement and Service Agreement, the Property Owner shall not be responsible for the Rent payment in lieu of the tenants</p>	Type of Leased Property	Compensate Rent Rate (Baht/Square Metre)	Factory with Attached Building	193	Factory with Detached Building	210
Type of Leased Property	Compensate Rent Rate (Baht/Square Metre)						
Factory with Attached Building	193						
Factory with Detached Building	210						

under the Lease Agreement and Service Agreement in any case, however, if the Lease Agreement and Service Agreement of any tenant is terminated prior to the expiration date of the lease term of such tenants due to the breach (on whatsoever causes), the Property Owner shall be responsible for the Rent rate specified in the table of Clause 1 from the Trust's Loss of Rent from the Leased Property date up to the expiration date of the Compensation Period or the lease date of the Untenanted Leased Property by other tenant (whichever earlier) regardless of the rent rate that the Trust may obtain from such tenants whether more or less than the compensated Rent rate specified in the table of Clause 1.

Given that the calculation of the amount of the "Trust's Loss of Rent from the Leased Property" is as follows;

- 5.1. In addition to the security deposit secured from the tenants under the Lease Agreement and the Service Agreement (the "Security Deposit"), the Trust may consider to claim for compensation for the damages entitled to receive by the Trust under the Lease Agreement and the Service Agreement from the tenants accordingly (the "Compensation for Damages") unless otherwise agreed by the Parties; and
- 5.2. The Trust shall utilize the Security Deposit and/or the Compensation for Damages (if any) obtained from the tenants for the purpose of maintaining the Leased Property to be in the leasable conditions (if any); and
- 5.3. The Trust shall consider to apply the remaining Security Deposit and/or Compensation for Damages after the maintenance deduction pursuant to Clause 5.2 (if any) for the compensation of the Trust's loss of earnings for the period commencing from the termination date of the Lease Agreement and Service Agreement between the Trust and such tenants thereafter; and
- 5.4. Upon the date when the Trust used up all of the Security Deposit and/or the Compensation for Damages pursuant to Clause 5.2 and 5.3 above, it shall be deemed as the "Trust's Loss of Rent from the Leased Property" date.

For the avoidance of doubt, if the Trust's Loss of Rent from the Leased Property date occurs after the expiration of the Compensation Period, the Property Owner shall have no obligation to compensate for the Trust's loss of earning in any case.

In addition, if the Parties deem appropriate to pursue legal proceedings to claim for the Compensation for Damages from the tenants, the Parties agree that it shall be deemed as the Trust is yet to receive the Compensation for Damages from such tenants during such legal proceedings against them for the purpose of the calculation of the Trust's Loss of Rent from the Leased Property" as defined in Clause 5.1 – 5.4. In this regards, the Trust shall use its best efforts to obtain the Compensation for Damages from the tenants and agrees to promptly reimburse such Compensation for Damages obtained from such tenants in the amount which the Property Owner had compensated the Trust to the Property Owner.

	<p>6. During the compensation period, if the Rent is lower than the minimum rental rate as follows, the Property Owner shall be responsible for the rental short of the minimum rental rate to HREIT</p> <table border="1" data-bbox="534 324 1257 506"> <tr> <th>Type of Leased Property</th><th>Compensate Rent Rate (Baht/Square Metre)</th></tr> <tr> <td>Factory with Attached Building</td><td>193</td></tr> <tr> <td>Factory with Detached Building</td><td>210</td></tr> </table> <p>The rental short of the minimum rental rate will include the case where tenant on the leased property is exempt from the Rent at any period during the Compensation Period which is not caused by defaults. In this case, the Property Owner will be responsible for the minimum rental rate in full.</p> <p>Provided that during such Compensation Period, in case of defaults by any tenants on the Leased Property or failure to pay rent under the Lease Agreement and Service Agreement, the Property Owner shall not be responsible for the Rent payment in lieu of the tenants under the Lease Agreement and Service Agreement in any case but the Property Owner still have to pay the rental short of the minimum rental rate.</p> <p>Under clause 6, the condition is not mandatory for the lease agreement and service agreement made or renew before or on the date that the undertaking agreement becomes effective.</p>	Type of Leased Property	Compensate Rent Rate (Baht/Square Metre)	Factory with Attached Building	193	Factory with Detached Building	210
Type of Leased Property	Compensate Rent Rate (Baht/Square Metre)						
Factory with Attached Building	193						
Factory with Detached Building	210						
<p>Obligation of the Property Owner relating to the leasable rooftop area</p>	<ol style="list-style-type: none"> 1. The Property Owner agrees to pay the rental to HREIT for the leasable rooftop area for a period of 15 years from the date of HREIT's investment or until there is a lessee during such period (the "Warranty Period") at the "rent rates" of Baht 3 (three) per square meter per month, with the additional 6 (six) percent increase from the rent rates at the time for each of the renewal term of every 3 (three) years period. 2. During such Warranty Period, HREIT shall give first right to Property Owner's Company and/or persons related to Property Owner's Company to lease such rooftop before any third party for a lease term of no less than the remaining Warranty Period, and the rental rate shall not be less than the rental rate that Property Owner's Company pays to HREIT at that time and equal to or not less than the rental rate proposed by any third party to HREIT ("Right to Lease the Rooftop"). 3. When Property Owner's Company and/or persons related to Property Owner's Company exercise Right to Lease the Rooftop as per the conditions specified above, obligation of the Property Owner to pay the rental of the leasable rooftop area under the Undertaking Agreement shall be extinguished. 4. During the Warranty Period, in the event that the Property Owner's Company can lease such rooftop to the tenants with a lease term of no less than the remaining Warranty Period and the rental rate of not less than the rental rate that Property Owner's Company pays to HREIT, the Property Owner shall be relieved from the obligations to compensate for the Rent for the remaining period. However, In the event that the new tenants pay the rental 						

	<p>rate less than the minimum rental rate specified above, the Property Owner's Company is responsible to compensate the rent at the rate specified above for the remaining Warranty Period.</p> <p>5. Provided that during such Warranty Period, in case of defaults by any tenants on the rooftop or failure to pay rent, the Property Owner shall not be responsible for the Rent payment in lieu of the tenants.</p>
Obligation to Pay for the Renovation and Alteration of the Property	<p>For the period of 5 (five) years from the start date of the Lease Term, the Property Owner shall responsible for the expenses of any renovation, reparation, and/or alteration in material part of the property invested by the Trust e.g. the rooftop, air conditioner, fire protection system, painting of the leased building, transformer, fences and gates around the plot of Leased Property (if any), public utilities system connecting from the service provider for the management and maintenance of common public utilities, building structure, the reparation of the land and buildings on the Trust's invested property area as a result of land subsidence (if any), including the work systems relating to such damage. Provided that the Property Owner shall not be responsible for the expenses of any renovation and/or alteration of the property invested by the Trust in the events that such renovation and/or alteration caused by the fault of the tenants.</p>

1.6.6 Summary of the Drafted Property Management Agreement

REIT Manager	WHA Industrial REIT Management Co., Ltd. (the "REIT Manager")
Property Manager	WHA Industrial Development Public Company Limited (the "Property Manager")
Trustee	SCB Asset Management Co., Ltd. as the Trustee of Hemaraj Leasehold Real Estate Investment Trust (the "Trust")
Effective Date and the Appointment of the Property Manager	The REIT Manager agrees to appoint and the Property Manager agrees to be appointed to perform the duty of the Trust's Property Manager in managing and procuring benefit for the Trust's Property for the benefit of the Trust under the terms and regulations specified in this Agreement, and the Property Manager shall commence the performance of its duty from the Effective Date of this Agreement onwards.
Management Term	The Parties agree that the Property Manager shall perform its duties as specified herein for a total period of 10 (ten) years from the Effective Date (the "Initial Management Term"). Upon the expiration of the Initial Management Term or the subsequent term (as the case may be) and the REIT Manager or Trustee does not notify any ground of defaults to the Property Manager during the management term, the Parties agree to automatically renew this Agreement for an additional term of 10 (ten) years each with the same terms and conditions as specified herein, except for the management fee of the Property Manager which shall be at the rate of 5 (five) percent of the Gross Property Operating Revenue, however, the management term shall not in any event exceed the Lease Term or the Renewed Lease Term (as the case may be) under the Lease Agreement of the Trust.
Obligations of the Property Manager	<p>1. The Property Manager agrees to perform regular duties in managing and administering the property invested by the Trust, or any other duty as agreed by the Parties in writing. Such duties shall be in accordance with the annual operating plan, Trust Deed, prospectus,</p>

Disclosure Report, and the relevant laws for the benefits of the Trust and unitholders in conducting its duties of managing and administering the property invested by the Trust.

The Trust shall submit information relating to Prospectus and Disclosure Report so that the Property Manager can perform regular duties in accordance with such document. However, the Property Manager is not binding to the Prospectus and Disclosure Report, unless otherwise agreed by the Property Manager.

2. The Property Manager shall have the duty to undertake any actions as additionally assigned by the REIT Manager as appropriate and only to the extent concerning the business conducts of the Trust's Property and/or in connection with the performance of its duties as specified herein for the benefits of the Trust and unitholders, whereby the Property Manager is entitled to receive the remuneration for such additional performance assigned as further agreed upon, however, if such duty is resulting in the substantial increase of the obligations of the Property Manager or may cause any substantial damage to the Property Manager, the Property Manager reserves the right to reject such additional assignments by the Trust. In this regard, the Trustee is entitled to designate other persons for the performance of such duty at the Trust's expenses, provided that the performance of such person shall not immoderately affect the Property Manager's performance of its duties hereunder.
3. The Property Manager agrees to procure permanent personnel for the operation at the property invested by the Trust, and to manage and administer the property invested by the Trust for an appropriate period of time and amount. The procured personnel shall be skilled and experienced in managing properties and shall be qualified in performing as a Property Manager. The Property Manager shall propose an organization chart of the management of the property invested by the Trust for the REIT Manager's consideration on the signing date of this Agreement and in case of any substantial revision of the said management team structure, the Property Manager shall provide the REIT Manager the details of such revision for its consideration not less than 15 (fifteen) days prior to the management team structure revision in each case.
4. The Property Manager agrees to prepare an annual operating plan for the management of the Trust's Property and shall propose such annual operating plan of the Trust's Property to the REIT Manager for its approval not less than 60 (sixty) days prior to the end of each fiscal year, and the REIT Manager shall propose for the Trustee's approval not less than 30 (thirty) days prior to the end of each fiscal year, together with the 5 (five) year annual operating plan only to the extent concerning the major renovation and/or reparation of the material part of the Property.
5. The Property Manager shall preserve copies of all documents and evidences in relation to the property management as necessary and appropriate, including the copies of supporting documents confirming the payment of the petty cash which include scanned files of the copies of invoices of the expenses that the Property Manager's engage or cooperate, for the period of at least 5 (five) years retroactively in the complete and accurate

	conditions and accessible for auditing by the REIT Manager, Trustee, and relevant parties, and shall deliver such copies to the Trust after the expiration of this Agreement.						
Remuneration	<p>The Trust agrees to remunerate the Property Manager for administering and managing the Property as follows;</p> <p>1. The management fee (excluding VAT)</p> <table border="1"> <thead> <tr> <th>Period</th><th>The Management Fee</th></tr> </thead> <tbody> <tr> <td>1st – 5th Year</td><td>1.75% of the Gross Property Operating Revenue*</td></tr> <tr> <td>6th – 10th Year</td><td>5% of the Gross Property Operating Revenue*</td></tr> </tbody> </table> <p>In case of any renewal of this Agreement, the management fee per annum shall be at the rate of 5% of the Gross Property Operating Revenue.</p> <p>*The Gross Property Operating Revenue means the actual revenue from the rent, service fee, and other revenue from the exploitation of the property invested by the Trust audited by the Trust's auditor or from the Trust's annual financial statements which is audited by the auditor (as the case may be), after adjusting the realized revenue of the rent and service fee to be in accordance with the Lease Agreement and Service Agreement, but excluding the revenue from (a) the compensation of the loss of Rent received from the Property Owner under the Undertaking Agreement of the Property Owner, and (b) the rent received from the subletting of the Solar Rooftop Project's Area.</p> <p>2. The commission fee for tenants solicitation (for the introduction or solicitation by the Property Manager)</p> <p>a. The commission fee in soliciting and administering for new tenants to enter into the Lease Agreement and the Service Agreement with the Trust for the lease term of or at least 3 (three) years shall be at the rate of 1 (one) monthly Rent receivable by the Trust per a Lease Agreement and Service Agreement that such tenants enter into with the Trust (in case of any lease term less than 3 (three) years, the Property Manager is entitled to the commission fee calculating from the ratio of the actual lease term comparing with the standard lease term of 3 (three) years).</p> <p>b. The operating fee for the renewal of the Lease Agreement and the Service Agreement between the current tenants and the Trust for the lease term of or at least 3 (three) years shall be at the rate of 0.5 (zero point five) monthly Rent receivable by the Trust per a Lease Agreement and Service Agreement that such tenants enter into with the Trust (in case of any lease term less than 3 (three) years, the Property Manager is entitled to the operating fee calculating from the ratio of the actual lease term comparing with the standard lease term of 3 (three) years). In cast of any lease term less than or equal 1 year the Property Manager is no entitled to the fee.</p> <p>In case of any tenant introduced or solicited by the Property Manager terminates the Lease Agreement and Service Agreement prior to the expiration of the lease term and entered into another lease agreement and service agreement with the Property Manager and/or WHA Industrial Building Company Limited which are the current</p>	Period	The Management Fee	1 st – 5 th Year	1.75% of the Gross Property Operating Revenue*	6 th – 10 th Year	5% of the Gross Property Operating Revenue*
Period	The Management Fee						
1 st – 5 th Year	1.75% of the Gross Property Operating Revenue*						
6 th – 10 th Year	5% of the Gross Property Operating Revenue*						

	<p>Property Owner, the Property Manager agrees to proceed the matters concerning the commission fee for solicitation of such tenants as follows;</p> <p>(1) In case of the Trust is compensated for the termination of the Lease Agreement and the Service Agreement from the tenants in the amount equivalent to or more than the Rent of the remaining lease term of the Lease Agreement and the Service Agreement relating to such tenants (whether from the Security Deposit or the Compensation for Damages payment from the tenants), the Property Manager shall not needed to return the commission fee from soliciting such tenants to the Trust.</p> <p>(2) In case of the Trust is not compensated for the termination of the Lease Agreement and the Service Agreement from the tenants or the amount of compensation is less than the Rent of the remaining lease term of the Lease Agreement and the Service Agreement relating to such tenants (whether from the Security Deposit or the Compensation for Damages payment from the tenants), the Property Manager agrees to return the commission fee from soliciting such tenants to the Trust in proportionate to the remaining lease term which is not compensated for under such Lease Agreement and Service Agreement.</p> <p>For the avoidance of doubt, the Property Manager is not obliged to return any fees under this Clause for the early termination of the Lease Agreement and the Service Agreement by the tenants introduced or solicited by other persons.</p>
Expenses	<p>The Property Manager agrees to take responsibility for all costs of the Property Manager in its performance as required herein except the operating expenses of the property invested by the Trust, maintenance costs of the Property, risk premium of property insurance, maintenance costs of the common property, repair and renovation costs, land and building tax, local maintenance tax, and any other fees and expenses relating to the property invested by the Trust and any other administration and management expenses which shall be responsible by the Trust.</p> <p>The expenses incurred from the performance of the Property Manager's duties hereunder shall be in accordance with the estimated expenses as specified in the Trust's annual operating plan (as may be amended from time to time). Unless otherwise agreed by the REIT Manager, the Property Manager shall proceed as follows;</p> <ol style="list-style-type: none"> 1. In the case where the expense of each item is not exceeding Baht 20,000 (Twenty Thousand), the Property Manager is entitled to proceed such transaction by informing the REIT Manager prior to the proceeding, and the REIT Manager shall notify such transactions to the Trustee prior to the proceeding, provided that such expense shall be in accordance with procedures as agreed with the Trustee and REIT Manager. In the events that the REIT Manager and/or Trustee later discover that such expense is not the expense of the Trust, the REIT Manager and/or Trustee are entitled to reject the disbursement of such expense. 2. In case of any expense of each item is at 20,000 (twenty thousand) Baht and over, the Property Manager shall ask for the REIT Manager's approval before proceeding with such transaction by proposing the details of each transaction to the REIT Manager not less than 7 (seven) days prior to the proceeding, and the REIT Manager shall determine such

	<p>transaction within 7 (seven) days from the receipt date of the complete and accurate details of such expense transaction from the Property Manager in writing, and the REIT Manager's decision is absolute. If the REIT Manager does not make any determination within such period, it shall be deemed that the REIT Manager approves such transaction on the overdue date of such period.</p> <p>For the disbursement of expense from the Trust in Clause 1 and 2 above, the Property Manager shall provide the Trust an invoice including the details of the expense items in such invoice, and the Trust shall verify and pay for such expenses within 30 (thirty) days from the receipt date of such invoice by the Trust.</p> <p>3. Any undertakings or particular expense which incurred during the fiscal year and is not included in the annual operating plan, but the Property Manager deems necessary and appropriate to proceed, and such particular expense shall be the expense that is beneficial to and in connection with the management and administration of the Trust, and is included in the Trust Deed, Disclosure Report, and the prospectus, as well as complying with the procedures as agreed by the Property Manager, REIT Manager, and Trustee. The Property Manager shall provide the details of such particular expense, including the cause, reason, and budget to the REIT Manager or Trustee for their consideration from time to time, and any particular expense shall be prior approved by the Trustee, unless otherwise agreed by the REIT Manager or Trustee (as the case may be).</p>
Review of the Property Manager's Performance	<p>1. Throughout the term of the Property Management Agreement, the REIT Manager is entitled to review the Property Manager's performance every 3 (three) years from the date the Trust invests in the Property (the "Performance Review Period"). The Property Manager's performance shall be reviewed based on the average operating income during the Performance Review Period. In this regards, the period for the review criteria adjustment shall be every 6 (six) years (the "Review Criteria Adjustment Period"). For the first 6 (six) years from the date the Trust invests in the Property, the operating income weighted average by the average factory and warehouse area of each Performance Review Period shall not be less than 50 (fifty) percent of the operating income weighted average by the factory area of the first year of the Trust's investment. Whereby the criteria of the operating income weighted average by the average factory area of the first period of the said 50 (fifty) percent shall be increased by 3 (three) percent at every Review Criteria Adjustment Period (For example, the period of the 7th – 12th (seventh to twelfth) year shall be at 53 (fifty-three) percent, and the period of the 13th – 18th (thirteenth to eighteenth) year shall be at 56 (fifty-six) percent) (the "Performance Review Criteria").</p> <p>2. In case of (a) any force majeure of natural disaster on the location or peripheral area of the property invested by the Trust and/or it is proved to have negative direct effect from such force majeure, or any serious political unrest and effecting the Trust's operating income, the Property Manager shall inform the Trustee and REIT Manager within 15 (fifteen) days from the date of such force majeure, and in the events that such force majeure exists for the period longer than 6 (six) months from the date the Property Manager has informed Trustee and REIT Manager or (b) in the events that the average operating income of other</p>

real estate investment trust or the real estate mutual fund investing in the same type of immovable properties receive an operating income weighted average by the average factory area less than 15 (fifteen) percent comparing to the operating income weighted average by the average factory area of the preceding year, the Property Manager shall inform the Trustee and REIT Manager within 15 (fifteen) days from the date of such incident, and the Parties agree to proceed as follows;

- (1) The Property Manager shall propose to the Trustee and REIT Manager to implement the Property Manager's Performance Review Criteria at the time for reviewing the performance of the Property Manager; or
 - (2) The Property Manager shall propose to the Trustee and REIT Manager to amend the Performance Review Criteria by entering into a mutual agreement for the amendment of the Property Manager's Performance Review Criteria as appropriate.
3. The REIT Manager shall review the Property Manager's performance for the Performance Review Period within 60 (sixty) days from the end of each Performance Review Period with the following details;
- (1) The first Performance Review Period shall commence on the date the Trust invested in the Property, and for each of the following Performance Review Period, the REIT Manager shall review the Property Manager's performance every 3 (three) years within 60 (sixty) days from the end of such period.
 - (2) In the events that the average operating income of a Performance Review Period meets the Performance Review Criteria, the following Performance Review Period shall commence on the date following the end of such period.
 - (3) In the events that the average operating income of a Performance Review Period is less than the Performance Review Criteria, the REIT Manager shall conduct another review on the Property Manager's performance in the following year based on the average operating income from the Performance Review Period which is less than the Performance Review Criteria plus a period of 1 (one) year after the end of such period (the "Performance Rectifying Period")
4. If the average operating income of any Performance Rectifying Period is less than the Performance Review Criteria, the REIT Manager and/or the Trustee may terminate this agreement by notifying the Property Manager in writing not less than 3 (three) months in advance. For the avoidance of doubt, if the REIT Manager could not appoint any other person to work as a Property Manager in lieu of the current Property Manager, the Property Manager shall be entitled to the rights and duties hereunder until the appointment of the replacing Property Manager but shall not be more than 180 (one hundred eighty) days of the REIT Manager's termination date of this Agreement.
5. The REIT Manager may request the Property Manager to prepare document regarding the operating income data of the first year of performance, or the estimated operating income data as per the annual operating plan approved by the Trust in each year, or the average operating income data during the Performance Review Period as defined in Clause 1. The

	<p>Property Manager shall prepare such documents and data for the REIT Manager within 30 (thirty) days from the receipt date of the notification in writing from the REIT Manager.</p>
Covenants of the Property Manager's Undertaking or Omission	<ol style="list-style-type: none"> 1. Except for the matters relating to or in connection with the performance of the Property Manager's duty as specified herein or any provisions hereof, the Property Manager shall not act, including to sign any documents, provide any statement to officer of the Stock Exchange of Thailand or officer of the Office of the Securities and Exchange Commission and/or officer of any other government agencies on behalf of the Trust, and shall not create any obligation or encumbrance on behalf of the Trust or REIT Manager without the prior written consent of the Trustee or REIT Manager. 2. The Property Manager shall inform the REIT Manager in writing in case of any revision of the key personnel in managing and administering the property, and shall promptly procure the replacement of such key personnel with knowledge and experience in managing the property and the Property Manager deems qualified for the performance in lieu of the former personnel without any effect on the performance of the Property Manager's duty as required herein for the consistency of the management of the property invested by the Trust. 3. The Property Manager agrees to undertake any action under the scope of duty and within the general acceptable profession standards of the Property Manager (if any) as the Property Manager deems necessary and appropriate for the protection of the Trust against substantial violation of its duties or breaches of the conditions stipulated in the Trust Deed, Disclosure Report, prospectus, or the Lease Agreement and the Service Agreement, and the Property Manager shall notify the Trust immediately upon the occurrence of any event or causes which should be noted that any action or omission by the Trust may be deemed as violation of its duties or the breach of such conditions for the Trust's information and further amendment. 4. The agreement, regulation, and procedure of performance shall be as subsequently agreed upon by the Parties, whereby the Parties agree that such agreement, regulation, and procedure shall be deemed as an integral part of this Agreement.. 5. The Property Manager shall perform its duty with integrity, honesty, and care by adhering to the profession standards of the Property Manager and the benefit of the Trust.
Conflict of Interest	<ol style="list-style-type: none"> 1. The Property Manager shall promptly inform the Trustee and the REIT Manager in writing in case of any probable conflict of interest against the Trust in relating to the performance of the Property Manager under the terms and conditions specified herein. If the Trustee considers that it may cause a conflict of interest and damage the Trust, the Trustee and/or the REIT Manager, the Trustee shall promptly notify the Property Manager in writing, and the Parties agree to mutually solve the issue in good faith and with fairness to consider the incidents case by case 2. In the events that the Property Manager is currently managing and administering the property in the category of factory for other person, and it has informed such arrangement to the Trust in writing, the Property Manager agrees to the Trust that in every case of anyone

	<p>interested in the leasing of the factory, it shall offer the customers all of the properties for their consideration regardless of whose parties the properties belong to, including the rent setting at the comparable rate in size, location, form, and age of the similar range for the sake of transparency and for their sufficient information in consideration of the customers.</p>
Termination	<p>This Agreement may be terminated by either Party if the following incidents occur, in any case such Party shall notify the other Party in writing not less than 30 (thirty) days in advance.</p> <ol style="list-style-type: none"> 1. The Trustee is entitled to terminate this Agreement in any of the following cases: <ol style="list-style-type: none"> (1) The Property Manager does not abide by the provisions set forth in the undertaking Agreement to be signed between the Property Manager and Trustee on behalf of the Trust. (2) The Property Manager acts or omits from acting which is considered to be a material breach of the Agreement and a lack of reliability to perform the duties in this Agreement. 2. The REIT Manager is entitled to terminate this Agreement in any of the following cases: <ol style="list-style-type: none"> (1) The Property Manager is ordered by a court for absolute receivership or bankruptcy or under the liquidation process. (2) The court orders the Property Manager into the rehabilitation process as per a petition to the court or relevant government agencies which will affect the Property Manager's ability to repay the debt or to perform the duties hereof. (3) The Property Manager changes the position of manager in the material part which will cause significant negative impact to its performance as a Property Manager hereof without written consent from the REIT Manager. (4) The cause as specified in the matters of Review of the Property Manager's Performance (5) The Property Manager does not perform the duties concerning financial matters of the Trust as prescribed hereunder intentionally or dishonestly. (6) In the events that the REIT Manager finds out that the Property Manager acts or omits from acting which is considered to be a material breach of the Agreement and a lack of reliability to perform the duties in this Agreement. 3. The REIT Manager is entitled to terminate this Agreement in the following case: <ol style="list-style-type: none"> (1) The REIT Manager does not manage and administer the Trust as prescribed in the Trust Deed, Disclosure Report, or prospectus which leads to substantial severe damage to the Trust and may cause damage to the Property Manager. 4. Either Party is entitled to terminate this Agreement in any of the following cases: <ol style="list-style-type: none"> (1) The Trust is terminated by the Trust as specified in the "Termination of the Trust" in the Trust Deed or by the order of the Securities and Exchange Commission. (2) The property invested by the Trust is entirely damaged or substantially damaged and the Trust no longer wishes to make any benefit from such property which causes the

Property Manager to no longer be able to perform any duties specified in this Agreement.

- (3) Upon the amendment of related laws which deterring any of the Parties from materially performing its duties specified in this Agreement.
- (4) In the case where any Party breaches or fails to performance its duties as specified herein or does not complete such obligations or breaches of any warranties hereof by which creates significant negative impact to the Trust or the property invested by the Trust or to the other Party and such Party does not rectify such breaches within 90 (ninety) days from the date of being notified in writing by the non-breaching Party.

Upon the termination of the Trust's Lease Agreement in its entirety by the fault of any Party, the breaching Party agrees to indemnify the Property Manager from such termination.

For the avoidance of doubt, in the event that the REIT Manager is no longer a REIT Manager by whatever case, such case shall not be deemed as an Event of Default to termination this Agreement, and the Property Manager shall be entitled to the rights and duties hereunder and the Trustee is entitled to appoint other person to act as a REIT Manager in lieu of the former REIT Manager. During the time that the new REIT Manager is not yet appointed, the rights and duties of the REIT Manager shall be those of the Trustee until the new REIT Manager has been appointed.

1.6.7 Summary of the Indicative Term Sheet

Lender	A commercial bank ("The Bank")
Borrower	Hemraj Leasehold Real Estate Investment Trust ("HREIT")
Purpose	<p><u>Long term loan: up to THB 420 M</u></p> <ul style="list-style-type: none"> To finance acquisition of 9 ready-built factories <p><u>Short term loan (Promissory Note): THB 80 M</u></p> <ul style="list-style-type: none"> To pay for the tenant deposit once the lease contract expire
Collateral	<p><u>Long term loan and Short term loan</u></p> <ul style="list-style-type: none"> Assignment of land and building lease agreement of the Additional Investment Assets No. 2
Final Maturity Date	<p><u>Long term loan</u></p> <ul style="list-style-type: none"> 5 years <p><u>Short term loan</u></p> <ul style="list-style-type: none"> 1 year from contract signing date, each PN tenor at call and/or up to 180 days and can be rolled over with in facility tenor
Interest Rate and Fee	<p><u>Long term loan</u></p> <ul style="list-style-type: none"> Not exceeding MLR - 1.8% <p>MLR means average MLR of BBL, KBANK, KTB and SCB</p> <p><u>Short term loan</u></p> <ul style="list-style-type: none"> Money Market Rate
Interest Period	<p><u>Long term loan</u></p> <ul style="list-style-type: none"> Quarterly Basis <p><u>Short term loan</u></p> <ul style="list-style-type: none"> At the end of each month or when the PN due
Prepayment fee	<p>1% of prepayment amount in the event of the following:</p> <ul style="list-style-type: none"> Refinancing by other banks The loan is refinanced by debenture of which the Bank is not one of the lead underwriter
Principal Repayment	<p><u>Long term loan</u></p> <ul style="list-style-type: none"> Borrower is required to make the repayment to lender by the end of year 5 <p><u>Short term loan</u></p> <ul style="list-style-type: none"> Borrower shall make the repayment to lender within 15 days after receipt of new deposit from tenant or due date of P/N
Key Financial Covenant	<ol style="list-style-type: none"> The borrower must ensure that the funded interest bearing debt to the Equity ratio of HREIT does not exceed 1.0X The borrower must ensure that the funded interest-bearing debt to EBITDA ratio is no more than 6.5 times

Remark: The indicative term sheet from the Bank has proposed another long term loan from THB 2,900 M which the conditions (except collateral) are according to the long term loan of THB 420 M.

2. Opinion of the Board of Directors regarding the Connected Transaction

At the Board of Directors' Meeting held on 8 November 2018, the directors have considered details regarding the connected transaction as follows:

- 1) The investment in the Additional Investment Assets is to create an opportunity to generate long-term additional return on investment at a reasonable rate to the trust unitholders of HREIT. The Company therefore considers the investment in the Additional Investment Assets No. 2 to be in the best interest of HREIT as it is the investment in the fully occupied properties and having potential of generating income which will increase the benefits for HREIT. The investment has potential to increase the stability of income from rental and turnover of HREIT and will also diversify the risk in the procurement of benefits from immovable properties, as well as increase the diversification of the sources of income. This will bring benefits to HREIT and the trust unitholders of HREIT. The Company is of its opinion that the value of the Additional Investment Assets, specified at the amount of not exceeding Baht 477,000,000 (to be paid on the date of HREIT's investment in the Additional Investment Assets) which consists of the rental of lands and buildings and the purchase price of the relevant movable properties used for the business operation within the leased properties (exclusive of value added tax, registration fee and specific business tax, including other related fees and expenses which shall be borne by HREIT) whereby HREIT shall have the right to extend the lease for another 30 years with the rental for the renewed period will be at the amount of Baht 30,000,000 (which shall be paid when the lease agreement is renewed, exclusive of value added tax, registration fee and specific business tax, including other relevant fees and expenses which shall be borne by HREIT), is a reasonable price.

In addition, the transaction that HREIT will request WHA IB to pay the rental for the unoccupied leased properties and the rental short of the minimum rental rate to HREIT for the period of 3 years from the date of HREIT's investment or until there is a lessee during such period, the transaction that HREIT will request WHA ID or Asset Owner to pay the rental to HREIT for the leasable rooftop area for a period of 15 years from the date of HREIT's investment or until there is a lessee during such period, and the transaction of financial support from WHA ID or group companies of WHA ID for the working capital of HREIT which the conditions are in accordance with the Undertaking Agreement that HREIT will enter into with WHA IB and WHA ID are the reasonable price and beneficial to the trust unitholders.

- 2) Using source of fund from the loan without capital increase shall increase the distribution per unit to be received by the trust unitholders. In addition, because of using some source of fund from the security deposits for lease and service which HREIT received from the current lessees, HREIT does not need excessive long-term loan.

- 3) As for the consideration payable to the Property Manager, in determining the reasonableness of Property Management Fee rate which WHA ID will collect from HREIT, the Company has compared the rate of consideration payable to Property Manager which WHA ID will collect from HREIT to the property management fee rate of other property funds and real estate investment trusts that have similar property management service as HREIT's and the current consideration payable to the Property Manager Fee for the property management of HREIT.

The Company considers that the said fee rate is fair and reasonable and since WHA ID is the owner and the manager in the assets which HREIT will additionally invested in as from the beginning, and also is one of the entrepreneurs in Thailand who has experience and expertise in the management of factory buildings, and also has expertise in management and is equipped with various teams with experience and efficiency, WHA ID can be considered as a professional and experienced property manager being well familiar with the properties to be invested in, which will enable WHA ID to manage the main properties for the benefit of HREIT and its trust unitholders.

3. Opinion of the Independent Committee regarding the Connected Transaction

At the Board of Directors' Meeting held on 8 November 2018, the Independent Directors have considered details regarding the connected transaction with no distinct opinion from the Board of Directors.

4. Reasonableness of the Acquisition of Assets from Persons Related to the REIT Manager

4.1. Objectives and Necessity of the Transaction

HREIT's objectives is to raise funds and lease immovable property, and procure commercial benefits from such property in order to generate income and return for HREIT and the trust unitholders of HREIT by leasing lands with factory buildings, warehouses, distribution center, including its component parts, and purchasing any relevant movable properties used for the business operation within the leased properties. HREIT will make an additional investment by leasing the immovable property and ownership in relevant movable properties in the project of WHA Saraburi Industrial Land from the Asset Owner's Company for 30 years with the right to extend the lease for another 30 years.

The Additional Investment Assets No. 2 provide an opportunity to generate additional long-term return to the HREIT's trust unitholders. HREIT has estimated the cash distribution per unit (DPU) to the trust unitholders after the investment in the Additional Investment Assets No. 2 equals to THB 0.7713 per unit which is not less than the DPU to the trust unitholders in the case that there is no additional investment (THB 0.7445 per unit). Moreover, this additional investment is for the greatest benefit for HREIT since it invests in the potential assets to generate greater income which enhance HREIT's rental revenue and profit. Besides, the additional investment also reduces the risk of property's location concentration and diversifies HREIT's sources of revenue.

4.2. Advantages and Disadvantages of HREIT's Acquisition of Assets and Related Party Transactions (Persons Related to the REIT Manager)

Advantages of HREIT's Acquisition of Assets

Enhance the ability to generate income to HREIT within a short period

The investment in Additional Investment Assets No. 2 will enhance HREIT's ability to generate income by means of rental within a short period and also increase continuity of the cash flow to HREIT as these assets are ready built and fully occupied.

Also, all of 9 additional units are situated in strategically location which is the center of logistics to other regions, making them attractive to the tenants and, thus, ensuring the utmost capability of income generation to HREIT.

Higher distribution per unit and no dilution effect to the current trust unitholders

HREIT will use the fund for the Additional Investment Assets No. 2 from long-term loan in the amount of not exceeding THB 420 M and security deposits for lease and service which HREIT received from current lessees in the amount of not exceeding THB 80 M, so there will be no control dilution and price dilution to the current trust unitholders. Thus, the trust unitholders will benefit from higher distribution per unit.

Increase the average age of the lease term of land and building

In considering the properties currently invested by HREIT, the average age of the lease term of land and building is approximately 58.13 years (as at 31 December 2018 with the right to extend the lease for another 30 years). The investment in the Additional Investment Assets No. 2 will slightly increase the average age of the lease term to 58.22 years, so HREIT can procure benefits from the properties longer.

The Additional Investment Assets No. 2 to be acquired being in a new condition

The Additional Investment Assets No. 2 are relatively new, with an average age of only 6.13 years (as at 31 December 2018). This will result in the low expenses on repair and maintenance.

Lessen property's location concentration

The properties currently invested by HREIT are mostly concentrated in the Eastern region. The proportion of the province in the Eastern region to Saraburi is 96.18% to 3.82%, respectively. So, HREIT has property's location concentration.

After investing in the Additional Investment Assets No. 2, HREIT will have more properties located in Saraburi. The proportion of the province in the Eastern region to Saraburi will be 91.57% to 8.43%. Therefore, HREIT can reduce risk from relying on the tenants in the Eastern region.

Reduce the expenses per unit

Investing in the Additional Investment Assets No. 2 will help reduce HREIT's expenses per unit and relatively create economies of scale because all of 9 units are located in WHA SIL which are located in the same location of existing properties of HREIT. The expenses per unit of HREIT will reduce from THB 9.63 to THB 9.48/sq.m./month (calculated from HREIT's expenses projection in 2019). Consequently, HREIT will have higher net investment income per unit.

Advantages of HREIT's Related Party Transactions (Persons Related to the REIT Manager)

Property Management Fee rate which HREIT will pay to WHA ID is comparable to other REIT.

When comparing the rate of property management fee which HREIT will pay to WHA ID to the property management fee of other REIT that have similar property management service as HREIT, the said fee rate is comparable to others.

Terms and conditions of the drafted undertaking agreement of the Asset Owner's Company and the drafted lease agreement being in favor of HREIT

According to the drafted undertaking agreement of WHA IB, WHA IB agrees to be responsible for the expenses of any renovation, reparation, and/or alteration in material part of the property invested by HREIT for 5 years from the start date of the Lease Term, e.g. the rooftop, air conditioner, fire protection system, painting of the leased building, public utilities.

Moreover, WHA IB agrees to be responsible for the land and building tax and other fees prior to and throughout the period of 3 years from the commencement date of the lease term according to the drafted leased agreement.

WHA IB agrees to pay rental for the unoccupied leased properties or to pay rental short of the minimum rental rate to HREIT for the period of 3 years under the undertaking agreement of the Asset Owner's Company

At present, 9 units of factories which HREIT will additionally invest has been fully occupied by lessee. However, in the case that there is unoccupied leased properties, WHA IB (as the Asset Owner's Company) agrees to pay the rental and service fee to HREIT for the period of 3 years from the date of HREIT's investment or until there is a lessee during such period. The minimum rental rate for the attached building factory is THB 193 / sq.m. and detached building is THB 210 / sq.m.

Moreover, WHA IB also agrees to pay the rental short of the minimum rental rate during the period of 3 years if the rental rate of the lessees of the leased properties is lower than the minimum rental rate. This condition is not mandatory for the lease agreement and service agreement made or renew before or on the date that the undertaking agreement becomes effective.

However, in case of defaults by any tenants or failure to pay rent under the lease agreement and service agreement during the period of 3 years, WHA IB shall not be responsible for the rent payment in lieu of the tenants in any case, however, if the lease agreement and service agreement of any tenant is terminated, WHA IB shall be responsible for the rent rate specified in the undertaking agreement from HREIT's loss of rent from the leased property date up to the expiration date of the compensation period or the lease date of the unoccupied leased property by other tenant (whichever earlier) (More detail in 1.6.5 Summary of the Drafted Undertaking Agreement of the Asset Owner's Company)

WHA ID or WHA IB agrees to pay the rental for the leasable rooftop area for a period of 15 years

After entering into this transaction, HREIT will seek benefits from the Additional Investment Assets No. 2 to expand the source of income to improve a return to the trust unitholders by sub-leasing the rooftop area to run the solar rooftop project. If the rooftop area is not occupied by a lessee on the date of HREIT's investment, WHA ID or WHA IB agrees to pay the rental to HREIT for the leasable rooftop area for a period of 15 years from the date of HREIT's investment or until there is a lessee during such period. The rental rate equals to THB 3/sq.m./month and 6% increase every 3 years.

HREIT shall give first right to WHA ID or WHA IB and/or persons related to WHA ID or WHA IB to lease such rooftop before any third party. However, the rental rate shall not be less than the rental rate that WHA ID or WHA IB pays to HREIT at that time and equal to or not less than the rental rate proposed by any third party to HREIT (whichever is higher).

The condition is according to the undertaking agreement which HREIT will enter to WHA ID or WHA IB (More detail in 1.6.5 Summary of the Drafted Undertaking Agreement of the Asset Owner's Company). The sub-lease rate and the incremental rate is the same rate HREIT charged from the initial investment asset's sub-lessee.

WHA ID or group companies of WHAID may support the working capital reserved in case that HREIT is required to return the security deposits for lease and service used for the investment in the Additional Investment Assets No. 2

The investment in the Additional Investment Assets No. 2 will use part of the fund from security deposits for lease and service which HREIT received from current lessees in the amount of not exceeding THB 80 M. HREIT will procure short-term credit facility from financial institution for being a source of

working capital (in the amount of not exceeding THB 80 M) reserved in case that HREIT may not have sufficient liquidity from returning the security deposits for lease and service.

However, if HREIT is unable to procure such short-term credit facility in the amount of not exceeding THB 80 M from financial institution prior to HREIT's additional investment no. 2, WHA ID or group companies of WHA ID may support the working capital reserved in case that HREIT is required to return the security deposits for lease and service used for the investment in the Additional Investment Assets No. 2. The request for financial support from WHA ID or group companies of WHA ID is subject to consideration of WHA ID or group companies of WHA ID.

The connected persons' experience in property management

As WHA ID is the related person to the REIT Manager in this transaction, the Property Manager, with years-long expertise and is one of the leaders in industrial estate, industrial-standard factory, and warehouse management, it can be ensured that the management and maintenance of the additional assets will be carried out continuously and efficiently.

The related persons experience in working with HREIT and the REIT Manager

As HREIT made its initial investment in the land, factories and warehouses leasehold right from the subsidiary of WHA ID, and also appointed WHA ID as the Property Manager and WHA IRM as the REIT Manager, which means that every party has experience in working together since then. This would enhance the continuity of cooperation between the parties and reduce the resources used in due diligence process. On the other hand, if HREIT chooses to enter into the transaction with unconnected persons, it would cost greater amount of expenses and resources.

Disadvantages of HREIT's Acquisition of Assets

Investment in assets will cause higher debt and interest burden arising from borrowing

The entering into this transaction, HREIT will use fund by obtaining long-term loan from bank and/or financial institution in the amount of not exceeding THB 420 M which results in higher debt and interest burden to HREIT.

Before entering into the transaction, HREIT has interest expense burden at approximately THB 112.39 M per year. After the Transaction, HREIT estimates that the interest expense will increase by THB 17.64 M per year. Thus, the total interest expenses of HREIT will rise to THB 130.03 M per year (according to forecasted profit and loss statements for year 2019). However, the REIT Manager expects that the cash flow generated from rent and service income will fully cover the interest expense. From the projection in 2019, the free cash flow from the Additional Investment Assets No. 2 is approximately 1.97 times of the incremental interest expenses.

Investment in assets will cause higher interest bearing debt to Total Assets

Given that the additional source of fund for this assets investment is accomplished, the interest bearing debt to Total Assets will increase from 31.09% (from the financial statement as of 30 September 2018) to 34.10%

However, the borrowing policy of HREIT and the regulations regarding the borrowing proportion, HREIT shall obtain the loan not exceeding 60% of the Total Assets (on 9 October 2018, TRIS Rating assigns HREIT rating at BBB+ which is the investment grade)

Disadvantages of HREIT's Related Party Transactions (Persons Related to the REIT Manager)

Doubts concerned with the entry into the transaction with persons related to the REIT Manager

The entering into the transaction with connected person may raise concerns among stakeholders of HREIT, especially as to the terms and conditions for the transaction and the entry into the transaction with connected persons who have conflict of interest. There could be doubts as to whether HREIT may invest in overpriced assets or may not negotiate for the best possible terms and conditions as entering the transaction with unconnected parties, which will otherwise affect the benefits obtained by HREIT's stakeholders, especially its trust unitholders.

However, the entry into such transaction for Additional Investment Assets No. 2 must be thoroughly considered and reviewed by the independent directors and the directors the REIT Manager before further consideration and approval. Additionally, the property management fee which WHA ID will collect from HREIT is comparable to other REIT with similar property management service as HREIT.

4.3. Risk from Entering into the Transaction

The risk of unable to derive the benefit from the Additional Investment Assets No. 2 as planned

HREIT may be unable to derive the benefit from the assets as expected which might occur from the lessees' ability to pay rent, not renewing the lease agreement and HREIT could not find or delay in finding the new lessees, or renewing agreement with less benefit to HREIT. If this is the case, the average rental fees, occupancy rate, rental and service income might be negatively affected. These consider as the risk to HREIT's operating performance.

However, in the first 3 years after the investment, HREIT will enter into the undertaking agreement with WHA IB to compensate rental and service income to mitigate the risk but such compensation will end after 3 years.

In addition, HREIT has a policy to collect deposit from the lessees before they can move into a factory. Generally, HREIT will collect the 3-month deposit which will be fully returned after the expiration of the lease agreement. Moreover, HREIT has considered to determine a provision to fine the lessees in case of early termination or breach of the agreement before the specified period, such fine is equivalent to the total rental fees until the end of the agreement.

Risk arising from debt financing

HREIT will use fund for the investment in the Additional Investment Assets No. 2 by obtaining long-term loan from bank and/or financial institution in the amount of not exceeding THB 420 M which results in higher debt to HREIT. Thus, if HREIT is underperforms, the ability to pay debt will be affected. However, the Additional Investment Assets No. 2 is situated in strategically location which is the center of logistics to other regions, making them attractive to the tenants and, thus, ensuring the utmost capability of income generation to HREIT and the cash flow should be able to cover all of interest expenses and principal repayment.

In addition, HREIT will reserve appropriate cash for the loan repayment (principal and interest) by considering the repayment term as well as money and capital market during such period with regards to the trust unitholders' benefit. HREIT may seek for the new funding sources such as, issuing bond and/or borrowing from the commercial banks including partial loan repayment from the cash flow from HREIT's operation.

The risk of breach of the lease agreement, movable properties sale and purchase agreement and undertaking agreement

To invest and manage the assets, HREIT will enter into relevant agreements relating to the investment and management of HREIT for the benefit of HREIT and to burden agreement parties as agreement terms.

However, the agreement parties may breach the agreement or any incident may occur cause of termination or breach of agreement. HREIT would not have any benefit or may not be enforceable the parties in accordance with such agreement. For example, HREIT cannot enforce in accordance with their own rights of HREIT, or the parties may not pay the compensation as claimed by HREIT. Accordingly, HREIT needs to bring the issue to sue in justice court which is unable to predict the timing of the action, and how much HREIT will be compensated from the damage. In addition, the result of the case depends on the court's judgement even though the court will have a verdict that HREIT win the case. HREIT may encounter in the difficult situation to force its parties to comply with a court judgement.

Risk of damages in the leased properties due to the installation of the equipment for solar rooftop business

Apart from procuring benefits of the leased properties by sub-leasing land, warehouse, or ready built factory, HREIT also sub-leases the rooftop and/or relevant areas for the solar rooftop business. The sub-lessee may cause damage to HREIT's Additional Investment Assets No. 2 arising from the installation or modification necessary equipment to operate such business.

However, HREIT agrees to arrange for the Public Liability Insurance and Property All Risk Insurance that sufficiently and properly covers the risks that may occur to the leased building. The lessee and/or the creditor of the lessee (if any) shall be specified as the co-assured and co-beneficiaries in the insurance policy (more details in 1.6.1 Summary of the Drafted Lease Agreement)

Risk of intensified competition which may cause a decrease in number of tenants

HREIT's main income comes from rental and related services to business operators who lease factories and warehouses. If, in the future, the rental business faces with higher competition from other developers who construct new factories and warehouses near HREIT properties' location, the current or future lessees of HREIT may turn to those new factories and warehouses, which will significantly affect business operation, operating performance, and financial status of HREIT.

However, in the first 3 years after the investment, HREIT will enter into the undertaking agreement with WHA IB to compensate rental and service income to mitigate the risk but such compensation will end after 3 years.

However, the Additional Investment Assets No. 2 is situated in strategically location which is the center of logistics and is convenient for transportation to other regions. Besides, WHA SIL is located in the BOI zone which the business operators benefits from tax and duty. Therefore, this can help reducing operating costs of the lessees. Such factors can attract business operators to lease HREIT's assets and increase potential of the HREIT's assets to be competitive against other developers.

Risk of natural disaster, flooding and sabotage

The Additional Investment Assets may be damaged by natural disasters which is beyond HREIT's control. Therefore, to mitigate the property damages, HREIT will arrange for the insurance covering the assets throughout the leased period and compensating for the damage of life and lessee's property, such as All Risk Insurance.

However, WHA SIL, which is the location of the Additional Investment Assets No.2 has never been affected from the serious natural disaster.

General risk in real estate business

Businesses associated with leasing especially factory and warehouse properties usually have general real estate risks, such as instability in economic and politic situation, real estate market, lessee's financial condition, capability to collect the rental fee on time. From the REIT Manager's interview, WHA ID becomes aware of these issues and also pays attention to develop their business strategies; to carefully select their properties with high potential location and value which HREIT tends to invest in the future.

However, the REIT Manager is unable to completely control the risk factors and could not guarantee of any instabilities in economic and political conditions in the future which might be significantly affect to the operating and financial condition of HREIT.

5. Fairness of Price and Conditions of the Transaction

5.1. Fairness of the Transaction Price

The IFA has determined reasonableness of the asset acquisition price based on information obtained from HREIT and from the REIT Manager's interview, information from financial statements audited/reviewed by the SEC-approved auditor, and other publicly available information. Our opinion on the fairness of the transaction price is rendered under the assumption that all information obtained is correct and complete and based solely on the economic situation prevailing at the time of preparing this report. Therefore, any material change in these factors could affect our opinion provided herein.

Based on the obtained information, the IFA has determined the appropriateness of the acquisition price based 3 methodologies as follows:

Methodology 1 Book Value Approach

Methodology 2 Valuation by Independent Appraisers

Methodology 3 Discounted Cash Flow Approach by IFA

5.1.1. Book Value Approach

To evaluate fair value of the Additional Investment Assets No. 2 by using book value approach, IFA based the valuation of the 9 factories on book value recorded in WHA IB's financial statements as at 31 October 2018 as follows:

No.	Project	Type of Asset ^{/1 /2}	Unit	Book Value as of 31 October 2018 (THB)
1	WHA SIL	Attached	27B	14,181,625
2			27C	14,181,625
3			27D	14,181,625
4			27E	14,181,625
5			27A	18,153,000
6			3B-02	25,504,201
7			93E	41,124,313
8			93F	41,124,313
9		Detached	93C	81,080,000
Total				263,712,326

Source: The Company

Remarks: /1 Detached Building is a single unit building type with mezzanine for office purpose.

/2 Attached Building is a group of adjacent units building type with mezzanine for office purpose.

In determining the fair value of the Additional Investment Assets No. 2 using book value approach, the value of the Additional Investment Assets No. 2 is THB 263,712,326.

5.1.2. Valuation by Independent Appraisers

By this approach, the IFA has taken into consideration the appraisal reports of two independent appraisers who received approval from the SEC, comprising of Siam City Appraisal Co., Ltd. (appraised at 3 September 2018) and TAP Valuation Co., Ltd. (appraised at 3 September 2018). These reports were prepared to determine the market value of the Additional Investment Assets No. 2 for public purposes and for consideration of the asset acquisition of HREIT by 1) Cost Method and 2) Income Approach.

The valuation by two independent appraisers use the income approach by discounted cash flow to evaluate the assets. The IFA is of the opinion that this approach is appropriate for the assets generating cashflow from itself. The main assumptions such as current occupancy rate, rental rate and property management fee are appropriate as the independent appraisers refer to the related agreements, for instance, the current rental agreement, the undertaking agreement of the Asset's Owner Company, including the property management agreement.

Determining the fair value of the Additional Investment Assets No. 2 using the income approach with discounted cash flow model will consider the structure of cash flows generated by such assets in the future. The assumptions used by the appraisers to evaluate the fair value are as follows:

Assumption	SCA	TAP
Appraisal Method	Income approach model on the leasehold assets with the lease period of 30 years and renewal the lease and service agreement for another 30 years, (total 60 years) since 1 January, 2019.	
Rental and Service Fee	<ul style="list-style-type: none"> ● Rental Rate <ul style="list-style-type: none"> - Detached : THB 210/Sq.m./month - Attached : THB 190/Sq.m./month ● The rental growth rate <ul style="list-style-type: none"> - Increase by 8% every 3 years. 	<ul style="list-style-type: none"> ● Rental Rate <ul style="list-style-type: none"> - Detached : THB 210/Sq.m./month - Attached : THB 190/Sq.m./month ● The rental growth rate <ul style="list-style-type: none"> - Increase by 2% per year in year 1-5 - Increase by 2.5% per year from year 6 onwards.
Occupancy rate	<ul style="list-style-type: none"> ● Year 1: 90% ● Year 2: 91% ● Year 3: 92% ● Year 4: 93% ● Year 5 throughout the projection period: 95% of all 	<ul style="list-style-type: none"> ● Year 1: 90% ● Year 2: 91% ● Year 3: 92% ● Year 4: 93% ● Year 5 throughout the projection period: 95% of all

Assumption	SCA	TAP
	Remarks: 100% occupancy rate based on the existing agreements until expiration.	Remarks: 100% occupancy rate based on the existing agreements until expiration.
Income from guarantee for the first 3 years of rental income	<ul style="list-style-type: none"> ● Detached is THB 210/Sq.m./month ● Attached is THB 193/Sq.m./month 	<ul style="list-style-type: none"> ● Detached is THB 210/Sq.m./month ● Attached is THB 193/Sq.m./month
Rental income from solar Rooftop	<ul style="list-style-type: none"> ● <u>Rooftop area for rent</u> 60% of total rooftop area ● <u>Minimum occupancy rate of rooftop for rent</u> 85% of the total rooftop area for rent ● <u>Rental rate of solar rooftop</u> THB 3/Sq.m./month ● <u>Rental rate growth of solar rooftop</u> increase 6% every 3 years 	<ul style="list-style-type: none"> ● <u>Rooftop area for rent</u> 60% of total rooftop area ● <u>Minimum occupancy rate of rooftop for rent</u> 85% of the total rooftop area for rent ● <u>Rental rate of solar rooftop</u> THB 3/Sq.m./month ● <u>Rental rate growth of solar rooftop</u> increase 6% every 3 years
Property Management Fee	<ul style="list-style-type: none"> ● <u>Year 1-5</u> 1.75% of rental income ● <u>Year 6 onwards</u> 5% of rental income 	<ul style="list-style-type: none"> ● <u>Year 1-5</u> 1.75% of rental income ● <u>Year 6 onwards</u> 5% of rental income
Marketing Expense	0.7% of rental income	0.7% of rental income
Security Expense, Insurance Premium, and Repair and Maintenance	1.1% of rental income and increase 2% every year	THB 25/sq.m./year and increase relative to rental income. Year 1-5 increase 2% per year and from year 6 onwards, increase 2.5% per year
Central maintenance expense (Attached factory only)	THB 1,350/Rai/month and increase 5% every 3 years	THB 1,350/Rai/month and increase 5% every 3 years
Reserve for Replacement (CAPEX)	1.5% of total rental income from year 6 onwards	1.5% of total rental income from year 6 onwards
Rental for Renewal Period 30 years	THB 30 M	THB 30 M
Discount Rate	9.5%	9.5%

The appraisal value by the two independent appraisers are summarized as follows:

	SCA	TAP
Appraisal Value	THB 464.12 M	THB 460.79 M

In determining the fair value of the Additional Investment Assets No. 2 by using income approach, the value of the Additional Investment Assets No. 2 is in a range of THB 460.79 – 464.12 M.

5.1.3. Discounted Cash Flow Approach by IFA

The IFA has prepared the financial projection of the Additional Investment Assets No. 2 by using Discounted Cash Flow Approach (DCF). The approach considers an ability to generate the free cash flow of the assets in the future (FCF) by calculating the present value (PV) using the appropriate discount rate. The IFA has applied Weighted Average Cost of Capital ("WACC") as a discount rate.

the IFA has evaluated the assets' ability to generate future cash flows for the Additional Investment Assets No. 2 over a period of 60 years (from 31 December 2018 – 31 December 2078) to comply with 30-year lease term and the right to extend the lease for another 30 years with an on-going basis. The assumptions for conducting this projection is for the future perspective which established under the actual lease agreement and service agreement with the current sub-lessees, interviewing with the REIT Manager, and HREIT's operating policy and based on the economic and industrial situation and the information prevailing at the time of conducting this study only. Therefore, if there is any significant change in these factors that affect HREIT's operation, the financial projection by this approach could present differently from such factors.

The key assumptions used for the financial projection are as follows:

1. Income from operation

Source of Income	Assumptions
Income from rental and service fee	<ul style="list-style-type: none"> ● <u>Rental Growth of renral and service fee</u> Increase 1.67% per year for a new lease agreements or renewal lease agreement as reference from the average historical rental and service income and the rental agreement with the tenants. ● <u>Occupancy Rate</u> 100% during year 2019 – 2021 based on current occupancy rate and 3- year compensation rental income to HREIT. After that, the occupancy rate is set at 95% during 2022 and 90% from 2023 until the end of the lease period. ● <u>Renewal Rate</u> 67% of the mature leases. For non-renewable leases, it will take 3 months to find a new tenant. (Average Downtime). <p>The Additional Investment Assets No. 2 has the leasable areas approximately 15,916 sq.m.</p>
Compensate rental income ^{/1,2}	<ul style="list-style-type: none"> ● <u>Compensation Period from the Asset Owner's Company</u> 3 years commencing on the start date of the lease term ● <u>Compensation Rate</u> Attached Building: THB 193/sq.m.

Source of Income	Assumptions
	Detached Building: THB 210/sq.m.
Rental income from sub-lease rooftop areas ^{/2}	<ul style="list-style-type: none"> ● <u>Usable Area</u> 60% of all rooftop area of the 9 units of the Additional Investment Asset No. 2 ● <u>Occupied Area</u> 85% of the usable area ● <u>Rental Rate</u> THB 3/sq.m./month ● <u>Rental Growth</u> Increase 6% every 3 years on the start date of the lease term

Remark: /1 As at 30 June 2018, the occupancy rate of the Additional Investment Assets No. 2 (9 units) equals to 100%, hence, HREIT will not be compensated for the above rental income.

Source: /2 The draft undertaking agreement of the Asset Owner's Company

2. Operating Expenses

Expenses	Assumptions										
REIT manager fee	0.15% per year of TAV but not less than THB 12.50 M										
Trustee fee	0.15% per year of TAV but not less than THB 8 M										
TSD registration fee	<table border="1"> <thead> <tr> <th>Paid-up Capital or Registered Capital (THB M)</th><th>Registration Fee by Numbers of capital (%)</th></tr> </thead> <tbody> <tr> <td>=< 1,000</td><td>0.043</td></tr> <tr> <td>> 1,000 =< 5,000</td><td>0.038</td></tr> <tr> <td>> 5,000 =< 10,000</td><td>0.032</td></tr> <tr> <td>> 10,000</td><td>0.023</td></tr> </tbody> </table> <p>Source: TSD, fees and expenses related to registrar of the company</p>	Paid-up Capital or Registered Capital (THB M)	Registration Fee by Numbers of capital (%)	=< 1,000	0.043	> 1,000 =< 5,000	0.038	> 5,000 =< 10,000	0.032	> 10,000	0.023
Paid-up Capital or Registered Capital (THB M)	Registration Fee by Numbers of capital (%)										
=< 1,000	0.043										
> 1,000 =< 5,000	0.038										
> 5,000 =< 10,000	0.032										
> 10,000	0.023										
Property manager fee	<table border="1"> <thead> <tr> <th>Period</th><th>The Management Fee</th></tr> </thead> <tbody> <tr> <td>1st – 5th Year</td><td>1.75% of the Gross Property Operating Revenue</td></tr> <tr> <td>6th – 10th Year</td><td>5% of the Gross Property Operating Revenue</td></tr> <tr> <td>10th Year Onwards</td><td>5% of the Gross Property Operating Revenue</td></tr> </tbody> </table> <p>Source: The draft property management agreement</p>	Period	The Management Fee	1 st – 5 th Year	1.75% of the Gross Property Operating Revenue	6 th – 10 th Year	5% of the Gross Property Operating Revenue	10 th Year Onwards	5% of the Gross Property Operating Revenue		
Period	The Management Fee										
1 st – 5 th Year	1.75% of the Gross Property Operating Revenue										
6 th – 10 th Year	5% of the Gross Property Operating Revenue										
10 th Year Onwards	5% of the Gross Property Operating Revenue										
Commission fee for tenants solicitation	<table border="1"> <thead> <tr> <th>Operating Type</th><th>Commission</th></tr> </thead> <tbody> <tr> <td>Renewal of agreement with the current tenants</td><td>0.5 month per agreement</td></tr> <tr> <td>New tenants</td><td>1 month per agreement</td></tr> </tbody> </table> <p>Remark: In case of any lease term less than 3 years, the commission fee is calculated from the ratio of the actual lease term comparing with the standard lease term of 3 years.</p> <p>Source: the draft property management agreement</p>	Operating Type	Commission	Renewal of agreement with the current tenants	0.5 month per agreement	New tenants	1 month per agreement				
Operating Type	Commission										
Renewal of agreement with the current tenants	0.5 month per agreement										
New tenants	1 month per agreement										

3. Other Expenses

3.1. Assets Maintenance Expenses

Assets Maintenance Expenses	Assumptions
Security Guard Expense	Actual cost at 9 August 2018 and grow relevant with the Thai inflation forecasting ^{/2} .
M&E Preventive Maintenance Expense	Based on contractor selection as at 24 April 2018 and grow relevant with the Thai inflation forecasting ^{/2} .
Renovation and Alteration of the Property ^{/1}	<ul style="list-style-type: none"> ● <u>Year 2019 - 2023</u> the Asset Owner's Company shall responsible for the expenses of any renovation, reparation, and/or alteration in material part of the property invested by HREIT. ● <u>Year 2023 onwards</u> 1.5% of the rental and service income (responsible by HREIT)
Other Maintenance Expenses	Percentage of the rental and service income referred from January – June 2018 (such as electricity, cleaning, stamp duty, central maintenance)

Source: ^{/1} The drafted undertaking agreement of the Asset Owner's Company

Remark: ^{/2} More details in Appendix 1 topic 2. Inflation

3.2. Amortization Expense

Amortization expense is calculated from the asset acquisition expenses by straight line method for 5 years

3.3. Other HREIT's Expenses

- SET Annual Fee calculated based on paid-up capital of HREIT as following table. However, the amount must not less than THB 50,000 and not more than THB 3,000,000 per year.

Paid-up capital (THB M)	Calculated fee rate by Numbers of capital (%)
=< 200	0.035
> 200 =< 1,000	0.030
> 1,000 =< 5,000	0.025
> 5,001 =< 10,000	0.020
> 10,000	0.010

Source: SET

- Other HREIT's expenses, such as investor relation website, register book closing, office expense, bank fee and appraisal, is set 2 times from the actual expenses from January – June 2018 and grow relevant with the Thai inflation forecasting (More details in Appendix 1 topic 2. Inflation)

4. Interest Expenses

In this Transaction, part of the sources of funds to be used for the investment in the Additional Investment Assets No. 2 will be obtained from long-term loan in the amount of not exceeding THB 420 M from the financial institution. According to the term sheet, the interest rate will not exceed MLR, which was at 6.20% as at 29 October 2018.

5. Discount Rate

The IFA uses weighted average cost of capital (WACC) as a discount rate to calculate the present value of the free cash flow. Here, IFA has computed WACC from weighted average cost of debt (K_d) and cost of equity (K_e). Details of the discount rate calculation are as follows:

$$WACC = K_e * E / (D + E) + K_d * (1 - T) * D / (D + E)$$

K_e = Cost of equity or required rate of return for unitholders

K_d = Cost of debt or loan interest rate

T = Corporate income tax

E = Net Assets

D = Interest-bearing debt

Cost of equity (K_e) is calculated by the Capital Asset Pricing Model (CAPM), as follows:

$$K_e = R_f + \beta(R_m - R_f)$$

Whereby

Risk Free Rate (R_f) is risk-free rate based on the 48-year government bond yield at 3.78% (as of 9 November 2018).

Beta (β) is a market risk measurement of the fund which is a coefficient of variation between changes of SET Index and the HREIT's unit price (Source: Bloomberg as at 9 November 2018).

Market Return (R_m) is the average rate of return on investment in the SET over the past 42 years until October 2018, which equals to 17.24% per year.

Detail of factors, assumptions and discount rate can be summarized as follows:

Assumption	Value
Risk free rate on government bond (Rf)	3.77%
Rate of return on investment in the SET (Rm)	17.24%
Market-based risk indicator of stock price (Beta)	0.392
Cost of equity (Ke)	9.05%
Cost of debt (Kd)	3.96%
Corporate Income Tax (T)	-
Target equity to total assets ratio (We) ^{/1}	60.00%
Target debt to total assets ratio (Wd) ^{/1}	40.00%
WACC	7.02%

Remark: The targeted capital structure is the structure that has been determined by the REIT Manager.

From the above assumptions, The IFA calculates the present value of the free cash flow of the Additional Investment Asset No. 2 equals to THB 526.70 M.

Summary of the Net Present Value (NPV) of cash flow from the Additional Investment Assets No. 2

Details	Amount (THB M)
Present value of cash flow from the Additional Investment Assets No. 2	526.70
Expenses associated to the acquisition of assets (Set Up Cost)	(23.00)
Expenses associated the issuance and offering additional trust units	503.70
Acquisition price of the Additional Investment Assets No. 2	(477.00)
NPV of cash flow from the Additional Investment Assets No. 2	26.70

Remark: /1 Set up cost comprises of financial advisor, IFA, legal, marketing, EGM, registration, loan upfront and RM acquisition fee.

From the above feasibility of the investment in the Additional Investment Assets No. 2, the NPV of cash flow from the Additional Investment Assets No. 2 is equal to THB 26.70 million. As the NPV is positive, the IFA opines that the acquisition price of the transaction of not exceeding THB 477 M is appropriate.

Sensitivity Analysis

The IFA has conducted a sensitivity analysis on the cash flow of the Additional Investment Assets No. 2. The objective of this sensitivity analysis is to see the effect on the NPV of cash flow from the Additional Investment Assets No. 2 when the assumptions have been changed from the base case. However, the actual cash flows may be higher/lower than the projection in this sensitivity analysis.

IFA has conducted the sensitivity analysis based on 2 different assumptions as follows:

Assumption 1: Occupancy Rate

Change in Occupancy Rate from 2023 throughout the lease period	NPV of cash flow from the Additional Investment Assets No. 2 (THB M)
Increase by 5%	49.63
Base Case	26.70
Decrease by 5%	3.77

From the sensitivity analysis with the change in occupancy rate assumption, the NPV of cash flow from the Additional Investment Assets No. 2 is in a range of THB 3.77 - 49.63 M.

Assumption 2: Growth rate of rental income and service income (Rental Growth)

Change in rental and service income from 2023 throughout the lease period	NPV of cash flow from the Additional Investment Assets No. 2 (THB M)
Increase by 0.25%	41.18
Base Case	26.70
Decrease by 0.25%	13.14

From the sensitivity analysis with a change in rental income and service income assumption, the NPV of cash flow from the Additional Investment Assets No. 2 is in a range of THB 13.14 – 41.18 M.

Comparison of the material assumptions used in the financial projections by the independent appraisers and the IFA can be summarized as follows:

	SCA	TAP	IFA
Appraisal Date	3 September 2018	3 September 2018	9 September 2018
Appraisal Value / PV after set up cost (THB M)	464.12	460.79	503.70
Asset Acquisition Value (THB M)	Not exceeding 477.00	Not exceeding 477.00	Not exceeding 477.00

	SCA	TAP	IFA
Asset Acquisition Value compared with the Appraisal Value	2.78% higher	2.52% higher	5.60% lower
Main Assumptions			
1) Rental and Service Income	<ul style="list-style-type: none"> ● Rental Rate <ul style="list-style-type: none"> - Detached : THB 210/Sq.m./month - Attached : THB 190/Sq.m./month ● Rental growth rate <ul style="list-style-type: none"> - Increase by 8% every 3 years. 	<ul style="list-style-type: none"> ● Rental Rate <ul style="list-style-type: none"> - Detached : THB 210/Sq.m./month - Attached : THB 190/Sq.m./month ● Rental growth rate <ul style="list-style-type: none"> - Increase by 2% per year in year 1-5 - Increase by 2.5% per year from year 6 onwards. 	<ul style="list-style-type: none"> ● Rental Rate <ul style="list-style-type: none"> - From the actual sub-lessees' agreement as of 30 June 2018. ● Rental growth rate <ul style="list-style-type: none"> - Increase 1.67% per year ● Renewal rate <ul style="list-style-type: none"> - 67% of the mature leases. For non-renewable leases, it will take 3 months to find a new tenant. (Average Downtime).
2) Occupancy Rate	<ul style="list-style-type: none"> ● Year 1: 90% ● Year 2: 91% ● Year 3: 92% ● Year 4: 93% ● Year 5 onwards: 95% of all <p><u>Remarks:</u> 100% occupancy rate based on the existing agreements until expiration.</p>	<ul style="list-style-type: none"> ● Year 1: 90% ● Year 2: 91% ● Year 3: 92% ● Year 4: 93% ● Year 5 onwards: 95% of all <p><u>Remarks:</u> 100% occupancy rate based on the existing agreements until expiration.</p>	<ul style="list-style-type: none"> ● Year 1: 100% ● Year 2: 100% ● Year 3: 100% ● Year 4: 95% ● Year 5 onwards: 90%
3) Income from guarantee for the first 3 years of rental income	Yes (Based on the drafted undertaking agreement)	Yes (Based on the drafted undertaking agreement)	Yes (Based on the drafted undertaking agreement)
4) Rental Income from Solar Rooftop	Yes (Based on the drafted undertaking agreement)	Yes (Based on the drafted undertaking agreement)	Yes (Based on the drafted undertaking agreement)
5) Trustee Fee, Management Fee and Other Expenses	No*	No*	Yes

	SCA	TAP	IFA
Related to the Additional Investment			
6) Discount Rate	9.5%	9.5%	7.02% (IFA used WACC as the discount rate)

Remark: * Because the objective of the appraisal prepared by both of the independent appraisers is to reflect the actual market value, which does not take into account the invested capital, acquisition-related expenses, fees or taxes, the market value reflects only the opinion that is based solely on the market data not the actual transaction in the market.

Summary of Determination of Fair Value of HREIT's Investment in the Additional Investment Assets No. 2

The IFA has determined the appropriateness of the acquisition price based on the book value approach, the valuation by independent appraisers, and the discounted cash flow approach. Value of the Additional Investment Assets No. 2 appraised by the book value approach is equal to THB 263.71 M. Value of the Additional Investment Assets No. 2 appraised by the independent appraisers is in the range of THB 460.79 – 464.12 M.

The IFA opines the book value approach is not appropriate given it reflects the assets' value at a certain point of time, but does not take into account the future cash flow generating ability of those assets. By comparing the appraised value by the independent appraisers (THB 460.79 – 464.12 M) with the acquisition price of not exceeding THB 477 M, the acquisition price is higher than the appraised value by the independent appraisers by 2.78% - 3.52%, or approximately THB 12.88 - 16.21 M.

In conducting the investment feasibility test of the Additional Investment Assets No. 2, the IFA has evaluated the assets' ability to generate future cash flows based upon the assumptions established under the actual lease agreement and service agreement with the current sub-lessees, information and historical performance of HREIT and also interviewing the REIT Manager, to estimate the net present value ("NPV") of the future cash flow from the Additional Investment Assets No. 2. If the NPV of the Additional Investment Assets No. 2 is positive, the investment is considered worthwhile and increases value to HREIT. In contrast, if the NPV of the Additional Investment Assets No. 2 is negative, the investment is considered not worthwhile and will decrease the value to HREIT.

The IFA has prepared the cash flow projection for the investment in the Additional Investment Assets No. 2 over a period of 60 years (lease period 30 years with the right to extend the lease for another 30 years, or from 1 January 2019 – 31 December 2078), using revenue and expense assumptions and applying Weighted Average Cost of Capital ("WACC") as a discount rate to calculate the present value of such cash flow. The IFA then calculated the NPV of cash flow by using such present value minus the expenses which will be borne by HREIT for the acquisition of assets and acquisition price of not exceeding THB 477 M as follows:

Summary of the Net Present Value (NPV) of cash flow from the Additional Investment Assets No. 2

Details	Amount (THB M)
Present value of cash flow from the Additional Investment Assets No. 2	526.70
Expenses associated to the acquisition of assets (Set Up Cost)	(23.00)
Expenses associated the issuance and offering additional trust units	503.70
Acquisition price of the Additional Investment Assets No. 2	(477.00)
NPV of cash flow from the Additional Investment Assets No. 2	26.70

From the above feasibility of the investment in the Additional Investment Assets No. 2, the NPV of cash flow from the Additional Investment Assets No. 2 is equal to THB 26.70 M. As the NPV is positive, the IFA opines that the acquisition price of the transaction of not exceeding THB 477 M is appropriate.

5.2. Appropriateness of Conditions of the Transaction

The Board of Directors' Meeting of the REIT Manager, held on 8 November 2018 set a major condition for the transaction that the investment in the additional assets shall be contingent upon approval from the Extraordinary General Meeting of Unitholders of HREIT No.1/2018, to be held on 18 December 2018. This transaction is considered as Related Party Transactions (Persons Related to the REIT Manager) with the transaction size of over THB 20,000,000 or over 3% of the net asset value of HREIT (whichever is higher). Such transaction requires the approval from trust unitholders' meeting by affirmative votes of not less than three – fourths of the total number of votes of the trust unitholders who attend the meeting and have the right to vote, whereby the trust unitholders who have special interest in the transaction shall not be entitled to cast vote thereon.

The above condition is in line with the rules and regulations for good corporate governance and the relevant regulations of the SEC and aims at protecting interest of the existing trust unitholders of HREIT.

Conclusion of the Independent Financial Advisor's Opinion

Conclusion of The Independent Financial Advisor's Opinion on HREIT's Acquisition of Assets and Related Party Transactions (Persons Related to the REIT Manager)

The IFA views that the entering into the investment transaction in the Additional Investment Assets No. 2 with WHA IB (a subsidiary of WHA ID) is reasonable since the investment is in accordance with objectives and investment policy of HREIT. The Additional Investment Assets No. 2 is relatively new, ready to use, and fully occupied by lessee (as of 30 June 2018). This would enhance HREIT the ability to generate rental income within a short period. Also, all of 9 additional units are situated in strategically location which is the center of logistics to other regions, making them attractive to the tenants. The acquisition of the additional assets would also increase the average age of the lease term and reducing the expenses per unit of HREIT.

Moreover, WHA IB agrees to pay rental for the unoccupied leased properties or to pay rental short of the minimum rental rate for the period of 3 years from the date of HREIT's investment or until there is a lessee during such period. The minimum rental rate is in accordance with the undertaking agreement and WHA ID or WHA IB agrees to pay the rental to HREIT for the leasable rooftop area for a period of 15 years from the date of HREIT's investment or until there is a lessee during such period. The Company wishes to give first right to WHA ID or WHA IB and/or persons related to WHA ID or WHA IB to lease the rooftop of the Additional Investment Assets No. 2 from HREIT before any third party. The rental rate is in accordance with the undertaking agreement.

In addition, appointing WHA ID to be the Property Manager of the Additional Investment Assets No. 2 is reasonable since WHA ID has years-long expertise and is one of the leaders in industrial estate, industrial-standard factory, and warehouse management. It can be ensured that the property management of HREIT's assets will be carried out efficiently. The Company and WHA ID has experience in working together from HREIT's first investment. This would enhance the continuity of cooperation between the parties and reduce the resources used in due diligence process.

The IFA has determined the appropriateness of the acquisition price based on the book value approach, the valuation by independent appraisers, and the discounted cash flow approach. Value of the Additional Investment Assets No. 2 appraised by the book value approach is equal to THB 263.71 M. Value of the Additional Investment Assets No. 2 appraised by the independent appraisers is in the range of THB 460.79 – 464.12 M.

The IFA opines the book value approach is not appropriate given it reflects the assets' value at a certain point of time, but does not take into account the future cash flow generating ability of those assets. By comparing the appraised value by the independent appraisers (THB 460.79 – 464.12 M) with the acquisition price of not

exceeding THB 477 M, the acquisition price is higher than the appraised value by the independent appraisers by 2.78% - 3.52%, or approximately THB 12.88 - 16.21 M.

In conducting the investment feasibility test of the Additional Investment Assets No. 2, the IFA has evaluated the assets' ability to generate future cash flows based upon the assumptions established under the actual lease agreement and service agreement with the current sub-lessees, information and historical performance of HREIT and also interviewing the REIT Manager, to estimate the net present value ("NPV") of the future cash flow from the Additional Investment Assets No. 2. If the NPV of the Additional Investment Assets No. 2 is positive, the investment is considered worthwhile and increases value to HREIT. In contrast, if the NPV of the Additional Investment Assets No. 2 is negative, the investment is considered not worthwhile and will decrease the value to HREIT.

The IFA has prepared the cash flow projection for the investment in the Additional Investment Assets No. 2 over a period of 60 years (lease period 30 years with the right to extend the lease for another 30 years, or from 1 January 2019 – 31 December 2078), using revenue and expense assumptions and applying Weighted Average Cost of Capital ("WACC") as a discount rate to calculate the present value of such cash flow. The IFA then calculated the NPV of cash flow by using such present value minus the expenses which will be borne by HREIT for the acquisition of assets and acquisition price of not exceeding THB 477 M as follows:

Summary of the Net Present Value (NPV) of cash flow from the Additional Investment Assets No. 2

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Acquisition price of the Additional Investment Assets No. 2	(477.00)
NPV of cash flow from the Additional Investment Assets No. 2	26.70

From the above feasibility of the investment in the Additional Investment Assets No. 2, the NPV of cash flow from the Additional Investment Assets No. 2 is equal to THB 26.70 M. As the NPV is positive, the IFA opines that the acquisition price of the transaction, being not over THB 477 M is appropriate.

Therefore, the IFA recommends that the trust unitholders should approve the transaction in relation to HREIT's Acquisition of Assets and Related Party Transactions (Persons Related to the REIT Manager). However, the decision to approve or disapprove the transaction shall be at own discretion of the trust unitholders. It is recommended that the trust unitholders additionally study information in all documents enclosed with the notice of the trust unitholders' meeting so as to use judgement and discretion for proper voting decision.

Baker Tilly Corporate Advisory Services (Thailand) Ltd., as the IFA, hereby certifies that we have considered and analyzed all information and rendered opinion fairly and thoroughly under professional standards by paying attention primarily to the interest of the trust unitholders.

In providing the above opinion, the IFA has taken into account the information and documents available publicly, the information from industry analyses and forecasts, the information and documents supplied by the Company, including the management interview. The IFA may not certify the accuracy or completeness of the obtained information and the information from the management interview. Moreover, the opinion hereby proposed to the trust unitholders is given regarding HREIT's Acquisition of Assets and Related Party Transactions (Persons Related to the REIT Manager) only. Such opinion is based on the economic environment and the information prevailing at the time of preparing this report. Therefore, any significant change in these factors could have an impact on the IFA's opinion.

Yours sincerely,

(Yundyong Thantiviramanon)

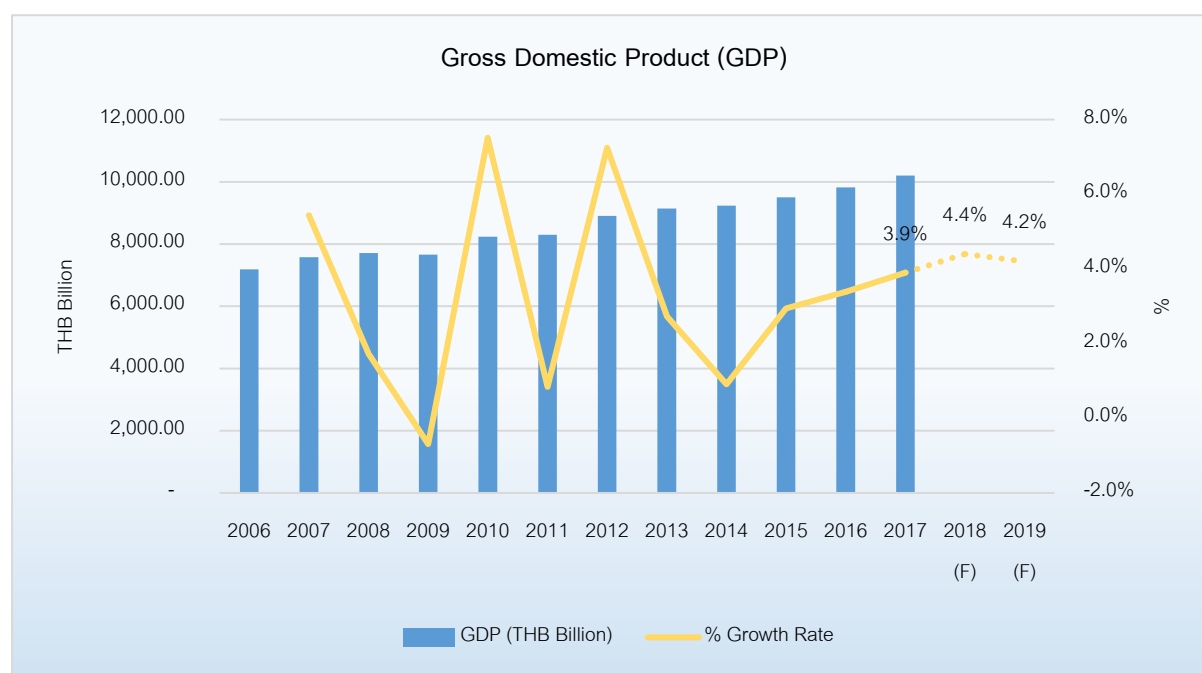
Senior Partner

Compliance Supervisor

Baker Tilly Corporate Advisory Services (Thailand) Limited

Appendix 1: Economic and Industry Overview

1. Economic Situation



Source: Bank of Thailand as of 30 October 2018

The Thai economy in the second quarter of 2018 expanded by 4.6%, compared to 4.9% in the previous quarter. After seasonal adjustment, the economy in the second quarter grew by 1.0% from the first quarter of 2018. There were many sectors of economy that expanded in the second quarter of 2018: Export value grew by 12.3%; private consumption expenditure and total investment grew by 4.5% and 3.6%, respectively, and the agriculture sector expanded by 10.4%. Average headline inflation was 1.3%, increasing from 0.6% in the first quarter of 2018, and the current account surplus of 5.2% of GDP decreasing from 11.6% of GDP in the first quarter of 2018. The Office of the National Economic and Social Development Board (“NESDB”) expects the Thai economy to grow in the range of 4.2% to 4.7% in 2018, with the following key supporting factors:

- 1) The improvement of the global economy which will further enhance the growth of export and key production sectors;
- 2) The favorable expansion of government consumption and public investment;
- 3) The more noticeable recovery of private investment; and
- 4) The improvement of household income conditions

NESDB expected that the export value will increase by 10.0%, private consumption and total investment will grow by 4.1% and 4.4%, respectively. The headline inflation is forecasted to be in the range of 0.9% - 1.4% and the current account will record a surplus of 8.4% of GDP. (Source: The Office of the National Economic and Social Development Board as of 20 August 2018)

2. Inflation Rate

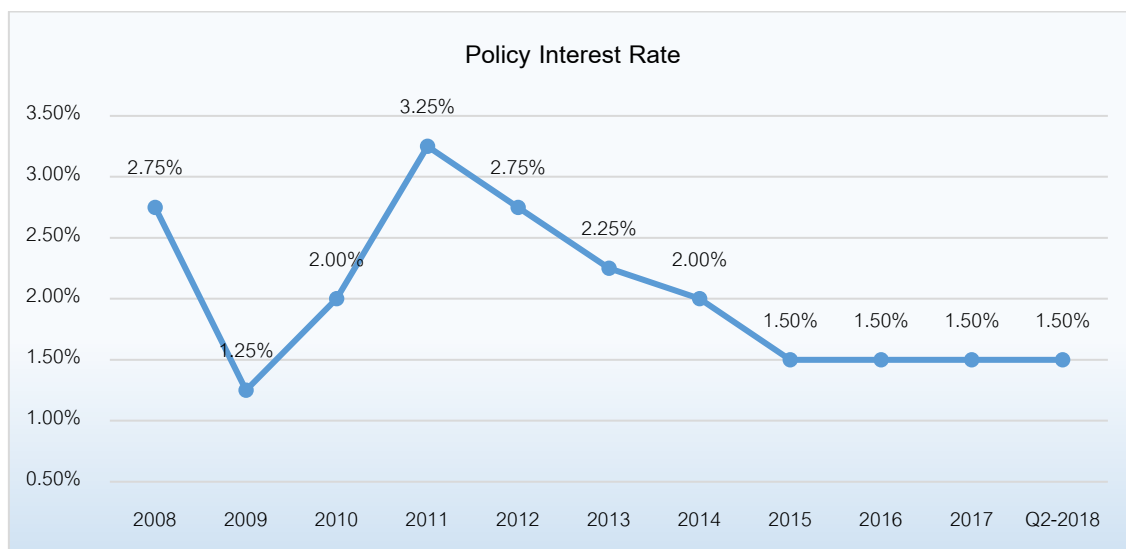


Source: International Monetary Fund (IMF) as of 30 October 2018

Headline inflation in the second quarter of 2018 was at average of 1.3%, accelerating from 0.6% in the first quarter of 2018 following the expansion of both food and non-alcoholic beverages and non-food and beverage categories. Core inflation was at an average of 0.8%, compared to 0.6% in the first quarter of 2018. In 2018, it is expected that the Headline inflation will be in the range of 0.7% - 1.7%, rising from 0.7% in 2017 following the recovery of domestic demand and the increasing trend of crude oil cost in the world market.

International Monetary Fund ("IMF") forecasts that headline inflation will be in a range of 0.9% - 2.0% from 2019 – 2023.

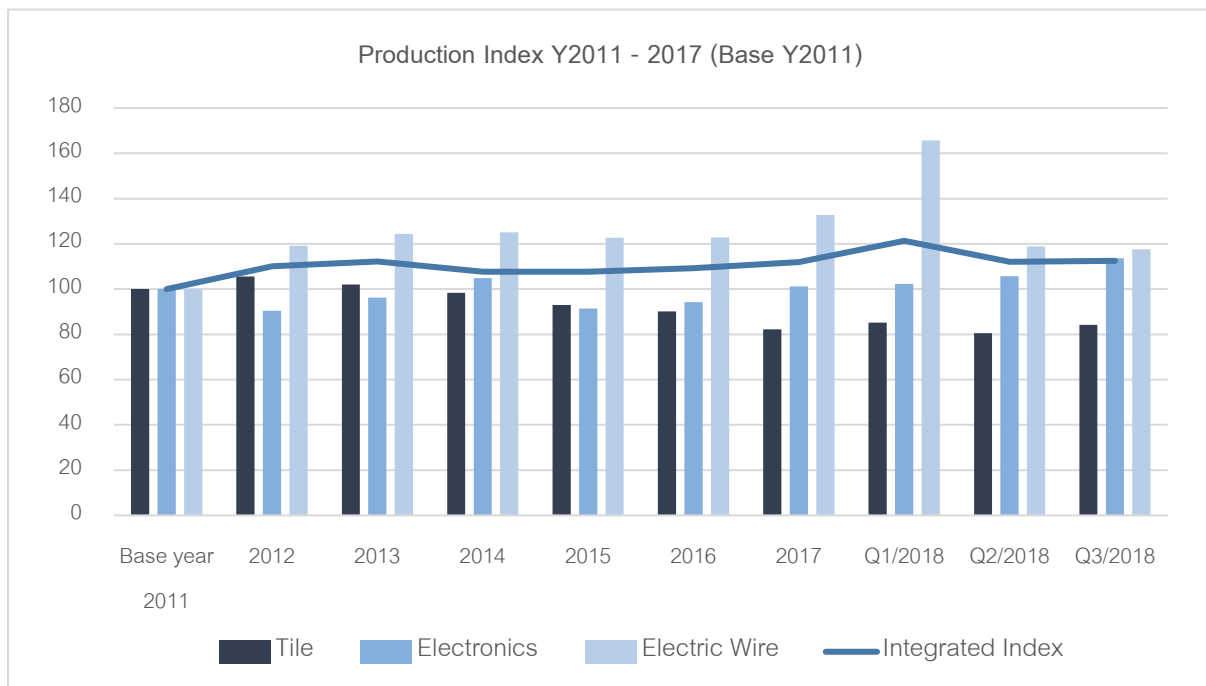
3. Policy Rate



Source: Bank of Thailand as of 19 September 2018

In the second quarter of 2018, the policy rate remained at 1.5% per annum, after being decreased since 2011 because the ease of the current monetary easing policy which has helped support the economic growth and brought back the headline inflation to the target level. According to the resolution of the Monetary Policy Committee meeting ("The Board") on 19 September 2018, the Board decided to maintain the policy interest rate at 1.5% per annum with an estimation that the Thai economy is expected to continue expanding as a result of the gradual increase of foreign trade and domestic demand.

4. Industrial Production Index



Source: Office of Industrial Economics

Industrial Production Index as of Q3/2018 (calculated from the base year of 2011) of 112.43 increased from that of 2017 at 111.94 by 0.44%. The electronics sector constituted the highest growth, accounting for 113.63, increased by 12.29% from 2017. The following growth sector is the tile, accounting for 84.27, increased by 2.50% and the electric wire accounting for 117.57, decreased from 2017 by 11.40%.

In year 2015, the index stood at 107.72, increased from year 2014 by 0.05%. However, the production of the electronics sector were the most affected, decreasing from 104.91 to 91.48 (or a 12.80% decrease) which is the result from outdated electronics production and does not meet the needs of the market. From this point onwards, the index started to recover from year 2015 to year 2017, approximately 1.94% per year. The production of electronics sector had the highest growth (approximately 5.17% per year).

5. Demand and Supply of Ready Built Factory and Warehouse for Rent

- Ready Built Factory

In Q4/2017, the total supply of Ready-Built-Factories (RBFs) in Thailand was stable compared to 2016. The total supply of RBFs was 2,356,891 sq.m. On the demand side, the overall occupancy rate was 70%, slightly decreased from 2016. In considering the market share of the RBFs, TICON and its related funds had the largest market share (48.6%). The second largest is WHA group and its related funds (25.98%).

- Ready Built Warehouse

In Q4/2017, the total supply of Ready-Built-Warehouses (RBWs) was 3,426,265 sq.m., increased from 2016 approximately 16%. The occupancy rate was 79%, slightly decreased from 2016 because of a lot of new warehouses were built. In considering the market share of the RBWs, WHA group and its related funds had the largest market share (47.53%). The second largest is TICON and its related funds (45.26%).

6. Trend of Solar Rooftop Business in Thailand

Due to global warming and need to reduce dependence on foreign energy imports of Thailand, the Thai government has assigned the Ministry of Energy to develop a plan for renewable energy and alternative energy at least 25% of fossil fuels by 10 years (2012-2021). The Ministry of Energy reveals that Thailand ranks number one in ASEAN for solar power nowadays. According to the development plan, solar power is considered to be the most prominent since solar energy is like a never-ending source of energy, not cause any pollution, and can be used for a variety of applications not only in remote rural areas but also automobile or in modern buildings. Furthermore, the potential of solar power generation in Thailand is quite large. With the landscape in the equator, the average annual solar energy is higher than in other parts of the world.

According to such potential, the government has made efforts to encourage the private sector to build a solar power plant by providing various supports such as tax and other incentive to motivate the investment such as academic information supports, exemption of import duty on raw materials for photovoltaic panels, support for loans and cash flow through financial institutions. Another important target is to have a production base of solar photovoltaic systems located in Thailand and can be self-sufficient and fully benefit from solar power generation. So, the renewable energy development of Thailand the country can occur quickly. (Source: Department of Alternative Energy Development and Efficiency, Ministry of Energy and Electricity Generating Authority of Thailand)

Appendix 2: Information on Hemaraj Leasehold Real Estate Investment Trust

1. Background and General Information

Hemaraj Leasehold Real Estate Investment Trust (“HREIT”) is a closed-end real estate investment trust with specific purpose. HREIT was established, without project life stipulated, on 21 November 2016 with a registered capital of THB 5,693.6 M (569,360,000 units at THB 10 per unit). HREIT was later listed and commenced trading on the Stock Exchange of Thailand on 28 November 2016.

HREIT has a policy to invest in main asset in the type of property or leasehold in property (including sub-leasehold in property), and asset which is component or accessory of the said property. HREIT shall invest in the category of assets such as warehouses, distribution centers or ready-built factories and roof area, or any part of such buildings located in (a) the industrial operation area which was established, invested and/or developed by Hemaraj; or (b) the area developed by Hemaraj adjacent to the industrial operation area; or (c) the area outside (a) and (b) which Hemaraj has sole title or possessory right or mutual title or possessory right between Hemaraj and affiliate of Hemaraj before 13 October 2015, and such title or possessory right is consecutively held at all time.

The REIT Manager shall generate benefits from such properties by means of lease, sub-lease, lease of area in an aspect of leasing, services associated with leasing and leased assets in order to generate income and return for HREIT and the trust unitholders of HREIT. Therefore, HREIT shall not operate in the aspect of other businesses, hotel and hospital business for instance, and HREIT shall not lease out the properties to person with reasons to suspect that the properties will be used for unethical and unlawful businesses. As at 30 June 2018, HREIT has invested in 122 assets units as follows:

HREIT’s initial investment is as follows:

1. leasehold right in lands and detached building factories 21 units
2. leasehold right in lands and attached building factories 59 units
3. leasehold right in lands and warehouses 21 units
4. Related properties, component parts of land and building, tools and equipment, used for the business operation within the leased properties

The total initial investment value was THB 7,974,991,417.

HREIT's additional investment No. 1 is as follows:

1. leasehold right in lands and detached building factories 7 units
2. leasehold right in lands and attached building factories 12 units
3. leasehold right in lands and warehouses 2 units
4. Related properties, component parts of land and building, tools and equipment, used for the business operation within the leased properties

The total additional investment No. 1 value was THB 1,589,847,751.

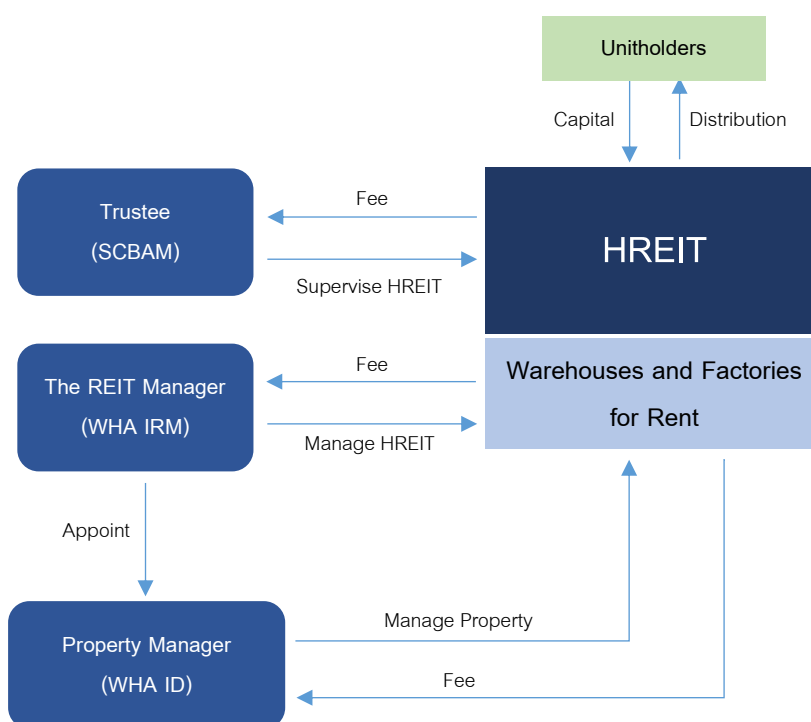
2. Unitholder Structure

The major unitholders as at 23 August 2018 are as follows:

No.	Unitholders	No. of Units	%
1	WHA Industrial Development Public Company Limited	105,395,609	15.00
2	The South East Life Insurance Co., Ltd.	31,308,261	4.46
3	TMB Property Income Plus Fund	14,794,600	2.11
4	Mr. Chanin Chalisarapong	12,500,000	1.78
5	Dhipaya Life Assurance Public Co., Ltd.	12,100,000	1.72
6	Thanachart Property and Infrastructure Flexible Fund	11,916,052	1.7
7	SCB INCOME PLUS FUND	10,316,124	1.47
8	MORGAN STANLEY & CO. INTERNATIONAL PLC	10,000,000	1.42
9	Thanachart Property Sector Fund	8,563,372	1.22
10	Southeast Insurance Public Company Limited	6,901,412	0.98
11	Minor Unitholders	478,838,686	68.15
Total		702,634,116	100.00

Source: Information as at 23 August 2018 (latest closing date) from The Stock Exchange of Thailand

3. HREIT Structure



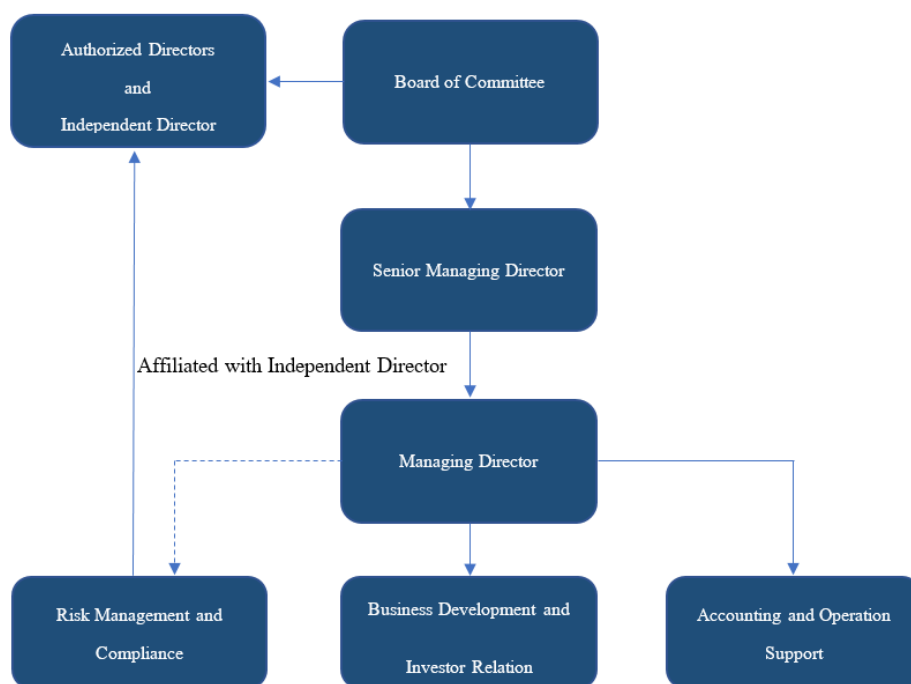
4. The REIT Manager

Name	WHA Industrial REIT Management Co., Ltd.
Address	No. 9, 27th Floor UM Tower, Ramkhamhaeng Road, Suan Luang Sub-district, Suan Luang District, Bangkok 10250
Registration Number	0105558056893
Telephone	0-2717-3901
Fax	0-2717-3902
Website	www.hemarajreit.com

5. Management Structure

The REIT Manager is divided into 3 main departments based on its duties and responsibilities which are 1) Risk Management and Compliance Department 2) Business Development and Investor Relations Department 3) Accounting and Operational Support Department.

Risk Management and Compliance Department is directly under Independent director's control as follows:



List of Directors:

No.	Name	Position
1	Ms. Jareeporn Jarukornsakul	Chairman of Board of Directors (Authorized directors)
2	Mr. Krailuck Asawachatroj	Director (Authorized directors)
3	Mr. Phorntep Rattanatraipop	Independent Director

Source: HREIT Annual Report 2017

List of Management Team:

No.	Name	Position
1	Mr. Paeree Ichayapreug	Managing Director
2	Ms. Jarucha Satimanont	Senior Manager Accounting & Operation Support
3	Ms. Linda Anekratchadaporn	Senior Manager Business Development & Investor Relations
4	Ms. Bussarin Wattanasunthornsakul	Manager Risk and Compliance

Source: The Company

6. Historical Operating Performance of HREIT

Warehouse	2016	2017	Q3/2018
Occupancy Rate (%)	74.5	52.6	61.6
Average Rental Rate (THB/sq.m./month)	153	151	200
Factory	2016	2017	Q3/2018
Occupancy Rate (%)	89.9	77.3	84.4
อัตราค่าเช่าเฉลี่ย (บาท/ตร.ม./เดือน)	203	199	186

Source: The Company

7. Current Assets Invested by HREIT as at 30 June 2018

No.	Project / Industrial Estate	Total Unit	Occupied Unit	Vacance Unit	Net Leasable Area (sq.m.)	Occupied Area (sq.m.)	Vacance Area (sq.m.)
Warehouse							
1	WHA LP1	2	2	-	16,820	16,820	-
2	WHA LP2	11	4	7	50,996	15,129	35,867
3	WHA LP4	10	5	5	33,705	20,355	13,350
	Total Warehouses	23	11	12	101,521.00	52,304.00	49,217.00
Factory							
1	ESIE	41	29	12	57,752	46,090	11,662
2	WHA CIE1	19	12	7	17,712	10,488	7,224
3	WHA ESIE1	32	19	13	127,364	97,696	29,668
4	WHA SIL	7	7	-	12,096	12,096	-
	Total Factories	99	67	32	214,924	166,370	48,554
	Total	122	78	44	316,445	218,674	97,771

Source: The Company

8. Competitors in the industry

Warehouse and factory for rent operators are often large operators due to the high investment. The main competitors of HREIT as at 31 December 2017 are as follows:

1. Amata Corporation PCL., the developer of Amata Nakorn Industrial Estate, located on Amphur Mueng, and Amphur Panthong, Chonburi, on an area of around 23,740 rai; Amata's subsidiaries, the operator of Amata City Industry Estate, located on Pluak Daeng district, Rayong, on area of 14,800 rai. Target customers of Amata Nakorn are both Thai and foreign investors
2. Amata Summit Growth Freehold and Leasehold Real Estate Investment Trust consists of 88 units of factory buildings located in Amata City Chonburi Industrial Estate 85 units with leasable area of 153,916.02 sq.m. and located in Amata City Rayong Industrial Estate 3 units with leasable area of 6,662.50 sq.m. The total leasable area is 160,578.52 sq.m.
3. Rojana Industrial Park PCL., the industrial parks developer which has developed properties in different areas such as Ayutthaya (12,105 rai), Rayong (3,634 rai), Prachinburi (5,366 rai), Chonburi (Bowin and Laem Chabang 2,669 rai).
4. TICON Industrial Connection PCL., the operator of building industrial factories and warehouses for rent in the industrial estate, industrial park, industrial area and 15 industrial zones in the province which consist of Phranakhon Si Ayutthaya, Chonburi, Rayong, Samut Prakan, Pathum Thani, Bangkok, Prachin Buri and Chachoengsao; by the areas of factories and warehouses are 394,780 sq.m. and 816,620 sq.m., respectively.
5. Ticon Freehold and Leasehold Real Estate Investment Trust owns factories and warehouses under TREIT in 7 provinces which consist of Phranakhon Si Ayutthaya, Pathum Thani, Prachin Buri, Samut Prakan, Chachoengsao, Chonburi and Rayong. The total leasable area is 1,484,660 sq.m. consist of factories 298 units (745,535 sq.m.) and warehouses 192 units (739,125 sq.m.).

9. HREIT's Financial Position Reports

The reports comprise of statement of financial position, statement of income, statement of cash flow, and a table illustrating significant financial ratios for the period of 31 December 2016 and 31 December 2017 which have been audited by certified public accountants and as at 30 September 2018 which have been reviewed by certified public accountants.

Statement of Financial Position as at 31 December 2016, 31 December 2017 and 30 September 2018

(Unit : THB)	31 December 2016	% on total assets	31 December 2017	% on total assets	30 September 2018	% on total assets
Assets						
Investments at fair value	7,974,991,417	97.24%	7,240,310,553	85.85%	9,027,817,449	97.98%
Cash and cash equivalents	193,036,872	2.35%	1,160,018,857	13.75%	74,309,364	0.81%
Accounts receivables and other receivables	18,832,657	0.23%	23,407,046	0.28%	55,084,144	0.60%
Prepaid expenses	1,463,097	0.02%	751,597	0.01%	1,920,656	0.02%
Deferred expenses	3,663,881	0.04%	2,914,684	0.03%	42,542,976	0.46%
Deferred income from operating lease agreement	9,244,838	0.11%	2,914,288	0.03%	8,786,729	0.10%
Refundable VAT	136,372	0.00%	194,042	0.00%	325,767	0.00%
Other assets	16,537	0.00%	3,086,715	0.04%	3,482,662	0.04%
Total assets	8,201,385,671	100.00%	8,433,597,782	100.00%	9,214,269,747	100.00%
Liabilities						
Unearned rental and service revenues	-	0.00%	7,152,305	0.08%	7,393,988	0.08%
Deposits received from customers	149,660,670	1.82%	134,731,673	1.60%	144,719,471	1.57%
Borrowing from financial institutions – net	2,286,224,232	27.88%	2,293,506,651	27.19%	2,864,962,556	31.09%
Accrued expenses	17,040,873	0.21%	11,899,157	0.14%	19,511,286	0.21%
Other liabilities	10,476,078	0.13%	1,075,745	0.01%	1,003,450	0.01%
Total liabilities	2,463,401,853	30.04%	2,448,365,531	29.03%	3,037,590,751	32.97%
Net assets value						
Capital received from unitholders	5,693,600,000	69.42%	6,516,969,663	77.27%	6,196,638,770	67.25%
Retained earnings	44,383,818	0.54%	(531,737,412)	(6.30%)	(19,959,774)	(0.22%)
Net assets value	5,737,983,818	69.96%	5,985,232,251	70.97%	6,176,678,996	67.03%
Liabilities and net assets	8,201,385,671	100.00%	8,433,597,782	100.00%	9,214,269,747	100.00%

Statement of Income for the period from 21 November 2016 (date of incorporation) to 31 December 2016 and from 1 January 2017 to 31 December 2017 and for the 9-month period from 1 January 2018 to 30 September 2018

(Unit : THB)	21 Nov – 31 Dec 2016	% on total revenue	2017	% on total revenue	1 Jan – 30 Sep 2018	% on total revenue
<u>Investment income</u>						
Rental and service income	52,774,213	84.67%	447,229,592	77.53%	380,289,113	70.87%
Rooftop rental income	456,399	0.73%	4,871,459	0.84%	4,426,222	0.82%
Compensate rental income	8,793,136	14.11%	123,777,724	21.46%	151,262,427	28.19%
Interest income	302,011	0.48%	955,014	0.17%	589,101	0.11%
Total income	62,325,759	100.00%	576,833,789	100.00%	536,566,863	100.00%
<u>Expenses</u>						
Management fee	1,455,440	2.34%	13,077,500	2.27%	10,764,011	2.01%
Trustee fee	1,455,440	2.34%	12,183,204	2.11%	10,764,011	2.01%
Registrar fee	268,944	0.43%	2,447,783	0.42%	1,648,800	0.31%
Property management fee	1,234,127	1.98%	13,594,514	2.36%	16,199,446	3.02%
Other expenses	3,028,090	4.86%	13,601,668	2.36%	20,171,537	3.76%
Total expenses	7,442,041	11.94%	54,904,669	9.52%	59,547,805	11.10%
Net investment income before financial costs	54,883,718	88.06%	521,929,120	90.48%	477,019,058	88.90%
Interest expenses	10,499,900	16.85%	96,573,980	16.74%	87,837,031	16.37%
Net investment income	44,383,818	71.21%	425,355,140	73.74%	389,182,027	72.53%
Increase in net assets from operations of the period	44,383,818	71.21%	(425,411,638)	(73.75%)	511,777,638	95.38%

Statement of Cash Flow for the period from 21 November 2016 (date of incorporation) to 31 December 2016 and from 1 January 2017 to 31 December 2017 and for the 9-month period from 1 January 2018 to 30 September 2018

(Unit : THB)	21 Nov – 31 Dec 2016	2017	1 Jan – 30 Sep 2018
Net cash (used in)/generated from operating activities	(7,772,539,423)	383,613,475	(1,203,844,869)
Net cash generated from financing activities	7,965,576,295	583,368,510	118,135,376
Net (decrease)/increase in cash and cash equivalents	193,036,872	966,981,985	(1,085,709,493)
Cash and cash equivalents at the beginning of the period	-	193,036,872	1,160,018,857
Cash and cash equivalents at the end of the period	193,036,872	1,160,018,857	74,309,364

Financial ratios as at 31 December 2016, 31 December 2017 and 30 September 2018

Financial ratios	2016	2017	30 Sep 2018
Net assets at the end of the period (THB)	5,737,983,818	5,985,232,251	6,176,678,996
Ratios of total expenses to average net assets during the period (%)	0.13	1.02	0.98
Ratios of investment income to average net assets during the period (%)	1.09	10.72	8.82
Ratios of weighted average investment purchases and sales during the period to average net assets during the period (%) *	138.99	0.02	25.98
Average net assets value during the period (THB)	5,737,983,818	5,382,249,574	6,085,461,138

Remark: * The value of investment turnover during the period does not include cash at banks and is calculated on a weighted average basis over the accounting period.

Analysis of HREIT's Financial Position

Assets

As at 30 September 2018, HREIT had total assets of THB 9,214.27 M, mainly comprised of investments in leasehold right of THB 9,027.82 M or 97.98% of total assets.

As at 31 December 2017, HREIT had total assets of THB 8,433.60 M, mainly comprised of investment at fair value of THB 7,240.31 M (investments in properties of THB 7,123 M and investments in securities of THB 117.31 M) or 85.85% of total assets. Cash and cash equivalents was THB 1,160.02 M of 13.75% of total assets which included the capital increase no. 1 from issuing of trust units for THB 1,092.85 M.

Liabilities

As at 30 September 2018, HREIT had total liabilities of THB 3,037.59 M, mainly comprised of borrowings from financial institution – net of THB 2,864.96 M or 31.09% of total assets and deposits received from customers of THB 144.72 M or 1.57% of total assets.

As at 31 December 2017, HREIT had total liabilities of THB 2,448.37 M, mainly comprised of borrowings from financial institution – net of THB 2,293.51 M or 93.67% of total liabilities and deposits received from customers of THB 134.73 M or 5.50% of total liabilities. The borrowings from financial institution was the long-term loan from Siam Commercial Bank PCL. for the first assets acquisition with the principal repayment within November 2021. Interest expense will be paid quarterly at MLR less fixed rate per year.

Net Assets

As at 30 September 2018, HREIT had net assets of THB 6,176.68 M, consisted of capital received from unitholders of THB 6,196.64 M and deficits of THB 19.96 M. The net assets increased by THB 191.45 M from 31 December 2017.

Operating Results

For the 9-month period ended 30 September 2018, HREIT has total income of THB 536.57 M, mainly comprised of rental and service income of THB 380.29 M or 70.87% of the total income.

HREIT had total expenses of THB 59.55 M, mainly comprised of other expenses of THB 20.17 M (consist of property maintenance expenses, amortisation, consulting and professional fee and others), property management fee of THB 16.20 M, management fee of THB 10.76 M and Trustee fee of THB 10.76 M. Therefore, HREIT had the net investment income after interest expense (THB 87.84 M) of THB 389.18 M.

10. Connected Transaction

Transaction between HREIT and Major Shareholder of the REIT Manager

Major shareholder of the REIT Manager is WHA Industrial Development Public Company Limited ("WHA ID")

Nature of Relationship	Reasonableness of Transaction
WHA ID is a major shareholder of the REIT Manager, holding approximately 99.99% of issued and paid-up capital of the REIT Manager and has the controlling authority over the REIT Manager.	WHA ID shall collect property management fee as the Property Manager from HREIT. The property management fee structure is consistent to normal business which is the same as the structure of property management fee that WHA ID has received from Hemaraj Industrial Property and Leasehold Fund (HPF) and it is in similar level of the property management fee of TICON Freehold and Leasehold Real Estate Investment Trust ("TREIT")
Details of Related Party Transaction	
The REIT Manager appoints WHA ID to be the Property Manager of HREIT.	

Source: HREIT Annual Report 2017

Appendix 3: Performance of Sub-Lessees of the Additional Investment Assets No. 2

Project	WHA SIL		
Land plot	27A, 27B, 27C, 27D, 27E		
Lessee business	Electronics		
Registered Capital	THB 11,552,000,000		
Date of registration	1 April 2010		
Date	31 December 2015	31 December 2016	31 December 2017
Assets (THB)	21,587,980,990	26,624,492,853	26,837,165,527
Revenues (THB)	25,073,283,196	25,954,394,339	29,590,047,935
Gross profit (THB)	3,750,840,681	3,274,850,566	3,605,476,411
Net profit (THB)	1,792,532,918	721,325,634	1,130,489,047

Project	WHA SIL		
Land plot	3B-02		
Lessee business	Consumer		
Registered Capital	THB 4,000,000		
Date of registration	21 June 2013		
Date	31 December 2015	31 December 2016	31 December 2017
Assets (THB)	80,345,220.10	90,979,192.70	95,043,018.97
Revenues (THB)	103,856,312.82	131,678,372.93	169,065,138.03
Gross profit (THB)	12,274,544.11	21,752,213.61	35,252,965.11
Net profit (THB)	(2,241,639.73)	1,032,777.04	2,484,245.08

Project	WHA SIL		
Land plot	93C, 93E, 93F		
Lessee business	Consumer		
Registered Capital	THB 115,000,000		
Date of registration	24 December 2010		
Date	31 December 2015	31 December 2016	31 December 2017
Assets (THB)	704,773,641	678,649,466	573,522,900
Revenues (THB)	2,277,873,352	1,331,381,844	1,234,044,124
Gross profit (THB)	491,631,989	282,944,200	242,059,301
Net profit (THB)	130,199,792	31,683,123	30,405,143

Source: BOL

Appendix 4: The Financial Projection of the Investment in the Additional Investment Assets No. 2

(Unit: THB M)	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Total income	37.29	38.24	37.73	36.14	36.01	35.94	36.52	37.42	37.01	37.75	39.83	39.68	40.43	41.43	40.86
Expenses															
Management fee	(0.62)	(0.77)	(0.78)	(0.79)	(0.81)	(0.82)	(0.84)	(0.85)	(0.87)	(0.89)	(0.91)	(0.92)	(0.94)	(0.96)	(0.98)
Trustee fee	(0.62)	(0.77)	(0.78)	(0.79)	(0.81)	(0.82)	(0.84)	(0.85)	(0.87)	(0.89)	(0.91)	(0.92)	(0.94)	(0.96)	(0.98)
Property management fee	(0.65)	(1.36)	(1.29)	(1.29)	(0.79)	(3.04)	(1.81)	(1.86)	(3.16)	(2.57)	(2.16)	(3.36)	(2.00)	(2.05)	(3.49)
Other expenses	(3.94)	(3.95)	(3.96)	(3.95)	(3.72)	(1.21)	(1.23)	(1.26)	(1.26)	(1.28)	(1.34)	(1.34)	(1.37)	(1.40)	(1.40)
Total expenses	(5.83)	(6.86)	(6.81)	(6.82)	(6.12)	(5.89)	(4.71)	(4.82)	(6.16)	(5.63)	(5.31)	(6.55)	(5.25)	(5.37)	(6.84)
Financial costs															
Interest expenses	(17.64)	(17.68)	(18.06)	(18.06)	(18.48)	(16.51)	(16.51)	(16.51)	(16.51)	(16.51)	(16.51)	(16.51)	(16.51)	(16.51)	(16.51)
Net investment income	13.81	13.71	12.85	11.26	11.40	13.54	15.30	16.09	14.35	15.62	18.01	16.62	18.67	19.55	17.51
Cash flow from operating activities															
Increase (Decrease) in net assets from operations during the period	101.13	16.73	16.63	16.91	17.69	20.90	22.68	23.20	22.43	23.63	24.64	23.94	25.84	26.33	25.40
Add: Amortization	3.28	3.28	3.28	3.28	3.01	-	-	0.00	-	-	-	-	-	-	-
Add: Interest expenses	17.64	17.68	18.06	18.06	18.48	16.51	16.51	16.51	16.51	16.51	16.51	16.51	16.51	16.51	16.51
Add (Less): Investments at fair value	(87.32)	(3.02)	(3.78)	(5.65)	(6.29)	(7.36)	(7.38)	(7.10)	(8.08)	(8.01)	(6.63)	(7.32)	(7.17)	(6.78)	(7.89)
Investments in property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposits received from customers	9.46	-	-	(0.47)	(0.47)	-	-	-	-	-	-	-	-	-	-
Free cash flow	44.19	34.66	34.19	32.12	32.42	30.05	31.81	32.60	30.86	32.12	34.52	33.13	35.18	36.06	34.02

(Unit: THB M)	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048
Total income	41.34	43.72	43.46	44.40	45.49	44.74	45.64	48.36	47.97	49.14	50.36	49.38	50.38	53.49	52.94
Expenses															
Management fee	(0.99)	(1.01)	(1.03)	(1.05)	(1.07)	(1.08)	(1.10)	(1.12)	(1.14)	(1.16)	(1.17)	(1.19)	(1.21)	(1.23)	(1.24)
Trustee fee	(0.99)	(1.01)	(1.03)	(1.05)	(1.07)	(1.08)	(1.10)	(1.12)	(1.14)	(1.16)	(1.17)	(1.19)	(1.21)	(1.23)	(1.24)
Property management fee	(2.84)	(2.39)	(3.71)	(2.22)	(2.27)	(3.86)	(3.13)	(2.64)	(4.10)	(2.45)	(2.52)	(4.26)	(3.46)	(2.92)	(4.53)
Other expenses	(1.43)	(1.49)	(1.49)	(1.53)	(1.56)	(1.56)	(1.59)	(1.66)	(1.66)	(1.70)	(1.74)	(1.73)	(1.76)	(1.85)	(1.85)
Total expenses	(6.25)	(5.91)	(7.27)	(5.84)	(5.97)	(7.58)	(6.93)	(6.55)	(8.04)	(6.47)	(6.60)	(8.37)	(7.64)	(7.22)	(8.86)
Financial costs															
Interest expenses	(16.51)	(16.51)	(16.51)	(16.51)	(16.51)	(16.51)	(16.51)	(16.51)	(16.51)	(16.51)	(16.51)	(16.51)	(16.51)	(16.51)	(16.51)
Net investment income	18.58	21.30	19.68	22.05	23.02	20.65	22.20	25.30	23.42	26.17	27.25	24.50	26.23	29.76	27.58
Cash flow from operating activities															
Increase (Decrease) in net assets from operations during the period	26.65	27.71	26.86	28.89	29.35	28.24	29.53	30.57	29.50	31.59	31.93	30.53	31.78	32.72	31.32
Add: Amortization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Add: Interest expenses	16.51	16.51	16.51	16.51	16.51	16.51	16.51	16.51	16.51	16.51	16.51	16.51	16.51	16.51	16.51
Add(Less): Investments at fair value	(8.07)	(6.40)	(7.18)	(6.85)	(6.33)	(7.58)	(7.33)	(5.26)	(6.08)	(5.42)	(4.68)	(6.03)	(5.54)	(2.96)	(3.74)
Investments in property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposits received from customers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Free cash flow	35.09	37.81	36.19	38.55	39.53	37.16	38.71	41.81	39.92	42.68	43.76	41.01	42.74	46.27	44.08

(Unit: THB M)	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063
Total income	54.40	55.73	55.00	55.09	59.16	59.51	59.12	61.69	61.86	59.67	65.44	66.29	64.84	68.28	68.37
Expenses															
Management fee	(1.26)	(1.22)	(1.24)	(1.25)	(1.27)	(1.28)	(1.28)	(1.29)	(1.30)	(1.31)	(1.31)	(1.31)	(1.31)	(1.31)	(1.30)
Trustee fee	(1.26)	(1.22)	(1.24)	(1.25)	(1.27)	(1.28)	(1.28)	(1.29)	(1.30)	(1.31)	(1.31)	(1.31)	(1.31)	(1.31)	(1.30)
Property management fee	(2.72)	(2.78)	(4.73)	(3.80)	(3.23)	(5.06)	(2.95)	(3.08)	(5.29)	(4.14)	(3.58)	(4.41)	(4.45)	(3.41)	(4.57)
Other expenses	(1.89)	(1.94)	(1.94)	(1.95)	(2.06)	(2.08)	(2.09)	(2.16)	(2.18)	(2.14)	(2.29)	(2.33)	(2.31)	(2.40)	(2.42)
Total expenses	(7.12)	(7.17)	(9.14)	(8.25)	(7.82)	(9.69)	(7.61)	(7.83)	(10.07)	(8.89)	(8.49)	(9.36)	(9.39)	(8.44)	(9.60)
Financial costs															
Interest expenses	(16.51)	(16.51)	(16.51)	(16.51)	(16.51)	(16.51)	(16.51)	(16.51)	(16.51)	(16.51)	(16.51)	(16.51)	(16.51)	(16.51)	(16.51)
Net investment income	30.77	32.05	29.35	30.33	34.83	33.31	35.00	37.35	35.28	34.27	40.43	40.42	38.94	43.34	42.26
Cash flow from operating activities															
Increase (Decrease) in net assets from operations during the period	3.41	33.61	31.76	32.86	33.60	31.65	33.61	33.35	30.81	31.60	31.93	30.41	29.57	29.87	27.64
Add: Amortization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Add: Interest expenses	16.51	16.51	16.51	16.51	16.51	16.51	16.51	16.51	16.51	16.51	16.51	16.51	16.51	16.51	16.51
Add(Less): Investments at fair value	27.37	(1.56)	(2.41)	(2.53)	1.23	1.66	1.39	4.00	4.47	2.67	8.51	10.01	9.37	13.47	14.62
Investments in property	(30.00)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposits received from customers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Free cash flow	17.28	48.56	45.86	46.84	51.33	49.82	51.51	53.86	51.79	50.77	56.94	56.93	55.45	59.85	58.77

(Unit: THB M)	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078
Total income	65.77	72.38	73.38	71.56	75.58	75.68	72.38	80.25	81.04	78.99	83.66	83.77	80.43	88.20	81.91
Expenses															
Management fee	(1.30)	(1.29)	(1.27)	(1.25)	(1.23)	(1.21)	(1.17)	(1.14)	(1.10)	-	-	-	-	-	-
Trustee fee	(1.30)	(1.29)	(1.27)	(1.25)	(1.23)	(1.21)	(1.17)	(1.14)	(1.10)	(1.05)	(1.00)	(0.93)	-	-	-
Property management fee	(5.84)	(3.96)	(4.88)	(4.92)	(3.77)	(5.05)	(6.44)	(4.38)	(5.39)	(5.43)	(4.18)	(5.59)	(7.15)	(4.82)	(4.09)
Other expenses	(2.38)	(2.55)	(2.59)	(2.57)	(2.68)	(2.70)	(2.65)	(2.84)	(2.88)	(2.86)	(2.99)	(3.01)	(2.96)	(3.16)	(2.88)
Total expenses	(10.82)	(9.09)	(10.02)	(10.00)	(8.92)	(10.17)	(11.44)	(9.52)	(10.47)	(9.34)	(8.16)	(9.53)	(10.11)	(7.98)	(6.97)
Financial costs															
Interest expenses	(16.51)	(16.51)	(16.51)	(16.51)	(16.51)	(16.51)	(16.51)	(16.51)	(16.51)	(16.51)	(16.51)	(16.51)	(16.51)	(16.51)	(15.13)
Net investment income	38.44	46.79	46.86	45.06	50.16	49.01	44.43	54.23	54.06	53.14	59.00	57.73	53.81	63.72	59.81
Cash flow from operating activities															
Increase (Decrease) in net assets from operations during the period	25.22	26.06	23.51	21.64	20.95	17.39	13.53	13.18	8.99	6.48	4.06	(1.69)	(7.07)	(9.61)	(13.36)
Add: Amortization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Add: Interest expenses	16.51	16.51	16.51	16.51	16.51	16.51	16.51	16.51	16.51	16.51	16.51	16.51	16.51	16.51	15.13
Add(Less): Investments at fair value	13.22	20.73	23.35	23.42	29.20	31.62	30.90	41.05	45.07	46.66	54.94	59.42	60.88	73.32	73.17
Investments in property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposits received from customers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(8.52)
Free cash flow	54.95	63.29	63.36	61.57	66.66	65.51	60.94	70.73	70.57	69.65	75.51	74.24	70.32	80.22	66.42