

Minutes of Annual General Meeting 2019 of the Trust Unitholders
of
Hemaraj Leasehold Real Estate Investment Trust

The Meeting was held on 23 April 2019, at 10.00 a.m. at Ballroom 1, 5th Floor, S31 Sukhumvit Hotel Bangkok, 545 Sukhumvit 31, Klongtoey-Nua, Wattana, Bangkok.

Introduction before the Meeting

The spokeswoman welcomed the Trust Unitholders and introduced the attending Board of Directors and executives of WHA Industrial REIT Management Company Limited (the “REIT Manager”), as the REIT Manager of Hemaraj Leasehold Real Estate Investment Trust (“HREIT”), the Legal Advisor and the Meeting’s Secretary, Siam Commercial Bank Asset Management Company Limited (“SCBAM”) as the Trustee of HREIT, the Property Manager of HREIT attending today Meeting as follows:

1. The Board of Directors of WHA Industrial REIT Management Company Limited
 1. Ms. Jareeporn Jarukornsakul Chairman of the Board of Directors
 2. Mr. Krailuck Asawachatroj Director
 3. Mr. Phorntep Rattanataipop Independent Director
2. Management of the company
 1. Mr. Paeree Ichayapreug Managing Director
3. Legal Advisor and the Meeting’s Secretary
 1. Mr. Kasamsi Sakunchaisiriwit
4. Siam Commercial Bank Asset Management as Trustee of HREIT
 1. Ms. Aon-anong Chaithong
5. The Property Manager of HREIT from WHA Industrial Development Public Company Limited
 1. Mr. David Richard Nardone Chief Executive Officer of Industrial and International

After the introduction, the spokesperson invited Ms. Jareeporn Jarukornsakul, the Chairman of the Board of Directors, to declare the Meeting open.

Ms. Jareeporn Jarukornsakul, the Chairman of the Board of Directors, welcomed all Trust Unitholders and invited Mr. Kasamsi Sakunchaisiriwit, the Meeting's Secretary, to explain the Meeting procedures and the method of vote counting as follows:

Due to a great number of the Trust Unitholders attending the Meeting and in order to facilitate the vote counting in each agenda item, the Trust Unitholders who disapprove or abstain votes are asked to please raise their hands in order for the officers of the REIT Manager to collect the ballots from the Trust Unitholders who disapprove or abstain votes for vote calculation of such agenda item.

The Trust Unitholders who do not raise their hands nor give their ballots to the officer, are deemed to approve the agenda and such Trust Unitholders shall return the ballots to the officers at the exit after the Meeting adjourned.

As for the vote calculation, a Trust Unitholder shall have one vote per one unit whereby the REIT Manager will deduct disapproval and abstention votes from total votes of the Trust Unitholders attending the Meeting. The remaining shall be deemed as approval votes of such agenda.

In the case where none of the Trust Unitholder disapprove or abstain their votes for any agenda, it shall be considered that the Meeting is resolved with a unanimous vote.

In this regard, the counting of votes of Trust Unitholders being entitled to vote, the REIT Manager will not count the votes from the Trust Unitholders with special interest in the proposed agenda (the information of the Trust Unitholders with special interest appeared in the Invitation to this Meeting.)

As for this meeting, the only agenda to be voted is Agenda 1. As for Agenda 2, Agenda 3 and Agenda 4, they are notifications that unitholders should acknowledge. Thus, they need not be voted.

Trust Unitholders are asked whether there is anyone among them disagreeing or objecting the meeting procedure and vote counting procedure or not. If there is none, it is granted that the quorum agrees with the aforementioned meeting procedure and vote counting procedure.

No Trust Unitholders objected or disagreed with the aforementioned meeting procedures and the method of vote counting. It was therefore deemed that the Meeting agreed with the said meeting procedures and the method of vote counting.

Proceedings

The Chairman stated to the Meeting that there were 114 Trust Unitholders present in the Meeting both in person and by proxy, representing 265,177,947 units (two hundred sixty five million ,one hundred seventy seven thousand and nine hundred forty seven), equivalent to 37.7405 percent of total issued and sold trust units which are 702,634,116 Trust Units, (seven hundred two million, six hundred thirty four thousand and one hundred sixteen) thus constituting the quorum. The Chairman then declared the Meeting open to consider the aforementioned meeting agenda:

The Chairman commences the meeting to consider the following agenda:

Agenda 1 To consider and certify the minutes of Extraordinary General Meeting of the Trust Unitholders No.1/2018

The Chairman asked the Meeting that the REIT Manager has hosted the Extraordinary General Meeting of the Trust Unitholders No.1/2018 which was held on 18 December 2018, a copy of which has been sent to the Stock Exchange of Thailand and published on the Trust’s website, the details as appeared in Annex 1. The Meeting is asked to approve that meeting minute.

The Chairman asks unitholders whether they would like to ask any question.

There is no other unitholders asking additional question, so the Chairman asks the Meeting to vote for Agenda 1.

Resolution

The Meeting considered and casted their votes to certify the minutes of Extraordinary General Meeting of the Trust Unitholders No.1/2018 which was held on 18 December 2018 with the details as presented by the Chairman. The votes are as follows.

Approved	265,482,037	votes	equivalent to	100.0000 percent
Disapproved	0	votes	equivalent to	0.0000 percent
Abstained	0	votes	equivalent to	0.0000 percent

of the total votes of the Trust Unitholders attending the Meeting and being entitled to vote.

Agenda 2 To acknowledge the performance of HREIT Trust for the year 2018

The Chairman assigned Mr. Paeree Ichayapreug, Managing Director of HREIT, to present the details of this Agenda to the Meeting.

Mr. Paeree Ichayapreug informed the significant events occurred in 2018 to the Meeting as follows:

HREIT has invested in the Additional Investment Assets No. 1 on 4 January 2018 in 21 units of assets, equivalent to the total area of 55,131 square meters, with an investment value of approximately Baht 1,590 Million, provided that during the beginning to the mid-year period, there was a prime tenant who had changed their investment method from renting the space of HREIT to the purchasing of land from WHA Group, resulting in a temporary decline of occupancy rate of HREIT.

In the third quarter, there was a new tenant entered into a lease agreement with HREIT for the area of 27,000 square meters, equivalent to approximately 8% of the leasable area, resulting in an improved performance of HREIT since the third quarter onwards. Later in October, HREIT was rated with the credit rating level at BBB+ from TRIS Rating Co., Ltd.

On 18 December 2018, the Extraordinary General Meeting of the Trust Unitholders No.1/2018 resolved to approve the investment in the Additional Investment Assets No. 2, and HREIT has entered into the investment on 24 December 2018 with an investment value of approximately Baht 477 Million for additional 9 units, equivalent to 15,916 square meters.

Presently, the overview of immovable properties that HREIT has invested in may be divided into 131 units of the leasable area of 332,505 square meters, comprising 108 units of the Ready Built Factory of 230,984 square meters and 23 units of Ready Built Warehouse of 101,521 square meters, as well as 179,649 square meters of leasable rooftop area. As of 31 December 2018, the assets size was at Baht 9,691 Million. The nature of HREIT's investment is an investment in leasehold rights for the term of 30 years with the right to extend the lease for another 30 years. HREIT has an interest-bearing debt at Baht 3,320 Million, equivalent to 33.87% when comparing with the total assets, and the Net Assets Value per unit (NAV) as of 31 December 2018 was at Baht 8.7966 per Trust Unit.

HREIT invests in immovable properties located in Chonburi and Rayong province, and the other parts located in WHA Saraburi Industrial Estate, comprising 2 main types, namely, the factory building and the warehouse building. Location of the investment of HREIT are as follows:

The factory buildings located in:

1) WHA Chonburi Industrial Estate 1	19 Units	Leasable Building Area of 17,712 square meters
2) Eastern Seaboard Industrial Estate (Rayong)	41 Units	Leasable Building Area of 57,752 square meters
3) WHA Eastern Seaboard Industrial Estate 1	32 Units	Leasable Building Area of 127,508 square meters
4) WHA Saraburi Industrial Land	16 Units	Leasable Building Area of 28,012 square meters

The warehouse buildings located in:

1) WHA Logistics Park 1	2 Units	Leasable Building Area of 16,820 square meters
2) WHA Logistics Park 2	11 Units	Leasable Building Area of 50,996 square meters
3) WHA Logistics Park 4	10 Units	Leasable Building Area of 33,705 square meters

As for the occupancy rate and tenant information as of the end of the fourth quarter of 2018, the total occupancy rate of the area was at 80.8%, divided into a 70.1% of Ready Built Warehouse and 85.5% of Ready Built Factory, which was the increase in the occupancy rate throughout the year, as there was a new prime tenant (equivalent to 8% of the leasable area) in the third quarter and the continuous growth in the fourth quarter from the increasing interest in HREIT's assets. Until now at the fourth quarter, the occupancy rate is at 80.8% at the average rental rate of Baht 185 per square meter, which is a competitive rate to other business operators in the same business.

Most of the tenants are in automotive industry at 31.2%, followed by logistics industry at 22.9%, consumer products industry at 21.1%, electronics industry at 9.7%, packaging industry at 5.5% and other industries at 9.6%.

Nationality of most tenants is Japanese at 25.0%, followed by European at 23.1%, Australian at 17.4% and American at 9.9%, while the Chinese tenant have a high growth rate in 2018 at 11.1% by the end of 2018 and other Asian at 13.5%.

Mr. Paeree Ichayapreug presented the asset pictures both interior and exterior comprising exterior pictures of Attached Ready Built Factory buildings, Detached factory buildings, and Ready Built Warehouse, interior pictures of the office space, utilized operating area, and warehouse space. HREIT has a plan to maintain the condition of the property in a new condition and to attract tenants with a maintenance plan every year, such as equipment repairs, painting of equipment, factory floor renovation etc.

Regarding the distribution of benefit to the Trust Unitholders in the year 2018, HREIT made a total of 4 distributions of benefit, each of approximately Baht 0.1910 per Trust Unit, by making a regular payment distribution throughout the four quarters at Baht 0.7620 per Trust Unit, increased from Baht 0.7360 per Trust Unit in 2017. This indicates that when the performance of HREIT is improved, it will make a higher contribution to the Trust Unitholders accordingly.

The Chairman asked the Trust Unitholders if there are any further inquiries.

A proxy of a Trust Unitholder inquired why the market price of the Trust Units is declined even though the performance of HREIT is improved.

The Chairman explained as follows:

The causes of the declined market price of the Trust Units of HREIT are as follows:

1. As for the market price of Trust Units, since the establishment of HREIT as a closed fund, there were invested from foreign funds, and when the term of said foreign fund are expired, they had to sell the Trust Units to return the money to their unitholders, which is a common nature of an investment in trust units with relatively low liquidity. Therefore, when those foreign funds sold their investment units, it results in a decline of market price of the Trust Units.

2. The occupancy rate of HREIT has decreased due to a prime tenant change from renting the space of HREIT to the purchasing of land from WHA Group, however, such decrease does not affect the distribution of benefit payment to the Trust Unitholders of HREIT as there is a rental guarantee in the vacant area from the guarantor of HREIT's revenue. In addition, based on various economic factors e.g. the Eastern Economic Corridor (EEC), the occupancy rate has increased up to 80% as reported to the Meeting earlier. Hence, the occupancy rate and the market price of HREIT are forecasted to be increased in accordance with the operating results.

3. Regarding the capital decrease, the Trust Unitholders misunderstood in this point that the capital decrease was due to the loss from HREIT's operation, however, in fact, it was a result of a purchase of asset at a price higher than its appraisal value, and upon an appraisal of assets of HREIT thereafter, the appraisal value of asset was lower than the purchased price, resulting in the accounting losses. Therefore, the distribution payment could not be made in a form of dividends and it had to be made in the form of a capital decrease proceeds instead, which is a method of distribution payment to the trust unitholders employed by other real estate investment trusts in Thailand as well.

Therefore, from the assessment of the REIT Manager, the causes of the declined market price of the Trust Units should be as above mentioned. However, it can be seen in the latest distribution of benefit payment to the Trust Unitholders that HREIT has made a contribution in the form of both capital reduction and dividends.

Mr. Jirapat Prasertsong raised questions in 2 issues as follows:

1. What is the trend of HREIT's occupancy rate in 2019?
2. What is HREIT's rental income from the leasable area, excluding compensation income, and what is the average income per Trust Unit? As HREIT will receive the rental income compensation only until the end of the year 2019.

The Chairman assigned Mr. David Richard Nardone, Director and Chief Executive Officer of Industrial and International, WHA Industrial Development Public Company Limited to inform the trend of HREIT's occupancy rate in 2019.

Mr. David Richard Nardone informed that the occupancy rate increased at the rate of 80.8% from the end of 2018 due to the growth of investment from the automotive industry, resulting in an increased demand in immovable properties. As for the business trend in this year, it is forecasted to procure for the new tenants up to 30,000 square meters, excluding the rent by tenants in the additional investment assets to be invested by HREIT in this year. As a result, the occupancy rate in 2019 is forecasted to be approximately at 87%.

In addition, the proportion of new buildings that HREIT will invest in is the Ready Built Factory rather than the Ready Built Warehouse because of a higher competitive capability as the locations are in the industrial estate while the Ready Built Warehouse would have to rely on certain groups of customers and with a short-term lease. It may be solved by finding short-term tenants to increase the occupancy rate and replace them with long-term tenants later on.

The Chairman assigned Mr. Paeree Ichayapreug, Managing Director of the REIT Manager to explain the second issue to the Meeting.

Mr. Paeree Ichayapreug informed that pursuant to the financial statement of 2018 which the Trust Unitholders inquired regarding the net investment income of Baht 526.91 Million, after a deduction of compensation income for Baht 200 Million, the remaining income excluding the rental income compensation is approximately Baht 326.88 Million. HREIT would have revenue to make a distribution of benefit payment to the Trust Unitholders at Baht 0.4652 per Trust Unit. Comparing to the closing price of the Trust Unit as at 22 April 2019 at Baht 7.85, the rate of return would be around 6-7% for the year 2018,

in comparison to returns of other REITs in the same type at 4.8-6.3%. While with the rental income guarantee, the rate of return of HREIT is currently at 9.1%.

There was no other Trust Unitholders raised any further questions

The spokesperson states that this agenda is just a notification; thus, no vote is needed.

Agenda 3 To acknowledge the financial statement of HREIT for the year 2018

The Chairman assigned Mr. Paeree Ichayapreug, Managing Director of HREIT, to present the details of this Agenda to the Meeting.

Mr. Paeree Ichayapreug informed that the REIT Manager has prepared the financial statements of HREIT for the year 2018 which has already been audited by the certified auditor, the details appeared in Annex 2, the 2018 Annual Report, which has been distributed to the Trust Unitholders together with the Invitation to this Meeting. The balance sheet and income statement of HREIT for the year 2018 can be summarized as follows:

The total assets as of the end of 2018 were at Baht 9,691.37 Million, increase by Baht 1,257.77 Million from 2017. The main cause for the increase was due to the additional investment in assets of HREIT in the previous year. The total liabilities were at Baht 3,510.55 Million, increased by approximately Baht 1,062.18 Million from 2017. Most of liabilities increased were loans, which were part of the funds used in the purchase HREIT's assets in the previous year as well. Other parts of liabilities were expenses relating to the purchase of additional assets such as fees and relevant expenses. Hence, the net assets of HREIT was at Baht 6,180.82 Million, increased by Baht 195.59 Million from 2017, calculating into the net assets per unit at Baht 8.7966 per Trust Unit, increased by Baht 0.2784 per Trust Unit from 2017. The total revenue in the previous year was at Baht 726.04 Million, increased by Baht 149.21 Million from 2017, as a consequence of rental revenue from the additional investment assets. Therefore, in the previous year, the rent has increased as well as the increased revenue, resulting in the net investment income after deducting expenses at Baht 526.91 Million, increased by Baht 101.55 Million from 2017. As for the net profit from that investment, the appraisal of asset has decreased the value to Baht 850.77 Million in 2017 but the appraisal has increased to Baht 123.21 Million in 2018, which resulted in an increase in the net assets in 2018 at Baht 650.12 Million.

The Chairman asked the Trust Unitholders for any questions

There was no other Trust Unitholders raised any further questions

The spokesperson states that this agenda is just a notification; thus, no vote is needed.

Agenda 4 To acknowledge the appointment of auditors of HREIT for the year 2019

The Chairman assigned Mr. Paeree Ichayapreug, Managing Director of HREIT, to present the details of this Agenda to the Meeting.

Mr. Paeree Ichayapreug reported that the REIT Manager has appointed the auditors for 2019 already. The appointed auditors are from PricewaterhouseCoopers ABAS Ltd. (PricewaterhouseCoopers), the names of which are listed as follows:

1. Mr. Chanchai Chaiprasit, Certified Public Accountant No. 3760, and/or
2. Mr. Paiboon Tunkoon, Certified Public Accountant No. 4298, and/or
3. Mr. Boonrueng Lerdwiseswit, Certified Public Accountant No.6552

Whereby, one of the aforementioned persons shall review and give their opinions to HREIT Trust's financial statements. In case such auditors cannot perform the work, Pricewaterhouse shall provide other certified public accountants in Pricewaterhouse to carry out the work.

The remuneration of the auditors for the year 2019 is Baht 970,000 (exclusion of other expenses) which equivalent to the previous year. The remuneration is for auditing the annual and quarterly financial statements.

The spokenwomen asked the Trust Unitholders for any questions

There was no other Trust Unitholders raised any further questions

The spokerswoman states that this agenda is just a notification; thus, no vote is needed.

Agenda 5 To consider the other matter (If any)

The Chairman informed that all meeting agenda acknowledged and considered, Any Trust Unitholders would like to proposed any further matter to the Meeting for consideration

Since there was no one proposing any further matter to the Meeting for consideration

Since there was no one proposing any further matter to the Meeting for consideration, the Chairman declared the Meeting adjourned at 10.40 a.m.

Signed -Jareeporn Jarukornsakul-, Chairman of the Board of Directors

(Jareeporn Jarukornsakul)