

(F53-4)

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**Capital Increase Report Form**  
**Hemaraj Leasehold Real Estate Investment Trust**  
**16 May 2017**

Hemaraj REIT Management Company Limited (“**Company**”) in its capacity of the REIT Manager of Hemaraj Leasehold Real Estate Investment Trust (“**HREIT**”) hereby reports the purpose of the capital increase and the allocation of additional trust units to be issued and offered for sale by HREIT as follows.

**1. Details of the capital increase**

The Company plans to increase the capital of HREIT by issuing and offering for sale up to approximately 169,000,000 additional trust units. When combined with HREIT’s existing 569,360,000 trust units, HREIT will have a total of up to 738,360,000 trust units with an offering price referenced from results from the survey of institutional investors (Bookbuilding).

**2. Allocation of additional trust units to be issued and offered for sale**

2.1 Details of the allocation of additional trust units

**Option 1: The offering for sale and allocation method for additional trust units to be issued and offered for sale in the first capital increase and the listing of trust units on the Stock Exchange of Thailand in case there is the offering for sale of parts of trust units to the specific investors (Hemaraj and/or the Hemaraj’s Associated Persons)**

The Company expects to allocate up to 169,000,000 additional trust units issued and offered for sale, divided into three portions as follows:

**First Portion** To allocate not less than 50 percent of all additional trust units issued and offered for sale at this time to the existing trust unitholders whose names appear in the register book of trust unitholders (Rights offering), or specific group of general public who are existing trust unitholders (Preferential Offering). The existing trust unitholders may declare their intention to subscribe for the amount of additional trust units offered for sale at this time they are entitled to be allocated, more than they are entitled to be allocated, less than they are entitled to be allocated, or they may waive their rights to subscribe for additional trust units offered for sale at this time.

After the allocation of trust units in the First Portion to the existing trust unitholders based on their entitlement, the Company shall allocate the remaining trust units to the existing trust unitholders who have declared their intention to subscribe to trust units in excess of the amount they are entitled to, as it deems appropriate. In the event the allocation according to the prescribed ratio results in any existing trust unitholders having the right to subscribe for a fraction of a trust unit that cannot be allocated as a full trust unit, such a fraction of a trust unit shall be rounded down to the nearest whole number.

**Second Portion** To allocate the additional trust units to Hemaraj and/or the Hemaraj's associated persons. The number of trust units to be allocated to the Hemaraj and/or the Hemaraj's associated person, when combined with the First Portion, shall not exceed 20 percent of all trust units to be issued and offered for sale in this capital increase.

**Third Portion** To allocate the outstanding additional trust units after the offering for sale in the First Portion and Second Portion to: (1) persons on a private placement basis (Private Placement) including institutional investors and special subscribers, who are not the existing trust unitholders according to the notifications of the Office of the SEC, and are not connected persons of the owners of the immovable property according to the relevant notifications of the SEC, and/or (2) the general public (Public Offering), as it deems appropriate, according to the Notification TorThor. 27/2559 and other related notifications.

The following table is a summary of the allocation details of the additional trust units issued and offered for sale of HREIT:

Allocated to	Number of Trust Units	Ratio (Old : New)	Price (Baht per Unit)	Date and Time for Subscription and Payment	Remarks
<u>First Portion</u> Existing trust unitholders (Rights Offering) whose names appear in the register book of trust unitholders, or specific group of general public who are existing trust unitholders (Preferential Offering)	Not less than 50 percent of all trust units issued and offered for sale Remark (1)	To be determined Remark (2)	To be determined Remark (1)	To be determined and after obtaining approval from the SEC	(3) (5) (6) and (7)
<u>Second Portion</u> Hemaraj and/or the Hemaraj's associated persons	When combined with the First Portion, not exceeding 20 percent of all trust units to be issued and offered for sale	-	To be determined Remark (1)	To be determined an after obtaining approval from the SEC	(3) (4) (6) and (7)

Allocated to	Number of Trust Units	Ratio (Old : New)	Price (Baht per Unit)	Date and Time for Subscription and Payment	Remarks
<u>Third Portion</u> (1) Persons on a private placement basis (Private Placement), and/or (2) the general public (Public Offering)	Outstanding trust units from the issuance and offering for sale in the First Portion and/or Second Portion	-	To be determined Remark (1)	To be determined and after obtaining Approval from the SEC	(3) (6) and (7)

Remarks:

- (1) The number and the price of the trust units to be issued and offered for sale shall be determined with reference to the appraised value of the assets assessed by an independent appraiser approved by the SEC, and taking into account other relevant factors, including: (1) conditions of the capital and financial markets during the offer for sale of the trust units, (2) the appropriate rate of return for investors, (3) the commerciality of the assets, (4) interest rates, both domestically and on the global market, (5) the rate of return on investments in equity instruments, bonds and other investment options, and (6) results from the survey of institutional investors (Bookbuilding).
- (2) Offering ratio will be calculated from the total number of the existing trust units before the capital increase, divided by the number of additional trust units to be issued and offered for sale in the First Portion, at the per unit price to be determined by the Company.
- (3) The Company will allocate the additional trust units to any person or associated persons for not exceeding 50 percent of the total sold trust units, whereby the definition of associated persons shall be referred to the Notification TorJor. 49/2555, and the definition of the sponsor shall be referred to the Notification TorThor. 27/2559. The information appearing in the registration statement of the offer for sale of trust units and/or the prospectus is to be considered as the criteria for the allocation of additional trust units to each type of investors.
- (4) The allocation of the additional trust units in the Second Portion is considered as the transaction between HREIT and persons related to the REIT Manager, with the value of not less than 3 percent of the net asset value of HREIT, which requires affirmative votes of not less than three-fourths of all trust units of trust unitholders attending the meeting and having the right to vote, and the objective votes shall not be more than 10 percent of all trust units of trust unitholders attending the meeting and having the right to vote according to the Trust Deed and Notification SorRor. 26/2555, whereby the trust unitholders who have special interest in this transaction shall not have the right to vote. The Information Memorandum on issuance and offering for sale of additional trust units between HREIT and person related to the REIT Manager is as appearing in Annex 1

- (5) The date on which the trust unitholders are entitled to subscribe for the additional trust units (Record Date) and the closing date of register book to suspend the transfer of trust units in order to determine the rights to subscribe for trust units to be issued and offered for sale of the trust unitholders (Book Closing Date) are to be determined subsequently, whereby the Company will notify the date on which the trust unitholders are entitled to subscribe for the additional trust units (Record Date) and the closing date of register book to suspend the transfer of trust units in order to determine the rights to subscribe for trust units to be issued and offered for sale of the trust unitholders (Book Closing Date), the allocation ratio and the subscription period through the SET for the trust unitholders to be informed.
- (6) The Trustee and/or the Company shall have the power to: 1) determine other details of the offering for sale and the allocation of the additional trust units, including but not limited to, the number of trust units to be issued and offered for sale, structure of the final offering for sale, subscription period, allocation method, offering method, subscription ratio, offering ratio, offering price, condition and subscription method, including other condition and other details related to offering for sale, and the allocation of additional trust units to the existing trust unitholders, and the allocation method in case the existing trust unitholders subscribe to trust units in excess of the amount they are entitled to, including offering for sale and allocation of the outstanding trust units from public offering to other investors, and to have its discretion to consider offering for sale or allocating or denying the offering for sale or allocation of the additional trust units to any trust unitholders, or any investors, or trust unitholders who are American, Canadian, Japanese or any nationality other than Thai if such offering for sale or allocation of the additional trust units does not comply with the regulation related to offering for sale and allocation of trust unit enforced in Thailand or country of the trust unitholder's nationality, or causes unreasonable burden and operation expenses, 2) determine the date on which the trust unitholders are entitled to subscribe for the additional trust units (Record Date), the closing date of register book to suspend the transfer of trust units in order to determine the rights to subscribe for trust units to be issued and offered for sale of the trust unitholders (Book Closing Date), whereby the timeframe and other related details are to be notified through the SET for the trust unitholders to be informed, 3) negotiate, agree, prepare, execute, deliver and/or amend, change any applications, waivers and other supporting documents related to the allocation of trust units to be issued and offered for sale, including documents and/or any agreements relating thereto, appointment of financial adviser, underwriter, and subscription agent, including negotiate, contact and/or submit the applications, waivers and other supporting documents with the Office of the SEC, the SET, governmental agencies, or governmental organisation, or other persons in relation thereto and in connection with the listing of the additional trust units as listed securities on the SET, etc., 4) take any actions as necessary or relating thereto in all respects, including appoint and/or remove any substitute to carry out the actions as mentioned above until its complete.

**Option 2: The offering for sale and allocation method for additional trust units to be issued and offered for sale in the first capital increase and the listing of trust units on the Stock Exchange of Thailand in case there is no offering for sale of parts of trust units to the specific investors**

The Company expects to allocate up to 169,000,000 additional trust units issued and offered for sale, divided into two portions as follows:

**First Portion** To allocate not less than 50 percent of all additional trust units issued and offered for sale at this time to the existing trust unitholders whose names appear in the register book of trust unitholders (Rights offering), or specific group of general public who are existing trust unitholders (Preferential Offering). The existing trust unitholders may declare their intention to subscribe for the amount of additional trust units offered for sale at this time they are entitled to be allocated, more than they are entitled to be allocated, less than they are entitled to be allocated, or they may waive their rights to subscribe for additional trust units offered for sale at this time.

After the allocation of trust units in the First Portion to the existing trust unitholders based on their entitlement, the Company shall allocate the remaining trust units to the existing trust unitholders who have declared their intention to subscribe to trust units in excess of the amount they are entitled to, as it deems appropriate, at the same time or after the allocation of trust units in the Second Portion. In the event the allocation according to the prescribed ratio results in any existing trust unitholders having the right to subscribe for a fraction of a trust unit that cannot be allocated as a full trust unit, such a fraction of a trust unit shall be rounded down to the nearest whole number.

**Second Portion** To allocate the outstanding additional trust units after the allocation of trust units in the First Portion to (1) persons on a private placement basis (Private Placement) including institutional investors and special subscribers, who are not the existing trust unitholders of HREIT according to the notifications of the Office of the SEC, and are not related persons of the owners of the immovable property according to the relevant notifications of the SEC, and/or (2) the general public (Public Offering), as it deems appropriate, according to the Notification TorThor. 27/2559 and other related notifications.

The following table is a summary of the allocation details of the additional trust units issued and offered for sale of HREIT:

<b>Allocated to</b>	<b>Number of Trust Units</b>	<b>Ratio (Old : New)</b>	<b>Price (Baht per Unit)</b>	<b>Date and Time for Subscription and Payment</b>	<b>Remarks</b>
<b><u>First Portion</u></b> Existing trust unitholders (Rights Offering) whose names appear in the register book of trust unitholders, or specific group of general public who are existing trust unitholders (Preferential Offering)	Not less than 50 percent of all trust units issued and offered for sale Remark (1)	To be determined Remark (2)	To be determined Remark (1)	To be determined and after obtaining approval from the SEC	(3) (4) and (5)
<b><u>Second Portion</u></b> (1) Persons on a private placement basis (Private Placement),	Outstanding trust units from the issuance and offering for sale in the	-	To be determined Remark (1)	To be determined and after obtaining Approval from the SEC	(3) and (5)

<b>Allocated to</b>	<b>Number of Trust Units</b>	<b>Ratio (Old : New)</b>	<b>Price (Baht per Unit)</b>	<b>Date and Time for Subscription and Payment</b>	<b>Remarks</b>
and/or (2) the general public (Public Offering)	First Portion				

Remarks:

- (1) The number and the price of the trust units to be issued and offered for sale shall be determined with reference to the appraised value of the assets assessed by an independent appraiser approved by the SEC, and taking into account other relevant factors, including: (1) conditions of the capital and financial markets during the offer for sale of the trust units, (2) the appropriate rate of return for investors, (3) the commerciality of the assets, (4) interest rates, both domestically and on the global market, (5) the rate of return on investments in equity instruments, bonds and other investment options, and (6) results from the survey of institutional investors (Bookbuilding).
- (2) Offering ratio will be calculated from the total number of the existing trust units before the capital increase, divided by the number of additional trust units to be issued and offered for sale in the First Portion, at the per unit price to be determined by the Company.
- (3) The Company will allocate the additional trust units to any person or associated persons for not exceeding 50 percent of the total sold trust units, whereby the definition of associated persons shall be referred to the Notification TorJor. 49/2555, and the definition of the sponsor shall be referred to the Notification TorThor. 27/2559. The information appearing in the registration statement of the offer for sale of trust units and/or the prospectus is to be considered as the criteria for the allocation of additional trust units to each type of investors.
- (4) The date on which the trust unitholders are entitled to subscribe for the additional trust units (Record Date) and the closing date of register book to suspend the transfer of trust units in order to determine the rights to subscribe for trust units to be issued and offered for sale of the trust unitholders (Book Closing Date) are to be determined subsequently, whereby the Company will notify the date on which the trust unitholders are entitled to subscribe for the additional trust units (Record Date) and the closing date of register book to suspend the transfer of trust units in order to determine the rights to subscribe for trust units to be issued and offered for sale of the trust unitholders (Book Closing Date), the allocation ratio and the subscription period through the SET for the trust unitholders to be informed.
- (5) The Trustee and/or the Company shall have the power to: 1) determine other details of the offering for sale and the allocation of the additional trust units, including but not limited to, the number of trust units to be issued and offered for sale, structure of the final offering for sale, subscription period, allocation method, offering method, subscription ratio, offering ratio, offering price, condition and subscription method, including other condition and other details related to offering for sale, and the allocation of additional trust units to the existing trust unitholders, and the allocation method in case the existing trust unitholders subscribe to trust units in excess of the amount they are entitled to, including offering for sale and allocation of the outstanding trust units from public offering to other investors, and to have its discretion to consider offering for sale or allocating or denying the offering for sale or allocation of the additional trust units to any trust unitholders, or any investors, or trust unitholders who are American, Canadian, Japanese or any

nationality other than Thai if such offering for sale or allocation of the additional trust units does not comply with the regulation related to offering for sale and allocation of trust unit enforced in Thailand or country of the trust unitholder's nationality, or causes unreasonable burden and operation expenses, 2) determine the date on which the trust unitholders are entitled to subscribe for the additional trust units (Record Date), the closing date of register book to suspend the transfer of trust units in order to determine the rights to subscribe for trust units to be issued and offered for sale of the trust unitholders (Book Closing Date), whereby the timeframe and other related details are to be notified through the SET for the trust unitholders to be informed, 3) negotiate, agree, prepare, execute, deliver and/or amend, change any applications, waivers and other supporting documents related to the allocation of trust units to be issued and offered for sale, including documents and/or any agreements relating thereto, appointment of financial adviser, underwriter, and subscription agent, including negotiate, contact and/or submit the applications, waivers and other supporting documents with the Office of the SEC, the SET, governmental agencies, or governmental organisation, or other persons in relation thereto and in connection with the listing of the additional trust units as listed securities on the SET, etc., 4) take any actions as necessary or relating thereto in all respects, including appoint and/or remove any substitute to carry out the actions as mentioned above until its complete.

In the event that there are trust units outstanding after the offering for sale through a Private Placement and/or Public Offering, the Company reserves the right, as it deems appropriate, to allocate the remaining trust units to the subscribers who are entitled to subscribe for the additional trust units in the First Portion and have declared their intention to subscribe to trust units in excess of the amount they are entitled to, at the same time or after the allocation of trust units in the Second Portion, as it deems appropriate.

The details of the trust units appearing in the information disclosure form for the offer for sale of trust units and/or the prospectus for the first capital increase of HREIT are to be considered indicative of the number of trust units to be allocated for sale to each type of investors.

In any event, such allocation by the Company shall not cause any investor or group of persons to become trust unitholders of HREIT holding more than 50 percent of the total number of trust units in HREIT issued and sold. In this respect, the Company shall file an application with the Stock Exchange of Thailand for its approval to list the additional trust units issued and offered for sale in HREIT as listed securities within 45 days from the Closing Date of the offer for sale of the trust units.

## 2.2 Action to be taken by the Company in case there is Fraction of Trust Unit from Subscription

In the event the allocation according to the prescribed ratio results in any existing trust unitholders having the right to subscribe for a fraction of a trust unit that cannot be allocated as a full trust unit, such a fraction of a trust unit shall be rounded down to the nearest whole number.

**3. Schedule for trust unitholders' meeting to approve capital increase and allocation of additional trust units to be issued and offered for Sale**

The Extraordinary General Meeting No. 1/2017 of the Trust Unitholders of HREIT will be held on 21 June 2017 at 10.00 a.m. at Platinum Hall, 3<sup>rd</sup> floor, Grand Mercure Bangkok Fortune Hotel, 1 Ratchadapisek Road, Dindaeng, Bangkok 10400. The Company will prescribe the list of trust unitholders eligible to attend the Extraordinary General Meeting No.1/2017 of Trust Unitholders of HREIT on 30 May 2017 (Record Date), and the date for the preparation of the list of trust unitholders in accordance with Section 225 of the Securities and Exchange Act, by closing the trust unitholders register book to suspend the transfer of trust units on 31 May 2017

**4. Approval of the capital increase and allocation of additional trust units by a relevant governmental agency and the conditions thereto**

After obtaining the approval from the trust unitholders for the capital increase of HREIT for investing in Additional Investment Assets, the Company will seek the approval from the SEC on the capital increase of HREIT.

**5. Objectives of the capital increase and use of funds**

To invest in the Additional Investment Assets in order to increase the source of income and return for the trust unitholders

**6. Benefits which HREIT will receive from the capital increase and the allocation of additional trust units issued and offered for sale**

To enable HREIT to enlarge its asset size, which will result in the diversification of investment risks. In addition, investing in the new assets will provide an opportunity for HREIT to benefit from upside gains from the assets. The increase in the number of trust units will also increase the liquidity in the trading of trust units in the SET.

**7. Benefits which the trust unitholders will receive from the capital increase**

The capital increase will enlarge the size of HREIT and attract more investors. The Company expects that it will increase the trading liquidity for the trust units in the secondary market. HREIT will also be able to increase the diversification of risk in the procurement of benefits from additional immovable properties, in addition to the immovable properties that HREIT currently invests in.

**8. Other details necessary for the trust unitholders to approve the capital increase and the allocation of additional trust units issued and offered for sale**

- None -



**9. Schedule for trust unitholders' meeting to approve capital increase and allotment of additional trust units**

- 9.1 The Company will prescribe the list of trust unitholders eligible to attend the Extraordinary General Meeting No. 1/2017 of the Trust Unitholders of HREIT on 30 May 2017, which shall be the record date and the date for the preparation of the list of trust unitholders in accordance with Section 225 of the Securities and Exchange Act, by closing the trust unitholders register book to suspend the transfer of trust units on 31 May 2017.
- 9.2 The Extraordinary General Meeting No. 1/2017 of the Trust Unitholder of HREIT will be held on 21 June 2017 at 10.00 a.m. at Platinum Hall, 3<sup>rd</sup> floor, Grand Mercure Bangkok Fortune Hotel, 1 Ratchadapisek Road, Dindaeng, Bangkok 10400, for the approval of the capital increase of HREIT, the allocation of additional trust units, and other related matters.

The Company hereby certifies that the information contained in this report form is accurate and complete in all respects.

Yours respectfully,



Miss Kanchana Ouaoborn

Managing Director

Hemaraj REIT Management Company Limited

REIT Manager of Hemaraj Leasehold Real Estate Investment Trust