

Information on the HREIT's First Additional Investment Assets

HREIT wishes to raise fund for the purpose to make an additional investment in property ("**Additional Investment Assets**") by way of investment in leasehold in lands and factory buildings, warehouses, distribution centers and offices located on such lands including component part of such property, and purchasing any related movable properties used for the business operation within the leased properties. The details of the additional investment are as follows:

1. General Information on HREIT's Additional Investment Properties

Properties to be invested in by HREIT in this additional investment is leasehold in 1 industrial estate's property from 1 company ("**Asset Owners' Companies**") as follows:

- (1) WHA Industrial Building Company Limited. (For WHA Saraburi Industrial Land (WHASIL))

The assets to be invested in by HREIT according to (1) is collectively called **Additional Investment Assets**.

Summary of Additional Investment Assets information

Type of Investment	Detached Factory Building Assets	Attached Factory Building Assets	Total Assets
Land (Rai)	6-5-30	6-0-48	12-3-98
No. of Buildings (Unit)	1	8	9
Net Leasable Area (Sq.m.)	4,720	11,196	15,916
Occupancy Rate	100%	100%	100%
Rooftop Area (Sq.m.)	4,320	9,792	14,112
Average Age of Building	6.17	6.13	6.13

2. Nature of Investment of HREIT

HREIT will invest in Additional Investment Assets by leasing lands and buildings, factory buildings, warehouses, offices and other buildings located on such lands for 30 years from the commencement date of the lease period and right to extend the lease for another 30 years, including component part of such property, and purchasing any related movable properties used for the business operation within the leased properties from: WHA Industrial Building Company Limited (together as “**Asset Owners’ Companies**”). The nature of investment in property of HREIT in this investment is as follows:

Leasehold in lands and factory buildings and leasehold in lands and warehouses:

1. Leasehold in lands and factory buildings:
 - 1.1. Detached building factory with 1 unit of detached building factory with a land area of approximately 6-3-50 rai, and a building area of approximately 4,720 square meters.
 - 1.2. Attached building factory with 8 units of attached building factory with a land area of approximately 6-0-48 rai, and a building area of approximately 11,196 square meters.
2. A usable leased rooftop area of approximately 8,467 square meters.

The total area of Additional Investment Assets is approximately 12-3-98 rai, and a total building area of approximately 15,916 square meters and a usable leased rooftop area of approximately 8,467 square meters.

Remark:

In the investment in Additional Investment Assets, HREIT will make an investment by entering into related agreements as follows:

1. Assets lease agreement (lands, buildings and fixtures) and
2. Assets sale and purchase agreement
3. Assets mortgage agreement
4. Undertaking agreement
5. Other related agreement

3. Details of Additional Investment Assets

3.1 The Details of Additional Investment Assets

HREIT will consider investing in Additional Investment Assets for a total price of up to Baht 477,000,000 (Four Hundred and Seventy-Seven Million Baht), comprised of the value of land and building lease and the purchase value of any related movable properties used for the business operation within the leased properties (exclusive of value added tax, registration fee and specific business tax, other relevant fees and expenses). The details of each project are as follows:

No.	Project/Industrial Estate	Unit	Approximately building area (sq.m.)	Building Details	Title Deed No.	Approximately Land Area			Average age of building (years)	Type of Investment		leased by lessees
						Rai	Ngan	Square Wah		Land	Factory	
1	WHASIL	93C	4,720	1 Building of Reinforced concrete one floor	50690	6	3	50	6.17	Leasehold (Partial)	Leasehold	✓
Detached Building Factory Assets in Total			4,720	-	-	6	3	50	6.17	-	-	-

No.	Project/Industrial Estate	Unit	Approximately building area (sq.m.)	Building Details	Title Deed No.	Approximately Land Area			Average age of building (years)	Type of Investment		leased by lessees
						Rai	Ngan	Square Wah		Land	Building Factory	
1	WHASIL	27B	900	1 Building of Reinforced concrete two floor	27149	0	1	89	6.26	Leasehold (Partial)	Leasehold	✓
2	WHASIL	27C	900	1 Building of Reinforced concrete two floor	27149	0	1	89	6.26	Leasehold (Partial)	Leasehold	✓
3	WHASIL	27D	900	1 Building of Reinforced concrete two floor	27149	0	1	89	6.26	Leasehold (Partial)	Leasehold	✓

No.	Project/Industrial Estate	Unit	Approximately building area (sq.m.)	Building Details	Title Deed No.	Approximately Land Area			Average age of building (years)	Type of Investment		leased by lessees
						Rai	Ngan	Square Wah		Land	Building Factory	
4	WHASIL	27E	900	1 Building of Reinforced concrete two floor	27149	0	1	89	6.26	Leasehold (Partial)	Leasehold	✓
5	WHASIL	27A	1,152	1 Building of Reinforced concrete two floor	27149	0	2	52	6.26	Leasehold (Partial)	Leasehold	✓
6	WHASIL	3B-02	1,656	1 Building of Reinforced concrete one floor with mezzanine	52681	0	3	60	5.36	Leasehold (Partial)	Leasehold	✓
7	WHASIL	93E	2,394	1 Building of Reinforced concrete two floor	50690	1	1	40	6.17	Leasehold (Partial)	Leasehold	✓
8	WHASIL	93F	2,394	1 Building of Reinforced concrete two floor	50690	1	1	40	6.17	Leasehold (Partial)	Leasehold	✓
Attached Building Factory Assets in Total			11,196	-	-	6	0	48	-	-	-	-

3.2 The Details of Lease of Additional Investment Assets

Information on top major lessees by lease area

No.	Name of Tenant	Percent of total leasable area	Per cent of total revenues	Lease term (years)	Year of lease expiration (A.D.)	Nationality	Type of Business
1	Nikon (Thailand) Limited	59.74	60.12	3	2019/2021 ⁽¹⁾	Japan	Consumer
2	Fujikura Automotive (Thailand) Limited	29.86	31.64	3	2020	Japan	Electronics
3	Esmalglass-Itaca (Thailand) Company Limited	10.40	8.24	6	2023	Spain	Consumer
	Total	100	100				

Source: WHAIRM

Remark: Information as of 30 September 2018

⁽¹⁾ As the tenant have 3 lease agreement, and the expiry date are difference

3.3 Projected Income of HREIT in the First Year

Projected income receivable by HREIT during the first year after the Additional Investment will consist of income from rental and service fee paid in cash and the compensate rental income. The details of projected annual income from 1 January 2019 – 31 December 2019 are as follows:

Projected Income Statement Report under Assumptions For the Year from 1 January 2019 – 31 December 2019¹

	Existing Immoveable Properties ² (Baht Million)	Immoveable Properties after Additional Investment ³ (Baht Million)
Rental and service revenues ^{2/3/4}	596.97	635.96
Rooftop rental and service revenues ⁵	5.24	5.50
Compensated rental and service revenues ⁶	102.02	102.02
Interest income ⁷	0.67	0.68
Total revenues	704.90	744.15
Expenses		
Property management related expenses ⁸	29.98	31.68
Net profit of immoveable properties	674.92	712.47
REIT Management Fees and Expenses ^{9/10}	46.08	47.91
Interest expenses ¹¹	105.71	122.62
Amortization ¹²	14.26	17.54
Net profit distributable	508.86	524.41
Adjusted entries		
<u>Add</u> Excess liquidity from amortized Trust Unit Issuance Costs ¹²	4.23	6.66
<u>Add</u> Amortization loan fee and interest expense difference calculated at the effective interest rate ¹²	10.03	10.87
Net cash from investment that can be distributed through dividends and capital reduction	523.12	541.95

Rate of profit distribution (%)	100	100
Expected amount to be distributed to Trust Unitholders	523.12	541.95
Number of Trust Units (Million units)	702.63	702.63
Expected amount to be distributed to Trust Unitholders (Baht)		
- Distribution of profit per unit (Baht per unit)	0.724	0.746
- Distribution of capital per unit (Baht per unit)	0.020	0.025
Distribution of profit and capital per unit (Baht per unit)	0.7445	0.7713
Growth rate of additional amount to be distributed to Trust Unitholders (Baht per unit)		0.0268

Remarks

- Accounting period of HREIT is from January to December of every year. The immovable properties in this additional investment is expected to be completed by December 2018, therefore, the projected income is estimated for a 12-month period from 1 January 2019 – 31 December 2019.
- Existing immovable properties referring to immovable properties invested by HREIT at the amount of 122 units (as of 30 June 2018) in 7 projects namely: (1) WHA Eastern Seaboard Industrial Estate 1, (2) Eastern Seaboard Industrial Estate (Rayong), (3) WHA Chonburi Industrial Estate 1, (4) WHA Saraburi Industrial Land, (5) WHA Logistics Park1, (6) WHA Logistics Park 2, and (7) WHA Logistics Park 4.
- Immovable properties after the additional investment referring to existing immovable properties and new immovable properties in which HREIT will additionally invest in i.e. 9 units of factory buildings in total in WHA Saraburi Industrial Land divided into 1) 8 units of attached building factory with a total building area of 11,196 square meters and 2) 1 unit of detached building with a total building area of 4,720 square meters.
- Rental and service revenues referred from revenue of asset per month projected from the estimated rental and service revenues as per the lease agreements and service agreements between lessees and HREIT with details as follows:
 - Existing immovable properties with the total occupied area of 270,338 square meters and with average rental rate of Baht 188.59 per square meter.
 - Immovable properties to be additionally invested in by HREIT with the total occupied area of 15,916 square meters and with average rental rate of Baht 204.13 per square meter per month.
- Rooftop rental and service revenues i.e. revenues of HREIT from the sub-leasing of rooftop area of factory and warehouse buildings for the business operation of solar energy with the details as follows:
 - Rental of rooftop area of the existing immovable properties with the total rooftop area of 171,182 square meters and with average rental rate of Baht 3.00 per square meter per month.
 - Rental of rooftop area of the Additional Investment Assets with the total rooftop area of 8,467 square meters and with average rental rate of Baht 3.00 per square meter per month.

The Asset Owner agreed that during the period of 15 years from HREIT's investment date (the "Warranty Period"), if the rooftop area in the leased properties is still unoccupied as of the HREIT's investment date, WHA Industrial Development Public Company Limited ("WHAID") or the Asset Owner's Company shall be responsible to pay the rent to HREIT for the remaining rooftop area of the leased properties for the part that are not leased out, during the Warranty Period at the rate of Baht 3 (Three Baht) per square meter per month, and the rental rate shall be increased for 6% every 3 years.

- Compensate rental and service revenues are the revenues of HREIT to be received from the Asset Owner who agreed to compensate the rental and service revenues for the unoccupied

properties for the period of 3 years from the commencement date of the lease period which is 23 November 2016 for the existing investment assets, 4 January 2018 for the Additional Investment Assets No. 1, and 1 January 2019 (which is the HREIT's expected investment date) for the Additional Investment Assets in this time, all of which are based on the Undertaking Agreement between HREIT and the Asset Owner. The rental rate is based on weighted average of rental rate in each area and each type of the leased properties.

7. Interest income arises from the short term investment by HREIT of the outstanding security deposits from the investment in immovable properties, with the average return rate of 0.6% per annum.
8. Property management related expenses consist of immovable properties maintenance fee, insurance premiums, security service fee, Lessees Procurement Fee for the Property Manager, common public utility fee, other relevant expenses and Property Management Fee of the Additional Investment Assets at the rate of 1.75% per annum during the 1st – 5th year, and 5% per annum during the 6th – 10th year of the rental and service revenues (excluding compensate rental and service revenue, rooftop rental and service revenue, and value added tax).
9. REIT Management Fees shall be charged as prescribed in the agreement at the rate of not exceeding 0.25% per annum of the total value of HREIT's assets (excluding value added tax), and at the amount of not less than Baht 12.50 Million per annum.
10. REIT Management Expenses consists of operation fees e.g. Trustee Fee, REIT Registrar Fee, Annual Fee of Stock Exchange of Thailand and the Office of the SEC, audit and counselor fee, asset appraisal fee and other miscellaneous expenses. The projected REIT Management Expenses under assumptions for the year ending on 31 December 2019 is calculated from the amount as prescribed in the draft agreement and the estimation of other relevant expenses.
11. Interest expenses is calculated from loans under the existing Loan Agreements between HREIT and financial institutions, which are consisting of the 1st Loan at the amount of Baht 2,325 Million, the 2nd Loan at the amount of Baht 575 Million, and the additional long-term loan for this Additional Investment at the amount of not exceeding Baht 420 Million from financial institutions, provided that the loan fee shall be booked as a part of financial costs at the effective interest rate.
12. Amortization consists of the amortized prepaid bank fee and the amortized deferred costs i.e. HREIT establishment expenses and Additional Investment Asset expenses.
13. Other assumptions estimated for the year ending 31 December 2019 are based on the following assumptions:
 - No changes are made to the immovable properties to be invested by HREIT;
 - No additional funding during the estimated period;
 - No changes are made to the taxation law or other relevant laws;
 - Every lessees comply with the lease agreements and service agreements / draft of lease agreements and service agreements;
 - No CAPEX during the estimated period as the Asset Owner has guaranteed for the expenses during such period; and
 - No property tax relating to the Additional Investment Assets in this time during the estimated period as the Asset Owner agreed to be responsible therefor for the period of 3 years from the commencement date of the lease period.

Summary details of the Additional Investment Assets and the maximum amount to be invested by HREIT in the immoveable properties

Additional Investment Assets by HREIT	
Land area in which HREIT will invest	12 Rai 3 Ngan 98 Square Wah
Characteristics of HREIT Trust's investment	
WHA Saraburi Industrial Land Project (WHASIL)	Lease of land and building from WHA Industrial Building Company Limited
Total approximate leasable area to be invested in by HREIT (square meter)	
Building area	15,916
Total rooftop area	14,112
Total usable leased rooftop area	8,467
Appraised Value only for the portion to be invested in by HREIT¹ (Baht)	
Appraised Value of Siam City Appraisal Co., Ltd.	464,120,000
Appraised Value of TAP Valuation Co., Ltd.	460,790,000
The maximum amount to be invested by HREIT in the immoveable properties (excluding value added tax, registration fee, and specific business tax as well as other relevant fees and expenses) not exceeding (Baht)	477,000,000
The rental for the renewed lease period of 30 years (Baht)	30,000,000

¹ Appraised Value as of 1 January 2019 which is the REIT's expected investment date in the Additional Investment Assets.

3.4 REIT Manager's opinion to the appraised value of the independent appraisers

The REIT Manager has considered the appraisal reports of the 2 independent appraisers and of the opinion that the appraisals reflect the proper value of the assets, based on the assumptions, current market conditions, and be in line with the professional standard of the appraisers, provided that the opinions are based on the current basic information, which are subject to economic situations in the future.

After reviewing the appraisal reports of the 2 independent appraisers using the Income Approach for the 30-year lease period and another 30-year renewal of lease period, the assumptions for the calculation of asset value are appeared as follows:

Details	Appraisers	
	Siam City Appraisal Co., Ltd.	TAP Valuation Co., Ltd.
(1) Assumptions on revenues		
1.1) <u>Rental and service revenue</u> (considered from the rental under the existing Lease Agreement until the completion of the lease period)		
- Attached Building Factory in 2019	190.00 Baht/Sq.m./Month	190.00 Baht/Sq.m./Month
- Detached Building Factory in 2019	210.00 Baht/Sq.m./Month	210.00 Baht/Sq.m./Month
- Growth rate of rental	8% increasing every 3 years	2% increasing per annum (1st - 5th year)
		2.5% increasing per annum (6th year onwards)

Details	Appraiser	
	Siam City Appraisal Co., Ltd.	TAP Valuation Co., Ltd.
1.2) Occupancy rate		
- Occupancy rate in the 1st year	90.00%	90.00%
- Occupancy rate in the 2nd year	91.00%	91.00%
- Occupancy rate in the 3rd year	92.00%	92.00%
- Occupancy rate in the 4th year	93.00%	93.00%
- Occupancy rate in the 5th year - completion of the lease period	95% (throughout the estimation)	95% (throughout the estimation)
1.3) Compensated revenues for the first 3 years		
- Attached Building Factory	193.00 Baht/Sq.m./Month	193.00 Baht/Sq.m./Month
- Detached Building Factory	210.00 Baht/Sq.m./Month	210.00 Baht/Sq.m./Month
1.4) Rooftop rental and service revenues from subletting period of 15 years		
- Subletting rooftop area	60% of rooftop area	60% of rooftop area
- Minimum Occupancy rate of rooftop area	85% of subletting area	85% of subletting area
- Rental rate of rooftop area	3.00 Baht/Sq.m./Month	3.00 Baht/Sq.m./Month
- Rental growth rate of rooftop area	6% increasing every 3 years	6% increasing every 3 years
(2) Assumptions on expenses		
2.1) Asset management expenses		
- 1st - 5th year	1.75% of the rental and service revenue	1.75% of the rental and service revenue
- 6th year onwards	5.00% of the rental and service revenue	5.00% of the rental and service revenue
2.2) Marketing expenses		
	0.70% of the rental and service revenue	0.70% of the rental and service revenue
2.3) Security expenses, insurance premiums, and maintenance expenses		
- expenses rate	1.10% of the rental and service revenue	25 Baht/Sq.m./Year
- Adjustment rate	2% increasing per annum	2% increasing per annum (1st - 5th year) 2.5% increasing per annum (6th year onwards)
2.4) Central Maintenance Fee (Attached Building Factory only)		
- Central Maintenance Fee of HSIL	1,350 Baht/Rai/Month	1,350 Baht/Rai/Month
- Adjustment rate	5% increasing every 3 years	5% increasing every 3 years
2.5) Reserve for building improvement in the future (CAPEX)		
- 6th year onwards	1.50% of the rental and service revenue	1.50% of the rental and service revenue
2.6) Renewal expenses for another 30 years lease period		
	Baht 30 Million	Baht 30 Million
(3) Other assumptions		
- Discount rate	9.50%	9.50%
(4) Asset value		
Total Asset Value	Baht 464,120,000	Baht 460,790,000

The REIT Manager is of the opinion to the principal assumptions for the appraisal by the appraisers that:

The market price of rental rate under the estimation by each appraiser has materially taken into consideration the data from its research with adjustments for the appropriateness of the relevant factors and the potential for the buildings utilization, as well as the consideration of the current conditions of property market, and the applicability of the market price of rental from research to compare with different assets, and their analysis perspectives in Weight Quality Score of the different

data, therefore, it is found that the rates are acceptable.

The REIT Manager is of the opinion that the long-term Occupancy rate of assets at 95% above has taken into consideration a period of procurement for new lessee after the expiration of the lease period, for which mostly provide the rights to renewal with a notice of not less than 3-6 months prior to the expiration, thus it is suffice to procure for new expected lessee during such period. Even though the current Occupancy rate is at 100% when considering the long-term Occupancy rate, the assumptions of the appraisers are an acceptable assumption.

As for the Discount Rate, the 2 appraisers are in the same direction with reference to the appraisers' professional standards. The above Discount Rate has also taken into consideration the return on government bond investment and the risk pursuant to such type of business.

4. Summary of Information on Property Currently Invested in by HREIT and Property to be Invested in by HREIT

The main assets in which HREIT currently invested are leasehold in property in the type of 1) Ready-Built Factories in the type of Detached Building, totaling 1 units with a total area of approximately 4,720 square meters, 2) Ready-Built Factories in the type of Attached Building, totaling 8 units with a total area of approximately 11,196 square meters, totaling 9 units with total 15,916 square meters. All of which are located in a total area of approximately 12 rai 3 ngan 98 square wah. The details of which are as follows:

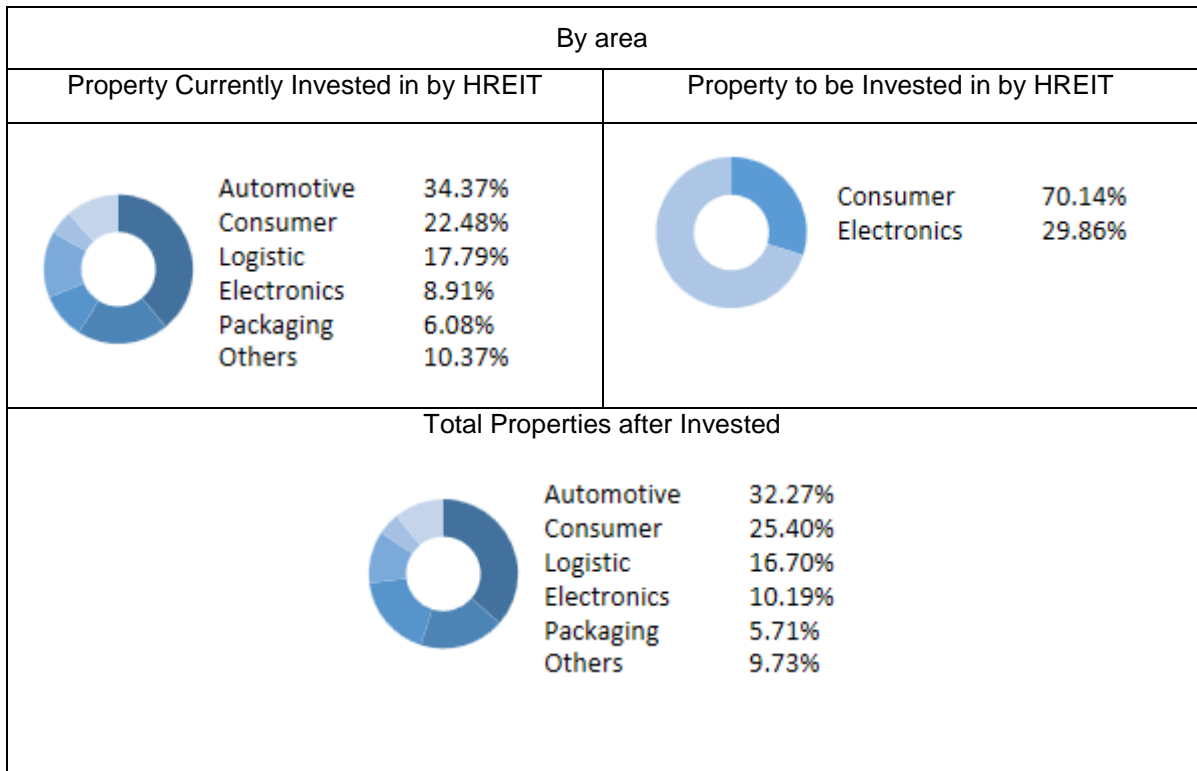
- (1) WHA Saraburi Industrial Land (**WHASIL**) located at Amphoe Nhong Khae, Saraburi Province, including leasehold in land which is land lease and partial lease of 3 land title deeds with the total area of 12 rai 3 ngan 98 square wah, leasehold in factory buildings totaling 9 units with a total building area of approximately 15,619 square meters, and ownership in other assets which are component of such lands and buildings, equipment, accessories, M&E systems within the building and other assets which are related and necessary for utilization of lands and buildings in the project.

4.1 Details of HREIT's Main Assets

Project	Property Currently Invested in by HREIT				Property to be Invested in by HREIT				Total Properties after Invested			
	Area (Rai-Ngan-Square Wah)	Building Area (Square Metre)	Units	Rooftop Area ¹ (Square Metre)	Area (Rai-Ngan-Square Wah)	Building Area (Square Metre)	Units	Rooftop Area ¹ (Square Metre)	Area (Rai-Ngan-Square Wah)	Building Area (Square Metre)	Units	Rooftop Area ¹ (Square Metre)
WHA Eastern Seaboard Industrial Estate (WHAESIE1) Project	144-1-35.18	127,508	32	68,419	-	-	-	-	144-1-35.18	127,508	32	68,419
Eastern Seaboard Industrial Estate (Rayong) (ESIE) Project	45-0-25.4	57,752	41	30,082	-	-	-	-	45-0-25.4	57,752	41	30,082
WHA Chonburi Industrial Estate (WHACIE) Project	18-0-29.3	17,712	19	9,072	-	-	-	-	18-0-29.3	17,712	19	9,072
WHA Logistics Park 1 (WHALP1) Project	10-1-75	16,820	2	9,936	-	-	-	-	10-1-75	16,820	2	9,936
WHA Logistics Park 2 (WHALP2) Project	39-2-58	50,996	11	28,440	-	-	-	-	39-2-58	50,996	11	28,440
WHA Logistics Park 4 (WHALP4) Project	20-1-37.5	33,705	10	18,838	-	-	-	-	20-1-37.5	33,705	10	18,838
WHA Saraburi Industrial Land (WHASIL) Project	13-0-96	12,096	7	6,394	12-3-98	15,916	9	8,467	26-0-94	28,012	16	14,861
Total	291-0-56.376	316,589	122	171,181	12-3-98	15,916	9	8,467	304-1-93	332,505	131	179,648

¹ usable roof area

4.2 Information of the Lessees of Property Classified by Business Type



Source: WHAIRM

Remark: Information as of 30 September 2018

4.3 Remaining Lease Terms

Year of lease expiration (A.D.)	Ratio per total income Calculating to (Percent)		
	Property Currently Invested in by HREIT	Property to be Invested in by HREIT	Total Properties after Invested
Within 2017	2.0	30.1	3.7
Within 2018	31.2	29.7	31.1
Within 2019	20.7	29.9	21.3
Within 2020	46.1	10.4	43.9
After 2020	2.0	30.1	3.7

Source: WHAIRM

Remark: Information as of 30 September 2018

4.4 Income Proportion of Top 5 Lessees

No.	Tenants
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	Property Currently Invested in by HREIT	Property to be Invested in by HREIT	Total Properties after Invested
1	Saffron Living Company Limited	Nikon (Thailand) Limited	Saffron Living Company Limited
2	Futuris Automotive (Thailand) Ltd.	Fujikura Automotive (Thailand) Limited	Futuris Automotive (Thailand) Ltd.
3	Visy Packaging (Thailand) Limited	Esmalglass-Itaca (Thailand) Company Limited	Visy Packaging (Thailand) Limited.
4	Nittsu Logistic (Thailand) Company Limited		Nittsu Logistic (Thailand) Company Limited
5	ZF Lemforder (Thailand) Company Limited		ZF Lemforder (Thailand) Company Limited
Ratio of Income Proportion of Top 5 Lessees to Total Rental and service revenue	33.95	100	30.57

Source: WHAIRM

Remark: Information as of 30 September 2018