

## **Highlights of the Additional Investment Assets and Benefit from the Investment in the Additional Investment Assets**

### **1. Highlights of the Additional Investment Assets**

The Additional Investment Assets has various highlights which will increase the benefit for the REIT as follows:

- **Prime Location**

The Additional Investment Assets consist of factory buildings and warehouses, located at prime locations, whereby the Additional Investment Assets located within Eastern Seaboard area (Chonburi and Rayong Province) and Hi-Tech Kabin Industrial Estate Project (Prachin Buri Province). Both areas are considered strategic locations and one of the most important centers of the factory for rent and warehouse for rent business operation in the country. Eastern Seaboard area is the connection point for production base and transportation of goods by land (Bang Na-Chonburi Expressway and Motorway and Phahon Yothin Road) by air (Suvarnabhumi International Airport, Don Mueang International Airport and U-Tapao International Airport) and by sea (Laem Chabang Port and Bangkok Port). In addition, Hi-Tech Kabin Industrial Estate Project is located in the industrial area of Prachin Buri Province, is a center for transportation which is close to Bangkok, and it provides advantages in terms of convenience in traveling to Laem Chabang Port, Suvarnabhumi International Airport, and the Northeastern region, as well as an opportunity to access new investments in Indochina region. Furthermore, both areas demonstrate good economic growth prospects.

Therefore, the Additional Investment Assets mentioned above that the REIT will invest in this time have suitable locations, which are important strategic point in both domestic and international transportation. They are located on the main routes of distribution and transportation of goods to various regions and are close to Bangkok, resulting in the convenience in traveling and transportation of goods to various transportation centers. As a consequence, the transportation cost can be greatly decreased for the lessees.

- **Quality and the Characteristics of the Additional Investment Assets**

The Additional Investment Assets are in good condition with average age of approximately 8.54 years as of 1 January 2023 which is date on which the REIT expects to enter into the investment. The factory buildings and warehouses are modern and meet the international standards. The floor of the factory buildings is durable and can support the weight of 3.5-5.0 tons per square meter and the floor of the warehouse buildings can support the weight of up to 5.0 tons per square meter. The main feature is the design for open space, resulting in the ability to lay down the production line efficiently. They have natural light and good ventilation, which can save energy and help reduce the cost of production of the operators.

The Additional Investment Assets have been planned for the location selection and are well designed by taking into account the responsibility to customers, operators, communities and the environment. In addition, the said assets are located in an elevated area near public water sources. The utility system is designed to use large drainage gutters and the area within the industrial estate has slopes which can help

preventing flooding from outside, support rainwater and drain water out of the project efficiently, therefore, it can well reduce the risk of flooding. Moreover, the Additional Investment Assets have never been affected by the flooding. These factors place the factory buildings and warehouse buildings invested by the REIT in high demand by manufacturers and operators.

In addition, the land area of some detached building factory for rent are designed to be flexible to support the expansion of the operators by reserving some of the space for the expansion from the part currently being used by the lessees (this area is referred to as the "Expandable Area"). When the lessee needs to expand the factory area due to business growth, the lessee in the said unit can further expand the factory building area without the need to move the production base to another larger factory building. As a consequence, the lessee can run the business continuously. Therefore, the factory buildings that the REIT will invest in this additional investment are in high demand by the lessees. It will also benefit the revenue growth that the REIT will receive in the future from investing in the said expansion area and reduce the risk from customers' production base relocation.

- **Potential of Property Manager**

the REIT will appoint WHA Industrial Development Public Company Limited (“**WHAID**”) as the Property Manager of the REIT, whereby WHAID is a leader in the industrial estates' development business of the country. Its company was incorporated on 15 August 1988. WHAID has expertise and experiences in managing the Additional Investment Assets to be invested in by the REIT, especially in the development of industrial estates and the provision of various utility services.

- **Potential of Lessees**

The Additional Investment Assets have the potential to generate good incomes. The group of lessees is the target group that has both good business potential and good financial stability. There is also diversity in terms of nationality, i.e., Chinese, Korean, Japanese, American, Australian, as well as distribution of business types such as electronics, automotive, consumer, logistic groups, etc. Therefore, the Company is confident that the Additional Investment Assets that the REIT will invest in this time will be able to maintain the rental rate at a satisfactory level in order to create a stable and continuous income in the future

## **2. Benefit from the investment in the Additional Investment Assets**

The Company expects that the investment in the said Additional Investment Assets will benefit the REIT and the Trust Unitholders as follows:

- **The investment in the Additional Investment Assets is in line with the objectives and the investment policy of the REIT**

The additional investment by investing in long-term leasehold right in lands and factory buildings and warehouse buildings of the REIT in this time is in line with the objectives of the establishment of the REIT. Whereby it is a seeking of investment opportunities in additional immovable properties, which will be able to increase the value of the

assets of the REIT for the purpose of generating income and returns to the REIT and Trust Unitholders of the REIT.

- **The investment in assets that have the potential to generate income which will increase the benefit of the REIT**

The Company believes that the additional investment of the REIT in this time has various features such as location, quality of assets, potential of Property Manager and potential of lessees as described above. This will increase the benefit for the REIT by having the opportunity to increase rental fee and service fee income and the operating results of the REIT with more stability

- **The increase in the variety of the source of income, the opportunities for revenue growth from the investment in the Additional Investment Assets**

The investment in this Additional Investment Assets is to increase the diversification of the source of income of the REIT since it is the investment in assets that are located in various locations. The Company expects that the revenue of the REIT will increase with the estimated revenue and the estimated distribution and capital reduction proceed per unit for the year from 1 January 2023 – 31 December 2023 as follows:

	<b>Existing Properties (Baht Million)</b>	<b>Properties after the Additional Investment No. 4 (Baht Million)</b>
Rental and service income	775.31	878.16
Other income	0.41	0.47
<b>Total revenue</b>	<b>775.72</b>	<b>878.63</b>
Property management fee	(67.63)	(73.18)
<b>Net property income</b>	<b>708.09</b>	<b>805.45</b>
Management fee and trust management expenses	(45.46)	(50.13)
Amortisation of issuance costs	(1.98)	(1.98)
Issuance costs for the additional investment No. 4	-	(8.60)
Interest expenses	(106.45)	(121.38)
<b>Net profit available for benefits distribution</b>	<b>554.20</b>	<b>623.36</b>
<u>Add back (Deduct)</u> non cash rental and service income	0.01	(0.43)
<u>Deduct</u> Deferred property management fee	(12.36)	(13.39)
<u>Add back</u> Interest payable and prepaid bank fees	1.27	4.65

	<b>Existing Properties (Baht Million)</b>	<b>Properties after the Additional Investment No. 4 (Baht Million)</b>
<b>Net cash available for benefits distribution</b>	<b>543.12</b>	<b>614.19</b>
<u>Add back</u> Excess liquidity from amortisation of issuance costs	1.98	1.98
<u>Add back</u> Excess liquidity from amortisation of issuance costs for additional investment Assets No. 4	-	8.60
<b>Net cash available for benefits distribution and capital reduction</b>	<b>545.10</b>	<b>624.77</b>
Projected benefits distribution and capital reduction rate (%)	97.00	97.00
<b>Projected net cash for benefits distribution and capital reduction</b>	<b>528.75</b>	<b>606.03</b>
Projected distribution of benefits and capital reduction		
- Benefits distribution	528.75	606.03
- Capital reduction	-	-
<b>Benefits distribution and capital reduction</b>	<b>528.75</b>	<b>606.03</b>
Number of trust units (million units) <sup>1</sup>	840.13	953.83
<b>Projected benefits distribution and capital reduction per unit (Baht)</b>		
- Benefits distribution per unit	0.63	0.64
- Capital reduction per unit	-	-
<b>Benefits distribution and capital reduction per unit</b>	<b>0.63</b>	<b>0.64</b>

<sup>1</sup> The number of Trust Units is for illustrative purpose only. The final issuing and offering number of trust unit may be more, less or equal to the projection.

However, referring to the above table, the estimation of distribution and capital reduction proceed to be paid to the Trust Unitholders after the investment in the Additional Investment Assets No. 4 pursuant to the assumption of the income and distribution statement for 12-months period from 1 January 2023 to 31 December 2023 is equal to 0.64 Baht per unit, representing the estimated payment ratio of the distribution and capital reduction proceed for the Trust Unitholders when calculated from the closing price on the weighted average of the REIT Trust Units from 27 April 2022 until 20 May 2022 (15 business days) at Baht 8.41 per unit, equivalent to approximately 7.61 percent.

The above estimated payment ratio of the distribution and capital reduction proceed is a hypothesis based on assumptions and from the weighted average closing price (15

business days), without guaranteeing the return rate that the Trust Unitholders will receive. The payment ratio of the distribution and capital reduction proceed depends on the final offering price according to the information disclosure form for the offer for sale of Trust Units and/or the prospectus of Trust Units in the third capital increase of the REIT

- **The possibility to increase the liquidity in trading of the Trust Units**

The issuance and offering for sale of additional Trust Units at this time will increase the number of the REIT Trust Units issued and offered for sale from 840,134,116 Trust Units to the amount of not exceeding 959,634,116 Trust Units (from the issuance and offering for sale of additional Trust Units at the amount of not exceeding 119,500,000 Trust Units). The Company expects that the increase in volume of the Trust Units of the REIT will help to increase the liquidity in the trading of the REIT Trust Units in the Stock Exchange of Thailand.