



## Minutes of Extraordinary Trust Unitholders' Meeting No.1/2018

of

### WHA Premium Growth Freehold and Leasehold Real Estate Investment Trust

The Meeting was held on February 27, 2018 at 14.00 at Grand Fortune Room, 3rd Floor, The Grand Mercure Bangkok Fortune Hotel, at 1, Ratchadaphisek Road, Dindaeng, Bangkok.

#### Introduction Prior to the Meeting

The Spokesman of the Meeting welcomed the trust unitholders and introduced the Board of Directors of WHA Real Estate Management Company Limited (the “**REIT Manager**”) as the REIT Manager of the WHA Premium Growth Freehold and Leasehold Real Estate Investment Trust (“**WHART**”), a legal advisor, the Trustee of WHART from Kasikorn Asset Management Company Limited (“**Trustee**”), legal advisors for an issuance and offering of debentures from Allen & Overy (Thailand) Company Limited and a representative from WHA Corporation Public Company Limited.

1. The Board of Directors of WHA Real Estate Management Company Limited

- (1) Mr. Kamthorn Tatiyakavee Chairman of the Board of Directors
- (2) Mr. Piyapong Pinthuprapa Chief Executive Officer
- (3) Mr. Ratachai Teratanavat Independent Director

2. Legal advisor and secretary of the Meeting

Mr. Kasamsi Sakunchaisiriwit

3. Trustee of WHART

- (1) Mr. Vittawat Ajcharitavanich Vice Managing Director
- (2) Ms. Sasanan Siravich Department Executive

4. Legal advisors for an issuance and offering of debenture from Allen & Overy (Thailand) Company Limited

- (1) Ms. Mayuree Sapsutthiporn
- (2) Ms. Sirintra Laungwattanawanich

5. Representative from WHA Corporation Public Company Limited

Mr. Arttavit Chalermasaphayakorn



After the introductions, the Spokesman asked Mr. Kamthorn Tatiyakavee, the Chairman, to declare the meeting opened.

Mr. Kamthorn Tatiyakavee, the Chairman of the Board of Directors, greeted and welcomed the trust unitholders, and asked Mr. Kasamsi Sakunchaisiriwit, the legal advisor and secretary for the Meeting, to explain the meeting procedures and method of vote calculation for this Meeting as follows:

- (a) Due to a great number of the trust unitholders attending the Meeting and in order to facilitate the vote counting, the trust unitholders who disapprove or abstain votes are asked to please raise their hands in order for the officers to collect the ballots for vote calculation of each agenda.
- (b) The trust unitholders who approve shall not raise their hands nor give their ballots to the officer. The trust unitholders are asked to please return the ballots after the meeting adjourned.
- (c) 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 residual shall be deemed as approval votes of each agenda.
- (d) In the case where none of the trust unitholder disapproves or abstains their votes for any agenda, it shall be considered that the Meeting is resolved with a unanimous vote.
- (e) A number of votes by any trust unitholder having an interest in any matter will not be counted for such matter. On 13 February 2018 (the Record Date), the trust unitholder who has a special interest and is not entitled to vote on agenda 2 (To consider and approve an issuance and offering of debentures for the purpose of prepaying/repaying loans owed by WHART) is Muangthai Life Assurance Public Company Limited, a holder of 111,813,863 units equal to 5.69 per cent of the total outstanding units as disclosed to all the trust unitholders by announcing through the Stock Exchange of Thailand (SET) on 23 February 2018.

None of the trust unitholders objected or disapproved the aforesaid meeting procedures and method of vote calculation; it shall therefore be deemed that the Meeting agreed with such meeting procedures and method of vote calculation

#### **Meeting started**

The Chairman declared to the Meeting that there were total of 149 trust unitholders attending the Meeting in person and by proxy, holding a total number of 1,213,335,688 units, representing 61.7795 percent of the total issued trust units which are 1,963,977,172 units, thereby constituting a quorum. The Chairman therefore declared the Meeting opened in order to consider and approve the agenda as follows:



**Agenda 1 To consider and certify the minutes of the previous meeting**

The Chairman asked the Meeting to consider and adopt the minutes of the Extraordinary Trust Unitholders' Meeting No. 1/2017 which was held on July 13, 2017, whereby a copy of such minutes was sent to the SET, publicized on the REIT Manager's website and distributed to the trust unitholders as Enclosure 1 to the invitation letter.

In this regard, the Trustee's opinion on this agenda is distribute to the trust unitholders as Enclosure 2 to the invitation letter.

The Chairman asked the Meeting if there is any questions. None of the trust unitholders raised any question, therefore the Chairman asked the trust unitholders to cast their votes on this Agenda.

**Meeting's resolution**

The Meeting considered and casted their votes to adopt the minutes of the Extraordinary Trust Unitholders' Meeting No. 1/2017, which was held on July 13, 2017, as proposed by the Chairman in all aspects with the following votes.

-	Approved	1,213,337,177	votes	equivalent to	90.7889%
-	Disapproved	0	votes	equivalent to	0%
-	Abstained	123,101,292	votes	equivalent to	9.2111%

of the total votes of the trust unitholders attending the Meeting and being entitled to vote.

**Agenda 2 To consider and approve an issuance and offering of debentures for the purpose of prepaying/repaying loans owed by WHART**

The Chairman delegated Mr. Piyapong Pinthuprapa, the Chief Executive Officer, to present the details of this agenda to the Meeting

Mr. Piyapong reported to the Meeting that the REIT Manager considered and deemed it appropriate to propose to the trust unitholders to consider and approve an issuance and offering of debentures in accordance with the Notification of the Capital Market Supervisory Board No. Thor. Chor. 82/2558 Re: Application for and Approval of Offer for Sale of Newly Issued Debentures of Real Estate Investment Trust dated 2 December 2015 (as amended) for the purpose of prepaying/repaying loans owed by WHART and release the relevant security assets provided under the loan agreements. Details of which are as follows.

From the establishment of WHART until the present, WHART has sought finances from financial institutions to inject into its investment projects. WHART is currently having 4 loan agreements, with the total outstanding principal amount of THB 7,715.75 million. Set out below is a list of the loan agreements between WHART and the lenders:

1. Loans for initial investment (the Cap 1 Loan Agreements);
2. Loans for the second investment (the Cap 2 Loan Agreements);





3. Loan for the third investment (the Cap 3 Loan Agreement); and
  4. Loan for the fourth investment (the Cap 4 Loan Agreement),
- (collectively, referred to as the **Loan Agreements**).

The due date of each Loan Agreements is varied., however, the loan agreement with Bank of Ayudhya Public Company Limited (**BAY**) has the earliest maturity date.

As the market coupon rate on debentures tends to be lower than the lending interest rates imposed by the Loan Agreements. Therefore, to minimise WHART's financial costs, the REIT Manager deemed it appropriate for WHART to issue and offer debentures which has the details as follows:

<b>Use of Proceeds</b>	⌘ To prepay and/or repay loans under the Loan Agreements or other outstanding debts of WHART (either for the purpose of refinancing or making payment on the due date), and to pay all other costs, fees and expenses relating to the offering of debentures
<b>Offering</b>	⌘ Debentures may be offered onshore and/or offshore to the public and/or institutional investors and/or high net worth investors and/or by private placement in one or several tranches and occasions. Debentures may be offered to the existing trust unitholders whose debentures will soon become mature or redeemable before the maturity date. However, each offering must comply with applicable laws, rules, notifications and requirements imposed by the relevant government agencies and authorities, including the requirements to acquire permits, approvals and consents
<b>Type</b>	⌘ Debentures may be registered or unregistered, unsubordinated, secured or unsecured, amortised or bullet, with or without a debentureholders' representative; however, this mainly depends on the market condition at the actual time of the issuance and offering of such debentures
<b>Amount</b>	⌘ At any time, not exceeding THB 8,000 million
<b>Currency</b>	⌘ Baht-denominated
<b>Tenor</b>	⌘ Not exceeding seven (7) years
<b>Coupon rate</b>	⌘ Fixed rate throughout the term of debentures, depending on the suitability and market condition at the time of such offering

Mr. Piyapong further clarified that the REIT Manager has established key principles for each offering of WHART debentures as follows:

- (i) the coupon rate must be appropriate;

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- (ii) the financial costs of WHART must be reduced when comparing with the interest payment under the Loan Agreements or other debts which will be prepaid/repaid by the proceeds received from the offering of debentures, also taking into account all other costs, fees and expenses incurred by WHART in relation to such offering of debentures; and
- (iii) the timing for the offering of debentures must be appropriate.

After the Meeting approved the issuance and offering of debentures by WHART, the REIT Manager has a plan to issue the debentures in one or more tranches in an amount not exceeding THB 4,200 million to: (i) prepay all outstanding debts under the Cap 1 Loan Agreement and the Cap 3 Loan Agreement, (ii) partially prepay debts under the Cap 4 Loan Agreement and (iii) release the relevant security assets provided under the Loan Agreements mentioned in (i) – (ii) above. The initial offering of debentures will follow the principles stated in (2) above. The REIT Manager is now considering the appointment of an arranger(s) for the initial offering. Initially, there are two candidates, namely Kasikornbank Public Company Limited (**KBank**) (which is a connected person related to the Trustee) and Phatra Securities Public Company Limited. However, the REIT Manager has the sole discretion to appoint other entities as arranger as it thinks fit.

As KBank is a parent company of the Trustee, Mr. Piyapong, therefore, explained that the transaction relating to the offering of debentures may give rise to a conflict of interest between WHART and the Trustee. Details of which are as follow:

1. An appointment of KBank as an underwriter on a firm underwritten basis in respect of the initial offering of Debentures.

Once the Meeting approved the issuance and offering of debentures by WHART, the REIT Manager will consider appointing underwriters for the debentures of WHART. In the case where KBank is appointed as an underwriter on a firm underwritten basis, KBank will be required to purchase the remaining amount of unsubscribed Debentures in proportion to its commitment. As KBank is considered to be a related party to the Trustee, if KBank purchases the debentures, KBank will become a creditor of WHART which may give rise to a conflict of interest between WHART and the Trustee.

2. An offering of the Debentures to any funds managed by Trustee acting as manager of those funds

In addition to its role as Trustee of WHART, the Trustee also engages in the business to manage the investment for funds at its own discretion. If the Trustee exercises its discretion to procure that any fund under its management purchases the debentures, the relevant fund will become a creditor of WHART, which will again give rise to a conflict of interest between WHART and the Trustee.

Before proceeding with any of the transactions above, the REIT Manager will follow the procedure specified in Clause 13 of the Trust Deed. To specify, the REIT Manager will disclose the information and details relating to the transactions to all the trust unitholders at least 14 days prior to transaction date in order to allow the unitholders to make an objection in accordance with Clause 13 of the Trust Deed. The disclosure of such information will be done through the electronic disclosure system of the SET.



Upon completion of the initial offering of debentures of WHART, the REIT Manager will consider issuing the next tranches of debentures when it deems appropriate in order to prepay/repay the outstanding debt under the Cap 2 Loan Agreement and the remaining debt under the Cap 4 Loan Agreement and to release the relevant security assets provided under each such Loan Agreements or to prepay/repay other outstanding debts owed by WHART. Subsequent offerings of debentures will also adhere to the key principles stated above.

Mr. Piyaopong also informed the Meeting that after the Meeting approved the issuance and offering of debentures by WHART, the REIT Manager will proceed with the submission of the registration statement and the prospectus for the debenture offering including other relevant documents to the Office of the Securities and Exchange Commission of Thailand (SEC).

Mr. Piyaopong then informed the Meeting of the REIT Manager's opinions on the pros and cons of the proposed offering of debentures by WHART as follows:

1. Expected benefits for WHART

1) Information available to the REIT Manager indicated that the financial costs relating to the issue of debentures by other debenture issuers ranking the same as WHART in credit rating are currently lower than the financial costs associated with WHART's loans. Therefore, compared to the current loans owed by WHART, the proposed offering of debentures is expected to incur lower financial costs. When the financial costs are minimised, there is much prospect that WHART's operational performance will improve.

2) The proceeds of the proposed offering of debentures will be used to prepay/repay its loans and to release the related security interests. As a result, WHART will be able to recover its assets and properties free of encumbrances, which may be further put forward to secure additional finances to support its investment projects in the future. This can assure WHART of multiple alternatives in forecasting the proportion of borrowings to capital increase in the future.

3) The coupon rate of the debentures is a fixed rate throughout the term of debentures as opposed to the lending interest rates that is floating. Therefore, the debenture's coupon rate is certain and WHART will not have the risk concerning the increase of coupon rate.

4) Issuing debentures functions as a mechanism for raising funds from a new source; this will expand WHART's current investor base towards debt securities investors.

2. Possible effects on accounting

Certain effects on accounting are unavoidable if WHART uses the proceeds of the debentures issuance to pay debt. According to bookkeeping standards relating to loans and borrowings, where the lender collects a front-end fee from the borrower in respect of any loan granted, the front-end fee must be regularly amortised throughout the term of that loan. In this regard, if WHART issues debentures and uses the proceeds of the issuance to repay its loans, deferred expenses on the front-end fee associated with those loans will be fully amortised as at the date of loan repayment. Technically, amortisation costs incurred by WHART constitute accounting costs, rather than cash expenses. As a result, WHART's capital will be significantly reduced in order to set aside funds for distributing investment yields to trust unitholders for the operating period within which the offering of debentures takes effect. In the opinion of the REIT Manager, this is a side





effect on accounting that will exist temporarily in the financial period during which the offering of debentures is launched.

Mr. Piyapong summarised opinions and the pros and cons of the proposed offering of debentures by WHART that it can help minimise WHART's financial costs and enable WHART to recover its assets and properties free of encumbrances, which provides multiple alternatives for WHART to determine an appropriate proportion of borrowings to capital increase in the future. In terms of accounting, it is foreseeable that the distribution of investment yields to investors will result in a great reduction in WHART's capital; however, such effect will last for a very short time during the launching of the offering. For the above reasons, the REIT Manager advises WHART that the issuance of debentures is a good alternative for the purpose of minimising its financial costs.

In this regard, the Trustee's opinion on this agenda is distributed to the trust unitholders as Enclosure 2 to the invitation letter

The Chairman thus asked the trust unitholders to approve an issuance and offering of debentures in one or several tranches in an amount not exceeding THB 8,000 million (on a revolving basis) to prepay and/or repay loans under the Loan Agreements or other outstanding debts of WHART (either for the purpose of refinancing or making payment on the due date), and to pay all other costs, fees and expenses relating to the offering of debentures. In addition, in order to facilitate the issuance and offering of the debentures, the Chairman would like to ask the trust unitholder to approve the appointment of the REIT Manager to have the powers and authorities to do the following:

- (i) determine terms, details and other conditions relating to the issuance and offering of debentures, e.g name of debenture, offering methodology, number of debentures to be issued at each offering, type of debentures, security, offering price per unit, tenor, maturity date, early redemption, coupon rate, payment terms in respect of the outstanding principal and accrued interest, allocation procedure and offering details and etc.; and
- (ii) negotiate, agree, sign and execute any or all documents relating to the offering of debentures, with powers to take all relevant necessary steps, including preparing, signing and filing all applications, registration statement and other documents with the SEC and other related authorities, registering the debentures with the SET and/or the Thai Bond Market Association or any secondary market, and doing all acts and things necessary or in connection with the issuance and offering of debentures until its completion and in compliance with applicable laws.

The Chairman asked the Meeting if there is any questions. The trust unitholders asked the following questions:

- (1) Ms. Jareepat Pornphiboon, a trust unitholder attended the Meeting by herself, asked the following questions:
  1. Does the REIT Manager propose to the trust unitholders to approve an issuance and offering of debentures in an amount not exceeding THB 8,000 million?
  2. How much is the total outstanding principal amount of loans owed by WHART?
  3. What is the plan for the issuance and offering of debentures?



4. What will the proceeds received from an offering of debentures be used for?

5. Is it worth issuing the debenture when taking into consideration the costs of the issuance? If the REIT Manager later found out that the issuance is not worthwhile comparing to traditional loan from financial institution, how will the REIT Manager response?

The Chairman explained that the REIT Manager proposes to the trust unitholders to approve an issuance and offering of debentures in an amount not exceeding THB 8,000 million. The total outstanding principal amount of loans owed by WHART is currently over THB 7,000 million. The debentures to be issued in each tranches may be varied in terms of the amount and the terms and conditions of each debenture issue may differ. After the Meeting approved the issuance and offering of debentures by WHART, the REIT Manager will consider the demand and supply of the debenture market in order to determine the timing and the amount of issuance. The Chairman assured the Meeting that the REIT Manager will take into consideration the interest of the trust unitholders before proceeding with the offering of debentures.

Mr. Piyapong further clarified that at the present the total outstanding principal amount of loans owed by WHART is THB 7,715 million. The proceeds were obtained from 3 financial institutions. Although the REIT Manager is proposing the Meeting to approve the issuance and offering of debentures in an amount not exceeding THB 8,000 million, the REIT Manager does not plan to issue the debentures in one tranche for the whole amount. The REIT Manager has considered relevant factors and deemed it appropriate for the initial offering of the debentures to be in an amount not exceeding THB 4,200 million in order to use the proceeds of the proposed offering of debentures to prepay/repay its loans. Details of which are as follow.

1. Loans for initial investment between WHART and BAY in an amount of THB 1,370 million.
2. The loan agreement between WHART and KBank in the total amount of THB 2,750 million which can be divided as follow:
  - 2.1 Loan for the third investment which is due in 2021 in an amount of THB 1,250 million; and
  - 2.2 Loan for the fourth investment which is due in 2022 in an amount of THB 1,500 million.

For the remaining outstanding principal amount of loans owed by WHART, the REIT Manager may consider issuing next tranches of debenture to repay/prepay those outstanding loans after it has considered the suitability and the responses from the debenture market.

The issuance and offering of debentures has the following benefits:

1. the market coupon rate on debentures tends to be lower than the lending interest rates imposed under the Loan Agreements;
2. after WHART used the proceeds received from the offering of debentures to prepay/repay its loans and released the related security assets, WHART will be able to recover its assets and properties free of encumbrances, which may be used for other benefit such as to secure additional finances (if any) in the future; and





3. the debentures can help reducing risk of the increase of interest rate since the coupon rate of the debentures is fixed and certain as opposed to the interest rate of loan WHART owed to the financial institution which are floating and may be increased in the future.

(2) Mr. Hungchai Akkawaskul, a trust unitholder attended the Meeting by himself, inquired that if in the future there is a problem with the debenture market and WHART is unable to acquire loans from financial institutions, the change from acquiring loans from the financial institutions which associates no risks to acquiring funds from the issuance and offering debentures which associates more risks will be worthwhile or not? In the future, when the debentures are matured, will WHART have any risk associated with finding new source of funds to repay debts under the debentures?

The Chairman clarified that the REIT Manager has spent sufficient time studying this transaction before proposing to the trust unitholders today. The REIT Manager has considered relevant factors and deems it appropriate for the initial offering of debentures to be in an amount not exceeding THB 4,200 million. It is a duty of the REIT Manager to act for the best interest of WHART and to ensure that WHART will be able to issue and offer the debentures with the possible lowest interest rate.

Mr. Piyapong further clarified that although the main purpose of the offering of debentures is to use the proceeds to prepay the outstanding loans of WHART, however, this does not mean that WHART will restrain from acquiring loans from financial institutions. It is appeared to the REIT Manager that WHART may need to borrow money from financial institutions in order to mitigate risks for both WHART itself and the investors. In addition, as the borrowing proportion of WHART is low, it is rather certain that when the debentures become matured and if WHART requires funds to repay the debt under the debentures, the financial institutions should be happy to lending money to WHART.

(3) Mr. Anu Wongsarnkit, a trust unitholder attended the Meeting by himself, inquired that:

1. in the present, how much is debt to equity ratio of WHART? And how will this ratio change after the issuance of debentures?

2. what is the current credit rating of WHART?

3. please explain the pros of the release of security assets provided to the financial institutions under the Loan Agreements, for example if the assets of WHART are free of encumbrances, WHART will be able to sell these assets.

Mr. Piyapong clarified that the issuance and offering of debentures by WHART will not affect the debt to equity ratio of WHART as the proceeds received from the offering of debentures will be used to refinance the outstanding loans. The ratio of the financial indebtedness to the total asset value of WHART is currently at around 30% or if considering debt to equity ratio is equal to 0.4. For so long as the debentures are outstanding, the REIT Manager will try to keep the ratio of the financial indebtedness to the total asset value of WHART in the same level at around 30%-35%. In terms of the credit rating of WHART, currently the credit rating of WHART is at A stable, which is considered to be the best credit rating among the REIT at the present.

For the matter concerning the release of security assets provided under the Loan Agreements, after the security assets are released, it is certain that WHART will be able to sell those assets, however, the sale of WHART's assets will result in WHART having a lower rental income. Moreover, the sale



of assets can only provide investors with one-time return which may not be in line with the purpose of long-term investment of many investors. However, besides selling the assets, WHART may be able to use those assets to secure additional finances from financial institutions which the necessity and suitability will be determined at such relevant time.

(4) Mr. Tara Chonprani, a trust unitholder attended the Meeting by himself, inquired the following questions;

1. Why does the REIT Manager propose this matter in the Annual General Meeting of Trust Unitholders which will be held in April? Why does the REIT Manager called a separate Extraordinary Trust Unitholders' Meeting urgently for the issuance of debentures?

2. Why doesn't WHART issue and offer the debentures in one tranche instead of issuing and offering the debentures in several tranches?

3. If the offering of debentures is not success, will WHART continue to prepay loans to the financial institutions?

4. Will the issuance of debentures result in the change of WHA Corporation Public Company Limited (**WHA Corporation**)'s policy on the sale of assets to WHART?

Mr. Piyapong clarified that before issuing and offering of debentures, there are certain matters which are required to be taken into account, for example the condition of the debentures market and the demand and supply of the debentures in the market. The REIT Manager also saw that the lending interest rates are increasing. Therefore, it is vital that WHART issues and offers the debentures at the period of time where the coupon rates of the debentures still benefit WHART. If the REIT Manager waited until the Annual General Meeting of Trust Unitholders, the process of issuance and offering of the debentures might not be completed in time to fully serve the purpose of the issuance and offering of debentures. The reasons the REIT Manager decided to issue the debentures in several tranches is that the REIT Manager saw that it is more beneficial for WHART in terms of the coupon rates and the average maturity date of the debentures. On the offering of debentures, if WHART can enter into a firm commitment underwriting agreement with KBank, it can be assured that all debentures issued and offered by WHART will be fully subscribed.

Mr. Arttavit, the representative from WHA Corporation, clarified that WHA Corporation's policy on the sale of assets to WHART will remain the same; that is to maintain mutual benefit between WHART and WHA Corporation. WHA Corporation will continue to sell assets which have good quality and have sufficient lease rate to WHART. WHA Corporation, as a real estate developer, will be able to use the money received to reinvest for its shareholders, while WHART, on the other hand, will receive an opportunity to invest in good quality assets which can also help increase the size of WHART's assets. However, the majority of assets that WHA Corporation will sell to WHART will still be those Build-to-Suit assets.

(5) Mr. Chanchai Chakornvej, a trust unitholder attended the Meeting by himself, inquired KBank whether there is a possibility that the coupon rate of the debentures issued and offered by WHART will be lower than WHART's lending interest rates which is currently at around 3.5% per year?

A representative of KBank clarified that this mainly depends on the market condition at the actual time of the issuance and offering of such debentures. However, KBank had considered the coupon rate of the debentures in the debentures market issued by the companies having credit rating at the same rate



as WHART and it appeared to KBank that the coupon rate is generally lower than 3.5% per year. If the condition of the debentures market does not change, there is a possibility that the coupon rate of the debentures issued and offered by WHART will be similar to those companies.

None of the unitholders raised any further questions, therefore the Chairman asked the trust unitholders to cast their votes on this Agenda

#### **Meeting's resolution**

The Meeting considered and casted their votes as follows (exclusive of the votes of trust unitholders with conflict of interest in this Agenda)

- |   |             |               |       |               |          |
|---|-------------|---------------|-------|---------------|----------|
| - | Approved    | 1,324,340,265 | votes | equivalent to | 99.8759% |
| - | Disapproved | 1,035,000     | votes | equivalent to | 0.0781%  |
| - | Abstained   | 610,143       | votes | equivalent to | 0.0460 % |

of the total votes of the trust unitholders attending the Meeting and being entitled to vote

#### **Agenda 3 Other matters**

The Chairman asked the Meeting if there were any question. The trust unitholders asked the following question:

(1) Mr. Anu Wongsarnkit, a trust unitholder attended the Meeting by himself, inquired that how Muang Thai Life Assurance Public Company Limited has an interest in the issuance and offering of debentures by WHART? As the financial statement of WHART of the previous year was just announced this morning, can the REIT Manager explain the vision of REIT Manager on the management of business for WHART, including clarifying WHART's financial statement, WHART's EBITDA and the vision on Eastern Economic Corridor (EEC) policy and how the REIT Manager plan to increase the asset size of WHART?

Mr. Kasamsi clarified on the issue of Muang Thai Life Assurance Public Company Limited's interest in the issuance and offering of debentures by WHART that KBank is a major shareholder of Muang Thai Life Assurance Public Company Limited. Therefore, Muang Thai Life Assurance Public Company Limited is considered to be a related person of KBank. Since part of the proceeds received from an offering of debentures will be used to repay WHART's loan under the Loan Agreements with KBank, it is considered that Muang Thai Life Assurance Public Company Limited, as an associated company of KBank, has benefit or special interest in this matter.

Mr. Piyapong clarified on the matter concerning the management of the REIT Manager that WHART's occupancy rate was at around 90% - 95% last year. The lowest occupancy rate was at 90% and the highest was at 94.7% in the 4th quarter of last year. Although, there were a numbers of lease agreements expired last year, however WHART succeeded in renewal those agreements, therefore, the occupancy rate of WHART remained at a rate above 90%. On the financial statements, it clearly shows that the income of WHART increased. However, the increasing rate of income is not that high comparing to the amount of assets increased as WHART just received the transfer of investment assets at the end of November and,

therefore, the financial statements had only recognised the revenue from the new assets in December while the whole amount of the newly issued and offered trust units was immediately recognised.





On the EEC, when considering the type of lessees of WHART, it is obvious that around 50% of WHART customers are those in groups of commodity, consumption, clothing, food, and medicine products while only 11% is accounted for those factory operations in EEC zone (i.e. Chonburi, Rayong and Amata Nakorn Industrial Estate). If WHART could increase its investment in those Build-to-Suit factory, this will help expand customer base of WHART. Moreover, if WHART could increase the investment in this sector, the risk of receiving income will also be effectively spread.

Mr. Piyapong further clarified that numbers of WHART's lease agreements will be expired this year. However, it is expected that the REIT Manager will be able to maintain the renewal rate in the level similarly to last year. The REIT Manager has the policy to maintain the same occupancy rate. The increase of rental fee, on the other hand, may not be achieved, however, the REIT Manager will try to gain as much money into WHART in order to pay expenses and make dividends payment to the trust unitholders which should be the most important matter in this year. For the next year, when the expiration of the lease agreements decreases, the REIT Manager expected to see the growth of rental fee.

(2) Mr. Morakot Chaithongkam, a trust unitholder attended the Meeting by himself, inquired that the following question:

1. does the REIT Manager determine the rental fee of WHART's assets based on CPI or other criteria? What is the average remaining terms of lease agreements for all the old and new assets? What is the strategy of the REIT Manager in competing with the competitors in the market?

2. To which level does the REIT Manager aim for the size of WHART?

Mr. Piyapong clarified that: (1) WHART is rated by TRIS at A stable because WHART's occupancy rate is high. The average rental fee received from lessees is also high when comparing to other competitors in the market. The overall occupancy rate of the market of the warehouse is around 75% - 80%. In addition, the characteristics of WHART's lessees and the competitor's lessees are different as the areas rented by WHART's lessees are considered to be very large (although there is only 20 projects), having the size of rental area per lease agreement at around 17,000 square meters, while the size of rental area of other competitors in the market is significantly lower at around 3,000-5,000 square meters per lease agreement. The risk concerning the lessees of other competitors is different from WHART and, therefore, WHART is rated at A stable; and (2) the current size of WHART is around THB 27,000 million. If WHA Corporation would like to sell their assets, WHART still have the right of first refusal and WHA Corporation has the duty to give priority and sell their assets to WHART for the next 3 years. If WHART increases the purchase of assets in each year at around THB 3,000 – 5,000 million, the asset size of WHART will increase to around THB 12,000 million in the next 3 years. The REIT Manager believes that the size of WHART's assets is capable of increasing to THB 40,000 million. The REIT Manager will determine how and when to purchase additional assets.

(3) Mr. Somsak Kanokpakorn, a trust unitholder attended the Meeting by himself, inquired the following questions:

1. At which percentage of total asset values of WHART can WHART create debt? And since the asset value of WHART at present is around THB 27,000 million, why does WHART has the necessity to borrow the money in an amount up to THB 7,000 million which is equivalent to around 30% of the total asset value of WHART and is considered to be very high when comparing to the property fund?



2. Which type of assets WHART normally provided as security under the Loan Agreements: those assets which WHART has ownership or those which WHART has leasehold right?

3. If the debentures issued and offered by WHART are not fully subscribed, will KBank purchase the remaining debentures unsubscribed?

Mr. Piyapong clarified that: (1) in case of property fund, the laws only allow property fund to borrow money for an amount equivalent to 10% of the total asset value of such fund. However, REIT was established under the Trust for Transactions in Capital Market Act B.E. 2550 (2007), therefore, REIT can borrow money for an amount up to 35% of the total asset value or 60% of the total asset value if the credit rating of such REIT is equal to or above investment grade. Although WHART's credit rating is A stable, the REIT Manager deemed it appropriate and beneficial to WHART to maintain the borrowing ratio of WHART at around 30% of the total asset value. If WHART does not borrow any money, the ability to make dividends payment will be lower; (2) on the security assets, WHART can use both the assets which WHART has ownership and the assets which WHART has leasehold right as security under the loan agreement; and (3) On the issuance and offering of debentures, if WHART could enter into the firm commitment underwriting agreement with the underwriters, it is certain that all the debentures issued by WHART will be fully subscribed.

(4) Mr. Tara Chonpranee, a trust unitholder attended the Meeting by himself, inquired that why WHART does not increase its borrowing ratio to 60% of the total assets of WHART which may provide the trust unitholders with higher return?

The Chairman clarified that the REIT Manager does all the acts to manage WHART including managing the amount of borrowings of WHART to ensure that it remains in the appropriate proportion and is in the best interest of WHART and the trust unitholders. Firstly, if WHART has high borrowing ratio and low capital increase, WHART and the trust unitholders will have higher risk. Secondly, in determining the ratio of borrowing and capital increase, the REIT Manager must consider relevant factors and the appropriateness. The borrowing to total asset ratio of 60% is the highest proportion which is allowed by the SEC, however, the condition of the market and other relevant matter shall also be taken into consideration when considering such ratio.

Mr. Piyapong further clarified that the high rate of borrowing ratio will result in WHART having higher repayment risk. For example, some of the REIT established in Singapore has borrowing ratio at around 50% of its total asset value and during which period when the value of the real estate assets in Singapore decrease, many of the REIT could not adjust to the immediate decreasing value. As a result, many REIT have to sell its assets at a lower price to repay its outstanding debts. The REIT Manager has a policy for WHART to gain appropriate benefits, have certainty of income and manage the risk at an appropriate level, therefore, it might not be able for WHART to increase much of the ratio of the financial indebtedness to the total asset value of WHART. However, if in the future the lending interest rates significantly decrease and WHART receive better rental fee, there is a possibility that WHART may increase such borrowing ratio.

(5) A trust unitholders inquired the following questions:

1. When WHART increased its capital and purchased additional assets, if there is a space available for rent, WHA Corporation, as the Sponsor, will pay rent for such available space to

WHART. Currently, is there any rental fee paid by WHA Corporation? And what is the detail of such payment? Current, what is the ratio between freehold and leasehold assets?





2. What is the current ratio of the freehold asset and leasehold asset of WHART? Which type of asset does REIT Manager prefer to purchase in the future between freehold asset and leasehold asset?

3. Between warehouse and office for lease, which asset has more fluctuated occupancy rate?

Mr. Piyapong clarified that: (1) The rental payment for the left space by WHA Corporation still exists but is not considered to be in a high rate. The occupancy rate in the fourth quarter of last year was at 94.7% and it is the occupancy rate of the actual lessees. If the rent paid by WHA Corporation is included, the rate would be around 97%. WHA Corporation has the duty to continue making payment to WHART for the next 2 years; (2) the current ratio between freehold and leasehold assets is about 70:30. The REIT Manager plans to maintain such ratio, although there might be more investments in both types of the assets in the future. However, the general overview of the ratio should remain same as it is appeared to be the most suitable ratio; and (3) this mainly depends on the terms of lease agreements. The hotel typed assets are the most fluctuated assets as it is a daily agreement. In case of office typed assets, although some of the lease agreements is a long term lease of 9 years term, however, the most common term of such type of asset is 3 years. In case of warehouse typed assets, the terms can be 3 years, 5 years and 10 years. Therefore, it is less fluctuated. However, each type of assets has its own special value. For example, in the case of the hotel that is situated next to the beach, if the hotel is closed and sold, there could be a high benefit from the increasing of price. In case of the office, although the average term of lease agreement is 3 years, however, the price of the land in the city increases faster than the price of the land in the rural area where the warehouses are situated. Therefore, it is obvious that each REIT has different types of investments.

(6) Mr. Nara Sripetch, a trust unitholder attended the Meeting by himself, inquired about the ability to incur debt of WHART that if in the future it appears to us that the borrowing ratio at 60% provides more benefit to WHART, will there be any cost accounting for the lost of opportunity?

The Chairman expressed his appreciation to the trust unitholder for the suggestions and accepted his concern for future consideration.

Since there was no one proposing any further matter to the Meeting for consideration, the Chairman thanked to the trust unitholders and other relevant persons and declared the Meeting adjourned at 16.30 p.m.

(Mr. Kamthorn Tatiyakavee)

Chairman of the Meeting